



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
INCLUDING AUDITORS' REPORTS

*FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2012*

CITY OF MANITOWOC, WISCONSIN

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

INCLUDING AUDITORS' REPORTS

FOR THE FISCAL YEAR ENDED

DECEMBER 31,

2012

Prepared by Department of Finance

Steve Corbelle, Finance Director

Anthony Scherer, Assistant Finance Director

INTRODUCTORY SECTION

CITY OF MANITOWOC, WISCONSIN
December 31, 2012

Table of Contents

	<u>Page No.</u>
INTRODUCTORY SECTION	
Table of Contents	1 - 3
Letter of Transmittal	4 - 11
GFOA Certificate of Achievement	12
Table of Organization	13
Elected Officials	14
Department Heads/Appointed Officials	15
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	16 - 17
MANAGEMENT'S DISCUSSION AND ANALYSIS	18 - 31
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	32
Statement of Activities	33 - 34
Fund Financial Statements	
Balance Sheet - Governmental Funds	35 - 36
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	37 - 38
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	39
Statement of Net Position - Proprietary Funds	40 - 41
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	42 - 43
Statement of Cash Flows - Proprietary Funds	44 - 47
Statement of Fiduciary Net Position - Poor Relief Fiduciary Fund	48
Statement of Changes in Fiduciary Net Position - Poor Relief Fiduciary Fund	49
Notes to Basic Financial Statements	50 - 73
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress - Other Post-Employment Benefit Plan	74
Schedule of Employer Contributions - Other Post-Employment Benefit Plan	75

CITY OF MANITOWOC, WISCONSIN

December 31, 2012

Table of Contents

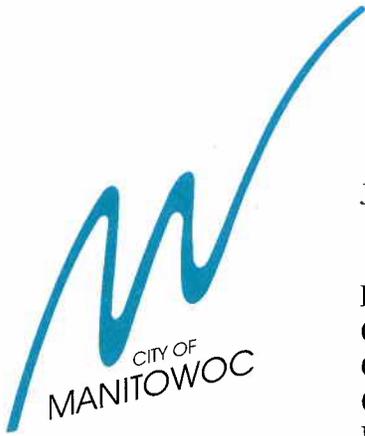
	<u>Page No.</u>
FINANCIAL SECTION (Continued)	
SUPPLEMENTARY INFORMATION	
General Fund	
Schedule of Budgeted and Actual Revenues	76 - 79
Schedule of Budgeted and Actual Expenditures	80 - 81
Combining Balance Sheet - Nonmajor Governmental Funds	82 - 87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	88 - 93
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	94 - 102
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Funds	104 - 119
Combining Statement of Net Position - Internal Service Funds	120
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	121
Combining Statement of Cash Flows - Internal Service Funds	122
Capital Assets Used in the Operation of Government Funds Comparative Schedules by Source	123
Schedule by Function	124
Schedule of Changes by Function	125
STATISTICAL SECTION	
Net Position by Component - Last Ten Fiscal Years	126
Changes in Net Position - Last Ten Fiscal Years	127 - 129
Fund Balances of Governmental Funds - 2003-2010	130
Fund Balances of Governmental Funds - 2011-2012	131
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	132 - 133
General Governmental Tax Revenues by Source - Last Ten Fiscal Years	133
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	134
Property Tax Rates - Direct and Overlapping Governments	135
Principal Property Taxpayers	136
Property Tax Levies and Collections	137
Ratios of Outstanding Debt by Type	138
Ratios of Net General Obligation Bonded Debt Outstanding	139

CITY OF MANITOWOC, WISCONSIN

December 31, 2012

Table of Contents

	<u>Page No.</u>
STATISTICAL SECTION (Continued)	
Debt Service Requirements to Maturity General Obligation Bonds	140 - 141
General Obligation Notes	142 - 143
Water Mortgage Revenue Bonds	144
Electric Power System Mortgage Revenue Bonds	145
Wastewater Treatment Plant Revenue Bonds	146
Direct and Overlapping Governmental Activities Debt	147
Legal Debt Margin Information	148
Revenue Bond Coverage Water Mortgage	149
Electric Power System	150
Demographic and Economic Statistics	151
Principal Employers	152
Full-time Equivalent City of Manitowoc Employees by Function	153
Operating Indicators by Function	154
Capital Asset Statistics by Function	155
Miscellaneous General Data City Departments	156 - 184
Information on Other Pertinent Activities and Organizations	185 - 195
SINGLE AUDIT SECTION	
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	196 - 197
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance	198 - 199
Schedule of Federal and State Expenditures	200 - 201
Notes to the Schedule of Federal and State Expenditures	202
Schedule of Findings and Questioned Costs	203
Schedule of Prior Year Audit Findings and Corrective Action Plan	204



July 5, 2013

Honorable Mayor Justin M. Nickels
Common Council
City of Manitowoc Citizens
City of Manitowoc
Manitowoc, Wisconsin 54220

Mayor Nickels,

Wisconsin Statute Section 86.303(5)(g) requires that all municipalities having a population of 25,000 or more must publish within seven (7) months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, submitted herewith is the comprehensive annual financial report of the City of Manitowoc, Wisconsin for the fiscal year ended December 31, 2012. This report was prepared by the City's Finance Department.



OFFICE OF FINANCE/
TREASURER

This report consists of management's representations concerning the finances of the City of Manitowoc. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Manitowoc has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Manitowoc's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Manitowoc's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Manitowoc's financial statements have been audited by Schenck Business Solutions, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Manitowoc for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Manitowoc's financial statements for the



The City provides a full range of municipal services contemplated by statute or character, including public safety, streets, sanitation, parks-recreation-culture, public improvements, planning and zoning, transit, water and electric systems, and general administrative services. Public safety is provided with four fire stations and 57 firefighters, a rescue squad manned by 52 members trained to paramedic skill level and a police department with 66 sworn officers. The Public Works Department is responsible for the engineering, designing and inspection of City construction projects, and maintenance of public roadways within the City. The City owns the Manitowoc Public Utilities, which is governed by a seven-member commission. The Department of Parks and Recreation maintains the City's parkland and recreational buildings and coordinates a year-round recreation program for Manitowoc residents. Total full time equivalent municipal employment numbers 367 and part time numbers 10. The School District of Manitowoc services the City and provides a comprehensive program for students in kindergarten through the twelfth grade. The district facilities consist of one comprehensive high school, an alternative high school (operating as a charter school), a specialized school for a handful of children in grades 1-8 with significant emotional/behavioral disabilities (operating as a charter school), two junior high schools, six grade 1-6 elementary schools and an early childhood center. Higher education is provided by the University of Wisconsin-Manitowoc, which specializes in freshmen/sophomore curriculum for students to begin their studies before transferring to four-year undergraduate public or private colleges, and Silver Lake College an independent four-year college with career directed programming. Within commuting distance, Lakeshore Technical College in Cleveland, Wisconsin is a public, non-profit college. The college has evolved from mainly offering basic skill courses to the need of technical skills and offering technical courses in computers and other sophisticated equipment.

The annual operating budget serves as the foundation for the City of Manitowoc's financial planning and control. The operating budget includes proposed expenditures and the means of financing them and is legally enacted by council action no later than November 30. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level. The general fund, special revenue funds, debt service fund and capital projects funds have legally adopted budgets. Budget-to-actual comparisons are provided in this report for each of these funds. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplemental information subsection of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Manitowoc operates.

Long-Range Financial Plan. The City of Manitowoc prepares and publishes a Five-Year Capital Improvement Plan (CIP). The plan contains capital and infrastructure costs of \$5,000 or more based on the City's capitalization policy. The CIP details annual funding sources, expenditures, and narrative descriptions for the capital

improvements. The CIP is updated on an annual basis and is used as a planning document during the annual budget process.

Financial Policies. The City of Manitowoc has adopted a comprehensive set of financial policies as guidelines for the annual budget process. The adopted policies consist of the following: Unassigned General Fund Balance; Debt Management; Capitalization Threshold; Major Equipment and Vehicle Acquisition; and Disposal of Surplus Equipment.

Economic Information/Outlook. The City of Manitowoc is a growing community with an estimated 2012 population of 33,750 and a 2011 equalized valuation of \$1,914,413,300. The equalized valuation has grown by 16.58% since 2002 and 228.91% since 1992. Between 2011 and 2012, the City lost 3.15% in the full value of its real and personal property, with the largest actual dollar decrease in residential and commercial properties.

The City of Manitowoc has experienced economic stability with our labor force and appears to be poised for growth in 2013. In 2012, the City's top employer is The Manitowoc Company-Crane Division with 1,235 employees. A health care provider, Holy Family Memorial Medical Center, is the City's second largest employer at 920 employees. The Manitowoc Public School District has a staff of 903 and Thermo Fischer Scientific, a manufacturer of analytical instruments has a workforce of 600 employees.

The unemployment rate for the City of Manitowoc in December 2012 was 8.6% up from 7.9% in November and equaled the 8.6% rate for December 2011. The city's unemployment rate was the 8th highest of 31 cities monitored by the state Department of Workforce Development. The state's December unemployment rate was 6.7%, with a U.S. unemployment rate of 7.8%.

The Lake Michigan Carferry Service based in Ludington, Michigan, began service to Manitowoc in May of 1992. The City renovated the dock facility to accommodate the Carferry Service, with payments from the Carferry Service repaying the debt borrowed for the renovation. Tourism remained strong in 2012, with the Carferry Service transporting passengers between Ludington, MI and Manitowoc. The local economic impact from this operation is currently estimated at \$15-\$20 million.

Planning, Housing and Economic Development. The City completed one (1) annexation in 2012 for a total of 20.05 acres. There were no residents residing in the annexation area. Since 1990, the City has annexed 3.475 square miles of area. The total area of the City as of December 31, 2012 is 18.333 square miles.

In 2012, there was one (1) new residential subdivision added to the City's housing inventory creating 16 new residential lots; an improvement over 2011, when no residential subdivisions were platted.

The Department received, reviewed, and approved site plans for 16 projects in 2012, including nine (9) developments with construction values estimated in excess of \$500,000 per project. In 2011, there were a total of 13 site plans reviewed. In 2012, there were a total of 96 commercial, industrial or governmental buildings for which construction permits were issued. The

estimated cost of all the 2012 projects was \$16.8mm. Some of the major development projects in 2012 are listed below.

Construction of a 39,000sf music education and performance center at a local college. The estimated cost of construction is \$7.3mm.

Construction of a 44,500sf industrial building expansion in the I-43 Industrial Park. The estimated cost of construction is \$2.3mm.

Construction and upgrade of an electrical transmission substation. The estimated cost of construction is \$2.0mm.

Construction of a 4,100sf bus transit transfer station. The estimated cost of construction is \$1.2mm.

Fourth floor hospital interior remodel with an estimated cost of construction of \$1.2mm.

Construction of a 9,472sf office addition in the I-43 Industrial Park. The estimated cost of construction is \$700,000.

Construction of a 21,327sf industrial building expansion in the Manitowoc Industrial Park. The estimated cost of construction is \$650,000.

Construction of a 7,200sf retail tire service business in the Harbor Town Center. The estimated cost of construction is \$565,500.

Second floor bank interior remodel with an estimated cost of construction of \$556,000.

The Department, in conjunction with the City Plan Commission, reviewed and approved 30 Certified Survey Maps ("CSM") in 2012. This compares with 21 CSM's reviewed in 2011. Additionally, the Department facilitated the completion of four (4) rezonings, 12 conditional use or special use permits, one (1) annexation, four (4) animated sign Special Permits, four (4) requests for a street vacation, and four (4) requests for changes to the Official Map, as well as 19 other miscellaneous projects ranging from releasing easements, to requests to purchase City- owned property.

The City continued its investment in Mainly Manitowoc, Inc., which, through the Department, coordinates the City's Main Street Program in downtown as part of the Wisconsin Main Street Program. The City disbursed \$14,815 in payments to the organization in 2012 pursuant to an amended "Services Agreement" between Mainly Manitowoc and the City, which details a public funding match of 3 private:\$1 public dollar, up to a maximum of \$40,000 in public funding per calendar year.

In late 2011 and all of 2012, the Department received and administered a \$64,000 Coastal Management Grant. The Department working in coordination with the

City Engineering Department partnered with the Wisconsin Maritime Museum on the grant to design, administer and construct a pedestrian walkway below the 8th Street Bridge in historic downtown. The project also included the design, administration and construction of the "Maritime Museum's Commons Area" which converted an underused outdoor area, into a space which will be used to host public gatherings and events.

In 2012, the Department authored and submitted a Coastal Management Grant application applying for 2013 funding to create a preliminary design and engineering study to investigate the logistics and feasibility of constructing a sheet wall system with an adjoining river walk trail along 2,200 linear feet of the Manitowoc River.

Residential construction in the City in 2012 added a total of 19 single and two (2) family units of which nine (9) were single family. There was also one (1), 16-unit housing facility constructed in 2012. In 2011, there were 18 single and two (2) family residential housing units constructed, of which 12 units were single family dwellings. The estimated total construction cost for 2012 housing was \$4.9mm, compared to \$5,743,711 in 2011, \$4.4mm in 2010, and \$5.8mm in 2009.

Direct financing support in the amount of \$50,000 was provided by the Department to one (1) downtown startup restaurant in 2102. These funds were provided through the City's downtown revolving loan fund program. These public funds leveraged \$150,000 in private capital, and will ultimately create 5 new jobs. Additionally, the Department facilitated amendments to several City Tax Incremental Financing (TIF) districts to establish "distressed" district designations, and to establish donor TIF linkages to the distressed districts. The TIF changes were approved in 2012.

Additionally, the City continued to implement a 2011, \$400,000 from US EPA under its "Community-Wide Assessment" grant program to support environmental assessment activities at hazardous substance and petroleum brownfield sites throughout the City. This funding to date, has been applied toward the preparation of environmental studies on several brownfields in the City, as well as towards area-wide planning related to the blighted Lakeview Centre mall north of downtown. In 2012, the Department completed integrated brownfield data layers into the City's Geographic Information System ("GIS").

The Department continued to administer the City's farmers' market, which registered over 80 vendors for the 2011 season.

Geographic Information Systems and City Website

The City's overall Geographic Information System ("GIS") is maintained by the Department. The Department maps daily, using information from all assets of the City.

In 2012, the sewer conversion project continued with the assistance of R.A. Smith National, Inc. This project was part of Phase II of a 2009 "GIS Needs and Assessment Plan". The Department is on a team with the Engineering

Department for this project.

The Department updates the City's zoning, Official Map, aldermanic districts, and annexation maps as changes occur.

GIS layers that are linked to the Assessor's CLT database are now regularly being used by several departments. These layers are used continuously to query fields in the database, and to create mailing lists for the Department, as well as the Engineering, Parks & Recreation, Assessors, Building Inspection, Public Works, Police and Fire Departments, and the Manitowoc Public Utilities ("MPU"). The City also queries, on a quarterly basis, for the Main Street Program area and the historic downtown.

All GIS software and maintenance agreements were upgraded by the Department. One (1) Department staff, one (1) Engineering staff, and one (1) Assessor employee used GIS on a daily basis in 2012, down from a total of 7 (seven) users in 2011. The Department sent the Associate Planner to the WI Land Information Associate Annual Conference, ESRI WI User Group meetings, and ESRI Python Scripting training sessions in 2012.

The Department completed several mapping and graphic arts projects for use by the Department and the City's Plan Commission, as well as the City Council, Mayor, Engineering, Assessor, Cemetery, Parks, Police, Fire, Building Inspection, Clerk, Rahr-West, Maritime Metro, and Finance departments. Some examples of the projects are the mapping of a fire response district map, future park land use/planning maps, real estate foreclosure activity, and a map of commercial real estate sales in the southwest portion of the City. Additionally, the Department has utilized GIS to assist the Police Department in its annual reporting of crimes and sex offender release maps. Recently, the Police Department has added on the task of twice a week reports of mapping crimes from the AeGIS reporting system using the City GIS. Other interesting projects that the Department assisted using GIS with were the Clerks office SVRS district boundary changes for registered voters and addressing, and polling place maps for each district; Farmers' Market vendor mapping; GIS data compilation with the EPA grant to create a geodatabase containing Sanborn maps and old aerials scanned in and georeferenced; and Harbor Town concept plan map updates and related tables for valuations of properties. Finally, the Department responds to frequent walk-ins from the general public for hard copy maps and customer orders for digital data output, which resulted in \$802.50 revenue. The City's addressing system is also a Department function. The staff coordinates with the Manitowoc County E-911 system on maintaining all City addresses for the purpose of dispatch. The addresses are also a part of the City's GIS geodatabase.

The Department maintains ArcIMS and Adobe PDF maps which are accessed from the City's website. All maps are accessed from the main City website by clicking 'Maps' button. The process of updating maps on the internet includes linking the City/County merged parcel shapefiles to the City/County joined Access database. This database is updated daily, and runs on a scheduled routine every evening.

The Department continues its partnership with Manitowoc County to provide mapping and assessment information on the internet via ESRI's ArcIMS software. The City also hosts all tie sheets for the City and County Public Land Survey System ("PLSS") corners, which are the cornerstones for GIS mapping. The Associate Planner assisted City Hall employees, MPU and the Police in management on the ArcIMS employee access website, allowing them to create mailing lists and custom maps, and to search the parcel database by name.

City's Website

The Department administrates the City's website and oversees three subsites--Lincoln Park Zoo, Manitowoc Family Aquatic Center, and the Rahr-West Art Museum. All four websites are hosted with an outside consultant, CivicPlus.

As administrator, the Department duties include the support and training of other staff throughout the City organization to their appropriate department website pages and content. Also the 'emergency alert notification' website training was taught to the Public Works staff for snow emergencies. The Associate Planner also attended a one (1) day user training session put on by CivicPlus. A new portion of the website upgraded in 2012 was the posting of online Common Council meeting videos for the public to view.

The Department spearheaded the reformatting of the City's Municipal Code in 2010 in conjunction with Code Publishing Company. This project reformatted years of written regulation, to a standardized and consistent format for all 30 chapters of the Code. The project was completed in the spring of 2011, and the contract *continues through 2015*. The new Municipal Code is available online in a new, easy to search, print and use format. The Department staff downloads updates to the chapters on a regular quarterly basis provided by Code Publishing. The Department also works as the liaison between Code Publishing and staff when issues arise with ordinances passed and sent to be published as part of our online code. As part of the Department's mapping, it annually reviews and updates Chapter One (1) of the Municipal Code entitled "Boundaries", and update the legal description of the City limits based on annexations.

Marketing

On a daily basis, the Department updates and maintains the two (2) electronic message signs which are located in the I-43 Technology and Enterprise Campus.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) award Certificates of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The City of Manitowoc was selected as a recipient of the GFOA Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending December 31, 2011.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR's must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City of Manitowoc has received the Certificate of Achievement for fiscal years ended 1997, consecutive years 1999 thru 2009 and 2011. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of all City Departments. I would like to express my appreciation to City department staff members who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Manitowoc's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'S. Corbeille', with a stylized flourish at the end.

Steven A. Corbeille
Finance Director/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Manitowoc
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



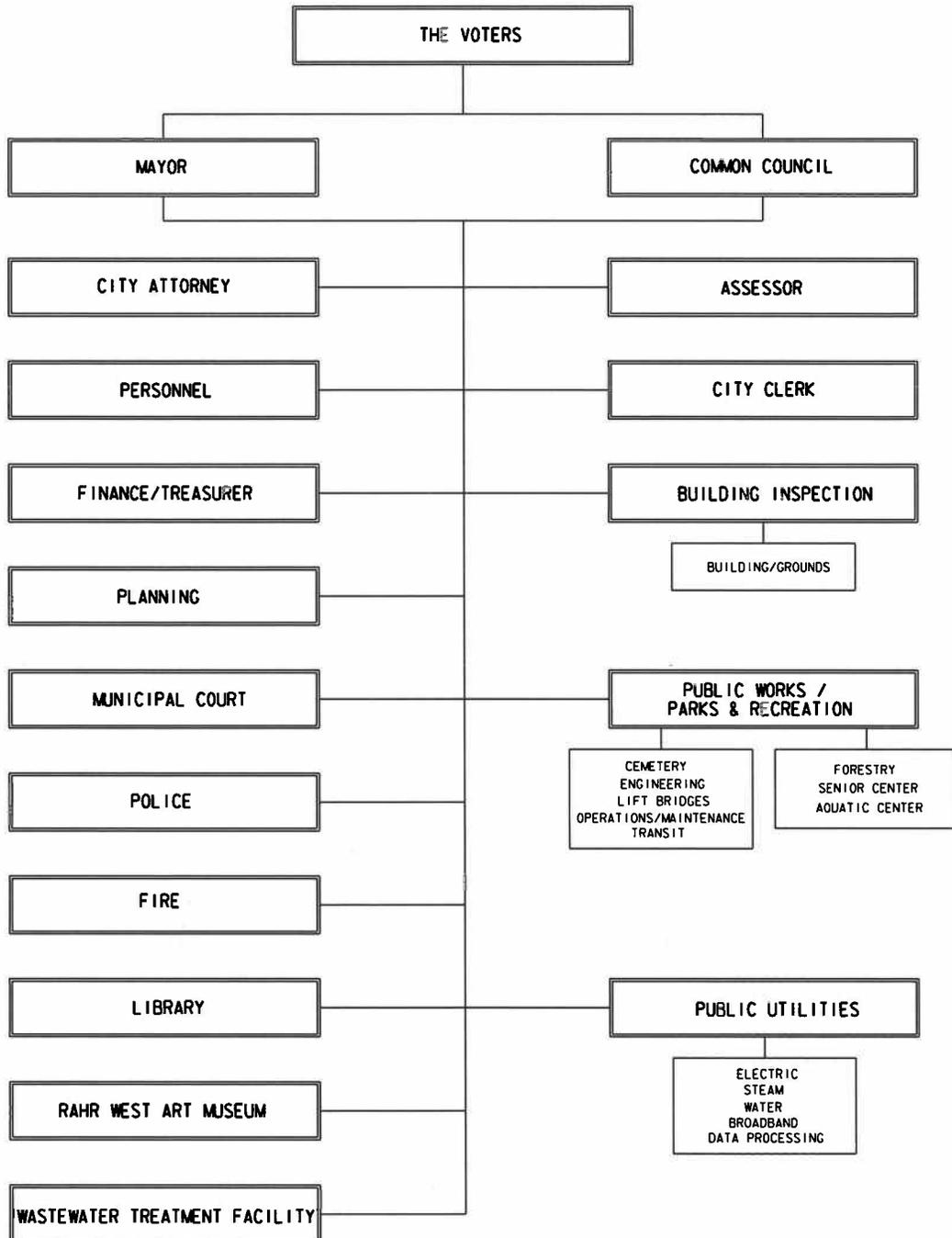
Christopher P. Moynell

President

Jeffrey R. Egan

Executive Director

City of Manitowoc
TABLE OF ORGANIZATION
2012



CITY OF MANITOWOC, WISCONSIN

General Information

ELECTED OFFICIALS

December 31, 2012

		<u>Term Expires</u>
Mayor	Justin M. Nickels	April, 2013
Common Council		
President	Jason Sladky	April, 2013
Aldermanic District		
1	Collin Braunel	April, 2013
2	Scott McMeans	April, 2013
3	Christopher T. Able	April, 2013
4	James N. Brey	April, 2014
5	Tyler Martell	April, 2014
6	Eric J. Sitkiewitz	April, 2014
7	Jill Hennessey	April, 2013
8	David W. Soeldner	April, 2014
9	Allan Schema	April, 2014
10	Jason Sladky	April, 2013

CITY OF MANITOWOC, WISCONSIN

General Information

Department Heads/Appointed Officials

December 31, 2012

		Length of Time in This Position	Length of Employment With City of Manitowoc
Finance Director/Treasurer	Steven A. Corbeille	.67 years	.67 years
City Clerk	Jennifer B. Hudon	16.00 years	21.00 years
City Attorney	Straun W. Boston	.33 years	.33 years
Municipal Judge	Steven R. Olson	4.67 years	4.67 years
Interim Director of Public Infrastructure	Gregory J. Minikel	.08 years	24.83 years
City Assessor	Sarah C. Hoppe	7.17 years	7.17 years
Police Chief	Oscar A. Dick	4.17 years	30.38 years
Fire Chief	William P. Manis	4.50 years	12.75 years
City Planner	David J. Less	25.00 years	25.00 years
Superintendent Wastewater Treatment Facility	Brian M. Helming	8.68 years	8.68 years
Director Rahr-West Art Museum	Jon G. Vadney	1.25 years	1.25 years
General Manager Public Utilities	Nilaksh J. Kothari	11.25 years	21.00 years
Director Public Library	Cherilyn Stewart	2.92 years	2.92 years
Facilities Manager	James W. Muenzenmeyer	15.00 years	24.00 years
Emergency Government Coordinator	Timothy R. Herzog	6.50 years	29.50 years

CERTIFIED PUBLIC ACCOUNTANTS

Schenck SC, Green Bay, Wisconsin

BOND COUNSEL

Quarles & Brady, Milwaukee, Wisconsin

FINANCIAL CONSULTANTS

Robert W. Baird & Co., Inc., Milwaukee, Wisconsin

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Manitowoc, Wisconsin

Report on the Financial Statements

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 Manitowoc, Wisconsin ("the City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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 as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A.5.h, the City has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. Our opinions are not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions on pages 18 through 31 and 74 through 75 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplementary information and the schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report Issued in Accordance with Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
June 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Manitowoc, Wisconsin, we offer readers of the City of Manitowoc's financial statements this narrative overview and analysis of the financial activities of the City of Manitowoc, Wisconsin for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 4-11 of this report.

Financial Highlights

- The assets of the City of Manitowoc exceeded its liabilities at the close of the most recent fiscal year by \$246,751,022 (*net position*). Of this amount, \$12,605,918 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The net position of governmental activities increased \$1,093,855 and business type activities increased by \$9,070,623 for a total increase in net position of \$10,164,478. The increase in governmental activities is mainly attributable to the repayments of long-term debt exceeding the issuance of on long-term debt and capital outlay exceeding depreciation expense. The increase in business activities is mainly attributable to positive operating results and contributions.
- As of the close of the current fiscal year, the City of Manitowoc's governmental funds and fiduciary funds reported combined ending fund balances of \$4,387,199 an increase of \$2,293,890 in comparison with the prior year. Only the general fund balance of \$1,332,914 is available for spending at the government's discretion due to deficits contained within the entities capital project accounts associated with several Tax Incremental Finance (TIF) districts. The City has and will continue taking steps to rectify this situation over the next couple of years. Plans already implemented include restructuring debt service obligations and designation of donor and distressed TIF districts to allow a cross pollination of tax increments between the donor and distressed TIF districts.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,332,914, or 5.5 percent of total general fund expenditures.
- The City of Manitowoc's total debt decreased by \$9,757,433 (6.32 percent) during the current fiscal year. The factors in this decrease were the issuance of \$7,655,000 in general obligation notes, retirement of outstanding general obligation bonds and notes amounting to \$12,055,000, and retirement of outstanding revenue bonds amounting to \$5,357,433.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Manitowoc 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 charges (*business-type activities*). The governmental activities of the City of Manitowoc include general government, public safety, public works, health and human services, conservation and development, and culture and recreation. The business-type activities of the City of Manitowoc include the Manitowoc Public Water, Electric, Steam, and Broadband Utility, a Wastewater Treatment Plant, and a Transit System.

The government-wide financial statements include the City of Manitowoc itself (known as the *primary government*). The Water, Electric, Steam, and Broadband Utility are managed by an independent commission, but are departments of the City of Manitowoc, and therefore have been included as an integral part of the primary government.

The government-wide statements can be found in the financial section of this report immediately following management's discussion and analysis.

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 of Manitowoc, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Manitowoc 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 of Manitowoc maintains 45 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 and the debt service fund, which are being considered major governmental funds. Data from the other 43 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* elsewhere in this report.

The City of Manitowoc adopts an annual appropriated budget for the general fund, debt service fund and certain special revenue and capital project funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance.

The basic governmental fund financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

Proprietary funds. The City of Manitowoc maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Manitowoc uses enterprise funds to account for the Manitowoc Public Electric, Water, Steam, and Broadband Utility, Wastewater Treatment Plant, and the Transit System. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Manitowoc's various functions. The City of Manitowoc uses internal service funds to account for its data processing, health self-insurance, and liability self-insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 the Manitowoc Public Water, Electric, Steam, and Broadband Utility, the Wastewater Treatment Plant and Transit System, all are considered to be major funds of the City of Manitowoc. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in the report.

The basic proprietary fund financial statements can be found in the financial section of this report immediately following the basic governmental fund financial statements.

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 of Manitowoc's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the financial section of this report immediately following the proprietary fund financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fiduciary fund financial statements.

Other supplemental information. In addition to the basic financial statements and accompanying notes, this report presents the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise fund and internal service funds. Also included is information on capital assets used in the operation of government funds. Combining and individual fund statements and schedules can be found immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Manitowoc, assets exceeded liabilities and deferred inflows of resources by \$246,751,022 at the close of the most recent fiscal year.

By far the largest portion of the City of Manitowoc's net position (72.1 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less accumulated depreciation and any related debt used to acquire those assets that are still outstanding. The City of Manitowoc uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Manitowoc's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Manitowoc's Net Assets

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$61,280,533	\$60,954,700	\$92,454,404	\$90,888,883	\$153,734,937	\$151,843,583
Capital assets	134,916,707	139,312,413	175,885,966	178,798,849	310,802,673	318,111,262
Total assets	196,197,240	200,267,113	268,340,370	269,687,732	464,537,610	469,954,845
Long-term liabilities outstanding	75,211,499	79,573,251	81,872,111	87,617,766	157,083,610	167,191,017
Other liabilities	32,477,705	50,176,284	11,077,167	16,001,000	43,554,872	66,177,284
Total liabilities	107,689,204	129,749,535	92,949,278	103,618,766	200,638,482	233,368,301
Deferred inflows of resources						
Net assets:						
Net investment in capital assets	81,463,401	82,948,335	96,412,488	93,859,889	177,875,889	176,808,224
Restricted	3,350,548	3,318,623	52,918,667	50,428,742	56,269,215	53,747,365
Unrestricted	-13,202,516	-15,749,380	25,808,434	21,780,335	12,605,918	6,030,955
Total net assets	\$71,611,433	\$70,517,578	\$175,139,589	\$166,068,966	\$246,751,022	\$236,586,544

An additional portion of the City of Manitowoc's net position (22.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balances of *unrestricted net position* (\$12,605,918) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Manitowoc is able to report positive balances in all three categories of net position for the government as a whole. The same situation held true for the prior fiscal year.

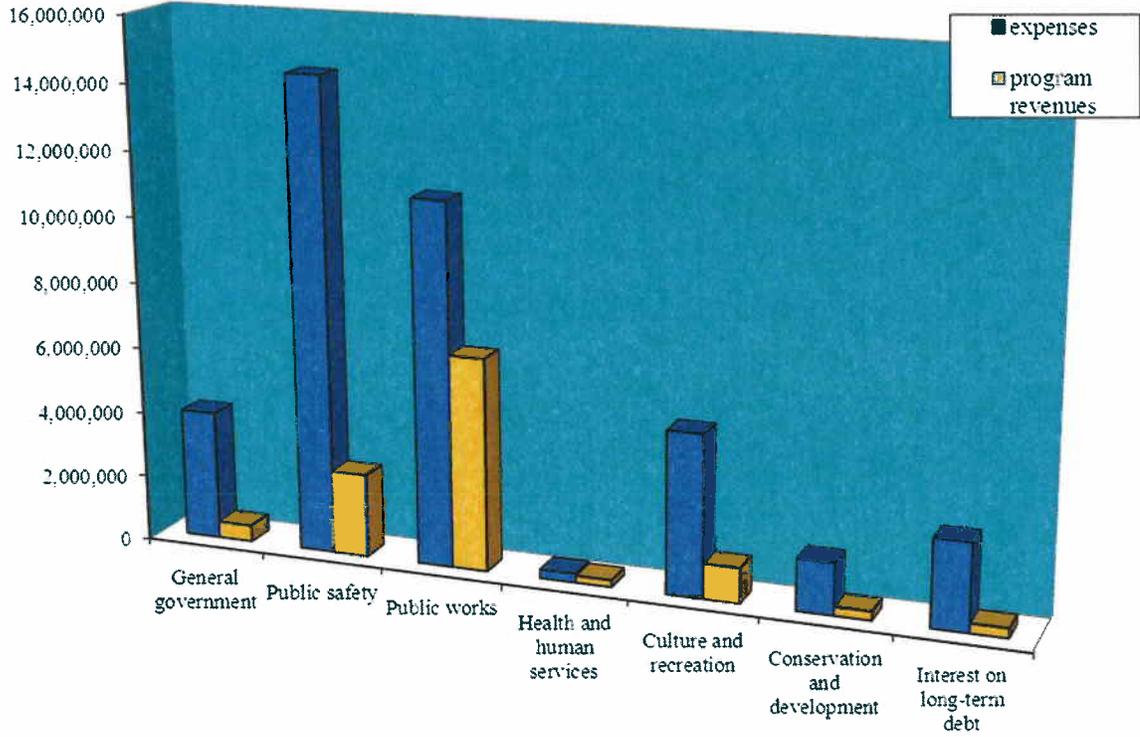
Governmental activities. Property taxes increased by \$1,458,025 (9.29 percent) during the year. Property tax increases were levied for general purposes (\$399,998), capital projects (\$92,964) and debt service (\$1,205,547). Property tax decreases were levied for special revenue funds (\$240,484).

The net position of governmental activities increased by \$1,093,855. This increase is mainly attributable to the principal payments on long-term debt exceeding the issuance of long-term debt and depreciation expense exceeding capital outlay for 2012. Key elements of this increase are shown on the chart found on the following page.

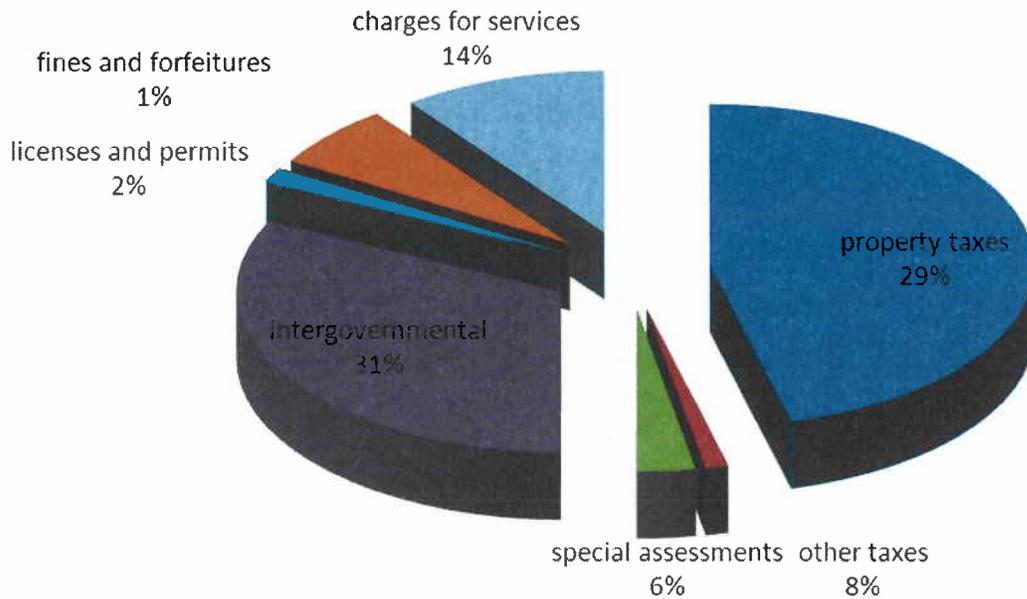
City of Manitowoc's Changes in Net Assets

	Governmental		Business-type		Total	
	activities		activities			
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$5,611,709	\$7,291,951	\$79,702,163	\$70,315,148	\$85,313,872	\$77,607,099
Operating grants and contributions	4,640,641	3,575,437	1,807,210	1,972,194	6,447,851	5,547,631
Capital grants and contributions	1,467,078	3,592,144	1,499,199	392,686	2,966,277	3,984,830
General revenues:						
Property taxes	17,145,312	15,687,287	-	-	17,145,312	15,687,287
Other taxes	415,842	418,429	-	-	415,842	418,429
Grants and contributions not restricted to specific programs						
Other	6,038,857	6,490,811	-	-	6,038,857	6,490,811
Other	843,077	580,488	1,446,871	1,125,659	2,289,948	1,706,147
Total revenues	\$36,162,516	\$37,636,547	\$84,455,443	\$73,805,687	\$120,617,959	\$111,442,234
Expenses:						
General government	3,935,132	3,072,360	-	-	3,935,132	3,072,360
Public safety	14,426,498	14,665,705	-	-	14,426,498	14,665,705
Public works	11,041,171	12,547,700	-	-	11,041,171	12,547,700
Health and human services	270,458	539,339	-	-	270,458	539,339
Culture and recreation	4,912,736	5,794,316	-	-	4,912,736	5,794,316
Conservation and development	1,572,350	1,306,096	-	-	1,572,350	1,306,096
Interest on long-term debt	2,645,861	2,480,672	-	-	2,645,861	2,480,672
Water	-	-	5,468,625	5,750,971	5,468,625	5,750,971
Electric	-	-	58,697,745	49,737,531	58,697,745	49,737,531
Steam	-	-	285,953	1,895,580	285,953	1,895,580
Broadband	-	-	73,837	58,713	73,837	58,713
Sewer	-	-	4,433,388	4,729,671	4,433,388	4,729,671
Transit	-	-	2,306,296	2,474,960	2,306,296	2,474,960
Total expenses	38,804,206	40,406,188	71,265,844	64,647,426	110,070,050	105,053,614
Increase in net assets before transfers	(2,641,690)	(2,769,641)	13,189,599	9,158,261	10,547,909	6,388,620
Transfers	3,772,312	4,371,291	(3,772,312)	(4,371,291)	-	-
Special Item - disposal of plant			(346,664)			
Change in net assets	1,130,622	1,601,650	9,070,623	4,786,970	10,547,909	6,388,620
Prior Period Adjustment		1,877,997				
Net assets - 1/1	70,517,578	67,037,931	166,068,966	161,281,996	228,319,927	228,319,927
Net assets - 12/31	\$71,648,200	\$70,517,578	\$175,139,589	\$166,068,966	\$246,787,789	\$236,586,544

Expenses and Program Revenues - Government Activities



Revenues by Source - Governmental Activities

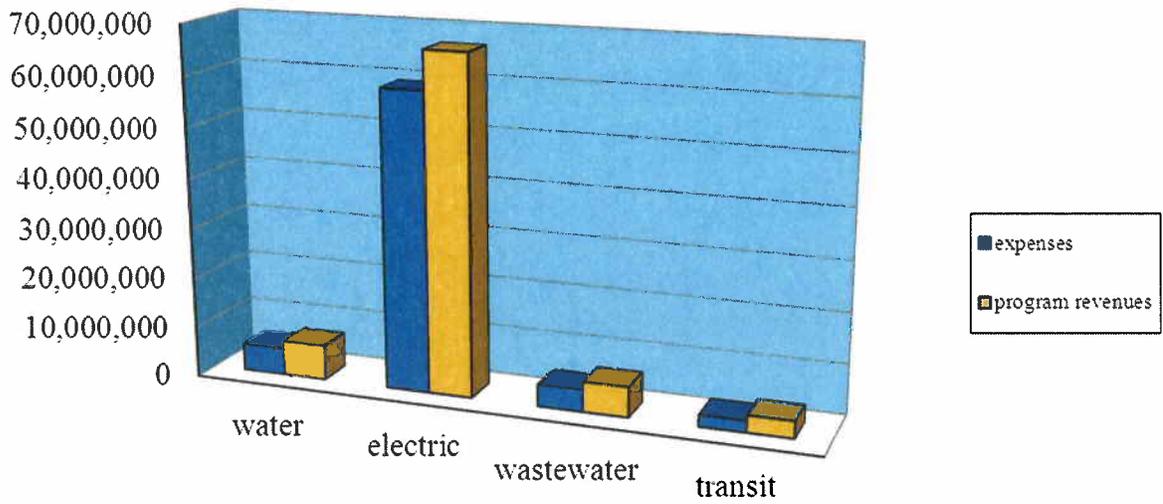


Business-type activities. Business-type activities increased the City of Manitowoc's net position by \$9,070,623. Key elements of this increase are as follows.

