



# City of Eau Claire

Eau Claire, Wisconsin

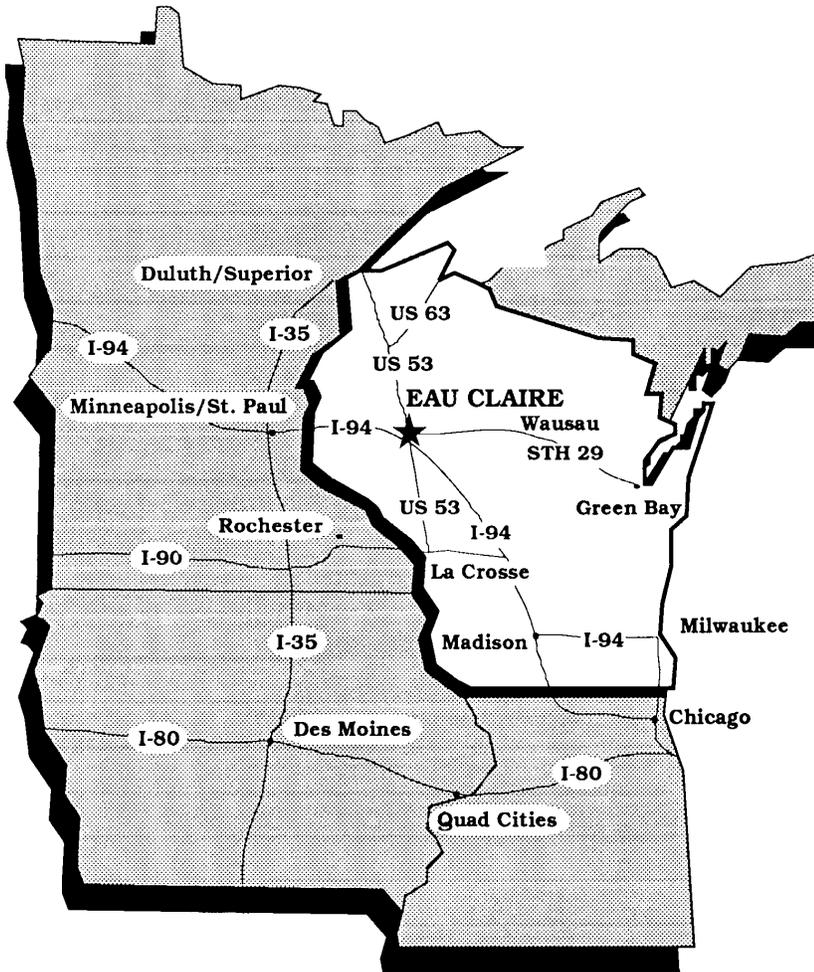
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
INCLUDING INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED

DECEMBER 31, 2009

Finance Department  
Rebecca K. Noland, CPA, Director of Finance  
Tom Hoff, Financial Services Manager

# EAU CLAIRE, WISCONSIN

The City of Eau Claire is located in west central Wisconsin at the confluence of the Eau Claire and Chippewa Rivers. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade and industry in the Chippewa Valley.



Eau Claire is conveniently linked by air, fiber optics, railroad and the interstate system to all of the major markets in the upper Midwest. The City is less than 2 hours away from Minneapolis / St. Paul via I-94 and just 4.5 hours from Milwaukee, also via I-94. Scheduled daily air service links Eau Claire with the Minneapolis / St. Paul International Airport.

Eau Claire's quality of life is no secret. Several national surveys have ranked Eau Claire toward the top of all U.S. metropolitan areas. Eau Claire's picturesque setting on the banks of the Eau Claire and Chippewa Rivers is one of its greatest assets. The City has made excellent use of its natural features with many beautiful urban and rural parks and parkways. Well-preserved historic neighborhoods add to the City's charm. The City's

residents enjoy a wide variety of year-round sporting events, thanks to the four distinct seasons. Swimming, biking, boating, golfing, hunting, fishing, skating, and cross-country skiing are just a few of the activities which attract visitors to the area. Eau Claire is also a cultural center with a strongly supported arts and entertainment calendar.

Low costs of living and housing, full governmental services, a cooperative business environment and a growing economy all contribute to make Eau Claire an attractive place to live and work.

# CITY OF EAU CLAIRE

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## **INTRODUCTORY SECTION**

This section contains the following information:

- > Elected and Appointed Officials
- > Organizational Chart
- > Letter of Transmittal
- > Awards

CITY OF EAU CLAIRE, WISCONSIN  
ELECTED AND APPOINTED OFFICIALS

Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
Kerry J. S. Kincaid..... Council President	April 2009	April 2012
David L. Duax ..... District One	April 2009	April 2012
David Klinkhammer ..... District Two	April 2009	April 2012
Thomas Kemp..... District Three	April 2009	April 2012
Bob Von Hayden..... District Four	April 2009	April 2012
Andrew Werthmann ..... District Five	April 2009	April 2012
Larry Balow ..... Council at Large	April 2008	April 2010
Berlye S. Middleton..... Council at Large	April 2009	April 2010
Jackie Pavelski ..... Council at Large	April 2008	April 2010
Thomas T. Vue ..... Council at Large	April 2008	April 2010
Dana Wachs..... Council at Large	September 2009	April 2010

Appointed Officials

Michael W. Huggins ..... City Manager

Rebecca K. Noland, CPA ..... Director of Finance - Comptroller/Treasurer

J. Dale Peters ..... Director of Human Resources/Assistant City  
Manager

John LeBrun ..... Information Services

Daryl Tufte ..... Director of Community Development

Phillip C. Fieber ..... Director of Parks and Recreation

Brian G. Amundson, P.E. .... Director of Public Works

Edward Kassing ..... Fire Chief

Jerome S. Matysik ..... Police Chief

Stephen C. Nick ..... City Attorney

John Stoneberg ..... Public Library Director

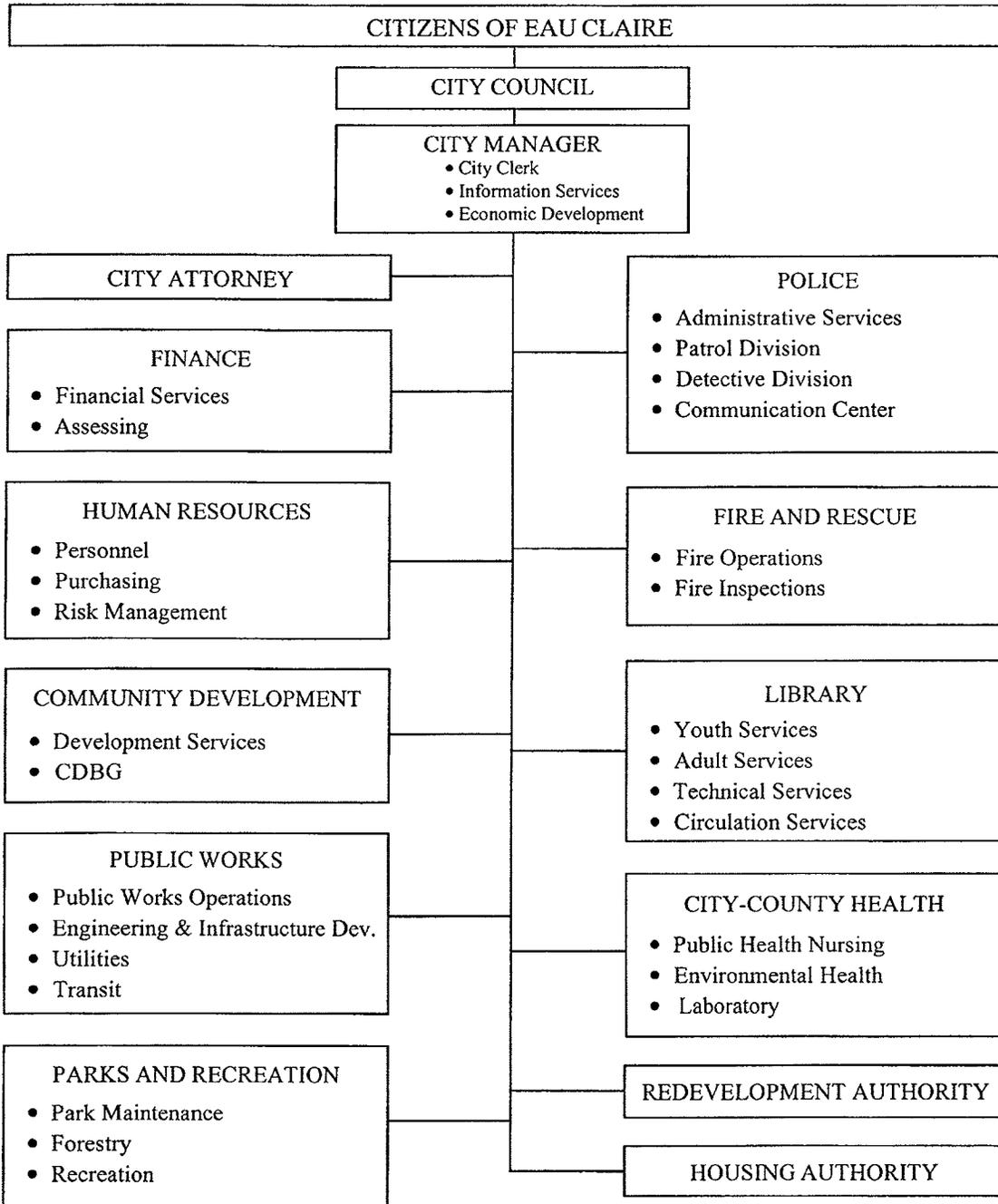
Richard J. Thoune ..... City-County Health Director

Donna A. Austad ..... City Clerk

Mike Schatz, EDFP ..... Economic Development Administrator

# ORGANIZATIONAL CHART

## City of Eau Claire, Wisconsin





July 21, 2010

City Council  
Citizens of Eau Claire  
Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2009 is prepared to provide the Council, our citizens, and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City government. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and component units, and that all disclosures necessary to enable the reader to gain reasonable understanding of the City's financial affairs have been included.

### **Report Format**

This *Comprehensive Annual Financial Report* is presented in three main sections: introductory, financial, and statistical. The introductory section includes a list of the City's principal officials, the general government organizational chart, and this transmittal letter. The financial section includes the independent auditors' report, management's discussion and analysis, government-wide financial statements, notes to financial statements and more detailed fund financial statements. A third section provides selected statistical and general information presented on a multi-year comparative basis.

## Reporting Entity

This report includes all of the funds and component units of the City of Eau Claire. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the General Fund, which accounts for the general administration of the City, and the Special Revenue funds relating to Economic Development, Community Enhancement, Downtown Partners, Cemetery Maintenance, the Hazardous Materials Response, the Public Library, the City-County Health Department, Community Development, Home Grant, and the Former Landfill Escrow. The report also includes the City's Enterprise funds that account for the Water, Sewer, Storm Water, and Parking Utilities, Public Transit, the Hobbs Ice Center, and the Outdoor Pool. Internal Service funds provide information on the operations of the Risk Management and the Central Equipment functions.

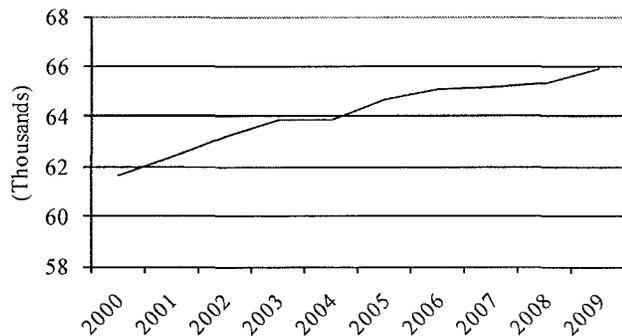
Since the Housing Authority, the Redevelopment Authority and four business improvement districts are component units of the City, this report includes discrete presentation of their financial data. The Housing Authority was formed to engage in the development and operation of low-income housing. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) and the Wisconsin Housing and Economic Development Authority (WHEDA). The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated, slum and blighted areas or properties and encouraging urban renewal. The Downtown, West Grand, Water Street, and North Barstow/Medical Business Improvement Districts account for the collection of special assessments from their members for business promotion within each district.

## General Information

The City of Eau Claire is located in west central Wisconsin, in Eau Claire and Chippewa counties. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade, technology, and industry in west central Wisconsin. The City was incorporated in 1872, and covers an area of approximately 34 square miles. The City's current population is 65,950 and the population of the Greater Eau Claire Metropolitan Area is approximately 160,018.

The City of Eau Claire has a council/manager form of government. There are eleven members on the Eau Claire City Council. Five of the members are elected from aldermanic districts. Five members and the Council President are elected at large. District Alderpersons and the City Council President were elected to three-year terms in April 2009. At-Large Alderpersons will be elected to three-year terms in 2010.

POPULATION - CITY OF EAU CLAIRE



## ECONOMIC CONDITIONS AND OUTLOOK

Strong retail outlets, regional medical facilities, high technology companies, and educational institutions anchor Eau Claire's economy and establish the City as the regional economic center in western Wisconsin. Eau Claire's diverse employment base has been cited by bond rating agencies as a significant factor in the City's solid Aa2<sup>1</sup> and AA ratings. The City's growth has been consistent, with new building valuation exceeding \$100 million for twelve consecutive years. The 2009 construction season had a record total building valuation of \$197.6 million, with the largest segment generated by the commercial sector at \$138.1 million. Industrial development totaled \$18.7 million. Residential construction totaled \$25.2 million and miscellaneous projects \$15.6 million. The top building project was a \$104 million addition to a healthcare facility. Other development included a \$16.8 million manufacturing plant expansion, \$4.8 million in ice arena improvements, and a \$4 million airport terminal expansion.

Two regional medical facilities are located in the City. The Luther/Midelfort Mayo Health System employs over 3,200 and has had a pivotal effect on development in the downtown area. The Luther/Midelfort Hospital complex had additional construction valuation of \$109 million in 2009, including \$104 million for the construction of a five-story, 385,000 square foot bed tower, scheduled for completion in 2011. The other major medical facility is Sacred Heart Hospital which employs over 1,300. The local medical industry also includes the United Health Care Group with 1,400 employees and the Marshfield Clinic with 700 jobs.

Retail trade provides nearly one-fourth of Eau Claire's jobs, with many more in wholesale. Eau Claire's trade area encompasses seven counties with a population of more than 300,000 people. Eau Claire is served by many national retailers, including Kohls, Walmart, Sam's Club, Target, Menards, Best Buy, Office Max, TJ Maxx, Macy's, Younkers, Eddie Bauer, Sears, JC Penney's, Charlotte Russe and Christopher Banks. Stores and restaurants that have opened within the past two or three years include Gander Mountain, PetSmart, David's Bridal, Michaels, Jo~Ann Fabrics, Gold's Gym, Texas Roadhouse, Asia Palace, Red Robin and Manny's Mexican Restaurant. The valuation of these new businesses exceeds \$35 million.

Tourism is another vital component of Eau Claire's economy. People from all over the country enjoy Eau Claire's natural and cultural resources. A new \$7 million Metropolis Hotel with a 30,000 square foot water park was completed in 2009. Area tourism generates over \$317 million in revenue and creates approximately 5,800 jobs in the Chippewa Valley. Room tax revenues exceeded \$1.17 million in 2009. Eau Claire generates the eighth highest room tax in the state.

In addition to the trade and services industries, Eau Claire's employment base is enhanced by the area's post secondary education institutions including the University of Wisconsin-Eau Claire, Chippewa Valley Technical College, Immanuel Lutheran College and Globe University, a division of the Minnesota School of Business. Besides providing a significant number of jobs, these institutions ensure that the area's workforce is well educated for the technical and professional jobs that the Eau Claire area attracts.

<sup>1</sup> Prior to Moody's recalibration to a global scale. The City's revised General Obligation Bond rating is Aa1.

Eau Claire received national recognition from a variety of nationally recognized publications. The awards and rankings include:

- According to *Business Week's* “**Best Places to Raise Your Kids 2009**”, Eau Claire ranks #1 in Wisconsin.
- According to the *Wisconsin Department of Administration*, the City of Eau Claire is the “**3<sup>rd</sup> fastest growing city in Wisconsin**”.
- The *ACCRA Cost of Living Index* places Eau Claire as the lowest cost of living in Wisconsin during the first quarter of 2009.
- Received “**2008 Downtown Merit Achievement Award for Public Space**” for the Phoenix Park Project from the *International Downtown Association*.
- Ranked 59 of 124 small metro areas in 2009 in the “**Best Performing Cities Index**” by the *Milken Institute*.
- Selected as one of the “**Top Ten Affordable Places to Retire in 2009**” by *US News & World Report*.
- Received the “**Law Enforcement Partnership Award**” given by the *Wisconsin Department of Transportation's Bureau of Transportation Safety and AAA Wisconsin*.
- Received “**2008 Good Government Award**” from Green Bay based consulting engineering firm *Foth*.

## MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2009 and into 2010.

### **Clear Vision Eau Claire**

A consortium of local governments and community organizations worked with the National Civic League to continue a community-visioning and strategic-planning process for the greater Eau Claire area. Major projects in 2009 included community initiatives to promote community sustainability, implement citizen eco-teams to implement neighborhood and organizational projects, collaborative education projects to encourage reading and support for K through 12 education, and completion of five civic work team pilot projects to use civic problem solving to address community issues in treatment, community facilities, jobs for underemployed, public park facilities needs, and collaborative education. Clear Vision also completed civic training for work groups and coaches.

### **Baldrige Performance Team Development**

A vision, mission statement, and statement of core values were identified for the city organization through joint meetings with City Council, senior managers, and the Focus Team. The Focus Team

completed initial pilot process improvement projects and surveyed the city employees on potential process improvement projects. A Lean Journey Process Improvement Toolkit for future employee work teams was completed. Ten initial process improvement projects and teams were identified for work to begin in January 2010.

**Citizens’ Alliance for Strong Communities**

The Citizens’ Alliance for Strong Communities is a regional network of organizations and individuals united to strengthen public services and infrastructures in all greater Eau Claire communities so that citizens and businesses can thrive. The Alliance sponsored public forums in 2009 on the relationship of strong public structures to a high quality of life and the fiscal challenges confronting local government and the community. The Alliance also adopted bylaws and began working with other community coalitions in Wisconsin to convene a state conference in 2010 on the impact of property tax exemptions on local capacity to deliver services.

**Green Team Report**

The City Manager formed a “Green Team” to complete a study of the City’s internal operations, existing policies, procedures, and practices pertaining to sustainability. The focus of the study was on measures that could save money, particularly with energy conservation. The report provides an operational definition of sustainability, highlights past success, inventories unsustainable practices and recommends changes in a 5-year strategic plan.

**American Recovery and Reinvestment Act**

In late 2008 and 2009 the City of Eau Claire was awarded the following funding through the American Recovery and Reinvestment Act:

<u>Program</u>	<u>Award</u>	<u>Amount</u>
• Housing Authority (through HUD)	\$ 260,200	Capital improvements on 109 public housing units
• CDBG (through HUD)	171,700	Handicapped access & rehabilitation
• CDBG (through Dept of Commerce)	382,600	Neighborhood stabilization
• Transit (through Dept of Transportation)	2,035,400	Buses, shop truck & surveillance system
• Police (Office of Justice Administration)	109,900	Mugshot system & other technical projects
• Community Development (Dept of Energy)	655,700	Lighting retrofits, HVAC, ice center low emissivity ceilings & dehumidification system
Total	<u>\$3,615,500</u>	

### **L.E. Phillips Memorial Public Library Expansion**

The only major remodeling of the current Library building in its 33 years was undertaken in 2009. The public-private partnership that provided the \$1.75 million financial support for the library renovation resulted in more space and programming capability for the youth of Eau Claire; enhanced the energy efficiency and long-term infrastructure of a valuable City asset; and provided space to more efficiently move the materials that all library customers use every day. The renovation has also resulted in new research space and better access to the microforms collection and genealogical research; a new circulation desk to better serve library customers; an area that allows customers to pick up their own holds; an attractive and more flexible new materials area; an enhanced art gallery; and a new exterior library sign that is more visible and protected.

### **Hobbs Ice Center**

The Hobbs Ice Center \$5.6 million renovation was nearly complete in 2009. The project included new locker rooms and athletic training rooms for UWEC, a club viewing room and mezzanine spectator areas, expanded concession area, and a new four panel center ice scoreboard in the O'Brien Rink. A new lobby and front entrance were created, with additional offices and a reception area, enabling the Recreation Administration to re-locate from First Avenue.

The outdoor "Hughes" rink was covered, and became the 3<sup>rd</sup> indoor artificial ice sheet. Six new locker rooms were constructed, as well as four new coach/staff offices. Several code and safety upgrades were completed including the fire suppression (sprinkler) and smoke alarms, two elevators, HVAC air monitoring control systems, and protective netting in bleacher seating areas. Energy efficient lighting and HVAC equipment were installed throughout the facility.

### **Hastings Way (BUS 53) – Galloway Street Bridge to STH 312 (North Crossing)**

The segment of Hastings Way (BUS 53) from the Eau Claire River to the North Crossing (Hwy #312) was reconstructed in 2009 by the Wisconsin Department of Transportation and the City of Eau Claire. The \$9.9 million project consisted of removing the bridge at Birch Street and replacing it with a signalized at-grade intersection. The intersection of Seymour Road and Hastings Way also was reconfigured with a new traffic signal installed. Pedestrian access was enhanced with the addition of a pedestrian underpass located south of Birch Street. The City's share of the project was \$1.9 million.

## **TIF #8 North Barstow Redevelopment**

The City's TIF investment in streets, utilities, and park amenities over the past years resulted in significant private investment in commercial spaces and residential housing. A 33-unit apartment building was completely leased by June and a second 24-unit building was initiated. Valuations in the TIF had increased by \$22.4 million for 2009 taxes. The redevelopment of this core area of downtown Eau Claire has generated a lot of attention in the community and has resulted in spin-off investment in the area.

## **FOR THE FUTURE**

The national recession in 2009 affected Eau Claire and presented challenges to maintaining the City's level of services, quality of life and financial stability. In the City's favor, its position as a regional educational, medical and retail center has mitigated the recessionary effects. In 2009, the City saw building permit valuations increase by approximately 80% over last year and unemployment rates well under state and national levels. The City plans to continue allocating resources to fostering economic development. Through programs like the Regional Business Fund Loan Program, the Revolving Loan Program, the Code Compliance Program, and the Façade Program, the City can offer over \$1 million in future loans for businesses in Eau Claire.

By engaging citizens in community collaborations like Clear Vision Eau Claire and the Citizens' Alliance for Strong Communities, the City will be in a better position to resolve future fiscal challenges through engaged and participative residents.

## **FINANCIAL INFORMATION**

### **Accounting System and Budgetary Control**

The diverse nature of government operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate fund. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Budgetary control is maintained through an annual budget ordinance passed by the City Council. Formal budgetary integration is employed as a management control device during the year for the General fund, Debt Service fund, and certain special revenue funds, and is adopted on a basis consistent with generally accepted accounting principles. Fixed, long-term budgets on a project basis are used for Capital Project funds. Flexible annual budgets are approved for proprietary funds to provide for financial management. The City Manager and Director of Finance may

authorize transfers of budgeted amounts within departments; however, transfers between departments and additional appropriations to the original budget must be made by Council resolution. The level at which expenditures may not exceed budget is by department.

### **Internal Control**

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Fiscal Policies**

In 2009 the City Council established a Fiscal Policy Advisory Committee to facilitate a review of fiscal matters. The committee examined in depth several potential revenue sources including a vehicle registration fee, sale of city-owned property, a street light utility fee, and a snow-plow assessment fee. The committee also hosted community forums to gather public input on potential revenues or service reductions. These efforts to raise public awareness of the difficult budget issues helped develop a process of "informed consent". Although significant new revenue sources were not approved in 2009, the studies resulted in a better understanding of the limitations and restrictions facing local governments.

## **INDEPENDENT AUDIT**

Included in the financial section is the independent auditor's report which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Baker Tilly Virchow Krause, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unqualified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for the year ending December 31, 2009 were also completed by the independent auditors. These reports are available under separate cover.

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

Immediately following the independent auditor's report is *Management's Discussion and Analysis* which provides a narrative introduction, overview, and analysis of the basic financial statements.

## REPORTING ACHIEVEMENT

### GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eau Claire for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. The City has received this award each year since 1984. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ACKNOWLEDGMENTS

We would like to thank the City Council for their support in planning and conducting the financial operations of the City in a responsible manner. In addition, we would also like to express our appreciation to Tom Hoff, Financial Services Manager, Kathy Ludack, Accounting Supervisor, Laura Leland, Senior Accountant, Rose Adams, Accountant, and the remainder of the Finance Department Staff for their dedication in preparing this report.

Respectfully Submitted,



Rebecca K. Noland, CPA

Finance Director



Mike Huggins

City Manager

The Government Finance Officers Association of United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Eau Claire, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the twenty-third consecutive year that the government has achieved this prestigious award.

In order to be awarded a *Certificate of Achievement*, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both the generally accepted accounting principles and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Eau Claire Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

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

## **FINANCIAL SECTION**

This section contains the following subsections:

- > Auditors' Report
- > Management's Discussion and Analysis
- > Basic Financial Statements
- > Notes to Financial Statements
- > Combining and Individual Fund Statements and Schedules

## **Auditors' Report**

Independent audits of local government financial statements are essential elements of financial control and accountability.

The local government is responsible for the contents of its financial statements, including the notes to the financial statements. The independent auditors' responsibility is to report on the financial statements.

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Eau Claire  
Eau Claire, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the City's 2008 financial statements and, in our report dated June 25, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

City Council  
Eau Claire, Wisconsin

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2010 on our consideration of the City of Eau Claire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and other postemployment benefit funding information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2009 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2009 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Eau Claire's basic financial statements for the year ended December 31, 2008, which are not presented with the accompanying financial statements. In our report dated June 25, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the 2008 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2008, taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Eau Claire, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

*Baker Tilly Vuchow Krume, LLP*

July 21, 2010

## **Management's Discussion and Analysis**

Management's discussion and analysis provides a narrative introduction and overview the readers need to interpret the basic financial statements. It also provides analysis of some key data presented in the financial statements.

## **CITY OF EAU CLAIRE, WISCONSIN**

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

This discussion and analysis of the financial performance of the City of Eau Claire is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements, which begin on page 27.

#### **FINANCIAL HIGHLIGHTS**

- The City of Eau Claire has total assets of \$467.4 million and liabilities of \$152.0 million, resulting in net assets of \$315.4 million at the end of 2009. Of the net assets, \$226.7 million represents the City's investment in capital assets, net of related debt, \$19.0 million is held for restricted purposes, and \$69.7 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2009, the City of Eau Claire's total net assets increased by \$4.9 million, from 2008, or approximately 1.6%. The net asset increase was attributable to the increase in capital assets, which was primarily due to the investment made in the Hobbs Ice Arena renovation under business-type activities.
- At the close of 2009, the City of Eau Claire's governmental funds reported ending fund balances of \$59.5 million, a net increase of \$5.7 million from 2008. This increase is attributable to transactions in the General Fund. While the other governmental funds had a net reduction of \$.8 million, the General Fund increased \$6.5 million. The predominant reason for the General Fund increase resulted from the issuance of \$4,350,000 in debt on behalf of the City's Hobbs Ice Arena renovation. Of that amount, \$3,750,000 was advanced to the facility, and is shown as such in the General Fund fund balance. The remainder of the General Fund increase is reflective of positive variances in 2009 operations. Labor settlements and health insurance costs were significantly lower than projected, saving \$1.3 million. General Fund subsidies to other funds were also \$.8 million less than projected. For example, federal and state support for Public Transit was budgeted at 57% but was awarded at 59%, reducing the local support. Increased revenues and donations in other nonmajor funds also reduced the need for General Fund support for those activities. Utilities and supplies were \$.6 million under budget due to the reduction in energy costs and petroleum based products from 2008 to 2009.
- During 2009, the City of Eau Claire continued a proactive plan for the replacement of aging infrastructure, the upgrade of technology used in operations, and the improvement of utility services. The City invested more than \$26.3 million in upgrading infrastructure systems and other capital assets.
- Wisconsin statute restricts municipality general obligation debt to less than 5% of equalized property value. The City of Eau Claire maintained a level of remaining debt capacity of approximately 63%. In 2009, \$13.4 million in new general obligation debt was issued, which included \$12.9 million in taxable Build America Bonds and \$468,000 in State Trust Fund loans.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This section serves as an introduction to the City of Eau Claire's basic financial statements. The basic financial statements for the City of Eau Claire are comprised of three components:

- government-wide financial statements,
- fund financial statements, and
- notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

### **Government-wide Financial Statements**

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Assets* presents information on all of the City of Eau Claire's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The City's overall financial position improved from 2008 to 2009, as the City's net assets increased by \$4.9 million, reflecting the City's investment in the Hobbs Ice Arena renovation. The government-wide financial statements can be found on pages 27 through 29 of this report.

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all, or a significant portion, of their costs through user fees and services charges, called business-type activities. The governmental activities of the City of Eau Claire include general government, public safety, public works, health services, culture and recreation, development, and other miscellaneous activities. The business-type activities of the City include the water, sewer, storm water, and public transit, parking utilities, the ice center, and the outdoor pool.

In addition to these various direct operations of the City, or primary government, the government-wide financial statements also include financial information related to legally distinct entities for which the City has financial responsibility and accountability, known as component units. These component units are the Housing Authority, Redevelopment Authority, the Downtown Business Improvement District, the West Grand Business Improvement District, the Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District. These entities are described in Note III-I following the financial statements. Separately issued financial statements of the Housing Authority and the Redevelopment Authority may be obtained

from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Eau Claire, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the City of Eau Claire can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of current spendable resources, as well as balances of spendable resources that can be converted to cash and balances available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental funds include the General, special revenue, capital projects, and debt service funds. Of these, the General Fund and the Debt Service-General Fund are shown as major funds and are presented in separate columns. Data from the other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Reconciliations follow the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net Assets and Statement of Activities*.

## **Proprietary Funds**

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer, and Storm Water utilities and the Transit fund; data from the other proprietary funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements begin on page 35 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City of Eau Claire uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 150.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Eau Claire uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collections fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City of Eau Claire. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The fiduciary fund financial statement can be found on page 45 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 48 of this report.

### **Additional Supplementary Information**

Following the basic government-wide and fund financial statements and accompanying notes, combining statements are included for the non-major governmental, enterprise, and internal service funds, along with component units. The last section of *The City of Eau Claire Comprehensive Annual Financial Report* presents statistical and historical reference data.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Assets* for the City of Eau Claire is summarized in the table below. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$315 million at the close of 2009. The majority of these net assets (\$227 million) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 132,115,399	\$ 132,231,932	\$ 21,681,628	\$ 23,135,598	\$153,797,027	\$155,367,530
Capital Assets (net)	146,919,539	145,987,836	166,651,773	159,393,117	313,571,312	305,380,953
Total Assets	<u>\$ 279,034,938</u>	<u>\$ 278,219,768</u>	<u>\$ 188,333,401</u>	<u>\$ 182,528,715</u>	<u>\$467,368,339</u>	<u>\$460,748,483</u>
Current Liabilities	\$ 39,319,226	\$ 47,541,503	\$ 2,345,849	\$ 1,639,322	\$ 41,665,075	\$ 49,180,825
Noncurrent Liabilities	82,898,721	75,620,368	27,367,281	25,390,013	110,266,002	101,010,381
Total Liabilities	<u>\$ 122,217,947</u>	<u>\$ 123,161,871</u>	<u>\$ 29,713,130</u>	<u>\$ 27,029,335</u>	<u>\$151,931,077</u>	<u>\$150,191,206</u>
Invested in capital assets, net of related debt	\$ 88,485,022	\$ 94,701,258	\$ 142,147,587	\$ 136,900,275	\$230,632,609	\$231,601,533
Debt reclassification	-	-	-	-	(3,838,035)	(4,030,260)
Total invested in capital	<u>88,485,022</u>	<u>94,701,258</u>	<u>142,147,587</u>	<u>136,900,275</u>	<u>226,794,574</u>	<u>227,571,273</u>
Restricted	17,257,799	18,725,047	1,720,280	2,337,580	18,978,079	21,062,627
Unrestricted	51,074,170	41,631,592	14,752,404	16,261,525	65,826,574	57,893,117
Debt reclassification	-	-	-	-	3,838,035	4,030,260
Total unrestricted	<u>51,074,170</u>	<u>41,631,592</u>	<u>14,752,404</u>	<u>16,261,525</u>	<u>69,664,609</u>	<u>61,923,377</u>
Total Net Assets	<u>\$ 156,816,991</u>	<u>\$ 155,057,897</u>	<u>\$ 158,620,271</u>	<u>\$ 155,499,380</u>	<u>\$315,437,262</u>	<u>\$310,557,277</u>
Total Net Assets as a % of Total Liabilities	128%	126%	534%	575%	208%	207%
Unrestricted Net Assets as a % of Total Liabilities	42%	34%	50%	60%	46%	41%

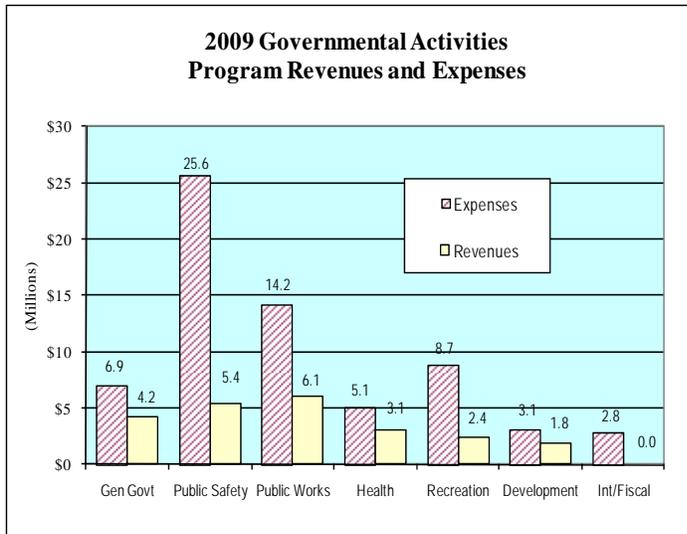
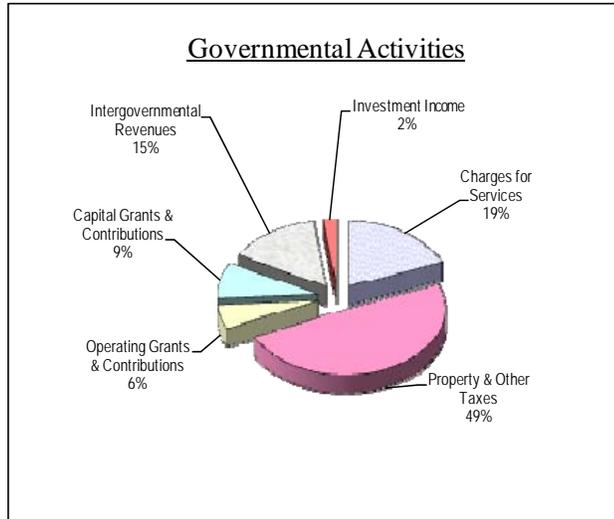
A relatively small portion of the City's net assets (\$19 million or 6%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$70 million of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$15 million, or about 21%, of these unrestricted net assets are related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2009, the

City is able to report positive balances in net assets for the governmental activities as well as business-type activities.

An examination of the *Statement of Activities* provides a concise picture of how the various activities of the City are funded. The following table summarizes the City's governmental and business-type activities.

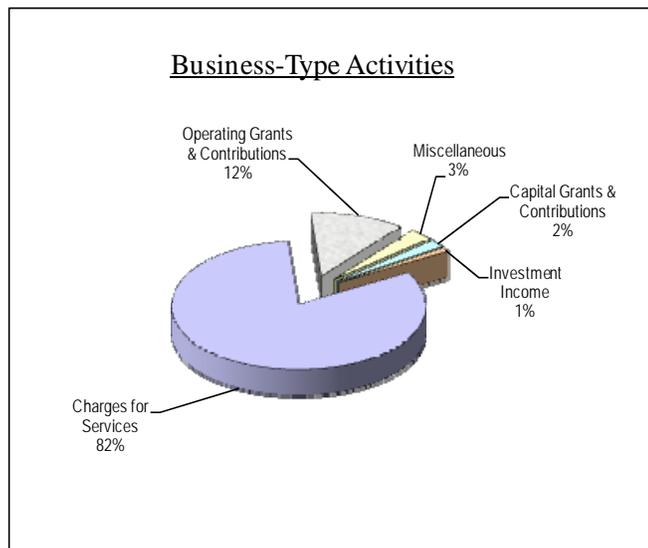
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,569,218	\$ 11,453,469	\$ 19,843,253	\$ 18,868,035	\$ 32,412,471	\$ 30,321,504
Operating grants & contributions	4,484,730	8,896,073	2,907,050	2,948,598	7,391,780	11,844,671
Capital grants & contributions	5,961,377	10,209,118	456,431	1,825,805	6,417,808	12,034,923
General revenues:						
Property taxes	32,077,747	31,556,552	-	-	32,077,747	31,556,552
Other taxes	1,477,296	1,348,226	-	-	1,477,296	1,348,226
Intergovernmental revenues	10,069,736	9,603,015	-	-	10,069,736	9,603,015
Investment income	1,045,243	3,692,849	208,680	737,649	1,253,923	4,430,498
Miscellaneous	219,300	49,943	864,303	286,189	1,083,603	336,132
Total revenues	<u>67,904,647</u>	<u>76,809,245</u>	<u>24,279,717</u>	<u>24,666,276</u>	<u>92,184,364</u>	<u>101,475,521</u>
<b>Expenses</b>						
Program expenses:						
General government	6,914,248	8,357,900	-	-	6,914,248	8,357,900
Public safety	25,574,799	25,983,790	-	-	25,574,799	25,983,790
Public works	14,203,614	13,574,402	-	-	14,203,614	13,574,402
Health services	5,079,081	4,836,338	-	-	5,079,081	4,836,338
Culture and recreation	8,745,604	8,701,253	-	-	8,745,604	8,701,253
Development	3,111,437	3,426,710	-	-	3,111,437	3,426,710
Interest & fiscal charges	2,814,770	2,664,817	-	-	2,814,770	2,664,817
Water utility	-	-	6,403,962	6,313,831	6,403,962	6,313,831
Sewer utility	-	-	5,987,480	6,018,079	5,987,480	6,018,079
Storm water utility	-	-	2,117,002	2,289,679	2,117,002	2,289,679
Public transit	-	-	4,795,731	5,130,887	4,795,731	5,130,887
Parking utility	-	-	484,008	473,048	484,008	473,048
Hobbs ice center	-	-	703,386	622,235	703,386	622,235
Outdoor pool	-	-	369,257	402,603	369,257	402,603
Total expenses	<u>66,443,553</u>	<u>67,545,210</u>	<u>20,860,826</u>	<u>21,250,362</u>	<u>87,304,379</u>	<u>88,795,572</u>
Increase in net assets before transfers	1,461,094	9,264,035	3,418,891	3,415,914	4,879,985	12,679,949
Transfers	298,000	406,040	(298,000)	(406,040)	-	-
Change in net assets	<u>1,759,094</u>	<u>9,670,075</u>	<u>3,120,891</u>	<u>3,009,874</u>	<u>4,879,985</u>	<u>12,679,949</u>
Net assets at January 1 (as restated)	155,057,897	145,387,822	155,499,380	152,489,506	310,557,277	297,877,328
Net assets at December 31	<u>\$156,816,991</u>	<u>\$155,057,897</u>	<u>\$158,620,271</u>	<u>\$155,499,380</u>	<u>\$315,437,262</u>	<u>\$310,557,277</u>

The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 49% of the revenue for governmental activities. State aids and other grants comprise another 30% while charges for services and all other sources are equal to 21% of revenues.



Another way to analyze the data in the *Statement of Activities* is to compare expenses of a particular program with revenues generated. The graph on the left reflects this comparison for 2009 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 82% of revenues are generated from user charges.



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

### **Governmental Funds**

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in assessing the City's financing requirements.

As of December 31, 2009, the City of Eau Claire's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$59.5 million, an increase of \$5.7 million over the previous year's ending balances. The increase is related to transactions in the General Fund as discussed on page 15. Of the ending fund balances total, \$21.8 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$37.7 million available for meeting future budget requirements. Of these unreserved balances, \$31 million has been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$6.7 million.

The General Fund is the primary operating fund used to account for the governmental operations of the City of Eau Claire. The largest revenue sources for the General Fund are taxes and intergovernmental aids, together accounting for 78.8% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General Fund. Over 48% of the General Fund expenditures and other financing uses totaling \$51 million are allocated to the public safety sector. Another 24.9% of the General Fund costs are derived from the operations of public works and culture and recreation.

The General Fund has a fund balance of \$23.9 million. Of this amount, \$8.1 million is reserved for loans made to other funds, prepayments and notes receivable. This is a \$3.9 million increase over 2008 due primarily to the advance made to the Hobbs Ice Arena. Another \$7 million is designated for subsequent year expenditures and working capital. The undesignated General Fund balance is \$8.8 million. This is a \$2.6 million increase over last year reflecting positive variances in the 2009 budget. The undesignated fund balance is available to be applied in a future year's budget to one-time capital projects or to reduce outstanding debt.

The Debt Service Fund had a total fund balance of \$7.6 million, a slight decrease of \$50,000 from 2008. This balance primarily reflects the amounts reserved to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The Other Governmental Funds column in the balance sheet includes various special revenue, debt service, and capital projects funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The fund balance of the Other Governmental Funds decreased from 2008 by \$.7 million or 2.5%. While capital project funds like Streets, Bridges, Building and Equipment, Parks, and Environmental Improvements had increases in fund balances totaling \$3.1 million, the Tax Incremental Financing Districts' and the Library's fund balances were reduced by \$3.8 million, primarily due to the recognition of advances owed by Tax Incremental Financing District #8 to other funds.

## **Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from page 35 to page 44. The net assets of the enterprise-type proprietary funds at the end of 2009 totaled \$158.6 million, an increase of \$3 million from the previous year, again due to the investment made by the City in the Hobbs Ice Arena renovation.

