

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF APPLETON, WISCONSIN**

Year Ended December 31, 2002

FINANCE DEPARTMENT

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CITY OF APPLETON

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**DEPARTMENT OF FINANCE
100 North Appleton Street
Appleton, WI 54911
920/832-6442**

May 12, 2003

The Honorable Mayor Hanna
Chairman Groat and Members of the Common Council
City of Appleton:

The Comprehensive Annual Financial Report of the City of Appleton for the fiscal year ended December 31, 2002, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City and the cash flows of the proprietary funds and nonexpendable trust fund. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Supplemental Information and Single Audit. The Introductory Section includes this transmittal letter, reporting award, the City's organizational chart and a directory of officials. The Financial Section includes the general purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multiyear basis. The Single Audit Section is described in the following paragraph.

The City is required to undergo an annual single audit in accordance with Generally Accepted Auditing Standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Information related to this single audit, including the schedule of federal and state financial assistance, findings and recommendations and auditors' reports on the internal control structures and compliance with applicable laws and regulations, are presented under this cover.

The Comprehensive Annual Financial Report includes all funds and account groups of the City. The City provides a full range of services, including police and fire protection, sanitation services, construction and maintenance of highways, streets and infrastructure, health services, planning and

development, library, recreational activities and cultural events. The Water Utility, Wastewater Utility, Valley Transit System, Parking Utility, Stormwater Utility and Reid Municipal Golf Course are reported as enterprise funds of the primary government. The Appleton Housing Authority, Business Improvement District and the Appleton Redevelopment Authority discreetly presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. However, the school districts (Appleton, Menasha, Kimberly), sanitary districts (Grand Chute Sanitary District #1, Town of Menasha Utility District, Waverly Sanitary District, Darboy Sanitary District) and Fox Valley Technical College do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. These entities are independent jurisdictions with elected governing bodies and minimal financial interdependency with the City.

BACKGROUND/GENERAL INFORMATION

In 1634, Jean Nicolet, commissioned by Champlain to explore this region, paddled his way up the Fox River from Green Bay. Various tribes of Indians roamed the lands of present day Appleton which was ceded by the Menominee Indians to the United States in the Treaty of 1831. During the first few years of its history, there were three villages where the City of Appleton now stands: Lawesburgh on the east side, Grand Chute on the west end and Appleton in the middle. The three villages were incorporated under the name of Appleton in 1857. Very early, the Fox River improvements -- the building of dams and canals making it possible to use the water power for industry -- gave impetus to the growth of our City. The residents of our community are proud of Appleton's past and present; they manifest a great confidence in its future and a dedication to its ongoing betterment.

Geographically, the City is located in northeast Wisconsin in Outagamie, Winnebago, and Calumet Counties. It lies 30 miles south of Green Bay and 90 miles north of Milwaukee on Lake Winnebago. The City has a mayor/aldermanic form of government and sixteen alderpersons. Alderpersons are elected for two-year alternating terms, while our mayor is elected for a four-year term.

Because of its strategic location and population, the City of Appleton is a Metropolitan Statistical Area "central city" of the Appleton-Oshkosh-Neenah urban area as defined by the Federal Office of Management and Budget. Thus, the City is an "entitlement city" under the federal block grant program. Appleton is the county seat for Outagamie County and the largest city in both Outagamie and Calumet Counties.

City service units and facilities include: police services (140 full-time), fire protection (102 full time), public works (158.5 employees), administrative offices (86.3 employees), health services (12.8 employees), parks and recreation (41.5 employees), library services (45.5 employees), transportation (63 employees) and utilities (47 employees). Approximately 500 of the city's 684 employees are represented by the following bargaining units:

- International Association of Firefighters, representing City firefighters;

- Appleton Professional Policemen's Association, representing City non-supervisory police professionals;
- Appleton Professional Policemen's Association Supervisory Unit, representing supervisory police professionals;
- American Federation of Municipal Employees, representing Wastewater Division, Water Department Plant Employees and Central Building Maintenance;
- Teamster's Union Local 563, representing street, sanitation, maintenance, electrical, CEA, inspection, engineering aides, water distribution, health sanitarians, Valley Transit, community service officers, animal control officers, parking ramp personnel, meter checkers and clerical personnel in City Hall, police, fire, wastewater, park & recreation and water departments.

The City has historically enjoyed a low unemployment rate although the downturn in the economy has the unemployment rates higher at this time, along with the majority of the rest of the United States (6.9% for 2002). The City does maintain an above average adjusted gross income per household (\$43,159 for 2000). Additional background data is included in the "Supplemental Information Section" of this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Appleton is one of the top growth areas in Wisconsin. Appleton is a significant regional center for the insurance industry and has an extensive presence of paper manufacturing and related industry facilities. The presence of four major insurance industry home offices or regional headquarters has stimulated related services as well as an "up-scale" housing market. The City's population has exceeded 70,000.

In 2002, total valuation of residential building construction was \$47,383,906. There were 189 single-family homes constructed with an average construction cost of \$201,196. In addition, there were 8 two-family residences and 21 apartment buildings constructed with a combined total of 160 units. Additions or alterations to existing dwellings added \$4,712,969 in value.

Appleton's commercial industrial permits totaled 209 in 2002 with a valuation of \$64,824,738. These permits were the result of new construction in developing outlying areas.

The \$21 million Richmond Terrace project is under construction. The former Zwicker Knitting Mill site will be a mixed-use residential and commercial facility. The urban character of the project and the niche it will fill in providing a range of residential and commercial living opportunities in the downtown area are major selling points. The commercial space is expected to be available for occupancy in October, 2003 and the residential component in the first quarter of 2004.

Based on current projections, these positive trends are expected to continue. However, the rate of growth is expected to occur at a much slower pace than in past years. While the growth continues to provide a positive impact, it also presents significant challenges. The City continues to meet these challenges by planning for growth in a rational and economically sound manner. If the present high level of services are to be maintained in the future, the City must continue to explore innovative methods of financing and providing services.

MAJOR INITIATIVES

Construction was completed and the grand opening occurred in November, 2002 of the \$44 million, 2,100 seat Performing Arts Center in downtown Appleton.

Other large projects include a \$4 million office building for Fox Communities Credit Union on East Calumet Street, a \$1.5 million greenhouse (40,000 square feet) for Memorial Florists and Greenhouses, and an \$800,000 addition to the American National Bank building.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

SINGLE AUDIT: As a recipient of federal, state and county financial assistance, the City also is responsible for establishing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This system of internal controls is subject to periodic evaluation by management.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal controls, including that portion related to federal and state financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

BUDGETARY CONTROLS: The City of Appleton maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual budget approved by the Common Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds, internal service funds and trust funds are included in the annual budget. In addition, project length financial plans are adopted for most capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the total fund expenditure level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

However, encumbrances are reappropriated as part of the following year's budget through formal resolution.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS: The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues for the fiscal year ended December 31, 2002, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 2001	PERCENTAGE INCREASE (DECREASE)
Taxes	\$30,401,802	52.32%	\$1,870,560	6.56%
Intergovernmental	19,612,701	33.75%	571,253	3.00%
Licenses and Permits	884,000	1.52%	92,989	11.76%
Fines and Forfeitures	355,125	.61%	(195,208)	(35.47%)
Special Assessments	1,599,912	2.75%	(112,043)	(6.54%)
Interest	1,728,528	2.98%	(352,608)	(16.94%)
Charges for Services	2,257,055	3.88%	(42,091)	(1.83%)
Other	1,270,438	2.19%	(254,627)	(16.70%)
TOTAL REVENUES	\$58,109,561	100.00%	\$1,578,225	2.79%

Fines and forfeitures decreased due to the county judges changing the criteria for issuing a warrant. This significantly reduced the number of warrants issued. Another large revenue decrease came from interest as a result of the current market environment. The City received, in 2001, a one-time credit for ACT 11 related to the Wisconsin Retirement System, which accounts for most of the decrease in other revenues.

One of the largest revenue increases was in the form of taxes. While the total City tax levy increased 4.42%, fluctuation in where the dollars were recorded resulted in a larger percentage allocated to general government functions. The other notable increase was in licenses and permits due to the revitalization of the downtown with the opening of the Performing Arts Center and the reconstruction of College Avenue.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended December 31, 2002 and the amount and percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 2001	PERCENTAGE INCREASE (DECREASE)
Current:				
General Government	\$6,245,218	10.25%	\$406,503	6.96%
Planning & Development	2,757,170	4.53%	125,313	4.76%
Education & Recreation	8,026,742	13.18%	138,047	1.75%
Public Works	12,629,782	20.73%	(603,360)	(4.56%)
Public Safety	21,174,302	34.76%	840,196	4.13%
Debt Service:				
Principal	7,149,027	11.74%	826,427	13.07%
Interest and Fees	2,928,393	4.81%	(57,574)	(1.97%)
TOTAL EXPENDITURES	\$60,910,634	100.00%	\$1,675,552	2.83%

The largest expenditure increase came from debt service although the portion that was tax supported remained stable. General government increases were for elections (four election year versus two) and an increase in technology expenditures in our Information Services Department. The only decrease in expenditures was in Public Works. This was due to the reconstruction of College Avenue which was accounted for in a Capital Projects Fund since it was debt financed. The City also experienced a light snow year.

ENTERPRISE OPERATIONS: The City's enterprise operations are comprised of six separate and distinct activities: Water Utility, Wastewater Utility, Valley Transit, Parking Utility, Stormwater Utility and Reid Municipal Golf Course.

RETIREMENT PROGRAM: The City participates in the Wisconsin Retirement System, paying both employer and employee shares of contributions for most employees. Contribution benefit formulas and eligibility are all determined by the system, and explained in footnote 5 of this report.

DEBT ADMINISTRATION: As of December 31, 2002, the City had twenty-five debt issues outstanding. These issues included \$57,769,187 of general obligation bonds and notes and \$96,081,896 of revenue bonds. The City has maintained its "Aa1" rating from Moody's Investors Service on general obligation debt, "A1" on its water, "A3" on its sewerage revenue bonds, and "Aa3" on the stormwater revenue bonds. Under Wisconsin statutes, general obligation debt is subject to a legal limitation based on 5% of total equalized value of real and personal property. As of December 31, 2002, the City's net general obligation debt of \$54,089,286 was well below the legal limit of \$174,209,520 (31.05%) and debt per capita equaled \$758.11. The City adheres to an

aggressive repayment policy and uses capital financing to augment a “pay as you go” philosophy.

CASH MANAGEMENT: Cash temporarily idle during the year was invested in demand deposits, U.S. government and agency securities, corporate bonds, Wisconsin Investment Trust, the State of Wisconsin Local Government Investment Pool, repurchase agreements, and Government Money Markets. The average yield on all cash investments was 5.20%. The City and its proprietary funds earned investment revenue of \$5,916,679 on all investments for the year ended December 31, 2002.

The City’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Deposits are insured by federal depository insurance up to \$100,000. Investments in the State of Wisconsin Local Government Investment Pool, although unsecured, are insured and considered very safe since the pool’s primary investment is government securities

RISK MANAGEMENT: The City became a member of the Cities and Villages Mutual Insurance Company on January 1, 1990. To join the insurance mutual, the City issued a \$2,300,000 taxable general obligation promissory note payable to the company. Our mutual insurance company is comprised of 37 Wisconsin cities and villages pooling their risk in the exposure areas of general liability, workers compensation, police professionals and public officials' liability. The pool is capitalized in excess of \$25,000,000 and has not incurred any significant claims to date. The City anticipates substantial annual cost savings, increased self-insured levels (as accumulated funds grow) and advances in health, wellness, and safety programs to further reduce our risk.

INDEPENDENT AUDIT

City policy is in accordance with state and federal requirements to provide for an annual audit by independent certified public accountants. The accounting firm of Virchow, Krause and Company, LLP was selected by the City. In addition to meeting the requirements set forth by the American Institute of Certified Public Accountants, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circular A-133. The independent auditors' report on the general purpose financial statements and combining, individual fund and account group financial statements and schedules is included in the Financial Section of this report. The independent auditors' reports related specifically to the single audit are also included in this Single Audit Section.

REPORTING ACHIEVEMENTS

This report has been prepared following the guidelines recommended by the Government Finance Officers' Association of the United States and Canada. The Government Finance Officers' Association awards a "Certificate of Achievement for Excellence in Financial Reporting" to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting, including Generally Accepted Accounting Principles promulgated by the Governmental Accounting Standards Board (GASB).

The City of Appleton was awarded the "Certificate of Achievement for Excellence in Financial Reporting" for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. A "Certificate of Achievement for Excellence in Financial Reporting" is valid for a period of one year only. We believe our current report for the year ended December 31, 2002 continues to meet program standards. It will be submitted to the Government Finance Officers' Association to determine its eligibility for the "Certificate of Achievement for Excellence in Financial Reporting".

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the City's Finance Department, our auditors, Virchow, Krause and Company, LLP, and various other City personnel. We would like to express our sincere appreciation to all who assisted and contributed to its preparation. We would also like to thank Mayor Hanna and the Common Council for their interest and continuing support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

Lisa A. Maertz, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Appleton,
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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 APPLETON

Directory of Officials

MAYOR

Timothy M. Hanna

PRESIDENT OF THE COUNCIL

Daniel P. Ferris

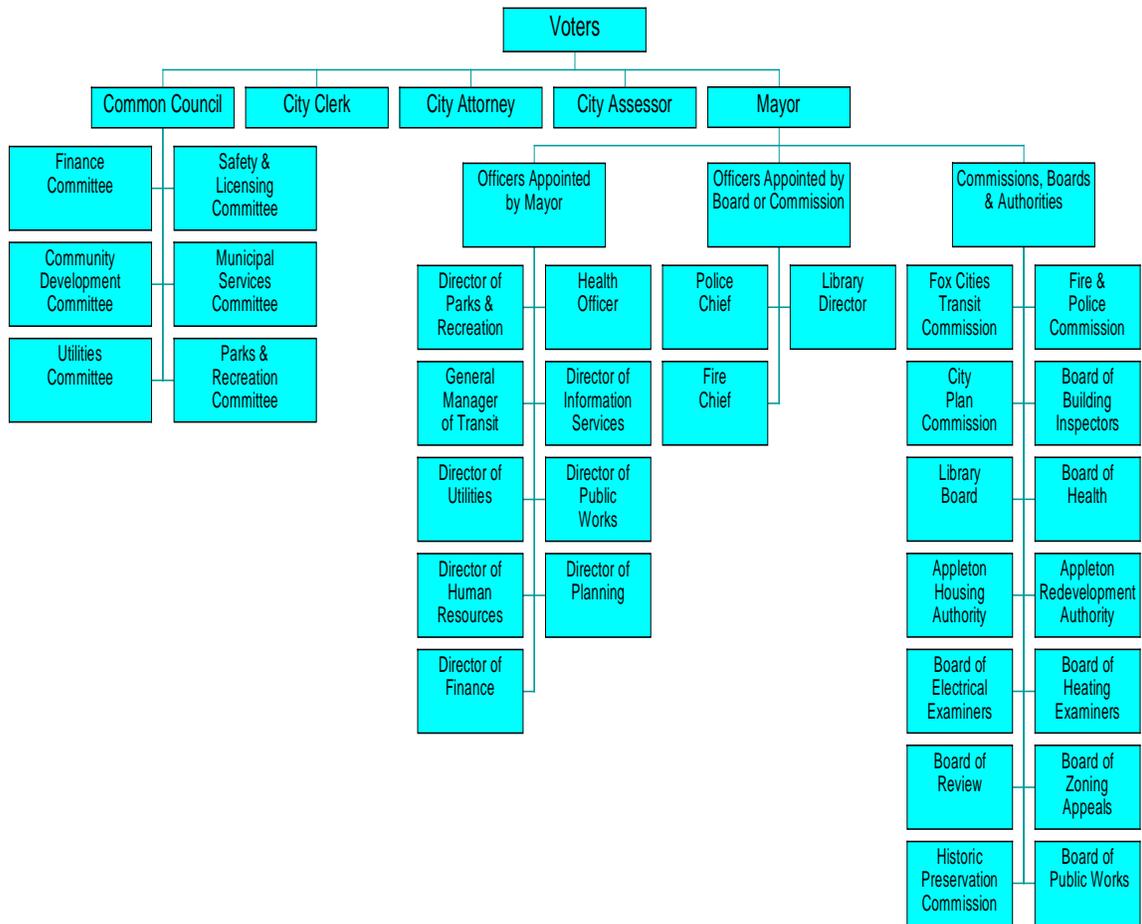
COUNCIL MEMBERS

District 1:	Walter H. Kalata	District 10:	Robert V. Bellin
District 2:	Helen I. Nagler	District 11:	Earl J. Brooker
District 3:	Karen E. Harkness	District 12:	Richard E. Gosse
District 4:	Daniel P. Ferris	District 13:	Charlie J. Goff
District 5:	Edward S. Baranowski	District 14:	Kathy D. Groat
District 6:	Edward L. Spang	District 15:	James E. Clemons
District 7:	Ronald D. Klemp, Sr.	District 16:	A. Paul Trelec
District 8:	Richard A. Thompson	District 17:	Jo A. Egelhoff
District 9:	Jane F. Heuring	District 18:	Jerome R. Hiler

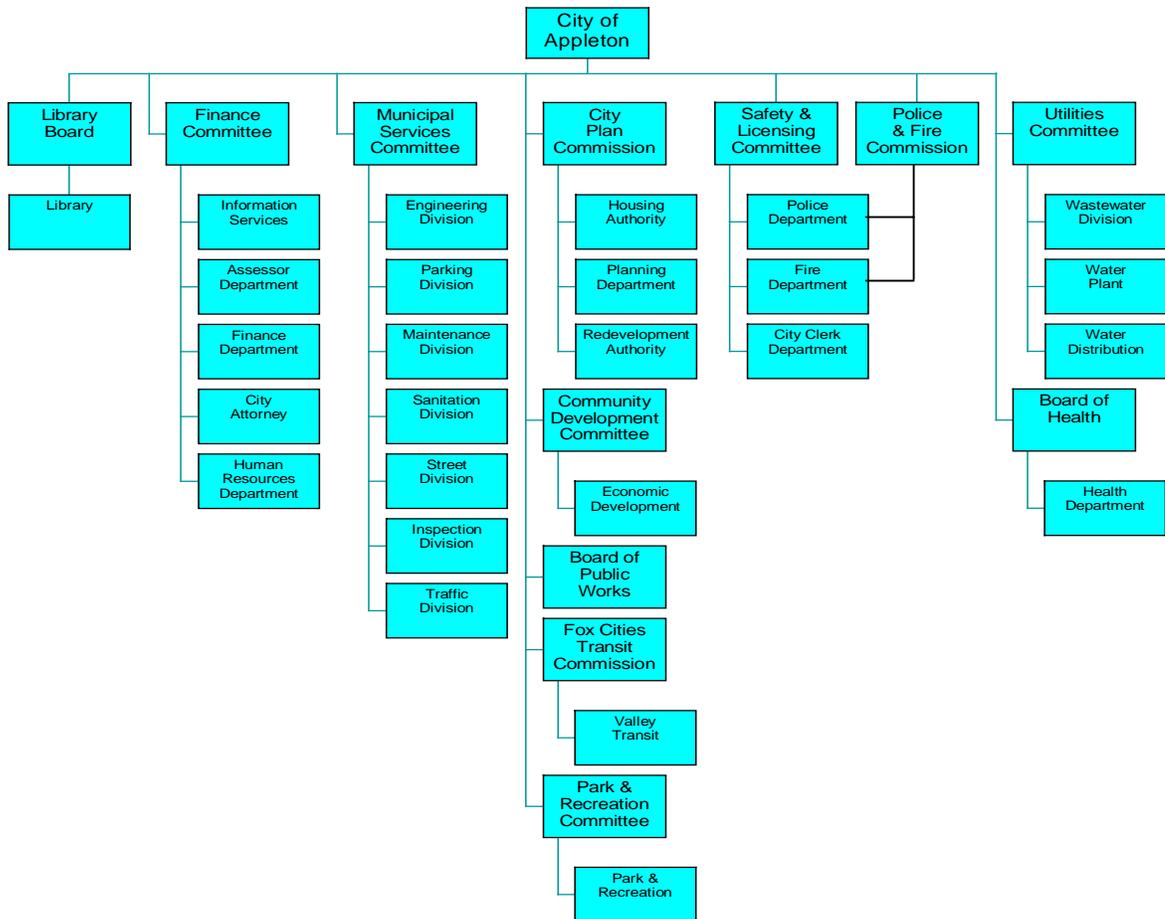
DEPARTMENT/DIVISION HEADS

Director of Human Resources	Sandra A. Neisen
City Attorney	James P. Walsh
Fire Chief	Neil A. Cameron
Director of Library	Terry P. Dawson
Director of Economic Develop.	Peter A. Hensler
Director of Parks & Recreation	William N. Lecker
City Clerk	Cindi I. Hesse
Valley Transit General Manager	Charles L. Kamp
Director of Utilities	Duane D. Leaf
Director of Information Services	Scott J. Liske
Police Chief	Richard W. Myers
Director of Public Works	Paula A. Vandehey
City Assessor	Dawn C. Washatka
Health Officer	Kurt D. Eggebrecht
Director of Finance	Lisa A. Maertz
Director of Planning	Laura D. Johnston

City of Appleton Structure by Voters



City of Appleton Organizational Structure by Committee



FINANCIAL SECTION

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT
- GENERAL PURPOSE FINANCIAL STATEMENTS
- NOTES TO THE FINANCIAL STATEMENTS
- COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Common Council
City of Appleton
Appleton, Wisconsin

We have audited the general purpose financial statements of the City of Appleton as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the City of Appleton, a discretely presented component unit, which represents 96% of the assets and 79% of the operating revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Authority, is based solely on the report of other auditors.

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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Appleton, Wisconsin as of December 31, 2002, and the results of its operations and cash flows of its proprietary fund types, nonexpendable trust fund, and discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and
Members of the Common Council
City of Appleton

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2003, on our consideration of the City of Appleton's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. This report is included in Section IV.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules for the year ended December 31, 2002 and the individual fund financial statements for the year ended December 31, 2001 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Appleton, Wisconsin. The information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements for the years ended December 31, 2002 and 2001 and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The accompanying schedules of expenditures of federal and state awards are presented for additional analysis as required by the 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," and are also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Appleton, Wisconsin. The information has not been audited by us and, accordingly, we express no opinion on such information.

Virchow Krause & Company
Madison, Wisconsin
March 26, 2003

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF APPLETON

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2002
(With Comparative Totals - Primary Government for December 31, 2001)

ASSETS AND OTHER DEBITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and investments	\$ 21,254,908	\$ 2,087,947	\$ 50,202	\$ 11,979,643
Receivables				
Property taxes	22,534,420	4,385,707	2,922,956	3,892,393
Deferred loans	-	5,045,862	-	-
Customer accounts	-	-	-	-
Special assessments	958,842	-	-	1,098,043
Delinquent special assessments	13,863	-	-	-
Developer loans	628,913	-	-	-
Rehabilitation loans	-	-	-	-
Accrued interest	503,519	-	-	-
Other	479,249	196,554	1,060,000	850
Due from other governmental units	801,600	249,859	-	-
Due from other funds	436,796	1,763	-	-
Due from primary government	-	-	-	-
Inventories	443,632	-	-	-
Prepaid items	40,342	-	-	266,993
Advances to other funds	22,856,235	-	-	-
Restricted Assets				
Cash and investments	-	-	-	-
Investment in CVMIC	-	-	-	-
Receivable from mutual insurance company	-	-	-	-
Other	-	-	-	-
Fixed assets	-	-	-	-
Less accumulated depreciation	-	-	-	-
Construction work in progress	-	-	-	-
Property held for future use	-	-	-	-
Unamortized debt expense	-	-	-	-
OTHER DEBITS				
Resources available in governmental fund types	-	-	-	-
Resources to be provided by the City	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 70,952,319</u>	<u>\$ 11,967,692</u>	<u>\$ 4,033,158</u>	<u>\$ 17,237,922</u>

CITY OF APPLETON

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2002
(With Comparative Totals - Primary Government for December 31, 2001)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)		Component Units
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2002	2001	
\$ 11,338,991	\$ 4,118,037	\$ 39,791,560	\$ -	\$ -	\$ 90,621,288	\$ 90,854,409	\$ 1,223,567
-	-	12,721,844	-	-	46,457,320	45,693,199	-
-	-	-	-	-	5,045,862	4,979,598	-
5,272,719	-	-	-	-	5,272,719	4,805,476	-
239,492	-	-	-	-	2,296,377	3,144,643	-
-	-	-	-	-	13,863	12,302	-
-	-	23,168	-	-	652,081	667,411	-
-	-	-	-	-	-	-	1,180,921
-	-	153	-	-	503,672	450,082	-
139,643	4,514	-	-	-	1,880,810	1,942,985	6,609
110,370	4,314	-	-	-	1,166,143	1,544,539	448,743
321,821	-	-	-	-	760,380	1,709,479	-
-	-	-	-	-	-	-	51,928
626,794	15,638	-	-	-	1,086,064	1,051,263	208,588
7,587	31,388	-	-	-	346,310	67,915	30,671
12,233,780	-	-	-	-	35,090,015	33,345,883	-
25,680,786	-	-	-	-	25,680,786	20,372,020	122,182
-	2,020,950	-	-	-	2,020,950	2,020,950	-
-	159,885	-	-	-	159,885	174,945	-
221,656	-	-	-	-	221,656	304,594	-
321,175,731	18,540,858	-	59,167,147	-	398,883,736	392,299,626	16,998,320
(88,464,576)	(9,476,075)	-	-	-	(97,940,651)	(90,195,268)	(2,885,499)
6,354,735	-	-	-	-	6,354,735	5,054,080	-
95,011	-	-	-	-	95,011	-	-
383,758	-	-	-	-	383,758	325,369	-
-	-	-	-	7,650,145	7,650,145	6,582,727	-
-	-	-	-	52,413,956	52,413,956	50,023,009	-
<u>\$ 295,738,298</u>	<u>\$ 15,419,509</u>	<u>\$ 52,536,725</u>	<u>\$ 59,167,147</u>	<u>\$ 60,064,101</u>	<u>\$ 587,116,871</u>	<u>\$ 577,231,236</u>	<u>\$ 17,386,030</u>

(continued)

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS (cont.)

December 31, 2002

(With Comparative Totals - Primary Government for December 31, 2001)

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 1,148,155	\$ 241,374	\$ -	\$ 1,417,950
Compensated absences	-	-	-	-
Other accrued liabilities	1,848,480	65,952	-	6,698
Claims payable	2,000,000	-	-	-
Accrued taxes	-	-	-	-
Due to other governments	-	-	-	-
Due to other taxing authorities	-	-	-	-
Due to other funds	-	411,159	-	25,637
Due to component unit	-	-	-	-
Payable From Restricted Assets				
Revenue bonds	-	-	-	-
Accrued interest	-	-	-	-
Security deposits	-	-	-	-
Tenant FSS escrow	-	-	-	-
Deferred revenues	34,813,237	9,489,156	3,982,956	4,451,140
General obligation bonds and notes payable	-	-	-	-
Revenue bonds and notes payable	-	-	-	-
Landfill closure and postclosure care	-	-	-	-
Employee benefits payable	-	-	-	-
Advances from other funds	-	13,520,605	-	17,264,724
Total Liabilities	39,809,872	23,728,246	3,982,956	23,166,149
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained Earnings				
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Fund Balances				
Reserved	14,555,533	58,013	50,202	2,459,577
Unreserved				
Designated	16,203,262	1,474,182	-	9,089,838
Undesignated (deficit)	383,652	(13,292,749)	-	(17,477,642)
Total Equity and Other Credits	31,142,447	(11,760,554)	50,202	(5,928,227)
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 70,952,319	\$ 11,967,692	\$ 4,033,158	\$ 17,237,922

CITY OF APPLETON

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS (cont.)

December 31, 2002

(With Comparative Totals - Primary Government for December 31, 2001)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Primary Government Totals (Memorandum Only)		Component Units
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	2002	2001	
\$ 1,154,033	\$ 48,330	\$ -	\$ -	\$ -	\$ 4,009,842	\$ 5,723,505	\$ 134,984
958,667	216,023	-	-	4,238,908	5,413,598	5,169,995	23,466
620,844	91,269	-	-	-	2,633,243	2,935,532	55,456
-	1,000,000	-	-	-	3,000,000	2,527,545	-
940,728	-	-	-	-	940,728	980,192	
1,230,102	-	-	-	-	1,230,102	975,131	72,688
-	-	50,964,722	-	-	50,964,722	49,707,041	-
-	-	323,584	-	-	760,380	1,709,479	-
-	-	51,928	-	-	51,928	109,257	
4,079,541	-	-	-	-	4,079,541	4,095,764	-
123,556	-	-	-	-	123,556	150,492	-
-	-	-	-	-	-	-	57,005
-	-	-	-	-	-	-	65,177
1,742,778	31,388	23,168	-	-	54,533,823	52,597,254	1,342,816
4,105,000	1,001,867	-	-	52,662,320	57,769,187	56,346,612	-
91,487,097	-	-	-	-	91,487,097	88,948,702	-
-	-	-	-	2,970,000	2,970,000	3,060,000	-
-	-	-	-	192,873	192,873	201,801	-
4,304,686	-	-	-	-	35,090,015	33,345,883	-
<u>110,747,032</u>	<u>2,388,877</u>	<u>51,363,402</u>	<u>-</u>	<u>60,064,101</u>	<u>315,250,635</u>	<u>308,584,185</u>	<u>1,751,592</u>
-	-	-	59,167,147	-	59,167,147	58,654,906	-
101,573,741	7,868,648	-	-	-	109,442,389	110,069,620	8,606,041
15,292,998	-	-	-	-	15,292,998	13,111,703	7,976,712
68,124,527	5,161,984	-	-	-	73,286,511	70,713,905	(948,315)
-	-	1,173,323	-	-	18,296,648	16,505,106	-
-	-	-	-	-	26,767,282	28,467,600	-
-	-	-	-	-	(30,386,739)	(28,875,789)	-
<u>184,991,266</u>	<u>13,030,632</u>	<u>1,173,323</u>	<u>59,167,147</u>	<u>-</u>	<u>271,866,236</u>	<u>268,647,051</u>	<u>15,634,438</u>
<u>\$ 295,738,298</u>	<u>\$ 15,419,509</u>	<u>\$ 52,536,725</u>	<u>\$ 59,167,147</u>	<u>\$ 60,064,101</u>	<u>\$ 587,116,871</u>	<u>\$ 577,231,236</u>	<u>\$ 17,386,030</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICIT) - ALL GOVERNMENTAL FUND TYPES
AND EXPENDABLE TRUST FUNDS
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES				
Taxes	\$ 22,868,041	\$ 4,533,365	\$ 3,000,396	\$ 2,698,021
Intergovernmental	18,373,064	1,239,637	-	71,044
Licenses and permits	884,000	-	-	-
Fines and forfeitures	355,125	-	-	-
Special assessments	1,599,912	-	-	2,105,538
Investment income	1,627,303	101,202	23	600,173
Charges for services	1,550,236	706,819	-	-
Other	813,435	363,765	93,238	1,402,015
Total Revenues	<u>48,071,116</u>	<u>6,944,788</u>	<u>3,093,657</u>	<u>6,876,791</u>
EXPENDITURES				
Current				
General government	6,071,805	173,413	-	-
Community development	1,627,302	1,129,868	-	-
Education and recreation	7,924,536	102,206	-	-
Public works	9,202,727	3,427,055	-	-
Public safety	20,894,921	279,381	-	-
Debt Service				
Principal	-	-	7,149,027	-
Interest and fees	-	717,859	2,210,534	763,701
Capital Outlay	-	-	-	15,056,988
Total Expenditures	<u>45,721,291</u>	<u>5,829,782</u>	<u>9,359,561</u>	<u>15,820,689</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,349,825</u>	<u>1,115,006</u>	<u>(6,265,904)</u>	<u>(8,943,898)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of general obligation debt	-	-	108,656	10,421,344
Operating transfers in	420,992	-	6,156,975	823,000
Operating transfers out	(1,510,967)	(57,022)	-	(6,104,717)
Operating transfers out to component unit	-	-	-	(1,782,158)
Sale of City property	-	-	-	1,741,379
Total Other Financing Sources (Uses)	<u>(1,089,975)</u>	<u>(57,022)</u>	<u>6,265,631</u>	<u>5,098,848</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>1,259,850</u>	<u>1,057,984</u>	<u>(273)</u>	<u>(3,845,050)</u>
FUND BALANCES (DEFICIT), Beginning	29,882,597	(12,818,538)	50,475	(2,083,177)
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
FUND BALANCES (DEFICIT), ENDING	<u>\$ 31,142,447</u>	<u>\$ (11,760,554)</u>	<u>\$ 50,202</u>	<u>\$ (5,928,227)</u>