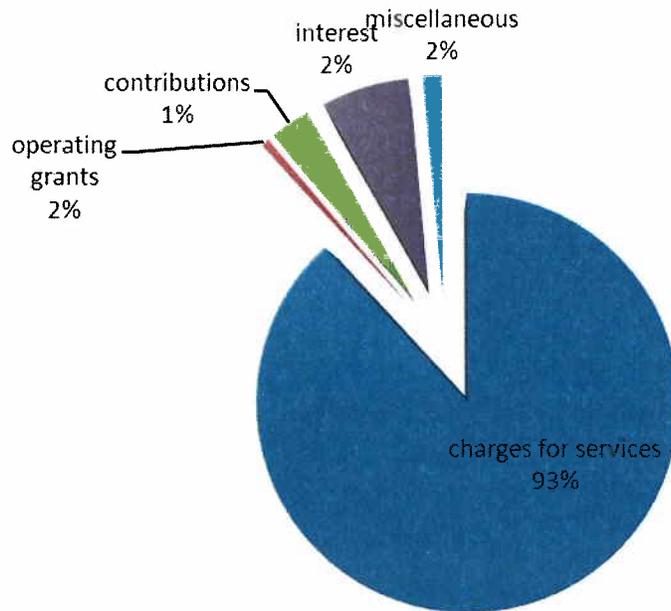
- The Water Utility increased net assets by \$595,712.
- The Electric Utility increased net assets by \$5,886,051.
- The Steam Utility increased net assets by \$165,160.
- The Broadband Utility increased net assets by \$57,259.
- The Wastewater Treatment Plant increased net assets by \$1,583,477.
- The Transit System increased net assets by \$782,964.

The increases in net assets above were due to positive operating results and contributions.

Expenses and Program Revenues Business Type Activities



Revenues by Source - Business Type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Manitowoc's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Manitowoc's financing requirements. In particular, *unassigned fund balance* 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, 2012, the City's governmental funds reported combined ending fund balances of \$4,368,750, an increase of \$2,294,734 in comparison with the prior year. With the implementation of GASB #54, the breakdown of fund balance is: Nonspendable \$5,487,305, Restricted \$3,350,548, Committed \$1,439,963, Assigned \$1,085,561 and Unassigned \$(6,994,627). The Nonspendable portion of fund balance includes inventories and prepaid items and notes and interfund receivables (amounts that are not in cash and not available for current expenditure or are legally or contractually required to be maintained intact). Restricted fund balance represents resources that have constraints placed on their use imposed by external sources such as creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balance represents resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority. In contrast to a fund balance that is restricted by enabling legislation, amounts in the committed fund balance classification may be redeployed for other purposes with appropriate due process. Assigned fund balance represents amounts constrained by the government with the intent that the funds be used for specific purposes within the fund. Unassigned fund balance represents the residual classification (amount) that has not been assigned, committed, or restricted.

The general fund is the chief operating fund of the City of Manitowoc. At the end of the current fiscal year, unassigned fund balance was \$1,332,914 while total fund balance was \$5,741,299. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.5 percent of total general fund expenditures, while total fund balance represents 23.6 percent of that same amount.

The fund balance of the City of Manitowoc's general fund increased by \$380,666 during the current fiscal year. The key factors in this increase are as follows:

- This was the result an extremely conservative fiscal approach to spending by city leaders. The intention of city leadership is to build the general fund balance back to comply with our policy targeting an unassigned balance of 15-25% of general fund expenditures. This will take approximately another 4-5 years to again be in compliance with our general fund policy.

The debt service fund does not typically carry a fund balance. During 2012, the utility prepaid their portion of the debt issue funding the WRS Pension Liability. Therefore, the debt service fund will carry a Nonspendable balance until the WRS debt has been retired. The City levies a property tax for debt service at the beginning of the current fiscal year for the payment of debt service. Revenues to help offset the tax are realized from transfers from other funds and interest earned.

Proprietary funds. The City of Manitowoc's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to the following:

- Water Utility \$1,971,105
- Electric Utility \$19,718,699
- Steam Utility \$752,483
- Broadband Utility \$536,780
- Wastewater Treatment Plant \$10,986,544
- Transit System \$386,461

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Manitowoc's business-type activities.

General Fund Budgetary Highlights

Actual revenues were less than budgeted revenues by \$1,666,487 primarily from, interdepartmental charges (\$627,305), interest on investments (\$499,841) and public charges for services of (\$639,228).

Actual expenditures were less than budgeted expenditures by \$2,127,912 primarily from savings generated by general government expenses of (\$901,295), public safety expenditures of \$957,753, public works \$1,362,985 and a reduction in expenditures to culture and recreation of \$555,231.

Capital Asset and Debt Administration

Capital assets. The City of Manitowoc's investment in capital assets as of December 31, 2012, for its governmental activities amounted to \$134,916,707 and business type activities amounted to \$175,885,966 for total capital assets of \$310,802,673 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, sewers, and bridges.

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

Governmental Activities:

- Infrastructure construction (streets and sewers) of \$653,413
- Machinery and equipment acquisitions totaling \$240,431

Business-Type Activities:

- Construction in Progress of \$1,273,118
- Buildings totaling \$988,187
- Improvements other than buildings \$771,868
- Machinery and equipment acquisitions totaling \$1,480,565

City of Manitowoc's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$7,392,718	\$7,392,718	\$1,982,333	\$1,982,333	\$9,375,051	\$9,375,051
Buildings	18,425,345	18,978,588	31,593,189	31,712,551	50,018,534	50,691,139
Improvements other than buildings	-	-	55,988,202	57,105,002	55,988,202	57,105,002
Machinery and equipment	11,884,302	12,501,913	84,471,622	87,421,461	96,355,924	99,923,374
Infrastructure	97,214,342	100,439,194	-	-	97,214,342	100,439,194
Construction in progress	-	-	1,850,620	577,502	1,850,620	577,502
Total	\$134,916,707	\$139,312,413	\$175,885,966	\$178,798,849	\$310,802,673	\$318,111,262

Additional information on the City of Manitowoc's capital assets can be found in note C(4) of this report's notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the City of Manitowoc has total bonded debt outstanding of \$144,684,360. Of this amount, \$68,730,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Manitowoc’s debt \$75,954,360 represents bonds secured solely by special revenue sources (i.e., revenue bonds).

City of Manitowoc's Outstanding Debt

General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	activities		activities			
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$54,135,000	\$64,090,000	\$0	\$0	\$54,135,000	\$64,090,000
General obligation notes	14,595,000	9,040,000	-	-	14,595,000	9,040,000
Revenue bonds	-	-	\$75,954,360	\$81,311,793	75,954,360	81,311,793
Total	\$68,730,000	\$73,130,000	\$75,954,360	\$81,311,793	\$144,684,360	\$154,441,793

The City of Manitowoc’s total debt decreased by \$9,757,433 (6.3 percent) during the current fiscal year. The factors in this decrease were the issuance of \$7,655,000 in general obligation bonds and notes, retirement of outstanding general obligation bonds and notes amounting to \$12,055,000, and retirement of outstanding revenue bonds amounting to \$5,357,433.

During the current fiscal year, the City sold the following bond issue: On June 11, 2012, \$7,655,000 of General Obligation Promissory Notes at an effective interest rate of 2.09%. Only \$2,795,000 of the \$7,655,000 was “new” debt, the remainder (\$4,860,000) was to advance refund prior debt issues to restructure payments and resulted in a net interest savings of \$243,403 over the life of the issue.

The City of Manitowoc maintains an excellent financial rating for general obligation debt of “A1” from Moody’s. Moody’s has rated the revenue bonds of the Electric and Water Authority “A1”.

State statutes limit the amount of general obligation debt a government entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the City of Manitowoc is \$95,720,665, which is significantly in excess of the City of Manitowoc’s outstanding general obligation debt of \$68,730,000.

Additional information on the City of Manitowoc’s long-term debt can be found in note C(7) of this report’s notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City of Manitowoc's budget for the 2013 fiscal year.

- The unemployment rate for the City of Manitowoc is currently 8.6 percent, which is an increase from the rate of 7.4 percent a year ago.
- Inflationary trends in the region compare favorably to the national indices.
- The tax rate included in the budget for city services would be at the allowable level under the State imposed levy limits;
- Salary increases only for bargained contractual agreements.
- Salaries frozen for all unrepresented employees.
- Contingency fund established within the general fund budget of \$205,389.

The City of Manitowoc has appropriated \$200,000 of the unassigned fund balance for spending in the 2013 fiscal year budget. The application of \$200,000 within the city's overall budget is predicted to not actually reduce our unassigned fund balance. The application of the unassigned fund balance would only occur if budgeted revenues and expenditures came in exactly according to the 2013 fiscal year budget. Historically the city returns approximately \$400,000 to \$600,000 back to the general fund each fiscal year. Therefore, it is management's opinion that we will still return \$200,000 to \$400,000 even with the application of unassigned general fund balance. The planned level of unassigned fund balance is set by policy at 15-25% of expenditures. Every effort will be made to again comply as quickly as possible with the unassigned general fund policy.

Requests for Information

This financial report is designed to provide a general overview of the City of Manitowoc's finances for all those with an interest in the government's finances. Questions concerning any of the financial information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 900 Quay Street, Manitowoc, Wisconsin, 54220-4543. The Finance Director/Treasurer's Office may be contacted via the Internet. Please visit us at www.manitowoc.org

BASIC FINANCIAL STATEMENTS

CITY OF MANITOWOC, WISCONSIN

Statement of Net Position

December 31, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 25,516,489	\$ 16,114,577	\$ 41,631,066
Receivables			
Taxes	25,133,485	251,503	25,384,988
Accounts	1,586,578	6,701,198	8,287,776
Special assessments	1,786,192	-	1,786,192
Loans	5,071,354	820,000	5,891,354
Internal balances	(3,410,192)	3,410,192	-
Due from other governments	3,824,814	-	3,824,814
Inventories and prepaid items	650,721	5,199,956	5,850,677
Deposit with CVMIC	1,111,426	-	1,111,426
Restricted assets			
Cash and investments	9,666	53,545,596	53,555,262
Accrued interest	-	160,830	160,830
Other assets	-	6,250,552	6,250,552
Capital assets, nondepreciable			
Land	7,392,718	1,982,333	9,375,051
Construction in progress	-	1,850,620	1,850,620
Capital assets, depreciable			
Buildings and improvements	28,674,629	56,741,217	85,415,846
Improvements other than buildings	-	89,384,504	89,384,504
Machinery and equipment	23,817,922	134,545,855	158,363,777
Infrastructure	183,254,187	-	183,254,187
Less: Accumulated depreciation	(108,222,749)	(108,618,563)	(216,841,312)
TOTAL ASSETS	196,197,240	268,340,370	464,537,610
LIABILITIES			
Accounts payable	935,541	4,725,836	5,661,377
Accrued and other current liabilities	1,799,345	5,123,738	6,923,083
Accrued interest payable	1,027,879	846,638	1,874,517
Due to other governments	28,374,039	-	28,374,039
Deposits	149,587	380,955	530,542
Unearned revenues	191,314	-	191,314
Long-term Obligations			
Due within one year	8,520,000	6,010,684	14,530,684
Due in more than one year	66,691,499	75,861,427	142,552,926
TOTAL LIABILITIES	107,689,204	92,949,278	200,638,482
DEFERRED INFLOWS OF RESOURCES			
Property taxes	16,896,603	251,503	17,148,106
NET POSITION			
Net investment in capital assets	81,463,401	96,412,488	177,875,889
Restricted for			
Debt service	2,979	40,960,928	40,963,907
Future loans	2,882,921	-	2,882,921
Future capital improvements	464,648	11,957,739	12,422,387
Unrestricted (deficit)	(13,202,516)	25,808,434	12,605,918
TOTAL NET POSITION	\$ 71,611,433	\$ 175,139,589	\$ 246,751,022

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

CITY OF MANITOWOC, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,938,219	\$ 495,393	\$ 5,860	\$ -
Public safety	14,445,022	2,375,809	148,373	-
Public works	11,045,943	1,067,555	3,939,818	1,467,078
Health and human services	271,019	188,259	22,562	-
Culture and recreation	4,922,559	1,030,925	38,673	-
Conservation and development	1,572,350	21,044	247,731	-
Interest on debt	2,268,177	55,040	237,624	-
Total Governmental Activities	38,463,289	5,234,025	4,640,641	1,467,078
Business-type Activities				
Water utility	5,468,625	6,901,030	-	5,648
Electric utility	58,697,745	65,957,316	-	91,788
Steam utility	285,953	477,640	-	-
Broadband utility	73,837	152,309	-	-
Wastewater treatment plant	4,433,388	6,028,570	-	-
Transit system	2,306,296	185,298	1,807,210	1,401,763
Total Business-type Activities	71,265,844	79,702,163	1,807,210	1,499,199
Total Primary Government	\$ 109,729,133	\$ 84,936,188	\$ 6,447,851	\$ 2,966,277

General revenues

- Property taxes, Levied for general purposes
- Property taxes, Levied for debt service
- Property taxes, Levied for special revenue funds
- Property taxes, Levied for capital projects
- Room tax
- Mobile home tax
- Other taxes
- Federal and state grants and other contributions not restricted to specific functions
- Interest and investment earnings
- Miscellaneous
- Special item - gain/(loss) on sale of asset
- Transfers
- Total general revenues and transfers

Change in net position

Net position - January 1

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Totals

\$ (3,436,966)	\$ -	\$ (3,436,966)
(11,920,840)	-	(11,920,840)
(4,571,492)	-	(4,571,492)
(60,198)	-	(60,198)
(3,852,961)	-	(3,852,961)
(1,303,575)	-	(1,303,575)
(1,975,513)	-	(1,975,513)
<u>(27,121,545)</u>	<u>-</u>	<u>(27,121,545)</u>

-	1,438,053	1,438,053
-	7,351,359	7,351,359
-	191,687	191,687
-	78,472	78,472
-	1,595,182	1,595,182
-	1,087,975	1,087,975
-	<u>11,742,728</u>	<u>11,742,728</u>
<u>(27,121,545)</u>	<u>11,742,728</u>	<u>(15,378,817)</u>

6,109,912	-	6,109,912
6,142,547	-	6,142,547
1,932,797	-	1,932,797
2,960,056	-	2,960,056
368,104	-	368,104
47,609	-	47,609
129	-	129
6,038,857	-	6,038,857
184,573	1,159,912	1,344,485
658,504	286,959	945,463
-	(346,664)	(346,664)
<u>3,772,312</u>	<u>(3,772,312)</u>	<u>-</u>
<u>28,215,400</u>	<u>(2,672,105)</u>	<u>25,543,295</u>
1,093,855	9,070,623	10,164,478
<u>70,517,578</u>	<u>166,068,966</u>	<u>236,586,544</u>
<u>\$ 71,611,433</u>	<u>\$ 175,139,589</u>	<u>\$ 246,751,022</u>

CITY OF MANITOWOC, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 16,722,129	\$ 1,952	\$ 6,022,760	\$ 22,746,841
Receivables				
Taxes	12,912,977	6,793,819	5,426,689	25,133,485
Accounts	941,642	13,759	589,810	1,545,211
Special assessments	1,420,861	365,331	-	1,786,192
Loans	-	357,634	4,713,720	5,071,354
Due from other funds	4,092,564	-	-	4,092,564
Advance to other funds	-	1,345,618	-	1,345,618
Due from other governments	3,824,814	-	-	3,824,814
Inventories and prepaid items	572,952	-	-	572,952
TOTAL ASSETS	\$ 40,487,939	\$ 8,878,113	\$ 16,752,979	\$ 66,119,031
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 558,157	\$ -	\$ 291,016	\$ 849,173
Contracts payable	-	-	33,810	33,810
Accrued and other current liabilities	1,097,631	-	42,365	1,139,996
Due to other funds	-	-	4,092,564	4,092,564
Due to other governments	28,374,039	-	-	28,374,039
Unearned revenues	-	15,711	-	15,711
Advance from other funds	-	-	4,755,810	4,755,810
Total Liabilities	30,029,827	15,711	9,215,565	39,261,103
Deferred Inflows of Resources				
Property taxes	4,676,095	6,793,819	5,426,689	16,896,603
Loans receivable	-	357,634	4,713,720	5,071,354
Special assessments	40,718	365,331	115,172	521,221
Total Deferred Inflows of Resources	4,716,813	7,516,784	10,255,581	22,489,178
Fund Balances				
Nonspendable				
Inventories and prepaid items	572,952	-	-	572,952
Long-term accounts and interfund receivables	3,568,735	1,345,618	-	4,914,353
Restricted				
Debt service	-	-	2,979	2,979
Future loans	-	-	2,882,921	2,882,921
Future projects or improvements	-	-	464,648	464,648
Committed for future spending	266,698	-	1,173,265	1,439,963
Assigned for future projects	-	-	1,085,561	1,085,561
Unassigned (deficit)	1,332,914	-	(8,327,541)	(6,994,627)
Total Fund Balances	5,741,299	1,345,618	(2,718,167)	4,368,750
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 40,487,939	\$ 8,878,113	\$ 16,752,979	\$ 66,119,031

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Balance Sheet (Continued)
 Governmental Funds
 December 31, 2012

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on previous page		\$ 4,368,750
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		134,916,707
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Special assessments		405,618
Loans receivable		5,071,354
Internal service funds reported in the statement of net position as governmental activities (see page 40)		2,945,765
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (68,730,000)	
Compensated absences and other post-employment benefits	(6,338,882)	
Accrued interest on long-term obligations	(1,027,879)	(76,096,761)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 32)		<u>\$ 71,611,433</u>

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

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2012

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 6,157,650	\$ 6,142,547	\$ 5,260,957	\$ 17,561,154
Special assessments	112,078	595,072	374,042	1,081,192
Intergovernmental	8,337,811	-	3,308,579	11,646,390
Licenses and permits	752,161	-	-	752,161
Fines and forfeits	509,517	-	-	509,517
Public charges for services	2,020,679	-	321,780	2,342,459
Intergovernmental charges for services	223,261	-	117,096	340,357
Interdepartmental charges for services	1,671,131	-	-	1,671,131
Miscellaneous	601,816	292,664	1,213,546	2,108,026
Total Revenues	20,386,104	7,030,283	10,596,000	38,012,387
Expenditures				
Current				
General government	2,895,358	-	123,509	3,018,867
Public safety	13,852,906	-	198,939	14,051,845
Public works	5,210,652	-	3,555,310	8,765,962
Health and human services	271,483	-	-	271,483
Culture and recreation	1,753,317	-	2,978,221	4,731,538
Conservation and development	359,296	-	1,083,072	1,442,368
Debt service				
Principal	-	6,133,808	1,561,192	7,695,000
Interest and fiscal charges	-	1,881,166	519,767	2,400,933
Total Expenditures	24,343,012	8,014,974	10,020,010	42,377,996
Excess of Revenues Over (Under) Expenditures	(3,956,908)	(984,691)	575,990	(4,365,609)
Other Financing Sources (Uses)				
Long-term debt issued	-	4,793,825	2,861,175	7,655,000
Premium on debt issued	-	279,930	-	279,930
Payment to refunding escrow agent	-	(5,046,899)	-	(5,046,899)
Transfers in	4,514,655	67,464	1,899,185	6,481,304
Transfers out	(177,081)	-	(2,531,911)	(2,708,992)
Total Other Financing Sources (Uses)	4,337,574	94,320	2,228,449	6,660,343
Net Change in Fund Balances	380,666	(890,371)	2,804,439	2,294,734
Fund Balances (Deficit) - January 1	5,360,633	2,235,989	(5,522,606)	2,074,016
Fund Balances (Deficit) - December 31	\$ 5,741,299	\$ 1,345,618	\$ (2,718,167)	\$ 4,368,750

(Continued)

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds (Continued)
For the Year Ended December 31, 2012

Reconciliation to the Statement of Activities

Net Change in Fund Balances as shown on previous page \$ 2,294,734

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

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

Capital assets reported as capital outlay in governmental fund statements	\$ 1,885,791	
Net book value of capital assets disposed	(1,541)	
Depreciation expense reported in the statement of activities	<u>(6,279,956)</u>	
Amount by which depreciation is greater than capital outlays in current period		(4,395,706)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(954,710)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items, detailed as follows:

Issuance of general obligation debt	\$ (7,655,000)	
Principal paid on long-term debt	<u>12,055,000</u>	
Net adjustment		4,400,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The detail of this difference is as follows:

Compensated absences and other benefits	\$ (62,978)	
Accrued interest	<u>44,725</u>	
Net adjustment		(18,253)

Internal service funds are used by the City to charge the costs of insurance programs and data processing services to individual funds. The net revenue of certain activities of internal services is reported with governmental activities	<u>(232,210)</u>
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Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 33 - 34)	<u><u>\$ 1,093,855</u></u>
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The notes to the basic financial statements are an integral part of this statement.

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,115,774	\$ 6,115,774	\$ 6,157,650	\$ 41,876
Special assessments	128,000	128,000	112,078	(15,922)
Intergovernmental	8,304,696	8,304,696	8,337,811	33,115
Licenses and permits	760,480	760,480	752,161	(8,319)
Fines and forfeits	459,000	459,000	509,517	50,517
Public charges for services	2,659,907	2,659,907	2,020,679	(639,228)
Intergovernmental charges for services	224,641	224,641	223,261	(1,380)
Interdepartmental charges for services	2,298,436	2,298,436	1,671,131	(627,305)
Miscellaneous	1,101,657	1,101,657	601,816	(499,841)
Total Revenues	22,052,591	22,052,591	20,386,104	(1,666,487)
Expenditures				
Current				
General government	867,824	1,994,063	2,895,358	(901,295)
Public safety	14,907,184	14,810,659	13,852,906	957,753
Public works	7,312,205	6,573,637	5,210,652	1,362,985
Health and human services	401,575	354,293	271,483	82,810
Culture and recreation	2,408,027	2,308,548	1,753,317	555,231
Conservation and development	410,276	429,724	359,296	70,428
Total Expenditures	26,307,091	26,470,924	24,343,012	2,127,912
Excess of Revenues Over (Under) Expenditures	(4,254,500)	(4,418,333)	(3,956,908)	461,425
Other Financing Sources (Uses)				
Transfers in	4,254,500	4,375,760	4,514,655	138,895
Transfers out	-	-	(177,081)	(177,081)
Total Other Financing Sources (Uses)	4,254,500	4,375,760	4,337,574	(38,186)
Net Change in Fund Balance	-	(42,573)	380,666	423,239
Fund Balance - January 1	5,360,633	5,360,633	5,360,633	-
Fund Balance - December 31	\$ 5,360,633	\$ 5,318,060	\$ 5,741,299	\$ 423,239

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

CITY OF MANITOWOC, WISCONSIN

Statement of Net Position

Proprietary Funds

December 31, 2012

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
ASSETS				
Current Assets				
Cash and investments	\$ 2,817,712	\$ 9,315,909	\$ 731,302	\$ 541,044
Receivables				
Taxes	-	-	-	-
Accounts	979,785	5,194,026	46,559	14,805
Due from other funds	-	-	-	-
Advance to other funds	-	675,222	-	-
Inventories and prepaid items	450,736	4,597,619	19,756	2,767
Restricted assets				
Cash and investments	4,269,126	40,733,549	-	-
Accrued interest	-	160,830	-	-
Total Current Assets	<u>8,517,359</u>	<u>60,677,155</u>	<u>797,617</u>	<u>558,616</u>
Noncurrent Assets				
Other assets	-	6,250,552	-	-
Notes receivable	-	820,000	-	-
Advance to other funds	-	2,734,970	-	-
Deposit with CVMIC	-	-	-	-
Capital assets, nondepreciable				
Land	263,008	1,292,079	6,646	-
Construction in progress	110,023	1,736,411	-	4,186
Capital assets, depreciable				
Buildings and improvements	4,498,020	14,541,404	175,813	-
Improvements other than buildings	39,203,704	48,501,527	680,664	998,609
Machinery and equipment	24,130,040	102,985,204	1,655,797	231,621
Less: Accumulated depreciation	(17,281,703)	(66,974,853)	(835,334)	(462,870)
Total Noncurrent Assets	<u>50,923,092</u>	<u>111,887,294</u>	<u>1,683,586</u>	<u>771,546</u>
TOTAL ASSETS	<u>59,440,451</u>	<u>172,564,449</u>	<u>2,481,203</u>	<u>1,330,162</u>
LIABILITIES				
Current Liabilities				
Accounts payable	712,596	3,561,135	158	748
Accrued and other current liabilities	858,523	4,207,497	35,697	21,088
Accrued interest payable	8,283	779,476	7,873	-
Due to other funds	392,960	-	-	-
Deposits	532	380,423	-	-
Compensated absences	27,000	155,000	-	-
Unamortized premium on debt	-	226,413	2,287	-
Revenue bonds payable	455,000	3,732,300	37,700	-
Total Current Liabilities	<u>2,454,894</u>	<u>13,042,244</u>	<u>83,715</u>	<u>21,836</u>
Long-term obligations				
Compensated absences	242,578	1,394,382	-	-
Unamortized premium on debt	-	3,257,514	32,904	-
Revenue bonds payable	2,030,000	59,271,300	598,700	-
Other post employment benefits	42,939	171,162	1,406	-
Total Noncurrent Liabilities	<u>2,315,517</u>	<u>64,094,358</u>	<u>633,010</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,770,411</u>	<u>77,136,602</u>	<u>716,725</u>	<u>21,836</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
NET POSITION				
Net investment in capital assets	48,438,092	35,594,245	1,011,995	771,546
Restricted for				
Debt service	846,025	40,114,903	-	-
Capital projects	3,414,818	-	-	-
Unrestricted	1,971,105	19,718,699	752,483	536,780
TOTAL NET POSITION	<u>\$ 54,670,040</u>	<u>\$ 95,427,847</u>	<u>\$ 1,764,478</u>	<u>\$ 1,308,326</u>

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

Enterprise Funds (Continued)			Governmental Activities - Internal Service Funds
Wastewater Treatment Plant	Transit System	Totals	
\$ 2,658,761	\$ 49,849	\$ 16,114,577	\$ 2,779,314
-	251,503	251,503	-
55,351	410,672	6,701,198	41,367
392,960	-	392,960	-
-	-	675,222	-
-	129,078	5,199,956	77,769
8,542,921	-	53,545,596	-
-	-	160,830	-
<u>11,649,993</u>	<u>841,102</u>	<u>83,041,842</u>	<u>2,898,450</u>
-	-	6,250,552	-
-	-	820,000	-
-	-	2,734,970	-
-	-	-	1,111,426
330,600	90,000	1,982,333	-
-	-	1,850,620	-
35,456,335	2,069,645	56,741,217	-
-	-	89,384,504	-
2,655,039	2,888,154	134,545,855	-
(20,683,549)	(2,380,254)	(108,618,563)	-
<u>17,758,425</u>	<u>2,667,545</u>	<u>185,691,488</u>	<u>1,111,426</u>
<u>29,408,418</u>	<u>3,508,647</u>	<u>268,733,330</u>	<u>4,009,876</u>
408,700	42,499	4,725,836	394,118
-	933	5,123,738	527,376
51,006	-	846,638	-
-	-	392,960	-
-	-	380,955	-
18,000	13,000	213,000	15,000
-	-	228,700	-
1,343,984	-	5,568,984	-
<u>1,821,690</u>	<u>56,432</u>	<u>17,480,811</u>	<u>936,494</u>
159,186	116,457	1,912,603	-
-	-	3,290,418	-
8,485,376	-	70,385,376	-
27,274	30,249	273,030	127,617
<u>8,671,836</u>	<u>146,706</u>	<u>75,861,427</u>	<u>127,617</u>
<u>10,493,526</u>	<u>203,138</u>	<u>93,342,238</u>	<u>1,064,111</u>
-	251,503	251,503	-
7,929,065	2,667,545	96,412,488	-
-	-	40,960,928	-
8,542,921	-	11,957,739	-
2,442,906	386,461	25,808,434	2,945,765
<u>\$ 18,914,892</u>	<u>\$ 3,054,006</u>	<u>\$ 175,139,589</u>	<u>\$ 2,945,765</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Operating Revenues				
Charges for services	\$ 6,763,428	\$ 65,657,308	\$ 477,640	\$ 152,309
Other	130,947	251,442	-	-
Total Operating Revenues	<u>6,894,375</u>	<u>65,908,750</u>	<u>477,640</u>	<u>152,309</u>
Operating Expenses				
Source of supply	725	-	-	-
Pumping	1,039,277	-	-	-
Power production	-	7,007,755	159,893	-
Other power supply	-	38,199,767	-	-
Water treatment	790,435	-	-	-
Transmission and distribution	775,109	1,149,134	14,174	-
Customer accounts	231,387	487,516	-	-
Administrative and general	728,555	2,795,693	14,255	33,893
Combined operation and maintenance	-	-	-	-
Depreciation	1,659,212	5,344,242	65,302	39,944
Taxes	79,550	379,178	1,333	-
Total Operating Expenses	<u>5,304,250</u>	<u>55,363,285</u>	<u>254,957</u>	<u>73,837</u>
Operating Income (Loss)	<u>1,590,125</u>	<u>10,545,465</u>	<u>222,683</u>	<u>78,472</u>
Nonoperating Revenues (Expenses)				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Interest revenue	8,060	1,142,126	9,726	-
Merchandising and jobbing	6,655	48,566	-	-
Amortization of debt premium	-	226,413	-	-
Interest and fiscal charges	(164,375)	(3,333,788)	(30,996)	-
Gain/(Loss) on disposal of capital assets	-	-	-	-
Miscellaneous	-	(672)	-	-
Insurance recoveries	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(149,660)</u>	<u>(1,917,355)</u>	<u>(21,270)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	1,440,465	8,628,110	201,413	78,472
Capital contributions	5,648	91,788	-	-
Transfers out	(850,401)	(2,833,847)	(36,253)	(21,213)
Change in Net Position	595,712	5,886,051	165,160	57,259
Net Position - January 1	<u>54,074,328</u>	<u>89,541,796</u>	<u>1,599,318</u>	<u>1,251,067</u>
Net Position - December 31	<u>\$ 54,670,040</u>	<u>\$ 95,427,847</u>	<u>\$ 1,764,478</u>	<u>\$ 1,308,326</u>

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

Enterprise Funds (Continued)			Governmental Activities - Internal Service Funds
Wastewater Treatment Plant	Transit System	Totals	
\$ 6,028,570	\$ 185,298	\$ 79,264,553	\$ 4,512,810
-	-	382,389	-
<u>6,028,570</u>	<u>185,298</u>	<u>79,646,942</u>	<u>4,512,810</u>
-	-	725	-
-	-	1,039,277	-
-	-	7,167,648	-
-	-	38,199,767	-
-	-	790,435	-
-	-	1,938,417	-
-	-	718,903	-
-	-	3,572,396	-
3,657,431	1,998,982	5,656,413	4,805,616
456,073	307,314	7,872,087	-
-	-	460,061	9,944
<u>4,113,504</u>	<u>2,306,296</u>	<u>67,416,129</u>	<u>4,815,560</u>
<u>1,915,066</u>	<u>(2,120,998)</u>	<u>12,230,813</u>	<u>(302,750)</u>
-	242,830	242,830	-
-	1,564,380	1,564,380	-
-	-	1,159,912	-
-	-	55,221	-
-	-	226,413	-
(319,884)	-	(3,849,043)	(4,082)
(6,924)	(339,740)	(346,664)	-
20,441	40,105	59,874	-
-	-	-	74,622
<u>(306,367)</u>	<u>1,507,575</u>	<u>(887,077)</u>	<u>70,540</u>
1,608,699	(613,423)	11,343,736	(232,210)
-	1,401,763	1,499,199	-
<u>(25,222)</u>	<u>(5,376)</u>	<u>(3,772,312)</u>	<u>-</u>
1,583,477	782,964	9,070,623	(232,210)
<u>17,331,415</u>	<u>2,271,042</u>	<u>166,068,966</u>	<u>3,177,975</u>
<u>\$ 18,914,892</u>	<u>\$ 3,054,006</u>	<u>\$ 175,139,589</u>	<u>\$ 2,945,765</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Cash Flows from Operating Activities				
Cash received from customers	\$ 6,674,494	\$ 65,814,333	\$ 465,089	\$ 150,340
Cash paid to suppliers	(2,296,450)	(46,566,316)	(378,996)	(33,551)
Cash paid to employees	(1,169,838)	(2,313,789)	(38,746)	-
Net Cash Provided (Used) by Operating Activities	<u>3,208,206</u>	<u>16,934,228</u>	<u>47,347</u>	<u>116,789</u>
Cash Flows from Noncapital Financing Activities				
General property taxes	-	-	-	-
Cash transferred to other funds	(877,165)	(2,665,771)	(36,253)	(21,213)
Operating grants	-	-	-	-
Advance payment to City	-	(5,000,000)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(877,165)</u>	<u>(7,665,771)</u>	<u>(36,253)</u>	<u>(21,213)</u>
Cash Flows from Capital and Related Financing Activities				
Principal paid on debt	(430,000)	(3,588,750)	(36,250)	-
Interest and fiscal charges	(108,618)	(3,324,654)	(32,920)	-
Customer contributions	5,648	91,788	-	-
Cost of removal of capital assets	(2,106)	(69,791)	(102)	-
Proceeds on disposal of capital assets	7,751	55,993	-	-
Capital assets acquired from internal service fund	(400,333)	(524,092)	-	-
Acquisition of capital assets	(334,245)	(2,029,934)	(449,526)	(4,186)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,261,903)</u>	<u>(9,389,440)</u>	<u>(518,798)</u>	<u>(4,186)</u>
Cash Flows from Investing Activities				
Interest received on investments	8,060	1,131,522	9,726	-
Cash paid to ATC LLC	-	(386,659)	-	-
Net Cash Provided by Investing Activities	<u>8,060</u>	<u>744,863</u>	<u>9,726</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>1,077,198</u>	<u>623,880</u>	<u>(497,978)</u>	<u>91,390</u>
Cash and Cash Equivalents - January 1	<u>6,009,640</u>	<u>49,425,578</u>	<u>1,229,280</u>	<u>449,654</u>
Cash and Cash Equivalents - December 31	<u>\$ 7,086,838</u>	<u>\$ 50,049,458</u>	<u>\$ 731,302</u>	<u>\$ 541,044</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Unrestricted cash and investments	\$ 2,817,712	\$ 9,315,909	\$ 731,302	\$ 541,044
Restricted cash and investments	4,269,126	40,733,549	-	-
	<u>\$ 7,086,838</u>	<u>\$ 50,049,458</u>	<u>\$ 731,302</u>	<u>\$ 541,044</u>

(Continued)

Enterprise Fund (Continued)			Governmental Activities - Internal Service Funds
Wastewater Treatment Plant	Transit System	Totals	
\$ 6,120,063	\$ 188,685	\$ 79,413,004	\$ 4,579,860
(2,366,014)	(771,593)	(52,412,920)	(4,095,496)
(1,015,197)	(1,212,721)	(5,750,291)	(630,393)
<u>2,738,852</u>	<u>(1,795,629)</u>	<u>21,249,793</u>	<u>(146,029)</u>
-	242,830	242,830	-
(25,222)	(5,376)	(3,631,000)	(668,514)
-	1,564,380	1,564,380	-
-	-	(5,000,000)	-
<u>(25,222)</u>	<u>1,801,834</u>	<u>(6,823,790)</u>	<u>(668,514)</u>
(1,302,433)	-	(5,357,433)	-
(319,168)	-	(3,785,360)	-
-	-	97,436	-
-	-	(71,999)	-
-	-	63,744	-
-	-	(924,425)	924,425
<u>(89,083)</u>	<u>-</u>	<u>(2,906,974)</u>	<u>(97,460)</u>
<u>(1,710,684)</u>	<u>-</u>	<u>(12,885,011)</u>	<u>826,965</u>
-	-	1,149,308	-
-	-	(386,659)	-
-	-	762,649	-
1,002,946	6,205	2,303,641	12,422
<u>10,198,736</u>	<u>43,644</u>	<u>67,356,532</u>	<u>2,766,892</u>
<u>\$ 11,201,682</u>	<u>\$ 49,849</u>	<u>\$ 69,660,173</u>	<u>\$ 2,779,314</u>
\$ 2,658,761	\$ 49,849	\$ 16,114,577	\$ 2,779,314
8,542,921	-	53,545,596	-
<u>\$ 11,201,682</u>	<u>\$ 49,849</u>	<u>\$ 69,660,173</u>	<u>\$ 2,779,314</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds			
	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 1,590,125	\$ 10,545,465	\$ 222,683	\$ 78,472
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations				
Depreciation	1,718,766	5,426,828	65,302	39,944
Depreciation charged to operating accounts	(59,553)	(82,586)	-	-
Insurance recoveries	-	-	-	-
Merchandising and jobbing	6,655	48,566	-	-
Miscellaneous income	-	-	-	-
Changes in assets and liabilities				
Accounts receivable	(223,515)	(83,479)	(12,551)	(1,969)
Inventories and prepaid items	113,194	967,814	(542)	-
Accounts payable	24,021	(231,882)	18	(251)
Accrued and other liabilities	67,423	748,961	(214,609)	593
Due from other funds	-	-	-	-
Compensated absences and employee benefits	(25,889)	(345,955)	(12,954)	-
Deposits	(3,021)	(59,504)	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,208,206</u>	<u>\$ 16,934,228</u>	<u>\$ 47,347</u>	<u>\$ 116,789</u>
Noncash Investing, Capital and Financing Activities				
Capital assets transferred from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Enterprise Funds (Continued)			Governmental Activities - Internal Service Funds
Wastewater Treatment Plant	Transit System	Totals	
\$ 1,915,066	\$ (2,120,998)	\$ 12,230,813	\$ (302,750)
456,073	307,314	8,014,227	-
-	-	(142,139)	-
-	-	-	74,622
-	-	55,221	-
20,441	40,105	60,546	-
103,104	(32,285)	(250,695)	(7,572)
-	(4,433)	1,076,033	8,069
283,145	5,616	80,667	270,325
(6,925)	-	595,443	(164,552)
(32,052)	-	(32,052)	-
-	9,052	(375,746)	(24,171)
-	-	(62,525)	-
<u>\$ 2,738,852</u>	<u>\$ (1,795,629)</u>	<u>\$ 21,249,793</u>	<u>\$ (146,029)</u>
<u>\$ -</u>	<u>\$ 1,401,763</u>	<u>\$ 1,401,763</u>	<u>\$ -</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Fiduciary Net Position
Poor Relief Fiduciary Fund
December 31, 2012

	Poor Relief
ASSETS	
Cash and investments	<u>\$ 18,449</u>
 LIABILITIES	
Liabilities	
Accounts payable	<u>-</u>
 NET POSITION	
Restricted for Trust activities	<u>\$ 18,449</u>
 TOTAL NET POSITION	<u>\$ 18,449</u>

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

CITY OF MANITOWOC, WISCONSIN
Statement of Changes in Fiduciary Net Position
Poor Relief Fiduciary Fund
Year Ended December 31, 2012

	Poor Relief
Additions	
Interest on investments	\$ 30
Deductions	
Benefits	874
Change in Net Position	(844)
Net Position - January 1	19,293
Net Position - December 31	\$ 18,449

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

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The City of Manitowoc is a municipal corporation governed by an elected ten member council. Included in the City's operations (the primary government) are the City's water, electric, steam and broadband utilities managed by a separate commission appointed by the City Council. In accordance with GAAP, the basic financial statements are required to include the City (the primary government) and any separate component units that have a significant operational or financial relationship with the City. The City has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. Related Organization

The City's officials are also responsible for appointing the members of the board of another organization, but the City's accountability for this organization does not extend beyond making the appointments. Therefore this organization is not included in the City's reporting entity. The City Council appoints the members of the following related organization:

The Housing Authority of the City of Manitowoc - The Housing Authority was established by the City to administer the low and moderate income housing program funded by federal grants and rental income. Although board members of the Housing Authority are appointed by the City Council, there is no financial interdependency with the City of Manitowoc nor does the City have any significant influence over Housing Authority operations. The City does not provide funding for the Housing Authority. Additionally, the City does not hold title to any of the Housing Authority assets, nor does it have any right to the Housing Authority's surpluses. The City has no legal obligation to fund Housing Authority programs should grant funding no longer be available.

3. Government-Wide and Fund Financial Statements

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

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

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. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

GENERAL FUND

This is the City's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major enterprise funds:

WATER UTILITY

This fund accounts for the provision of water service to City residents, public authorities, and business entities.

ELECTRIC UTILITY

This fund accounts for the provision of electric service to City residents, public authorities, and business entities.

STEAM UTILITY

This fund accounts for the provision of sales of steam to public authorities and business entities.

BROADBAND UTILITY

This fund accounts for the provision of broadband communication services to public authorities.

WASTEWATER TREATMENT PLANT

This fund accounts for the provision of sewage treatment service to City residents, public authorities, and business entities.

TRANSIT SYSTEM

This fund accounts for the provision of mass transit services to residents of the Cities of Manitowoc and Two Rivers.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Additionally, the government reports the following fund types:

Capital projects funds account for financial resources to be used for the acquisition or construction of major capital facilities or equipment other than those financed by proprietary funds.

Internal service funds account for health and liability self-insurance and data processing services provided to other departments of the City on a cost reimbursement basis.

The *private-purpose trust fund* is used to account for resources legally held in trust to provide annual holiday donations to area not-for-profit organizations. Generally, only the earnings on the invested resources are used to make the donations.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund (other than agency funds) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

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

Revenues susceptible to accrual include governmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits, and miscellaneous revenues are recognized when received in cash or when measurable and available.

