



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
INCLUDING AUDITORS' REPORTS

***FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008***

CITY OF MANITOWOC, WISCONSIN

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

INCLUDING AUDITORS' REPORTS

FOR THE FISCAL YEAR ENDED

DECEMBER 31,

2008

Prepared by Department of Finance

Brian C. Ruechel, CGFM

Finance Director

Anthony J. Scherer

Assistant Finance Director

INTRODUCTORY SECTION

CITY OF MANITOWOC, WISCONSIN
December 31, 2008

Table of Contents

	<u>Page No.</u>
INTRODUCTORY SECTION	
Table of Contents	1 - 3
Letter of Transmittal	4 - 12
Certificate of Achievement	13
Table of Organization	14
Elected Officials	15
Appointed Officials and Financial Consultants	16
FINANCIAL SECTION	
Independent Auditors' Report on Basic Financial Statements and Supplementary Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance	17 - 18
MANAGEMENT'S DISCUSSION AND ANALYSIS	19 - 31
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	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 Assets - Proprietary Funds	40 - 41
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	42 - 43
Statement of Cash Flows - Proprietary Funds	44 - 47
Statement of Fiduciary Net Assets - Poor Relief Fiduciary Fund	48
Statement of Changes in Fiduciary Net Assets - Poor Relief Fiduciary Fund	49
Notes to Basic Financial Statements	50 - 74
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Funding Progress - Other Post-Employment Benefit Plan	75
Schedule of Employer Contributions - Other Post-Employment Benefit Plan	76

CITY OF MANITOWOC, WISCONSIN

December 31, 2008

Table of Contents

	<u>Page No.</u>
FINANCIAL SECTION (Continued)	
SUPPLEMENTAL INFORMATION	
General Fund	
Schedule of Budgeted and Actual Revenues	77 - 80
Schedule of Budgeted and Actual Expenditures	81 - 82
Combining Balance Sheet - Nonmajor Governmental Funds	83 - 88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	89 - 94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	95 - 103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	104
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Funds	105 - 121
Combining Statement of Net Assets - Internal Service Funds	122
Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds	123
Combining Statement of Cash Flows - Internal Service Funds	124
Capital Assets Used in the Operation of Government Funds Comparative Schedules by Source	125
Schedule by Function	126
Schedule of Changes by Function	127
STATISTICAL SECTION	
Net Assets by Component - Last Six Fiscal Years	128
Changes in Net Assets - Last Six Fiscal Years	129 - 130
Fund Balances of Governmental Funds - Last Ten Fiscal Years	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, 2008

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
Note Anticipation Notes	144
Water Mortgage Revenue Bonds	145
Electric Power System Mortgage Revenue Bonds	146
Wastewater Treatment Plant Revenue Bonds	147
Direct and Overlapping Governmental Activities Debt	148
Legal Debt Margin Information	149
Revenue Bond Coverage	
Water Mortgage	150
Electric Power System	151
Demographic and Economic Statistics	152
Principal Employers	153
Full-time Equivalent City of Manitowoc Employees by Function	154
Operating Indicators by Function	155
Capital Asset Statistics by Function	156
Miscellaneous General Data	
City Departments	157 - 184
Information on Other Pertinent Activities and Organizations	184 - 191
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	192 - 193
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	
Report on Compliance with Requirements Applicable to Each Major Federal and State Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Guidelines	194 - 195
Schedule of Federal and State Expenditures	196
Notes to the Schedule of Federal and State Expenditures	197
Schedule of Findings and Questioned Costs	198
Schedule of Prior Year Audit Findings and Corrective Action Plan	199

June 19, 2009

Honorable Mayor Kevin M. Crawford
Common Council
City of Manitowoc Citizens
City of Manitowoc
Manitowoc, Wisconsin 54220

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, 2008. This report was prepared by the City's Finance Department.

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, 2008, 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 fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the City of Manitowoc was part

CITY HALL • 900 Quay Street • Manitowoc, WI 54220-4543
Finance (920) 686-6960 • Treasurer (920) 684-6965 • FAX: (920) 686-6969
www.manitowoc.org • bruechel@manitowoc.org



OFFICE OF FINANCE
DIRECTOR/TREASURER

CITY OF
MANITOWOC

Brian C. Ruechel, CGFM
Finance Director/Treasurer

of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Manitowoc's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Manitowoc is the County Seat of Manitowoc County, located in east central Wisconsin. The City is approximately 75 minutes north of Milwaukee, 20 minutes southeast of Green Bay and 150 minutes north of Chicago, Illinois. The City encompasses 18.238 square miles totaling 11,678.94 acres. It is located on Lake Michigan in a natural harbor formed by an outlet of the Manitowoc River. The City was incorporated on March 12, 1870. With an estimated 2008 population of 34,670, the population of Manitowoc has increased 1.8% since the 2000 Census report of 34,053 and 6.6% since the 1990 Census report of 32,520. The population and square mile statistics combine to produce a population density of 1,901 persons per square mile. This indicates ample land for future growth and orderly development. The City of Manitowoc is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Manitowoc operates under the council-mayor form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor who is elected at large to a four-year term, and council of 10 members elected to two-year staggered terms on the basis of district representations. The council is elected on a non-partisan basis. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing department head officials, and approval of mayoral member appointments to council committees, various boards and commissions. The mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, economic development, monitoring and lobbying state and federal legislation, and compilation of an executive budget recommendation.

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 40 members trained to paramedic skill level and a police department with 65 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 also provides for refuse and garbage disposal for its residents. 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 360.1 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), 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.

Economic Information/Outlook. The City of Manitowoc is a growing community with an estimated 2008 population of 34,670 and a 2008 equalized valuation of \$1,943,542,900. The equalized valuation has grown by 37.46% since 2000 and 167.23% since 1990. Between 2007 and 2008, the City gained 2.61% in the full value of its real and personal property, with the largest actual dollar increases in residential and commercial properties.

The City of Manitowoc has continued a pattern of economic growth in 2008. The areas economic prosperity has translated into increased wages for the community and more spendable income to support new business development and growth. In 2008, the City's top employer is The Manitowoc Company, manufacturer of cranes and food service equipment with 1,389 employees. Health care provider, Holy Family Memorial Medical Center is the City's second largest employer at 1,294 employees. The Manitowoc Public School District employs 975 employees and health care provider Aurora Medical Group employs 865 employees.

The unemployment rate for the City of Manitowoc in December 2008 was 6.8 percent up from 6.1 percent in November, and above the 5.4 percent rate for December 2007. The city's unemployment rate was the 12th highest of 31 cities monitored by the state Department of Workforce Development. The state's December unemployment rate was 5.8 percent, with a U.S. unemployment rate of 7.1 percent.

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 2008, 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.

The City experienced a good year for new construction. The City issued 3,117 permits with a total estimated construction cost of \$71,745,646 for all Building, Electrical, Plumbing and HVAC permits in 2008. There were 26 new single-family dwellings started in 2008 with the average home being 2,000 square feet and constructed at a cost of \$240,000 plus land. These 26 starts are below the 5 year average of 37 new dwellings per year. There were a total of 84 Commercial or Governmental buildings in which building permits were issued. The estimated cost of these projects was \$50,858,524. The top ten were the Orion office building, the 68,000 square foot Kohl's Department Store, three additions to the Manitowoc Company, an addition to Northern Labs, Festival Foods, St. Mary's Village Square project, an addition to Lutheran High School, and a new CBRF facility for Felician Village. Future construction remains uncertain because of the global economy. The Harbor Town area will see more infills, new construction for the St. Mary's/Felician Village project, and hopefully a couple of major buildings in the newly annexed Silver Lake College area. New residential construction will follow the downward national trend.

On the economic development side, the City implements both housing and economic development loan and tax credit programs oriented toward encouraging investment, and attracting private and public capital into the community. These programs include housing assistance programs, Community Development Block Grant-Economic Development (CDBG-ED) grants, business revolving loan funds, Community Development Zone and Technology Zone tax credit programs. In 2008, the City continued its participation in the North East Wisconsin Regional Economic Partnership (NEWREP) Technology Zone program. The zone

designation includes several areas within the City as Technology Zone sites. Companies located in these areas are eligible for various tax credits for technology-oriented investments.

The City's housing programs are designed to support home ownership, and the upgrading and retention of existing housing stock. The City's business services include programs to support the expansion of the type of business and industry necessary to enhance the quality of life in Manitowoc.

Planning & Economic Development major actions and activities in 2008 are summarized below:

The City completed site plan reviews for 30 projects, including seventeen (17) developments with construction values estimated in excess of \$500,000. In 2007, there were a total of 34 site plans reviewed.

Construction of a 67,322 sq. ft. two (2) story addition to an existing manufacturing plant. The estimated cost of the construction is \$10,665,000.

Construction of a 68,000 sq. ft. commercial building in Harbor Town Center. The estimated cost of the construction is \$4,563,000.

Construction of a 24,325 sq. ft. addition to an existing industrial building. The estimated cost of the construction is \$4,100,000.

Construction of a 69,300 sq. ft. grocery store. The estimated cost of the construction is \$3,900,000.

Construction of a 32,000 sq. ft. pack and ship facility. The estimated cost of the construction is \$2,791,000.

Construction of a 48,000 sq. ft. nursing home facility. The estimated cost of the construction is \$2,700,000.

Construction of a 16,251 sq. ft. high school addition. The estimated cost of the construction is \$2,632,500.

Construction of a 13,100 sq. ft. industrial building addition. The estimated cost of the construction is \$2,248,233.

Construction of a 42,260 sq. ft. addition to an existing industrial building in the Manitowoc ITEC. The estimated cost of the construction is \$1,822,000.

Construction of a 22,500 sq. ft. commercial building in Harbor Town Center. The estimated cost of the construction is \$1,375,920.

In 2008, there were no new residential subdivisions added to the City's housing inventory. However, in 2007, the City processed four (4) residential final

subdivisions plats which created 70 new lots of record. In 2008, there were eight (8) land sales representing 11 percent of these 70 newly platted lots of record.

In 2008, residential construction added 38 new housing units to the City's existing building inventory – 26 new single-family dwellings and 12 duplex units. No multi-family housing units were added to the housing inventory in 2008 as was the case in 2007. In 2007, residential construction added 55 new units, of which 31 were new single family dwellings.

The City completed one (1) annexation in 2008 for a total of .69 acres of land. There were no residents in the annexed area. Since 1990, the City has annexed 3.380 square miles of area. The total area of the City as of December 31, 2008 is 18.238 square miles.

The City provided 2008 direct financial support (\$854,500) in the form of community development zone tax credits to Orion Energy Systems, Inc. for the creation of 170 new jobs in Manitowoc. Additionally, the City approved three (3) revolving loans totaling \$1,350,000 to area companies. One (1) of these loans includes an additional CDBG in the amount of \$187,500 from the Wisconsin Department of Commerce (DOC). This investment of City and DOC public funds will be combined with \$13,875,000 in private funds, and the promise to create 92.5 new jobs in Manitowoc. Two (2) of these loans will be closed in 2009.

The City approved 13 Community Development Block Grant (CDBG) housing assistance projects in 2008 to low-and-moderate income (LMI) households. These projects represented a total public investment of \$89,068. The City also completed two (2) Housing Cost Reduction Initiative (HCRI) and Home Investment Partnership (HOME) projects. Total public investment related to the HCRI/HOME projects totaled \$5,000 and leveraged \$137,400 in private mortgage financing. Additionally, the City participated in four (4) mortgage subordination requests. Since the inception of its housing program in 1988, the City has financed 950 housing assistance projects to LMI households. Two (2) homes were foreclosed in 2008 equaling \$22,020 in non-recoverable funds no longer available for new project investments.

The City approved a boundary and text amendment to existing Tax Incremental Financing (TIF) District No. 15 in 2008 to add 80.47-acres of land into the TIF principally to fund the re-design and reconstruction of the Dewey/CTH "CR" intersection. Subsequently, the City entered into a TIF development agreement with a project developer to fund the estimated \$2,200,000 intersection design and reconstruction project through a developer-funded arrangement. This intersection project was directly related to the construction of a freestanding 69,300 sq.ft. grocery store and a gasoline/convenience store, together representing an estimated \$9,000,000 in new tax base for the City. The public and private development portions of this project were both completed in 2008.

The City sold 5.84-acres of land in the I-43 Technology & Enterprise Campus (ITEC) to Northern Labs, Inc. in 2008 for \$116,600, related to the company's construction of a 40,000 sq. ft. addition to their existing corporate facility.

The City administers Site Assessment Grants (SAG) for selected consultants to perform environmental assessment services at a 900,000 sq. ft. vacant industrial property formerly owned by Newell (Mirro), and at a portion of the vacant Lakeview Centre shopping center. The \$57,920 in SAG monies are being matched with \$35,424 in private monies.

Since their inception in 1987, the City has administered two (2) Revolving Loan Fund (RLF) programs providing below market rate, and fixed asset expansion capital to businesses in Manitowoc. Through 2008, the City has processed 11 CDBG economic development grants/loans totaling \$5,840,480; and 56 non-CDBG RLF loans to local businesses totaling \$7,861,434. In 2008, loan repayments from CDBG economic development projects totaled \$203,360, and repayments from non-CDBG RLF loans totaled \$818,995, or a grand total of \$1,022,355 in repayments.

The City facilitated the preparation of a new Services Agreement by and between the Cities of Manitowoc, Two Rivers and Kiel, along with the Economic Development Corporation (EDC) of Manitowoc County. The City's annual payment to the EDC in 2008, 2009 and 2010 will be \$66,663 per year for the delivery of supplementary economic development services to businesses in the City.

The City, in conjunction with the City's Plan Commission, received, reviewed and approved 37 Certified Survey Maps (CSM's). This compares with 41 CSM's reviewed in 2007.

The City facilitated the completion of two (2) rezonings, three (3) zoning text amendments, seven (7) conditional use permits, two (2) Official Map amendments, one (1) street vacation, one (1) annexation and 19 animated sign review applications.

The City began in 2007 the process of updating the City's Comprehensive Plan by preparing requests for proposals, and entering into a contract for the provision of consultant services for the project. The City continued in 2008 the process of updating the comprehensive plan. In addition, the City, in cooperation with the U.S. Census Bureau, is continuing the update of the City's address database and digital mapping files in preparation for the 2010 census.

The City continues to update the City's homepage and website (www.manitowoc.org), including the compilation and coordination of website information from all departments in City Hall, plus the Manitowoc Area Visitor & Convention Bureau, Inc. (MAVCB). The City worked on special website projects with the Police Department, Maritime Metro Transit, and the Manitowoc International Relations Association (M.I.R.A.).

The City maintains ArcIMS and Adobe PDF maps which are accessed from the City's homepage. All maps are accessed from the Map Portal Page. The process of updating maps on the internet includes linking the City/County merged parcel

shapefile to the City/County joined Access database. This database is updated daily and runs on a scheduled routine every evening.

The City continues its partnership with Manitowoc County to provide mapping and assessment information on the internet via ESRI's and ArcIMS software. The GIS technician assists City Hall employees, MPU and Police management on the ArcIMS employee access website, allowing them to create mailing lists, create custom maps and search the parcel database by name.

The City funded a GIS needs assessment and implementation plan in 2008. The process of preparing the plan will begin in January, 2009 and will be completed later in the year. A national consulting firm, R.A. Smith, will complete the project with oversight direction from the Planning Department.

All GIS coverage's (parcels, zoning, sanitary sewers, and storm sewers) are updated by the City when changes occur. The City has ARC Macro Language-AML's (GIS programming language) that help eliminate time spent on updating files. 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 multiple City departments.

The City completed many mapping and graphic arts projects for use by the City and the City's Plan Commission, as well as multiple City departments. Some examples of the projects are the mapping of foreclosure-impacted properties, a map being used to evaluate a possible sex offender ordinance, and a map of commercial real estate sales in the southwest portion of the City. Additionally, the City has assisted the Parks department with a new tree inventory project using GIS, has created street sweeping routes and districts for storm water permit requirements, has updated land sales for the Harbor Town Area, and has assisted in the graphic representation for public viewing of a new intersection at Dewey Street & CTH"CR"/So. 42nd Street along with the Festival Foods development.

The City continues to compile a database which tracks any restrictions placed on properties located in the City, as well as any delayed hook up charges and development agreements for parcels that are outside of the City limits. The database will assist in collecting delayed assessments that could be overlooked when a property is annexed into the City.

The City began tracking foreclosure-impacted properties within the City using GIS as a tool. Lis Pendens notices and Sheriff Deeds have been tracked from 2000 – 2008 to identify parcels in various stages of real estate foreclosure. This information can be viewed either graphically, by table, or by map. Also, the property assessment values of the foreclosure-impacted properties were analyzed. This project will be updated on a regular basis.

The City on a daily basis updates and maintains the two (2) full color electronic message signs which are located in the I-43 Technology and Enterprise Campus (ITEC).

The City, through authorization by the Manitowoc Industrial Development Corporation and through the creative energies of its marketing firm, Marx McClellan & Thrun, continues to implement a multi-faceted marketing and branding campaign including I-43 billboard rentals, print ad placements, radio advertisements, and a City CD-ROM extolling the benefits of the City.

In 2008, the City targeted marketing investments totaling \$147,298 for advertisements on I-43 billboards, print ad placements in publications including "My Midwest" in-flight magazine, "Marketplace Magazine", "Insight Magazine", and radio advertisements on National Public Radio, all oriented towards southeastern Wisconsin.

Awards and Acknowledgements

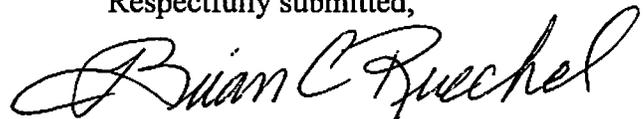
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manitowoc, Wisconsin, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 only. The City of Manitowoc has received the Certificate of Achievement for fiscal years ended 1997, and consecutive years 1999 thru 2007. 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,



Brian C. Ruechel, CGFM
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, 2007

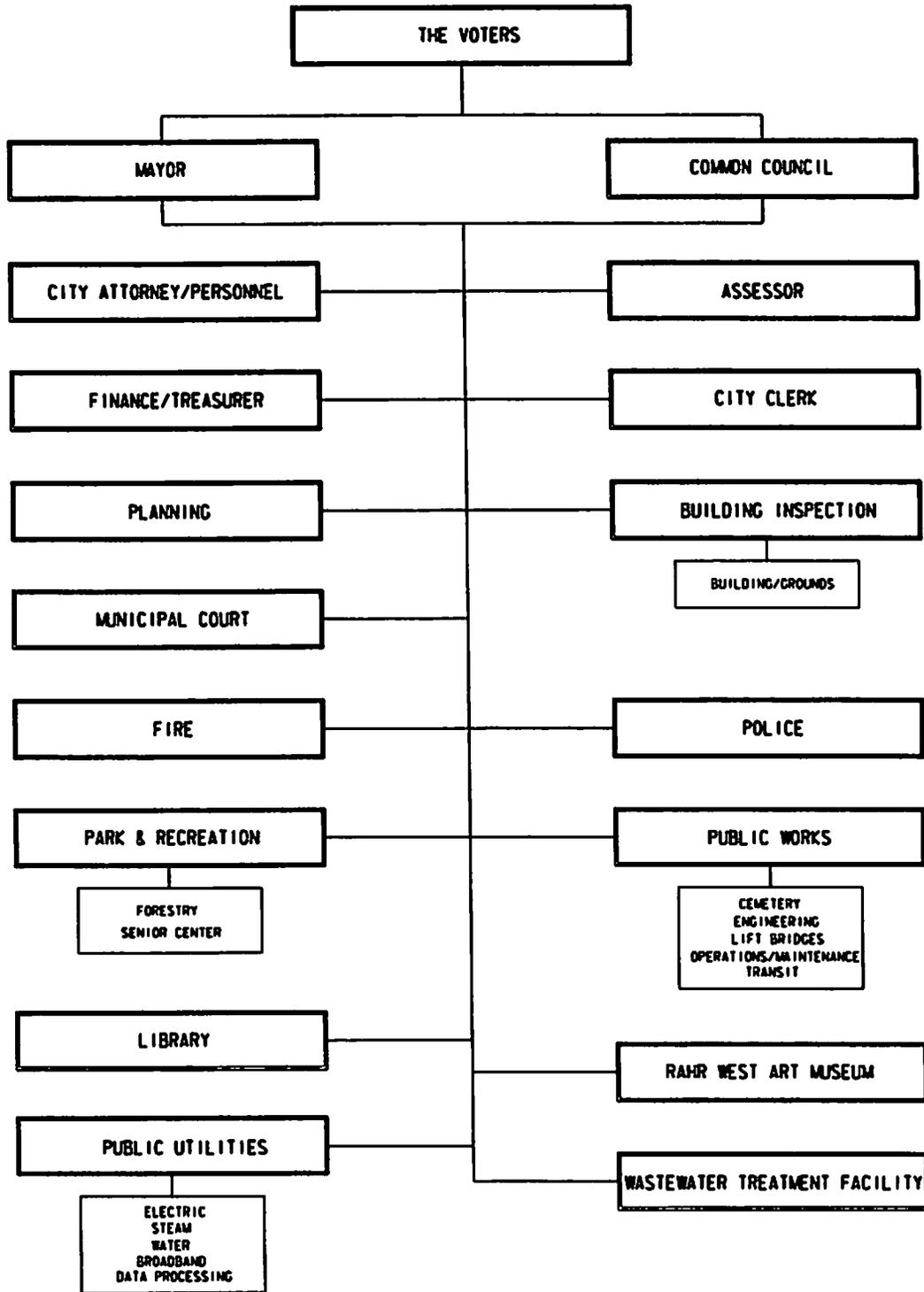
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Manilowoc
TABLE OF ORGANIZATION
 2008



CITY OF MANITOWOC, WISCONSIN

General Information

ELECTED OFFICIALS

December 31, 2008

		<u>Term Expires</u>
Mayor	Kevin M. Crawford	April, 2009
Common Council President	Lee D. Thennes	April, 2009
Aldermanic District		
1	Lee D. Thennes	April, 2009
2	Justin M. Nickels	April, 2009
3	Christopher T. Able	April, 2009
4	James N. Brey	April, 2010
5	Eric J. Sitkiewitz	April, 2010
6	Raymond T. Geigel	April, 2010
7	Richard A. Sieracki	April, 2009
8	David W. Soeldner	April, 2010
9	Dean W. Graunke	April, 2010
10	Thomas M. Frieder	April, 2009

CITY OF MANITOWOC, WISCONSIN

General Information

Department Heads/Appointed Officials

December 31, 2008

		Length of Time in This Position	Length of Employment With City of Manitowoc
Finance Director/Treasurer	Brian C. Ruechel	9.25 years	9.25 years
City Clerk	Jennifer B. Hudon	12 years	17 years
City Attorney	Juliana M. Ruenzel	.5 years	9.67 years
Municipal Judge	Steven R. Olson	.67 years	.67 years
Director of Public Works & City Engineer	Valerie A. Mellon	2 years	2 years
City Assessor	Sarah C. Hoppe	3.17 years	3.17 years
Acting Police Chief	Oscar A. Dick	.17 years	26.38 years
Fire Chief	William P. Manis	.5 years	8.75 years
City Planner	David J. Less	21 years	21 years
Director of Building Inspection	James W. Muenzenmeyer	3 years	20 years
Superintendent Wastewater Treatment Facility	Brian M. Helminger	4.68 years	4.68 years
Director Rahr-West Art Museum	Barbara E. Bundy-Jost	1.42 years	1.42 years
Parks and Recreation Director	Joseph S. McLafferty	10 years	10 years
General Manager Public Utilities	Nilaksh J. Kothari	8.25 years	18 years
Interim Director Public Library	Carol J. Gibson	.42 years	.42 years
Facilities Manager	James W. Muenzenmeyer	11 years	20 years
Emergency Government Coordinator	Timothy R. Herzog	2.5 years	25.5 years

CERTIFIED PUBLIC ACCOUNTANTS

Schenck Business Solutions, Green Bay, Wisconsin

BOND COUNSEL

Quarles & Brady, Milwaukee, Wisconsin

FINANCIAL CONSULTANTS

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

FINANCIAL SECTION

**INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND SCHEDULE OF STATE FINANCIAL ASSISTANCE**

To the Mayor and City Council
City of Manitowoc, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Manitowoc, Wisconsin ("the City") as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Manitowoc, Wisconsin's management. Our responsibility is to express opinions on these basic 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note D, the City has implemented GASB Statement No. 45, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions, for the year ended December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2009 on our consideration of the City's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the schedule of funding progress and the schedule of employer contributions are not a required part the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial information listed in the table of contents as supplemental information, and the accompanying 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Manitowoc, Wisconsin. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Certified Public Accountants
Green Bay, Wisconsin
June 19, 2009

**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, 2008. 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 4-12 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 \$241,118,718 (*net assets*). Of this amount, \$38,247,127 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The net assets of governmental activities decreased \$9,918,650 and business type activities increased by \$7,335,415 for a total decrease in net assets of \$2,583,235. The decrease in governmental activities is mainly attributable to the issuance of long-term debt exceeding the principal payment on long-term debt and depreciation expense exceeding capital outlay. The increase in business activities is mainly attributable to positive operating results and contributions. The Wastewater Treatment Facility decrease in net assets can be attributed to the replacement of a major lift station while the Transit System reduction was the result of an increase in operating expenses and a reduction in program revenues.
- 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 \$12,689,818 a decrease of \$1,262,638 in comparison with the prior year. Approximately 94.1 percent of this amount, \$11,939,932, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,601,205, or 20.3 percent of total general fund expenditures.
- The City of Manitowoc's total debt increased by \$176,327 (.01 percent) during the current fiscal year. The factors in this increase were the issuance of \$9,260,000 in general obligation bonds and notes, retirement of outstanding general obligation bonds and notes amounting to \$4,977,735, and retirement of outstanding revenue bonds amounting to \$4,105,938.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of 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 46 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 44 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 assets 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 by \$241,118,718 at the close of the most recent fiscal year.

By far the largest portion of the City of Manitowoc's net assets (78.3 percent) reflects its investments 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		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Current and other assets	\$67,686,585	\$67,921,000	\$70,345,024	\$61,944,290	\$138,031,609	\$129,865,290
Capital assets	141,122,413	144,013,628	201,638,840	206,802,519	342,761,253	350,816,147
Total assets	208,808,998	211,934,628	271,983,864	268,746,809	480,792,862	480,681,437
Long-term liabilities outstanding	81,251,796	76,378,764	100,168,529	100,774,168	181,420,325	177,152,932
Other liabilities	47,340,391	45,420,403	10,913,428	14,406,149	58,253,819	59,826,552
Total liabilities	128,592,187	121,799,167	111,081,957	115,180,317	239,674,144	236,979,484
Net assets:						
Invested in capital assets, net of related debt	85,055,705	84,351,471	103,680,120	107,018,216	188,735,825	191,369,687
Restricted	-	-	14,135,766	13,527,007	14,135,766	13,527,007
Unrestricted	(4,838,894)	5,783,990	43,086,021	33,021,269	38,247,127	38,805,259
Total net assets	\$80,216,811	\$90,135,461	\$160,901,907	\$153,566,492	\$241,118,718	\$243,701,953

An additional portion of the City of Manitowoc's net assets (5.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balances of *unrestricted net assets* (\$38,247,127) 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

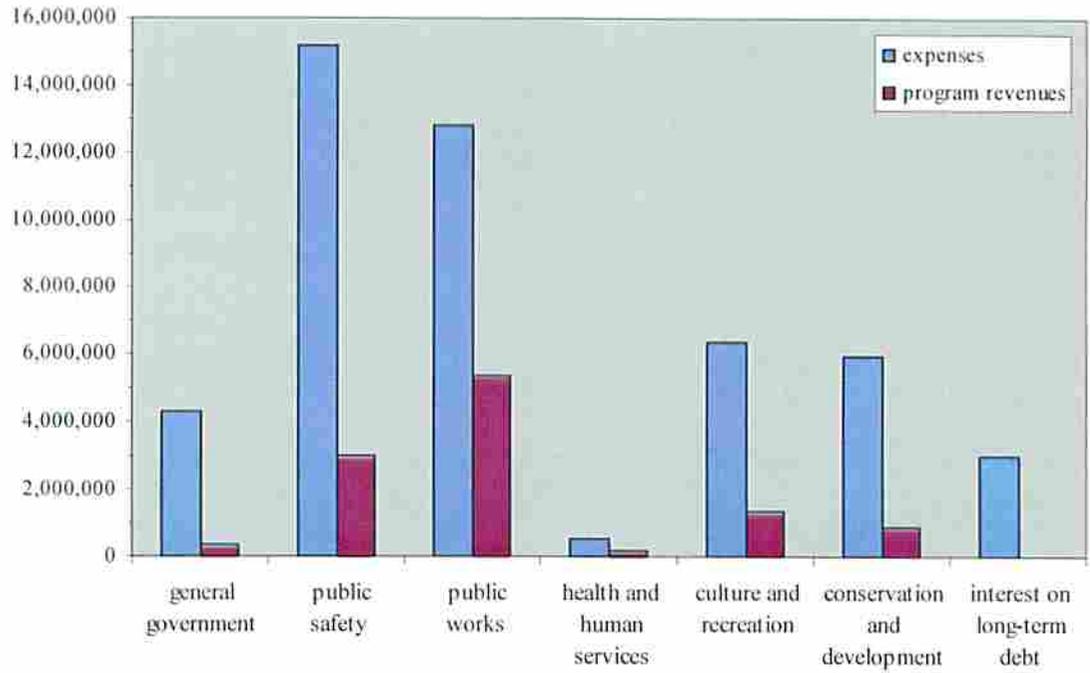
Governmental activities. Property taxes increased by \$1,708,655 (14.2 percent) during the year. Property tax increases were levied for general purposes (\$937,237), debt service (\$508,721), special revenue funds (\$46,928), and capital projects (\$215,769). For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

The net assets of governmental activities decreased by \$9,918,650. This decrease is mainly attributable to the issuance of long-term debt exceeding the principal payment on long-term debt and depreciation expense exceeding capital outlay for 2008. Key elements of this decrease are shown on the chart found on the following page.