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES (DEFICIT) - ALL GOVERNMENTAL FUND TYPES
AND EXPENDABLE TRUST FUNDS
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	2002	2001
\$ -	\$ 33,099,823	\$ 30,997,028
-	19,683,745	19,105,737
-	884,000	791,011
-	355,125	550,333
-	3,705,450	3,242,590
53,537	2,382,238	2,819,773
60,390	2,317,445	2,373,079
-	<u>2,672,453</u>	<u>3,139,818</u>
<u>113,927</u>	<u>65,100,279</u>	<u>63,019,369</u>
6,391	6,251,609	5,845,365
-	2,757,170	2,631,857
-	8,026,742	7,888,695
-	12,629,782	13,233,142
-	21,174,302	20,334,106
-	7,149,027	6,322,600
-	3,692,094	3,617,391
-	<u>15,056,988</u>	<u>11,208,473</u>
<u>6,391</u>	<u>76,737,714</u>	<u>71,081,629</u>
<u>107,536</u>	<u>(11,637,435)</u>	<u>(8,062,260)</u>
-	10,530,000	9,823,639
-	7,400,967	6,894,729
-	(7,672,706)	(7,153,132)
-	(1,782,158)	(4,149,992)
-	<u>1,741,379</u>	<u>740,827</u>
-	<u>10,217,482</u>	<u>6,156,071</u>
107,536	(1,419,953)	(1,906,189)
1,050,137	16,081,494	17,987,683
-	-	1,339,440
-	-	<u>(1,339,440)</u>
<u>\$ 1,157,673</u>	<u>\$ 14,661,541</u>	<u>\$ 16,081,494</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

	General Fund		Variance - with Final Budget- Positive (Negative)
	Budget	Actual	
REVENUES			
Taxes	\$ 22,818,183	\$ 22,868,041	\$ 49,858
Intergovernmental	18,133,925	18,373,064	239,139
Licenses and permits	791,500	884,000	92,500
Fines and forfeitures	450,000	355,125	(94,875)
Special assessments	1,500,000	1,599,912	99,912
Investment income	1,815,000	1,627,303	(187,697)
Charges for services	1,419,849	1,550,236	130,387
Other	723,518	813,435	89,917
Total Revenues	47,651,975	48,071,116	419,141
EXPENDITURES			
Current			
General government	7,149,403	6,071,805	1,077,598
Community development	1,777,299	1,627,302	149,997
Education and recreation	8,152,677	7,924,536	228,141
Public works	10,441,453	9,202,727	1,238,726
Public safety	21,259,702	20,894,921	364,781
Debt Service			
Principal	-	-	-
Interest and fees	-	-	-
Capital Outlay	-	-	-
Total Expenditures	48,780,534	45,721,291	3,059,243
Excess (Deficiency) of Revenues Over Expenditures	(1,128,559)	2,349,825	3,478,384
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	-	-	-
Operating transfers in	187,792	420,992	233,200
Operating transfers out	(1,674,683)	(1,510,967)	163,716
Operating transfers out to component unit	-	-	-
Sale of City property	-	-	-
Total Other Financing Sources (Uses)	(1,486,891)	(1,089,975)	396,916
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2,615,450)	1,259,850	3,875,300
FUND BALANCES (DEFICITS), Beginning	29,882,597	29,882,597	-
FUND BALANCES (DEFICITS), ENDING	\$ 27,267,147	\$ 31,142,447	\$ 3,875,300

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 Year Ended December 31, 2002

Special Revenue Funds			Debt Service Fund			Capital Projects Funds		
Budget	Actual	Variance - with Final Budget- Positive (Negative)	Budget	Actual	Variance - with Final Budget- Positive (Negative)	Budget	Actual	Variance - with Final Budget- Positive (Negative)
\$ 4,715,403	\$ 4,533,365	\$ (182,038)	\$ 3,000,396	\$ 3,000,396	\$ -	\$ 2,693,018	\$ 2,698,021	\$ 5,003
1,585,285	1,239,637	(345,648)	-	-	-	364,690	71,044	(293,646)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,094,761	2,105,538	10,777
70,807	101,202	30,395	15,000	23	(14,977)	331,700	600,173	268,473
614,195	706,819	92,624	-	-	-	-	-	-
204,587	363,765	159,178	93,237	93,238	1	1,436,779	1,402,015	(34,764)
<u>7,190,277</u>	<u>6,944,788</u>	<u>(245,489)</u>	<u>3,108,633</u>	<u>3,093,657</u>	<u>(14,976)</u>	<u>6,920,948</u>	<u>6,876,791</u>	<u>(44,157)</u>
322,800	173,413	149,387	-	-	-	-	-	-
1,381,322	1,129,868	251,454	-	-	-	-	-	-
99,700	102,206	(2,506)	-	-	-	-	-	-
3,509,690	3,427,055	82,635	-	-	-	-	-	-
304,637	279,381	25,256	-	-	-	-	-	-
-	-	-	7,149,027	7,149,027	-	-	-	-
690,024	717,859	(27,835)	1,939,146	2,210,534	(271,388)	772,376	763,701	8,675
-	-	-	-	-	-	22,184,554	15,056,988	7,127,566
<u>6,308,173</u>	<u>5,829,782</u>	<u>478,391</u>	<u>9,088,173</u>	<u>9,359,561</u>	<u>(271,388)</u>	<u>22,956,930</u>	<u>15,820,689</u>	<u>7,136,241</u>
882,104	1,115,006	232,902	(5,979,540)	(6,265,904)	(286,364)	(16,035,982)	(8,943,898)	7,092,084
-	-	-	-	108,656	108,656	11,615,344	10,421,344	(1,194,000)
-	-	-	6,264,548	6,156,975	(107,573)	823,000	823,000	-
(80,272)	(57,022)	23,250	-	-	-	(6,299,702)	(6,104,717)	194,985
-	-	-	-	-	-	(267,472)	(1,782,158)	(1,514,686)
-	-	-	-	-	-	2,198,357	1,741,379	(456,978)
<u>(80,272)</u>	<u>(57,022)</u>	<u>23,250</u>	<u>6,264,548</u>	<u>6,265,631</u>	<u>1,083</u>	<u>8,069,527</u>	<u>5,098,848</u>	<u>(2,970,679)</u>
801,832	1,057,984	256,152	285,008	(273)	(285,281)	(7,966,455)	(3,845,050)	4,121,405
<u>(12,818,538)</u>	<u>(12,818,538)</u>	<u>-</u>	<u>50,475</u>	<u>50,475</u>	<u>-</u>	<u>(2,083,177)</u>	<u>(2,083,177)</u>	<u>-</u>
<u>\$ (12,016,706)</u>	<u>\$ (11,760,554)</u>	<u>\$ 256,152</u>	<u>\$ 335,483</u>	<u>\$ 50,202</u>	<u>\$ (285,281)</u>	<u>\$ (10,049,632)</u>	<u>\$ (5,928,227)</u>	<u>\$ 4,121,405</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED
EARNINGS/FUND BALANCE - ALL PROPRIETARY FUND TYPES,
NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non- Expendable Trust
OPERATING REVENUES			
Charges for services	\$ 25,137,275	\$ 3,751,931	\$ -
Other	645,507	282,663	500
Total Operating Revenues	<u>25,782,782</u>	<u>4,034,594</u>	<u>500</u>
OPERATING EXPENSES			
Operation and maintenance	18,555,588	4,818,404	-
Depreciation	8,541,798	1,552,378	-
Scholarships	-	-	1,000
Total Operating Expenses	<u>27,097,386</u>	<u>6,370,782</u>	<u>1,000</u>
Operating Income (Loss)	<u>(1,314,604)</u>	<u>(2,336,188)</u>	<u>(500)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	3,343,755	189,959	727
Interest expense	(4,530,089)	(90,384)	-
Amortization of debt expense	(53,467)	-	-
Gain on sale of fixed assets	180,787	153,798	-
Amortization of prior losses on refunding of bonds	(87,937)	-	-
Loss on investment in CVMIC	-	(15,060)	-
Subsidies from other governmental units	4,099,846	-	-
Sale of City property	-	8,524	-
Other	18,063	-	-
Total Nonoperating Revenues	<u>2,970,958</u>	<u>246,837</u>	<u>727</u>
Income (Loss) Before Operating Transfers	1,656,354	(2,089,351)	227
Operating transfers in	442,689	-	-
Operating transfers in from primary government	-	-	-
Operating transfers out	(186,913)	-	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND AMORTIZATION	1,912,130	(2,089,351)	227
Depreciation charged to contributed capital	2,554,162	756,884	-
Capital contributions	1,658,676	-	-
Amortization of capital grants	-	-	-
Accumulated depreciation on contributed assets retired	83,885	-	-
Net Additions (Deductions) to Retained Earnings/ Fund Balance	6,208,853	(1,332,467)	227
RETAINED EARNINGS/FUND BALANCE, Beginning	77,331,157	6,494,451	15,423
Residual Equity Transfer Out	(122,485)	-	-
RETAINED EARNINGS/FUND BALANCE, ENDING	<u>\$ 83,417,525</u>	<u>\$ 5,161,984</u>	<u>\$ 15,650</u>

CITY OF APPLETON

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED
EARNINGS/FUND BALANCE - ALL PROPRIETARY FUND TYPES,
NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

Primary Government		Component Units
Totals		
(Memorandum Only)		
2002	2001	
\$ 28,889,206	\$ 29,323,548	\$ 694,651
<u>928,670</u>	<u>876,307</u>	<u>215,102</u>
<u>29,817,876</u>	<u>30,199,855</u>	<u>909,753</u>
23,373,992	24,104,938	8,464,373
10,094,176	10,002,825	421,808
1,000	-	-
<u>33,469,168</u>	<u>34,107,763</u>	<u>8,886,181</u>
<u>(3,651,292)</u>	<u>(3,907,908)</u>	<u>(7,976,428)</u>
3,534,441	2,994,109	41,187
(4,620,473)	(4,710,039)	-
(53,467)	(156,610)	-
334,585	218,407	10,100
(87,937)	(93,151)	-
(15,060)	(11,224)	-
4,099,846	4,099,733	2,924,401
8,524	2,937	-
<u>18,063</u>	<u>31,477</u>	<u>172,539</u>
<u>3,218,522</u>	<u>2,375,639</u>	<u>3,148,227</u>
(432,770)	(1,532,269)	(4,828,201)
442,689	429,353	-
-	-	1,782,158
<u>(186,913)</u>	<u>(170,950)</u>	<u>-</u>
(176,994)	(1,273,866)	(3,046,043)
3,311,046	3,110,158	-
1,658,676	1,965,447	5,956,990
-	-	299,654
<u>83,885</u>	<u>3,373</u>	<u>-</u>
4,876,613	3,805,112	3,210,601
83,841,031	80,177,067	3,817,796
<u>(122,485)</u>	<u>(141,148)</u>	<u>-</u>
<u>\$ 88,595,159</u>	<u>\$ 83,841,031</u>	<u>\$ 7,028,397</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended December 31, 2002

(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non- Expendable Trust
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,314,604)	\$ (2,336,188)	\$ (500)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for)			
Operating Activities			
Non-operating income	18,063	8,524	-
Depreciation expense	8,541,798	1,552,378	-
Depreciation charged to wastewater utility	122,420	-	-
Changes in assets and liabilities			
Customer accounts receivable	(467,460)	-	-
Accounts receivable - other	11,056	5,348	-
Due from other governments	-	867	-
Due from other funds	91,680	-	-
Due from primary government	-	-	-
Inventories	(28,833)	3,470	-
Prepaid items	(4,851)	15,693	-
Accounts payable	72,826	(11,038)	-
Compensated absences	36,935	25,132	-
Other accrued liabilities	26,471	(13,801)	-
Claims payable	-	89,000	-
Accrued taxes	(39,464)	-	-
Due to other governments	-	-	-
Security deposits	-	-	-
Deferred revenues	(3,695)	31,388	-
Net Cash Provided by (Used for)			
Operating Activities	7,062,342	(629,227)	(500)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Principal paid on notes payable	-	(153,398)	-
Interest paid on notes payable	-	(93,605)	-
Operating transfers in	442,689	-	-
Operating transfers in from primary government	-	-	-
Operating transfers out	(186,913)	-	-
Operating grants received	-	-	-
Operating subsidies received from other governmental units	4,689,489	-	-
Residual equity transfer out	-	-	-
Advances from other funds	926,250	-	-
Advances to other funds	(1,078,646)	-	-
Net Cash Provided by (Used for) Noncapital Financing Activities	4,792,869	(247,003)	-

CITY OF APPLETON

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES,
NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002
(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

Primary Government		Component Units
Totals		
(Memorandum Only)		
2002	2001	
\$ (3,651,292)	\$ (3,907,908)	\$ (7,966,428)
26,587	31,477	169,464
10,094,176	10,002,825	421,808
122,420	94,647	-
(467,460)	(339,687)	-
16,404	(38,382)	2,091
867	5,104	(154,828)
91,680	(40,140)	-
-	-	57,329
(25,363)	56,161	(21,048)
10,842	14,587	5,163
61,788	61,674	14,212
62,067	138,724	-
12,670	31,518	12,046
89,000	111,000	-
(39,464)	19,104	-
-	-	65,744
-	-	(21,683)
27,693	3,519	47,307
6,432,615	6,244,223	(7,368,823)
(153,398)	(141,157)	-
(93,605)	(105,906)	-
442,689	429,353	-
-	-	1,782,158
(186,913)	(170,950)	-
-	-	2,658,426
4,689,489	3,968,544	-
-	(141,148)	-
926,250	3,378,436	-
(1,078,646)	(4,619,374)	-
4,545,866	2,597,798	4,440,584

(continued)

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS (cont.)

Year Ended December 31, 2002

(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non- Expendable Trust
	Enterprise	Internal Service	Non- Expendable Trust
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of fixed assets	\$ (9,626,993)	\$ -	\$ -
Proceeds from sale of fixed assets	180,787	165,671	-
Proceeds from revenue bonds	7,900,000	-	-
Costs of issuing revenue bonds	(111,857)	-	-
Principal paid on long-term debt	(7,270,764)	-	-
Interest paid on long-term debt	(4,569,282)	-	-
Capital contributed by city	136,508	-	-
Capital contributed by others	195,725	-	-
Special assessments received	822,367	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(12,343,509)	165,671	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(11,739,318)	-	(659)
Proceeds from sales and maturities of investments	7,636,310	-	-
Investment income	3,436,836	189,959	729
Net Cash Provided by (Used for) Investing Activities	(666,172)	189,959	70
Net Increase (Decrease) in Cash and Cash Equivalents	(1,154,470)	(520,600)	(430)
CASH AND CASH EQUIVALENTS, Beginning	15,280,975	4,638,637	1,836
CASH AND CASH EQUIVALENTS, ENDING	\$ 14,126,505	\$ 4,118,037	\$ 1,406
RECONCILIATION TO COMBINED BALANCE SHEET			
Cash and investments	\$ 11,338,991	\$ 4,118,037	\$ 39,791,560
Restricted cash and investments	25,680,786	-	-
Less: Long-term investments	(22,893,272)	-	(14,091)
Expendable trust and agency funds	-	-	(39,776,063)
ENDING CASH AND CASH EQUIVALENTS - COMBINED STATEMENT OF CASH FLOWS	\$ 14,126,505	\$ 4,118,037	\$ 1,406

CITY OF APPLETON

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS (cont.)

Year Ended December 31, 2002

(With Comparative Totals - Primary Government for the Year Ended December 31, 2001)

Primary Government			
Totals			
(Memorandum Only)			Component
2002	2001		Units
\$ (9,626,993)	\$ (18,731,237)	\$ (895,771)	
346,458	326,460	-	
7,900,000	46,441,556	-	
(111,857)	(85,794)	-	
(7,270,764)	(45,392,391)	-	
(4,569,282)	(4,728,050)	-	
136,508	140,829	-	
195,725	195,266	279,948	
822,367	584,014	-	
(12,177,838)	(21,249,347)	(615,823)	
(11,739,977)	(10,965,965)	-	
7,636,310	4,305,196	-	
3,627,524	2,517,392	41,187	
(476,143)	(4,143,377)	41,187	
(1,675,500)	(16,550,703)	(3,502,875)	
19,921,448	36,472,151	4,848,624	
\$ 18,245,948	\$ 19,921,448	\$ 1,345,749	
\$ 55,248,588	\$ 56,111,685	\$ 1,223,567	
25,680,786	20,372,020	122,182	
(22,907,363)	(18,803,696)	-	
(39,776,063)	(37,758,561)	-	
\$ 18,245,948	\$ 19,921,448	\$ 1,345,749	

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND, AND DISCRETELY PRESENTED COMPONENT UNITS (cont.)

Year Ended December 31, 2002

(With Comparative Totals – Primary Government for the Year Ended December 31, 2001)

NONCASH ACTIVITIES

ENTERPRISE FUNDS

During 2002, the Water Utility accepted ownership of \$468,899 of plant additions contributed by developers and customers; the Wastewater Utility accepted ownership of \$381,815 of plant additions contributed by developers and customers; the Stormwater Utility accepted \$735,029 of fixed assets contributed by the City and developers; and Parking Fund accepted \$56,606 of fixed assets contributed by the City.

Consistent with prior years, the City adjusted their investments to market during 2002. This adjustment resulted in an unrealized loss of \$213,176 in the Water Utility and a \$667,527 gain in the Wastewater Utility.

INTERNAL SERVICE FUNDS

During 2002, the Central Equipment Agency fund accepted ownership of \$1,605,459 of fixed assets contributed by various funds of the City.

During the year, there was a decrease of \$15,060 in what CVMIC owes the City which resulted in a loss on the investment in the Insurance fund.

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL COMPONENT UNITS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Appleton	Housing	Business	Totals	
	Redevelopment Authority	Authority	Improvement District	2002	2001
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 230,661	\$ 891,352	\$ 101,554	\$ 1,223,567	\$ 4,704,759
Receivables					
Rehabilitation loans	-	1,180,921	-	1,180,921	987,289
Other	-	4,841	1,768	6,609	8,700
Due from other governmental units	98,327	350,416	-	448,743	345,046
Due from primary government	-	-	51,928	51,928	109,257
Inventories	188,721	19,867	-	208,588	208,688
Prepaid items	-	30,671	-	30,671	9,523
Total Current Assets	<u>517,709</u>	<u>2,478,068</u>	<u>155,250</u>	<u>3,151,027</u>	<u>6,373,262</u>
RESTRICTED ASSETS					
Cash and investments	-	122,182	-	122,182	143,865
Total Restricted Assets	<u>-</u>	<u>122,182</u>	<u>-</u>	<u>122,182</u>	<u>143,865</u>
FIXED ASSETS					
Land, buildings and improvements	-	16,153,413	-	16,153,413	9,473,224
Equipment, furniture and vehicles	-	844,907	-	844,907	699,596
Less: Accumulated depreciation	-	(2,885,499)	-	(2,885,499)	(2,499,453)
Net Fixed Assets	<u>-</u>	<u>14,112,821</u>	<u>-</u>	<u>14,112,821</u>	<u>7,673,367</u>
TOTAL ASSETS	<u>\$ 517,709</u>	<u>\$ 16,713,071</u>	<u>\$ 155,250</u>	<u>\$ 17,386,030</u>	<u>\$ 14,190,494</u>

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL COMPONENT UNITS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Appleton Redevelopment Authority	Housing Authority	Business Improvement District	Totals	
				2002	2001
LIABILITIES, EQUITIES, AND OTHER CREDITS					
CURRENT LIABILITIES					
Accounts payable	\$ 9,182	\$ 124,033	\$ 1,769	\$ 134,984	\$ 120,772
Compensated absences	-	23,466	-	23,466	13,150
Other accrued liabilities	-	55,456	-	55,456	53,726
Due to other governments	-	72,688	-	72,688	6,944
Deferred revenue	-	1,186,252	156,564	1,342,816	1,096,714
Total Current Liabilities	<u>9,182</u>	<u>1,461,895</u>	<u>158,333</u>	<u>1,629,410</u>	<u>1,291,306</u>
LIABILITIES PAYABLE FROM RESTRICTED ASSETS					
Security deposits	-	57,005	-	57,005	35,786
Tenant FSS escrow	-	65,177	-	65,177	108,079
Total Liabilities Payable From Restricted Assets	<u>-</u>	<u>122,182</u>	<u>-</u>	<u>122,182</u>	<u>143,865</u>
Total Liabilities	<u>9,182</u>	<u>1,584,077</u>	<u>158,333</u>	<u>1,751,592</u>	<u>1,435,171</u>
EQUITY					
Contributed capital	1,453,759	7,152,282	-	8,606,041	8,905,695
Retained Earnings					
Reserved	-	7,976,712	-	7,976,712	1,704,412
Unreserved (deficit)	(945,232)	-	(3,083)	(948,315)	2,145,216
Total Retained Earnings	<u>(945,232)</u>	<u>7,976,712</u>	<u>(3,083)</u>	<u>7,028,397</u>	<u>3,849,628</u>
Total Equity	<u>508,527</u>	<u>15,128,994</u>	<u>(3,083)</u>	<u>15,634,438</u>	<u>12,755,323</u>
TOTAL LIABILITIES, EQUITIES, AND OTHER CREDITS	<u>\$ 517,709</u>	<u>\$ 16,713,071</u>	<u>\$ 155,250</u>	<u>\$ 17,386,030</u>	<u>\$ 14,190,494</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICITS) - ALL COMPONENT UNITS
 Year Ended December 31, 2002
 (With Comparative Totals for the Year Ended December 31, 2001)

	Appleton	Housing	Business	Totals	
	Redevelopment Authority	Authority	Improvement District	2002	2001
OPERATING REVENUES					
Charges for services	\$ -	\$ 694,651	\$ -	\$ 694,651	\$ 591,127
Other	-	105,844	109,258	215,102	218,536
Total Operating Revenues	-	800,495	109,258	909,753	809,663
OPERATING EXPENSES					
Operating expenses	4,907,909	3,355,126	201,338	8,464,373	3,986,020
Depreciation	-	421,808	-	421,808	308,239
Total Operating Expenses	4,907,909	3,776,934	201,338	8,886,181	4,294,259
Operating Income (Loss)	(4,907,909)	(2,976,439)	(92,080)	(7,976,428)	(3,484,596)
NONOPERATING REVENUES (EXPENSES)					
Investment income	20,341	18,221	2,625	41,187	74,511
Gains on the sale of fixed assets	-	10,100	-	10,100	-
Subsidies from other governmental units	-	2,924,401	-	2,924,401	2,106,608
Other	101,334	71,205	-	172,539	45,789
Total Nonoperating Revenues (Expenses)	121,675	3,023,927	2,625	3,148,227	2,226,908
Income (Loss) Before Operating Transfers	(4,786,234)	47,488	(89,455)	(4,828,201)	(1,257,688)
Operating transfers in from primary government	1,782,158	-	-	1,782,158	4,149,992
INCOME (LOSS) BEFORE CONTRIBUTIONS AND AMORTIZATION	(3,004,076)	47,488	(89,455)	(3,046,043)	2,892,304
Capital contributions	-	5,956,990	-	5,956,990	50,106
Amortization of capital grants	-	299,654	-	299,654	275,841
Net Additions to Retained Earnings (Deficits)	(3,004,076)	6,304,132	(89,455)	3,210,601	3,218,251
RETAINED EARNINGS, Beginning (as restated)	2,058,844	1,672,580	86,372	3,817,796	631,377
RETAINED EARNINGS (DEFICITS), ENDING	<u>\$ (945,232)</u>	<u>\$ 7,976,712</u>	<u>\$ (3,083)</u>	<u>\$ 7,028,397</u>	<u>\$ 3,849,628</u>

See accompanying notes to financial statements.

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL COMPONENT UNITS
Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Appleton Redevelopment Authority	Housing Authority	Business Improvement District	Totals	
				2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (4,907,909)	\$ (2,966,439)	\$ (92,080)	\$ (7,966,428)	\$ (3,484,596)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Non-operating income	101,334	68,130	-	169,464	46,163
Depreciation expense	-	421,808	-	421,808	308,239
Changes in Assets and Liabilities					
Accounts receivable - other	-	3,859	(1,768)	2,091	2,117
Due from other governmental units	(98,327)	(56,501)	-	(154,828)	
Due from primary government	-	-	57,329	57,329	(109,257)
Inventories	-	(21,048)	-	(21,048)	(165,392)
Prepaid items	-	5,163	-	5,163	(478)
Accounts payable	(55,964)	92,999	(22,823)	14,212	52,036
Other accrued liabilities	-	12,046	-	12,046	2,151
Due to other governments	-	65,744	-	65,744	-
Security deposits	-	(21,683)	-	(21,683)	15,514
Deferred revenues	-	-	47,307	47,307	109,257
Net Cash Provided by (Used for) Operating Activities	<u>(4,960,866)</u>	<u>(2,395,922)</u>	<u>(12,035)</u>	<u>(7,368,823)</u>	<u>(3,224,246)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Operating grants received	-	2,658,426	-	2,658,426	1,725,591
Operating transfers in from primary government	1,782,158	-	-	1,782,158	4,149,992
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>1,782,158</u>	<u>2,658,426</u>	<u>-</u>	<u>4,440,584</u>	<u>5,875,583</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of fixed assets	-	(895,771)	-	(895,771)	(129,596)
Capital contributed by others	-	279,948	-	279,948	79,256
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(615,823)</u>	<u>-</u>	<u>(615,823)</u>	<u>(50,340)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	20,341	18,221	2,625	41,187	72,295
Net Cash Provided by (Used for) Investing Activities	<u>20,341</u>	<u>18,221</u>	<u>2,625</u>	<u>41,187</u>	<u>72,295</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,158,367)	(335,098)	(9,410)	(3,502,875)	2,673,292
CASH AND CASH EQUIVALENTS, Beginning	3,389,028	1,348,632	110,964	4,848,624	2,175,332
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 230,661</u>	<u>\$ 1,013,534</u>	<u>\$ 101,554</u>	<u>\$ 1,345,749</u>	<u>\$ 4,848,624</u>

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL COMPONENT UNITS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Appleton Redevelopment Authority	Housing Authority	Business Improvement District	Totals	
				2002	2001
RECONCILIATION TO COMBINED BALANCE SHEET					
Cash and investments	\$ 230,661	\$ 891,352	\$ 101,554	\$ 1,223,567	\$ 4,704,759
Restricted cash and investments	<u>-</u>	<u>122,182</u>	<u>-</u>	<u>122,182</u>	<u>143,865</u>
ENDING CASH AND CASH EQUIVALENTS					
COMBINING STATEMENT OF CASH FLOWS	<u>\$ 230,661</u>	<u>\$ 1,013,534</u>	<u>\$ 101,554</u>	<u>\$ 1,345,749</u>	<u>\$ 4,848,624</u>

NONCASH ACTIVITIES

Equity transfer from CIAP program to PHA-owned Housing \$699,753.

Property purchase from HUD for \$10, with a fair value of \$5,956,900.

See accompanying notes to financial statements.

CITY OF APPLETON

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CITY OF APPLETON

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CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Appleton, Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

This report includes all of the funds and account groups of the City of Appleton. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Included within the reporting entity:

Redevelopment Authority of the City of Appleton

The general purpose financial statements include the Redevelopment Authority of the City of Appleton ("Redevelopment Authority") as a component unit. The Redevelopment Authority is a legally separate organization. The board of the Redevelopment Authority is appointed by the mayor of Appleton and approved by city council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Redevelopment Authority, and also create a potential financial benefit to or burden on the City. See Note 19. As a component unit, the Redevelopment Authority's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separately issued financial statements of the Redevelopment Authority of the City of Appleton may be obtained from the Redevelopment Authority's office, which is located at 100 North Appleton Street, Appleton, WI 54911.

Housing Authority of the City of Appleton

The general purpose financial statements include the Housing Authority of the City of Appleton ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the mayor of Appleton. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note 19. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separately issued financial statements of the Housing Authority of the City of Appleton may be obtained from the Housing Authority's office, which is located at 525 North Oneida Street, Appleton, WI 54911.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Included within the reporting entity:

Business Improvement District

The general purpose financial statements include the Business Improvement District of the City of Appleton ("District") as a component unit. The District is a legally separate organization. The board of the District is appointed by the mayor of Appleton and approved by city council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the District, and also create a potential financial benefit to or burden on the City. See Note 19. As a component unit, the District's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separately issued financial statements of the Business Improvement District of the City of Appleton may be obtained from Appleton Downtown Incorporated, which is located at 10 College Avenue, Suite A1, Appleton, WI 54911.

B. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City.

GOVERNMENTAL FUNDS

General Fund

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects, expendable trusts or special assessments) that are legally restricted to expenditures for specified purposes.

Transactions relating to the City's Tax Incremental District No. 1, Tax Incremental District No. 2, Community Development Block Grant, Rental Rehabilitation Grants, Sanitation and Recycling Program, Olde Oneida Bridge Project, City Parades, Health Grants, Hazardous Materials Level A, Forestry, Room Tax, Emergency Shelter, and Continuum of Care are accounted for in special revenue funds.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE (cont.)

GOVERNMENTAL FUNDS (cont.)

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds

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

The City uses capital projects funds to account for activities relating to Subdivision Development Projects, Industrial Park Land, Park and Recreation Projects, Tax Incremental District No. 3, Tax Incremental District No. 4, Tax Incremental District No. 5, Tax Incremental District No. 6, Public Safety Facilities, Public Works Equipment, Vosters' Property, Mackville Landfill, Technology, CEA Replacement, Performing Arts Center, and Riverfront Initiatives.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Activities of the City's Water Utility, Wastewater Utility, Valley Transit, Parking Utility, Stormwater Utility and Reid Municipal Golf Course are accounted for in enterprise funds.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

The City uses internal service funds to account for its Central Equipment Agency, Central Building Maintenance operations and its Insurance Fund.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE (cont.)

FIDUCIARY FUNDS

Trust and Agency Funds

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

The City maintains one nonexpendable trust fund – Frank P. Young Memorial, and six expendable trust funds – Tuchscherer Disability, Peabody Estate, Balliet Locomotive, Lutz Park, Park Purpose Open Space, and Union Spring Park. The City accounts for tax collections on behalf of other taxing authorities in an agency fund.

ACCOUNT GROUPS

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the City other than those accounted for in the proprietary funds and non-expendable trust funds.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the City except those obligations accounted for in the proprietary funds and non-expendable trust funds.

C. TOTALS (MEMORANDUM ONLY)

The columns captioned Totals (Memorandum Only) in the general purpose financial statements are an aggregation of the columnar statements by fund type and account group. The totals column is not comparable to a consolidation and does not present financial position, results of operations and cash flows in conformity with generally accepted accounting principles because the same basis of accounting is not used by all funds and interfund transactions and balances and account group balancing accounts have not been eliminated.

D. COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position, operations, and cash flows. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in all statements since their inclusion would make the statements unduly complex and difficult to read. Also, certain prior year numbers have been reclassified to be consistent with the current year presentation.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. BASIS OF ACCOUNTING

The modified accrual basis of accounting is followed by the governmental funds, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school and sanitary districts and technical school district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value of property as of the prior January 1.

Property tax calendar – 2002 tax roll:

Lien date and levy date	December 2002
Tax bills mailed	December 2002
Payment in full, or	January 31, 2003
First installment due	January 31, 2003
Second installment due	March 31, 2003
Third installment due	May 31, 2003
Fourth installment due	July 31, 2003
Final settlement with county	August 15, 2003
Personal property taxes in full	January 31, 2003
Tax sale – 2002 delinquent real estate taxes	October 2005

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest.

Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. BASIS OF ACCOUNTING (cont.)

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds and nonexpendable trust funds are accounted for on the accrual basis. Revenues such as user fees are recognized in the accounting period in which they are earned; expenses are recognized in the period incurred. Unbilled receivables are recorded when services are provided.

The proprietary funds have elected to follow Financial Accounting Standards Board pronouncements issued before November 30, 1989, and all pronouncements of the Governmental Accounting Standards Board.

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

F. MEASUREMENT FOCUS

The measurement focus of all governmental and expendable trust funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the general long-term obligations account group. The related expenditures are recognized when the liabilities are liquidated.

The measurement focus of proprietary funds and nonexpendable trust funds is the flow of economic resources. Under this concept, revenues and expenses are matched using the accrual basis of accounting. All fixed assets are capitalized at historical cost and depreciated over their useful lives.

G. CASH AND CASH EQUIVALENTS

For purposes of the combined statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

H. INVENTORIES

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on the weighted average method, and charged to construction, operation and maintenance expense when used. Governmental fund inventories, if material, are recorded at cost based on either the weighted average or FIFO method using the consumption method of accounting.

I. LONG-TERM OBLIGATIONS/CONDUIT DEBT

Short-term and proprietary fund long-term liabilities are recorded as fund liabilities. All other long-term liabilities are recorded in the general long-term obligations account group. However, that portion expected to be financed from expendable available financial resources is reported as a fund liability in the governmental funds.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Other Financing Sources" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

The City has approved the issuance of industrial revenue bonds (IRB's) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$17,893,000, made up of nine (9) series.

J. GENERAL FIXED ASSETS

General fixed assets acquired for governmental purposes are recorded as expenditures in the governmental funds. Purchased fixed assets are capitalized at cost or estimated cost in the general fixed assets account group. Contributed fixed assets are recorded at fair market value at the time received. Interest incurred during construction is not capitalized.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and lighting systems are not capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

Generally accepted accounting principles do not require depreciation to be recorded on general fixed assets.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

K. FIXED ASSETS – PROPRIETARY FUNDS

Additions to and replacements of plant and equipment are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. Utility plant is recorded at cost or fair market value at the time of contribution to the utility. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Interest is capitalized on enterprise fund property acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated. During the year, \$4,620,473 of interest expense was incurred, of which \$11,249 was capitalized.