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 City's water, electric and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 City's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of 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, then unrestricted resources, as they are needed.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Fund Balance

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance amounts to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance amounts to indicate that they do not represent spendable available financial resources.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-Type Activities
	Years	
<u>Assets</u>		
Buildings	50	25 - 50
Improvements other than buildings	-	25 - 100
Machinery and equipment	5 - 20	3 - 10
Infrastructure	50 - 100	-

g. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Outflows/Inflows of Resources

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2012. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The City also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, loans receivable and special assessments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Long-term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the Common Council either through the passage of an ordinance or resolution. These constraints can only be removed or changed by the Common Council using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of City management. The Common Council has authorized the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

6. Use of Estimates

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

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to November, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE B - STEWARDSHIP AND COMPLIANCE (Continued)

- c. During the year, formal budgetary integration is employed as a management control device for the general fund, debt service fund, room tax, parking meters, mandatory recycling, Tax Increment Districts No. 7, and 8, transit capital grant, library, enhanced EMS, and aquatic center special revenue funds, and sanitary and storm sewers, streets, harbor improvements, capital equipment, environmental remediation, buildings and other capital improvements, and Tax Increment Districts No. 9, 10, 11, 12, 13, 14, 15, 16 and 17 capital projects funds. Amendments to the budget during the year are initially reviewed by management and are subsequently authorized by the City Council. Management does not have authority to amend the legally adopted budget. Supplemental amendments were necessary during the year but were not material in relation to the original appropriation.
- d. The budget as enacted includes total expenditures at the organization level. An organization can be a department, division, fund or other activity. Expenditures cannot legally exceed appropriations at this level.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2012.

2. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2012:

Fund	Deficit Fund Equity
Special Revenue Funds	
Tax Increment District No. 7	\$ 48,087
Tax Increment District No. 8	407
Transit Capital Grant	34,009
Capital Projects Funds	
Sanitary and Storm Sewers	2,739,979
Streets	3,086,223
Harbor Improvements	
Tax Increment District No. 9	804,857
Tax Increment District No. 11	93,136
Tax Increment District No. 12	2,855
Tax Increment District No. 14	285,304
Tax Increment District No. 16	1,099,193
Tax Increment District No. 17	133,491
Internal Service Fund	
Data Processing	163,908

The above deficits are anticipated to be funded from future operations of the respective funds, proceeds of debt, or from available resources of the general fund.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

In addition, investment of most trust funds including cemetery perpetual care funds is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. These sections give broad authority to use such funds to acquire various kinds of investments, including common stock.

The carrying amount of the City's cash and investments totaled \$95,204,777 on December 31, 2012 as summarized below:

Petty cash funds	\$	8,675
Deposits with financial institutions		20,268,309
Investments		
U.S. Treasury notes		7,225,377
U.S. Government agency securities		28,970,246
Small Business Administration		355,621
Corporate obligations		15,698,037
Money market mutual funds		12,987,243
Wisconsin local government investment pool		9,507,966
Repurchase agreements		183,303
	\$	<u>95,204,777</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position		
Cash and investments	\$	41,631,066
Restricted cash and investments		53,555,262
Fiduciary Funds Statement of Net Position		
Private-purpose trust fund		18,449
	\$	<u>95,204,777</u>

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

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. All security transactions, including collateral for repurchase agreements, entered into by the City of Manitowoc shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director/Treasurer and Mayor and approved by the Finance Committee and Common Council.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for interest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. In addition, the City's non-interest bearing transaction accounts are fully insured through December 31, 2012. As of January 1, 2013 the City's noninterest-bearing accounts are combined with its interest-bearing demand deposits for FDIC insurance coverage. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2012, \$12,012,041 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On December 31, 2012, the City held repurchase agreement investments of \$183,303 of which the underlying securities are held by the investment's counterparty, not in the name of the City.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The City does not have an additional credit risk policy. Presented below is the actual rating as of yearend for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	AA	A	Not Rated
U.S. Treasury notes	\$ 7,225,377	\$ 7,225,377	\$ -	\$ -	\$ -	\$ -
U.S. Government agencies	28,970,246	456,539	28,513,707	-	-	-
Small Business Administration	355,621	-	355,621	-	-	-
Corporate obligations	15,698,037	-	4,150,244	3,980,770	7,567,023	-
Money market mutual funds	12,987,243	-	-	-	-	12,987,243
Wisconsin local government investment pool	9,507,966	-	-	-	-	9,507,966
Totals	\$ 74,744,490	\$ 7,681,916	\$ 33,019,572	\$ 3,980,770	\$ 7,567,023	\$ 22,495,209

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Concentration of Credit Risk

The City's investment policy states that it will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single type or with a single financial institution. The City had the following investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Issuer	Investment Type	Reported Amount
U.S. Government agencies	Bonds	<u>\$ 30,239,164</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, to the extent possible, the City of Manitowoc will attempt to match its investments with anticipated cash flow liquidity requirements. Unless matched to a specific cash flow, the City of Manitowoc will not invest in securities maturing more than 5 years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investment is made to coincide as nearly as practicable with the expected use of funds. In no event will the City invest in securities with maturities exceeding 7 years. Because of the inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as Local Government Investment Pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 7,225,377	\$ 4,601,108	\$ 642,786	\$ 1,905,129	\$ 76,354
U.S. Government agencies	28,970,246	3,136,264	11,489,851	11,041,344	3,302,787
Small Business Administration	355,621	-	-	-	355,621
Corporate obligations	15,698,037	3,111,840	10,133,629	2,382,400	70,168
Money market mutual funds	12,987,243	12,987,243	-	-	-
Repurchase agreements	183,303	183,303	-	-	-
Wisconsin local government investment pool	9,507,966	9,507,966	-	-	-
Totals	<u>\$ 74,927,793</u>	<u>\$ 33,527,724</u>	<u>\$ 22,266,266</u>	<u>\$ 15,328,873</u>	<u>\$ 3,804,930</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
U.S. Government agency securities and Small Business Administration. These securities are subject to early repayment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 28,970,246</u>

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$9,507,966 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2012, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in four equal installments on or before January 31, March 31, May 31, and July 31. Real estate taxes not paid by July 31 are purchased by the County as part of the August tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

The City bills and collects its own property taxes and also levies and collects taxes for the Manitowoc School District, Manitowoc County, Lakeshore Technical College and the State of Wisconsin. Collections and remittances of taxes for other entities are accounted for in the general fund.

3. Restricted Assets

Restricted assets on December 31, 2012 totaled \$53,716,092 and consisted of cash and investments of \$53,555,262 and accrued interest receivable of \$160,830 held for the following purposes:

Special Revenue Fund	
Centennial Fund	
Future projects and improvements	\$ 9,666
Enterprise Funds	
Water Utility	
Retirement of waterworks system revenue bonds	846,025
Membrane replacement	3,423,101
Electric Utility	
Retirement of electric system revenue bonds	40,733,549
Accrued interest	160,830
Wastewater Treatment Plant	
Plant replacement	8,542,921
Total Restricted Assets	<u>\$ 53,716,092</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,392,718	\$ -	\$ -	\$ 7,392,718
Capital assets, being depreciated:				
Buildings	28,674,629	-	-	28,674,629
Machinery and equipment	23,577,491	517,133	276,702	23,817,922
Infrastructure	182,600,774	1,368,658	715,245	183,254,187
Subtotals	234,852,894	1,885,791	991,947	235,746,738
Less accumulated depreciation for:				
Buildings	9,696,041	553,243	-	10,249,284
Machinery and equipment	11,075,578	1,135,932	277,890	11,933,620
Infrastructure	82,161,580	4,590,781	712,516	86,039,845
Subtotals	102,933,199	6,279,956	990,406	108,222,749
Total capital assets, being depreciated, net	131,919,695	(4,394,165)	1,541	127,523,989
Governmental activities capital assets, net	\$ 139,312,413	\$ (4,394,165)	\$ 1,541	134,916,707
Less related long-term debt outstanding				53,453,306
Net investment in capital assets				<u>\$ 81,463,401</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,982,333	\$ -	\$ -	\$ 1,982,333
Construction in progress	577,502	1,672,343	399,225	1,850,620
Total capital assets, not being depreciated	2,559,835	1,672,343	399,225	3,832,953
Capital assets, being depreciated:				
Buildings	55,753,030	1,445,518	457,331	56,741,217
Improvements other than buildings	88,612,636	1,171,344	399,476	89,384,504
Machinery and equipment	133,065,290	1,549,772	69,207	134,545,855
Subtotals	277,430,956	4,166,634	926,014	280,671,576
Less accumulated depreciation for:				
Buildings	24,040,479	1,225,140	117,591	25,148,028
Improvements other than buildings	31,507,634	2,360,041	471,373	33,396,302
Machinery and equipment	45,643,829	4,492,687	62,283	50,074,233
Subtotals	101,191,942	8,077,868	651,247	108,618,563
Total capital assets, being depreciated, net	176,239,014	(3,911,234)	274,767	172,053,013
Business-type activities capital assets, net	\$ 178,798,849	\$ (2,238,891)	\$ 673,992	175,885,966
Less related long-term debt outstanding				79,473,478
Net investment in capital assets				<u>\$ 96,412,488</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	\$ 195,075
Public safety	369,618
Public works	5,159,205
Health and human services	10,418
Culture and recreation	499,692
Conservation and development	45,948
Total depreciation expense - governmental activities	<u>\$ 6,279,956</u>
Business-type activities	
Water utility	\$ 1,659,212
Electric utility	5,344,242
Steam utility	65,302
Broadband utility	39,944
Wastewater treatment plant	456,073
Transit system	307,314
Depreciation charged to operating accounts	205,781
Total depreciation expense - business-type activities	<u>\$ 8,077,868</u>

5. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2012 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 4,092,564	\$ -
Nonmajor governmental funds	-	4,092,564
Operating Accounts Between Funds		
Proprietary Funds		
Water Utility	-	392,960
Wastewater Treatment Plant	392,960	-
Advances Between Funds		
Debt Service Fund	1,345,618	-
Electric Utility Enterprise Fund	3,410,192	-
Sanitary and Storm Sewers		
Capital Projects Fund	-	2,883,030
Streets Capital Projects Fund	-	1,872,780
Totals	<u>\$ 9,241,334</u>	<u>\$ 9,241,334</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) long-term advances have been made.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfers in:			
	General Fund	Debt Service	Nonmajor Governmental	Total
Transfers Out:				
General Fund	\$ -	\$ -	\$ 177,081	\$ 177,081
Nonmajor Governmental Funds				
Special Revenue Funds	258,124	36,866	1,662,104	1,957,094
Capital Projects Funds	514,817	-	60,000	574,817
Proprietary Funds				
Water Utility	850,401	-	-	850,401
Electric Utility	2,833,847	-	-	2,833,847
Steam Utility	36,253	-	-	36,253
Broadband Utility	21,213	-	-	21,213
Wastewater Treatment Plant	-	25,222	-	25,222
Transit System	-	5,376	-	5,376
Totals	<u>\$ 4,514,655</u>	<u>\$ 67,464</u>	<u>\$ 1,899,185</u>	<u>\$ 6,481,304</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2012:

	Outstanding 1/1/12	Issued	Retired	Outstanding 12/31/12	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 64,090,000	\$ -	\$ 9,955,000	\$ 54,135,000	\$ 6,325,000
Notes	9,040,000	7,655,000	2,100,000	14,595,000	1,695,000
Total General Obligation Debt	<u>73,130,000</u>	<u>7,655,000</u>	<u>12,055,000</u>	<u>68,730,000</u>	<u>8,020,000</u>
Compensated absences	5,766,873	2,095,929	2,275,309	5,587,493	500,000
Other post employment benefits	676,378	217,628	-	894,006	-
Governmental activities					
Long-term obligations	<u>\$ 79,573,251</u>	<u>\$ 9,968,557</u>	<u>\$ 14,330,309</u>	<u>\$ 75,211,499</u>	<u>\$ 8,520,000</u>
Business-type activities:					
Revenue bonds	\$ 81,311,793	\$ -	\$ 5,357,433	\$ 75,954,360	\$ 5,568,984
Unamortized premium	3,747,818	-	228,700	3,519,118	228,700
Compensated absences	2,521,340	252,134	647,871	2,125,603	213,000
Other post employment benefits	210,746	62,284	-	273,030	-
Business-type activities					
Long-term obligations	<u>\$ 87,791,697</u>	<u>\$ 314,418</u>	<u>\$ 6,234,004</u>	<u>\$ 81,872,111</u>	<u>\$ 6,010,684</u>

Total interest paid during the year on long-term debt totaled \$6,167,821.

For governmental activities, long-term obligations other than debt are generally funded by the general fund.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$8,560,000 capital improvement and development bonds issued 4/1/03; \$745,000 due in 2013; interest 3.625% to 4.15%	\$ 745,000
\$7,335,000 unfunded pension liability bonds issued 5/1/03; \$295,000 due in 2013; interest 5.0% to 5.7%	295,000
\$4,305,000 capital improvement and development bonds issued 4/1/04; \$245,000 to \$480,000 due annually through 2019; interest 3.25% to 4.0%	2,940,000
\$4,760,000 capital improvement and development bonds issued 4/15/05; \$300,000 to \$545,000 due annually through 2020; interest 3.75% to 4.15%	3,785,000
\$4,390,000 capital improvement and revaluation bonds issued 5/22/06; \$125,000 to \$485,000 due annually through 2021; interest 4.125% to 4.15%	3,725,000
\$2,745,000 capital improvement bonds issued 5/22/06; \$560,000 to \$725,000 due annually through 2015; interest 3.9% to 4.25%	2,085,000
\$8,220,000 capital improvement bonds issued 4/9/07; \$390,000 to \$755,000 due annually through 2022; interest 3.875% to 3.9%	6,265,000
\$5,600,000 capital improvement bonds issued 6/27/08; \$325,000 to \$495,000 due annually through 2023; interest 3.25% to 4.00%	4,505,000
\$6,225,000 capital improvement bonds issued 2/17/09; \$355,000 to \$550,000 due annually through 2024; interest 3.0% to 4.125%	5,295,000
\$5,850,000 capital improvement bonds issued 2/16/10; \$230,000 to \$520,000 due annually through 2025; interest 1.25% to 5.1%	5,620,000
\$10,615,000 refunding bonds issued 2/16/10; \$225,000 to \$1,845,000 due annually through 2021; interest 2.0% to 4.0%	9,050,000
\$3,280,000 capital improvement bonds issued 4/25/11; \$130,000 to \$305,000 due annually 2013 through 2026; interest 1.5% to 3.65%	3,280,000
\$6,690,000 refunding bonds issued 11/28/11; \$145,000 to \$905,000 due annually through 2023; interest 1.1% to 3.95%	6,545,000
Total Bonds	<u>54,135,000</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt (Continued)

Notes

\$1,745,000 capital improvement notes issued 4/1/03; \$190,000 due in 2013; interest 3.40% to 3.65%	190,000
\$475,000 capital improvement notes issued 4/1/04; \$60,000 to \$60,000 due annually through 2014; interest 3.25% to 3.75%	120,000
\$525,000 capital improvement notes issued 4/15/05; \$55,000 to \$60,000 due annually through 2015; interest 3.60% to 3.95%	165,000
\$1,860,000 capital improvement notes issued 5/22/06; \$185,000 due in 2013; interest 4.25%	185,000
\$1,780,000 capital improvement notes issued 4/9/07; \$175,000 to \$180,000 due annually through 2017; interest 3.75% to 3.8%	880,000
\$3,660,000 capital improvement notes issued 5/23/08; \$350,000 to \$420,000 due annually through 2018; interest 3.25% to 3.75%	2,330,000
\$2,955,000 capital improvement notes issued 2/17/09; \$525,000 to \$540,000 due annually through 2019; interest 3.0% to 3.25%	1,465,000
\$1,605,000 capital improvement notes issued 2/17/09; \$100,000 to \$210,000 due annually 2013 through 2021; interest 3.0% to 3.25%	1,605,000
\$7,655,000 capital improvement notes issued 7/11/12; \$25,000 to \$1,330,000 due annually 2013 through 2022; interest 2.0% to 3.0%	<u>7,655,000</u>
Total Notes	<u>14,595,000</u>
Total Outstanding General Obligation Debt	<u>\$ 68,730,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$68,730,000 on December 31, 2012 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2013	\$ 8,020,000	\$ 2,267,015	\$ 10,287,015
2014	8,090,000	1,983,496	10,073,496
2015	8,300,000	1,734,791	10,034,791
2016	7,780,000	1,483,981	9,263,981
2017	7,105,000	1,239,208	8,344,208
2018-2022	24,325,000	3,151,653	27,476,653
2023-2026	5,110,000	270,920	5,380,920
	<u>\$ 68,730,000</u>	<u>\$ 12,131,064</u>	<u>\$ 80,861,064</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2012 was \$28,336,283 as follows:

Equalized valuation of the City		\$ 1,914,413,300
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		95,720,665
Outstanding general obligation debt applicable to debt limitation	\$ 68,730,000	
Less amount available in debt service fund	1,345,618	67,384,382
Legal Margin for New Debt		\$ 28,336,283

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the enterprise funds. Revenue bonds outstanding on December 31, 2012 totaled \$75,954,360 and were composed of the following issues:

Water Utility

\$3,720,000 issued 3/5/07; \$455,000 to \$540,000 due annually through 2017;
interest 4.0% to 4.25% \$ 2,485,000

Electric and Steam Utilities

\$69,550,000 issued 2/25/04; \$1,665,000 to \$3,720,000 due annually through 2029;
interest 5.00% to 5.25% 43,605,000

\$4,715,000 issued 12/1/05; \$225,000 to \$365,000 due annually through 2025;
interest 3.75% to 4.2% 3,760,000

\$21,740,000 issued 11/23/09; \$1,825,000 to \$3,750,000 due annually through 2019;
interest 3.00% to 5.00% 16,275,000

Wastewater Treatment Plant

\$19,739,053 State of Wisconsin Clean Water Fund Loan issued 1999;
\$1,212,663 to \$1,422,608 due annually through 2018; interest 3.245% 7,892,412

\$1,772,798 State of Wisconsin Clean Water Fund Loan issued 12/23/02;
\$89,182 to \$115,531 due annually through 2022; interest 2.918% 1,018,522

\$1,000,000 State of Wisconsin Clean Water Fund Loan issued 03/24/10;
\$42,138 to \$61,001 due annually through 2030; interest 2.668% 918,426

Total \$ 75,954,360

The annual principal and interest maturities of the above outstanding revenue bonds are detailed below:

Year Ended December 31	Business-type Activities		
	Principal	Interest	Total
2013	\$ 5,568,984	\$ 3,524,294	\$ 9,093,278
2014	5,801,864	3,294,678	9,096,542
2015	6,041,118	3,055,215	9,096,333
2016	6,301,788	2,795,889	9,097,677
2017	6,578,922	2,519,875	9,098,797
2018-2022	21,653,900	8,725,353	30,379,253
2023-2027	16,573,691	4,465,363	21,039,054
2028-2030	7,434,093	582,156	8,016,249
	\$ 75,954,360	\$ 28,962,823	\$ 104,917,183

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Utility Revenues Pledged

The City has pledged future water, electric, steam and wastewater customer revenues, net of specific operating expenses, to repay the water, electric, steam and wastewater system mortgage revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used by the utilities. The bonds are payable solely from the water, electric, steam and wastewater customer net revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds is \$104,917,183. Principal and interest paid for the current year and total customer net revenues were \$9,084,781 and \$21,798,168, respectively.

Advance Refunding

During the current year, the City advance refunded a portion of the general obligation bond issue dated April 1, 2003 and a portion of the general obligation note issue dated May 22, 2006. The City issued \$4,948,396 of general obligation promissory notes and used \$908,502 of City funds to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded notes are considered to be defeased and the liability has been removed from the Statement of Net Position. This advance refunding was undertaken to reduce total debt service payments over the next six years by \$341,263 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$227,470.

In prior years, the City advance refunded \$6,135,000 of general obligation bond issues. As a result, the refunded bonds are also considered to be defeased and the liability has been removed from the Statement of Net Position.

At December 31, 2012, \$10,495,000 of outstanding general obligation bonds and notes are considered defeased.

7. Conduit Debt Obligations

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

As of December 31, 2012, there were a number of Industrial Revenue Bonds outstanding, the aggregate principal amount payable is undetermined.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE D - OTHER POST-EMPLOYMENT BENEFITS

Plan Description - The City provides health care insurance coverage for employees who retire until they reach the age of 65. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. There are 328 active and 42 retired employees in the plan.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the 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 unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Utilities' annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Utilities' net OPEB obligation.

Component	Amount
Annual required contribution	\$ 362,106
Interest on net OPEB	31,331
Adjustment to annual required contribution	<u>(48,704)</u>
Annual OPEB cost (expense)	344,733
Contributions made	<u>101,587</u>
Change in net OPEB obligation	243,146
OPEB obligation - beginning of year	<u>923,890</u>
OPEB obligation - end of year	<u><u>\$ 1,167,036</u></u>

The annual required contribution for the current year was determined as part of the January 1, 2010 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4.0% discount rate, and (b) projected salary increases at 3%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized in level dollar payments. The remaining amortization period at December 31, 2012 is 30 years, and the remaining amount is \$3,593,008.

Trend Information - The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 through 2012 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2010	\$ 310,984	29%	\$ 725,066
12/31/2011	293,824	32%	923,890
12/31/2012	344,733	29%	1,167,036

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE D - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress - As of January 1, 2012, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$3,593,008. The annual payroll for active employees covered by the plan for the 2012 fiscal year was \$22,543,331 for a ratio of the UAAL to covered payroll of 15.9%.

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, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

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 and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect 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, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 3.25% to discount expected liabilities to the valuation date and an inflation rate of 4%. The initial healthcare trend rate was 1.2%, reduced by decrements to an ultimate rate of 4.7% after 40 years. The UAAL is being amortized in level dollar payments on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

NOTE E - OTHER INFORMATION

1. Retirement Commitments

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates are as follows:

	2012	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE E - OTHER INFORMATION (Continued)

The payroll for City employees covered by the WRS for the year ended December 31, 2012 was \$20,854,896; the employer's total payroll was \$22,543,332. The total required contribution for the year ended December 31, 2012 was \$3,094,528, which consisted of \$1,863,255 or 8.3% of covered payroll from the employer, and \$1,231,273 or 5.5% of covered payroll from employees. Total contributions for the years ended December 31, 2011 and 2010 were \$3,420,272 and \$2,991,024, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) 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. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application 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 on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin 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.

2. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The City has chosen to retain a portion of the risks through a self-insurance program and has also purchased insurance to transfer other risks to outside parties. A description of the City's risk management program is presented starting on the next page.

Liability Self-Insurance Fund

The City, together with certain other units of government within the State of Wisconsin, created the Cities and Villages Mutual Insurance Company (CVMIC) to provide liability insurance services to its members. At that time, the City issued \$1,111,426 in general obligation bonds for its share of the initial capitalization of CVMIC. The City is partially self-insured for liability insurance and pays premiums to CVMIC for its excess liability insurance coverage. The actuary for CVMIC determines premium charges to its members required to pay the expected claims and loss adjustment expenses. CVMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each member. CVMIC provides general liability, police and nurses professional liability, public official's liability and vehicle liability coverage for the City. The City's self-insured retention limit is \$50,000 for each occurrence with a maximum limit of \$200,000 annually. Premiums paid to CVMIC for insurance coverage are recorded in a self-insurance internal service fund. The self-insurance internal service fund charges various City departments and operations for their portion of insurance coverage for the year. A separate financial report is issued annually by CVMIC. Since the City considers it probable that its initial capitalization contribution in CVMIC will be returned upon either dissolution of CVMIC or the approved withdrawal from CVMIC, the initial capitalization amount of \$1,111,426 has been recorded as a deposit in the liability self-insurance internal service fund.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE E - OTHER INFORMATION (Continued)

Health Self-Insurance Fund

City employees, retirees and employee dependents, other than those of the water, electric and broadband enterprise funds and the data processing internal service fund are eligible for medical and dental benefits from a health self-insurance fund. Employees, retirees and employee dependents of the water, electric and broadband enterprise funds and the data processing internal service fund are covered under a separate health insurance plan. Funding is provided by charges to City departments, employees and retirees. Retirees are billed monthly premiums for health benefits based on actual costs for providing such benefits. The program is supplemented by stop loss protection, which limits the City's annual liability. The limit is \$100,000 per specific claim. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees. On December 31, 2012, the health self-insurance internal service fund had established a reserve of \$1,998,247 for future unreported claims. The claims liability of \$397,806 reported in the fund at December 31, 2012 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for 2012 and 2011 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2012	\$ 309,621	\$ 4,094,377	\$ 4,006,192	\$ 397,806
2011	\$ 347,916	\$ 5,000,011	\$ 5,038,306	\$ 309,621

Transit System Liability Insurance

The City's transit system is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. The transit system is a member of the Transit Mutual Insurance Corporation of Wisconsin (TMI). TMI was created by several governmental units within the State of Wisconsin to provide liability insurance services to its members. The transit system pays premiums to TMI for its liability insurance coverage. The actuary for TMI determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based.

Other Risk Management Programs

The City also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures or expenses in various other funds of the City. Insurance settlements have not exceeded insurance coverage for each of the past three years. There have been no significant changes in insurance coverage from the prior year.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2012

NOTE E - OTHER INFORMATION (Continued)

3. Tax Incremental Districts

The City has established nine separate capital projects funds for Tax Incremental Districts (TID) Nos. 9 - 17. Two special revenue funds record transactions for TID No. 7 and No. 8. The TID's were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the Districts were created, the property tax base within each District was "frozen" and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. Except for certain exceptions under Section 66.1105(6)(am)(2), the Statutes allow eligible project costs to be incurred up to five years prior to the maximum life of the district. The intent of the City is to recover all project costs from future TID surplus funds, if any, prior to termination of the respective District.

Additional information about the City's TID's follows:

TID	Creation Date	Construction Period Ends	Termination Date
7	1/1/89	2011	2015
8	1/1/94	2016	2020
9	1/1/95	2017	2021
10	1/1/97	2015	2019
11	1/1/97	2015	2019
12	1/1/99	2017	2021
13	1/1/00	2018	2022
14	1/1/01	2019	2023
15	1/1/02	2020	2024
16	1/1/03	2021	2025
17	1/1/07	2025	2029

4. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2012 and 2013 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2012 budget was 0.77%. The actual limit for the City for the 2013 budget was 0.37%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Contingencies

- a. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 and the *State Single Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.
- b. From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast 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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MANITOWOC, WISCONSIN
 Schedule of Funding Progress
 Other Post-Employment Benefit Plan
 December 31, 2012

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Projected Unit Credit	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2012	\$ -	\$ 3,593,008	0.0%	\$ 3,593,008	\$ 22,543,331	15.9%
2010	-	2,795,170	0.0%	2,795,170	24,890,559	11.2%
2008	-	3,465,544	0.0%	3,465,544	24,830,782	14.0%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

CITY OF MANITOWOC, WISCONSIN
 Schedule of Employer Contributions
 Other Post-Employment Benefit Plan
 For the Year Ended December 31, 2012

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 116,200	\$ 367,591	31.61%
2009	116,200	357,283	32.52%
2010	88,700	313,255	28.32%
2011	95,000	316,469	30.02%
2012	101,587	362,106	28.05%

The City implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

SUPPLEMENTARY INFORMATION

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues

For the Year Ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Taxes					
General property	\$ 5,956,774	\$ 5,956,774	\$ 5,957,221	\$ 447	\$ 4,617,361
Tax roll over run	100	100	(268)	(368)	-
Occupational - grain	1,200	1,200	1,865	665	2,763
Occupational - coal	2,200	2,200	1,702	(498)	1,625
Omitted taxes	500	500	36,517	36,017	-
Mobile home	50,000	50,000	47,609	(2,391)	22,732
Retained sales tax	-	-	129	129	1,473
Payments in lieu of taxes	35,000	35,000	40,230	5,230	52,568
Interest	70,000	70,000	72,645	2,645	86,991
Total Taxes	6,115,774	6,115,774	6,157,650	41,876	4,785,513
Special Assessments					
Seal coating	-	-	1,814	1,814	39,512
Dust palliatives	3,000	3,000	1,954	(1,046)	2,093
Housing code	-	-	40	40	235
Weed cutting	10,000	10,000	4,055	(5,945)	19,310
Snow removal	115,000	115,000	104,215	(10,785)	112,219
Total Special Assessments	128,000	128,000	112,078	(15,922)	173,369
Intergovernmental					
Shared taxes from state	5,398,264	5,398,264	5,403,812	5,548	5,869,306
Expenditure restraint payment	320,988	320,988	320,989	1	320,988
Exempt computer aid	90,000	90,000	95,089	5,089	91,511
Payment for municipal services	40,141	40,141	40,134	(7)	48,352
Fire insurance tax	62,000	62,000	71,943	9,943	65,771
Highway aids	1,844,157	1,844,157	1,844,157	-	2,049,064
Connecting street aid	224,717	224,717	224,578	(139)	223,720
Lift bridge aid	243,929	243,929	243,929	-	251,183
Highway safety grants	27,000	27,000	6,972	(20,028)	56,633
Public safety grants	23,500	23,500	23,436	(64)	5,244
Other grants	30,000	30,000	62,772	32,772	98,497
Total Intergovernmental	8,304,696	8,304,696	8,337,811	33,115	9,080,269

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues (Continued)

For the Year Ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Licenses and Permits					
Licenses					
Liquor and malt beverages	59,700	59,700	52,520	(7,180)	52,351
Nonfermented malt beverages	200	200	160	(40)	150
Operators	25,800	25,800	23,725	(2,075)	20,760
Cigarettes	4,000	4,000	3,900	(100)	3,800
Soda water	1,500	1,500	1,335	(165)	1,420
Bowling alley	300	300	250	(50)	250
Adult entertainment	4,000	4,000	2,000	(2,000)	1,500
Mobile home park	375	375	375	-	425
Taxicab	300	300	270	(30)	390
Taxicab drivers	1,200	1,200	1,105	(95)	850
Ambulance and hearse	150	150	-	(150)	120
Garbage collectors	900	900	480	(420)	900
Theater	450	450	600	150	750
Bicycle	500	500	456	(44)	300
Dog and cat	21,120	21,120	14,281	(6,839)	15,015
Amusement	100	100	100	-	100
Direct sellers	1,500	1,500	1,330	(170)	2,455
Christmas tree dealers	200	200	150	(50)	150
Pawn broker	900	900	-	(900)	742
Electrical	9,000	9,000	7,835	(1,165)	9,305
Change of agent/transfer	100	100	70	(30)	80
Cable television	260,000	260,000	273,420	13,420	271,665
Permits					
Sidewalk cafe	300	300	75	(225)	75
Building	160,000	160,000	143,917	(16,083)	129,458
Sign	8,800	8,800	8,117	(683)	7,655
Electrical	80,000	80,000	75,835	(4,165)	61,545
Plumbing	50,000	50,000	58,470	8,470	39,190
Heating	42,000	42,000	51,426	9,426	31,794
Zoning Board of Appeals	1,500	1,500	1,300	(200)	600
Housing code	8,000	8,000	7,820	(180)	7,774
Well operation	300	300	100	(200)	30
Alarm ordinance	60	60	360	300	180
Sprinkler system	2,000	2,000	3,665	1,665	3,480
Street opening	10,000	10,000	10,260	260	12,120
Driveway/sidewalk	4,000	4,000	2,840	(1,160)	3,830
Storm water	1,200	1,200	3,589	2,389	1,268
Fire Department permits	25	25	25	-	-
Total Licenses and Permits	760,480	760,480	752,161	(8,319)	682,477

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues (Continued)

For the Year Ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Fines and Forfeitures					
Parking violations	120,000	120,000	106,095	(13,905)	130,301
Municipal court fines	330,500	330,500	387,034	56,534	374,833
Late fees dog licenses	1,000	1,000	12,418	11,418	1,134
Other	7,500	7,500	3,970	(3,530)	4,395
Total Fines and Forfeitures	459,000	459,000	509,517	50,517	510,663
Public Charges for Services					
Clerk	20,250	20,250	12,444	(7,806)	15,517
Treasurer	60,000	60,000	61,467	1,467	53,641
Attorney	65,000	65,000	34,491	(30,509)	63,165
Assessor	300	300	950	650	329
Engineer	-	-	4,666	4,666	263,988
GIS land record management	100	100	803	703	332
Planning	8,400	8,400	8,174	(226)	6,191
Police Department	4,500	4,500	6,236	1,736	6,054
Police service fees	20,000	20,000	179	(19,821)	564
Impounded vehicles	175	175	-	(175)	-
Rescue squad	2,024,175	2,024,175	1,430,027	(594,148)	641,492
Inspection and zoning fees	200	200	100	(100)	170
Sealer	14,500	14,500	14,858	358	29,057
Museum	1,500	1,500	7,351	5,851	1,134
Recreation building	20,000	20,000	10,276	(9,724)	10,215
Recreation team sports	55,000	55,000	36,832	(18,168)	41,312
Recreation program fees	29,500	29,500	23,834	(5,666)	39,619
Recreation rentals	34,000	34,000	37,964	3,964	35,881
Recreation concessions	1,000	1,000	3,077	2,077	2,056
Recreation other	15,900	15,900	20,763	4,863	2,754
Special events	-	-	2,893	2,893	8,293
Senior citizens	20,000	20,000	18,594	(1,406)	17,457
Street permit repairs	70,000	70,000	74,808	4,808	85,464
Columbarium sales	8,972	8,972	7,094	(1,878)	6,765
Sale of cemetery lots	50,130	50,130	33,379	(16,751)	54,745
Foundations	10,905	10,905	13,165	2,260	9,159
Burial fees	100,400	100,400	128,050	27,650	92,550
Fire Department Fees	25,000	25,000	28,204	3,204	-
Total Public Charges for Services	2,659,907	2,659,907	2,020,679	(639,228)	1,487,904

(Continued)

CITY OF MANITOWOC, WISCONSIN
 General Fund
 Schedule of Budgeted and Actual Revenues (Continued)
 For the Year Ended December 31, 2012
 (With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Intergovernmental Charges for Services					
Counties and municipalities	52,500	52,500	62,837	10,337	30,373
City administrative fees	54,420	54,420	34,187	(20,233)	40,395
Schools and special districts	1,200	1,200	2,079	879	2,163
Police - school liaison	116,521	116,521	124,158	7,637	124,394
Total Intergovernmental Charges for Services	224,641	224,641	223,261	(1,380)	197,325
Interdepartmental Charges for Services					
TIF administrative fees	38,800	38,800	-	(38,800)	13,739
Health insurance	-	-	-	-	759,406
Street department labor	155,730	155,730	148,015	(7,715)	379,032
DPW materials	1,746,406	1,746,406	1,240,515	(505,891)	1,847,322
Sewer major repairs	12,500	12,500	-	(12,500)	-
Sewer maintenance	345,000	345,000	282,601	(62,399)	345,181
Total Interdepartmental Charges for Services	2,298,436	2,298,436	1,671,131	(627,305)	3,344,680
Miscellaneous					
Interest on investments	435,185	435,185	175,975	(259,210)	233,403
Rent	21,500	21,500	22,929	1,429	21,040
Sale of general capital assets	50,000	50,000	22,034	(27,966)	4,160
Sale of salvage and waste products	9,400	9,400	9,287	(113)	7,542
Marina lease	160,000	160,000	146,290	(13,710)	118,096
Carferry lease	40,000	40,000	40,000	-	40,000
Other leases	60,360	60,360	60,402	42	58,971
Sale of photo copies	1,350	1,350	1,537	187	2,029
Donations	34,862	34,862	37,205	2,343	30,366
Other	289,000	289,000	86,157	(202,843)	9,682
Total Miscellaneous	1,101,657	1,101,657	601,816	(499,841)	525,289
Total Revenues	\$ 22,052,591	\$ 22,052,591	\$ 20,386,104	\$ (1,666,487)	\$ 20,787,489

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Expenditures

For the Year Ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
General Government					
Council	\$ 62,097	\$ 62,097	\$ 54,876	\$ 7,221	\$ 60,905
Mayor	150,078	153,289	140,683	12,606	152,526
Clerk	216,550	247,445	249,935	(2,490)	313,083
Elections	100,820	103,667	120,028	(16,361)	35,244
Postage	40,000	40,000	39,996	4	47,400
Board of review	1,330	1,330	250	1,080	391
Assessor	147,011	183,779	97,263	86,516	223,297
Finance	217,927	394,581	219,838	174,743	264,150
Treasurer	211,523	206,181	183,523	22,658	207,960
Data processing	327,180	374,297	372,368	1,929	345,331
Payroll	128,933	137,455	112,862	24,593	126,291
Attorney	300,546	285,600	315,334	(29,734)	293,722
Cable television	3,025	3,025	2,005	1,020	2,579
Personnel	244,368	134,679	109,844	24,835	174,595
Municipal court	88,352	96,814	95,112	1,702	117,936
Duplicating	47,155	47,155	44,433	2,722	40,363
City hall	215,226	163,953	177,067	(13,114)	228,651
Buildings and grounds shop	5,805	5,805	3,554	2,251	4,285
Property insurance	-	-	-	-	39,454
Other insurance	597,885	597,885	458,420	139,465	450,850
Miscellaneous	(2,237,987)	(1,244,974)	97,967	(1,342,941)	45,531
Total General Government	867,824	1,994,063	2,895,358	(901,295)	3,174,544
Public Safety					
Police	7,729,126	7,700,587	7,255,361	445,226	7,495,060
Fire	6,678,531	6,795,544	6,320,222	475,322	5,745,540
Building inspection	494,577	309,578	275,524	34,054	587,679
Civil defense	4,950	4,950	1,799	3,151	1,778
Total Public Safety	14,907,184	14,810,659	13,852,906	957,753	13,830,057
Public Works					
Engineer	781,585	831,637	564,835	266,802	1,121,256
Streets administration	296,314	234,265	151,144	83,121	392,794
Street repairs	806,506	699,712	520,576	179,136	893,652
Seal coating	51,236	38,119	66,217	(28,098)	139,911
Alley and local roads	13,949	10,583	3,846	6,737	53,871
8th St. bridge	211,354	211,354	179,173	32,181	195,260
10th St. bridge	29,213	29,213	10,706	18,507	20,485
Other bridges	2,043	1,838	1,046	792	6,346

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Expenditures (Continued)

For the Year Ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Public Works (Continued)					
Curb and walks	54,391	41,683	6,775	34,908	18,956
Street cleaning	1,000	1,000	35,520	(34,520)	252,575
Snow and ice removal	941,028	832,864	351,274	481,590	970,285
Traffic control	272,979	204,403	178,871	25,532	236,230
Street lighting	790,000	790,000	776,453	13,547	778,533
Docks and harbors	75,310	67,884	47,340	20,544	50,033
Gravel pit	10,230	8,943	1,758	7,185	4,340
Solid waste disposal	7,000	7,000	3,948	3,052	265,056
Sanitary sewers	258,106	207,069	220,409	(13,340)	303,890
Weed cutting	122,337	108,285	48,653	59,632	63,666
Tree and brush removal	-	-	81,183	(81,183)	259,342
Storm sewers	860,688	733,436	556,190	177,246	880,784
Lift stations	51,499	40,022	68,921	(28,899)	60,501
Interdepartmental charges	33,737	25,220	10,311	14,909	11,423
Other	1,641,700	1,449,107	1,325,503	123,604	1,753,860
Total Public Works	7,312,205	6,573,637	5,210,652	1,362,985	8,733,049
Health and Human Services					
Evergreen cemetery	401,575	354,293	271,483	82,810	508,042
Culture and Recreation					
Rahr West Museum	337,313	351,308	301,359	49,949	374,883
Marine band	15,000	15,000	18,000	(3,000)	20,000
Civic orchestra	7,200	7,200	7,200	-	8,000
Recreation					
Administration	253,058	208,371	140,298	68,073	318,108
Buildings and grounds	1,303,863	1,260,009	758,488	501,521	1,775,517
Recreational programs	116,719	102,747	108,115	(5,368)	128,561
Senior citizens center	206,055	183,518	159,235	24,283	289,701
July 4th picnic/fireworks	24,000	24,000	20,799	3,201	12,432
Special events	144,819	156,395	239,541	(83,146)	(101,301)
Banners and decorations	-	-	282	(282)	1,600
Total Culture and Recreation	2,408,027	2,308,548	1,753,317	555,231	2,827,501
Conservation and Development					
Planning	409,576	429,024	358,721	70,303	466,297
Community Development Authority	700	700	575	125	519
Total Conservation and Development	410,276	429,724	359,296	70,428	466,816
Total Expenditures	\$ 26,307,091	\$ 26,470,924	\$ 24,343,012	\$ 2,127,912	\$ 29,540,009

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than major capital projects or expendable trust) that are legally restricted to expenditures for specific purposes. The City utilizes Special Revenue Funds to record financial transactions pertaining to the following activities:

Room Tax

To account for collections of room tax from City businesses and record disbursements to the Manitowoc Area Visitor and Convention Bureau, Inc. and other area promotional and development expenditures.