Some highlights:

- The Water, Sewer, and Storm Water funds transferred \$2,058,594 to the General Fund and the General fund and other funds transferred \$1,760,594 to the Parking, Transit, Hobbs, and Pool funds. After transfers, the enterprise funds had collective net income of \$2.5 million, primarily generated by the Water, Sewer, and Storm Water funds.
- In 2009, \$500,000 of the increase in the enterprise funds net assets resulted from developer infrastructure contributions to the Water, Sewer, and Storm Water utilities.
- The Public Transit Fund is subsidized by federal and state operating assistance at approximately 59%. The balance is covered by local fares and General Fund transfers to the service. The Public Transit Fund shows a loss of \$280,000 since depreciation expenses are not covered by General Fund subsidies.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on page 112, the original 2009 General Fund budget authorized expenditures and other financing uses of \$54,143,000, funded by anticipated revenues and other financing sources of \$52,171,300 and the application of \$1,971,700 in available reserves. From time to time during the year, the City Council approved adjustments to the budget, primarily for grants and donations. These changes are reflected in the Final Budget column.

The City ended the year with net favorable variances. Revenues and other financing sources exceeded the final budget by \$995,186, while expenditures and other financing uses were under budget by \$3,584,564. There were wide variations in the 2009 revenue lines. The more significant variances were the receipts of \$886,000 over budget in state aid for the future maintenance of Highway 53, \$244,000 more than projected for regional ambulance, \$268,000 more in special assessments, and \$567,000 for the sale of two properties. These were offset by the budget shortfall of \$1,064,000 in interest revenues.

Several factors contributed to the favorable expenditure variances. Wages and benefits were \$1,346,000 under budget because the labor settlements and health insurance contract were negotiated at 1% and 6.5% increases, respectively, substantially less than the increases anticipated in the budget. General Fund subsidies to other funds were \$797,000 under budget, in a large part due to additional federal and state aids for Public Transit. The Hobbs Ice Arena, the Fairfax Pool, and the cemeteries all had sufficient

operating revenues and donations to reduce the need for General Fund support. Lastly, utilities and supplies were \$644,000 under budget due to the reduction in energy costs and petroleum based products from 2008 to 2009.

## CAPITAL ASSETS AND DEBT

### Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported investment in capital assets for governmental and business-type activities as of December 31, 2009 totaled \$469 million. These assets include the street network in the governmental activities and the water, sewer, and storm systems in the business-type activities.

Total accumulated depreciation was calculated to be just over \$155 million, or approximately 33% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$313 million. The net increase over 2008 is approximately \$8.2 million.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
December 31, 2009						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 15,236,043	\$ 15,447,504	\$ 15,755,446	\$ 15,755,446	\$ 30,991,489	\$ 31,202,950
Land Improvements	9,371,892	9,342,492	-	-	9,371,892	9,342,492
Building and Improvements	20,110,160	20,704,160	6,699,583	6,661,444	26,809,743	27,365,604
Infrastructure	154,794,606	148,344,869	3,743,214	3,476,898	158,537,820	151,821,767
Machinery and Equipment	29,316,472	29,735,853	5,832,975	5,802,707	35,149,447	35,538,560
Water Utility	-	-	75,213,719	73,986,018	75,213,719	73,986,018
Sewer Utility	-	-	71,347,645	70,714,940	71,347,645	70,714,940
Stormwater Utility	-	-	40,838,327	40,271,413	40,838,327	40,271,413
Work in Progress	4,977,021	5,523,465	15,602,158	7,018,705	20,579,179	12,542,170
Subtotal	233,806,194	229,098,344	235,033,067	223,687,571	468,839,261	452,785,915
Less Accumulated Dep.	(86,886,655)	(83,110,509)	(68,381,294)	(64,294,453)	(155,267,949)	(147,404,962)
Total	\$ 146,919,539	\$ 145,987,835	\$ 166,651,773	\$ 159,393,118	\$ 313,571,312	\$ 305,380,953

Some of the most significant additions to the City's capital assets during 2009 included the following:

<b><u>Significant Additions to Capital Assets in 2009</u></b>	
Infrastructure	\$6,500,000
Water Mains and Services	1,230,000
Sewer Mains	630,000
Stormwater Mains	570,000

The \$8.6 million increase in work in progress for the business-type activities is primarily due to the renovation project at Hobbs Ice Arena, accounting for \$5.2 million of the increase. The remainder of the increase is a combination of projects in the Water, Sewer and Stormwater Utilities.

Additional information about the City's capital assets can be found in Note III-D of this report.

### **Long-Term Debt**

On December 31, 2009, the City of Eau Claire had \$98,164,688 of bond and long-term note principal outstanding, as summarized in the following table:

#### **City of Eau Claire, Wisconsin Notes and Bonds Outstanding**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Obligation Bonds & Notes	\$ 71,528,000	\$ 64,893,634	\$ 16,566,688	\$ 15,642,857	\$ 88,094,688	\$ 80,536,490
Revenue Bonds	-	-	10,070,000	9,015,000	10,070,000	9,015,000
<b>Total</b>	<b>\$ 71,528,000</b>	<b>\$ 64,893,634</b>	<b>\$ 26,636,688</b>	<b>\$ 24,657,857</b>	<b>\$ 98,164,688</b>	<b>\$ 89,551,490</b>

Under Wisconsin State Statute Section 67.03(1), the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Applicable debt of the City at the close of 2009 totaled \$88,094,688, which, with amounts available for payment of principal, is less than 37% of the maximum legal limit. During 2009, the City issued new debt for the following amounts and purposes:

**City of Eau Claire, Wisconsin  
Long-term Debt Issued**

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
07/15/09	General Obligation Corporate Purpose Bonds for streets, stormwater, and public safety building improvements (Taxable Build America Bonds)	\$8,560,000
07/15/09	General Obligation Notes for Hobbs Ice Rink (Taxable Build America Bonds)	\$4,350,000
07/15/09	Waterworks System Revenue and Refunding Bonds	\$3,825,000

The General Obligation Corporate Purpose and Refunding Bonds were rated AA+ by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service. The Water Revenue Bonds issued in 2009 and in prior years are rated AA+ by Standard & Poor's Rating Services and Aa3 by Moody's Investors Service.

Additional information about the City's long-term debt can be found in Note III-F of this report.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City of Eau Claire provides the Comprehensive Annual Financial Report on our web page ([www.eauclairewi.gov](http://www.eauclairewi.gov)). If anyone has any questions about this report or needs additional financial information about the City of Eau Claire, please contact the Finance Department at 203 South Farwell Street, Eau Claire, Wisconsin, 54703. Finance Department staff can also be reached at (715) 839-6044.

## **Basic Financial Statements**

The basic financial statements include all fund types, including discrete presentation of two enterprise fund type component units and three governmental type component units, in order to provide an overview of the financial position and results of operations for the City as a whole.

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS**

December 31, 2009

(With Comparative Reporting Entity Totals for December 31, 2008)

	Primary Government					Totals Reporting Entity	
	Governmental	Business-	Debt	Totals	Component	2009	2008
	Activities	type	Reclassifications				
<b>ASSETS</b>							
Cash and investments	\$ 68,775,352	\$ 18,235,277	\$ -	\$ 87,010,629	\$ 4,052,168	\$ 91,062,797	\$ 94,556,895
Taxes receivable	35,630,924	995,768	-	36,626,692	145,000	36,771,692	34,854,205
Special assessments receivable	5,784,782	1,398,475	-	7,183,257	-	7,183,257	7,340,139
Notes receivable, net	6,667,515	-	-	6,667,515	568,932	7,236,447	7,203,763
Accounts receivable, net	2,423,798	4,331,521	-	6,755,319	105,444	6,860,763	5,218,764
Interest receivable	182,342	-	-	182,342	-	182,342	623,260
Due from other governments	449,525	67,960	-	517,485	-	517,485	845,299
Due from primary government	-	-	-	-	32,708	32,708	59,957
Internal balances	7,808,052	(7,808,052)	-	-	-	-	-
Prepaid items and inventories	1,233,443	237,042	-	1,470,485	68,064	1,538,549	789,457
Restricted cash and investments	1,898,151	3,982,104	-	5,880,255	921,175	6,801,430	7,903,711
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Debt issuance costs	495,019	241,533	-	736,552	-	736,552	627,507
Property held for resale	-	-	-	-	2,438,098	2,438,098	2,252,454
Capital assets							
Construction in progress	4,977,021	15,602,158	-	20,579,179	158,052	20,737,231	12,647,864
Land	15,236,043	15,755,446	-	30,991,489	1,408,299	32,399,788	32,618,749
Other capital assets, net of depreciation	126,706,475	135,294,169	-	262,000,644	10,236,347	272,236,991	272,251,028
Total Assets	279,034,938	188,333,401	-	467,368,339	20,134,287	487,502,626	480,559,548
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	2,508,389	1,441,757	-	3,950,146	174,301	4,124,447	3,939,171
Accrued liabilities	2,505,522	628,305	-	3,133,827	22,676	3,156,503	3,194,056
Customer deposits	311,241	190,086	-	501,327	-	501,327	225,938
Due to other governments	177,315	85,701	-	263,016	-	263,016	9,627,992
Due to component unit	32,708	-	-	32,708	-	32,708	59,957
Unearned revenues	33,784,051	-	-	33,784,051	286,543	34,070,594	32,197,420
Noncurrent liabilities							
Due within one year	7,848,804	1,937,450	-	9,786,254	170,556	9,956,810	10,317,044
Due in more than one year	75,049,917	25,429,831	-	100,479,748	1,008,586	101,488,334	92,501,765
Total Liabilities	122,217,947	29,713,130	-	151,931,077	1,662,662	153,593,739	152,063,343
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	88,485,022	142,147,587	(3,838,035)	226,794,574	10,701,932	237,496,506	238,218,291
Restricted for:							
Deposits	991,672	-	-	991,672	-	991,672	1,055,422
Unspent grant proceeds	460,418	-	-	460,418	-	460,418	387,514
New loans	1,986,444	-	-	1,986,444	-	1,986,444	1,683,719
RCU agreement	360,940	-	-	360,940	-	360,940	360,940
Debt service payments	13,458,325	1,319,280	-	14,777,605	-	14,777,605	16,688,032
Equipment replacement	-	401,000	-	401,000	635,220	1,036,220	1,696,615
Development costs	-	-	-	-	110,953	110,953	112,858
Taxes	-	-	-	-	-	-	183
Grant requirements	-	-	-	-	175,002	175,002	195,878
Unrestricted	51,074,170	14,752,404	3,838,035	69,664,609	6,848,518	76,513,127	68,096,753
<b>TOTAL NET ASSETS</b>	<b>\$ 156,816,991</b>	<b>\$ 158,620,271</b>	<b>\$ -</b>	<b>\$ 315,437,262</b>	<b>\$ 18,471,625</b>	<b>\$ 333,908,887</b>	<b>\$ 328,496,205</b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2008)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 6,914,248	\$ 3,873,184	\$ 13,723	\$ 301,393
Public safety	25,574,799	4,807,007	475,948	110,099
Public works	14,203,614	299,656	1,011,157	4,744,942
Health services	5,079,081	1,887,058	1,209,737	-
Culture and recreation	8,745,604	1,603,176	32,337	804,943
Development	3,111,437	99,137	1,741,828	-
Interest and fiscal charges	2,814,770	-	-	-
<b>Total Governmental Activities</b>	<u>66,443,553</u>	<u>12,569,218</u>	<u>4,484,730</u>	<u>5,961,377</u>
<b>Business-type Activities</b>				
Water Utility	6,403,962	8,379,381	-	378,597
Sewer Utility	5,987,480	6,617,211	-	58,364
Storm Water Utility	2,117,002	3,245,820	-	19,470
Public Transit	4,795,731	689,595	2,907,050	-
Parking Utility	484,008	219,392	-	-
Hobbs Ice Center	703,386	485,956	-	-
Outdoor Pool	369,257	205,898	-	-
<b>Total Business-type Activities</b>	<u>20,860,826</u>	<u>19,843,253</u>	<u>2,907,050</u>	<u>456,431</u>
<b>Total Primary Government</b>	<u>\$ 87,304,379</u>	<u>\$ 32,412,471</u>	<u>\$ 7,391,780</u>	<u>\$ 6,417,808</u>
<b>Component Units</b>				
Housing Authority	\$ 3,619,948	\$ 955,061	\$ 2,726,104	\$ 189,448
Redevelopment Authority	34,626	-	-	-
Downtown Business Improvement District	79,088	-	-	-
West Grand Business Improvement District	10,806	-	-	-
Water Street Business Improvement District	14,946	-	-	-
North Barstow/Medical Business Improvement District	6,880	-	-	-
<b>Total Component Units</b>	<u>\$ 3,766,294</u>	<u>\$ 955,061</u>	<u>\$ 2,726,104</u>	<u>\$ 189,448</u>
<b>General Revenues</b>				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for TIF districts				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Gain on sale of capital assets				
Contributions from city				
Miscellaneous				
<b>Total General Revenues</b>				
<b>Transfers</b>				
<b>Change in Net Assets</b>				
NET ASSETS - Beginning of Year				
<b>NET ASSETS - END OF YEAR</b>				

Net (Expenses) Revenues and Changes in Net Assets				Totals	
Governmental Activities	Business-type Activities	Totals	Component Units	Reporting Entity	
		Primary Government		2009	2008
\$ (2,725,948)	\$ -	\$ (2,725,948)	\$ -	\$ (2,725,948)	\$ (2,553,658)
(20,181,745)	-	(20,181,745)	-	(20,181,745)	(21,157,620)
(8,147,859)	-	(8,147,859)	-	(8,147,859)	144,323
(1,982,286)	-	(1,982,286)	-	(1,982,286)	(1,927,859)
(6,305,148)	-	(6,305,148)	-	(6,305,148)	(6,972,679)
(1,270,472)	-	(1,270,472)	-	(1,270,472)	(1,854,240)
(2,814,770)	-	(2,814,770)	-	(2,814,770)	(2,664,817)
<u>(43,428,228)</u>	<u>-</u>	<u>(43,428,228)</u>	<u>-</u>	<u>(43,428,228)</u>	<u>(36,986,550)</u>
-	2,354,016	2,354,016	-	2,354,016	2,446,838
-	688,095	688,095	-	688,095	1,165,532
-	1,148,288	1,148,288	-	1,148,288	802,130
-	(1,199,086)	(1,199,086)	-	(1,199,086)	(1,536,466)
-	(264,616)	(264,616)	-	(264,616)	(232,443)
-	(217,430)	(217,430)	-	(217,430)	(68,525)
-	(163,359)	(163,359)	-	(163,359)	(184,990)
<u>-</u>	<u>2,345,908</u>	<u>2,345,908</u>	<u>-</u>	<u>2,345,908</u>	<u>2,392,076</u>
<u>(43,428,228)</u>	<u>2,345,908</u>	<u>(41,082,320)</u>	<u>-</u>	<u>(41,082,320)</u>	<u>(34,594,474)</u>
-	-	-	250,665	250,665	587,900
-	-	-	(34,626)	(34,626)	(141,483)
-	-	-	(79,088)	(79,088)	(66,070)
-	-	-	(10,806)	(10,806)	(10,455)
-	-	-	(14,946)	(14,946)	(13,287)
-	-	-	(6,880)	(6,880)	(5,100)
<u>-</u>	<u>-</u>	<u>-</u>	<u>104,319</u>	<u>104,319</u>	<u>351,505</u>
26,570,788	-	26,570,788	151,500	26,722,288	26,138,909
4,256,013	-	4,256,013	-	4,256,013	4,418,266
1,250,946	-	1,250,946	-	1,250,946	1,150,877
1,477,296	-	1,477,296	-	1,477,296	1,348,226
10,069,736	-	10,069,736	-	10,069,736	9,603,015
1,045,243	208,680	1,253,923	72,028	1,325,951	4,575,171
34,589	-	34,589	-	34,589	33,868
-	-	-	200,000	200,000	208,120
184,711	864,303	1,049,014	4,850	1,053,864	306,364
<u>44,889,322</u>	<u>1,072,983</u>	<u>45,962,305</u>	<u>428,378</u>	<u>46,390,683</u>	<u>47,782,816</u>
<u>298,000</u>	<u>(298,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,759,094	3,120,891	4,879,985	532,697	5,412,682	13,539,847
<u>155,057,897</u>	<u>155,499,380</u>	<u>310,557,277</u>	<u>17,938,928</u>	<u>328,496,205</u>	<u>314,956,358</u>
<u>\$ 156,816,991</u>	<u>\$ 158,620,271</u>	<u>\$ 315,437,262</u>	<u>\$ 18,471,625</u>	<u>\$ 333,908,887</u>	<u>\$ 328,496,205</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2009

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 16,554,073	\$ 7,587,380	\$ 29,602,841	\$ 53,744,294
Receivables				
Taxes	28,086,211	1,373,185	5,971,303	35,430,699
Delinquent personal property taxes	200,225	-	-	200,225
Accounts, net	1,570,311	59,673	908,369	2,538,353
Notes, net	25,000	-	6,642,515	6,667,515
Special assessments	1,342,919	4,441,863	-	5,784,782
Interest	182,342	-	-	182,342
Prepaid items and inventories	751,918	-	65,766	817,684
Due from other funds	208,154	-	-	208,154
Due from other governments	96,130	-	340,183	436,313
Advances to other funds	7,888,490	-	1,400,000	9,288,490
Restricted assets - cash and investments	-	-	1,674,018	1,674,018
<b>TOTAL ASSETS</b>	<b>\$ 56,905,773</b>	<b>\$ 13,462,101</b>	<b>\$ 46,604,995</b>	<b>\$ 116,972,869</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 375,096	\$ 20,250	\$ 1,851,271	\$ 2,246,617
Accrued liabilities	1,508,632	-	149,409	1,658,041
Deposits	184,037	-	127,204	311,241
Due to other governments	111,902	-	65,413	177,315
Due to other funds	-	-	208,862	208,862
Due to component unit	16,906	-	15,802	32,708
Deferred revenues	30,784,315	5,844,721	12,976,012	49,605,048
Advances from other funds	-	-	3,238,700	3,238,700
Total Liabilities	<u>32,980,888</u>	<u>5,864,971</u>	<u>18,632,673</u>	<u>57,478,532</u>
Fund Balances				
Reserved				
Notes receivable	25,000	-	-	25,000
Prepaid items and inventories	751,918	-	65,766	817,684
Advances to other funds (noncurrent portion)	7,347,960	-	1,400,000	8,747,960
Grant proceeds	-	-	471,838	471,838
Debt service	-	7,597,130	1,290,882	8,888,012
Capital contracts	-	-	1,060,292	1,060,292
Environmental remediation	-	-	360,940	360,940
Bond construction	-	-	1,430,818	1,430,818
Unreserved, designated reported in:				
General fund	6,950,173	-	-	6,950,173
Special revenue funds	-	-	4,607,568	4,607,568
Capital project funds	-	-	19,418,644	19,418,644
Unreserved, undesignated (deficit)	8,849,834	-	(2,134,426)	6,715,408
Total Fund Balances	<u>23,924,885</u>	<u>7,597,130</u>	<u>27,972,322</u>	<u>59,494,337</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 56,905,773</b>	<b>\$ 13,462,101</b>	<b>\$ 46,604,995</b>	<b>\$ 116,972,869</b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
December 31, 2009

Total fund balance - governmental funds		\$ 59,494,337
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end (excluding internal service funds) consist of:</p>		
Capital assets	\$ 233,806,194	
Accumulated depreciation	(86,886,655)	
Less: Internal service fund included below	(10,160,047)	136,759,492
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:</p>		
Premium/(discount) on debt		(365,803)
Debt issuance costs on debt		495,019
Deferred loss on refunding of debt		170,433
<p>Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.</p>		
		(353,276)
<p>Special assessments, loans receivable, and various other receivables are reported as deferred revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of deferred revenues at year end consist of:</p>		
Delinquent personal property taxes receivable	200,225	
Accounts receivable	1,376,598	
Loan receivable	6,642,515	
Interest receivable	360,997	
Special assessments receivable	7,124,263	
Grants receivable	116,399	15,820,997
<p>Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.</p>		
		26,379,436
<p>Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities at year end (excluding internal service funds) consist of:</p>		
General obligation debt	(71,528,000)	
Vested compensated absences	(2,196,731)	
Police and fire pension liability	(363,290)	
Duty disability liability	(3,873,938)	
Other post-employment benefits	(2,798,874)	
Accrued interest on general obligation debt	(822,811)	(81,583,644)
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 156,816,991</b>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 26,609,475	\$ -	\$ 6,916,292	\$ 33,525,767
Special assessments	378,263	1,557,350	53,465	1,989,078
Intergovernmental	12,790,415	-	3,167,144	15,957,559
Licenses and permits	1,640,870	-	352,299	1,993,169
Fines, forfeitures and penalties	775,904	-	121,296	897,200
Charges for services - public	3,991,380	42,500	411,407	4,445,287
Charges for services - intergovernmental	3,470,077	50,250	1,912,676	5,433,003
Investment income	709,127	352,690	368,116	1,429,933
Miscellaneous	104,577	-	2,113,632	2,218,209
Total Revenues	<u>50,470,088</u>	<u>2,002,790</u>	<u>15,416,327</u>	<u>67,889,205</u>
<b>EXPENDITURES</b>				
Current				
General government	5,884,786	3,400	200	5,888,386
Public safety	24,555,320	-	183,647	24,738,967
Public works	8,354,559	-	190,159	8,544,718
Health services	-	-	4,958,705	4,958,705
Culture and recreation	4,369,436	-	3,565,294	7,934,730
Development	-	-	3,096,424	3,096,424
Miscellaneous	450,782	-	-	450,782
Capital Outlay	-	-	9,684,887	9,684,887
Debt Service				
Principal retirement	-	4,033,633	950,000	4,983,633
Interest and fiscal charges	-	2,240,334	666,420	2,906,754
Total Expenditures	<u>43,614,883</u>	<u>6,277,367</u>	<u>23,295,736</u>	<u>73,187,986</u>
Excess (deficiency) of revenues over expenditures	<u>6,855,205</u>	<u>(4,274,577)</u>	<u>(7,879,409)</u>	<u>(5,298,781)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	4,350,000	-	7,268,000	11,618,000
Discount on long-term debt issued	-	(31,933)	(47,692)	(79,625)
Transfers from other funds	2,191,042	4,256,013	3,943,341	10,390,396
Transfers to other funds	(7,492,953)	-	(4,001,143)	(11,494,096)
Sale of capital assets	577,456	-	528	577,984
Total Other Financing Sources (Uses)	<u>(374,455)</u>	<u>4,224,080</u>	<u>7,163,034</u>	<u>11,012,659</u>
<b>Net change in fund balances</b>	6,480,750	(50,497)	(716,375)	5,713,878
FUND BALANCES - Beginning of Year	<u>17,444,135</u>	<u>7,647,627</u>	<u>28,688,697</u>	<u>53,780,459</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 23,924,885</u>	<u>\$ 7,597,130</u>	<u>\$ 27,972,322</u>	<u>\$ 59,494,337</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2009

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Net change in fund balances - total governmental funds \$ 5,713,878

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

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

Capital outlay is capitalized in the government-wide statements	9,684,887
Some functional expenditures are capitalized	638,708
Some capital outlay is not capitalized in the government-wide statements	(688,409)
Depreciation is reported in the government-wide statements	(6,720,107)

In the statement of activities, only the gain or loss (\$1,091,020) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets (\$577,984) are reported because the proceeds increase financial resources. (1,669,004)

Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following deferred revenue categories.

Delinquent personal property taxes receivable	56,116
Accounts receivable	302,134
Loan receivable	52,840
Interest receivable	(184,731)
Special assessments receivable	(116,802)
Grants receivable	(82,988)

Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements. (36,859)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal payments paid. 4,983,633

Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of debt issued during the year. (11,618,000)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following liabilities.

Compensated absences	(81,747)
Police and fire pension liability	26,972
Duty disability liability	(95,596)
Other post-employment benefits	(496,028)

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Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities interest expense is recognized as the interest accrues regardless of when it is due.	\$ 10,919
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:	
Amortization of premium/(discount)	110,300
Amortization of debt issuance costs	18,430
Amortization of deferred loss on refunding	(15,734)
Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	<u>1,966,282</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 1,759,094</u>

**CITY OF EAU CLAIRE**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 5,876,155	\$ 8,706,256	\$ 2,064,201
Taxes receivable	482,417	397,180	116,171
Accounts receivable, net	1,661,211	1,665,747	746,037
Due from other governments	67,960	-	-
Due from other funds	-	-	-
Inventories	229,627	-	-
Prepaid items	7,415	-	-
Restricted cash and investments	296,609	-	-
Total Current Assets	<u>8,621,394</u>	<u>10,769,183</u>	<u>2,926,409</u>
<b>Noncurrent Assets</b>			
Restricted cash and investments	1,564,030	-	2,121,465
Deposit in insurance pools	-	-	-
Unamortized issuance costs	157,818	-	83,715
Special assessment receivable	703,767	691,365	3,343
Advances to other funds	-	-	-
Capital assets:			
Construction in progress	2,228,904	5,365,586	2,532,317
Land	284,274	109,339	14,711,637
Capital assets	75,213,719	71,347,645	40,838,327
Less: Accumulated depreciation	<u>(22,308,139)</u>	<u>(25,500,682)</u>	<u>(10,311,594)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>55,418,758</u>	<u>51,321,888</u>	<u>47,770,687</u>
Total Noncurrent Assets	<u>57,844,373</u>	<u>52,013,253</u>	<u>49,979,210</u>
Total Assets	<u>66,465,767</u>	<u>62,782,436</u>	<u>52,905,619</u>

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
\$ 376,691	\$ 1,211,974	\$ 18,235,277	\$ 15,031,058
-	-	995,768	-
93,657	164,869	4,331,521	238,721
-	-	67,960	13,212
-	-	-	708
-	-	229,627	414,716
-	-	7,415	1,043
-	-	296,609	-
<u>470,348</u>	<u>1,376,843</u>	<u>24,164,177</u>	<u>15,699,458</u>
-	-	3,685,495	224,133
-	-	-	766,496
-	-	241,533	-
-	-	1,398,475	-
-	-	-	1,838,700
-	5,475,351	15,602,158	377,112
-	650,196	15,755,446	235,899
5,887,226	10,388,546	203,675,463	19,926,541
(4,768,149)	(5,492,730)	(68,381,294)	(10,379,505)
<u>1,119,077</u>	<u>11,021,363</u>	<u>166,651,773</u>	<u>10,160,047</u>
<u>1,119,077</u>	<u>11,021,363</u>	<u>171,977,276</u>	<u>12,989,376</u>
<u>1,589,425</u>	<u>12,398,206</u>	<u>196,141,453</u>	<u>28,688,834</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS (cont.)  
 PROPRIETARY FUNDS  
 December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 437,736	\$ 315,481	\$ 207,441
Accrued payroll and payroll taxes	76,741	81,340	10,509
Accrued compensated absences	137,956	109,619	17,668
Accrued interest	-	-	196,011
Deposits	27,000	129,000	-
Due to other governmental units	-	-	-
Current portion of advances	384,621	45,909	-
Current portion of general obligation debt	-	-	885,000
Current portion of revenue bonds	468,750	-	-
Current portion of unpaid claims	-	-	-
Liabilities payable from restricted assets:			
Current portion revenue bonds	156,250	-	-
Accrued interest	140,359	-	-
<b>Total Current Liabilities</b>	<u>1,829,413</u>	<u>681,349</u>	<u>1,316,629</u>
<b>Noncurrent Liabilities</b>			
Advances from other funds	2,619,593	688,367	-
Revenue bonds payable	9,445,000	-	-
General obligation debt	-	-	15,520,000
Other post-employment benefits	142,770	91,667	-
Unpaid claims	-	-	-
Deferred amount on refunding	(34,299)	-	(89,987)
Unamortized premium on debt	49,663	-	63,586
<b>Total Noncurrent Liabilities</b>	<u>12,222,727</u>	<u>780,034</u>	<u>15,493,599</u>
<b>Total Liabilities</b>	<u>14,052,140</u>	<u>1,461,383</u>	<u>16,810,228</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	45,333,394	51,321,888	33,513,553
Restricted for:			
Restricted deposits	-	-	-
Debt service	1,319,280	-	-
Equipment replacement	401,000	-	-
Unrestricted	<u>5,359,953</u>	<u>9,999,165</u>	<u>2,581,838</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 52,413,627</u>	<u>\$ 61,321,053</u>	<u>\$ 36,095,391</u>

Adjustment to reflect the consolidation of internal service fund activities  
 related to enterprise funds.

**NET ASSETS OF BUSINESS-TYPE ACTIVITIES**

<u>Business-type Activities - Enterprise Funds</u>			Governmental
Public	Other		Activities -
Transit	Enterprise	Totals	Internal
	Funds		Service Funds
\$ 64,635	\$ 416,464	\$ 1,441,757	\$ 261,772
104,245	13,643	286,478	24,670
108,953	15,458	389,654	33,473
5,457	-	201,468	-
34,086	-	190,086	-
83,075	2,626	85,701	-
-	110,000	540,530	-
37,796	-	922,796	-
-	-	468,750	-
-	-	-	220,000
-	-	156,250	-
-	-	140,359	-
<u>438,247</u>	<u>558,191</u>	<u>4,823,829</u>	<u>539,915</u>
-	4,040,000	7,347,960	-
-	-	9,445,000	-
123,892	-	15,643,892	-
110,192	7,347	351,976	35,454
-	-	-	1,653,591
-	-	(124,286)	-
-	-	113,249	-
<u>234,084</u>	<u>4,047,347</u>	<u>32,777,791</u>	<u>1,689,045</u>
<u>672,331</u>	<u>4,605,538</u>	<u>37,601,620</u>	<u>2,228,960</u>
957,389	11,021,363	142,147,587	10,160,047
-	-	-	991,672
-	-	1,319,280	-
-	-	401,000	-
<u>(40,295)</u>	<u>(3,228,695)</u>	<u>14,671,966</u>	<u>15,308,155</u>
<u>\$ 917,094</u>	<u>\$ 7,792,668</u>	158,539,833	<u>\$ 26,459,874</u>
		<u>80,438</u>	
		<u>\$ 158,620,271</u>	

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,379,381	\$ 6,617,211	\$ 3,245,820
Rental of equipment	-	-	-
Other	20	35,505	-
Total Operating Revenues	8,379,401	6,652,716	3,245,820
<b>OPERATING EXPENSES</b>			
Personal services	2,118,815	2,134,544	272,668
Contractual services	827,720	878,967	129,194
Supplies and materials	389,814	645,137	11,631
Utilities	479,280	487,452	70,869
Depreciation	1,513,935	1,334,743	631,519
Administrative	414,471	493,188	345,070
Claims	-	-	-
Total Operating Expenses	5,744,035	5,974,031	1,460,951
Operating income (loss)	2,635,366	678,685	1,784,869
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Investment income	83,150	98,757	25,087
Net gain (loss) on disposal of capital assets	-	(4,188)	(10,126)
Interest expense	(674,507)	(56,338)	(646,966)
Amortization	(10,814)	-	(4,838)
Other miscellaneous revenue (expense)	-	-	-
Total Non-Operating Revenues (Expenses)	(602,171)	38,231	(636,843)
Income (loss) before transfers	2,033,195	716,916	1,148,026
Transfers from other funds	-	-	-
Transfers to other funds	(1,307,653)	(50,000)	(700,941)
Total Transfers	(1,307,653)	(50,000)	(700,941)
Income (loss) before contributions	725,542	666,916	447,085
Capital contributions	378,597	58,364	19,470
Change in net assets	1,104,139	725,280	466,555
NET ASSETS - Beginning of Year	51,309,488	60,595,773	35,628,836
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 52,413,627</b>	<b>\$ 61,321,053</b>	<b>\$ 36,095,391</b>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

#### CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
\$ 689,595	\$ 911,246	\$ 19,843,253	\$ 2,531,342
-	-	-	2,546,222
<u>259,314</u>	<u>569,464</u>	<u>864,303</u>	<u>493,015</u>
<u>948,909</u>	<u>1,480,710</u>	<u>20,707,556</u>	<u>5,570,579</u>
2,427,440	542,994	7,496,461	871,561
1,454,089	180,889	3,470,859	286,443
462,393	93,209	1,602,184	815,505
7,293	269,714	1,314,608	126,906
327,702	333,372	4,141,271	1,269,112
132,212	121,989	1,506,930	138,107
-	-	-	1,429,734
<u>4,811,129</u>	<u>1,542,167</u>	<u>19,532,313</u>	<u>4,937,368</u>
<u>(3,862,220)</u>	<u>(61,457)</u>	<u>1,175,243</u>	<u>633,211</u>
2,907,050	-	2,907,050	-
-	1,686	208,680	88,102
-	-	(14,314)	(48,313)
(7,683)	(20,951)	(1,406,445)	-
-	(400)	(16,052)	-
-	(120)	(120)	-
<u>2,899,367</u>	<u>(19,785)</u>	<u>1,678,799</u>	<u>39,789</u>
(962,853)	(81,242)	2,854,042	673,000
684,127	1,076,467	1,760,594	1,496,700
-	-	(2,058,594)	(95,000)
<u>684,127</u>	<u>1,076,467</u>	<u>(298,000)</u>	<u>1,401,700</u>
(278,726)	995,225	2,556,042	2,074,700
-	-	456,431	-
(278,726)	995,225	3,012,473	2,074,700
<u>1,195,820</u>	<u>6,797,443</u>		<u>24,385,174</u>
<u>\$ 917,094</u>	<u>\$ 7,792,668</u>		<u>\$ 26,459,874</u>
		<u>108,418</u>	
		<u>\$ 3,120,891</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 8,120,696	\$ 6,358,072	\$ 3,090,178
Cash paid to suppliers for goods and services	(1,852,634)	(2,077,232)	(216,071)
Cash paid to employees for services	(2,089,245)	(2,133,059)	(271,265)
Claims paid	-	-	-
Repayment of insurance claims	-	-	-
Administrative charges	(331,872)	(415,488)	(340,212)
Net Cash Flows From (Used By) Operating Activities	<u>3,846,945</u>	<u>1,732,293</u>	<u>2,262,630</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Operating advances to other funds	-	-	-
Principal paid on advances from other funds	(358,381)	(42,805)	-
Interest paid on advances from other funds	(247,421)	(56,338)	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,307,653)	(50,000)	(700,941)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,913,455)</u>	<u>(149,143)</u>	<u>(700,941)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	83,150	98,757	25,087
Net Cash Flows From Investing Activities	<u>83,150</u>	<u>98,757</u>	<u>25,087</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	3,825,000	-	1,760,000
Debt issuance costs	(87,519)	-	(19,147)
Debt retired	(2,770,000)	-	(800,000)
Special assessments received	90,136	87,383	30
Interest paid	(362,209)	-	(620,516)
Capital contributions	-	-	-
Acquisition and construction of capital assets	(1,913,711)	(1,996,860)	(1,853,710)
Capital related advance from other funds	-	-	-
Proceeds from sale of capital assets	-	-	-
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(1,218,303)</u>	<u>(1,909,477)</u>	<u>(1,533,343)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>798,337</b>	<b>(227,570)</b>	<b>53,433</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>6,938,457</u>	<u>8,933,826</u>	<u>4,132,233</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 7,736,794</b>	<b>\$ 8,706,256</b>	<b>\$ 4,185,666</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 5,876,155	\$ 8,706,256	\$ 2,064,201
Restricted Cash and Investments			
Current	296,609	-	-
Noncurrent	1,564,030	-	2,121,465
<b>CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS</b>	<b>\$ 7,736,794</b>	<b>\$ 8,706,256</b>	<b>\$ 4,185,666</b>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 890,382	\$ 1,443,442	\$ 19,902,770	\$ 5,248,641
(2,091,082)	(643,946)	(6,880,965)	(1,330,951)
(2,437,478)	(551,910)	(7,482,957)	(856,466)
-	-	-	(1,607,300)
-	-	-	291,967
(45,336)	-	(1,132,908)	-
<u>(3,683,514)</u>	<u>247,586</u>	<u>4,405,940</u>	<u>1,745,891</u>
3,121,763	-	3,121,763	-
-	-	-	(517,000)
-	(150,000)	(551,186)	-
-	(2,513)	(306,272)	-
684,127	1,076,467	1,760,594	175,000
-	-	(2,058,594)	(95,000)
<u>3,805,890</u>	<u>923,954</u>	<u>1,966,305</u>	<u>(437,000)</u>
-	1,686	208,680	88,102
-	1,686	208,680	88,102
-	-	5,585,000	-
-	-	(106,666)	-
(36,169)	-	(3,606,169)	-
-	-	177,549	-
(8,904)	(18,438)	(1,010,067)	-
-	50,000	50,000	-
-	(5,137,081)	(10,901,362)	(1,205,599)
-	3,750,000	3,750,000	-
-	-	-	116,949
<u>(45,073)</u>	<u>(1,355,519)</u>	<u>(6,061,715)</u>	<u>(1,088,650)</u>
77,303	(182,293)	519,210	308,343
<u>299,388</u>	<u>1,394,267</u>	<u>21,698,171</u>	<u>14,946,848</u>
<u>\$ 376,691</u>	<u>\$ 1,211,974</u>	<u>\$ 22,217,381</u>	<u>\$ 15,255,191</u>
\$ 376,691	\$ 1,211,974	\$ 18,235,277	\$ 15,031,058
-	-	296,609	-
-	-	3,685,495	224,133
<u>\$ 376,691</u>	<u>\$ 1,211,974</u>	<u>\$ 22,217,381</u>	<u>\$ 15,255,191</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS (cont.)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2009

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 2,635,366	\$ 678,685	\$ 1,784,869
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Non-operating income (expense)	-	-	-
Noncash items included in income			
Depreciation	1,513,935	1,334,743	631,519
Depreciation charged to other accounts	110,304	894	-
Prior year construction in progress expensed	-	-	-
Change in assets and liabilities			
Accounts receivable	(329,377)	(353,907)	(136,771)
Due from other funds	(66,632)	(70,631)	(18,871)
Inventories	(67,709)	-	-
Prepaid items	614	-	-
Accounts payable	(6,126)	12,024	481
Due to other funds	-	-	-
Deposits	27,000	129,000	-
Accrued liabilities	12,700	718	1,403
Other post-employment benefits	16,870	767	-
Unpaid claims	-	-	-
<b>NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>	<b>\$ 3,846,945</b>	<b>\$ 1,732,293</b>	<b>\$ 2,262,630</b>

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

During 2009, developers contributed capital assets of \$297,191 to the water utility, \$34,498 to the sewer utility, and \$18,846 to the storm water utility. Also in 2009, TIF District No. 8 transferred \$1,321,700 to the Risk Management internal service fund to set up an advance for reimbursement of previous years' transfers.

<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
\$ (3,862,220)	\$ (61,457)	\$ 1,175,243	\$ 633,211
-	(120)	(120)	-
327,702	333,372	4,141,271	1,269,112
-	-	111,198	-
-	35,086	35,086	-
(60,074)	(37,148)	(917,277)	(29,971)
-	-	(156,134)	-
-	-	(67,709)	(13,288)
-	-	614	40,259
20,133	52,784	79,296	49,298
(73,679)	(65,708)	(139,387)	-
1,547	-	157,547	-
(34,115)	(3,870)	(23,164)	(4,759)
(2,808)	(5,353)	9,476	19,854
-	-	-	(217,825)
<u>\$ (3,683,514)</u>	<u>\$ 247,586</u>	<u>\$ 4,405,940</u>	<u>\$ 1,745,891</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2009**

---

	<u>Tax Collection Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 13,154,564
Taxes receivable	<u>50,036,718</u>
<b>TOTAL ASSETS</b>	<u>\$ 63,191,282</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 63,191,282</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 63,191,282</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
COMPONENT UNITS  
December 31, 2009

	Housing Authority	Redevelopment Authority	Other Component Units	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 2,829,422	\$ 904,624	\$ 318,122	\$ 4,052,168
Receivables				
Taxes	-	-	145,000	145,000
Notes receivable	-	28,932	-	28,932
Accounts, net	105,444	-	-	105,444
Due from primary government	32,708	-	-	32,708
Prepaid items	68,064	-	-	68,064
Total Current Assets	<u>3,035,638</u>	<u>933,556</u>	<u>463,122</u>	<u>4,432,316</u>
<b>NONCURRENT ASSETS</b>				
Restricted assets - cash and investments	921,175	-	-	921,175
Notes receivable	60,000	480,000	-	540,000
Property held for resale	-	2,438,098	-	2,438,098
Construction in progress	158,052	-	-	158,052
Land	1,408,299	-	-	1,408,299
Capital assets	17,517,790	-	-	17,517,790
Less: accumulated depreciation	<u>(7,281,443)</u>	<u>-</u>	<u>-</u>	<u>(7,281,443)</u>
Total Noncurrent Assets	<u>12,783,873</u>	<u>2,918,098</u>	<u>-</u>	<u>15,701,971</u>
Total Assets	<u>15,819,511</u>	<u>3,851,654</u>	<u>463,122</u>	<u>20,134,287</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	72,249	3,671	8,573	84,493
Accrued liabilities	22,676	-	-	22,676
Accrued compensated absences	52,107	-	-	52,107
Other liabilities	89,808	-	-	89,808
Unearned revenue	141,543	-	145,000	286,543
Current portion of long-term debt	118,449	-	-	118,449
Total Current Liabilities	<u>496,832</u>	<u>3,671</u>	<u>153,573</u>	<u>654,076</u>
<b>NONCURRENT LIABILITIES</b>				
Housing projects notes and bonds	258,462	-	-	258,462
Other loans payable	723,855	-	-	723,855
Other noncurrent liabilities	20,092	-	-	20,092
Other post-employment benefits	6,177	-	-	6,177
Total Noncurrent Liabilities	<u>1,008,586</u>	<u>-</u>	<u>-</u>	<u>1,008,586</u>
Total Liabilities	<u>1,505,418</u>	<u>3,671</u>	<u>153,573</u>	<u>1,662,662</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	10,701,932	-	-	10,701,932
Restricted for:				
Replacement	635,220	-	-	635,220
Development costs	110,953	-	-	110,953
Grant requirements	175,002	-	-	175,002
Unrestricted	2,690,986	3,847,983	309,549	6,848,518
<b>TOTAL NET ASSETS</b>	<u>\$ 14,314,093</u>	<u>\$ 3,847,983</u>	<u>\$ 309,549</u>	<u>\$ 18,471,625</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF ACTIVITIES  
 COMPONENT UNITS  
 For the Year Ended December 31, 2009

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets			Totals
					Housing Authority	Redevelopment Authority	Nonmajor Component Units	
Housing Authority								
Housing projects	\$ 3,619,948	\$ 955,061	\$ 2,726,104	\$ 189,448	\$ 250,665	\$ -	\$ -	\$ 250,665
Redevelopment Authority								
Contractual services	3,558	-	-	-	-	(3,558)	-	(3,558)
Developer incentives	31,068	-	-	-	-	(31,068)	-	(31,068)
Total Redevelopment Authority	34,626	-	-	-	-	-	-	-
Nonmajor Component Units	111,720	-	-	-	-	-	(111,720)	(111,720)
<b>Total Component Units</b>	<b>\$ 3,766,294</b>	<b>\$ 955,061</b>	<b>\$ 2,726,104</b>	<b>\$ 189,448</b>	<b>250,665</b>	<b>(34,626)</b>	<b>(111,720)</b>	<b>104,319</b>
General revenues:								
Property taxes					-	-	151,500	151,500
Investment income					68,878	-	3,150	72,028
Contributions from city					-	200,000	-	200,000
Miscellaneous					-	825	4,025	4,850
Total General Revenues					<u>68,878</u>	<u>200,825</u>	<u>158,675</u>	<u>428,378</u>
<b>Change in net assets</b>					319,543	166,199	46,955	532,697
NET ASSETS - Beginning of Year					13,994,550	3,681,784	262,594	17,938,928
<b>NET ASSETS - END OF YEAR</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b><u>14,314,093</u></b>	<b><u>3,847,983</u></b>	<b><u>309,549</u></b>	<b><u>18,471,625</u></b>

See accompanying notes to financial statements.

