



City of Eau Claire

Eau Claire, Wisconsin

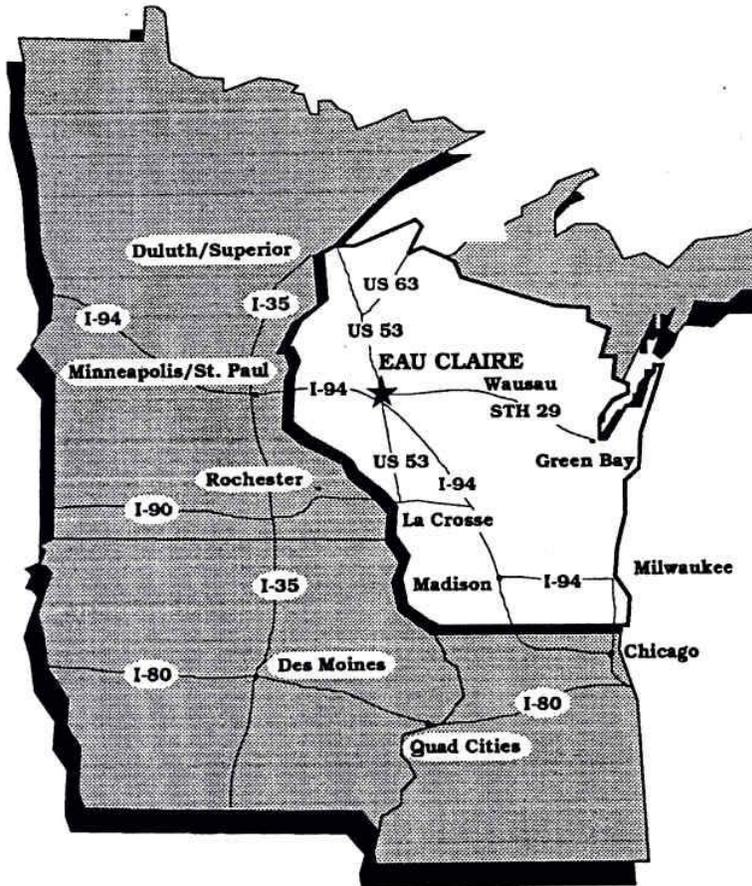
COMPREHENSIVE ANNUAL FINANCIAL REPORT
INCLUDING INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2015

Finance Department
Jacob Winzenz, Finance Director

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 Chicago O'Hare 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. Eau Claire is committed to incorporating green and sustainable energy, technology, and products into its operations.

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Elected and Appointed Officials	i
Organizational Chart	ii
Letter of Transmittal	iii
Certificate of Achievement	xii
II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	xiii
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</i>	xvi
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
<i>Governmental Funds</i>	
Balance Sheet – Governmental Funds	4
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
<i>Proprietary Funds</i>	
Statement of Net Position – Proprietary Funds	9
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	11
Statement of Cash Flows – Proprietary Funds	12

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>Fiduciary Funds</i>	
Statement of Assets and Liabilities	14
<i>Component Units</i>	
Statement of Net Position	15
Statement of Activities	16
Notes to Financial Statements	17
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	74
Schedule of Employer’s Proportionate Share of the Net Pension Asset – Wisconsin Retirement System (WRS)	75
Schedule of Employer Contributions – Wisconsin Retirement System (WRS)	75
Other Post-Employment Benefits Plan Schedule of Funding Progress and Schedule of Employer Contributions	76
Notes to Required Supplementary Information	77
<i>SUPPLEMENTARY INFORMATION</i>	
<i>Combining Statements and Individual Fund Statements and Schedules</i>	
<i>Major Governmental Funds</i>	
Comparative Balance Sheet – General Fund	79
Detailed Schedule of Revenues and Other Financing Sources Budget and Actual – General Fund	81
Detailed Schedule of Expenditures and Other Financing Uses Budget and Actual – General Fund	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service – General	86

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
SUPPLEMENTARY INFORMATION (cont.)	
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Balance Sheet – Nonmajor Special Revenue Funds	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	91
Combining Balance Sheet – Nonmajor Debt Service Funds	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	94
Combining Balance Sheet – Nonmajor Capital Projects Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds (with Annual Budgets)	
Cemetery Maintenance	99
Hazardous Materials Response	100
Economic Development	101
Community Enhancement	102
Public Library	103
City-County Health Department	104
Downtown	105
Former Landfill Escrow	106
Debt Service – TIF No. 5	107
Debt Service – TIF No. 6	108
Debt Service – TIF No. 7	109
<i>Nonmajor Enterprise Funds</i>	
Combining Statement of Net Position	110
Combining Statement of Revenues, Expenses, and Changes in Net Position	111
Combining Statement of Cash Flows	112

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>SUPPLEMENTARY INFORMATION (cont.)</i>	
<i>Internal Service Funds</i>	
Combining Statement of Net Position	113
Combining Statement of Revenues, Expenses and and Changes in Net Position	114
Combining Statement of Cash Flows	115
<i>Agency Funds</i>	
Statement of Changes in Assets and Liabilities	117
<i>Major Governmental Component Units</i>	
Balance Sheet – Major Governmental Component Units	118
Statement of Revenues, Expenditures, and Changes in Fund Balance – Major Governmental Component Units	119
<i>Nonmajor Component Units</i>	
Combining Statement of Net Position – Nonmajor Governmental Component Units	120
Combining Statement of Activities – Nonmajor Governmental Component Units	121
Combining Balance Sheet – Nonmajor Governmental Component Units	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Component Units	123
III. STATISTICAL SECTION	
Table 1 – Net Position by Component – Last Ten Fiscal Years	124
Table 2 – Changes in Net Position – Last Ten Fiscal Years	125
Table 3 – Fund Balances – Governmental Funds – Last Ten Fiscal Years	128
Table 4 – Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	129