Farmer's Market and Community Gardens

To account for rents received from individuals for space to sell agricultural products.

Parking Meters

To account for parking meter collections and parking stall rental receipts used to finance related disbursements for personnel, supplies and equipment charges.

Mandatory Recycling

To account for all transactions relating to the City's recycling program.

Tax Increment Districts

To account for tax increment revenues of Tax Increment Districts No. 7 and No. 8 for which the construction period for eligible projects has elapsed. All project expenditures were originally recorded in Capital Projects Funds.

Revolving Loans

To account for transactions relating to the commercial, industrial and housing revolving loan programs. Additional loans are made as previous loans are repaid.

Grants

Funds have been established to account for transactions of the City's various grant programs.

Transit Capital Grant

To account for the acquisition of capital assets for the City's Transit System.

Library

To account for all transactions relating to the operation of the Manitowoc Public Library.

Manitowoc International Relations Association

Funds have been established to account for transactions relating to the sister-city relationship with Kamogawa, Japan.

Enhanced EMS

To account for the City's acquisition of EMS services from Holy Family Hospital.

Donations

Funds have been established to account for the accumulation and subsequent disbursement of donations received by the City from individuals and businesses for the Rahr West Museum, Police Department, Senior Center, Parks and Zoo.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. The City utilizes Capital Projects Funds to record financial transactions pertaining to the following activities:

Sanitary and Storm Sewers

To account for transactions relating to sanitary and storm sewer construction other than that accounted for in the Proprietary Funds.

Streets

To account for transactions relating to street construction.

Harbor Improvements

To account for transactions relating to harbor and dock improvements.

Capital Equipment

To account for transactions relating to equipment purchases of the City.

Environmental Remediation

To account for transactions relating to the City's share of the investigation and clean-up of the Lemberger Landfill site (a private landfill) and gravel pit.

Cemetery Improvements

To account for transactions relating to capital improvements of the City's cemetery.

Buildings and Other Improvements

To account for transactions relating to building improvement projects.

Tax Increment Districts

To account for activity of Tax Increment Districts No. 9, 10, 11, 12, 13, 14, 15, 16 and 17.

CITY OF MANITOWOC, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Special Revenue Funds						
	Room Tax	Farmer's Market	Parking Meters	Mandatory Recycling	TID 7	TID 8	Commercial Revolving Loan
ASSETS							
Cash and investments	\$ 215,955	\$ 32,585	\$ -	\$ -	\$ -	\$ -	\$ 699,262
Receivables							
Taxes	-	-	82,898	-	385,930	24,199	-
Accounts	1,575	-	221	117,096	-	-	-
Loans	-	-	-	-	-	-	55,259
TOTAL ASSETS	\$ 217,530	\$ 32,585	\$ 83,119	\$ 117,096	\$ 385,930	\$ 24,199	\$ 754,521
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 18,575	\$ -	\$ 104	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
Accrued and other current liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	117	117,096	48,087	407	-
Advance from other funds	-	-	-	-	-	-	-
Total Liabilities	18,575	-	221	117,096	48,087	407	-
Deferred Inflows of Resources							
Property taxes	-	-	82,898	-	385,930	24,199	-
Loans receivable	-	-	-	-	-	-	55,259
Special assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	82,898	-	385,930	24,199	55,259
Fund Balances (Deficits)							
Restricted							
Retirement of long-term debt	-	-	-	-	-	-	-
Future loans	-	-	-	-	-	-	699,262
Future projects or improvements	-	-	-	-	-	-	-
Committed for future spending	198,955	32,585	-	-	-	-	-
Assigned for future projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(48,087)	(407)	-
Total Fund Balances (Deficits)	198,955	32,585	-	-	(48,087)	(407)	699,262
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 217,530	\$ 32,585	\$ 83,119	\$ 117,096	\$ 385,930	\$ 24,199	\$ 754,521

(Continued)

CITY OF MANITOWOC, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

Special Revenue Funds (Continued)							
	Transit Capital Grant	Housing Revolving Loan	CDBG	HCRI Revolving Loan	Industrial Revolving Loan	Library	Mani International Relations Assoc
ASSETS							
Cash and investments	\$ -	\$ 133,000	\$ 51,547	\$ 22,753	\$ 2,027,906	\$ 546,399	\$ 11,210
Receivables							
Taxes	-	-	-	-	-	1,420,425	-
Accounts	53,687	-	-	-	-	-	-
Loans	-	2,993,087	-	154,312	1,511,062	-	-
TOTAL ASSETS	\$ 53,687	\$ 3,126,087	\$ 51,547	\$ 177,065	\$ 3,538,968	\$ 1,966,824	\$ 11,210
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 74,873	\$ -	\$ 40,399	\$ -	\$ -	\$ 117,801	\$ -
Contracts payable	-	-	-	-	-	-	-
Accrued and other current liabilities	-	-	-	-	-	-	-
Due to other funds	12,823	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total Liabilities	87,696	-	40,399	-	-	117,801	-
Deferred Inflows of Resources							
Property taxes	-	-	-	-	-	1,420,425	-
Loans receivable	-	2,993,087	-	154,312	1,511,062	-	-
Special assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	2,993,087	-	154,312	1,511,062	1,420,425	-
Fund Balances (Deficits)							
Restricted							
Retirement of long-term debt	-	-	-	-	-	-	-
Future loans	-	133,000	-	22,753	2,027,906	-	-
Future projects or improvements	-	-	11,148	-	-	-	-
Committed for future spending	-	-	-	-	-	428,598	11,210
Assigned for future projects	-	-	-	-	-	-	-
Unassigned	(34,009)	-	-	-	-	-	-
Total Fund Balances (Deficits)	(34,009)	133,000	11,148	22,753	2,027,906	428,598	11,210
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 53,687	\$ 3,126,087	\$ 51,547	\$ 177,065	\$ 3,538,968	\$ 1,966,824	\$ 11,210

(Continued)

CITY OF MANITOWOC, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Special Revenue Funds (Continued)						
	Rahr West Museum	Police Programs	Parkland Dedications	Aquatic Center	Senior Center	X Sports Complex	Eternal Flame
ASSETS							
Cash and investments	\$ 324,012	\$ 88,401	\$ 259,135	\$ 62,258	\$ 93,553	\$ 10,695	\$ 46,914
Receivables							
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	900	-	-	-
Loans	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 324,012	\$ 88,401	\$ 259,135	\$ 63,158	\$ 93,553	\$ 10,695	\$ 46,914
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 270	\$ 10	\$ -	\$ 283	\$ 2,520	\$ -	\$ 258
Contracts payable	-	-	-	-	-	-	-
Accrued and other current liabilities	-	42,365	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total Liabilities	270	42,375	-	283	2,520	-	258
Deferred Inflows of Resources							
Property taxes	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balances (Deficits)							
Restricted							
Retirement of long-term debt	-	-	-	-	-	-	-
Future loans	-	-	-	-	-	-	-
Future projects or improvements	-	46,026	259,135	-	-	-	46,656
Committed for future spending	323,742	-	-	62,875	91,033	10,695	-
Assigned for future projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	323,742	46,026	259,135	62,875	91,033	10,695	46,656
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 324,012	\$ 88,401	\$ 259,135	\$ 63,158	\$ 93,553	\$ 10,695	\$ 46,914

(Continued)

CITY OF MANITOWOC, WISCONSIN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Special Revenue Funds (Continued)			Capital Projects Funds			
	Centennial	Ball Diamond Improvements	Park & Rec Donations	Sanitary and Storm Sewers	Streets	Harbor Improvements	Capital Equipment
ASSETS							
Cash and investments	\$ 9,666	\$ 13,572	\$ 92,017	\$ 187,520	\$ -	\$ -	\$ 305,942
Receivables							
Taxes	-	-	-	580,941	269,799	-	-
Accounts	-	-	-	-	76,007	340,324	-
Loans	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 9,666	\$ 13,572	\$ 92,017	\$ 768,461	\$ 345,806	\$ 340,324	\$ 305,942
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,399
Contracts payable	-	-	-	(3,575)	37,385	-	-
Accrued and other current liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	1,212,142	310,261	-
Advance from other funds	-	-	-	2,883,030	1,872,780	-	-
Total Liabilities	-	-	-	2,879,455	3,122,307	310,261	29,399
Deferred Inflows of Resources							
Property taxes	-	-	-	580,941	269,799	-	-
Loans receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	48,044	39,923	-	-
Total Deferred Inflows of Resources	-	-	-	628,985	309,722	-	-
Fund Balances (Deficits)							
Restricted							
Retirement of long-term debt	-	-	-	-	-	-	-
Future loans	-	-	-	-	-	-	-
Future projects or improvements	9,666	-	92,017	-	-	-	-
Committed for future spending	-	13,572	-	-	-	-	-
Assigned for future projects	-	-	-	-	-	30,063	276,543
Unassigned	-	-	-	(2,739,979)	(3,086,223)	-	-
Total Fund Balances (Deficits)	9,666	13,572	92,017	(2,739,979)	(3,086,223)	30,063	276,543
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,666	\$ 13,572	\$ 92,017	\$ 768,461	\$ 345,806	\$ 340,324	\$ 305,942

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

Capital Projects Funds (Continued)							
	Environmental Remediation	Cemetery Improvements	Buildings and Other Improvements	TID 9	TID 10	TID 11	TID 12
ASSETS							
Cash and investments	\$ 112,283	\$ 26,333	\$ 646,863	\$ -	\$ -	\$ -	\$ -
Receivables							
Taxes	-	-	-	181,691	104,214	95,575	102,264
Accounts	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 112,283	\$ 26,333	\$ 646,863	\$ 181,691	\$ 104,214	\$ 95,575	\$ 102,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 6,489	\$ -	\$ 35	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-	-	-
Accrued and other current liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	804,857	-	93,136	2,855
Advance from other funds	-	-	-	-	-	-	-
Total Liabilities	6,489	-	35	804,857	-	93,136	2,855
Deferred Inflows of Resources							
Property taxes	-	-	-	181,691	104,214	95,575	102,264
Loans receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	181,691	104,214	95,575	102,264
Fund Balances (Deficits)							
Restricted							
Retirement of long-term debt	-	-	-	-	-	-	-
Future loans	-	-	-	-	-	-	-
Future projects or improvements	-	-	-	-	-	-	-
Committed for future spending	-	-	-	-	-	-	-
Assigned for future projects	105,794	26,333	646,828	-	-	-	-
Unassigned	-	-	-	(804,857)	-	(93,136)	(2,855)
Total Fund Balances (Deficits)	105,794	26,333	646,828	(804,857)	-	(93,136)	(2,855)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 112,283	\$ 26,333	\$ 646,863	\$ 181,691	\$ 104,214	\$ 95,575	\$ 102,264

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Capital Projects Funds (Continued)					Total Nonmajor Governmental Funds
	TID 13	TID 14	TID 15	TID 16	TID 17	
ASSETS						
Cash and investments	\$ -	\$ -	\$ 2,979	\$ -	\$ -	\$ 6,022,760
Receivables						
Taxes	181,778	46,486	1,489,445	298,566	162,478	5,426,689
Accounts	-	-	-	-	-	589,810
Loans	-	-	-	-	-	4,713,720
TOTAL ASSETS	\$ 181,778	\$ 46,486	\$ 1,492,424	\$ 298,566	\$ 162,478	\$ 16,752,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,016
Contracts payable	-	-	-	-	-	33,810
Accrued and other current liabilities	-	-	-	-	-	42,365
Due to other funds	-	285,304	-	1,099,193	106,286	4,092,564
Advance from other funds	-	-	-	-	-	4,755,810
Total Liabilities	-	285,304	-	1,099,193	106,286	9,215,565
Deferred Inflows of Resources						
Property taxes	181,778	46,486	1,489,445	298,566	162,478	5,426,689
Loans receivable	-	-	-	-	-	4,713,720
Special assessments	-	-	-	-	27,205	115,172
Total Deferred Inflows of Resources	181,778	46,486	1,489,445	298,566	189,683	10,255,581
Fund Balances (Deficits)						
Restricted						
Retirement of long-term debt	-	-	2,979	-	-	2,979
Future loans	-	-	-	-	-	2,882,921
Future projects or improvements	-	-	-	-	-	464,648
Committed for future spending	-	-	-	-	-	1,173,265
Assigned for future projects	-	-	-	-	-	1,085,561
Unassigned	-	(285,304)	-	(1,099,193)	(133,491)	(8,327,541)
Total Fund Balances (Deficits)	-	(285,304)	2,979	(1,099,193)	(133,491)	(2,718,167)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 181,778	\$ 46,486	\$ 1,492,424	\$ 298,566	\$ 162,478	\$ 16,752,979

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds						
	Room Tax	Farmer's Market	Parking Meters	Mandatory Recycling	TID 7	TID 8	Commercial Revolving Loan
Revenues							
Taxes	\$ 368,104	\$ -	\$ 89,073	\$ -	\$ 344,019	\$ 29,132	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	216,356	3,364	121	-
Public charges for services	-	-	-	-	-	-	-
Intergovernmental charges for services	-	-	-	117,096	-	-	-
Miscellaneous	-	13,821	17,104	-	-	-	44,809
Total Revenues	<u>368,104</u>	<u>13,821</u>	<u>106,177</u>	<u>333,452</u>	<u>347,383</u>	<u>29,253</u>	<u>44,809</u>
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	68,925	-	-	-	-
Public works	-	-	5,979	139,588	983	-	-
Culture and recreation	-	8,379	-	-	-	-	-
Conservation and development	311,490	-	-	-	202	1,058	-
Debt service							
Principal	-	-	-	-	10,000	40,000	-
Interest and fiscal charges	-	-	-	-	6,524	6,625	-
Total Expenditures	<u>311,490</u>	<u>8,379</u>	<u>74,904</u>	<u>139,588</u>	<u>17,709</u>	<u>47,683</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>56,614</u>	<u>5,442</u>	<u>31,273</u>	<u>193,864</u>	<u>329,674</u>	<u>(18,430)</u>	<u>44,809</u>
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	299,311	-
Transfers out	(15,338)	-	(31,273)	(193,864)	-	-	-
Total Other Financing Sources (Uses)	<u>(15,338)</u>	<u>-</u>	<u>(31,273)</u>	<u>(193,864)</u>	<u>-</u>	<u>299,311</u>	<u>-</u>
Net Change in Fund Balances	41,276	5,442	-	-	329,674	280,881	44,809
Fund Balances (Deficits) - January 1	<u>157,679</u>	<u>27,143</u>	<u>-</u>	<u>-</u>	<u>(377,761)</u>	<u>(281,288)</u>	<u>654,453</u>
Fund Balances (Deficits) - December 31	<u>\$ 198,955</u>	<u>\$ 32,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,087)</u>	<u>\$ (407)</u>	<u>\$ 699,262</u>

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds (Continued)						
	Transit Capital Grant	Housing Revolving Loan	CDBG	HCRI Revolving Loan	Industrial Revolving Loan	Library	Mani International Relations Assoc
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,470,573	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	1,329,349	-	183,731	-	-	623,512	-
Public charges for services	-	-	-	-	-	65,885	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	-	101,846	24	6,122	585,321	111,880	-
Total Revenues	1,329,349	101,846	183,755	6,122	585,321	2,271,850	-
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	1,404,552	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	2,583,561	-
Conservation and development	-	9,450	183,731	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	1,404,552	9,450	183,731	-	-	2,583,561	-
Excess of Revenues Over (Under) Expenditures	(75,203)	92,396	24	6,122	585,321	(311,711)	-
Other Financing Sources (Uses)							
Long-term debt issued	7,000	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,173)	(44,342)	-
Total Other Financing Sources (Uses)	7,000	-	-	-	(10,173)	(44,342)	-
Net Change in Fund Balances	(68,203)	92,396	24	6,122	575,148	(356,053)	-
Fund Balances (Deficits) - January 1	34,194	40,604	11,124	16,631	1,452,758	784,651	11,210
Fund Balances (Deficits) - December 31	\$ (34,009)	\$ 133,000	\$ 11,148	\$ 22,753	\$ 2,027,906	\$ 428,598	\$ 11,210

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds (Continued)						
	Enhanced EMS	Rahr West Museum	Police Programs	Parkland Dedications	Aquatic Center	Senior Center	X Sports Complex
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	159,043	40,673	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	-	82,391	5,413	7,038	-	17,247	17
Total Revenues	-	82,391	5,413	7,038	159,043	57,920	17
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	4,336	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	50,146	-	-	212,693	58,169	-
Conservation and development	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	50,146	4,336	-	212,693	58,169	-
Excess of Revenues Over (Under) Expenditures	-	32,245	1,077	7,038	(53,650)	(249)	17
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	-	-
Transfers in	177,081	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	177,081	-	-	-	-	-	-
Net Change in Fund Balances	177,081	32,245	1,077	7,038	(53,650)	(249)	17
Fund Balances (Deficits) - January 1	(177,081)	291,497	44,949	252,097	116,525	91,282	10,678
Fund Balances (Deficits) - December 31	\$ -	\$ 323,742	\$ 46,026	\$ 259,135	\$ 62,875	\$ 91,033	\$ 10,695

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds (Continued)					Capital Projects Funds	
	Eternal Flame	Centennial	Ball Diamond Improvements	Zoo Improvements	Park & Rec Donations	Sanitary and Storm Sewers	Streets
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	374,042	-
Intergovernmental	-	-	-	-	-	2,048	64,000
Public charges for services	-	-	-	-	-	22,405	28,923
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	79	1,360	2,814	20	23,597	-	81,027
Total Revenues	79	1,360	2,814	20	23,597	398,495	173,950
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	479,244	1,194,655
Culture and recreation	3,008	-	-	5	12,263	-	-
Conservation and development	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	3,008	-	-	5	12,263	479,244	1,194,655
Excess of Revenues Over (Under) Expenditures	(2,929)	1,360	2,814	15	11,334	(80,749)	(1,020,705)
Other Financing Sources (Uses)							
Long-term debt issued	-	-	-	-	-	691,500	1,205,650
Transfers in	-	-	-	-	64,544	-	60,000
Transfers out	-	-	-	(20)	-	(467,700)	-
Total Other Financing Sources (Uses)	-	-	-	(20)	64,544	223,800	1,265,650
Net Change in Fund Balances	(2,929)	1,360	2,814	(5)	75,878	143,051	244,945
Fund Balances (Deficits) - January 1	49,585	8,306	10,758	5	16,139	(2,883,030)	(3,331,168)
Fund Balances (Deficits) - December 31	\$ 46,656	\$ 9,666	\$ 13,572	\$ -	\$ 92,017	\$ (2,739,979)	\$ (3,086,223)

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Capital Projects Funds (Continued)						
	Harbor Improvements	Capital Equipment	Environmental Remediation	Cemetery Improvements	Buildings and Other Improvements	TID 9	TID 10
Revenues							
Taxes	\$ -	\$ 65,000	\$ -	\$ -	\$ 66,663	\$ 173,232	\$ 100,621
Special assessments	-	-	-	-	-	-	-
Intergovernmental	710,700	-	-	-	50	504	1,908
Public charges for services	-	-	-	4,851	-	-	-
Intergovernmental charges for services	-	-	-	-	-	-	-
Miscellaneous	-	85,016	-	-	26,600	-	-
Total Revenues	710,700	150,016	-	4,851	93,313	173,736	102,529
Expenditures							
General government	-	114,079	-	-	9,430	-	-
Public safety	-	118,450	-	-	7,228	-	-
Public works	261,280	-	63,339	-	-	5,690	-
Culture and recreation	-	476	-	-	49,521	-	-
Conservation and development	-	-	-	-	66,662	1,276	1,898
Debt service							
Principal	-	-	-	-	-	89,827	61,365
Interest and fiscal charges	-	-	-	-	-	9,852	16,043
Total Expenditures	261,280	233,005	63,339	-	132,841	106,645	79,306
Excess of Revenues Over (Under) Expenditures	449,420	(82,989)	(63,339)	4,851	(39,528)	67,091	23,223
Other Financing Sources (Uses)							
Long-term debt issued	-	270,025	157,000	-	530,000	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(111,641)	-	-	-	-	(232,910)
Total Other Financing Sources (Uses)	-	158,384	157,000	-	530,000	-	(232,910)
Net Change in Fund Balances	449,420	75,395	93,661	4,851	490,472	67,091	(209,687)
Fund Balances (Deficits) - January 1	(419,357)	201,148	12,133	21,482	156,356	(871,948)	209,687
Fund Balances (Deficits) - December 31	\$ 30,063	\$ 276,543	\$ 105,794	\$ 26,333	\$ 646,828	\$ (804,857)	\$ -

(Continued)

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Capital Projects Funds (Continued)							Total Nonmajor Governmental Funds
	TID 11	TID 12	TID 13	TID 14	TID 15	TID 16	TID 17	
Revenues								
Taxes	\$ 108,279	\$ 145,990	\$ 178,650	\$ 66,603	\$ 1,551,345	\$ 342,127	\$ 161,546	\$ 5,260,957
Special assessments	-	-	-	-	-	-	-	374,042
Intergovernmental	23,444	5,439	79,436	1,947	30,852	29,207	2,611	3,308,579
Public charges for services	-	-	-	-	-	-	-	321,780
Intergovernmental charges for services	-	-	-	-	-	-	-	117,096
Miscellaneous	-	-	-	-	-	-	-	1,213,546
Total Revenues	131,723	151,429	258,086	68,550	1,582,197	371,334	164,157	10,596,000
Expenditures								
General government	-	-	-	-	-	-	-	123,509
Public safety	-	-	-	-	-	-	-	198,939
Public works	-	-	-	-	-	-	-	3,555,310
Culture and recreation	-	-	-	-	-	-	-	2,978,221
Conservation and development	1,060	3,813	150	439	500,150	1,482	211	1,083,072
Debt service								
Principal	150,000	20,000	75,000	95,000	820,000	150,000	50,000	1,561,192
Interest and fiscal charges	30,990	67,217	13,441	18,941	175,788	147,976	26,370	519,767
Total Expenditures	182,050	91,030	88,591	114,380	1,495,938	299,458	76,581	10,020,010
Excess of Revenues Over (Under) Expenditures	(50,327)	60,399	169,495	(45,830)	86,259	71,876	87,576	575,990
Other Financing Sources (Uses)								
Long-term debt issued	-	-	-	-	-	-	-	2,861,175
Transfers in	319,355	978,894	-	-	-	-	-	1,899,185
Transfers out	-	-	(1,249,773)	-	(174,877)	-	-	(2,531,911)
Total Other Financing Sources (Uses)	319,355	978,894	(1,249,773)	-	(174,877)	-	-	2,228,449
Net Change in Fund Balances	269,028	1,039,293	(1,080,278)	(45,830)	(88,618)	71,876	87,576	2,804,439
Fund Balances (Deficits) - January 1	(362,164)	(1,042,148)	1,080,278	(239,474)	91,597	(1,171,069)	(221,067)	(5,522,606)
Fund Balances (Deficits) - December 31	\$ (93,136)	\$ (2,855)	\$ -	\$ (285,304)	\$ 2,979	\$ (1,099,193)	\$ (133,491)	\$ (2,718,167)

CITY OF MANITOWOC, WISCONSIN
Room Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Room	\$ 380,000	\$ 368,104	\$ (11,896)
Expenditures			
Conservation and development	299,628	311,490	(11,862)
Excess of Revenues Over Expenditures	80,372	56,614	(23,758)
Other Financing Uses			
Transfers out	(15,800)	(15,338)	462
Net Change in Fund Balance	64,572	41,276	(23,296)
Fund Balance - January 1	157,679	157,679	-
Fund Balance - December 31	<u>\$ 222,251</u>	<u>\$ 198,955</u>	<u>\$ (23,296)</u>

CITY OF MANITOWOC, WISCONSIN
 Parking Meters Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property	\$ 89,073	\$ 89,073	\$ -
Miscellaneous			
Parking fees	12,000	17,104	5,104
Total Revenues	<u>101,073</u>	<u>106,177</u>	<u>5,104</u>
Expenditures			
Public safety	72,714	68,925	3,789
Public works	28,359	5,979	22,380
Total Expenditures	<u>101,073</u>	<u>74,904</u>	<u>26,169</u>
Excess of Revenues Over Expenditures	-	31,273	31,273
Other Financing Uses			
Transfers out	-	(31,273)	(31,273)
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	-	-	-
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANITOWOC, WISCONSIN
Mandatory Recycling Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ 234,000	\$ 216,356	\$ (17,644)
Charges for services	117,000	117,096	96
Total Revenues	<u>351,000</u>	<u>333,452</u>	<u>(17,548)</u>
Expenditures			
Public works	<u>144,000</u>	<u>139,588</u>	<u>4,412</u>
Excess of Revenues Over Expenditures	207,000	193,864	(13,136)
Other Financing Uses			
Transfers out	<u>(207,000)</u>	<u>(193,864)</u>	<u>13,136</u>
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 7 Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 316,266	\$ 344,019	\$ 27,753
Intergovernmental			
Exempt computer aid	1,633	3,364	1,731
Total Revenues	<u>317,899</u>	<u>347,383</u>	<u>29,484</u>
Expenditures			
Public works	-	983	(983)
Conservation and development	1,850	202	1,648
Debt service			
Principal	-	10,000	(10,000)
Interest and fiscal charges	-	6,524	(6,524)
Total Expenditures	<u>1,850</u>	<u>17,709</u>	<u>(15,859)</u>
Excess of Revenues Over Expenditures	<u>316,049</u>	<u>329,674</u>	<u>13,625</u>
Other Financing Sources (Uses)			
Transfers out	<u>(16,524)</u>	-	<u>16,524</u>
Net Change in Fund Balance	299,525	329,674	30,149
Fund Balance (Deficit) - January 1	<u>(377,761)</u>	<u>(377,761)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (78,236)</u>	<u>\$ (48,087)</u>	<u>\$ 30,149</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 8 Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 26,782	\$ 29,132	\$ 2,350
Intergovernmental			
Exempt computer aid	44	121	77
Total Revenues	<u>26,826</u>	<u>29,253</u>	<u>2,427</u>
Expenditures			
Conservation and development	380	1,058	(678)
Debt service			
Principal	-	40,000	(40,000)
Interest and fiscal charges	-	6,625	(6,625)
Total Expenditures	<u>380</u>	<u>47,683</u>	<u>(47,303)</u>
Excess of Revenues Over (Under) Expenditures	<u>26,446</u>	<u>(18,430)</u>	<u>(44,876)</u>
Other Financing Sources (Uses)			
Transfers in	-	299,311	299,311
Transfers out	(46,625)	-	46,625
Total Other Financing Sources (Uses)	<u>(46,625)</u>	<u>299,311</u>	<u>345,936</u>
Net Change in Fund Balance	(20,179)	280,881	301,060
Fund Balance (Deficit) - January 1	<u>(281,288)</u>	<u>(281,288)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (301,467)</u>	<u>\$ (407)</u>	<u>\$ 301,060</u>

CITY OF MANITOWOC, WISCONSIN
 Transit Capital Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ -	\$ 1,329,349	\$ 1,329,349
Expenditures			
Public works	1,397,563	1,404,552	(6,989)
Excess of Revenues Over (Under) Expenditures	(1,397,563)	(75,203)	1,322,360
Other Financing Sources			
Long-term debt issued	7,000	7,000	-
Net Change in Fund Balance	(1,390,563)	(68,203)	1,322,360
Fund Balance - January 1	34,194	34,194	-
Fund Balance (Deficit) - December 31	<u>\$ (1,356,369)</u>	<u>\$ (34,009)</u>	<u>\$ 1,322,360</u>

CITY OF MANITOWOC, WISCONSIN
Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property taxes	\$ 1,470,573	\$ 1,470,573	\$ -
Intergovernmental			
County aids	616,098	623,512	7,414
Public charges for services			
User fees	63,500	65,885	2,385
Miscellaneous	106,000	111,880	5,880
Total Revenues	<u>2,256,171</u>	<u>2,271,850</u>	<u>15,679</u>
Expenditures			
Culture and recreation	2,665,839	2,583,561	82,278
Excess of Revenues Over (Under) Expenditures	<u>(409,668)</u>	<u>(311,711)</u>	<u>97,957</u>
Other Financing Sources (Uses)			
Transfers in	17,632	-	(17,632)
Transfers out	(81,517)	(44,342)	37,175
Total Other Financing Sources (Uses)	<u>(63,885)</u>	<u>(44,342)</u>	<u>19,543</u>
Net Change in Fund Balance	(473,553)	(356,053)	117,500
Fund Balance - January 1	<u>784,651</u>	<u>784,651</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 311,098</u>	<u>\$ 428,598</u>	<u>\$ 117,500</u>

CITY OF MANITOWOC, WISCONSIN
Enhanced EMS Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ -	\$ -	\$ -
Public charges for services			
User fees	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfer in	-	177,081	177,081
Transfers out	(24,115)	-	24,115
Total Other Financing Sources (Uses)	<u>(24,115)</u>	<u>177,081</u>	<u>201,196</u>
Net Change in Fund Balance	(24,115)	177,081	201,196
Fund Balance (Deficit) - January 1	<u>(177,081)</u>	<u>(177,081)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (201,196)</u>	<u>\$ -</u>	<u>\$ 201,196</u>

CITY OF MANITOWOC, WISCONSIN
 Aquatic Center Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services			
User fees	\$ 189,300	\$ 159,043	\$ (30,257)
Expenditures			
Culture and Recreation	244,300	212,693	31,607
Net Change in Fund Balance	(55,000)	(53,650)	1,350
Fund Balance - January 1	116,525	116,525	-
Fund Balance - December 31	<u>\$ 61,525</u>	<u>\$ 62,875</u>	<u>\$ 1,350</u>

CITY OF MANITOWOC, WISCONSIN
 Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 6,142,547	\$ 6,142,547	\$ 6,142,547	\$ -
Special assessments	490,153	490,153	595,072	104,919
Miscellaneous	311,415	311,415	292,664	(18,751)
Total Revenues	6,944,115	6,944,115	7,030,283	86,168
Expenditures				
Principal retirement	7,014,426	7,014,426	6,133,808	880,618
Interest charges	2,637,589	2,637,589	1,855,059	782,530
Bond/Note issuance costs	-	-	26,107	(26,107)
Total Expenditures	9,652,015	9,652,015	8,014,974	1,637,041
Excess of Revenues Over (Under)				
Expenditures	(2,707,900)	(2,707,900)	(984,691)	1,723,209
Other Financing Sources (Uses)				
Long-term debt issued	-	-	4,793,825	4,793,825
Premium on debt	-	-	279,930	279,930
Payment to refunding escrow agent	-	-	(5,046,899)	(5,046,899)
Transfers in	2,707,900	2,707,900	67,464	(2,640,436)
Total Other Financing Sources (Uses)	2,707,900	2,707,900	94,320	(2,613,580)
Net Change in Fund Balance	-	-	(890,371)	(890,371)
Fund Balance - January 1	2,235,989	2,235,989	2,235,989	-
Fund Balance - December 31	\$ 2,235,989	\$ 2,235,989	\$ 1,345,618	\$ (890,371)

CITY OF MANITOWOC, WISCONSIN
 Sanitary and Storm Sewers Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special assessments	\$ 455,100	\$ 374,042	\$ (81,058)
Intergovernmental			
Storm water management grant	-	2,048	2,048
Public charges for services			
Sanitary and storm sewers	12,600	22,405	9,805
Total Revenues	<u>467,700</u>	<u>398,495</u>	<u>(69,205)</u>
Expenditures			
Public works			
Sanitary and storm sewers	<u>691,500</u>	<u>479,244</u>	<u>212,256</u>
Excess of Revenues Over (Under) Expenditures	<u>(223,800)</u>	<u>(80,749)</u>	<u>143,051</u>
Other Financing Sources (Uses)			
Long-term debt issued	691,500	691,500	-
Transfers out	(467,700)	(467,700)	-
Total Other Financing Sources (Uses)	<u>223,800</u>	<u>223,800</u>	<u>-</u>
Net Change in Fund Balance	-	143,051	143,051
Fund Balance (Deficit) - January 1	<u>(2,883,030)</u>	<u>(2,883,030)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (2,883,030)</u>	<u>\$ (2,739,979)</u>	<u>\$ 143,051</u>

CITY OF MANITOWOC, WISCONSIN
Streets Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
DOT grant	\$ 58,666	\$ 64,000	\$ 5,334
Charges for services			
Public charges for services			
Fees	-	28,923	28,923
Miscellaneous			
Donations	38,000	81,027	43,027
Total Revenues	<u>96,666</u>	<u>173,950</u>	<u>77,284</u>
Expenditures			
Public works			
Streets	1,491,616	725,030	766,586
Curbs and sidewalks	-	315,962	(315,962)
Traffic control	-	102,502	(102,502)
Pavement markings	-	47,361	(47,361)
Bridges	-	3,800	(3,800)
Total Expenditures	<u>1,491,616</u>	<u>1,194,655</u>	<u>296,961</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,394,950)</u>	<u>(1,020,705)</u>	<u>374,245</u>
Other Financing Sources (Uses)			
Long-term debt issued	1,205,650	1,205,650	-
Transfers in	60,000	60,000	-
Total Other Financing Sources (Uses)	<u>1,265,650</u>	<u>1,265,650</u>	<u>-</u>
Net Change in Fund Balance	(129,300)	244,945	374,245
Fund Balance (Deficit) - January 1	<u>(3,331,168)</u>	<u>(3,331,168)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (3,460,468)</u>	<u>\$ (3,086,223)</u>	<u>\$ 374,245</u>

CITY OF MANITOWOC, WISCONSIN
 Harbor Improvements Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
Department of Transportation grant	\$ -	\$ 710,700	\$ 710,700
Expenditures			
Public works			
Dock improvements	-	261,280	(261,280)
Net Change in Fund Balance	-	449,420	449,420
Fund Balance (Deficit) - January 1	(419,357)	(419,357)	-
Fund Balance (Deficit) - December 31	<u>\$ (419,357)</u>	<u>\$ 30,063</u>	<u>\$ 449,420</u>

CITY OF MANITOWOC, WISCONSIN
Capital Equipment Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 65,000	\$ 65,000	\$ -
Miscellaneous			-
Sale of property	-	85,016	85,016
Total Revenues	<u>65,000</u>	<u>150,016</u>	<u>85,016</u>
Expenditures			
General government			
Data processing	230,091	114,079	116,012
Public safety			
Police	182,570	83,617	98,953
Fire	-	34,833	(34,833)
Public works			
Streets	45,350	-	45,350
Culture and recreation			
Parks	20,000	476	19,524
Total Expenditures	<u>478,011</u>	<u>233,005</u>	<u>245,006</u>
Excess of Revenues Over (Under) Expenditures	<u>(413,011)</u>	<u>(82,989)</u>	<u>330,022</u>
Other Financing Sources (Uses)			
Long-term debt issued	270,025	270,025	-
Transfers out	(47,117)	(111,641)	(64,524)
Total Other Financing Sources (Uses)	<u>222,908</u>	<u>158,384</u>	<u>(64,524)</u>
Net Change in Fund Balance	(190,103)	75,395	265,498
Fund Balance - January 1	<u>201,148</u>	<u>201,148</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 11,045</u>	<u>\$ 276,543</u>	<u>\$ 265,498</u>

CITY OF MANITOWOC, WISCONSIN
 Environmental Remediation Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Public works			
Landfill cleanup	175,000	63,339	111,661
Excess of Revenues Over (Under) Expenditures	(175,000)	(63,339)	111,661
Other Financing Sources			
Long-term debt issued	157,000	157,000	-
Net Change in Fund Balance	(18,000)	93,661	111,661
Fund Balance - January 1	12,133	12,133	-
Fund Balance (Deficit) - December 31	<u>\$ (5,867)</u>	<u>\$ 105,794</u>	<u>\$ 111,661</u>

CITY OF MANITOWOC, WISCONSIN
 Cemetery Improvements Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 for the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services	\$ -	\$ 4,851	\$ 4,851
Expenditures			
Health and human services			
Site preparation	-	-	-
Net Change in Fund Balance	-	4,851	4,851
Fund Balance - January 1	21,482	21,482	-
Fund Balance - December 31	<u>\$ 21,482</u>	<u>\$ 26,333</u>	<u>\$ 4,851</u>

CITY OF MANITOWOC, WISCONSIN
Buildings and Other Improvements Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 66,663	\$ 66,663	\$ -
Intergovernmental	-	50	50
Miscellaneous			
Donations	-	26,600	26,600
Total Revenues	<u>66,663</u>	<u>93,313</u>	<u>26,650</u>
Expenditures			
General government	150,000	9,430	140,570
Public safety	98,547	7,228	91,319
Culture and recreation	290,000	49,521	240,479
Conservation and development	66,663	66,662	1
Total Expenditures	<u>605,210</u>	<u>132,841</u>	<u>472,369</u>
Excess of Revenues Over (Under) Expenditures	(538,547)	(39,528)	499,019
Other Financing Sources			
Long-term debt issued	<u>680,000</u>	<u>530,000</u>	<u>(150,000)</u>
Net Change in Fund Balance	141,453	490,472	349,019
Fund Balance - January 1	<u>156,356</u>	<u>156,356</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 297,809</u>	<u>\$ 646,828</u>	<u>\$ 349,019</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 9 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 159,257	\$ 173,232	\$ 13,975
Intergovernmental			
Exempt computer aid	643	504	(139)
Total Revenues	<u>159,900</u>	<u>173,736</u>	<u>13,836</u>
Expenditures			
Public works	-	5,690	(5,690)
Conservation and development			
City admin fees	3,600	1,276	2,324
Debt service			
Principal		89,827	(89,827)
Interest and fiscal charges		9,852	(9,852)
Total Expenditures	<u>3,600</u>	<u>106,645</u>	<u>(103,045)</u>
Excess of Revenues Over (Under) Expenditures	<u>156,300</u>	<u>67,091</u>	<u>(89,209)</u>
Other Financing Uses			
Transfers out	<u>(99,679)</u>	-	99,679
Net Change in Fund Balance	56,621	67,091	10,470
Fund Balance (Deficit) - January 1	<u>(871,948)</u>	<u>(871,948)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (815,327)</u>	<u>\$ (804,857)</u>	<u>\$ 10,470</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 10 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 92,504	\$ 100,621	\$ 8,117
Intergovernmental			
Exempt computer aid	1,710	1,908	198
Total Revenues	<u>94,214</u>	<u>102,529</u>	<u>8,315</u>
Expenditures			
Conservation and development	1,150	1,898	(748)
Debt service			
Principal	-	61,365	(61,365)
Interest and fiscal charges	-	16,043	(16,043)
Total Expenditures	<u>1,150</u>	<u>79,306</u>	<u>(78,156)</u>
Excess of Revenues Over Expenditures	93,064	23,223	(69,841)
Other Financing Uses			
Transfers out	<u>(77,408)</u>	<u>(232,910)</u>	<u>(155,502)</u>
Net Change in Fund Balance	15,656	(209,687)	(225,343)
Fund Balance - January 1	<u>209,687</u>	<u>209,687</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 225,343</u>	<u>\$ -</u>	<u>\$ (225,343)</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 11 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 99,544	\$ 108,279	\$ 8,735
Intergovernmental			
Exempt computer aid	21,420	23,444	2,024
Total Revenues	<u>120,964</u>	<u>131,723</u>	<u>10,759</u>
Expenditures			
Conservation and development	325	1,060	(735)
Debt service			
Principal	-	150,000	(150,000)
Interest and fiscal charges	-	30,990	(30,990)
Total Expenditures	<u>325</u>	<u>182,050</u>	<u>(181,725)</u>
Excess of Revenues Over (Under) Expenditures	<u>120,639</u>	<u>(50,327)</u>	<u>(170,966)</u>
Other Financing Sources (Uses)			
Transfers in	-	319,355	319,355
Transfers out	(180,990)	-	180,990
Total Other Financing Sources (Uses)	<u>(180,990)</u>	<u>319,355</u>	<u>500,345</u>
Net Change in Fund Balance	(60,351)	269,028	329,379
Fund Balance (Deficit) - January 1	<u>(362,164)</u>	<u>(362,164)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (422,515)</u>	<u>\$ (93,136)</u>	<u>\$ 329,379</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 12 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 134,212	\$ 145,990	\$ 11,778
Intergovernmental			
Exempt computer aid	7,211	5,439	(1,772)
Total Revenues	<u>141,423</u>	<u>151,429</u>	<u>10,006</u>
Expenditures			
Conservation and development	2,273	3,813	(1,540)
Debt service			
Principal	-	20,000	(20,000)
Interest and fiscal charges	-	67,217	(67,217)
Total Expenditures	<u>2,273</u>	<u>91,030</u>	<u>(88,757)</u>
Excess of Revenues Over Expenditures	<u>139,150</u>	<u>60,399</u>	<u>(78,751)</u>
Other Financing Sources (Uses)			
Transfers in	-	978,894	978,894
Transfers out	(365,872)	-	365,872
Total Other Financing Sources (Uses)	<u>(365,872)</u>	<u>978,894</u>	<u>1,344,766</u>
Net Change in Fund Balance	(226,722)	1,039,293	1,266,015
Fund Balance (Deficit) - January 1	<u>(1,042,148)</u>	<u>(1,042,148)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (1,268,870)</u>	<u>\$ (2,855)</u>	<u>\$ 1,266,015</u>

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 13 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 164,238	\$ 178,650	\$ 14,412
Intergovernmental			
Exempt computer aid	70,004	79,436	9,432
Total Revenues	<u>234,242</u>	<u>258,086</u>	<u>23,844</u>
Expenditures			
Conservation and development	150	150	-
Debt service			
Principal	-	75,000	(75,000)
Interest and fiscal charges	-	13,441	(13,441)
Total Expenditures	<u>150</u>	<u>88,591</u>	<u>(88,441)</u>
Excess of Revenues Over Expenditures	234,092	169,495	(64,597)
Other Financing Uses			
Transfers out	<u>(88,441)</u>	<u>(1,249,773)</u>	<u>(1,161,332)</u>
Net Change in Fund Balance	145,651	(1,080,278)	(1,225,929)
Fund Balance - January 1	<u>1,080,278</u>	<u>1,080,278</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,225,929</u>	<u>\$ -</u>	<u>\$ (1,225,929)</u>

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 14 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 61,230	\$ 66,603	\$ 5,373
Intergovernmental			
Exempt computer aid	846	1,947	1,101
Total Revenues	<u>62,076</u>	<u>68,550</u>	<u>6,474</u>
Expenditures			
Conservation and development	403	439	(36)
Debt service			
Principal	-	95,000	(95,000)
Interest and fiscal charges	-	18,941	(18,941)
Total Expenditures	<u>403</u>	<u>114,380</u>	<u>(113,977)</u>
Excess of Revenues Over (Under) Expenditures	61,673	(45,830)	(107,503)
Other Financing Uses			
Transfers out	<u>(113,941)</u>	-	113,941
Net Change in Fund Balance	(52,268)	(45,830)	6,438
Fund Balance (Deficit) - January 1	<u>(239,474)</u>	<u>(239,474)</u>	-
Fund Balance (Deficit) - December 31	<u><u>\$ (291,742)</u></u>	<u><u>\$ (285,304)</u></u>	<u><u>\$ 6,438</u></u>

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 15 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 1,426,196	\$ 1,551,345	\$ 125,149
Intergovernmental			
Exempt computer aid	37,450	30,852	(6,598)
Total Revenues	<u>1,463,646</u>	<u>1,582,197</u>	<u>118,551</u>
Expenditures			
Conservation and development	352,500	500,150	(147,650)
Debt service			
Principal	-	820,000	(820,000)
Interest and fiscal charges	-	175,788	(175,788)
Total Expenditures	<u>352,500</u>	<u>1,495,938</u>	<u>(1,143,438)</u>
Excess of Revenues Over Expenditures	1,111,146	86,259	(1,024,887)
Other Financing Uses			
Transfers out	<u>(1,044,990)</u>	<u>(174,877)</u>	870,113
Net Change in Fund Balance	66,156	(88,618)	(154,774)
Fund Balance - January 1	<u>91,597</u>	<u>91,597</u>	-
Fund Balance - December 31	<u>\$ 157,753</u>	<u>\$ 2,979</u>	<u>\$ (154,774)</u>

CITY OF MANITOWOC, WISCONSIN
Tax Increment District No. 16 Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 314,527	\$ 342,127	\$ 27,600
Intergovernmental			
Exempt computer aid	16,350	29,207	12,857
Total Revenues	<u>330,877</u>	<u>371,334</u>	<u>40,457</u>
Expenditures			
Conservation and development	4,400	1,482	2,918
Debt service			
Principal	-	150,000	(150,000)
Interest and fiscal charges	-	147,976	(147,976)
Total Expenditures	<u>4,400</u>	<u>299,458</u>	<u>(295,058)</u>
Excess of Revenues Over Expenditures	326,477	71,876	(254,601)
Other Financing Uses			
Transfers out	<u>(534,806)</u>	-	534,806
Net Change in Fund Balance	(208,329)	71,876	280,205
Fund Balance (Deficit) - January 1	<u>(1,171,069)</u>	<u>(1,171,069)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (1,379,398)</u>	<u>\$ (1,099,193)</u>	<u>\$ 280,205</u>

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 17 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended December 31, 2012

	2012		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 148,514	\$ 161,546	\$ 13,032
Intergovernmental			
Exempt computer aid	3,038	2,611	(427)
Total Revenues	<u>151,552</u>	<u>164,157</u>	<u>12,605</u>
Expenditures			
Conservation and development	76,520	211	76,309
Debt service			
Principal	-	50,000	(50,000)
Interest and fiscal charges	-	26,370	(26,370)
Total Expenditures	<u>76,520</u>	<u>76,581</u>	<u>(61)</u>
Net Change in Fund Balance	75,032	87,576	12,544
Fund Balance (Deficit) - January 1	<u>(221,067)</u>	<u>(221,067)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (146,035)</u>	<u>\$ (133,491)</u>	<u>\$ 12,544</u>

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department to other departments of the City, or to other governmental units, on a cost reimbursement basis. The City utilizes internal service fund accounting for the following:

Data Processing

To account for electronic data processing services provided to other City departments.