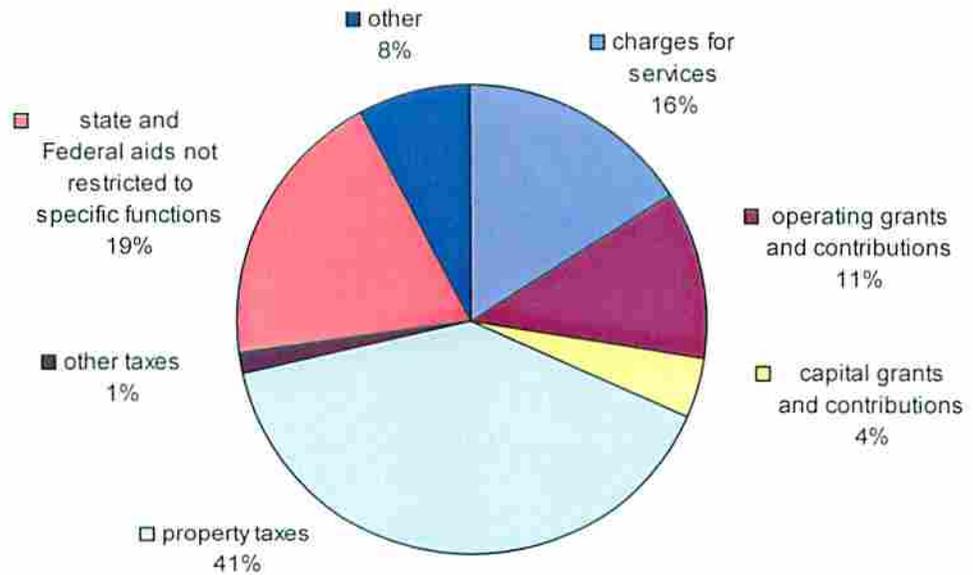
City of Manitowoc's Changes in Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$5,615,897	\$5,197,492	\$75,864,566	\$70,974,612	\$81,480,463	\$76,172,104
Operating grants and contributions	3,975,594	4,129,199	1,955,205	1,975,526	5,930,799	6,104,725
Capital grants and contributions	1,448,952	3,272,031	827,710	1,962,388	2,276,662	5,234,419
General revenues:						
Property taxes	13,774,903	12,066,248	-	-	13,774,903	12,066,248
Other taxes	493,192	603,072	-	-	493,192	603,072
Grants and contributions not						
Restricted to specific programs	6,724,262	6,510,348	-	-	6,724,262	6,510,348
Other	2,722,773	2,796,157	1,339,077	1,868,424	4,061,850	4,664,581
Total revenues	34,755,573	34,574,547	79,986,558	76,780,950	114,742,131	111,355,497
Expenses:						
General government	4,307,042	3,254,368	-	-	4,307,042	3,254,368
Public safety	15,193,488	14,269,506	-	-	15,193,488	14,269,506
Public works	12,831,693	14,166,272	-	-	12,831,693	14,166,272
Health and human services	523,071	475,799	-	-	523,071	475,799
Culture and recreation	6,337,825	6,127,795	-	-	6,337,825	6,127,795
Conservation and development	5,951,961	2,148,368	-	-	5,951,961	2,148,368
Interest on long-term debt	3,017,661	2,903,283	-	-	3,017,661	2,903,283
Water	-	-	5,665,651	4,624,516	5,665,651	4,624,516
Electric	-	-	48,273,428	47,521,200	48,273,428	47,521,200
Steam	-	-	3,726,855	3,636,524	3,726,855	3,636,524
Broadband	-	-	121,311	112,275	121,311	112,275
Sewer	-	-	8,898,944	5,575,906	8,898,944	5,575,906
Transit	-	-	2,476,436	2,202,062	2,476,436	2,202,062
Total expenses	48,162,741	43,345,391	69,162,625	63,672,483	117,325,366	107,017,874
Increase in net assets before transfers	(13,407,168)	(8,770,844)	10,823,933	13,108,467	(2,583,235)	4,337,623
Transfers	3,488,518	3,057,847	(3,488,518)	(3,057,847)	-	-
Change in net assets	(9,918,650)	(5,712,997)	7,335,415	10,050,620	(2,583,235)	4,337,623
Net assets - 1/1	90,135,461	95,848,458	153,566,492	143,515,872	243,701,953	239,364,330
Net assets - 12/31	80,216,811	90,135,461	160,901,907	153,566,492	241,118,718	243,701,953

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

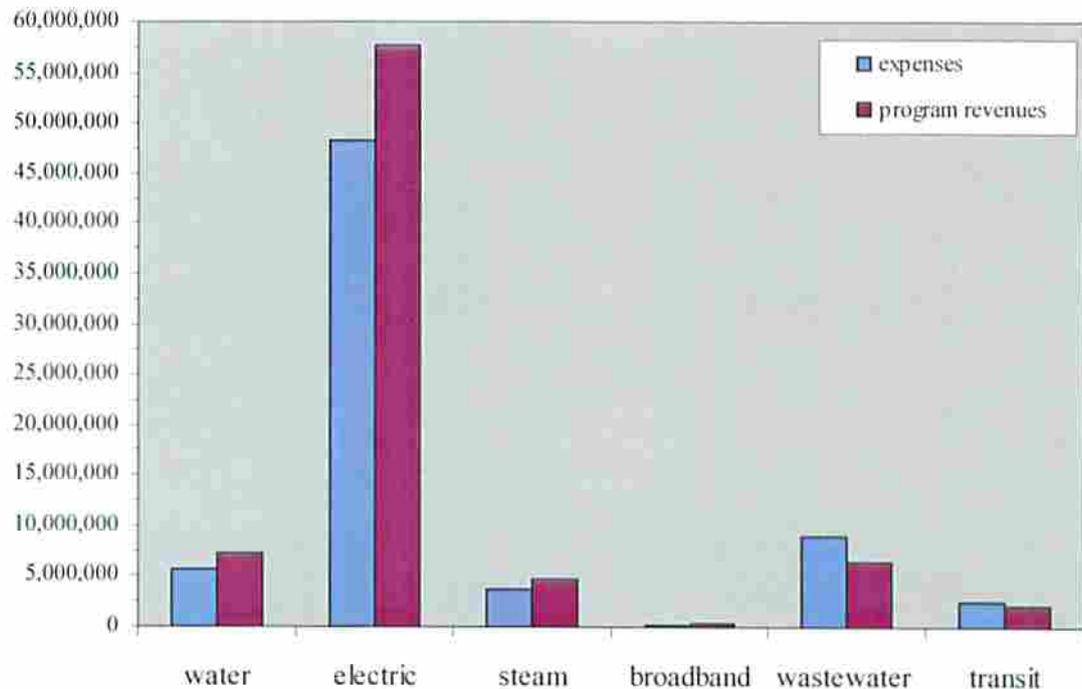


Business-type activities. Business-type activities increased the City of Manitowoc’s net assets by \$7,335,415. Key elements of this increase are as follows.

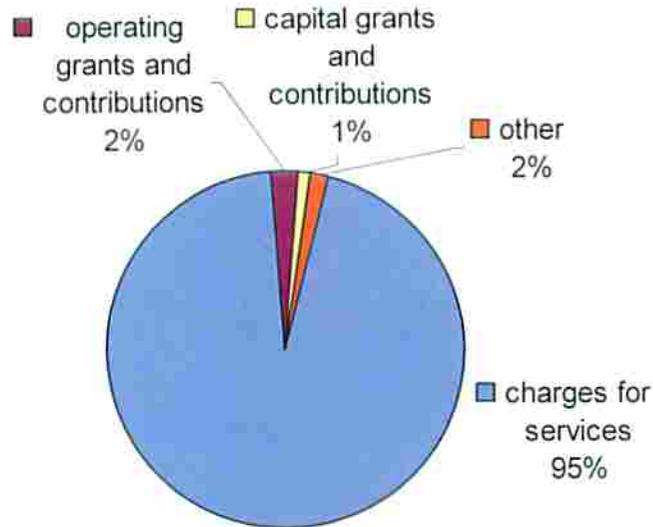
- The Water Utility increased net assets by \$1,107,436.
- The Electric Utility increased net assets by \$8,115,414.
- The Steam Utility increased net assets by \$772,400.
- The Broadband Utility increased net assets by \$181,596.
- The Wastewater Treatment Plant decreased net assets by \$2,526,768.
- The Transit System decreased net assets by \$314,663.

The increases in net assets above were due to positive operating results and contributions. The Wastewater Treatment Facility decrease in net assets can be attributed to the replacement of a major lift station while the Transit System reduction was the result of an increase in operating expenses and a reduction in program revenues.

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, *unreserved 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 the end of the current fiscal year, the City of Manitowoc's governmental funds and fiduciary funds reported combined ending fund balances of \$12,689,818, a decrease of \$1,262,638 in comparison with the prior year. Approximately 94.1 percent of this total amount (\$11,939,932) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for delinquent special assessments held by County (\$380,556), 2) for inventories (\$345,715), and 3) for endowments (\$23,615).

The general fund is the chief operating fund of the City of Manitowoc. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,601,205, while total fund balance reached \$6,327,476. As a measure of the general fund's

liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20.3 percent of total general fund expenditures, while total fund balance represents 22.9 percent of that same amount.

The fund balance of the City of Manitowoc's general fund increased by \$550,533 during the current fiscal year. This was the result of increased positive revenue and expenditure budget variances.

The debt service fund does not carry a fund balance. 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 \$2,104,338
- Electric Utility \$31,413,513
- Steam Utility \$503,144
- Broadband Utility \$37,646
- Wastewater Treatment Plant \$8,073,150
- Transit System \$954,230

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

Differences between the original budget and the final amended budget were an increase in appropriations of \$268,948 and can be briefly summarized as follows.

- \$268,948 allocated from prior year end unreserved designation for current year expenditures.

Actual revenues exceeded budgeted revenues by \$699,655 primarily from increased investment earnings of \$330,186, license and permit revenues of \$160,850, and public charges for services of \$192,447.

Actual expenditures were less than budgeted expenditures by \$665,917 primarily from savings generated by general government expenses of \$308,112, and public safety expenditures of \$459,766.

Capital Asset and Debt Administration

Capital assets. The City of Manitowoc's investment in capital assets as of December 31, 2008, for its governmental activities amounted to \$141,122,413 and business type activities amounted to \$201,638,840 for total capital assets of \$342,761,253 (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:

- Land acquisition of \$118,000
- Infrastructure construction (streets and sewers) of \$2,733,638
- Machinery and equipment acquisitions totaling \$1,153,464

Business-Type Activities:

- Construction in Progress of \$2,018,912
- Buildings totaling \$212,361
- Improvements other than buildings \$1,522,660
- Machinery and equipment acquisitions totaling \$228,796.

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$7,117,918	\$7,045,818	\$1,952,258	\$1,952,533	\$9,070,176	\$8,998,351
Buildings	20,400,817	20,933,388	34,934,633	35,898,148	55,335,450	56,831,536
Improvements other than buildings	-	-	60,066,034	60,873,946	60,066,034	60,873,946
Machinery and Equipment	6,552,269	6,502,382	102,607,494	107,608,086	109,159,763	114,110,468
Infrastructure	107,051,409	109,372,269	-	-	107,051,409	109,372,269
Construction In progress	-	159,771	2,078,421	469,806	2,078,421	629,577
Total	\$141,122,413	\$144,013,628	\$201,638,840	\$206,802,519	\$342,761,253	\$350,816,147

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 \$168,893,344. Of this amount, \$74,113,955 comprises debt backed by the full faith and credit of the government. The remainder of the City of Manitowoc's debt \$94,779,389 represents bonds secured solely by special revenue sources (i.e., revenue bonds).

City of Manitowoc's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$65,495,000	\$63,925,000	-	-	\$65,495,000	\$63,925,000
General obligation notes	8,618,955	5,906,690	-	-	8,618,955	5,906,690
Revenue Bonds	-	-	\$94,779,389	\$98,885,327	94,779,389	98,885,327
Total	\$74,113,955	\$69,831,690	\$94,779,389	\$98,885,327	\$168,893,344	\$168,717,017

The City of Manitowoc's total debt increased by \$176,327 (.01 percent) during the current fiscal year. The factors in this increase were the issuance of \$9,260,000 in general obligation bonds and notes, retirement of outstanding general obligation bonds and notes amounting to \$4,977,735, and retirement of outstanding revenue bonds amounting to \$4,105,938.

During the current fiscal year, the government sold the following bond issues: On May 23, 2008, \$3,660,000 of General Obligation Corporate Promissory Notes at an effective interest rate of 3.48%. On June 30, 2008, \$5,600,000 of General Obligation Corporate Purpose Bonds at an effective interest rate of 3.95%.

The City of Manitowoc maintains an excellent financial rating for general obligation debt of "Aa3" 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 \$97,177,145, which is significantly in excess of the City of Manitowoc's outstanding general obligation debt of \$74,113,955.

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 2009 fiscal year.

- The unemployment rate for the City of Manitowoc is currently 6.8 percent, which is an increase from the rate of 5.4 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 limit; a minimum of 2% growth in net new construction.
- Salary increases of 3% for non-represented employees and six union contracts.
- Salary increases of 5.3% for three union contracts.
- Health insurance premium increases of 8%.
- No employee layoffs in any department.
- Special Assessment revenue transfer from Capital Projects Funds to the General Fund.

During the current fiscal year, unreserved fund balance in the general fund increased from \$5,165,148 to \$5,601,205. There was a planned reduction of unreserved fund balance for spending in the 2008 budget of \$880,000, however increased investment income of \$330,186 and expenditure savings of \$665,917 offset the planned reduction. The City of Manitowoc has appropriated \$1,500,000 of unreserved fund balance for spending in the 2009 fiscal year budget. It is intended that this use of available fund balance will assist in keeping the City tax rate one of the lowest in the State. After the planned use of unreserved fund balance in 2009, the unreserved fund balance level is maintained at the minimum level of 15% of expenditures according to policy.

In December 2003, the Manitowoc Public Utilities (MPU) received regulatory approvals to proceed with construction of its Unit 9 project. This project had an original budget of \$78 million which was increased by an approximately \$4,300,000 for additional needed plant improvements that presented themselves during the project. The project was completed at the end of 2006 at a final cost of \$82,282,623. The Unit 9 project consisted of a new atmospheric circulating fluidized bed boiler, with gross generating capacity of 63.3 MW. The unit 9 Project also included a steam turbine-generator, and associated solid fuel, limestone and ash handling equipment. The primary purpose of the Unit 9 project is to provide capacity for baseline operation.

On July 20, 2004, MPU and Central Brown County Water Authority (CBCWA) executed an agreement for MPU to provide water to the six member communities of Central Brown County. The six member communities are: Village of Allouez, Village of Bellevue, City of De Pere, Village of Howard, Town of Lawrence, and Town of Ledgeview. Construction of the project including the water distribution system, water transmission main, and increased microfiltration plant capacity started in July 2005. All construction expenditures are being paid by the CBCWA. Water from the new system began flowing to the Authority member communities in 2007.

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.

THIS PAGE LEFT BLANK INTENTIONALLY

BASIC FINANCIAL STATEMENTS

CITY OF MANITOWOC, WISCONSIN

Statement of Net Assets

December 31, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 26,374,246	35,495,533	\$ 61,869,779
Receivables			
Taxes	29,031,869	263,027	29,294,896
Accounts	2,386,376	6,911,100	9,297,476
Special assessments	2,281,913	-	2,281,913
Loans	5,935,081	-	5,935,081
Due from other governments	223,298	-	223,298
Internal balances	(113,373)	113,373	-
Inventories and prepaid items	346,695	6,091,560	6,438,255
Deferred charges	109,054	1,467,507	1,576,561
Restricted assets			
Cash and investments	-	14,937,574	14,937,574
Accrued interest	-	133,525	133,525
Other assets	1,111,426	4,931,825	6,043,251
Capital assets			
Land	7,117,918	1,952,258	9,070,176
Construction in progress	-	2,078,421	2,078,421
Buildings	28,535,220	56,007,903	84,543,123
Improvements other than buildings	-	88,349,099	88,349,099
Machinery and equipment	15,388,778	141,241,653	156,630,431
Infrastructure	178,139,501	-	178,139,501
Less: Accumulated depreciation	(88,059,004)	(87,990,494)	(176,049,498)
TOTAL ASSETS	208,808,998	271,983,864	480,792,862
LIABILITIES			
Accounts payable	1,613,050	3,558,426	5,171,476
Contracts payable	1,754,207	-	1,754,207
Accrued liabilities	1,782,044	3,596,992	5,379,036
Due to other governments	26,483,438	-	26,483,438
Deposits	170,944	411,989	582,933
Accrued interest payable	1,098,390	1,121,124	2,219,514
Unearned revenues	14,438,318	2,224,897	16,663,215
Noncurrent Liabilities			
Due within one year	8,132,116	4,391,027	12,523,143
Due in more than one year	73,119,680	95,777,502	168,897,182
TOTAL LIABILITIES	128,592,187	111,081,957	239,674,144
NET ASSETS			
Invested in capital assets, net of related debt	85,055,705	103,680,120	188,735,825
Restricted for			
Debt service	-	6,967,595	6,967,595
Plant replacement	-	7,168,171	7,168,171
Unrestricted (deficit)	(4,838,894)	43,086,021	38,247,127
TOTAL NET ASSETS	\$ 80,216,811	\$ 160,901,907	\$ 241,118,718

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

CITY OF MANITOWOC, WISCONSIN

Statement of Activities

Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 4,307,042	\$ 364,561	\$ -	\$ -
Public safety	15,193,488	2,907,803	93,923	4,081
Public works	12,831,693	1,059,074	2,966,243	1,305,815
Health and human services	523,071	148,953	-	-
Culture and recreation	6,337,825	284,979	901,917	139,056
Conservation and development	5,951,961	850,527	13,511	-
Interest on debt	3,017,661	-	-	-
Total Governmental Activities	48,162,741	5,615,897	3,975,594	1,448,952
Business-type Activities				
Water Utility	5,665,651	6,860,998	-	386,876
Electric Utility	48,273,428	57,456,101	-	247,918
Steam Utility	3,726,855	4,743,307	-	-
Broadband Utility	121,311	167,659	-	152,635
Wastewater Treatment Plant	8,898,944	6,423,450	-	40,281
Transit System	2,476,436	213,051	1,955,205	-
Total Business-type Activities	69,162,625	75,864,566	1,955,205	827,710
Total	\$ 117,325,366	\$ 81,480,463	\$ 5,930,799	\$ 2,276,662

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
- Occupation and other taxes
- State and federal aids not restricted to specific functions
- Interest and investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - January 1

Net assets - December 31

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total

\$ (3,942,481)	\$ -	\$ (3,942,481)
(12,187,681)	-	(12,187,681)
(7,500,561)	-	(7,500,561)
(374,118)	-	(374,118)
(5,011,873)	-	(5,011,873)
(5,087,923)	-	(5,087,923)
(3,017,661)	-	(3,017,661)
<u>(37,122,298)</u>	<u>-</u>	<u>(37,122,298)</u>

-	1,582,223	1,582,223
-	9,430,591	9,430,591
-	1,016,452	1,016,452
-	198,983	198,983
-	(2,435,213)	(2,435,213)
-	(308,180)	(308,180)
<u>-</u>	<u>9,484,856</u>	<u>9,484,856</u>

<u>(37,122,298)</u>	<u>9,484,856</u>	<u>(27,637,442)</u>
---------------------	------------------	---------------------

4,758,739	-	4,758,739
4,671,472	-	4,671,472
2,213,975	-	2,213,975
2,130,717	-	2,130,717
401,529	-	401,529
50,047	-	50,047
41,616	-	41,616
6,724,262	-	6,724,262
1,782,827	1,339,077	3,121,904
939,946	-	939,946
3,488,518	(3,488,518)	-
<u>27,203,648</u>	<u>(2,149,441)</u>	<u>25,054,207</u>

(9,918,650)	7,335,415	(2,583,235)
-------------	-----------	-------------

<u>90,135,461</u>	<u>153,566,492</u>	<u>243,701,953</u>
-------------------	--------------------	--------------------

<u>\$ 80,216,811</u>	<u>\$ 160,901,907</u>	<u>\$ 241,118,718</u>
----------------------	-----------------------	-----------------------

CITY OF MANITOWOC, WISCONSIN

Balance Sheet
Governmental Funds
December 31, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 13,392,001	\$ 13,107	\$ 11,292,510	\$ 24,697,618
Receivables				
Taxes	17,668,675	4,911,860	4,188,627	26,769,162
Special assessments	1,057,760	-	1,224,153	2,281,913
Accounts	1,024,136	15,697	921,922	1,961,755
Loans	-	502,309	5,432,772	5,935,081
Due from State of Wisconsin	223,298	-	-	223,298
Due from other funds	3,688,054	-	-	3,688,054
Inventories	345,715	-	-	345,715
TOTAL ASSETS	\$ 37,399,639	\$ 5,442,973	\$ 23,059,984	\$ 65,902,596
LIABILITIES AND FUND BALANCE LIABILITIES				
Accounts payable	\$ 633,288	\$ -	\$ 122,319	\$ 755,607
Contracts payable	-	-	1,754,207	1,754,207
Accrued payables	935,925	-	-	935,925
Due to taxing districts	26,483,438	-	-	26,483,438
Due to other funds	-	-	3,801,427	3,801,427
Special deposits	117,622	-	53,322	170,944
Deferred revenue	2,901,890	5,442,973	10,989,982	19,334,845
Total Liabilities	31,072,163	5,442,973	16,721,257	53,236,393
FUND BALANCE				
Reserved				
Delinquent special assessments	380,556	-	-	380,556
Inventories	345,715	-	-	345,715
Unreserved, designated, reported in				
General fund	319,440	-	-	319,440
Special revenue funds	-	-	283,296	283,296
Unreserved, reported in				
General fund	5,281,765	-	-	5,281,765
Special revenue funds	-	-	4,706,993	4,706,993
Capital projects funds	-	-	1,348,438	1,348,438
Total Fund Balance	6,327,476	-	6,338,727	12,666,203
TOTAL LIABILITIES AND FUND BALANCE	\$ 37,399,639	\$ 5,442,973	\$ 23,059,984	\$ 65,902,596

(Continued)

CITY OF MANITOWOC, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2008

Reconciliation to the net assets reported for governmental activities in the statement of net assets			
Total fund balance of governmental funds as shown on previous page		\$	12,666,203
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			141,122,413
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. The details of this difference are as follows:			
Special assessments	\$	1,224,153	
Loans receivable		<u>5,935,081</u>	
Net adjustment			7,159,234
Internal service funds are used by management to charge the cost of insurance programs and data processing services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			1,470,536
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. The details of this difference are as follows:			
Bonds and notes payable	\$	(75,118,955)	
Compensated absences and other benefits		(5,987,413)	
Accrued interest on long-term obligations		<u>(1,095,207)</u>	
Net adjustment			<u>(82,201,575)</u>
Net Assets of Governmental Activities as reported in the Statement of Net Assets (see page 32)		\$	<u><u>80,216,811</u></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
Year Ended December 31, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 3,564,169	\$ 4,671,472	\$ 4,746,221	\$ 12,981,862
Special assessments	176,794	-	1,177,674	1,354,468
Intergovernmental	9,208,344	-	1,677,607	10,885,951
Licenses and permits	984,614	-	-	984,614
Fines and forfeitures	374,917	-	-	374,917
Public charges for services	1,938,319	-	1,244,479	3,182,798
Intergovernmental charges for services	209,276	-	-	209,276
Interdepartmental charges for services	1,814,670	-	3,672,829	5,487,499
Miscellaneous	1,991,147	268,953	1,620,592	3,880,692
Total Revenues	20,262,250	4,940,425	14,139,402	39,342,077
Expenditures				
Current				
General government	3,315,274	-	431,361	3,746,635
Public safety	13,056,500	-	1,602,340	14,658,840
Public works	7,103,400	-	7,922,130	15,025,530
Health and human services	502,732	-	-	502,732
Culture and recreation	3,155,783	-	2,652,251	5,808,034
Conservation and development	510,770	-	5,527,601	6,038,371
Debt service				
Principal retirement	-	4,977,735	-	4,977,735
Interest and fiscal charges	-	3,062,370	-	3,062,370
Bond/Note issuance costs	-	32,940	48,950	81,890
Total Expenditures	27,644,459	8,073,045	18,184,633	53,902,137
Excess of Revenues Over (Under) Expenditures	(7,382,209)	(3,132,620)	(4,045,231)	(14,560,060)
Other Financing Sources (Uses)				
General obligation debt issued	-	-	9,260,000	9,260,000
General obligation bond/note premium	-	47,709	-	47,709
Transfers in	7,983,209	3,084,911	345,967	11,414,087
Transfers out	(50,467)	-	(7,371,524)	(7,421,991)
Total Other Financing Sources (Uses)	7,932,742	3,132,620	2,234,443	13,299,805
Net Change in Fund Balances	550,533	-	(1,810,788)	(1,260,255)
Fund Balances - January 1	5,776,943	-	8,149,515	13,926,458
Fund Balances - December 31	\$ 6,327,476	\$ -	\$ 6,338,727	\$ 12,666,203

(Continued)

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended December 31, 2008

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - from previous page \$ (1,260,255)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation in the current period, detailed as follows:

Capital outlay	\$ 3,859,198	
Depreciation expense	<u>(6,332,307)</u>	
Net adjustment		(2,473,109)

Loss on disposal of capital assets is not reported in the governmental funds. (418,106)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (444,743)

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 assets. 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	\$ (9,260,000)	
Principal paid on long-term debt	<u>4,977,735</u>	
Net adjustment		(4,282,265)

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	\$ (581,144)	
Accrued interest	<u>78,890</u>	
Net adjustment		(502,254)

Internal service funds are used by management to charge the costs of insurance programs and data processing services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (537,918)

Change in Net Assets of Governmental Activities as reported in the Statement of Activities (see pages 33-34) \$ (9,918,650)

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

CITY OF MANITOWOC, WISCONSIN

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 3,602,721	\$ 3,602,721	\$ 3,564,169	\$ (38,552)
Special assessments	190,500	190,500	176,794	(13,706)
Intergovernmental	9,100,777	9,100,777	9,208,344	107,567
Licenses and permits	823,764	823,764	984,614	160,850
Fines and forfeitures	355,400	355,400	374,917	19,517
Public charges for services	1,745,872	1,745,872	1,938,319	192,447
Intergovernmental charges for services	185,977	185,977	209,276	23,299
Interdepartmental charges for services	1,829,011	1,829,011	1,814,670	(14,341)
Miscellaneous	1,728,573	1,728,573	1,991,147	262,574
Total Revenues	19,562,595	19,562,595	20,262,250	699,655
Expenditures				
Current				
General government	3,603,182	3,623,386	3,315,274	308,112
Public safety	13,411,317	13,516,266	13,056,500	459,766
Public works	6,610,662	6,676,709	7,103,400	(426,691)
Health and human services	485,249	485,249	502,732	(17,483)
Culture and recreation	3,403,446	3,441,224	3,155,783	285,441
Conservation and development	527,572	567,542	510,770	56,772
Total Expenditures	28,041,428	28,310,376	27,644,459	665,917
Excess of Revenues Over (Under) Expenditures	(8,478,833)	(8,747,781)	(7,382,209)	1,365,572
Other Financing Sources (Uses)				
Transfers in	7,598,833	7,598,833	7,983,209	384,376
Transfers out	-	-	(50,467)	(50,467)
Total Other Financing Sources (Uses)	7,598,833	7,598,833	7,932,742	333,909
Net Change in Fund Balance	(880,000)	(1,148,948)	550,533	1,699,481
Fund Balance - January 1	5,776,943	5,776,943	5,776,943	-
Fund Balance - December 31	\$ 4,896,943	\$ 4,627,995	\$ 6,327,476	\$ 1,699,481

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

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF MANITOWOC, WISCONSIN

Statement of Net Assets

Proprietary Funds

December 31, 2008

	Water Utility	Electric Utility	Steam Utility	Broadband Utility
ASSETS				
Current assets				
Cash and investments	\$ 2,489,628	\$ 24,366,604	\$ 43,234	\$ 38,233
Taxes receivable	-	-	-	-
Accounts receivable	1,154,382	4,811,409	334,616	17,440
Due from other funds	-	-	-	-
Inventory at cost	147,132	5,113,318	551,046	-
Prepaid items	20,132	175,169	1,232	-
Deferred charges	313,306	1,140,217	13,984	-
Deposit with CVMIC	-	-	-	-
Total current assets	<u>4,124,580</u>	<u>35,606,717</u>	<u>944,112</u>	<u>55,673</u>
Noncurrent Assets				
Restricted assets				
Cash and investments	2,358,144	5,847,590	-	-
Accrued interest	-	133,525	-	-
Total restricted assets	<u>2,358,144</u>	<u>5,981,115</u>	<u>-</u>	<u>-</u>
Other assets				
	-	4,931,825	-	-
Capital assets				
Land	232,933	1,222,868	75,857	-
Buildings	4,491,036	13,801,846	1,460,567	-
Improvements other than buildings	35,944,076	49,007,906	2,239,371	1,157,746
Machinery and equipment	23,493,564	100,797,035	12,238,295	-
Construction in progress	1,655,265	363,466	-	59,690
Accumulated depreciation	(10,944,754)	(52,961,017)	(4,588,983)	(280,431)
Total capital assets (net of accumulated depreciation)	<u>54,872,120</u>	<u>112,232,104</u>	<u>11,425,107</u>	<u>937,005</u>
Total noncurrent assets	<u>57,230,264</u>	<u>123,145,044</u>	<u>11,425,107</u>	<u>937,005</u>
TOTAL ASSETS	<u>61,354,844</u>	<u>158,751,761</u>	<u>12,369,219</u>	<u>992,678</u>
LIABILITIES				
Current liabilities				
Accounts payable	579,207	2,695,411	71,079	698
Accrued payables	535,556	2,804,821	239,286	17,329
Due to other funds	288,213	-	-	-
Deposits	3,143	408,846	-	-
Accrued interest	19,608	915,725	112,301	-
Deferred credits	223,410	1,734,142	4,318	-
Noncurrent liabilities due within one year				
Compensated absences and employee benefits	7,741	34,158	-	-
Unamortized premium	-	116,667	15,026	-
Revenue bonds payable	690,000	2,161,420	208,580	-
Total current liabilities	<u>2,346,878</u>	<u>10,871,190</u>	<u>650,590</u>	<u>18,027</u>
Noncurrent liabilities				
Due in more than one year				
Compensated absences and employee benefits	301,669	1,331,182	-	-
Unamortized premium	-	2,887,497	371,897	-
Revenue bonds payable	3,710,000	65,823,631	8,461,369	-
Total noncurrent liabilities	<u>4,011,669</u>	<u>70,042,310</u>	<u>8,833,266</u>	<u>-</u>
TOTAL LIABILITIES	<u>6,358,547</u>	<u>80,913,500</u>	<u>9,483,856</u>	<u>18,027</u>
NET ASSETS				
Invested in capital assets, net of related debt	50,553,423	41,359,358	2,382,219	937,005
Restricted				
Debt service	1,902,205	5,065,390	-	-
Plant replacement	436,331	-	-	-
Unrestricted	<u>2,104,338</u>	<u>31,413,513</u>	<u>503,144</u>	<u>37,646</u>
TOTAL NET ASSETS	<u>\$ 54,996,297</u>	<u>\$ 77,838,261</u>	<u>\$ 2,885,363</u>	<u>\$ 974,651</u>

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

Wastewater Treatment Plant	Transit System	Total	Governmental Activities - Internal Service Funds
\$ 7,886,931	\$ 670,903	\$ 35,495,533	\$ 1,676,628
-	263,027	263,027	2,262,707
222,101	371,152	6,911,100	424,621
401,586	-	401,586	-
-	83,531	5,895,027	-
-	-	196,533	980
-	-	1,467,507	109,054
-	-	-	1,111,426
<u>8,510,618</u>	<u>1,388,613</u>	<u>50,630,313</u>	<u>5,585,416</u>
6,731,840	-	14,937,574	-
-	-	133,525	-
<u>6,731,840</u>	<u>-</u>	<u>15,071,099</u>	<u>-</u>
-	-	4,931,825	-
330,600	90,000	1,952,258	-
35,248,437	1,006,017	56,007,903	-
-	-	88,349,099	-
1,863,307	2,849,452	141,241,653	-
-	-	2,078,421	-
<u>(17,721,444)</u>	<u>(1,493,865)</u>	<u>(87,990,494)</u>	<u>-</u>
19,720,900	2,451,604	201,638,840	-
<u>26,452,740</u>	<u>2,451,604</u>	<u>221,641,764</u>	<u>-</u>
34,963,358	3,840,217	272,272,077	5,585,416
171,369	40,662	3,558,426	857,443
-	-	3,596,992	700,261
-	-	288,213	-
-	-	411,989	-
73,490	-	1,121,124	3,183
-	263,027	2,224,897	2,408,565
7,450	3,250	52,599	3,639
-	-	131,693	-
1,146,735	-	4,206,735	-
<u>1,399,044</u>	<u>306,939</u>	<u>15,592,668</u>	<u>3,973,091</u>
185,159	127,444	1,945,454	141,789
-	-	3,259,394	-
12,577,654	-	90,572,654	-
<u>12,762,813</u>	<u>127,444</u>	<u>95,777,502</u>	<u>141,789</u>
14,161,857	434,383	111,370,170	4,114,880
5,996,511	2,451,604	103,680,120	-
-	-	6,967,595	-
6,731,840	-	7,168,171	-
8,073,150	954,230	43,086,021	1,470,536
<u>\$ 20,801,501</u>	<u>\$ 3,405,834</u>	<u>\$ 160,901,907</u>	<u>\$ 1,470,536</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2008

	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Operating Revenues				
Charges for services	\$ 6,747,647	\$ 57,076,434	\$ 4,742,558	\$ 167,659
Other	91,394	263,000	749	-
Total Operating Revenues	<u>6,839,041</u>	<u>57,339,434</u>	<u>4,743,307</u>	<u>167,659</u>
Operating Expenses				
Source of supply	8,487	-	-	-
Pumping	975,729	-	-	-
Power production	-	19,194,719	2,524,983	-
Other power supply	-	15,955,708	-	-
Water treatment	886,921	-	-	-
Transmission and distribution	809,485	1,156,714	12,138	-
Customer accounts	185,456	602,052	-	-
Administrative and general	933,354	2,244,679	224,395	29,751
Combined operation and maintenance	-	-	-	-
Depreciation	1,569,444	5,268,936	498,341	85,891
Taxes	79,103	242,061	18,479	-
Total Operating Expenses	<u>5,447,979</u>	<u>44,664,869</u>	<u>3,278,336</u>	<u>115,642</u>
Operating Income (Loss)	<u>1,391,062</u>	<u>12,674,565</u>	<u>1,464,971</u>	<u>52,017</u>
Nonoperating Revenues (Expenses)				
General property taxes	-	-	-	-
Reimbursement of operating loss				
Federal and state	-	-	-	-
Local	-	-	-	-
Interest revenue	144,158	1,194,919	-	-
Merchandising and jobbing	21,957	27,573	-	-
Amortization of debt premium	-	116,667	-	-
Interest and fiscal charges	(217,672)	(3,635,460)	(448,519)	(5,669)
Miscellaneous	-	(672)	-	-
Total Nonoperating Revenues (Expenses)	<u>(51,557)</u>	<u>(2,296,973)</u>	<u>(448,519)</u>	<u>(5,669)</u>
Income (Loss) Before Contributions and Transfers	1,339,505	10,377,592	1,016,452	46,348
Customer contributions	386,876	247,918	-	152,635
Transfers out	(618,945)	(2,510,096)	(244,052)	(17,387)
Change in Net Assets	1,107,436	8,115,414	772,400	181,596
Net Assets - January 1	<u>53,888,861</u>	<u>69,722,847</u>	<u>2,112,963</u>	<u>793,055</u>
Net Assets - December 31	<u>\$ 54,996,297</u>	<u>\$ 77,838,261</u>	<u>\$ 2,885,363</u>	<u>\$ 974,651</u>