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Table 5 – Assessed and Estimated Actual Value of All Taxable Property – Last Ten Fiscal Years	130
Table 6 – Assessed and Estimated Actual Value of Residential Property – Last Ten Fiscal Years	131
Table 7 – Assessed and Estimated Actual Value of Commercial Property – Last Ten Fiscal Years	132
Table 8 – Assessed and Estimated Actual Value of Industrial Property – Last Ten Fiscal Years	133
Table 9 – Assessed and Estimated Actual Value of Taxable Property By County – Last Ten Fiscal Years	134
Table 10 – Equalized Value of Tax Increment Districts – Last Ten Fiscal Years	135
Table 11 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	136
Table 12 – Principal Taxpayers – Current Year and Nine Years Ago	138
Table 13 – Gross Tax Levy by Taxing Entity – Last Ten Fiscal Years	139
Table 14 – Real and Personal Property Tax Levies and Collections – Last Ten Fiscal Years	140
Table 15 – Special Assessment Collections – Last Ten Fiscal Years	141
Table 16 – Water Utility Customer Summary – Last Ten Fiscal Years	142
Table 17 – Water Utility Customer Rates – Last Ten Fiscal Years	143
Table 18 – Water Utility – Ten Largest Customers – Current Year and Nine Years Ago	144
Table 19 – Sewer Utility Customer Summary – Last Ten Fiscal Years	145
Table 20 – Sewer Utility Customer Rates – Last Ten Fiscal Years	146

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT As of and for the Year Ended December 31, 2015

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Table 21 – Sewer Utility – Ten Largest Customers – Current Year and Nine Years Ago	147
Table 22 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	148
Table 23 – Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	149
Table 24 – Schedule of Direct and Indirect Governmental Activities General Obligation Debt	150
Table 25 – Schedule of Direct and Indirect General Obligation Debt – Last Ten Fiscal Years	151
Table 26 – Computation of Legal Debt Margin – Last Ten Fiscal Years	152
Table 27 – Pledged Revenue Coverage – Last Ten Fiscal Years	153
Table 28 – Ratio of Annual General Fund Debt Payments to Total General Fund Expenditures and Other Financing Uses – Last Ten Fiscal Years	154
Table 29 – Demographic and Economic Statistics – Last Ten Fiscal Years	155
Table 30 – Principal Employers – Current Year and Nine Years Ago	157
Table 31 – Employee Summary – Number of Municipal Employees – Last Ten Fiscal Years	158
Table 32 – Employee Summary – Schedule of Compensated Absences – Last Ten Fiscal Years	159
Table 33 – Operating Indicators by Function/Program – Last Ten Fiscal Years	160
Table 34 – Water Utility Production Statistics – Last Ten Fiscal Years	161
Table 35 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	162
Table 36 – Property Value and Construction – Last Ten Fiscal Years	163
Table 37 – Insurance Coverages	164

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

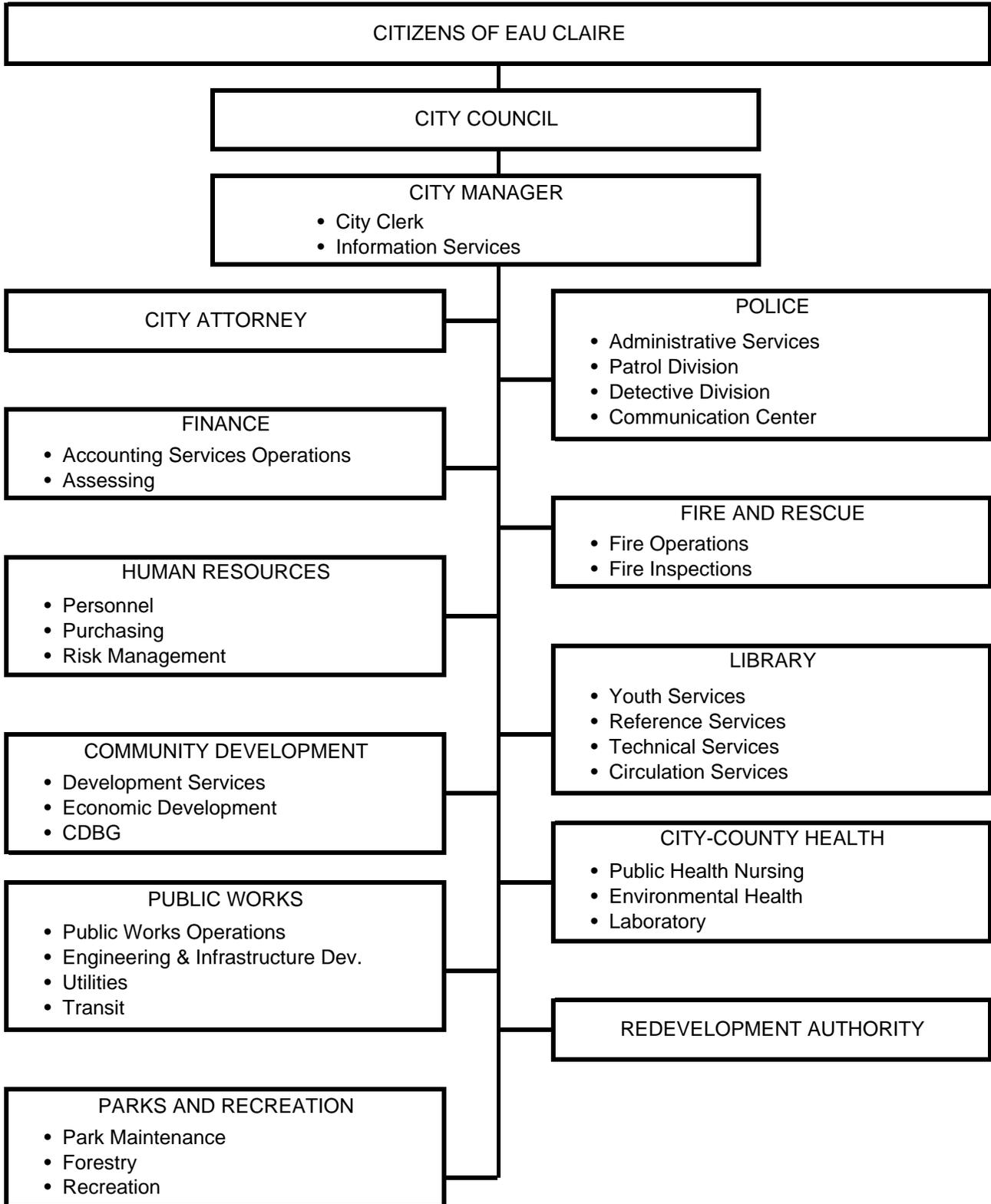
Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
Kerry J. S. Kincaid Council President	April 2014	April 2017
Timothy Tewalt..... District One	June 2015	April 2016
David Klinkhammer..... District Two	April 2015	April 2018
Kathleen Mitchell..... District Three	April 2015	April 2018
Bob Von Haden District Four	April 2015	April 2018
Andrew Werthmann..... District Five	April 2015	April 2018
Eric Larsen..... Council at Large	April 2013	April 2016
Monica Lewis Council at Large	April 2013	April 2016
David Strobel Council at Large	April 2013	April 2016
Michael Xiong Council at Large	April 2013	April 2016
Catherine Emmanuelle Council at Large	April 2013	April 2016