Health Self-Insurance

To account for funds held by the City, generated by charges to other City departments, employees and retirees, to finance employee health claims.

General Liability Self-Insurance

To account for the City's capitalization deposit in the Cities and Villages Mutual Insurance Company (CVMIC).

CITY OF MANITOWOC, WISCONSIN

Combining Statement of Net Position

Internal Service Funds

December 31, 2012

	Data Processing	Health Self Insurance	General Liability Self Insurance	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 65,258	\$ 2,714,056	\$ -	\$ 2,779,314
Receivables				
Accounts	26,910	14,457	-	41,367
Inventories and prepaid items	77,769	-	-	77,769
Total Current Assets	169,937	2,728,513	-	2,898,450
Noncurrent Assets				
Deposit with CVMIC	-	-	1,111,426	1,111,426
TOTAL ASSETS	169,937	2,728,513	1,111,426	4,009,876
LIABILITIES				
Current Liabilities				
Accounts payable	61,658	332,460	-	394,118
Accrued and other current liabilities	129,570	397,806	-	527,376
Compensated absences	15,000	-	-	15,000
Total Current Liabilities	206,228	730,266	-	936,494
Noncurrent Liabilities				
Compensated absences	127,617	-	-	127,617
TOTAL LIABILITIES	333,845	730,266	-	1,064,111
NET POSITION				
Unrestricted (deficit)	(163,908)	1,998,247	1,111,426	2,945,765
TOTAL NET POSITION (DEFICIT)	\$ (163,908)	\$ 1,998,247	\$ 1,111,426	\$ 2,945,765

CITY OF MANITOWOC, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended December 31, 2012

	Data Processing	Health Self Insurance	General Liability Self Insurance	Totals
Operating Revenues				
Charges for services	\$ 581,413	\$ 3,931,397	\$ -	\$ 4,512,810
Operating Expenses				
Operation and maintenance	711,240	-	-	711,240
Insurance payments and claims	-	4,094,376	-	4,094,376
Taxes	9,944	-	-	9,944
Total Operating Expenses	721,184	4,094,376	-	4,815,560
Operating Income (Loss)	(139,771)	(162,979)	-	(302,750)
Nonoperating Revenues (Expenses)				
Interest expense	(4,082)	-	-	(4,082)
Insurance recoveries	-	74,622	-	74,622
Total Nonoperating Revenues (Expenses)	(4,082)	74,622	-	70,540
Change in Net Position	(143,853)	(88,357)	-	(232,210)
Net Position - January 1	(20,055)	2,086,604	1,111,426	3,177,975
Net Position (Deficit) - December 31	\$ (163,908)	\$ 1,998,247	\$ 1,111,426	\$ 2,945,765

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2012

	Data Processing	Health Self Insurance	General Liability Self Insurance	Totals
Cash Flows from Operating Activities				
Cash from interfund services provided	\$ 583,551	\$ 3,996,309	\$ -	\$ 4,579,860
Payments to suppliers	(46,351)	(4,048,650)	(495)	(4,095,496)
Payments to employees	(630,393)	-	-	(630,393)
Net Cash Provided (Used) by Operating Activities	<u>(93,193)</u>	<u>(52,341)</u>	<u>(495)</u>	<u>(146,029)</u>
Cash Flows from Noncapital and Related Financing Activities				
Cash transferred to other funds	(668,514)	-	-	(668,514)
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(97,460)	-	-	(97,460)
Capital assets transferred from internal service fund	924,425	-	-	924,425
Net Cash Provided by Capital and Related Financing Activities	<u>826,965</u>	<u>-</u>	<u>-</u>	<u>826,965</u>
Change in Cash and Cash Equivalents	65,258	(52,341)	(495)	12,422
Cash and Cash Equivalents - January 1	-	2,766,397	495	2,766,892
Cash and Cash Equivalents - December 31	<u>\$ 65,258</u>	<u>\$ 2,714,056</u>	<u>\$ -</u>	<u>\$ 2,779,314</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (139,771)	\$ (162,979)	\$ -	\$ (302,750)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Insurance recoveries	-	74,622	-	74,622
Changes in assets and liabilities				
Receivables	2,138	(9,710)	-	(7,572)
Inventories and prepaid items	7,991	78	-	8,069
Accounts payable	11,081	259,739	(495)	270,325
Accrued and other liabilities	49,539	(214,091)	-	(164,552)
Compensated absences	(24,171)	-	-	(24,171)
Net Cash Provided (Used) by Operating Activities	<u>\$ (93,193)</u>	<u>\$ (52,341)</u>	<u>\$ (495)</u>	<u>\$ (146,029)</u>

CITY OF MANITOWOC, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
December 31, 2012 and 2011

	2012	2011
Capital Assets		
Land	\$ 7,392,718	\$ 7,392,718
Buildings	28,674,629	28,674,629
Machinery and equipment	23,817,922	23,577,491
Infrastructure	183,254,187	182,600,774
Total Governmental Funds Capital Assets	<u>\$ 243,139,456</u>	<u>\$ 242,245,612</u>
Investments in Governmental Funds Capital Assets By Source		
General fund	\$ 23,835,087	\$ 23,594,656
Special revenue funds		
Federal and state grants	6,979,509	6,979,509
Capital projects funds		
General obligation debt	212,324,860	211,671,447
Total Governmental Funds Capital Assets	<u>\$ 243,139,456</u>	<u>\$ 242,245,612</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF MANITOWOC, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
December 31, 2012

Function	Total	Land	Buildings	Machinery and Equipment	Infrastructure
General government	\$ 13,851,080	\$ 5,852,865	\$ 7,454,393	\$ 543,822	\$ -
Public safety	9,645,318	347,400	4,604,417	4,693,501	-
Public works	198,488,619	392,240	4,343,364	10,498,828	183,254,187
Health and human services	456,933	-	117,711	339,222	-
Culture and recreation	19,831,314	800,213	11,697,315	7,333,786	-
Conservation and development	866,192	-	457,429	408,763	-
Total General Capital Assets	\$ 243,139,456	\$ 7,392,718	\$ 28,674,629	\$ 23,817,922	\$ 183,254,187

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF MANITOWOC, WISCONSIN
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function
 For the Year Ended December 31, 2012

Function	Governmental Funds Capital Assets 1/1/12	Additions	Retirements	Governmental Funds Capital Assets 12/31/12
General government	\$ 13,830,279	\$ 33,301	\$ 12,500	\$ 13,851,080
Public safety	9,709,761	154,259	218,702	9,645,318
Public works	197,835,206	1,368,658	715,245	198,488,619
Health and human services	456,933	-	-	456,933
Culture and recreation	19,561,862	314,952	45,500	19,831,314
Conservation and development	851,571	14,621	-	866,192
Total Governmental Funds Capital Assets	\$ 242,245,612	\$ 1,885,791	\$ 991,947	\$ 243,139,456

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

STATISTICAL SECTION

This part of the City of Manitowoc's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Manitowoc's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how Manitowoc's financial performance and well-being have changed over time.</i>	126
Revenue Capacity <i>These schedules contain information to help the reader assess Manitowoc's most significant local revenue source, the property tax.</i>	133
Debt Capacity <i>These schedules present information to help the reader assess the affordability of Manitowoc's current levels of outstanding debt and Manitowoc's ability to issue additional debt in the future.</i>	138
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which Manitowoc's financial activities take place.</i>	151
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in Manitowoc's financial report relates to the services Manitowoc provides and the activities it performs.</i>	153

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF MANITOWOC, WISCONSIN
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 110,118,884	\$ 106,284,680	\$ 99,544,772	\$ 91,651,520	\$ 84,351,471	\$ 85,055,705	\$ 82,397,585	\$ 78,408,781	\$ 82,948,335	\$ 81,463,401
Restricted	-	-	-	-	-	-	-	-	3,318,623	3,350,548
Unrestricted (deficit)	3,693,546	1,980,451	3,319,385	4,196,938	5,783,990	(4,838,894)	(7,338,552)	(11,370,850)	(15,749,380)	(13,202,516)
Total governmental activities net assets	\$ 113,812,430	\$ 108,265,131	\$ 102,864,157	\$ 95,848,458	\$ 90,135,461	\$ 80,216,811	\$ 75,059,033	\$ 67,037,931	\$ 70,517,578	\$ 71,611,433
Business-type activities										
Invested in capital assets, net of related debt	\$ 72,140,371	\$ 75,652,591	\$ 82,111,719	\$ 108,717,186	\$ 107,018,216	\$ 103,680,120	\$ 100,181,138	\$ 94,937,833	\$ 93,859,889	\$ 96,412,488
Restricted	9,220,501	13,035,466	11,967,017	12,744,881	13,527,007	14,135,766	13,872,760	14,068,192	50,428,742	52,918,667
Unrestricted	25,992,987	21,714,871	17,609,040	22,053,805	33,021,269	43,086,021	49,214,832	52,275,971	21,780,335	25,808,434
Total business-type activities net assets	\$ 107,353,859	\$ 110,402,928	\$ 111,687,776	\$ 143,515,872	\$ 153,566,492	\$ 160,901,907	\$ 163,268,730	\$ 161,281,996	\$ 166,068,966	\$ 175,139,589
Primary government										
Invested in capital assets, net of related debt	\$ 182,259,255	\$ 181,937,271	\$ 181,656,491	\$ 200,368,706	\$ 191,369,687	\$ 188,735,825	\$ 182,578,723	\$ 173,346,614	\$ 176,808,224	\$ 177,875,889
Restricted	9,220,501	13,035,466	11,967,017	12,744,881	13,527,007	14,135,766	13,872,760	14,068,192	53,747,365	56,269,215
Unrestricted	29,686,533	23,695,322	20,928,425	26,250,743	38,805,259	38,247,127	41,876,280	40,905,121	6,030,955	12,605,918
Total primary government net assets	\$ 221,166,289	\$ 218,668,059	\$ 214,551,933	\$ 239,364,330	\$ 243,701,953	\$ 241,118,718	\$ 238,327,763	\$ 228,319,927	\$ 236,586,544	\$ 246,751,022

CITY OF MANITOWOC, WISCONSIN

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Year Ending December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 3,228,652	\$ 3,245,903	\$ 4,809,245	\$ 4,986,172	\$ 3,254,368	\$ 4,307,042	\$ 4,295,657	\$ 4,649,699	\$ 3,072,360	\$ 3,938,219
Public safety	11,916,048	11,317,846	12,795,781	14,641,739	14,269,506	15,193,488	15,299,834	16,553,734	14,665,705	14,445,022
Public works	11,815,003	13,448,041	12,142,877	12,036,480	14,166,272	12,831,693	14,624,459	13,837,037	12,547,700	11,045,943
Health and human services	510,663	511,522	446,459	461,828	475,799	523,071	505,417	546,432	539,339	271,019
Culture and recreation	5,794,368	5,167,581	5,533,273	6,134,585	6,127,795	6,337,825	6,410,617	6,671,335	5,794,316	4,922,559
Development	5,435,296	4,537,594	3,425,300	1,831,028	2,148,368	5,951,961	2,578,143	1,871,549	1,306,096	1,572,350
Interest on debt	2,607,106	2,689,187	2,610,510	2,768,177	2,903,283	3,017,661	2,989,602	3,941,695	2,480,672	2,268,177
Total governmental activities expenses	<u>41,307,136</u>	<u>40,917,674</u>	<u>41,763,445</u>	<u>42,860,009</u>	<u>43,345,391</u>	<u>48,162,741</u>	<u>46,703,729</u>	<u>48,071,481</u>	<u>40,406,188</u>	<u>38,463,289</u>
Business-type activities:										
Water utility	3,752,270	3,637,679	3,717,492	3,972,955	4,624,516	5,665,651	5,976,464	5,822,531	5,750,971	5,468,625
Electric utility	29,303,156	32,728,601	38,912,665	42,762,568	47,521,200	48,273,428	44,287,845	46,581,595	49,737,531	58,697,745
Steam utility	1,937,672	2,253,794	2,649,182	3,599,632	3,636,524	3,726,855	3,441,973	2,692,941	1,895,580	285,953
Broadband utility	-	32,602	88,482	155,984	112,275	121,311	99,484	100,286	58,713	73,837
Wastewater treatment plant	5,759,012	5,996,621	6,022,139	6,457,444	5,575,906	8,898,944	6,775,626	5,843,812	4,729,671	4,433,388
Transit system	1,222,206	1,381,317	1,346,906	1,936,499	2,202,062	2,476,436	2,304,946	2,458,989	2,474,960	2,306,296
Total business-type activities expenses	<u>41,974,316</u>	<u>46,030,614</u>	<u>52,736,866</u>	<u>58,885,082</u>	<u>63,672,483</u>	<u>69,162,625</u>	<u>62,886,338</u>	<u>63,500,154</u>	<u>64,647,426</u>	<u>71,265,844</u>
Total primary government expenses	<u>\$ 83,281,452</u>	<u>\$ 86,948,288</u>	<u>\$ 94,500,311</u>	<u>\$ 101,745,091</u>	<u>\$ 107,017,874</u>	<u>\$ 117,325,366</u>	<u>\$ 109,590,067</u>	<u>\$ 111,571,635</u>	<u>\$ 105,053,614</u>	<u>\$ 109,729,133</u>

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Year Ending December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,989,455	\$ 186,604	\$ 193,265	\$ 404,721	\$ 628,488	\$ 364,561	\$ 361,486	\$ 354,642	\$ 470,516	\$ 495,393
Public safety	2,104,036	2,442,751	2,563,260	2,815,602	2,750,012	2,907,803	2,470,162	2,456,433	2,332,256	2,375,809
Culture and recreation	478,967	490,903	357,049	319,683	302,485	284,979	202,684	581,468	1,084,730	1,030,925
Other activities	2,159,288	1,923,063	1,033,148	2,312,693	1,516,507	2,058,554	1,222,632	1,465,935	3,404,449	1,331,898
Operating grants and contributions	4,611,819	4,793,565	5,196,700	4,024,587	4,129,199	3,975,594	3,811,709	3,760,579	3,575,437	4,640,641
Capital grants and contributions	1,680,594	3,133,716	3,596,333	2,656,238	3,272,031	1,448,952	4,569,538	2,942,698	3,592,144	1,467,078
Total governmental activities program revenue	13,024,159	12,970,602	12,939,755	12,533,524	12,598,722	11,040,443	12,638,211	11,561,755	14,459,532	11,341,744
Business-type activities:										
Charges for services:										
Water utility	4,763,036	4,639,685	4,945,177	4,579,587	5,052,775	6,860,998	6,623,124	5,953,586	5,907,447	6,901,030
Electric utility	32,556,634	32,885,848	38,871,385	49,758,451	54,661,738	57,456,101	49,875,214	52,689,004	57,313,333	65,957,316
Steam utility	2,184,966	2,376,692	2,689,657	3,501,244	4,231,300	4,743,307	3,985,780	2,361,255	1,497,632	477,640
Broadband utility	-	33,641	163,689	153,390	139,705	167,659	145,932	150,649	162,316	152,309
Wastewater treatment plant	5,805,017	6,509,482	6,620,727	6,703,344	6,615,654	6,423,450	6,181,047	5,362,958	5,250,862	6,028,570
Transit system	243,100	136,239	164,077	161,517	273,440	213,051	208,447	216,506	183,558	185,298
Operating grants and contributions	971,776	920,629	1,058,956	1,462,145	1,975,526	1,955,205	1,948,833	1,967,087	1,972,194	1,807,210
Capital grants and contributions	755,300	3,459,888	2,016,280	26,172,711	1,962,388	827,710	609,685	257,491	392,686	1,499,199
Total business-type activities program revenue	47,279,829	50,962,104	56,529,948	92,492,389	74,912,526	78,647,481	69,578,062	68,958,536	72,680,028	83,008,572
Total primary government program revenues	\$ 60,303,988	\$ 63,932,706	\$ 69,469,703	\$ 105,025,913	\$ 87,511,248	\$ 89,687,924	\$ 82,216,273	\$ 80,520,291	\$ 87,139,560	\$ 94,350,316
Net (expense)/revenue										
Governmental activities	\$(28,282,977)	\$(27,947,072)	\$(28,823,690)	\$ (30,326,485)	\$ (30,746,669)	\$ (37,122,298)	\$ (34,065,518)	\$ (36,509,726)	\$ (25,946,656)	\$ (27,121,545)
Business-type activities	5,305,513	4,931,490	3,793,082	33,607,307	11,240,043	9,484,856	6,691,724	5,458,382	8,032,602	11,742,728
Total primary government net expense	\$(22,977,464)	\$(23,015,582)	\$(25,030,608)	\$ 3,280,822	\$ (19,506,626)	\$ (27,637,442)	\$ (27,373,794)	\$ (31,051,344)	\$ (17,914,054)	\$ (15,378,817)

(Continued)

CITY OF MANITOWOC, WISCONSIN

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Year Ending December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 9,497,549	\$ 10,482,538	\$ 10,488,321	\$ 10,940,949	\$ 12,066,248	\$ 13,774,903	\$ 14,265,247	\$ 15,286,914	\$ 15,687,287	\$ 17,145,312
Other taxes	518,454	551,360	525,419	534,998	603,072	493,192	533,298	470,540	418,429	415,842
Unrestricted state and federal aids	6,935,463	6,392,117	6,436,045	6,438,639	6,510,348	6,724,262	6,667,779	6,609,782	6,490,811	6,038,857
Interest earnings	865,955	939,800	1,122,596	1,520,526	2,042,220	1,782,827	1,449,891	619,090	275,315	184,573
Miscellaneous	209,867	499,553	934,205	719,805	753,937	939,946	869,195	675,787	305,173	658,504
Transfers	3,883,849	3,534,405	3,916,130	3,155,869	3,057,847	3,488,518	5,122,330	4,826,511	4,371,291	3,772,312
Total governmental activities	21,911,137	22,399,773	23,422,716	23,310,786	25,033,672	27,203,648	28,907,740	28,488,624	27,548,306	28,215,400
Business-type activities:										
Interest earnings	788,051	1,469,704	1,407,896	1,376,658	1,868,424	1,339,077	797,429	810,460	1,078,616	1,159,912
Miscellaneous	-	182,291	-	-	-	-	-	-	47,043	286,959
Transfers	(3,883,849)	(3,534,405)	(3,916,130)	(3,155,869)	(3,057,847)	(3,488,518)	(5,122,330)	(4,826,511)	(4,371,291)	(3,772,312)
Total business-type activities	(3,095,798)	(1,882,410)	(2,508,234)	(1,779,211)	(1,189,423)	(2,149,441)	(4,324,901)	(4,016,051)	(3,245,632)	(2,325,441)
Total primary government	\$ 18,815,339	\$ 20,517,363	\$ 20,914,482	\$ 21,531,575	\$ 23,844,249	\$ 25,054,207	\$ 24,582,839	\$ 24,472,573	\$ 24,302,674	\$ 25,889,959
Change in Net Assets										
Governmental activities	\$ (6,371,840)	\$ (5,547,299)	\$ (5,400,974)	\$ (7,015,699)	\$ (5,712,997)	\$ (9,918,650)	\$ (5,157,778)	\$ (8,021,102)	\$ 1,601,650	\$ 1,093,855
Business-type activities	2,209,715	3,049,080	1,284,848	31,828,096	10,050,620	7,335,415	2,366,823	1,442,331	4,786,970	9,417,287
Special Item (disposal of plant)	-	-	-	-	-	-	-	(3,429,065)	-	(346,664)
Total primary government	\$ (4,162,125)	\$ (2,498,219)	\$ (4,116,126)	\$ 24,812,397	\$ 4,337,623	\$ (2,583,235)	\$ (2,790,955)	\$ (10,007,836)	\$ 6,388,620	\$ 10,511,142

CITY OF MANITOWOC, WISCONSIN
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
General fund								
Reserved	\$ 428,210	\$ 660,054	\$ 833,638	\$ 433,574	\$ 611,795	\$ 726,271	\$ 790,933	\$ 4,907,025
Unreserved								
Designated	480,426	614,551	594,175	246,457	268,948	319,440	505,594	
Undesignated	4,832,454	4,465,445	4,084,547	4,475,758	4,896,200	5,281,765	4,352,886	16,981
Total general fund	\$ 5,741,090	\$ 5,740,050	\$ 5,512,360	\$ 5,155,789	\$ 5,776,943	\$ 6,327,476	\$ 5,649,413	\$ 4,924,006
All other governmental funds								
Reserved								
Long-term accounts and receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,104,155
Designated, reported in:								
Special revenue funds	527,398	531,559	566,678	430,137	205,466	283,296	117,777	172,809
Undesignated, reported in:								
Special revenue funds	2,235,794	3,440,534	3,481,066	4,529,840	4,939,578	4,720,504	4,803,639	4,141,080
Debt service fund	-	-	-	-	-	-	-	(13,250)
Capital projects funds	3,416,296	2,714,448	(602,387)	778,958	3,004,471	1,348,438	(1,318,561)	(4,238,225)
Total all other governmental funds	\$ 6,179,488	\$ 6,686,541	\$ 3,445,357	\$ 5,738,935	\$ 8,149,515	\$ 6,352,238	\$ 3,602,855	\$ 1,166,569
Total governmental funds	\$ 11,920,578	\$ 12,426,591	\$ 8,957,717	\$ 10,894,724	\$ 13,926,458	\$ 12,679,714	\$ 9,252,268	\$ 6,090,575

Fund balance information prior to the implementation of GASB Statement #54

CITY OF MANITOWOC, WISCONSIN
Fund Balances of Governmental Funds
Last Two Fiscal Years*
 (modified accrual basis of accounting)

	2011	2012
General fund		
Nonspendable		
Inventories and prepaid items	\$ 545,077	\$ 572,952
Long term accounts and interfund receivables	3,610,186	3,568,735
Committed for future spending	-	266,698
Unassigned	1,205,370	1,332,914
Total general fund	<u>5,360,633</u>	<u>5,741,299</u>
All other governmental funds		
Nonspendable		
Long term accounts and interfund receivables	\$ 2,879,773	\$ 1,345,618
Restricted		
Debt service	737,778	2,979
Future loans	2,164,446	2,882,921
Future spending	416,399	464,648
Committed for future spending	1,501,423	1,173,265
Assigned	391,119	1,085,561
Unassigned	(11,377,555)	(8,327,541)
Total all other governmental funds	<u>(3,286,617)</u>	<u>(1,372,549)</u>
Total governmental funds	<u>\$ 2,074,016</u>	<u>\$ 4,368,750</u>

* Not practical to restate fund balances for years prior to 2011 before implementation of GASB Statement #54.

CITY OF MANITOWOC, WISCONSIN
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 10,062,113	\$ 11,098,523	\$ 11,070,987	\$ 11,533,302	\$ 12,584,206	\$ 12,981,862	\$ 12,601,435	\$ 14,974,094	\$ 15,157,110	\$ 17,561,154
Special assessments	1,680,077	1,829,934	1,473,380	1,775,994	1,522,973	1,354,468	2,894,588	2,267,061	1,099,443	1,081,192
Intergovernmental	11,515,035	12,581,661	13,668,241	11,630,698	11,436,199	10,885,951	10,595,513	10,997,650	13,555,901	11,646,390
Licenses and permits	629,392	769,096	848,121	815,526	893,088	984,614	744,236	786,147	682,477	752,161
Fines and forfeitures	344,989	336,432	332,620	277,008	305,283	374,917	398,766	446,068	510,663	509,517
Public charges for services	2,116,943	2,227,391	2,350,070	2,694,432	3,190,894	3,182,798	2,789,478	3,146,325	2,535,498	2,342,459
Intergovernmental charges for services	92,746	108,518	107,011	173,942	158,892	209,276	217,642	234,356	314,421	340,357
Interdepartmental charges for services	2,867,246	1,882,380	2,529,664	3,095,320	1,867,893	5,487,499	3,840,958	2,513,141	3,344,680	1,671,131
Miscellaneous	2,824,752	3,975,868	3,127,154	3,445,057	3,836,625	3,880,692	4,522,006	1,987,947	3,389,654	2,108,026
Total revenues	32,133,293	34,809,803	35,507,248	35,441,279	35,796,053	39,342,077	38,604,622	37,352,789	40,589,847	38,012,387
Expenditures										
General government	10,003,434	3,114,458	3,115,150	3,060,546	4,260,655	3,746,635	3,759,301	3,524,745	3,322,766	3,018,867
Public safety	10,968,289	11,180,007	12,163,870	13,539,545	14,189,301	14,658,840	15,331,451	14,991,505	15,115,462	14,051,845
Public works	6,069,692	7,505,459	7,757,317	6,776,796	12,730,680	15,025,530	14,135,590	13,024,767	15,046,265	8,765,962
Health and human services	454,213	478,143	462,645	324,904	458,436	502,732	535,988	511,120	516,530	271,483
Culture and recreation	5,398,602	4,904,857	5,042,108	5,472,286	5,827,144	5,808,034	9,135,278	6,291,765	5,855,832	4,731,538
Conservation and development	2,960,568	3,379,069	2,794,638	1,806,069	2,136,426	6,038,371	2,875,858	2,734,168	3,508,398	1,442,368
Capital Outlay	11,719,627	6,895,266	11,942,025	8,011,219	-	-	-	-	-	-
Debt service										
Principal retirement	9,264,577	2,347,377	2,830,993	3,259,721	4,078,643	4,977,735	6,072,116	6,826,840	8,295,000	7,695,000
Interest and fiscal charges	2,124,521	2,629,798	2,529,685	2,609,575	2,798,486	3,062,370	3,071,264	3,085,792	2,990,159	2,400,933
Bond issuance costs	209,444	110,216	25,000	77,360	31,750	81,890	42,559	172,179	-	-
Total Expenditures	59,172,967	42,544,650	48,663,431	44,938,021	46,511,521	53,902,137	54,959,405	51,162,881	54,650,412	42,377,996
Excess of revenues over (under) expenditures	(27,039,674)	(7,734,847)	(13,156,183)	(9,496,742)	(10,715,468)	(14,560,060)	(16,354,783)	(13,810,092)	(14,060,565)	(4,365,609)

(continued)

CITY OF MANITOWOC, WISCONSIN
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses)										
General obligation debt issued	24,995,000	11,345,000	5,285,000	8,995,000	10,000,000	9,260,000	9,180,000	16,465,000	11,575,569	7,655,000
Note anticipation notes	-	-	-	1,005,000	-	-	-	-	-	-
Note premium	-	-	-	4,914	-	47,709	-	-	-	279,930
Refunding bond premium	-	207,905	-	41,403	-	-	-	-	-	-
General obligation bond premium	-	-	-	17,619	26,029	-	226,302	267,933	-	-
Payment to refunding bond escrow agent	-	(6,714,805)	-	(2,788,961)	-	-	(1,591,362)	(10,912,927)	(6,112,782)	(5,046,899)
Transfers in	6,251,052	7,379,466	8,004,399	8,958,843	9,516,270	11,414,087	13,269,987	12,843,835	14,988,448	6,481,304
Transfers out	(3,103,199)	(3,976,706)	(3,602,090)	(4,800,069)	(5,795,097)	(7,421,991)	(8,144,079)	(8,715,442)	(10,407,229)	(2,708,992)
Total other financing sources (uses)	28,142,853	8,240,860	9,687,309	11,433,749	13,747,202	13,299,805	12,940,848	9,948,399	10,044,006	6,660,343
Net change in fund balances	\$ 1,103,179	\$ 506,013	\$ (3,468,874)	\$ 1,937,007	\$ 3,031,734	\$ (1,260,255)	\$ (3,413,935)	\$ (3,861,693)	\$ (4,016,559)	\$ 2,294,734
 Debt service as a percentage of noncapital expenditures	 22.3%	 13.6%	 14.1%	 14.8%	 16.4%	 16.2%	 16.7%	 19.7%	 20.6%	 23.8%

CITY OF MANITOWOC, WISCONSIN
 General Governmental Tax Revenues By Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Occupational Tax	Mobile Home Tax	Tax Exempt Tax	Room Tax	Other Tax (1)	Total
2003	9,497,549	6,951	74,351	67,608	347,631	68,023	10,062,113
2004	10,482,301	12,517	67,748	67,370	364,635	103,952	11,098,523
2005	10,488,321	8,513	62,204	66,248	372,347	73,354	11,070,987
2006	10,940,949	6,867	61,554	77,686	381,856	64,390	11,533,302
2007	11,919,211	7,981	56,151	67,690	377,805	155,368	12,584,206
2008	12,429,108	8,274	50,047	32,880	401,529	60,024	12,981,862
2009	12,002,377	7,684	46,205	133,198	344,599	67,412	12,601,475
2010	14,417,637	8,561	61,842	24,457	366,098	95,499	14,974,094
2011	14,594,734	4,388	22,732	52,568	394,224	88,464	15,157,110
2012	16,992,173	3,567	47,609	40,230	368,104	109,471	17,561,154

(1) Other tax consists of omitted, tax roll over (under), retained sales, and interest.

CITY OF MANITOWOC, WISCONSIN
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property			Personal Property		Total Taxable Assessed Valuation	Total Direct Tax Rate	Estimated Actual Taxable Valuation	Assessed Value as a Percentage of Actual Value
	Residential	Commercial and Manufacturing	Other	Machinery and Equipment	Other				
2001	\$ 903,271,800	\$ 370,331,600	\$ 1,007,000	\$ 44,686,054	\$ 10,135,492	\$ 1,329,431,946	\$ 6.8929	\$ 1,551,650,400	85.68%
2002	916,269,900	378,866,700	805,500	39,338,690	10,312,930	1,345,593,720	7.1747	1,642,076,400	81.94%
2003	927,416,300	391,009,600	880,500	38,444,540	9,351,780	1,367,102,720	7.4004	1,685,909,700	81.08%
2004	936,893,500	387,800,400	885,700	36,288,660	6,423,340	1,368,291,600	7.4004	1,716,103,900	79.73%
2005	950,124,210	393,899,500	2,213,400	35,950,440	5,552,160	1,387,739,710	7.4004	1,745,244,100	79.55%
2006	963,406,610	407,623,400	921,800	37,916,950	9,534,000	1,419,402,760	7.8426	1,830,003,400	77.53%
2007	1,289,270,850	559,100,100	307,600	52,553,400	9,686,400	1,910,918,350	8.1483	1,894,017,500	100.84%
2008	1,298,476,600	558,735,900	304,900	55,964,300	10,447,700	1,923,929,400	6.4819	1,943,542,900	98.31%
2009	1,310,653,200	579,190,900	371,800	64,307,600	14,394,400	1,968,917,900	6.7569	2,057,147,400	95.71%
2010	1,314,301,200	587,046,100	317,500	69,633,200	15,545,900	1,986,843,900	6.8616	1,991,325,300	99.77%
2011	1,318,841,800	591,628,600	271,000	64,441,600	14,166,100	1,989,349,100	7.5931	1,976,679,300	99.36%
2012	1,317,694,400	591,216,200	275,300	64,862,200	14,877,600	1,988,925,700	7.5931	1,914,413,300	96.25%

Information obtained from Statistical Reports of Property Values, Bureau of Property Tax, Wisconsin Department of Revenue.
 Wisconsin State Statute 70.05 (5) (b) requires each taxation district to assess property at full value at least once in every 5-year period.
 In 1999, a City-wide revaluation was completed in-house.
 In 2006, the City contracted with Cole-Layer-Trumble for a City-wide revaluation to be completed by 2007 fiscal year end.

CITY OF MANITOWOC, WISCONSIN
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Manitowoc				Overlapping Rates								Total Direct & Overlapping Rates
	Operating Rate	General Obligation Debt Rate	Total Rate	Percent of Total Tax Bill	State of Wisconsin		County		School District		Lakeshore Technical College		
					Rate	Percent	Rate	Percent	Rate	Percent	Rate	Percent	
2003	\$ 5.5879	\$ 1.8125	\$ 7.4004	28.0%	\$ 0.2441	0.9%	\$ 7.1185	26.9%	\$ 9.6509	36.5%	\$ 2.0209	7.6%	\$ 26.4348
2004	5.2481	2.1523	7.4004	27.8%	0.2466	0.9%	7.1006	26.7%	9.8334	37.0%	2.0296	7.6%	26.6106
2005	5.1489	2.2515	7.4004	26.9%	0.2508	0.9%	7.2378	26.3%	10.6334	38.6%	2.0219	7.3%	27.5443
2006	5.2583	2.5843	7.8426	28.6%	0.2359	0.9%	7.2038	26.3%	10.1571	37.1%	1.9582	7.1%	27.3976
2007	5.2156	2.9327	8.1483	30.2%	0.2264	0.8%	7.1049	26.4%	9.5422	35.4%	1.9397	7.2%	26.9615
2008	4.0373	2.4446	6.4819	31.1%	0.1682	0.8%	5.2895	25.4%	7.4240	35.7%	1.4625	7.0%	20.8261
2009	4.2039	2.5530	6.7569	31.7%	0.1714	0.8%	5.3174	24.9%	7.5824	35.7%	1.4875	7.0%	21.3156
2010	4.0212	2.7357	6.7569	31.1%	0.1773	0.8%	5.3768	24.7%	7.8641	36.3%	1.5577	7.2%	21.7328
2011	4.6891	2.9040	7.5931	35.1%	0.1686	0.8%	5.2668	24.3%	7.0696	32.8%	1.5530	7.2%	21.6511
2012	4.5048	3.0883	7.5931	35.0%	0.1633	0.8%	5.3199	24.5%	7.0606	32.7%	1.5463	7.1%	21.6832

Property tax rates are per thousand dollar of assessed valuation.
The 2008 property tax rates reflect the total revaluation of the entire City.

CITY OF MANITOWOC, WISCONSIN

Principal Property Taxpayers
Current Year and 9 Years Prior

Taxpayer	Type of Business	2012			2003		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation*	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation**
Manitowoc Public Utilities	Power, water, steam, broadband utility	\$ 210,443,275	---	---	\$ 103,255,672	---	---
Manitowoc Company, Inc.	Mfg cranes and food service machines	33,765,900	1	1.70%	18,885,900	1	1.38%
Holy Family Memorial, Inc.	Health care provider	25,506,415	2	1.28%	9,342,122	3	0.68%
Great Lakes Energy Technologies	Renewable/Energy Saving Technology	14,081,500	3	0.71%			
Wal-Mart Stores, Inc.	Discount retail	12,554,834	4	0.63%	10,046,052	2	0.73%
Dewey Properties LLC	Retail shopping center	11,919,500	5	0.60%			
Menards	Home improvement retail	10,927,015	6	0.55%	7,366,277	8	0.54%
Lowe's	Home improvement retail	9,276,449	7	0.47%			
Lakeside Foods Inc.	Mfg canned vegetables and sauces	8,110,500	8	0.41%	6,647,500	9	0.49%
Northern Labs	Industrial/commercial cleaning products	6,741,500	9	0.34%			
Zetley Real Estate (Holiday Inn)	Hotel services	6,574,148	10	0.33%			
Southbrook Inc.	Residential housing				8,673,000	5	0.63%
Mirro Corp (Newell)	Cookware manufacturer				8,993,800	4	0.66%
Jagemann Stamping Co.	Component manufacturing				7,398,400	6	0.54%
Busch Agricultural Resources	Malting plant				7,369,200	7	0.54%
Totals		\$ 349,901,036		7.01%	\$ 187,977,923		6.20%

* 2012 Assessed Valuation \$1,988,925,700

** 2003 Assessed Valuation \$1,367,102,750

Note: The Manitowoc Public Utilities (MPU) is not among the largest taxpayers as their payment is considered a payment in lieu of taxes and not a property tax payment. MPU is assessed the payment similarly to a taxable entity in such that their asset value is used to determine the payment. MPU's 2012 valuation is \$210,443,275; the 2013 payment in lieu of taxes is \$3,599,149.

Source: City of Manitowoc Assessor's Office.