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

Wastewater Treatment Plant	Transit System	Total	Governmental Activities - Internal Service Funds
\$ 6,423,324	\$ 185,831	\$ 75,343,453	\$ 7,121,062
-	-	355,143	-
<u>6,423,324</u>	<u>185,831</u>	<u>75,698,596</u>	<u>7,121,062</u>
-	-	8,487	-
-	-	975,729	-
-	-	21,719,702	-
-	-	15,955,708	-
-	-	886,921	-
-	-	1,978,337	(1,946)
-	-	787,508	-
-	-	3,432,179	-
7,524,182	2,186,622	9,710,804	8,993,559
842,434	289,814	8,554,860	-
-	-	339,643	1,001
<u>8,366,616</u>	<u>2,476,436</u>	<u>64,349,878</u>	<u>8,992,614</u>
<u>(1,943,292)</u>	<u>(2,290,605)</u>	<u>11,348,718</u>	<u>(1,871,552)</u>
-	263,027	263,027	1,345,738
-	1,364,996	1,364,996	-
-	327,182	327,182	-
-	-	1,339,077	-
-	-	49,530	-
-	-	116,667	-
(532,328)	-	(4,839,648)	(7,741)
126	27,220	26,674	499,215
<u>(532,202)</u>	<u>1,982,425</u>	<u>(1,352,495)</u>	<u>1,837,212</u>
(2,475,494)	(308,180)	9,996,223	(34,340)
40,281	-	827,710	-
<u>(91,555)</u>	<u>(6,483)</u>	<u>(3,488,518)</u>	<u>(503,578)</u>
(2,526,768)	(314,663)	7,335,415	(537,918)
<u>23,328,269</u>	<u>3,720,497</u>	<u>153,566,492</u>	<u>2,008,454</u>
<u>\$ 20,801,501</u>	<u>\$ 3,405,834</u>	<u>\$ 160,901,907</u>	<u>\$ 1,470,536</u>

CITY OF MANITOWOC, WISCONSIN

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2008

	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Cash Flows from Operating Activities				
Cash received from customers	\$ 6,531,964	\$ 56,923,427	\$ 4,716,341	\$ 174,324
Cash received from interfund services provided	-	-	-	-
Cash paid to suppliers	(2,988,267)	(36,114,985)	(3,060,365)	(28,678)
Cash paid to employees	(1,178,843)	(4,391,662)	-	-
Net Cash Provided (Used) by Operating Activities	2,364,854	16,416,780	1,655,976	145,646
Cash Flows from Noncapital Financing Activities				
General property taxes	-	-	-	-
Cash transferred to other funds	(618,945)	(2,510,096)	(244,052)	(17,387)
Reimbursement of operating loss	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(618,945)	(2,510,096)	(244,052)	(17,387)
Cash Flows from Capital and Related Financing Activities				
Principal paid on debt	(666,830)	(2,161,282)	(203,858)	-
Repayment of amount due to other funds	207,791	691,185	(691,185)	(207,791)
Interest and fiscal charges	(207,634)	(3,641,180)	(467,553)	(5,669)
Customer contributions	386,876	247,918	-	152,635
(Acquisition) disposal of capital assets	(2,354,955)	(1,192,853)	(6,094)	(30,696)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,634,752)	(6,056,212)	(1,368,690)	(91,521)
Cash Flows from Investing Activities				
Interest received on investments	144,158	1,228,742	-	-
Cash paid to ATC LLC	-	(207,711)	-	-
Net Cash Provided by Investing Activities	144,158	1,021,031	-	-
Increase (Decrease) in Cash and Cash Equivalents	(744,685)	8,871,503	43,234	36,738
Cash and Cash Equivalents - January 1	5,592,457	21,342,691	-	1,495
Cash and Cash Equivalents - December 31	\$ 4,847,772	\$ 30,214,194	\$ 43,234	\$ 38,233
Reconciliation of cash and cash equivalents to the combining balance sheet:				
Unrestricted cash and cash equivalents	\$ 2,489,628	\$ 24,366,604	\$ 43,234	\$ 38,233
Restricted cash and cash equivalents	2,358,144	5,847,590	-	-
	\$ 4,847,772	\$ 30,214,194	\$ 43,234	\$ 38,233

(Continued)

Wastewater Treatment Plant	Transit System	Total	Governmental Activities - Internal Service Funds
\$ 6,776,894	\$ 669,721	\$ 75,792,671	\$ -
-	-	-	7,822,660
(6,378,314)	(983,128)	(49,553,737)	(8,623,944)
(1,102,095)	(1,138,060)	(7,810,660)	(610,761)
<u>(703,515)</u>	<u>(1,451,467)</u>	<u>18,428,274</u>	<u>(1,412,045)</u>
-	263,027	263,027	1,345,738
(91,555)	(6,483)	(3,488,518)	(503,578)
-	1,692,178	1,692,178	-
<u>(91,555)</u>	<u>1,948,722</u>	<u>(1,533,313)</u>	<u>842,160</u>
(1,110,938)	-	(4,142,908)	(3,215)
-	-	-	-
(458,838)	-	(4,780,874)	(11,161)
40,281	-	827,710	-
(29,476)	-	(3,614,074)	-
<u>(1,558,971)</u>	<u>-</u>	<u>(11,710,146)</u>	<u>(14,376)</u>
-	-	1,372,900	-
-	-	(207,711)	-
-	-	1,165,189	-
(2,354,041)	497,255	6,350,004	(584,261)
<u>16,972,812</u>	<u>173,648</u>	<u>44,083,103</u>	<u>2,260,889</u>
<u>\$ 14,618,771</u>	<u>\$ 670,903</u>	<u>\$ 50,433,107</u>	<u>\$ 1,676,628</u>
\$ 7,886,931	\$ 670,903	\$ 35,495,533	\$ 1,676,628
6,731,840	-	14,937,574	-
<u>\$ 14,618,771</u>	<u>\$ 670,903</u>	<u>\$ 50,433,107</u>	<u>\$ 1,676,628</u>

CITY OF MANITOWOC, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended December 31, 2008

	Water Utility	Electric Utility	Steam Utility	Broadband Utility
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 1,391,062	\$ 12,674,565	\$ 1,464,971	\$ 52,017
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations				
Depreciation	1,569,444	5,268,936	498,341	85,891
Depreciation charged operating accounts	69,890	114,649	-	-
Merchandising and jobbing	21,957	27,573	-	-
Miscellaneous	-	(672)	-	-
Changes in assets and liabilities				
Accounts receivable	(329,034)	(416,007)	(26,966)	6,665
Due to other funds/governments	-	-	-	-
Inventory at cost	(19,582)	(1,733,054)	(208,117)	-
Prepaid items	2,182	(14,345)	109	-
Deferred charges	37,308	135,875	3,175	-
Accounts payable	(365,504)	(156,625)	(79,023)	18
Accrued payables	7,479	257,770	(832)	1,055
Compensated absences and employee benefits	(22,791)	195,387	4,318	-
Deposits	2,443	62,728	-	-
Net Cash Provided (Used) by Operating Activities	\$ 2,364,854	\$ 16,416,780	\$ 1,655,976	\$ 145,646

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

Wastewater Treatment Plant	Transit System	Total	Governmental Activities - Internal Service Funds
----------------------------	----------------	-------	--

\$ (1,943,292) \$ (2,290,605) \$ 11,348,718 \$ (1,871,552)

842,434 289,814 8,554,860 -
- - 184,539 -
- - 49,530 -
126 27,220 26,674 499,215

175,012 447,968 (142,362) (307,158)
72,094 - 72,094 -
- 4,611 (1,956,142) -
- - (12,054) (122)
- - 176,358 10,811
106,338 4,091 (490,705) 65,123
- - 265,472 181,585
43,773 65,434 286,121 10,053
- - 65,171 -

\$ (703,515) \$ (1,451,467) \$ 18,428,274 \$ (1,412,045)

CITY OF MANITOWOC, WISCONSIN
Statement of Fiduciary Net Assets
Poor Relief Fiduciary Fund
December 31, 2008

	Poor Relief
ASSETS	
Cash and investments	<u>\$ 23,615</u>
LIABILITIES	
Accounts payable	<u> -</u>
NET ASSETS	
Held in trust for other purposes	<u><u>\$ 23,615</u></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 Assets
Poor Relief Fiduciary Fund
Year Ended December 31, 2008

	Poor Relief
Additions	
Interest on investments	\$ 617
Deductions	
Benefits	3,000
Change in Net Assets	(2,383)
Net Assets - January 1	25,998
Fund Balance - December 31	\$ 23,615

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

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

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 assets 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, 2008

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.

Additionally, the government reports the following fund types:

Special revenue funds account for the proceeds of specific revenue sources, other than capital projects, that are legally restricted to expenditures for specific purposes.

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, 2008

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 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.

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.

Certain private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following certain subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the 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, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Assets, Liabilities and Net Assets or Equity

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.

The amount reported on the statement of net assets 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 fund balance reserve 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 fund balance reserve amounts to indicate that they do not represent spendable available financial resources.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

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 Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet recognizable.

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 assets.

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.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Invested in capital assets, net of related debt - 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 assets - Amount of net assets that are 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 assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

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, 2008

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. 2, 7, and 8, transit capital grant, library, and enhanced EMS special revenue funds, and sanitary and storm sewers, streets, harbor improvements, capital equipment, environmental remediation, cemetery improvements, buildings and other capital improvements, car ferry dock facilities, 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, 2008.

2. Deficit Fund Equity

The following funds had deficit fund equity as of December 31, 2008:

Fund	Deficit Fund Equity
Special Revenue Funds	
Tax Increment District No. 7	\$ 638,933
Tax Increment District No. 8	160,870
Capital Projects Funds	
Tax Increment District No. 9	707,655
Tax Increment District No. 11	144,059
Tax Increment District No. 12	965,627
Tax Increment District No. 14	80,266
Tax Increment District No. 15	222,993

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, 2008

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.

The carrying amount of the City's cash and investments totaled \$76,830,968 on December 31, 2008 as summarized below:

Petty cash funds	\$ 53,600
Deposits with financial institutions	11,493,483
Investments	
U.S. Treasury notes	3,588,621
U.S. Government agency securities	20,561,855
Federal small business administration pool	659,065
Corporate obligations	1,411,328
Money market mutual funds	33,887,222
MBIA municipal investors fund	1,371,392
Wisconsin local government investment pool	3,800,343
Repurchase agreements	4,059
	\$ 76,830,968

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	\$ 61,869,779
Restricted cash and investments	14,937,574
Fiduciary funds	
Private-purpose trust fund	23,615
	\$ 76,830,968

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, 2008

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 are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian through December 31, 2013. In addition, the City's non-interest bearing transaction accounts are fully insured under the Temporary Liquidity Guarantee Program through December 31, 2009. On January 1, 2014, the coverage limit for all accounts will return to \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts. In addition, 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, 2008, \$8,690,658 of the City's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized.

On December 31, 2008, the City held repurchase agreement investments of \$4,059 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 year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Other	Not Rated
U.S. Treasury notes	\$ 3,588,621	\$ 3,588,621	\$ -	\$ -	\$ -
U.S. Government agency sec.	20,561,855	-	20,342,342	-	219,513
Fed small business admin pool	659,065	-	659,065	-	-
Corporate obligations	1,411,328	-	-	1,411,328	-
Money market mutual funds	33,887,222	-	-	-	33,887,222
MBIA municipal investors fund	1,371,392	-	-	-	1,371,392
Wisconsin local government investment pool	3,800,343	-	-	-	3,800,343
Totals	\$ 65,279,826	\$ 3,588,621	\$ 21,001,407	\$ 1,411,328	\$ 39,278,470

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

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
Federal agency mortgage securities	Bonds	\$20,561,855
Federal small business admin. pool	Bonds	659,065
		<u>\$21,220,920</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	\$ 3,588,621	\$ -	\$ -	\$ 3,588,621	\$ -
U.S. Government agency sec.	20,561,855	4,861,014	2,403,443	7,390,984	5,906,414
Fed small business admin pool	659,065	-	-	-	659,065
Corporate obligations	1,411,328	-	928,390	482,938	-
Money market mutual funds	33,887,222	33,887,222	-	-	-
Repurchase agreements	4,059	4,059	-	-	-
MBIA municipal investors fund	1,371,392	1,371,392	-	-	-
Wisconsin local government investment pool	3,800,343	3,800,343	-	-	-
Totals	\$ 65,283,885	\$ 43,924,030	\$ 3,331,833	\$ 11,462,543	\$ 6,565,479

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

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
Mortgage backed securities. These securities are subject to early payment 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>\$21,220,920</u>

Investment in Wisconsin Local Government Investment Pool

The City has investments in the Wisconsin local government investment pool of \$3,800,343 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, 2008, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Investments in the Wisconsin Local Government Investment Pool are covered under a surety bond issued by Financial Security Assurance, Inc. through February 15, 2019. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance, and income on the investment during the calendar quarter a loss occurs.

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.

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Restricted Assets

Restricted assets on December 31, 2008 totaled \$15,071,099 and consisted of cash and investments of \$14,937,574 and accrued interest receivable of \$133,525 held for the following purposes:

Enterprise Funds

Water Utility

Retirement of waterworks system revenue bonds	\$ 1,921,813
Membrane replacement	436,331

Electric Utility

Boiler #9 construction fund	150,882
Retirement of electric system revenue bonds	5,696,708
Accrued interest	133,525

Wastewater Treatment Plant

Plant replacement	<u>6,731,840</u>
-------------------	------------------

Total Restricted Assets	<u>\$ 15,071,099</u>
-------------------------	----------------------

4. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,045,818	\$ 118,000	\$ 45,900	\$ 7,117,918
Construction in progress	159,771	-	159,771	-
Total capital assets, not being depreciated	<u>7,205,589</u>	118,000	205,671	<u>7,117,918</u>
Capital assets, being depreciated:				
Buildings	28,521,353	13,867	-	28,535,220
Machinery and equipment	14,749,510	1,153,464	514,196	15,388,778
Infrastructure	177,111,943	2,733,638	1,706,080	178,139,501
Subtotals	<u>220,382,806</u>	3,900,969	2,220,276	<u>222,063,499</u>
Less accumulated depreciation for:				
Buildings	7,587,965	546,438	-	8,134,403
Machinery and equipment	8,247,128	1,103,577	514,196	8,836,509
Infrastructure	67,739,674	4,682,292	1,333,874	71,088,092
Subtotals	<u>83,574,767</u>	6,332,307	1,848,070	<u>88,059,004</u>
Total capital assets, being depreciated, net	<u>136,808,039</u>	<u>(2,431,338)</u>	372,206	<u>134,004,495</u>
Governmental activities capital assets, net	<u>\$ 144,013,628</u>	<u>\$ (2,313,338)</u>	<u>\$ 577,877</u>	141,122,413
Less related long-term debt outstanding				<u>56,066,708</u>
Invested in capital assets, net of related debt				<u>\$ 85,055,705</u>

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,952,533	\$ -	\$ 275	\$ 1,952,258
Construction in progress	469,806	2,018,912	410,297	2,078,421
Total capital assets, not being depreciated	<u>2,422,339</u>	<u>2,018,912</u>	<u>410,572</u>	<u>4,030,679</u>
Capital assets, being depreciated:				
Buildings	55,807,116	212,361	11,574	56,007,903
Improvements other than buildings	87,161,522	1,522,660	335,083	88,349,099
Machinery and equipment	141,256,000	228,796	243,143	141,241,653
Subtotals	<u>284,224,638</u>	<u>1,963,817</u>	<u>589,800</u>	<u>285,598,655</u>
Less accumulated depreciation for:				
Buildings	19,908,968	1,203,690	39,388	21,073,270
Improvements other than buildings	26,287,576	2,446,669	451,180	28,283,065
Machinery and equipment	33,647,914	5,150,939	164,694	38,634,159
Subtotals	<u>79,844,458</u>	<u>8,801,298</u>	<u>655,262</u>	<u>87,990,494</u>
Total capital assets, being depreciated, net	<u>204,380,180</u>	<u>(6,837,481)</u>	<u>(65,462)</u>	<u>197,608,161</u>
Business-type activities capital assets, net	<u>\$ 206,802,519</u>	<u>\$ (4,818,569)</u>	<u>\$ 345,110</u>	201,638,840
Less related long-term debt outstanding				<u>97,958,720</u>
Invested in capital assets, net of related debt				<u>\$ 103,680,120</u>
Depreciation expense was charged to functions of the City as follows:				
Governmental activities				
General government				\$ 192,021
Public safety				543,654
Public works				5,080,882
Health and human services				8,942
Culture and recreation				462,830
Conservation and development				43,978
Total depreciation expense - governmental activities				<u>\$ 6,332,307</u>
Business-type activities				
Water utility				\$ 1,639,334
Electric utility				5,383,585
Steam utility				498,341
Broadband utility				85,891
Wastewater treatment plant				842,434
Transit system				289,814
Depreciation charged to other accounts				61,899
Total depreciation expense - business-type activities				<u>\$ 8,801,298</u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2008 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 3,688,054	\$ -
Nonmajor governmental funds	-	3,688,054
Operating Accounts Between Funds		
Nonmajor governmental funds	-	113,373
Proprietary Funds		
Water Utility	-	288,213
Wastewater Treatment Plant	401,586	-
Totals	<u>\$ 4,089,640</u>	<u>\$ 4,089,640</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, and (3) payments between funds are made.

Interfund transfers for the year ended December 31, 2008 were as follows:

	Transfers In:			
	General Fund	Debt Service	Nonmajor Governmental	Total
Transfers Out:				
General Fund	\$ -	\$ -	\$ 50,467	\$ 50,467
Nonmajor Governmental Funds				
Special revenue funds	982,975	372,729	2,500	1,358,204
Capital projects funds	3,106,176	2,614,144	293,000	6,013,320
Proprietary Funds				
Water utility	618,945	-	-	618,945
Electric utility	2,510,096	-	-	2,510,096
Steam utility	244,052	-	-	244,052
Broadband utility	17,387	-	-	17,387
Wastewater treatment plant	-	91,555	-	91,555
Transit system	-	6,483	-	6,483
Internal Service Funds				
Data processing	3,578	-	-	3,578
Health Self-Insurance	500,000	-	-	500,000
	<u>\$ 7,983,209</u>	<u>\$ 3,084,911</u>	<u>\$ 345,967</u>	<u>\$ 11,414,087</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.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Deferred Revenues

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

	Unavailable	Unearned
Subsequent year tax levy receivable		
General fund	\$ -	\$ 2,901,890
Debt service fund	-	4,911,860
Nonmajor governmental funds	-	4,188,627
Internal service funds	-	2,262,707
Postponed special assessment installments		
Nonmajor governmental funds	1,224,153	-
Revenue received in advance		
Debt service fund	-	28,804
Nonmajor governmental funds	-	144,430
Loans receivable		
Debt service fund	502,309	-
Nonmajor governmental funds	5,432,772	-
Totals	<u>\$ 7,159,234</u>	<u>\$ 14,438,318</u>

Postponed special assessments are generally collectible in annual installments over a period of five years. The commercial and industrial revolving and debt service fund loans are being repaid to the City in installments at various rates. The housing revolving loans will be repaid to the City when the property is no longer the loan recipient's principal place of residence. The City recognizes revenue from the special assessments and loans receivable in the year payments are received.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2008:

	Outstanding 1/1/08	Issued	Retired	Outstanding 12/31/08	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	\$ 63,925,000	\$ 5,600,000	\$ 4,030,000	\$ 65,495,000	\$ 5,010,000
Notes	5,906,690	3,660,000	947,735	8,618,955	1,062,116
Total General Obligation Debt	69,831,690	9,260,000	4,977,735	74,113,955	6,072,116
Note anticipation notes	1,005,000	-	-	1,005,000	-
Compensated absences and other benefits	5,542,074	2,478,256	1,887,489	6,132,841	2,060,000
Governmental activities Long-term obligations	<u>\$ 76,378,764</u>	<u>\$ 11,738,256</u>	<u>\$ 6,865,224</u>	<u>\$ 81,251,796</u>	<u>\$ 8,132,116</u>
Business-type activities:					
Revenue bonds	\$ 98,885,327	\$ -	\$ 4,105,938	\$ 94,779,389	\$ 4,206,735
Unamortized premium	3,522,780	-	131,693	3,391,087	131,693
Compensated absences and other benefits	1,888,841	424,019	314,807	1,998,053	52,599
Business-type activities Long-term obligations	<u>\$ 104,296,948</u>	<u>\$ 424,019</u>	<u>\$ 4,552,438</u>	<u>\$ 100,168,529</u>	<u>\$ 4,391,027</u>

Total interest paid during the year on long-term debt totaled \$7,731,268.

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$1,745,000 capital improvement bonds issued 2/15/96; \$270,000 to \$280,000 due annually through 2010; interest 4.7% to 4.9%	\$ 550,000
\$3,600,000 capital improvement bonds issued 12/1/98; \$350,000 to \$425,000 due annually through 2013; interest 4.25%	1,935,000
\$5,735,000 capital improvement bonds issued 5/1/00; \$65,000 to \$575,000 due annually through 2012; interest 5.4%	1,715,000
\$7,820,000 capital improvement bonds issued 4/1/01; \$205,000 to \$930,000 due annually through 2021; interest 4.6% to 5.0%	7,445,000
\$8,185,000 capital improvement and development bonds issued 4/1/02; \$640,000 to \$955,000 due annually through 2017; interest 4.5% to 5.25%	7,055,000
\$8,560,000 capital improvement and development bonds issued 4/1/03; \$610,000 to \$945,000 due annually through 2018; interest 3.375% to 4.15%	7,685,000
\$7,335,000 unfunded pension liability bonds issued 5/1/03; \$170,000 to \$855,000 due annually through 2023; interest 4.25% to 5.7%	6,795,000
\$4,330,000 capital improvement bonds issued 1/15/04; \$405,000 to \$555,000 due annually through 2012; interest 3.0% to 4.0%	1,925,000
\$4,305,000 capital improvement and development bonds issued 4/1/04; \$120,000 to \$480,000 due annually through 2019; interest 2.75% to 4.0%	3,880,000
\$2,235,000 capital improvement bonds issued 12/15/04; \$445,000 to \$485,000 due annually through 2011; interest 4.0%	1,395,000
\$4,760,000 capital improvement and development bonds issued 4/15/05; \$100,000 to \$545,000 due annually through 2020; interest 3.5% to 4.15%	4,495,000
\$4,390,000 capital improvement and revaluation bonds issued 5/22/06; \$110,000 to \$485,000 due annually through 2021; interest 4.125% to 4.15%	4,195,000
\$2,745,000 capital improvement bonds issued 5/22/06; \$20,000 to \$725,000 due annually through 2015; interest 3.9% to 4.25%	2,705,000
\$8,220,000 capital improvement bonds issued 4/9/07; \$435,000 to \$755,000 due annually through 2022; interest 3.875% to 3.9%	8,120,000
\$5,600,000 capital improvement bonds issued 6/30/08; \$150,000 to \$495,000 due annually through 2023; interest 3.0% to 3.75%	5,600,000
Total Bonds	<u>65,495,000</u>

Notes

\$750,000 capital improvement notes issued 7/28/00; \$87,116 to \$91,839 due annually through 2010; interest 5.25%	178,955
\$1,745,000 capital improvement notes issued 4/1/03; \$190,000 to \$195,000 due annually through 2013; interest 3.0% to 3.65%	965,000
\$475,000 capital improvement notes issued 4/1/04; \$50,000 to \$60,000 due annually through 2014; interest 3.1% to 3.75%	330,000
\$525,000 capital improvement notes issued 4/15/05; \$55,000 to \$60,000 due annually through 2015; interest 3.35% to 3.95%	405,000
\$1,860,000 capital improvement notes issued 5/22/06; \$185,000 due annually through 2016; interest 4.0% to 4.25%	1,480,000
\$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%	1,600,000
\$3,660,000 capital improvement notes issued 5/23/08; \$305,000 to \$420,000 due annually through 2018; interest 3.0% to 3.75%	3,660,000
Total Notes	<u>8,618,955</u>

Total Outstanding General Obligation Debt	<u>\$ 74,113,955</u>
--	-----------------------------

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$74,113,955 on December 31, 2008 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2009	\$ 6,072,116	\$ 3,063,741	\$ 9,135,857
2010	6,506,839	2,767,480	9,274,319
2011	6,730,000	2,484,890	9,214,890
2012	6,775,000	2,204,119	8,979,119
2013	6,715,000	1,925,262	8,640,262
2014-2018	28,995,000	5,657,878	34,652,878
2019-2023	12,320,000	1,197,991	13,517,991
	<u>\$ 74,113,955</u>	<u>\$ 19,301,361</u>	<u>\$ 93,415,316</u>

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

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2008 was \$23,063,190 as follows:

Equalized valuation of the City	\$1,943,542,900
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	97,177,145
Net outstanding general obligation debt applicable to debt limitation	<u>74,113,955</u>
Legal Margin for New Debt	<u>\$ 23,063,190</u>

Note Anticipation Notes

Note anticipation notes debt currently outstanding is detailed as follows:

Notes	
\$1,005,000 issued 5/22/06; \$1,005,000 due in 2011; interest 4.1%	<u>\$ 1,005,000</u>

CITY OF MANITOWOC, WISCONSIN

Notes to Basic Financial Statements

December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Revenue Bonds

Revenue bond debt service requirements are financed from operations of the enterprise funds. Revenue bonds outstanding on December 31, 2008 totaled \$94,779,389 and were composed of the following issues:

Water Utility

\$2,570,000 issued 3/1/98; \$210,000 to \$255,000 due annually through 2010; interest 4.6% to 4.7% \$ 465,000

\$1,480,000 issued 12/15/04; \$325,000 due in 2009; interest 3.25% 325,000

\$3,720,000 issued 3/5/07; \$110,000 to \$540,000 due annually through 2017; interest 4.0% to 4.25% 3,610,000

Electric and Steam Utilities

\$7,150,000 issued 12/1/02; \$500,000 to \$2,125,000 due annually through 2010; interest 5.0%. Steam Utility's portion of issue is 8.5%. 2,625,000

\$69,550,000 issued 2/25/04; \$50,000 to \$4,805,000 due annually through 2034; interest 4.0% to 5.25%. 69,450,000

\$4,715,000 issued 12/1/05; \$195,000 to \$365,000 due annually through 2025; interest 3.75% to 4.2%. 4,580,000

Wastewater Treatment Plant

\$19,739,053 State of Wisconsin Clean Water Fund Loan issued 1999; \$1,067,245 to \$1,422,608 due annually through 2018; interest 3.245%. 12,373,716

\$1,772,798 State of Wisconsin Clean Water Fund Loan issued 12/23/02; \$79,490 to \$115,531 due annually through 2022; interest 2.918%. 1,350,673

Total \$ 94,779,389

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

Year Ended December 31	Principal	Interest	Total
2009	\$ 4,206,735	\$ 4,492,343	\$ 8,699,078
2010	3,218,687	4,317,452	7,536,139
2011	3,351,830	4,191,046	7,542,876
2012	3,491,203	4,049,814	7,541,017
2013	3,646,845	3,902,428	7,549,273
2014-2018	20,161,248	17,052,075	37,213,323
2019-2023	14,492,841	13,165,404	27,658,245
2024-2028	16,740,000	9,316,735	26,056,735
2029-2033	20,665,000	4,627,088	25,292,088
2034	4,805,000	252,262	5,057,262
	<u>\$ 94,779,389</u>	<u>\$ 65,366,647</u>	<u>\$ 160,146,036</u>

Utility Revenues Pledged

The City has pledged future water and electric customer revenues, net of specific operating expenses, to repay the water and electric 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 and electric customer net revenues and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$144,014,015. Principal and interest paid for the current year and total customer net revenues were \$7,205,058 and \$20,904,007, respectively.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. 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, 2008, there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$936,534.

9. Fund Equity

In the fund financial statements, portions of governmental fund balances are reserved and not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2008, fund balance was reserved as follows:

General Fund		
Reserved for delinquent special assessments	\$	380,556
Reserved for inventories		<u>345,715</u>
	\$	<u><u>726,271</u></u>

Also in the fund financial statements, portions of governmental fund balances have been designated to represent tentative management plans that are subject to change. At December 31, 2008, fund balance was designated as follows:

General Fund		
Designated for subsequent years' expenditures	\$	<u>319,440</u>
Special Revenue Funds		
Designated for special projects	\$	<u><u>283,296</u></u>

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

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 333 active and 82 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	\$ 367,591
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	367,591
Contributions made	116,200
Change in net OPEB obligation	251,391
OPEB obligation - beginning of year	-
OPEB obligation - end of year	<u>\$ 251,391</u>

The annual required contribution for the current year was determined as part of the January 1, 2008 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 as a level dollar amount of projected payroll. The remaining amortization period at December 31, 2008 is 29 years, and the remaining amount is \$3,465,544.

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 2008 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$367,591	32%	\$251,391

Funded Status and Funding Progress - As of January 1, 2008, the most recent actuarial valuation date, the Utilities' unfunded actuarial accrued liability (UAAL) was \$3,465,544. The annual payroll for active employees covered by the plan for the 2008 fiscal year was \$24,830,782 for a ratio of the UAAL to covered payroll of 14%.

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.

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE D - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 10%, reduced by decrements to an ultimate rate of 4.7% after 40 years. The UAAL is being amortized as a level percentage of projected payrolls. The remaining amortization period at December 31, 2008 was 29 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 permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2008 was \$23,750,845; the employer's total payroll was \$24,830,782. The total required contribution for the year ended December 31, 2008 was \$2,760,674, which consisted of \$1,473,429, or 6.2% of covered payroll from the employer and \$1,287,245, or 5.4% of covered payroll from employees. The required contribution for employees for the year ended December 31, 2008 was financed by the City. Total contributions for the years ending December 31, 2007 and 2006 were \$2,675,527 and \$2,537,468 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. Final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting an 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 or after April 24, 1998 are immediately vested.

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

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE E - OTHER INFORMATION (Continued)

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

During 1987, 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.

On December 31, 2008, the self-insurance internal service fund had established a reserve of \$34,405 for future unreported claims. The claims liability of \$22,349 reported in the fund at December 31, 2008 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 claim liability amount for 2008 and 2007 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2008	\$ 9,250	\$ 138,022	\$ 124,923	\$ 22,349
2007	18,175	146,994	155,919	9,250

CITY OF MANITOWOC, WISCONSIN
Notes to Basic Financial Statements
December 31, 2008

NOTE E - OTHER INFORMATION (Continued)

Health Self-Insurance Fund

City employees, retirees and employee dependents are eligible for medical and dental benefits from a health self-insurance fund. 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, 2008, the health self-insurance internal service fund had established a reserve of \$162,152 for future unreported claims. The claims liability of \$658,365 reported in the fund at December 31, 2008 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 2008 and 2007 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2008	\$ 494,762	\$ 6,915,397	\$ 6,751,794	\$ 658,365
2007	524,032	6,524,448	6,553,718	494,762

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. During 1985, the transit system became 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, 2008

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. Three special revenue funds record transactions for TID No. 2, 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
2	1/1/81	1991	2006
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 Act 25, effective July 27, 2005, imposed a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period. Wisconsin State Budget bill SB40 continues the limit on the property tax levies through 2009. The budget bill limits the increase in the maximum allowable tax levy to the greater of the percentage change in the City's January 1 equalized value as a result of net new construction or 3.86% in the 2008 budget and 2.0% in the 2009 budget. The actual limit for the City for the 2008 budget was 3.86%. The levy limit is applied to both operations and debt service. However, the Act allows the limit to be increased for 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.