Appointed Officials

Russell M. VanGompel	City Manager
Jacob Winzenz.....	Director of Finance
J. Dale Peters	Director of Human Resources/Assistant City Manager
John LeBrun.....	Information Services Manager
Darryl Tufte.....	Director of Community Development
Phillip C. Fieber	Director of Public Works
Lyle N. Koerner, Jr.	Fire Chief
Gerald W. Staniszewski.....	Police Chief
Stephen C. Nick.....	City Attorney
John Stoneberg.....	Public Library Director
Elizabeth Giese	City-County Health Director
Donna A. Austad	City Clerk
Mike Schatz, EDFP.....	Economic Development Administrator

Organizational Chart City of Eau Claire, Wisconsin





June 29, 2016

City Council
 Citizens of Eau Claire
 Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* for year ended December 31, 2015, is prepared to provide readers detailed information concerning the financial condition of the City of Eau Claire. 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 contained herein is accurate in all material aspects. In addition, we believe the information is presented in a manner designed to fairly set forth the financial position and operational results of the City as measured by the financial activity of its various funds and component units. All disclosures necessary to enable the reader to gain a reasonable understanding of the City’s financial affairs have been included.

Reporting Entity

The Governmental Accounting Standards Board (GASB) outlines criteria by which financial information must be supplied by the primary government. Criteria include 1) The primary government’s finances; 2) Organizations for which the primary government is financially responsible; and 3) Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

This report includes all of the funds and component units of the City of Eau Claire as defined by the criteria for reporting entities.

General Fund	<ul style="list-style-type: none"> • <i>Accounts for the general administration of the City of Eau Claire</i> 	
Special Revenue Funds	<ul style="list-style-type: none"> • Economic Development • Community Enhancement • Downtown • Cemetery Maintenance • Hazardous Materials Response • Public Library 	<ul style="list-style-type: none"> • City-County Health Department • Former Landfill Escrow • Community Development Block Grant • HOME Grant • Police Department K9
Debt Service Funds	<ul style="list-style-type: none"> • General Debt Service 	<ul style="list-style-type: none"> • TIFs #5, #6 & #7

Capital Projects Funds	<ul style="list-style-type: none"> • Environmental Improvements • Land, Buildings & Equipment • Street Projects • Bridge Projects • Parks & Recreation Projects 	<ul style="list-style-type: none"> • Library Buildings & Equipment • TIF #8 Downtown Area Development • TIF #9 NW Business Park Phase II • TIF #10 Confluence Project
Enterprise Funds	<ul style="list-style-type: none"> • Water, Sewer, Storm Water & Parking Utilities • Public Transit 	<ul style="list-style-type: none"> • Hobbs Ice Center • Outdoor Pool
Internal Service Funds	<ul style="list-style-type: none"> • Central Equipment 	<ul style="list-style-type: none"> • Risk Management
Agency Funds	<ul style="list-style-type: none"> • Tax Collection 	

The Redevelopment Authority and four Business Improvement Districts (BIDs) are component units of the City, so this report includes a discrete presentation of their financial data. The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated and blighted areas and encouraging urban renewal. The South Barstow, 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.

Community Profile

Eau Claire is located in west-central Wisconsin in both Eau Claire and Chippewa counties. Eau Claire was established as a lumbering settlement in the 1840's. The city was incorporated in 1872 and currently covers an area of approximately 34 square miles. The City's current population is 67,006, and the population of the Greater Eau Claire Metropolitan Area is 165,600.

Eau Claire is situated along Interstate 94 between Minneapolis and Chicago, and is home to the Chippewa Valley Regional Airport. Due to its location, Eau Claire serves as the center for health and professional services, education, retail trade, technology, and industry in west-central Wisconsin.



Government Profile



The City of Eau Claire has a Council/Manager form of government. There are eleven members of the Eau Claire City Council, of whom five are elected from aldermanic districts. The remaining six Council members are comprised of five at-large members and the Council President. District Council members were elected to three-year terms in April 2015. At-large Council members were elected to three-year terms in April 2013. The Council President was elected to a three-year term in April 2014.

The City provides a number of services, including police and fire protection; street construction and infrastructure maintenance; water, sewer, and storm water; and public transit. The City's Operating Budget and Capital Improvement

Plan are updated and approved by Council annually. Council workshops and public hearings provide citizens with opportunities for feedback for the Operating Budget and Capital Improvement Plan.

Economic Conditions

Top Employers

Healthcare, education, retail, and manufacturing sectors provide many of the jobs found in Eau Claire. The City is the location for the headquarters of Menards, the nation's third largest home improvement retail chain. Five separate employers each provide jobs for at least 1,000 individuals (See Table 30).