The provision for depreciation shown in the financial statements results from the application of straight-line rates to original costs.

Estimated average useful lives by asset category are as follows:

Buildings and Improvements, including	
Parking Ramps	15-30 Years
Water Distribution and Sewerage Collection Systems	10-77 Years
Equipment, Furniture and Vehicles	3-25 Years

L. ADVANCES TO OTHER FUNDS

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Refer to Note 6 which details the interfund advances.

M. ENCUMBRANCES

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year end are fulfilled. Encumbrances outstanding at year end are reported as reservations of fund balance and do not represent liabilities or expenditures. Encumbrance accounting applies only to governmental fund types.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

N. BUDGETS AND BUDGETARY ACCOUNTING

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

- a. Prior to the end of July, the department heads submit to the mayor proposed budgets, including expenditures and applicable revenue projections.
- b. The mayor and staff then develop the budget and service plan and submit it to the common council at the first council meeting in October. The executive budget includes proposed expenditures and the means of financing them. Copies of the document are made available for public review.
- c. Public hearings are conducted to obtain taxpayer comments.
- d. The budget is adopted formally by resolution of the common council at the first finance committee meeting in November.
- e. Activities of the general fund, special revenue funds, the debt service fund, capital projects funds, enterprise funds, internal service funds and trust funds are budgeted. The budget as adopted shows total expenditures/expenses by individual fund. Expenditures/expenses cannot legally exceed appropriations at this level without two-thirds common council approval. Council policies include additional budgetary controls beyond this legal level.
- f. Under council policy, new appropriations up to \$10,000 require written approval by the mayor, countersigned by the Director of Finance, and reported to the Finance Committee as an informational item if funded by grants, user fees, or other non-tax revenues. New appropriations in excess of \$10,000 and those funded by taxes, or debt require the approval of the finance committee and two-thirds of the common council.
- g. Formal budgetary integration is employed as a management control device during the year for all funds.

A comparison of budget and actual is included in the accompanying financial statements for all governmental fund types. The budget presentations are at the function level, whereas the legal level of control is at the total expenditures level.

- h. All budgets adopted conform to generally accepted accounting principles (GAAP). Budget amounts are as originally adopted or as amended. Individual amendments were legally authorized as described above. Supplemental appropriations for all governmental fund types during the year were \$6,867,059.
- i. Budgets for all governmental funds lapse at year end. Reappropriations of any funds is made by council action.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

O. COMPENSATED ABSENCES

All Funds

The City's policy allows employees to earn varying amounts of vacation pay for each year employed. Upon retirement or termination of employment, the employee is entitled to payment in cash for any unused accrued vacation. Sick leave is earned at the rate of eight hours per month of full-time service to a maximum of 120 days. Employees are not compensated for unused sick leave upon termination of employment except upon retirement or death. Upon retirement or death, accumulated sick leave, to a maximum of 90 days for represented staff or 120 days for non-represented, is paid to the employee or the estate. For nonrepresented employees an additional 15 days is paid upon death. Upon retirement, the additional amount is retained by the City and used to pay postemployment health insurance premiums until it is depleted.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2002 are determined on the basis of current salary rates and include salary related payments.

Governmental and Fiduciary Funds

In governmental and fiduciary funds, the cost of vacation and sick leave is recognized when payments are made to employees. A long-term liability for these compensated absences has been recorded in the general long-term obligations account group. No current liability has been recorded in governmental funds, since accrued vacation and sick leave amounts as of the fiscal year end are not expected to be liquidated with expendable available resources.

Proprietary Funds

Vested or accumulated vacation and sick leave of proprietary funds is accrued as an expense and liability of those funds as the benefits are earned by employees.

P. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year end. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying water, wastewater and stormwater enterprise fund financial statements because those funds have the right by law to place delinquent bills on the tax roll.

Q. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not to be liquidated with expendable available financial resources, a liability is recorded in the general long-term obligations account group. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the proprietary fund types as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

R. CONTRIBUTED CAPITAL – PROPRIETARY FUNDS

Contributions in Aid of Construction

Contributions in aid of construction represent amounts received from customers/developers for construction and the value of property (plant) contributed to the utility. These amounts are not subject to repayment.

On January 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires that proprietary fund type capital contributions from external parties be presented as revenues beginning in 2001. The balance in Contributed Capital reflects the accumulated contributions until adoption of Statement No. 33. This balance will remain until the City adopts Governmental Accounting Standards Board Statement No. 34, effective for the City on January 1, 2003, when it will become part of the Net Assets section.

Capital Paid in by City

The City has invested capital in the enterprise and internal service funds at various times. The capital is not subject to specific repayment schedules.

Grants

The utilities have received state and federal grants to aid in utility plant construction. The utilities are amortizing these grants on a straight-line basis.

S. FUND BALANCE TERMINOLOGY

Fund balances are segregated into three separate classifications. Reservations represent the portion of fund balances which may not be appropriated for expenditure or have been segregated for specific future uses by legal mandate.

Designations of fund balances represent tentative plans by the City for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenditures.

Undesignated fund balance represents the amount available for appropriation after reservations and designations. It also is a measurement of current working capital position.

T. ECONOMIC DEVELOPMENT AND HOUSING REHABILITATION LOANS RECEIVABLE

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs that have been loaned to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

T. ECONOMIC DEVELOPMENT AND HOUSING REHABILITATION LOANS RECEIVABLE (cont.)

It is the City's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as designated fund balance in the general-purpose financial statements.

U. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin (PSCW) on August 30, 2002.

Wastewater Utility

Current wastewater rates were approved by the common council on April 18, 2001.

V. OTHER ASSETS

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

W. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

NOTE 2 – CASH AND INVESTMENTS

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

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 2 – CASH AND INVESTMENTS (cont.)

4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

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

No significant violations of these restrictions occurred during the year.

Total cash and investments in the combined balance sheet consist of the following:

Petty cash and cash on hand	\$ 64,941
Deposits	15,790,848
Investments	<u>100,446,285</u>
Total Cash and Investments	<u>\$ 116,302,074</u>

DEPOSITS

At December 31, 2002, the carrying amount of the City's deposits was \$15,790,848 and the bank balance was \$10,545,578. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

Of the bank balance, \$1,100,000 was covered by federal depository insurance, and \$9,445,578 was uninsured and uncollateralized.

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts covered by insurance above.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 2 – CASH AND INVESTMENTS (cont.)

INVESTMENTS

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes items that are insured or registered or which are evidenced by securities held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments, with securities held by the counterparty or its trust department or agent but not in the City's name.

	Category			Carrying Amount
	1	2	3	
U.S. Government securities	\$ -	\$ 54,685,886	\$ -	\$ 54,685,886
Sub-Totals	\$ -	\$ 54,685,886	\$ -	
Money market mutual funds				45,368,896
Local government investment pool				302,544
Wisconsin investment trust pool				88,959
Total Investments				\$ 100,446,285

The City had no significant type of investment during the year not included in the above schedule.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

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 days' notice. At December 31, 2002, the fair value of the underlying LGIP's assets were substantially equal to the City's share value as reported above.

Investments in the LGIP are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

The Wisconsin Investment Trust (WIT) is a diversified investment fund sponsored by the League of Wisconsin Municipalities. The WIT is not registered with the Securities and Exchange Commission. It constitutes a contractual agreement among Wisconsin Municipalities for the joint exercise of their powers with respect to investment of municipal assets and the cooperative provision of investment management services. The WIT reports the fair value of its underlying assets annually. Participants in the WIT have the right to withdraw their funds in total with one day's notice. At December 31, 2002, the fair value of the WIT's assets was substantially equal to the City's share as reported above.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS

A. GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the general long-term obligations account group will be retired by future property tax levies accumulated by the debt service funds and by tax increments generated by the TID districts. Proprietary fund debt is payable by revenues from user fees of those funds, or if the revenues are not sufficient, by future tax levies.

	Balance 1-1-02	Increases	Decreases	Balance 12-31-02
General Long-Term Obligations Account Group	\$ 49,281,347	\$ 10,530,000	\$ 7,149,027	\$ 52,662,320
Proprietary Funds				
Enterprise	5,910,000	-	1,805,000	4,105,000
Internal Service	1,155,265	-	153,398	1,001,867
Total General Obligation Debt	\$ 56,346,612	\$ 10,530,000	\$ 9,107,425	\$ 57,769,187

The following is a list of long-term obligations of the City at December 31, 2002:

Long-Term Obligations Account Group	Interest Rates	Final Maturity Dates	Balance
General Obligation Bonds			
General Obligation Refunding Bond, Series 1991	7.60 – 8.70	2007	\$ 1,001,867
General Obligation Bonds, Series 1993A	5.25 – 5.60	2013	2,585,000
General Obligation Refunding Bonds, Series 1998A	4.30 – 4.75	2013	6,530,000
General Obligation and Promissory Notes			
General Obligation Notes, Series 1996A	5.00 – 5.05	2006	3,120,000
General Obligation Notes, Series 1997A	4.625	2007	5,305,000
1997 State Trust Fund Loan	5.75	2007	468,681
General Obligation Notes, Series 1998B	4.20 – 4.50	2008	6,755,000
General Obligation Notes, Series 1999A	4.35 – 4.90	2009	950,000
General Obligation Notes, Series 1999B	6.50 – 6.60	2009	2,555,000
General Obligation Notes, Series 2000A	4.875 – 5.00	2010	8,420,000
General Obligation Notes, Series 2001A	4.00 – 4.40	2011	3,795,000
General Obligation Notes, Series 2001B	6.00	2011	3,270,000
2001 State Trust Fund Loan	5.00	2011	2,483,639
General Obligation Notes, Series 2002A	3.00 – 4.10	2012	8,535,000
General Obligation Notes, Series 2002B	5.00 – 5.75	2012	1,995,000
Sub-Totals – General Obligation			57,769,187
Less: Proprietary fund general obligation debt			(5,106,867)
Total General Obligation Debt – Long-Term Debt Account Group			\$ 52,662,320

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

B. OTHER LONG-TERM OBLIGATIONS

	Balance 1-1-02	Increases	Decreases	Balance 12-31-02
Compensated absences (Note 1.0)	\$ 4,062,588	\$ 1,989,600	\$ 1,813,280	\$ 4,238,908
Landfill liability (Note 14)	3,060,000	-	90,000	2,970,000
Disability benefits (Note 14)	201,801	-	8,928	192,873
Total Other Long-Term Obligations	<u>\$ 7,324,389</u>	<u>\$ 1,989,600</u>	<u>\$ 1,912,208</u>	<u>\$ 7,401,781</u>

C. REVENUE DEBT

Revenue bonds are payable only from revenues derived from the operation of the water, wastewater, and stormwater utilities.

	Balance 1-1-02	Increases*	Decreases	Balance 12-31-02
Water Utility	\$ 65,482,857	\$ 5,599,591	\$ 2,765,000	\$ 68,317,448
Wastewater Utility	16,896,609	48,345	2,550,764	14,394,190
Stormwater Utility	10,665,000	2,340,000	150,000	12,855,000
Total Revenue Debt	<u>\$ 93,044,466</u>	<u>\$ 7,987,936</u>	<u>\$ 5,465,764</u>	<u>\$ 95,566,638</u>

* Includes change in deferred unamortized loss of \$39,591 for the water liability and \$48,345 for the wastewater utility.

Revenue debt payable for enterprise funds at December 31, 2002 consists of the following:

<u>Water Utility</u>	<u>Interest Rates</u>	<u>Final Maturity Dates</u>	<u>Balance</u>
Water System Revenue Bonds, Series 1998	4.375 – 4.85	2014	\$ 3,895,000
Water System Revenue Bonds, Series 2000	5.00 – 5.70	2020	3,090,000
Water System Revenue Refunding Bonds, Series 2001	3.00 – 5.375	2022	56,010,000
Water System Revenue Bonds, Series 2002	2.00 – 4.75	2018	5,560,000
Less: Deferred unamortized loss on advance refunding			(237,552)
Total Water Utility			<u>\$ 68,317,448</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

C. REVENUE DEBT (cont.)

<u>Wastewater Utility</u>	Interest Rates	Final Maturity Dates	Balance
Sewerage System Mortgage Revenue Bonds, Series 1993B	4.80 – 5.00	2005	\$ 8,506,896
Sewerage System Mortgage Revenue Refunding Bonds, Series 1995	4.30 – 5.15	2010	6,165,000
Less: Deferred unamortized loss on advance refunding			<u>(277,706)</u>
Total Wastewater Utility			<u>\$ 14,394,190</u>
 <u>Stormwater Utility</u>			
Stormwater System Revenue Bonds Series 1999	4.35 – 5.26	2019	\$ 2,650,000
Stormwater System Revenue Bonds Series 2000	4.55 – 5.65	2020	3,055,000
Stormwater System Revenue Bonds Series 2001	4.00 – 5.00	2021	4,810,000
Stormwater System Revenue Bonds Series 2002	3.00 – 5.00	2022	<u>2,340,000</u>
Total Stormwater Utility			<u>\$ 12,855,000</u>
Future Debt Service Requirements – Revenue Debt			\$ 96,081,896
Future Debt Service Requirements – General Obligation Debt			<u>4,105,000</u>
Total Future Debt Service Requirements – Enterprise Funds			<u>\$ 100,186,896</u>

D. DEBT SERVICE REQUIREMENTS TO MATURITY ARE AS FOLLOWS:

<u>Years</u>	<u>General</u>		<u>Enterprise Funds</u>		<u>Internal Service Funds</u>		<u>Totals</u>
	Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$ 5,388,571	\$ 2,485,664	\$ 4,759,541	\$ 4,533,032	\$ 167,169	\$ 79,891	\$ 17,413,868
2004	5,438,316	2,122,366	5,474,119	4,338,841	182,088	64,698	17,620,428
2005	5,208,455	1,887,409	5,904,525	4,122,361	198,920	48,124	17,369,794
2006	6,853,828	1,613,910	6,145,788	3,883,243	216,899	30,036	18,743,704
2007	7,499,511	1,272,505	6,097,935	3,634,495	236,791	10,300	18,751,537
Thereafter	<u>22,273,639</u>	<u>2,581,483</u>	<u>71,804,988</u>	<u>24,126,848</u>	-	-	<u>120,786,958</u>
Totals	<u>\$52,662,320</u>	<u>\$11,963,337</u>	<u>\$ 100,186,896</u>	<u>\$44,638,820</u>	<u>\$ 1,001,867</u>	<u>\$ 233,049</u>	<u>\$ 210,686,289</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

Estimated payments of accumulated employee benefits and other commitments are not included in the repayment schedule on the previous page. Amounts available to service the general obligation debt and other long-term obligations include the following:

General Fund – general obligation debt	\$ 1,994,602
General Fund – compensated absences	3,877,498
General Fund – debt defeasance	1,434,434
Debt Service Fund – general obligation debt	50,202
Capital Project Funds – general obligation debt	200,663
Expendable Trust Fund – Tuchscherer disability	<u>92,746</u>
Total	<u>\$ 7,650,145</u>

E. OTHER DEBT INFORMATION

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2002, was \$174,209,520. Total general obligation debt outstanding at year end was \$57,769,187.

A statutory mortgage lien upon the City's utility system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issues. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions.

F. PRIOR-YEAR DEFEASANCE OF DEBT

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2002, \$3,415,000 of bonds outstanding are considered defeased. They are callable in 2003.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 4 – RESTRICTED ASSETS

Mandatory segregations of assets are presented on the combined balance sheet as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is a reservation of retained earnings.

LONG-TERM DEBT ACCOUNTS

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction – Used to report proceeds of revenue bond issuances that are restricted for use in construction.

EQUIPMENT REPLACEMENT ACCOUNT

The wastewater utility established an equipment replacement account to be used for mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2002:

Bond redemption account	\$ 1,012,705
Bond depreciation account	1,500,000
Bond reserve account	10,231,133
Construction account	5,213,311
Equipment replacement account	<u>7,723,637</u>
Total Restricted Assets – Cash and Investments	<u>\$ 25,680,786</u>

NOTE 5 – EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.2% of their salary (3.1% for Executives and Elected Officials, 4.0% for Protective Occupations with Social Security, and 3.0% for Protective Occupations without Social Security) to the plan. Employers generally 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.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 5 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for City employees covered by the system for the year ended December 31, 2002 was \$31,361,878; the employer's total payroll was \$31,442,521. The total required contribution for the year ended December 31, 2002 was \$3,576,344 or 11.40 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2001 and 2000 were \$3,435,364 and \$3,401,550, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

The pension-related debt for the City was \$-0- at December 31, 2002. This liability was determined in accordance with provisions of GASB Statement 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement 27.

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers 14 retired employees of the City Police and Fire Departments. These individuals were covered by a private pension plan prior to the City joining the system. No new employees are added to the plan. The City's policy is to fund retirement contributions to meet current benefit payments of these retired employees (i.e. "pay as you go"). Contributions are not actuarially determined. The total cost for 2002 was approximately \$91,061. The total estimated unfunded pension benefit obligation of this plan is approximately \$657,000 as of December 31, 2002, all of which relates to retirees and beneficiaries currently receiving benefits. The City has designated fund balance of \$657,000 for the unfunded pension liability in the general fund. The rate of investment return is presently assumed to be 6.0%. The estimated remaining period of amortization is 15 years.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 6 – INTERFUND RECEIVABLES/PAYABLES AND ADVANCES

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue – Tax Incremental District No. 2	\$ 310,000
General	Special Revenue – Community Development Block Grant	33,391
General	Special Revenue – Forestry	35,599
General	Special Revenue – Emergency Shelter	13,147
General	Special Revenue – Continuum of Care	19,022
General	Capital Projects – Subdivision Development Projects	25,637
Special Revenue – Sanitation and Recycling Program	Agency – Tax Collecting	1,763
Enterprise – Water Utility	Agency – Tax Collecting	133,709
Enterprise – Wastewater Utility	Agency – Tax Collecting	109,361
Enterprise – Stormwater Utility	Agency – Tax Collecting	78,751
Total		<u>\$ 760,380</u>

The following is a schedule of receivables and payables between the primary government and component unit:

Component Unit – Business Improvement District	Agency – Tax Collecting	\$ <u>51,928</u>
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CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 6 – INTERFUND RECEIVABLES/PAYABLES AND ADVANCES (cont.)

Balances in advance from/to other funds at December 31, 2002 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General	Special Revenue – Tax Incremental District No. 1	\$ 2,219,597	\$ 10,184,511	\$ 12,404,108
General	Special Revenue – Tax Incremental District No. 2	680,922	435,575	1,116,497
General	Capital Projects – Tax Incremental District No. 3	7,650,765	1,054,876	8,705,641
General	Capital Projects – Tax Incremental District No. 5	8,600	215	8,815
General	Capital Projects – Tax Incremental District No. 6	62,982	8,192	71,174
General	Enterprise – Reid Municipal Golf Course	550,000	-	550,000
Enterprise – Wastewater Utility	Enterprise – Water Utility	3,754,686	-	3,754,686
Enterprise – Parking Utility	Capital Projects – Tax Incremental District No. 3	6,749,542	1,729,552	8,479,094
Total		<u>\$ 21,677,094</u>	<u>\$ 13,412,921</u>	<u>\$ 35,090,015</u>

In 1999, the City approved charging interest on the advances to the Tax Incremental Districts at 5%, compounded annually. Accumulated interest is shown as deferred revenue in the general fund and the parking utility and charged to expenditures annually in the payable fund. Interest is being charged to the Reid Municipal Golf Course. No interest is being charged on the advance to the water utility. No repayment schedules have been established for these advances.

NOTE 7 – INTERFUND TRANSFERS

OPERATING TRANSFERS

Operating transfers for the year ended December 31, 2002 consist of the following:

The operating transfers in/out do not equal because the Reid Municipal Golf Course shows operating transfers as a transfer out and the CEA fund shows the operating transfers as contributed capital.

<u>Fund Transferred to</u>	<u>Fund Transferred from</u>	<u>Amount</u>
General	Special Revenue – Room Tax	\$ 16,842
	Capital Projects – Park and Recreation Projects	31,568
	Capital Projects – Public Safety Facilities	75,243
	Capital Projects – Mackville Landfill	126,389
	Enterprise – Water Utility	13,800
	Enterprise – Wastewater Utility	117,450
	Enterprise – Parking Utility	9,300
	Enterprise – Stormwater Utility	12,500
	Enterprise – Reid Municipal Golf Course	17,900

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 7 – INTERFUND TRANSFERS (cont.)

OPERATING TRANSFERS (cont.)

<u>Fund Transferred to</u>	<u>Fund Transferred from</u>	<u>Amount</u>
Debt Service	General	\$ 245,278
	Special Revenue – Tax Incremental District No. 2	40,180
	Capital Projects – Industrial Park Land	74,534
	Capital Projects – Tax Incremental District No. 3	2,812,669
	Capital Projects – Tax Incremental District No. 4	983,804
	Capital Projects – Tax Incremental District No. 5	39,205
	Capital Projects – Tax Incremental District No. 6	315,731
	Capital Projects – Vosters' Property	1,645,574
Capital Projects		
Subdivision Development Projects	General	800,000
Public Safety Facilities	General	23,000
Enterprise		
Valley Transit	General	442,689
Internal Service		
Central Equipment Agency	Enterprise – Reid Municipal Golf Course	<u>15,963</u>
Total		<u>\$ 7,859,619</u>

The following is a schedule of transfers between the primary government and component unit.

<u>Fund Transferred to</u>	<u>Fund Transferred from</u>	<u>Amount</u>
Appleton Redevelopment Authority (Component Unit)	Capital Projects – Tax Incremental District No. 3	\$ 1,530,000
Appleton Redevelopment Authority (Component Unit)	Capital Projects – Performing Art Center	<u>252,158</u>
Total		<u>\$ 1,782,158</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 7 – INTERFUND TRANSFERS (cont.)

RESIDUAL EQUITY TRANSFERS

2002 residual equity transfers consist of the following:

The residual equity transfers in/out do not equal because the water utility shows the residual equity transfer as a transfer out and the CEA fund shows the residual equity transfer as contributed capital.

Fund Transferred From	Fund Transferred To	Amount	Description
Water Utility	Internal service – CEA	\$ 122,485	Transfer assets to the CEA fund.
Residual Equity Total		<u>\$ 122,485</u>	

NOTE 8 – DESIGNATED FUND BALANCES

Designated fund balances as of December 31, 2002 includes the following items:

General Fund designated for

Debt Service	\$ 1,994,602
Working Capital	8,239,685
Compensated Absences	3,877,498
Unfunded Pension Liability	657,043
Debt Defeasance	<u>1,434,434</u>
Total	<u>\$ 16,203,262</u>

Special Revenue Funds designated for

Community Development Block Grant	\$ 2,917
Rental Rehabilitation Grants	179,933
Sanitation and Recycling Program	959,113
Olde Oneida Bridge Project	25,667
Hazardous Materials Level A	297,724
Forestry	3,906
Room Tax	<u>4,922</u>
Total	<u>\$ 1,474,182</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 8 – DESIGNATED FUND BALANCES (cont.)

Capital Projects Funds designated for	
Subdivision Development Projects	\$ 413,698
Industrial Park Land	451,277
Park and Recreation Projects	91,408
Tax Incremental District No. 4	4,054,407
Public Works Equipment	140,022
Technology	15,921
CEA Replacement	3,820,361
Riverfront Initiatives	102,744
	<hr/>
Total	<u>\$ 9,089,838</u>

NOTE 9 – RESERVED FUND BALANCES/RETAINED EARNINGS

Reserved fund balances and retained earnings as of December 31, 2002 includes the following items:

General Fund	
Encumbrances	\$ 2,269,780
Inventories and prepaid items	483,974
Developer loans	628,913
Advance to other funds (principal portion-Note 6)	11,172,866
	<hr/>
Total	<u>\$ 14,555,533</u>
 Special Revenue Fund	
Sanitation and Recycling Program – Encumbrances	<u>\$ 58,013</u>
 Debt Service Fund	
Debt Service	<u>\$ 50,202</u>
 Capital Projects Funds	
Subdivision Development Projects – Encumbrances	\$ 37,563
Industrial Park Land – Encumbrances	245,000
Industrial Park Land – Debt Service	200,663
Park and Recreation Programs – Encumbrances	301,300
Tax Incremental District No. 4 – Encumbrances	330,755
Tax Incremental District No. 5 – Encumbrances	190,000
Tax Incremental District No. 6 – Encumbrances	461,746
Public Safety Facilities – Encumbrances	427,495
Public Works Equipment – Encumbrances	75,873
Technology – Encumbrances	189,182
	<hr/>
Total	<u>\$ 2,459,577</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 9 – RESERVED FUND BALANCES/RETAINED EARNINGS (cont.)

Enterprise Funds

Water Utility – Debt Service	\$ 4,638,000
Wastewater Utility – Debt Service	2,492,415
Wastewater Utility – DNR Replacement Fund	6,752,257
Stormwater Utility – Debt Service	<u>1,410,326</u>
Total	<u>\$ 15,292,998</u>

Trust Funds

Frank P. Young Memorial Scholarships	\$ 15,650
Tuchscherer Disability Settlement Payments	92,746
Peabody Estate	81,901
Balliet Locomotive	8,422
Lutz Park	671,927
Park Purpose Open Space	299,183
Union Spring Park	<u>3,494</u>
Total	<u>\$ 1,173,323</u>

NOTE 10 – FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance 1-1-02	Additions	Adjustments/ Deletions	Balance 12-31-02
Land	\$ 19,904,999	\$ 1,991,721	\$ 2,072,463	\$ 19,824,257
Buildings	29,367,426	195,830	-	29,563,256
Improvements	5,203,313	452,532	19,500	5,636,345
Equipment, furniture and fixtures	<u>4,179,168</u>	<u>196,369</u>	<u>232,248</u>	<u>4,143,289</u>
Totals	<u>\$ 58,654,906</u>	<u>\$ 2,836,452</u>	<u>\$ 2,324,211</u>	<u>\$ 59,167,147</u>

A summary of proprietary fund fixed assets at December 31 follows:

	Enterprise Funds	Internal Service Funds
Land and land rights	\$ 14,071,903	\$ -
Buildings and improvements	243,659,612	-
Equipment, furniture and vehicles	<u>63,444,216</u>	<u>18,540,858</u>
Totals	<u>\$ 321,175,731</u>	<u>\$ 18,540,858</u>

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 11 – EXCESS EXPENDITURES OVER APPROPRIATIONS

The following individual funds had an excess of expenditures or transfers out over appropriations at the legal level of budgetary control for the year ended December 31, 2002:

	<u>Excess</u>
Special Revenue Funds	
Tax Incremental District No. 1	\$ 27,450
City parades	2,506
Hazardous Materials Level A	27,541
Emergency Shelter	20,708
Debt Service Fund	271,388
Capital Projects Funds	
Mackville Landfill	167,528

NOTE 12 – DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

SPECIAL REVENUE FUNDS

Tax Incremental District No. 1 – The fund deficit of \$11,900,690 is the result of expenditures in excess of revenues. In future years, this deficit is expected to be offset as incremental tax revenues are collected.

Tax Incremental District No. 2 – The fund deficit of \$1,392,059 is the result of expenditures in excess of revenues. In future years, this deficit is expected to be offset as incremental tax revenues are collected.

CAPITAL PROJECTS FUNDS

Tax Incremental District No. 3 – The fund deficit of \$17,176,727 is the result of expenditures in excess of revenues. In future years, this deficit is expected to be offset as incremental tax revenues are collected.

ENTERPRISE FUNDS

Valley Transit – The accumulated deficit of \$592,919 is equal to the amount of accumulated depreciation, which is not an allowable cost for grant purposes, net of the accumulated amortization of federal contributed capital.

Parking Utility – The accumulated deficit of \$1,881,331 results because the City's parking fees are not designed to recover the depreciation on contributed assets. Total fund equity despite the deficit is \$23,279,285.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 13 – SEGMENTS OF ENTERPRISE ACTIVITIES

The City maintains six enterprise funds. Segment information as of and for the year ended December 31, 2002, is presented below (in thousands of dollars):

	<u>Water Utility</u>	<u>Waste- water Utility</u>	<u>Valley Transit</u>	<u>Parking Utility</u>	<u>Storm- water Utility</u>	<u>Reid Municipal Course</u>	<u>Total All Funds</u>
Operating Revenues	\$ 12,437	\$ 7,297	\$ 739	\$ 1,816	\$ 2,822	\$ 671	\$ 25,782
Depreciation and Amortization Expense	2,648	3,766	502	905	798	65	8,684
Operating Income (Loss)	4,598	(1,465)	(5,049)	(58)	649	12	(1,313)
Subsidies from (to) Other Governments	-	-	4,092	-	8	-	4,100
Operating Transfers In	-	-	443	-	-	-	443
Operating Transfers Out	(14)	(117)	-	(9)	(13)	(34)	(187)
Income (Loss) Before Contributions and Amortization	2,074	130	(515)	(19)	289	(46)	1,913
Capital Contributions	491	382	72	-	713	-	1,658
Additions to Fixed Assets	2,677	2,175	90	52	2,755	-	7,749
Retirements of Fixed Assets	1,156	14	418	-	63	4	1,655
Net Working Capital (Deficit)	1,205	5,759	78	(1,086)	4,802	(28)	10,730
Total Assets	110,657	105,896	5,804	25,136	46,940	1,305	295,738
Bonds payable	69,627	14,394	-	-	15,650	-	99,671
Advances payable	3,755	-	-	-	-	550	4,305
Total Equity	35,323	90,921	3,929	23,279	30,854	684	184,990
Payment to City in Lieu of Taxes	941	-	-	-	-	-	941

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

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

State and federal laws and regulations require the City to place a final cover on its Mackville Landfill, which no longer receives solid waste, and to perform certain maintenance and monitoring functions at the site for 40 years after closure. Construction of the cover has been completed at December 31, 2002. The City does have postclosure care responsibility at the Mackville Landfill. As of December 31, 2002, a \$2,970,000 liability was estimated based on what it would cost to perform all postclosure care in 2002 and thereafter. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City incurred approximately \$90,000 of closure costs in 2002.

Fox River Cleanup is a source of potential liability to the City. It appears likely that some remedial action will be required. It is not possible to estimate the financial impact to the City at this time.

Three former City employees are entitled to monthly disability benefits from the City for the rest of their lives. Disability payments total \$1,620 per month. The City's policy is to fund disability expenditures as benefit payments become due. The liability for future payments is presently reflected in the City's General Long-Term Obligations Account Group.

During 2002, the City borrowed monies for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in various Capital Projects Funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. The balance of contract amounts plus open purchase orders is included in reserve for encumbrances.

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the City.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 15 – RISK MANAGEMENT

The City is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; health care and injuries to employees; and natural disasters. All funds of the City participate in the Insurance Fund. The cost of providing these risk management services is allocated by charging a “premium” to each fund based on historical estimates of the amounts needed to pay prior and current year claims and administration costs. The charge considers recent trends in actual claims experience of the City as a whole and makes provision for losses relating to catastrophes. “Premiums” are allocated by fund based on estimated current-year payroll, property values and other appropriate factors.

SELF-INSURANCE

For 2002, the Insurance Fund provided coverage for up to \$300,000 for each worker’s compensation claim, \$175,000 for each general, automobile, police professional or public officials liability claim up to \$700,000 in a year, and \$100-20,000 for each property damage claim (\$50,000 for flood and earthquake). The City purchases commercial insurance for claims in excess of coverage provided by the fund and all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year. A total reserve for claims losses at December 31, 2002 of \$1,000,000 has been recorded. The reserve liability includes expenses and losses expected to arise from claims outstanding as of December 31, 2002 and amounts expected to arise from claims which have been incurred but have not been reported to the City as of December 31, 2002. The reserve is based on a 2001 actuarial study and actual claims activity in 2002. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The study took into account settled claims, the frequency of claims, industry averages and other economic and social factors. Because actual claims liabilities depend on such complex factors as inflation and damage awards, the process used to compute claims liability does not necessarily result in an exact amount. At December 31, 2002, the City has designated retained earnings of \$3,218,485 in the Insurance Fund for self-insured activities not covered by the reserves established. This amount is included in unreserved retained earnings.

Changes in the claims payable follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid</u>	<u>Balance December 31</u>
2001	\$ 800,000	\$ 413,984	\$ 302,984	\$ 911,000
2002	911,000	482,820	393,820	1,000,000

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 15 – RISK MANAGEMENT (cont.)

HEALTH CARE

The City provides health and dental care benefits to employees through a self-funded health plan with specific and aggregate excess insurance coverage. The plan is administered by EmpheSys. Insurance premiums, based on historical cost, are paid into the general fund from all other City funds and are available to pay claims and administrative costs.

Under this program, the City pays up to a maximum of \$85,000 annually for each covered employee's and each covered dependent's health care costs. The City has purchased excess loss insurance for claims in excess of this amount. Expected claims are calculated at the end of each plan year by the third party administrator based on the number of single and family contracts covered and the expected claims. Administrative costs for 2002 totaled approximately \$247,304.