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MANITOWOC, WISCONSIN
 Schedule of Funding Progress
 Other Post-Employment Benefit Plan
 December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) 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)
2008	\$ -	\$ 3,465,544	0.00%	\$ 3,465,544	\$ 24,830,782	14%

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
 December 31, 2008

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 116,200	\$ 367,591	32%

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

SUPPLEMENTAL INFORMATION

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues

Year Ended December 31, 2008

With Comparative Actual Amounts for Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Taxes					
General property	\$ 3,412,944	\$ 3,412,944	\$ 3,412,944	\$ -	\$ 3,674,465
Tax roll over run	100	100	57	(43)	43
Occupational - grain	2,978	2,978	2,979	1	2,989
Occupational - coal	5,294	5,294	5,295	1	4,992
Omitted taxes	-	-	337	337	92,919
Mobile home	58,405	58,405	50,047	(8,358)	56,151
Retained sales tax	-	-	125	125	526
Payments in lieu of taxes	65,000	65,000	32,880	(32,120)	67,690
Interest	58,000	58,000	59,505	1,505	61,880
Total Taxes	3,602,721	3,602,721	3,564,169	(38,552)	3,961,655
Special Assessments					
Seal coating	40,000	40,000	29,873	(10,127)	38,226
Dust palliatives	5,000	5,000	1,937	(3,063)	3,696
Housing code	-	-	1,206	1,206	-
Weed cutting	18,000	18,000	16,375	(1,625)	17,175
Snow removal	115,000	115,000	111,758	(3,242)	110,249
Christmas lighting	12,500	12,500	15,645	3,145	12,917
Total Special Assessments	190,500	190,500	176,794	(13,706)	182,263
Intergovernmental					
Shared taxes from state	6,051,940	6,051,940	6,054,615	2,675	6,053,049
Expenditure restraint payment	309,621	309,621	309,488	(133)	254,949
Exempt computer aid	91,642	91,642	79,559	(12,083)	91,642
Municipal services	48,583	48,583	48,341	(242)	40,578
Fire insurance tax	64,659	64,659	58,070	(6,589)	58,808
Highway aids	2,045,821	2,045,821	2,044,423	(1,398)	1,971,005
Connecting streets	237,567	237,567	237,568	1	236,365
Lift bridges	233,444	233,444	215,487	(17,957)	227,261
Highway safety	5,000	5,000	21,212	16,212	33,751
Public safety	2,500	2,500	-	(2,500)	-
Other grants	10,000	10,000	139,581	129,581	14,209
Total Intergovernmental	9,100,777	9,100,777	9,208,344	107,567	8,981,617

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues (Continued)

Year Ended December 31, 2008

With Comparative Actual Amounts for Year Ended December 31, 2007

	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	55,747	(3,953)	56,489
Nonfermented malt beverages	200	200	170	(30)	170
Operators	25,745	25,745	24,537	(1,208)	18,065
Cigarette	7,000	7,000	6,300	(700)	6,800
Soda water	1,500	1,500	1,520	20	1,520
Bowling alley	300	300	250	(50)	250
Adult entertainment	1,650	1,650	1,650	-	1,325
Mobile home park	550	550	375	(175)	375
Taxicab	300	300	120	(180)	690
Taxicab drivers	1,200	1,200	388	(812)	576
Ambulance and hearse	120	120	150	30	90
Garbage collectors	900	900	930	30	1,140
Theater	500	500	750	250	600
Bicycle	750	750	389	(361)	556
Dog and cat	21,620	21,620	17,536	(4,084)	16,711
Amusement	500	500	50	(450)	250
Direct sellers	1,350	1,350	410	(940)	200
Christmas tree dealers	200	200	150	(50)	150
Pawnbroker	1,000	1,000	473	(527)	770
Electrical	9,500	9,500	10,210	710	10,930
Change of agent/transfer	100	100	30	(70)	40
Cable television	273,119	273,119	285,666	12,547	277,256
Permits					
Sidewalk café	75	75	150	75	75
Building	196,130	196,130	213,011	16,881	245,082
Sign	6,600	6,600	11,319	4,719	9,516
Electrical	72,000	72,000	150,555	78,555	92,455
Plumbing	53,000	53,000	97,578	44,578	59,255
Heating	50,000	50,000	69,484	19,484	54,268
Zoning board of appeals	2,000	2,000	3,100	1,100	4,500
Housing code	9,690	9,690	8,020	(1,670)	8,140
State of Wisconsin seals	1,080	1,080	930	(150)	1,140
Well operation	300	300	90	(210)	210
Alarm ordinance	60	60	120	60	120
Fireworks	25	25	50	25	25
Street opening	16,000	16,000	13,850	(2,150)	16,040
Driveway/sidewalk	4,000	4,000	3,620	(380)	2,850
Storm water	5,000	5,000	4,936	(64)	4,459
Total Licenses and Permits	823,764	823,764	984,614	160,850	893,088

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Revenues (Continued)

Year Ended December 31, 2008

With Comparative Actual Amounts for Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Fines and Forfeitures					
Parking violations	75,000	75,000	58,089	(16,911)	57,583
Municipal court fines	276,500	276,500	310,707	34,207	242,623
Late fees dog licenses	900	900	929	29	2,602
Other	3,000	3,000	5,192	2,192	2,475
Total Fines and Forfeitures	355,400	355,400	374,917	19,517	305,283
Public Charges for Services					
Clerk	20,250	20,250	11,262	(8,988)	16,825
Treasurer	55,000	55,000	54,503	(497)	46,232
Attorney	97,254	97,254	86,284	(10,970)	89,849
Assessor	300	300	305	5	340
Engineer	415,828	415,828	689,952	274,124	530,888
GIS land record management	10,000	10,000	11,010	1,010	10,709
Planning	8,000	8,000	11,161	3,161	12,081
Police department	2,500	2,500	2,954	454	2,253
Police service fees	150	150	669	519	136
Impounded vehicles	125	125	-	(125)	158
Rescue squad	687,939	687,939	682,805	(5,134)	729,955
Sealer	12,800	12,800	15,236	2,436	13,899
Museum	800	800	1,003	203	1,154
Recreation building	17,000	17,000	15,356	(1,644)	13,101
Recreation - team sports	50,000	50,000	40,337	(9,663)	49,897
Recreation - program fees	44,033	44,033	32,115	(11,918)	46,724
Recreation - rentals	31,000	31,000	36,102	5,102	35,590
Recreation - concessions	3,000	3,000	2,482	(518)	3,358
Recreation - other	5,200	5,200	74	(5,126)	6,909
Senior citizens	19,000	19,000	16,543	(2,457)	16,141
Street permit repairs	78,000	78,000	74,825	(3,175)	96,409
Zoo admissions	6,500	6,500	9,411	2,911	9,707
Columbarium Sales	-	-	2,021	2,021	7,782
Sale of cemetery lots	52,823	52,823	34,937	(17,886)	47,510
Foundations	11,685	11,685	7,898	(3,787)	8,794
Burial fees	116,685	116,685	99,074	(17,611)	107,750
Total Public Charges for Services	1,745,872	1,745,872	1,938,319	192,447	1,904,151
Intergovernmental Charges for Services					
Counties and municipalities	35,297	35,297	49,816	14,519	26,299
City administrative fees	39,948	39,948	39,065	(883)	36,478
Schools and special districts	1,500	1,500	1,039	(461)	2,043
Police - school liaison	109,232	109,232	119,356	10,124	94,072
Total Intergovernmental Charges for Services	185,977	185,977	209,276	23,299	158,892

(Continued)

CITY OF MANITOWOC, WISCONSIN
 General Fund
 Schedule of Budgeted and Actual Revenues (Continued)
 Year Ended December 31, 2008
 With Comparative Actual Amounts for Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Interdepartmental Charges for Services					
TIF administrative fees	33,213	33,213	27,257	(5,956)	37,172
City equipment rental	29,570	29,570	149,371	119,801	101,241
Health insurance	1,174,838	1,174,838	1,174,838	-	724,885
Street department labor	100,940	100,940	75,654	(25,286)	81,346
DPW materials	35,450	35,450	49,129	13,679	29,036
Sewer major repairs	50,000	50,000	-	(50,000)	15,581
Sewer maintenance	405,000	405,000	338,421	(66,579)	354,968
Total Interdepartmental Charges for Services	1,829,011	1,829,011	1,814,670	(14,341)	1,344,229
Miscellaneous					
Interest on investments	1,225,000	1,225,000	1,555,186	330,186	1,640,752
Rents	41,000	41,000	41,394	394	35,433
Sale of general capital assets	102,000	102,000	-	(102,000)	84,828
Sale of salvage and waste products	5,535	5,535	9,016	3,481	4,137
Marina lease	180,000	180,000	165,853	(14,147)	184,763
Car ferry lease	40,000	40,000	40,000	-	40,000
Other leases	38,000	38,000	41,000	3,000	38,000
Sale of photo copies	500	500	1,106	606	1,082
Donations	80,538	80,538	125,325	44,787	132,263
Other	16,000	16,000	12,267	(3,733)	13,316
Total Miscellaneous	1,728,573	1,728,573	1,991,147	262,574	2,174,574
Total Revenues	\$ 19,562,595	\$ 19,562,595	20,262,250	\$ 699,655	\$ 19,905,752

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Expenditures

Year Ended December 31, 2008

With Comparative Actual Amounts for Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
General Government					
Council	\$ 77,816	\$ 78,366	\$ 75,754	\$ 2,612	\$ 70,153
Mayor	193,579	193,579	178,864	14,715	186,470
Clerk	286,531	286,881	254,181	32,700	258,108
Elections	89,842	96,842	96,472	370	28,824
Postage	46,500	46,500	48,164	(1,664)	44,929
Board of review	1,170	2,170	436	1,734	2,492
Assessor	218,741	220,140	213,412	6,728	206,246
Finance	261,566	263,071	251,617	11,454	251,154
Treasurer	275,055	276,005	264,847	11,158	281,573
Data processing	360,812	360,812	358,753	2,059	328,411
Payroll	129,936	129,936	122,723	7,213	121,534
Attorney	506,429	506,429	483,555	22,874	562,766
Cable television	4,000	4,000	1,429	2,571	1,324
Personnel	233,804	240,804	146,541	94,263	200,215
Municipal court	102,469	102,919	98,367	4,552	105,661
Duplicating	50,936	50,936	50,641	295	46,740
City hall	225,501	225,501	221,618	3,883	208,690
Buildings and grounds shop	5,500	5,500	6,693	(1,193)	5,402
Property insurance	41,995	41,995	42,435	(440)	37,455
Other insurance	369,000	369,000	351,588	17,412	496,540
Miscellaneous	122,000	122,000	47,184	74,816	32,482
Total General Government	3,603,182	3,623,386	3,315,274	308,112	3,477,169
Public Safety					
Police	7,443,240	7,474,480	7,206,921	267,559	7,094,580
Fire	5,407,306	5,477,283	5,285,965	191,318	5,087,453
Building inspection	557,081	560,813	556,963	3,850	512,933
Civil defense	3,690	3,690	6,651	(2,961)	1,337
Total Public Safety	13,411,317	13,516,266	13,056,500	459,766	12,696,303
Public Works					
Engineer	1,070,678	1,111,097	1,118,923	(7,826)	1,069,237
Streets administration	341,461	341,461	399,249	(57,788)	330,041
Street repairs	1,142,103	1,148,203	1,088,347	59,856	1,040,654
Seal coating	120,059	120,059	109,497	10,562	89,242
Alley and local roads	13,705	13,705	15,883	(2,178)	18,273
8th St. bridge	207,679	207,679	201,965	5,714	189,254
10th St. bridge	25,765	25,765	15,688	10,077	23,139
Other bridges	6,356	6,356	694	5,662	1,014

(Continued)

CITY OF MANITOWOC, WISCONSIN

General Fund

Schedule of Budgeted and Actual Expenditures (Continued)

Year Ended December 31, 2008

With Comparative Actual Amounts for Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
	Original	Final			
Public Works (Continued)					
Curb and walks	74,247	76,747	66,752	9,995	58,612
Street cleaning	273,547	273,547	255,045	18,502	272,041
Snow and ice removal	741,169	741,169	1,277,732	(536,563)	724,203
Traffic control	403,188	406,788	375,634	31,154	388,178
Street lighting	664,650	664,650	753,516	(88,866)	740,375
Docks and harbors	63,174	76,602	64,368	12,234	63,987
Gravel pit	7,856	7,856	13,625	(5,769)	7,870
Solid waste disposal	208,050	208,050	203,540	4,510	195,477
Sanitary sewers	415,142	415,142	326,376	88,766	381,079
Weed cutting	114,125	114,125	139,426	(25,301)	110,836
Tree and brush removal	285,238	285,238	270,341	14,897	233,537
Storm sewers	255,346	255,346	303,847	(48,501)	158,201
Lift stations	85,280	85,280	59,011	26,269	50,182
Interdepartmental charges	91,844	91,844	43,941	47,903	93,474
Total Public Works	6,610,662	6,676,709	7,103,400	(426,691)	6,238,906
Health and Human Services					
Evergreen cemetery	485,249	485,249	502,732	(17,483)	458,436
Culture and Recreation					
Rahr West Museum	474,367	477,467	466,062	11,405	400,794
Marine band	25,500	25,500	25,500	-	25,500
Civic orchestra	8,000	8,000	-	8,000	8,000
Recreation					
Administration	515,114	522,470	497,525	24,945	460,082
Buildings and grounds	1,903,198	1,916,597	1,770,494	146,103	1,718,171
Recreational programs	269,483	276,638	162,163	114,475	187,267
Senior citizens center	192,184	192,184	186,494	5,690	184,555
July 4th picnic/fireworks	-	4,105	33,028	(28,923)	32,095
Special events	-	2,663	-	2,663	-
Banners and decorations	15,600	15,600	14,517	1,083	18,388
Total Culture and Recreation	3,403,446	3,441,224	3,155,783	285,441	3,034,852
Conservation and Development					
Planning	524,847	564,817	509,061	55,756	459,887
Community Development Authority	2,725	2,725	1,709	1,016	1,721
Total Conservation and Development	527,572	567,542	510,770	56,772	461,608
Total Expenditures	\$ 28,041,428	\$ 28,310,376	\$ 27,644,459	\$ 665,917	\$ 26,367,274

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. 2, 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.

Manitowoc Calumet Library System

To account for transactions relating to Library operating assistance received from the Manitowoc Calumet Library 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.

Manitowoc County Municipal Executive Group

Funds have been established to account for transactions relating to the chief elected officials of the 12 municipalities of Manitowoc County who meet monthly to discuss and take action on legislative and other issues relevant to the group.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

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.

Car Ferry Dock Facilities

To account for transactions relating to car ferry dock improvement projects.

Tax Increment Districts

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

THIS PAGE LEFT BLANK INTENTIONALLY

CITY OF MANITOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Year Ended December 31, 2008

		Special Revenue Funds					
	Room Tax	Farmer's Market	Parking Meters	Mandatory Recycling	Tax Increment Districts		
					No. 2	No. 7	No. 8
ASSETS							
Cash and investments	\$ 189,803	\$ 17,831	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	94,119	-	-	345,539	26,578
Taxes	-	-	-	-	-	-	-
Special assessments	-	-	954	117,096	-	-	-
Accounts	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 189,803	\$ 17,831	\$ 95,073	\$ 117,096	\$ -	\$ 345,539	\$ 26,578
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 507	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -
Due to other funds	-	-	954	105,096	-	609,783	160,870
Contracts payable	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-
Deferred revenue	-	-	94,119	-	-	374,689	26,578
Total Liabilities	507	-	95,073	117,096	-	984,472	187,448
FUND BALANCE							
Unreserved	189,296	-	-	-	-	-	-
Designated for special projects	-	17,831	-	-	-	(638,933)	(160,870)
Undesignated	-	-	-	-	-	(638,933)	(160,870)
Total Fund Balance (Deficit)	189,296	17,831	-	-	-	(638,933)	(160,870)
TOTAL LIABILITIES AND FUND BALANCE	\$ 189,803	\$ 17,831	\$ 95,073	\$ 117,096	\$ -	\$ 345,539	\$ 26,578

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Year Ended December 31, 2008

		Special Revenue Funds (Continued)						
		Commercial Revolving Loan	Transit Capital Grant	Housing Revolving Loan	Community Development Block Grant	HCRI Revolving Loan	Industrial Revolving Loan	Manitowoc Calumet Library System
ASSETS								
Cash and investments	\$ 657,201	\$ 17,165	\$ 191,408	\$ 2,816	\$ 19,203	\$ 2,567,355	\$ -	
Receivables	-	-	-	-	-	-	-	
Taxes	-	-	-	-	-	-	-	
Special assessments	47,952	17,797	-	-	-	-	-	37,200
Accounts	92,157	-	2,976,108	-	173,754	2,190,753	-	
Loans								
TOTAL ASSETS	\$ 797,310	\$ 34,962	\$ 3,167,516	\$ 2,816	\$ 192,957	\$ 4,758,108	\$ 37,200	
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Due to other funds	-	-	-	-	-	-	-	37,200
Contracts payable	-	-	-	-	-	-	-	
Special deposits	-	-	-	-	-	-	-	
Deferred revenue	92,157	-	2,976,108	-	173,754	2,190,753	-	
Total Liabilities	92,157	-	2,976,108	-	173,754	2,190,753	-	37,200
FUND BALANCE								
Unreserved	-	-	-	-	-	-	-	
Designated for special projects	705,153	34,962	191,408	2,816	19,203	2,567,355	-	
Undesignated	705,153	34,962	191,408	2,816	19,203	2,567,355	-	
Total Fund Balance (Deficit)	\$ 797,310	\$ 34,962	\$ 3,167,516	\$ 2,816	\$ 192,957	\$ 4,758,108	\$ 37,200	
TOTAL LIABILITIES AND FUND BALANCE								

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Year Ended December 31, 2008

		Special Revenue Funds (Continued)					
	Library	Manitowoc International Relations Assoc	Manitowoc Municipal Executive Group	Enhanced EMS	Rahr West Museum	Police Programs	Parkland Dedication
ASSETS							
Cash and investments	\$ 1,165,303	\$ 11,630	\$ 325	\$ -	\$ 378,528	\$ 89,925	\$ 250,137
Receivables	1,636,192	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Special assessments	-	-	-	670,008	-	-	-
Accounts	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,801,495	\$ 11,630	\$ 325	\$ 670,008	\$ 378,528	\$ 89,925	\$ 250,137
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 50,855	\$ -	\$ -	\$ 3,677	\$ -	\$ 60	\$ -
Due to other funds	-	-	-	656,526	-	-	-
Contracts payable	-	-	-	-	-	-	-
Special deposits	-	-	-	-	-	53,322	-
Deferred revenue	1,698,313	-	-	-	-	-	-
Total Liabilities	1,749,168	-	-	660,203	-	53,382	-
FUND BALANCE							
Unreserved	94,000	-	-	-	-	-	-
Designated for special projects	958,327	11,630	325	9,805	378,528	36,543	250,137
Undesignated	1,052,327	11,630	325	9,805	378,528	36,543	250,137
Total Fund Balance (Deficit)	\$ 2,801,495	\$ 11,630	\$ 325	\$ 670,008	\$ 378,528	\$ 89,925	\$ 250,137

(Continued)

CITY OF MANTOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Year Ended December 31, 2008

Special Revenue Funds (Continued)							Total Special Revenue Funds
Aquatic Center	Senior Center	X Sports Complex	Eternal Flame	Centennial	Zoo Improve- ments		
\$ 4,468	\$ 235,314	\$ 10,595	\$ 70,105	\$ 6,623	\$ 2,292	\$ 5,888,027	
-	-	-	-	-	-	2,102,428	
-	-	-	-	-	-	-	
-	-	-	-	-	-	891,007	
-	-	-	-	-	-	5,432,772	
\$ 4,468	\$ 235,314	\$ 10,595	\$ 70,105	\$ 6,623	\$ 2,292	\$ 14,314,234	

\$ 80	\$ 6,544	\$ -	\$ -	\$ -	\$ -	\$ 73,723
-	-	-	-	-	-	1,570,429
-	-	-	-	-	-	-
-	-	-	-	-	-	53,322
-	-	-	-	-	-	7,626,471
80	6,544	-	-	-	-	9,323,945

-	-	-	-	-	-	283,296
4,388	228,770	10,595	70,105	6,623	2,292	4,706,993
4,388	228,770	10,595	70,105	6,623	2,292	4,990,289

\$ 4,468	\$ 235,314	\$ 10,595	\$ 70,105	\$ 6,623	\$ 2,292	\$ 14,314,234
----------	------------	-----------	-----------	----------	----------	---------------

ASSETS

Cash and investments
 Receivables
 Taxes
 Special assessments
 Accounts
 Loans

TOTAL ASSETS

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable
 Due to other funds
 Contracts payable
 Special deposits
 Deferred revenue
 Total Liabilities

FUND BALANCE

Unreserved
 Designated for special projects
 Undesignated
 Total Fund Balance (Deficit)

TOTAL LIABILITIES AND FUND BALANCE

CITY OF MANITOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008

		Capital Projects Funds						
		Streets	Harbor Improve- ments	Capital Equipment	Environmental Remediation	Cemetery Improve- ments	Buildings and Other Improve- ments	Car Ferry Dock Facilities
ASSETS								
Cash and investments	\$ 1,826,284	\$ 797,503	\$ 225,523	\$ 845,514	\$ 155,767	\$ 21,111	\$ 159,960	\$ 12,345
Receivables	-	-	-	96,525	-	-	115,618	-
Taxes	204,361	1,019,792	-	-	-	-	-	-
Special assessments	21,324	9,150	-	-	-	441	-	-
Accounts	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,051,969	\$ 1,826,445	\$ 225,523	\$ 942,039	\$ 155,767	\$ 21,552	\$ 275,578	\$ 12,345
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 6,634	\$ 1,091	\$ -	\$ 34,162	\$ -	\$ -	\$ 6,709	\$ -
Due to other funds	-	113,373	-	-	-	-	-	-
Contracts payable	1,595,453	155,779	-	-	-	-	-	-
Special deposits	-	-	-	-	-	-	-	-
Deferred revenue	230,315	1,019,792	-	96,525	-	-	115,618	-
Total Liabilities	1,832,402	1,290,035	-	130,687	-	-	122,327	-
FUND BALANCE								
Unreserved	-	-	-	-	-	-	-	-
Designated for special projects	219,567	536,410	225,523	811,352	155,767	21,552	153,251	12,345
Undesignated	219,567	536,410	225,523	811,352	155,767	21,552	153,251	12,345
Total Fund Balance (Deficit)	\$ 2,051,969	\$ 1,826,445	\$ 225,523	\$ 942,039	\$ 155,767	\$ 21,552	\$ 275,578	\$ 12,345

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2008

	Capital Projects Funds (Continued)										Total Capital Projects Funds	Total Nonmajor Governmental Funds
	No. 9	No. 10	No. 11	No. 12	No. 13	No. 14	No. 15	No. 16	No. 17			
ASSETS												
Cash and investments	\$ -	\$ 201,204	\$ -	\$ -	\$ 519,990	\$ -	\$ -	\$ -	\$ 424,514	\$ 214,768	\$ 5,404,483	\$ 11,292,510
Receivables												
Taxes	209,763	71,194	117,566	145,215	196,669	39,400	951,278	123,874	19,097		2,086,199	4,188,627
Special assessments	-	-	-	-	-	-	-	-	-	-	1,224,153	1,224,153
Accounts	-	-	-	-	-	-	-	-	-	-	30,915	921,922
Loans	-	-	-	-	-	-	-	-	-	-	-	5,432,772
TOTAL ASSETS	\$ 209,763	\$ 272,398	\$ 117,566	\$ 145,215	\$ 716,659	\$ 39,400	\$ 951,278	\$ 548,388	\$ 233,865	\$ 8,745,750	\$ 23,059,984	
LIABILITIES AND FUND BALANCE												
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,596	\$ 122,319
Due to other funds	707,655	-	144,059	965,627	-	80,266	220,018	-	-	-	2,230,998	3,801,427
Contracts payable	-	-	-	-	-	-	2,975	-	-	-	1,754,207	1,754,207
Special deposits	-	-	-	-	-	-	-	-	-	-	-	53,322
Deferred revenue	209,763	71,194	117,566	145,215	196,669	39,400	951,278	123,874	46,302	46,302	3,363,511	10,989,982
Total Liabilities	917,418	71,194	261,625	1,110,842	196,669	119,666	1,174,271	123,874	46,302	46,302	7,397,312	16,721,257
FUND BALANCE												
Unreserved	-	-	-	-	-	-	-	-	-	-	-	283,296
Designated for special projects	(707,655)	201,204	(144,059)	(965,627)	519,990	(80,266)	(222,993)	424,514	187,563	187,563	1,348,438	6,055,431
Undesignated	(707,655)	201,204	(144,059)	(965,627)	519,990	(80,266)	(222,993)	424,514	187,563	187,563	1,348,438	6,338,727
Total Fund Balance (Deficit)	\$ 209,763	\$ 272,398	\$ 117,566	\$ 145,215	\$ 716,659	\$ 39,400	\$ 951,278	\$ 548,388	\$ 233,865	\$ 8,745,750	\$ 23,059,984	

CITY OF MANITOWOC, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2008

	Special Revenue Funds			
	Room Tax	Farmer's Market	Parking Meters	Mandatory Recycling
Revenues				
Taxes				
Property	\$ -	\$ -	\$ 87,854	\$ -
Room	401,529	-	-	-
Total Taxes	<u>401,529</u>	<u>-</u>	<u>87,854</u>	<u>-</u>
Special assessments	-	-	-	-
Intergovernmental				
State aids	-	-	-	360,738
County aids	-	-	-	-
Federated library system aid	-	-	-	-
Charges for services	-	-	-	117,096
Total Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,834</u>
Public charges for services	-	-	-	-
Interdepartmental charges for services	-	-	-	-
Miscellaneous				
Interest	-	533	-	-
Rent	-	8,900	6,344	-
Sale of property	-	-	-	-
Donations	-	-	-	-
Loan repayments	-	-	-	-
Total Miscellaneous	<u>-</u>	<u>9,433</u>	<u>6,344</u>	<u>-</u>
Total Revenues	<u>401,529</u>	<u>9,433</u>	<u>94,198</u>	<u>477,834</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	66,017	-
Public works	-	-	31,149	155,186
Culture and recreation	-	10,159	-	-
Conservation and development	400,969	-	-	-
Debt service				
Bond issuance costs	-	-	-	-
Total Expenditures	<u>400,969</u>	<u>10,159</u>	<u>97,166</u>	<u>155,186</u>
Excess of Revenues Over (Under)				
Expenditures	<u>560</u>	<u>(726)</u>	<u>(2,968)</u>	<u>322,648</u>
Other Financing Sources (Uses)				
General obligation debt issued	-	-	-	-
Transfers in	-	-	2,968	-
Transfers out	(16,730)	-	-	(322,648)
Total Other Financing Sources (Uses)	<u>(16,730)</u>	<u>-</u>	<u>2,968</u>	<u>(322,648)</u>
Net Change in Fund Balances	(16,170)	(726)	-	-
Fund Balance (Deficit) - January 1	<u>205,466</u>	<u>18,557</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ 189,296</u>	<u>\$ 17,831</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds (Continued)

Tax Increment District			Commercial Revolving Loan	Transit Capital Grant	Housing Revolving Loan	Community Development Block Grant	HCRI Revolving Loan	Industrial Revolving Loan
No. 2	No. 7	No. 8						
\$ 151,910	\$ 343,241	\$ 26,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
151,910	343,241	26,860	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
163	3,802	60	-	17,797	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
163	3,802	60	-	17,797	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	17,207	-	4,262	-	393	52,173
-	-	-	-	-	-	-	-	-
-	22,551	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	56,789	-	169,208	13,511	7,521	965,245
-	22,551	-	73,996	-	173,470	13,511	7,914	1,017,418
152,073	369,594	26,920	73,996	17,797	173,470	13,511	7,914	1,017,418
-	-	-	-	-	-	-	-	-
2,500	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	228,377	-	-	22,246	-	-	-	-
-	-	-	-	-	-	-	-	-
-	16,404	4,537	222,922	-	147,515	25,299	-	608,087
-	-	-	-	-	-	-	-	-
2,500	244,781	4,537	222,922	22,246	147,515	25,299	-	608,087
149,573	124,813	22,383	(148,926)	(4,449)	25,955	(11,788)	7,914	409,331
-	-	-	-	-	-	-	-	-
2,500	-	-	-	-	-	-	-	-
(152,073)	(764,861)	(50,030)	-	-	-	-	-	-
(149,573)	(764,861)	(50,030)	-	-	-	-	-	-
-	(640,048)	(27,647)	(148,926)	(4,449)	25,955	(11,788)	7,914	409,331
-	1,115	(133,223)	854,079	39,411	165,453	14,604	11,289	2,158,024
\$ -	\$ (638,933)	\$ (160,870)	\$ 705,153	\$ 34,962	\$ 191,408	\$ 2,816	\$ 19,203	\$ 2,567,355

(Continued)

CITY OF MANITOWOC, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2008

	Special Revenue Funds (Continued)					
	Manitowoc Calumet Library System	Library	Manitowoc International Relations Assoc	Manitowoc Municipal Executive Group	Enhanced EMS	Rahr West Museum
Revenues						
Taxes						
Property	\$ -	\$ 1,604,110	\$ -	\$ -	\$ -	\$ -
Room	-	-	-	-	-	-
Total Taxes	-	1,604,110	-	-	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental						
State aids	-	-	-	-	10,703	-
County aids	-	600,424	-	-	-	-
Federated library system aid	270,336	-	-	-	-	-
Charges for services	-	42,607	-	-	-	-
Total Intergovernmental	270,336	643,031	-	-	10,703	-
Public charges for services	-	73,304	-	-	1,156,252	-
Interdepartmental charges for services	-	-	-	-	-	-
Miscellaneous						
Interest	-	5,004	-	-	-	10,164
Rent	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-
Donations	-	32,115	-	-	-	89,628
Loan repayments	-	-	-	-	-	-
Total Miscellaneous	-	37,119	-	-	-	99,792
Total Revenues	270,336	2,357,564	-	-	1,166,955	99,792
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	1,206,135	-
Public works	-	-	-	-	-	-
Culture and recreation	270,336	2,010,727	-	-	-	117,331
Conservation and development	-	-	936	18	-	-
Debt service						
Bond issuance costs	-	-	-	-	-	-
Total Expenditures	270,336	2,010,727	936	18	1,206,135	117,331
Excess of Revenues Over (Under) Expenditures	-	346,837	(936)	(18)	(39,180)	(17,539)
Other Financing Sources (Uses)						
General obligation debt issued	-	-	-	-	-	-
Transfers in	-	-	-	-	47,499	-
Transfers out	-	(34,085)	-	-	(17,777)	-
Total Other Financing Sources (Uses)	-	(34,085)	-	-	29,722	-
Net Change in Fund Balances	-	312,752	(936)	(18)	(9,458)	(17,539)
Fund Balance (Deficit) - January 1	-	739,575	12,566	343	19,263	396,067
Fund Balance (Deficit) - December 31	\$ -	\$ 1,052,327	\$ 11,630	\$ 325	\$ 9,805	\$ 378,528

Police Programs	Parkland Dedication	Aquatic Center	Senior Center	X Sports Complex	Eternal Flame	Centennial	Zoo Improvements	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,213,975
-	-	-	-	-	-	-	-	401,529
-	-	-	-	-	-	-	-	2,615,504
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	393,263
-	-	-	-	-	-	-	-	600,424
-	-	-	-	-	-	-	-	270,336
-	-	-	-	-	-	-	-	159,703
-	-	-	-	-	-	-	-	1,423,726
150	-	-	-	-	-	-	-	1,229,706
-	-	-	-	-	-	-	-	-
59	6,163	138	6,521	261	1,880	484	67	105,309
540	-	-	-	-	-	-	-	15,784
2,296	-	-	-	-	-	-	-	24,847
4,081	-	3,137	7,772	-	-	-	6,404	143,137
-	-	-	-	-	-	-	-	1,212,274
6,976	6,163	3,275	14,293	261	1,880	484	6,471	1,501,351
7,126	6,163	3,275	14,293	261	1,880	484	6,471	6,770,287
-	-	-	-	-	-	-	-	2,500
-	-	-	-	-	-	-	-	1,272,152
-	-	-	-	-	-	-	-	436,958
-	-	1,320	55,725	-	9,736	-	6,174	2,481,508
-	-	-	-	-	-	-	-	1,426,687
-	-	-	-	-	-	-	-	-
-	-	1,320	55,725	-	9,736	-	6,174	5,619,805
7,126	6,163	1,955	(41,432)	261	(7,856)	484	297	1,150,482
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	52,967
-	-	-	-	-	-	-	-	(1,358,204)
-	-	-	-	-	-	-	-	(1,305,237)
7,126	6,163	1,955	(41,432)	261	(7,856)	484	297	(154,755)
29,417	243,974	2,433	270,202	10,334	77,961	6,139	1,995	5,145,044
\$ 36,543	\$ 250,137	\$ 4,388	\$ 228,770	\$ 10,595	\$ 70,105	\$ 6,623	\$ 2,292	\$ 4,990,289