Innovative Healthcare

Eau Claire is home to four award winning medical facilities. The Mayo Clinic Health System is a nationally ranked hospital that employs over 3,600 individuals. Mayo Clinic Health System's location in downtown Eau Claire has contributed to the growth and vitality of the central business district. Marshfield Clinic and Sacred Heart Hospital are award winning and nationally recognized healthcare providers that employ over 2,100 individuals. Oakleaf Medical Network is a private hospital designed exclusively for surgery, and has received numerous awards for patient safety and patient experience.



Marshfield Clinic



Mayo Clinic Health System



Sacred Heart Hospital

A Growing Regional Talent Pool

University of Wisconsin – Eau Claire, Chippewa Valley Technical College, and Globe University comprise three institutions of higher education that contribute to a growing talent pool in west-central Wisconsin. The three schools combined have over 20,000 students enrolled in programs such as applied science, nursing, computer science, marketing, and welding. The University of Wisconsin – Eau Claire is consistently rated among the top 10 public Midwestern universities.

Tourism in Eau Claire

Tourism is a vital component of Eau Claire’s economy. People from across the country visit Eau Claire for its natural and cultural resources. In 2015 area tourism generated \$216 million in revenue in Eau Claire County, which created approximately 6,300 jobs in the Chippewa Valley.

Downtown Eau Claire

Eau Claire’s vibrant and growing downtown area is a significant economic engine for the City. According to the most recent data, the downtown area of approximately 0.85 square miles contains 648 businesses that employ 12,363 individuals. The service industry comprises the largest employer category in downtown Eau Claire, followed by retail trade, and government.

Major Initiatives

Downtown Redevelopment

Significant downtown revitalization continued through 2015 in downtown Eau Claire. The Lismore Hotel opened in May 2016 after a \$21 million renovation project throughout much of 2015. The hotel includes 112 guest rooms, convention space, a coffee shop, and a restaurant.



Another hotel renovation project is underway in downtown Eau Claire. The Oxbow Hotel will open its doors in 2016 and includes a restaurant along with art and music space. The hotel’s theme will incorporate Eau Claire’s plentiful natural space and also its history as a logging community.

The Haymarket Landing was under construction during 2015 and is scheduled to open its doors in the summer of 2016. Built as a mixed-use building, Haymarket Landing has room for first floor commercial space and rental space for approximately 400 students. Visitors downtown will notice this building due to its prominent location along the riverfront and adjacency to the future Confluence Arts Center.



Growth downtown will put pressure on demands for parking. With this in mind, the City Council approved a \$2.2 million appropriation to add a fourth level to the City’s new parking ramp. Staff anticipate that the new ramp will serve visitors to the downtown area as well as surrounding businesses. Renovations to the City’s existing ramp are budgeted in the 2017-2021 Capital Improvements Plan.

The City continues to market prime downtown locations. Two examples are named “Block 7” and the “Liner Building.” These sites are adjacent to the new parking ramp and provide opportunities for high quality mixed-use building space.



A major component of Eau Claire’s downtown redevelopment involves construction of the Confluence Arts Center. Fundraising efforts have resulted in \$12.5 million in gifts and pledges as of June 1, 2016. Additional funding sources include \$5 million from the City of Eau Claire, \$3.5 million from Eau Claire County, \$15 million from the State of Wisconsin, and \$3 million in new market tax credits. A plaza will be constructed between the Confluence Arts Center and the Haymarket Landing and a riverwalk trail will be developed adjacent to this site.



Awards and Recognition



The City of Eau Claire was recognized as an All-America City in 2014. This prestigious award recognizes a small selection of cities in a new category each year. In 2014, the category involved healthy communities. In order to be recognized as an All-America City in the “healthy communities” category, the City had to address issues such as obesity, fitness, healthy eating, and disease prevention.

Nerdwallet.com named Eau Claire the 4th best city for work-life balance. The study cited Eau Claire residents spend less time commuting and enjoy a low cost of living. The study also mentioned the amount of large parks and the Chippewa River State Trail.

Discover Wisconsin rated Eau Claire number one in its top ten most underrated towns in Wisconsin. The article mentioned Eau Claire’s location at the confluence of the Eau Claire and Chippewa rivers for stunning riverfront views, along with an abundance of water activities. The article also stated that what set Eau Claire apart was the number of big-time music festivals such as Country Jam, Blue Ox Music Festival and Eau Claire’s, all of which provide all styles and varieties of music.

Kiplinger.com named Eau Claire the 7th best city for cheapskates. The study examined metropolitan areas where income levels are high relative to the cost of living. Kiplinger also considered the amount of free (or almost free) things to do that the area offers. The Chippewa River Trail System and Lake Wissota were specifically cited by the study.

Forbes recently released its annual “Best Places for Business and Careers,” naming Eau Claire 66th out of 184 “small places” with a population under 250,000. In the “small places” category, Eau Claire ranked 101st in cost of business, 93th in job growth, and 48th in education.

TheAtlanticCities.com reported that Lumos Labs conducted a study based upon brain performance and cognitive capacity to measure the smartest cities. Scientists tracked over one million individuals and rated them in five areas: memory, processing speed, flexibility, attention, and problem solving. The information was then linked with education attainment, knowledge, and creative work. Eau Claire was ranked 23rd out of 169 metropolitan areas.

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 funds, 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.

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

The City's fiscal policies are detailed in the City's annual budget document. The policies provide directives for the City's financial operations including budgeting, investing, revenues, reserves, special assessments, purchasing, pension, special events and risk management. In 2009, the City Council established a Fiscal Policy Advisory Committee to facilitate a review of fiscal matters. The committee's ongoing efforts to raise public awareness of the difficult budget issues help develop a process of "informed consent."

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 unmodified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for fiscal year ending December 31, 2015 were also completed by the independent auditors. The reports are available under separate cover.

Management's Discussion and Analysis

Immediately following the independent auditors' report is the *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 the City of Eau Claire a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014. 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.