The estimated liability for self-funded losses is based on reported claims for the year and those received subsequent to year end. The estimated liability for self insured losses for this program consisted of the following at December 31, 2002:

Reported and Known Claims	\$ 482,455
Incurred but not Reported Claims	<u>1,517,545</u>
 Total	 <u><u>\$ 2,000,000</u></u>

Changes in the claims payable follow:

	<u>Balance January 1</u>	<u>Incurred Claims</u>	<u>Claims Paid</u>	<u>Balance December 31</u>
2001	\$ 1,575,075	\$ 6,416,309	\$ 6,374,839	\$ 1,616,545
2002	1,616,545	6,569,961	6,186,506	2,000,000

PUBLIC ENTITY RISK POOLS

Transit Mutual Insurance Corporation of Wisconsin (TMICOW)

Description

The Transit Mutual Insurance Corporation of Wisconsin is a joint venture of Wisconsin municipalities which have joined together for the managing and funding of the first party property losses and third party liability claims of its member municipalities mass transit funds.

In 2002, the TMICOW is protected by a \$1,250,000 self-insurance policy. In addition to the TMICOW protection, the City of Appleton, combined together with other members of Wisconsin Municipal Transit Insurance Commission, are covered by a \$5,000,000 excess insurance policy issued by General Reinsurance Corporation effective January 1, 2002 through January 1, 2003.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 15 – RISK MANAGEMENT (cont.)

PUBLIC ENTITY RISK POOLS (cont.)

Transit Mutual Insurance Corporation of Wisconsin (TMICOW) (cont.)

Management consists of a board of directors comprised of one representative for each member. The City does not exercise any control over the activities of the agency beyond its representation on the board of directors.

Initial contributions are determined in advance of each membership year. The board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit attributable to a membership year during which they were a member. The City's share of this joint venture is 4.41%. A list of the other members and their share of participation is available in the TMICOW report which is available from TMICOW, P.O. Box 1722, Appleton, WI 54912-1722.

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC)

The WMIC is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes. It was created in August, 1987 for the purpose of facilitating the organization, establishment and capitalization of the CVMIC, and has numerous cities and villages as members.

The CVMIC is a municipal mutual insurance company established on September 19, 1987 under Section 611.23 of the Wisconsin Statutes. The CVMIC provides liability insurance coverage to the cities and villages which make up the membership of the WMIC.

The WMIC provided for the capitalization of the CVMIC through the issuance of \$28,645,000 of WMIC revenue bonds, dated November 11, 1987 and refinanced on December 15, 1997 in the amount of \$22,800,000. The bonds are due in varying installments starting in 1998 and ending in 2007. Interest rates vary from 5.74% to 6.47%. The underlying security for the revenue bonds are general obligation bonds of each of the cities and villages participating in the enterprise. Each City and village assumed a proportionate share of the revenue bond obligation and delivered its general obligation bond in that proportionate amount to the WMIC. The principal and interest payments made by each municipality to the WMIC on its general obligation bond provides the revenue stream to make the principal and interest payments on the WMIC revenue bonds.

The CVMIC is self-insured up to a maximum of \$2,000,000 of each insurance risk. Losses paid by CVMIC plus administrative expenses will be recovered through premiums to the participating pool of municipalities. The City's share of such losses is approximately 5%.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 15 – RISK MANAGEMENT (cont.)

PUBLIC ENTITY RISK POOLS (cont.)

Wisconsin Municipal Insurance Commission (WMIC) Cities and Villages Mutual Insurance Company (CVMIC) (cont.)

Management of each organization consists of a board of directors or officers comprised of representatives elected by each of three classes of participants based on population. The City does not exercise any control over the activities of the agencies beyond the election of the officers and board.

The City shows the general obligation bond that it owes to WMIC in the insurance internal service fund in the amount of \$1,001,867. The City has a receivable from WMIC of \$159,885 which represents assets available to retire the City's share of the debt. The initial investment in WMIC is refundable upon withdrawal from the commission and has been reported at the original amount of \$2,020,950 in the insurance internal service fund.

Financial statements of WMIC and CVMIC are available from: Cities and Village Mutual Insurance Company, 1250 South Sunnyslope Road, Brookfield, WI 53005.

NOTE 16 – LEASE DISCLOSURES

LESSOR – CAPITAL LEASES

In 1998, the City entered into a lease/development agreement with Appleton Ice Incorporated. As part of the agreement, the City leased approximately 2.5 acres of land to Appleton Ice Incorporated to be used for the Appleton Family Ice Arena.

The ice arena built on the land is owned by Appleton Ice Incorporated but will revert to the City at the end of the lease term (40 years). Appleton Ice Incorporated must pay rent equal to the debt service for the ice arena. The lease receivable is shown in the debt service fund.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 16 – LEASE DISCLOSURES (cont.)

LESSOR – CAPITAL LEASES (cont.)

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2002 are as follows:

	Ice Arena
2003	\$ 91,370
2004	94,362
2005	92,213
2006	90,025
2007	92,688
2008	828,224
Sub-Totals	1,288,882
Less: Amount representing interest	(228,882)
Present Value of Minimum Lease Payments	\$ 1,060,000

The City has no material operating leases as lessee or lessor.

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS

The City does not provide postemployment benefits to retired employees.

NOTE 18 – CONTRIBUTED CAPITAL

Changes in contributed capital of the enterprise funds for the year ended December 31, 2002 follow (in thousands of dollars).

	Water Utility	Waste- water Utility	Valley Transit	Parking Utility	Storm- water Utility	Reid Municipal Golf Course	Total All Funds
Contributed Capital – January 1, 2002	\$ 15,300	\$ 33,683	\$ 4,871	\$ 25,104	\$ 23,737	\$ 354	\$ 103,049
Additions:							
City	339	625	136	56	5	-	1,161
Reduction:							
Depreciation Charged to Contributed Capital	-	(1,633)	(401)	-	(514)	(5)	(2,553)
Contributed Portion of Assets Retired	-	-	(84)	-	-	-	(84)
Contributed Capital – December 31, 2002	\$ 15,639	\$ 32,675	\$ 4,522	\$ 25,160	\$ 23,228	\$ 349	\$ 101,573

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 18 – CONTRIBUTED CAPITAL (cont.)

Changes in contributed capital of the internal service funds for the year ended December 31, 2002 follow:

	<u>Central Equipment Agency</u>	<u>Insurance</u>	<u>Total</u>
Contributed Capital – January 1, 2002	\$ 6,679,373	\$ 341,051	\$ 7,020,424
Additions:			
Contributions from the City	1,605,108	-	1,605,108
Reductions:			
Depreciation charged to contributed capital	<u>(756,884)</u>	<u>-</u>	<u>(756,884)</u>
Contributed Capital – December 31, 2002	<u>\$ 7,527,597</u>	<u>\$ 341,051</u>	<u>\$ 7,868,648</u>

NOTE 19 – COMPONENT UNITS

This report contains the Redevelopment Authority of the City of Appleton ("Redevelopment Authority"), the Housing Authority of the City of Appleton ("Housing Authority"), and the Business Improvement District of the City of Appleton ("Business Improvement District") which are included as component units. Financial information is presented as a discrete column in the combined balance sheet, combined statement of revenues, expenses and changes in retained earnings/fund balance, and combined statement of cash flows.

In addition to the general purpose financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Redevelopment Authority

a. Basis of Accounting/Measurement Focus

The Redevelopment Authority prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and flow of economic resources measurement focus. The Redevelopment Authority has elected not to adopt the provisions of GASB No. 20, paragraph 7, which states that all FASB statements and interpretations issued after November 30, 1989, can be applied.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 19 – COMPONENT UNITS (cont.)

Redevelopment Authority (cont.)

b. Cash and Investments

The Redevelopment Authority, as a fund of the City, maintains common cash accounts at the same financial institutions utilized by the City. Federal Depository Insurance and the State of Wisconsin Guarantee Fund insurance apply to the City of Appleton as an individual municipality and, accordingly, the amount of insured funds is not determinable for the Redevelopment Authority. The carrying amount was \$230,661.

c. Contributed Capital

There was no change in contributed capital during 2002. The balance at December 31, 2002 is \$1,453,759.

Housing Authority

a. Basis of Accounting/Measurement Focus

The Housing Authority prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and flow of economic resources measurement focus. The Housing Authority has elected not to adopt the provisions of GASB No. 20, paragraph 7, which states that all FASB statements and interpretations issued after November 30, 1989, can be applied.

b. Cash and Investments

At year end, the carrying amount of the Housing Authority's deposits was \$1,013,534 and the bank balance was \$1,069,538. Of the bank balance, \$200,000 was covered by federal depository and state guarantee fund insurance, and \$75,906 was uninsured and uncollateralized.

c. Restricted Assets

Restricted assets at December 31, 2002 consist of the following:

Cash and cash equivalents	<u>\$ 122,182</u>
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CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 19 – COMPONENT UNITS (cont.)

Housing Authority (cont.)

d. Property, Plant and Equipment

The property, plant and equipment at December 31, 2002 consist of the following:

	<u>12-31-02</u>	<u>Years</u>
Land and improvements	\$ 1,264,758	40
Buildings and structures	14,899,617	40
Equipment and furnishings	<u>833,945</u>	5-10
Total	<u>\$ 16,998,320</u>	

e. Contributed Capital

The following is a summary of the change in contributed capital:

Balance, December 31, 2001	\$ 7,451,936
Amortization of grants	<u>(299,654)</u>
Balance, December 31, 2002	<u>\$ 7,152,282</u>

f. Employee Retirement System

All eligible Housing Authority employees participate in the Wisconsin Retirement System ("System"), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS). The payroll for employees covered by the System for the year ended December 31, 2002 was \$402,639; the Housing Authority's total payroll was \$418,333. The total required contribution for the year ended December 31, 2002 was \$36,237 which consisted of \$16,105 or 4% of payroll from the employer and \$20,132 or 5 percent of payroll from employees. Total contributions for the years ending December 31, 2001 and 2000 were \$28,061 and \$26,468 respectively, equal to the required contributions for each year.

The unfunded liability of the Housing Authority as of December 31, 2002 was \$-0-.

g. Risk Management

The Housing Authority purchases commercial insurance with various deductibles and coverages to cover property, business auto, and general liabilities. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There were no significant reductions in coverage compared to the prior year.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 19 – COMPONENT UNITS (cont.)

Housing Authority (cont.)

h. Adjustment to Opening Retained Earnings

A prior period adjustment of \$31,832 was necessary to correct the opening grant amortization balance.

Retained earnings – December 31, 2001	\$ 1,704,412
Less: Grant amortization	<u>(31,832)</u>
Retained Earnings – January 1, 2002	<u>\$ 1,672,580</u>

Prior year balances have not been restated.

Business Improvement District

a. Basis of Accounting/Measurement Focus

The Business Improvement District prepares its financial statements in accordance with generally accepted accounting principles. The accounting records are kept on the accrual basis of accounting and the flow of economic resources measurement focus. The Business Improvement District has elected not to adopt the provisions of GASB No. 20, paragraph 7, which states that all FASB statements and interpretations issued after November 30, 1989, can be applied.

b. Cash and Investments

The Business Improvement District, as a fund of the City, maintains common cash accruals at the same financial institutions utilized by the City. Federal Depository Insurance and the State of Wisconsin Guarantee Fund insurance apply to the City of Appleton as an individual municipality and, accordingly, the amount of insured funds is not determinable for the Business Improvement District. The carrying amount was \$101,554.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 20 – TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate special revenue and capital projects funds accounts for six Tax Incremental Financing Districts (TID). The districts were created in accordance with Section 66.46 of the Wisconsin Statutes. At the time the districts were created, the property tax base within each district was "frozen" and subsequent incremental taxes resulting from any increases to the property tax base are available to finance district improvements, including principal and interest on debt issued by the City to finance such improvements. All eligible project expenditures for the districts are made from capital projects funds and must be incurred within ten years for districts created prior to October 1, 1995, and seven years for districts created thereafter. Special revenue funds are maintained to account for tax increment and other revenues used to finance principal and interest payments on outstanding debt applicable to the districts. Unless terminated by the City prior thereto, each TID must be terminated after 27 years for districts created prior to October 1, 1995, and 23 years for districts created thereafter.

	Creation Date	Expenditure Deadline	Termination Year
TID No. 1	1980	1990	2007
TID No. 2	1991	2001	2018
TID No. 3	1993	2003	2020
TID No. 4	1995	2005	2022
TID No. 5	1999	2005	2022
TID No. 6	2000	2007	2023

Upon termination, the incremental tax base created by each TID will become part of the City's regular tax base. Any surplus remaining in the TID special revenue fund at the time of termination will be allocated among all affected taxing jurisdictions.

A summary of pertinent information for each TID follows:

	TID No. 1	TID No. 2	TID No. 3	TID No. 4	TID No.5	TID No.6
Tax increment revenues for 2002	\$ 1,605,892	\$ 74,728	\$ 361,793	\$ 1,562,398	\$ 9,473	\$ 473,211
Debt service payments for 2002	-	40,180	2,812,669	983,804	39,205	315,731

NOTE 21 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) recently approved Statement Nos. 34, 37, and 38. These Statements require significant changes from the current method of financial reporting for all state and local governments in the United States. GASB Statement 34 *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*; Statement No. 37, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures* are effective for the City of Appleton for the fiscal year beginning on January 1, 2003. These Statements require retroactive application of certain accounting and reporting standards, which may restate portions of these financial statements.

CITY OF APPLETON

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 22 – SUBSEQUENT EVENT

In 2003, the City was awarded a state trust fund loan in the amount of \$2,800,000 at 5%. The monies will be drawn down as project costs are incurred in 2003.

**COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS
AND SCHEDULES**

GENERAL FUND

The General Fund is the general operating fund of the City. This fund accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, state transportation aids and state shared revenues. Primary expenditures are for police protection, fire protection, public works, maintenance of parks and general administration.

CITY OF APPLETON

COMPARATIVE BALANCE SHEETS - GENERAL FUND December 31, 2002 and 2001

	2002	2001
ASSETS		
Cash and investments	\$ 21,254,908	\$ 18,159,146
Receivables		
Property taxes	22,534,420	22,021,270
Special assessments	958,842	950,653
Delinquent special assessments	13,863	12,302
Developer loans	628,913	644,243
Accrued interest	503,519	439,785
Other	479,249	487,811
Due from other governments	801,600	722,658
Due from other funds	436,796	1,408,736
Inventories	443,632	434,194
Prepaid items	40,342	18,098
Advances to other funds	22,856,235	22,458,223
TOTAL ASSETS	\$ 70,952,319	\$ 67,757,119
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,148,155	\$ 879,575
Other accrued liabilities	1,848,480	2,117,685
Claims payable	2,000,000	1,616,545
Deferred revenues	34,813,237	33,260,717
Total Liabilities	39,809,872	37,874,522
Fund Balance		
Reserved for		
Encumbrances	2,269,780	1,521,057
Inventories and prepaid items	483,974	452,292
Developer loans	628,913	644,243
Advance to other funds	11,172,866	11,866,669
Unreserved		
Designated for debt service	1,994,602	2,386,692
Designated for working capital	8,239,685	8,091,393
Designated for compensated absences	3,877,498	3,114,814
Designated for unfunded pension liability	657,043	692,900
Designated for debt defeasance	1,434,434	834,358
Undesignated	383,652	278,179
Total Fund Balance	31,142,447	29,882,597
TOTAL LIABILITIES AND FUND BALANCE	\$ 70,952,319	\$ 67,757,119

CITY OF APPLETON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Taxes	\$ 22,818,183	\$ 22,868,041	\$ 49,858
Intergovernmental	18,133,925	18,373,064	239,139
Licenses and permits	791,500	884,000	92,500
Fines and forfeitures	450,000	355,125	(94,875)
Special assessments	1,500,000	1,599,912	99,912
Investment income	1,815,000	1,627,303	(187,697)
Charges for services	1,419,849	1,550,236	130,387
Other	<u>723,518</u>	<u>813,435</u>	<u>89,917</u>
Total Revenues	<u>47,651,975</u>	<u>48,071,116</u>	<u>419,141</u>
EXPENDITURES			
General government	7,149,403	6,071,805	1,077,598
Community development	1,777,299	1,627,302	149,997
Education and recreation	8,152,677	7,924,536	228,141
Public works	10,441,453	9,202,727	1,238,726
Public safety	<u>21,259,702</u>	<u>20,894,921</u>	<u>364,781</u>
Total Expenditures	<u>48,780,534</u>	<u>45,721,291</u>	<u>3,059,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,128,559)</u>	<u>2,349,825</u>	<u>3,478,384</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	187,792	420,992	233,200
Operating transfers out	<u>(1,674,683)</u>	<u>(1,510,967)</u>	<u>163,716</u>
Total Other Financing Sources (Uses)	<u>(1,486,891)</u>	<u>(1,089,975)</u>	<u>396,916</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(2,615,450)</u>	<u>1,259,850</u>	<u>3,875,300</u>
FUND BALANCE, Beginning	<u>29,882,597</u>	<u>29,882,597</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 27,267,147</u>	<u>\$ 31,142,447</u>	<u>\$ 3,875,300</u>

CITY OF APPLETON

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
TAXES			
Property taxes	\$ 21,463,055	\$ 21,463,222	\$ 167
Tax from municipal utility	940,728	980,192	39,464
Payments in lieu of taxes	<u>414,400</u>	<u>424,627</u>	<u>10,227</u>
Total Taxes	<u>22,818,183</u>	<u>22,868,041</u>	<u>49,858</u>
INTERGOVERNMENTAL			
State shared revenue	12,495,412	12,495,488	76
State aid - exempt computers	374,646	407,773	33,127
Highway aid - connecting streets	226,606	225,118	(1,488)
State tax disparity act	1,370,952	1,368,796	(2,156)
State aid - local streets	2,613,231	2,410,261	(202,970)
Miscellaneous federal aids	192,279	254,224	61,945
Miscellaneous state aids	269,985	625,109	355,124
Miscellaneous local aids	12,537	12,537	-
Library grants and aids	559,387	559,387	-
Health grants	<u>18,890</u>	<u>14,371</u>	<u>(4,519)</u>
Total Intergovernmental	<u>18,133,925</u>	<u>18,373,064</u>	<u>239,139</u>
LICENSES AND PERMITS			
Licenses			
Amusement devices	7,000	8,070	1,070
Cigarette	10,000	10,130	130
Electricians	2,700	3,320	620
Health	76,000	86,335	10,335
Liquor and malt beverages	140,000	142,771	2,771
Operators	40,000	54,065	14,065
Heating	750	215	(535)
Sundry	14,900	17,715	2,815
Dog	24,000	23,213	(787)
Cat	15,000	14,049	(951)
Weights and measures	27,000	27,706	706
Permits			
Building	170,000	198,627	28,627
Electrical	97,000	105,302	8,302
Heating	58,000	49,391	(8,609)
Plumbing and sewer	72,000	90,545	18,545
Trailer parking	18,000	15,325	(2,675)
State building	6,500	5,880	(620)
Signs	2,900	3,125	225
Sidewalk	3,000	8,155	5,155
Street occupancy	1,000	1,289	289
Street excavating and patching	2,000	4,060	2,060
Sundry	<u>3,750</u>	<u>14,712</u>	<u>10,962</u>
Total Licenses and Permits	<u>791,500</u>	<u>884,000</u>	<u>92,500</u>

CITY OF APPLETON

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
FINES AND FORFEITURES			
Court fines and costs	\$ 450,000	\$ 355,125	\$ (94,875)
Total Fines and Forfeitures	<u>450,000</u>	<u>355,125</u>	<u>(94,875)</u>
SPECIAL ASSESSMENTS			
Asphalt paving	550,000	377,538	(172,462)
Concrete paving	650,000	876,179	226,179
Grade and gravel	85,500	124,084	38,584
Sewer mains and laterals	18,000	4,402	(13,598)
Storm sewer reconstruction	500	-	(500)
Sidewalks	110,000	78,142	(31,858)
Snow removal	60,000	52,058	(7,942)
Weed cutting	6,000	(103)	(6,103)
Tree planting	3,000	1,157	(1,843)
Street light revenue	-	50,747	50,747
Miscellaneous	17,000	35,708	18,708
Total Special Assessments	<u>1,500,000</u>	<u>1,599,912</u>	<u>99,912</u>
INVESTMENT INCOME			
Interest income	1,620,000	1,332,818	(287,182)
Interest on taxes	75,000	75,362	362
Interest - deferred special assessments	120,000	95,658	(24,342)
Net gain (loss) on investments	-	123,465	123,465
Total Investment Income	<u>1,815,000</u>	<u>1,627,303</u>	<u>(187,697)</u>
CHARGES FOR SERVICES			
Information services	-	150	150
City clerk	33,300	34,403	1,103
Assessor	1,000	2,420	1,420
Finance	9,500	5,528	(3,972)
Human resources	-	443	443
City attorney	3,000	2,615	(385)
Library	80,795	102,392	21,597
Parks and Recreation			
Park administration	4,500	1,819	(2,681)
Recreation and administration	302,000	344,662	42,662
Aquatics	345,000	360,651	15,651

(continued)

CITY OF APPLETON

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND (cont.) For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
CHARGES FOR SERVICES (cont.)			
Public Works			
Street division	\$ 126,500	\$ 144,437	\$ 17,937
Traffic	14,000	27,127	13,127
Inspection department	55,000	53,547	(1,453)
Health department	6,040	3,537	(2,503)
Police department	389,964	428,129	38,165
Fire department	49,250	38,376	(10,874)
Total Charges for Services	<u>1,419,849</u>	<u>1,550,236</u>	<u>130,387</u>
OTHER			
Fees and commissions	385,000	437,985	52,985
Zoning and subdivision fees	44,000	49,945	5,945
Property inquiry fees	50,000	92,773	42,773
Sale of city property	40,000	24,439	(15,561)
Exempt of city property	-	830	830
Miscellaneous revenue	64,700	36,833	(27,867)
Rental of city property	1,800	20,433	18,633
Donations and memorials	57,431	58,167	736
Damage to city property	37,000	30,075	(6,925)
Other reimbursements	40,587	54,988	14,401
Insurance proceeds	-	3,627	3,627
Board of appeals	3,000	3,340	340
Total Other	<u>723,518</u>	<u>813,435</u>	<u>89,917</u>
 Total Revenues	 <u>47,651,975</u>	 <u>48,071,116</u>	 <u>419,141</u>
OTHER FINANCING SOURCES			
Operating Transfers In From			
Room tax fund	16,842	16,842	-
Park & recreation projects	-	31,568	31,568
Public safety facilities	-	75,243	75,243
Mackville landfill	-	126,389	126,389
Water utility fund	13,800	13,800	-
Wastewater utility fund	117,450	117,450	-
Parking utility fund	9,300	9,300	-
Stormwater utility fund	12,500	12,500	-
Reid municipal golf course fund	17,900	17,900	-
Total Other Financing Sources	<u>187,792</u>	<u>420,992</u>	<u>233,200</u>
 TOTAL REVENUES AND OTHER FINANCING SOURCES	 <u>\$ 47,839,767</u>	 <u>\$ 48,492,108</u>	 <u>\$ 652,341</u>

CITY OF APPLETON

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
GENERAL GOVERNMENT			
Common council	\$ 128,352	\$ 127,855	\$ 497
Mayor	286,708	272,676	14,032
City clerk	676,873	676,868	5
City assessor	458,097	413,611	44,486
Finance	851,611	808,797	42,814
Information services	1,737,143	1,666,894	70,249
Human resources	546,436	508,939	37,497
City attorney	390,146	383,927	6,219
Unclassified			
Severance pay	200,000	49,110	150,890
Insurance	268,947	268,800	147
Reserve for contingencies	742,456	-	742,456
City hall	583,554	569,736	13,818
Other	279,080	324,592	(45,512)
Total General Government	<u>7,149,403</u>	<u>6,071,805</u>	<u>1,077,598</u>
COMMUNITY DEVELOPMENT	<u>1,777,299</u>	<u>1,627,302</u>	<u>149,997</u>
EDUCATION AND RECREATION			
Library	3,681,624	3,667,331	14,293
Parks and recreation	4,471,053	4,257,205	213,848
Total Education and Recreation	<u>8,152,677</u>	<u>7,924,536</u>	<u>228,141</u>
PUBLIC WORKS	<u>10,441,453</u>	<u>9,202,727</u>	<u>1,238,726</u>
PUBLIC SAFETY			
Health services	942,468	936,462	6,006
Police	12,339,894	12,198,139	141,755
Fire	7,977,340	7,760,320	217,020
Total Public Safety	<u>21,259,702</u>	<u>20,894,921</u>	<u>364,781</u>
Total Expenditures	<u>48,780,534</u>	<u>45,721,291</u>	<u>3,059,243</u>
OTHER FINANCING USES			
Operating Transfers Out To			
Debt service fund	300,278	245,278	55,000
Subdivision development projects	800,000	800,000	-
Public safety facilities	23,000	23,000	-
Valley transit fund	551,405	442,689	108,716
Total Other Financing Uses	<u>1,674,683</u>	<u>1,510,967</u>	<u>163,716</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 50,455,217</u>	<u>\$ 47,232,258</u>	<u>\$ 3,222,959</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

TAX INCREMENT DISTRICT NO. 1

To account for receipt of district “incremental” property taxes and other revenues and the corresponding program expenditures.

TAX INCREMENT DISTRICT NO. 2

To account for receipt of district “incremental” property taxes and other revenues and the corresponding program expenditures.

COMMUNITY DEVELOPMENT BLOCK GRANT

To account for the proceeds of the Federal Community Development Block Grant and the corresponding program expenditures for housing rehabilitation and community development projects.

RENTAL REHABILITATION GRANTS

To account for the proceeds of the Rental Energy Rehabilitation Grant, Rental Rehabilitation Grant and HOME Grant and the corresponding program expenditures for rental housing and energy rehabilitation loans.

SANITATION AND RECYCLING PROGRAM

To account for the proceeds received from the collection of recyclable solid waste and the corresponding program expenditures.

OLDE ONEIDA BRIDGE PROJECT

To account for funding provided by the State of Wisconsin and the corresponding expenditures for upgrading the Olde Oneida Street Bridge.

CITY PARADES

To account for the receipt of property taxes, donations and other revenues and the corresponding program expenditures to plan and implement the City’s Flag Day and other parades.

SPECIAL REVENUE FUNDS

HEALTH GRANTS

To account for receipt of a variety of State of Wisconsin health grants and corresponding program expenditures. Health services provided include maternal, child health, immunization education, lead paint and radon identification.

HAZARDOUS MATERIALS LEVEL A

To account for the proceeds of a state contract and the corresponding program expenditures to provide certain "Level A" services relating to the containment of hazardous substances in the event of an accidental spill, release or discharge within a region of northeast Wisconsin, as determined through negotiations with the State of Wisconsin.

FORESTRY

To account for the proceeds of property taxes and reimbursement for damage caused to the urban forest and the corresponding expenditures. This fund was established by the Common Council in August 1994 to protect the urban forest through segregated fees.

ROOM TAX

To account for the receipt of room tax proceeds and the corresponding transfers to the Performing Arts Center, Fox Cities Convention and Visitors Bureau and the General Fund.

EMERGENCY SHELTER GRANT

To account for the grant proceeds and corresponding expenditures related to a program to benefit persons in need of emergency and transitional housing.

CONTINUUM OF CARE GRANT

To account for the grant proceeds and corresponding expenditures related to providing extensive case management and supportive services to chronically homeless residents.

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Tax Incremental District No. 1	Tax Incremental District No. 2	Community Development Block Grant	Rental Rehabili- tation Grants
ASSETS				
Cash and investments	\$ 503,418	\$ 34,438	\$ -	\$ 152,120
Receivables				
Property taxes	1,591,062	73,303	-	-
Deferred loans	-	-	4,342,170	703,692
Other	-	-	184	84
Due from Other Governments				
Federal government	-	-	92,588	-
State of Wisconsin	-	-	4,488	36,011
Local governments	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	\$ 2,094,480	\$ 107,741	\$ 4,439,430	\$ 891,907
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 55,180	\$ 8,109
Other accrued liabilities	-	-	5,772	173
Due to other funds	-	310,000	33,391	-
Deferred revenues	1,591,062	73,303	4,342,170	703,692
Advances from other funds	12,404,108	1,116,497	-	-
Total Liabilities	13,995,170	1,499,800	4,436,513	711,974
Fund Balances				
Reserved for				
Encumbrances	-	-	-	-
Unreserved				
Designated for subsequent year's expenditures	-	-	2,917	179,933
Undesignated (deficit)	(11,900,690)	(1,392,059)	-	-
Total Fund Balances	(11,900,690)	(1,392,059)	2,917	179,933
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 2,094,480	\$ 107,741	\$ 4,439,430	\$ 891,907

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

<u>Sanitation & Recycling Program</u>	<u>Olde Oneida Bridge Project</u>	<u>City Parades</u>	<u>Health Grants</u>	<u>Hazardous Materials Level A</u>	<u>Forestry</u>	<u>Room Tax</u>
\$ 1,012,355	\$ 25,667	\$ 400	\$ 62,234	\$ 297,063	\$ -	\$ 252
2,681,342	-	-	-	-	40,000	-
-	-	-	-	-	-	-
143,771	-	-	-	1,473	2,005	49,037
-	-	-	-	-	-	-
-	-	-	286	-	-	-
-	-	-	-	-	37,500	-
<u>1,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,839,231</u>	<u>\$ 25,667</u>	<u>\$ 400</u>	<u>\$ 62,520</u>	<u>\$ 298,536</u>	<u>\$ 79,505</u>	<u>\$ 49,289</u>
\$ 84,924	\$ -	\$ 400	\$ 829	\$ 812	\$ -	\$ 44,367
55,839	-	-	4,104	-	-	-
-	-	-	-	-	35,599	-
2,681,342	-	-	57,587	-	40,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,822,105</u>	<u>-</u>	<u>400</u>	<u>62,520</u>	<u>812</u>	<u>75,599</u>	<u>44,367</u>
58,013	-	-	-	-	-	-
959,113	25,667	-	-	297,724	3,906	4,922
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,017,126</u>	<u>25,667</u>	<u>-</u>	<u>-</u>	<u>297,724</u>	<u>3,906</u>	<u>4,922</u>
<u>\$ 3,839,231</u>	<u>\$ 25,667</u>	<u>\$ 400</u>	<u>\$ 62,520</u>	<u>\$ 298,536</u>	<u>\$ 79,505</u>	<u>\$ 49,289</u>

(continued)

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS (cont.)

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Emergency Shelter	Continuum of Care	Totals All Funds	
			2002	2001
ASSETS				
Cash and investments	\$ -	\$ -	\$ 2,087,947	\$ 3,356,883
Receivables				
Property taxes	-	-	4,385,707	4,344,214
Deferred loans	-	-	5,045,862	4,979,598
Other	-	-	196,554	180,436
Due from Other Governments				
Federal government	-	-	92,588	116,685
State of Wisconsin	40,434	38,552	119,771	142,317
Local governments	-	-	37,500	-
Due from other funds	-	-	1,763	1,656
TOTAL ASSETS	\$ 40,434	\$ 38,552	\$ 11,967,692	\$ 13,121,789
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 27,234	\$ 19,519	\$ 241,374	\$ 184,143
Other accrued liabilities	53	11	65,952	74,985
Due to other funds	13,147	19,022	411,159	400,165
Deferred revenues	-	-	9,489,156	9,369,406
Advances from other funds	-	-	13,520,605	15,911,628
Total Liabilities	<u>40,434</u>	<u>38,552</u>	<u>23,728,246</u>	<u>25,940,327</u>
Fund Balances				
Reserved for				
Encumbrances	-	-	58,013	13,320
Unreserved				
Designated for subsequent year's expenditures	-	-	1,474,182	1,554,996
Undesignated (deficit)	-	-	(13,292,749)	(14,386,854)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>(11,760,554)</u>	<u>(12,818,538)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 40,434	\$ 38,552	\$ 11,967,692	\$ 13,121,789

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - ALL SPECIAL REVENUE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Tax Incremental District No. 1	Tax Incremental District No. 2	Community Development Block Grant	Rental Rehabili- tation Grants	Sanitation & Recycling Program
REVENUES					
Taxes	\$ 1,605,892	\$ 74,728	\$ -	\$ -	\$ 2,620,894
Intergovernmental	121,184	227	631,684	44,086	-
Investment income	45,864	795	-	-	39,359
Charges for services	-	-	-	-	701,920
Other	-	-	323,557	11,621	-
Total Revenues	<u>1,772,940</u>	<u>75,750</u>	<u>955,241</u>	<u>55,707</u>	<u>3,362,173</u>
EXPENDITURES					
Current					
General government	1,132	1,132	-	-	-
Community development	-	-	946,950	51,008	-
Education and recreation	-	-	-	-	-
Public works	-	-	-	-	3,427,055
Public safety	-	-	-	-	-
Debt Service					
Interest	664,693	53,166	-	-	-
Total Expenditures	<u>665,825</u>	<u>54,298</u>	<u>946,950</u>	<u>51,008</u>	<u>3,427,055</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,107,115</u>	<u>21,452</u>	<u>8,291</u>	<u>4,699</u>	<u>(64,882)</u>
OTHER FINANCING USES					
Operating transfers out	-	(40,180)	-	-	-
Total Other Financing Uses	<u>-</u>	<u>(40,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	1,107,115	(18,728)	8,291	4,699	(64,882)
FUND BALANCES (DEFICITS) - Beginning	(13,007,805)	(1,373,331)	(5,374)	175,234	1,082,008
Residual Equity Transfers Out	-	-	-	-	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ (11,900,690)</u>	<u>\$ (1,392,059)</u>	<u>\$ 2,917</u>	<u>\$ 179,933</u>	<u>\$ 1,017,126</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - ALL SPECIAL REVENUE FUNDS (cont.)

Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	Olde Oneida Bridge Project	City Parades	Health Grants	Hazardous Materials Level A
REVENUES				
Taxes	\$ -	\$ 2,700	\$ -	\$ -
Intergovernmental	-	-	121,743	150,959
Investment income	1,182	92	-	13,910
Charges for services	-	-	-	2,655
Other	-	7,000	-	16,150
Total Revenues	<u>1,182</u>	<u>9,792</u>	<u>121,743</u>	<u>183,674</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Community development	-	-	-	-
Education and recreation	-	19,706	-	-
Public works	-	-	-	-
Public safety	-	-	121,743	157,638
Debt Service				
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>19,706</u>	<u>121,743</u>	<u>157,638</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,182</u>	<u>(9,914)</u>	<u>-</u>	<u>26,036</u>
OTHER FINANCING USES				
Operating transfers out	-	-	-	-
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	1,182	(9,914)	-	26,036
FUND BALANCES (DEFICITS) - Beginning	24,485	9,914	-	271,688
Residual Equity Transfers Out	-	-	-	-
FUND BALANCES (DEFICITS) - ENDING	<u>\$ 25,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,724</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - ALL SPECIAL REVENUE FUNDS (cont.)
Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Forestry	Room Tax	Emergency Shelter	Continuum of Care	Totals All Funds	
				2002	2001
\$ 40,000	\$ 189,151	\$ -	\$ -	\$ 4,533,365	\$ 4,634,489
37,500	-	93,702	38,552	1,239,637	1,051,835
-	-	-	-	101,202	110,625
2,244	-	-	-	706,819	669,913
5,437	-	-	-	363,765	306,684
<u>85,181</u>	<u>189,151</u>	<u>93,702</u>	<u>38,552</u>	<u>6,944,788</u>	<u>6,773,546</u>
-	171,149	-	-	173,413	240,053
-	-	93,358	38,552	1,129,868	1,032,717
82,500	-	-	-	102,206	68,542
-	-	-	-	3,427,055	3,333,922
-	-	-	-	279,381	153,925
-	-	-	-	<u>717,859</u>	<u>766,051</u>
<u>82,500</u>	<u>171,149</u>	<u>93,358</u>	<u>38,552</u>	<u>5,829,782</u>	<u>5,595,210</u>
<u>2,681</u>	<u>18,002</u>	<u>344</u>	<u>-</u>	<u>1,115,006</u>	<u>1,178,336</u>
-	(16,842)	-	-	(57,022)	(747,040)
-	(16,842)	-	-	(57,022)	(747,040)
2,681	1,160	344	-	1,057,984	431,296
1,225	3,762	(344)	-	(12,818,538)	(11,910,394)
-	-	-	-	-	(1,339,440)
<u>\$ 3,906</u>	<u>\$ 4,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,760,554)</u>	<u>\$ (12,818,538)</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 1 FUND
For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,638,711	\$ 1,605,892	\$ (32,819)
Intergovernmental	123,574	121,184	(2,390)
Investment income	40,000	45,864	5,864
Total Revenues	1,802,285	1,772,940	(29,345)
EXPENDITURES			
General government	1,400	1,132	268
Debt service			
Interest	636,975	664,693	(27,718)
Total Expenditures	638,375	665,825	(27,450)
Excess of Revenues Over Expenditures	1,163,910	1,107,115	(56,795)
FUND BALANCE (DEFICIT), Beginning	(13,007,805)	(13,007,805)	-
FUND BALANCE (DEFICIT), ENDING	\$ (11,843,895)	\$ (11,900,690)	\$ (56,795)

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 2 FUND
For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 76,256	\$ 74,728	\$ (1,528)
Intergovernmental	328	227	(101)
Investment income	107	795	688
Total Revenues	76,691	75,750	(941)
EXPENDITURES			
General government	1,400	1,132	268
Debt service			
Interest	53,049	53,166	(117)
Total Expenditures	54,449	54,298	151
Excess of Revenues Over Expenditures	22,242	21,452	(790)
OTHER FINANCING USES			
Operating transfer out	(63,430)	(40,180)	23,250
Deficiency of Revenues Over Expenditures and Other Financing Uses	(41,188)	(18,728)	22,460
FUND BALANCE (DEFICIT), Beginning	(1,373,331)	(1,373,331)	-
FUND BALANCE (DEFICIT), ENDING	\$ (1,414,519)	\$ (1,392,059)	\$ 22,460

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	\$ 835,492	\$ 631,684	\$ (203,808)
Other	<u>180,000</u>	<u>323,557</u>	<u>143,557</u>
Total Revenues	<u>1,015,492</u>	<u>955,241</u>	<u>(60,251)</u>
EXPENDITURES			
Community development	<u>1,015,492</u>	<u>946,950</u>	<u>68,542</u>
Excess of Revenues Over Expenditures	-	8,291	8,291
FUND BALANCE (DEFICIT), Beginning	<u>(5,374)</u>	<u>(5,374)</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ (5,374)</u>	<u>\$ 2,917</u>	<u>\$ 8,291</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - RENTAL REHABILITATION
GRANTS FUND

For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 99,000	\$ 44,086	\$ (54,914)
Other	<u>17,587</u>	<u>11,621</u>	<u>(5,966)</u>
Total Revenues	<u>116,587</u>	<u>55,707</u>	<u>(60,880)</u>
EXPENDITURES			
Community development	<u>116,587</u>	<u>51,008</u>	<u>65,579</u>
Excess of Revenues Over Expenditures	-	4,699	4,699
FUND BALANCE, Beginning	<u>175,234</u>	<u>175,234</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 175,234</u>	<u>\$ 179,933</u>	<u>\$ 4,699</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - SANITATION AND
 RECYCLING PROGRAM FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 2,620,894	\$ 2,620,894	\$ -
Investment income	21,000	39,359	18,359
Charges for services	<u>611,600</u>	<u>701,920</u>	<u>90,320</u>
Total Revenues	<u>3,253,494</u>	<u>3,362,173</u>	<u>108,679</u>
EXPENDITURES			
Public works	<u>3,509,690</u>	<u>3,427,055</u>	<u>82,635</u>
Deficiency of Revenues Over Expenditures	(256,196)	(64,882)	191,314
FUND BALANCE, Beginning	<u>1,082,008</u>	<u>1,082,008</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 825,812</u>	<u>\$ 1,017,126</u>	<u>\$ 191,314</u>

CITY OF APPLETON

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - OLDE ONEIDA BRIDGE PROJECT FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ -	\$ 1,182	\$ 1,182
EXPENDITURES			
Public works	-	-	-
Excess of Revenues Over Expenditures	-	1,182	1,182
FUND BALANCE, Beginning	<u>24,485</u>	<u>24,485</u>	-
FUND BALANCE, ENDING	<u>\$ 24,485</u>	<u>\$ 25,667</u>	<u>\$ 1,182</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - CITY PARADES FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 2,700	\$ 2,700	\$ -
Investment income	500	92	(408)
Other	<u>6,500</u>	<u>7,000</u>	<u>500</u>
Total Revenues	<u>9,700</u>	<u>9,792</u>	<u>92</u>
EXPENDITURES			
Education and recreation	<u>17,200</u>	<u>19,706</u>	<u>(2,506)</u>
Deficiency of Revenues Over Expenditures	(7,500)	(9,914)	(2,414)
FUND BALANCE, Beginning	<u>9,914</u>	<u>9,914</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,414</u>	<u>\$ -</u>	<u>\$ (2,414)</u>

CITY OF APPLETON

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - HEALTH GRANTS FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 174,540	\$ 121,743	\$ (52,797)
Total Revenues	<u>174,540</u>	<u>121,743</u>	<u>(52,797)</u>
EXPENDITURES			
Public safety	<u>174,540</u>	<u>121,743</u>	<u>52,797</u>
Excess of Revenues Over Expenditures	-	-	-
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - HAZARDOUS MATERIALS LEVEL A FUND
 For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 65,608	\$ 150,959	\$ 85,351
Investment income	9,000	13,910	4,910
Charges for services	-	2,655	2,655
Other	-	16,150	16,150
Total Revenues	74,608	183,674	109,066
EXPENDITURES			
Public safety	130,097	157,638	(27,541)
Excess (Deficiency) of Revenues Over Expenditures	(55,489)	26,036	81,525
FUND BALANCE, Beginning	271,688	271,688	-
FUND BALANCE, ENDING	\$ 216,199	\$ 297,724	\$ 81,525

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - FORESTRY FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 40,000	\$ 40,000	\$ -
Intergovernmental	37,500	37,500	-
Investment income	200	-	(200)
Charges for services	2,595	2,244	(351)
Other	<u>500</u>	<u>5,437</u>	<u>4,937</u>
Total Revenues	<u>80,795</u>	<u>85,181</u>	<u>4,386</u>
EXPENDITURES			
Education and recreation	<u>82,500</u>	<u>82,500</u>	-
Excess (Deficiency) of Revenues Over Expenditures	(1,705)	2,681	4,386
FUND BALANCE, Beginning	<u>1,225</u>	<u>1,225</u>	-
FUND BALANCE (DEFICIT), ENDING	<u>\$ (480)</u>	<u>\$ 3,906</u>	<u>\$ 4,386</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ROOM TAX For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 336,842	\$ 189,151	\$ (147,691)
EXPENDITURES			
General government	320,000	171,149	148,851
Excess of Revenues Over Expenditures	16,842	18,002	1,160
OTHER FINANCING USES			
Operating transfers out	(16,842)	(16,842)	-
Excess of Revenues Over Expenditures and Other Financing Uses	-	1,160	1,160
FUND BALANCE, Beginning	3,762	3,762	-
FUND BALANCE, ENDING	\$ 3,762	\$ 4,922	\$ 1,160

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - EMERGENCY SHELTER GRANT
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 72,650	\$ 93,702	\$ 21,052
EXPENDITURES			
Community development	<u>72,650</u>	<u>93,358</u>	<u>(20,708)</u>
Excess of Revenues Over Expenditures	-	344	344
FUND BALANCE (DEFICIT), Beginning	<u>(344)</u>	<u>(344)</u>	-
FUND BALANCE (DEFICIT), ENDING	<u>\$ (344)</u>	<u>\$ -</u>	<u>\$ 344</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CONTINUUM OF CARE For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 176,593	\$ 38,552	\$ (138,041)
EXPENDITURES			
Community development	176,593	38,552	138,041
Excess of Revenues Over Expenditures	-	-	-
FUND BALANCE, Beginning	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, excluding that payable from proprietary funds.

CITY OF APPLETON

COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Cash and investments	\$ 50,202	\$ 50,475
Receivables		
Property taxes	2,922,956	3,000,396
Lease receivable	<u>1,060,000</u>	<u>1,105,000</u>
 TOTAL ASSETS	 <u>\$ 4,033,158</u>	 <u>\$ 4,155,871</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Deferred revenues	<u>\$ 3,982,956</u>	<u>\$ 4,105,396</u>
Total Liabilities	<u>3,982,956</u>	<u>4,105,396</u>
 Fund Balance		
Reserved for debt service	<u>50,202</u>	<u>50,475</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 4,033,158</u>	 <u>\$ 4,155,871</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 3,000,396	\$ 3,000,396	\$ -
Investment income	15,000	23	(14,977)
Other	93,237	93,238	1
Total Revenues	3,108,633	3,093,657	(14,976)
EXPENDITURES			
Principal	7,149,027	7,149,027	-
Interest and fees	1,939,146	2,210,534	(271,388)
Total Expenditures	9,088,173	9,359,561	(271,388)
Deficiency of Revenues Over Expenditures	(5,979,540)	(6,265,904)	(286,364)
OTHER FINANCING SOURCES			
Proceeds of general obligation debt	-	108,656	108,656
Operating transfers in	6,264,548	6,156,975	(107,573)
Total Other Financing Sources	6,264,548	6,265,631	1,083
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	285,008	(273)	(285,281)
FUND BALANCE, Beginning	50,475	50,475	-
FUND BALANCE, ENDING	\$ 335,483	\$ 50,202	\$ (285,281)

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds. Resources are derived from general obligation bond and note issues, certain federal grants and other specific receipts.

SUBDIVISION DEVELOPMENT PROJECTS

To account for the receipt of special assessments levied and the disbursement of funds necessary to construct public improvements in new subdivisions.

INDUSTRIAL PARK LAND

To account for the sales and acquisition of land for the City's industrial parks.

PARK AND RECREATION PROJECTS

To account for the financing and expenditures associated with the acquisition and construction of certain Park and Recreation capital projects.

TAX INCREMENT DISTRICT NO. 3

To account for the financing and project costs for public improvement and private development within the area of T.I.D. No. 3 as provided for in the Tax District's project plan.

TAX INCREMENT DISTRICT NO. 4

To account for the financing and project costs for public improvement and private development within the area of T.I.D. No. 4 as provided for in the Tax District's project plan.

TAX INCREMENT DISTRICT NO. 5

To account for the financing and project costs for public improvement and private development within the area of T.I.D. No. 5 as provided for in the Tax District's project plan.

TAX INCREMENT DISTRICT NO. 6

To account for the financing and project costs for public improvement and private development within the area of T.I.D. No. 6 as provided for in the Tax District's project plan.

PUBLIC SAFETY FACILITIES

To account for the financing and project costs of public safety improvements.

CAPITAL PROJECTS FUNDS

PUBLIC WORKS EQUIPMENT

To account for the financing and acquisition of certain Public Works equipment.

VOSTERS' PROPERTY

To account for the financing and expenditures associated with the acquisition of the Vosters' Property.

MACKVILLE LANDFILL

To account for the financing and program costs associated with environmental protection efforts at the landfill, including engineering, design and remediation.

TECHNOLOGY

To account for the financing and expenditures associated with a major upgrade of the City's electronic infrastructure, including the computer network and various software applications.

CEA REPLACEMENT

To account for the financing and expenditures associated with the replacement of vehicles and equipment in the City's Central Equipment Agency.

RIVERFRONT INITIATIVES

To account for the financing and expenditures associated with redevelopment projects along the City's riverfront.

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Subdivision Development Projects	Industrial Park Land	Park & Recreation Projects	Tax Increment Dist. No. 3
ASSETS				
Cash and investments	\$ -	\$ 896,090	\$ 405,740	\$ 8,008
Receivables				
Property taxes	999,666	-	-	332,564
Special assessments	1,098,043	-	-	-
Other	-	850	-	-
Prepaid items	-	-	-	-
	\$ 2,097,709	\$ 896,940	\$ 405,740	\$ 340,572
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 59,586	\$ -	\$ 13,032	\$ -
Other accrued liabilities	2,812	-	-	-
Due to other funds	25,637	-	-	-
Deferred revenues	1,558,413	-	-	332,564
Advances from other funds	-	-	-	17,184,735
Total Liabilities	1,646,448	-	13,032	17,517,299
Fund Balances				
Reserved for				
Encumbrances	37,563	245,000	301,300	-
Debt service	-	200,663	-	-
Unreserved				
Designated for subsequent year's expenditures	413,698	451,277	91,408	-
Undesignated (deficit)	-	-	-	(17,176,727)
Total Fund Balances	451,261	896,940	392,708	(17,176,727)
	\$ 2,097,709	\$ 896,940	\$ 405,740	\$ 340,572

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

<u>Tax Increment Dist. No. 4</u>	<u>Tax Increment Dist. No. 5</u>	<u>Tax Increment Dist. No. 6</u>	<u>Public Safety Facilities</u>	<u>Public Works Equipment</u>	<u>Technology</u>
\$ 4,386,994	\$ 193,798	\$ 1,362,329	\$ 351,237	\$ 241,779	\$ 210,563
1,837,206	23,920	699,037	-	-	-
-	-	-	-	-	-
-	-	-	266,993	-	-
<u>\$ 6,224,200</u>	<u>\$ 217,718</u>	<u>\$ 2,061,366</u>	<u>\$ 618,230</u>	<u>\$ 241,779</u>	<u>\$ 210,563</u>
\$ 1,051	\$ -	\$ 1,114,250	\$ 198,687	\$ 25,884	\$ 5,460
781	-	3,105	-	-	-
-	-	-	-	-	-
1,837,206	23,920	699,037	-	-	-
-	8,815	71,174	-	-	-
<u>1,839,038</u>	<u>32,735</u>	<u>1,887,566</u>	<u>198,687</u>	<u>25,884</u>	<u>5,460</u>
330,755	190,000	461,746	427,495	75,873	189,182
-	-	-	-	-	-
4,054,407	-	-	-	140,022	15,921
-	(5,017)	(287,946)	(7,952)	-	-
<u>4,385,162</u>	<u>184,983</u>	<u>173,800</u>	<u>419,543</u>	<u>215,895</u>	<u>205,103</u>
<u>\$ 6,224,200</u>	<u>\$ 217,718</u>	<u>\$ 2,061,366</u>	<u>\$ 618,230</u>	<u>\$ 241,779</u>	<u>\$ 210,563</u>

(continued)

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS (cont.)

December 31, 2002

(With Comparative Totals for December 31, 2001)

	CEA	Riverfront	Total All Funds	
	Replacement	Initiatives	2002	2001
ASSETS				
Cash and investments	\$ 3,820,361	\$ 102,744	\$ 11,979,643	\$ 13,176,220
Receivables				
Property taxes	-	-	3,892,393	2,916,702
Special assessments	-	-	1,098,043	1,913,509
Other	-	-	850	19,189
Prepaid items	-	-	266,993	-
TOTAL ASSETS	<u>\$ 3,820,361</u>	<u>\$ 102,744</u>	<u>\$ 17,237,922</u>	<u>\$ 18,025,620</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,417,950	\$ 561,863
Other accrued liabilities	-	-	6,698	5,255
Due to other funds	-	-	25,637	1,008,571
Deferred revenues	-	-	4,451,140	4,477,289
Advances from other funds	-	-	17,264,724	14,055,819
Total Liabilities	<u>-</u>	<u>-</u>	<u>23,166,149</u>	<u>20,108,797</u>
Fund Balances				
Reserved for				
Encumbrances	-	-	2,258,914	789,884
Debt service	-	-	200,663	101,606
Unreserved				
Designated for subsequent year's expenditures	3,820,361	102,744	9,089,838	11,792,447
Undesignated (deficit)	-	-	(17,477,642)	(14,767,114)
Total Fund Balances	<u>3,820,361</u>	<u>102,744</u>	<u>(5,928,227)</u>	<u>(2,083,177)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 3,820,361</u>	<u>\$ 102,744</u>	<u>\$ 17,237,922</u>	<u>\$ 18,025,620</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - ALL CAPITAL PROJECTS FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Subdivision Development Projects	Industrial Park Land	Park & Recreation Projects
REVENUES			
Taxes	\$ -	\$ -	\$ 171,146
Intergovernmental	-	-	-
Special assessments	2,105,538	-	-
Investment income	76,055	24,502	12,928
Other	715	16,600	-
Total Revenues	<u>2,182,308</u>	<u>41,102</u>	<u>184,074</u>
EXPENDITURES			
Debt Service			
Interest and fees	-	-	-
Capital Outlay	<u>1,819,731</u>	<u>73,513</u>	<u>291,345</u>
Total Expenditures	<u>1,819,731</u>	<u>73,513</u>	<u>291,345</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>362,577</u>	<u>(32,411)</u>	<u>(107,271)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	-	245,000	25,000
Operating transfers in	800,000	-	-
Operating transfers out	-	(74,534)	(31,568)
Operating transfers out to component unit	-	-	-
Sale of city property	-	139,448	-
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>309,914</u>	<u>(6,568)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,162,577	277,503	(113,839)
FUND BALANCES (DEFICITS), Beginning	(711,316)	619,437	506,547
Residual Equity Transfers In	-	-	-
FUND BALANCES (DEFICITS), ENDING	<u>\$ 451,261</u>	<u>\$ 896,940</u>	<u>\$ 392,708</u>

CITY OF APPLETON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - ALL CAPITAL PROJECTS FUNDS**

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Tax Increment Dist. No. 3	Tax Increment Dist. No. 4	Tax Increment Dist. No. 5	Tax Increment Dist. No. 6	Public Safety Facilities	Public Works Equipment	Vosters' Property	Mackville Landfill
\$ 361,793	\$ 1,562,398	\$ 9,473	\$ 473,211	\$ -	\$ -	\$ -	\$ -
15,199	48,866	368	6,611	-	-	-	-
-	-	-	-	-	-	-	-
759	198,585	4,843	78,191	7,048	-	19,164	31,035
-	133	-	5,850	-	-	-	-
<u>377,751</u>	<u>1,809,982</u>	<u>14,684</u>	<u>563,863</u>	<u>7,048</u>	<u>-</u>	<u>19,164</u>	<u>31,035</u>
760,312	-	-	3,389	-	-	-	-
<u>2,356</u>	<u>430,119</u>	<u>1,347</u>	<u>2,645,452</u>	<u>206,588</u>	<u>5,373,287</u>	<u>4,586</u>	<u>2,040,806</u>
<u>762,668</u>	<u>430,119</u>	<u>1,347</u>	<u>2,648,841</u>	<u>206,588</u>	<u>5,373,287</u>	<u>4,586</u>	<u>2,040,806</u>
<u>(384,917)</u>	<u>1,379,863</u>	<u>13,337</u>	<u>(2,084,978)</u>	<u>(199,540)</u>	<u>(5,373,287)</u>	<u>14,578</u>	<u>(2,009,771)</u>
1,530,000	-	190,000	1,726,657	455,865	5,438,849	-	-
-	-	-	-	23,000	-	-	-
(2,812,669)	(983,804)	(39,205)	(315,731)	(75,243)	-	(1,645,574)	(126,389)
(1,530,000)	-	-	-	-	-	-	-
-	17,808	-	-	-	-	1,584,123	-
<u>(2,812,669)</u>	<u>(965,996)</u>	<u>150,795</u>	<u>1,410,926</u>	<u>403,622</u>	<u>5,438,849</u>	<u>(61,451)</u>	<u>(126,389)</u>
(3,197,586)	413,867	164,132	(674,052)	204,082	65,562	(46,873)	(2,136,160)
(13,979,141)	3,971,295	20,851	847,852	215,461	150,333	46,873	2,136,160
-	-	-	-	-	-	-	-
<u>\$ (17,176,727)</u>	<u>\$ 4,385,162</u>	<u>\$ 184,983</u>	<u>\$ 173,800</u>	<u>\$ 419,543</u>	<u>\$ 215,895</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - ALL CAPITAL PROJECTS FUNDS (cont.)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

	<u>Technology</u>	<u>CEA Replacement</u>	<u>Performing Arts Center</u>	<u>Riverfront Initiatives</u>
REVENUES				
Taxes	\$ -	\$ 120,000	\$ -	\$ -
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	7,180	136,614	-	3,269
Other	-	1,378,717	-	-
Total Revenues	<u>7,180</u>	<u>1,635,331</u>	<u>-</u>	<u>3,269</u>
EXPENDITURES				
Debt Service				
Interest and fees	-	-	-	-
Capital Outlay	<u>688,850</u>	<u>1,462,443</u>	<u>-</u>	<u>16,565</u>
Total Expenditures	<u>688,850</u>	<u>1,462,443</u>	<u>-</u>	<u>16,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(681,670)</u>	<u>172,888</u>	<u>-</u>	<u>(13,296)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of general obligation debt	482,815	-	252,158	75,000
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Operating transfers out to component unit	-	-	(252,158)	-
Sale of city property	-	-	-	-
Total Other Financing Sources (Uses)	<u>482,815</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(198,855)</u>	<u>172,888</u>	<u>-</u>	<u>61,704</u>
FUND BALANCES (DEFICITS), Beginning	403,958	3,647,473	-	41,040
Residual Equity Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS), ENDING	<u>\$ 205,103</u>	<u>\$ 3,820,361</u>	<u>\$ -</u>	<u>\$ 102,744</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - ALL CAPITAL PROJECTS FUNDS (cont.)
Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Total All Funds																									
2002	2001																								
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; vertical-align: top;">\$</td> <td style="width: 45%; border-bottom: 1px solid black;">2,698,021</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">71,044</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">2,105,538</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">600,173</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">1,402,015</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">6,876,791</td> </tr> </table>	\$	2,698,021		71,044		2,105,538		600,173		1,402,015		6,876,791	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; vertical-align: top;">\$</td> <td style="width: 45%; border-bottom: 1px solid black;">2,465,786</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">64,289</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">1,530,635</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">679,903</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">1,614,753</td> </tr> <tr> <td></td> <td style="border-bottom: 1px solid black;">6,355,366</td> </tr> </table>	\$	2,465,786		64,289		1,530,635		679,903		1,614,753		6,355,366
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CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - SUBDIVISION DEVELOPMENT PROJECTS FUND
 For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Special assessments	\$ 2,094,761	\$ 2,105,538	\$ 10,777
Investment income	80,000	76,055	(3,945)
Other	-	715	715
Total Revenues	2,174,761	2,182,308	7,547
EXPENDITURES			
Capital outlay	2,245,520	1,819,731	425,789
Excess (Deficiency) of Revenues Over Expenditures	(70,759)	362,577	433,336
OTHER FINANCING SOURCES			
Operating transfers in	800,000	800,000	-
Excess of Revenues and Other Financing Sources Over Expenditures	729,241	1,162,577	433,336
FUND BALANCE (DEFICIT), Beginning	(711,316)	(711,316)	-
FUND BALANCE, ENDING	\$ 17,925	\$ 451,261	\$ 433,336

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INDUSTRIAL PARK LAND FUND For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ 4,500	\$ 24,502	\$ 20,002
Other	3,235	16,600	13,365
Total Revenues	<u>7,735</u>	<u>41,102</u>	<u>33,367</u>
EXPENDITURES			
Capital outlay	<u>365,750</u>	<u>73,513</u>	<u>292,237</u>
Deficiency of Revenues Over Expenditures	<u>(358,015)</u>	<u>(32,411)</u>	<u>325,604</u>
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	245,000	245,000	-
Operating transfers out	(82,784)	(74,534)	8,250
Sale of city property	95,655	139,448	43,793
Total Other Financing Sources (Uses)	<u>257,871</u>	<u>309,914</u>	<u>52,043</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(100,144)	277,503	377,647
FUND BALANCE, Beginning	<u>619,437</u>	<u>619,437</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 519,293</u>	<u>\$ 896,940</u>	<u>\$ 377,647</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PARK AND RECREATION PROJECTS FUND
 For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 171,146	\$ 171,146	\$ -
Intergovernmental	2,000	-	(2,000)
Investment income	-	12,928	12,928
Total Revenues	173,146	184,074	10,928
EXPENDITURES			
Capital outlay	687,125	291,345	395,780
Deficiency of Revenues Over Expenditures	(513,979)	(107,271)	406,708
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	25,000	25,000	-
Operating transfers out	-	(31,568)	(31,568)
Total Other Financing Sources (Uses)	25,000	(6,568)	(31,568)
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(488,979)	(113,839)	375,140
FUND BALANCE, Beginning	506,547	506,547	-
FUND BALANCE, ENDING	\$ 17,568	\$ 392,708	\$ 375,140

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 3 FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 386,797	\$ 361,793	\$ (25,004)
Intergovernmental	12,707	15,199	2,492
Investment income	<u>5,000</u>	<u>759</u>	<u>(4,241)</u>
Total Revenues	<u>404,504</u>	<u>377,751</u>	<u>(26,753)</u>
 EXPENDITURES			
Debt Service			
Interest	758,710	760,312	(1,602)
Capital outlay	<u>2,540,893</u>	<u>2,356</u>	<u>2,538,537</u>
Total Expenditures	<u>3,299,603</u>	<u>762,668</u>	<u>2,536,935</u>
 Deficiency of Revenues Over Expenditures	<u>(2,895,099)</u>	<u>(384,917)</u>	<u>2,510,182</u>
 OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	2,530,000	1,530,000	(1,000,000)
Operating transfers out	(2,814,929)	(2,812,669)	2,260
Operating transfers out to component unit	<u>-</u>	<u>(1,530,000)</u>	<u>(1,530,000)</u>
Total Other Financing Sources (Uses)	<u>(284,929)</u>	<u>(2,812,669)</u>	<u>(2,527,740)</u>
 Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(3,180,028)</u>	<u>(3,197,586)</u>	<u>(17,558)</u>
 FUND BALANCE (DEFICIT), Beginning	<u>(13,979,141)</u>	<u>(13,979,141)</u>	<u>-</u>
 FUND BALANCE (DEFICIT), ENDING	<u>\$ (17,159,169)</u>	<u>\$ (17,176,727)</u>	<u>\$ (17,558)</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 4 FUND
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,580,288	\$ 1,562,398	\$ (17,890)
Intergovernmental	49,638	48,866	(772)
Investment income	100,000	198,585	98,585
Other	-	133	133
Total Revenues	<u>1,729,926</u>	<u>1,809,982</u>	<u>80,056</u>
EXPENDITURES			
Capital outlay	<u>1,867,381</u>	<u>430,119</u>	<u>1,437,262</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(137,455)</u>	<u>1,379,863</u>	<u>1,517,318</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(983,804)	(983,804)	-
Sale of city property	<u>223,195</u>	<u>17,808</u>	<u>(205,387)</u>
Total Other Financing Sources (Uses)	<u>(760,609)</u>	<u>(965,996)</u>	<u>(205,387)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(898,064)	413,867	1,311,931
FUND BALANCE, Beginning	<u>3,971,295</u>	<u>3,971,295</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,073,231</u>	<u>\$ 4,385,162</u>	<u>\$ 1,311,931</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 5 FUND
 For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 9,667	\$ 9,473	\$ (194)
Intergovernmental	345	368	23
Investment income	2,000	4,843	2,843
Total Revenues	12,012	14,684	2,672
EXPENDITURES			
Capital outlay	376,194	1,347	374,847
Excess (Deficiency) of Revenues Over Expenditures	(364,182)	13,337	377,519
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	375,000	190,000	(185,000)
Operating transfers out	(39,205)	(39,205)	-
Total Other Financing Sources (Uses)	335,795	150,795	(185,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Us	(28,387)	164,132	192,519
FUND BALANCE, Beginning	20,851	20,851	-
FUND BALANCE (DEFICIT), ENDING	\$ (7,536)	\$ 184,983	\$ 192,519

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT DISTRICT NO. 6 FUND
For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 425,120	\$ 473,211	\$ 48,091
Intergovernmental	-	6,611	6,611
Investment income	1,500	78,191	76,691
Other	-	5,850	5,850
Total Revenues	426,620	563,863	137,243
EXPENDITURES			
Debt Service			
Interest	13,666	3,389	10,277
Capital outlay	2,505,407	2,645,452	(140,045)
Total Expenditures	2,519,073	2,648,841	(129,768)
Deficiency of Revenues Over Expenditures	(2,092,453)	(2,084,978)	7,475
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	1,726,657	1,726,657	-
Operating transfers out	(451,933)	(315,731)	136,202
Total Other Financing Sources (Uses)	1,274,724	1,410,926	136,202
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Us	(817,729)	(674,052)	143,677
FUND BALANCE, Beginning	847,852	847,852	-
FUND BALANCE, ENDING	\$ 30,123	\$ 173,800	\$ 143,677

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PUBLIC SAFETY FACILITIES FUND
 For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ 1,000	\$ 7,048	\$ 6,048
EXPENDITURES			
Capital outlay	634,083	206,588	427,495
Deficiency of Revenues Over Expenditures	(633,083)	(199,540)	433,543
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	455,865	455,865	-
Operating transfers in	23,000	23,000	-
Operating transfers out	-	(75,243)	(75,243)
Total Other Financing Sources (Uses)	478,865	403,622	(75,243)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(154,218)	204,082	358,300
FUND BALANCE, Beginning	215,461	215,461	-
FUND BALANCE, ENDING	<u>\$ 61,243</u>	<u>\$ 419,543</u>	<u>\$ 358,300</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC WORKS EQUIPMENT FUND For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 300,000	\$ -	\$ (300,000)
Investment income	1,000	-	(1,000)
Total Revenues	301,000	-	(301,000)
EXPENDITURES			
Capital outlay	5,826,704	5,373,287	453,417
Deficiency of Revenues Over Expenditures	(5,525,704)	(5,373,287)	152,417
OTHER FINANCING SOURCES			
Proceeds of general obligation debt	5,447,849	5,438,849	(9,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(77,855)	65,562	143,417
FUND BALANCE, Beginning	150,333	150,333	-
FUND BALANCE, ENDING	\$ 72,478	\$ 215,895	\$ 143,417

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - VOSTERS' PROPERTY FUND
For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ 200	\$ 19,164	\$ 18,964
EXPENDITURES			
Capital outlay	-	4,586	(4,586)
Excess of Revenues Over Expenditures	200	14,578	23,550
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(1,927,047)	(1,645,574)	281,473
Sale of city property	1,879,507	1,584,123	(295,384)
Total Other Financing Sources (Uses)	(47,540)	(61,451)	(13,911)
Deficiency of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(47,340)	(46,873)	9,639
FUND BALANCE, Beginning	46,873	46,873	-
FUND BALANCE (DEFICIT), ENDING	\$ (467)	\$ -	\$ 467

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - MACKVILLE LANDFILL FUND
For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ -	\$ 31,035	\$ 31,035
EXPENDITURES			
Capital outlay	1,999,667	2,040,806	(41,139)
Deficiency of Revenues Over Expenditures	(1,999,667)	(2,009,771)	(10,104)
OTHER FINANCING USES			
Operating transfer out	-	(126,389)	(126,389)
Deficiency of Revenues Over Expenditures and Other Financing Uses	(1,999,667)	(2,136,160)	(136,493)
FUND BALANCE, Beginning	2,136,160	2,136,160	-
FUND BALANCE, ENDING	<u>\$ 136,493</u>	<u>\$ -</u>	<u>\$ (136,493)</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TECHNOLOGY FUND For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ 1,000	\$ 7,180	\$ 6,180
EXPENDITURES			
Capital outlay	878,032	688,850	189,182
Deficiency of Revenues Over Expenditures	(877,032)	(681,670)	(183,002)
OTHER FINANCING SOURCES			
Proceeds of general obligation debt	482,815	482,815	-
Deficiency of Revenues and Other Financing Sources Over Expenditures	(394,217)	(198,855)	(183,002)
FUND BALANCE, Beginning	403,958	403,958	-
FUND BALANCE, ENDING	<u>\$ 9,741</u>	<u>\$ 205,103</u>	<u>\$ 195,362</u>

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - CEA REPLACEMENT FUND
 For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Taxes	\$ 120,000	\$ 120,000	\$ -
Investment income	135,000	136,614	1,614
Other	1,433,544	1,378,717	(54,827)
Total Revenues	1,688,544	1,635,331	(53,213)
EXPENDITURES			
Capital outlay	2,174,758	1,462,443	712,315
Excess (Deficiency) of Revenues Over Expenditures	(486,214)	172,888	659,102
FUND BALANCE, Beginning	3,647,473	3,647,473	-
FUND BALANCE, ENDING	\$ 3,161,259	\$ 3,820,361	\$ 659,102

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - PERFORMING ARTS CENTER For the Year Ended December 31, 2002

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES			
Investment income	\$ 500	\$ -	\$ (500)
EXPENDITURES			
Capital outlay	-	-	-
Excess of Revenues Over Expenditures	500	-	(500)
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation debt	252,158	252,158	-
Operating transfers out to component unit	(267,472)	(252,158)	15,314
Total Other Financing Sources (Uses)	(15,314)	-	15,314
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(14,814)	-	14,814
FUND BALANCE, Beginning	-	-	-
FUND BALANCE (DEFICIT), ENDING	\$ (14,814)	\$ -	\$ 14,814

CITY OF APPLETON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RIVERFRONT INITIATIVES For the Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Investment income	\$ -	\$ 3,269	\$ 3,269
EXPENDITURES			
Capital outlay	<u>83,040</u>	<u>16,565</u>	<u>66,475</u>
Deficiency of Revenues Over Expenditures	(83,040)	(13,296)	69,744
OTHER FINANCING SOURCES			
Proceeds of general obligation debt	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(8,040)	61,704	69,744
FUND BALANCE, Beginning	<u>41,040</u>	<u>41,040</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 33,000</u>	<u>\$ 102,744</u>	<u>\$ 69,744</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities provided to outside parties are accounted for in enterprise funds.