## **Notes to Financial Statements**

The notes to the basic financial statements contain a summary of significant accounting policies and other notes considered necessary for a clear understanding of the financial statements.

# CITY OF EAU CLAIRE

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December 31, 2009

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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the City of Eau Claire (City), Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the City. 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. A legally separate organization should be reported as a component unit if the elected official of the primary government is financially accountable to the organization. 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.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. All discretely presented component units have been combined and reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that they are legally separate from the government.

#### ***Discretely Presented Component Units***

##### *Housing Authority of the City of Eau Claire*

The government-wide financial statements include the Housing Authority of the City of Eau Claire (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the Eau Claire City Council. 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 III.I. As a major component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2009. Separately issued financial statements of the Housing Authority of the City of Eau Claire may be obtained from the Housing Authority's office, which is located at 203 South Farwell Street, P.O. Box 1186, Eau Claire, WI 54702-1186.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### A. REPORTING ENTITY (cont.)

##### *Discretely Presented Component Units* (cont.)

###### *Redevelopment Authority of the City of Eau Claire*

The government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the RDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2009. Separately issued financial statements of the RDA of the City of Eau Claire may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

###### *Business Improvement Districts (BIDs)*

The government-wide financial statements include the Downtown Business Improvement District, West Grand Business Improvement District, Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.I. As nonmajor component units, the BIDs financial statements have been combined and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2009. Separate financial statements are not issued by the Business Improvement Districts.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

##### *Government-Wide Financial Statements*

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Government-Wide Financial Statements (cont.)***

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

##### ***Fund Financial Statements***

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

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

The City reports the following major governmental funds:

General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TIF or enterprise fund debt.

The City reports the following major enterprise funds:

Water Utility – accounts for the construction, operations, and maintenance of the municipal water pumping, treatment, and distribution systems.

Sewer Utility – accounts for the construction, operations, and maintenance of the municipal sewage collection and treatment system.

Storm Water Utility – accounts for the construction and operation of the City's storm sewer system. It also accounts for the acquisition and maintenance of storm water detention areas.

Public Transit – accounts for the operations and maintenance of the municipal mass transit facility and fleet equipment.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Cemetery Maintenance
- Hazardous Materials Response
- Community Development
- Home Grant
- Economic Development
- Community Enhancement
- Public Library
- City-County Health Department
- Downtown Partners
- Former Landfill Escrow

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- Debt Service – TIF No. 6
- Debt Service – TIF No. 7

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- TIF No. 5 Gateway Northwest Business Park
- TIF No. 8 Downtown Development
- TIF No. 9 Gateway Northwest Business Park Overlay
- Street Projects
- Bridge Projects
- Buildings and Equipment
- Parks and Recreation Projects
- Environmental Improvements – Landfill
- Library Buildings and Equipment

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

- Parking Utility
- Hobbs Ice Center
- Outdoor Pool

In addition, the City reports the following fund types:

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.

- Risk Management
- Central Equipment

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

- Tax Collection Fund

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

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

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

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

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

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### C. *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION* (cont.)

##### *Fund Financial Statements* (cont.)

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, special assessments 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.

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, 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 balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility, and Public Transit are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Current rates in the Water Utility were approved by the Public Service Commission of Wisconsin and effective on May 1, 2009. Current Sewer and Storm Water Utility rates were approved by the City council on November 12, 2008.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***All Financial Statements***

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.

#### **D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

##### ***1. Deposits and Investments***

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

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

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

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments:

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *1. Deposits and Investments (cont.)*

###### ***Custodial Credit Risk***

Collateralization shall be required on all demand deposit accounts, non-negotiable certificates of deposit, and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be a minimum of 106% of the market value of principal and accrued interest. The level of collateralization is negotiated and a part of the City's Bank Services contract. Collateral shall be pledged in the name of the City of Eau Claire, subject to release by the City's finance director.

###### ***Credit Risk***

The City will only invest in the type of investments allowable by state statutes as listed above. In addition, any securities the City invests in must have a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors' Service or other similar nationally recognized ranking agency, or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

###### ***Concentration of Credit Risk***

The City will diversify investments by security type, institution and terms of maturity to reduce portfolio risk. With the exception of U.S. agency securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Investments shall be diversified by:

1. Limiting investments to avoid concentration in securities from a specific issuer or business sector (excluding U.S. agency securities and authorized pools).
2. Limiting investment in securities that have higher credit risks.
3. Investing in securities with varying maturities.
4. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)**

##### **1. Deposits and Investments (cont.)**

###### **Interest Rate Risk**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. However, the City may collateralize its investments using longer-dated securities. The City will maintain at least 10% of its total investment portfolio in instruments maturing in 30 days or less.

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 difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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 the same day if prior to 11:00 a.m. CST. At December 31, 2009, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

##### **2. Receivables**

Property taxes are levied in December on the assessed value as of the prior January 1. 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 local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund balance sheet.

Property tax calendar – 2009 tax roll:

Lien date and levy date	December 2009
Tax bills mailed	December 2009
Payment in full, or	January 31, 2010
First installment due	January 31, 2010
Second installment due	July 31, 2010
Personal property taxes in full	January 31, 2010
Tax sale – 2009 delinquent real estate taxes	October 2012

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *2. Receivables (cont.)*

Accounts receivable have been shown net of an allowance for uncollectible accounts. 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 for the Water and Sewer utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant. The General Fund, Storm Water Utility and Community Enhancement Fund have recorded allowances of \$1,106,775, \$1,050 and \$54,719, respectively.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds 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.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has been reduced by an allowance for uncollectible accounts of \$92,000.

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

##### *3. Inventories and Prepaid Items*

Proprietary fund inventories, if material, are recorded at cost based on the first-in, first-out (FIFO) method using the consumption method of accounting. 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 weighted average, and charged to construction or operation and maintenance expense when used.

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### **4. Restricted Assets**

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

Funds on deposit with Wisconsin Municipal Insurance Company for payment of insurance claims are combined with twelve other participating governments. The City's deposit at year end was \$224,133. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. During the current year, \$50,100 of net interest was capitalized. 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 Years
Land Improvements	30-55 Years
Machinery and Equipment	3-25 Years
Utility System	40-100 Years
Infrastructure	10-30 Years

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *5. Capital Assets (cont.)*

###### *Fund Financial Statements*

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

##### *6. Other Assets*

In governmental funds, debt issuance costs are recognized as expenditures in the current period, and premiums on debt are recognized as revenues in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

##### *7. Compensated Absences*

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2009 are determined on the basis of current salary rates and include salary related payments.

All vested vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

##### *8. Long-Term Obligations/Conduit Debt*

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *8. Long-Term Obligations/Conduit Debt (cont.)*

The City has approved the issuance of industrial revenue bonds (IRB) 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 \$4,322,001, made up of one issue.

##### *9. 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 funds. The liability for claims and judgments is only reported in governmental fund types if it has matured. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

##### *10. Equity Classifications*

###### *Government-Wide Statements*

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The net asset section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column.

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)*

##### *10. Equity Classifications (cont.)*

###### *Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

##### *11. Prior Period Information*

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

Comparative total data for the prior year have been presented for the general fund, certain special revenue funds and the debt service funds in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. However, comparative data by fund has not been presented in all statements since their inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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### NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### *A. BUDGETARY INFORMATION*

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. Formal budgets are prepared for governmental and proprietary funds. Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C. The City adopts the budget at the department level.

An annual budget has been adopted for the general, debt service, and special revenue funds, except for the Community Development and Home Grant funds, which have nonlapsing budgets. Flexible, annual budgets are approved for proprietary funds to provide for financial management. Project length budgets are adopted for capital project funds. Although these appropriations are specific for each project, they are reviewed and may be adjusted annually by the City council. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. All annual appropriations lapse at year end.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

#### A. BUDGETARY INFORMATION (cont.)

Purchase orders which are not completed by year end are recorded in the following year.

The following procedures, which comply with legal requirements, are used in establishing the budgetary data reflected in the financial statements:

1. Before October 25, the City manager must submit to the City council budget proposals for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the resources to finance them.
2. City council work sessions are held to review the submitted budget.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is adopted through passage of a resolution in November; public notification is given, showing adopted budgets and the resulting tax levy.
5. During the fiscal year, the director of finance may authorize transfers of budgeted amounts within departments; however, transfers between departments must be approved by City council resolutions.
6. Formal budgetary integration is employed as a management control device during the year for the general, special revenue and debt service funds. Budgetary control for capital project funds is accomplished through the use of project controls.

The City council approved proposed 2009 budgets for governmental and proprietary funds on November 12, 2008.

During 2009 and 2010, additional appropriations were approved in the General, General Debt Service, Economic Development, Community Enhancement, Downtown Partners, Public Library, and City-County Health Department Funds. A summary of these council actions follows:

Fund	Original Appropriation	Carryover of Appropriations	Grants and Donations	Other	Final Appropriation
General Fund	\$ 54,143,000	\$ (172,600)	\$ 182,700	\$ 539,300	\$ 54,692,400
General Debt Service	6,294,600	-	-	50,300	6,344,900
Economic Development	672,300	50,000	-	350,000	1,072,300
Community Enhancement	1,241,600	-	15	-	1,241,615
Downtown Partners	153,300	-	1,200	-	154,500
Public Library	4,165,600	2,500	-	-	4,168,100
City-County Health	4,630,800	52,700	476,300	-	5,159,800

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

**B. LIMITATIONS ON THE CITY TAX LEVY**

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

**C. DEFICIT BALANCES**

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

As of December 31, 2009, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF No. 8 Downtown Development	\$ 2,133,426	Expenditures in excess of revenues
TIF No. 9 Gateway NW Business Park Overlay	1,000	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the district, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool for all funds and component units (except the Housing Authority) which is recorded on the statement of net assets as follows:

Per statement of net assets	
Cash and investments	\$ 91,062,797
Restricted cash and investments	6,801,430
Per statement of net assets – fiduciary funds	13,154,564
Sub-total	111,018,791
Less: Housing Authority cash and investments	(2,829,422)
Housing Authority restricted assets – cash and investments	(921,175)
Total	<u>\$ 107,268,194</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 5,023
Deposits with financial institutions	33,169,832
Investments	<u>74,093,339</u>
Total Cash and Investments	<u>\$ 107,268,194</u>

See Note III.I. for component unit information.

**Deposits**

The City's deposits at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 33,169,832	\$ 30,938,306	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts 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 not been considered in determining custodial credit risk.

The City maintains collateral agreements with its bank. At December 31, 2009, the bank had pledged various government securities in the amount of \$38,601,168 to secure the City's deposits.

**Investments**

The City's investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Associated Risks</u>
U.S. agencies	\$ 35,069,150	Concentration of credit risk, credit risk, interest rate risk
Escrow account	224,133	Credit risk, interest rate risk
LGIP	<u>38,800,056</u>	Credit risk, interest rate risk
Total Cash and Investments	<u>\$ 74,093,339</u>	

**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2009

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**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

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**A. DEPOSITS AND INVESTMENTS (cont.)**

***Custodial Credit Risk***

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2009, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
U.S. agencies – implicitly guaranteed	AAA	Aaa

The City also had investments in the following external pools which are not rated:

- Local Government Investment Pool
- WMMIC Escrow Pool

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Concentration of Credit Risk*** (cont.)

At December 31, 2009, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. agencies – implicitly guaranteed	22%
FFCB	U.S. agencies – implicitly guaranteed	11%
FHLMC	U.S. agencies – implicitly guaranteed	7%
FNMA	U.S. agencies – implicitly guaranteed	8%

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2009, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Bullet	01/25/10	N/A	\$ 2,003,760
FHLB Callable	02/17/11	02/17/10	2,003,120
FHLB Bullet	05/12/11	11/12/08	3,104,070
FFCB Callable	09/23/11	01/12/10	1,995,000
FNMA Callable	11/25/11	05/25/10	1,988,120
FHLB One-Time Call	12/08/11	06/08/10	2,006,260
FFCB Callable	01/12/12	01/12/10	2,000,620
FFCB Callable	02/17/12	02/17/10	2,004,380
FNMA One-Time Call	02/24/12	02/24/10	2,004,380
FFCB Callable	06/08/12	03/08/10	1,988,760
FNMA One-Time Call	08/27/12	08/27/10	2,012,500
FHLMC Callable	10/15/12	10/15/10	2,986,500
FHLB Callable	01/14/13	01/14/10	2,000,000
FHLB One-Time Call	03/25/13	03/25/10	2,003,120
FHLB Callable	10/29/14	01/29/10	2,980,320
FHLMC Callable	12/15/14	12/15/10	1,988,240
Total			<u>\$ 35,069,150</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Interest Rate Risk (cont.)**

Investment	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pool	\$ 38,800,056	88
WMMIC Escrow Pool	224,133	N/A

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

Receivables as of year end for the government's individual major funds and nonmajor funds, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
General	\$ 32,609,913	\$ 1,106,775	\$ 31,503,138	\$ 2,689,034
Debt Service - General	5,874,721	-	5,874,721	3,494,763
Nonmajor Funds	14,009,089	146,719	13,862,370	6,263,762
Internal Service Funds	251,933	-	251,933	83,267

**Business-type Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,915,355	\$ -	\$ 2,915,355	\$ 665,504
Sewer Utility	2,754,292	-	2,754,292	652,755
Storm Water Utility	866,601	1,050	865,551	2,843
Public Transit	93,657	-	93,657	8,346
Nonmajor Funds	164,869	-	164,869	393

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**B. RECEIVABLES (cont.)**

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

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 33,779,051	\$ 33,779,051
Delinquent property taxes receivable	200,225	-	200,225
Investment interest receivable	48,831	-	48,831
Accounts receivable	1,376,598	-	1,376,598
Loans receivable	6,642,515	-	6,642,515
Interest on special assessments	312,166	-	312,166
Special assessments not yet due	7,124,263	-	7,124,263
Grants receivable	116,399	5,000	121,399
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 15,820,997	 \$ 33,784,051	 \$ 49,605,048

**Notes Receivable**

At December 31, 2009, the General fund has one note receivable for \$25,000. The note will be paid by the Chippewa Valley Incubation Center which used the proceeds to partially fund a loan pool that is designed to provide beginning businesses with loans to purchase machinery and equipment.

The Community Development Special Revenue fund has notes receivable of \$2,752,043 at December 31, 2009, with maturities to the year 2020. These loans include \$833,079 for five small industry and economic development loans and \$1,918,964 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 163 loans which are all required to be secured by a lien on the property. Some loans can be deferred until the property is sold. Interest on these loans is either lower than market or zero. The City discontinued the small industry loan program in 1989.

The Home Grant Special Revenue fund has notes receivable of \$1,975,024 at December 31, 2009. This balance is comprised of 14 loans for transitional and affordable housing totaling \$1,817,323 and down payment and closing cost loans totaling \$157,701.

The Economic Development Special Revenue fund has notes receivable of \$1,900,865 at December 31, 2009. This balance is comprised of 18 different loans to a variety of businesses and not-for-profits.

The Community Enhancement Special Revenue fund also has one note receivable at the end of the year. The total outstanding on the loan is \$14,583 and will be paid by the Eau Claire Regional Arts Center.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long Term Debt Accounts***

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Construction – Used to report proceeds of bond issuances that are restricted for use in construction.

***Equipment Replacement Account***

The Water and Sewer Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2009:

	Governmental Activities	Business-type Activities
Restricted Assets		
Redemption account	\$ -	\$ 1,459,639
Replacement account	-	401,000
Revolving loan sequestered funds	243,200	
TIF No. 5 construction account	261,802	-
Street Projects construction account	91,864	-
Buildings and Equipment construction account	1,077,152	-
Storm Water construction account	-	2,121,465
Insurance claims account	224,133	-
Total Restricted Assets	\$ 1,898,151	\$ 3,982,104

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### **D. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 5,523,465	\$ 8,777,384	\$ 9,323,828	\$ 4,977,021
Land	15,447,504	170,807	382,268	15,236,043
Total Capital Assets Not Being Depreciated	\$ 20,970,969	\$ 8,948,191	\$ 9,706,096	\$ 20,213,064
Capital assets being depreciated				
Land improvements	\$ 9,342,492	\$ 29,400	\$ -	\$ 9,371,892
Buildings	20,704,160	-	594,000	20,110,160
Machinery and equipment	29,735,855	2,312,314	2,731,697	29,316,472
Infrastructure	148,344,869	8,789,110	2,339,373	154,794,606
Total Capital Assets Being Depreciated	208,127,376	11,130,824	5,665,070	213,593,130
Less: Accumulated depreciation for				
Land improvements	(1,860,928)	(488,472)	-	(2,349,400)
Buildings	(10,516,741)	(480,718)	17,870	(10,979,589)
Machinery and equipment	(14,703,152)	(2,415,816)	2,542,925	(14,576,043)
Infrastructure	(56,029,688)	(4,604,213)	1,652,278	(58,981,623)
Total Accumulated Depreciation	(83,110,509)	(7,989,219)	4,213,073	(86,886,655)
Capital Assets, Being Depreciated, Net	\$ 125,016,867	\$ 3,141,605	\$ 1,451,997	\$ 126,706,475

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 189,603
Public safety	897,506
Public works, which includes the depreciation of infrastructure	5,231,127
Health services	12,290
Culture and recreation	1,656,853
Development	<u>1,840</u>

Total Governmental Activities Depreciation Expense \$ 7,989,219

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 7,018,705	\$ 9,567,078	\$ 983,625	\$ 15,602,158
Land	<u>15,755,446</u>	<u>-</u>	<u>-</u>	<u>15,755,446</u>
 Total Capital Assets Not Being Depreciated	 <u>\$ 22,774,151</u>	 <u>\$ 9,567,078</u>	 <u>\$ 983,625</u>	 <u>\$ 31,357,604</u>
 <b>Other Capital Assets</b>				
Improvements	\$ 3,476,897	\$ 266,316	\$ -	\$ 3,743,213
Buildings	30,428,066	38,140	-	30,466,206
Distribution and collection systems	151,986,325	2,608,359	181,039	154,413,645
Source of supply system	893,255	-	-	893,255
Machinery and equipment	<u>14,128,876</u>	<u>35,636</u>	<u>5,368</u>	<u>14,159,144</u>
Total Capital Assets Being Depreciated	 <u>200,913,419</u>	 <u>2,948,451</u>	 <u>186,407</u>	 <u>203,675,463</u>
 Less: Accumulated depreciation for				
Improvements	(1,660,262)	(148,705)	-	(1,808,967)
Buildings	(15,860,028)	(713,267)	-	(16,573,295)
Distribution and collection systems	(35,616,763)	(2,707,228)	160,258	(38,163,733)
Source of supply system	(670,601)	(20,741)	-	(691,342)
Machinery and equipment	<u>(10,486,799)</u>	<u>(662,526)</u>	<u>5,368</u>	<u>(11,143,957)</u>
Total Accumulated Depreciation	 <u>(64,294,453)</u>	 <u>(4,252,467)</u>	 <u>165,626</u>	 <u>(68,381,294)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>\$ 136,618,966</u>	 <u>\$ (1,304,016)</u>	 <u>\$ 20,781</u>	 <u>\$ 135,294,169</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,513,935
Sewer	1,334,743
Storm Water	631,519
Public Transit	327,702
Parking Utility	212,267
Hobbs Ice Center	68,587
Outdoor Pool	52,518
Other	<u>110,304</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 4,251,575</u>

The amount of depreciation expense charged to "other" above is the amount charged for joint metering in 2009. Depreciation expense does not agree to increases in accumulated depreciation due to salvage on retired assets.

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

**Interfund Receivables/Payables**

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 Fund	Special Revenue – Community Enhancement	\$ 137,742
General Fund	Special Revenue – Public Library	9,087
General Fund	Special Revenue – City-County Health	9,323
General Fund	Special Revenue – HOME Grant	51,002
General Fund	Capital Projects – TIF No. 9	1,000
Internal Service – Central Equipment	Special Revenue – Public Library	<u>708</u>
 Sub-total – Fund Financial Statements		 208,862
 Less: Fund eliminations		 <u>(208,862)</u>
Total interfunds		-
Government-wide net interfund advances		7,888,490
Adjustment to reflect internal service fund activities related to enterprise funds		<u>(80,438)</u>
 Total Internal Balances – Government-Wide Statement of Net Assets		 <u>\$ 7,808,052</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

*E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)*

*Interfund Receivables/Payables (cont.)*

The principal purpose of these interfunds is to cover an overdraft of pooled cash. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

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

**Advances**

The General Fund is advancing funds to the Water Utility, Sewer Utility, and Hobbs. The General Fund is charging the other funds interest on the advances based on the balance outstanding before the principal payment for the current year. The interest rate on the Water Utility advances is 5.8% – 7.7%. The rate being charged on the Sewer Utility advance is 7.25%. The rate being charged on the Hobbs advances is 1.6 – 5.1%.

The Economic Development, Street Projects, and Risk Management funds are advancing fund to TIF No. 8. Principal and interest payments on these advances have not yet started. These funds will be charging TIF No. 8 interest on the advances based on the balance outstanding before the principal payment, retroactive to the year 2004. The rate to be charged is 3.7215% – 4.4050%.

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Water Utility	\$ 3,004,214	\$ 2,619,593
General Fund	Sewer Utility	734,276	688,367
General Fund	Enterprise - Hobbs Ice Center	4,150,000	4,040,000
Special Revenue – Economic Development	Capital Projects – TIF No. 8	400,000	400,000
Capital Projects – Street Projects	Capital Projects – TIF No. 8	1,000,000	1,000,000
Internal Service – Risk Management	Capital Projects – TIF No. 8	<u>1,838,700</u>	1,838,700
Sub-total – Fund Financial Statements		11,127,190	
Less: Fund eliminations		<u>3,238,700</u>	
Total Net Government-Wide Advances		<u>\$ 7,888,490</u>	

## CITY OF EAU CLAIRE

### NOTES TO FINANCIAL STATEMENTS December 31, 2009

#### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)*

##### *Advances (cont.)*

The principal purpose of the advances is to advance funds for capital construction projects, collateral on a letter of credit, and repayment of transfers from prior years.

No repayment schedule has been established for the advances to TIF No. 8. Annual repayment of principal and interest on the other advances are made according to the following schedule:

<u>Years</u>	<u>Advances</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2010	\$ 540,530	\$ 424,083	\$ 964,613
2011	652,018	366,588	1,018,606
2012	685,810	328,798	1,014,608
2013	635,277	287,962	923,239
2014	672,534	250,501	923,035
2015 – 2019	4,609,879	702,098	5,311,977
2020	92,442	6,702	99,144
Totals	\$ 7,888,490	\$ 2,366,732	\$ 10,255,222

##### *Transfers*

Following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<b>General Fund</b>	Community Development	\$ 32,448	To fund coalition for youth
	Community Enhancement	100,000	To fund general fund special events
	Water Utility	1,307,653	Payment in lieu of tax
	Sewer Utility	50,000	To pay back contributed capital
	Storm Water Utility	700,941	Fund street cleaning costs
<b>Special Revenue</b>	Cemetery Maintenance	245,951	Operating subsidy
	Economic Development	4,400	General support
	Economic Development	400,000	Record advances for prior year transfers
	City-County Health	58,878	Fund code enforcement project
Downtown Partners	85,000	Operating subsidy	
<b>Debt Service</b>	Debt Service – General	4,186,608	Debt service payments
	Debt Service – General	39,983	Debt service payments
	Debt Service – General	29,422	Debt service payments
	Debt Service – TIF No. 7	83,033	Close out capital projects fund

**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Transfers (cont.)**

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>Capital Projects</b>			
Street Projects	TIF No. 8 – Downtown Development	\$ 1,000,000	Record advances for prior year transfers
Street Projects	Community Development	115,000	Fund street construction
Buildings and Equipment	General Fund	962,700	Fund various projects
Buildings and Equipment	Cemetery Maintenance	31,300	Forest Hill and Lakeview remodel
Buildings and Equipment	Community Development	162,000	Fund comprehensive plan/home ownership program
Buildings and Equipment	Hazardous Materials Response	3,779	IFERN Grant match
Bridges	General Fund	100,000	Fund bridge renovations
Parks and Recreation	General Fund	150,000	Fund park development projects
Parks and Recreation	Community Enhancement	136,300	Fund park development projects
Environmental Improvement	Risk Management	95,000	Fund environmental projects
Library Buildings and Equipment	Public Library	310,000	Fund facility improvements
<b>Enterprise</b>			
Public Transit	General Fund	684,127	Operating subsidy
Parking Utility	General Fund	103,232	Subsidize parking ramp renovations
Hobbs Ice Center	General Fund	600,000	Code compliance
Hobbs Ice Center	Community Enhancement	92,300	Subsidize facilities improvements
Outdoor Pool	General Fund	280,935	Operating subsidy
<b>Internal Service</b>			
Risk Management	TIF No. 8 – Downtown Development	1,321,700	Record advances for prior year transfers
Central Equipment	General Fund	<u>175,000</u>	Highway 53 truck
Sub-total – Fund Financial Statements		13,647,690	
Less: Fund eliminations		<u>(13,349,690)</u>	
Total – Government-Wide Statement of Activities		<u><u>\$ 298,000</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 64,855,000	\$ 11,150,000	\$ 4,945,000	\$ 71,060,000	\$ 4,930,000
State trust fund notes	38,633	468,000	38,633	468,000	-
Add/(Subtract) Deferred Amounts For:					
Refundings – gains/(losses)	(186,167)	-	(15,734)	(170,433)	-
Premiums/(discounts)	476,103	(79,625)	30,675	365,803	-
Sub-totals	65,183,569	11,538,375	4,998,574	71,723,370	4,930,000
Other Liabilities					
Vested compensated absences	2,148,269	2,369,123	2,287,188	2,230,204	2,230,204
Police and fire pensions	390,262	-	26,972	363,290	69,542
Duty disability	3,778,342	469,176	373,580	3,873,938	399,058
Other post-employment benefits	2,318,446	515,882	-	2,834,328	-
Unpaid self-insurance claims	2,091,416	909,227	1,127,052	1,873,591	220,000
Total Other Liabilities	10,726,735	4,263,408	3,814,792	11,175,351	2,918,804
Total Governmental Activities Long-Term Liabilities	\$ 75,910,304	\$ 15,801,783	\$ 8,813,366	\$ 82,898,721	\$ 7,848,804
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 15,445,000	\$ 1,760,000	\$ 800,000	\$ 16,405,000	\$ 885,000
State trust fund notes	197,857	-	36,169	161,688	37,796
Revenue bonds	9,015,000	3,825,000	2,770,000	10,070,000	625,000
Add/(Subtract) Deferred Amounts For:					
Refundings – gains/(losses)	(141,739)	-	(17,453)	(124,286)	-
Premiums/(discounts)	99,382	22,050	8,183	113,249	-
Sub-totals	24,615,500	5,607,050	3,596,899	26,625,651	1,547,796
Other Liabilities					
Vested compensated absences	389,656	540,208	540,210	389,654	389,654
Other post-employment benefits	342,500	9,476	-	351,976	-
Total Other Liabilities	732,156	549,684	540,210	741,630	389,654
Total Business-type Activities Long-Term Liabilities	\$ 25,347,656	\$ 6,156,734	\$ 4,137,109	\$ 27,367,281	\$ 1,937,450

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Tax incremental bonds are paid by segregated property taxes, but are ultimately backed by the full faith and credit of the City if incremental taxes are inadequate to meet payments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2009, was \$215,797,325. Total general obligation debt outstanding at year end was \$88,094,688.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-09
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Corporate purpose	09/15/98	04/01/10	4.45-4.5%	\$ 6,650,000	\$ 235,000
Corporate purpose	09/01/99	04/01/10	4.65-5.5%	6,450,000	160,000
Tax incremental bonds	09/01/99	04/01/10	4.65-5.5%	395,000	25,000
Corporate purpose	08/15/00	04/01/10	5.0-5.5%	4,730,000	260,000
Tax incremental bonds	08/15/00	04/01/10	5.0-5.5%	1,780,000	90,000
Corporate purpose	08/15/01	04/01/21	4.13-5.0%	8,700,000	5,410,000
Corporate purpose	08/15/02	04/01/15	2.85-3.875%	4,120,000	1,025,000
Corporate purpose	08/15/02	04/01/22	3.7-4.7%	3,700,000	1,925,000
Corporate purpose	09/15/03	04/01/23	3.625-4.8%	9,870,000	7,700,000
Corporate purpose	09/15/03	04/01/23	3.5-4.6%	4,405,000	3,080,000
Corporate purpose	09/01/04	04/01/24	3.5-4.5%	6,270,000	4,500,000
Tax incremental bonds	09/01/04	04/01/14	6.28%	570,000	570,000
Corporate purpose	06/01/05	04/01/25	3.5-4.25%	5,850,000	4,665,000
Tax incremental bonds	06/01/05	04/01/22	3.7-4.1%	200,000	200,000
Tax incremental bonds	12/01/05	04/01/19	3.7-4.125%	3,000,000	3,000,000
Corporate purpose	08/01/06	04/01/26	4.125-5.0%	5,125,000	4,305,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	8,430,000
Tax incremental bonds	05/01/07	04/01/25	4.0-5.0%	1,440,000	1,440,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	11,700,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	5,960,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	1,855,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	8,020,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	8,560,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	4,350,000
Sub-total					87,465,000
Less: Enterprise portion of G.O. Bonds					(16,405,000)
Total – Governmental Activities – G.O. Bonds					71,060,000

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-09
<b>Governmental Activities</b>					
General Obligation Debt					
State trust fund note	09/15/09	03/15/19	4.25%	\$ 468,000	\$ 468,000
Total Governmental Activities – General Obligation Debt					<u>71,528,000</u>
<b>Business-type Activities</b>					
General Obligation Debt					
State trust fund note	08/27/03	3/15/13	4.5%	320,000	161,688
Plus: Enterprise portion of G.O. Bonds					<u>16,405,000</u>
Total Business-type Activities General Obligation Debt					<u>16,566,688</u>
Total General Obligation Debt					<u>\$ 88,094,688</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 4,930,000	\$ 3,144,737	\$ 922,796	\$ 721,688
2011	5,420,205	2,860,931	989,497	664,330
2012	5,521,514	2,639,668	1,041,264	624,521
2013	5,303,541	2,427,258	1,068,131	582,518
2014	5,700,604	2,204,180	1,075,000	538,151
2015 – 2019	25,162,136	7,775,940	5,820,000	1,963,014
2020 – 2024	12,250,000	3,398,605	4,090,000	798,661
2025 – 2029	7,240,000	854,318	1,560,000	158,933
Totals	<u>\$ 71,528,000</u>	<u>\$ 25,305,637</u>	<u>\$ 16,566,688</u>	<u>\$ 6,051,816</u>

## CITY OF EAU CLAIRE

### NOTES TO FINANCIAL STATEMENTS December 31, 2009

#### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water utility.

The Water Utility has pledged future water revenues, net of specified operating expenses to repay \$12,750,000 in water revenue bonds issued from 2001 to 2009. Proceeds from the bonds provided financing for utility system improvements and for refinancing previous revenue bonds. The bonds are payable solely from water revenues and are payable through 2028. The bonds require net revenues of 1.25 times annual principal and interest payments on outstanding bonds. The total principal and interest remaining to be paid on the bonds are \$13,751,095. Principal and interest paid for the current year and total customer net revenues were \$1,351,158 and \$4,232,451, respectively. Annual principal and interest payments are expected to require 9% of Water Utility revenues through 2028.

Revenue debt payable at December 31, 2009 consists of the following:

##### Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-09
<u>Water Utility</u>					
Revenue bonds	08/15/01	10/01/16	4.0-4.8%	\$ 4,615,000	\$ 3,300,000
Revenue bonds	09/15/03	10/01/17	2.5-4.3%	2,310,000	1,105,000
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	2,000,000	1,840,000
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	3,825,000	3,825,000
Total Water Utility					<u>\$ 10,070,000</u>

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt		Totals
	Principal	Interest	
2010	\$ 625,000	\$ 469,244	\$ 1,094,244
2011	745,000	410,768	1,155,768
2012	775,000	380,905	1,155,905
2013	805,000	349,136	1,154,136
2014	845,000	314,736	1,159,736
2015 – 2019	3,030,000	1,049,913	4,079,913
2020 – 2024	1,940,000	548,683	2,488,683
2025 – 2028	1,305,000	157,710	1,462,710
Totals	<u>\$ 10,070,000</u>	<u>\$ 3,681,095</u>	<u>\$ 13,751,095</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS (cont.)*

##### *Other Debt Information*

Estimated payments of compensated absences and other post-employment benefits are not included in the debt service requirement schedules. The compensated absences and post-employment benefits liabilities attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's 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 issue. 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, including federal arbitrage regulations.

The City issues debt to fund its capital projects. In 2008, a portion of the debt issued was used to retire the City's state retirement unfunded liability. The City has never defaulted on any of its prior outstanding indebtedness. Short-term debt is not issued for operational purposes.

##### *Current Refunding*

On July 15, 2009, the City issued \$1,825,000 in revenue bonds with an interest rate of 3.0% - 4.45% to current refund \$1,825,000 of outstanding bonds with an interest rate of 5.15% - 5.4%. The net proceeds (after payment of underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements on the old bonds on October 1, 2009.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$2,238,565 from 2010 through 2016. The cash flow requirements on the refunding bonds are \$2,618,392 from 2010 through 2024. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$48,954.

##### *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, 2009, \$7,840,000 of bonds outstanding are considered defeased. The bonds are callable on April 1, 2010.

**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2009

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**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

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**F. LONG-TERM OBLIGATIONS (cont.)**

***Deferred Amount on Refunding***

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2009 was \$15,734 for the governmental activities, \$9,145 for the Water Utility, and \$8,308 for the Storm Water Utility.

**G. LEASE DISCLOSURES**

The City has no material leases as lessee or lessor.

**H. NET ASSETS/FUND BALANCES**

Net assets reported on the government wide statement of net assets at December 31, 2009 includes the following:

***Governmental Activities***

Invested in capital assets, net of related debt	
Construction in progress	\$ 15,236,043
Land	4,977,021
Other capital assets, net of accumulated depreciation	126,706,475
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(58,434,517)</u>
Total Invested in Capital Assets	<u>88,485,022</u>
Restricted	
Deposits	991,672
Unspent grant proceeds	460,418
New loans	1,986,444
RCU agreement	360,940
Debt service payments	<u>13,458,325</u>
Total Restricted	<u>17,257,799</u>
Unrestricted	<u>51,074,170</u>
Total Governmental Activities Net Assets	<u>\$ 156,816,991</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. NET ASSETS/FUND BALANCES (cont.)**

**Governmental Activities (cont.)**

Governmental fund balances reported on the fund financial statements at December 31, 2009 include the following:

<b>Reserved</b>	
Major Funds	
General Fund	
Notes receivable	\$ 25,000
Prepaid items and inventories	751,918
Advances to other funds (noncurrent portion)	<u>7,347,960</u>
Total	<u>\$ 8,124,878</u>
General Debt Service Fund	
Reserved for debt service	<u>\$ 7,597,130</u>
Nonmajor Funds	
Special Revenue – Home Grant	
Reserved for grant proceeds	<u>\$ 11,420</u>
Special Revenue – Economic Development	
Reserved for advances to other funds (noncurrent portion)	400,000
Reserved for grant proceeds	<u>428,582</u>
Sub-total	<u>828,582</u>
Special Revenue – City-County Health Department	
Reserved for prepaid items	65,766
Reserved for grant proceeds	<u>31,836</u>
Sub-total	<u>97,602</u>
Debt Service – TIF No. 6	
Reserved for TIF No. 6 debt service	<u>1,240,055</u>
Debt Service – TIF No. 7	
Reserved for TIF No. 7 debt service	<u>50,827</u>
Capital Projects – TIF No. 5 Gateway NW Business Park	
Reserved for capital contracts	238,776
Reserved for bond construction	<u>261,802</u>
Sub-total	<u>500,578</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**H. NET ASSETS/FUND BALANCES (cont.)**

**Governmental Activities (cont.)**

**Reserved (cont.)**

Nonmajor Funds (cont.)

Capital Projects - Street Projects	
Reserved for advances to other funds (noncurrent portion)	\$ 1,000,000
Reserved for capital contracts	558,874
Reserved for bond construction	91,864
Sub-total	<u>1,650,738</u>
Capital Projects – Bridge Projects	
Reserved for capital contracts	<u>48,716</u>
Capital Projects – Buildings and Equipment	
Reserved for capital contracts	169,246
Reserved for bond construction	1,077,152
Sub-total	<u>1,246,398</u>
Capital Projects – Parks and Recreation Projects	
Reserved for capital contracts	<u>26,697</u>
Capital Projects – Environmental Improvements – Landfill	
Reserved for capital contracts	2,689
Reserved for environmental remediation	360,940
Sub-total	<u>363,629</u>
Capital Projects – Library Buildings and Equipment	
Reserved for capital contracts	<u>15,294</u>
Total Reserved Fund Balance – Nonmajor Funds	<u><u>\$ 6,080,536</u></u>

**Unreserved, designated**

Major Funds

General fund designated for	
Highway 53 maintenance	\$ 2,670,632
Working capital	3,700,000
Subsequent year expenditures	150,200
YMCA land sale	429,341
Total	<u><u>\$ 6,950,173</u></u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET ASSETS/FUND BALANCES (cont.)

##### *Governmental Activities* (cont.)

##### **Unreserved, designated** (cont.)

##### Nonmajor Funds

##### Special Revenue Funds designated for

Cemetery Maintenance	- Subsequent year expenditures	\$ 87,142
Hazardous Materials Response	- Subsequent year expenditures	207,183
Community Development	- Subsequent year expenditures	153,308
Economic Development	- Economic development	950,000
	- Subsequent year expenditures	1,706,836
	- Downtown facade loans	10,000
	- Code compliance loans	100,000
Community Enhancement	- Subsequent year expenditures	211
Public Library	- Library funds	94,636
	- Subsequent year expenditures	634,572
City-County Health Department	- Subsequent year expenditures	621,974
Downtown Partners	- Subsequent year expenditures	30,706
	- Loft matching program	11,000
Sub-total – Special Revenue Funds		<u>4,607,568</u>

##### Capital Projects Funds designated for

TIF No. 5 Gateway NW Business Park	- Subsequent year expenditures	2,390,148
Street Projects	- Subsequent year expenditures	8,254,358
Bridge Projects	- Subsequent year expenditures	757,644
Buildings and Equipment	- Subsequent year expenditures	4,179,232
Parks and Recreation Projects	- Subsequent year expenditures	1,199,877
Environmental Improvements-Landfill	- Subsequent year expenditures	1,875,972
Library Buildings and Equipment	- Subsequent year expenditures	761,413
Sub-total – Capital Projects Funds		<u>19,418,644</u>

Total Designations – Nonmajor Funds	<u><u>\$ 24,026,212</u></u>
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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### H. NET ASSETS/FUND BALANCES (cont.)

##### *Business-type Activities*

Invested in capital assets, net of related debt	
Construction in progress	\$ 15,602,158
Land	15,755,446
Other capital assets, net of accumulated depreciation	135,294,169
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(24,504,186)</u>
Total Invested in Capital Assets	<u>142,147,587</u>
Restricted	
Debt service payments	1,319,280
Equipment replacement	401,000
Total Restricted	<u>1,720,280</u>
Unrestricted	<u>14,752,404</u>
Total Business-type Activities Net Assets	<u>\$ 158,620,271</u>

#### I. COMPONENT UNITS

##### *Housing Authority*

This report contains the Housing Authority of the City of Eau Claire (Housing Authority), which is included as a component unit. Financial information is combined with the City's other component units and presented as a separate column in the statement of net assets and statement of activities.

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

##### a. Basis of Accounting/Measurement Focus

The Housing Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**I. COMPONENT UNITS (cont.)**

***Housing Authority (cont.)***

b. Deposits and Investments

Total cash and investments at year end consist of the following:

Petty cash and cash on hand	\$	1,760
Deposits with financial institutions		778,942
Investments		2,223,722
Cash with escrow agent (pooled funds)		746,173
Total Cash and Investments	\$	3,750,597

Reconciliation to financial statements:

Per statement of net assets

Unrestricted cash and investments	\$	2,829,422
Restricted cash and investments		921,175
Total	\$	3,750,597

The Housing Authority has adopted an investment policy. That policy states that the Housing Authority must invest its funds in securities that are approved by the U.S. Department of Housing and Urban Development. As of December 31, 2009, the Housing Authority is in compliance with this policy. The policy does not address the interest rate risk and custodial credit risk that the Housing Authority has with its deposits and investments.

*Deposits*

The Housing Authority's deposits at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 778,942	\$ 829,255	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts 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 determining custodial credit risk.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS**

*I. COMPONENT UNITS (cont.)*

*Housing Authority (cont.)*

b. Deposits and Investments (cont.)

*Investments*

The Housing Authority's investments at year end were comprised of the following:

	Carrying Value	Associated Risks
Negotiable certificates of deposit	\$ 2,223,722	Interest rate risk, custodial credit risk, credit risk
Cash with escrow agent	746,173	Interest rate risk, credit risk

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). US Bancorp's SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. US Bancorp has purchased SIPC-like protection for supplemental protection of up to \$150,000,000.