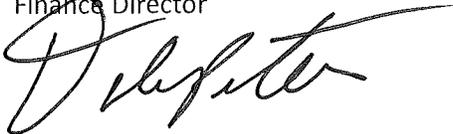
Acknowledgments

We would like to thank the City Council for their support in responsibly planning and conducting the financial operations of the City. In addition, we would like to thank Kathryn Ludack, Accounting Manager, Christine Wagner, Financial Operations Manager, Justin Kennedy, Lead Accountant, Rose Adams, Accountant, Vicki Franson, Accountant, Julie Lau, Accountant and the remainder of the Finance Department staff for their dedication in preparing this report.

Respectfully submitted,



Jacob J. Winzenz
Finance Director



Dale Peters
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, 2014. This was the twenty-ninth 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.



Government Finance Officers Association

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, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

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.



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City of Eau Claire's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the City Council
City of Eau Claire

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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Eau Claire adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison information, other post-employment benefit information and Wisconsin Retirement System pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended December 31, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eau Claire's basic financial statements. The combining and individual fund financial statement schedules for the year ended December 31, 2015 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2015, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statement schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2015.

To the City Council
City of Eau Claire

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Eau Claire as of and for the year ended December 31, 2014 (not presented herein), and have issued our report thereon dated June 29, 2015, which contained unmodified 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. The combining and individual fund financial statement schedules for the year ended December 31, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statement schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2014.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eau Claire's basic financial statements. The "Introductory Section" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the City of Eau Claire's 2014 financial statements, and we expressed unmodified audit 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 report dated June 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

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

Baker Tilly Vichow Krause, LLP

June 29, 2016

Management's Discussion and Analysis (Unaudited)

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 (UNAUDITED)

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, 2015. 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 1.

FINANCIAL HIGHLIGHTS

- The City of Eau Claire has total assets of \$568.8 million, total deferred outflows of \$8.2 million, total liabilities of \$183.4 million and total deferred inflows of \$41.2 million, resulting in a net position of \$352.5 million at the end of 2015. Of the net position, \$275.3 million represents the City's net investment in capital assets, \$31.3 million is held for restricted purposes and \$45.9 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2015, the City of Eau Claire's total net position increased by \$3.4 million from the 2014 restated net position, or approximately 1%.
- At the close of 2015, the City of Eau Claire's governmental funds reported ending fund balances of \$44.7 million, a net decrease of \$5.6 million from 2014. The City originally budgeted for a \$2.6 million decrease in fund balance in the General Fund. The General Fund had an increase in fund balance of \$.3 million, due to the net effect of small variances in revenues and expenditures, which are discussed in more detail on page xxiv. The fund balance in Debt Service decreased by \$.3 million, while the other governmental fund balances decreased by \$5.6 million.
- During 2015, 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's additions to capital assets totaled \$34.1 million, excluding construction in progress, as shown in Note III-D of this report.
- Wisconsin statute restricts municipality general obligation debt to less than 5% of equalized property value, although the City has set an internal debt goal, which seeks to remain below 3%. The City of Eau Claire maintained a level of remaining debt capacity of 57.8% from state statute. In 2015, \$16.2 million in new general obligation debt was issued.

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 are comprised of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- 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 Position* presents information on all of the City of Eau Claire's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the total of the assets and deferred outflows of resources less the total of the liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 2014 to 2015, as the City's net position increased by \$3.4 million, or about 1%. The government-wide financial statements can be found on pages 1 through 3 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 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 Parking Utilities, Public Transit, the Hobbs 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 Redevelopment Authority, the South Barstow 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 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 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 Fund, special revenue, debt service and capital project funds. Of these, the General Fund and the Debt Service-General 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 Position 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; 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 9 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 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 allocated primarily to the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 113.

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 Collection 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. 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 14 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 17 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 Position* for the City of Eau Claire is summarized in the table below. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$352.5 million at the close of 2015. The majority of the net position, \$275.3 million, reflects the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress, net of related debt. 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.

**City of Eau Claire, Wisconsin
Summary of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 128,375,074	\$ 127,248,998	\$ 29,362,929	\$ 26,324,874	\$ 157,738,003	\$ 153,573,872
Capital Assets (Net)	180,564,106	172,863,630	230,534,412	222,451,312	411,098,518	395,314,942
Total Assets	308,939,180	300,112,628	259,897,341	248,776,186	568,836,521	548,888,814
Deferred Outflows of Resources	7,122,503	154,217	1,091,821	114,942	8,214,324	269,159
Current Liabilities	7,374,611	7,259,237	2,346,877	3,498,580	9,721,488	10,757,817
Noncurrent Liabilities	112,171,197	104,511,369	61,529,591	59,821,428	173,700,788	164,332,797
Total Liabilities	119,545,808	111,770,606	63,876,468	63,320,008	183,422,276	175,090,614
Deferred Inflows of Resources	41,161,228	40,425,663	-	-	41,161,228	40,425,663
Net Investment in Capital Assets	106,095,598	100,938,789	171,288,239	164,710,447	277,383,837	265,649,236
Debt Reclassification	-	-	-	-	(2,093,418)	(2,449,992)
Total Net Investment in Capital Assets	106,095,598	100,938,789	171,288,239	164,710,447	275,290,419	263,199,244
Restricted	24,838,403	22,366,545	6,432,015	3,290,640	31,270,418	25,657,185
Unrestricted	24,420,646	24,765,242	19,392,440	17,570,033	43,813,086	42,335,275
Debt Reclassification	-	-	-	-	2,093,418	2,449,992
Total Unrestricted	24,420,646	24,765,242	19,392,440	17,570,033	45,906,504	44,785,267
Total Net Position	\$ 155,354,647	\$ 148,070,576	\$ 197,112,694	\$ 185,571,120	\$ 352,467,341	\$ 333,641,696
Total Net Position as a % of Total Liabilities/Deferred Inflows	97%	97%	309%	293%	157%	155%
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	15%	16%	30%	28%	20%	21%