CITY OF MANITOWOC, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

Year Ended December 31, 2008

	Capital Projects Funds							
	Sanitary and Storm Sewers	Streets	Harbor Improve- ments	Capital Equipment	Environ- mental Remediation	Cemetery Improve- ments	Buildings and Other Improve- ments	Car Ferry Dock Facilities
Revenues								
Taxes								
Property	\$ -	\$ -	\$ -	\$ 101,962	\$ -	\$ -	\$ 144,063	\$ -
Room	-	-	-	-	-	-	-	-
Total Taxes	-	-	-	101,962	-	-	144,063	-
Special assessments	124,747	1,052,927	-	-	-	-	-	-
Intergovernmental								
State aids	11,471	82,957	-	64,899	-	-	-	-
County aids	-	-	-	-	-	-	-	-
Federated library system aid	-	-	-	-	-	-	-	-
Charges for services	-	5,900	-	-	-	-	-	-
Total Intergovernmental	11,471	88,857	-	64,899	-	-	-	-
Public charges for services	-	9,751	-	-	-	5,022	-	-
Interdepartment charges for services	3,672,829	-	-	-	-	-	-	-
Miscellaneous								
Interest	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Sale of property	-	-	-	32,707	-	-	-	-
Donations	-	350	3,000	19,000	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-
Total Miscellaneous	-	350	3,000	51,707	-	-	-	-
Total Revenues	3,809,047	1,151,885	3,000	218,568	-	5,022	144,063	-
Expenditures								
General government	-	-	-	420,745	-	-	8,116	-
Public safety	-	-	-	308,475	-	-	21,713	-
Public works	4,565,716	2,267,610	1,045	340,250	167,256	-	3,557	147
Culture and recreation	-	-	-	103,997	-	-	66,746	-
Conservation and development	-	-	-	12,011	-	-	91,359	-
Debt service								
Bond issuance costs	21,216	16,443	-	1,448	670	-	69	-
Total Expenditures	4,586,932	2,284,053	1,045	1,186,926	167,926	-	191,560	147
Excess of Revenues Over (Under)								
Expenditures	(777,885)	(1,132,168)	1,955	(968,358)	(167,926)	5,022	(47,497)	(147)
Other Financing Sources (Uses)								
General obligation debt issued	3,206,000	2,559,000	-	463,000	100,000	-	22,000	-
Transfers in	-	-	5,000	288,000	-	-	-	-
Transfers out	(2,466,905)	(1,373,476)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	739,095	1,185,524	5,000	751,000	100,000	-	22,000	-
Net Change in Fund Balances	(38,790)	53,356	6,955	(217,358)	(67,926)	5,022	(25,497)	(147)
Fund Balances (Deficit) -								
January 1	258,357	483,054	218,568	1,028,710	223,693	16,530	178,748	12,492
Fund Balances (Deficit) -								
December 31	\$ 219,567	\$ 536,410	\$ 225,523	\$ 811,352	\$ 155,767	\$ 21,552	\$ 153,251	\$ 12,345

Capital Projects Funds (Continued)									Total Capital Projects Funds	Total Nonmajor Governmental Funds
Tax Incremental Districts										
No. 9	No. 10	No. 11	No. 12	No. 13	No. 14	No. 15	No. 16	No. 17		
\$ 180,315	\$ 74,831	\$ 116,090	\$ 144,279	\$ 159,639	\$ 54,100	\$ 1,067,703	\$ 87,735	\$ -	\$ 2,130,717	\$ 4,344,692
-	-	-	-	-	-	-	-	-	-	401,529
180,315	74,831	116,090	144,279	159,639	54,100	1,067,703	87,735	-	2,130,717	4,746,221
-	-	-	-	-	-	-	-	-	1,177,674	1,177,674
817	2,674	3,037	4,469	57,723	886	8,158	10,890	-	247,981	641,244
-	-	-	-	-	-	-	-	-	-	600,424
-	-	-	-	-	-	-	-	-	-	270,336
-	-	-	-	-	-	-	-	-	5,900	165,603
817	2,674	3,037	4,469	57,723	886	8,158	10,890	-	253,881	1,677,607
-	-	-	-	-	-	-	-	-	14,773	1,244,479
-	-	-	-	-	-	-	-	-	3,672,829	3,672,829
-	-	-	-	-	-	-	-	-	-	105,309
-	-	-	-	-	-	-	-	-	-	15,784
32,959	31,225	-	-	-	-	-	-	-	96,891	121,738
-	-	-	-	-	-	-	-	-	22,350	165,487
-	-	-	-	-	-	-	-	-	-	1,212,274
32,959	31,225	-	-	-	-	-	-	-	119,241	1,620,592
214,091	108,730	119,127	148,748	217,362	54,986	1,075,861	98,625	-	7,369,115	14,139,402
-	-	-	-	-	-	-	-	-	428,861	431,361
-	-	-	-	-	-	-	-	-	330,188	1,602,340
223	-	-	-	-	-	100,857	-	38,511	7,485,172	7,922,130
-	-	-	-	-	-	-	-	-	170,743	2,652,251
240,786	115,757	4,167	75,095	583	2,563	1,669,220	1,882,989	6,384	4,100,914	5,527,601
-	-	-	-	-	-	6,257	2,847	-	48,950	48,950
241,009	115,757	4,167	75,095	583	2,563	1,776,334	1,885,836	44,895	12,564,828	18,184,633
(26,918)	(7,027)	114,960	73,653	216,779	52,423	(700,473)	(1,787,211)	(44,895)	(5,195,713)	(4,045,231)
-	-	-	-	-	-	2,000,000	910,000	-	9,260,000	9,260,000
-	-	-	-	-	-	-	-	-	293,000	345,967
(246,613)	(76,759)	(159,893)	(357,811)	(88,860)	(49,385)	(793,162)	(321,145)	(79,311)	(6,013,320)	(7,371,524)
(246,613)	(76,759)	(159,893)	(357,811)	(88,860)	(49,385)	1,206,838	588,855	(79,311)	3,539,680	2,234,443
(273,531)	(83,786)	(44,933)	(284,158)	127,919	3,038	506,365	(1,198,356)	(124,206)	(1,656,033)	(1,810,788)
(434,124)	284,990	(99,126)	(681,469)	392,071	(83,304)	(729,358)	1,622,870	311,769	3,004,471	8,149,515
\$ (707,655)	\$ 201,204	\$ (144,059)	\$ (965,627)	\$ 519,990	\$ (80,266)	\$ (222,993)	\$ 424,514	\$ 187,563	\$ 1,348,438	\$ 6,338,727

CITY OF MANITOWOC, WISCONSIN
Room Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Room	\$ 397,226	\$ 401,529	\$ 4,303
Expenditures			
Conservation and development	384,740	400,969	(16,229)
Excess of Revenues Over (Under) Expenditures	12,486	560	(11,926)
Other Financing Sources (Uses)			
Transfers out	(16,551)	(16,730)	(179)
Net Change in Fund Balance	(4,065)	(16,170)	(12,105)
Fund Balance - January 1	205,466	205,466	-
Fund Balance - December 31	<u>\$ 201,401</u>	<u>\$ 189,296</u>	<u>\$ (12,105)</u>

CITY OF MANITOWOC, WISCONSIN
Parking Meters Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property	\$ 87,854	\$ 87,854	\$ -
Miscellaneous			
Parking fees	10,000	6,344	(3,656)
Total Revenues	<u>97,854</u>	<u>94,198</u>	<u>(3,656)</u>
Expenditures			
Public safety	68,368	66,017	2,351
Public works	29,486	31,149	(1,663)
Total Expenditures	<u>97,854</u>	<u>97,166</u>	<u>688</u>
Excess of Revenues Over (Under) Expenditures	-	(2,968)	(2,968)
Other Financing Sources (Uses)			
Transfers in	-	2,968	2,968
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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ 290,000	\$ 360,738	\$ 70,738
Charges for services	117,000	117,096	96
Total Revenues	<u>407,000</u>	<u>477,834</u>	<u>70,834</u>
Expenditures			
Public works	<u>146,750</u>	<u>155,186</u>	<u>(8,436)</u>
Excess of Revenues Over Expenditures	260,250	322,648	62,398
Other Financing Sources (Uses)			
Transfers out	<u>(260,250)</u>	<u>(322,648)</u>	<u>(62,398)</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. 2 Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 152,566	\$ 151,910	\$ (656)
Intergovernmental			
Exempt computer aid	160	163	3
Total Revenues	<u>152,726</u>	<u>152,073</u>	<u>(653)</u>
Expenditures			
General government			
Accounting and auditing	-	2,500	(2,500)
Excess of Revenues Over Expenditures	152,726	149,573	(3,153)
Other Financing Sources (Uses)			
Transfers in	-	2,500	2,500
Transfers out	(152,726)	(152,073)	653
Total Other Financing Sources (Uses)	<u>(152,726)</u>	<u>(149,573)</u>	<u>3,153</u>
Net Change in Fund Balance	-	-	-
Fund Balance - January 1	-	-	-
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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 344,725	\$ 343,241	\$ (1,484)
Intergovernmental			
Exempt computer aid	3,770	3,802	32
Miscellaneous			
Sale of property	-	22,551	22,551
Total Revenues	<u>348,495</u>	<u>369,594</u>	<u>21,099</u>
Expenditures			
Public Works			
Watertower	228,279	228,279	-
Sign replacement project	-	98	(98)
Conservation and development			
City admin fees	-	16,404	(16,404)
Total Expenditures	<u>228,279</u>	<u>244,781</u>	<u>(16,502)</u>
Excess of Revenues Over Expenditures	<u>120,216</u>	<u>124,813</u>	<u>4,597</u>
Other Financing Sources (Uses)			
Transfers out	<u>(120,216)</u>	<u>(764,861)</u>	<u>(644,645)</u>
Net Change in Fund Balance	-	(640,048)	(640,048)
Fund Balance - January 1	<u>1,115</u>	<u>1,115</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ 1,115</u>	<u>\$ (638,933)</u>	<u>\$ (640,048)</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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 26,976	\$ 26,860	\$ (116)
Intergovernmental			
Exempt computer aid	60	60	-
Total Revenues	<u>27,036</u>	<u>26,920</u>	<u>(116)</u>
Expenditures			
Conservation and development			
City admin fees	-	4,537	(4,537)
Excess of Revenues Over (Under) Expenditures	27,036	22,383	(4,653)
Other Financing Sources (Uses)			
Transfers out	(50,030)	(50,030)	-
Net Change in Fund Balance	(22,994)	(27,647)	(4,653)
Fund Balance (Deficit) - January 1	(133,223)	(133,223)	-
Fund Balance (Deficit) - December 31	<u>\$ (156,217)</u>	<u>\$ (160,870)</u>	<u>\$ (4,653)</u>

CITY OF MANITOWOC, WISCONSIN
 Transit Capital Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ -	\$ 17,797	\$ 17,797
Expenditures			
Public works	7,000	22,246	(15,246)
Net Change in Fund Balance	(7,000)	(4,449)	2,551
Fund Balance - January 1	39,411	39,411	-
Fund Balance - December 31	<u>\$ 32,411</u>	<u>\$ 34,962</u>	<u>\$ 2,551</u>

CITY OF MANITOWOC, WISCONSIN
Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property taxes	\$ 1,604,110	\$ 1,604,110	\$ -
Intergovernmental			
County aids	600,424	600,424	-
Charges for services	42,607	42,607	-
Public charges for services			
User fees	67,784	73,304	5,520
Miscellaneous			
Interest	-	5,004	5,004
Donations	-	32,115	32,115
Total Revenues	<u>2,314,925</u>	<u>2,357,564</u>	<u>42,639</u>
Expenditures			
Culture and recreation	<u>2,280,840</u>	<u>2,010,727</u>	<u>270,113</u>
Excess of Revenues Over (Under) Expenditures	34,085	346,837	312,752
Other Financing Sources (Uses)			
Transfers out	<u>(34,085)</u>	<u>(34,085)</u>	-
Net Change in Fund Balance	-	312,752	312,752
Fund Balance - January 1	<u>739,575</u>	<u>739,575</u>	-
Fund Balance - December 31	<u>\$ 739,575</u>	<u>\$ 1,052,327</u>	<u>\$ 312,752</u>

CITY OF MANITOWOC, WISCONSIN
Enhanced EMS Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental			
State aid	\$ 20,496	\$ 10,703	\$ (9,793)
Public charges for services			
User fees	1,330,602	1,156,252	(174,350)
Total Revenues	<u>1,351,098</u>	<u>1,166,955</u>	<u>(184,143)</u>
Expenditures			
Public safety	<u>1,125,513</u>	<u>1,206,135</u>	<u>(80,622)</u>
Excess of Revenues Over (Under) Expenditures	225,585	(39,180)	(264,765)
Other Financing Sources (Uses)			
Transfer in	-	47,499	47,499
Transfers out	<u>(244,848)</u>	<u>(17,777)</u>	<u>227,071</u>
Total Other Financing Sources (Uses)	<u>(244,848)</u>	<u>29,722</u>	<u>274,570</u>
Net Change in Fund Balance	(19,263)	(9,458)	9,805
Fund Balance - January 1	<u>19,263</u>	<u>19,263</u>	<u>-</u>
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 9,805</u>	<u>\$ 9,805</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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 4,671,472	\$ 4,671,472	\$ 4,671,472	\$ -
Miscellaneous				
Rental income	62,787	62,787	62,787	-
Interest	143,170	143,170	62,827	(80,343)
Rebates	143,339	143,339	143,339	-
Total Revenues	5,020,768	5,020,768	4,940,425	(80,343)
Expenditures				
Principal retirement				
Bonds	4,030,000	4,030,000	4,030,000	-
Notes	947,735	947,735	947,735	-
Interest charges				
Bonds	2,789,333	2,789,333	2,789,333	-
Notes	273,039	273,039	273,037	2
Bond/Note issuance costs	-	-	32,940	(32,940)
Total Expenditures	8,040,107	8,040,107	8,073,045	(32,938)
Excess of Revenues Over (Under)				
Expenditures	(3,019,339)	(3,019,339)	(3,132,620)	(113,281)
Other Financing Sources (Uses)				
General obligation bond/note premium	-	-	47,709	47,709
Transfers in	3,019,339	3,019,339	3,084,911	65,572
Total Other Financing Sources (Uses)	3,019,339	3,019,339	3,132,620	113,281
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	\$ -	\$ -	\$ -	\$ -

CITY OF MANITOWOC, WISCONSIN
Sanitary and Storm Sewers Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special assessments			
Sanitary sewers	\$ 46,860	\$ -	\$ (46,860)
Storm sewers	252,000	124,747	(127,253)
Intergovernmental			
Storm water management grant	-	11,471	11,471
Public charges for services			
Storm sewers	6,000	-	(6,000)
Interdepartmental charges for services			
Sanitary sewers	2,099,675	3,672,829	1,573,154
Total Revenues	<u>2,404,535</u>	<u>3,809,047</u>	<u>1,404,512</u>
Expenditures			
Public works			
Sanitary sewers	3,443,135	3,310,410	132,725
Storm sewers	1,617,000	1,255,306	361,694
Debt service			
Bond issuance costs	-	21,216	(21,216)
Total Expenditures	<u>5,060,135</u>	<u>4,586,932</u>	<u>473,203</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,655,600)</u>	<u>(777,885)</u>	<u>1,877,715</u>
Other Financing Sources (Uses)			
General obligation debt issued	3,669,700	3,206,000	(463,700)
Transfers out	(2,466,905)	(2,466,905)	-
Total Other Financing Sources (Uses)	<u>1,202,795</u>	<u>739,095</u>	<u>(463,700)</u>
Net Change in Fund Balance	(1,452,805)	(38,790)	1,414,015
Fund Balance - January 1	<u>258,357</u>	<u>258,357</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (1,194,448)</u>	<u>\$ 219,567</u>	<u>\$ 1,414,015</u>

CITY OF MANITOWOC, WISCONSIN
Streets Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special assessments			
Streets	\$ 641,476	\$ 905,405	\$ 263,929
Curb and sidewalks	154,000	147,522	(6,478)
Intergovernmental			
DOT grant	-	82,957	82,957
Charges for services	-	5,900	5,900
Public charges for services			
Fees	5,000	9,751	4,751
Miscellaneous			
Donations	-	350	350
Total Revenues	<u>800,476</u>	<u>1,151,885</u>	<u>351,409</u>
Expenditures			
Public works			
Streets	2,177,975	1,919,419	258,556
Curbs and sidewalks	280,400	246,421	33,979
Traffic control	50,000	919	49,081
Pavement markings	90,000	73,986	16,014
Street lighting	24,000	25,122	(1,122)
Bridges	88,225	1,743	86,482
Debt service			
Bond issuance costs	-	16,443	(16,443)
Total Expenditures	<u>2,710,600</u>	<u>2,284,053</u>	<u>426,547</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,910,124)</u>	<u>(1,132,168)</u>	<u>777,956</u>
Other Financing Sources (Uses)			
General obligation debt issued	2,548,800	2,559,000	10,200
Transfers out	(1,368,476)	(1,373,476)	(5,000)
Total Other Financing Sources (Uses)	<u>1,180,324</u>	<u>1,185,524</u>	<u>5,200</u>
Net Change in Fund Balance	(729,800)	53,356	783,156
Fund Balance - January 1	<u>483,054</u>	<u>483,054</u>	<u>-</u>
Fund Balance - December 31	<u>\$ (246,746)</u>	<u>\$ 536,410</u>	<u>\$ 783,156</u>

CITY OF MANITOWOC, WISCONSIN
Harbor Improvements Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special assessments			
Sheetwall	\$ 1,000,000	\$ -	\$ (1,000,000)
Miscellaneous			
Donations	-	3,000	3,000
Total Revenues	<u>1,000,000</u>	<u>3,000</u>	<u>(997,000)</u>
Expenditures			
Public works			
Dock improvements	<u>1,200,952</u>	<u>1,045</u>	<u>1,199,907</u>
Excess of Revenues Over (Under) Expenditures	<u>(200,952)</u>	<u>1,955</u>	<u>202,907</u>
Other Financing Sources (Uses)			
Transfers in	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balance	(200,952)	6,955	207,907
Fund Balance - January 1	<u>218,568</u>	<u>218,568</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 17,616</u>	<u>\$ 225,523</u>	<u>\$ 207,907</u>

CITY OF MANITOWOC, WISCONSIN
Capital Equipment Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 101,962	\$ 101,962	\$ -
Intergovernmental			
State Office of Justice Assistant grant	-	64,899	64,899
Miscellaneous			
Sale of property	10,000	32,707	22,707
Donations	-	19,000	19,000
Total Revenues	111,962	218,568	106,606
Expenditures			
General government			
Clerk	5,143	1,551	3,592
Finance	701,855	418,292	283,563
City hall	4,497	902	3,595
Public safety			
Police	97,106	137,397	(40,291)
Fire	129,868	144,969	(15,101)
Inspection	26,600	26,109	491
Public works			
Streets	759,550	340,250	419,300
Culture and recreation			
Parks	129,664	103,997	25,667
Conservation and development			
Planning	13,500	12,011	1,489
Debt service			
Bond issuance costs	-	1,448	(1,448)
Total Expenditures	1,867,783	1,186,926	680,857
Excess of Revenues Over (Under) Expenditures	(1,755,821)	(968,358)	787,463
Other Financing Sources (Uses)			
General obligation debt issued	460,840	463,000	2,160
Transfers in	288,000	288,000	-
Total Other Financing Sources (Uses)	748,840	751,000	2,160
Net Change in Fund Balance	(1,006,981)	(217,358)	789,623
Fund Balance - January 1	1,028,710	1,028,710	-
Fund Balance - December 31	\$ 21,729	\$ 811,352	\$ 789,623

CITY OF MANITOWOC, WISCONSIN
 Environmental Remediation Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Public works			
Landfill cleanup	311,327	167,256	144,071
Debt service			
Bond issuance costs	-	670	(670)
Total Expenditures	<u>311,327</u>	<u>167,926</u>	<u>143,401</u>
Excess of Revenues Over (Under) Expenditures	<u>(311,327)</u>	<u>(167,926)</u>	<u>143,401</u>
Other Financing Sources (Uses)			
General obligation debt issued	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(211,327)	(67,926)	143,401
Fund Balance - January 1	<u>223,693</u>	<u>223,693</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 12,366</u>	<u>\$ 155,767</u>	<u>\$ 143,401</u>

CITY OF MANITOWOC, WISCONSIN
Cemetery Improvements Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Public charges for services	\$ 7,791	\$ 5,022	\$ (2,769)
Expenditures			
Public works			
Site preparation	26,380	-	26,380
Net Change in Fund Balance	(18,589)	5,022	23,611
Fund Balance - January 1	16,530	16,530	-
Fund Balance - December 31	<u>\$ (2,059)</u>	<u>\$ 21,552</u>	<u>\$ 23,611</u>

CITY OF MANITOWOC, WISCONSIN
Buildings and Other Improvements Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 144,063	\$ 144,063	\$ -
Miscellaneous			
Donations	53,290	-	(53,290)
Total Revenues	<u>197,353</u>	<u>144,063</u>	<u>(53,290)</u>
Expenditures			
General government			
City hall storage	1,850	1,643	207
Senior center renovation	7,900	6,337	1,563
Rahr-west museum renovation	53,290	136	53,154
Public safety			
Buildings	30,763	21,713	9,050
Public works			
Buildings	24,000	3,557	20,443
Culture and recreation			
Buildings and grounds	77,464	66,746	10,718
Conservation and development			
Economic development corporation	66,663	66,663	-
Economic development signage	74,737	24,696	50,041
Debt service			
Bond issuance costs	-	69	(69)
Total Expenditures	<u>336,667</u>	<u>191,560</u>	<u>145,107</u>
Excess of Revenues Over (Under) Expenditures	<u>(139,314)</u>	<u>(47,497)</u>	<u>91,817</u>
Other Financing Sources (Uses)			
General obligation debt issued	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Net Change in Fund Balance	(117,314)	(25,497)	91,817
Fund Balance - January 1	<u>178,748</u>	<u>178,748</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 61,434</u>	<u>\$ 153,251</u>	<u>\$ 91,817</u>

CITY OF MANITOWOC, WISCONSIN
Car Ferry Dock Facilities Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	-
Expenditures			
Public works			
Car ferry dock	-	147	(147)
Net Change in Fund Balance	-	(147)	(147)
Fund Balance - January 1	12,492	12,492	-
Fund Balance - December 31	\$ 12,492	\$ 12,345	\$ (147)

CITY OF MANITOWOC, WISCONSIN
 Tax Increment District No. 9 Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 181,095	\$ 180,315	\$ (780)
Intergovernmental			
Exempt computer aid	811	817	6
Miscellaneous			
Sale of property	-	32,959	32,959
Total Revenues	<u>181,906</u>	<u>214,091</u>	<u>32,185</u>
Expenditures			
Public works			
Sign replacement project	-	223	(223)
Conservation and development			
City admin fees	-	240,786	(240,786)
Total Expenditures	<u>-</u>	<u>241,009</u>	<u>(241,009)</u>
Excess of Revenues Over (Under) Expenditures	<u>181,906</u>	<u>(26,918)</u>	<u>(208,824)</u>
Other Financing Sources (Uses)			
Transfers out	<u>(246,613)</u>	<u>(246,613)</u>	<u>-</u>
Net Change in Fund Balance	(64,707)	(273,531)	(208,824)
Fund Balance (Deficit) - January 1	<u>(434,124)</u>	<u>(434,124)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (498,831)</u>	<u>\$ (707,655)</u>	<u>\$ (208,824)</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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 70,143	\$ 74,831	\$ 4,688
Intergovernmental			
Exempt computer aid	2,656	2,674	18
Miscellaneous			
Sale of property	-	31,225	31,225
Total Revenues	<u>72,799</u>	<u>108,730</u>	<u>35,931</u>
Expenditures			
Conservation and development			
City admin fees	-	115,757	(115,757)
Excess of Revenues Over (Under) Expenditures	72,799	(7,027)	(79,826)
Other Financing Sources (Uses)			
Transfers out	<u>(76,759)</u>	<u>(76,759)</u>	-
Net Change in Fund Balance	(3,960)	(83,786)	(79,826)
Fund Balance - January 1	<u>284,990</u>	<u>284,990</u>	-
Fund Balance - December 31	<u>\$ 281,030</u>	<u>\$ 201,204</u>	<u>\$ (79,826)</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
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 116,592	\$ 116,090	\$ (502)
Intergovernmental			
Exempt computer aid	3,016	3,037	21
Total Revenues	<u>119,608</u>	<u>119,127</u>	<u>(481)</u>
Expenditures			
Conservation and development			
City admin fees	-	4,167	(4,167)
Excess of Revenues Over (Under) Expenditures	119,608	114,960	(4,648)
Other Financing Sources (Uses)			
Transfers out	<u>(159,893)</u>	<u>(159,893)</u>	-
Net Change in Fund Balance	(40,285)	(44,933)	(4,648)
Fund Balance (Deficit) - January 1	<u>(99,126)</u>	<u>(99,126)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (139,411)</u>	<u>\$ (144,059)</u>	<u>\$ (4,648)</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
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 144,902	\$ 144,279	\$ (623)
Intergovernmental			
Exempt computer aid	4,438	4,469	31
Total Revenues	<u>149,340</u>	<u>148,748</u>	<u>(592)</u>
Expenditures			
Conservation and development			
City admin fees	-	75,095	(75,095)
Excess of Revenues Over Expenditures	<u>149,340</u>	<u>73,653</u>	<u>(75,687)</u>
Other Financing Sources (Uses)			
Transfers out	<u>(357,811)</u>	<u>(357,811)</u>	-
Net Change in Fund Balance	(208,471)	(284,158)	(75,687)
Fund Balance (Deficit) - January 1	<u>(681,469)</u>	<u>(681,469)</u>	-
Fund Balance (Deficit) - December 31	<u>\$ (889,940)</u>	<u>\$ (965,627)</u>	<u>\$ (75,687)</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
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 160,329	\$ 159,639	\$ (690)
Intergovernmental			
Exempt computer aid	57,336	57,723	387
Total Revenues	<u>217,665</u>	<u>217,362</u>	<u>(303)</u>
Expenditures			
Conservation and development			
City admin fees	-	583	(583)
Excess of Revenues Over Expenditures	217,665	216,779	(886)
Other Financing Sources (Uses)			
Transfers out	<u>(88,860)</u>	<u>(88,860)</u>	-
Net Change in Fund Balance	128,805	127,919	(886)
Fund Balance - January 1	<u>392,071</u>	<u>392,071</u>	-
Fund Balance - December 31	<u>\$ 520,876</u>	<u>\$ 519,990</u>	<u>\$ (886)</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
 Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 54,334	\$ 54,100	\$ (234)
Intergovernmental			
Exempt computer aid	879	886	7
Total Revenues	<u>55,213</u>	<u>54,986</u>	<u>(227)</u>
Expenditures			
Conservation and development			
City admin fees	-	2,563	(2,563)
Excess of Revenues Over Expenditures	55,213	52,423	(2,790)
Other Financing Sources (Uses)			
Transfers out	(49,385)	(49,385)	-
Net Change in Fund Balance	5,828	3,038	(2,790)
Fund Balance (Deficit) - January 1	(83,304)	(83,304)	-
Fund Balance (Deficit) - December 31	<u>\$ (77,476)</u>	<u>\$ (80,266)</u>	<u>\$ (2,790)</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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 1,072,320	\$ 1,067,703	\$ (4,617)
Intergovernmental			
Planning consultant grant	60,000	-	(60,000)
Exempt computer aid	8,103	8,158	55
Total Revenues	<u>1,140,423</u>	<u>1,075,861</u>	<u>(64,562)</u>
Expenditures			
Public works			
Site preparation	-	100,857	(100,857)
Conservation and development			
Site preparation	2,000,000	1,508,674	491,326
Consultant contract	215,030	141,568	73,462
City admin fees	-	18,978	(18,978)
Debt service			
Bond issuance costs	-	6,257	(6,257)
Total Expenditures	<u>2,215,030</u>	<u>1,776,334</u>	<u>438,696</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,074,607)</u>	<u>(700,473)</u>	<u>374,134</u>
Other Financing Sources (Uses)			
General obligation debt issued	2,000,000	2,000,000	-
Transfers out	(793,162)	(793,162)	-
Total Other Financing Sources (Uses)	<u>1,206,838</u>	<u>1,206,838</u>	<u>-</u>
Net Change in Fund Balance	132,231	506,365	374,134
Fund Balance (Deficit) - January 1	<u>(729,358)</u>	<u>(729,358)</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (597,127)</u>	<u>\$ (222,993)</u>	<u>\$ 374,134</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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Property tax increment	\$ 88,114	\$ 87,735	\$ (379)
Intergovernmental			
Exempt computer aid	10,817	10,890	73
Total Revenues	<u>98,931</u>	<u>98,625</u>	<u>(306)</u>
Expenditures			
Conservation and development			
Site preparation	600,000	1,880,217	(1,280,217)
City admin fees	-	2,772	(2,772)
Debt service			
Bond issuance costs	-	2,847	(2,847)
Total Expenditures	<u>600,000</u>	<u>1,885,836</u>	<u>(1,285,836)</u>
Excess of Revenues Over (Under) Expenditures	<u>(501,069)</u>	<u>(1,787,211)</u>	<u>(1,286,142)</u>
Other Financing Sources (Uses)			
General obligation debt issued	600,000	910,000	310,000
Transfers out	(321,145)	(321,145)	-
Total Other Financing Sources (Uses)	<u>278,855</u>	<u>588,855</u>	<u>310,000</u>
Net Change in Fund Balance	(222,214)	(1,198,356)	(976,142)
Fund Balance - January 1	<u>1,622,870</u>	<u>1,622,870</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,400,656</u>	<u>\$ 424,514</u>	<u>\$ (976,142)</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
Year Ended December 31, 2008

	2008		
	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Public Works			
Storm sewers	-	31,537	(31,537)
Streets	508,417	1,867	506,550
Street lighting	60,000	-	60,000
Watermains	-	5,107	(5,107)
Conservation and development			
City admin fees	-	6,384	(6,384)
Total Expenditures	<u>568,417</u>	<u>44,895</u>	<u>523,522</u>
Excess of Revenues Over (Under) Expenditures	<u>(568,417)</u>	<u>(44,895)</u>	<u>523,522</u>
Other Financing Sources (Uses)			
Transfers out	<u>(79,311)</u>	<u>(79,311)</u>	<u>-</u>
Net Change in Fund Balance	(647,728)	(124,206)	523,522
Fund Balance - January 1	<u>311,769</u>	<u>311,769</u>	<u>-</u>
Fund Balance (Deficit) - December 31	<u>\$ (335,959)</u>	<u>\$ 187,563</u>	<u>\$ 523,522</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.

Liability Self-Insurance

To account for funds held by the City, generated by charges to other City departments, to finance liability claims levied against the City. The City also accounts for its capitalization deposit in the Cities and Villages Mutual Insurance Company (CVMIC) in this fund.

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.