*Custodial Credit Risk*

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Housing Authority's deposits may not be returned to the Housing Authority.

The Housing Authority does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Housing Authority does not have any investments exposed to custodial credit risk.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2009, the Housing Authority had negotiable certificates of deposit and cash with an escrow agent which were not rated.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**I. COMPONENT UNITS (cont.)**

***Housing Authority*** (cont.)

b. Deposits and Investments (cont.)

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2009, the Housing Authority's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Negotiable certificates of deposit	\$ 2,223,722	.345
Cash with escrow agent	746,173	N/A

c. Receivables

Accounts Receivable - tenants	\$ 7,919
Less: Allowance for Uncollectibles	(1,683)
Due from other governments	89,453
Other receivables	9,755
Net Total Receivables	\$ 105,444

All receivables are expected to be collected within one year.

d. Restricted Assets

*Voucher Program – Grant Requirements*

The Housing Authority maintains restricted cash in the amount of housing assistance payments equity as required by the grantor. The balance as of December 31, 2009 was \$175,002.

*Park Towers Apartments – Escrow Accounts*

In accordance with its regulatory agreement with the Wisconsin Housing and Economic Development Authority (WHEDA), the Housing Authority has established certain cash escrow funds which are controlled by WHEDA and used for the following purposes:

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Housing Authority* (cont.)

#### d. Restricted Assets (cont.)

##### *Escrow for Replacement*

The escrow for replacement, along with interest earned on the fund, can be used to pay the cost of replacing structural elements or equipment of the project and to pay any other expense of operating the project. Any use of the fund is subject to the prior approval of WHEDA.

Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund. Interest earned on the fund becomes a part of the fund. Upon termination of the project, any balance remaining in the escrow for replacement will be distributed to WHEDA.

##### *Escrow for Development Cost*

With approval of WHEDA, amounts held in this fund may be utilized if cash provided from operations is not sufficient to meet capital and operating requirements of the project. Interest earned on the fund becomes a part of the fund. Upon termination of the project, the development cost escrow fund will be returned to the Housing Authority.

##### *Escrow for Residual Receipts*

With approval of WHEDA, amounts held in this fund may be utilized if cash provided from operations is not sufficient to meet capital and operating requirements of the project. Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund. Interest earned on the fund becomes a part of the fund. Upon termination of the project, the residual receipts escrow fund will be returned to the Housing Authority.

##### *Escrow for Taxes*

The escrow for taxes, along with interest earned on the fund, can be used to pay payment in lieu of taxes. Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund.

The balances as of December 31, 2009 for the reserve for replacements escrow, development cost escrow, residual receipts escrow and tax escrow are \$635,221, \$110,952, \$0 and \$0, respectively.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

*I. COMPONENT UNITS (cont.)*

*Housing Authority (cont.)*

e. Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Construction work in progress	\$ 105,694	\$ 158,052	\$ 105,694	\$ 158,052
Land	1,415,799	-	7,500	1,408,299
	<u>1,521,493</u>	<u>158,052</u>	<u>113,194</u>	<u>1,566,351</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,521,493</u>	<u>\$ 158,052</u>	<u>\$ 113,194</u>	<u>\$ 1,566,351</u>
Other Capital Assets				
Land improvements	\$ 832,558	\$ 8,494	\$ -	\$ 841,052
Buildings	15,708,628	158,065	115,319	15,751,374
Machinery and equipment	889,421	93,678	57,735	925,364
Total Capital Assets Being Depreciated	<u>17,430,607</u>	<u>260,237</u>	<u>173,054</u>	<u>17,517,790</u>
Less: Accumulated depreciation for				
Land improvements	(365,490)	(30,732)	-	(396,222)
Buildings	(5,938,556)	(490,343)	56,455	(6,372,444)
Machinery and equipment	(511,366)	(43,046)	41,635	(512,777)
Total Accumulated Depreciation	<u>(6,815,412)</u>	<u>(564,121)</u>	<u>98,090</u>	<u>(7,281,443)</u>
Net Other Capital Assets	<u>\$ 10,615,195</u>			<u>\$ 10,236,347</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

*I. COMPONENT UNITS (cont.)*

*Housing Authority (cont.)*

f. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Bonds and Notes Payable</b>					
Revenue bonds	\$ 50,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Mortgage notes	448,649	-	355,523	93,126	93,126
Other loans/notes	991,021	-	8,381	982,640	323
Sub-totals	1,489,670	-	388,904	1,100,766	118,449
<b>Other Liabilities</b>					
Vested compensated absences	51,699	48,483	48,075	52,107	52,107
Other post-employment benefits	6,177	-	-	6,177	-
Other noncurrent liabilities	13,303	7,243	454	20,092	-
Sub-totals	71,179	55,726	48,529	78,376	52,107
<b>Total Long-Term Liabilities</b>	\$ 1,560,849	\$ 55,726	\$ 437,433	\$ 1,179,142	\$ 170,556

Revenue bonds are payable only from revenues derived from the operation of the Housing Authority. The Housing Authority has pledged future revenues, net of specified operating expenses, to repay the Owen Rust Memorial Apartments 1993 revenue bonds listed below issued to finance housing projects. Annual principal and interest payments on the bonds required to be paid from net revenues are listed below. Principal and interest paid for the current year were \$27,625 and total operating revenues for the current year were \$66,710. Annual principal and interest payments are expected to require 39% of total operating revenues through 2010.

Revenue debt payable at December 31, 2009 consists of the following:

***Owen Rust Memorial Apartments***

Series 1993 housing refunding revenue bonds, \$295,000 face value, payable in semi-annual installments including interest at 2.8% - 5.25% through December 1, 2010.	\$ <u>25,000</u>
Total Revenue Debt	\$ <u><u>25,000</u></u>

## CITY OF EAU CLAIRE

### NOTES TO FINANCIAL STATEMENTS December 31, 2009

#### **NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

*I. COMPONENT UNITS (cont.)*

***Housing Authority (cont.)***

f. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	Principal	Interest
2010	\$ 25,000	\$ 1,313
Totals	\$ 25,000	\$ 1,313

*Mortgage Notes*

Mortgage notes are payable only from revenues derived from the operation of the Housing Authority.

Mortgage notes payable at December 31, 2009 consists of the following:

***Park Towers Apartments***

Mortgage note payable to WHEDA in monthly installments of \$31,434 including interest at 7.53%, through March, 2010. Secured by the project's real estate.	\$ 93,126
Total Mortgage Notes	\$ 93,126

Debt service requirements to maturity are as follows:

	Principal	Interest
2010	\$ 93,126	\$ 1,170
Totals	\$ 93,126	\$ 1,170

*Other Loans/Notes Payable*

Other loans and notes payable at December 31, 2009 consist of the following:

***Substantial Rehabilitation***

1982 note payable to the City of Eau Claire Community Development Block Grant Program, requires monthly installment of \$777, which includes principal and interest at a rate of 5%.	\$ 323
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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

**I. COMPONENT UNITS (cont.)**

***Housing Authority (cont.)***

f. Long-Term Obligations (cont.)

*Other Loans/Notes Payable (cont.)*

***Park Towers Apartments***

1992 note payable from the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met.	\$ 195,462
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1991 note payable to the City of Eau Claire, Community Development Block Grant Program. Unsecured, non-interest bearing, and due on demand.	63,000
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***Affordable Housing***

2005 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	213,237
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2004 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on January 13, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	150,000
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2001 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on March 1, 2021, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	120,618
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1997 note payable to the City of Eau Claire Community Development Block Grant Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	150,000
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1996 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	90,000
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Total Notes Payable	<u>\$ 982,640</u>
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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

*I. COMPONENT UNITS (cont.)*

*Housing Authority (cont.)*

f. Long-Term Obligations (cont.)

*Other Loans/Notes Payable (cont.)*

Debt service requirements to maturity are as follows:

	Principal	Interest
2010	\$ 323	\$ 16
Demand notes with no set payment schedule	982,317	-
Totals	\$ 982,640	\$ 16

*Other Debt Information*

Estimated payments of compensated absences, other postemployment benefits and other noncurrent liabilities are not included in the debt service requirement schedules.

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

Other noncurrent liabilities consists of Family Self-Sufficiency program escrow accounts which are payable to program participants upon certain conditions.

g. Net Assets

Net assets reported on the statement of net assets at December 31, 2009 include the following:

Invested in capital assets, net of related debt	
Construction in progress	\$ 158,052
Land	1,408,299
Other capital assets, net of accumulated depreciation	10,236,347
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	(1,100,766)
Total Invested in Capital Assets	10,701,932
Restricted	
Escrow for replacement	635,220
Escrow for development costs	110,953
Grant requirements	175,002
Total Restricted	921,175
Unrestricted	2,690,986
Total Net Assets	\$ 14,314,093

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Housing Authority* (cont.)

#### h. Employee Retirement System

The Housing Authority is staffed by City of Eau Claire employees and Housing Authority employees.

All eligible City and Housing Authority employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% 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.

The payroll for Housing Authority employees covered by the WRS for the year ended December 31, 2009 was \$510,916; the employer's total payroll was \$519,633. The total required contribution for the year ended December 31, 2009 was \$53,136 or 10.4% of covered payroll. Of this amount, 99% was contributed for the current year. Total contributions for the years ending December 31, 2008 and 2007 were \$53,364 and \$48,671, respectively, equal to the required contributions for each year. The City of Eau Claire employees who work for the Housing Authority are covered under the City's plan.

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Housing Authority* (cont.)

###### i. Risk Management

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks, except for workers compensation, are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

###### *Self-Insurance*

The Housing Authority is insured for workers' compensation through the City of Eau Claire. The City of Eau Claire self-insures its workers' compensation exposure for the first \$300,000 of each occurrence. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years. Payments to the City's self-insurance program are based on historical cost estimates of amounts needed to pay prior and current year claims. See note IV.B. for further details.

###### j. Commitments and Contingencies

The Housing Authority has entered into a Regulatory Agreement with the Wisconsin Housing and Economic Development Authority (WHEDA) for the Park Tower Apartments Fund. The Regulatory Agreement contains, among other things, restrictions on the conveyance, transfer or encumbrance of any of the project property, assumption of additional indebtedness and assignment of rights to manage or receive the rents and profits of the property.

The Housing Authority provides housing for the Park Tower Apartments Fund pursuant to Section 8 of the United States Housing Act of 1974. Rentals are subsidized by the federal government through a housing assistance payments contract between WHEDA and the Housing Authority. Total assistance payments received from WHEDA were \$637,417 during 2009.

The Housing Authority is the City of Eau Claire's component unit responsible for administering the federal program accounted for in the Low Rent Fund. This fund accounts for public housing projects which were financed primarily through U.S. Department of Housing and Urban Development (HUD) project notes. Federal legislation was passed which allowed the Secretary of HUD to forgive the outstanding indebtedness related to public housing projects.

There is no project debt outstanding at year-end.

The Housing Authority 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### *I. COMPONENT UNITS (cont.)*

##### *Housing Authority (cont.)*

#### k. Related Parties

The City of Eau Claire, Wisconsin provides various administrative services and facilities to the Housing Authority. No estimate of cost for these services is included in the financial statements. The City also pays for the Housing Authority's pension plan and other employee benefits for which the Housing Authority reimburses the City on a monthly basis. No liability has been provided in these financial statements for any unfunded actuarial liability that may exist.

#### l. Economic Dependency

The Housing Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD). The Housing Authority operates at a loss prior to receiving contributions and grants from HUD.

#### m. Other Post-Employment Benefits

While there are no postemployment benefits provided to Housing Authority employees, the City of Eau Claire provides some staffing for the Housing Authority operations. Upon retirement, these City employees receive benefits according to the City of Eau Claire's policies. See the other postemployment benefits note and required supplementary information in these financial statements for further details.

##### *Redevelopment Authority*

This report contains the Redevelopment Authority of the City of Eau Claire (RDA), which is included as a component unit. Financial information is combined with the City's other component units and presented as a separate column in the statement of net assets and statement of activities.

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

#### a. Basis of Accounting

The RDA prepares its financial statements in accordance with the accrual basis of accounting and the flow of economic resources measurement focus.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Redevelopment Authority* (cont.)

#### b. Deposits and Investments

The RDA is part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the RDA's resources at these institutions cannot be determined individually for those accounts. At year end, the RDA's deposits were \$904,624. The City's investment policy is applied to the custody of the RDA's deposits (see Note III.A.).

Interest income is not allocated to the RDA because the City provides services to the RDA at no cost.

#### c. Note Receivable

The amount of note receivable not expected to be collected within one year was \$480,000 as of December 31, 2009.

#### d. Property Held for Resale

Property held for resale activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Property held for resale	<u>\$ 2,252,454</u>	<u>\$ 185,644</u>	<u>\$ -</u>	<u>\$ 2,438,098</u>
Property held for resale	<u>\$ 2,252,454</u>	<u>\$ 185,644</u>	<u>\$ -</u>	<u>\$ 2,438,098</u>

#### e. Risk Management

The RDA participates in the same risk pools as the reporting entity. Information related specifically to the RDA is unavailable. See note IV.B. for further details.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

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#### I. COMPONENT UNITS (cont.)

##### *Redevelopment Authority* (cont.)

#### f. Commitments and Contingencies

The RDA 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.

#### g. Related Parties

The City of Eau Claire, Wisconsin provides various administrative services and facilities to the RDA. No estimate of cost for these services is included in the financial statements. The salaries and fringe benefits of the City's staff that work on RDA projects are paid for by the City. The RDA does not reimburse the City for any of these costs.

#### h. Development and Purchase Agreement

The RDA has entered into a development and purchase agreement with Phoenix Parkside, LLC (PPL). The agreement sets the purchase price for Phase I property at \$600,000, payable by PPL to the RDA in ten equal annual payments of \$60,000 each beginning in 2009. The RDA shall grant PPL a Redevelopment Land Credit of up to \$600,000 towards the purchase price of the land subject to an increase in the assessed valuation of the property. The credit awarded in 2009 was in the amount of \$31,068. As of January 1, 2010, PPL has met the property valuation required for the land credit on the \$480,000 balance of the long term note receivable. No further installments will be collected in 2011 and years thereafter.

In addition, PPL shall receive from the City of Eau Claire an annual payment equal to 50% of the property taxes received by the City each year on the incremental increased assessed value of the Phase I property and improvements. In calculating the amount due to PPL, the incremental increased fair market value of the Phase I property shall be reduced by the \$600,000 purchase price discussed above. Also, the 50% of the tax increments due to PPL shall be reduced each year by the amount corresponding to the Redevelopment Land Credit discussed above. PPL shall receive 50% of the tax increments on the Phase I property until they have received a maximum \$900,000 payment, or until the termination of the District, whichever occurs first.

#### ***Business Improvement Districts***

#### a. Basis of Accounting and Measurement Focus

The business improvement districts prepare their financial statements in accordance with the modified accrual basis of accounting. The measurement focus of the BIDs 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

#### I. COMPONENT UNITS (cont.)

##### *Business Improvement Districts* (cont.)

#### b. Deposits and Investments

The BIDs are part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the BIDs' resources at these institutions cannot be determined individually for those accounts. The City's investment policy is applied to the custody of the BIDs' deposits (see Note III.A.).

At year end, the deposit balances for the BIDs were as follows:

Downtown	\$	<u>72,820</u>
West Grand	\$	<u>17,296</u>
Water Street	\$	<u>46,857</u>
North Barstow/Medical	\$	<u>181,149</u>

#### J. TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for five Tax Incremental Financing Districts (TIF) created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Eau Claire.

Debt service and capital project 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.

	Effective Date	Amended Date	Expenditure Deadline	Termination Year
TIF No. 5	1997	09/23/2003	09/23/2015	10/08/2020
TIF No. 6	1997	N/A	01/28/2015	01/28/2020
TIF No. 7	1997	02/24/2004	02/24/2015	03/17/2020
TIF No. 8	2003	04/10/2007	09/24/2020	09/24/2025
TIF No. 9	2008	N/A	09/09/2023	09/09/2028

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**J. TAX INCREMENTAL FINANCING DISTRICTS (cont.)**

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

The following table summarizes the project and expenditures from creation of the districts through December 31, 2009.

Project Costs	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8	TIF No. 9
Capital expenditures	\$ 5,551,981	\$ 1,130,256	\$ 1,557,040	\$ 8,818,831	\$ -
Interest and fiscal charges	2,148,118	604,445	975,152	2,034,696	-
Development, Marketing, Bond issuance costs	-	-	-	-	1,000
<b>Total Project Costs</b>	<b>7,700,099</b>	<b>1,734,701</b>	<b>2,532,192</b>	<b>10,853,527</b>	<b>1,000</b>
<b>Project Revenues</b>					
Tax increments	3,849,338	1,718,612	887,485	1,457,582	-
Interest income and misc. revenue	976,487	238,462	355,534	879,450	-
Grants and donations	-	-	-	433,070	-
Special assessments revenue	-	227,679	-	-	-
<b>Total Project Revenues</b>	<b>4,825,825</b>	<b>2,184,753</b>	<b>1,243,019</b>	<b>2,770,102</b>	<b>-</b>
Net Recoverable Costs (Refundable)	<b>\$ 2,874,274</b>	<b>\$ (450,052)</b>	<b>\$ 1,289,173</b>	<b>\$ 8,083,425</b>	<b>\$ 1,000</b>

**NOTE IV – OTHER INFORMATION**

**A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (3.0% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.2% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2009 was \$32,584,361; the employer's total payroll was \$33,735,650. The total required contribution for the year ended December 31, 2009 was \$4,414,455 or 13.5% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2008 and 2007 were \$4,874,226 and \$4,805,124, respectively, equal to the required contributions for each year.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE IV – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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 2009 was approximately \$69,176. Total estimated unfunded pension-related debt of this plan is approximately \$363,290 as of December 31, 2009, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2008 and 2007 was \$74,832 and \$99,434, respectively, equal to required contributions for each year. The rate of investment return is presently assumed to be 8%. The estimated remaining period of amortization is 16 years. This information is included in the above pension plan. The report can be obtained from the same address above.

The Wisconsin Retirement System also manages a duty disability plan under Section 40.65 of the Wisconsin Statutes. This plan pays lifetime disability benefits to police and fire employees who sustain on-the-job injuries that prevent them from continuing employment. The costs of this program are charged to the City as a percentage of current police and fire wages. In 2009, 15 former employees participated in the program at a cost of \$657,130. The estimated present value of future costs for this program is \$3,632,411.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2009, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$241,527.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

### NOTE IV – OTHER INFORMATION (cont.)

#### **B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; health care of its employees, and natural disaster. The City purchases commercial insurance to provide coverage for employee health, property damage, and boiler insurance. However, workers compensation risks are accounted for and financed by an internal service fund – the Risk Management fund.

#### **Self Insurance**

For workers' compensation claims, the uninsured risk of loss is \$400,000 per incident. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the excess coverage in any of the past three years.

All funds of the City participate in the insurance program and make payments to the Risk Management fund. Amounts payable to the Risk Management fund are based on historical cost estimates of the amounts necessary to pay prior and current year claims.

The unpaid claims liability of \$1,873,591 at December 31, 2009 is based on GASB Statement No. 10 which requires that a liability for claims be 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 liability is based on actuarial estimates of the present value of unpaid losses and includes both current claims payable and an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The liability at year end includes \$1,065,390 of potential workers compensation claims and \$808,201 for potential liability claims. Changes in unpaid claims liabilities in the current and prior year were:

#### **Claims Liability**

	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 1,825,540	\$ 2,091,416
Current year claims and changes in estimates	1,223,375	909,227
Claim payments	(957,499)	(1,127,052)
Unpaid Claims – End of Year	\$ 2,091,416	\$ 1,873,591

#### **Public Entity Risk Pool**

##### **Transit Mutual Insurance Corporation of Wisconsin (TMICOW)**

The Transit Mutual Insurance Corporation of Wisconsin is an organization of Wisconsin municipalities which have joined together for the managing and funding of the first party property losses, vehicle physical damage and third party liability claims of its member municipalities' mass transit funds.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE IV – OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### **Public Entity Risk Pool** (cont.)

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

In 2009, TMICOW issued a Motor Vehicle Insurance Policy to its members with the following available coverages:

- > Liability - \$250,000 per person, \$7,000,000 per accident, no deductible
- > Uninsured Motorists - \$25,000 per person, \$50,000 per accident, no deductible
- > Physical Damage – Collision and Comprehensive – Agreed value, or Cost of Repairs, whichever is less; minus \$500 flat deductible per accident for all private passenger and service units, \$1,000 flat deductible per accident for all bus units

TMICOW retains \$2,000,000 per occurrence (accident) of the liability limit and cedes \$5,000,000 to General Reinsurance Corporation. TMICOW retains \$500,000 per occurrence (accident) of the physical damage limits and cedes the balance up to \$9,500,000 to General Reinsurance Corporation.

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 the insurance pool is 2.80% for auto liability and 6.65% for physical damage. A list of the other members is available in the TMICOW report.

##### **Wisconsin Municipal Mutual Insurance Company (WMMIC)**

The Wisconsin Municipal Mutual Insurance Company (WMMIC) is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes, which has provided risk management and liability insurance services since January 1, 1988. Each member municipality appoints one policy holder to serve as a representative. The policy holders elect a seven member board of directors who are responsible for financing and budget control. The City does not exercise any control over the activities of the agencies beyond the election of officers and board. The City's initial capitalization of \$766,496 is recorded as an asset in the Risk Management internal service fund.

Insurance coverage provided through WMMIC includes auto and public liability for claims over \$100,000 per occurrence or \$300,000 aggregate for years 1988-94 and \$200,000 per occurrence or \$500,000 aggregate for years 1995-97, and \$200,000 per occurrence or \$400,000 aggregate in 1999 through 2009, with an annual cap of \$5 million. The policy is non-assessable, thereby limiting the City's commitment to a proportional share of a \$13,935,000 revenue bond issue sold by WMMIC to provide for the initial capitalization. The share of participation is determined on a basis of prior claim history and can be affected by acceptance of new members. The City's current share of participation is 3.52%.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE IV – OTHER INFORMATION (cont.)

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#### C. COMMITMENTS AND CONTINGENCIES

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.

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.

At December 31, 2009, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
TIF No. 5 Gateway NW Business Park	\$ 238,776
Street Projects	558,874
Bridge Projects	48,716
Buildings and Equipment	169,246
Parks and Recreation Projects	26,697
Environmental Improvements – Landfill	2,689
Library Buildings and Equipment	<u>15,294</u>
Total Committed Construction	<u>\$ 1,060,292</u>

<u>Proprietary Funds</u>	
Water Utility	\$ 176,119
Sewer Utility	809,874
Storm Water Utility	4,677
Public Transit	1,889,785
Hobbs Ice Center	221,517
Central Equipment	<u>731,478</u>
Total Committed Construction and Equipment	<u>\$ 3,833,450</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

**NOTE IV – OTHER INFORMATION (cont.)**

***D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

The City administers a single-employer defined benefit healthcare plan. The plan provides medical benefits for eligible retirees and their spouses through the City's health insurance plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements; generally, the City will pay 100% of the lowest-priced single health policy between the age established by the Wisconsin Retirement System as normal retirement age and age 65. The plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. For fiscal year 2009, the City contributed approximately \$2,400,000 to the plan for eligible retirees and their spouses. Administrative costs of the plan are financed through investment earnings.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	4,009,543
Interest on net OPEB obligation		64,382
Adjustment to annual required contribution		<u>(1,147,080)</u>
 Annual OPEB cost		 2,926,845
Contributions made		<u>(2,400,000)</u>
Increase in Net OPEB Obligation (Asset)		526,845
 Net OPEB Obligation (Asset) – Beginning of Year		 <u>2,667,123</u>
 Net OPEB Obligation (Asset) – End of Year	\$	 <u><u>3,193,968</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/08	\$ 4,010,000	33.49%	\$ 2,667,123
12/31/09	2,926,845	82.00%	3,193,968

**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2009

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**NOTE IV – OTHER INFORMATION (cont.)**

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***D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)***

The funded status of the plans as of January 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 48,935,923
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 48,935,923</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 32,584,361
UAAL as a percentage of covered payroll	150.2%

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

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

In the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 9.3% initially, reduced by decrements to an ultimate rate of 4.4% after 55 years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 28 years.

***E. CONTINGENT LIABILITIES***

The City had the usual and customary types of miscellaneous claims pending at year end. At the present time, there is one significant matter pending. A City taxpayer has contested the valuation of manufacturing property for tax years 2003 and 2004. The matter is currently before the Wisconsin Supreme Court. The taxpayer is located in TIF #5. If the taxpayer is successful in contesting the valuation, the impact on the City's TIF may be significant, as the repayment of any taxes found to be excessive will be borne entirely by the TIF and not shared with local taxing authorities. There are potentially additional revenue losses for assessment years subsequent to 2004.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2009

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### NOTE IV – OTHER INFORMATION (cont.)

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#### *E. CONTINGENT LIABILITIES (cont.)*

The City owned and operated a landfill in the Town of Union which closed in 1978. Tests have detected volatile organic compounds in the vicinity. The City is currently working with other potentially responsible parties (PRP's) and the Wisconsin Department of Natural Resources to determine the extent of contamination and the appropriate remedial action. Ultimate cleanup cost estimates are not available; however, it is expected to exceed several million dollars. The City's share of these costs has not been determined but it is likely that it will share in these costs.

#### *F. RELATED PARTIES*

Gateway Industrial Park Corporation (Gateway), a Wisconsin non-stock, non-profit corporation was organized in 1984 for the purpose of acquiring, owning, and developing industrial and commercial property in Eau Claire County. The Board of Directors of Gateway is comprised of three members who serve indefinite terms and exercise equal control over the management of the company. The City, Xcel, and the Eau Claire Area Industrial Development Corporation each appoint one director.

In April, 1991, the City, Xcel, the Industrial Development Corporation, and Gateway signed an agreement to provide Gateway with loans up to \$960,000 (increased to \$3,000,000 in 1995) for the acquisition and development of industrial property. As of December 31, 2009, the outstanding loans under the agreement were \$1,100,000, of which \$550,000 was due the City. Total interest earned by the City was \$39,875 for the year ended December 31, 2009.

Downtown Eau Claire, Incorporated (DECI), a Wisconsin non-stock, non-profit corporation was organized in 2002 for the purpose of promoting the development of business, housing and cultural resources and activities with downtown Eau Claire. The Board of Directors of the corporation consists of eighteen individuals, of which ten are elected directors and eight are perpetual directors. Four of the elected directors represent downtown and the adjacent neighborhoods and six of the elected directors reflect the diverse balance of downtown's major employers, financial institutions, property owners, business, and non-business activities.

The eight perpetual directors consist of representatives or appointees of the following: Eau Claire City Manager, Eau Claire City Council President, Redevelopment Authority, Eau Claire County Board, Downtown Business Improvement District, West Grand Business Improvement District, Regional Arts Council and Eau Claire City Council. Downtown Eau Claire, Incorporated is funded primarily by memberships and festival revenue.

## CITY OF EAU CLAIRE

### NOTES TO FINANCIAL STATEMENTS December 31, 2009

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#### NOTE IV – OTHER INFORMATION (cont.)

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##### **G. SUBSEQUENT EVENTS**

The City Council has approved various bonds for issuance in 2010. As of the date of these financial statements, none of these have been issued; however, the City has the following bonds in process and scheduled to close on July 27, 2010:

- > Series 2010A for \$3,210,000 to fund various City projects (to be issued as taxable Build America Bonds)
- > Series 2010B for \$3,975,000 to fund various City projects (to be issued as ten-year Promissory Notes)
- > Series 2010C for \$4,685,000 to refund a series of outstanding general obligation debt issues

##### **H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF EAU CLAIRE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND (UNAUDITED) For the Year Ended December 31, 2009

	2009			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 26,641,700	\$ 26,641,700	\$ 26,609,475	\$ (32,225)
Special assessments	110,000	110,000	378,263	268,263
Intergovernmental	12,483,200	12,568,400	12,790,415	222,015
Licenses and permits	1,658,800	1,658,800	1,640,870	(17,930)
Fines, forfeitures and penalties	818,000	818,000	775,904	(42,096)
Charges for services - public	2,842,400	2,842,400	3,991,380	1,148,980
Charges for services - intergovernmental	3,044,000	3,583,300	3,470,077	(113,223)
Investment income	1,772,100	1,772,100	709,127	(1,062,973)
Miscellaneous	64,000	79,000	104,577	25,577
Total Revenues	<u>49,434,200</u>	<u>50,073,700</u>	<u>50,470,088</u>	<u>396,388</u>
<b>EXPENDITURES</b>				
Current				
City council	122,700	122,700	101,622	21,078
Administrative services	1,407,400	1,446,400	1,382,127	64,273
Legal	468,300	468,300	464,663	3,637
Finance	2,220,200	2,256,700	2,030,186	226,514
Human resources	837,600	847,900	768,631	79,269
Planning and development	1,163,400	1,221,200	1,137,557	83,643
Police	14,258,900	14,752,100	14,485,208	266,892
Fire	9,796,500	10,194,000	10,070,112	123,888
Public works	9,183,500	9,243,800	8,354,559	889,241
Parks and recreation	4,536,800	4,649,900	4,369,436	280,464
Miscellaneous	1,706,100	1,047,800	450,782	597,018
Total Expenditures	<u>45,701,400</u>	<u>46,250,800</u>	<u>43,614,883</u>	<u>2,635,917</u>
Excess of revenues over expenditures	<u>3,732,800</u>	<u>3,822,900</u>	<u>6,855,205</u>	<u>3,032,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	600,000	4,350,000	4,350,000	-
Transfers from other funds	2,127,100	2,159,700	2,191,042	31,342
Transfers to other funds	(8,441,600)	(8,441,600)	(7,492,953)	948,647
Sale of capital assets	10,000	10,000	577,456	567,456
Total Other Financing Sources (Uses)	<u>(5,704,500)</u>	<u>(1,921,900)</u>	<u>(374,455)</u>	<u>1,547,445</u>
Net change in fund balances	(1,971,700)	1,901,000	6,480,750	4,579,750
FUND BALANCE - Beginning of Year	<u>17,444,135</u>	<u>17,444,135</u>	<u>17,444,135</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,472,435</u>	<u>\$ 19,345,135</u>	<u>\$ 23,924,885</u>	<u>\$ 4,579,750</u>

See auditors' report and accompanying notes to required supplementary information.

**CITY OF EAU CLAIRE**

OTHER POSTEMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE  
 OF EMPLOYER CONTRIBUTIONS (UNAUDITED)  
 For the Year Ended December 31, 2009

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2008	\$ -	\$ 42,084,000	\$ 42,084,000	0%	\$ 31,301,014	134.4%
1/1/2009	-	43,973,049	43,973,049	0%	31,746,919	138.5%
1/1/2010	-	48,935,923	48,935,923	0%	32,584,361	150.2%

The City of Eau Claire provides some staffing for the Housing Authority component unit operations, therefore, the Housing Authority amounts are included above. The Housing Authority's share of the AAL and UAAL at January 1, 2008 and 2009 is approximately \$114,000; at January 1, 2010 it is approximately \$116,000.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Annual Required Contribution (ARC)	Contribution	Percentage of ARC Contributed	Net OPEB Obligation
12/31/08	\$ 4,010,000	\$ 1,342,877	33.49%	\$ 2,667,123
12/31/09	4,009,543	2,400,000	59.86%	3,193,968

See auditors' report and accompanying notes to required supplementary information.

# CITY OF EAU CLAIRE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2009

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

### ***FUNDING PROGRESS DATA***

Data in the schedule of funding progress was taken from the reports issued by the actuary.

See auditors' report.

**SUPPLEMENTARY INFORMATION**

## **Major Funds - Governmental**

The **General Fund** is the general operating fund of the City used to account for all transactions except those required to be accounted for in other funds.

The **Debt Service – General** fund accounts for all general obligation debt service except the debt paid primarily from taxes generated by tax increment districts. This debt is backed by the full faith and credit of the City.

**CITY OF EAU CLAIRE**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
December 31, 2009 and 2008

<i><b>ASSETS</b></i>	<u>2009</u>	<u>2008</u>
Cash and short term investments	\$ 16,554,073	\$ 13,711,540
Receivables		
Taxes		
Current	28,086,211	26,421,028
Delinquent personal property	<u>200,225</u>	<u>144,109</u>
Total Taxes	<u>28,286,436</u>	<u>26,565,137</u>
Accounts receivable	1,570,311	1,234,251
Notes receivable	25,000	25,000
Special assessments:		
Installment	1,342,919	3,721
Interest	<u>182,342</u>	<u>623,260</u>
Total Receivables	31,407,008	28,451,369
Inventories and prepaid items	751,918	40,481
Due from other funds	208,154	194,030
Due from other governments	96,130	60,981
Advance to other funds	<u>7,888,490</u>	<u>4,689,676</u>
 TOTAL ASSETS	 <u>\$ 56,905,773</u>	 <u>\$ 47,148,077</u>

	<u>2009</u>	<u>2008</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 375,096	\$ 311,274
Accrued liabilities	1,508,632	1,461,323
Deposits	184,037	160,288
Due to other governments	111,902	122,818
Due to component unit	16,906	42,050
Deferred revenue	<u>30,784,315</u>	<u>27,606,189</u>
Total Liabilities	<u>32,980,888</u>	<u>29,703,942</u>
Fund Balance		
Reserved		
For notes receivable	25,000	25,000
For prepaid items and inventories	751,918	40,481
For advances to other funds	<u>7,347,960</u>	<u>4,138,490</u>
Total Reserved	<u>8,124,878</u>	<u>4,203,971</u>
Unreserved		
Designated		
For Highway 53 maintenance	2,670,632	1,933,919
For working capital	3,700,000	3,700,000
For subsequent year expenditures	150,200	1,351,919
For YMCA land sale	<u>429,341</u>	<u>-</u>
Total Designated	<u>6,950,173</u>	<u>6,985,838</u>
Undesignated	<u>8,849,834</u>	<u>6,254,326</u>
Total Unreserved	<u>15,800,007</u>	<u>13,240,164</u>
Total Fund Balance	<u>23,924,885</u>	<u>17,444,135</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 56,905,773</u>	<u>\$ 47,148,077</u>

**CITY OF EAU CLAIRE**

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING  
SOURCES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009

With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			Variance with Final Budget	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
<b>TAXES</b>					
Real and personal property	\$ 26,325,700	\$ 26,325,700	\$ 26,254,177	\$ (71,523)	\$ 24,382,081
Mobile home fees	68,000	68,000	67,794	(206)	68,522
Payment in lieu of taxes:					
Other	245,000	245,000	284,576	39,576	242,491
Interest on delinquent taxes	3,000	3,000	2,928	(72)	3,516
Total Taxes	<u>26,641,700</u>	<u>26,641,700</u>	<u>26,609,475</u>	<u>(32,225)</u>	<u>24,696,610</u>
<b>SPECIAL ASSESSMENTS</b>					
Current	110,000	110,000	378,263	268,263	108,212
Installment	-	-	-	-	2,330
Total Special Assessments	<u>110,000</u>	<u>110,000</u>	<u>378,263</u>	<u>268,263</u>	<u>110,542</u>
<b>INTERGOVERNMENTAL</b>					
Federal aid	-	64,900	77,934	13,034	215,096
State aid					
Shared taxes	7,483,200	7,483,200	7,483,260	60	7,483,260
Municipal services	680,000	680,000	729,671	49,671	689,973
Utility tax	225,000	225,000	294,816	69,816	209,047
Local streets	2,695,000	2,695,000	2,692,962	(2,038)	2,703,207
Expenditure restraint program	1,015,000	1,015,000	1,058,005	43,005	984,766
Fire insurance	120,000	120,000	120,715	715	120,172
Underground tank inspections	11,000	11,000	11,220	220	11,905
Police training	19,000	19,000	19,200	200	18,800
Conservation and development	-	-	10,000	10,000	-
Other	235,000	255,300	292,632	37,332	264,960
Total Intergovernmental	<u>12,483,200</u>	<u>12,568,400</u>	<u>12,790,415</u>	<u>222,015</u>	<u>12,701,186</u>
<b>LICENSES AND PERMITS</b>					
Television franchise	780,000	780,000	768,263	(11,737)	776,148
Licenses	335,800	335,800	343,985	8,185	342,477
Permits	543,000	543,000	528,622	(14,378)	529,476
Total Licenses and Permits	<u>1,658,800</u>	<u>1,658,800</u>	<u>1,640,870</u>	<u>(17,930)</u>	<u>1,648,101</u>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Parking violation fines	435,000	435,000	400,658	(34,342)	432,776
County court fines	375,000	375,000	371,731	(3,269)	366,562
Other fines or forfeitures	8,000	8,000	3,515	(4,485)	10,416
Total Fines and Forfeitures	<u>818,000</u>	<u>818,000</u>	<u>775,904</u>	<u>(42,096)</u>	<u>809,754</u>

**CITY OF EAU CLAIRE**

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING  
SOURCES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009

With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	\$ 62,700	\$ 62,700	\$ 51,475	\$ (11,225)	\$ 59,887
Police and fire	2,001,500	2,001,500	2,245,185	243,685	2,125,383
Public works	298,000	298,000	1,165,424	867,424	1,830,562
Parks and recreation	455,200	455,200	529,296	74,096	529,381
Conservation and development	25,000	25,000	-	(25,000)	-
Total Charges for Services	<u>2,842,400</u>	<u>2,842,400</u>	<u>3,991,380</u>	<u>1,148,980</u>	<u>4,545,213</u>
<b>CHARGES FOR SERVICES - INTERGOVERNMENTAL</b>					
Communication center reimbursement	1,237,500	1,237,500	1,132,882	(104,618)	1,084,965
Police liaison	187,600	187,600	185,327	(2,273)	187,545
Departmental unfunded pension charge	146,900	686,200	677,820	(8,380)	-
Storm water management charge	340,200	340,200	340,212	12	332,484
Sewer utility charge	415,500	415,500	415,488	(12)	405,300
Water utility service charge	539,100	539,100	539,016	(84)	525,612
Other service charges	177,200	177,200	179,332	2,132	170,713
Total Charges for Services - Intergovernmental	<u>3,044,000</u>	<u>3,583,300</u>	<u>3,470,077</u>	<u>(113,223)</u>	<u>2,706,619</u>
<b>INVESTMENT INCOME</b>					
Investment interest	1,300,000	1,300,000	382,842	(917,158)	1,532,570
Interest on advance to other funds	471,500	471,500	324,709	(146,791)	338,376
Interest on special assessments	-	-	389	389	484
Other interest	600	600	1,187	587	591
Total Investment Income	<u>1,772,100</u>	<u>1,772,100</u>	<u>709,127</u>	<u>(1,062,973)</u>	<u>1,872,021</u>
<b>MISCELLANEOUS</b>					
Rental					
Rental of land and buildings	52,000	52,000	50,299	(1,701)	11,780
Total Rental	<u>52,000</u>	<u>52,000</u>	<u>50,299</u>	<u>(1,701)</u>	<u>11,780</u>
Other					
Donations	-	7,800	10,661	2,861	9,377
Other miscellaneous	12,000	19,200	43,617	24,417	20,541
Total Other	<u>12,000</u>	<u>27,000</u>	<u>54,278</u>	<u>27,278</u>	<u>29,918</u>
Total Miscellaneous	<u>64,000</u>	<u>79,000</u>	<u>104,577</u>	<u>25,577</u>	<u>41,698</u>
Total Revenues	<u>49,434,200</u>	<u>50,073,700</u>	<u>50,470,088</u>	<u>396,388</u>	<u>49,131,744</u>

**CITY OF EAU CLAIRE**

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING  
SOURCES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009

With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	\$ 953,100	\$ 985,700	\$ 883,389	\$ (102,311)	\$ 883,376
Transfer from water utility - PILOT	1,174,000	1,174,000	1,307,653	133,653	1,185,959
Long term debt issued	600,000	4,350,000	4,350,000	-	400,000
Sale of capital assets	10,000	10,000	577,456	567,456	36,115
Total Other Financing Sources	<u>2,737,100</u>	<u>6,519,700</u>	<u>7,118,498</u>	<u>598,798</u>	<u>2,505,450</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 52,171,300</u>	<u>\$ 56,593,400</u>	<u>\$ 57,588,586</u>	<u>\$ 995,186</u>	<u>\$ 51,637,194</u>

**CITY OF EAU CLAIRE**

DETAILED SCHEDULE OF EXPENDITURES AND OTHER  
FINANCING USES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009

With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>EXPENDITURES</b>					
General government					
City council	\$ 122,700	\$ 122,700	\$ 101,622	\$ 21,078	\$ 110,318
City manager	383,900	403,500	391,137	12,363	443,733
City clerk/elections	260,200	265,900	235,108	30,792	413,460
Information services	763,300	777,000	755,882	21,118	738,632
Legal	468,300	468,300	464,663	3,637	427,167
Finance					
Administration	332,600	369,100	352,314	16,786	326,466
Accounting	607,200	607,200	544,574	62,626	520,009
Assessing	577,800	577,800	483,004	94,796	575,288
Customer services	702,600	702,600	650,294	52,306	596,752
Total Finance	<u>2,220,200</u>	<u>2,256,700</u>	<u>2,030,186</u>	<u>226,514</u>	<u>2,018,515</u>
Human resources					
Purchasing	223,200	233,500	215,887	17,613	198,066
Personnel administration	614,400	614,400	552,744	61,656	536,624
Total Human Resources	<u>837,600</u>	<u>847,900</u>	<u>768,631</u>	<u>79,269</u>	<u>734,690</u>
Planning and development					
Community planning	518,400	576,200	550,725	25,475	503,577
Inspection and zoning	645,000	645,000	586,832	58,168	568,469
Total Planning and Development	<u>1,163,400</u>	<u>1,221,200</u>	<u>1,137,557</u>	<u>83,643</u>	<u>1,072,046</u>
Total General Government	<u>6,219,600</u>	<u>6,363,200</u>	<u>5,884,786</u>	<u>478,414</u>	<u>5,958,561</u>

## CITY OF EAU CLAIRE

### DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2009

With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
<b>PUBLIC SAFETY</b>					
Police					
Administration	\$ 779,400	\$ 1,216,100	\$ 1,175,896	\$ 40,204	\$ 925,750
Administrative services	1,493,600	1,519,400	1,529,661	(10,261)	1,465,478
Patrol services	8,090,600	8,110,300	7,978,067	132,233	7,989,248
Investigative services	2,132,900	2,143,900	2,188,653	(44,753)	2,120,484
Central communications	1,762,400	1,762,400	1,612,931	149,469	1,538,907
Total Police	<u>14,258,900</u>	<u>14,752,100</u>	<u>14,485,208</u>	<u>266,892</u>	<u>14,039,867</u>
Fire					
Administration	577,300	927,700	845,559	82,141	748,558
Suppression and rescue	8,722,200	8,769,200	8,752,404	16,796	8,809,460
Prevention and inspection	497,000	497,100	472,149	24,951	460,051
Total Fire	<u>9,796,500</u>	<u>10,194,000</u>	<u>10,070,112</u>	<u>123,888</u>	<u>10,018,069</u>
Total Public Safety	<u>24,055,400</u>	<u>24,946,100</u>	<u>24,555,320</u>	<u>390,780</u>	<u>24,057,936</u>
<b>PUBLIC WORKS</b>					
Administration	337,900	475,000	454,618	20,382	348,909
Operations	7,260,400	7,174,700	6,491,222	683,478	6,320,041
Engineering	1,585,200	1,594,100	1,408,719	185,381	1,360,358
Total Public Works	<u>9,183,500</u>	<u>9,243,800</u>	<u>8,354,559</u>	<u>889,241</u>	<u>8,029,308</u>
<b>CULTURE AND RECREATION</b>					
Administration	394,800	501,100	476,370	24,730	392,623
Park maintenance	2,813,900	2,816,800	2,717,356	99,444	2,656,468
Forestry	486,300	486,900	507,681	(20,781)	474,570
Recreation and playgrounds	841,800	845,100	668,029	177,071	814,502
Total Culture and Recreation	<u>4,536,800</u>	<u>4,649,900</u>	<u>4,369,436</u>	<u>280,464</u>	<u>4,338,163</u>

**CITY OF EAU CLAIRE**

DETAILED SCHEDULE OF EXPENDITURES AND OTHER  
FINANCING USES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>MISCELLANEOUS</b>					
Payments to other organizations	\$ 297,400	\$ 297,500	\$ 295,441	\$ 2,059	\$ 310,984
Contractual services	100,000	95,700	55,770	39,930	71,406
Insurance and retirement	763,000	108,900	29,965	78,935	29,118
Special assessments	102,000	102,000	35,926	66,074	41,960
Illegal taxes and refunds	-	63,100	21,703	41,397	-
Annexation rebates	12,000	12,000	11,977	23	11,475
Contingency	431,700	368,600	-	368,600	-
Total Miscellaneous	<u>1,706,100</u>	<u>1,047,800</u>	<u>450,782</u>	<u>597,018</u>	<u>464,943</u>
Total Expenditures	<u>45,701,400</u>	<u>46,250,800</u>	<u>43,614,883</u>	<u>2,635,917</u>	<u>42,848,911</u>
<b>OTHER FINANCING USES</b>					
Transfers to other funds:					
Special revenue fund	257,000	257,000	250,351	6,649	344,107
Debt service fund	4,337,800	4,337,800	4,186,608	151,192	4,418,266
Capital project funds	1,212,700	1,212,700	1,212,700	-	200
Proprietary funds	<u>2,634,100</u>	<u>2,634,100</u>	<u>1,843,294</u>	<u>790,806</u>	<u>1,354,117</u>
Total Other Financing Uses	<u>8,441,600</u>	<u>8,441,600</u>	<u>7,492,953</u>	<u>948,647</u>	<u>6,116,690</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 54,143,000</u>	<u>\$ 54,692,400</u>	<u>\$ 51,107,836</u>	<u>\$ 3,584,564</u>	<u>\$ 48,965,601</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE - GENERAL  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Special assessments	\$ 1,328,000	\$ 1,328,000	\$ 1,557,350	\$ 229,350	\$ 1,909,950
Charges for services - public	47,000	47,000	42,500	(4,500)	48,500
Charges for services - intergovernmental	-	50,300	50,250	(50)	-
Investment income	385,000	385,000	352,690	(32,310)	489,237
Other	-	-	-	-	15,991
Total Revenues	<u>1,760,000</u>	<u>1,810,300</u>	<u>2,002,790</u>	<u>192,490</u>	<u>2,463,678</u>
<b>EXPENDITURES</b>					
Current					
General government	6,000	6,000	3,400	2,600	5,035
Debt Service					
Principal retirement	4,033,700	4,033,700	4,033,633	67	3,527,140
Interest and fiscal charges	<u>2,254,900</u>	<u>2,305,200</u>	<u>2,240,334</u>	<u>64,866</u>	<u>1,832,144</u>
Total Expenditures	<u>6,294,600</u>	<u>6,344,900</u>	<u>6,277,367</u>	<u>67,533</u>	<u>5,364,319</u>
Excess (deficiency) of revenues over expenditures	<u>(4,534,600)</u>	<u>(4,534,600)</u>	<u>(4,274,577)</u>	<u>260,023</u>	<u>(2,900,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long term debt issued	-	-	-	-	8,145,000
Discount on long term debt issued	-	-	(31,933)	(31,933)	-
Pay-off of unfunded retirement liability	-	-	-	-	(9,391,841)
Transfers from other funds	<u>4,407,200</u>	<u>4,407,200</u>	<u>4,256,013</u>	<u>(151,187)</u>	<u>4,418,266</u>
Total Other Financing Sources	<u>4,407,200</u>	<u>4,407,200</u>	<u>4,224,080</u>	<u>(183,120)</u>	<u>3,171,425</u>
Net change in fund balances	<u>(127,400)</u>	<u>(127,400)</u>	<u>(50,497)</u>	<u>76,903</u>	<u>270,784</u>
FUND BALANCE - Beginning of Year	<u>7,647,627</u>	<u>7,647,627</u>	<u>7,647,627</u>	<u>-</u>	<u>7,376,843</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,520,227</u>	<u>\$ 7,520,227</u>	<u>\$ 7,597,130</u>	<u>\$ 76,903</u>	<u>\$ 7,647,627</u>

## Nonmajor Funds - Governmental

### Special Revenue Funds

The **Cemetery Maintenance** fund was created to account for the complete operation of two City-owned cemeteries, Lakeview and Forest Hill.