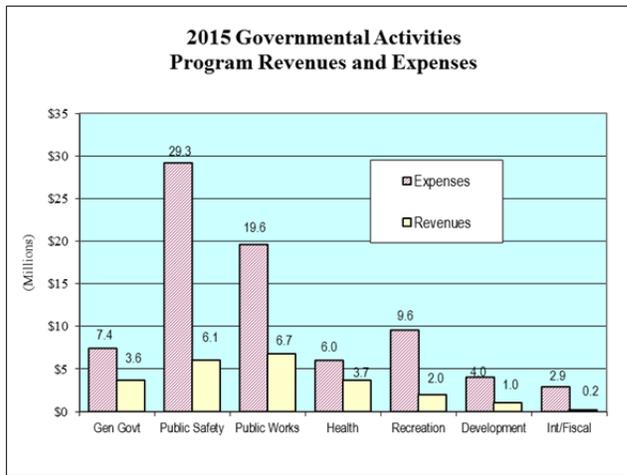
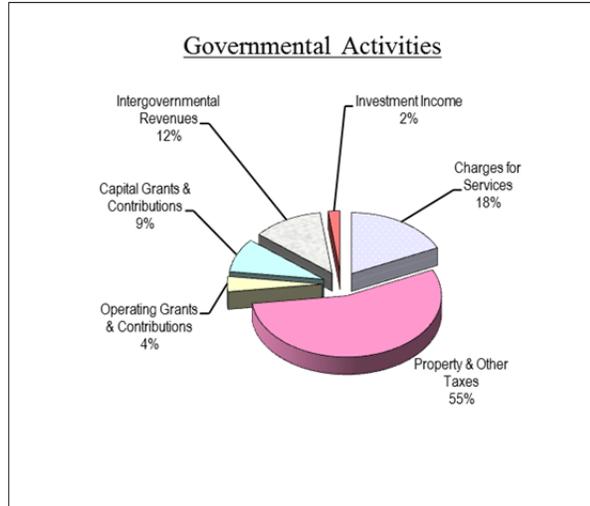
A relatively small portion of the City's net position, \$31.3 million or 9%, represents resources that are subject to other restrictions as to how they may be used. The amount available to meet the City's ongoing obligations to its citizens and creditors is \$45.9 million or 13% of total net position. It is important to note that \$19.4 million, or about 42%, of the unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2015, the City is able to report positive balances in net position 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.

**City of Eau Claire, Wisconsin
Summary of Activities**

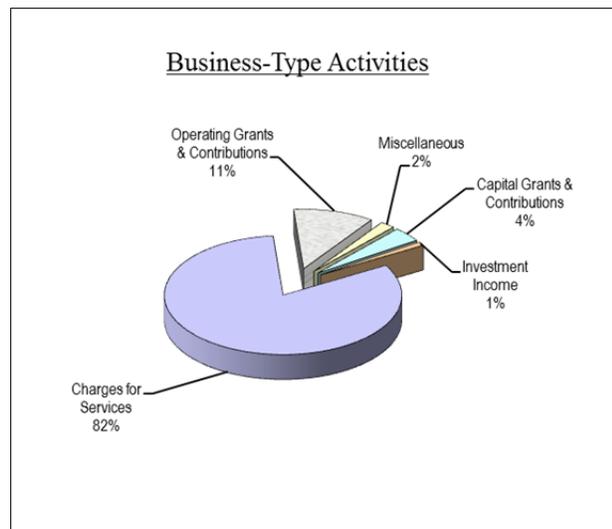
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 13,538,314	\$ 13,113,933	\$ 25,330,117	\$ 24,937,782	\$ 38,868,431	\$ 38,051,715
Operating grants & contributions	2,997,915	4,005,881	3,369,184	3,732,560	6,367,099	7,738,441
Capital grants & contributions	6,889,179	6,359,710	1,258,707	1,457,999	8,147,886	7,817,709
General revenues:						
Property taxes	40,224,635	39,082,126	-	-	40,224,635	39,082,126
Other taxes	2,192,020	2,149,965	-	-	2,192,020	2,149,965
Intergovernmental revenues	8,896,147	8,472,470	-	-	8,896,147	8,472,470
Investment income	1,188,703	1,368,713	53,151	112,878	1,241,854	1,481,591
Miscellaneous	431,314	508,102	643,985	412,622	1,075,299	920,724
Total revenues	76,358,227	75,060,900	30,655,144	30,653,841	107,013,371	105,714,741
Expenses						
Program expenses:						
General government	7,437,428	8,057,579	-	-	7,437,428	8,057,579
Public safety	29,280,552	29,094,423	-	-	29,280,552	29,094,423
Public works	19,636,363	15,025,070	-	-	19,636,363	15,025,070
Health services	5,966,318	6,555,268	-	-	5,966,318	6,555,268
Culture and recreation	9,577,588	9,393,095	-	-	9,577,588	9,393,095
Development	3,996,569	3,756,001	-	-	3,996,569	3,756,001
Interest & fiscal charges	2,924,436	2,919,561	-	-	2,924,436	2,919,561
Water Utility	-	-	6,030,093	6,733,490	6,030,093	6,733,490
Sewer Utility	-	-	7,692,253	7,512,146	7,692,253	7,512,146
Storm Water Utility	-	-	3,306,591	3,163,028	3,306,591	3,163,028
Public Transit	-	-	5,608,443	5,980,184	5,608,443	5,980,184
Parking Utility	-	-	533,452	528,347	533,452	528,347
Hobbs Ice Center	-	-	1,172,166	1,181,985	1,172,166	1,181,985
Outdoor Pool	-	-	467,192	393,815	467,192	393,815
Total expenses	78,819,254	74,800,997	24,810,190	25,492,995	103,629,444	100,293,992
Increase in net position before transfers	(2,461,027)	259,903	5,844,954	5,160,846	3,383,927	5,420,749
Transfers	(3,752,900)	244,386	3,752,900	(244,386)	-	-
Change in net position	(6,213,927)	504,289	9,597,854	4,916,460	3,383,927	5,420,749
Net position at January 1	148,070,576	147,566,287	185,571,120	180,654,660	333,641,696	328,220,947
Effect of implementation of GASB 68	13,497,998	-	1,943,720	-	15,441,718	-
Net position at December 31	\$155,354,647	\$148,070,576	\$197,112,694	\$185,571,120	\$352,467,341	\$333,641,696

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 55% of the revenue for governmental activities. State aids and other grants comprise another 25% while charges for services and all other sources are equal to 20% 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 2015 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, 2015, the City of Eau Claire's *Balance Sheet - Governmental Funds* on page 4 reported combined ending fund balances of \$44.7 million, a decrease of \$5.6 million over the previous year's ending balances. The decrease is due to a decrease of \$5.6 million in the nonmajor governmental funds, as the General Fund had an increase of \$.3 million in fund balance and the Debt Service Fund had a decrease of \$.3 million.