WATER UTILITY

To account for the provision of water to the residents of the City. All revenue and expenses necessary to provide such services are accounted for in this fund.

WASTEWATER UTILITY

To account for the treatment and disposal of wastewater. All revenue and expenses necessary to provide such services are accounted for in this fund.

VALLEY TRANSIT

To account for the operation and maintenance of the public transit authority which provides service to the metropolitan Fox Valley Area. All revenue and expenses necessary to provide such service are accounted for in this fund.

PARKING UTILITY

To account for the operation of City parking meters, parking ramps and lots. All revenue and expenses necessary to provide such services are accounted for in this fund.

STORMWATER UTILITY

To account for costs associated with stormwater management. All revenue and expenses necessary to provide such services are accounted for in this fund.

REID MUNICIPAL GOLF COURSE

To account for the operation, maintenance and improvement of the municipal golf course. All revenue and expenses necessary to provide such golf and concession services are accounted for in this fund.

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ -	\$ 4,067,384	\$ 1,613,635
Receivables			
Customer accounts	2,946,222	1,751,386	-
Special assessments	23,323	74,509	-
Accrued interest	-	-	-
Other	20,062	-	106,360
Due From Other Governmental Units			
Federal government	-	-	60,678
State of Wisconsin	-	-	49,692
Due from other funds	133,709	109,361	-
Inventories	298,129	213,659	115,006
Prepaid items	-	-	7,587
Total Current Assets	3,421,445	6,216,299	1,952,958
RESTRICTED ASSETS			
Cash and investments	10,988,309	10,162,769	971,380
Accrued interest	95,329	107,147	-
Total Restricted Assets	11,083,638	10,269,916	971,380
FIXED ASSETS			
Land, buildings and improvements	79,830,527	100,285,535	4,014,195
Equipment, furniture and vehicles	26,589,393	30,906,005	5,248,966
Less: Accumulated depreciation	(12,169,612)	(48,509,269)	(6,383,630)
Construction work in progress	1,710,612	2,924,642	-
Property held for future use	95,011	-	-
Net Fixed Assets	96,055,931	85,606,913	2,879,531
OTHER ASSETS			
Advances to other funds	-	3,754,686	-
Unamortized debt expense	95,638	48,523	-
Total Other Assets	95,638	3,803,209	-
TOTAL ASSETS	\$ 110,656,652	\$ 105,896,337	\$ 5,803,869

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS
 December 31, 2002
 (With Comparative Totals for December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ 762,099	\$ 4,853,767	\$ 42,106	\$ 11,338,991	\$ 13,699,219
-	575,034	77	5,272,719	4,805,476
-	141,660	-	239,492	280,481
-	-	-	-	10,142
9,371	3,850	-	139,643	140,687
-	-	-	60,678	447,348
-	-	-	49,692	110,350
-	78,751	-	321,821	299,087
-	-	-	626,794	597,961
-	-	-	7,587	2,736
<u>771,470</u>	<u>5,653,062</u>	<u>42,183</u>	<u>18,057,417</u>	<u>20,393,487</u>
-	3,558,328	-	25,680,786	20,372,020
-	19,180	-	221,656	304,594
<u>-</u>	<u>3,577,508</u>	<u>-</u>	<u>25,902,442</u>	<u>20,676,614</u>
23,975,080	47,582,636	2,043,542	257,731,515	250,941,048
549,682	657	149,513	63,444,216	64,725,446
(8,725,097)	(11,746,442)	(930,526)	(88,464,576)	(81,240,968)
86,068	1,633,413	-	6,354,735	5,054,080
-	-	-	95,011	-
<u>15,885,733</u>	<u>37,470,264</u>	<u>1,262,529</u>	<u>239,160,901</u>	<u>239,479,606</u>
8,479,094	-	-	12,233,780	10,887,660
-	239,597	-	383,758	325,369
<u>8,479,094</u>	<u>239,597</u>	<u>-</u>	<u>12,617,538</u>	<u>11,213,029</u>
<u>\$ 25,136,297</u>	<u>\$ 46,940,431</u>	<u>\$ 1,304,712</u>	<u>\$ 295,738,298</u>	<u>\$ 291,762,736</u>

(continued)

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS (cont.)

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 541,512	\$ 245,784	\$ 149,905
Compensated absences	349,235	155,604	285,215
Accrued interest	24,938	-	-
Other accrued liabilities	95,233	55,988	197,527
Accrued taxes	940,728	-	-
Due to other governments	-	-	1,230,102
Deferred revenue	-	-	11,738
Current portion of long-term debt	265,000	-	-
Total Current Liabilities	2,216,646	457,376	1,874,487
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Revenue bonds payable	3,135,000	794,541	-
Accrued interest	-	123,556	-
Total Liabilities Payable from Restricted Assets	3,135,000	918,097	-
LONG-TERM LIABILITIES			
General obligation debt payable	1,045,000	-	-
Revenue bonds and notes payable	65,182,448	13,599,649	-
Advances from other funds	3,754,686	-	-
Total Long-Term Liabilities	69,982,134	13,599,649	-
Total Liabilities	75,333,780	14,975,122	1,874,487
EQUITY			
Contributed capital	15,639,148	32,674,512	4,522,301
Retained Earnings			
Reserved for debt service	4,638,000	2,492,415	-
Reserved for DNR replacement fund	-	6,752,257	-
Unreserved (deficit)	15,045,724	49,002,031	(592,919)
Total Retained Earnings	19,683,724	58,246,703	(592,919)
Total Equity	35,322,872	90,921,215	3,929,382
TOTAL LIABILITIES AND EQUITY	\$ 110,656,652	\$ 105,896,337	\$ 5,803,869

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS (cont.)
 December 31, 2002
 (With Comparative Totals for December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ 37,837	\$ 173,812	\$ 5,183	\$ 1,154,033	\$ 4,038,556
68,729	40,468	59,416	958,667	916,516
-	197,881	-	222,819	223,827
20,894	24,252	4,131	398,025	405,489
-	-	-	940,728	980,192
-	-	-	1,230,102	975,131
1,729,552	-	1,488	1,742,778	1,359,278
-	415,000	-	680,000	1,805,000
<u>1,857,012</u>	<u>851,413</u>	<u>70,218</u>	<u>7,327,152</u>	<u>10,703,989</u>
-	150,000	-	4,079,541	4,095,764
-	-	-	123,556	150,492
-	<u>150,000</u>	-	<u>4,203,097</u>	<u>4,246,256</u>
-	2,380,000	-	3,425,000	4,105,000
-	12,705,000	-	91,487,097	88,948,702
-	-	550,000	4,304,686	3,378,436
-	<u>15,085,000</u>	<u>550,000</u>	<u>99,216,783</u>	<u>96,432,138</u>
<u>1,857,012</u>	<u>16,086,413</u>	<u>620,218</u>	<u>110,747,032</u>	<u>111,382,383</u>
<u>25,160,616</u>	<u>23,228,017</u>	<u>349,147</u>	<u>101,573,741</u>	<u>103,049,196</u>
-	1,410,326	-	8,540,741	7,003,257
-	-	-	6,752,257	6,108,446
(1,881,331)	6,215,675	335,347	68,124,527	64,219,454
(1,881,331)	<u>7,626,001</u>	<u>335,347</u>	<u>83,417,525</u>	<u>77,331,157</u>
<u>23,279,285</u>	<u>30,854,018</u>	<u>684,494</u>	<u>184,991,266</u>	<u>180,380,353</u>
<u>\$ 25,136,297</u>	<u>\$ 46,940,431</u>	<u>\$ 1,304,712</u>	<u>\$ 295,738,298</u>	<u>\$ 291,762,736</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICITS) - ALL ENTERPRISE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
OPERATING REVENUES			
Charges for services	\$ 12,437,191	\$ 7,297,001	\$ 676,245
Other	-	-	62,923
Total Operating Revenues	<u>12,437,191</u>	<u>7,297,001</u>	<u>739,168</u>
OPERATING EXPENSES			
Operating expenses	5,241,172	5,065,104	5,286,672
Depreciation	<u>2,598,206</u>	<u>3,697,114</u>	<u>501,821</u>
Total Operating Expenses	<u>7,839,378</u>	<u>8,762,218</u>	<u>5,788,493</u>
Operating Income (Loss)	<u>4,597,813</u>	<u>(1,465,217)</u>	<u>(5,049,325)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	499,183	2,449,237	-
Interest expense	(3,154,419)	(668,353)	-
Amortization of debt expense	(9,855)	(20,211)	-
Gain (loss) on sale of fixed assets	180,787	-	-
Amortization of prior losses on refunding of bonds	(39,592)	(48,345)	-
Subsidies from other governmental units	-	-	4,091,866
Other	<u>13,736</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(2,510,160)</u>	<u>1,712,328</u>	<u>4,091,866</u>
Income (Loss) Before Operating Transfers	2,087,653	247,111	(957,459)
Operating Transfers In	-	-	442,689
Operating Transfers Out	<u>(13,800)</u>	<u>(117,450)</u>	<u>-</u>
Income (Loss) Before Amortization and Contributions	<u>2,073,853</u>	<u>129,661</u>	<u>(514,770)</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICITS) - ALL ENTERPRISE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ 1,417,600	\$ 2,806,784	\$ 502,454	\$ 25,137,275	\$ 25,359,999
<u>398,604</u>	<u>15,202</u>	<u>168,778</u>	<u>645,507</u>	<u>612,687</u>
<u>1,816,204</u>	<u>2,821,986</u>	<u>671,232</u>	<u>25,782,782</u>	<u>25,972,686</u>
969,330	1,397,335	595,975	18,555,588	19,480,781
<u>905,314</u>	<u>775,828</u>	<u>63,515</u>	<u>8,541,798</u>	<u>8,493,490</u>
<u>1,874,644</u>	<u>2,173,163</u>	<u>659,490</u>	<u>27,097,386</u>	<u>27,974,271</u>
<u>(58,440)</u>	<u>648,823</u>	<u>11,742</u>	<u>(1,314,604)</u>	<u>(2,001,585)</u>
46,956	345,793	2,586	3,343,755	2,736,675
-	(679,192)	(28,125)	(4,530,089)	(4,607,062)
-	(21,901)	(1,500)	(53,467)	(156,610)
-	-	-	180,787	16,700
-	-	-	(87,937)	(93,151)
-	7,980	-	4,099,846	4,099,733
<u>1,307</u>	<u>-</u>	<u>3,020</u>	<u>18,063</u>	<u>22,640</u>
<u>48,263</u>	<u>(347,320)</u>	<u>(24,019)</u>	<u>2,970,958</u>	<u>2,018,925</u>
(10,177)	301,503	(12,277)	1,656,354	17,340
-	-	-	442,689	429,353
<u>(9,300)</u>	<u>(12,500)</u>	<u>(33,863)</u>	<u>(186,913)</u>	<u>(170,950)</u>
<u>(19,477)</u>	<u>289,003</u>	<u>(46,140)</u>	<u>1,912,130</u>	<u>275,743</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICITS) - ALL ENTERPRISE FUNDS (cont.)

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
Income (Loss) Before Amortization and Contributions	\$ 2,073,853	\$ 129,661	\$ (514,770)
Depreciation charged to contributed capital	-	1,633,563	401,457
Capital contributions	491,246	381,815	72,186
Accumulated depreciation on contributed assets retired	-	-	83,885
Total Additions (Reductions) in Retained Earnings (Deficits)	2,565,099	2,145,039	42,758
RETAINED EARNINGS (DEFICITS), Beginning	17,241,110	56,101,664	(635,677)
Residual Equity Transfer Out	(122,485)	-	-
RETAINED EARNINGS (DEFICITS), ENDING	\$ 19,683,724	\$ 58,246,703	\$ (592,919)

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS (DEFICITS) - ALL ENTERPRISE FUNDS (cont.)
 Year Ended December 31, 2002
 (With Comparative Totals for the Year Ended December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ (19,477)	\$ 289,003	\$ (46,140)	\$ 1,912,130	\$ 275,743
-	514,405	4,737	2,554,162	2,528,441
-	713,429	-	1,658,676	1,965,447
-	-	-	83,885	3,373
(19,477)	1,516,837	(41,403)	6,208,853	4,773,004
(1,861,854)	6,109,164	376,750	77,331,157	72,699,301
-	-	-	(122,485)	(141,148)
<u>\$ (1,881,331)</u>	<u>\$ 7,626,001</u>	<u>\$ 335,347</u>	<u>\$ 83,417,525</u>	<u>\$ 77,331,157</u>

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 4,597,813	\$ (1,465,217)	\$ (5,049,325)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-operating income	13,736	-	-
Depreciation expense	2,598,206	3,697,114	501,821
Depreciation charged to wastewater utility	122,420	-	-
Changes in Assets and Liabilities			
Customer accounts receivable	(506,822)	79,822	-
Accounts receivable - other	14,302	-	(3,258)
Due from other funds	(15,049)	79,200	-
Inventories	(6,170)	(15,801)	(6,862)
Prepaid items	-	-	(4,851)
Accounts payable	4,424	(22,866)	(31,642)
Compensated absences	-	(27,162)	-
Other accrued liabilities	24,065	(12,698)	14,099
Accrued taxes	(39,464)	-	-
Deferred revenues	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>6,807,461</u>	<u>2,312,392</u>	<u>(4,580,018)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating transfers in	-	-	442,689
Operating transfers out	(13,800)	(117,450)	-
Operating subsidies received from other governmental units	-	-	4,681,509
Residual equity transfer out	-	-	-
Advances from other funds	376,250	-	-
Advances to other funds	<u>(122,485)</u>	<u>(376,250)</u>	<u>-</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>239,965</u>	<u>(493,700)</u>	<u>5,124,198</u>

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ (58,440)	\$ 648,823	\$ 11,742	\$ (1,314,604)	\$ (2,001,585)
1,307		3,020	18,063	22,640
905,314	775,828	63,515	8,541,798	8,493,490
-	-	-	122,420	94,647
-	(40,460)	-	(467,460)	(339,687)
(740)	535	217	11,056	(36,138)
-	27,529	-	91,680	(40,140)
-	-	-	(28,833)	61,905
-	-	-	(4,851)	(1,107)
1,365	120,359	1,186	72,826	93,047
32,849	-	31,248	36,935	125,323
(3,599)	4,373	231	26,471	35,549
-	-	-	(39,464)	19,104
-	-	(3,695)	(3,695)	3,519
<u>878,056</u>	<u>1,536,987</u>	<u>107,464</u>	<u>7,062,342</u>	<u>6,530,567</u>
-	-	-	442,689	429,353
(9,300)	(12,500)	(33,863)	(186,913)	(170,950)
-	7,980	-	4,689,489	3,968,544
-	-	-	-	(141,148)
-	-	550,000	926,250	3,378,436
<u>(579,911)</u>	<u>-</u>	<u>-</u>	<u>(1,078,646)</u>	<u>(4,619,374)</u>
<u>(589,211)</u>	<u>(4,520)</u>	<u>516,137</u>	<u>4,792,869</u>	<u>2,844,861</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS (cont.)

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Water Utility	Wastewater Utility	Valley Transit
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of fixed assets	\$ (4,364,776)	\$ (2,518,282)	\$ (90,234)
Proceeds from sale of fixed assets	180,787	-	-
Proceeds from revenue bonds	5,560,000	-	-
Costs of issuing revenue bonds	(60,978)	-	-
Principal paid on long-term debt	(3,435,000)	(2,695,764)	-
Interest paid on long-term debt	(3,153,054)	(697,101)	-
Capital contributed by city	-	-	136,508
Capital contributed by others	22,347	-	173,378
Special assessments received	164,995	256,756	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(5,085,679)	(5,654,391)	219,652
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(7,394,822)	(3,126,751)	(100,277)
Proceeds from sales and maturities of investments	4,355,093	3,153,220	-
Investment income	620,677	2,429,861	-
Net Cash Provided by (Used for) Investing Activities	(2,419,052)	2,456,330	(100,277)
Net Increase (Decrease) in Cash and Cash Equivalents	(457,305)	(1,379,369)	663,555
CASH AND CASH EQUIVALENTS, Beginning	568,211	5,970,474	1,036,350
CASH AND CASH EQUIVALENTS, ENDING	\$ 110,906	\$ 4,591,105	\$ 1,699,905
RECONCILIATION TO COMBINED BALANCE SHEET			
Cash and investments	\$ -	\$ 4,067,384	\$ 1,613,635
Restricted cash and investments	10,988,309	10,162,769	971,380
Less: Long-term investments	(10,877,403)	(9,639,048)	(885,110)
ENDING CASH AND CASH EQUIVALENTS	\$ 110,906	\$ 4,591,105	\$ 1,699,905
COMBINING STATEMENT OF CASH FLOWS	\$ 110,906	\$ 4,591,105	\$ 1,699,905

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS (cont.)
 Year Ended December 31, 2002
 (With Comparative Totals for the Year Ended December 31, 2001)

Parking Utility	Stormwater Utility	Reid Municipal Golf Course	Total All Funds	
			2002	2001
\$ (77,926)	\$ (2,490,444)	\$ (85,331)	\$ (9,626,993)	\$ (18,731,237)
-	-	-	180,787	110,000
-	2,340,000	-	7,900,000	46,441,556
-	(50,879)	-	(111,857)	(85,794)
-	(540,000)	(600,000)	(7,270,764)	(45,392,391)
-	(683,502)	(35,625)	(4,569,282)	(4,728,050)
-	-	-	136,508	140,829
-	-	-	195,725	195,266
-	400,616	-	822,367	584,014
<u>(77,926)</u>	<u>(1,024,209)</u>	<u>(720,956)</u>	<u>(12,343,509)</u>	<u>(21,465,807)</u>
-	(1,117,468)	-	(11,739,318)	(10,964,810)
-	127,997	-	7,636,310	4,305,196
<u>46,957</u>	<u>336,755</u>	<u>2,586</u>	<u>3,436,836</u>	<u>2,259,951</u>
<u>46,957</u>	<u>(652,716)</u>	<u>2,586</u>	<u>(666,172)</u>	<u>(4,399,663)</u>
257,876	(144,458)	(94,769)	(1,154,470)	(16,490,042)
<u>504,223</u>	<u>7,064,842</u>	<u>136,875</u>	<u>15,280,975</u>	<u>31,771,017</u>
<u>\$ 762,099</u>	<u>\$ 6,920,384</u>	<u>\$ 42,106</u>	<u>\$ 14,126,505</u>	<u>\$ 15,280,975</u>
\$ 762,099	\$ 4,853,767	\$ 42,106	\$ 11,338,991	\$ 13,699,219
-	3,558,328	-	25,680,786	20,372,020
-	(1,491,711)	-	(22,893,272)	(18,790,264)
<u>\$ 762,099</u>	<u>\$ 6,920,384</u>	<u>\$ 42,106</u>	<u>\$ 14,126,505</u>	<u>\$ 15,280,975</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS – ALL ENTERPRISE FUNDS (cont.)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

NONCASH ACTIVITIES

During 2002, the Water Utility accepted ownership of \$468,899 of plant additions contributed by developers and customers; the Wastewater Utility accepted ownership of \$381,815 of plant additions contributed by developers and customers; the Stormwater Utility accepted \$735,029 of fixed assets contributed by the City and developers; and Parking Fund accepted \$56,606 of fixed assets contributed by the City.

Consistent with prior years, the City adjusted their investments to market during 2002. This adjustment resulted in an unrealized loss of \$213,176 in the Water Utility and a \$667,527 gain in the Wastewater Utility.

CITY OF APPLETON

RETURN ON RATE BASE - WATER UTILITY For the Year Ended December 31, 2002

Utility Plant in Service		
Beginning of year	\$ 105,483,925	
End of year	<u>106,419,920</u>	
Average		<u>105,951,923</u>
Accumulated Depreciation		
Beginning of year	(10,390,874)	
End of year	<u>(12,169,612)</u>	
Average		<u>(11,280,243)</u>
Inventories		
Beginning of year	291,959	
End of year	<u>298,129</u>	
Average		<u>295,044</u>
Contributions in Aid of Construction (1)		
Beginning of year	(13,306,157)	
End of year	<u>(13,797,403)</u>	
Average		<u>(13,551,780)</u>
AVERAGE NET RATE BASE		<u>\$ 81,414,944</u>
OPERATING INCOME		<u>\$ 4,597,813</u>
RETURN ON RATE BASE		<u>5.65%</u>

(1) Excludes contributions from the city of \$2,400,668 at the beginning of the year and \$2,739,836 at the end of the year.

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from Accounting Principles Generally Accepted in the United States due to GASB #33 as described in footnote #1.

CITY OF APPLETON

BOND COVENANT DISCLOSURES

December 31, 2002

NUMBER OF CUSTOMERS

The water and sewer utilities served the following number of customers at December 31, 2002:

	Water	Wastewater	Stormwater ERU's
Residential	23,485	23,409	24,181
Commercial	1,634	1,618	29,360
Industrial	93	97	4,734
Public authority	57	53	-
Municipal/government	-	-	4,051
Wholesale	2	-	-
Total	25,271	25,177	65,326

INSURANCE COVERAGE

The utilities were covered under the following insurance at December 31, 2002:

Type	Policy Number	Coverage
Workers Compensation	--	Statutory
Excess Workers Compensation	SP-4708-WI	\$2,000,000
General Liability	4198-4460	\$4,000,000
Excess General Liability	4198-4661	\$5,000,000
Public Officials Bond	1052096	\$1,000,000
Public Employees Dishonesty Bond	55404	\$250,000
Personal property	55404	\$100,588,144 Wastewater \$56,929,856 Water \$238,410,282 Building
Boiler and Machinery	55404	\$150,000,000

DEBT COVERAGE

The resolution requires that earnings from the water and wastewater systems be greater than 1.30 times the revenue bond annual debt service based on the bond year. The stormwater resolution requires that earnings from the stormwater system be greater than 1.20 times the maximum annual revenue bond debt service.

	Water	Wastewater	Stormwater
Operating revenues	\$ 12,437,191	\$ 7,297,001	\$ 2,821,986
Investment income	499,183	2,449,237	345,793
Less: Operation and maintenance expenses	(4,221,952)	(5,065,104)	(1,397,335)
Taxes other than tax equivalent	(92,292)	-	-
Actual Net Earnings	\$ 8,622,130	\$ 4,681,134	\$ 1,770,444
Subsequent year revenue bond debt service	\$ 3,135,000	\$ 794,541	\$ -
Highest combined revenue bond debt service	-	-	1,164,328
Coverage factor required by resolution	1.30 times	1.30 times	1.20 times
Required Net Earnings	\$ 4,075,500	\$ 1,032,903	\$ 1,397,194

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or other governments, on a cost reimbursement basis.

CENTRAL EQUIPMENT AGENCY

To account for the user fees and costs associated with the acquisition, operation and maintenance of various City-owned vehicles and equipment.

CENTRAL BUILDING MAINTENANCE

To account for the user fees and costs associated with the repair, maintenance and cleaning of various City buildings.

INSURANCE

To account for the user fees and costs associated with providing insurance and risk protection services to the organization and agencies of the City. All user charges and expenses necessary to provide such services are accounted for in this fund.

CITY OF APPLETON

COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	<u>Central Equipment Agency</u>	<u>Central Building Maintenance</u>	<u>Insurance</u>	<u>Total All Funds</u>	
				<u>2002</u>	<u>2001</u>
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 499,034	\$ 197,613	\$ 3,421,390	\$ 4,118,037	\$ 4,638,637
Other receivables	4,514	-	-	4,514	9,862
Due from other governmental units	-	4,314	-	4,314	5,181
Inventories	15,638	-	-	15,638	19,108
Prepaid items	-	-	31,388	31,388	47,081
Total Current Assets	<u>519,186</u>	<u>201,927</u>	<u>3,452,778</u>	<u>4,173,891</u>	<u>4,719,869</u>
RESTRICTED ASSETS					
Investment in CVMIC	-	-	2,020,950	2,020,950	2,020,950
Receivable from mutual insurance company	-	-	159,885	159,885	174,945
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>2,180,835</u>	<u>2,180,835</u>	<u>2,195,895</u>
FIXED ASSETS					
Equipment	1,721,279	-	-	1,721,279	1,748,635
Vehicles	16,819,579	-	-	16,819,579	16,229,591
Less: Accumulated depreciation	(9,476,075)	-	-	(9,476,075)	(8,954,300)
Net Fixed Assets	<u>9,064,783</u>	<u>-</u>	<u>-</u>	<u>9,064,783</u>	<u>9,023,926</u>
TOTAL ASSETS	<u>\$ 9,583,969</u>	<u>\$ 201,927</u>	<u>\$ 5,633,613</u>	<u>\$ 15,419,509</u>	<u>\$ 15,939,690</u>

CITY OF APPLETON

COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Central Equipment Agency	Central Building Maintenance	Insurance	Total All Funds	
				2002	2001
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable	\$ 28,360	\$ 17,442	\$ 2,528	\$ 48,330	\$ 59,368
Compensated absences	65,323	140,866	9,834	216,023	190,891
Other accrued liabilities	30,009	32,800	28,460	91,269	108,291
Claims payable	-	-	1,000,000	1,000,000	911,000
Deferred revenue	-	-	31,388	31,388	-
Current portion of long-term debt	-	-	167,169	167,169	153,398
Total Current Liabilities	<u>123,692</u>	<u>191,108</u>	<u>1,239,379</u>	<u>1,554,179</u>	<u>1,422,948</u>
LONG-TERM LIABILITIES					
General obligation debt payable	-	-	834,698	834,698	1,001,867
Total Liabilities	<u>123,692</u>	<u>191,108</u>	<u>2,074,077</u>	<u>2,388,877</u>	<u>2,424,815</u>
EQUITY					
Contributed capital	7,527,597	-	341,051	7,868,648	7,020,424
Retained earnings	<u>1,932,680</u>	<u>10,819</u>	<u>3,218,485</u>	<u>5,161,984</u>	<u>6,494,451</u>
Total Equity	<u>9,460,277</u>	<u>10,819</u>	<u>3,559,536</u>	<u>13,030,632</u>	<u>13,514,875</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 9,583,969</u>	<u>\$ 201,927</u>	<u>\$ 5,633,613</u>	<u>\$ 15,419,509</u>	<u>\$ 15,939,690</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - INTERNAL SERVICE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Central Equipment Agency	Central Building Maintenance	Insurance
OPERATING REVENUES			
Charges for services	\$ 1,441,836	\$ 1,777,022	\$ 533,073
Other	25,809	-	256,854
Total Operating Revenues	<u>1,467,645</u>	<u>1,777,022</u>	<u>789,927</u>
OPERATING EXPENSES			
Operation and maintenance	1,815,294	1,960,080	1,043,030
Depreciation	1,552,378	-	-
Total Operating Expenses	<u>3,367,672</u>	<u>1,960,080</u>	<u>1,043,030</u>
Operating Loss	<u>(1,900,027)</u>	<u>(183,058)</u>	<u>(253,103)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	22,911	6,700	160,348
Interest expense	-	-	(90,384)
Gain on the sale of fixed assets	153,798	-	-
Loss on investment in CVMIC	-	-	(15,060)
Sale of city property	8,524	-	-
Other	-	-	-
Total Nonoperating Revenues (Expenses)	<u>185,233</u>	<u>6,700</u>	<u>54,904</u>
LOSS BEFORE AMORTIZATION	<u>(1,714,794)</u>	<u>(176,358)</u>	<u>(198,199)</u>
Depreciation Charged to Contributed Capital	<u>756,884</u>	<u>-</u>	<u>-</u>
Net Deductions to Retained Earnings	(957,910)	(176,358)	(198,199)
RETAINED EARNINGS, Beginning	<u>2,890,590</u>	<u>187,177</u>	<u>3,416,684</u>
RETAINED EARNINGS, ENDING	<u>\$ 1,932,680</u>	<u>\$ 10,819</u>	<u>\$ 3,218,485</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - INTERNAL SERVICE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Total All Funds	
2002	2001
\$ 3,751,931	\$ 3,963,549
282,663	262,620
4,034,594	4,226,169
4,818,404	4,624,157
1,552,378	1,509,335
6,370,782	6,133,492
(2,336,188)	(1,907,323)
189,959	256,242
(90,384)	(102,977)
153,798	201,707
(15,060)	(11,224)
8,524	2,937
-	8,837
246,837	355,522
(2,089,351)	(1,551,801)
756,884	581,717
(1,332,467)	(970,084)
6,494,451	7,464,535
\$ 5,161,984	\$ 6,494,451

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Central Equipment Agency	Central Building Maintenance	Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (1,900,027)	\$ (183,058)	\$ (253,103)
Adjustments to Reconcile Operating Income to Net			
Cash Provided by Operating Activities			
Non-operating income	8,524	-	-
Depreciation expense	1,552,378	-	-
Changes in Assets and Liabilities			
Accounts receivable - other	5,348	-	-
Due from other governments	-	867	-
Inventories	3,470	-	-
Prepaid items	-	-	15,693
Accounts payable	(5,879)	(5,709)	550
Compensated absences	1,947	21,269	1,916
Other accrued liabilities	(4,862)	(13,286)	4,347
Claims payable	-	-	89,000
Deferred revenues	-	-	31,388
Net Cash Provided by Operating Activities	<u>(339,101)</u>	<u>(179,917)</u>	<u>(110,209)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Principal paid on note payable	-	-	(153,398)
Interest paid on note payable	-	-	(93,605)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(247,003)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of city property	<u>165,671</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>165,671</u>	<u>-</u>	<u>-</u>
CASH PROVIDED BY INVESTING ACTIVITIES			
Investment income	<u>22,911</u>	<u>6,700</u>	<u>160,348</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(150,519)	(173,217)	(196,864)
CASH AND CASH EQUIVALENTS, Beginning	<u>649,553</u>	<u>370,830</u>	<u>3,618,254</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 499,034</u>	<u>\$ 197,613</u>	<u>\$ 3,421,390</u>

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Total All Funds	
2002	2001
\$ (2,336,188)	\$ (1,907,323)
8,524	8,837
1,552,378	1,509,335
5,348	(2,244)
867	5,104
3,470	(5,744)
15,693	15,694
(11,038)	(31,373)
25,132	13,401
(13,801)	(4,031)
89,000	111,000
<u>31,388</u>	<u>-</u>
<u>(629,227)</u>	<u>(287,344)</u>
(153,398)	(141,157)
<u>(93,605)</u>	<u>(105,906)</u>
<u>(247,003)</u>	<u>(247,063)</u>
<u>165,671</u>	<u>216,460</u>
<u>165,671</u>	<u>216,460</u>
<u>189,959</u>	<u>256,242</u>
(520,600)	(61,705)
<u>4,638,637</u>	<u>4,700,342</u>
<u>\$ 4,118,037</u>	<u>\$ 4,638,637</u>

(continued)

CITY OF APPLETON

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS (cont.)
Year Ended December 31, 2002
(With Comparative Totals for the Year Ended December 31, 2001)

NONCASH ACTIVITIES

During 2002, the Central Equipment Agency fund accepted ownership of \$1,605,459 of fixed assets contributed by various funds of the City.