CITY OF MANITOWOC, WISCONSIN
Internal Service Funds
Combining Statement of Net Assets
December 31, 2008

	Data Processing	Liability Self- Insurance	Health Self- Insurance	Total
ASSETS				
Current assets				
Cash and investments	\$ 294,577	\$ 56,754	\$ 1,325,297	\$ 1,676,628
Taxes receivable	-	170,000	2,092,707	2,262,707
Accounts receivable	72,168	-	352,453	424,621
Prepaid items	980	-	-	980
Deferred charges	109,054	-	-	109,054
Deposit with CVMIC	-	1,111,426	-	1,111,426
TOTAL ASSETS	476,779	1,338,180	3,770,457	5,585,416
LIABILITIES				
Current liabilities				
Accounts payable	210	-	857,233	857,443
Accrued payables	19,547	22,349	658,365	700,261
Accrued interest	3,183	-	-	3,183
Unearned revenue	-	170,000	2,092,707	2,262,707
Other deferred credits	145,858	-	-	145,858
Noncurrent liabilities				
Due within one year	3,639	-	-	3,639
Noncurrent liabilities				
Due in more than one year	141,789	-	-	141,789
TOTAL LIABILITIES	314,226	192,349	3,608,305	4,114,880
NET ASSETS				
Unrestricted	162,553	1,145,831	162,152	1,470,536
TOTAL NET ASSETS	\$ 162,553	\$ 1,145,831	\$ 162,152	\$ 1,470,536

CITY OF MANITOWOC, WISCONSIN
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
Year Ended December 31, 2008

	Data Processing	Liability Self- Insurance	Health Self- Insurance	Total
Operating Revenues				
Charges for services	\$ 701,180	\$ -	\$ 6,419,882	\$ 7,121,062
Operating Expenses				
Operation and maintenance	725,126	-	-	725,126
Transmission and distribution	(1,946)	-	-	(1,946)
Insurance payments and claims	-	138,022	8,130,411	8,268,433
Taxes	1,001	-	-	1,001
Total Operating Expenses	724,181	138,022	8,130,411	8,992,614
Operating Income (Loss)	(23,001)	(138,022)	(1,710,529)	(1,871,552)
Nonoperating Revenues (Expenses)				
General property taxes	-	170,900	1,174,838	1,345,738
Interest and fiscal charges	(7,741)	-	-	(7,741)
Insurance recoveries	-	-	499,215	499,215
Total Nonoperating Revenues (Expenses)	(7,741)	170,900	1,674,053	1,837,212
Net Income (Loss) Before Transfers	(30,742)	32,878	(36,476)	(34,340)
Transfers out	(3,578)	-	(500,000)	(503,578)
Change in Net Assets	(34,320)	32,878	(536,476)	(537,918)
Net Assets - January 1	196,873	1,112,953	698,628	2,008,454
Net Assets - December 31	\$ 162,553	\$ 1,145,831	\$ 162,152	\$ 1,470,536

CITY OF MANITOWOC, WISCONSIN

Internal Service Funds

Combining Statement of Cash Flows

Year Ended December 31, 2008

	Data Processing	Liability Self- Insurance	Health Self- Insurance	Total
Cash Flows from Operating Activities				
Cash from interfund services provided	\$ 661,801	\$ 13,099	\$ 7,147,760	\$ 7,822,660
Cash paid to suppliers	(87,732)	(138,022)	(8,398,190)	(8,623,944)
Cash paid to employees	(610,761)	-	-	(610,761)
Net Cash Provided (Used) by Operating Activities	(36,692)	(124,923)	(1,250,430)	(1,412,045)
Cash Flows from Noncapital Financing Activities				
Property taxes received	-	170,900	1,174,838	1,345,738
Cash transferred to other funds	(3,578)	-	(500,000)	(503,578)
Net Cash Provided (Used) by Noncapital Financing Activities	(3,578)	170,900	674,838	842,160
Cash Flows from Capital and Related Financing Activities				
Principal paid on general obligation bonds	(3,215)	-	-	(3,215)
Interest and fiscal charges	(11,161)	-	-	(11,161)
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,376)	-	-	(14,376)
Increase (Decrease) in Cash and Cash Equivalents	(54,646)	45,977	(575,592)	(584,261)
Cash and Cash Equivalents - January 1	349,223	10,777	1,900,889	2,260,889
Cash and Cash Equivalents - December 31	\$ 294,577	\$ 56,754	\$ 1,325,297	\$ 1,676,628
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (23,001)	\$ (138,022)	\$ (1,710,529)	\$ (1,871,552)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Insurance recoveries	-	-	499,215	499,215
Changes in assets and liabilities				
Accounts receivable	(39,379)	-	(267,779)	(307,158)
Prepaid items	(122)	-	-	(122)
Deferred charges	10,811	-	-	10,811
Accounts payable	63	-	65,060	65,123
Accrued payables	4,883	13,099	163,603	181,585
Compensated absences	10,053	-	-	10,053
Net Cash Provided (Used) by Operating Activities	\$ (36,692)	\$ (124,923)	\$ (1,250,430)	\$ (1,412,045)

CITY OF MANITOWOC, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
December 31, 2008 and 2007

	2008	2007
Capital Assets		
Land	\$ 7,117,918	\$ 6,066,578
Construction in progress	-	159,771
Buildings	28,535,220	28,521,353
Machinery and equipment	15,388,778	14,624,369
Infrastructure	178,139,501	177,111,943
Total Governmental Funds Capital Assets	<u>\$ 229,181,417</u>	<u>\$ 226,484,014</u>
Investments in Governmental Funds Capital Assets By Source		
General fund	\$ 22,774,410	\$ 22,083,805
Special revenue funds		
Federal and state grants	3,263,399	3,263,399
Capital projects funds		
General obligation debt	203,143,608	202,116,050
Total Governmental Funds Capital Assets	<u>\$ 229,181,417</u>	<u>\$ 227,463,254</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 assets.

CITY OF MANITOWOC, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
December 31, 2008

Function	Total	Land	Buildings	Machinery and Equipment	Infrastructure
General government	\$ 13,494,060	\$ 5,578,065	\$ 7,448,375	\$ 467,620	\$ -
Public safety	8,943,267	347,400	4,553,033	4,042,834	-
Public works	188,992,011	392,240	4,343,364	6,116,906	178,139,501
Health and human services	326,532	-	117,711	208,821	-
Culture and recreation	16,580,564	800,213	11,615,308	4,165,043	-
Conservation and development	844,983	-	457,429	387,554	-
Total General Capital Assets	\$ 229,181,417	\$ 7,117,918	\$ 28,535,220	\$ 15,388,778	\$ 178,139,501

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 assets.

CITY OF MANITOWOC, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function
Year Ended December 31, 2008

Function	Governmental Funds Capital Assets 1/1/08	Additions	Retirements	Governmental Funds Capital Assets 12/31/08
General government	\$ 13,315,377	\$ 384,354	\$ 205,671	\$ 13,494,060
Public safety	8,652,664	365,743	75,140	8,943,267
Public works	187,840,784	3,110,192	1,958,965	188,992,011
Health and human services	326,532			326,532
Culture and recreation	16,530,475	100,397	50,308	16,580,564
Conservation and development	797,422	58,283	10,722	844,983
Total Governmental Funds Capital Assets	\$ 227,463,254	\$ 4,018,969	\$ 2,300,806	\$ 229,181,417

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 assets.

THIS PAGE LEFT BLANK INTENTIONALLY

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>	128
Revenue Capacity <i>These schedules contain information to help the reader assess Manitowoc's most significant local revenue source, the property tax.</i>	134
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>	152
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>	154

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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Unrestricted	3,693,546	1,980,451	3,319,385	4,196,938	5,783,990	(4,838,894)
Total governmental activities net assets	\$ 113,812,430	\$ 108,265,131	\$ 102,864,157	\$ 95,848,458	\$ 90,135,461	\$ 80,216,811
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
Restricted	9,220,501	13,035,466	11,967,017	12,744,881	13,527,007	14,135,766
Unrestricted	25,992,987	21,714,871	17,609,040	22,053,805	33,021,269	43,086,021
Total business-type activities net assets	\$ 107,353,859	\$ 110,402,928	\$ 111,687,776	\$ 143,515,872	\$ 153,566,492	\$ 160,901,907
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
Restricted	9,220,501	13,035,466	11,967,017	12,744,881	13,527,007	14,135,766
Unrestricted	29,686,533	23,695,322	20,928,425	26,250,743	38,805,259	38,247,127
Total primary government net assets	\$ 221,166,289	\$ 218,668,059	\$ 214,551,933	\$ 239,364,330	\$ 243,701,953	\$ 241,118,718

CITY OF MANITOWOC, WISCONSIN

Changes in Net Assets

Last Six Fiscal Years

(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 3,228,652	\$ 3,245,903	\$ 4,809,245	\$ 4,986,172	\$ 3,254,368	\$ 4,307,042
Public safety	11,916,048	11,317,846	12,795,781	14,641,739	14,269,506	15,193,488
Public works	11,815,003	13,448,041	12,142,877	12,036,480	14,166,272	12,831,693
Health and human services	510,663	511,522	446,459	461,828	475,799	523,071
Culture and recreation	5,794,368	5,167,581	5,533,273	6,134,585	6,127,795	6,337,825
Development	5,435,296	4,537,594	3,425,300	1,831,028	2,148,368	5,951,961
Interest on debt	2,607,106	2,689,187	2,610,510	2,768,177	2,903,283	3,017,661
Total governmental activities expenses	41,307,136	40,917,674	41,763,445	42,860,009	43,345,391	48,162,741
Business-type activities:						
Water utility	3,752,270	3,637,679	3,717,492	3,972,955	4,624,516	5,665,651
Electric utility	29,303,156	32,728,601	38,912,665	42,762,568	47,521,200	48,273,428
Steam utility	1,937,672	2,253,794	2,649,182	3,599,632	3,636,524	3,726,855
Broadband utility	-	32,602	88,482	155,984	112,275	121,311
Wastewater treatment plant	5,759,012	5,996,621	6,022,139	6,457,444	5,575,906	8,898,944
Transit system	1,222,206	1,381,317	1,346,906	1,936,499	2,202,062	2,476,436
Total business-type activities expenses	41,974,316	46,030,614	52,736,866	58,885,082	63,672,483	69,162,625
Total primary government expenses	\$ 83,281,452	\$ 86,948,288	\$ 94,500,311	\$ 101,745,091	\$ 107,017,874	\$ 117,325,366
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 1,989,455	\$ 186,604	\$ 193,265	\$ 404,721	\$ 628,488	\$ 364,561
Public safety	2,104,036	2,442,751	2,563,260	2,815,602	2,750,012	2,907,803
Culture and recreation	478,967	490,903	357,049	319,683	302,485	284,979
Other activities	2,159,288	1,923,063	1,033,148	2,312,693	1,516,507	2,058,554
Operating grants and contributions	4,611,819	4,793,565	5,196,700	4,024,587	4,129,199	3,975,594
Capital grants and contributions	1,680,594	3,133,716	3,596,333	2,656,238	3,272,031	1,448,952
Total governmental activities program revenues	13,024,159	12,970,602	12,939,755	12,533,524	12,598,722	11,040,443
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
Electric utility	32,556,634	32,885,848	38,871,385	49,758,451	54,661,738	57,456,101
Steam utility	2,184,966	2,376,692	2,689,657	3,501,244	4,231,300	4,743,307
Broadband utility	-	33,641	163,689	153,390	139,705	167,659
Wastewater treatment plant	5,805,017	6,509,482	6,620,727	6,703,344	6,615,654	6,423,450
Transit system	243,100	136,239	164,077	161,517	273,440	213,051
Operating grants and contributions	971,776	920,629	1,058,956	1,462,145	1,975,526	1,955,205
Capital grants and contributions	755,300	3,459,888	2,016,280	26,172,711	1,962,388	827,710
Total business-type activities program revenues	47,279,829	50,962,104	56,529,948	92,492,389	74,912,526	78,647,481
Total primary government program revenues	\$ 60,303,988	\$ 63,932,706	\$ 69,469,703	\$ 105,025,913	\$ 87,511,248	\$ 89,687,924

(Continued)

CITY OF MANITOWOC, WISCONSIN

Changes in Net Assets

Last Five Fiscal Years

(accrual basis of accounting)

	Year Ending December 31					
	2003	2004	2005	2006	2007	2008
Net (expense)/revenue						
Governmental activities	\$ (28,282,977)	\$ (27,947,072)	\$ (28,823,690)	\$ (30,326,485)	\$ (30,746,669)	\$ (37,122,298)
Business-type activities	5,305,513	4,931,490	3,793,082	33,607,307	11,240,043	9,484,856
Total primary government net expense	<u>\$ (22,977,464)</u>	<u>\$ (23,015,582)</u>	<u>\$ (25,030,608)</u>	<u>\$ 3,280,822</u>	<u>\$ (19,506,626)</u>	<u>\$ (27,637,442)</u>

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes

Property taxes

Other taxes

Unrestricted state and federal aids

Interest earnings

Miscellaneous

Transfers

Total governmental activities

Business-type activities:

Interest earnings

Miscellaneous

Transfers

Total business-type activities

Total primary government

\$ 9,497,549	\$ 10,482,538	\$ 10,488,321	\$ 10,940,949	\$ 12,066,248	\$ 13,774,903
518,454	551,360	525,419	534,998	603,072	493,192
6,935,463	6,392,117	6,436,045	6,438,639	6,510,348	6,724,262
865,955	939,800	1,122,596	1,520,526	2,042,220	1,782,827
209,867	499,553	934,205	719,805	753,937	939,946
3,883,849	3,534,405	3,916,130	3,155,869	3,057,847	3,488,518
<u>21,911,137</u>	<u>22,399,773</u>	<u>23,422,716</u>	<u>23,310,786</u>	<u>25,033,672</u>	<u>27,203,648</u>
788,051	1,469,704	1,407,896	1,376,658	1,868,424	1,339,077
-	182,291	-	-	-	-
(3,883,849)	(3,534,405)	(3,916,130)	(3,155,869)	(3,057,847)	(3,488,518)
<u>(3,095,798)</u>	<u>(1,882,410)</u>	<u>(2,508,234)</u>	<u>(1,779,211)</u>	<u>(1,189,423)</u>	<u>(2,149,441)</u>
<u>\$ 18,815,339</u>	<u>\$ 20,517,363</u>	<u>\$ 20,914,482</u>	<u>\$ 21,531,575</u>	<u>\$ 23,844,249</u>	<u>\$ 25,054,207</u>

Change in Net Assets

Governmental activities

Business-type activities

Total primary government

\$ (6,371,840)	\$ (5,547,299)	\$ (5,400,974)	\$ (7,015,699)	\$ (5,712,997)	\$ (9,918,650)
2,209,715	3,049,080	1,284,848	31,828,096	10,050,620	7,335,415
<u>\$ (4,162,125)</u>	<u>\$ (2,498,219)</u>	<u>\$ (4,116,126)</u>	<u>\$ 24,812,397</u>	<u>\$ 4,337,623</u>	<u>\$ (2,583,235)</u>

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 775,437	\$ 49,777	\$ 204,244	\$ 222,261	\$ 428,210	\$ 660,054	\$ 833,638	\$ 433,574	\$ 611,795	\$ 726,271
Unreserved										
Designated	665,284	648,759	423,324	531,184	480,426	614,551	594,175	246,457	268,948	319,440
Undesignated	2,212,415	2,988,852	3,859,409	4,408,323	4,832,454	4,465,445	4,084,547	4,475,758	4,896,200	5,281,765
Total general fund	3,653,136	3,687,388	4,486,977	5,161,768	5,741,090	5,740,050	5,512,360	5,155,789	5,776,943	6,327,476
All other governmental funds										
Unreserved										
Designated, reported in:										
Special revenue funds	\$ 366,628	\$ 344,606	\$ 400,834	\$ 389,293	\$ 527,398	\$ 531,559	\$ 566,678	\$ 430,137	\$ 205,466	\$ 283,296
Undesignated, reported in:										
Special revenue funds	1,255,623	795,523	1,055,124	2,336,273	2,235,794	3,440,534	3,481,066	4,529,840	4,939,578	4,706,993
Capital projects funds	4,205,357	4,367,588	1,607,201	2,827,348	3,416,296	2,714,448	(602,387)	778,958	3,004,471	1,348,438
Total all other governmental funds	5,827,608	5,507,717	3,063,159	5,552,914	6,179,488	6,686,541	3,445,357	5,738,935	8,149,515	6,338,727
Total governmental funds	\$ 9,480,744	\$ 9,195,105	\$ 7,550,136	\$ 10,714,682	\$ 11,920,578	\$ 12,426,591	\$ 8,957,717	\$ 10,894,724	\$ 13,926,458	\$ 12,666,203

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 8,300,632	\$ 9,039,192	\$ 9,889,710	\$ 9,861,506	\$ 10,062,113	\$ 11,098,523	\$ 11,070,987	\$ 11,533,302	\$ 12,584,206	\$ 12,981,862
Special assessments	940,545	1,780,358	1,733,017	1,779,068	1,680,077	1,829,934	1,473,380	1,775,994	1,522,973	1,354,468
Intergovernmental	10,189,959	10,287,901	10,395,861	9,999,166	11,515,035	12,581,661	13,668,241	11,630,698	11,436,199	10,885,951
Licenses and permits	628,246	687,389	789,429	759,235	629,392	769,096	848,121	815,526	893,088	984,614
Fines and forfeitures	441,681	492,263	467,008	400,654	344,989	336,432	332,620	277,008	305,283	374,917
Public charges for services	1,346,342	1,487,507	2,271,507	1,516,323	2,116,943	2,227,391	2,350,070	2,694,432	3,190,894	3,182,798
Intergovernmental charges for services	115,890	240,368	202,779	242,428	92,746	108,518	107,011	173,942	158,892	209,276
Interdepartmental charges for services	1,194,633	1,952,003	2,284,570	2,634,703	2,867,246	1,882,380	2,529,664	3,095,320	1,867,893	5,487,499
Miscellaneous	2,226,217	2,304,312	2,465,063	2,802,471	2,824,752	3,975,868	3,127,154	3,445,057	3,836,625	3,880,692
Total revenues	25,384,145	28,271,293	30,498,944	29,995,554	32,133,293	34,809,803	35,507,248	35,441,279	35,796,053	39,342,077
Expenditures										
General government	2,410,300	2,378,482	2,713,423	2,670,833	10,003,434	3,114,458	3,115,150	3,060,546	4,260,655	3,746,635
Public safety	8,646,592	9,115,376	9,297,701	9,764,436	10,968,289	11,180,007	12,163,870	13,539,545	14,189,301	14,658,840
Public works	6,130,365	6,022,933	7,306,668	6,021,639	6,069,692	7,505,459	7,757,317	6,776,796	12,730,680	15,025,530
Health and human services	405,375	393,290	471,566	450,511	454,213	478,143	462,645	324,904	458,436	502,732
Culture and recreation	4,066,889	4,505,932	5,217,930	4,883,967	5,398,602	4,904,857	5,042,108	5,472,286	5,827,144	5,808,034
Conservation and development	1,454,205	2,080,967	1,183,267	1,799,720	2,960,568	3,379,069	2,794,638	1,806,089	2,136,426	6,038,371
Capital Outlay	6,901,896	10,543,589	13,500,409	9,964,149	11,719,627	6,895,266	11,942,025	8,011,219	-	-
Debt service										
Principal retirement	1,511,720	1,480,010	1,737,708	1,930,530	9,264,577	2,347,377	2,830,993	3,259,721	4,078,643	4,977,735
Interest and fiscal charges	940,465	937,894	1,309,763	1,660,863	2,124,521	2,629,798	2,529,685	2,609,575	2,798,486	3,062,370
Bond issuance costs	-	25,100	25,978	22,848	209,444	110,216	25,000	77,360	31,750	81,890
Total Expenditures	32,467,807	37,483,573	42,764,413	39,169,496	59,172,967	42,544,650	48,663,431	44,938,021	46,511,521	53,902,137
Excess of revenues over (under) expenditures	(7,083,662)	(9,212,280)	(12,265,469)	(9,173,942)	(27,039,674)	(7,734,847)	(13,156,183)	(9,496,742)	(10,715,468)	(14,560,060)

(continued)

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing sources (uses)										
General obligation debt issued	1,092,000	7,045,000	8,505,000	9,060,000	24,995,000	11,345,000	5,285,000	8,995,000	10,000,000	9,260,000
Note anticipation notes	-	-	-	-	-	-	-	1,005,000	-	-
Note premium	-	-	-	-	-	-	-	4,914	-	47,709
Refunding bond premium	-	-	-	-	-	207,905	-	41,403	-	-
General obligation bond premium	-	-	-	-	-	-	-	17,619	26,029	-
Payment to refunding bond escrow agent	-	-	-	-	-	(6,714,805)	-	(2,788,961)	-	-
Transfers in	5,685,584	3,719,805	8,746,406	4,710,260	6,251,052	7,379,466	8,004,399	8,958,843	9,516,270	11,414,087
Transfers out	(3,829,607)	(1,738,164)	(6,576,237)	(3,412,322)	(3,103,199)	(3,976,706)	(3,602,090)	(4,800,069)	(5,795,097)	(7,421,991)
Total other financing sources	2,947,977	9,026,641	10,675,169	10,357,938	28,142,853	8,240,860	9,687,309	11,433,749	13,747,202	13,299,805
Net change in fund balances	\$ (4,135,685)	\$ (185,639)	\$ (1,590,300)	\$ 1,183,996	\$ 1,103,179	\$ 506,013	\$ (3,468,874)	\$ 1,937,007	\$ 3,031,734	\$ (1,260,255)

Debt service as a percentage of noncapital expenditures 9.6% 9.1% 10.5% 12.4% 22.3% 13.6% 14.1% 14.8% 16.4% 16.2%

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
1999	7,817,325	7,430	37,510	66,255	328,588	43,524	8,300,632
2000	8,498,881	5,268	83,404	64,438	347,253	39,948	9,039,192
2001	9,363,279	5,981	81,839	66,218	337,651	34,742	9,889,710
2002	9,335,410	6,620	78,947	67,759	326,008	46,762	9,861,506
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

(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				
1999	\$ 875,274,900	\$ 356,706,600	\$ 1,192,900	\$ 45,239,400	\$ 11,541,100	\$ 1,289,954,900	7.2913	\$ 1,326,401,300	97.25%
2000	889,536,900	367,829,000	1,111,400	46,389,440	11,147,690	1,316,014,430	6.4843	1,413,887,700	93.08%
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	98.99%

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
1999	5.9186	1.3727	7.2913	27.5%	0.2314	0.9%	6.4148	24.2%	10.6758	40.3%	1.8729	7.1%	26.4862
2000	4.8903	1.5940	6.4843	28.2%	0.2057	0.9%	5.7956	25.2%	8.8518	38.5%	1.6764	7.3%	23.0138
2001	5.2929	1.6000	6.8929	28.7%	0.2149	0.9%	6.1217	25.5%	8.9905	37.4%	1.7985	7.5%	24.0185
2002	5.3745	1.8002	7.1747	28.2%	0.2335	0.9%	6.6131	26.0%	9.4456	37.2%	1.9543	7.7%	25.4212
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

Property tax rates are per thousand dollar of assessed valuation.

The 2000 and 2008 property tax rates reflect the total revaluation of the entire City.

In 2005, the State of Wisconsin passed legislation that would limit a municipality's tax levy increases in years 2006 thru 2008.

The limit would allow growth in the tax levy of either 2.0% or the rate of growth in the municipality, whichever is larger.

The limit excludes tax levy increases for existing debt payments.

CITY OF MANITOWOC, WISCONSIN

Principal Property Taxpayers
Current Year and 9 Years Prior

Taxpayer	Type of Business	2008			1999		
		Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation*	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation**
Holy Family Memorial, Inc.	Health care provider	\$ 26,436,260	1	1.37%	\$ 19,626,000	1	1.52%
Manitowoc Company, Inc.	Cranes and ice making machines	25,997,100	2	1.35%	5,149,200	7	0.40%
Wal-Mart Stores, Inc.	Discount retail	12,360,865	3	0.64%			
Lowe's	Home improvement retail	9,822,168	4	0.51%			
Menards	Home improvement retail	9,585,941	5	0.50%			
Dewey Properties LLC	Retail Shopping Center	9,289,488	6	0.48%	7,237,400	5	0.56%
Lakeside Foods	Canned vegetables and sauces	8,898,000	7	0.46%	8,371,300	3	0.65%
Busch Agricultural Resources, Inc.	Malting plant	8,875,200	8	0.46%	5,159,700	6	0.40%
Southbrook Apartments	Residential housing	7,970,645	9	0.41%			
Jagemann Stamping Co.	Component manufacturing	7,894,900	10	0.41%			
Mirro Corp (Newell)	Cookware manufacturer				12,865,800	2	1.00%
Imperial Eastman	Hydraulic hose, fittings, accessories				7,979,900	4	0.62%
Charles A. Perry Apartments	Residential housing				4,767,400	8	0.37%
Shopko Stores	Discount retail				4,755,062	9	0.37%
Park Plaza Stores	Retail Shopping Center				4,357,400	10	0.34%
Totals		\$ 127,130,567		6.61%	\$ 80,269,162		6.22%

* 2008 Assessed Valuation \$1,923,929,400

** 1999 Assessed Valuation \$1,289,954,900

Information obtained from the 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
1999	28,847,853	28,787,209	99.79%	57,309	28,844,518	99.99%
2000	30,125,865	30,022,671	99.66%	91,530	30,114,201	99.96%
2001	32,145,129	32,058,070	99.73%	65,334	32,123,404	99.93%
2002	34,413,484	34,333,923	99.77%	68,844	34,402,767	99.97%
2003	36,441,140	36,323,356	99.68%	102,572	36,425,928	99.96%
2004	37,195,534	37,047,039	99.60%	74,488	37,121,527	99.80%
2005	38,476,604	38,372,834	99.73%	44,625	38,417,459	99.85%
2006	38,848,065	38,722,330	99.68%	25,570	38,747,900	99.74%
2007	39,138,177	39,014,338	99.68%	31,145	39,045,483	99.76%
2008	40,617,399	40,476,615	99.65%	-	-	-

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

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 Notes			Water Utility Bonds	Electric and Steam Utility Bonds		Wastewater Plant Clean Water Loan	Notes Payable				
	General Obligation Bonds	TIF General Obligation Bonds	General Obligation Notes	TIF General Obligation Notes	Note Anticipation Notes	Electric and Steam Utility Bonds									
1999	16,550,856	3,707,570	1,076,248	-	-	-	9,175,000	20,215,000	12,104,844	55,500	62,885,018	4.87%	1,824		
2000	20,460,675	4,281,791	2,091,239	-	-	-	8,750,000	18,280,000	17,644,080	37,000	71,544,785	5.44%	2,101		
2001	26,448,385	4,757,495	2,323,531	-	-	-	8,305,000	15,880,000	18,402,568	18,500	76,135,479	5.73%	2,229		
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		

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)
1999	16,550,856	3,707,570	1,076,248	-	-	3,707,570	17,627,104	1.33%	511
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

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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 3,389,526	\$ 1,989,137	\$ 5,378,663
2010	3,719,295	1,820,750	5,540,045
2011	3,955,257	1,649,996	5,605,253
2012	4,120,612	1,478,729	5,599,341
2013	3,929,870	1,309,748	5,239,618
2014	3,782,103	1,146,750	4,928,853
2015	4,001,541	979,641	4,981,182
2016	3,491,534	813,876	4,305,410
2017	3,072,194	668,045	3,740,239
2018	2,806,081	540,216	3,346,297
2019	2,639,968	421,778	3,061,746
2020	2,473,299	308,590	2,781,889
2021	2,212,189	202,305	2,414,494
2022	1,765,000	109,972	1,874,972
2023	1,350,000	34,267	1,384,267
Total	\$ 46,708,469	\$ 13,473,800	\$ 60,182,269

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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 1,620,474	\$ 751,617	\$ 2,372,091
2010	1,695,705	685,552	2,381,257
2011	1,754,743	614,037	2,368,780
2012	1,634,388	541,206	2,175,594
2013	1,755,130	468,545	2,223,675
2014	1,727,897	395,639	2,123,536
2015	1,798,459	320,804	2,119,263
2016	1,848,466	243,540	2,092,006
2017	1,772,806	166,972	1,939,778
2018	1,298,919	102,310	1,401,229
2019	690,032	61,865	751,897
2020	541,701	36,910	578,611
2021	407,811	17,624	425,435
2022	240,000	4,680	244,680
Total	<u>\$ 18,786,531</u>	<u>\$ 4,411,301</u>	<u>\$ 23,197,832</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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 827,116	\$ 208,373	\$ 1,035,489
2010	831,839	172,759	1,004,598
2011	750,000	140,725	890,725
2012	745,000	112,909	857,909
2013	745,000	84,794	829,794
2014	550,000	59,931	609,931
2015	495,000	39,435	534,435
2016	435,000	21,078	456,078
2017	250,000	7,732	257,732
2018	80,000	1,500	81,500
Total	<u>\$ 5,708,955</u>	<u>\$ 849,236</u>	<u>\$ 6,558,191</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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 235,000	\$ 114,614	\$ 349,614
2010	260,000	88,419	348,419
2011	270,000	80,132	350,132
2012	275,000	71,275	346,275
2013	285,000	62,175	347,175
2014	295,000	52,381	347,381
2015	305,000	41,882	346,882
2016	315,000	30,834	345,834
2017	330,000	18,937	348,937
2018	340,000	6,375	346,375
Total	<u>\$ 2,910,000</u>	<u>\$ 567,024</u>	<u>\$ 3,477,024</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
Note Anticipation Notes
December 31, 2008

Year	Principal	Interest	Total Requirements
2009	\$ -	\$ 41,205	\$ 41,205
2010	-	41,205	41,205
2011	1,005,000	20,603	1,025,603
Total	<u>\$ 1,005,000</u>	<u>\$ 103,013</u>	<u>\$ 1,108,013</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
Water Mortgage Revenue Bonds
December 31, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 690,000	\$ 165,316	\$ 855,316
2010	385,000	143,535	528,535
2011	410,000	126,388	536,388
2012	430,000	108,538	538,538
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>\$ 4,400,000</u>	<u>\$ 800,877</u>	<u>\$ 5,200,877</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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 2,370,000	\$ 3,904,563	\$ 6,274,563
2010	1,650,000	3,789,000	5,439,000
2011	1,720,000	3,718,500	5,438,500
2012	1,800,000	3,635,125	5,435,125
2013	1,890,000	3,547,275	5,437,275
2014	1,985,000	3,455,025	5,440,025
2015	2,080,000	3,358,125	5,438,125
2016	2,185,000	3,251,988	5,436,988
2017	2,300,000	3,140,463	5,440,463
2018	2,415,000	3,023,025	5,438,025
2019	2,540,000	2,899,675	5,439,675
2020	2,665,000	2,769,888	5,434,888
2021	2,805,000	2,633,663	5,438,663
2022	2,945,000	2,490,120	5,435,120
2023	3,095,000	2,345,750	5,440,750
2024	3,245,000	2,193,680	5,438,680
2025	3,405,000	2,034,230	5,439,230
2026	3,195,000	1,866,900	5,061,900
2027	3,360,000	1,699,162	5,059,162
2028	3,535,000	1,522,762	5,057,762
2029	3,720,000	1,337,175	5,057,175
2030	3,915,000	1,141,875	5,056,875
2031	4,125,000	936,337	5,061,337
2032	4,340,000	719,775	5,059,775
2033	4,565,000	491,925	5,056,925
2034	4,805,000	252,262	5,057,262
	<u>\$ 76,655,000</u>	<u>\$ 62,158,268</u>	<u>\$ 138,813,268</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, 2008

Year	Principal	Interest	Total Requirements
2009	\$ 1,146,735	\$ 422,464	\$ 1,569,199
2010	1,183,687	384,916	1,568,603
2011	1,221,830	346,158	1,567,988
2012	1,261,203	306,151	1,567,354
2013	1,301,845	264,852	1,566,697
2014	1,343,799	222,223	1,566,022
2015	1,387,105	178,219	1,565,324
2016	1,431,807	132,795	1,564,602
2017	1,477,952	85,907	1,563,859
2018	1,525,585	37,507	1,563,092
2019	105,981	11,376	117,357
2020	109,073	8,238	117,311
2021	112,256	5,009	117,265
2022	115,531	1,686	117,217
	<u>\$ 13,724,389</u>	<u>\$ 2,407,501</u>	<u>\$ 16,131,890</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, 2008

<u>Governmental Unit</u>	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct Debt:			
City of Manitowoc	\$ 52,417,424	100.000%	\$ 52,417,424
Overlapping Debt:			
Manitowoc School	14,855,000	77.049%	11,445,629
Manitowoc County	21,100,000	36.700%	7,743,700
VTAE District	<u>15,215,000</u>	12.895%	<u>1,961,974</u>
Total Overlapping Debt	<u>51,170,000</u>		<u>21,151,303</u>
Total Direct and Overlapping Debt	<u>\$ 103,587,424</u>		<u>\$ 73,568,727</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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 66,320,065	\$ 70,694,385	\$ 77,582,520	\$ 82,103,820	\$ 84,295,485	\$ 85,805,195	\$ 87,262,205	\$ 91,500,170	\$ 94,700,875	\$ 97,177,145
Total net debt applicable to limit	21,334,674	26,733,705	33,374,742	40,581,087	56,226,732	58,672,011	61,025,138	64,030,419	69,831,690	74,113,955
Legal debt margin	\$ 44,985,391	\$ 43,960,680	\$ 44,207,778	\$ 41,522,733	\$ 28,068,753	\$ 27,133,184	\$ 26,237,067	\$ 27,469,751	\$ 24,869,185	\$ 23,063,190

Total net debt applicable to the limit as a percentage of debt limit	32.17%	37.82%	43.02%	49.43%	66.70%	68.38%	69.93%	69.98%	73.74%	76.27%
---	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Computation of Legal Debt Margin
 12/31/2008

Equalized Value	\$ 1,943,542,900
Debt limitation - 5 percent of total equalized value	
Debt applicable to limitation	\$ 97,177,145
Total outstanding general debt	\$ 168,893,344
Less: Revenue bonds and notes	(94,779,389)
Total debt applicable to limitation	<u>74,113,955</u>
Legal Debt Margin	<u>\$ 23,063,190</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	
1999	4,311,650	2,996,892	1,314,758	405,000	472,389	877,389	1.50
2000	4,658,487	2,878,004	1,780,483	425,000	453,948	878,948	2.03
2001	4,692,556	2,898,422	1,794,134	445,000	433,995	878,995	2.04
2002	4,805,434	3,121,375	1,684,059	465,000	412,574	877,574	1.92
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

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	
1999	29,599,888	24,990,240	4,609,648	1,830,000	1,230,768	3,060,768	1.51
2000	29,268,517	24,586,593	4,681,924	1,935,000	1,131,563	3,066,563	1.53
2001	29,904,612	24,794,935	5,109,677	2,040,000	1,022,807	3,062,807	1.67
2002	32,384,988	25,673,464	6,711,524	2,150,000	938,160	3,088,160	2.17
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

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
1999	34,469	860,863	24,975	4.1%	38.9	5,699
2000	34,053	890,554	26,152	3.8%	39.1	5,601
2001	34,161	905,847	26,517	6.6%	39.2	5,534
2002	34,561	941,338	27,237	8.2%	39.4	5,463
2003	34,520	963,695	27,917	9.2%	39.7	5,308
2004	34,612	1,038,533	30,005	6.9%	39.9	5,391
2005	34,727	1,055,527	30,395	5.6%	40.2	5,464
2006	34,720	1,097,985	31,624	6.0%	40.5	5,490
2007	34,620	N/A	N/A	5.4%	41.0	5,574
2008	34,670	N/A	N/A	6.8%	41.0	5,620

(1) Wisconsin Department of Administration, Demographic Services Center.