The decrease of \$5.6 million in the nonmajor governmental funds was primarily caused by the decreases in the capital funds of Bridge Projects and Street Projects. In 2015 the City spent more on capital projects in both Bridge and Street funds, but did so without the issuance of debt. Thus these projects were completed with the use of fund balance. The increase in the General Fund was due to greater than expected revenues for special assessments, the communication center reimbursement and ambulance revenue. Special assessment revenue had a favorable variance due to greater than anticipated home sales, thus causing the special assessments to become due and paid, along with greater than expected payments received for current year special assessments. The communication center reimbursement variance was due to payments received for amounts owed from prior years. The increased revenue for ambulance services was due to an increase in the amount of rides provided, along with an increase in fees.

The General Fund is the primary operating fund used to account for the governmental operations of the City. The largest revenue sources for the General Fund are taxes and intergovernmental aids, together accounting for 76.9% of revenues. Public safety, public works and general government were the primary operations of the General Fund. Of the \$61.1 million General Fund expenditures and other financing uses, 43.8% or \$26.8 million was allocated to the public safety sector. Another 24.3% or \$14.8 million was expended by the operations of public works and general government.

The General Fund has a fund balance of \$25.1 million, an increase of \$.3 million from 2014. Of the fund balance, \$4.6 million is nonspendable, reflecting loans made to other funds and organizations, prepaid items and inventories. The restricted amount of \$.1 million is from contributions for a specific project. Assigned amounts include \$2.0 million for capital projects, \$2.1 million for maintenance on a major arterial and \$.5 million for carryovers and a potential reimbursement. The unassigned total is \$15.8 million.

The Debt Service Fund had a total fund balance of \$5.4 million, a decrease of \$.3 million from 2014. This balance primarily reflects the amounts restricted to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The Nonmajor 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 restricted to expenditures for specific purposes. The fund balance of the Nonmajor Governmental Funds decreased from 2014 by \$5.6 million.

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 pages 9 to 13. The net position of the enterprise-type proprietary funds at the end of 2015 totaled \$197.1 million, an increase of \$9.6 million from the previous year restated.

Some highlights:

- The Water Utility fund transferred \$1.6 million to the General Fund and the General Fund and other funds transferred \$3.5 million to the Parking Utility, Public Transit, Hobbs Ice Center and Outdoor Pool funds. The large increase in transfers is due to a \$2.2 million transfer from the General Fund to the Parking Utility for a new parking ramp. After transfers, the enterprise funds had a collective income before contributions of \$6.5 million, primarily generated by the Water, Sewer, Storm Water and Parking funds.
- Additionally, in 2015, developer infrastructure and other contributions resulted in \$3.1 million of the \$9.6 million net position increase.

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 74, the original 2015 General Fund budget authorized expenditures and other financing uses of \$61.3 million, funded by anticipated revenues and other financing sources of \$58.7 million and the application of \$2.6 million 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 Budgeted Amounts column.

The City ended the year with net favorable variances. Revenues and other financing sources were over budget by \$2.5 million and expenditures and other financing uses were under spent by \$2.9 million. Since the final budget anticipated a drawdown of \$5.1 million, the net increase in the General Fund's fund balance is \$.3 million as discussed on page xv. The more significant variances in the revenue lines were the receipts of \$1.5 million over budget in charges for special assessments and charges for services-public.

Several factors contributed to the favorable expenditure variances, with the major variances of wages and benefits at \$1.8 million, General Fund subsidies at \$.4 million and contractual services costs at \$.5 million. The favorable variance in wages and benefits was due to vacant positions in police, lower wages in public works because of a mild winter and lower than expected health insurance premiums for the entire General Fund. The General Fund support for Public Transit and the Outdoor Pool was less than

anticipated due to under spent wages, benefits and supply costs in Transit and greater than expected revenues in the Outdoor Pool. The Outdoor Pool saw increased attendance in 2015, which lead to increased daily admissions and concession sales. The main cause for the favorable variance in contractual services was due to the fact that general street maintenance costs were less than expected. Making up the balance of the \$2.9 million expenditures variance was an unspent contingency amount of \$.2 million.

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, 2015 totaled \$629 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 over \$217 million, or approximately 34% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$411 million. The net increase over 2014 is approximately \$15.8 million. The largest increases were in infrastructure and sewer assets. The \$7.6 million increase in infrastructure assets was from the City's share of construction on major arterial streets. The increase in sewer assets of \$5.6 million was due to a major renovation project at the waste water treatment plant.

City of Eau Claire, Wisconsin Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 17,693,517	\$ 16,924,122	\$ 17,143,525	\$ 17,133,895	\$ 34,837,042	\$ 34,058,017
Land Improvements	11,120,823	10,935,577	-	-	11,120,823	10,935,577
Building and Improvements	26,389,687	23,049,209	14,078,072	14,010,274	40,467,759	37,059,483
Infrastructure	189,236,243	181,683,474	4,011,015	3,949,695	193,247,258	185,633,169
Machinery and Equipment	37,559,131	33,703,598	8,113,508	8,089,301	45,672,639	41,792,899
Intangibles	7,774,809	7,745,855	45,080	45,080	7,819,889	7,790,935
Water Utility	-	-	92,643,520	89,338,318	92,643,520	89,338,318
Sewer Utility	-	-	94,284,250	88,731,673	94,284,250	88,731,673
Storm Water Utility	-	-	57,178,293	53,092,467	57,178,293	53,092,467
Work in Progress	13,180,925	14,991,476	38,323,598	37,912,791	51,504,523	52,904,267
Subtotal	302,955,135	289,033,311	325,820,861	312,303,494	628,775,996	601,336,805
Less Accumulated Dep.	(122,391,029)	(116,169,681)	(95,286,449)	(89,852,182)	(217,677,478)	(206,021,863)
Total	\$ 180,564,106	\$ 172,863,630	\$ 230,534,412	\$ 222,451,312	\$ 411,098,518	\$ 395,314,942