CITY OF MANITOWOC, WISCONSIN
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	36,441,140	36,323,356	99.68%	\$ 92,255	36,415,611	99.93%
2004	37,195,534	37,047,039	99.60%	\$ 141,444	37,188,483	99.98%
2005	38,476,604	38,372,834	99.73%	\$ 93,259	38,466,093	99.97%
2006	38,848,065	38,722,330	99.68%	\$ 116,576	38,838,906	99.98%
2007	39,138,177	39,014,338	99.68%	\$ 116,681	39,131,019	99.98%
2008	40,617,399	40,476,615	99.65%	\$ 132,422	40,609,037	99.98%
2009	44,386,670	44,243,157	99.68%	\$ 131,079	44,374,236	99.97%
2010	43,551,744	43,386,998	99.62%	\$ 143,009	43,530,007	99.95%
2011	45,449,669	45,349,870	99.78%	\$ 97,287	45,447,157	99.99%
2012	45,521,769	45,469,731	99.89%	\$ -	45,469,731	99.89%

For each fiscal period that appears the tax levy represents the prior year and the levy is collected in the fiscal period that is identified.

In August of each year, the City settles with the County Treasurer for 100% of all real property taxes.

For each fiscal period listed unpaid City special assessments are turned over to the County for collection and unpaid personal property taxes remain the responsibility of the City.

CITY OF MANITOWOC, WISCONSIN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Assessed Valuation (1)	Per Capita (2)
	General Obligation Bonds	TIF General Obligation Bonds	General Obligation Notes	TIF General Obligation Notes	Note Anticipation Notes	Water Utility Bonds	Electric and Steam Utility Bonds	Wastewater Plant Clean Water Loan	Notes Payable			
2002	\$ 28,825,121	\$ 9,137,965	\$ 2,618,001	\$ -	\$ -	\$ 7,840,000	\$ 13,305,000	\$ 19,503,659	\$ -	\$ 81,229,746	6.04%	\$ 2,350
2003	37,661,702	14,756,606	3,808,424	-	-	7,345,000	12,630,000	18,807,646	-	95,009,378	6.95%	2,752
2004	38,405,118	16,460,846	3,806,047	-	-	8,300,000	80,705,000	17,964,364	-	165,641,375	12.11%	4,786
2005	39,662,874	17,717,210	3,645,054	-	-	6,260,000	83,205,000	16,954,248	-	167,444,386	12.07%	4,822
2006	40,435,213	18,714,873	4,880,333	-	1,005,000	5,675,000	81,215,000	15,911,585	-	167,837,004	11.82%	4,834
2007	43,724,331	20,200,669	5,906,690	-	1,005,000	5,060,000	78,990,000	14,835,327	-	169,722,017	8.88%	4,902
2008	46,708,469	18,786,531	5,708,955	2,910,000	1,005,000	4,400,000	76,655,000	13,724,389	-	169,898,344	8.83%	4,900
2009	47,963,049	17,161,951	7,836,839	2,675,000	1,005,000	3,710,000	74,275,000	12,577,654	-	167,204,493	8.49%	4,819
2010	49,694,668	16,320,332	6,223,203	2,741,797	1,005,000	3,325,000	70,755,000	11,393,967	-	161,458,967	8.13%	4,640
2011	49,460,000	14,630,000	6,693,328	2,346,672	-	2,915,000	67,265,000	11,131,794	-	154,441,794	7.76%	4,580
2012	43,555,000	10,580,000	9,751,520	4,843,480	-	2,485,000	63,640,000	9,829,360	-	144,684,360	7.27%	4,287

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for population data.

CITY OF MANITOWOC, WISCONSIN
Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	TIF General Obligation Bonds	General Obligation Notes	TIF General Obligation Notes	Less Amounts Available in Debt Service Fund	Less TIF District Revenues	Net General Obligation Bonded Debt	Percentage of Net Bonded Debt to Estimated Actual Value (1)	Net Bonded Debt Per Capita (2)
2000	\$ 20,460,675	\$ 4,281,791	\$ 2,091,239	\$ -	\$ 100,000	\$ 4,281,791	\$ 22,451,914	1.59%	\$ 659
2001	26,448,385	4,757,495	2,323,531	-	154,669	4,757,495	28,617,247	1.84%	838
2002	28,825,121	9,137,965	2,618,001	-	-	9,137,965	31,443,122	1.91%	910
2003	37,661,702	14,756,606	3,808,424	-	-	14,756,606	41,470,126	2.46%	1,201
2004	38,405,118	16,460,846	3,806,047	-	-	16,460,846	42,211,165	2.46%	1,220
2005	39,662,874	17,717,210	3,645,054	-	-	17,717,210	43,307,928	2.48%	1,247
2006	40,435,213	18,714,873	4,880,333	-	-	18,714,873	45,315,546	2.48%	1,305
2007	43,724,331	20,200,669	5,906,690	-	-	20,200,669	49,631,021	2.62%	1,434
2008	46,708,469	18,786,531	5,708,955	2,910,000	-	21,696,531	52,417,424	2.70%	1,512
2009	47,963,049	17,161,951	7,836,839	2,675,000	-	19,836,951	55,799,888	2.71%	1,608
2010	49,694,668	16,320,332	6,223,203	2,741,797	-	19,062,129	55,917,871	2.81%	1,607
2011	49,460,000	14,630,000	6,693,328	2,346,672	-	16,976,672	56,153,328	2.84%	1,665
2012	43,555,000	10,580,000	9,751,520	4,843,480	2,235,989	15,423,480	51,070,531	2.58%	1,513

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable property for property value data.

(2) See the schedule of Demographic Statistics for population data.

CITY OF MANITOWOC, WISCONSIN
Debt Service Requirements to Maturity
General Obligation Bonds
December 31, 2012

Year	Principal	Interest	Total Requirements
2013	6,325,000	1,842,681	8,167,681
2014	5,850,000	1,647,514	7,497,514
2015	6,065,000	1,456,672	7,521,672
2016	5,550,000	1,263,581	6,813,581
2017	5,010,000	1,081,472	6,091,472
2018	4,240,000	914,499	5,154,499
2019	4,520,000	749,645	5,269,645
2020	4,230,000	581,595	4,811,595
2021	3,945,000	422,195	4,367,195
2022	3,290,000	279,642	3,569,642
2023	2,665,000	159,544	2,824,544
2024	1,330,000	76,336	1,406,336
2025	810,000	29,468	839,468
2026	305,000	5,566	310,566
Total	\$ 54,135,000	\$ 10,510,410	\$ 64,645,410

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Does not included general obligation debt scheduled to be repaid from tax increment revenues. This debt is shown on a separate schedule.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 General Obligation Bonds
 Scheduled to be Repaid from Tax Increment District Revenues
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 1,765,000	\$ 339,393	\$ 2,104,393
2014	1,300,000	289,366	1,589,366
2015	1,340,000	246,175	1,586,175
2016	1,270,000	202,350	1,472,350
2017	1,235,000	159,348	1,394,348
2018	730,000	124,023	854,023
2019	850,000	93,926	943,926
2020	705,000	64,364	769,364
2021	650,000	38,685	688,685
2022	400,000	18,986	418,986
2023	160,000	8,626	168,626
2024	85,000	4,365	89,365
2025	90,000	1,492	91,492
Total	<u>\$ 10,580,000</u>	<u>\$ 1,591,099</u>	<u>\$ 12,171,099</u>

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 General Obligation Notes
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 1,695,000	\$ 412,340	\$ 2,107,340
2014	2,240,000	329,994	2,569,994
2015	2,235,000	273,836	2,508,836
2016	2,230,000	217,829	2,447,829
2017	2,095,000	156,878	2,251,878
2018	1,985,000	93,103	2,078,103
2019	685,000	52,327	737,327
2020	530,000	34,643	564,643
2021	550,000	18,750	568,750
2022	350,000	5,250	355,250
Total	<u>\$ 14,595,000</u>	<u>\$ 1,594,950</u>	<u>\$ 16,189,950</u>

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 General Obligation Notes
 Scheduled to be Repaid from Tax Increment District Revenues
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 403,480	\$ 142,570	\$ 546,050
2014	830,000	116,081	946,081
2015	865,000	94,632	959,632
2016	880,000	72,334	952,334
2017	915,000	46,012	961,012
2018	950,000	15,525	965,525
Total	\$ 4,843,480	\$ 487,154	\$ 5,330,634

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 Water Mortgage Revenue Bonds
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 455,000	\$ 90,300	\$ 545,300
2014	475,000	71,700	546,700
2015	495,000	52,300	547,300
2016	520,000	32,000	552,000
2017	540,000	10,800	550,800
	<u>\$ 2,485,000</u>	<u>\$ 257,100</u>	<u>\$ 2,742,100</u>

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 Electric Power System Mortgage Revenue Bonds
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 3,770,000	\$ 3,149,400	\$ 6,919,400
2014	3,940,000	2,981,950	6,921,950
2015	4,115,000	2,806,850	6,921,850
2016	4,305,000	2,614,226	6,919,226
2017	4,515,000	2,407,301	6,922,301
2018	4,735,000	2,184,650	6,919,650
2019	6,290,000	1,945,300	8,235,300
2020	2,665,000	1,628,013	4,293,013
2021	2,805,000	1,491,788	4,296,788
2022	2,945,000	1,348,245	4,293,245
2023	3,095,000	1,203,875	4,298,875
2024	3,245,000	1,051,805	4,296,805
2025	3,405,000	892,355	4,297,355
2026	3,195,000	725,025	3,920,025
2027	3,360,000	557,288	3,917,288
2028	3,535,000	380,888	3,915,888
2029	3,720,000	195,300	3,915,300
	<u>\$ 63,640,000</u>	<u>\$ 27,564,259</u>	<u>\$ 91,204,259</u>

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Debt Service Requirements to Maturity
 Wastewater Treatment Plant Revenue Bonds
 December 31, 2012

Year	Principal	Interest	Total Requirements
2013	\$ 1,343,983	\$ 284,594	\$ 1,628,577
2014	1,386,864	241,028	1,627,892
2015	1,431,118	196,066	1,627,184
2016	1,476,788	149,663	1,626,451
2017	1,523,922	101,775	1,625,697
2018	1,572,567	52,352	1,624,919
2019	153,996	25,176	179,172
2020	158,145	20,970	179,115
2021	162,407	16,649	179,056
2022	166,786	12,211	178,997
2023	52,382	8,593	60,975
2024	53,535	8,220	61,755
2025	54,712	7,030	61,742
2026	55,916	5,813	61,729
2027	57,146	4,569	61,715
2028	58,403	3,298	61,701
2029	59,688	1,999	61,687
2030	61,001	671	61,672
	<u>\$ 9,829,359</u>	<u>\$ 1,140,677</u>	<u>\$ 10,970,036</u>

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MANITOWOC, WISCONSIN
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012

<u>Governmental Unit</u>	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct Debt:			
City of Manitowoc	<u>\$ 68,730,000</u>	100.000%	<u>\$ 68,730,000</u>
Overlapping Debt:			
Manitowoc School	8,220,000	78.100%	6,419,820
Manitowoc County	27,230,000	36.800%	10,020,640
VTAE District	<u>20,970,000</u>	13.500%	<u>2,830,950</u>
Total Overlapping Debt	<u>56,420,000</u>		<u>19,271,410</u>
Total Direct and Overlapping Debt	<u>\$ 125,150,000</u>		<u>\$ 88,001,410</u>

Source: Information on overlapping debt was obtained from financial consultant, Robert W. Baird & Co., Inc. The City share percentage was obtained from each jurisdictions tax levy reports as allocated by estimated actual valuations.

CITY OF MANITOWOC, WISCONSIN

Legal Debt Margin Information

Last Ten Fiscal Years

	2003	2004	2005	2006	2006	2008	2009	2010	2011	2012
Debt limit	\$ 84,295,485	\$ 85,805,195	\$ 87,262,205	\$ 91,500,170	\$ 94,700,875	\$ 97,177,145	\$ 102,857,370	\$ 99,566,265	\$ 98,833,965	\$ 95,720,665
Total net debt applicable to limit	56,226,732	58,672,011	61,025,138	64,030,419	69,831,690	74,113,955	75,636,839	74,980,000	73,130,000	68,730,000
Legal debt margin	<u>\$ 28,068,753</u>	<u>\$ 27,133,184</u>	<u>\$ 26,237,067</u>	<u>\$ 27,469,751</u>	<u>\$ 24,869,185</u>	<u>\$ 23,063,190</u>	<u>\$ 27,220,531</u>	<u>\$ 24,586,265</u>	<u>\$ 25,703,965</u>	<u>\$ 26,990,665</u>
Total net debt applicable to the limit as a percentage of debt limit	66.70%	68.38%	69.93%	69.98%	73.74%	76.27%	73.54%	75.31%	73.99%	71.80%

Computation of Legal Debt Margin
12/31/2012

Equalized Value	<u>\$1,914,413,300</u>
Debt limitation - 5 percent of total equalized value	\$ 95,720,665
Debt applicable to limitation	
Total outstanding general debt	\$ 144,684,359
Less: Revenue bonds and notes	<u>(75,954,359)</u>
Total debt applicable to limitation	<u>68,730,000</u>
Legal Debt Margin	<u>\$ 26,990,665</u>

Note: Under state finance law, the City of Manitowoc's outstanding debt should not exceed 5% of the total equalized valuation.

CITY OF MANITOWOC, WISCONSIN
Water Mortgage Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	(1) Expenses	Net Revenue Available for Debt Service	(2)			
				Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	\$ 4,748,813	\$ 2,494,026	\$ 2,254,787	\$ 495,000	\$ 389,457	\$ 884,457	2.55
2004	4,622,616	2,544,409	2,078,207	525,000	364,372	889,372	2.34
2005	4,938,596	2,682,381	2,256,215	550,000	297,038	847,038	2.66
2006	4,573,560	3,021,938	1,551,622	585,000	277,437	862,437	1.80
2007	4,995,031	3,274,572	1,720,459	615,000	254,628	869,628	1.98
2008	6,839,041	3,878,535	2,960,506	660,000	190,933	850,933	3.48
2009	6,609,237	4,178,637	2,430,600	690,000	165,316	855,316	2.84
2010	5,914,048	3,826,381	2,087,667	385,000	143,535	528,535	3.95
2011	5,896,990	3,878,375	2,018,615	410,000	126,388	536,388	3.76
2012	6,894,375	3,645,038	3,249,337	430,000	108,538	538,538	6.03

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total operating expenses exclusive of depreciation.

(2) Ratio of net revenue available for debt service to total requirements.

CITY OF MANITOWOC, WISCONSIN
Electric Power System Mortgage Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	(1) Expenses	Net Revenue Available for Debt Service	(2)			
				Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	\$ 32,529,387	\$ 24,932,331	\$ 7,597,056	\$ 675,000	\$ 525,815	\$ 1,200,815	6.33
2004	32,874,419	25,912,898	6,961,521	1,475,000	2,628,608	4,103,608	1.70
2005	38,739,692	31,660,432	7,079,260	2,215,000	4,136,233	6,351,233	1.11
2006	49,638,028	33,774,365	15,863,663	1,990,000	4,190,221	6,180,221	2.57
2007	54,545,071	38,527,039	16,018,032	2,225,000	4,129,875	6,354,875	2.52
2008	57,339,434	39,395,933	17,943,501	2,335,000	4,019,125	6,354,125	2.82
2009	49,751,603	35,430,629	14,320,974	2,370,000	3,904,563	6,274,563	2.28
2010	52,489,003	38,317,392	14,171,611	3,520,000	3,399,928	6,919,928	2.05
2011	57,052,023	41,440,217	15,611,806	3,490,000	3,428,475	6,918,475	2.26
2012	65,908,750	50,019,043	15,889,707	3,625,000	3,292,000	6,917,000	2.30

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Total operating expenses exclusive of depreciation.

(2) Ratio of net revenue available for debt service to total requirements.

CITY OF MANITOWOC, WISCONSIN
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(2) Unemployment Rate	(3) Median Age	(4) School Enrollment
2003	34,520	1,191,630	34,520	9.2%	39.7	5,308
2004	34,612	1,255,793	36,282	6.9%	39.9	5,391
2005	34,727	1,325,148	38,159	5.6%	40.2	5,464
2006	34,720	1,410,847	40,635	6.0%	40.5	5,405
2007	34,620	1,437,976	41,536	5.4%	41.0	5,407
2008	34,670	1,431,490	41,289	6.8%	41.0	5,451
2009	34,700	1,363,779	39,302	11.7%	40.6	5,469
2010	33,736	1,381,219	40,942	9.2%	40.3	5,430
2011	33,721	1,439,212	42,680	8.3%	41.7	5,375
2012	33,750	1,440,450	42,680	8.6%	41.5	5,443

- (1) Wisconsin Department of Administration, Demographic Services Center.
- (2) Wisconsin Department of Workforce Development.
- (3) City of Manitowoc Planning Department
- (4) Manitowoc School District

CITY OF MANITOWOC, WISCONSIN
Principal Employers
Current Year and Nine years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Manitowoc Co (cranes)	1,235	1	7.87%	455	7	2.73%
Holy Family Memorial Medical Center	920	2	5.86%	1,260	1	7.56%
Manitowoc Public School District	903	3	5.75%	916	3	5.50%
Thermo Fischer Scientific	600	4	3.82%	1,200	2	7.20%
Manitowoc County	406	5	2.59%	625	4	3.75%
Manitowoc Ice Machines	400	6	2.55%	430	9	2.58%
Wisconsin Aluminum Foundry Co.	400	7	2.55%	411	10	2.47%
Federal-Mogul Powertrain Systems	380	8	2.42%	564	5	3.38%
City of Manitowoc and Public Utilities	376	9	2.40%	450	8	2.70%
Northern Labs	340	10	2.17%			
Lakeside Foods Inc.	310			522	6	
Total	<u>5,035</u>		<u>24.24%</u>	<u>6,378</u>		<u>27.58%</u>
Total City Employment		2012	15,697		2003	16,663

Sources: Employer Contacts January and November of 2003 and 2003 Wisconsin Manufacturers Directory
2012 Wisconsin Manufacturers and Business Directory, the Wisconsin Department of Workforce Development WORKnet website
data tables and employer inquiries May 2012.

Note: Federal Mogal was formerly known as AE Goetze

CITY OF MANITOWOC, WISCONSIN
 Full-time Equivalent City of Manitowoc Employees by Function
 Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
Assessor	4.00	2.75	2.75	2.75	2.75	3.00	3.00	3.00
Attorney/Personnel	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
City Clerk	3.63	3.63	3.63	3.63	3.63	3.63	3.93	3.93
Finance/Payroll/Treasury	7.83	7.25	7.25	7.25	7.25	7.25	7.25	7.25
Planning	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal Court	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Buildings & Grounds	7.00	7.00	7.00	6.00	6.00	6.00	6.30	6.30
Public Safety								
Police/Crossing Guards	81.40	78.90	80.00	80.00	80.00	81.00	81.00	81.00
Fire	59.00	59.00	59.00	59.00	59.00	59.00	59.30	60.30
Building Inspection	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Works								
Engineering/DPW	81.30	75.32	76.42	76.52	76.52	76.52	76.52	76.52
Transit	17.30	15.87	17.79	19.49	19.49	19.49	19.49	19.49
Culture and Recreation								
Park/Recreation	36.06	30.60	30.20	30.20	30.20	30.20	30.20	23.50
Rahr-West Art Museum	4.75	4.75	4.75	5.25	5.25	5.25	5.25	5.25
Public Library	38.09	38.00	38.09	35.39	35.39	34.20	34.20	34.20
Wastewater Treatment Plant	16.00	16.00	16.30	16.00	16.00	15.30	15.30	15.30
Public Utilities	91.00	92.00	96.00	95.00	96.00	97.00	95.00	90.00
Total	467.61	451.32	458.43	455.73	456.73	457.09	456.99	446.29

Source: City of Manitowoc Annual Budget & MPU Annual Report

CITY OF MANITOWOC, WISCONSIN

Operating Indicators by Function
Last Seven Fiscal Years

Function	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
General Government							
Square miles	18.234	18.237	18.238	18.279	18.279	18.302	18.330
Registered voters	19,966	20,251	20,337	18,907	18,776	18,805	20,230
Dog licenses issued	2,372	2,392	2,352	2,290	2,277	2,332	2,187
Police							
Physical arrests	2,647	2,466	2,051	2,274	1,917	2,317	2,296
Parking violations	2,727	3,500	3,480	3,721	8,305	6,990	7,079
Traffic contacts/stops	3,637	4,077	5,250	6,276	7,773	10,245	8,857
Fire							
Number of structural fires	22	36	31	28	52	33	54
Number of inspections	2,352	2,217	2,553	2,174	1,518	2,046	2,328
Emergency medical service calls	4,567	4,219	4,130	4,175	4,238	4,611	4,421
Highways and streets							
Recycled materials (tons)	3,464	4,989	3,241	2,916	2,958	2,727	2,830
Yard waste (tons)	11,300	11,059	11,472	11,685	10,872	10,722	11,088
Solid waste to landfill (tons)	8,238	7,971	7,921	10,039	8,538	8,186	7,613
Culture and recreation							
Fieldhouse/cabin reservations	288	388	370	383	303	330	371
Zoo admissions	51,778	50,554	48,288	50,224	50,949	48,906	49,208
Aquatic center admissions	N/A	N/A	N/A	N/A	51,140	34,927	32,116
Electric							
Total avg. number of customers	N/A	N/A	17,780	17,777	17,785	17,793	17,787
Annual sales (megawatt hours)	N/A	N/A	770,580	679,101	686,166	659,154	597,874
Peak demand (megawatts)	110.0	118.0	106.0	99.5	100.0	115.5	117.2
Water							
Total avg. number of customers	13,778	13,848	13,860	13,902	13,836	13,858	13,820
Annual sales (billions of gallons)	2.566	2.512	5.178	4.702	4.093	4.069	4.325
Wastewater							
Annual treatment (in billions of gallons)	3.163	3.163	3.121	2.676	2.564	2.371	2.083
Average gallons per day (in millions of gallons)	8.667	8.667	8.555	7.332	7.025	6.496	5.69

Sources: Various government departments.

Note: Information is available for only the last seven years

CITY OF MANITOWOC, WISCONSIN
 Capital Asset Statistics by Function
 Last Seven Fiscal Years

Function	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Public Safety							
Police Stations	1	1	1	1	1	1	1
Patrol Units	10	10	10	10	10	10	10
Fire Stations	4	4	4	4	4	4	4
Highways and streets							
Street (miles)	186.9	188.2	188.4	188.2	188.2	188.6	190.0
Traffic Signals	29	34	36	36	36	36	37
Public Transportation							
Fixed route coaches	9	9	9	9	9	9	9
Human service vehicles	5	5	5	6	6	6	6
Culture and recreation							
Developed park acreage	513.7	540.8	565.8	570.91	517.62	517.62	517.62
Parks	36	37	37	37	37	37	37
Tennis Courts (city owned)	20	20	20	20	20	17	17
Water							
Water mains (miles)	181.2	183.1	183.5	184.0	184.5	185.0	185.0
Fire Hydrants	1,316	1,333	1,337	1,345	1,345	1,347	1,349
Sewers							
Sanitary (miles)	188.5	188.7	189.5	189.6	189.6	189.6	189.8
Lift Stations	16	16	16	16	16	14	14
Storm (miles)	142.0	146.9	148.8	149.5	150.5	150.6	150.8
Electric							
Substations	6	6	6	6	6	6	7
Distribution Line miles	N/A	N/A	225.0	255.0	226.0	225.0	227.0
Streetlights	4,770	4,773	4,800	4,813	4,810	4,815	4,819

Sources: Various government departments.

Note: Information is only available for the last seven years

CITY ATTORNEY

The mission of the City Attorney's Office is to provide legal services and representation to the municipal corporation, consisting of the Mayor, the Common Council, and the Departments of the City, Manitowoc Public Utilities and Manitowoc Public Library.

The City Attorney's Office renders legal opinions, drafts ordinances, resolutions, and makes revisions and additions to the Municipal Code. The office also prepares pleadings, contracts, briefs for litigation and represents the City and officials in administrative hearings, civil court proceedings, small claims, ordinance trials and appeals. This Department assists in administration and investigation of municipal liability claims, insurance claims; and serves as parliamentarian at Common Council meetings. Additionally, the office negotiates, acquires and sells real estate on behalf of the City, and prosecutes Municipal Code violations, handles foreclosures and bankruptcy issues arising from Manitowoc Public Utilities and Fire Department billings.

Further, the Office administers the City's liability insurance, both property and employment, workers compensation insurance and ensures compliance with the Federal and State laws, record keeping, and the general administration of all insurance issues.

LIABILITY INSURANCE

The Department handles the City's General Liability Insurance which has been administered through Cities and Villages Mutual Insurance Company (CVMIC) since 1988. The deductible is set at \$50,000 with an aggregate of \$200,000 per year. Total claims paid out for the year 2012 were \$0 for vehicle claims and \$0 for general liability claims.

Property damage is administered by Wisconsin Local Government Property Fund. The total property and floater premium for 2012 was \$52,539.00.

AUTO LIABILITY / AUTO PROPERTY DAMAGE

The City Attorney handles the Auto Liability through CVMIC. Frontier Adjusters handles all of the adjusting services on a contractual basis.

RISK MANAGEMENT DIVISION – INSURANCE / SAFETY

The City has not reached its deductible with regard to liability claims paid in any one year for the last three years. The Office arranges annual training for the City's management staff to reduce exposure to liability, including the CVMIC Certificate in Supervision series which will be completed in 2013.

WORKERS COMPENSATION

The City's workers compensation program was handled through Arthur J. Gallagher Risk Management Services, Inc. in 2012. The City has switched insurance carriers to Cities and Villages Mutual Insurance for 2013. Our experience modification factor is .75 for January 1, 2013 through January 1, 2014.

STATE AND NATIONAL MEMBERSHIPS

The City Attorney and Assistant City Attorney are members of the Wisconsin State Bar Association, the League of Wisconsin Municipalities, the International Municipal Lawyers Association, and the Manitowoc County Bar Association. They are also admitted to practice before all Wisconsin State Courts. The Assistant City Attorney is admitted to the United States District Court for the Eastern District of Wisconsin. The City Attorney is also a member of the Wisconsin Public Employer Labor Relations Association.

CITY CLERK'S DEPARTMENT

The basic areas of responsibility of the City Clerk's office are general government, elections, licensing, and other duties.

The City Clerk is responsible for care and custody of the Corporate Seal of the City of Manitowoc and acts as the Corporate Secretary for the City organization. In this role as Secretary, the City Clerk signs contracts, agreements and other official documents as directed by the Common Council. The Clerk acts as Secretary to the Common Council as well as serving as Recording Secretary for Public Utilities and Licensing Committee and Board of Public Works. The Clerk also serves as a member of the Board of Review and Board of Public Works. The Clerk keeps the official record of all Council proceedings, deeds, contracts, and documents, which have been approved by Council, and retains copies of minutes for all city committees. The Clerk administers the Oath of Office to all appointed City officials and elected officials.

The City Clerk's office maintains updated insurance certificates for all contracts with the City and as required for various permits and special events. The Clerk's office keeps permanent city insurance policies and updates various equipment records and property inventories as required.

All aspects of elections are administered by the Clerk's office. This includes publication of legal election notices, arranging for polling places, selecting election equipment, taking voter registrations, arranging for nursing home voting, training poll workers, hiring election custodians, and election inspectors. The Clerk prepares ballots for city elections, takes election returns, conducts the canvass of election, assists with school board elections, and maintains all official election records for the City as required by State Statute. The City Clerk's office maintains the Statewide Voter Registration System (SVRS) as required by HAVA. New modules are implemented as they become available.

Another area of responsibility for the clerk's office is licensing. The City licenses all taverns, liquor stores, bartenders, taxi drivers, taxi companies, garbage trucks, and ambulance drivers. Other types of licenses issued are soda, cigarette, electrical contractors, pawnbrokers, mobile home parks, direct sellers, weights and measures and circus licenses.

The Clerk's office is responsible for posting of mail and distribution of mail received to departments. Special assessments for street improvements and sidewalks are calculated and billed by this office. The City Clerk's office responds to inquiries from the public regarding special assessment payoffs and prepares special assessment letters for title companies and

attorneys as requested. The Clerk's office enters the state-manufacturing roll. The Clerk also prepares the Statement of Taxes and calculates the tax rate.

The Clerk's office serves as a liaison between the City and the public in many instances. Information for the Common Council is forwarded to the Clerk for placement on the agenda and distribution to proper committees. The Clerk's office publishes legal notices for public hearings and posts and distributes weekly meeting notices to the media and the public.

The City Clerk's office maintains memberships in the International Institute of Municipal Clerks and the Wisconsin Municipal Clerk's Association.

FINANCE DEPARTMENT

The mission of the department is to account for all financial transactions of the City of Manitowoc in accordance with State of Wisconsin Statutes, Generally Accepted Accounting Principles, Government Finance Officers Association Standards, and recommendations from external City auditors.

FINANCE OFFICE

The Finance Office processes and produces the accounts payable and payroll functions on a weekly and bi-weekly basis respectively.

The Finance Office provides accurate financial information as required to all city departments, officials, and outside financial institutions. The office coordinates the preparation of the annual budget, annual borrowing requirements, comprehensive annual financial report, the annual update to the 5-year capital improvement plan and all State and Federal financial reporting requirements.

The Finance Office also directs and coordinates the purchasing function for all City departments including acquisitions, materials, supplies and services. A centralized purchasing function generates savings to the City in the acquisition of materials and supplies.

The Finance Office is comprised of 3.5 full-time equivalent positions and holds memberships in the national Government Finance Officers Association and the Wisconsin Government Finance Officers Association.

TREASURER'S OFFICE

The office collects real and personal property taxes, utility bills, room taxes, license fees, ambulance fees and all general receipts and revenues. Receipts are deposited intact daily into a public depository, and records of all transactions are maintained by the office. Bank accounts are reconciled and citywide accounts receivable schedules are maintained. Additionally, the office issues dog and cat licenses.

It is the policy of the City to invest public funds in a manner that will provide the highest investment return with the maximum safety of principal and interest while meeting the daily cash

flow needs of the City. Institutional Capital Management is the City's investment advisor and investment decisions are made in accordance with state statute.

The Treasurer's Office is a division of the Finance Department, with two full-time equivalent positions. The office maintains membership in the Association of Public Treasurers of the U.S. and Canada and the Municipal Treasurer's Association of Wisconsin.

HUMAN RESOURCES/RISK MANAGEMENT

EMPLOYEE AND RETIREE HEALTH INSURANCE

The City's health plan continues to be administered by Auxiant and the prescription drug vendor is Serve You Prescription Service. The Preferred Provider Network was changed from HealthEOS Plus to Trilogy for better in-network pricing.

Due to budget constraints in the year 2012, the City increased the insurance deductible to \$1500/3000 and doubled all co-pays for non-represented employees. This resulted in a monthly employer premium reduction of \$162.75 per employee on the family plan.

WORKERS COMPENSATION

The City's Workers Compensation coverage is fully insured through Arthur J. Gallagher Risk Management Service, Inc. The current experience mod factor is .84. The Worker's Compensation annual premium was reduced significantly in 2012 due to the 12/31/2011 reduction in workforce.

RISK MANAGEMENT AND SAFETY

The Director of Human Resources/Risk Manager, continues with a mandatory training program for all supervisory personnel. The training program is a series of Employment Practices Liability sessions provided by our liability carrier Cities and Villages Mutual Insurance Company (CVMIC). The programming includes Employment Law: ADA Title I, II and VII, WFEA, FLSA Harassment, and FMLA. Future series will include Supervisor Resources and Tools, Basic Risk Management & Workplace Safety & Health, Coaching Employees, Teams and Process Improvement, Selection and Interviewing, Understanding Employee Differences, and Modifying Unacceptable Behavior & Improving Employee Performance.

Other training provided to affected employees included Anti-harassment, Confined Space Entry, Forklift, Hearing Conservation, LOTO, BBP, Hazard Communications, PPE, Chainsaw Safety, Bucket Truck Safety, Trench Safety and Respiratory Protection.

MUNICIPAL COURT

There were 4368 new Municipal Court citations filed with the Court in 2012, as opposed to 4815 in 2011. The Court disposed of 4159 cases in 2012, as compared to 4807 cases in 2011. Total revenues for 2012 were \$583,407.65, as compared to \$579,384.43 in 2011. Forfeitures collected

in 2012 were \$313,507.39 compared to \$294,677.75 in 2011. Court costs collected in 2012 were \$89,244.40, as compared to \$96,556.56 in 2011.

Implementation of the new Court software system has been the greatest change to the Court within the last year. The system, although complex, has and continues to prove its worth. We continue to hold monthly indigency hearings, the last step before jailing someone for non-payment of a non-traffic ordinance fine, which helps to enhance consistent collection. The threat of jail is stronger than the threat of a driver's license suspension. The suspension of a driver's license is still used as an alternate penalty for non-payment in traffic and juvenile ordinance citations.

Revenue is a by-product of the Municipal Court Justice system, not the driving force. For the most part in Municipal Court, the penalty imposed upon conviction is an order to pay a money amount, known as a forfeiture. Accordingly, since a forfeiture is the primary penalty, collection of that forfeiture is important as that is what creates the deterrent affect for ordinance violations.

OFFICE OF THE MAYOR

The City of Manitowoc employs a Mayor-Council form of government. The Mayor of the City of Manitowoc serves as both the Chief Elected Official, and the Chief Executive Officer. An Assistant to the Mayor staffs the Office of the Mayor. The Mayor is a full time employee; the Council members are part time.

Mayor Justin M. Nickels was elected to office in April of 2009. Nickels served on the City Council representing District 2 from 2005-2009, being elected in 2005 and re-elected in 2007, and 2009. (Nickels was elected Mayor in 2009, yet was also on the ballot for City Council and officially resigned the City Council seat to become Mayor). Mayor Nickels was elected at the age of 22 to become Manitowoc's youngest Mayor in history. Like most of Manitowoc's citizens, Mayor Nickels grew up in a working class family with an affinity for helping those around them. Mayor Nickels saw the venue of government and public discourse - with its capacity for neighbors and strangers to come together for the collective benefit of everyone - as the perfect place to continue acting on this affinity.

One of the Mayor's chief responsibilities is economic development. The City of Manitowoc has made huge strides in expanding its economic base in all market sectors over the past decade. The Mayor's Office has primary responsibility for monitoring legislation at the state and federal levels, as well as lobbying legislators on issues of importance to the City. The City of Manitowoc maintains an active membership in the Urban Alliance where Mayor Nickels currently serves on the Board of Directors, and the League of Wisconsin Municipalities.

When Mayor Nickels was elected in 2009, the City of Manitowoc was experiencing a 14% unemployment rate, with companies like Koenig and Vits closing their doors, and Anheuser Busch laying off dozens of workers – shutting down 70% of all production. Through Mayor Nickels' leadership, along with excellent staff, the City of Manitowoc continued its progressive history with investing in infrastructure and business. Not too long into Mayor Nickels first year

Dermatology Associates of Wisconsin announced their plans to construct their administrative building in the heart of downtown, adding upwards of 200 well-paying jobs over the next few years. The City Council approved \$1 million dollars in TIF financing to spur the project along to completion. Other projects are coming in 2010 which will have a huge impact on our local economy. The City of Manitowoc continues to work with businesses to ensure a strong workforce coupled with continued success.

The City of Manitowoc has a long history of being progressive, innovative, creative, and most importantly, looking to the future.

Internal office activities conducted by the Mayor included the annual review of departmental budget requests and the compilation of an executive budget recommendation for review and final confirmation by the Finance Committee and the Common Council. In addition, the Mayor is responsible for appointing members of the Council to committees and various boards and commissions subject to final approval by the Common Council. Other duties include day-to-day operations of the business of the City of Manitowoc, including direct oversight over every Department Head. The Mayor serves as the Chair of the Plan Commission and Board of Public Works, along with a plethora of other boards and commissions as an ex-officio member.

The City of Manitowoc is also a significant player in the Public Power industry. Manitowoc has the largest municipally owned electric generating facility in the State of Wisconsin. In addition to other duties, the Mayor sits on the seven (7) member Manitowoc Public Utilities Commission and is responsible for policy setting there.

CITY PLANNING-ASSESSOR-INSPECTION DEPARTMENT

INTRODUCTION

At the end of 2011, the Mayor and Council completed a process to re-organize City departments. At that time, the Assessor and Building Inspection Departments were adjoined under the Planning Department. As such, 2012 highlighted activities for Planning, Assessor and Building Inspection Departments are described in this narrative.

PLANNING

Planning, Housing and Economic Development

The City completed one (1) annexation in 2012 for a total of 20.05 acres. There were no residents residing in the annexation area. Since 1990, the City has annexed 3.475 square miles of area. The total area of the City as of December 31, 2012 is 18.333 square miles.

In 2012, there was one (1) new residential subdivision added to the City's housing inventory creating 16 new residential lots; an improvement over 2011, when no residential subdivisions were platted.

The Department received, reviewed, and approved site plans for 16 projects in 2012, including nine (9) developments with construction values estimated in excess of \$500,000 per project. In 2011, there were a total of 13 site plans reviewed. In 2012, there were a total of 96 commercial,

industrial or governmental buildings for which construction permits were issued. The estimated cost of all the 2012 projects was \$16.8mm. Some of the major development projects in 2012 are listed below.

Construction of a 39,000sf music education and performance center at a local college. The estimated cost of construction is \$7.3mm.

Construction of a 44,500sf industrial building expansion in the I-43 Industrial Park. The estimated cost of construction is \$2.3mm.

Construction and upgrade of an electrical transmission substation. The estimated cost of construction is \$2.0mm.

Construction of a 4,100sf bus transit transfer station. The estimated cost of construction is \$1.2mm.

Fourth floor hospital interior remodel with an estimated cost of construction of \$1.2mm.

Construction of a 9,472sf office addition in the I-43 Industrial Park. The estimated cost of construction is \$700,000.

Construction of a 21,327sf industrial building expansion in the Manitowoc Industrial Park. The estimated cost of construction is \$650,000.

Construction of a 7,200sf retail tire service business in the Harbor Town Center. The estimated cost of construction is \$565,500.

Second floor bank interior remodel with an estimated cost of construction of \$556,000.

The Department, in conjunction with the City Plan Commission, reviewed and approved 30 Certified Survey Maps ("CSM") in 2012. This compares with 21 CSM's reviewed in 2011. Additionally, the Department facilitated the completion of four (4) rezonings, 12 conditional use or special use permits, one (1) annexation, four (4) animated sign Special Permits, four (4) requests for a street vacation, and four (4) requests for changes to the Official Map, as well as 19 other miscellaneous projects ranging from releasing easements, to requests to purchase City-owned property.

The City continued its investment in Mainly Manitowoc, Inc., which, through the Department, coordinates the City's Main Street Program in downtown as part of the Wisconsin Main Street Program. The City disbursed \$14,815 in payments to the organization in 2012 pursuant to an amended "Services Agreement" between Mainly Manitowoc and the City, which details a public funding match of \$3 private:\$1 public dollar, up to a maximum of \$40,000 in public funding per calendar year.

In late 2011 and all of 2012, the Department received and administered a \$64,000 Coastal Management Grant. The Department working in coordination with the City Engineering Department partnered with the Wisconsin Maritime Museum on the grant to design, administer

and construct a pedestrian walkway below the 8th Street Bridge in historic downtown. The project also included the design, administration and construction of the “Maritime Museum’s Commons Area” which converted an underused outdoor area, into a space which will be used to host public gatherings and events.

In 2012, the Department authored and submitted a Coastal Management Grant application applying for 2013 funding to create a preliminary design and engineering study to investigate the logistics and feasibility of constructing a sheet wall system with an adjoining river walk trail along 2,200 linear feet of the Manitowoc River.

Residential construction in the City in 2012 added a total of 19 single and two (2) family units of which nine (9) were single family. There was also one (1), 16-unit housing facility constructed in 2012. In 2011, there were 18 single and two (2) family residential housing units constructed, of which 12 units were single family dwellings. The estimated total construction cost for 2012 housing was \$4.9mm, compared to \$5,743,711 in 2011, \$4.4mm in 2010, and \$5.8mm in 2009.

Direct financing support in the amount of \$50,000 was provided by the Department to one (1) downtown startup restaurant in 2102. These funds were provided through the City’s downtown revolving loan fund program. These public funds leveraged \$150,000 in private capital, and will ultimately create 5 new jobs. Additionally, the Department facilitated amendments to several City Tax Incremental Financing (TIF) districts to establish “distressed” district designations, and to establish donor TIF linkages to the distressed districts. The TIF changes were approved in 2012.

Additionally, the City continued to implement a 2011, \$400,000 from US EPA under its “Community-Wide Assessment” grant program to support environmental assessment activities at hazardous substance and petroleum brownfield sites throughout the City. This funding to date, has been applied toward the preparation of environmental studies on several brownfields in the City, as well as towards area-wide planning related to the blighted Lakeview Centre mall north of downtown. In 2012, the Department completed integrated brownfield data layers into the City’s Geographic Information System (“GIS”).

The Department continued to administer the City’s farmers’ market, which registered over 80 vendors for the 2011 season.

Geographic Information Systems and City Website

The City’s overall Geographic Information System (“GIS”) is maintained by the Department. The Department maps daily, using information from all assets of the City.