(2) Wisconsin Department of Workforce Development.

(3) City of Manitowoc Planning Department

(4) Manitowoc School District

N/A = Not available at time of printing of this report.

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

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Manitowoc Company, Inc.	1,389	1	3.18%	1,100	3	2.61%
Holy Family Memorial Medical Center	1,294	2	2.96%	1,314	2	3.11%
Manitowoc School District	975	3	2.23%	702	7	1.66%
Aurora Medical Group	865	4	1.98%	600	8	1.42%
Federal-Mogul Powertrain Systems	610	5	1.40%	807	6	1.91%
Manitowoc County	458	6	1.05%	462	10	1.09%
City of Manitowoc/Public Utilities	457	7	1.05%	584	9	1.38%
Lakeside Foods Inc.	437	8	1.00%	900	5	2.13%
Parker-Hannifin Corp.	418	9	0.96%			
Wisconsin Aluminum Foundry Co.	349	10	0.80%			
Mirro Foley Company				2,000	1	4.74%
Fischer-Hamilton, Incorporated				1,000	4	2.37%
Total	7,252		16.61%	9,469		22.44%

Source: City of Manitowoc Planning Department

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

Function	Full-time Equivalent Employees as of December 31									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Assessor	4.00	4.00	4.00	4.00	4.00	2.75	2.75	2.75	2.75	3.00
Attorney/Personnel	4.25	4.25	4.25	4.75	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63
Finance	6.50	6.35	6.35	6.35	7.83	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	5.00	5.00
Mayor	2.00	2.00	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	1.25	1.25
Buildings & Grounds	6.00	6.00	6.00	6.00	7.00	7.00	7.00	6.00	6.00	6.00
Public Safety										
Police	80.40	80.40	81.40	81.40	81.40	78.90	80.00	80.00	80.00	81.00
Fire	49.00	49.00	49.50	49.50	59.00	59.00	59.00	59.00	59.00	59.00
Building Inspection	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Public Works										
Engineering/DPW	81.00	81.00	80.30	81.30	81.30	75.32	76.42	76.52	76.52	76.52
Transit	17.30	17.30	17.30	17.30	17.30	15.87	17.79	19.49	19.49	19.49
Culture and Recreation										
Park/Recreation	35.00	36.56	36.56	36.56	36.06	30.60	30.20	30.20	30.20	30.20
Rahr-West Art Museum	4.00	4.00	4.00	4.00	4.75	4.75	4.75	5.25	5.25	5.25
Public Library	36.85	36.85	37.85	38.00	38.09	38.00	38.09	35.39	35.39	34.20
Wastewater Treatment Plant	18.00	18.00	16.00	16.00	16.00	16.00	16.30	16.00	16.00	15.30
Public Utilities	101.00	99.00	95.00	92.00	91.00	92.00	96.00	95.00	96.00	97.00
Total	462.18	461.59	457.39	456.04	467.61	451.32	458.43	455.73	456.73	457.09

Source: City of Manitowoc's Budgets

CITY OF MANITOWOC, WISCONSIN

Operating Indicators by Function

Last Three Fiscal Years

Function	Fiscal Year		
	2006	2007	2008
General Government			
Square miles	18,234	18,237	18,238
Registered voters	19,966	20,251	20,337
Dog licenses issued	2,372	2,392	2,352
Police			
Physical arrests	2,647	2,466	3,527
Parking violations	2,727	3,500	3,480
Traffic contacts/stops	3,637	4,077	5,250
Fire			
Number of structural fires	22	36	31
Number of inspections	2,352	2,217	2,553
Emergency medical service calls	4,567	4,219	4,130
Highways and streets			
Recycled materials (tons)	3,464	4,989	3,241
Yard waste (tons)	11,300	11,059	11,472
Solid waste to landfill (tons)	8,238	7,971	7,921
Culture and recreation			
Fieldhouse/cabin reservations	288	388	370
Zoo admissions	51,778	50,554	48,288
Electric			
Line miles	511	510	509
Peak demand (megawatts)	110	118	115
Water			
Total avg. number of customers	13,778	13,848	13,860
Annual sales (billions of gallons)	2.566	2.512	5.177
Wastewater			
Annual treatment (in billions of gallons)	3.163	3.163	3.121
Average gallons per day (in millions of gallons)	8.667	8.667	8.555

Sources: Various government departments.

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

	Fiscal Year		
	2006	2007	2008
Function			
Public Safety			
Police Stations	1	1	1
Patrol Units	10	10	10
Fire Stations	4	4	4
Highways and streets			
Street (miles)	186.9	188.2	188.4
Traffic Signals	29	34	36
Public Transportation			
Fixed route coaches	9	9	9
Human service vehicles	5	5	5
Culture and recreation			
Developed park acreage	513.7	540.8	565.8
Parks	36	37	37
Tennis Courts (city owned)	20	20	20
Water			
Water mains (miles)	181.2	183.1	183.5
Fire Hydrants	1,316	1,333	1,337
Sewers			
Sanitary (miles)	188.5	188.7	189.5
Lift Stations	16	16	16
Storm (miles)	142.0	146.9	148.8
Electric			
Substations	6	6	6
Line miles	511.0	510.0	509.0
Streetlights	4,770	4,773	4,800

Sources: Various government departments.

THIS PAGE LEFT BLANK INTENTIONALLY

CITY ASSESSOR'S OFFICE

The Assessor's Office is responsible for the valuation of all real and personal property located within the City of Manitowoc 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.

Manitowoc has 11,887 residential parcels, 1,080 commercial parcels, 84 agriculture/other classes, and 1,201 Personal Property accounts. The total assessed value of all taxable property in Manitowoc in 2008 is just over \$1.9 billion and the overall assessment ratio is 98.31%.

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 years of information.

Currently, the office is staffed with a full-time assessor, an appraiser, and a technician. The staff are members of the Wisconsin Association of Assessing Officers.

CITY ATTORNEY / HUMAN RESOURCES

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

The City Attorney Department 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, ordinance trials and appeals. Further, 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.

In addition, the City Attorney serves as Personnel Director, handling hiring, discipline issues, dismissing of employees, employee salaries and benefits, labor negotiations, arbitration, mediation and grievances. The Manitowoc Common Council approved the reorganization of the City Attorney/Personnel Department into two separate departments, a City Attorney Department and a Human Resources Department. It is anticipated in 2009, with the hiring of a full time Human Resources Director, job duties involving labor and employment matters will be redistributed.

The City Attorney also administers the City's liability, health, dental and workers compensation insurance programs, ensures compliance with the Federal laws, organizes employee training programs, record keeping, and the general administration of the Personnel Department.

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 2008 were \$4,785.83 for vehicle claims and \$9,395.91 for general liability claims.

The City, through the City Attorney Department, provides the Special Events Liability Insurance Program to entities using City premises. This enables the entities, which are holding events using public facilities to purchase liability insurance, which meets the City's insurance requirements. The City is always listed as an additional insured on these policies. There were no policies purchased for 2008.

AUTO LIABILITY/AUTO PROPERTY DAMAGE

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

EMPLOYMENT ISSUES

As a result of the current economic conditions as they relate to the rising costs of health care, the City continued its efforts to increase employee interest in health care premiums.

Employee contributions for health care premiums range from 5% to 10% for the family plan and 0% and 10% for single plan under the labor units and the non-represented employees. In addition, the co-pays and deductibles were increased for several bargaining units. Efforts continue to be made to standardize the 10% contribution and increased deductibles and co-pays City-wide. This process is nearly complete with only one unit not contributing 10% at this time. We continue to look at various plan modifications to reduce health claim costs. The City introduced a new health care plan entitled "City of Manitowoc Health, Dental,

Vision and Wellness Plan". The premiums for this plan are significantly less than the previous plan with emphasis on wellness. This plan has been introduced to several of the bargaining units with ongoing discussions regarding conversion.

Approximately 45 employees exercised their rights under FMLA.

For 2008, the department organized training sessions for the City of Manitowoc department heads and supervisory staff to include Employment Practices Liability. Training sessions for employees in general included Bloodborne Pathogens, Lockout Tagout, Harassment and Discrimination, Hearing Conservation, Personal Protective Equipment, and Respiratory Protection.

RISK MANAGEMENT DIVISION-INSURANCE/SAFETY

The City of Manitowoc has received numerous awards in compliance with risk management and loss control operational practices from our liability carrier, Cities and Villages Mutual Insurance Company, from the year 2000 through 2007. This award is given to cities who are members of CVMIC that have demonstrated recognized efforts in risk assessment and management process. In the past twelve years, until 2006, the City has not reached its deductible with regard to liability claims paid in any one year. It also received the award for members of the Cities and Villages Mutual Insurance Company for improvements in safety and liability reduction.

The City's General Liability Insurance 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. The City provides the Special Events Liability Insurance Program to entities using City premises. This enables the entities, which are holding events using public facilities to purchase liability insurance, which meets the City's insurance requirements. The City is always listed as an additional insured on these policies. There were no policies purchased for 2008. The limit under the standard policy is \$1,000,000 general aggregate. Auto liability and auto property damage is handled through CVMIC. Insurance claims for property damage is administered by Wisconsin Local Government Property Fund. The total property and floater premium for 2008 was \$58,190.00.

The City Attorney/Personnel Director administers the City's liability, health, dental, and workers compensation programs. Auxiant, the City's third party administrator, provides for the self-funded health program. Wausau Insurance Company provides fully insured workers compensation coverage. The two dental plans are also fully insured.

WORKERS COMPENSATION

The City's workers compensation program is handled through Wausau Insurance Company. Our experience modification factor is .82 for January 1, 2009 through January 1, 2010.

STATE AND NATIONAL MEMBERSHIPS

The City Attorney and Assistant City Attorney are members of the Wisconsin State Bar Association, the League of Wisconsin Municipalities and the Manitowoc County Bar Association. They are also admitted to practice before Wisconsin State Courts and United States District Court. The City Attorney/Personnel Director is also a member of the following organizations: WPELRA, NATOA, IMLA and PRIMA.

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. The Clerk also serves on 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 policies for all contracts with the City and as required for various permits. 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, and weighs and measures 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 abstract 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 accord 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 function on a weekly basis and payroll functions on a bi-weekly basis.

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 needs, comprehensive annual financial report, the annual update to the 5-year capital improvement plan, and all State and Federal financial reporting requirements. The City of Manitowoc received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended December 31, 2006 in large part due to the efforts of the Finance office. This was the eighth consecutive year the City received this nationally recognized award.

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 4 full-time employees and holds memberships in the national Government Finance Officers Association, Wisconsin Government Finance Officers Association, Association of Government Accountants, and American Payroll Association.

TREASURER'S OFFICE

The office collects real and personal property taxes, utility bills, room taxes, license 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. The office is responsible for the

billing and collection of ambulance fees. Claims are submitted to Medicare and Medical Assistance. 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 four full-time 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.

MUNICIPAL COURT

There were approximately 4053 new Municipal Court citations issued by the Manitowoc Police Department in the year 2008, versus 3,458 in 2007. The Court disposed of approximately 3991 cases in 2008, as compared to 3686 cases in 2007. Total revenues for 2008 were \$472,291.90, as compared to \$372,571.15 in 2007.

Regarding other statistics of amounts collected in 2008, the forfeiture amount collected was \$237,505.00 versus \$184,920.00 in the year 2007. Court costs collected were \$80,684.00, as compared to \$61,213.00 in 2007. The increase in revenues is reflected by the slight increase in citations. The Court Costs flat fee of \$28.00 was instituted in 2006, so this may be a reflection of that change. The Municipal Court also collected crime Prevention Fees of \$2490.00, as compared to \$3,030.00 in 2007. We anticipate this figure to go down substantially since there was a change in the statutes, no longer allowing Municipalities to impose a crime prevention fee.

The Municipal Court continues to process delinquent, unpaid fines on a regular basis. We continue to hold monthly indigency hearings, and collect ordinance violation fines with consistency. The threat of jail is stronger than the threat of a driver's license, which the Legislature took away from the Court as a means of collection on ordinance violations several years ago. The suspension of a driver's license is still used as an alternate penalty for non-payment in traffic and juvenile ordinance citations. We have continued to enter new outstanding accounts to the TRIP program for collection in 2008. With the Police Department's assistance, more social security numbers have been collected. We were able to collect nearly \$52,000.00 in 2008 as compared to approximately \$37,000 in 2007. The TRIP program has truly shown its value in time used to process these unpaid amounts. January through April 15th, the tax return season, is the time of the year we expect to receive a substantial amount from Wisconsin Department of Revenue, since that's when refunds are processed. However, in 2008 we continued to receive funds periodically through the remainder of the year.

In conclusion, the Municipal Court continues to do its best to use different avenues of collection, made possible by the Legislature. The court will continue to use the TRIP program to the fullest extent and we hope to collect increased revenues in the upcoming years.

We have had wonderful success in collecting many “old” “outstanding” fines that would not have been collected without the TRIP program.

OFFICE OF THE MAYOR

The City of Manitowoc employs a Mayor-Council form of government. The Mayor of Manitowoc serves as both the Chief elected official and the Chief Executive Officer of the municipality. An Assistant to the Mayor/Confidential Secretary staffs the Office of Mayor.

Mayor Kevin Crawford was first elected to office in April of 1989. Crawford was reelected to office in April of 1991. In 1993, the citizens of Manitowoc voted in favor of expanding the term of the office of Mayor to four years in an advisory referendum. Since then, Mayor Crawford has been reelected to 3 four-year terms as Mayor of the City, to become Manitowoc’s longest continually serving Mayor.

As a result of Mayor Crawford making economic development one of his chief responsibilities, 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 also has primary responsibility for monitoring legislation at the state and federal levels and lobbying legislators and administrators as appropriate. The City of Manitowoc maintains an active membership in the Wisconsin Alliance of Cities where Mayor Crawford currently serves on the Board of Directors and has served two (2) terms as president of the organization; and the League of Wisconsin Municipalities where Crawford has long served on the Legislative Committee and most recently served as President.

Thanks to Mayor Crawford’s progressive leadership, the City of Manitowoc has rebounded after the devastation of the unfair off-shoring of jobs and eventual closing of one of Manitowoc’s largest employers, the aluminum cookware giant, Mirro. Far from being the City’s death knell, four thriving industries now occupy the abandoned Mirro facilities, and the unemployment rate has been reduced by half. Mayor Crawford’s leadership has also led to the fruition of a revitalized Historic Downtown with a new Quay Street extension which has successfully beautified Manitowoc’s South lakefront for the first time in Manitowoc’s history; the development of Harbor Town Retail Center; and the completion of a water pipeline contract with the six (6) municipalities of the Central Brown County Water Authority – a huge step in the promotion of regionalization; and an \$80 million expansion of Manitowoc Public Utilities’ electric generation capabilities, allowing the oldest, least enviro-friendly unit to be taken offline.

Governor Jim Doyle in his state of the state address recognized the accomplishments of Mayor Crawford and the City of Manitowoc.

The city of Manitowoc committed to further study issues of sustainability and became the tenth eco-municipality in the state of Wisconsin.

Internal office activities conducted by the Mayor include 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 committees and various boards and commissions subject to final approval by the Common Council.

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 DEPARTMENT

City Planning (the “department”) is a streamlined agency that effectively and efficiently deals with various development issues ranging from annexation, zoning and land use; provides business development and economic development services (commercial, industrial and housing); coordinates the City’s Farmers’ Market; and oversees general City marketing efforts which are funded by room tax revenues. In addition to development issues, the department’s responsibilities include maintaining the Geographic Information System (GIS), internet mapping and homepage design, and maintenance functions of the City. The department provides all planning, land use, economic development, and marketing functions for the City of Manitowoc, and is currently in the second year of a process to update the City’s comprehensive plan to meet the requirements of the Wisconsin “Smart Growth” law. The department’s planning responsibilities are focused on establishing strong land use and zoning objectives and policies for the City and its growth areas, and include implementation and maintenance of the City’s comprehensive zoning and Official Map programs, and comprehensive plan.

On the economic development side, the department implements both housing and economic development loan and tax credit programs oriented toward encouraging investment, and attracting private and public capital into the community. These programs include administering housing assistance programs, Community Development Block Grant-Economic Development (CDBG-ED) grants, business revolving loan funds, Community Development Zone and Technology Zone tax credit programs. In 2008, the department continued its participation in the North East Wisconsin Regional Economic Partnership (NEWREP) Technology Zone program. The zone designation includes several areas within the City as Technology Zone sites. Companies located in these areas are eligible for various tax credits for technology-oriented investments.

The department’s housing programs are designed to support home ownership, and the upgrading and retention of existing housing stock. The department’s business services include programs to support the expansion of the type of business and industry necessary to enhance the quality of life in Manitowoc.

In addition to planning responsibilities, the department maintains the City’s website and homepage which includes other City departments in addition to the Manitowoc Area Visitor & Convention Bureau. Finally, the department continued to sponsor and administer the City’s Farmers’ Market in downtown.

Department staffing for 2008 was five (5), comprising the following full-time positions:

City Planner	1
Deputy City Planner	1
Associate Planner	1
GIS Technician	1
Secretary to the Planner	1

PLANNING, HOUSING, AND ECONOMIC DEVELOPMENT (2008)

1. In 2008, there were no new residential subdivisions added to the City's housing inventory. However, in 2007, the City processed four (4) residential final subdivision plats which created 70 new lots of record. In 2008, there were eight (8) land sales representing 11 per cent of these 70 newly platted lots of record.
2. Residential construction in 2008 added 38 new housing units to the City's existing building inventory— 26 new single family dwellings and 12 duplex units. No multi-family housing units were added to the housing inventory in 2008 as was the case in 2007. In 2007, residential construction added 55 new units, of which 31 were new single family dwellings.
3. The City's Planning Department (Department) approved 13 Community Development Block Grant (CDBG) housing assistance projects in 2008 to low-and-moderate income (LMI) households. These projects represented a total public investment of \$89,068. The Department also completed two (2) Housing Cost Reduction Initiative (HCRI) and Home Investment Partnership (HOME) projects. Total public investment related to the HCRI/HOME projects totaled \$5,000 and leveraged \$137,400 in private mortgage financing. Additionally, the Department participated in four (4) mortgage subordination requests. Since the inception of its housing program in 1988, the Department has financed 950 housing assistance projects to LMI households. Two (2) homes were foreclosed in 2008 equaling \$22,020 in non-recoverable funds no longer available for new project investments.
4. The City completed one (1) annexation in 2008 for a total of .69-acres of land. There were no residents in the annexed area. Since 1990, the City has annexed 3.380 square miles of area. The total area of the City as of December 31, 2008 is 18.238 square miles.
5. Direct financing support in the form of community development zone tax credits was provided in 2008 to Orion Energy Systems, Inc. (\$854,500) for the creation of 170 new jobs in Manitowoc. Additionally, the City approved three (3) revolving loans

totaling \$1,350,000 to area companies. One (1) of these loans includes an additional CDBG in the amount of \$187,500 from the Wisconsin Department of Commerce (DOC). This investment of City and DOC public funds will be combined with \$13,875,000 in private funds, and the promise to create 92.5 new jobs in Manitowoc. Two (2) of these loans will be closed in 2009.

6. The City approved a boundary and text amendment to existing Tax Incremental Financing (TIF) District No. 15 in 2008 to add 80.47-acres of land into the TIF principally to fund the re-design and reconstruction of the Dewey/CTH "CR" intersection. Subsequently, the City entered into a TIF development agreement with a project developer to fund the estimated \$2,200,000 intersection design and reconstruction project through a developer-funded arrangement. This intersection project was directly related to the construction of a freestanding 69,300sf grocery store and a gasoline/convenience store, together representing an estimated \$9,000,000 in new tax base for the City. The public and private development portions of this project were both completed in 2008.
7. 5.84-acres of land in the I-43 Technology & Enterprise Campus (ITEC) was sold to Northern Labs, Inc. in 2008 for \$116,600, related to the company's construction of a 40,000-square foot addition to their existing corporate facility.
8. Site Assessment Grants (SAG) are being administered by the Department for selected consultants to perform environmental assessment services at a 900,000sf vacant industrial property formerly owned by Newell (Mirro), and at a portion of the vacant Lakeview Centre shopping center. The \$57,920 in SAG monies are being matched with \$35,424 in private monies.
9. Since their inception in 1987, the Department administers the City's two (2) Revolving Loan Fund (RLF) programs providing below market rate, fixed asset expansion capital to businesses in Manitowoc. Through 2008, the Department has processed 11 CDBG economic development grants/loans totaling \$5,840,480; and 56 non-CDBG RLF loans to local businesses totaling \$7,861,434. In 2008, loan repayments from CDBG economic development projects totaled \$203,360, and repayments from non-CDBG RLF loans totaled \$818,995, or a grand total of \$1,022,355 in repayments.
10. The Department facilitated the preparation of a new Services Agreement by and between the cities of Manitowoc, Two Rivers, and Kiel, along with the Economic Development Corporation (EDC) of Manitowoc County. The City's annual payment to the EDC in 2008, 2009, and 2010 will be \$66,663 per year for the delivery of supplementary economic development services to businesses in the City.
11. The Department received, reviewed, and approved site plan reviews for 30 projects in 2008, including 17 developments with construction values estimated in excess of \$500,000; for comparison, in 2007, there were a total of 34 site plans reviewed and approved. In 2008, a total of 84 commercial, industrial, or governmental building

permits were issued by the City. The estimated cost of all the 2008 projects was \$ 50,858,524. Some of the major building projects in 2008 are listed below:

Construction of a 67,322sf, two (2) story addition to an existing manufacturing plant. The estimated cost of the construction is \$10,665,000.

Construction of a 68,000sf commercial building in Harbor Town Center. The estimated cost of construction is \$4,563,000.

Construction of a 32,000sf pack and ship facility. The estimated cost of construction is \$2,791,000.

Construction of a 16,251sf high school addition. The estimated cost of construction is \$2,632,500.

Construction of a 69,300sf grocery store. The estimated cost of construction is \$3,900,000.

Construction of a 22,500sf commercial building in Harbor Town Center. The estimated cost of construction is \$1,375,920.

Construction of a 13,100sf industrial building addition. The estimated cost of construction is \$2,248,233.

Construction of a 48,000sf nursing home facility. The estimated cost of construction is \$2,700,000.

Construction of a 42,260sf addition to an existing industrial building in the Manitowoc ITEC. The estimated cost of construction is \$ 1,822,000.

Construction of a 24,325sf addition to an existing industrial building. The estimated cost of construction is \$4,100,000.

The Department, in conjunction with the City's Plan Commission, received, reviewed, and approved 37 Certified Survey Maps (CSM's). This compares with 41 CSM's reviewed and approved in 2007. Additionally, the Department facilitated the completion of two (2) rezonings, three (3) zoning text amendments, seven (7) conditional use permits, two (2) Official Map amendments, one (1) street vacation, one (1) annexation, and 19 animated sign review applications. The Department is also continuing the process of updating the City's Comprehensive Plan. The Department, in cooperation with the U.S. Census Bureau, is continuing the update of the City's address database and digital mapping files in preparation for the 2010 census.

GIS/CAD/HOMEPAGE (2008)

1. All GIS coverages (parcels, zoning, sanitary sewers, and storm sewers) are updated by

- the Department when changes occur. The Department has ARC Macro Language-AML's (GIS programming language) that help eliminate time spent on updating files.
2. All CAD maps were updated for the Department, and for the benefit of other City departments including, but not limited to Building Inspection, Parks & Recreation, Assessor, Police and Fire.
 3. The Department updates zoning, Official Map, aldermanic and annexation maps as changes occur.
 4. 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 multiple City departments including Planning, Engineering, Parks & Recreation, Assessors, Building Inspection, DPW, Police, Fire and the Manitowoc Public Utilities (MPU).
 5. All GIS software and maintenance agreements were upgraded with the purchase ArcGIS version 9.3 software by the Department. Three (3) Assessor employees are using GIS on a daily basis as well as Engineering department personnel.
 6. The Department maintains ArcIMS and Adobe PDF maps which are accessed from the City's homepage. All maps are accessed from the Map Portal Page. The process of updating maps on the internet includes linking the City/County merged parcel shapefile to the City/County joined Access database. This database is updated daily and runs on a scheduled routine every evening.
 7. The Department continues to update the City's homepage and website including the compilation and coordination of website information from all departments in City Hall, plus the Manitowoc Area Visitor and Convention Bureau, Inc. (MAVCB). The Department worked on special website projects with the Police Department, Maritime Metro Transit, and the Manitowoc International Relations Association (M.I.R.A.).
 8. The Department completed many 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 foreclosure-impacted properties, a map being used to evaluate a possible sex offender ordinance, and a map of commercial real estate sales in the southwest portion of the City. Additionally, the Department has assisted the Parks department with a new tree inventory project using GIS, has created street sweeping routes and districts for storm water permit requirements, has updated land sales for the Harbor Town Area, and has assisted in the graphic representation for public viewing of a new intersection at Dewey Street & CTH"CR"/So. 42nd Street along with the Festival Foods development.
 9. 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 (ITEC).

10. The Department continues its partnership with Manitowoc County to provide mapping and assessment information on the internet via ESRI's ArcIMS software. The GIS technician assists City Hall employees, MPU and Police management on the ArcIMS employee access website, allowing them to create mailing lists, create custom maps and search the parcel database by name.
11. The Department continues to compile a database which tracks any restrictions placed on properties located in the City, as well as any delayed hook up charges and development agreements for parcels that are outside of the City limits. The database will assist in collecting delayed assessments that could be overlooked when a property is annexed into the City.
12. The Department began tracking foreclosure-impacted properties within the City using GIS as a tool. Lis Pendens notices and Sheriff Deeds have been tracked from 2000 – 2008 to identify parcels in various stages of real estate foreclosure. This information can be viewed either graphically, by table, or by map. Also, the property assessment values of the foreclosure-impacted properties were analyzed. This project will be updated on a regular basis.
13. A GIS needs assessment and implementation plan was funded in 2008. The process of preparing the plan will begin in January, 2009 and will be completed later in the year. A national consulting firm, R.A. Smith, will complete the project with oversight direction from the Department.

GENERAL CITY MARKETING (2008)

The Department, through authorization by the Manitowoc Industrial Development Corporation and through the creative energies of its marketing firm, Marx McClellan & Thrun, continues to implement a multi-faceted marketing and branding campaign including I-43 billboard rentals, print ad placements, radio advertisements, and a City CD-ROM extolling the benefits of the City.

In 2008, the Department targeted marketing investments totaling \$147,298 for advertisements on I-43 billboards, print ad placements in publications including "My Midwest" in-flight magazine, "Marketplace Magazine", "Insight Magazine", and radio advertisements on National Public Radio, all oriented towards southeastern Wisconsin.

POLICE DEPARTMENT

The members of the Manitowoc Police Department rose to the many challenges they faced in 2008. As you read through this report, I am sure you will agree, the men and women of your police department have continued to provide a high level of professional service to our community and its citizens.

The Manitowoc Police Department was created in 1876 and has been serving and protecting our community for over 130 years. Our city has grown to 18.28 square miles of land consisting of over 15,200 living units and over 900 commercial buildings. We patrol 188.16 miles of streets consisting of approximately 900 intersections of which 2/3's are controlled by a sign or signal light. The latest population figures show us serving 34,620 people. Your police department employs 65 sworn officers, 10 full time and 1 part time non-sworn staff, and 12 part time crossing guards with a budget of 7.8 million dollars.

During 2008 we generated over 17,500 incident reports from the 27,000 plus calls for service received by the county dispatchers assigned to the City of Manitowoc work station.

Our dedication to perform at a high level meant that in 2007 we continued to review how we did our own business. To that end it was decided that restructuring the operations and management of the police department would be appropriate. The new 2008 structure directed the focus of patrolman to patrol duties and placed the most detailed and complicated investigations into the hands of those individuals with the desire and experience to successfully complete them. While the restructuring reduced the number of people with supervisory responsibilities it did call for more full time supervisors to cover each patrol shift. In short, we found a way to put patrolman and detectives in positions to do the work they each do best.

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 prevent or solve community problems. We pledge of continued assistance and partnership to our community. The public trust is our most treasured resource and must be cherished by all who work in the public service sector.

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 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 well being 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 unit's bedroom, and to escape by crawling low and finding an exit. We are currently piloting two (2) programs in the public school system to reach all children in grades K-6.

Firefighters install ten (10)-year smoke detectors free of charge for any resident who cannot afford to buy them, and install at least one in every building rehabilitated as part of the Planning Department's grant program. In addition, whenever we respond to a residence, a check is done to ascertain that the property is properly protected with smoke detectors, and if it is found to be lacking the proper protection, we install the smoke detectors that are needed. Approximately 147 toddler care seats are maintained and loaned for a \$20 deposit through a cooperative program with Holy Family Memorial Medical Center and the Manitowoc County Health Department.

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 siren. A Level-A-capable Hazardous Materials Response Team is headquartered at Station one (1) and is staffed by members of our department as well as others from neighboring departments within the County. We have four (4) stations strategically located in (4) four quadrants of the city, with a target total response time of five (5) minutes or less. 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.

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, a Boston Whaler boat, a Class B foam trailer, spill-containment trailer, and hazmat/air/command post vehicle.

The minimum 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, 40 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 five pager recall personnel responded to each fire in this manner during 2007. We also employ two (2) full-time clerical assistants.

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.

We hold membership in the National Fire Protection Association, International Association of Fire Investigators, International Association of Fire Fighters, Wisconsin Fire Inspector=s 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, and Wisconsin State Fire Chiefs Association.

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.

BUILDING INSPECTION DEPARTMENT

The Inspection Department has thirteen full-time employees consisting of six (6) employees in the Inspection field and seven (7) in the Buildings and Grounds area.

INSPECTION

We enforce all pertinent chapters of the Wisconsin Department of Commerce Safety and Building Codes, Plumbing Code, National Electrical Code, and the Municipal Code. In 2008, the department issued over 3,100 permits valued at \$71,200,000.00 resulting in permit fee revenue in excess of \$557,000. We provide inspections for new construction, remodels / additions, Housing Code violations, liquor license renewals, theaters, carnivals, and multi-family dwellings.

The Building Inspection Department also administers Municipal Code Chapter 15 and 16. These chapters contain essential Zoning, Floodplain, Parking, and minimum Housing Standard ordinances. Members of the department sit on the Public Property and Safety Committee, Zoning Board of Appeals, Municipal Tree Commission, Plan Commission, Code Review Committee, Board of Electrical Examiners, and Handicap Appeal Commission.

BUILDING AND GROUNDS

We take care of the Police Department, Fire Stations #1, #2, #3, & #4, the Senior Center, the Rahr-West Art Museum, the Visitor Information Center, and City Hall with seven skilled employees. 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

DEPARTMENT OF PUBLIC WORKS

The Department of Public Works plans, administers, directs and budgets Public Works activities for the City of Manitowoc. This includes all phases of municipal engineering, public construction projects, and the operation and maintenance of infrastructure within the public right-of-way.

It is a multi-faceted department with a 2008 budget of approximately 18.5 million dollars and 11.7 million dollars in revenue. The net expense of 6.7 million dollars funds five 5 divisions with a staff of 90 FTE technical, clerical, professional, and skilled personnel.

The five divisions that comprise the Department of Public Works are:

1. Evergreen and Evergreen West Cemetery
2. Fleet, Bridges, and Buildings
3. Streets, Sewer Operation, and Maintenance
4. Maritime Metro Transit
5. Engineering

EVERGREEN AND EVERGREEN WEST CEMETERY

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 activity. Evergreen Cemetery has nearly 5,000 spaces available for sale. The City anticipates continuing to use the main area of the cemetery for the next 30 years.