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response to incidents involving hazardous materials within a 16 county area of Northwestern Wisconsin.

The **Community Development** fund accounts for activities attributed to the federal Community Development Block Grant program.

The **Home Grant** fund accounts for grants designated for affordable housing development, including weatherization, new construction, rental assistance, and down payment assistance.

The **Economic Development** fund accounts for the financial activities of a loan pool established to provide low interest loans for business expansion. It also accounts for promotional activity to encourage area economic growth.

The **Community Enhancement** fund accounts for collection and disbursement of hotel/motel room taxes, which are used for projects to encourage tourism and increase convention business.

The **Public Library** fund accounts for the collection of revenues, primarily a general tax levy set by the city council and the library board, and the operations of the L.E. Phillips Public Library.

The **City-County Health Department** fund accounts for the collection of revenues, primarily a general tax levy set by the city council and the county board, and for the operations of the City-County Health Department for county-wide health services.

The **Downtown Partners** Fund was created in 2002 as the day-to-day operating fund for Downtown Eau Claire, Inc. (DECI). DECI is the lead organization for issues relating to downtown and is governed by an eighteen member board.

The **Former Landfill Escrow** fund accounts for funds contributed by potential responsible parties (PRP) for an investigation, feasibility study, and possible cleanup operation of the former Blue Valley Landfill site and surrounding area.

## **Nonmajor Funds – Governmental (cont.)**

### **Debt Service Funds**

The **Debt Service – TIF #6** fund accounts for debt funded by taxes resulting from the incremental property values in a defined area on the City's northeast side. This district was created in 1997.

The **Debt Service – TIF #7** fund accounts for debt funded by taxes resulting from the incremental property values in the downtown area on the site of the former Soo Line depot, as well as City-owned property on Railroad Street, part of Doty Street, and the L.E. Philips Memorial Public Library. This district was created in 1997.

### **Capital Projects Funds**

The **TIF #5 Gateway Northwest Business Park** fund accounts for improvements to the industrial development area north and west of the Gateway West Business Park.

The **TIF #8 Downtown Development Area** fund accounts for acquisition and infrastructure improvements in the North Barstow Redevelopment District.

The **TIF #9 Gateway Northwest Business Park Overlay** fund accounts for improvements to the industrial development area on the city's west side, including undeveloped sections of TIF #5.

The **Street Projects** fund accounts for construction and rebuilding of city streets and purchase of land for future street right-of-way.

The **Bridge Projects** fund accounts for construction and major upgrades of City-owned bridges.

The **Buildings and Equipment** fund accounts for acquisition of land for public projects, construction or renovation of City-owned buildings, and major equipment purchases.

The **Parks and Recreation Projects** fund accounts for improvements to parks, stadiums, recreational fields, playgrounds, waterways, and trails.

The **Environmental Improvements – Landfill** fund accounts for development and implementation of a plan to limit environmental damage from two former landfill sites.

The **Library Buildings and Equipment** fund accounts for library building improvements and equipment purchases.

**CITY OF EAU CLAIRE**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 4,938,381	\$ 1,290,882	\$ 23,373,578	\$ 29,602,841
Receivables				
Taxes	4,511,650	392,344	1,067,309	5,971,303
Accounts	626,007	-	282,362	908,369
Notes	6,642,515	-	-	6,642,515
Prepaid items	65,766	-	-	65,766
Due from other governments	226,221	-	113,962	340,183
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted assets				
Revolving loan sequestered funds	243,200	-	-	243,200
Construction account	-	-	1,430,818	1,430,818
<b>TOTAL ASSETS</b>	<b>\$ 17,653,740</b>	<b>\$ 1,683,226</b>	<b>\$ 27,268,029</b>	<b>\$ 46,604,995</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 229,734	\$ -	\$ 1,621,537	\$ 1,851,271
Accrued liabilities	149,409	-	-	149,409
Deposits	52,704	-	74,500	127,204
Due to other governments	42,750	-	22,663	65,413
Due to other funds	207,862	-	1,000	208,862
Due to component unit	15,802	-	-	15,802
Deferred revenues	11,410,307	392,344	1,173,361	12,976,012
Advances from other funds	-	-	3,238,700	3,238,700
Total Liabilities	12,108,568	392,344	6,131,761	18,632,673
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	65,766	-	-	65,766
Advances to other funds (noncurrent portion)	400,000	-	1,000,000	1,400,000
Grant proceeds	471,838	-	-	471,838
Debt service	-	1,290,882	-	1,290,882
Capital contracts	-	-	1,060,292	1,060,292
Environmental remediation	-	-	360,940	360,940
Bond construction	-	-	1,430,818	1,430,818
Unreserved, designated				
Economic development	950,000	-	-	950,000
Library funds	94,636	-	-	94,636
Subsequent year expenditures	3,441,932	-	19,418,644	22,860,576
Loft matching program	11,000	-	-	11,000
Downtown facade loans	10,000	-	-	10,000
Code compliance loans	100,000	-	-	100,000
Unreserved, undesignated (deficit)	-	-	(2,134,426)	(2,134,426)
Total Fund Balances	5,545,172	1,290,882	21,136,268	27,972,322
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,653,740</b>	<b>\$ 1,683,226</b>	<b>\$ 27,268,029</b>	<b>\$ 46,604,995</b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 5,655,577	\$ 368,154	\$ 892,561	\$ 6,916,292
Special assessments	42,484	10,981	-	53,465
Intergovernmental	2,669,542	1,666	495,936	3,167,144
Licenses and permits	352,299	-	-	352,299
Fines and forfeitures	121,296	-	-	121,296
Charges for services - public	411,407	-	-	411,407
Charges for services - intergovernmental	1,912,676	-	-	1,912,676
Investment income	96,301	3,356	268,459	368,116
Miscellaneous				
Loan repayments	488,920	-	-	488,920
Building rental	65,863	-	-	65,863
Gifts and donations	68,778	-	782,125	850,903
Other	248,173	-	459,773	707,946
Total Revenues	<u>12,133,316</u>	<u>384,157</u>	<u>2,898,854</u>	<u>15,416,327</u>
<b>EXPENDITURES</b>				
Current				
General government	-	200	-	200
Public safety	183,647	-	-	183,647
Public works	107,734	-	82,425	190,159
Health services	4,958,705	-	-	4,958,705
Culture and recreation	3,563,854	-	1,440	3,565,294
Development	3,096,424	-	-	3,096,424
Capital Outlay	148,643	-	9,536,244	9,684,887
Debt Service				
Principal retirement	-	175,000	775,000	950,000
Interest and fiscal charges	-	88,218	578,202	666,420
Total Expenditures	<u>12,059,007</u>	<u>263,418</u>	<u>10,973,311</u>	<u>23,295,736</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ 74,309	\$ 120,739	\$ (8,074,457)	\$ (7,879,409)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	-	-	7,268,000	7,268,000
Discount on long term debt issued	-	-	(47,692)	(47,692)
Transfers from other funds	794,229	83,033	3,066,079	3,943,341
Transfers to other funds	(1,196,410)	-	(2,804,733)	(4,001,143)
Sale of capital assets	528	-	-	528
Total Other Financing Sources (Uses)	<u>(401,653)</u>	<u>83,033</u>	<u>7,481,654</u>	<u>7,163,034</u>
Net changes in fund balances	(327,344)	203,772	(592,803)	(716,375)
FUND BALANCES - Beginning of Year	<u>5,872,516</u>	<u>1,087,110</u>	<u>21,729,071</u>	<u>28,688,697</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,545,172</u>	<u>\$ 1,290,882</u>	<u>\$ 21,136,268</u>	<u>\$ 27,972,322</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2009

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
<b>ASSETS</b>				
Cash and investments	\$ 97,242	\$ 208,194	\$ 153,424	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	7,011	13,737	-	-
Notes	-	-	2,752,043	1,975,024
Prepaid items	-	-	-	-
Due from other governments	-	-	41,782	66,408
Advances to other funds	-	-	-	-
Restricted Assets				
Revolving loan sequestered funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 104,253</b>	<b>\$ 221,931</b>	<b>\$ 2,947,249</b>	<b>\$ 2,041,432</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,050	\$ 1,011	\$ 26,004	\$ 1,355
Accrued liabilities	5,050	-	766	217
Deposits	-	-	-	-
Due to other governments	-	-	1,740	-
Due to other funds	-	-	-	51,002
Due to component unit	-	-	13,388	2,414
Deferred revenues	7,011	13,737	2,752,043	1,975,024
Total Liabilities	<u>17,111</u>	<u>14,748</u>	<u>2,793,941</u>	<u>2,030,012</u>
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	-	-	-	-
Advances to other funds (noncurrent portion)	-	-	-	-
Grant proceeds	-	-	-	11,420
Unreserved, designated				
Economic development	-	-	-	-
Library funds	-	-	-	-
Subsequent year expenditures	87,142	207,183	153,308	-
Loft matching program	-	-	-	-
Downtown facade loans	-	-	-	-
Code compliance loans	-	-	-	-
Total Fund Balances	<u>87,142</u>	<u>207,183</u>	<u>153,308</u>	<u>11,420</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 104,253</b>	<b>\$ 221,931</b>	<b>\$ 2,947,249</b>	<b>\$ 2,041,432</b>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 2,965,111	\$ -	\$ 779,554	\$ 674,135	\$ 45,131	\$ 15,590	\$ 4,938,381
-	-	2,833,500	1,678,150	-	-	4,511,650
-	137,953	336,333	92,343	-	38,630	626,007
1,900,865	14,583	-	-	-	-	6,642,515
-	-	-	65,766	-	-	65,766
-	-	-	118,031	-	-	226,221
400,000	-	-	-	-	-	400,000
243,200	-	-	-	-	-	243,200
<u>\$ 5,509,176</u>	<u>\$ 152,536</u>	<u>\$ 3,949,387</u>	<u>\$ 2,628,425</u>	<u>\$ 45,131</u>	<u>\$ 54,220</u>	<u>\$ 17,653,740</u>
\$ 5,590	\$ -	\$ 74,393	\$ 98,175	\$ 92	\$ 18,064	\$ 229,734
7,303	-	67,065	65,675	3,333	-	149,409
-	-	-	16,548	-	36,156	52,704
-	-	32	40,978	-	-	42,750
-	137,742	9,795	9,323	-	-	207,862
-	-	-	-	-	-	15,802
1,900,865	14,583	3,068,894	1,678,150	-	-	11,410,307
<u>1,913,758</u>	<u>152,325</u>	<u>3,220,179</u>	<u>1,908,849</u>	<u>3,425</u>	<u>54,220</u>	<u>12,108,568</u>
-	-	-	65,766	-	-	65,766
400,000	-	-	-	-	-	400,000
428,582	-	-	31,836	-	-	471,838
950,000	-	-	-	-	-	950,000
-	-	94,636	-	-	-	94,636
1,706,836	211	634,572	621,974	30,706	-	3,441,932
-	-	-	-	11,000	-	11,000
10,000	-	-	-	-	-	10,000
100,000	-	-	-	-	-	100,000
<u>3,595,418</u>	<u>211</u>	<u>729,208</u>	<u>719,576</u>	<u>41,706</u>	<u>-</u>	<u>5,545,172</u>
<u>\$ 5,509,176</u>	<u>\$ 152,536</u>	<u>\$ 3,949,387</u>	<u>\$ 2,628,425</u>	<u>\$ 45,131</u>	<u>\$ 54,220</u>	<u>\$ 17,653,740</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2009

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Economic Development
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	178,263	774,491	548,346	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services - public	156,346	2,117	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	1,760	-	-	93,741
Miscellaneous					
Loan repayments	-	-	251,820	917	236,183
Building rental	-	-	-	-	65,863
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	230
Total Revenues	<u>156,346</u>	<u>182,140</u>	<u>1,026,311</u>	<u>549,263</u>	<u>396,017</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	183,647	-	-	-
Public works	-	-	-	-	-
Health services	402,297	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	596,939	557,833	929,779
Capital Outlay	-	-	142,522	-	-
Total Expenditures	<u>402,297</u>	<u>183,647</u>	<u>739,461</u>	<u>557,833</u>	<u>929,779</u>
Excess (deficiency) of revenues over expenditures	<u>(245,951)</u>	<u>(1,507)</u>	<u>286,850</u>	<u>(8,570)</u>	<u>(533,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	245,951	-	-	-	404,400
Transfers to other funds	(31,300)	(3,779)	(368,326)	-	(85,000)
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>214,651</u>	<u>(3,779)</u>	<u>(368,326)</u>	<u>-</u>	<u>319,400</u>
Net change in fund balances	(31,300)	(5,286)	(81,476)	(8,570)	(214,362)
FUND BALANCES - Beginning of Year	<u>118,442</u>	<u>212,469</u>	<u>234,784</u>	<u>19,990</u>	<u>3,809,780</u>
FUND BALANCES - END OF YEAR	<u>\$ 87,142</u>	<u>\$ 207,183</u>	<u>\$ 153,308</u>	<u>\$ 11,420</u>	<u>\$ 3,595,418</u>

<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 1,174,077	\$ 2,825,000	\$ 1,656,500	\$ -	\$ -	\$ 5,655,577
-	-	42,484	-	-	42,484
-	1,189	1,167,253	-	-	2,669,542
-	-	352,299	-	-	352,299
-	121,296	-	-	-	121,296
-	5,119	140,091	-	107,734	411,407
-	671,239	1,241,437	-	-	1,912,676
-	800	-	-	-	96,301
-	-	-	-	-	488,920
-	-	-	-	-	65,863
-	30,578	-	38,200	-	68,778
15	247,928	-	-	-	248,173
<u>1,174,092</u>	<u>3,903,149</u>	<u>4,600,064</u>	<u>38,200</u>	<u>107,734</u>	<u>12,133,316</u>
-	-	-	-	-	183,647
-	-	-	-	107,734	107,734
-	-	4,556,408	-	-	4,958,705
-	3,563,854	-	-	-	3,563,854
868,403	-	-	143,470	-	3,096,424
-	6,121	-	-	-	148,643
<u>868,403</u>	<u>3,569,975</u>	<u>4,556,408</u>	<u>143,470</u>	<u>107,734</u>	<u>12,059,007</u>
<u>305,689</u>	<u>333,174</u>	<u>43,656</u>	<u>(105,270)</u>	<u>-</u>	<u>74,309</u>
-	-	58,878	85,000	-	794,229
(328,600)	(349,983)	(29,422)	-	-	(1,196,410)
-	528	-	-	-	528
<u>(328,600)</u>	<u>(349,455)</u>	<u>29,456</u>	<u>85,000</u>	<u>-</u>	<u>(401,653)</u>
(22,911)	(16,281)	73,112	(20,270)	-	(327,344)
<u>23,122</u>	<u>745,489</u>	<u>646,464</u>	<u>61,976</u>	<u>-</u>	<u>5,872,516</u>
<u>\$ 211</u>	<u>\$ 729,208</u>	<u>\$ 719,576</u>	<u>\$ 41,706</u>	<u>\$ -</u>	<u>\$ 5,545,172</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS  
December 31, 2009

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	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>ASSETS</b>			
Cash and investments	\$ 1,240,055	\$ 50,827	\$ 1,290,882
Receivables			
Taxes	<u>248,081</u>	<u>144,263</u>	<u>392,344</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,488,136</u>	<u>\$ 195,090</u>	<u>\$ 1,683,226</u>
<b>LIABILITIES</b>			
Deferred revenues	\$ 248,081	\$ 144,263	\$ 392,344
Total Liabilities	<u>248,081</u>	<u>144,263</u>	<u>392,344</u>
<b>FUND BALANCES</b>			
Reserved			
Debt service	<u>1,240,055</u>	<u>50,827</u>	<u>1,290,882</u>
Total Fund Balances	<u>1,240,055</u>	<u>50,827</u>	<u>1,290,882</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,488,136</u>	<u>\$ 195,090</u>	<u>\$ 1,683,226</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended December 31, 2009

	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>REVENUES</b>			
Taxes	\$ 236,174	\$ 131,980	\$ 368,154
Special assessments	10,981	-	10,981
Intergovernmental	1,120	546	1,666
Miscellaneous			
Investment income	3,278	78	3,356
Total Revenues	<u>251,553</u>	<u>132,604</u>	<u>384,157</u>
<b>EXPENDITURES</b>			
Current			
General government	100	100	200
Debt Service			
Principal retirement	65,000	110,000	175,000
Interest and fiscal charges	33,508	54,710	88,218
Total Expenditures	<u>98,608</u>	<u>164,810</u>	<u>263,418</u>
Excess (deficiency) of revenues over expenditures	152,945	(32,206)	120,739
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	-	83,033	83,033
Net change in fund balances	152,945	50,827	203,772
FUND BALANCES - Beginning of Year	<u>1,087,110</u>	<u>-</u>	<u>1,087,110</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,240,055</u>	<u>\$ 50,827</u>	<u>\$ 1,290,882</u>

**CITY OF EAU CLAIRE**

**COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2009**

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	Street Projects
<b>ASSETS</b>				
Cash and investments	\$ 2,852,904	\$ 1,105,274	\$ -	\$ 9,846,820
Receivables				
Taxes	518,867	498,863	49,579	-
Accounts	-	-	-	248,383
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	1,000,000
Restricted assets				
Construction account	261,802	-	-	91,864
<b>TOTAL ASSETS</b>	<b>\$ 3,633,573</b>	<b>\$ 1,604,137</b>	<b>\$ 49,579</b>	<b>\$ 11,187,067</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 201,317	\$ -	\$ -	\$ 1,207,471
Deposits	-	-	-	74,500
Due to other governments	22,663	-	-	-
Due to other funds	-	-	1,000	-
Deferred revenues	518,867	498,863	49,579	-
Advances from other funds	-	3,238,700	-	-
Total Liabilities	742,847	3,737,563	50,579	1,281,971
<b>FUND BALANCES</b>				
Reserved				
Advances to other funds (noncurrent portion)	-	-	-	1,000,000
Capital contracts	238,776	-	-	558,874
Environmental remediation	-	-	-	-
Bond construction	261,802	-	-	91,864
Unreserved, designated				
Subsequent year expenditures	2,390,148	-	-	8,254,358
Unreserved, undesignated (deficit)	-	(2,133,426)	(1,000)	-
Total Fund Balances	2,890,726	(2,133,426)	(1,000)	9,905,096
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,633,573</b>	<b>\$ 1,604,137</b>	<b>\$ 49,579</b>	<b>\$ 11,187,067</b>

<u>Bridge Projects</u>	<u>Buildings and Equipment</u>	<u>Parks and Recreation Projects</u>	<u>Environmental Improvements- Landfill</u>	<u>Library Buildings &amp; Equipment</u>	<u>Totals</u>
\$ 806,360	\$ 4,397,887	\$ 1,301,290	\$ 2,239,601	\$ 823,442	\$ 23,373,578
-	-	-	-	-	1,067,309
-	-	27	-	33,952	282,362
-	113,962	-	-	-	113,962
-	-	-	-	-	1,000,000
-	1,077,152	-	-	-	1,430,818
<u>\$ 806,360</u>	<u>\$ 5,589,001</u>	<u>\$ 1,301,317</u>	<u>\$ 2,239,601</u>	<u>\$ 857,394</u>	<u>\$ 27,268,029</u>
\$ -	\$ 57,346	\$ 74,716	\$ -	\$ 80,687	\$ 1,621,537
-	-	-	-	-	74,500
-	-	-	-	-	22,663
-	-	-	-	-	1,000
-	106,025	27	-	-	1,173,361
-	-	-	-	-	3,238,700
-	163,371	74,743	-	80,687	6,131,761
-	-	-	-	-	1,000,000
48,716	169,246	26,697	2,689	15,294	1,060,292
-	-	-	360,940	-	360,940
-	1,077,152	-	-	-	1,430,818
757,644	4,179,232	1,199,877	1,875,972	761,413	19,418,644
-	-	-	-	-	(2,134,426)
<u>806,360</u>	<u>5,425,630</u>	<u>1,226,574</u>	<u>2,239,601</u>	<u>776,707</u>	<u>21,136,268</u>
<u>\$ 806,360</u>	<u>\$ 5,589,001</u>	<u>\$ 1,301,317</u>	<u>\$ 2,239,601</u>	<u>\$ 857,394</u>	<u>\$ 27,268,029</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2009

	TIF No. 5 Gateway NW Business Park	TIF No. 7 Soo Line Development	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay
<b>REVENUES</b>				
Taxes	\$ 488,053	\$ -	\$ 404,508	\$ -
Intergovernmental	6,481	-	87,601	-
Investment income	49,603	-	6,620	-
Miscellaneous				
Gifts and donations	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>544,137</u>	<u>-</u>	<u>498,729</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	350,978	-	6,777	-
Debt Service				
Principal retirement	245,000	-	530,000	-
Interest and fiscal charges	229,813	-	348,389	-
Total Expenditures	<u>825,791</u>	<u>-</u>	<u>885,166</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(281,654)</u>	<u>-</u>	<u>(386,437)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	-	-	-
Discount on long-term debt issued	-	-	-	-
Transfers from other funds	-	-	-	-
Transfer to other funds	-	(83,033)	(2,721,700)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(83,033)</u>	<u>(2,721,700)</u>	<u>-</u>
Net change in fund balances	(281,654)	(83,033)	(3,108,137)	-
FUND BALANCES - Beginning of Year	<u>3,172,380</u>	<u>83,033</u>	<u>974,711</u>	<u>(1,000)</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,890,726</u>	<u>\$ -</u>	<u>\$ (2,133,426)</u>	<u>\$ (1,000)</u>

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 892,561
166,280	-	43,391	192,183	-	-	495,936
135,086	6,430	32,700	8,250	19,170	10,600	268,459
-	-	18,000	14,125	-	750,000	782,125
266,973	-	66,403	91,220	-	35,177	459,773
568,339	6,430	160,494	305,778	19,170	795,777	2,898,854
22,425	-	-	-	60,000	-	82,425
-	-	-	-	-	1,440	1,440
5,570,502	14,532	1,935,936	231,545	4,357	1,421,617	9,536,244
-	-	-	-	-	-	775,000
-	-	-	-	-	-	578,202
5,592,927	14,532	1,935,936	231,545	64,357	1,423,057	10,973,311
(5,024,588)	(8,102)	(1,775,442)	74,233	(45,187)	(627,280)	(8,074,457)
5,800,000	-	1,468,000	-	-	-	7,268,000
(40,680)	-	(7,012)	-	-	-	(47,692)
1,115,000	100,000	1,159,779	286,300	95,000	310,000	3,066,079
-	-	-	-	-	-	(2,804,733)
6,874,320	100,000	2,620,767	286,300	95,000	310,000	7,481,654
1,849,732	91,898	845,325	360,533	49,813	(317,280)	(592,803)
8,055,364	714,462	4,580,305	866,041	2,189,788	1,093,987	21,729,071
\$ 9,905,096	\$ 806,360	\$ 5,425,630	\$ 1,226,574	\$ 2,239,601	\$ 776,707	\$ 21,136,268

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Cemetery Maintenance				
	2009			2008	
	Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	Actual	
<b>REVENUES</b>					
Charges for services - public	\$ 182,200	\$ 182,200	\$ 156,346	\$ (25,854)	\$ 162,408
Miscellaneous					
Gifts and donations	-	-	-	-	25
Total Revenues	<u>182,200</u>	<u>182,200</u>	<u>156,346</u>	<u>(25,854)</u>	<u>162,433</u>
<b>EXPENDITURES</b>					
Current					
Health services	<u>434,800</u>	<u>434,800</u>	<u>402,297</u>	<u>32,503</u>	<u>394,865</u>
Excess (deficiency) of revenues over expenditures	<u>(252,600)</u>	<u>(252,600)</u>	<u>(245,951)</u>	<u>6,649</u>	<u>(232,432)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	252,600	252,600	245,951	(6,649)	232,432
Transfers to other funds	<u>(31,300)</u>	<u>(31,300)</u>	<u>(31,300)</u>	<u>-</u>	<u>(24,000)</u>
Total Other Financing Sources (Uses)	<u>221,300</u>	<u>221,300</u>	<u>214,651</u>	<u>(6,649)</u>	<u>208,432</u>
Net change in fund balances	(31,300)	(31,300)	(31,300)	-	(24,000)
FUND BALANCES - Beginning of Year	<u>118,442</u>	<u>118,442</u>	<u>118,442</u>	<u>-</u>	<u>142,442</u>
FUND BALANCES - END OF YEAR	<u>\$ 87,142</u>	<u>\$ 87,142</u>	<u>\$ 87,142</u>	<u>\$ -</u>	<u>\$ 118,442</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Hazardous Materials Response				
	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Intergovernmental	\$ 180,100	\$ 180,100	\$ 178,263	\$ (1,837)	\$ 180,069
Charges for services - public	3,000	3,000	2,117	(883)	-
Investment income	1,000	1,000	1,760	760	6,550
Total Revenues	184,100	184,100	182,140	(1,960)	186,619
<b>EXPENDITURES</b>					
Current					
Public safety	258,400	258,400	183,647	74,753	194,007
Excess (deficiency) of revenues over expenditures	(74,300)	(74,300)	(1,507)	72,793	(7,388)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	-	-	(3,779)	(3,779)	-
Total Other Financing Sources (Uses)	-	-	(3,779)	(3,779)	-
Net change in fund balances	(74,300)	(74,300)	(5,286)	69,014	(7,388)
FUND BALANCES - Beginning of Year	212,469	212,469	212,469	-	219,857
FUND BALANCES - END OF YEAR	\$ 138,169	\$ 138,169	\$ 207,183	\$ 69,014	\$ 212,469

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Economic Development				
	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Investment income	\$ 171,500	\$ 171,500	\$ 93,741	\$ (77,759)	\$ 195,829
Miscellaneous					
Loan repayments	184,000	184,000	236,183	52,183	305,602
Building rental	78,600	78,600	65,863	(12,737)	83,366
Other	300	300	230	(70)	234
Total Miscellaneous	<u>434,400</u>	<u>434,400</u>	<u>396,017</u>	<u>(38,383)</u>	<u>585,031</u>
Total Revenues	434,400	434,400	396,017	(38,383)	585,031
<b>EXPENDITURES</b>					
Current					
Development	<u>587,300</u>	<u>987,300</u>	<u>929,779</u>	<u>57,521</u>	<u>834,814</u>
Excess (deficiency) of revenues over expenditures	<u>(152,900)</u>	<u>(552,900)</u>	<u>(533,762)</u>	<u>19,138</u>	<u>(249,783)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	4,400	4,400	404,400	400,000	201,365
Transfers to other funds	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>	<u>(85,000)</u>
Other Financing Sources (Uses)	<u>(80,600)</u>	<u>(80,600)</u>	<u>319,400</u>	<u>400,000</u>	<u>116,365</u>
Net change in fund balances	(233,500)	(633,500)	(214,362)	419,138	(133,418)
FUND BALANCES - Beginning of Year	<u>3,809,780</u>	<u>3,809,780</u>	<u>3,809,780</u>	<u>-</u>	<u>3,943,198</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,576,280</u>	<u>\$ 3,176,280</u>	<u>\$ 3,595,418</u>	<u>\$ 419,138</u>	<u>\$ 3,809,780</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Community Enhancement				
	2009			2008	
	Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	Actual	
<b>REVENUES</b>					
Taxes	\$ 1,228,600	\$ 1,228,600	\$ 1,174,077	\$ (54,523)	\$ 1,081,752
Miscellaneous					
Loan repayments	-	-	-	-	2,083
Other	-	15	15	-	-
Total Revenues	<u>1,228,600</u>	<u>1,228,615</u>	<u>1,174,092</u>	<u>(54,523)</u>	<u>1,083,835</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>899,300</u>	<u>899,315</u>	<u>868,403</u>	<u>30,912</u>	<u>796,343</u>
Excess of revenues over expenditures	<u>329,300</u>	<u>329,300</u>	<u>305,689</u>	<u>(23,611)</u>	<u>287,492</u>
<b>OTHER FINANCING USES</b>					
Transfers from other funds	-	-	-	-	11,675
Transfers to other funds	<u>(342,300)</u>	<u>(342,300)</u>	<u>(328,600)</u>	<u>13,700</u>	<u>(298,600)</u>
Total Other Financing Uses	<u>(342,300)</u>	<u>(342,300)</u>	<u>(328,600)</u>	<u>13,700</u>	<u>(286,925)</u>
Net change in fund balances	(13,000)	(13,000)	(22,911)	(9,911)	567
FUND BALANCES - Beginning of Year	<u>23,122</u>	<u>23,122</u>	<u>23,122</u>	<u>-</u>	<u>22,555</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,122</u>	<u>\$ 10,122</u>	<u>\$ 211</u>	<u>\$ (9,911)</u>	<u>\$ 23,122</u>

## CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Public Library				
	2009			2008	
	Budgeted Amounts Original	Final	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 2,825,000	\$ 2,825,000	\$ 2,825,000	\$ -	\$ 2,757,900
Intergovernmental	2,500	2,500	1,189	(1,311)	-
Fines and forfeitures	133,400	133,400	121,296	(12,104)	130,962
Charges for services - public	5,600	5,600	5,119	(481)	5,558
Charges for services - intergovernmental	656,300	656,300	671,239	14,939	663,588
Investment income	-	-	800	800	2,710
Miscellaneous					
Gifts and donations	16,000	16,000	30,578	14,578	24,262
Other	258,100	258,100	247,928	(10,172)	233,144
Total Miscellaneous	<u>274,100</u>	<u>274,100</u>	<u>279,306</u>	<u>5,206</u>	<u>260,116</u>
Total Revenues	<u>3,896,900</u>	<u>3,896,900</u>	<u>3,903,149</u>	<u>6,249</u>	<u>3,818,124</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,809,800	3,812,300	3,563,854	248,446	3,570,162
Capital Outlay	5,800	5,800	6,121	(321)	6,020
Total expenditures	<u>3,815,600</u>	<u>3,818,100</u>	<u>3,569,975</u>	<u>248,125</u>	<u>3,576,182</u>
Excess of revenues over expenditures	<u>81,300</u>	<u>78,800</u>	<u>333,174</u>	<u>254,374</u>	<u>241,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(350,000)	(350,000)	(349,983)	17	(55,900)
Sale of capital assets	200	200	528	328	-
Total Other Financing Sources (Uses)	<u>(349,800)</u>	<u>(349,800)</u>	<u>(349,455)</u>	<u>345</u>	<u>(55,900)</u>
Net change in fund balances	(268,500)	(271,000)	(16,281)	254,719	186,042
FUND BALANCES - Beginning of Year	<u>745,489</u>	<u>745,489</u>	<u>745,489</u>	<u>-</u>	<u>559,447</u>
FUND BALANCES - END OF YEAR	<u>\$ 476,989</u>	<u>\$ 474,489</u>	<u>\$ 729,208</u>	<u>\$ 254,719</u>	<u>\$ 745,489</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	City-County Health Department				
	2009			2008	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 1,656,500	\$ 1,656,500	\$ 1,656,500	\$ -	\$ 1,608,600
Special assessments	37,000	37,000	42,484	5,484	21,065
Intergovernmental	956,400	1,476,000	1,167,253	(308,747)	1,028,324
Licenses and permits	322,700	322,700	352,299	29,599	320,907
Charges for services - public	171,200	171,200	140,091	(31,109)	145,179
Charges for services - intergovernmental	1,251,200	1,260,600	1,241,437	(19,163)	1,219,383
Investment income	1,000	1,000	-	(1,000)	-
Total Revenues	4,396,000	4,925,000	4,600,064	(324,936)	4,343,458
<b>EXPENDITURES</b>					
Current					
Health services	4,601,400	5,130,400	4,556,408	573,992	4,418,905
Excess of revenues over expenditures	(205,400)	(205,400)	43,656	249,056	(75,447)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	61,800	61,800	58,878	(2,922)	62,207
Transfers to other funds	(29,400)	(29,400)	(29,422)	(22)	-
Total Other Financing Sources	32,400	32,400	29,456	(2,944)	62,207
Net change in fund balances	(173,000)	(173,000)	73,112	246,112	(13,240)
FUND BALANCES - Beginning of Year	646,464	646,464	646,464	-	659,704
FUND BALANCES - END OF YEAR	\$ 473,464	\$ 473,464	\$ 719,576	\$ 246,112	\$ 646,464

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Downtown Partners				
	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Miscellaneous					
Gifts and donations	\$ 37,000	\$ 38,200	\$ 38,200	\$ -	\$ 33,000
Total Revenues	<u>37,000</u>	<u>38,200</u>	<u>38,200</u>	<u>-</u>	<u>33,000</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>153,300</u>	<u>154,500</u>	<u>143,470</u>	<u>11,030</u>	<u>128,787</u>
Excess (deficiency) of revenues over expenditures	(116,300)	(116,300)	(105,270)	11,030	(95,787)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>85,000</u>
Net change in fund balances	(31,300)	(31,300)	(20,270)	11,030	(10,787)
FUND BALANCES - Beginning of Year	<u>61,976</u>	<u>61,976</u>	<u>61,976</u>	<u>-</u>	<u>72,763</u>
FUND BALANCES - END OF YEAR	<u>\$ 30,676</u>	<u>\$ 30,676</u>	<u>\$ 41,706</u>	<u>\$ 11,030</u>	<u>\$ 61,976</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Former Landfill Escrow				
	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 107,734	\$ (42,266)	\$ 79,641
<b>EXPENDITURES</b>					
Current					
Public works	150,000	150,000	107,734	42,266	79,641
Net change in fund balances	-	-	-	-	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Debt Service - TIF No. 6				
	2009			2008	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 235,800	\$ 235,800	\$ 236,174	\$ 374	\$ 219,665
Special assessments	11,000	11,000	10,981	(19)	10,981
Intergovernmental	7,100	7,100	1,120	(5,980)	9,077
Investment income	22,400	22,400	3,278	(19,122)	22,290
Total Revenues	<u>276,300</u>	<u>276,300</u>	<u>251,553</u>	<u>(24,747)</u>	<u>262,013</u>
<b>EXPENDITURES</b>					
Current					
General government	100	100	100	-	100
Development	900	900	-	900	-
Debt Service					
Principal retirement	65,000	65,000	65,000	-	60,000
Interest and fiscal charges	58,500	58,500	33,508	24,992	49,465
Total Expenditures	<u>124,500</u>	<u>124,500</u>	<u>98,608</u>	<u>25,892</u>	<u>109,565</u>
Net change in fund balances	151,800	151,800	152,945	1,145	152,448
FUND BALANCES - Beginning of Year	<u>1,087,110</u>	<u>1,087,110</u>	<u>1,087,110</u>	-	<u>934,662</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,238,910</u>	<u>\$ 1,238,910</u>	<u>\$ 1,240,055</u>	<u>\$ 1,145</u>	<u>\$ 1,087,110</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2009  
With Comparative Actual Totals for the Year Ended December 31, 2008

	Debt Service - TIF No. 7				
	2009			2008	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 129,800	\$ 129,800	\$ 131,980	\$ 2,180	\$ -
Intergovernmental	6,400	6,400	546	(5,854)	-
Investment income	1,300	1,300	78	(1,222)	-
Total Revenues	<u>137,500</u>	<u>137,500</u>	<u>132,604</u>	<u>(4,896)</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
General government	1,200	1,200	100	1,100	-
Debt Service					
Principal retirement	110,000	110,000	110,000	-	-
Interest and fiscal charges	54,700	54,700	54,710	(10)	-
Total Expenditures	<u>165,900</u>	<u>165,900</u>	<u>164,810</u>	<u>1,090</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(28,400)	(28,400)	(32,206)	(3,806)	-
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	-	-	83,033	83,033	-
Net change in fund balances	(28,400)	(28,400)	50,827	79,227	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ (28,400)</u>	<u>\$ (28,400)</u>	<u>\$ 50,827</u>	<u>\$ 79,227</u>	<u>\$ -</u>

## **Nonmajor Enterprise Funds**

The **Parking Utility** fund accounts for the construction, operations, and maintenance of the municipal parking facilities, including two ramps and various surface lots.

The **Hobbs Ice Center** fund accounts for the construction, operations, and maintenance of the municipal hockey and ice skating facility.

The **Outdoor Pool** fund accounts for the construction, operations, and maintenance of the outdoor swimming pool.