During 2002, there was a decrease of \$15,060 in what CVMIC owes the City which resulted in a loss on the investment in the Insurance fund.

FIDUCIARY FUNDS

Trust and agency funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms “nonexpendable” and “expendable” refer to whether or not the government is under an obligation to maintain the trust principal. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds, since capital maintenance is critical. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Agency funds generally are used to account for assets that the City holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NONEXPENDABLE TRUST FUND

FRANK P. YOUNG MEMORIAL

To account for assets restricted for purposes of generating interest income and providing for scholarships in Library Science.

EXPENDABLE TRUST FUNDS

TUCHSCHERER DISABILITY

To account for monies received by the City in an employee disability settlement and the corresponding expenditures for such purposes.

PEABODY ESTATE

To account for monies received from a private donation to finance the repair, construction and preservation of Peabody Park and the corresponding expenditures for such purpose.

BALLIET LOCOMOTIVE

To account for monies provided by private donations to finance the maintenance of a steam engine located at Telulah Park and the corresponding expenditures for such purpose.

LUTZ PARK RECREATIONAL

To account for monies received from a private donation to finance the construction and preservation of recreational facilities of Lutz Park and the corresponding expenditures for such purpose.

FIDUCIARY FUNDS

EXPENDABLE TRUST FUNDS

PARK PURPOSE OPEN SPACE

To account for monies received from subdivision developers to finance future acquisition of park facilities and the corresponding expenditures for park purposes.

UNION SPRING PARK

To account for monies received from private donations to finance the maintenance of the well at Union Spring Park.

AGENCY FUND

TAX COLLECTING

To account for the City's collection of property taxes and the corresponding liability to other funds and governmental units.

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

	Non- expendable Trust Fund	Expendable Trust Funds		
	Frank P. Young Memorial	Tuch- scherer Disability	Peabody Estate	Balliet Locomotive
ASSETS				
Cash and investments	\$ 15,497	\$ 92,746	\$ 81,901	\$ 8,422
Receivables				
Property taxes	-	-	-	-
Developer loans	-	-	-	-
Accrued interest	153	-	-	-
	<u>153</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 15,650</u>	<u>\$ 92,746</u>	<u>\$ 81,901</u>	<u>\$ 8,422</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other taxing authorities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Deferred revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Reserved for trust purposes	<u>15,650</u>	<u>92,746</u>	<u>81,901</u>	<u>8,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,650</u>	<u>\$ 92,746</u>	<u>\$ 81,901</u>	<u>\$ 8,422</u>

CITY OF APPLETON

COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS

December 31, 2002

(With Comparative Totals for December 31, 2001)

<u>Expendable Trust Funds</u>			<u>Agency Fund</u>	<u>Total All Funds</u>	
<u>Lutz Park</u>	<u>Park Purpose Open Space</u>	<u>Union Spring Park</u>	<u>Tax Collecting</u>	<u>2002</u>	<u>2001</u>
\$ 671,927	\$ 299,183	\$ 3,494	\$ 38,618,390	\$ 39,791,560	\$ 37,773,829
-	-	-	12,721,844	12,721,844	13,410,617
-	23,168	-	-	23,168	23,168
-	-	-	-	153	155
<u>\$ 671,927</u>	<u>\$ 322,351</u>	<u>\$ 3,494</u>	<u>\$ 51,340,234</u>	<u>\$ 52,536,725</u>	<u>\$ 51,207,769</u>
\$ -	\$ -	\$ -	\$ 50,964,722	\$ 50,964,722	\$ 49,707,041
-	-	-	323,584	323,584	300,743
-	-	-	51,928	51,928	109,257
-	23,168	-	-	23,168	25,168
-	23,168	-	51,340,234	51,363,402	50,142,209
<u>671,927</u>	<u>299,183</u>	<u>3,494</u>	<u>-</u>	<u>1,173,323</u>	<u>1,065,560</u>
<u>\$ 671,927</u>	<u>\$ 322,351</u>	<u>\$ 3,494</u>	<u>\$ 51,340,234</u>	<u>\$ 52,536,725</u>	<u>\$ 51,207,769</u>

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

	Tuch- scherer Disability	Peabody Estate	Balliet Locomotive
REVENUES			
Investment income	\$ 4,355	\$ 3,773	\$ 388
Charges for services	-	-	-
Total Revenues	4,355	3,773	388
EXPENDITURES			
General government	6,391	-	-
Total Expenditures	6,391	-	-
Excess (Deficiency) of Revenues Over Expenditures	(2,036)	3,773	388
FUND BALANCES, Beginning	94,782	78,128	8,034
FUND BALANCES, ENDING	\$ 92,746	\$ 81,901	\$ 8,422

CITY OF APPLETON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002

(With Comparative Totals for the Year Ended December 31, 2001)

Lutz Park	Park Purpose Open Space	Union Spring Park	Totals All Funds	
			2002	2001
\$ 30,958	\$ 13,902	\$ 161	\$ 53,537	\$ 58,734
-	60,390	-	60,390	73,933
30,958	74,292	161	113,927	132,667
-	-	-	6,391	6,650
-	-	-	6,391	6,650
30,958	74,292	161	107,536	126,017
640,969	224,891	3,333	1,050,137	924,120
\$ 671,927	\$ 299,183	\$ 3,494	\$ 1,157,673	\$ 1,050,137

CITY OF APPLETON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND For the Year Ended December 31, 2002

	<u>Balance 1-1-02</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12-31-02</u>
TAX COLLECTING				
Assets				
Cash and investments	\$ 36,706,424	\$ 38,618,390	\$ 36,706,424	\$ 38,618,390
Property taxes receivable	<u>13,410,617</u>	<u>12,721,844</u>	<u>13,410,617</u>	<u>12,721,844</u>
TOTAL ASSETS	<u>\$ 50,117,041</u>	<u>\$ 51,340,234</u>	<u>\$ 50,117,041</u>	<u>\$ 51,340,234</u>
Liabilities				
Due to other taxing authorities	\$ 49,707,041	\$ 50,964,722	\$ 49,707,041	\$ 50,964,722
Due to other funds	300,743	323,584	300,743	323,584
Due to component unit	<u>109,257</u>	<u>51,928</u>	<u>109,257</u>	<u>51,928</u>
TOTAL LIABILITIES	<u>\$ 50,117,041</u>	<u>\$ 51,340,234</u>	<u>\$ 50,117,041</u>	<u>\$ 51,340,234</u>

ACCOUNT GROUPS

Account groups are used to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Account groups are concerned with the measurement of financial position and not with the measurement of results of operations. Account groups are not funds, but are self-balancing.

GENERAL FIXED ASSETS

To account for fixed assets not used in proprietary fund operations or accounted for in trust funds.

GENERAL LONG-TERM DEBT

To account for all general obligation indebtedness and other long-term obligations of the City except as recorded in proprietary funds. Payments on general obligation indebtedness are made from the debt service funds.

CITY OF APPLETON

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
December 31, 2002

GENERAL FIXED ASSETS	
Land	\$ 19,824,257
Buildings	29,563,256
Improvements	5,636,345
Equipment, furniture and fixtures	<u>4,143,289</u>
 TOTAL	 <u>\$ 59,167,147</u>
 INVESTMENT IN GENERAL FIXED ASSETS FROM	
General fund revenues	\$ 21,026,339
General obligation debt	36,700,181
Federal and state grants	491,749
Donations and gifts	<u>948,878</u>
 TOTAL	 <u>\$ 59,167,147</u>

CITY OF APPLETON

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY As of December 31, 2002

	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improve- ments</u>	<u>Equipment, Furniture and Fixtures</u>
GENERAL GOVERNMENT					
City clerk	\$ 171,350	\$ -	\$ -	\$ -	\$ 171,350
Assessor	10,000	-	-	-	10,000
Council	54,400	-	-	-	54,400
Information services	697,443	-	-	45,174	652,269
City center	3,923,619	-	3,616,617	307,002	-
Transit center	113,603	-	113,603	-	-
Engineering	1,325,644	1,227,105	-	-	98,539
Total General Government	6,296,059	1,227,105	3,730,220	352,176	986,558
POLICE	3,421,369	306,000	2,562,300	219,802	333,267
FIRE	5,466,712	285,177	4,110,294	269,350	801,891
ECONOMIC DEVELOPMENT	10,255,165	10,232,226	-	22,939	-
HEALTH	12,000	-	-	-	12,000
PUBLIC WORKS	7,283,935	225,200	6,778,432	270,096	10,207
SANITATION	1,991,721	1,991,721	-	-	-
PARKS AND RECREATION	19,387,116	5,376,828	9,190,755	2,883,186	1,936,347
LIBRARY	5,053,070	180,000	3,191,255	1,618,796	63,019
TOTAL GENERAL FIXED ASSETS	<u>\$ 59,167,147</u>	<u>\$ 19,824,257</u>	<u>\$ 29,563,256</u>	<u>\$ 5,636,345</u>	<u>\$ 4,143,289</u>

CITY OF APPLETON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY As of December 31, 2002

	Balance January 1, 2002	Additions	Deletions	Adjustments	Balance December 31, 2002
GENERAL GOVERNMENT					
City clerk	\$ 171,350	\$ -	\$ -	\$ -	\$ 171,350
Assessor	10,000	-	-	-	10,000
Council	54,400	-	-	-	54,400
Information services	572,580	171,211	46,348	-	697,443
City center	3,923,619	-	-	-	3,923,619
Transit center	113,603	-	-	-	113,603
Engineering	1,325,644	-	-	-	1,325,644
Total General Government	6,171,196	171,211	46,348	-	6,296,059
POLICE	3,401,369	20,000	-	-	3,421,369
FIRE	5,291,196	175,516	-	-	5,466,712
ECONOMIC DEVELOPMENT	12,327,628	-	2,072,463	-	10,255,165
HEALTH	12,000	-	-	-	12,000
PUBLIC WORKS	7,092,135	191,800	-	-	7,283,935
PARKS AND RECREATION	19,120,412	286,204	19,500	-	19,387,116
SANITATION	-	1,991,721	-	-	1,991,721
LIBRARY	5,238,970	-	185,900	-	5,053,070
TOTAL GENERAL FIXED ASSETS	<u>\$ 58,654,906</u>	<u>\$ 2,836,452</u>	<u>\$ 2,324,211</u>	<u>\$ -</u>	<u>\$ 59,167,147</u>

CITY OF APPLETON

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT December 31, 2002

	<u>Issue Date</u>
GENERAL OBLIGATIONS BONDS	
General Obligation Refunding Bonds, Series 1991	October 1, 1991
General Obligation Bonds, Series 1993A	August 1, 1993
General Obligation Refunding Bonds, Series 1998A	July 1, 1998
Total General Obligation Bonds	
GENERAL OBLIGATION AND PROMISSORY NOTES	
General Obligation Notes, Series 1996A	August 1, 1996
General Obligation Notes, Series 1997A	September 1, 1997
1997 State Trust Fund Loan	December 17, 1997
General Obligation Notes, Series 1998B	July 1, 1998
General Obligation Notes, Series 1999A	July 15, 1999
General Obligation Notes, Series 1999B	July 15, 1999
General Obligation Notes, Series 2000A	August 3, 2000
General Obligation Notes, Series 2001A	August 3, 2000
General Obligation Notes, Series 2001B	August 3, 2000
2001 State Trust Fund Loan	August 3, 2000
General Obligation Notes, Series 2002A	July 1, 2002
General Obligation Notes, Series 2002B	July 1, 2002
Total General Obligation and Promissory Notes	
TOTAL GENERAL OBLIGATION LONG-TERM DEBT	

CITY OF APPLETON

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT
December 31, 2002

Rate %	Maturity Date	Original Principal	Payments Through December 31, 2002	Balance December 31, 2002
7.60 to 8.70	April 1, 2007	2,020,950	1,019,083	1,001,867
5.25 to 5.60	April 1, 2013	7,200,000	4,615,000	2,585,000
4.30 to 4.75	April 1, 2013	9,570,000	3,040,000	6,530,000
		<u>18,790,950</u>	<u>8,674,083</u>	<u>10,116,867</u>
5.00 to 5.05	April 1, 2006	5,110,000	1,990,000	3,120,000
4.625	April 1, 2007	9,340,000	4,035,000	5,305,000
5.75	March 15, 2007	750,000	281,319	468,681
4.20 to 4.50	April 1, 2008	9,460,000	2,705,000	6,755,000
4.35 to 4.90	April 1, 2009	2,225,000	1,275,000	950,000
6.50 to 6.60	April 1, 2009	2,555,000	-	2,555,000
4.875 to 5.00	April 1, 2010	10,465,000	2,045,000	8,420,000
4.00 to 4.40	April 1, 2011	4,070,000	275,000	3,795,000
6.00	April 1, 2011	3,270,000	-	3,270,000
5.00	March 15, 2011	2,483,639	-	2,483,639
3.00 to 4.10	April 1, 2007	8,535,000	-	8,535,000
5.00 to 5.75	April 1, 2008	1,995,000	-	1,995,000
		<u>60,258,639</u>	<u>12,606,319</u>	<u>47,652,320</u>
		<u>\$ 79,049,589</u>	<u>\$ 21,280,402</u>	<u>\$ 57,769,187</u>

(continued)

CITY OF APPLETON

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT (cont.)

December 31, 2002

**RESOURCES TO BE PROVIDED FOR RETIREMENT
OF GENERAL OBLIGATION LONG-TERM DEBT**

Debt service fund	\$	52,662,320
Water utility enterprise fund		1,310,000
Stormwater utility enterprise fund		2,795,000
Insurance internal service fund		<u>1,001,867</u>

TOTAL RESOURCES TO BE PROVIDED	\$	<u><u>57,769,187</u></u>
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**TABLE 1
CITY OF APPLETON
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (A)**

Last Ten Fiscal Years

Calendar Year	General Government	Public Safety	Public Works	Education & Recreation	Community Development	Debt Service (B)	Total
1993	\$ 3,907,406	\$ 14,376,871	\$ 10,255,628	\$ 5,262,009	\$ 458,144	\$ 7,701,345 (C)	\$ 41,961,403
1994	4,208,894	14,260,133	10,017,194	5,479,863	1,155,516	7,391,949	42,513,549
1995	4,936,074	14,880,185	9,129,325	6,022,153	1,292,180	8,377,968	44,637,885
1996	4,952,579	15,315,239	10,371,193	5,940,141	1,242,758	7,979,585	45,801,495
1997	10,386,308	16,103,995	9,433,063	6,138,971	1,234,584	8,468,455	51,765,376
1998	7,691,529	16,676,120	9,475,868	6,371,833	1,415,391	9,748,649	51,379,390
1999	5,468,290	17,510,000	9,666,953	6,617,874	1,445,260	10,275,415	50,983,792
2000	5,512,101	18,533,332	9,437,619	7,189,058	1,536,953	8,092,524	50,301,587
2001	5,598,662	20,180,181	9,899,220	7,820,153	1,599,140	8,542,516	53,639,872
2002	6,071,805	20,894,921	9,202,727	7,924,536	1,627,302	9,359,561	55,080,852

(A) This table includes the General Fund and Debt Service Fund. It excludes all other Special Revenue, Capital Projects, Proprietary and Fiduciary Funds.

(B) Includes only city and tax increment district portions of debt service.

(C) Excludes principal defeased with the 1993 refunding issue (\$4,967,508).

**TABLE 2
CITY OF APPLETON
GENERAL GOVERNMENTAL REVENUES BY SOURCE (A)**

Last Ten Fiscal Years

Calendar Year	Taxes (B)	Intergov. Revenue (C)	Licenses & Permits	Fines & Forfeitures	Special Assessments	Charges For Services	Investment Income	Other Revenue	Total Revenue
1993	\$20,972,301	\$13,823,049	\$ 488,862	\$ 376,348	\$ 2,149,875	\$ 1,314,741	\$ 1,314,790	\$ 1,396,031	\$41,835,997
1994	21,381,823	14,415,747	776,712	488,133	1,817,843	1,066,313	1,825,090	951,450	42,723,111
1995	22,737,385	15,312,463	561,655	472,838	1,666,531	1,380,257	2,289,359	1,081,969	45,502,457
1996	21,975,566	15,744,109	640,493	448,930	1,912,440	1,193,732	2,182,772	1,599,231	45,697,273
1997	22,649,843	15,891,281	682,340	473,981	1,577,204	1,218,514	2,183,701	744,006	45,420,870
1998	22,550,293	16,332,801	732,758	449,152	1,821,983	1,404,901	2,298,918	819,012	46,409,818
1999	22,879,309	16,439,614	702,779	417,360	1,518,742	1,307,944	1,398,515	929,026	45,593,289
2000	21,726,818	17,753,544	750,035	444,667	841,833	1,374,275	2,433,642	762,760	46,087,574
2001	23,896,753	17,989,613	791,011	550,333	1,711,955	1,629,233	1,970,511	1,218,381	49,757,790
2002	25,868,437	18,373,064	884,000	355,125	1,599,912	1,550,236	1,627,326	906,673	51,164,773

(A) This table includes the General Fund and Debt Service Fund. It excludes all other Special Revenue, Capital Projects, Proprietary and Fiduciary Funds.

(B) Includes property taxes, payments in lieu of taxes, occupation and room taxes.

(C) Includes state shared revenues, state highway aids and miscellaneous Federal, State and County Aids.

**TABLE 3
CITY OF APPLETON
PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Fiscal Years

Collection Year	Total Tax Levy	Collections Prior to Transfer of Roll on August 1	Percent of Levy Collected	Total Tax Collections as of December 31	Total Collections as Percent of Current Levy	Outstanding Delinquent Taxes (A)	Outstanding Delinquent Taxes as Percent of Current Levy
1993	\$ 22,214,537	\$ 21,927,969	98.71 %	\$ 22,214,537	100.00 %	\$ -	- %
1994	23,278,201	22,994,207	98.78	23,278,201	100.00	-	-
1995	24,756,200	24,159,576	97.59	24,756,200	100.00	-	-
1996	24,442,463	24,114,934	98.66	24,442,463	100.00	-	-
1997	25,030,908	24,730,537	98.80	25,030,908	100.00	-	-
1998	24,986,883	24,714,526	98.91	24,986,883	100.00	-	-
1999	25,158,220	24,806,005	98.60	25,158,220	100.00	-	-
2000	24,765,055	24,440,110	98.69	24,765,055	100.00	-	-
2001	26,257,639	25,892,728	98.61	26,257,639	100.00	-	-
2002	27,418,190	27,027,898	98.58	27,418,190	100.00	-	-

(A) The amount of uncollected taxes represents only the current year delinquent personal property taxes. The city must obtain a judgment against the taxpayer with respect to such delinquent personal property taxes. Beginning with the 1990 collection year, all delinquent personal property taxes are charged back to overlapping jurisdictions.

**TABLE 4
CITY OF APPLETON
ASSESSED AND EQUALIZED VALUE OF TAXABLE PROPERTY**

Last Ten Fiscal Years

Levy Year	Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Equalized Value
		Assessed Value (A)	Equalized Value (B)	Assessed Value (A)	Equalized Value (B)	Assessed Value (A)	Equalized Value (B)	
1992	1993	\$ 1,672,774,500	\$ 1,940,401,400	\$ 105,579,380	\$ 122,162,800	\$ 1,778,353,880	\$ 2,062,564,200	0.8671
1993	1994	1,774,887,500	2,054,877,500	110,303,420	118,706,100	1,885,190,920	2,173,583,600	0.8673
1994	1995	1,874,988,500	2,177,376,000	112,006,500	130,554,400	1,986,995,000	2,307,930,400	0.8609
1995	1996	2,307,039,500	2,328,843,200	140,304,599	131,477,200	2,447,344,099	2,460,320,400	0.9947
1996	1997	2,402,345,500	2,434,232,700	140,395,290	139,529,500	2,542,740,790	2,573,762,200	0.9879
1997	1998	2,456,917,300	2,560,163,000	148,215,360	150,436,200	2,605,132,660	2,710,599,200	0.9611
1998	1999	2,653,996,900	2,661,721,100	152,032,100	149,210,600	2,806,029,000	2,810,931,700	0.9983
1999	2000	2,717,953,000	2,799,514,000	122,100,880	123,251,600	2,840,053,880	2,922,765,600	0.9717
2000	2001	2,837,770,700	2,951,411,600	123,588,300	133,735,400	2,961,359,000	3,085,147,000	0.9599
2001	2002	2,936,712,900	3,132,997,400	126,098,150	124,176,400	3,062,811,050	3,257,173,800	0.9403
2002	2003	3,342,462,200	3,351,443,100	123,458,191	132,747,300	3,465,920,391	3,484,190,400	0.9948

(A) Assessed values are established by the City Assessor on all property except manufacturing property as of January 1 of each year.

The Wisconsin Department of Revenue determines manufacturing property assessed values as of January 1 of each year.

(B) Equalized values are determined by the Wisconsin Department of Revenue.

**TABLE 5
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/APPLETON AREA SCHOOL DISTRICT/APPLETON UTILITIES

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Outagamie County	Appleton Utilities (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.60	\$ 20.24	\$ 1.96	\$ 6.29	\$ -	\$ 0.23	\$ 41.32	\$ 2.11	\$ 39.21
1994	1995	12.77	18.26	1.92	6.03	-	0.23	39.21	2.02	37.19
1995	1996	10.28	14.49	1.65	4.98	-	0.20	31.60	1.60	30.00
1996	1997	10.15	10.03	1.71	4.87	-	0.20	26.96	2.21	24.75
1997	1998	9.92	9.57	1.76	4.91	-	0.21	26.37	1.99	24.38
1998	1999	9.29	10.36	1.82	4.69	-	0.20	26.36	1.70	24.66
1999	2000	9.06	10.07	1.87	4.76	-	0.21	25.97	1.60	24.37
2000	2001	9.25	10.12	1.94	5.03	-	0.21	26.55	1.54	25.01
2001	2002	9.44	9.52	2.01	5.36	-	0.21	26.54	1.52	25.02
2002	2003	8.57	8.63	1.89	4.85	-	0.20	24.14	1.29	22.85

OUTAGAMIE COUNTY/APPLETON AREA SCHOOL DISTRICT/SANITARY DISTRICT #1

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Outagamie County	Sanitary District #1 (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.60	\$ 20.24	\$ 1.96	\$ 6.29	\$ -	\$ 0.23	\$ 41.32	\$ 2.11	\$ 39.21
1994	1995	12.77	18.26	1.92	6.03	-	0.23	39.21	2.02	37.19
1995	1996	10.28	14.49	1.65	4.98	0.24	0.20	31.84	1.60	30.24
1996	1997	10.15	10.03	1.71	4.87	0.26	0.20	27.22	2.21	25.01
1997	1998	9.92	9.57	1.76	4.91	0.24	0.21	26.61	1.99	24.62
1998	1999	9.29	10.36	1.82	4.69	0.21	0.20	26.57	1.70	24.87
1999	2000	9.06	10.07	1.87	4.76	-	0.21	25.97	1.60	24.37
2000	2001	9.25	10.12	1.94	5.03	-	0.21	26.55	1.54	25.01
2001	2002	9.44	9.52	2.01	5.36	-	0.21	26.54	1.52	25.02
2002	2003	8.57	8.63	1.89	4.85	-	0.20	24.14	1.29	22.85

(Continued)

**TABLE 5
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

OUTAGAMIE COUNTY/MENASHA JOINT SCHOOL DISTRICT/SANITARY DISTRICT #4

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Menasha School District	FVTC	Outagamie County	Sanitary District #4 (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1994	1995	-	-	-	-	-	-	-	-	-
1995	1996	-	-	-	-	-	-	-	-	-
1996	1997	-	-	-	-	-	-	-	-	-
1997	1998	9.93	10.04	1.76	4.91	1.30	0.21	28.15	1.99	26.16
1998	1999	9.29	5.98	1.82	4.69	1.62	0.20	23.60	1.70	21.90
1999	2000	9.06	9.48	1.87	4.76	-	0.21	25.38	1.60	23.78
2000	2001	9.25	9.79	1.94	5.03	-	0.21	26.22	1.54	24.68
2001	2002	9.44	10.27	2.01	5.36	-	0.21	27.29	1.52	25.77
2002	2003	8.57	9.50	1.89	4.85	-	0.20	25.01	1.29	23.72

Note: 1997 Levy Year is the first year, Outagamie County had property apportioned as within Menasha School District and Sanitary District #4.

CALUMET COUNTY/APPLETON AREA SCHOOL DISTRICT/APPLETON UTILITIES

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Calumet County	Appleton Utilities (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.47	\$ 20.04	\$ 1.94	\$ 5.59	\$ -	\$ 0.23	\$ 40.27	\$ 1.90	\$ 38.37
1994	1995	12.62	18.05	1.90	6.71	-	0.23	39.51	1.84	37.67
1995	1996	9.79	13.79	1.57	4.96	-	0.19	30.30	1.47	28.83
1996	1997	9.96	9.84	1.67	4.79	-	0.20	26.46	2.07	24.39
1997	1998	9.72	9.37	1.73	4.72	-	0.20	25.74	1.95	23.79
1998	1999	9.21	10.30	1.80	4.38	-	0.20	25.89	1.73	24.16
1999	2000	8.90	9.89	1.83	4.31	-	0.20	25.13	1.65	23.48
2000	2001	9.03	9.87	1.89	4.47	-	0.20	25.46	1.60	23.86
2001	2002	9.28	9.36	1.98	5.02	-	0.21	25.85	1.49	24.36
2002	2003	8.39	8.44	1.85	4.65	-	0.20	23.53	1.24	22.29

(Continued)

**TABLE 5
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

CALUMET COUNTY/APPLETON AREA SCHOOL DISTRICT/WAVERLY SANITARY DISTRICT

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Calumet County	Waverly Sanitary District (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.47	\$ 20.04	\$ 1.94	\$ 5.59	\$ -	\$ 0.23	\$ 40.27	\$ 1.90	\$ 38.37
1994	1995	12.62	18.05	1.90	6.71	-	0.23	39.51	1.84	37.67
1995	1996	9.79	13.79	1.57	4.96	1.93	0.19	30.30	1.47	30.76
1996	1997	9.96	9.84	1.67	4.79	4.23	0.20	30.69	2.07	28.62
1997	1998	9.72	9.37	1.73	4.72	4.30	0.20	30.04	1.95	28.09
1998	1999	9.21	10.30	1.80	4.38	4.09	0.20	29.98	1.73	28.25
1999	2000	8.90	9.89	1.83	4.31	-	0.20	25.13	1.65	23.48
2000	2001	9.03	9.87	1.89	4.47	-	0.20	25.46	1.60	23.86
2001	2002	9.28	9.36	1.98	5.02	-	0.21	25.85	1.49	24.36
2002	2003	8.39	8.44	1.85	4.65	-	0.20	23.53	1.24	22.29

CALUMET COUNTY/KIMBERLY AREA SCHOOL DISTRICT/APPLETON UTILITIES

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Kimberly School District	FVTC	Calumet County	Appleton Utilities (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.47	\$ 20.29	\$ 1.94	\$ 5.59	\$ -	\$ 0.23	\$ 40.52	\$ 1.90	\$ 38.62
1994	1995	12.62	18.28	1.90	6.71	-	0.23	39.74	1.84	37.90
1995	1996	9.79	12.78	1.57	4.96	-	0.19	29.29	1.47	27.82
1996	1997	9.96	11.17	1.67	4.79	-	0.20	27.79	2.07	25.72
1997	1998	9.72	10.62	1.73	4.72	-	0.20	26.99	1.95	25.04
1998	1999	9.21	7.83	1.80	4.38	-	0.20	23.42	1.73	21.69
1999	2000	8.90	11.88	1.83	4.31	-	0.20	27.12	1.65	25.47
2000	2001	9.03	11.12	1.89	4.47	-	0.20	26.71	1.60	25.11
2001	2002	9.28	10.75	1.98	5.02	-	0.21	27.24	1.49	25.75
2002	2003	8.39	9.97	1.85	4.65	-	0.20	25.06	1.24	23.82

(Continued)

**TABLE 5
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

WINNEBAGO COUNTY/APPLETON AREA SCHOOL DISTRICT/APPLETON UTILITIES

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Winnebago County	Appleton Utilities (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1994	1995	-	-	-	-	-	-	-	-	-
1995	1996	-	-	-	-	-	-	-	-	-
1996	1997	-	-	-	-	-	-	-	-	-
1997	1998	-	-	-	-	-	-	-	-	-
1998	1999	9.47	10.21	1.85	5.05	-	0.20	26.78	1.87	24.91
1999	2000	9.19	10.22	1.89	5.18	-	0.21	26.69	1.83	24.86
2000	2001	9.29	10.16	1.95	5.28	-	0.21	26.89	1.59	25.30
2001	2002	9.29	9.37	1.98	5.64	-	0.21	26.49	1.62	24.87
2002	2003	8.76	8.83	1.93	5.62	-	0.21	25.35	1.50	23.85

Note: 1998 Levy Year is the first year Winnebago County had property apportioned within the Appleton School and Appleton Utility Districts.

WINNEBAGO COUNTY/APPLETON AREA SCHOOL DISTRICT/SANITARY DISTRICT #4

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Appleton School District	FVTC	Winnebago County	Sanitary District #4 (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ \$ 12.21	\$ \$ 19.62	\$ \$ 1.90	\$ \$ 5.60	\$ \$ 1.46	\$ \$ 0.22	\$ \$ 41.01	\$ \$ 1.90	\$ \$ 39.11
1994	1995	12.61	18.03	1.90	5.70	1.49	0.23	39.96	1.94	38.02
1995	1996	11.06	15.22	1.77	5.15	1.31	0.22	34.73	1.85	32.88
1996	1997	9.78	9.68	1.64	4.63	1.15	0.20	27.08	2.29	24.79
1997	1998	9.66	9.31	1.71	4.83	1.27	0.20	26.98	2.09	24.89
1998	1999	9.47	10.21	1.85	5.05	1.65	0.20	28.43	1.87	26.56
1999	2000	9.19	10.22	1.89	5.18	-	0.21	26.69	1.83	24.86
2000	2001	9.29	10.16	1.95	5.28	-	0.21	26.89	1.59	25.30
2001	2002	9.29	9.37	1.98	5.64	-	0.21	26.49	1.62	24.87
2002	2003	8.76	8.83	1.93	5.62	-	0.21	25.35	1.50	23.85

(Continued)

**TABLE 5
CITY OF APPLETON
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)**

Last Ten Fiscal Years

WINNEBAGO COUNTY/MENASHA JOINT SCHOOL DISTRICT/APPLETON UTILITIES

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Menasha School District	FVTC	Winnebago County	Appleton Utilities (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1994	1995	-	-	-	-	-	-	-	-	-
1995	1996	-	-	-	-	-	-	-	-	-
1996	1997	-	-	-	-	-	-	-	-	-
1997	1998	-	-	-	-	-	-	-	-	-
1998	1999	9.47	9.67	1.85	5.05	-	0.20	26.24	1.87	24.37
1999	2000	9.19	9.62	1.89	5.18	-	0.21	26.09	1.83	24.26
2000	2001	9.29	9.84	1.95	5.28	-	0.21	26.57	1.59	24.98
2001	2002	9.29	10.11	1.98	5.64	-	0.21	27.23	1.62	25.61
2002	2003	8.76	9.72	1.93	5.62	-	0.21	26.24	1.50	24.74

Note: 1998 Levy Year is the first year Winnebago County had property apportioned within the Menasha School and Appleton Utility Districts.