Evergreen Cemetery is staffed with 5.85 full-time employees augmented by 10 part-time staff in the summer. This represents a decline in 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.

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.

FLEET, BRIDGES, AND BUILDINGS

This division handles the fixed and rolling assets of the department. This includes all city-owned vehicles, DPW buildings and bridges. It also manages the day to day maintenance and operations of our port and harbor.

The city mechanics are under the Fleet Manager's supervision and are available for all work under this division. Currently two (2) mechanics are employed by Maritime Metro Transit, and six by the Department of Public Works. The city shop is staffed 24 hours a day Monday through Friday.

The mechanics and parts supply clerk under the direction of the Fleet Manager operate as an Internal Service Fund. 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 Fleet operations include Manitowoc Public Utilities, the Manitowoc Public School System, and Manitowoc County. Revenues from these organizations flows back into the motor pool to offset department operations.

This division also supplies 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.

Through the Fleet Division, the Department of Public Works 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, another for the 10th street bridge – allowing 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 him 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.

STREET DIVISION

The Street Division is the largest division and is currently comprised of 37 full time Teamsters including two clerks, one (1) Electrician (AFSCME) and three (3) salaried employees. It maintains 185 miles of streets plus 28 alleys and over 300 miles of mainline storm and

sanitary sewers. The Sanitary Sewers are cleaned annually as a preventative measure. In 1999 the division took responsibility for the maintenance of 15 sanitary sewer lift stations as well. The lift stations and sewers are maintained through a regular program of inspection and cleaning throughout the year. These maintenance expenses are funded by the City's Waste Water Treatment Facility.

The streets of the city are plowed by the department during the winter and swept an average of once every ten (10) days during the rest of the season. We also patch and restore over 300 pavement excavations; following up after service by the various utilities and plumbers.

Prior to winter, the division installs sanders on city vehicles. They fill and place 140 sand barrels at various locations through the city, erect one (1) mile of snow fence at ten (10) sites, and reconnoiter their plow routes. Equipment is prepared for mobilization on short notice for winter storms. The division brings over 40 pieces of equipment to bear on snow removal and ice control. As necessary the department hires additional equipment at pre-determined rates to assist the department in removing snow from city streets.

The division has varied duties including maintaining and installing of 7,600 traffic signs, monitoring 34 signalized intersections, snow removal on city sidewalks, weed cutting on city property, and the enforcement of the city's weed and sidewalk shoveling ordinances. The division also provides three (3) yard waste pick-ups per year, removal of fallen leaves, and the installation of the city's Christmas decorations and decorative banners. The division also has responsibility of the city's boat launch ramps and shorelines. They also provide traffic control for road emergencies and public construction projects.

We continue to pursue new efficiencies in our operations. We are proud of the fact that we have not added staff to the Streets division for 30 years despite rapid growth of the city's infrastructure and the addition of mandated programs.

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 (4) 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 five (5) making 30 minute circuits, and one (1) (service to Two Rivers) on a one (1) hour circuit. 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.

The system currently employs 24 people including 12 full-time drivers, seven (7) permanent part-time drivers, two (2) full time mechanics, one (1) full-time clerk, one (1) part-time clerk, and one (1) transit manager. 20% of the Fleet Manager's time is allocated to MMT. The Transit Manager is currently also responsible for overseeing Evergreen Cemetery and allocates 10% of his time to it.

In late 2007, the Bay Lakes Regional Planning Commission was contracted to update the systems Transportation Development Plan (TDP). This was last done in 2000 and is a mandated overview of the demand for services provided by the system. The last plan was adopted in 2002 and led to several changes in route structure and service delivery. It is anticipated that the new report will reveal several areas of opportunity for service improvements.

Operational improvements as a result of the 2002 TDP include expanding routes and ticket sale locations. MMT has expanded its hours of operation and 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. MMT and Manitowoc County are cooperating in the use of a Mobility Manager – paid for by a federal grant administered by the state – to identify and reach underserved populations within the city and county. The City of Manitowoc is providing facilities for the position as its contribution; the county is paying the salary of the position from grant funds.

This cooperation increases the scale of the paratransit operation, and provides a number of different modes of transportation. The goal is to match the most efficient transportation solution to the needs of the user. As the number of elderly and disabled passengers increase, the system must ensure that costs do not spiral out of control. The cooperative effort of the two units of government with the help of the private providers of paratransit services will be required to accomplish this goal.

ENGINEERING

The Engineering Department’s responsibilities include preliminary and detailed engineering analysis of not only Public Works 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. Additionally, the Division is involved in special projects such as control of wildlife at the containment vessel, the planned additional power generation facility, the new water supply line for Brown County, and new commercial development in the area of I-43. Engineering offers technical and quasi-technical support to other city departments. Many Parks department projects are run through Engineering in the conceptual and design phases. The department also assists other departments in contract administration.

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 inspection – an in-depth look at our 11 bridges for the Wisconsin Dept of Transportation – monitoring traffic movement through a continually changing city, and the design and maintenance of signalized intersections.

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

The Engineering division plans the capital projects for the City and seeks grant funding for them where available. Typically this is WISDOT assistance for the reconstruction of city streets. We have utilized Harbor Assistance Grants for the extension of Quay Street, and continue to seek funds in support of the State mandated Municipal Storm Water Permit.

The division is responsible for the most of the cadastral mapping for the City of Manitowoc. The entire City including our three (3) mile extraterritorial jurisdiction has been digitally mapped. This includes all basemap, parcel data, sanitary and storm sewer lines as well as items such as street right-of-ways, water based features, 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 (NAD83/91). The division continues to work with our digital planimetric and topographic map files. We are integrating with the GIS system under development by the City's Planning Department and the County of Manitowoc. With a full featured implementation of the GIS system and the use of GEO databases, we will be 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.

In all, the Department of Public Works 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.

PARKS AND RECREATION DEPARTMENT

As a department we are committed to improving the quality of life for all Manitowoc's residents and visitors. This is accomplished by providing and promoting well-maintained parks, facilities, and public opens spaces, as well as offering a variety of lifelong recreational opportunities and special events for people of all ages, levels, and abilities.

The department has twenty-three and one half (23.5) employees working in administration, recreation, parks, and at the Manitowoc Senior Center. Rich Kautzer retired in January and Paul Burish replaced him as the new Parks Foreman. Lee Gauthier was promoted to a Park

Worker 2 position and Dave Schultz transferred from the Manitowoc Cemetery to fill the open Park Worker 1 position within the department. Lisa Shimon was hired in April as the new Clerk 3 in the office area. Over one hundred thirty-five seasonal employees were hired for recreation and parks positions throughout the year. Volunteers continued to work in recreation programs, zoo activities, senior citizen programs, and special events for the department.

From January through April 2008, members of the Zoological Board, the Zoological Society and staff members planned activities and worked on several maintenance issues to improve Lincoln Park Zoo. Security became a high priority and the Zoo Society hired Don Backus Electric and O & W Communications from Sheboygan to put in cameras at the front and back gates at the zoo.

Manitowoc celebrated its 25th year Anniversary as a member of the Wisconsin Tree City, USA program. A local celebration took place the fourth Friday in April for Arbor Day at Citizen Park. New trees were planted and several citizens, Municipal Tree Commission board members, local officials took part in a ceremony with Tracy Salisbury, NE Wisconsin WDNR coordinator. During the month of October a task force worked with local contractors to offer trees to the public. Over 125 new trees were planted throughout Manitowoc.

Roof replacements took place at the Lincoln Park Education Building, Lincoln Park Rest Room Building, Lincoln Park Bison Barn, Silver Creek Block Garage, Henry Schuette Park Restroom Building, Henry Schuette Park Open Air Shelter, Manitou Park Open Air Shelter, Maritime Drive Open Air Shelters North and South, Silver Creek Open Air Shelter, Citizen Park Open Air Shelter and Tennis Courts. Phase three (3) of the tuck pointing for the Park Shop was completed. Demolition of the Municipal Field Concession stand was completed. The department is working with the Bandits Baseball Club to put a new concession stand back in its place. Plans were finalized to demolish the Old Park Shop and Concession stand at Lincoln Park. Several buildings were cleaned and painted through the year. The Community Built Playground was completely stained and painted. A new energy efficient furnace was purchased for the restroom building at between Cabin one (1) and two (2). Tuck pointing was completed at Lincoln Park Zoo, Westfield Park, and Red Arrow Park.

Three grants were initiated for the Red Arrow Beach restoration project. Two (2) federal grants and one local West Foundation grant will aid in restoring the slope and beach areas in the park. Work is scheduled to begin in the spring of 2009.

A YEAR OF ACCOMPLISHMENTS

The Friends of the Manitowoc Family Aquatic Center received pledges for over \$1.2 million for the new Family Aquatic Center. The West Foundation pledged \$1.5 million to the project in July. The Common Council voted in July to bond \$2 million for the new facility. The Friends group pledged \$250,000 for future operation and improvements to the facility. Ground breaking is scheduled for March 2009 and the new facility will be open to the public in June 2010.

The Lincoln Park Zoological society members volunteered their time and resources to enhance the upstairs educational building at the zoo. The society witnessed a significant increase in membership in 2008. A member's appreciation event was held in August at the zoo. Several members of the Board, parks and recreation staff, and volunteers worked the Sixth Annual Halloween event on October 31 and November 1st. Over 1100 visitors went through the Haunted barn and wicked woods.

The Mini Parks were landscaped and the Mariners Trail trees were pruned from the Maritime Museum to the Two Rivers border along the trail. Lincoln Park Tennis courts one (1), two (2), and three (3) were resurfaced, painted, and re-stripped at Lincoln Park.

Several outstanding trips were offered at the Manitowoc Senior Center in 2008. Another successful rummage sale and Holiday Fair event took place. A new Active Net software package was purchased for membership tracking. A volunteer recognition event took place during the year. Events for Christmas and the New Year also took place during the year.

Notable special events that occurred in 2008: The annual St. Patrick's Day parade and fireworks were held in March, the Easter event collaboration between the Manitowoc Jaycees, Manitowoc Noon Optimists Club and the Manitowoc Parks and Recreation Department took place in April, Metro Jam and the garden fair were held in June, the 4th of July picnic and fireworks at Silver Creek Park and Lakefront, the Annual Kiwanis Car Show was held in August at Washington Park, the third annual Rotary Lobster Fest, the First Annual Sputnik Fest at the Rahr -West Museum.

The Wisconsin Park and Recreation Association (WPRA) elected Joe McLafferty for a three-year term, 2007 President-Elect, 2008 President, and 2009 Past President on the Board of Directors. Denise Larson was elected as the Region Two (2) rep for the Aquatic Section, and Jeremy Crees continued working as a WPRA Region 2 Recreation Section and benefits committee member.

Special thanks goes to the Common Council, Mayor Crawford for all his help and guidance during the past year, Ray Geigel, Chairman of the Parks and Recreation Committee, Chris Able for his continued work on the Union Park project, to all the committees, commissions, and all the Department Heads that help make this department successful.

RAHR WEST ART MUSEUM

MISSION STATEMENT

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.

The Rahr West Art Museum has a dual nature. It exists as an 1891-93 mansion on the National Register of Historic Places, which was given to the City of Manitowoc in 1941 by its owner, Mrs. Clara Rahr, with the purpose to be used as a museum and civic center. 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 constructed 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.

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 grant support from the Ruth and John D. West Foundation.

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 2000 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.

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 2008, the Rahr-West Art Museum collaborated with the Manitowoc Public District in educating students in the visual arts, we also provided teachers with the opportunity to receive lesson plans designed with pieces from our permanent collection in mind. This innovative programming has led to home-school children visiting and learning each month with a specific curriculum designed for their needs. Traditions associated with children and education have also have been honored. Youth Art Month exhibitions 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 Rahr West Art Museum is the setting for the 2009 Wisconsin Artists Biennial, a state wide fine arts competition open to all visual artists in the state of Wisconsin. This year the

Rahr West Art Museum will host and co-sponsor the exhibition from mid May through July 12th.

In addition to the collaborative spirit that the museum has worked to foster, Rahr West Art 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. Rahr West Art Museum was the fortunate recipient of a Helen Bader grant to assist us in our Creative Expressions program development. Creative Expressions helps the elderly and their family members cope with memory and aging issues.

The Rahr West Art Museum is the driving force behind Sputnikfest 2009. 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. There'll be dancin' in the streets as the community "Rocks their socks" and listen to live bands playing songs you love! This event will be supplemented by the museum's Where Were You in '62? Art Exhibit. A collection of local and national memorabilia, this exhibit will educate people of all ages on what the world was like 47 years ago.

Additional museum support comes from the Rahr West Art Museum Association, a volunteer organization with a governing board formed to assist the museum with programming and fulfilling its mission for educational outreach. This volunteer organization offers general services such as guided tours, educational programs, membership drives, and special events.

The Rahr West Art Museum Association has made an outstanding gift to the museum each year since 2002 to support what has become a full time educational staff position.

This 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 seven days per week.

PUBLIC LIBRARY

2008 was a year of successes and transition for the Manitowoc Public Library. The library was directed by three (3) interim directors and a search was successfully completed for a new director to begin in early of 2009. The department heads and the staff at the library continued to provide quality service and celebrated the 10th year in the current facility. During the 3,119 hours the library was open, 321,652 people visited the library.

At the current location of 707 Quay Street, the Manitowoc Public Library circulated 630,261 items for both children and adults. The library added 18,032 new items to the collection in both print and audiovisual. The library provides free access to 13,604 e-books through the website and the NetLibrary service. NetLibrary provides access to eContent, digital version of books, journals, and database content. You can access your library's eContent 24 hours a

days, seven days a week. The library also subscribes to 367 hardcopy newspaper and magazines that are available in the Periodicals Room.

Manitowoc Public Library participates in a free service, AskAway Online Reference Service. With Ask Away librarians are available to answer your questions through the website, 24 hours a day. It is a cooperative service of Wisconsin Libraries. Using the Manitowoc Public Library's website www.manitowoc.lib.wi.us customers also have access to 16 databases for free. These databases provide information for business, school or general knowledge.

The Manitowoc Public Library also has a collection that focuses on local history which includes:

- Books on Manitowoc City and Manitowoc County history
- Information about Local Industry
- Plat books
- Church records
- Tombstone inscriptions
- City Directories (from 1868 to the present)
- Yearbooks (the Lincoln High School Flambeau back to 1911)
- Government Information (City and County budgets)
- Local newspapers available on microfilm back to 1850.
- Census records on microfilm for the dates 1836-1930.

A number of resources from this collection are available online. On the Internet, go to the Manitowoc Library Homepage at <http://www.manitowoc.lib.wi.us/>. Look for Digital Resources and click on Local History. In addition to some of the items listed above, there is an extensive photograph collection (Images of Manitowoc and The Home Front: Manitowoc County in World War II hosted on the University of Wisconsin Digital Collections website). 2008 was year of successful and well-attended programs for the Manitowoc Public Library. The Youth Services staff presented 353 programs where 10,824 children and adults attended. These programs included the Beach Party Read-In, A Visit with Santa and weekly toddler and preschool story times.

The Public Relations and Information and Adult Services Departments were busy in 2008 developing 104 programs attended by 3,501 people. The programs included, Critics Choice film series, book discussions and the Great Decisions lecture series. This program, co-sponsored with the Friends of the Manitowoc Public Library was extremely popular, often with 120 people attending one lecture.

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 1940. Increased waste loadings, aging equipment, and changing environmental regulations made plant upgrades necessary in 1959, 1976, and 2001. The purpose of the treatment plant is to protect the health, safety and welfare of the public by efficient operation and maintenance, resulting in the maximized practical reduction of

pollutants entering the facility in its wastewater. 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. The City Ordinance governing the facility and its sanitary sewer system is Section 25 of the City of Manitowoc Municipal Code. Fourteen people are currently employed to operate and maintain the facility.

The residuals that remain 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 than 750 acres of land receive the nutrient rich biosolids. The biosolids are injected into the soil at the agronomic rate of the crop to be grown. In most cases, the recipient does not purchase or apply any commercially prepared crop fertilizer.

MANITOWOC PUBLIC UTILITIES

Manitowoc Public Utilities (MPU) is a municipality-owned electric and water utility serving approximately 17,800 electric accounts and 13,900 water accounts in the City of Manitowoc. MPU generates approximately 75% 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 microfiltration treatment facility.

The main benefits of municipal ownership of the Utility are its tax contribution to the City. In 2008, MPU was the highest contributor to the City of Manitowoc's tax role with a payment of \$3,447,000. MPU had operating revenues of \$69,090,000 in 2008, on an asset base of \$249 million. In addition, MPU made a payment of \$250,000 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 nearly 2.4 billion gallons of water into its distribution system in 2008, while the electric utility delivered over 551 million kilowatt hours to customers. MPU also maintains approximately 4,800 street and security lights in the City. In 2005, MPU started participating in

the Midwest Independent System Operator (MISO) to purchase and sell energy. In 2008, MPU sold approximately 220 million kilowatt hours to the market and other wholesale customers.

MPU also provides steam and hot water to several end users. Steam from an extraction turbine in the MPU Power Plant is sold to several customers via a district-heating loop. MPU also provides fiber optic cable services. The fiber optic network currently serves over 69 sites.

An agreement was executed with Central Brown County Water Authority (CBCWA) to supply wholesale water to six (6) 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 2008 approximately 2.8 billion gallons of water were delivered to the CBCWA.

MPU employs approximately 97 full-time employees. About 64 of the full-time employees are represented by Local No. 266 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 (7) members: The Mayor of Manitowoc, one City Council member, and five (5) appointed citizens. Activities of the Utility are regulated by the Public Service Commission of Wisconsin (PSCW).

MANITOWOC PUBLIC SCHOOL DISTRICT

As revenue caps continue to squeeze school districts statewide, the Manitowoc Public School District is prioritizing expenditures with the ultimate goal of providing the best educational opportunities for students in preschool through high school. New learning targets for elementary students and stronger graduation requirements are helping our students prepare for a changing world.

Leadership: The district operates under a Board of Education, which consists of seven (7) citizens elected at large by voters of the district. The 2008-09 Board members are Lee Braunel, Judy Carey, Michael Herrity, (Board president), Bob Jome, Ron Kossik, Chrystal Myer, 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 and assistant 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 2008 third-Friday-in-September enrollment count was 5,620, an increase of 46 students from the previous September. The MPSD has a 21% minority enrollment, of which 11.2 percent is Asian (primarily Hmong) and 6.5 percent is Hispanic.

The MPSD has one comprehensive high school, an alternative high school (operating as a charter school), two junior high schools, six grade 1-6 elementary schools, and an early childhood center that serves 397 kindergartners, 111 preschoolers, and 117 Head Start youngsters.

The district employs about 975 people - 407 FTE teachers, 55 FTE other professional staff, 229 FTE support personnel (paraprofessionals, custodial/maintenance, and clerical), and 250 coaches and substitute teachers.

Budget: At its best, a school district budget is fiscally responsible to citizens while still providing the resources to fulfill the district's responsibility to educate students. The MPSD provides a high-quality and comprehensive education. Overall spending-per-student is 5% below the state average. Spending-per-student on administration is 26% below the state average.

The school district's 2008-09 budget includes expenditures of \$55,028,015 in the general fund and total expenditures of \$70,061,913, a 2.5% increase over 2007-08. The total property tax levy of \$17.8 million (\$7.503 per thousand) amounts to a 3.69 percent increase in the total tax levy and a .29 percent increase in the net tax levy rate.

The property tax levy is apportioned among eight (8) municipalities that lie partially or totally within MPSD boundaries. The City of Manitowoc's portion of the levy has been gradually decreasing each year, reflecting slower growth in property value than in the outlying areas. The 2008-09 apportionment for the City of Manitowoc is \$13,782,497 or 77% of the school district's total levy.

The school district tax levy accounts for slightly more than a third of each City of Manitowoc homeowner's total property tax bill.

Free 4K preschool for every child:

In September 2008, the MPSD began offering universal four-year-old kindergarten (preschool) for every child whose parent chooses to participate. Under MPSD auspices, more than 300 preschoolers are served at seven 4K 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 five days a week, 2.5 hours 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.

The elementary schools have a solid foundation and a family atmosphere. The district's six (6) 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.

The secondary schools have a strong academics, exciting electives, and personalized programs. Each of the two junior high schools serves more than 600 students in grades 7-9. Lincoln High School serves more than 1400 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.

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.

The School Forest has been a strong link to the natural world for more than 50 years. MPSD students have been learning about nature at the MPSD's Rahr Memorial School Forest, located just north of Point Beach State Forest. The 293-acre complex includes four (4) buildings, a wildlife pond, handicap-accessible nature trails, and a quarter mile of Lake Michigan frontage. Experiences at camp are integrated with the regular curriculum and are closely tied to State Standards. The program includes astronomy, botany, geology, biology and microbiology, animal tracking, orienteering, survival skills, and many other topics.

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, Wisconsin, with two (2) learning sites strategically located in Sheboygan and Manitowoc. LTC also operates eight (8) community outreach centers in small-community, district high schools.

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. Over 98 percent of employers are satisfied with the 2006-07 graduates they supervise according to LTC's Employer Survey, and they are not the only satisfied customers. Ninety-eight percent of 2006-07 students reported being satisfied with their LTC experience. Ninety-two percent of 2006-07 LTC graduates were employed six (6) months to one year after graduation. Seventy-five percent of 2006-07 LTC graduates work in the LTC district and 97 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, instructional, and student support. In 2007-08, LTC had 2,072 full-time equivalent students, 62 percent of whom received financial aid. In 2007-08, LTC's total enrollment was 15,397. The average student age is 31 years; 40 percent of LTC students are over age 40 and 33 percent fall between 25 and 39 years, according to LTC's 2007-08 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. The college offers over 100 associate of applied science degrees, technical diplomas, technical certificates, advanced technical certificates, and state-indentured apprenticeships, housed under five (5) instructional divisions. Fourteen programs hold professional or specialized accreditation certification from 12 agencies.

LTC's Workforce Solutions provides contracted, customized training to employers for their employees who seek to update skills and improve workplace performance. In 2007-08, LTC served 6,028 employees from 144 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 strategic directions are to advance learning, embrace diversity, engage the community, and build excellence.

New programs: LTC is offering new programs that reflect the college's efforts to meet changing employment needs both locally and beyond. Launched in Fall, 2007 the Wind Energy Technology associate degree program is the first of its kind in the state of Wisconsin, while the Nuclear Technology associate degree program was developed with local employer collaboration.

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. Over \$120,000 in training grants have provided workforce advancement skills for over 530 area employees.

LTC has been a responsible steward of taxpayer dollars. Over the past seven years, LTC's tax rate decreased. LTC's levy increase is the second 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

Higher education/liberal arts and professional studies

Years of Operation: 75

No. of employees: 85 at main campus and 35 - 45 (varies semester to semester at outreach locations.)

Sponsored By: The Franciscan Sister of Christian Charity

President: Dr. George Arnold

GROWTH AND CHANGE:

Throughout the course of 2007/2008, Silver Lake College experienced many campus and curricular enhancements. The year began with the College Food service area receiving a complete renovation with the redesign of the school cafeteria. The redesign included the

expansion of the existing space to better accommodate the growing student population, new furnishings, the addition of wall mounted, large dimension, high definition televisions, and an extended art gallery space. In addition, the campus installed a new disc golf course and completed the installation of a wireless computer network.

Fundraising for the institution continued to be strong throughout 2007 and 2008. The college received a \$100,000 gift from the Censky family for the enhancement of an endowed scholarship. This scholarship serves to benefit students pursuing all areas of academic interest. Congressman Thomas Petri announced that Silver Lake College would receive federal funding of approximately \$175,000 to design and deliver an online Bachelor of Science in Nursing degree program. This funding enabled the College to complete the preparation and evaluation components necessary to implement this crucially needed professional degree program.

Over the summer, Silver Lake College learned it had been awarded a nearly \$2 million Title III Grant from the United States Department of Education. The grant money will help in the fulfillment of objectives established directly from the College's five (5) strategic initiatives as set forth in its strategic plan. The five (5) strategic initiatives are as follows: to strengthen the information technology infrastructure that supports the College's growth and expansion; to institutionalize a comprehensive professional development model that prepares all College personnel for 21st Century information and instructional technology; to create a liberal arts competency assessment system and, also campus wide, to create an institutional research system that analyzes and applies data to planning, budgeting, and responding to the future educational needs of learners. The final far-reaching initiative is to create an experiential learning system that enables every student to have access to at least one (1) experiential learning opportunity and faculty to have access to an externship opportunity to link his or her academic field to practical applications.

Silver Lake College also expanded its educational opportunities during 2008 by signing articulation agreements with both Nicolet College in Rhinelander and with Bellin College of Nursing in Green Bay. Silver Lake Students in Rhinelander will be able to participate in the College's Career Directed Programs which are specifically designed for working adults and provide students with the option of completing their degree in either Management or Accounting in as little as two years. With Bellin College, students from Silver Lake will be able to participate in an articulated credit transfer plan that facilitates a seamless transition of credits for students into the Nursing Program at Bellin.

OUTLOOK:

As we look to the future of the college, a number of exciting plans are on the horizon. For the first time in Silver Lake's history, with the beginning of the 2009-2010 academic year, students will reside on campus. A newly renovated student residence hall will open in August and house 180 undergraduate students. This will enable the campus to expand its residential activities and opportunities for its undergraduate population.

The college will continue to expand its outreach opportunities for education throughout the state especially in areas that are geographically underserved. Beginning in the fall of 2009,

Silver Lake College will begin offering classes in Ladysmith through an agreement with Mount Senario. Students will be able to participate in the CDP programs by completing their degrees in Management, and two (2) Master's Programs will be offered in Organizational Behavior and Teacher Leadership.

UNIVERSITY OF WISCONSIN-MANITOWOC

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. Dr. Daniel S. Campagna serves as Dean and Campus Executive Officer.

Part of the state-wide University of Wisconsin System, UW-Manitowoc is one (1) 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.

Because UW-Manitowoc specializes in freshman/sophomore curriculum, transferring is at the heart of its mission. 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.

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.

141 Associate Degrees were awarded during the 2007-2008 academic year. 541 students enrolled for the fall semester, with 27% of them defined as being non-traditional students, or over the age of 22. Approximately 68% of UW-Manitowoc's students are full-time. The average class size is less than 25, and the student/instructor ration is 13/1. Students can choose from over 100 classes in 25 different areas of study, along with an array of co-curricular activities including collegiate athletics. Along with conventional teaching, UW-Manitowoc offers distance education courses through the use of Wisline Web, compressed video, Computer Based Training (CBT), blended, and online resources.

In addition to the Associate's Degree, UW-Manitowoc offers students various opportunities to pursue bachelor's degrees through collaborative programs with other UW campuses. The degrees range from Liberal Studies and Organizational Administration to Business Administration and Criminal Justice. Courses are delivered via a combination of face-to face, compressed video, and on-line methods.

Two (2) certificate programs are also offered by UW-Manitowoc. Students can pursue a Business Certificate or International Studies Certificate independently or in conjunction with the Associate's Degree program. The certificate programs allow students to explore their specific fields of interest in preparation for transfer or employment.

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, Green Bay Preble, Kiel and Luxemburg/Casco. Nearly 20% of the graduating classes from Lincoln and Two Rivers high schools attend UW-Manitowoc.

There are currently 76 employees at UW-Manitowoc; 38 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.

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, with some in business. Online certificate programs are also available for business communication, medical office specialist and paralegal studies.

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 a federally funded Upward Bound Program.

Community collaboration is evident in the performing arts groups at UW-Manitowoc, which are open to community members. Two (2) 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 \$3.1 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.

THIS PAGE LEFT BLANK INTENTIONALLY

SINGLE AUDIT SECTION

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**

**REPORT 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**

To the Mayor and City Council
City of Manitowoc, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the of the City of Manitowoc, Wisconsin, as of and for the year ended December 31, 2008, which collectively comprise the City of Manitowoc's basic financial statements and have issued our report thereon dated June 19, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Manitowoc, Wisconsin's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City of Manitowoc, Wisconsin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Manitowoc, Wisconsin's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 basic 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*.

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

Schmidt SC

Certified Public Accountants
Green Bay, Wisconsin
June 19, 2009

**FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND STATE SINGLE AUDIT GUIDELINES**

To the Mayor and City Council
City of Manitowoc, Wisconsin

Compliance

We have audited the compliance of the City of Manitowoc 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 are applicable to each of its major federal and state programs for the year ended December 31, 2008. The 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City of Manitowoc's management. Our responsibility is to express an opinion on the City of Manitowoc's compliance based on our audit.

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; and 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, guidelines and OMB Circular A-133 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 and state program occurred. An audit includes examining, on a test basis, evidence about the City of Manitowoc'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. Our audit does not provide a legal determination of the City of Manitowoc's compliance with those requirements.

In our opinion, the City of Manitowoc complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City of Manitowoc is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Manitowoc's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the City of Manitowoc's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined above. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of, management, the City Council, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schmidt SC

**Certified Public Accountants
Green Bay, Wisconsin
June 19, 2009**

CITY OF MANITOWOC, WISCONSIN
Schedule of Federal and State Expenditures
For the Year Ended December 31, 2008

Grantor Agency/Pass-through Agency/ Grant Title, Project Grant Year or Title	Federal CFDA/ State ID Number	Accrued (Deferred) Revenue 1/1/08	Expenditures	Receipts	Accrued (Deferred) Revenue 12/31/08
FEDERAL PROGRAMS					
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through Wisconsin Office of Justice Assistance					
National Criminal History Improvement Program					
Project #3337	16.554	\$ -	\$ 13,236	\$ -	\$ 13,236
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through Wisconsin Department of Transportation					
Urban Mass Transit Capital Assistance	20.500	61,028	-	61,028	-
Section 5307 Assistance CMAQ					
Project #WI-85-X002	20.507	-	12,500	-	12,500
Project #WI-85-X001		151,700	-	151,700	-
Small Urban Operating Assistance					
2006	20.507	6,435	-	6,435	-
2007		471,230	-	471,230	-
2008		-	702,824	517,302	185,522
Highway Safety Contract					
Project #0938-41-51	20.600	-	17,814	17,814	-
Project #0938-44-14		-	3,398	3,398	-
Total U.S. Department of Transportation		690,393	736,536	1,228,907	198,022
TOTAL FEDERAL PROGRAMS		\$ 690,393	\$ 749,772	\$ 1,228,907	\$ 211,258
STATE PROGRAMS					
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>					
Urban Forestry					
UFB 882-08		\$ -	\$ 25,000	\$ -	\$ 25,000
<u>WISCONSIN DEPARTMENT OF TRANSPORTATION</u>					
Urban Mass Transit Operating Assistance					
Contract 2006	395.104	45,428	-	45,428	-
Contract 2008		-	649,673	596,264	53,409
Harbor Assistance Program					
Project #0495-01-54	395.128	422,050	-	422,050	-
Total Wisconsin Department of Transportation		467,478	649,673	1,063,742	53,409
TOTAL STATE PROGRAMS		\$ 467,478	\$ 674,673	\$ 1,063,742	\$ 78,409

The notes to the schedule of federal and state expenditures are an integral part of this schedule.

CITY OF MANITOWOC, WISCONSIN
Notes to the Schedule of Federal and State Expenditures
December 31, 2008

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 2008 basic financial statements. Local share in the schedule represents the difference between program expenditures and associated federal and state revenues recorded on the City's basic financial statements for 2008. Therefore local share includes both local revenues and adjustments applicable to prior and future years because of the modified accrual basis of accounting used for recording revenues and expenditures. 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. Department of Transportation.

The State cognizant agency for the City is the Wisconsin Department of Transportation.

CITY OF MANITOWOC, WISCONSIN
Schedule of Findings and Questioned Costs
Year Ended December 31, 2008

Section I - Summary of Auditors' Results

Basic Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that is not considered to be a material weakness? 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 that are not considered to be material weakness(es)? None Reported

Type of auditors' report issued on compliance for major programs Unqualified

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
20.507	Small Urban Operating Assistance

Identification of major state programs:

State ID Number	Name of State Program
395.104	Mass Transit Operating Assistance

Audit threshold used to determine between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee Yes

Section II - Financial Statement Findings

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2008.

Section III - Federal Award Findings and Questioned Costs

There are no audit findings and questioned costs required to be reported under OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and the *State Single Audit Guidelines* for the year ended December 31, 2008.

CITY OF MANITOWOC, WISCONSIN
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended December 31, 2008

Prior Year Audit Findings

There were no findings or questioned costs for federal awards for the year ended December 31, 2007.

Corrective Action Plan

No corrective action plan is required.