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
NONMAJOR ENTERPRISE FUNDS  
December 31, 2009

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 780,844	\$ 298,487	\$ 132,643	\$ 1,211,974
Accounts receivable, net	4,245	160,198	426	164,869
Total Current Assets	<u>785,089</u>	<u>458,685</u>	<u>133,069</u>	<u>1,376,843</u>
Noncurrent Assets				
Capital assets				
Construction in progress	-	5,475,351	-	5,475,351
Land	645,196	5,000	-	650,196
Capital assets	6,033,524	2,296,306	2,058,716	10,388,546
Less accumulated depreciation	<u>(3,509,358)</u>	<u>(1,145,292)</u>	<u>(838,080)</u>	<u>(5,492,730)</u>
Total Capital Assets (Net of Accumulated depreciation)	<u>3,169,362</u>	<u>6,631,365</u>	<u>1,220,636</u>	<u>11,021,363</u>
Total Noncurrent Assets	<u>3,169,362</u>	<u>6,631,365</u>	<u>1,220,636</u>	<u>11,021,363</u>
Total Assets	<u>3,954,451</u>	<u>7,090,050</u>	<u>1,353,705</u>	<u>12,398,206</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	9,517	382,198	24,749	416,464
Accrued payroll and payroll taxes	3,567	9,585	491	13,643
Accrued compensated absences	6,234	8,633	591	15,458
Due to other governments	1,394	1,227	5	2,626
Current portion of advances	-	110,000	-	110,000
Total Current Liabilities	<u>20,712</u>	<u>511,643</u>	<u>25,836</u>	<u>558,191</u>
Noncurrent Liabilities				
Advances from other funds	-	4,040,000	-	4,040,000
Other post-employment benefits	2,875	4,472	-	7,347
Total Noncurrent Liabilities	<u>2,875</u>	<u>4,044,472</u>	<u>-</u>	<u>4,047,347</u>
Total Liabilities	<u>23,587</u>	<u>4,556,115</u>	<u>25,836</u>	<u>4,605,538</u>
<b>NET ASSETS</b>				
Invested in capital assets	3,169,362	6,631,365	1,220,636	11,021,363
Unrestricted (deficit)	<u>761,502</u>	<u>(4,097,430)</u>	<u>107,233</u>	<u>(3,228,695)</u>
TOTAL NET ASSETS	<u>\$ 3,930,864</u>	<u>\$ 2,533,935</u>	<u>\$ 1,327,869</u>	<u>\$ 7,792,668</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2009

	<u>Parking Utility</u>	<u>Hobbs Ice Center</u>	<u>Outdoor Pool</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 219,392	\$ 485,956	\$ 205,898	\$ 911,246
Other	-	551,078	18,386	569,464
Total Operating Revenues	<u>219,392</u>	<u>1,037,034</u>	<u>224,284</u>	<u>1,480,710</u>
<b>OPERATING EXPENSES</b>				
Personal services	98,296	272,672	172,026	542,994
Contractual services	101,426	53,758	25,705	180,889
Supplies and materials	2,695	37,260	53,254	93,209
Utilities	64,857	168,388	36,469	269,714
Depreciation	212,267	68,587	52,518	333,372
Administrative	7,454	87,247	27,288	121,989
Total Operating Expenses	<u>486,995</u>	<u>687,912</u>	<u>367,260</u>	<u>1,542,167</u>
Operating income (loss)	<u>(267,603)</u>	<u>349,122</u>	<u>(142,976)</u>	<u>(61,457)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	-	1,686	-	1,686
Interest expense	-	(18,438)	(2,513)	(20,951)
Amortization	-	-	(400)	(400)
Other miscellaneous revenue (expense)	-	(120)	-	(120)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>(16,872)</u>	<u>(2,913)</u>	<u>(19,785)</u>
Income (loss) before operating transfers	<u>(267,603)</u>	<u>332,250</u>	<u>(145,889)</u>	<u>(81,242)</u>
Transfers from other funds	<u>103,232</u>	<u>692,300</u>	<u>280,935</u>	<u>1,076,467</u>
Change in net assets	<u>(164,371)</u>	<u>1,024,550</u>	<u>135,046</u>	<u>995,225</u>
NET ASSETS - Beginning of Year	<u>4,095,235</u>	<u>1,509,385</u>	<u>1,192,823</u>	<u>6,797,443</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,930,864</u>	<u>\$ 2,533,935</u>	<u>\$ 1,327,869</u>	<u>\$ 7,792,668</u>

**CITY OF EAU CLAIRE**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2009**

	<u>Parking Utility</u>	<u>Hobbs Ice Center</u>	<u>Outdoor Pool</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 233,089	\$ 986,102	\$ 224,251	\$ 1,443,442
Cash paid to suppliers for goods and services	(138,259)	(379,531)	(126,156)	(643,946)
Cash paid to employees for services	(103,296)	(276,718)	(171,896)	(551,910)
Net Cash Flows From Operating Activities	<u>(8,466)</u>	<u>329,853</u>	<u>(73,801)</u>	<u>247,586</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Principal paid on advances from other funds	-	-	(150,000)	(150,000)
Interest paid on advances from other funds	-	-	(2,513)	(2,513)
Transfers from other funds	103,232	692,300	280,935	1,076,467
Net Cash Flows From Noncapital Financing Activities	<u>103,232</u>	<u>692,300</u>	<u>128,422</u>	<u>923,954</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	-	1,686	-	1,686
Net Cash Flows From Investing Activities	<u>-</u>	<u>1,686</u>	<u>-</u>	<u>1,686</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest paid	-	(18,438)	-	(18,438)
Capital contributions	-	50,000	-	50,000
Acquisition and construction of capital assets	(5,040)	(5,063,397)	(68,644)	(5,137,081)
Capital related advance received from other funds	-	3,750,000	-	3,750,000
Net Cash Flows From Capital and Related Financing Activities	<u>(5,040)</u>	<u>(1,281,835)</u>	<u>(68,644)</u>	<u>(1,355,519)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	89,726	(257,996)	(14,023)	(182,293)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>691,118</u>	<u>556,483</u>	<u>146,666</u>	<u>1,394,267</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 780,844</u>	<u>\$ 298,487</u>	<u>\$ 132,643</u>	<u>\$ 1,211,974</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (267,603)	\$ 349,122	\$ (142,976)	\$ (61,457)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Non-operating income (expense)	-	(120)	-	(120)
Noncash items included in income				
Depreciation	212,267	68,587	52,518	333,372
Prior year construction in progress expensed	35,086	-	-	35,086
Change in assets and liabilities				
Accounts receivable	13,697	(50,812)	(33)	(37,148)
Accounts payable	3,767	32,463	16,554	52,784
Due to other funds	-	(65,708)	-	(65,708)
Other liabilities	(2,555)	(1,451)	136	(3,870)
Other post-employment benefits	(3,125)	(2,228)	-	(5,353)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (8,466)</u>	<u>\$ 329,853</u>	<u>\$ (73,801)</u>	<u>\$ 247,586</u>

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

None.

## **Internal Service Funds**

The **Risk Management** fund accounts for operations of a self-insurance program, including liability, property, and workers compensation insurance coverage for all City funds, payment of claims, cost of reinsurance, and safety and citizen awareness programs.

The **Central Equipment** fund accounts for construction, operations, and maintenance of the central garage facility including the funding for and replacement of all fleet and radio equipment.

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
INTERNAL SERVICE FUNDS  
December 31, 2009

	Risk Management	Central Equipment	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 8,622,470	\$ 6,408,588	\$ 15,031,058
Accounts receivable, net	238,721	-	238,721
Due from other governments	-	13,212	13,212
Due from other funds	-	708	708
Inventories	-	414,716	414,716
Prepaid items	1,043	-	1,043
Total Current Assets	<u>8,862,234</u>	<u>6,837,224</u>	<u>15,699,458</u>
Noncurrent Assets			
Escrow account	224,133	-	224,133
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	377,112	377,112
Land	-	235,899	235,899
Land improvements	-	16,677	16,677
Buildings	-	5,710,107	5,710,107
Equipment	-	281,633	281,633
Rental equipment	-	13,918,124	13,918,124
Less: Accumulated depreciation	-	<u>(10,379,505)</u>	<u>(10,379,505)</u>
Total Capital Assets (Net of Accumulated Depreciation)	-	<u>10,160,047</u>	<u>10,160,047</u>
Total Noncurrent Assets	<u>2,829,329</u>	<u>10,160,047</u>	<u>12,989,376</u>
Total Assets	<u>11,691,563</u>	<u>16,997,271</u>	<u>28,688,834</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	129,175	132,597	261,772
Accrued payroll and payroll taxes	5,648	19,022	24,670
Accrued compensated absences	6,502	26,971	33,473
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>361,325</u>	<u>178,590</u>	<u>539,915</u>
Noncurrent Liabilities			
Other post-employment benefits	9,263	26,191	35,454
Unpaid claims	1,653,591	-	1,653,591
Total Noncurrent Liabilities	<u>1,662,854</u>	<u>26,191</u>	<u>1,689,045</u>
Total Liabilities	<u>2,024,179</u>	<u>204,781</u>	<u>2,228,960</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	10,160,047	10,160,047
Restricted for deposits	991,672	-	991,672
Unrestricted	8,675,712	6,632,443	15,308,155
TOTAL NET ASSETS	<u>\$ 9,667,384</u>	<u>\$ 16,792,490</u>	<u>\$ 26,459,874</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2009

	Risk Management	Central Equipment	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,849,384	\$ 681,958	\$ 2,531,342
Rental of equipment	-	2,546,222	2,546,222
Total Charges for Services	<u>1,849,384</u>	<u>3,228,180</u>	<u>5,077,564</u>
Other			
Repayment of insurance claims	291,967	-	291,967
Building rental	-	186,258	186,258
Miscellaneous	-	14,790	14,790
Total Operating Revenues	<u>2,141,351</u>	<u>3,429,228</u>	<u>5,570,579</u>
<b>OPERATING EXPENSES</b>			
Personal services	158,347	713,214	871,561
Contractual services	14,082	272,361	286,443
Supplies and materials	2,246	813,259	815,505
Utilities	374	126,532	126,906
Depreciation	-	1,269,112	1,269,112
Administrative	-	138,107	138,107
Claims	1,429,734	-	1,429,734
Total Operating Expenses	<u>1,604,783</u>	<u>3,332,585</u>	<u>4,937,368</u>
Operating income	<u>536,568</u>	<u>96,643</u>	<u>633,211</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	88,102	-	88,102
Net gain (loss) on disposal of capital assets	-	(48,313)	(48,313)
Total Non-Operating Revenues (Expenses)	<u>88,102</u>	<u>(48,313)</u>	<u>39,789</u>
Income before transfers	<u>624,670</u>	<u>48,330</u>	<u>673,000</u>
<b>TRANSFERS</b>			
Transfers from other funds	1,321,700	175,000	1,496,700
Transfers to other funds	(95,000)	-	(95,000)
Total Transfers	<u>1,226,700</u>	<u>175,000</u>	<u>1,401,700</u>
Change in net assets	1,851,370	223,330	2,074,700
NET ASSETS - Beginning of Year	<u>7,816,014</u>	<u>16,569,160</u>	<u>24,385,174</u>
NET ASSETS - END OF YEAR	<u>\$ 9,667,384</u>	<u>\$ 16,792,490</u>	<u>\$ 26,459,874</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2009

	Risk Management	Central Equipment	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,808,772	\$ 3,439,869	\$ 5,248,641
Cash payments to suppliers for goods and services	14,916	(1,345,867)	(1,330,951)
Cash payments to employees for services	(149,836)	(706,630)	(856,466)
Claims paid	(1,607,300)	-	(1,607,300)
Repayment of insurance claims	291,967	-	291,967
Net Cash Provided by Operating Activities	<u>358,519</u>	<u>1,387,372</u>	<u>1,745,891</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating advances to other funds	(517,000)	-	(517,000)
Transfers from other funds	-	175,000	175,000
Transfers to other funds	(95,000)	-	(95,000)
Net Cash Flows from (Used By) Noncapital Financing Activities	<u>(612,000)</u>	<u>175,000</u>	<u>(437,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>88,102</u>	<u>-</u>	<u>88,102</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(1,205,599)	(1,205,599)
Proceeds from sale of equipment	-	116,949	116,949
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(1,088,650)</u>	<u>(1,088,650)</u>
Net increase (decrease) in cash and cash equivalents	(165,379)	473,722	308,343
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>9,011,982</u>	<u>5,934,866</u>	<u>14,946,848</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,846,603</u>	<u>\$ 6,408,588</u>	<u>\$ 15,255,191</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 8,622,470	\$ 6,408,588	\$ 15,031,058
Restricted Cash and Investments	<u>224,133</u>	<u>-</u>	<u>224,133</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 8,846,603</u>	<u>\$ 6,408,588</u>	<u>\$ 15,255,191</u>

	Risk Management	Central Equipment	Totals
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 536,568	\$ 96,643	\$ 633,211
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	1,269,112	1,269,112
Change in assets and liabilities:			
Accounts receivable	(40,612)	10,641	(29,971)
Inventories	-	(13,288)	(13,288)
Prepays	40,259	-	40,259
Accounts payable	31,618	17,680	49,298
Accrued liabilities	1,248	(6,007)	(4,759)
Other post-employment benefits	7,263	12,591	19,854
Unpaid claims	(217,825)	-	(217,825)
Total Adjustments	<u>(178,049)</u>	<u>1,290,729</u>	<u>1,112,680</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 358,519</u>	 <u>\$ 1,387,372</u>	 <u>\$ 1,745,891</u>

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:**

In 2009, TIF No. 8 transferred \$1,321,700 to Risk Management to set up an advance for reimbursement of previous years' transfers.

## **Agency Funds**

The **Tax Collection** fund accounts for collection of the general tax levy and distribution to appropriate taxing units and funds.

# CITY OF EAU CLAIRE

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND

For the Year Ended December 31, 2009

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<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2009</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,263,270	\$ 84,846,154	\$ 80,954,860	\$ 13,154,564
Taxes receivable	<u>50,051,890</u>	<u>72,454,551</u>	<u>72,469,723</u>	<u>50,036,718</u>
<b>TOTAL ASSETS</b>	<u>\$ 59,315,160</u>	<u>\$ 157,300,705</u>	<u>\$ 153,424,583</u>	<u>\$ 63,191,282</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 59,315,160</u>	<u>\$ 63,191,282</u>	<u>\$ 59,315,160</u>	<u>\$ 63,191,282</u>

## **Nonmajor Component Units**

The **Downtown Business Improvement District** fund accounts for funds collected and disbursed on behalf of the Downtown Business Improvement District. This district, which includes all commercial properties in a defined downtown area, collects special assessments from its members for promotion within the district.

The **West Grand Business Improvement District** fund accounts for funds collected and disbursed on behalf of the West Grand Business Improvement District. This district, which includes all commercial properties in a defined area, collects special assessments from its members for promotion within the district.

The **Water Street Business Improvement District** fund accounts for funds collected and disbursed on behalf of the Water Street Business Improvement District. This district, which includes all commercial properties in a defined area, collects special assessments from its members for economic promotion of the district.

The **North Barstow/Medical Business Improvement District** fund accounts for funds collected and disbursed on behalf of the North Barstow/Medical Business Improvement District. This district, which includes all commercial and medical properties in a defined area, collects special assessments from its members for promotion of the district.

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR COMPONENT UNITS  
December 31, 2009

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>					
Cash and short term investments	\$ 72,820	\$ 17,296	\$ 46,857	\$ 181,149	\$ 318,122
Receivables					
Taxes	<u>80,000</u>	<u>11,500</u>	<u>9,500</u>	<u>44,000</u>	<u>145,000</u>
Total Assets	<u>152,820</u>	<u>28,796</u>	<u>56,357</u>	<u>225,149</u>	<u>463,122</u>
<b>LIABILITIES</b>					
Accounts payable	2,813	2,248	3,232	280	8,573
Unearned revenue	<u>80,000</u>	<u>11,500</u>	<u>9,500</u>	<u>44,000</u>	<u>145,000</u>
Total Liabilities	<u>82,813</u>	<u>13,748</u>	<u>12,732</u>	<u>44,280</u>	<u>153,573</u>
<b>NET ASSETS</b>					
Unrestricted	<u>70,007</u>	<u>15,048</u>	<u>43,625</u>	<u>180,869</u>	<u>309,549</u>
TOTAL NET ASSETS	<u>\$ 70,007</u>	<u>\$ 15,048</u>	<u>\$ 43,625</u>	<u>\$ 180,869</u>	<u>\$ 309,549</u>



**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET  
 COMPONENT UNITS - GOVERNMENTAL  
 December 31, 2009

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>					
Cash and short term investments	\$ 72,820	\$ 17,296	\$ 46,857	\$ 181,149	\$ 318,122
Receivables					
Taxes	<u>80,000</u>	<u>11,500</u>	<u>9,500</u>	<u>44,000</u>	<u>145,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 152,820</u>	<u>\$ 28,796</u>	<u>\$ 56,357</u>	<u>\$ 225,149</u>	<u>\$ 463,122</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 2,813	\$ 2,248	\$ 3,232	\$ 280	\$ 8,573
Deferred revenue	<u>80,000</u>	<u>11,500</u>	<u>9,500</u>	<u>44,000</u>	<u>145,000</u>
<b>Total Liabilities</b>	<u>82,813</u>	<u>13,748</u>	<u>12,732</u>	<u>44,280</u>	<u>153,573</u>
<b>Fund Balances</b>					
Designated for subsequent years expenditures	<u>70,007</u>	<u>15,048</u>	<u>43,625</u>	<u>180,869</u>	<u>309,549</u>
<b>Total Fund Balances</b>	<u>70,007</u>	<u>15,048</u>	<u>43,625</u>	<u>180,869</u>	<u>309,549</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 152,820</u>	<u>\$ 28,796</u>	<u>\$ 56,357</u>	<u>\$ 225,149</u>	<u>\$ 463,122</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
COMPONENT UNITS - GOVERNMENTAL  
For the Year Ended December 31, 2009

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>REVENUES</b>					
Taxes					
Special assessments	\$ 81,000	\$ 13,000	\$ 9,500	\$ 48,000	\$ 151,500
Investment income	920	200	440	1,590	3,150
Miscellaneous					
Other	150	250	3,625	-	4,025
Total Revenues	<u>82,070</u>	<u>13,450</u>	<u>13,565</u>	<u>49,590</u>	<u>158,675</u>
<b>EXPENDITURES</b>					
Current					
Contractual services	56,754	10,806	14,703	6,630	88,893
Supplies and materials	21,579	-	243	250	22,072
Miscellaneous	755	-	-	-	755
Total Expenditures	<u>79,088</u>	<u>10,806</u>	<u>14,946</u>	<u>6,880</u>	<u>111,720</u>
Net change in fund balances	2,982	2,644	(1,381)	42,710	46,955
FUND BALANCES - Beginning of Year	<u>67,025</u>	<u>12,404</u>	<u>45,006</u>	<u>138,159</u>	<u>262,594</u>
FUND BALANCES - END OF YEAR	<u>\$ 70,007</u>	<u>\$ 15,048</u>	<u>\$ 43,625</u>	<u>\$ 180,869</u>	<u>\$ 309,549</u>

## **STATISTICAL SECTION (Unaudited)**

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

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### **FINANCIAL TRENDS - TABLES 1-4**

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

### **REVENUE CAPACITY - TABLES 5-21**

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax, as well as other significant revenue sources which include the water and sewer utility charges for services.

### **DEBT CAPACITY - TABLES 22-28**

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION - TABLES 29-30**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

### **OPERATING INFORMATION - TABLES 31-37**

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF EAU CLAIRE**

TABLE 1  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 77,072,420	\$ 80,885,102	\$ 84,287,120	\$ 92,019,758	\$ 91,774,543	\$ 94,701,258	\$ 88,485,022
Restricted	14,619,800	16,788,904	18,133,306	19,613,325	19,993,642	18,725,047	17,257,799
Unrestricted	38,307,037	34,715,716	30,056,232	32,529,957	33,619,637	41,631,592	51,074,170
<b>Total governmental activities net assets</b>	<u>129,999,257</u>	<u>132,389,722</u>	<u>132,476,658</u>	<u>144,163,040</u>	<u>145,387,822</u>	<u>155,057,897</u>	<u>156,816,991</u>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	105,722,026	118,330,734	123,247,987	127,757,415	131,320,732	136,900,275	142,147,587
Restricted	3,332,207	1,496,244	2,366,744	2,379,744	2,683,138	2,337,580	1,720,280
Unrestricted	13,332,743	14,853,887	14,878,421	14,066,385	18,485,636	16,261,525	14,752,404
<b>Total business-type activities net assets</b>	<u>122,386,976</u>	<u>134,680,865</u>	<u>140,493,152</u>	<u>144,203,544</u>	<u>152,489,506</u>	<u>155,499,380</u>	<u>158,620,271</u>
<b>Primary government</b>							
Invested in capital assets, net of related debt (1)	182,794,446	199,215,836	206,184,638	218,562,857	218,170,512	227,571,273	226,794,574
Restricted	17,952,007	18,285,148	20,500,050	21,993,069	22,676,780	21,062,627	18,978,079
Unrestricted (1)	51,639,780	49,569,603	46,285,122	47,810,658	57,030,036	61,923,377	69,664,609
<b>Total primary government net assets</b>	<u>\$ 252,386,233</u>	<u>\$ 267,070,587</u>	<u>\$ 272,969,810</u>	<u>\$ 288,366,584</u>	<u>\$ 297,877,328</u>	<u>\$ 310,557,277</u>	<u>\$ 315,437,262</u>

(1) Primary government totals may not match the combined totals for governmental and business-type activities due to a reclassification of debt.

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF EAU CLAIRE**

TABLE 2  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(Accrual Basis of Accounting)

<b>Expenses</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities:</b>							
General government	\$ 8,520,660	\$ 7,643,250	\$ 7,857,938	\$ 6,493,902	\$ 6,464,010	\$ 8,357,900	\$ 6,914,248
Public safety	20,070,417	20,202,687	21,546,332	23,034,101	23,743,952	25,983,790	25,574,799
Public works	10,183,902	11,236,713	12,411,408	11,533,035	12,080,012	13,574,402	14,203,614
Health services	4,023,159	4,175,651	4,409,322	4,436,211	4,677,429	4,836,338	5,079,081
Culture and recreation	9,283,774	7,522,475	7,406,964	8,105,219	8,646,899	8,701,253	8,745,604
Development	2,931,989	2,267,591	3,653,040	2,359,672	3,281,340	3,426,710	3,111,437
Interest and fiscal charges	1,791,084	2,054,281	2,053,323	2,106,598	2,046,007	2,664,817	2,814,770
<b>Total governmental activities expense</b>	<u>56,804,985</u>	<u>55,102,648</u>	<u>59,338,327</u>	<u>58,068,738</u>	<u>60,939,649</u>	<u>67,545,210</u>	<u>66,443,553</u>
<b>Business-type activities</b>							
Water Utility	5,010,412	5,143,065	5,424,169	5,439,753	5,787,761	6,313,831	6,403,962
Sewer Utility	5,089,211	5,158,959	5,349,773	5,558,045	5,476,435	6,018,079	5,987,480
Storm Water Utility	1,628,456	1,482,635	1,823,011	2,064,283	2,066,896	2,289,679	2,117,002
Public Transit	3,982,644	4,103,773	4,427,330	4,770,055	4,864,830	5,130,887	4,795,731
Parking Utility	408,357	391,267	419,801	445,732	454,931	473,048	484,008
Hobbs Ice Center	503,345	519,838	564,079	621,290	589,633	622,235	703,386
Outdoor Pool	367,367	319,825	343,552	354,369	373,385	402,603	369,257
<b>Total business-type activities expenses</b>	<u>16,989,792</u>	<u>17,119,362</u>	<u>18,351,715</u>	<u>19,253,527</u>	<u>19,613,871</u>	<u>21,250,362</u>	<u>20,860,826</u>
<b>Total primary government expenses</b>	<u>\$ 73,794,777</u>	<u>\$ 72,222,010</u>	<u>\$ 77,690,042</u>	<u>\$ 77,322,265</u>	<u>\$ 80,553,520</u>	<u>\$ 88,795,572</u>	<u>\$ 87,304,379</u>

**CITY OF EAU CLAIRE**

TABLE 2 (cont.)  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009
<b>Program Revenues</b>							
Governmental activities:							
Charges for services							
General government	\$ 2,944,928	\$ 2,799,799	\$ 2,971,400	\$ 3,131,097	\$ 3,014,682	\$ 3,112,881	\$ 3,873,184
Public safety	3,582,224	3,083,516	2,813,376	3,460,345	3,777,133	4,151,824	4,807,007
Public works	85,827	118,378	177,977	396,987	258,474	250,219	299,656
Health services	1,388,975	1,602,248	1,748,238	1,769,891	1,817,621	1,849,982	1,887,058
Culture and recreation	1,564,306	1,449,973	1,325,314	1,360,404	1,595,776	1,619,949	1,603,176
Development	153,510	157,355	89,976	746,569	1,232,950	468,614	99,137
Operating grants and contributions							
General government	45,361	41,955	6,392	22,444	12,416	12,877	13,723
Public safety	928,224	750,303	579,467	670,279	1,091,291	344,610	475,948
Public works	-	-	-	-	-	6,371,107	1,011,157
Health services	820,384	966,021	965,115	895,312	984,965	1,049,388	1,209,737
Culture and recreation	34,994	24,091	33,060	12,205	31,370	14,235	32,337
Development	1,578,390	1,556,887	1,366,682	802,334	1,241,461	1,103,856	1,741,828
Capital grants and contributions							
General government	2,251,173	1,750,962	1,534,745	2,122,452	1,619,901	2,678,484	301,393
Public safety	68,470	57,458	-	-	131,896	329,736	110,099
Public works	4,331,168	3,948,101	6,309,250	10,799,856	5,365,276	7,097,399	4,744,942
Health services	-	-	-	-	-	9,109	-
Culture and recreation	309,737	749,940	731,287	1,005,338	216,384	94,390	804,943
<b>Total governmental activities program revenues</b>	<b>20,087,671</b>	<b>19,056,987</b>	<b>20,652,279</b>	<b>27,195,513</b>	<b>22,391,596</b>	<b>30,558,660</b>	<b>23,015,325</b>
Business-type activities							
Charges for services							
Water Utility	6,984,333	6,831,621	7,150,409	7,600,310	8,100,296	7,822,825	8,379,381
Sewer Utility	5,999,089	5,811,267	6,123,231	6,267,035	6,266,314	6,492,660	6,617,211
Storm Water Utility	1,725,264	1,935,282	2,098,370	2,460,532	2,677,207	2,944,799	3,245,820
Public Transit	471,698	470,600	503,024	527,466	552,510	645,823	689,595
Parking Utility	229,664	218,569	215,356	227,065	214,184	240,605	219,392
Hobbs Ice Center	340,292	379,206	423,376	443,141	452,511	503,710	485,956
Outdoor Pool	200,252	173,359	214,616	210,756	213,503	217,613	205,898
Operating grants and contributions							
Public Transit	2,360,794	2,400,631	2,466,457	2,711,846	2,839,769	2,948,598	2,907,050
Capital grants and contributions							
Water Utility	143,673	2,921,683	1,051,304	542,390	492,431	937,844	378,597
Sewer Utility	204,277	2,370,025	609,332	540,063	357,700	690,951	58,364
Storm Water Utility	27,381	5,187,007	1,975,066	505,753	90,973	147,010	19,470
Hobbs Ice Center	-	-	-	-	-	50,000	-
<b>Total business-type activities program revenues</b>	<b>18,686,717</b>	<b>28,699,250</b>	<b>22,830,541</b>	<b>22,036,357</b>	<b>22,257,398</b>	<b>23,642,438</b>	<b>23,206,734</b>
<b>Total primary government program revenues</b>	<b>38,774,388</b>	<b>47,756,237</b>	<b>43,482,820</b>	<b>49,231,870</b>	<b>44,648,994</b>	<b>54,201,098</b>	<b>46,222,059</b>
<b>Net (Expense) Revenue</b>							
Governmental activities	(36,717,314)	(36,045,661)	(38,686,048)	(30,873,225)	(38,548,053)	(36,986,550)	(43,428,228)
Business-type activities	1,696,925	11,579,888	4,478,826	2,782,830	2,643,527	2,392,076	2,345,908
<b>Total primary government net expense</b>	<b>\$ (35,020,389)</b>	<b>\$ (24,465,773)</b>	<b>\$ (34,207,222)</b>	<b>\$ (28,090,395)</b>	<b>\$ (35,904,526)</b>	<b>\$ (34,594,474)</b>	<b>\$ (41,082,320)</b>

**CITY OF EAU CLAIRE**

TABLE 2 (cont.)  
 CHANGES IN NET ASSETS  
 LAST SEVEN FISCAL YEARS  
 (Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental activities</b>							
Property taxes	\$ 25,854,470	\$ 26,155,386	\$ 27,478,504	\$ 28,709,747	\$ 29,927,378	\$ 32,904,778	\$ 33,555,043
Intergovernmental revenues	10,392,649	9,388,956	9,378,496	9,390,895	9,463,185	9,603,015	10,069,736
Investment income	1,697,609	2,057,061	2,703,261	4,167,233	4,639,329	3,692,849	1,045,243
Gain on sale of capital assets	-	-	-	38,033	65,420	33,868	34,589
Miscellaneous	-	-	45,493	107,281	14,373	16,075	184,711
Transfers	132,732	454,863	20,295	146,418	(4,336,850)	406,040	298,000
<b>Total governmental activities</b>	<b>38,077,460</b>	<b>38,056,266</b>	<b>39,626,049</b>	<b>42,559,607</b>	<b>39,772,835</b>	<b>46,656,625</b>	<b>45,187,322</b>
<b>Business-type activities</b>							
Investment income	365,909	308,078	616,911	806,542	1,046,523	737,649	208,680
Miscellaneous	93,558	292,347	236,053	267,438	259,062	286,189	864,303
Transfers	(132,732)	(454,863)	(20,295)	(146,418)	4,336,850	(406,040)	(298,000)
<b>Total business-type activities</b>	<b>326,735</b>	<b>145,562</b>	<b>832,669</b>	<b>927,562</b>	<b>5,642,435</b>	<b>617,798</b>	<b>774,983</b>
<b>Total primary government</b>	<b>38,404,195</b>	<b>38,201,828</b>	<b>40,458,718</b>	<b>43,487,169</b>	<b>45,415,270</b>	<b>47,274,423</b>	<b>45,962,305</b>
<b>Change in Net Assets</b>							
Governmental activities	1,360,146	2,010,605	940,001	11,686,382	1,224,782	9,670,075	1,759,094
Business-type activities	2,023,660	11,725,450	5,311,495	3,710,392	8,285,962	3,009,874	3,120,891
<b>Total primary government</b>	<b>\$ 3,383,806</b>	<b>\$ 13,736,055</b>	<b>\$ 6,251,496</b>	<b>\$ 15,396,774</b>	<b>\$ 9,510,744</b>	<b>\$ 12,679,949</b>	<b>\$ 4,879,985</b>

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF EAU CLAIRE

TABLE 3  
FUND BALANCES  
GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 7,545,087	\$ 7,356,078	\$ 7,012,649	\$ 6,367,325	\$ 6,384,041	\$ 5,848,920	\$ 4,881,267	\$ 4,412,107	\$ 4,203,971	\$ 8,124,878
Unreserved										
Designated	5,803,373	5,647,871	4,714,450	6,709,720	6,323,236	6,059,964	6,723,752	5,721,632	6,985,838	6,950,173
Undesignated	2,275,016	1,490,100	2,478,426	2,896,215	2,978,369	2,821,438	3,668,023	4,638,803	6,254,326	8,849,834
Total General Fund	<u>15,623,476</u>	<u>14,494,049</u>	<u>14,205,525</u>	<u>15,973,260</u>	<u>15,685,646</u>	<u>14,730,322</u>	<u>15,273,042</u>	<u>14,772,542</u>	<u>17,444,135</u>	<u>23,924,885</u>
All Other Governmental Funds										
Reserved	8,075,525	12,031,043	13,144,563	16,775,820	16,720,328	15,295,775	12,560,342	15,823,768	12,590,157	13,677,666
Unreserved										
Designated										
Special revenue funds	2,621,225	2,291,594	2,315,500	7,350,482	7,362,168	7,197,264	6,404,601	5,562,633	5,400,191	4,607,568
Debt service funds	624,800	550,800	588,992	-	623,900	255,700	273,300	233,800	-	-
Capital projects funds	-	61,700	54,800	10,012,054	7,445,000	9,213,998	8,876,216	12,158,771	18,346,976	19,418,644
Undesignated (deficit)	<u>15,551,302</u>	<u>17,156,627</u>	<u>16,558,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(2,134,426)</u>
Total All Other Governmental Funds	<u>26,872,652</u>	<u>32,091,764</u>	<u>32,661,893</u>	<u>34,138,356</u>	<u>32,151,396</u>	<u>31,962,737</u>	<u>28,114,459</u>	<u>33,778,972</u>	<u>36,336,324</u>	<u>35,569,452</u>
Total All Funds	<u>\$42,496,128</u>	<u>\$46,585,813</u>	<u>\$46,867,418</u>	<u>\$50,111,616</u>	<u>\$47,837,042</u>	<u>\$46,693,059</u>	<u>\$43,387,501</u>	<u>\$48,551,514</u>	<u>\$53,780,459</u>	<u>\$59,494,337</u>

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

TABLE 4  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Dollars in Thousands)

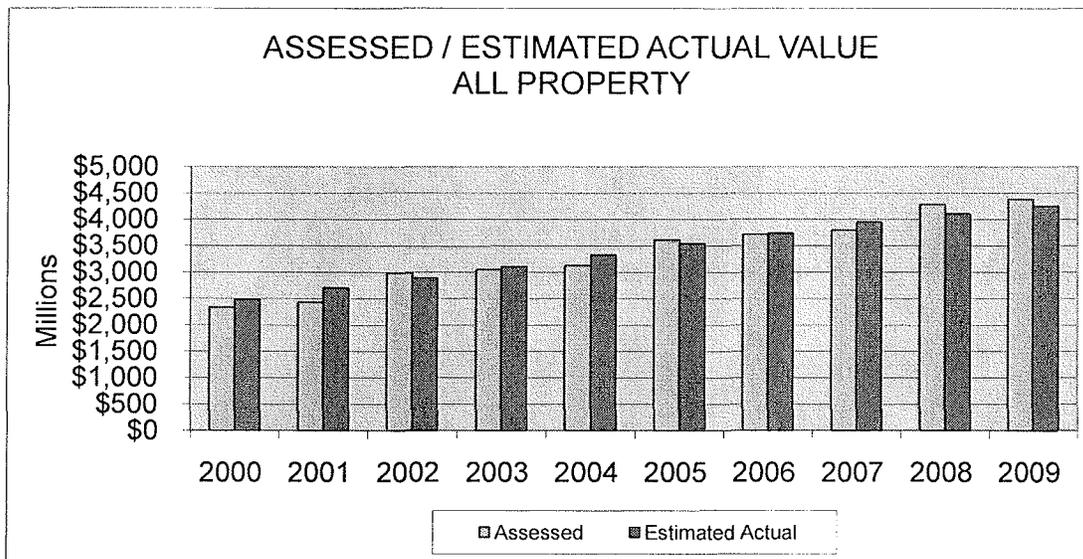
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Property taxes	\$ 23,591	\$ 23,468	\$ 25,920	\$ 25,841	\$ 26,164	\$ 27,600	\$ 28,667	\$ 29,462	\$ 31,296	\$ 33,526
Special assessments	-	2,214	2,249	2,339	2,341	2,164	1,988	1,898	2,053	1,989
Intergovernmental	16,012	16,351	16,474	17,163	15,903	16,303	15,546	15,957	22,109	15,958
Licenses and permits	1,906	1,598	1,712	1,788	1,827	1,829	1,938	1,922	1,969	1,993
Fines and forfeitures	610	644	787	850	980	917	900	1,018	941	897
Charges for services	5,660	6,532	6,787	6,007	6,136	6,607	7,169	7,005	9,576	9,878
Investment income	3,232	2,733	385	1,573	1,578	2,548	3,682	4,328	3,355	1,430
Miscellaneous	2,542	3,336	3,192	1,230	1,960	1,465	1,509	1,726	1,281	2,218
<b>Total revenues</b>	<b>53,553</b>	<b>56,876</b>	<b>57,506</b>	<b>56,791</b>	<b>56,889</b>	<b>59,433</b>	<b>61,399</b>	<b>63,316</b>	<b>72,580</b>	<b>67,889</b>
<b>Expenditures</b>										
General government	5,106	5,301	5,559	5,760	5,877	6,263	5,696	5,700	6,169	5,888
Public safety	16,487	17,635	18,724	19,536	19,933	20,912	22,412	23,563	24,252	24,739
Public works	8,362	7,531	7,684	7,003	7,210	7,350	7,137	7,693	8,109	8,545
Health services	3,383	3,510	3,668	3,918	4,172	4,388	4,402	4,666	4,814	4,959
Culture and recreation	6,140	6,566	6,841	7,211	7,117	7,164	7,493	7,830	7,908	7,935
Development	2,218	2,844	2,773	2,374	3,022	4,162	2,772	3,614	2,839	3,096
Miscellaneous	503	441	418	421	428	497	462	630	465	451
Capital outlay	11,043	11,976	9,127	8,293	12,622	9,458	13,408	8,119	11,899	9,685
Debt service										
Principal	2,599	3,029	8,724	5,070	3,509	5,882	3,789	4,311	5,057	4,983
Interest	1,927	2,154	2,387	1,752	1,992	1,991	2,073	1,957	2,634	2,907
<b>Total expenditures</b>	<b>57,768</b>	<b>60,987</b>	<b>65,905</b>	<b>61,338</b>	<b>65,882</b>	<b>68,067</b>	<b>69,644</b>	<b>68,083</b>	<b>74,146</b>	<b>73,188</b>
<b>Other financing sources (uses)</b>										
Debt issued	6,510	8,700	9,861	13,585	5,460	7,290	4,365	17,785	15,400	11,618
Premium on debt issued	-	-	-	-	-	-	55	166	-	-
Discount on debt issued	-	-	-	-	-	-	-	-	(60)	(79)
Payment to refunding agent	-	-	-	(2,469)	-	-	-	(8,812)	-	-
Pay-off of unfunded retirement liability	-	-	-	-	-	-	-	-	(9,392)	-
Transfers in	5,808	6,346	6,814	7,176	8,111	7,761	7,931	7,841	7,910	10,390
Transfers out	(6,498)	(7,368)	(7,548)	(6,818)	(7,261)	(7,630)	(7,450)	(7,135)	(7,099)	(11,494)
Transfers from Component Unit	35	-	25	-	-	-	-	-	-	-
Transfers to Component Unit	(222)	(411)	(1,735)	-	-	-	-	-	-	-
Sale of capital assets	242	258	147	1,239	408	69	38	86	36	578
<b>Total other financing sources (uses)</b>	<b>5,875</b>	<b>7,525</b>	<b>7,564</b>	<b>12,713</b>	<b>6,718</b>	<b>7,490</b>	<b>4,939</b>	<b>9,931</b>	<b>6,795</b>	<b>11,013</b>
<b>Net change in fund balances</b>	<b>\$ 1,660</b>	<b>\$ 3,414</b>	<b>\$ (835)</b>	<b>\$ 8,166</b>	<b>\$ (2,275)</b>	<b>\$ (1,144)</b>	<b>\$ (3,306)</b>	<b>\$ 5,164</b>	<b>\$ 5,229</b>	<b>\$ 5,714</b>
Debt service as a percentage of noncapital expenditures	9.7%	10.6%	19.6%	12.9%	10.3%	13.4%	10.4%	10.6%	12.2%	12.4%

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

TABLE 5  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF ALL TAXABLE PROPERTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>ALL PROPERTY</b>										
Real property:										
Assessed value	\$2,224,512	\$2,309,955	\$2,841,850	\$2,913,967	\$2,997,305	\$3,480,302	\$3,589,140	\$3,663,397	\$4,132,625	\$4,229,806
Estimated actual value (1)	2,361,217	2,574,728	2,750,365	2,966,933	3,192,523	3,405,414	3,614,093	3,812,428	3,960,377	4,100,813
Personal property:										
Assessed value	\$110,929	\$119,618	\$139,844	\$134,989	\$131,225	\$135,230	\$129,985	\$132,425	\$150,560	\$152,927
Estimated actual value	119,040	133,993	138,930	138,430	138,038	140,683	126,950	139,214	149,802	154,122
Total:										
Assessed value	\$2,335,442	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733
Estimated actual value	2,480,574	2,706,974	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935
Ratio of total assessed to total estimated actual value	94.15%	89.75%	103.20%	98.18%	93.93%	101.95%	99.41%	96.06%	104.21%	103.00%
Direct tax rate:										
Eau Claire County	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.22	\$6.80	\$7.12
Chippewa County	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.12	\$6.86	\$7.18



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties. Tax incremental districts have been included. Tax rates are per \$1,000 of assessed value.