In 2012, the sewer conversion project continued with the assistance of R.A. Smith National, Inc. This project was part of Phase II of a 2009 “GIS Needs and Assessment Plan”. The Department is on a team with the Engineering Department for this project.

The Department updates the City’s zoning, Official Map, aldermanic districts, and annexation maps as changes occur.

GIS layers that are linked to the Assessor's CLT database are now regularly being used by several departments. These layers are used continuously to query fields in the database, and to create mailing lists for the Department, as well as the Engineering, Parks & Recreation, Assessors, Building Inspection, Public Works, Police and Fire Departments, and the Manitowoc Public Utilities ("MPU"). The City also queries, on a quarterly basis, for the Main Street Program area and the historic downtown.

All GIS software and maintenance agreements were upgraded by the Department. One (1) Department staff, one (1) Engineering staff, and one (1) Assessor employee used GIS on a daily basis in 2012, down from a total of 7 (seven) users in 2011. The Department sent the Associate Planner to the WI Land Information Associate Annual Conference, ESRI WI User Group meetings, and ESRI Python Scripting training sessions in 2012.

The Department completed several mapping and graphic arts projects for use by the Department and the City's Plan Commission, as well as the City Council, Mayor, Engineering, Assessor, Cemetery, Parks, Police, Fire, Building Inspection, Clerk, Rahr-West, Maritime Metro, and Finance departments. Some examples of the projects are the mapping of a fire response district map, future park land use/planning maps, real estate foreclosure activity, and a map of commercial real estate sales in the southwest portion of the City. Additionally, the Department has utilized GIS to assist the Police Department in its annual reporting of crimes and sex offender release maps. Recently, the Police Department has added on the task of twice a week reports of mapping crimes from the AeGIS reporting system using the City GIS. Other interesting projects that the Department assisted using GIS with were the Clerk's office SVRS district boundary changes for registered voters and addressing, and polling place maps for each district; Farmers' Market vendor mapping; GIS data compilation with the EPA grant to create a geodatabase containing Sanborn maps and old aerials scanned in and georeferenced; and Harbor Town concept plan map updates and related tables for valuations of properties. Finally, the Department responds to frequent walk-ins from the general public for hard copy maps and customer orders for digital data output, which resulted in \$802.50 revenue. The City's addressing system is also a Department function. The staff coordinates with the Manitowoc County E-911 system on maintaining all City addresses for the purpose of dispatch. The addresses are also a part of the City's GIS geodatabase.

The Department maintains ArcIMS and Adobe PDF maps which are accessed from the City's website. All maps are accessed from the main City website by clicking 'Maps' button. The process of updating maps on the internet includes linking the City/County merged parcel shapefiles to the City/County joined Access database. This database is updated daily, and runs on a scheduled routine every evening.

The Department continues its partnership with Manitowoc County to provide mapping and assessment information on the internet via ESRI's ArcIMS software. The City also hosts all tie sheets for the City and County Public Land Survey System ("PLSS") corners, which are the cornerstones for GIS mapping. The Associate Planner assisted City Hall employees, MPU and the Police in management on the ArcIMS employee access website, allowing them to create mailing lists and custom maps, and to search the parcel database by name.

City's Website

The Department administrates the City's website and oversees three subsites-- Lincoln Park Zoo, Manitowoc Family Aquatic Center, and the Rahr-West Art Museum. All four websites are hosted with an outside consultant, CivicPlus.

As administrator, the Department duties include the support and training of other staff throughout the City organization to their appropriate department website pages and content. Also the 'emergency alert notification' website training was taught to the Public Works staff for snow emergencies. The Associate Planner also attended a one (1) day user training session put on by CivicPlus. A new portion of the website upgraded in 2012 was the posting of online Common Council meeting videos for the public to view.

The Department spearheaded the reformatting of the City's Municipal Code in 2010 in conjunction with Code Publishing Company. This project reformatted years of written regulation, to a standardized and consistent format for all 30 chapters of the Code. The project was completed in the spring of 2011, and the contract *continues through 2015*. The new Municipal Code is available online in a new, easy to search, print and use format. The Department staff downloads updates to the chapters on a regular quarterly basis provided by Code Publishing. The Department also works as the liaison between Code Publishing and staff when issues arise with ordinances passed and sent to be published as part of our online code. As part of the Department's mapping, it annually reviews and updates Chapter One (1) of the Municipal Code entitled "Boundaries", and update the legal description of the City limits based on annexations.

Marketing

On a daily basis, the Department updates and maintains the two (2) electronic message signs which are located in the I-43 Technology and Enterprise Campus.

ASSESSOR

The Assessor's Office is responsible for the valuation of all real and personal property located within the City for tax purposes. The Assessor's office also provides the Property Listing duties for the City. Establishing ownership and identifying land divisions is the essence of the taxation process. It is our responsibility to provide accurate ownership and to ensure fair and equitable assessments throughout the City.

Our valuation process operates independently of the budget and tax process. The assessment procedure is governed by Chapter 70 of the Wisconsin State Statutes, and the Wisconsin Property Assessment Manual. The laws are very specific as to how the work is carried out. The Assessor's Office must be within 10% of market value, as defined by Statute, at least once in every five years. Failure to comply with this requirement would result in a State ordered Reassessment paid for by the local government. As defined by Wisconsin State Statutes, sales are the basis of an assessment system. The buyers and sellers in the market tell assessors the important factors and trends taking place. Our office interprets what is happening in the marketplace, it does not set market value. We employ statistical analysis as a tool for measuring and improving real estate assessment performance.

The Assessor's office undertook a "full revaluation" of all property in 2007. The successful completion of the city-wide revaluation was partnered with Tyler Technologies/CLT. A revaluation is the process for revaluing all taxable property for the purpose of creating fair and equitable assessments at market value. The basic reason it is necessary to conduct a revaluations is not only to comply with State Statute but also to restore uniformity and equity to the City's tax base.

In 2012, Manitowoc had 11,856 residential parcels, 1,089 commercial parcels, 110 manufacturing parcels, 112 agriculture/other classes, and 1,235 personal property accounts. The total assessed value of all taxable property in Manitowoc in 2012 was just over \$1.9 billion, and the overall assessment ratio was 103.72%.

In 1999, the Assessor's office initiated an Assessor's web page which permits property owners, realtors and others to access assessment, ownership and tax information. The website was recently updated and reformatted to include four (4) years of information and more property attributes.

Currently, the office is staffed with only a full-time Assessor. The 2013 budget includes funding for contracting appraisal services. The Assessor is a member of the Wisconsin Association of Assessing Officers.

BUILDING INSPECTION

Building Inspection staff includes (2) full-time employees consisting of a Building Inspector and a Secretary, who also shares administrative duties with the Planning Department and the Assessor's Office, and (2) part-time employees consisting of an Electrical Inspector position shared with the City's Department of Public Works, and a half-time Plumbing Inspector. Inspection staff possess the following state certifications:

Building Inspector Full Time	Electrical Inspector Part Time	Plumbing Inspector Part Time
Commercial Building Insp	Commercial Electrical Insp	Commercial Plumbing Insp
UDC Building Insp	UDC Electrical Insp	UDC Plumbing Insp
UDC HVAC Insp	Master Electrician	UDC HVAC Insp
UDC Elec Insp		UDC Construction Insp
		Master Plumber

Responsibilities and Duties

It is the objective of Building Inspection staff to maintain the highest level of customer service and promotion of public safety in the administration of construction standards, code enforcement and property maintenance in the City.

2012 Activity

In 2012, Building Inspection issued 2,577 total permits valued at \$35.6mm resulting in permit fee revenues of \$328,070. A total of 15 new residential projects valued at \$3.8mm began construction including nine (9) new single family structures, five (5) new two (2) family structures, and one (1) new 16-unit multiple family structure. A total of 96 commercial projects with construction costs of \$16.8mm were also issued permits.

The top ten (10) commercial projects included:

1. Silver Lake College, So. Alverno Road
38,000sf Music Education and Performance Addition \$5.6mm
2. Baileigh Industrial, Dufek Drive
44,500sf Office and Warehouse Addition \$1.8mm
3. City of Manitowoc, So. 11th Street
4,100sf Intermodal Transfer Station \$992,331
4. Holy Family Memorial, Western Avenue
4th Floor Interior Alteration \$957,535
5. Americollect, So. Alverno Road
9,500sf Addition \$544,300
6. Manitowoc Tool and Machining, Expo Drive
21,000sf Addition \$500,000
7. Powers Tire, Dewey Street
7,200sf Good Year Service Center Building \$435,000
8. Bank First National, N 8th Street
8,500sf Second Floor Office Renovation \$428,000
9. Panda Express, Calumet Avenue
2,500sf Restaurant \$340,000
10. Lakeside Offices, Memorial Drive
4,200sf Addition \$330,000

In 2012, Building Inspection staff conducted 75 housing and property maintenance concern site inspections, issued compliance letters and conducted follow up inspections and enforcement for each. The most common concerns were property maintenance related to garbage and junk, and housing conditions.

Plan Review, Site Plan Review and Permit Issuance

In partnership with architects, contractors, property owners, members of the community and other departments, Building Inspection staff provides guidance in the areas of:

- Commercial and residential building
- Commercial and residential mechanical
- Commercial and residential electrical
- Commercial and residential plumbing
- Signs and animated signs

- Fencing and retaining walls
- Demolition of structures
- Condemnation proceedings
- Moving of structures
- Occupancy permits
- Floodplain, wetland and airport height limitations
- Zoning district requirements and permitted uses

Inspections

To ensure a safe and healthy environment for City resident's staff provides inspection services, issue compliance letters, and conduct follow up inspections, including:

- Building, Electrical, Plumbing, Mechanical and Zoning inspections
 - Permitted projects at various stages to ensure compliance
 - Certificates of Occupancy
 - Demolition projects
 - Fire – structure safety and damage assessment
 - Assistance as requested by the Fire and Police Departments, County Health Department, the Department of Public Works, and Manitowoc Public Utilities
- Licensing inspections
 - Taverns
 - Theaters
 - Child and adult day care
 - Circus/fair
 - Mobile/manufactured home park
 - Condemnations
 - Well operation and abandonment
 - Multi-family dwellings
 - Bed and breakfasts
 - Community Based Residential Facilities (CBRF)
- Property maintenance concerns
 - Minimum housing standards
 - Landlord and tenant issues
 - Unsafe buildings and structures
 - Garbage and junk
 - Junk vehicles
 - Water diversion

Code Enforcement

To provide consistent and uniform enforcement and interpretation of codes and standards, inspection staff references the Wisconsin Enrolled Commercial Code, the Wisconsin Uniform Dwelling Code, the Wisconsin Uniform Building Code, the Wisconsin Plumbing Code, the National Electrical Code, the Manitowoc Municipal Code Chapters 15, 16, 17, and 18, and all relevant Chapters of the Wisconsin Administrative Code. Building Inspection is also responsible for maintaining Chapters 15 and 16 of the City's Municipal Code.

Cross Connection Control Program

In 2011, Building Inspection and the City water purveyor, Manitowoc Public Utilities, commenced a joint effort to enforce surveying and Cross Connection Control compliance of non-residential properties as mandated by the Wisconsin Department of Natural Resources (NR 810.15). The program involves notification, program education and enforcement of approximately 1,300 non-residential customers on 2-year, 6-year and 10-year cycles. Follow-up reporting to the Wisconsin DNR is also required for:

- Enforcement of residential & commercial programs
- Device education
- City building inspections & correction orders
- Administration of commercial program

Committees

Building Inspection members either serve on the following committees or provide administration assistance and advisement for:

- Public Property and Safety Committee
- Zoning Board of Appeals
- Municipal Tree Commission
- Plan Commission
- Code Review Committee
- Board of Electrical Examiners
- Handicapped Appeal Commission
- Building Board of Appeals.

Citation Issuance and Court Testimony

In their capacity as code enforcement officers, Building Inspection staff can be summoned to testify at hearings and court proceedings as required, and act as an expert witness.

Document Management and Resources

Staff provides statistical information, verification documents and agency assistance information to citizens, contractors, developers, surveyors, Realtors and appraisers, in the form of:

- Zoning verification & letter requests
- Flood plain verification & FIRM map requests
- Subdivision, lot erosion control and grading plan requests
- Reference materials
- State contractor licensing, credentialing and continuing education requirements
- Local, state and federal agency assistance and resource information
- Weekly/monthly/annual statistical records for local, state and federal agencies

POLICE DEPARTMENT

The year of 2012 proved to be a year of adjustment at the Manitowoc Police Department. The financial problems at the City of Manitowoc translated into staff cuts for sworn and civilian employees of the police department. The number of hours police officers logged on the streets of Manitowoc fell due to the budget cuts but also because we were unable to hire and train replacements fast enough to cover all the absences caused by retirements, medical leave, and vacancies caused by officers who sought other employment opportunities. When you add the normal forms of paid time off the remaining employees earned, it is easy to see that there were just less officers to go around in 2012 than the year before.

Just as it had many times since its creation in 1876, the men and women of the Manitowoc Police Department would rely on citizen support to fulfill its mission of serving and protecting our community. In 2012 Manitowoc budgeted for 61 sworn officers to protect a city that has grown to almost 19 square miles of land consisting of over 15,200 living units and over 900 commercial buildings. We patrol the 188.16 miles of streets consisting of approximately 900 intersections of which 2/3's are controlled by a sign or signal light. In 2012 your police department also employed 8 support staff along with 11 part time crossing guards.

The members of the police department rose to the many challenges they faced in 2012 and they have continued to provide a high level of professional service to our community and its citizens. During 2012, almost 32,500 calls for service were received by the county dispatchers assigned to the City of Manitowoc work station. These calls for service generated over 18,000 police incident reports. The crime rate for the most serious of crimes went up compared to 2011. However, the overall crime rate for our most serious of crimes is still down over 53% since crime prevention started to keep records back in 1979.

Although there were less officers working on the roads, adult arrests were up compared to 2011. Calls for Service decreased by 6% but incidents created from those calls for service increased by 2%. The remaining officers continued to investigate all forms of crime which left little time for self-initiated contacts with the public.

As the budget preparations began for 2013 a federal grant provided a new plan to fund police officers wages and benefits. The application had been started 2 years before but final approval finally came in December of 2012. A Community Oriented Policing Services Grant would allow the City of Manitowoc to employ three more officers.

With your help Manitowoc will continue to earn accolades as a great place to live and work. Your help is important and may give us that one piece of the puzzle that solves a crime and promotes a successful prosecution. Please remember that we would rather be called and not needed than needed and not called. It is with the utmost respect, that I offer my thanks to all who have called with even the smallest bit of information in an effort to help the police solve or prevent community problems.

Change is inevitable so I ask that you all continue to work with us as we progress with new technology. The use of the city website at www.manitowoc.org allows citizens to sign up for alert notifications via text or e-mail for a variety of topics from sex offender releases to emergency parking restrictions or press releases.

Citizens may also file police reports using the city website. The use of the internet reporting tools gives us the information and allows some flexibility to schedule and prioritize our work. Our new Facebook page will give the public greater access to gain firsthand knowledge about the Manitowoc Police Department. Our pledge will be to continue to provide the high level of police services the community has come to expect.

MANITOWOC FIRE DEPARTMENT

It is the mission of the Manitowoc Fire Department to utilize cooperative efforts of supervisory and line personnel to protect the lives and property of our citizens and those who visit our community.

In order to achieve this goal, several programs have been developed, including:

- ! Fire Suppression
- ! Paramedic Ambulance Response and Transport
- ! Critical Care interfacility out of City Critical Care Ambulance Transports
- ! Medical bicycle patrol at large public events
- ! Emergency Medical First Response by EMT Engine Companies
- ! Public Education
- ! Fire Code Enforcement
- ! Specialized Rescue
- ! Hazardous Materials Response
- ! Fire Investigation
- ! Juvenile Fire Setters Program
- ! Employee Training
- ! Project Child-Safe Car Seat Program
- ! Smoke Detector Installation
- ! Carbon Monoxide Alarm Investigation
- ! Public Service response when the wellbeing of citizens or their property is threatened, and assistance from the Fire Department is appropriate.
- ! The department provides all of the services listed in the mission statement. In the area of rescue, we are specially trained and equipped to handle trench rescue, vehicle extrication, confined space rescue, ice rescue, rope rescue, and surface water rescue.

We seek to prevent fires and injuries through an aggressive public education program, which is highlighted by our mobile safety classroom, the Survive-Alive Trailer. Thousands of children and adults every year are given the opportunity to experience reduced visibility caused by theatrical smoke in the trailer's bedroom, and learn how to escape by crawling low and finding an exit. The trailer also has a kitchen where we teach kitchen fire safety related topics.

Firefighters install 10-year smoke detectors free of charge for any resident who cannot afford to buy them. We also offer free 9 volt batteries to residents who cannot afford to replace smoke detector batteries

Public buildings are inspected at least once per year for fire code violations and corrections are monitored. Also, any new construction over which we have jurisdiction is carefully monitored to see that the fire code is being followed, and that fire safety related systems are installed, tested, and maintained as per code. The department also supervises the weekly testing, maintenance, and operation of the city's ten (10) emergency weather and all-hazard warning sirens.

A Level-A-capable Hazardous Materials Response Team is headquartered at Station 1 and is staffed by members of our department as well as others from neighboring departments with in the County. We have four stations strategically located in four quadrants of the city, with a target total response time of five minutes or less 90 percent of the time. All stations house a paramedic ambulance and an engine company. In addition to serving the citizens of Manitowoc, we also are responsible for approximately 50% of the EMS coverage for the county. The Fire department also has a 22 foot rescue boat that is moored at the Manitowoc Marina during boating season.

Station #1 is located downtown and serves as department headquarters. It houses two (2) ambulance/rescue squads, an engine and ladder company as well as various support vehicles, including a technical rescue trailer, technical rescue unit, zodiac rescue boat, bariatric ambulance, Class B foam trailer, spill-containment trailer, and hazmat/air/command post vehicle.

The minimum safe staffing level for the department is 15 on duty personnel. This provides three people at each satellite station and six at the headquarters station. In addition, 37 of our 57 members participate in the pager recall system. When available, they respond from off-duty with full protective gear to assist on-duty crews at any reported structure fire. An average of 4 pager recall personnel responded to each fire in this manner. We also employ one full-time clerical assistant.

Training is a major focus within the department, with staff and company-level sessions taking place on a regular basis. Information discussed is then carried to the rank and file through lesson plans and company training sessions. Other drills are scheduled to maintain the many skills of the modern Manitowoc firefighter/paramedic or firefighter/EMT. In 2012 our paramedic staff upgraded to the level of Critical Care Paramedic. This training was done in house by department instructors and also by hospital staff physicians.

We hold membership in the National Fire Protection Association, International Association of Fire Investigators, International Association of Fire Fighters, Wisconsin Fire Inspectors Association, Wisconsin Society of Fire Service Instructors, Wisconsin Hazardous Materials Association, Paramedic Systems of Wisconsin, Wisconsin EMS Association, International Association of Fire Chiefs, Manitowoc County Fire Fighter Association, Manitowoc County Fire Chiefs Association, Manitowoc County EMS Association, MABAS Division 128 and Wisconsin State Fire Chiefs Association.

Members of the fire department management staff are active members in the NE Mabas Division 112 Incident Management Team for the State of Wisconsin.

In Closing, it is the vision of the Manitowoc Fire Department to provide friendly, compassionate and quality service to the citizens and visitors of Manitowoc.

DEPARTMENT OF PUBLIC INFRASTRUCTURE

The Department of Public Infrastructure plans, budgets, administers, and directs Public Infrastructure activities for the City of Manitowoc. This includes all phases of municipal engineering, public construction projects, and the operation and maintenance of any/all infrastructure within the public right-of-way in the City of Manitowoc. In 2011 the Department of Public Works & Engineering was merged with the Parks and Recreation Department. In January of 2012, Building and Grounds was also added to the department. This allowed the City to realize cost efficiencies through consolidation of management and supervisory personnel. The division was renamed the Department of Public Infrastructure in December of 2012.

This department is multi-faceted with four (4) divisions consisting of a mix of technical, clerical, professional and skilled personnel. The four divisions are:

1. Engineering and Storm Water Management
2. Operations
 - Street, lift station, marina, sanitary and storm water maintenance and DPW/Parks Building & Grounds
 - Parks
 - Cemetery
 - Zoo
 - Fleet
 - Bridges
3. Maritime Metro Transit / Building & Grounds
4. Recreation, Senior Center and Aquatic Center

ENGINEERING AND STORM WATER MANAGEMENT

The Engineering Department's responsibilities include preliminary and detailed engineering analysis of not only Public Infrastructure projects, but also the evaluation of many privately funded projects which affect the City such as review of new developments, building site plans, and proposed subdivisions. Engineering offers technical support to other city departments for projects in the conceptual and design phases. The Engineering Department also administers all capital project contracts from planning through construction and closeout.

On typical projects such as sewer and street construction, signal installation, or new and replaced sidewalks; the department is involved in all aspects of field survey, design, contract document preparation and administration. In addition to the field work, the division is involved in contractor coordination, construction surveying and inspection, preparation of contractor costs for payment, calculation of special assessments, and maintenance of as-built drawings.

Developmental tasks of the division include the biennial bridge inspections, which is an in-depth look at our 11 bridges for the Wisconsin Dept. of Transportation (DOT). Underwater inspections were also completed on five (5) City bridges in 2011. The inspection of our bridges is a federally mandated requirement.

The department monitors traffic movement through a continually changing city and the design and maintenance of the existing 37 signalized intersections. The department also rates the condition of the roadway pavements each year in order to report bi-annually to the Wisconsin Department of Transportation using the PASER-WISLR systems.

The department also manages and administers all solid waste (landfill) and recycling programs and issues. The department is responsible for preparing and submitting all annual reports to the DNR.

The field survey crew establishes line and grade for all public infrastructure projects and other private development including new home construction. Historically, the division has provided survey work for everything from topographic surveys for development of the zoo to a vertical alignment or trimming the top of trees on the Manitowoc County Airport's glide path.

The Engineering Department recommends the annual capital projects and also develops the 5-Year Capital Improvement Plan (CIP) for the City and seeks grant funding for them where available. The Department has been granted funds from the DOT for the 2016 reconstruction of Waldo Blvd. from N. 5th Street to Fleetwood Dr. and asphalt resurfacing on Waldo Blvd. from Memorial Drive to N. 5th St. and from Fleetwood Drive to N. Rapids Road. We have utilized Harbor Assistance Grants for the installation of a new dockwall at the City Centre property, Department of Commerce (CDBC) funds for reconstruction of 10th Street from Dewey to Madison St. and Safe Routes to School (SRTS) grant for construction of new sidewalks on N. 8th Street and Michigan Ave., and most recently for the American Recovery and Reinvestment Act (ARRA) Stimulus Grant for the Federal Transit Administration (FTA) Bus Station. We continue to seek funds in support of the State mandated Municipal Storm Water Permit and have currently accepted two DNR Urban and Non-Point Source and Storm Water Grants for the construction of storm water quality ponds at Dewey & S. 35th St. and at Dufek & West Drive.

The City continues to operate under the Wisconsin Pollutant Discharge Elimination System (WPDES) Municipal Separate Storm Sewer System (MS4) Permit. The Engineering Department is responsible for the implementation and maintenance of all programs required under this permit. The following programs are required by this permit: Public Education and Outreach, Illicit Discharge Detection and Elimination System, Erosion Control, Storm Water Management and Pollution Prevention. An annual report is compiled and submitted to the WDNR each year summarizing the measureable goals achieved under this permit.

The Public Education and Outreach program requirements are met by staff coordinating and partnering with other entities such as the Wisconsin Maritime Museum, Woodland Dunes and the Northeast Wisconsin Storm Water Consortium (NEWSC). These ongoing partnerships provide for educational materials, programs, presentations, workshops and activities such as storm drain stenciling.

The Illicit Discharge Detection and Elimination System program requires staff to perform annual dry weather testing on all of its 200 plus storm water outfalls. There is also an Illicit Discharge Ordinance which is enforced by this department.

The Engineering Department is also responsible for the erosion control and storm water management as it relates to City projects as well as private projects. Staff enforces the requirements of the erosion control and storm water management ordinances on private projects. This requires permit review, approval, site inspection during construction, and on-going maintenance inspection of any post-construction storm water best management practices. Staff also designs, implements and inspects erosion control on City projects.

The requirements of the Pollution Prevention program are overseen by the Engineering Department. This requires assurance that City owned best management practices (ponds, biofilters, rain gardens, etc) are properly maintained. Staff oversees the best management practices conducted by the City such as street sweeping, catch basin cleaning, brush and leaf pickup as they relate to the requirements of the WPDES Municipal permit.

The division is responsible for the cadastral mapping of the City of Manitowoc. The entire City including our three mile extraterritorial jurisdiction has been digitally mapped. The information includes parcel data, sanitary and storm sewers, and other items such as street right-of-way, water based features, manholes, pipes, lateral information, lot lines and dimensions, tax parcel numbers and addresses. All mapping has been adjusted using Global Positioning System data and referenced to the most current datum established (NAD_1983_HARN_WISCRS_Manitowoc_County). The division continues to work with our digital planimetric and topographic map files. We are integrated with the GIS system under development by the City's Planning Department and the County of Manitowoc. With the full featured implementation of the GIS system and the use of GEO databases, we are able to easily place a spatial component in any analysis of DPW activities.

The mapping work spearheaded by the Engineering division is used heavily by all City departments. We continue to get financial support from entities such as MPU and other departments. In addition we supply the product to local engineering firms such as SMI as well as to developers, plumbers, and other real estate concerns.

OPERATIONS DIVISION

The Operations Division is the largest division in the department, responsible for maintaining 190 miles of streets, 28 alleys and over 150 miles of mainline storm sewers, 190 miles of mainline sanitary sewers, 36 Parks, Manitowoc Marina, DPW and Parks Buildings and Grounds, Evergreen Cemetery, Lincoln Park Zoo, Fleet, and Bridges.

The streets of the city are plowed by the department during the winter and swept an average of once every 5 days during the rest of the season. They also patch and restore over 300 concrete and asphalt pavement excavations; following up after service by the various utilities and plumbers. Annual crack sealing maintenance is performed, when crews are available, to extend the life of all city streets.

Prior to winter, they install winter equipment on the city trucks. They fill and place 140 sand barrels at various locations through the city, erect 1 mile of snow fence at 10 sites, and reconnoiter their plow routes. Equipment is prepared for mobilization on short notice for winter storms. The division brings over 30 pieces of equipment (including hired equipment) to bear on snow removal and ice control to maintain 95 miles of salt routes and 190 miles of city streets.

They maintain 7,600 traffic signs, monitor 37 signalized intersections, snow removal on city sidewalks and city parking lots, weed cutting on city property, and the enforcement of the city's weed and sidewalk shoveling ordinances. The division also provides two yard waste pick-ups per year-one spring cleanup in April and the other a fall cleanup in October. The department also picks up fallen leaves as necessary during October and November of each year. Each year the department installs all the city's holiday decorations and decorative banners. They also provide traffic control for road emergencies, public construction projects and special events.

Sanitary Sewers are cleaned annually as a preventative measure including installation of new and repairs on sanitary and storm sewers. The lift stations and sewers are maintained through a regular program of inspection and cleaning throughout the year. In 1999 the division took over responsibility for the maintenance of all sanitary sewer lift stations from WWTF. The department currently maintains 13 sanitary lift stations. These lift station maintenance expenses are funded by the City's Waste Water Treatment Facility.

Maintenance of the City's 36 parks occupies the full time attention of the parks staff. They are augmented by seasonal help during the summer. Their mission is to keep the parks of the city well-manicured and ready to be enjoyed by all citizens. Parks personnel are responsible for maintaining all of the landscape of the city park system as well as the maintenance of the facilities and equipment within them, repairing constant vandalism as it occurs and maintaining all of the playground equipment to ADA standards. In addition, they are also responsible for maintaining the quality of the city's urban forest. The Parks labor force includes a crew devoted to the pruning of tree limbs and removal of diseased or dead trees. The City of Manitowoc is in its 30th year of being named a Tree City.

The care and maintenance of Evergreen Cemetery is another important facet of the Operations Division. Evergreen Cemetery was founded on April 30, 1852 and consists of 79 acres of finely manicured lawn and gardens in the original section. Evergreen West consists of 27 acres of land available for additional development. We average 230 burials per year. Cremations presently account for 25% of that total, and the cemetery has added two columbariums to accommodate the increasing popularity of this burial method. Evergreen Cemetery has nearly 5,000 spaces available for sale. The City anticipates continuing to use the main area of the existing 79 acre developed part of the cemetery for the next 30 years.

Evergreen Cemetery is staffed with 2 full-time employees augmented by 10 part-time staff in the summer. This represents a decline in both permanent and seasonal employment as budget pressures have forced us to reduce head count.

The beauty of the cemetery is due in part to the more than 6,000 flowers planted annually by cemetery workers. There are also 1,100 trees consisting of 40 different species. Some of the rarer varieties include the Japanese Ginkgo, Purple Beech, Camperdown Elm, Buckeye and Ironwood. We have an active tree maintenance program and have removed 150 dead/dying trees in the past couple of years.

The cemetery is administered by a citizen commission in conjunction with city staff. A new fund was established in 2006 for perpetual care and a portion of the proceeds from plot sales are deposited within it to offset the on-going costs of maintaining the grounds of the cemetery.

The Lincoln Park Zoo remains a valued city attraction and is also cared for by the Operations Division. Renewed interest in the exhibits and activism by the local Zoological Society has spurred a remodeling and updating of the Zoo's physical plant. In 2011 and 2012 a multitude of trip hazards were addressed through \$75,000 worth of reconstructed pathways. New exhibits are also being considered as the City of Manitowoc has been named a Bird City. Educational displays highlighting the migratory birds utilizing the wetlands surrounding the zoo are under consideration. An exciting new addition in 2012 was Lights in Lincoln Park, open nightly December 7th through December 31st. Lights in Lincoln Park was sponsored by the Zoological Society with all proceeds benefitting the zoo and zoo animals. In addition, ambitious planning efforts are underway to develop a new small mammal exhibit featuring otters, fox & badgers near the zoo entrance.

This division also handles all the rolling assets and many of the fixed assets of the city. This includes all city-owned vehicles, DPW and Parks buildings and bridges. It also manages the day to day maintenance and operations of our port and harbor and has responsibility for the city's boat launch ramps and shorelines.

The mechanics operate as an Internal Service Fund (ISF). This fund is sometimes referred to as a Motor Pool. The goal is for this fund to balance by charging other divisions and departments for their services. This allows users of the ISF to be aware of and manage their costs for mechanized equipment. Organizations supported by include Manitowoc Public Utilities, the Manitowoc Public School System, Manitowoc County and Kiel City vehicles. The city shop is currently staffed with four full time mechanics and remains on call for emergencies 24 hours a day.

Mechanics also supply backup support to all functions of the Streets division for emergency work, and are the primary source for harbor and marina work. This division also maintains the City Gravel Pit and works with the consultants engaged by the Engineering Department toward the environmental remediation of the area.

The Operations Division also maintains and operates the 8th and 10th street lift bridges utilizing four seasonal employees. The 8th street bridge has two consoles – one for itself and another for the 10th street bridge which allows one operator to manage both bridges. The operator is connected to the 10th street bridge by a network of cameras and fiber optic cable, allowing them to monitor the operation of the 10th street bridge. The bridges are manned from 4:30 am until 10:30 pm 7 days a week from April 1st to October 31. Off hour operations are performed as needed by an operator on call. In addition off-season bridge operations are possible requiring 24 hour notice.

The operation of the Lift Bridges is nearly fully funded through the State Lift Bridge Aid program. The regulations describing the bridge operation are in the Federal Register. Maintenance of the channel extending through the Bridges is the responsibility of the US Army Corps of Engineers. The department also submits annual bridge lift reports to the D.O.T.

In 2010, The City of Manitowoc entered into a 3 party agreement with the Wisconsin Department of Transportation under their Harbor Assistance Program (HAP) and City Centre, LLC for the construction of a new dockwall as well as dredging the adjacent waterway. This work was completed between 2010 and 2012. Since, completion of the project, it was noted that the barges were damaging the new dockwall area. It was determined that a new fendering system was required in order to protect the dockwall from vessel impacts and mooring forces. In addition, since the removal of the railroad bridge it was noted that 3 pile clusters are needed to protect the existing travel lift platform utilized by City Centre, LLC.

There is still approximately \$600,000 remaining in the HAP grant funds and the DOT has authorized the additions of the fender system and pile clusters. The grant period has also been extended to March 1, 2013.

We are proud of the fact that with the reduction of 52% of the staff by the end of 2011, the Operations Division continues to maintain the city's infrastructure and the addition of mandated programs to the best of the department's ability for the citizens of Manitowoc. This has been accomplished by constant shifting of staff between DPW, Parks, Mechanics and Cemetery crews as needed. We continue to pursue new efficiencies in our operations.

MARITIME METRO TRANSIT

Maritime Metro Transit (MMT) originated on January 1, 1978 when the City of Manitowoc took over the operation from a private operator. System funds are generated from four major sources – Federal and State Government Subsidies, Grants, local property taxes, and fare box revenues. In its present form, the system consists of six (6) fixed bus routes with four (4) making 30 minute circuits and two (2) one hour circuits (service to Two Rivers). In addition, MMT coordinates the paratransit system serving both city and county residents. The paratransit service provides transportation for those elderly or disabled citizens who cannot use the bus or are not near a bus route. This latter group includes the County's rural transportation program.

MMT has instituted a pass system to reward regular riders. These changes, with an aggressive marketing stance, have resulted in a steadily increasing revenue stream from fares. All the changes have had little effect on the local property tax support as the increased volume has paid the "fare."

We continue to explore innovative means of reaching the elderly and disabled who need transportation assistance. MMT has partnered with Manitowoc County in several areas including providing service to the County's rural clients through the City's contract with its own provider for paratransit service. This allows a lower overall cost per ride, makes available state and federal assistance, and provides a single source for transportation to the target population.

The new 4,000 square foot intermodal transfer building was designed in 2011, with construction completed in October of 2012. This Transfer Center is energy efficient and completely ADA accessible.

BUILDING AND GROUNDS

We are responsible for the care and maintenance of the Police Department, Fire Stations #1, #2, #3, & #4, the Senior Center, the Rahr-West Art Museum, the Visitor Information Center, Park and Recreations main building, and City Hall with four skilled employees. Taking care of the new 4.7 million dollar Manitowoc Family Aquatic Center is our newest and most challenging task.

Custodial, HVAC, electrical, plumbing, security systems, grounds keeping, painting, and carpentry projects are undertaken to enhance the functionality, attractiveness, and safety of the Cities facilities.

AQUATICS, RECREATION AND SENIOR CENTER

Through the Senior Center and the Recreation department, the City of Manitowoc strives to offer programs for its citizens no matter what their age. From Softball and Table Tennis Leagues to Arts Camps and Tai Chi, all of the city facilities are busy with all ages participating in programs.

The Recreation programs are funded through a combination of fees, tax levy, and community donations. While over 29,000 registrations, the cost of each individual program is kept low to be within the reach of all city families.

The Recreational programs offered through the City of Manitowoc attracted over 86,000 participants in 2012. Utilizing both the facilities of the City of Manitowoc and the Manitowoc Public School District, competition and instruction programs remain an important aspect of the quality of life for residents of the city.

The Manitowoc Senior Center is an important community element that serves the older population of the city and their families. The participation for the programs at the Manitowoc Sr. Center exceeds 77,000. Sponsored activities include excursions locally and throughout the state, meetings, instructional and recreational programs, and communal meals. The Center is the recipient of over 20,000 community volunteer hours, enabling more services to be delivered than might be available through public means.

The City of Manitowoc's Recreation Department also maintains relations with over 70 community and sports clubs to provide facilities and equipment for their fundraising and program activities. We continue to work with all organizations that approach us with ideas for improving the quality of life in the City.

SUMMARY

In all, the Department of Public Infrastructure is a fast moving organization comprised of professionals with highly developed skills. These skills allow a flexible response to the challenges and opportunities facing the city while keeping costs and taxes as low as possible.

RAHR-WEST ART MUSEUM

The Rahr-West Art Museum is a City of Manitowoc Facility that preserves and enhances its collections and historic mansion. The museum's purpose is to engage the public in dynamic learning opportunities in the visual arts and enrich life in the area by serving as a cultural resource.

Vision Statement

Our goal as a public art museum is to care for and use our resources, including the collection and intellectual material, to engage our visitors in a dynamic informal learning opportunity in the arts. The Rahr West Art Museum exists to foster a sense of discovery in the arts.

History

The Rahr-West Art Museum was given to the City of Manitowoc in 1941 by its owner, Mrs. Clara Rahr, with a central purpose of being used as a museum and civic center. Since that time the facility has developed a dual nature. The 1891-93 Mansion is on the National Register of Historic Places. It also serves as contemporary gallery space for a growing permanent collection and showcase for temporary exhibitions. Additionally, it is a living, breathing space for thought, creative ideas and learning; with an offering of lectures, classes, and workshops.

The thirteen bedroom house was designed by Milwaukee architects George Ferry and Alfred Clas, for Joseph and Mary Vilas; one of Manitowoc's pioneering families. In 1910, the house became the residence of Reinhardt Rahr, president of the Rahr Malting Company, and his family. The mansion was open to the public immediately following the gift in 1941, but acquired its first director in 1950.

In 1975, a modern exhibition wing was added to the mansion with donations by John D. and Ruth West of Manitowoc, and the Rahr Foundation. An adjoining exhibition space was added, in 1986, to exhibit the permanent collection. These wings also added valuable meeting space to the lower level for public programming, as well as facilities for storage of the permanent collection.

Operations

The Rahr-West Art Museum operates as a department of the City of Manitowoc with a thirteen member board appointed by the Mayor. Operating support comes from the City of Manitowoc, with programming and educational support from the Ruth and John D. West Foundation, local businesses and private donors.

The museum is open seven days per week with two levels of the mansion on view and exhibitions that rotate throughout three galleries. Exhibitions feature thematic presentation of works from the museum's-2900 plus holdings or a variety of exhibits and media from different sources. This frequent rotation offers an exciting, dynamic viewpoint in a relaxed and comfortable atmosphere

As with the entire City of Manitowoc, the Rahr-West Art Museum endured a great deal of change over the past two years. The museum staff has contracted while demands on the Rahr-West have not decreased. **The museum remains one of only 17 museums in Wisconsin**

accredited by the American Association of Museums – the benchmark for quality museum stewardship. The museum did well to set a high standard, and now that burden rests on fewer shoulders.

In 2012, the Rahr-West Art Museum drew in a record 25,514 visitors despite major budget cuts in the 2012 operations budget. The vast majority served are residents of the City of Manitowoc. Annual exhibits including the spring *Youth Art Series*, the *Members and County Artists Show*, *The Art of Tablesettings*, and *Christmas in the Mansion* ensure community engagement and involvement.

The Rahr-West Art Museum has been more active in raising revenue through rentals of community and meeting rooms. Additionally, the museum rents out space for private functions. In 2012, the museum boosted its rental revenue from \$584 in 2011 to over \$5,000.

Special Exhibitions

The 2013 Exhibition Schedule is the most ambitious in recent years. These included:

- ***Frank Lloyd Wright: Architecture of the Interior*** a nationally traveling exhibit that is being brought in at no extra cost to the city thanks to private sponsorship.
- ***UW Manitowoc Alumni Invitational*** a partner project with the University of Wisconsin at Manitowoc.
- ***Civil War Remembered*** Art commemorating the 150th Anniversary of the Civil War
- ***Best of Artsplash: Kelly Jelinek*** featuring the winner of the 2012 Artsplash competition, in conjunction with Mainly Manitowoc
- ***Interior Beauty: The Photography of Paul Rocheleau*** exhibit featuring nationally known architecture photographer Paul Rocheleau.

Community Outreach

The Rahr-West Art Museum has taken a more dynamic position in the community through collaborations with other institutions and community outreach. These have strengthened the museum's presence in the community and extended its services. In 2012, the Rahr-West Art Museum collaborated with the Manitowoc Public District and other area schools in educating over 4000 students in the visual arts, we also provide teachers with the opportunity to receive lesson plans featuring pieces from our permanent collection. This innovative programming led to home-school children visiting and learning each month with a specific curriculum designed for their needs. Youth Art Series exhibitions also take place from the beginning of March through the middle of May with children's workshops and many other events designed to encourage and support the necessity of art education in all areas of instruction.

The museum also collaborated with local educational organizations on special events and exhibitions. In March, the museum hosted a family art session and tour through the Jefferson Community Learning Center. In April, the museum hosted an exhibit of student art from Lincoln High School's Next Step program, and an exhibit for the school's International Baccalaureate Program.

In addition to the collaborative spirit the museum has worked to foster, the museum is moving forward to create a more dynamic presence in the community by serving as a strong resource for art preservation, art education, and tourism promotion. We were the fortunate recipient of a Helen Bader grant to create the SPARK! program, a specialized art therapy program for individuals with early-stage memory loss from Alzheimer's or Dementia.