WINNEBAGO COUNTY/MENASHA JOINT SCHOOL DISTRICT/SANITARY DISTRICT #4

Per \$1,000 of Assessed Value

Levy Year	Collection Year	City of Appleton	Menasha School District	FVTC	Winnebago County	Sanitary District #4 (1)	State of Wisconsin	Gross Tax Rate	State Tax Credits	Net Tax Rate
1993	1994	\$ 12.21	\$ 18.54	\$ 1.90	\$ 5.60	\$ 1.46	\$ 0.22	\$ 39.93	\$ 1.90	\$ 38.03
1994	1995	12.61	17.36	1.90	5.70	1.49	0.23	39.29	1.94	37.35
1995	1996	11.06	15.22	1.77	5.15	1.31	0.22	34.73	1.85	32.88
1996	1997	9.78	10.45	1.64	4.63	1.15	0.20	27.85	2.29	25.56
1997	1998	9.66	9.77	1.71	4.83	1.27	0.20	27.44	2.09	25.35
1998	1999	9.47	9.67	1.85	5.05	1.65	0.20	27.89	1.87	26.02
1999	2000	9.19	9.62	1.89	5.18	-	0.21	26.09	1.83	24.26
2000	2001	9.29	9.84	1.95	5.28	-	0.21	26.57	1.59	24.98
2001	2002	9.29	10.11	1.98	5.64	-	0.21	27.23	1.62	25.61
2002	2003	8.76	9.72	1.93	5.62	-	0.21	26.24	1.50	24.74

(1) Beginning in 1995, the tax levies for the township sanitary districts were included on the tax roll. There is no tax levy for properties within the Appleton Utility District. All costs are recovered through user fees.

**TABLE 6
CITY OF APPLETON
SPECIAL ASSESSMENT COLLECTIONS**

Last Ten Fiscal Years

OUTAGAMIE COUNTY

Collection Year	Assessments To Tax Roll	Assessments Collected to August 1	Percent Collected to August 1	Total Collected to December 31	Percent Collected to December 31	Cumulative Delinquent Assessments (A)
1993	\$ 697,376	\$ 675,166	96.82 %	\$ 697,376	100.00 %	\$ -
1994	806,162	774,796	96.11	806,162	100.00	-
1995	851,439	816,414	98.89	851,439	100.00	-
1996	713,519	675,912	94.73	713,519	100.00	-
1997	792,829	749,197	94.50	792,829	100.00	-
1998	976,958	930,583	95.25	976,958	100.00	-
1999	1,021,677	967,920	94.74	1,021,677	100.00	-
2000	1,021,455	956,776	93.67	1,021,455	100.00	-
2001	912,495	856,184	93.83	912,495	100.00	-
2002	1,076,927	1,016,330	94.37	1,076,927	100.00	-

CALUMET COUNTY

Collection Year	Assessments To Tax Roll	Assessments Collected to August 1	Percent Collected to August 1	Total Collected to December 31	Percent Collected to December 31	Cumulative Delinquent Assessments (A)
1993	\$ 337,333	\$ 279,856	82.96 %	\$ 316,860	93.93 %	\$ 91,763
1994	248,217	229,924	92.63	243,923	98.27	24,113
1995	179,692	176,700	98.33	177,462	98.76	18,168
1996	155,853	153,191	98.29	154,401	99.07	17,490
1997	179,942	177,366	98.57	178,932	99.44	15,965
1998	277,293	272,619	98.31	275,687	99.42	12,722
1999	227,143	221,649	97.58	224,565	98.87	9,367
2000	217,897	212,102	97.34	214,312	98.35	9,539
2001	325,878	320,981	98.50	322,379	98.93	12,302
2002	235,126	226,735	96.43	230,895	98.20	13,863

(Continued)

**TABLE 6
CITY OF APPLETON
SPECIAL ASSESSMENT COLLECTIONS (Continued)**

Last Ten Fiscal Years

WINNEBAGO COUNTY

Collection Year	Assessments To Tax Roll	Assessments Collected to August 1	Percent Collected to August 1	Total Collected to December 31	Percent Collected to December 31	Cumulative Delinquent Assessments (A)
1993	\$ 7,576	\$ 7,576	100.00 %	\$ 7,576	100.00 %	-
1994	685	685	100.00	685	100.00	-
1995	14,562	14,562	100.00	14,562	100.00	-
1996	39,465	37,643	95.38	39,465	100.00	-
1997	53,532	53,395	99.74	53,532	100.00	-
1998	75,218	67,700	90.01	75,218	100.00	-
1999	78,975	59,832	75.76	78,975	100.00	-
2000	55,136	36,784	66.72	55,136	100.00	-
2001	45,694	36,230	79.29	45,694	100.00	-
2002	23,627	20,000	84.65	23,627	100.00	-

COMBINED

Collection Year	Assessments To Tax Roll	Assessments Collected to August 1	Percent Collected to August 1	Total Collected to December 31	Percent Collected to December 31	Cumulative Delinquent Assessments (A)
1993	\$ 1,042,285	\$ 962,598	92.35 %	\$ 1,021,812	98.04 %	\$ 91,763
1994	1,055,064	1,005,405	95.29	1,050,770	99.59	24,113
1995	1,045,693	1,007,676	96.36	1,043,463	99.79	18,168
1996	908,837	866,746	95.37	907,385	99.84	17,490
1997	1,026,303	979,958	95.48	1,025,293	99.90	15,965
1998	1,329,469	1,270,902	95.59	1,327,863	99.88	12,722
1999	1,327,795	1,249,401	94.10	1,325,217	99.81	9,367
2000	1,294,488	1,205,662	93.14	1,290,903	99.72	9,539
2001	1,284,067	1,213,395	94.50	1,280,568	99.73	12,302
2002	1,335,680	1,263,065	94.56	1,331,449	99.68	13,863

(A) Outagamie and Winnebago Counties pay the city for all uncollected special assessments. Calumet County does not reimburse for special assessments.

**TABLE 7
CITY OF APPLETON
RATIO OF OUTSTANDING GENERAL OBLIGATION DEBT TO
EQUALIZED VALUATION AND DEBT PER CAPITA**

Last Ten Fiscal Years

Fiscal Year	General Obligation Outstanding Debt (A)	General Equalized Valuation (B)	Percent of Debt to Equalized Valuation	Estimated Population (C)	Debt Per Capita
1993	\$ 34,793,043	\$ 2,173,583,600	1.60 %	67,605	\$ 514.65
1994	50,416,595	2,307,930,400	2.18	68,187	739.39
1995	47,198,373	2,460,320,400	1.92	68,729	686.73
1996	43,725,593	2,573,762,200	1.70	69,279	631.15
1997	48,898,240	2,710,599,200	1.80	69,787	700.68
1998	51,253,389	2,810,931,700	1.82	69,607	736.33
1999	47,712,991	2,922,765,600	1.63	69,911	682.48
2000	51,338,488	3,085,147,000	1.66	70,167	731.66
2001	49,763,885	3,132,997,400	1.59	70,623	704.64
2002	54,089,286	3,484,190,400	1.55	71,348	758.11

(A) Balances are shown net of amounts available for debt service.

(B) Equalized values set as of January 1 of the calendar year determined by the Wisconsin Department of Revenue.

(C) The population figures are Wisconsin Department of Administration estimates based on the 2000 United States Census Bureau figures.

**TABLE 8
CITY OF APPLETON
COMPUTATION OF LEGAL DEBT MARGIN**

December 31, 2002

Equalized Value of Real & Personal Property	<u>\$3,484,190,400</u>	
Outagamie County 2,947,283,300		
Calumet County 481,919,500		
Winnebago County 54,987,600		
 Debt Limit, Five (5) percent of Equalized Valuation (Wisconsin Statutory Limitation)	 <u>\$174,209,520</u>	 100.00%
 Amount of Debt Applicable to Debt Limitation: Total General Obligation Bonds and Notes Outstanding at December 31, 2002	 \$57,769,187	
 Less: Assets in Government Fund Types Available for Debt Service	 <u>(3,679,901)</u>	
 Amount of Debt Applicable to Debt Limit	 <u>\$54,089,286</u>	 31.05%
 Remaining Legal Debt Margin	 <u>\$120,120,234</u>	 68.95%

**TABLE 9
CITY OF APPLETON
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT**

December 31, 2002

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Appleton	Amount Applicable to City of Appleton
City of Appleton (A)	\$ 54,089,286	100.00 %	\$ 54,089,286
Appleton Area School District	46,808,080	65.60	30,706,100
Menasha Joint School District	19,775,000	3.98	787,949
Kimberly Area School District	30,700,000	0.37	113,590
Fox Valley Technical College	56,521,179	11.90	6,726,020
Outagamie County	44,818,255	31.69	14,202,905
Calumet County	2,080,000	21.59	449,072
Winnebago County	68,270,101	0.01	4,473
Total Direct And Overlapping Debt			<u><u>\$ 107,079,395</u></u>

(A) Debt is shown net of amounts available for debt service.

**TABLE 10
CITY OF APPLETON
PERCENT OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENT EXPENDITURES**

Last Ten Fiscal Years

Fiscal Year	Debt Service (A)			Total Expenditures (B)	Debt Service as Percent of Total General Expenditures
	Principal	Interest	Total		
1993	\$ 5,841,887	\$ 1,859,458	\$ 7,701,345 (C)	\$ 41,961,403	18.35 %
1994	5,525,193	1,866,756	7,391,949	42,513,549	17.39
1995	5,640,307	2,737,661	8,377,968	44,637,885	18.77
1996	5,369,323	2,610,262	7,979,585	45,801,495	17.42
1997	6,189,180	2,279,275	8,468,455	51,765,376	16.36
1998	7,431,570	2,317,079	9,748,649	51,379,390	18.97
1999	8,077,530	2,197,885	10,275,415	50,983,792	20.15
2000	6,131,943	1,960,581	8,092,524	50,301,587	16.09
2001	6,322,600	2,219,916	8,542,516	53,639,872	15.93
2002	7,149,027	2,210,534	9,359,561	55,080,852	16.99

(A) Includes only city portion of debt service.

(B) Includes General Fund and Debt Service Fund.

(C) Includes payments to advance refunding escrow agent of \$194,639 in 1993.

**TABLE 11
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WATER UTILITY**

Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1993	\$ 5,420,276	\$ 2,872,395	\$ 2,547,881	\$ 320,000	\$ 587,915	\$ 907,915	2.81
1994	6,082,498	2,857,196	3,225,302	435,000	541,609	976,609	3.30
1995	6,182,237	3,100,641	3,081,596	445,000	517,295	962,295	3.20
1996	6,600,536	3,202,524	3,398,012	560,000	426,895	986,895	3.44
1997	6,582,205	3,228,125	3,354,080	560,000	426,895	986,895	3.40
1998	7,143,463	3,058,756	4,084,707	925,000	468,051	1,393,051	2.93
1999	9,158,787	3,293,504	5,865,283	925,000	468,051	1,393,051	4.21
2000	10,243,067	3,836,108	6,406,959	1,025,000	641,251	1,666,251	3.85
2001	11,775,980	4,609,232	7,166,748	3,495,000	2,323,600	5,818,600	1.23
2002	12,936,374	4,332,001	8,604,373	3,670,000	2,649,476	6,319,476	1.36

(Continued)

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses, less depreciation and payment in lieu of taxes.

(3) Includes Waterworks Mortgage Revenue Bonds, Series 1998, 2000, & 2001.

**TABLE 11
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - WASTEWATER UTILITY (Continued)**

Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1993	\$ \$ 8,824,152	\$ \$ 3,578,595	\$ \$ 5,245,557	\$ \$ 715,000	\$ \$ 1,373,629	\$ \$ 2,088,629	2.51
1994	9,718,173	3,314,611	6,403,562	1,199,775	1,797,898	2,997,673	2.14
1995	11,211,211	3,887,049	7,324,162	1,369,664	1,564,829	2,934,493	2.50
1996	11,526,623	4,287,457	7,239,166	2,269,525	619,300	2,888,825	2.51
1997	11,454,787	4,467,174	6,987,613	2,269,525	619,300	2,888,825	2.42
1998	11,765,294	4,552,904	7,212,390	2,269,525	619,300	2,888,825	2.50
1999	10,977,161	4,826,541	6,150,620	1,335,000	68,753	1,403,753	4.38
2000	11,144,474	5,231,277	5,913,196	1,335,000	68,753	1,403,753	4.21
2001	10,460,393	5,631,280	4,829,113	1,335,000	68,753	1,403,753	3.44
2002	9,746,238	5,065,104	4,681,134	1,335,000	68,753	1,403,753	3.33

(Continued)

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses less depreciation.

(3) Includes Sewerage System Revenue Bonds, Series 1993 and 1995 Refunding.

**TABLE 11
CITY OF APPLETON
MORTGAGE REVENUE BOND COVERAGE - STORMWATER UTILITY (Continued)**

Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1994	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-
1999	2,870,772	1,564,616	1,306,156	330,000	167,208	497,208	2.63
2000	2,959,321	1,331,300	1,628,021	200,000	115,950	315,950	5.15
2001	1,876,391	938,178	938,213	540,000	436,190	976,190	0.96
2002	3,167,779	1,397,335	1,770,444	640,000	524,439	1,164,439	1.52

(1) Includes total operating revenues and investment income.

(2) Includes total operating expenses less depreciation.

(3) Includes Storm Water System Revenue Bonds, Series 1999, 2000 & 2001.

**TABLE 12
CITY OF APPLETON
CUSTOMER CONNECTIONS TO UTILITY SYSTEMS**

Last Three Fiscal Years

Type of Customer	<u>Number of Customers-2002</u>		<u>Number of Customers-2001</u>		<u>Number of Customers-2000</u>	
	Water	Wastewater	Water	Wastewater	Water	Wastewater
Metered:						
Residential	23,347	23,280	23,023	23,031	22,796	22,740
Commercial	1,629	1,610	1,623	1,600	1,601	1,576
Industrial	93	82	100	88	99	87
Public Authorities	69	62	79	70	70	63
Resale	3	1	4	-	2	-
Unmetered:						
Commercial	20	-	20	-	20	-
TOTAL CUSTOMERS	<u>25,161</u>	<u>25,035</u>	<u>24,849</u>	<u>24,789</u>	<u>24,588</u>	<u>24,466</u>

**TABLE 13
CITY OF APPLETON
DEMOGRAPHIC STATISTICS**

Last Ten Fiscal Years

Fiscal Year	Appleton Population (A)	Per Capita Income (B)	School System Enrollment (C)	Unemployment Rate (D)	
1993	67,605	\$ 20,079	13,828	4.1	% (E)
1994	68,187	21,230	14,022	4.3	(E)
1995	68,729	22,513	14,087	3.8	(E)
1996	69,279	23,449	14,316	3.1	(E)
1997	69,787	24,343	14,450	2.6	
1998	69,607	26,099	14,538	2.4	
1999	69,911	28,084	14,636	2.4	
2000	70,167	29,541	14,793	2.5	
2001	70,623	-	14,800	4.8	
2002	71,348	-	14,948	6.2	

(A) The population figures for 1993 through 2001 are Wisconsin Dept. of Administration estimates.

(B) Wisconsin Department of Revenue

(C) Wisconsin Department of Public Instruction

(D) Wisconsin Department of Industry, Labor and Human Relations-Civilian Labor Force estimates.

(E) Job Service-Oshkosh

Information not shown was not available

**TABLE 14
CITY OF APPLETON
NEW CONSTRUCTION AND PROPERTY VALUE**

Last Ten Fiscal Years

Fiscal Year	New Construction			Equalized Value - Real Property			
	Residential	Commercial	Manufacturing	Residential	Commercial	Manufacturing	Agricultural
1993	\$ 24,731,200	\$ 24,645,342	\$ 3,686,700	\$ 1,526,799,000	\$ 425,234,000	\$ 102,634,400	\$ 210,100
1994	25,493,500	94,972,619	3,023,700	1,634,549,000	439,368,700	103,248,200	210,100
1995	26,815,400	23,221,490	8,499,300	1,735,090,400	445,899,063	114,069,800	236,500
1996	32,815,900	26,389,195	2,974,000	1,819,024,400	500,168,800	114,392,700	646,800
1997	28,556,100	16,032,700	5,441,200	1,917,755,500	520,157,200	121,610,300	640,000
1998	34,897,400	15,449,000	3,032,600	1,986,624,800	549,154,700	124,916,000	1,025,600
1999	37,824,600	9,311,100	5,222,000	2,080,830,800	584,395,000	133,713,800	574,000
2000	50,101,200	19,468,800	11,071,900	2,189,557,800	613,661,300	148,000,600	191,500
2001	56,332,600	28,237,400	5,724,700	2,335,710,900	641,590,800	155,606,700	88,700
2002	37,963,500	23,789,900	3,170,900	2,512,795,100	677,369,900	161,267,900	10,200

Source: Wisconsin Department of Revenue

**TABLE 15
CITY OF APPLETON
PRINCIPAL TAXPAYERS**

Tax Year 2002

Name	Nature of Business	Current Assessed Value (A)	Percent of Total Assessed Value (B)	Current Equalized Value
Appleton Papers, Inc.	NCR Paper Products	\$ 25,191,400	0.73 %	\$ 25,324,192
AAL/Northmeadows Inv.	Insurance (C)	21,016,544	0.61	21,127,329
Winter Properties	Real Estate Development	20,060,831	0.58	20,166,578
Oly/Montclair Wis. Hotels	Hotel	17,513,700	0.51	17,606,020
Guardian Life Insurance	Insurance	9,464,204	0.27	9,514,093
Thomas Wright, et al	Rental Properties	13,619,100	0.39	13,690,891
VH Enterprises/Warehouse Specialists	Warehouse/Storage	13,242,941	0.38	13,312,749
Voith, Inc.	Industrial Machines	12,370,700	0.36	12,435,910
Gannett Midwest	Newspaper Publisher	11,998,500	0.35	12,061,748
Secura Insurance	Insurance	10,600,600	0.31	10,656,479
Miller Electric Mfg.	Electric Arc Welders	9,943,200	0.29	9,995,614
Livesey	Real Estate Development	9,180,300	0.26	9,228,692
The Boldt Co.	Construction	8,959,400	0.26	9,006,628
Appleton Mills, Inc.	Papermaker Felts	8,514,500	0.25	8,559,383
Dayton Hudson	Retail Stores	8,217,500	0.24	8,260,817
Home Depot	Retail Store	7,771,800	0.22	7,812,768
Metso Paper	Paper Products	7,720,200	0.22	7,760,896
Mills Property	Retail Stores	7,532,655	0.22	7,572,362
Fund V, VI, VII (The Marathon Building)	Engineering Services	7,342,700	0.21	7,381,406
Riverside Paper	Paper Products	7,239,700	0.21	7,277,863
TOTAL		\$ 237,500,475	6.85 %	\$ 238,752,418

(A) Per City Assessor's records.

(B) Based on the city's total January 1, 2002 assessed valuation of \$3,465,920,391 including personal property.

(C) Home office site (maximum 10 acres) is tax exempt as a fraternal organization. A voluntary contribution is made to all taxing jurisdictions.

**TABLE 16
CITY OF APPLETON
PRINCIPAL EMPLOYERS**

December 31, 2002

Company Name	Product or Service	Number of Employees
AAL	Insurance	2,000
Appleton Area School District	Education	1,775 *
Appleton Papers, Inc.	NCR Paper Products	1,523
St. Elizabeth Hospital	Medical & Health Care Facility	1,250
Outagamie County	Government	1,192
Appleton Medical Center	Medical & Health Care Facility	1,100
Miller Electric Manufacturing	Electric Arc Welders	1,000
Guardian Life	Insurance	800
Valley Packaging Industries, Inc.	Hi-speed Packager	700
City of Appleton	Government	684

*Includes Full- and Part-Time employees

Source: Employer contacts and Wisconsin Manufacturers & Services Directory.

**TABLE 17
CITY OF APPLETON
SCHEDULE OF INSURANCE IN FORCE (1)**

December 31, 2002

Carrier	Type of Coverage	Coverage Limits	Premium
Chubb Group	Building, Contents, Valuable Papers, and EDP Equipment and Media	\$ 191,295,000	\$ 169,135
	Transit	100,000	
	Business Income	15,000,000	
	Contractor's Equipment	6,398,189	
	Mobile Equipment	1,605,367	
	Statues - Fine Arts	1,267,817	
	Money & Securities	120,000	
	Public Employees Blanket Bond	250,000	
	Builder's Risk	150,000	
	Boiler and Machinery	150,000,000	
Ohio Farmers Insurance Policy #5773319	Public Officials Bond for Finance Officer	500,000	632
Cities and Villages Mutual Insurance	CVMIC Pool Coverage: General Liability Automobile Police Professional Public Officials Liability	5,000,000 5,000,000/ occurrence	85,127

(Continued)

**TABLE 17
CITY OF APPLETON
SCHEDULE OF INSURANCE IN FORCE (1) (Continued)**

December 31, 2002

Carrier	Type of Coverage	Coverage Limits	Premium
Chubb Group	Auto Comprehensive & Collision Garage Keepers (Each Occurrence)	\$ 16,897,353 200,000	\$ 36,156
General Reinsurance Corp. Policy #XD-088F	Workers Compensation Excess Insurance	1,000,000/ occurrence	28,918
Reliance National Insurance Co. Policy #NXC0143402-00		3,000,000 Aggregate	
Transit Mutual Insurance Corp. of Wisconsin Policy #TM1CW1007	Vehicle Liability	6,250,000/ occurrence	62,135
			<u>\$ 382,103</u>

**TABLE 18
CITY OF APPLETON
MISCELLANEOUS STATISTICS**

Last Two Fiscal Years

Incorporated May 2, 1857
Mayor/Council (18)

	<u>12/31/02</u>	<u>12/31/01</u>		<u>12/31/02</u>	<u>12/31/01</u>
Population	71,348	70,623	Public Library - Volumes	318,898	315,741
Area - Square Miles	23.42	21.82	City Employees	684	677
Altitude	780	780	Municipal Industrial Parks		
Miles of Streets			Northeast Industrial Park		
Open to Traffic	312.96	310.00	Total Acreage	660	666
Municipal Water Utility			Acreage Sold	501	494
Number of Customers	25,161	24,849	Acreage Optioned	60	61
Ave. Daily Consumption (000 gal)	8,397	8,708	Acreage Improved	54	67
Miles of Water Mains	333.69	332.32	Acreage Unimproved	45	44
Miles of Sewers			Year Started	1967	1967
Storm	251.90	247.38	Southeast Industrial Park		
Sanitary	282.10	276.07	Total Acreage	50	50
Building Permits			Developed Acreage	50	50
Permits Issued	1,346	1,314	Available Acreage	0	0
Est. Construction	\$118,522,104	\$126,551,108	Year Started	1977	1977
Parks and Recreation			Southwest Industrial Park		
Acres of Park Land	399.19	399.19	Total Acreage	115	115
Number of Parks	26	26	Developed Acreage	115	115
Number of Swimming Pools	5	5	Available Acreage	0	0
Number of Golf Courses	1	1	Year Started	1969	1969
Education			441 Industrial Park		
Appleton Area School District			Total Acreage	360	360
School Buildings	24	24	Developed Acreage	0	0
Employees	1,775	1,090	Available Acreage	360	360
Students Registered	14,948	14,800	Year Started	1995	1995
			Fire Protection		
			Number of Stations	6	6
			Number of Firefighters	90	90
			Police Protection		
			Number of Stations	1	1
			Number of Police Officers	111	111

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of the Common Council
City of Appleton
Appleton, Wisconsin

We have audited the financial statements of the City of Appleton, Wisconsin as of and for the year ended December 31, 2002, and have issued our report thereon dated March 26, 2003. We did not audit the financial statements of the Housing Authority of the City of Appleton, which are presented in the component unit column. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements, insofar as it relates to the amounts included for the Housing Authority of the City of Appleton, was based solely on the report of the other auditors. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Appleton's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Appleton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Appleton in a separate letter dated March 26, 2003.

The Honorable Mayor and
Members of the Common Council
City of Appleton

This report is intended solely for the information and use of the City of Appleton's management, 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.

Virchow Krause & Company
Madison, Wisconsin
March 26, 2003

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

The Honorable Mayor and
Members of the Common Council
City of Appleton
Appleton, Wisconsin

Compliance

We have audited the compliance of the City of Appleton, Wisconsin 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* that are applicable to each of its major federal and major state programs for the year ended December 31, 2002. The City of Appleton's major federal and major state programs are identified in the summary of auditor's 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 major state programs is the responsibility of the City of Appleton's management. Our responsibility is to express an opinion on the City of Appleton's compliance based on our audit.

The City of Appleton's general purpose financial statements included the operation of the Housing Authority of the City of Appleton, which received \$2,924,401 in federal and state awards which is not included in the schedule of expenditures of federal and state awards for the year ended December 31, 2002. Our audit, described below, did not include the operations of the Housing Authority of the City of Appleton because the component unit had a separate audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or major state program occurred. An audit includes examining, on a test basis, evidence about the City of Appleton'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 Appleton's compliance with those requirements.

The Honorable Mayor and
Members of the Common Council
City of Appleton

In our opinion, the City of Appleton complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the City of Appleton is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Appleton's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control over compliance that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal or major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City of Appleton's management, 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.

Virchow Krause & Company
Madison, Wisconsin
March 26, 2003

CITY OF APPLETON

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2002**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	(Accrued) Deferred Revenue January 1, 2002	Grantor Reimburse- ments	Expendi- tures	Accrued (Deferred) Revenue December 31, 2002
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct Programs					
Community Development Block Grant					
Entitlement Program	14.218	\$ (116,685)	\$ 586,985	\$ 562,888	\$ 92,588
Passed Through State of Wisconsin Department of Administration					
Emergency Shelter Grant	14.231	(22,624)	75,548	93,358	40,434
Supportive Housing Program	14.235	-	-	38,563	38,563
HOME Investment Partnership Program (Rental Rehab)	14.239	(112,672)	127,669	51,008	36,011
HOME Investment Partnership Program (Homeowner Rehab)	14.239	<u>(6,584)</u>	<u>79,564</u>	<u>77,468</u>	<u>4,488</u>
Total U.S. Department of Housing and Urban Development		<u>(258,565)</u>	<u>869,766</u>	<u>823,285</u>	<u>212,084</u>
U.S. DEPARTMENT OF JUSTICE					
Direct Programs					
Public Safety and Community Policing Grants -					
COPS In Schools	16.710	(62,953)	212,469	169,493	19,977
Passed Through State of Wisconsin Department of Military Affairs					
Domestic Preparedness Equipment Support Program	16.007	-	65,608	65,608	-
Passed Through State of Wisconsin Department of Justice					
Victims of Crime Act	16.575	<u>(2,670)</u>	<u>26,126</u>	<u>34,291</u>	<u>10,835</u>
Total U.S. Department of Justice		<u>(65,623)</u>	<u>304,203</u>	<u>269,392</u>	<u>30,812</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Transit Cluster					
Direct Program					
Federal Transit Capital Improvement Grants					
JARC	20.507	(6,706)	15,705	8,999	-
WI-90-X343	20.507	(367,078)	367,078	-	-
WI-90-X365	20.507	-	1,477,684	1,477,684	-
Passed Through State of Wisconsin Department of Transportation					
WI-80-2009	20.505	-	68,711	68,711	-
WI-03-0056	20.500	(8,381)	8,381	-	-
WI-03-0063	20.500	(13,919)	13,919	-	-
WI-03-0066	20.500	(5,727)	24,198	28,425	9,954
WI-03-0074	20.500	(45,538)	58,170	34,963	22,331
WI-03-0076	20.500	-	-	28,393	28,393
Total Federal Transit Cluster		<u>(447,349)</u>	<u>2,033,846</u>	<u>1,647,175</u>	<u>60,678</u>
State and Community Highway Safety	20.600	-	13,000	13,000	-
Total U.S. Department of Transportation		<u>(447,349)</u>	<u>2,046,846</u>	<u>1,660,175</u>	<u>60,678</u>

(continued)

See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF APPLETON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (cont.)
For the Year Ended December 31, 2002

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	(Accrued) Deferred Revenue January 1, 2002	Grantor Reimburse- ments	Expendi- tures	Accrued (Deferred) Revenue December 31, 2002
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed Through State of Wisconsin Department of Workforce Development					
Temporary Assistance for Needy Families					
Access to Jobs Transportation Grant - 1/1/01 - 12/31/01	93.558	\$ (4,302)	\$ 9,696	\$ 5,394	\$ -
Total Access to Jobs Transportation Grant		<u>(4,302)</u>	<u>9,696</u>	<u>5,394</u>	<u>-</u>
Passed Through State of Wisconsin Department of Health and Family Services					
Childhood Immunization Grant - 1/1/01 - 12/31/01	93.268	(497)	497	-	-
Childhood Immunization Grant - 1/1/02 - 12/31/02	93.268	-	20,375	19,175	(1,200)
Total Childhood Immunization Grant		<u>(497)</u>	<u>20,872</u>	<u>19,175</u>	<u>(1,200)</u>
Preventative Health and Health Services Block Grant - 1/1/01 - 12/31/01	93.991	8,915	-	-	(8,915)
Preventative Health and Health Services Block Grant - 1/1/02 - 12/31/02	93.991	-	10,135	12,923	2,788
Total Preventative Health and Health Services Block Grant		<u>8,915</u>	<u>10,135</u>	<u>12,923</u>	<u>(6,127)</u>
Maternal and Child Health Services Block Grant - 1/1/02 - 12/31/02	93.994	-	35,826	39,270	3,444
Total Maternal and Child Health Services Block Grant		<u>-</u>	<u>35,826</u>	<u>39,270</u>	<u>3,444</u>
General Medical Assistance Outreach - 1/1/01 - 12/31/01	93.778	(540)	540	-	-
General Medical Assistance Outreach - 1/1/02 - 12/31/02	93.778	-	5,639	5,925	286
Total General Medical Assistance Outreach		<u>(540)</u>	<u>6,179</u>	<u>5,925</u>	<u>286</u>
CDC Investigations - Technical Assistance - 1/1/01 - 12/31/01	93.283	1,467	-	-	(1,467)
CDC Investigations - Technical Assistance - 1/1/02 - 12/31/02	93.283	-	2,763	-	(2,763)
CDC Investigations - Bioterrorism Grant - 1/1/02 - 12/31/02	93.283	-	23,884	1,416	(22,468)
Total CDC Investigations - Technical Assistance		<u>1,467</u>	<u>26,647</u>	<u>1,416</u>	<u>(26,698)</u>
Project Grants Cooperative Agreement for Tuberculosis Control Programs - 1/1/01 - 12/31/01	93.116	2,967	36,735	35,006	(4,696)
Total U.S. Department of Health and Human Services		<u>8,010</u>	<u>146,090</u>	<u>119,109</u>	<u>(34,991)</u>
U.S. DEPARTMENT OF MILITARY AFFAIRS					
Passed through State of Wisconsin Department of Military Affairs State and Local Emergency Management Assistance					
Total U.S. Department of Military Affairs	83.544	-	134,422	134,422	-
		<u>-</u>	<u>134,422</u>	<u>134,422</u>	<u>-</u>
TOTAL FEDERAL AWARDS		<u>\$ (763,527)</u>	<u>\$ 3,501,327</u>	<u>\$ 3,006,383</u>	<u>\$ 268,583</u>

See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF APPLETON

SCHEDULE OF EXPENDITURES OF STATE AWARDS For the Year Ended December 31, 2002

State Grantor/Program Title	State I.D. Number	(Accrued) Deferred Revenue January 1, 2002	Grantor Reimburse- ments	Expendi- tures	Accrued (Deferred) Revenue December 31, 2002
WISCONSIN DEPARTMENT OF MILITARY AFFAIRS					
Emergency Government Disaster Assistance	465.305	\$ -	\$ 22,765	\$ 22,765	\$ -
WISCONSIN DEPARTMENT OF TRANSPORTATION					
Transit Operating Aids					
2001	395.104	(103,529)	103,529	-	-
2002	395.104	-	1,663,189	1,712,881	49,692
Total Wisconsin Department of Transportation		(103,529)	1,766,718	1,712,881	49,692
WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES					
T Melvin Public Education - 1/1/01 - 12/31/01	435.158853	930	-	-	(930)
Lead Poisoning - 1/1/01 - 12/31/01	435.157720	(715)	715	-	-
Lead Poisoning - 1/1/012- 12/31/02	435.157720	-	9,799	8,027	(1,772)
Total Wisconsin Department of Health and Family Services		215	10,514	8,027	(2,702)
TOTAL STATE AWARDS		\$ (103,314)	\$ 1,799,997	\$ 1,743,673	\$ 46,990

See accompanying notes to schedules of expenditures of federal and state awards.

CITY OF APPLETON

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS December 31, 2002

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes all of the funds of the City of Appleton, Wisconsin. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board (GASB).

The City of Appleton is the primary government according to GASB criteria, while the Housing Authority of the City of Appleton (Housing Authority) is a component unit.

Federal and state awards received directly by the Housing Authority are not included in this report since the Housing Authority has been audited by other auditors for their grants and those amounts are reported in a separate report.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the *State Single Audit Guidelines*.

CITY OF APPLETON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2002

SECTION IV – OTHER ISSUES (cont.)

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

 X yes no

4. Name and signature of partner

Donald L. Rahn, CPA, Partner

5. Date of report

3/26/03