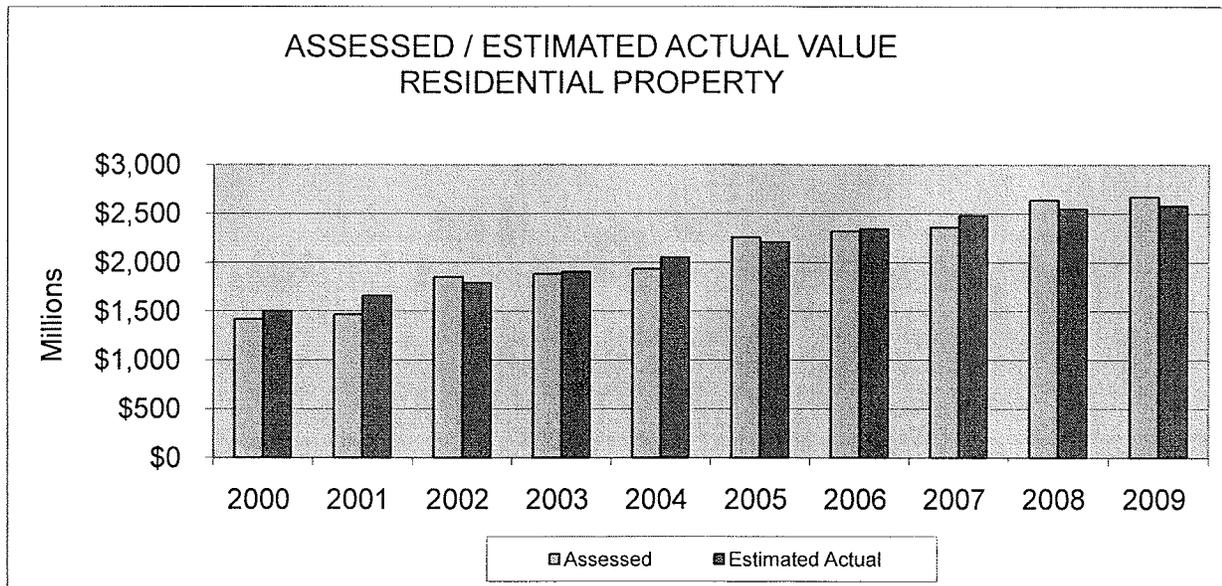
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

CITY OF EAU CLAIRE

TABLE 6  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF RESIDENTIAL PROPERTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>RESIDENTIAL</b>										
Real property:										
Assessed value	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924
Estimated actual value	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753
Personal property: (1)										
Assessed value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated actual value	0	0	0	0	0	0	0	0	0	0
Total residential:										
Assessed value	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924
Estimated actual value	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753
Total all classes:										
Assessed value	\$2,335,150	\$2,429,573	\$2,981,695	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733
Estimated actual value	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935
Residential property as a percentage of total:										
Assessed value	60.74%	60.45%	61.99%	61.81%	61.90%	62.33%	62.34%	62.17%	61.64%	60.94%
Estimated actual value	60.66%	61.23%	61.98%	61.25%	61.60%	62.19%	62.67%	62.71%	61.95%	60.63%
Number of parcels	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766	19,829
Number of parcels with improvements	16,413	16,729	17,034	17,219	17,513	17,745	17,993	18,114	18,358	18,445



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal years listed. Values are for both Eau Claire and Chippewa counties. Tax incremental districts have been included.

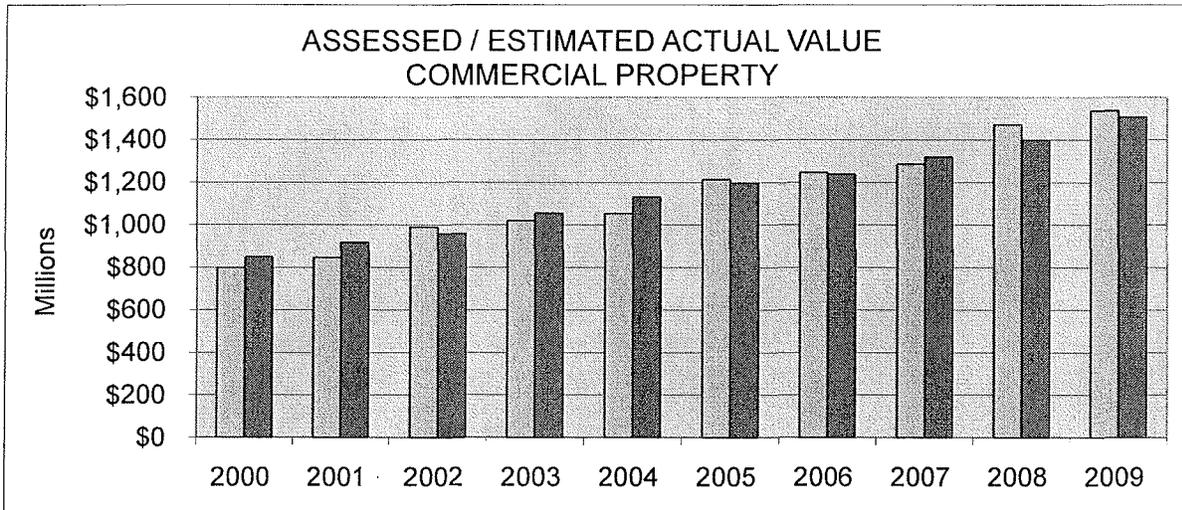
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

**CITY OF EAU CLAIRE**

TABLE 7  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF COMMERCIAL PROPERTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>COMMERCIAL</b>										
Real property:										
Assessed value	\$707,721	\$746,582	\$872,022	\$903,427	\$939,329	\$1,095,829	\$1,132,143	\$1,170,613	\$1,344,227	\$1,406,379
Estimated actual value	752,655	810,573	841,406	936,814	1,011,523	1,071,374	1,128,558	1,197,480	1,271,451	1,372,777
Personal property:										
Assessed value	\$90,341	\$99,819	\$117,363	\$115,716	\$113,637	\$117,645	\$113,661	\$116,173	\$126,739	\$130,769
Estimated actual value	96,120	106,647	117,100	118,345	119,796	123,600	110,476	122,319	126,823	132,663
Total commercial:										
Assessed value	\$798,062	\$846,401	\$989,385	\$1,019,143	\$1,052,966	\$1,213,474	\$1,245,804	\$1,286,786	\$1,470,966	\$1,537,148
Estimated actual value	848,775	917,220	958,506	1,055,159	1,131,319	1,194,974	1,239,034	1,319,799	1,398,274	1,505,440
Total all classes:										
Assessed value	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733
Estimated actual value	2,480,573	2,706,974	2,889,294	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935
Commercial property as a percentage of total:										
Assessed value	34.18%	34.84%	33.18%	33.43%	33.66%	33.56%	33.50%	33.90%	34.34%	35.07%
Estimated actual value	34.22%	33.88%	33.17%	33.98%	33.97%	33.70%	33.12%	33.40%	34.02%	35.38%
Number of parcels	2,601	2,635	2,634	2,669	2,692	2,719	2,739	2,755	3,253	3,200
Number of parcels with improvements	1,592	1,642	1,652	1,683	1,721	1,737	1,751	1,786	1,847	1,881



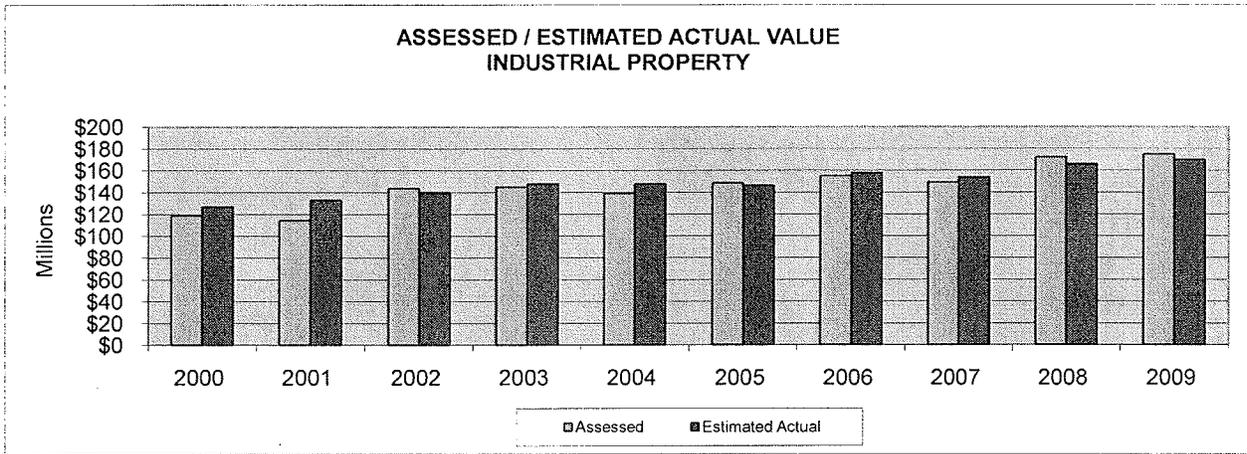
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

**CITY OF EAU CLAIRE**

TABLE 8  
**ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF INDUSTRIAL PROPERTY**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>INDUSTRIAL</b>										
Real property:										
Assessed value	\$98,016	\$94,681	\$121,417	\$125,809	\$121,311	\$130,984	\$138,617	\$132,852	\$148,389	\$152,504
Estimated actual value	103,868	105,668	118,173	127,937	129,389	128,756	141,086	136,850	142,630	148,282
Personal property:										
Assessed value	\$20,588	\$19,799	\$22,481	\$19,272	\$17,588	\$17,585	\$16,324	\$16,252	\$23,821	\$22,159
Estimated actual value	22,920	27,346	21,830	20,085	18,242	17,263	16,474	16,894	22,979	21,459
Total industrial:										
Assessed value	\$118,604	\$114,480	\$143,898	\$145,081	\$138,899	\$148,569	\$154,941	\$149,104	\$172,210	\$174,663
Estimated actual value	126,788	133,014	140,003	148,022	147,631	146,019	157,560	153,744	165,609	169,741
Total all classes:										
Assessed value	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733
Estimated actual value	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935
Industrial property as a percentage of total:										
Assessed value	5.08%	4.71%	4.83%	4.76%	4.44%	4.11%	4.17%	3.93%	4.02%	3.99%
Estimated actual value	5.11%	4.91%	4.85%	4.77%	4.43%	4.12%	4.21%	3.89%	4.03%	3.99%
Number of parcels										
Number of parcels with improvements	100	107	107	103	96	95	97	93	95	97
	84	92	92	92	89	88	89	85	84	82



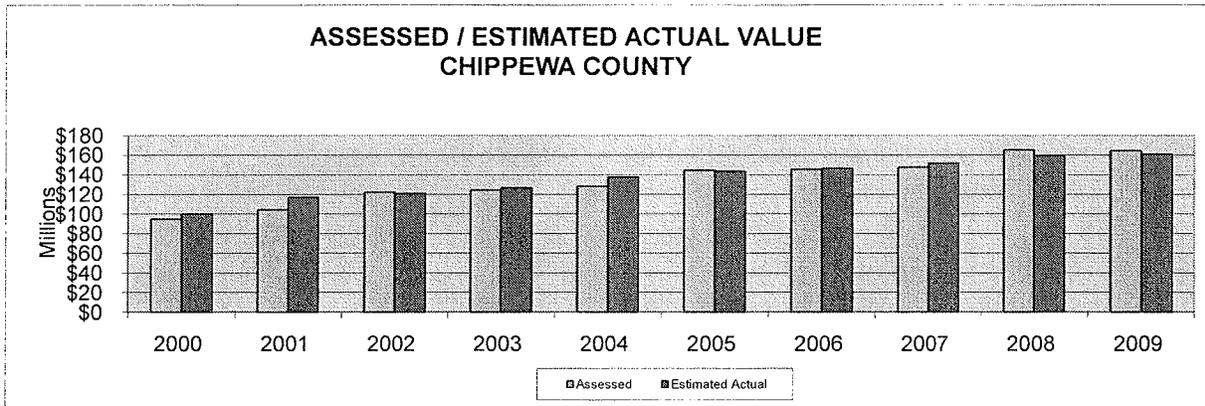
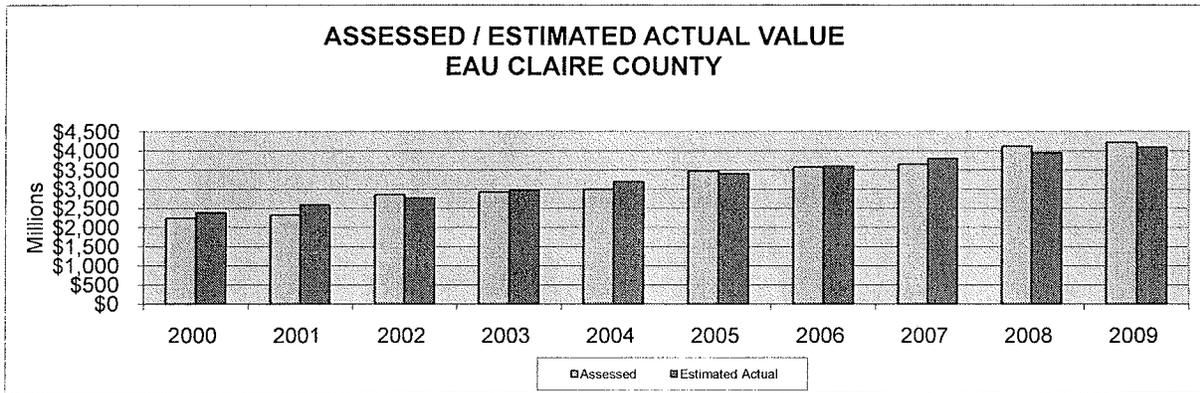
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

**CITY OF EAU CLAIRE**

TABLE 9  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY BY COUNTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

PORTION OF CITY IN:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>EAU CLAIRE COUNTY</b>										
Assessed value	\$2,240,430	\$2,325,108	\$2,859,598	\$2,924,407	\$3,000,387	\$3,471,029	\$3,573,733	\$3,648,184	\$4,118,082	\$4,218,200
Estimated actual value	2,380,504	2,590,133	2,768,468	2,978,826	3,192,926	3,402,896	3,584,685	3,799,993	3,950,363	4,093,908
Ratio of assessment	94.12%	89.77%	103.29%	98.17%	93.97%	102.00%	99.42%	96.01%	104.25%	103.04%
<b>CHIPPEWA COUNTY</b>										
Assessed value	\$95,012	\$104,200	\$122,097	\$124,549	\$128,143	\$144,504	\$145,392	\$147,637	\$165,102	\$164,533
Estimated actual value	100,069	116,841	120,827	126,537	137,635	143,381	146,358	151,649	159,815	161,027
Ratio of assessment	94.95%	89.18%	101.05%	98.43%	93.10%	100.78%	99.34%	97.35%	103.31%	102.18%



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

CITY OF EAU CLAIRE

TABLE 10  
EQUALIZED VALUE OF  
TAX INCREMENT DISTRICTS  
Last Ten Fiscal Years  
(Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TID #4 equalized valuation:										
Base	\$256	\$256	\$256	\$256	\$0	\$0	\$0	\$0	\$0	\$0
Increment	60,240	62,127	69,529	74,346	0	0	0	0	0	0
Total TID #4	\$60,496	\$62,383	\$69,785	\$74,602	\$0	\$0	\$0	\$0	\$0	\$0
TID #5 equalized valuation:										
Base	\$130	\$130	\$130	\$130	\$130	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Increment	1,425	2,821	15,589	21,755	21,395	22,058	20,703	21,661	21,074	22,901
Total TID #5	\$1,555	\$2,951	\$15,719	\$21,885	\$21,525	\$23,058	\$21,703	\$22,661	\$22,074	\$23,901
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Increment	2,308	2,871	5,301	6,932	8,503	9,072	9,254	9,907	10,663	11,404
Total TID #6	\$3,294	\$3,857	\$6,287	\$7,918	\$9,489	\$10,058	\$10,240	\$10,893	\$11,649	\$12,390
TID #7 equalized valuation:										
Base	\$115	\$115	\$115	\$115	\$115	\$115	\$329	\$329	\$329	\$329
Increment	875	3,174	3,333	3,508	3,634	3,713	3,894	5,675	5,859	6,193
Total TID #7	\$990	\$3,289	\$3,448	\$3,623	\$3,749	\$3,828	\$4,223	\$6,004	\$6,188	\$6,522
TID #8 equalized valuation:										
Base	\$0	\$0	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441
Increment	0	0	0	0	236	3,683	12,661	16,288	16,805	18,523
Total TID #8	\$0	\$0	\$10,441	\$10,441	\$10,677	\$14,124	\$23,102	\$26,729	\$27,246	\$28,964
ALL PROPERTY										
All property - w/o TIDs	\$2,414,238	\$2,634,494	\$2,783,614	\$2,986,894	\$3,285,121	\$3,495,209	\$3,681,775	\$3,885,355	\$4,043,022	\$4,183,157
Base valuation - TIDs	1,487	1,487	11,928	11,928	11,672	12,542	12,756	12,756	12,756	12,756
All property - w/o TID increment	2,415,725	2,635,981	2,795,542	2,998,822	3,296,793	3,507,751	3,694,531	3,898,111	4,055,778	4,195,913
Increment valuation - TIDs	64,848	70,993	93,752	106,541	33,768	38,526	46,512	53,530	54,401	59,022
Equalized valuation - all property	\$2,480,573	\$2,706,974	\$2,889,294	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935

NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties.

NOTE: The base equalized value for TIF #5 was redetermined by the Department of Revenue for 2005.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

## CITY OF EAU CLAIRE

TABLE 11  
PROPERTY TAX RATES -  
DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years  
(Per \$1,000 Assessed Valuation)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084
Library	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.725	0.652	0.653
Health	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380	0.383
Eau Claire School Dist.	12.760	13.376	11.111	11.311	10.694	11.391	9.954	9.624	8.774	8.714
Vocational District	1.858	1.950	1.762	1.838	1.817	1.593	1.620	1.634	1.511	1.535
Eau Claire County	2.977	3.268	3.095	3.154	3.298	3.078	3.095	3.159	3.338	3.316
State Forestry	0.212	0.223	0.194	0.204	0.213	0.196	0.189	0.183	0.163	0.165
Gross Tax Rate	25.617	26.985	23.534	24.280	23.764	23.328	22.006	21.816	20.585	20.850
Less State Credit	1.805	1.853	1.600	1.616	1.577	1.323	1.325	1.627	1.615	1.630
Net Tax Rate	\$ 23.812	\$ 25.132	\$ 21.934	\$ 22.664	\$ 22.187	\$ 22.005	\$ 20.681	\$ 20.189	\$ 18.970	\$ 19.220

City Property Located in Eau Claire County (Altoona School District)										
City	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084
Library	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.725	0.652	0.653
Health	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380	0.383
Altoona School Dist.	11.782	11.598	10.184	11.190	11.650	9.791	9.718	10.034	10.025	8.533
Vocational District	1.754	1.858	1.762	1.838	1.817	1.593	1.620	1.634	1.511	1.535
Eau Claire County	3.517	2.977	3.095	3.154	3.298	3.078	3.095	3.159	3.338	3.316
State Forestry	0.204	0.212	0.194	0.204	0.213	0.196	0.189	0.183	0.163	0.165
Gross Tax Rate	24.786	24.455	22.607	24.159	24.720	21.728	21.770	22.226	21.836	20.669
Less State Credit	1.833	1.805	1.600	1.616	1.577	1.323	1.325	1.627	1.615	1.630
Net Tax Rate	\$ 22.953	\$ 22.650	\$ 21.007	\$ 22.543	\$ 23.143	\$ 20.405	\$ 20.445	\$ 20.599	\$ 20.221	\$ 19.039

Source: City of Eau Claire Annual Program of Services

(Continued)

**CITY OF EAU CLAIRE**

TABLE 11 (cont.)  
PROPERTY TAX RATES -  
DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years  
(Per \$1,000 Assessed Valuation)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135
Library	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.714	0.658	0.659
Health	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384	0.386
Eau Claire School Dist.	12.648	13.466	11.258	11.282	10.793	11.528	9.961	9.491	8.870	8.787
Vocational District	1.841	1.963	1.801	1.833	1.834	1.612	1.621	1.611	1.524	1.549
Chippewa County	3.773	4.197	3.673	3.652	3.840	3.438	3.408	3.270	3.080	3.044
State Forestry	0.211	0.224	0.198	0.203	0.215	0.198	0.189	0.181	0.164	0.166
Gross Tax Rate	26.283	28.018	24.302	24.743	24.424	23.846	22.327	21.668	20.499	20.726
Less State Credit	1.825	1.759	1.606	1.631	1.578	1.318	1.313	1.583	1.547	1.586
Net Tax Rate	<u>\$ 24.458</u>	<u>\$ 26.259</u>	<u>\$ 22.696</u>	<u>\$ 23.112</u>	<u>\$ 22.846</u>	<u>\$ 22.528</u>	<u>\$ 21.014</u>	<u>\$ 20.085</u>	<u>\$ 18.952</u>	<u>\$ 19.140</u>
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135
Library	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.714	0.658	0.659
Health	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384	0.386
Chippewa Falls School Dist.	9.994	10.430	9.849	9.445	9.693	8.463	8.240	8.085	6.914	7.403
Vocational District	1.787	1.841	1.801	1.833	1.834	1.612	1.621	1.611	1.524	1.548
Chippewa County	3.816	3.773	3.673	3.652	3.840	3.438	3.408	3.270	3.080	3.044
State Forestry	0.208	0.211	0.198	0.203	0.215	0.198	0.189	0.181	0.164	0.166
Gross Tax Rate	23.334	24.065	22.893	22.906	23.324	20.781	20.606	20.262	18.543	19.341
Less State Credit	1.957	1.825	1.606	1.631	1.578	1.318	1.313	1.583	1.547	1.586
Net Tax Rate	<u>\$ 21.377</u>	<u>\$ 22.240</u>	<u>\$ 21.287</u>	<u>\$ 21.275</u>	<u>\$ 21.746</u>	<u>\$ 19.463</u>	<u>\$ 19.293</u>	<u>\$ 18.679</u>	<u>\$ 16.996</u>	<u>\$ 17.755</u>

Source: City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

TABLE 12  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Dollars in Thousands)

Taxpayer	2009 Equalized Value	2009 Rank	2009 Percentage of Total Equalized Value	2000 Equalized Value	2000 Rank	2000 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 71,139	1	1.65%	\$ 41,085	1	1.52%
Hutchinson Technology, Inc.	39,486	2	0.91%	26,296	4	0.97%
Keystone Corporation	38,444	3	0.89%	29,041	3	1.07%
Marshfield Clinic	32,597	4	0.76%	16,602	7	0.61%
Luther Hospital	32,158	5	0.75%	-		
Nestle Foods	25,365	6	0.59%	16,614	6	0.61%
Royal Credit Union	22,780	7	0.53%	-		
Midelfort Clinic	21,773	8	0.50%	32,141	2	1.19%
Menard Inc.	20,950	9	0.49%	12,896	10	0.48%
Phillips Properties (1)	17,092	10	0.40%	14,114	9	0.52%
Sam's Club - Walmart	-			17,751	5	0.66%
Dayton Hudson Corporation	-			15,589	8	0.58%
Principal Taxpayers total	<u>\$ 321,784</u>			<u>\$ 222,129</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,315,947</u>			<u>\$ 2,706,974</u>		

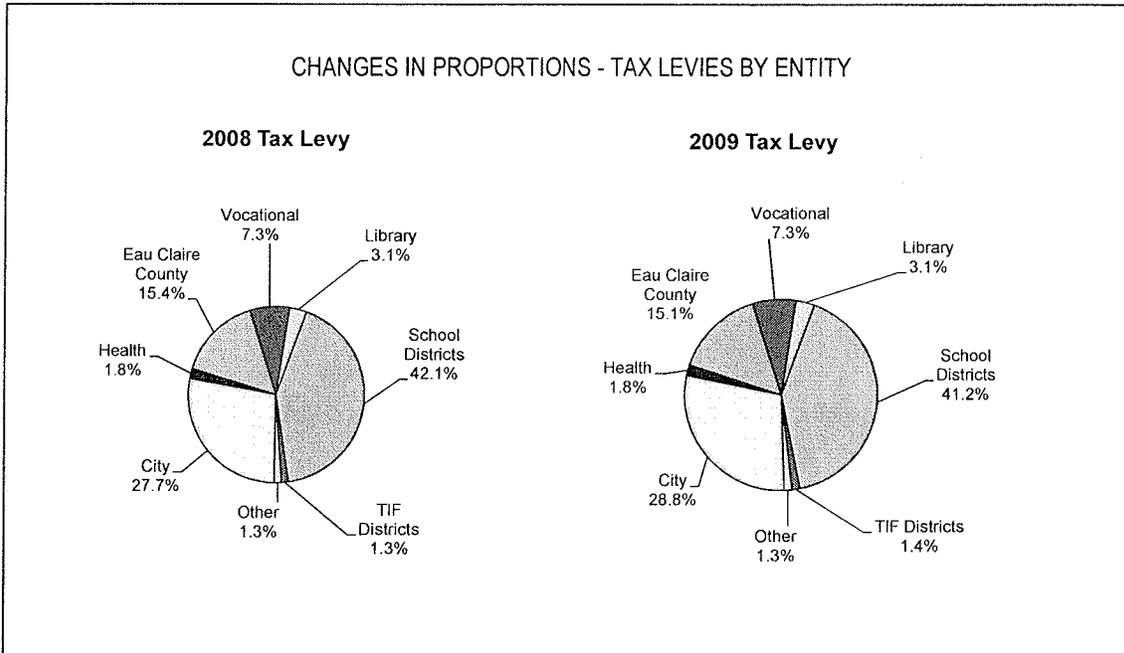
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties as of January 1 of the fiscal year listed.

Sources: City of Eau Claire Assessor's Office, Clerk's Statement of Assessments, Statistical Report:  
Eau Claire and Chippewa Counties

**CITY OF EAU CLAIRE**

TABLE 13  
GROSS TAX LEVY BY TAXING ENTITY  
Last Ten Fiscal Years  
(Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City	\$14,296	\$15,750	\$17,512	\$18,915	\$19,887	\$21,081	\$22,058	\$22,734	\$24,380	\$26,301
TIF Districts	1,548	1,703	2,259	2,518	749	905	1,008	1,110	1,151	1,251
Library	2,247	2,305	2,464	2,592	2,637	2,694	2,658	2,712	2,758	2,825
Health	1,219	1,268	1,291	1,379	1,453	1,508	1,537	1,557	1,609	1,656
Eau Claire School District	28,857	31,391	31,828	33,130	32,959	40,550	36,385	35,847	36,934	37,511
Chippewa Falls School District	31	111	115	34	34	32	31	31	30	33
Altoona School District	105	117	113	129	145	139	137	140	142	121
Vocational District	4,223	4,615	5,088	5,410	5,629	5,699	5,951	6,113	6,387	6,639
Eau Claire County	6,495	7,401	8,569	8,917	9,818	10,595	10,947	11,395	13,596	13,824
Chippewa County	350	427	429	430	462	462	464	451	474	465
State Forestry- Eau Claire County	476	518	554	596	638	681	674	667	670	695
State Forestry- Chippewa County	20	23	24	25	28	29	27	27	27	27
<b>Total tax levy</b>	<b>\$59,867</b>	<b>\$65,629</b>	<b>\$70,246</b>	<b>\$74,075</b>	<b>\$74,439</b>	<b>\$84,375</b>	<b>\$81,877</b>	<b>\$82,784</b>	<b>\$88,158</b>	<b>\$91,348</b>
<b>City percent of total levy</b>	<b>23.88%</b>	<b>24.00%</b>	<b>24.93%</b>	<b>25.53%</b>	<b>26.72%</b>	<b>24.98%</b>	<b>26.94%</b>	<b>27.46%</b>	<b>27.65%</b>	<b>28.79%</b>



Sources: City of Eau Claire Annual Program of Services, Annual Tax Levy Certification Forms from the Board of Education, Vocational School and Counties.

**CITY OF EAU CLAIRE**

TABLE 14  
REAL AND PERSONAL PROPERTY TAX  
LEVIES AND COLLECTIONS  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total tax levy	\$14,296	\$15,750	\$17,512	\$18,915	\$19,888	\$21,081	\$22,058	\$22,734	\$24,380	\$26,301
Current tax collections	14,206	15,579	17,329	18,741	19,565	20,781	21,917	22,623	24,314	26,170
Collection of delinquent personal property taxes from prior years	72	141	134	157	295	265	116	78	42	69
Total tax collections (1)	<u>\$14,278</u>	<u>\$15,720</u>	<u>\$17,463</u>	<u>\$18,898</u>	<u>\$19,860</u>	<u>\$21,046</u>	<u>\$22,033</u>	<u>\$22,701</u>	<u>\$24,356</u>	<u>\$26,239</u>
Percent of current collections to tax levy	99.4%	98.9%	99.0%	99.1%	98.4%	98.6%	99.4%	99.5%	99.7%	99.5%
Percent of total tax collections to tax levy	99.9%	99.8%	99.7%	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%	99.8%
Total delinquent taxes outstanding	\$57	\$61	\$95	\$114	\$83	\$101	\$113	\$133	\$144	\$200

(1) NOTE: Does not include mobile home fees or payment in lieu of taxes.

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

TABLE 15  
SPECIAL ASSESSMENT COLLECTIONS  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total assessments levied each fiscal period: (1)										
General fund	\$457	\$365	\$130	\$137	\$157	\$75	\$89	\$100	\$109	\$120
Business Improvement Districts	74	74	74	75	91	92	141	151	152	152
Debt Service	1,160	1,289	1,525	1,566	1,663	1,657	1,516	1,547	1,721	1,546
Water Utility	86	101	142	193	191	105	90	99	90	87
Sewer Utility	104	120	183	242	238	122	104	105	91	90
Health	0	0	0	0	0	0	0	0	0	7
Delinquent utility bills	420	450	587	526	581	521	561	548	617	655
 Total assessments levied	<u>\$2,301</u>	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<u>\$2,921</u>	<u>\$2,572</u>	<u>\$2,501</u>	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,657</u>
 Current collections	<u>\$2,301</u>	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<u>\$2,921</u>	<u>\$2,572</u>	<u>\$2,501</u>	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,657</u>
 Total collections	<u>\$2,301</u>	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<u>\$2,921</u>	<u>\$2,572</u>	<u>\$2,501</u>	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,657</u>

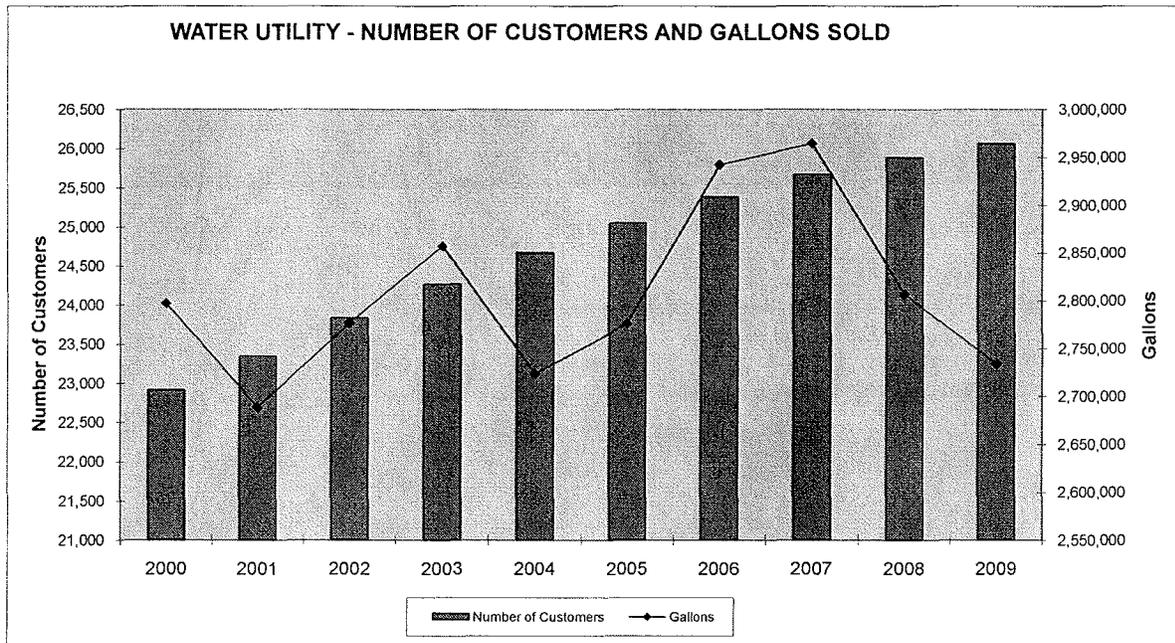
(1) NOTE: Includes current interest due on installment special assessments.

Sources: City of Eau Claire Comprehensive Annual Financial Report; Statement of Taxes

**CITY OF EAU CLAIRE**

TABLE 16  
WATER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Number of customers</b>										
Residential	20,254	20,650	21,115	21,535	21,921	22,264	22,560	22,805	22,992	23,152
Commercial	2,373	2,407	2,424	2,436	2,453	2,484	2,519	2,551	2,574	2,593
Industrial	105	108	110	110	110	110	111	111	110	109
Public	181	184	187	189	191	194	199	202	208	212
<b>Total</b>	<b>22,913</b>	<b>23,349</b>	<b>23,836</b>	<b>24,270</b>	<b>24,675</b>	<b>25,052</b>	<b>25,389</b>	<b>25,669</b>	<b>25,884</b>	<b>26,066</b>
<b>Gallons (thousands)</b>										
Residential	1,198,843	1,204,880	1,149,851	1,342,086	1,213,839	1,257,567	1,371,987	1,385,600	1,244,970	1,288,528
Commercial	681,275	704,283	710,863	703,999	688,356	706,237	694,466	715,582	694,815	667,586
Industrial	700,216	572,885	693,336	581,087	594,416	555,940	616,834	606,778	612,579	517,711
Public	216,808	206,609	222,951	230,292	227,438	256,643	259,278	256,705	254,553	259,869
<b>Total</b>	<b>2,797,142</b>	<b>2,688,657</b>	<b>2,777,001</b>	<b>2,857,464</b>	<b>2,724,049</b>	<b>2,776,387</b>	<b>2,942,565</b>	<b>2,964,665</b>	<b>2,806,917</b>	<b>2,733,694</b>



Sources: Wisconsin Public Service Commission Annual Reports  
Customer Services - City of Eau Claire

**CITY OF EAU CLAIRE**

TABLE 17  
WATER UTILITY CUSTOMER RATES  
LAST TEN FISCAL YEARS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Metered Service</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 12.30	\$ 13.95	\$ 13.95	\$ 14.37	\$ 14.37	\$ 14.37	\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.10
3/4 inch meter	12.30	13.95	13.95	14.37	14.37	14.37	15.60	15.60	15.60	17.10
1 inch meter	18.00	21.00	21.00	21.63	21.63	21.63	22.80	22.80	22.80	26.70
1 1/4 inch meter	24.00	27.00	27.00	27.81	27.81	27.81	30.00	30.00	30.00	35.40
1 1/2 inch meter	30.00	33.00	33.00	33.99	33.99	33.99	36.60	36.00	36.00	43.80
2 inch meter	52.00	54.00	54.00	55.62	55.62	55.62	55.80	55.80	55.80	65.40
3 inch meter	90.00	96.00	96.00	98.88	98.88	98.88	99.00	99.00	99.00	105.00
4 inch meter	105.00	120.00	120.00	123.60	123.60	123.60	129.00	129.00	129.00	156.00
6 inch meter	189.00	207.00	207.00	213.21	213.21	213.21	225.00	225.00	225.00	273.00
8 inch meter	300.00	309.00	309.00	318.27	318.27	318.27	339.00	339.00	339.00	411.00
10 inch meter	450.00	450.00	450.00	463.50	463.50	463.50	489.00	489.00	489.00	591.00
12 inch meter	576.00	582.00	582.00	599.46	599.46	599.46	639.00	639.00	639.00	771.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 0.97	\$ 1.17	\$ 1.17	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.49
Next 742,500 cubic feet	0.86	1.01	1.01	1.04	1.04	1.04	1.13	1.13	1.13	1.28
Over 750,000 cubic feet	0.53	0.67	0.67	0.69	0.69	0.69	0.79	0.79	0.79	0.89
<b>Public Fire Protection</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 8.20	\$ 9.18	\$ 9.18	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.60
3/4 inch meter	8.20	9.18	9.18	9.46	9.46	9.46	9.46	9.46	9.46	9.60
1 inch meter	20.50	22.80	22.80	23.48	23.48	23.48	23.48	23.48	23.48	24.00
1 1/4 inch meter	30.75	33.90	33.90	34.92	34.92	34.92	34.92	34.92	34.92	35.40
1 1/2 inch meter	41.00	45.90	45.90	47.28	47.28	47.28	47.28	47.28	47.28	48.00
2 inch meter	66.00	73.50	73.50	75.71	75.71	75.71	75.71	75.71	75.71	76.80
3 inch meter	123.00	138.00	138.00	142.14	142.14	142.14	142.14	142.14	142.14	144.00
4 inch meter	205.00	228.00	228.00	234.84	234.84	234.84	234.84	234.84	234.84	240.00
6 inch meter	408.00	459.00	459.00	472.77	472.77	472.77	472.77	472.77	472.77	480.00
8 inch meter	653.00	732.00	732.00	753.96	753.96	753.96	753.96	753.96	753.96	768.00
10 inch meter	980.00	1,101.00	1,101.00	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,152.00
12 inch meter	1,306.00	1,467.00	1,467.00	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,536.00

Source: Customer Services - City of Eau Claire

Note: Increases in water rates must be approved by the Public Service Commission of Wisconsin.

## CITY OF EAU CLAIRE

TABLE 18  
WATER UTILITY - TEN LARGEST CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

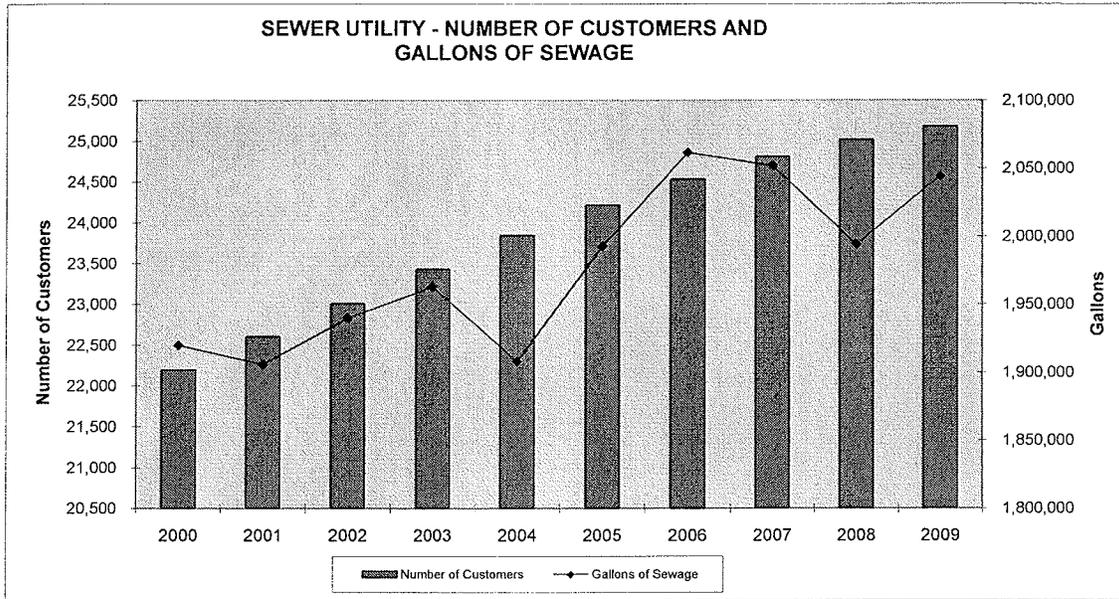
2009			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	188,019,524	\$ 255,221	6.9%
Nestles Food Company	134,969,120	191,824	4.9%
Cascade Tissue	133,500,048	177,755	4.9%
University of Wisconsin-Eau Claire	74,531,468	138,031	2.7%
Sacred Heart Hospital	45,052,040	69,896	1.6%
Board of Education	42,671,156	84,122	1.6%
American Phoenix	35,530,000	51,099	1.3%
Luther Midelfort-Mayo Health	33,179,784	60,159	1.2%
Oak Ridge Villa	12,035,320	20,623	0.4%
Huebsch Laundry Co.	11,466,092	19,287	0.4%
Subtotal (ten largest)	710,954,552	1,068,017	25.9%
All other customers	2,022,739,448	5,625,902	74.1%
Grand Totals	2,733,694,000	\$ 6,693,919	100.0%
2000			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Plainwell Tissue/Cascade Tissue	178,964,984	\$ 139,160	6.4%
Nestles Food Company	160,891,808	154,868	5.8%
American Phoenix	136,462,128	117,372	4.9%
University of Wisconsin-Eau Claire	83,505,972	117,772	3.0%
Hutchinson Technology	56,631,080	64,662	2.0%
3M	54,125,280	53,528	1.9%
Luther Midelfort-Mayo Health	47,141,952	63,721	1.7%
Sacred Heart Hospital	33,855,976	43,420	1.2%
Eau Claire School District	26,856,192	46,856	1.0%
Oakwood Mall	19,175,728	27,566	0.7%
Huebsch Laundry Co.	16,354,272	21,653	0.6%
Subtotal (ten largest)	813,965,372	850,578	29.2%
All other customers	1,983,176,628	4,046,938	70.8%
Grand Totals	2,797,142,000	\$ 4,897,516	100.0%

Source: Customer Services - City of Eau Claire

**CITY OF EAU CLAIRE**

**TABLE 19  
SEWER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Number of customers</b>										
Residential	19,697	20,078	20,479	20,891	21,279	21,616	21,911	22,157	22,345	22,495
Commercial	2,255	2,280	2,282	2,289	2,315	2,341	2,365	2,391	2,411	2,424
Industrial	91	93	93	92	92	93	94	95	94	93
Public	153	156	158	159	161	164	166	167	167	168
<b>Total</b>	<b>22,196</b>	<b>22,607</b>	<b>23,012</b>	<b>23,431</b>	<b>23,847</b>	<b>24,214</b>	<b>24,536</b>	<b>24,810</b>	<b>25,017</b>	<b>25,180</b>
<b>Gallons (thousands)</b>										
Residential	935,340	957,711	954,338	985,693	983,564	982,929	989,805	1,005,253	990,279	1,082,255
Commercial	617,395	628,365	620,180	642,469	590,527	613,281	609,161	602,989	600,342	599,731
Industrial	240,671	204,831	244,237	209,427	221,503	275,062	348,936	334,562	303,806	252,218
Public	126,492	115,112	121,267	125,447	112,455	121,395	113,783	109,208	99,735	110,403
<b>Total</b>	<b>1,919,898</b>	<b>1,906,019</b>	<b>1,940,022</b>	<b>1,963,036</b>	<b>1,908,049</b>	<b>1,992,667</b>	<b>2,061,685</b>	<b>2,052,012</b>	<b>1,994,162</b>	<b>2,044,607</b>



Sources: Customer Services - City of Eau Claire

**CITY OF EAU CLAIRE**

TABLE 20  
SEWER UTILITY CUSTOMER RATES  
LAST TEN FISCAL YEARS

---

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Metered Service</b>										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 17.28	\$ 18.48
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.16	\$ 2.31

Sources: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

TABLE 21  
SEWER UTILITY - TEN LARGEST CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

<u>Customer</u>	2009		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	123,396,812	\$ 379,819	6.0%
Nestles Food Company	89,585,321	276,661	4.4%
University of Wisconsin-Eau Claire	60,014,103	185,338	2.9%
Sacred Heart Hospital	38,778,949	119,759	1.9%
Luther Midelfort-Mayo Health	31,120,932	96,109	1.5%
Board of Education	15,351,716	47,410	0.8%
American Phoenix Inc	13,268,098	40,975	0.6%
Oak Ridge Villa	12,035,320	36,589	0.6%
Huebsch Laundry	11,466,092	35,410	0.6%
Silver Springs Gardens	8,602,295	26,566	0.4%
Subtotal (ten largest)	403,619,638	1,244,636	19.7%
All other customers	1,640,987,362	4,670,756	80.3%
Grand Totals	2,044,607,000	\$ 5,915,392	100.0%

<u>Customer</u>	2000		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
University of Wisconsin-Eau Claire	68,072,998	\$ 185,654	3.7%
Nestles Food Company	62,585,233	170,687	3.4%
Hutchinson Technology	46,191,933	125,978	2.5%
Luther Midelfort-Mayo Health	42,340,467	115,474	2.3%
3M	40,465,333	110,360	2.2%
Sacred Heart Hospital	30,119,100	82,143	1.6%
Eau Claire School District	21,743,700	59,301	1.2%
Oakwood Mall	18,642,433	50,843	1.0%
Huebsch Laundry Co.	16,354,433	44,603	0.9%
Oakwood Village Mobile Home Park	10,634,067	29,002	0.6%
Subtotal (ten largest)	357,149,697	974,045	19.4%
All other customers	1,494,675,305	4,198,762	80.6%
Grand Totals	1,851,825,002	\$ 5,172,807	100.0%

Source: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

TABLE 22  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Dollars in Thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Promissory Notes	State Trust Fund Loans	General Obligation Bonds	State Trust Fund Loans	Revenue Bonds			
2000	42,535	-	142	-	-	13,480	56,157	3.56%	910
2001	39,365	-	118	8,865	-	14,345	62,693	3.88%	1,005
2002	37,600	2,000	95	9,750	-	12,655	62,100	3.71%	982
2003	45,670	-	71	10,990	320	12,740	69,791	4.05%	1,092
2004	47,465	-	227	12,140	320	11,685	71,837	4.01%	1,124
2005	48,955	-	146	13,415	297	10,595	73,408	4.06%	1,136
2006	49,565	-	111	13,635	266	9,460	73,037	3.87%	1,123
2007	54,475	-	76	15,155	232	10,285	80,223	4.10%	1,230
2008	64,855	-	39	15,445	198	9,015	89,552	4.42%	1,370
2009	71,060	-	468	16,405	162	10,070	98,165	4.65%	1,488

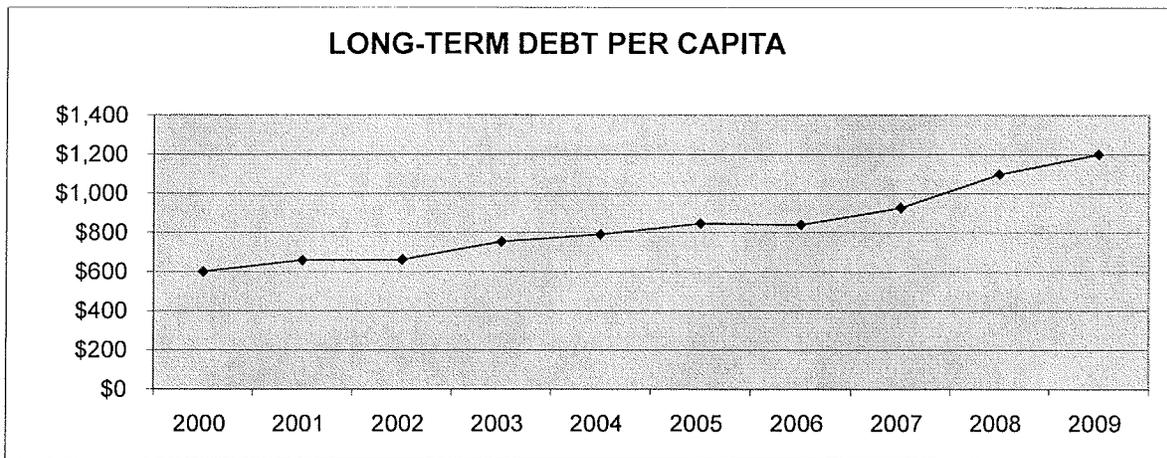
Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: Personal income data and population data can be found on Table 29.