The Rahr-West Art Museum was the driving force behind Sputnikfest. This celebration of the Sputnik/Manitowoc tie and that fun, sometimes frightening space age is the result of months of planning, fundraising and good, hard work. 2012 marked the 50th Anniversary of the crash landing of the Soviet *Sputnik 4* spacecraft on Manitowoc's North 8th Street, mere steps from the Rahr-West Art Museum. Sputnikfest 2012 was attended by approximately 4,000 people, and a production company from the BBC recorded segments for their 'All Over The Place USA' television program. Further, Director Greg Vadney did a live interview with KMAX-TV's *Good Day Sacramento*.

In November, 2012, the Rahr-West Art Museum held its 3rd 'Chairs for Charity' event, with chairs created, decorated and donated by local artists auctioned for the benefit of the Rahr-West Art Museum education fund. This year's partnership with Lakeshore Wind Ensemble raised money for local art education scholarships.

These on-going efforts have been recognized. *USA Today* has voted the Rahr-West Art Museum one of the 10 Great places to See Art in Smaller Cities. Sputnikfest has been listed as one of the "5 Funkiest Festivals" by *Readers Digest* magazine.

A blend of public support and private contributions enables the Rahr-West Art Museum to offer a wide variety of programs and services. Among these is an ambitious schedule of annual exhibitions; rotating exhibitions of our permanent collection and temporary exhibits offering different types of art. This all takes place in a facility that is free and open to the public. Staffed by a director, clerk typist, assistant curator and weekend security staff the Rahr-West is accredited by the American Association of Museums, we are members of the National Association of Art Education, LNRP, and we support local art groups; Water's Edge Artists and the ArtSplash public art initiative.

MANITOWOC PUBLIC LIBRARY

The mission of Manitowoc Public Library is to promote a culture of reading and to provide access to information. Through our services we strive to foster an environment that meets the educational, recreational and cultural needs of the community.

Manitowoc Public Library is located overlooking the waters of both the Manitowoc River and Lake Michigan in the center of downtown Manitowoc. The many-windowed two-story 52,000 sq. ft. building was erected in 1998 to meet the information needs of the community in the 21st century.

In 2012, the Library Board of Trustees adopted a three to five year strategic plan with four goals to guide library programs and services. One objective that was launched at the end of 2012 was

to “invest in technology”. A new automated system for returning and checking out material was installed and integrated into library operations. The system relies on RFID (radio frequency identification) tags that were placed in over 180,000 items. These tags allow material to be automatically returned, sorted and checked out without staff handling. This upgraded system will also increase the efficiency of inventorying the material that is on the shelves in the Library.

WASTEWATER TREATMENT FACILITY

The City of Manitowoc owns and operates its wastewater treatment facility located at 1015 S. Lakeview Drive. The current site has been utilized since 1939. Increased waste loadings, ageing equipment, and changing environmental regulations made plant upgrades necessary in 1959, 1974, and 1998. National Pollution Discharge Elimination System (NPDES) permit WI-0024601 benchmarks the requirements for compliant effluent discharge to Lake Michigan. The WWTF protects the health, safety and welfare of the public by efficient operation and maintenance, maximizing the removal of pollutants both entering the facility and its discharge.

In order to accomplish this, the City of Manitowoc regulates the construction and use of all sewers and drains connected to the sanitary sewer system. The Wastewater Facility is also the control authority for the mandated industrial pretreatment program, which limits the amount and type of pollutants that industries can discharge into the sanitary system. There are a total of 21 permitted industries that are required to sample and analyze their discharge for metals and other contaminants that have potential to harm the structures, equipment or the bacteria used in the treatment process.

The City Ordinance governing the Wastewater Treatment Facility and the sanitary sewer system is found in Section 25 of the City of Manitowoc Municipal Code. The WWTF is staffed 24/7/365 with 14 employees that operate and maintain the processes and equipment at the facility. DPW staff jet and maintain the sanitary sewer system and the sewage lift stations.

Residuals remaining after the water purification process are beneficially reused to fertilize local agricultural lands. The City of Manitowoc is responsible for one of the largest biosolid land application programs in the State of Wisconsin. Each year more 500 acres of crop land receive the nutrient rich biosolids. Land application can only be done on soils deemed appropriate and certified by the Wisconsin DNR. The nutrient levels in the biosolids analyzed and are injected into the soil according to the agronomic rate for the crop that is to be planted. The application of biosolids completes the cycle and returns the nutrients and organic matter to the land.

MANITOWOC PUBLIC UTILITIES

Manitowoc Public Utilities (MPU) is a municipality-owned electric and water utility serving approximately 17,800 electric accounts and 13,800 water accounts in the City of Manitowoc. In 2012 MPU generated approximately 14% of its system electric load natively and imports the remainder on an economic basis through wholesale suppliers or MISO energy market. MPU’s water supply is taken primarily from Lake Michigan and is purified with a state-of-the-art micro-filtration treatment facility.

The main benefits of municipal ownership of the Utility are its tax contribution to the City. In 2012, MPU was the highest contributor to the City of Manitowoc's tax role with a payment of \$3,481,000. MPU had operating revenues of \$73,598,000 in 2012, on an asset base of \$240,043,000. In addition, MPU made a payment of \$259,800 to the City of Manitowoc from the sale of water to the CBCWA.

The Utility has its roots going back to 1889 with the City of Manitowoc granting John Schuette permission to construct and operate an electric plant in the City. The electric plant was established in the building adjoining Mr. Schuette's flour and grist mill. The loads served were primarily street lighting, and later evolved into indoor and plant lighting. The utility provided a "turn-key" operation, including wiring, lamps, and switches. The initial customer operating time was from dusk to 9 p.m.; however, customer demand was growing steadily.

The Manitowoc Waterworks Company was also established in 1889 by brothers Eugene and T.W. Gray. The City purchased the waterworks company in 1911 and the electric plant in 1914. The two utilities were merged to form Manitowoc Public Utilities. Over the years, plant additions have been constructed, equipment has been improved and modernized, and technological advances have improved customer service to today's high standards.

MPU is the largest of 82 municipally owned electric utilities in the State of Wisconsin. The water utility pumped about 1.5 billion gallons of water into its distribution system in 2012, while the electric utility delivered over 515 million kilowatt hours to customers. MPU also maintains approximately 5,600 street and security lights in the City.

MPU also provides steam and hot water to several end users. Steam from the MPU Power Plant is sold to several customers via a district-heating loop. This steam system can be supplied directly from one of MPU's solid fuel boilers, indirectly from one of MPU's turbines, or from a gas fired boiler installed in 2012. These multiple sources allow flexibility for electrical power supply purposes and provide additional reliability for the steam system.

MPU also provides fiber optic cable services. The fiber optic network currently serves over 71 sites.

An agreement was executed with Central Brown County Water Authority (CBCWA) to supply wholesale water to six communities in Brown County, north of Manitowoc County, beginning December 2006. The capital costs to meet the water needs were paid by the Authority. In 2012 approximately 2.7 billion gallons of water were delivered to the CBCWA.

MPU employs approximately 81 full-time employees. About 54 of the full-time employees are represented by Local No. 420 of the International Union of Operating Engineers (including office workers).

The Utility is run separately from City government and is managed by a General Manager. The General Manager reports to a Public Utility Commission, which is comprised of seven members: The Mayor of Manitowoc, one City Council member, and five appointed citizens. Activities of the Utility are regulated by the Public Service Commission of Wisconsin (PSCW).

MANITOWOC PUBLIC SCHOOL DISTRICT

Increasingly, the Manitowoc Public School District's educational program is being shaped by a deteriorating financial climate for schools, including: (1) 15 years of state-imposed revenue caps and (2) an incremental decline in state aid (from 68% support several years ago to the current 62.5%). Accelerating budgetary concerns are placing significant pressure on programs developed over the years and on the MPSD vision of providing a high quality and comprehensive education for 5600 students in grades 4K through twelve. The challenge is to establish priorities that maximize success in the areas we believe are most important, maintain our strong framework of programming, and continue to provide for an increasingly diverse student body.

LEADERSHIP:

The district operates under a Board of Education, which consists of seven citizens elected at large by voters of the district. The 2009-10 Board members are Lee Braunel, Judy Carey, Michael Herrity, (Board president), Bob Jome, Chrystal Myer, Tim Newberg, and James Protsman. The Board appoints the superintendent, who is responsible for administrative supervision of all public schools in the district.

Superintendent Mark Swanson was appointed to head the district in July 2004. Previously, he served the district for 10 years as an elementary principal. Central office-based directors include a director of student learning, directors for human resources, buildings and grounds, business services, and pupil services, and a technology coordinator.

FACTS AND FIGURES:

The MPSD, a unified school district, includes the entire City of Manitowoc and some of the bordering rural area – a total of 93 square miles. The district has the 26th largest enrollment among the 426 public school districts in the state. The 2009 third-Friday-in-September enrollment count was 5,587, a decrease of 33 students from the previous September.

The MPSD has one comprehensive high school, an alternative high school (operating as a charter school), a specialized school for a handful of children in grades 1-8 with significant emotional/behavioral disabilities (operating as a charter school), two junior high schools, six grade 1-6 elementary schools, and an early childhood center that serves 380 kindergartners, 130 preschoolers, and 116 Head Start youngsters.

The district employs about 690 people — 462 FTE teachers and other professional staff and 229 FTE support personnel (paraprofessionals, custodial/maintenance, and clerical).

BUDGET:

At its best, a school district budget is fiscally responsive to citizens while still providing the resources to fulfill the district's responsibility to educate students. The MPSD offers a high quality and comprehensive education. Overall spending-per-student is six percent below the state average.

The Board of Education made \$2.3 million in cuts to bring the 2009-10 budget under the state-imposed revenue cap. Cost-control decisions included a reduction of one central office administrator, a 5 percent across-the-board reduction in supplies and materials, reduction of 5.5

teachers, reduction of 3.5 paraprofessionals, elimination of EXCEL advocates and library aides, and a superintendent salary freeze, among others. On the revenue side, in 2009-10 the MPSD is receiving \$2.26 million in stimulus money for special education and Title 1 programming. While \$700,000 of that aid can offset budgeted expenditures, the bulk of the money must be spent on specific new initiatives.

The 2009-10 budget includes total expenditures of \$71,717,798, a 2.24% increase over 2008-09. The total property tax levy of \$18.6 million (\$7.861 per thousand) amounts to a 4.35 percent increase in the total tax levy and a 3.83 percent increase in the net tax levy rate. The property tax levy is apportioned among eight municipalities that lie partially or totally within MPSD boundaries.

HIGHLIGHTS OF 2009-10:SPECIAL EDUCATION ‘NEXT STEP’:

The new Next Step program allows older special education students to participate in Lincoln High School’s graduation ceremony and then move on to a new chapter, much like other young adults. Seventeen of these 18 to 21-year-old students have a homeroom at UW-Manitowoc, where they participate in student life and have opportunities for campus-based employment or volunteer work. A second group has a daytime home base in a local apartment building where they practice life skills and build familiarity with community resources. Both sites provide flexible schedules away from school bells and structured class periods. Students take public transportation, interact with same-age peers, use facilities like the YMCA, Rahr-West Art Museum, and public library, and become more aware of the community and their place within it.

GED 02:

The school district has obtained a five-year, \$360,000 alternative education grant to prepare credit-deficient students to pass the General Education Diploma (GED) test and prepare for the job market, post-secondary education, and a productive life beyond high school. Classes are located at the Manitowoc County Job Center, a site that complements the program’s focus on employability skills and job preparation. The MPSD, Lakeshore Technical College, UW-Manitowoc, the Manitowoc County Job Center, community service groups, and area employers provide instruction and related services.

SAGE:

In fall 2009, Jefferson Elementary became the district's second school in Wisconsin’s Student Achievement Guarantee in Education, or SAGE, program, which provides subsidies based on the number of low-income students to reduce class sizes in kindergarten through third grade to 15 students.

JEFFERSON ELEMENTARY SCHOOL GRANTS:

Among the MPSD’s elementary schools, Jefferson has the most diverse student population, the most special education students, and the highest percentage of low-income students at 73.3 percent. To boost reading proficiency and decrease barriers to learning, the school has obtained grants from six different sources. These funds support supplemental learning and recreation programs before and after school, a fresh fruit and vegetable snack four days a week, teacher professional development, a third grade field trip to the Milwaukee Public Museum, parent/family support programs, and the purchase of technology, books, and learning materials.

JFK LOBBY RENOVATION:

The newly renovated lobby at Lincoln's JFK Fieldhouse highlights the rich tradition of the school's athletic program and the accomplishments of a century's worth of athletes. A large wood and glass case displays trophies and memorabilia from a host of Lincoln teams, including football, basketball, volleyball, gymnastics, track and field, cross country, golf, tennis, soccer, baseball, softball, swimming and wrestling. Regional championship plaques are displayed above the left doors and sectional plaques are above the right doors. Plaques also recognize Ships Wall of Fame inductees. The right wall is reserved for the three Ships who have played professional football — Doug Free, currently with the Dallas Cowboys, Don Davey, who played for the Green Bay Packers and Jacksonville Jaguars, and Arthur Walter Albrecht, who graduated from Lincoln in 1939 before playing for Wisconsin, the Pittsburgh Steelers, the Chicago Cardinals and the Boston Yanks. Athletic Director John Johnson spearheaded the renewal, which was funded by donations from athletic booster clubs, Don Davey and the Ron Rubick Run.

RON RUBICK MUNICIPAL FIELD:

After approval by both the City Council and the Manitowoc School Board, Municipal Field was renamed Ron Rubick Municipal Field and officially dedicated as such on September 11, 2009. A previous agreement between the City and the School District had specified that the name would always remain Municipal Field. Rubick, who died January 12, 2009, came to Manitowoc's Lincoln High School in 1967 as a health and physical education teacher. In 1968 he became the head coach of the varsity football team and held that position until his retirement in 1999. He also was the high school assistant wrestling coach for 19 years. While coaching football in Manitowoc, his team made the playoffs 10 times and won three consecutive state championships. During the years 1983-1987, his teams recorded 48 straight wins. Ron was selected as Associated Press Coach of the Year in 1985 and in 1986 and was the Wisconsin Football Association Coach of the Year in 1986. In 1978 he was selected to the Upper Peninsula Sports Hall of Fame and in 1986, the Lakeshore Sports Hall of Fame. He was also inducted into the Wisconsin Football Coaches Hall of Fame in 1999.

SCHOOL FOREST ADDS NATURE-BASED PLAY AREA:

For more than 50 years, MPSD students have been learning about nature at the Rahr Memorial School Forest located just north of Point Beach State Forest. The 293-acre complex includes four buildings, a wildlife pond, handicap-accessible nature trails, and a quarter mile of Lake Michigan frontage. In the summer of 2009, the MPSD used a \$7,600 grant from the Wisconsin Environmental Education Board to build a preschool play area for the school forests youngest visitors. More than 15 volunteers helped with the construction. In a woodsy clearing, young children can jump from stump to stump and balance across a log in the climbing zone. They can use rakes and other tools in a messy materials area. There are easels for art projects, blocks for building in the woods, a music station, and a ten-foot-tall tepee for playing make-believe.

FACILITIES CHANGES IMPROVE SAFETY AND SECURITY:

The MPSD is working with Bray Associates Architects of Sheboygan on a \$5.6 million facilities project that will begin in spring 2010 and conclude in time for the start of school on September 1, 2010. The project includes a renovation/new gym at Franklin Elementary School, office relocations at Jackson Elementary School and Wilson Junior High School, and district wide energy and safety upgrades. Financing is through (1) the sale of about \$2 million in

interest-free bonds offered as part of the government's stimulus program and (2) low-interest loans that will have negligible impact on the MPSD budget or tax structure.

MPSD OVERVIEW:

FREE 4K PRESCHOOL ENTERS SECOND YEAR

Under MPSD auspices, approximately 350 preschoolers are served at seven four-year-old kindergarten sites around the community. The program is optional and free to participants. Classrooms provide learning support for typically developing youngsters as well as for children with delays and those with advanced skills and abilities. The 4K program meets four days a week, three hours/five minutes each day. Teachers are licensed by the Department of Public Instruction to teach four-year-olds. 4K is offered in conjunction with supplementary childcare, Head Start, and as a stand-alone program.

A KINDERGARTEN SETTING THAT'S SAFE AND KID-CENTERED

All kindergartners are served at the Riverview Early Childhood Center, a facility focused solely on young children. Classrooms buzz with activity as students work on academic basics while learning to get along, share, and be a good friend. The school setting is rich with sights, sounds, and things to touch and manipulate. Caring teachers and a host of specialty and support personnel pool their resources to provide just what's needed to help each child thrive and learn.

ELEMENTARY SCHOOLS: SOLID FOUNDATION, FAMILY ATMOSPHERE

The district's six elementary schools serve grades 1-6. Classrooms are self-contained with some mixed-age grouping and team teaching. A few teachers remain with their classes for two years in a practice called looping. The Manitowoc County Comprehensive Charter School serves a handful of children in grades 1-8 with significant emotional/behavioral disabilities.

SECONDARY SCHOOLS: STRONG ACADEMICS, EXCITING ELECTIVES, PERSONALIZED PROGRAMS

The MPSD has two junior high schools, each with a student population of 550 to 600 students in grades 7-9. Lincoln High School serves more than 1350 students in grades 10-12. These secondary schools allow students to explore options and define their skills in a supportive but challenging environment. We offer a continuum of options, with something for every interest, career goal and learning profile. Students may pursue a strong academic program, build job and life skills, and explore the arts and a wide range of electives. Courses range from human genetics and international business to engineering graphics/design to three years of Japanese. The McKinley Academy is an alternative high school for students who thrive in a smaller environment.

LINCOLN HIGH SCHOOL: A PROUD HISTORY

One of Manitowoc's most beloved landmarks, Lincoln High School embodies a sense of history for generations of citizens. Built in 1923 on a hill overlooking Lake Michigan, the school's original garden setting was designed by noted Prairie School landscape architect Jens Jensen. The historic Gothic-style building was restored in 1999-2000 with extensive cosmetic and infrastructure improvements.

Today, Lincoln offers an impressive range of educational services including the prestigious International Baccalaureate (IB) Diploma Programme and Advanced Placement courses. Youth Apprenticeships are popular among all types of students, including those bound for college.

Exceptional fine arts, technology, special education, and at-risk offerings round out the menu. The comprehensive co-curricular program includes 11 sports for boys and 11 sports for girls, as well as many music, drama, journalism, and technology activities. Numerous clubs and organizations are available for students to join. A 20-hour service project is required for graduation.

LAKESHORE TECHNICAL COLLEGE

Lakeshore Technical College is a not-for-profit, public, two-year post-secondary institution that focuses on technical education. Located in east central Wisconsin, LTC serves a 200,500-resident district, which measures approximately 1,200 square miles, covering all of Manitowoc and Sheboygan counties, as well as parts of Calumet and Ozaukee counties. The main campus is located in the village of Cleveland, Wis., with two learning sites strategically located in Sheboygan and Manitowoc. LTC also operates eleven community education centers at area high schools and 29 distance learning sites.

LTC's mission is to enrich lives and strengthen the economy by preparing a workforce that is skilled, diverse and flexible. This mission is realized as students graduate and enter the workforce with critical skills and core abilities that meet Lakeshore employers' needs. Ninety-six percent of employers are satisfied with the 2010-11 graduates they supervise, according to LTC's Employer Survey, and they are not the only satisfied customers. Ninety-eight percent of 2010-11 students reported being satisfied with the education and training they received at LTC. Eighty-two percent of 2010-11 LTC graduates were employed six months to one year after graduation. Eighty-seven percent of 2010-11 LTC graduates work in the LTC district and 99 percent work in Wisconsin.

STUDENTS

LTC serves individuals seeking associate degrees, technical diplomas, technical certificates and apprenticeship programs, as well as those needing basic skills training. LTC also offers career planning and instructional and student support. In 2010-11, LTC had 2,252 full-time equivalent students with a total enrollment of 13,817. The average student age is 31 years; 69 percent of graduates are female and 11% are minorities, according to LTC's 2010-11 Year End Report.

INSTRUCTIONAL PROGRAMS

LTC offers career-based programs instilled with industry-leading technologies. They reflect the employment needs in the area and provide a sound base for a lifetime of learning. LTC offers 37 Associate Degree programs, 28 technical diplomas, and 64 technical certificates. LTC offers 11 apprentice programs and 31 institutions of higher learning accept LTC credits for transfer. Fifteen programs hold professional or specialized accreditation certification from 11 agencies.

LTC's Workforce Solutions provides contracted, customized training to employers for their employees who seek to update skills and improve workplace performance. In 2011-12, LTC served 4,045 employees from 117 organizations, including local businesses, schools and government agencies.

LTC identifies student needs and requirements through administering surveys, job center partners, environmental scanning, Workforce Solutions' training directors and recruitment activities for all groups.

LTC uses a variety of formats to deliver education to meet student needs for flexibility. Delivery modes include: traditional classroom, accelerated (courses offered in a condensed timeframe), interactive television (ITV), video and print-based learning, online, and blended learning.

LTC belongs to multiple users groups and collaborates with other technical colleges and high school districts for distance delivery programming.

STRATEGIC PLAN

LTC continues to innovate to meet the changing employment landscape. The EnVision 2015 strategic plan includes four key areas: future workforce, student success, partnerships and excellence. Initiatives within these areas direct the college to: design programs that prepare students to meet industry sector needs; help students achieve their goals; expand alliances to fulfill the college mission; and create a culture of quality, innovation and respect to strengthen the college. The College is preparing for its next strategic plan with data collected through community and business forums in 2012-13.

COMMUNITY

In response to community needs, LTC, through its Rapid Response Team, responds quickly to plant closings and layoffs to assist displaced workers. LTC also collaborates with local business to attract training grant dollars to our communities. More than \$400,000 in training grants provided workforce advancement skills for area employees in 2011-12.

LTC has been a responsible steward of taxpayer dollars. The college's tax rate has decreased by nearly 11 percent since 2001. LTC's tax levy increase remains one of the lowest among the state's 16 technical colleges.

As successful graduates populate the district, all residents enjoy the benefits that LTC offers. LTC trains firefighters, law enforcement professionals, healthcare workers, skilled laborers and business professionals who make valuable contributions to our communities, the economy and the tax base.

SILVER LAKE COLLEGE

AT A GLANCE

Higher Education: Liberal Arts and Professional Studies

Years of operation: 78

Number of employees: 102 at main campus and 32 at satellite locations

Sponsored by the Franciscan Sisters of Christian Charity

Interim President: Sister Adrianna Schouten

GROWTH, ACCOMPLISHMENTS, AND CHANGE

Silver Lake College of the Holy Family broke ground in June 2012 for a 35,000-square-foot music education and performance center, now under construction on the west side of campus. This facility will be home to the College's internationally recognized music programs as well as the Holy Family Conservatory of Music, currently located in downtown Manitowoc. The music center will include a concert hall, rehearsal hall, studios, and seminar room. After the doors officially open in fall 2013, the College will invite community groups and local musicians to use the facility.

True to its heritage, Silver Lake College continues to impact the field of education. In 2012, SLC graduates were well-represented in local school districts. For example, in Manitowoc Public Schools, 17.4 percent of current teachers are SLC graduates; in Reedsville Schools the number is 22 percent. 52 percent of the teachers in St. Francis of Assisi Parish School System are SLC alumni.

The College was again named to the President's Higher Education Community Service Honor Roll. This is federal recognition of the College's long-standing commitment to volunteerism, service learning, and civic engagement. In a separate honor, *G.I. Jobs* magazine, a publication for military personnel transitioning into civilian life, again named the College to its list of Military Friendly Schools. The magazine annually honors the top 20 percent of colleges, universities, and trade schools doing the most to embrace America's military service members and veterans.

Student life programming continues to expand and improve on campus and throughout the community of Manitowoc. Students have enjoyed comedy shows, music performances, open-mic nights, and ice cream socials. A Tri-College Activities Board was launched in 2012 as a coalition of Lakeshore Technical College, UW-Manitowoc, and Silver Lake College. Already the board has provided activities such as movie nights at Lakeshore Cinema, bowling at Meadow Lanes West, and dances at the Holiday Inn.

Silver Lake College students, faculty, and staff engaged in community service on campus, in the community, and in one distant locale. A contingent traveled to Chavies, Kentucky, for a week-long Appalachia service project in cooperation with Grace Congregational United Church of Christ in Two Rivers. The Kentucky trip was part of alternative spring break, an annual tradition on campus.

SLC students continued to work in Manitowoc County through internships. Jan Algozine, Director of Experiential Learning, Career Resources, and Internships, placed students at more than twenty Manitowoc County organizations in 2012, including many not-for-profits. Participating organizations included Holiday House, the Domestic Violence Center, the Manitowoc Historical Society, The Neighborhood Network Learning Center, Lincoln Park Zoo, The Lakeshore CAP, Lutheran Social Services, the YMCA, Healthiest Manitowoc County, Holy Family Memorial, and Manitowoc and Two Rivers schools.

In partnership with Lakeshore Technical College, Silver Lake College sponsors a college access and mentoring program called *Look Ahead Lakers* (LAL). In 2012, its second full year, LAL helped 450 at-risk students realize that higher education can be in their future if they work hard and stay in school. In October 2012, fifth graders from Manitowoc and Two Rivers participated in Campus Visit Day, the entry point into the LAL program. The children toured campus, participated in college classes and activities, and connected with college-age role models, athletes, faculty, and staff. About eighty-four SLC students served as role models, mentors, or volunteers in 2012, providing fifth and sixth graders with “college knowledge,” academic assistance, and tools to help them graduate from high school and go on to some form of higher education. LAL participants also led community events and after-school programs, including a school-supply drive and the Smarty Pants Run.

Silver Lake College art students participated in Mainly Manitowoc's ArtSPLASH by exhibiting their work in the windows of vacant downtown buildings. The art was exhibited in October and November 2012, and provided a creative draw to downtown businesses. In other activities, student Cassie Hebert volunteered as an art teacher at Rivers Bend Health and Rehabilitation Center and at McKinley Academy, a charter school for grades 9-12. McKinley students also joined a College drawing class for a week, gaining insight into college-level art education. In addition, student Samantha Deeley volunteered as a teacher in an after-school art program at Jefferson Elementary School.

The College's Athletic Department had an exciting and successful 2012. Fifty-nine student athletes competed in six sports programs — cross country, soccer, golf, women's volleyball, and basketball (men's and women's) — under the guidelines of the United States Collegiate Athletic Association (USCAA). Both the soccer team and the volleyball team completed their second year of competition, experiencing victories and bringing excitement to the fall athletic program. The golf team enjoyed a very good season under the leadership of new Coach Steve Rezachek, who brings great experience and enthusiasm to the golf program. The cross country team had an excellent season, competing against NCAA Division I, Division II, and Division III teams and consistently placing in the top-10 in its meets. Brian Ropel was ranked in the top-10 of the USCAA throughout the season. Mary Bettag and Taylor Vanden Plas were in the top-25 of the USCAA the entire season. The cross country team sent all three student athletes to the National Invitational in Lake Placid, NY, marking the first time since 1991 that the College has competed at the national level. Both men's and women's basketball teams completed successful seasons, and with eight returning players, the future looks bright for the men's basketball program. Irving Cato was named to the USCAA Academic All American team. Coming off a 16-11 season, the women's basketball team was 14-13, posting its second consecutive winning season. The young Lady Lakers appeared in the top-15 in the coaches' poll for most of the season. Lyndsay Holschbach received the USCAA Academic All American team award.

Roxanna Strawn, Director of the Annual Fund and Major Gifts, successfully completed The Chamber's Leadership Manitowoc County program in 2012 and lost no time applying her new leadership skills. She is president-elect of the Manitowoc Sunrise Rotary Club and has joined the board of directors at Shady Lane Nursing Care Center of Manitowoc. Jan Algozine is also an active volunteer for the Chamber as a member of the Manitowoc County Partners in Education, working with representatives from Lakeshore Technical College, UW-Manitowoc and guidance

counselors from area schools to plan educational activities for Manitowoc County high schoolers. She recently joined the Chamber Education Committee and will help plan adult education opportunities for member businesses.

New faculty appointments continue to support stronger academic programs. Vicki Ansoerge has been appointed Vice President for Academic Affairs and Dean of Faculty. Dr. Erik Hoyer has been appointed Associate Dean of Academic Affairs. Alonzo Kelly joined the faculty as assistant professor of business and chair of the Graduate Business Program. Internationally recognized concert pianist Dr. Diana Shapiro joined the faculty as Assistant Professor of Piano. Elizabeth DenDekker joined the Psychology faculty.

OUTLOOK

The College community looks forward to the completion of the music education and performance center in fall 2013. This facility brings together the Holy Family Conservatory of Music and the College music program in a collaborative effort that will benefit people of all ages. This facility will be available for community-wide use and contribute to the quality of life in Manitowoc County and beyond.

The College will continue to develop and strengthen academic programs to meet the growing needs of our traditional and non-traditional students. Members of the College Community look forward to working with the City of Manitowoc and local industry to provide educational opportunities for their employees. We continue to create and sustain partnerships with area businesses to provide valuable internships that help distinguish our students when they seek employment or career advancement after graduation.

UNIVERSITY OF WISCONSIN-MANITOWOC

LOCATION

Situated on the southeast corner of Manitowoc between Viebahn Street and Silver Creek Park, the 40-acre campus of the University of Wisconsin-Manitowoc enjoys a shoreline view of Lake Michigan.

LEADERSHIP & STAFF

Dr. Charles Clark has led the campus as the Campus Executive Officer/Dean since July 1, 2011.

There are currently 71 employees at UW-Manitowoc; 40 are faculty and instructional staff. The majority of faculty members have a Ph.D. in their field of expertise. Most are published authors, several are major award winners and all are committed to teaching and research.

HISTORY

The University of Wisconsin has had a presence in Manitowoc since 1933 when a UW English course was offered at the Vocational School on Clark Street. As the UW programs grew, so did the need for a permanent campus. In 1962, the present campus site was established with additions completed in 1986 and 2001.

Part of the state-wide University of Wisconsin System, UW-Manitowoc is one of the 13 freshman/sophomore campuses of the UW Colleges. It is county owned and state operated.

Accredited by the Higher Learning Commission; a commission of the North Central Association of Colleges and Schools, UW-Manitowoc offers its students the best of two worlds - the small classes and personal attention of a private college at a low public university cost. In fact, UW-Manitowoc, along with the other UW Colleges, offers the lowest tuition in the UW System.

STUDENTS

125 students were awarded Associate Degrees during the 2011-2012 academic year. 614 students enrolled for the fall 2012 semester and 30% of our students are defined as being non-traditional students, or over the age of 22. Approximately 62% of UW-Manitowoc's students are full-time and the average class size is about 23 students.

Students attending UW-Manitowoc are drawn from Manitowoc and surrounding counties. The major feeder high schools include: Lincoln, Two Rivers, Valders, Roncalli, Manitowoc Lutheran, Mishicot, Reedsville, Denmark, Kewaunee, Kiel and Luxemburg/Casco.

COURSES/PROGRAMS

UW-Manitowoc specializes in freshman/sophomore curriculum and transferring is at the heart of its mission. Students can choose from over 100 classes in 25 different areas of study, along with an array of co-curricular activities including collegiate athletics. The general education courses offered can apply to over 250 majors in the UW System. Our Evening Degree Program gives students the opportunity to complete an Associate's Degree via evening courses in three years or less. Courses are offered via traditional classroom methods, or via Wisline web, compressed video, blended or online technology.

After students complete their general liberal arts and sciences classes and/or earn an Associate of Arts and Science Degree, they can transfer to any other university or private college, making UW-Manitowoc the best start on a bachelor's degree and unlimited career opportunities. Three certificate programs are also offered by UW-Manitowoc: Business Certificate, International Studies Certificate, or Women's Studies Certificate independently or in conjunction with the Associate's Degree program. :

In addition to the Associate's Degree, UW-Manitowoc offers students various opportunities to pursue bachelor's degrees through collaborative programs with seven other UW campuses. Courses are delivered via a combination of face-to face, compressed video, and online methods. This technology is also used to offer bachelor's degrees through collaborative programs with seven other UW campuses.

In addition to the college curriculum offered by the University of Wisconsin-Manitowoc, a variety of non-credit courses are available through the Continuing Education Program, including on-line courses in business, healthcare, social media, technology and law. Online certificate programs are also available in business communication and social media.

COMMUNITY

A variety of services and opportunities are offered to the Manitowoc community including a Founders Hall Art Gallery, library services, speaker's bureau, and facility rental. The campus is also home for the local UW Sea Grant Office and the Manitowoc Public School District's Next Step UW program.

Community collaboration is evident in the performing arts groups at UW-Manitowoc, which are open to community members. Two UW-Manitowoc instrumental musical groups, the Lakeshore Wind Ensemble and the Lakeshore Big Band continually play to full houses when they perform at the Capitol Civic Centre and the University Theatre. The University Theatre and UW-Manitowoc Chorus also offer great opportunities for campus-community collaboration.

Along with a \$3.8 million-dollar operating budget, UW-Manitowoc provides the local community with a valuable resource that not only addresses the educational needs of the students, but the needs of the community for continuing education, cultural events and expertise in everything from anthropology to zoology.

2012 HIGHLIGHTS

UNDERGRADUATE RESEARCH RECOGNIZED:

Eight students from the University of Wisconsin-Manitowoc joined more than 200 UW System undergraduate students at the Capitol Rotunda in Madison and shared original research findings with legislators, state leaders, UW alumni and supporters. The ninth annual "Posters in the Rotunda: A Celebration of Undergraduate Research," held March 7, highlighted the positive impacts of university research in Wisconsin.

CAMPUS CELEBRATES 50TH ANNIVERSARY

In fall 2012 the campus began a year-long anniversary celebration, commemorating 50 years as a campus, and 80 years in Manitowoc County. An open house was held on November 11, commemorating the day the campus on Viebahn was dedicated on November 11, 1962. Events scheduled during the 2012-13 academic year all celebrate this milestone event.

A DECADE OF COOL CHEMISTRY

UW-Manitowoc's chemistry department celebrated a decade of Cool Chemistry with its free annual event in May. Chemistry students entertained more than 400 children and their parents during two shows with explosions, magical color changes, glowing ice, and more! Kids made their own "slime" after the show. The department also took the show on the road to the Point Beach Energy Center as part of its "Chemistry: It Really Matters" event in November.

CAMPUS-COMMUNITY COLLABORATION EARNS WISCONSIN IDEA AWARD

The Lakeshore Natural Resource Partnership (LNRP) and Friends of Hika Bay were honored with the 2012 Wisconsin Idea Award from the University of Wisconsin Colleges and UW-Extension for bringing together the community and the university in the common goal of improving and protecting the water quality in northeastern Wisconsin. The UW-Manitowoc biology department is one of the groups that the LNRP partners with, providing students with a life-enhancing opportunity to get boots-on-the-ground, in-the-field experience in the biological sciences. Biology students at UW-Manitowoc conduct research as they test area creeks and monitor contamination, while the organizations gain access to affordable, credible data they can share with landowners, government officials, and other environmental groups. Taxpayers also get a glimpse of how their tax money is being used in an educational setting to benefit the community.

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



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

Independent Auditors' Report

To the Mayor and City Council
City of Manitowoc, Wisconsin

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manitowoc, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Manitowoc, Wisconsin's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 17 dated June 28, 2013.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

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

Schade SC

Certified Public Accountants
Green Bay, Wisconsin
June 28, 2013

**FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Independent Auditors' Report

To the Mayor and City Council
City of Manitowoc, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited City of Manitowoc, Wisconsin's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of City of Manitowoc, Wisconsin's major federal and state programs for the year ended December 31, 2012. City of Manitowoc, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of Manitowoc, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about City of Manitowoc, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of City of Manitowoc, Wisconsin's compliance.



Opinion on Each Major Federal and State Program

In our opinion, City of Manitowoc, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of City of Manitowoc, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Manitowoc, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Manitowoc, Wisconsin's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

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Certified Public Accountants
Green Bay, Wisconsin
June 28, 2013

CITY OF MANITOWOC, WISCONSIN
 Schedule of Federal and State Expenditures
 For the Year Ended December 31, 2012

Grantor Agency/State Program Title	Pass-through Agency	Federal CFDA/ State ID Number
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FEDERAL PROGRAMS

U.S. DEPARTMENT OF COMMERCE

Coastal Management Program	WI Department of Administration	11.419
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U.S. DEPARTMENT OF JUSTICE

Cease	WI Department of Administration	N/A
Edward Byrne Memorial Justice Assistance #2009-DJ-BX-1360 #2010-DJ-BX-0879	Direct Program	16.738
Edward Byrne Memorial Justice Assistance - ARRA #2009-SB-B9-1515	Direct Program	16.804
Assistance to Rural Law Enforcement - ARRA #2009-SD-B9-0189	Direct Program	16.810
Total U.S. Department of Justice		

U.S. ENVIRONMENTAL PROTECTION AGENCY

Brownfield Assessment and Cleanup Coop Agreement- ARRA	Direct Program	66.818
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U.S. DEPARTMENT OF TRANSPORTATION

Federal Transit Capital Improvement Grants - ARRA	WI Department of Transportation	20.500
Federal Transit Formula Grants 2011	WI Department of Transportation	20.507
2012		
Highway Safety Contract	WI Department of Transportation	20.600
Total U.S. Department of Transportation		

TOTAL FEDERAL PROGRAMS

STATE PROGRAM

WISCONSIN DEPARTMENT OF TRANSPORTATION

Urban Mass Transit Operating Assistance Contract 2012		395.104
Harbor Assistance Grant		395.128
Total Wisconsin Department of Transportation		

The notes to the schedule of federal and state expenditures are an integral part of this schedule.

Accrued (Deferred) Revenue 1/1/12	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/12	Total Revenues	Total Expenditures
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\$ -	\$ 4,058	\$ 59,942	\$ 64,000	\$ 64,000
-	1,460	-	1,460	1,460
-	1,797	-	1,797	1,797
-	1,027	-	1,027	1,027
-	10,539	-	10,539	10,539
-	36,720	-	36,720	36,720
-	51,543	-	51,543	51,543
-	183,731	-	183,731	183,731
-	1,273,162	53,687	1,326,849	1,326,849
251,634	251,634	-	-	-
-	888,683	-	888,683	888,683
-	6,972	-	6,972	6,972
251,634	2,420,451	53,687	2,222,504	2,222,504
\$ 251,634	\$ 2,659,783	\$ 113,629	\$ 2,521,778	\$ 2,521,778

\$ -	\$ 300,737	\$ -	\$ 300,737	\$ 300,737
248,374	618,750	340,324	710,700	710,700
\$ 248,374	\$ 919,487	\$ 340,324	\$ 1,011,437	\$ 1,011,437

CITY OF MANITOWOC, WISCONSIN
Notes to the Schedule of Federal and State Expenditures
For the Year Ended December 31, 2012

NOTE A - BASIS OF PRESENTATION

In accordance with audit requirements issued by the Office of Management and Budget (OMB) Circular A-133 and the State Single Audit Guidelines issued by the Wisconsin Department of Administration, supplemental information is presented by the City in regard to federal and state financial assistance programs administered by the City.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedule are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2011 basic financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while deferred revenue represents advances for federal and state programs that exceed recorded City expenditures.

Federal Programs: The City of Manitowoc qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered nonmajor programs.

State Programs: Major programs represent state assistance programs with expenditures of \$100,000 or more and other state programs classified as major in the State Single Audit Guidelines. All other state assistance programs required to be included in the Schedule of State Financial Assistance in accordance with Appendix H of the State Single Audit Guidelines are nonmajor programs.

NOTE C - COGNIZANT AGENCIES

The Federal oversight agency for the City is the U.S. Environmental Protection Agency.

The State oversight agency for the City is the Wisconsin Department of Transportation.

CITY OF MANITOWOC, WISCONSIN
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2012

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to basic financial statements noted? No

Federal Awards Programs

Internal control over major program:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major federal program:

CFDA Number	Name of Federal Program
20.500	Federal Transit Capital Improvement Grants - ARRA
20.507	Federal Transit Formula Grant
66.818	Brownfield Assessment and Cleanup Coop Agreement- ARRA

Identification of major state programs:

State ID Number	Name of State Program
395.104	Urban Mass Transit Operating Assistance

Audit threshold used to determine between Type A and Type B federal programs: \$300,000

Audit threshold used to determine between Type A and Type B state programs: \$100,000

Auditee qualified as low-risk auditee No

Section II - Financial Statement Findings

Finding No.	Financial Statement Findings
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There were no findings noted for the year ended December 31, 2012.

Section III - Federal Award Findings and Questioned Costs

Finding No.	Internal Control Deficiency
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There were no findings or questioned costs noted for the year ended December 31, 2012.

CITY OF MANITOWOC, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2012

Prior Year Audit Findings

All findings noted in the 2011 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies and, in the City's opinion, have been adequately resolved.

Corrective Action Plan

There were no findings reported in the 2012 Schedule of Findings and Questioned Costs.