**CITY OF EAU CLAIRE**

TABLE 23  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years  
(Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950
Equalized valuation	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947
General obligation bonds	42,535	48,230	47,350	56,660	59,605	62,370	63,200	69,630	80,300	87,465
Promissory Notes	-	-	2,000	-	-	-	-	-	-	-
State trust fund loans	142	118	95	71	547	443	377	308	236	630
Total long-term debt (1)	42,677	48,348	49,445	56,731	60,152	62,813	63,577	69,938	80,536	88,095
Resources on hand for payment of debt	(5,571)	(7,208)	(7,590)	(8,560)	(9,566)	(8,039)	(8,862)	(9,504)	(8,735)	(8,888)
Net long-term debt	\$ 37,106	\$ 41,140	\$ 41,855	\$ 48,171	\$ 50,586	\$ 54,774	\$ 54,715	\$ 60,434	\$ 71,801	\$ 79,207
Percent of net long-term debt to equalized value	1.37%	1.42%	1.35%	1.45%	1.43%	1.46%	1.38%	1.47%	1.69%	1.84%
Net long-term debt per capita (not in thousands)	\$601	\$660	\$662	\$754	\$792	\$847	\$841	\$927	\$1,099	\$1,201



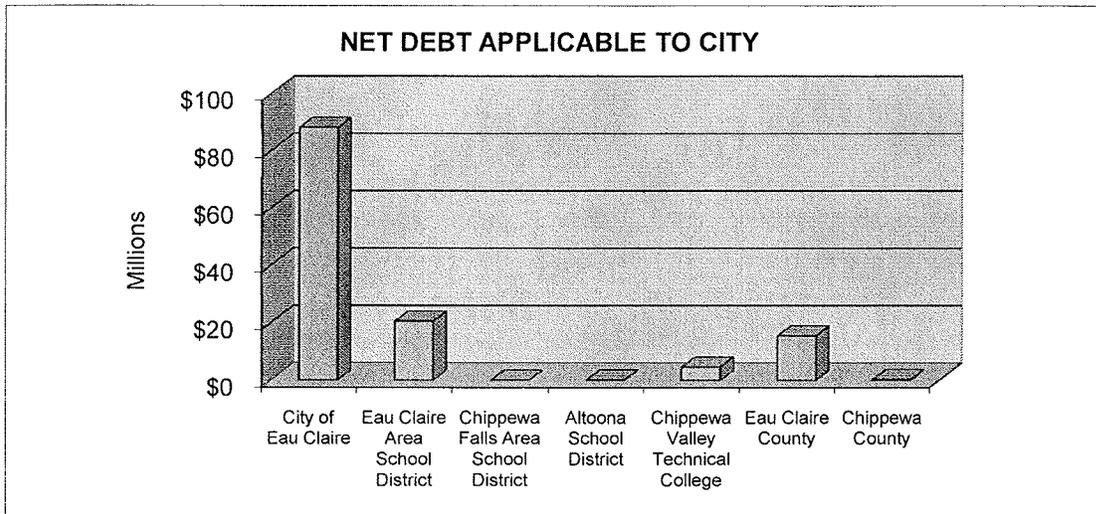
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

Sources: State of Wisconsin, Department of Administration, Demographic Services Center (population)  
City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

## CITY OF EAU CLAIRE

TABLE 24  
SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
December 31, 2009

Governmental Unit	<u>Total Debt</u>	<u>Estimated Percentage Applicable To City (1)</u>	<u>Net Debt Applicable To City</u>
<b>Direct debt:</b>			
City of Eau Claire	\$ 88,094,688	100.00%	\$ 88,094,688
<b>Indirect debt:</b>			
Eau Claire Area School District	27,305,271	75.12%	20,512,000
Chippewa Falls Area School District	430,000	0.16%	667
Altoona School District	6,642,018	2.65%	176,039
Chippewa Valley Technical College	22,840,000	20.33%	4,642,685
Eau Claire County	25,061,084	61.62%	15,443,559
Chippewa County	<u>9,799,764</u>	3.50%	<u>343,318</u>
<b>Total indirect debt</b>	<u>92,078,137</u>		<u>41,118,268</u>
<b>Total direct and indirect debt</b>	<u>\$ 180,172,825</u>		<u>\$ 129,212,956</u>
Indirect debt per capita			\$ 623
Indirect debt as a % of equalized value			0.95%
Total direct and indirect debt per capita			\$ 1,959
Total direct and indirect debt as a % of equalized value			2.99%



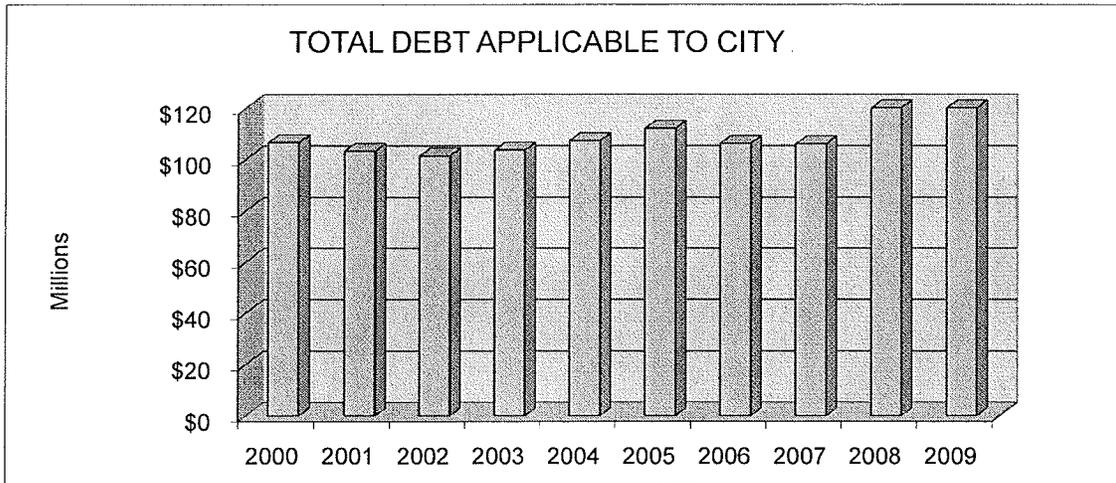
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

Sources: City of Eau Claire Comprehensive Annual Financial Report  
Financial Officers of the overlapping School Districts and Counties

**CITY OF EAU CLAIRE**

TABLE 25  
SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total debt applicable to City	\$106,623	\$103,233	\$101,371	\$103,629	\$107,321	\$112,127	\$106,253	\$106,074	\$124,713	\$129,213
Direct debt:										
General City	\$42,677	\$48,348	\$49,445	\$57,051	\$60,152	\$62,813	\$63,577	\$69,938	\$80,536	\$88,095
Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Indirect debt:										
Eau Claire Area										
School District	\$52,325	\$44,755	\$41,859	\$35,544	\$36,605	\$39,569	\$34,154	\$28,451	\$22,440	\$20,512
Percent	75.98%	74.79%	74.93%	75.74%	75.01%	74.69%	74.77%	74.66%	74.60%	75.12%
Chippewa Falls Area										
School District	\$165	\$132	\$31	\$23	\$15	\$10	\$6	\$3	\$2	\$0
Percent	0.82%	0.76%	0.22%	0.22%	0.20%	0.19%	0.18%	18.00%	0.18%	0.16%
Altoona School District	\$309	\$300	\$269	\$271	\$256	\$248	\$221	\$221	\$183	\$176
Percent	3.34%	3.24%	3.02%	3.19%	3.10%	3.02%	2.93%	2.95%	2.64%	2.65%
C.V. Technical College	\$3,977	\$3,959	\$4,438	\$5,834	\$5,939	\$5,901	\$5,606	\$5,208	\$4,764	\$4,643
Percent	21.78%	20.85%	20.95%	21.07%	20.57%	20.48%	20.04%	19.94%	19.83%	20.33%
Eau Claire County	\$6,550	\$5,177	\$4,752	\$4,355	\$3,848	\$3,083	\$2,242	\$1,837	\$16,425	\$15,444
Percent	62.06%	60.78%	61.13%	61.64%	61.42%	61.27%	61.39%	61.16%	61.10%	61.62%
Chippewa County	\$619	\$563	\$577	\$551	\$506	\$503	\$447	\$416	\$364	\$343
Percent	4.49%	4.08%	4.03%	4.04%	3.90%	3.74%	3.54%	3.55%	3.37%	3.50%



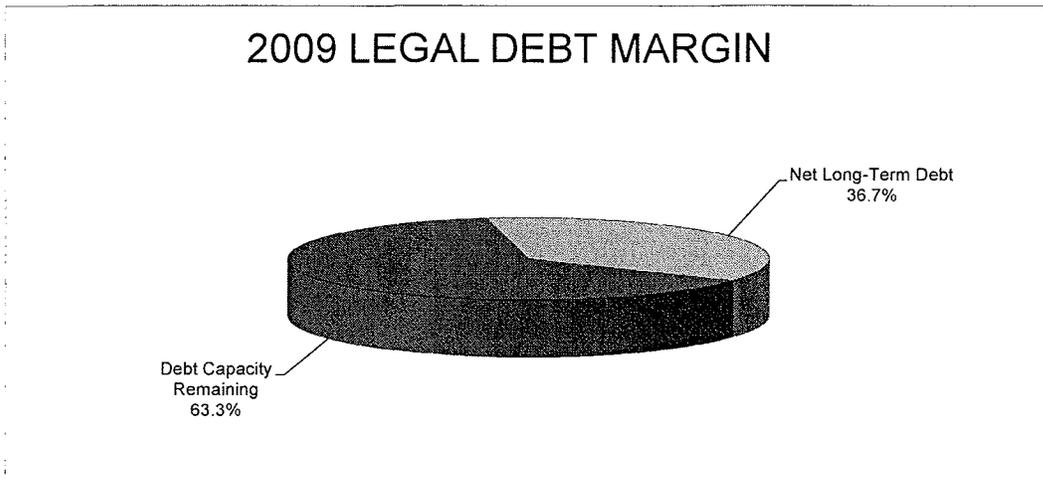
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

Source: City of Eau Claire Schedule of Long-Term Debt

CITY OF EAU CLAIRE

TABLE 26  
COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
(Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Equalized valuation	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$135,349	\$144,465	\$155,268	\$166,528	\$177,314	\$187,052	\$197,582	\$205,509	\$212,747	\$215,797
Resources on hand for payment of debt	(\$5,571)	(\$7,208)	(\$7,590)	(\$8,560)	(\$9,566)	(\$8,039)	(\$8,862)	(\$9,504)	(\$8,735)	(\$8,888)
Net long-term debt	\$37,106	\$41,140	\$41,855	\$48,171	\$50,586	\$54,774	\$54,715	\$60,434	\$71,801	\$79,207
Legal debt margin	\$98,243	\$103,325	\$113,413	\$118,357	\$126,728	\$132,278	\$142,867	\$145,075	\$140,946	\$136,590
Legal debt margin as a percentage of the debt limit	73%	72%	73%	71%	71%	71%	72%	71%	66%	63%



Sources: City of Eau Claire Comprehensive Annual Financial Report  
City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

TABLE 27  
**PLEGGED REVENUE COVERAGE**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>WATER UTILITY</u></b>										
Operating revenue	\$6,105	\$6,460	\$6,519	\$6,986	\$6,846	\$7,150	\$7,600	\$8,100	\$7,822	\$8,379
Operating expense (1)	\$2,678	\$2,900	\$2,743	\$2,984	\$3,012	\$3,337	\$3,295	\$3,609	\$4,110	\$4,230
Income available for debt service	\$3,427	\$3,560	\$3,776	\$4,002	\$3,834	\$3,813	\$4,305	\$4,491	\$3,712	\$4,149
Debt service current year (2)	\$987	\$944	\$1,003	\$978	\$1,065	\$1,058	\$1,063	\$1,062	\$1,244	\$3,176
Coverage	3.47	3.77	3.76	4.09	3.60	3.60	4.05	4.23	2.98	1.31
Debt service for highest principal and interest year in retirement schedule	\$988	\$1,034	\$1,034	\$1,077	\$1,078	\$1,078	\$1,078	\$1,244	\$1,243	\$1,163
Coverage on highest year	3.47	3.44	3.65	3.72	3.56	3.54	3.99	3.61	2.99	3.57
<b><u>SEWER UTILITY</u></b>										
Operating revenue	\$5,906	\$5,721	\$5,814	\$6,025	\$5,833	\$6,156	\$6,295	\$6,291	\$6,514	\$6,653
Operating expense (1)	\$3,488	\$3,718	\$3,628	\$3,804	\$3,817	\$3,887	\$4,184	\$4,100	\$4,485	\$4,639
Income available for debt service	\$2,418	\$2,003	\$2,186	\$2,221	\$2,016	\$2,269	\$2,111	\$2,191	\$2,029	\$2,014
Debt service current year (2)	\$531	\$533	\$533	\$513	\$518	\$522	\$525	\$528	\$520	\$0
Coverage	4.55	3.76	4.10	4.33	3.89	4.35	4.02	4.15	3.90	N/A
Debt service for highest principal and interest year in retirement schedule	\$544	\$544	\$528	\$528	\$528	\$528	\$528	\$520	\$0	\$0
Coverage on highest year	4.44	3.68	4.14	4.21	3.82	4.30	4.00	4.21	N/A	N/A

(1) NOTE: Operating expense does not include depreciation or property tax equivalent.

(2) NOTE: Includes only revenue bond principal and interest.

Sources: City of Eau Claire Comprehensive Annual Financial Report  
 City of Eau Claire Schedule of Long Term Debt annual report

**CITY OF EAU CLAIRE**

TABLE 28  
 RATIO OF ANNUAL GENERAL FUND DEBT PAYMENTS  
 TO TOTAL GENERAL FUND EXPENDITURES AND  
 OTHER FINANCING USES  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

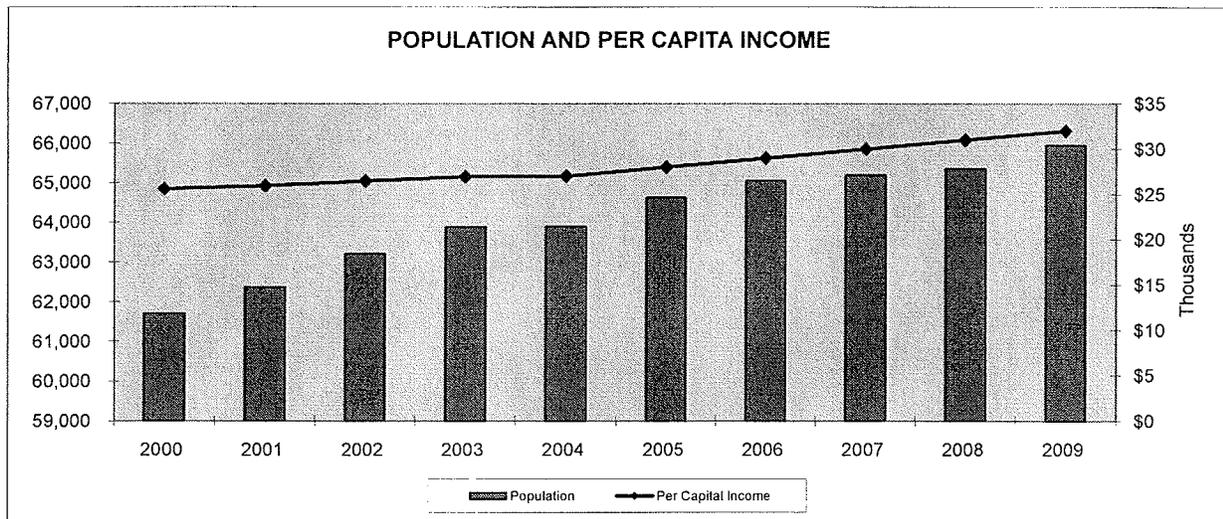
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Transfers to Debt Service fund	\$1,588	\$1,751	\$1,985	\$2,147	\$2,334	\$2,735	\$2,731	\$2,853	\$4,418	\$4,187
Total expenditures and other financing uses	\$38,381	\$39,538	\$40,592	\$41,359	\$42,666	\$44,721	\$45,839	\$47,775	\$48,966	\$51,108
Percent of debt transfers to expenditures and other financing uses	4.1%	4.4%	4.9%	5.2%	5.5%	6.1%	6.0%	6.0%	9.0%	8.2%

Source: City of Eau Claire Annual Program of Services

## CITY OF EAU CLAIRE

TABLE 29  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years  
(Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950
Consumer price index (1)	172.2	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3	214.5
Per capita income (2)	\$26	\$26	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32
Personal income	\$1,579,190	\$1,617,826	\$1,673,970	\$1,721,173	\$1,789,372	\$1,809,696	\$1,886,624	\$1,956,060	\$2,026,222	\$2,110,400
Area in square miles	32.59	32.33	33.00	33.29	33.32	33.59	33.85	33.47	33.77	33.88
Number of business properties	1,445	1,455	1,460	1,480	1,495	1,494	1,507	1,520	1,525	1,524
Acres devoted to business	3,110	3,135	3,139	3,180	3,190	3,192	3,209	3,271	3,281	3,282
Miles of street	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7	341.9



(1) U.S. All Cities Consumer Price Index for all urban consumers (CPU-U), annual average.

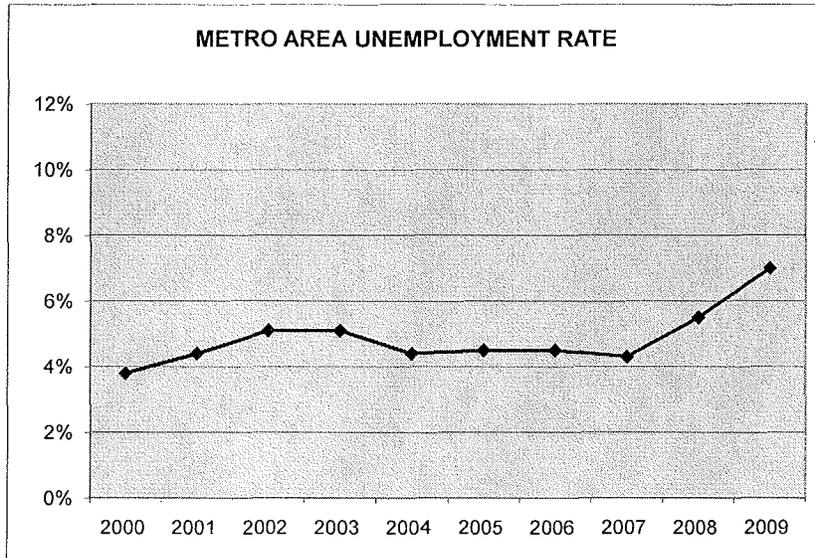
(2) Through 2008, U.S. Bureau of Economic Analysis; 2009 is estimated.

Sources: City of Eau Claire Department of Community Development  
City of Eau Claire Public Works Department

**CITY OF EAU CLAIRE**

TABLE 29 (cont.)  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of residential parcels.	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766	19,829
Vacancy rates (percent):										
Residential	3.00	3.50	3.75	3.75	4.25	4.75	4.80	4.70	5.00	3.50
Commercial	7.00	8.80	8.00	7.75	9.60	5.60	5.50	4.75	5.90	7.09
Industrial	2.00	6.50	8.50	8.00	13.80	20.80	17.70	7.50	7.50	7.50
Unemployment rate E.C. Metro Area	3.8%	4.4%	5.1%	5.1%	4.4%	4.5%	4.5%	4.3%	5.5%	7.0%



Sources: Department of Community Development  
 WI Dept. of Labor, Bureau of Workforce Information  
 Statistical Report of Property Values - Eau Claire and Chippewa Counties

## CITY OF EAU CLAIRE

TABLE 30  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Menard's Inc.	4,500	1	13%	3,000	2	9%
Luther Midelfort, Mayo Health System	3,261	2	9%	2,450	3	7%
United Health Group	1,470	3	4%	-		
University of Wisconsin - Eau Claire	1,400	4	4%	1,172	6	3%
Eau Claire Area School District	1,350	5	4%	1,700	4	5%
Sacred Heart Hospital	1,350	6	4%	-		
CVTC	1,300	7	4%	800	8	2%
Hutchinson Technology	1,054	8	3%	1,500	5	4%
Marshfield Clinic	716	9	2%	-		
City of Eau Claire	570	10	2%	-		
Oakwood Mall	-			3,000	1	9%
Mt. Washington Heyde Health System	-			960	7	3%
State of Wisconsin	-			670	9	2%
Northern States Power	-			600	10	2%
Total Principal Employers	<u>16,971</u>		49%	<u>15,852</u>		46%
TOTAL EMPLOYEES	35,366			35,010		

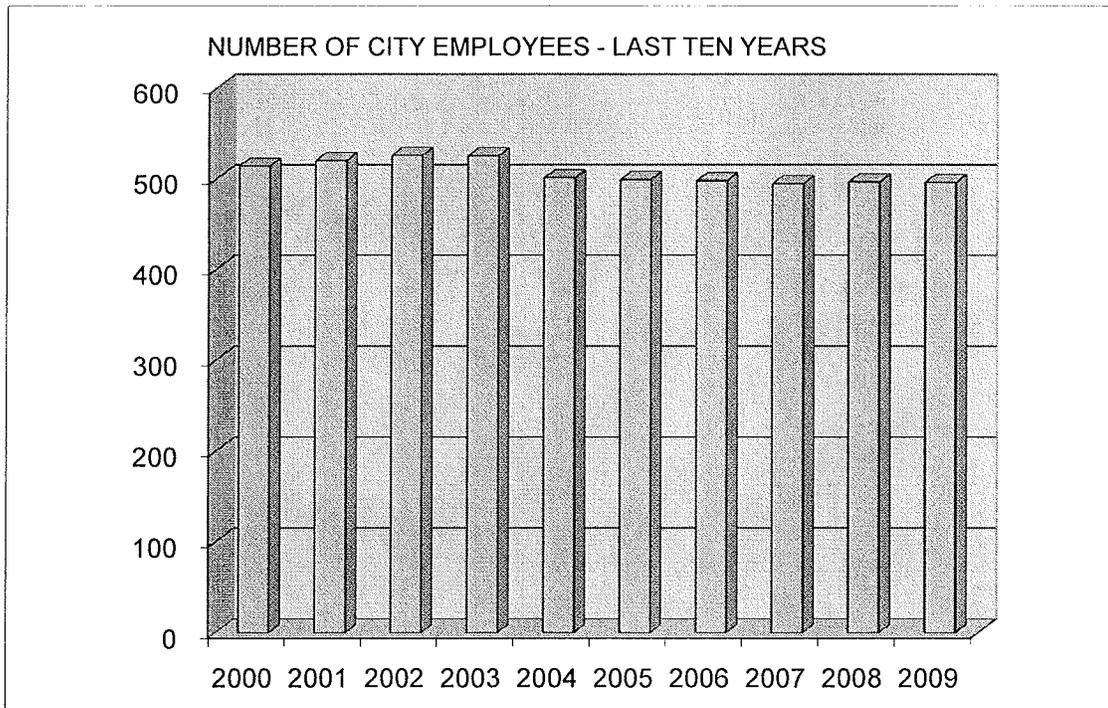
Sources : Greater Eau Claire Area Chamber of Commerce  
Wisconsin Department of Workforce Development, Office of Economic Advisors

Note : 2009 numbers are preliminary

**CITY OF EAU CLAIRE**

TABLE 31  
EMPLOYEE SUMMARY -  
NUMBER OF MUNICIPAL EMPLOYEES  
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	66.8	69.9	71.9	71.4	66.9	66.3	66.0	64.5	64.8	64.3
Public Works	73.5	73.0	74.0	71.0	64.0	62.0	62.0	61.0	61.0	61.0
Parks & Recreation	40.8	40.8	40.8	40.8	37.8	38.8	37.8	37.8	37.0	36.0
Public Safety	224.0	227.0	228.0	228.0	222.0	222.0	222.0	223.0	226.0	227.0
Enterprise Funds	100.8	101.3	102.8	105.8	102.0	101.8	101.7	100.0	99.5	99.5
Internal Service Funds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>Total Employees</b>	<b>513.9</b>	<b>519.9</b>	<b>525.4</b>	<b>524.9</b>	<b>500.7</b>	<b>498.9</b>	<b>497.5</b>	<b>494.3</b>	<b>496.3</b>	<b>495.8</b>



NOTES: Public Library and City-County Health employees are not included.  
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).  
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City of Eau Claire Program of Services

**CITY OF EAU CLAIRE**

TABLE 32  
EMPLOYEE SUMMARY  
SCHEDULE OF COMPENSATED ABSENCES  
Last Ten Fiscal Years  
(Total Unused Time In Days)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Compensatory leave	736	630	543	456	541	688	561	411	501	461
Vacation leave	5,574	5,992	5,729	12,534	12,607	5,448	7,180	5,303	5,316	5,547
	<u>6,310</u>	<u>6,622</u>	<u>6,272</u>	<u>12,990</u>	<u>13,148</u>	<u>6,136</u>	<u>7,741</u>	<u>5,714</u>	<u>5,817</u>	<u>6,008</u>
Sick leave	<u>37,241</u>	<u>36,917</u>	<u>37,227</u>	<u>36,240</u>	<u>38,024</u>	<u>35,764</u>	<u>43,214</u>	<u>33,295</u>	<u>34,094</u>	<u>33,112</u>
Total compensatory, vacation, and sick leave	<u>43,551</u>	<u>43,539</u>	<u>43,499</u>	<u>49,230</u>	<u>51,172</u>	<u>41,900</u>	<u>50,955</u>	<u>39,009</u>	<u>39,911</u>	<u>39,120</u>

NOTE: Unused compensatory and vacation leave are paid upon retirement and the value of accrued time is included as a liability on the Statement of Net Assets.

Sick leave is paid only as used during employment.

CITY OF EAU CLAIRE

TABLE 33  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

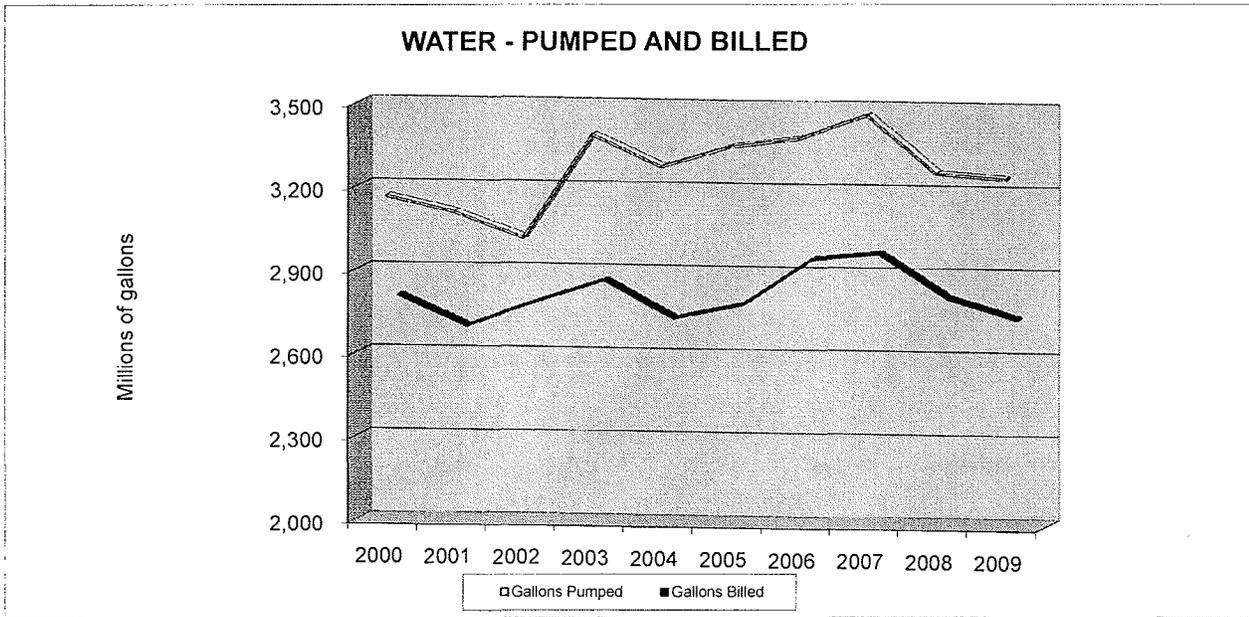
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government										
Size of the City in square miles	32.59	32.33	33.00	33.29	33.32	33.59	33.85	33.47	33.71	33.88
Population	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950
Number of City employees	513.9	519.9	525.4	524.9	500.7	498.9	497.5	494.3	496.3	495.8
Community Development										
Building permits issued	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064	1,102
Police										
Calls for service	33,071	33,371	32,490	31,545	31,717	31,048	30,750	30,006	29,628	27,309
Adult arrests	3,610	4,311	5,039	4,589	5,309	5,697	6,171	5,891	6,465	5,604
Fire										
EMS responses	3,251	3,471	3,774	3,908	4,191	4,559	4,741	4,622	6,060	5,819
Fire responses	170	160	144	211	182	204	201	166	157	183
Fire inspections	5,526	5,752	5,840	5,910	5,950	6,071	6,148	5,893	6,005	3,962
Public Works										
Miles of street plowed/maintained	307	319	319	319	323	326	333	335	337	349
Vehicles and equipment in fleet	252	252	258	262	282	284	284	284	291	293
Parks & Recreation										
Neighborhood playground program attendance	15,582	14,353	13,141	11,904	12,774	13,063	11,625	10,368	9,148	6,549
Hobbs Ice Arena - rented hours	4,825	3,206	4,631	3,794	3,952	3,425	3,554	3,321	3,683	3,199
Outdoor Pool attendance	60,442	71,192	62,101	60,141	45,961	62,151	58,025	51,560	57,151	47,027
Library										
Volumes in collection	270,931	267,617	292,957	297,877	292,957	294,077	297,799	304,261	298,458	291,003
Circulation	843,187	969,344	1,084,708	1,314,267	1,354,595	1,387,388	1,367,066	1,345,609	1,371,203	1,324,094
Health Department										
Environmental Health Inspections	5,575	5,269	5,700	5,383	5,120	5,145	5,387	5,470	4,647	5,117
Number of lab analyses	24,383	21,590	21,415	21,151	24,002	23,351	24,507	21,858	19,308	18,817
Public Health Nurse visits	7,206	7,259	6,129	4,719	5,396	5,507	5,022	4,751	3,741	4,928
Water										
Meters in service	23,004	24,500	24,110	24,467	24,783	25,176	25,424	25,660	25,982	26,146
Average daily consumption (1,000 gallons)	7,663	7,366	7,608	7,828	7,463	7,606	8,067	8,122	7,690	7,490
Sewer										
Sewer customers	22,196	22,607	23,012	23,431	23,847	24,214	24,536	24,810	25,017	25,180
Stormwater										
ERU rate	\$ 29.00	\$ 33.00	\$ 36.00	\$ 41.00	\$ 43.00	\$ 47.00	\$ 53.00	\$ 59.00	\$ 62.00	\$ 68.00
Transit										
Total route miles	966,306	1,055,167	1,023,548	1,113,066	1,010,582	1,045,132	1,066,727	900,099	960,910	1,008,425
Passengers	896,873	938,718	927,129	971,414	956,610	1,010,644	1,030,374	1,067,303	1,090,203	1,001,790

Source: Various City Department records and Program of Services

CITY OF EAU CLAIRE

TABLE 34  
WATER UTILITY - PRODUCTION STATISTICS  
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Average number of water customers	22,913	23,349	23,836	24,270	24,675	25,052	25,389	25,664	25,884	26,066
Total gallons pumped (in thousands)	3,175,349	3,120,404	3,028,641	3,404,126	3,292,365	3,367,293	3,399,614	3,487,015	3,279,529	3,262,360
Total gallons billed (in thousands)	2,797,142	2,688,657	2,777,001	2,857,464	2,724,099	2,776,387	2,942,565	2,964,665	2,806,917	2,733,694
Percent of water billed	88.09%	86.16%	91.69%	83.94%	82.74%	82.45%	86.56%	85.02%	85.59%	83.79%
Miles of main	335	336	340	341	350	351	357	366	368	368
Number of fire hydrants	3,136	3,230	3,277	3,337	3,395	3,445	3,530	3,671	3,703	3,696
Residential customer 's average quarterly water bill	\$37.74	\$37.74	\$40.86	\$40.86	\$41.50	\$42.20	\$42.20	\$45.73	\$45.73	\$51.37



Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 35  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Patrol units	24	21	21	21	21	21	21	21	21	21
Unmarked vehicles	16	14	14	14	14	14	14	14	18	18
Fire										
Number of fire stations	6	6	6	6	6	6	6	6	6	6
Firefighting vehicles	10	10	10	10	10	10	10	10	10	10
Ambulances	5	5	5	5	5	5	5	6	6	6
Public Works										
Miles of streets	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7	341.9
Number of traffic signs installed/straightened	1372	1103	1426	1089	915	746	673	459	671	601
Vehicles and equipment in fleet	252	252	258	262	282	284	284	284	291	293
Parks & Recreation										
Number of parks	26	29	31	32	33	36	36	32	32	32
Number of playgrounds	19	19	19	17	17	18	20	18	18	18
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	2	2	2	2	2	2	2
Water										
Water hydrants	3136	3230	3277	3337	3395	3445	3530	3671	3609	3696
Storage capacity (1)	15	15	15	15.5	15.5	15.5	15.5	15.5	16.1	16.1
Sewer										
Miles of sewers	290	285	290	290	297	306	316	319	320	321
Treatment capacity (1)	12	12	12	12	12	12	12	12	12	12
Parking Utility										
Parking structures	2	2	2	2	2	2	2	2	2	2
Surface lots	12	12	12	12	12	11	11	11	11	11
Transit										
Number of buses	24	24	22	22	22	22	22	22	22	22

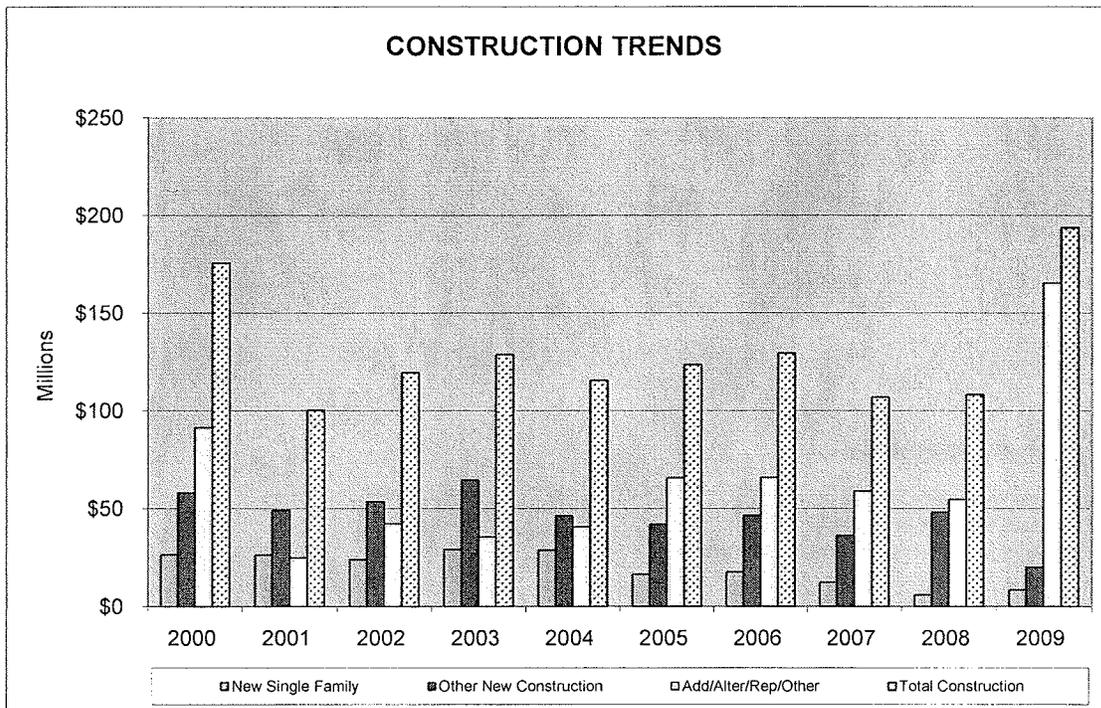
NOTES (1) - Numbers are in millions of gallons.

Sources: City department records  
City of Eau Claire Program of Services  
City of Eau Claire Comprehensive Annual Financial Report

CITY OF EAU CLAIRE

TABLE 36  
PROPERTY VALUE AND CONSTRUCTION  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
New single family dwellings: # of units	189	170	156	192	188	102	104	66	37	47
Value	\$26,432	\$26,303	\$23,757	\$29,076	\$28,697	\$16,396	\$17,451	\$12,203	\$5,780	\$8,407
Other new construction	\$57,946	\$49,208	\$53,440	\$64,368	\$46,270	\$41,809	\$46,399	\$36,100	\$47,992	\$20,002
Additions/alterations/repairs & all other types of const.	\$91,173	\$24,864	\$42,237	\$35,292	\$40,488	\$65,363	\$65,484	\$58,675	\$54,531	\$165,200
Total construction valuation	\$175,551	\$100,375	\$119,434	\$128,736	\$115,455	\$123,568	\$129,334	\$106,978	\$108,303	\$193,609
Number of permits	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064	1,102



Source: City of Eau Claire Inspections Division, "Fee Summary Report".

**CITY OF EAU CLAIRE**

TABLE 37  
INSURANCE COVERAGES  
December 31, 2009

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$400,000 per occurrence
Commercial general liability: Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Boiler and machinery	\$50,000,000	\$5,000
Fire and extended coverage	\$205,620,650	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,825,269	\$500
Money and securities - broad form coverage	\$10,000	\$1,000
Public official liability insurance (includes police)	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Automobile and truck insurance (excluding Transit): Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Uninsured motorists	\$50,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Comprehensive	\$6,591,334	\$5,000
Collision	\$6,591,334	\$5,000
Transit Bodily injury and property damage liability	\$7,000,000	\$0
Public official surety bond Chief of Police	\$10,000	N/A
Director of Finance	\$10,000	N/A

Source: City of Eau Claire Risk Manager