Additional information about the City’s capital assets can be found in Note III-D of this report. As shown in Note III-D, some of the most significant additions to the City’s capital assets during 2015 included the following:

<u>Significant Additions to Capital Assets in 2015</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Land and Buildings	\$5.3 M	\$0.1 M
Infrastructure	10.2 M	-
Machinery and Equipment	5.0 M	4.3 M
Distribution and Collection System	-	9.1 M

Long-Term Debt

At December 31, 2015, the City of Eau Claire had approximately \$144 million of bond and long-term note principal outstanding, as summarized in the following table:

City of Eau Claire, Wisconsin Notes and Bonds Outstanding General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
General Obligation						
Bonds & Notes	\$ 85,550,537	\$ 80,593,775	\$ 15,564,463	\$ 18,166,225	\$ 101,115,000	\$ 98,760,000
Revenue Bonds	-	-	43,586,358	39,466,371	43,586,358	39,466,371
Total	<u>\$ 85,550,537</u>	<u>\$ 80,593,775</u>	<u>\$ 59,150,821</u>	<u>\$ 57,632,596</u>	<u>\$ 144,701,358</u>	<u>\$ 138,226,371</u>

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 general obligation debt of the City at the close of 2015 totaled \$101.1 million, which, with amounts available for payment of principal, is less than 43% of the maximum legal limit. During 2015, 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>
06/12/13	Additional draws on Sewerage System Revenue Bonds, Series 2013 via State of Wisconsin Department of Natural Resources Clean Water Fund Project No. 4176-05 for the construction of improvements to the sewerage treatment plant	\$4,329,987
08/18/15	Taxable General Obligation Promissory Notes TIF 8 and TIF 10	\$11,810,000
08/18/15	General Obligation Promissory Notes for TIF 8 and refunding of 2005 streets, storm water, TIF 5 and TIF 8	\$4,340,000

The General Obligation Promissory Notes were rated Aa1 by Moody’s Investors Service. The Water Revenue Bonds issued 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 provides the Comprehensive Annual Financial Report on our web page (<http://www.ci.eau-claire.wi.us/government/financial-transparency/annual-financial-reports>). 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, 54701. Finance Department staff can also be reached at (715) 839-4915.

Basic Financial Statements

The basic financial statements include all fund types, including discrete presentation of one enterprise fund type component unit and four 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 POSITION

As of December 31, 2015

(With Comparative Reporting Entity Totals for December 31, 2014)

	Primary Government				Totals Reporting Entity		
	Governmental Activities	Business-type Activities	Debt Reclassifications	Totals	Component Units	2015	2014
ASSETS							
Cash and investments	\$ 53,194,079	\$ 19,793,832	\$ -	\$ 72,987,911	\$ 640,234	\$ 73,628,145	\$ 82,597,342
Taxes receivable, net	42,363,068	888,294	-	43,251,362	-	43,251,362	42,936,882
Special assessments receivable	5,044,530	1,173,850	-	6,218,380	150,000	6,368,380	6,579,946
Notes receivable, net	3,120,834	-	-	3,120,834	280,118	3,400,952	3,370,299
Accounts receivable, net	2,464,444	4,108,183	-	6,572,627	4,387	6,577,014	7,059,101
Interest receivable	58,381	-	-	58,381	-	58,381	77,775
Due from other governments	1,970,099	1,056,826	-	3,026,925	-	3,026,925	5,164,850
Internal balances	4,867,664	(4,867,664)	-	-	-	-	-
Prepaid items and inventories	1,645,393	558,187	-	2,203,580	-	2,203,580	2,073,314
Restricted assets							
Cash and investments	6,183,580	5,687,458	-	11,871,038	-	11,871,038	4,461,591
Net pension asset	6,696,506	963,963	-	7,660,469	-	7,660,469	-
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Property held for resale	-	-	-	-	1,765,260	1,765,260	1,867,925
Capital assets							
Construction in progress	13,180,925	38,323,598	-	51,504,523	-	51,504,523	52,904,267
Land	17,693,517	17,143,525	-	34,837,042	-	34,837,042	34,058,017
Other capital assets, net of depreciation/amortization	149,689,664	175,067,289	-	324,756,953	-	324,756,953	308,352,658
Total Assets	308,939,180	259,897,341	-	568,836,521	2,839,999	571,676,520	552,270,463
DEFERRED OUTFLOWS OF RESOURCES							
Pension related amounts	6,993,278	995,034	-	7,988,312	-	7,988,312	-
Deferred charge on refunding	129,225	96,787	-	226,012	-	226,012	269,159
Total Deferred Outflows of Resources	7,122,503	1,091,821	-	8,214,324	-	8,214,324	269,159
LIABILITIES							
Accounts payable and accrued expenses	4,725,282	1,641,153	-	6,366,435	2,420	6,368,855	5,783,585
Accrued liabilities	2,362,535	625,509	-	2,988,044	-	2,988,044	4,537,967
Customer deposits	145,397	76,848	-	222,245	-	222,245	211,619
Due to other governments	141,397	3,367	-	144,764	-	144,764	349,621
Noncurrent liabilities							
Due within one year	10,254,767	3,762,166	-	14,016,933	-	14,016,933	12,046,190
Due in more than one year	101,916,430	57,767,425	-	159,683,855	-	159,683,855	152,286,607
Total Liabilities	119,545,808	63,876,468	-	183,422,276	2,420	183,424,696	175,215,589
DEFERRED INFLOWS OF RESOURCES							
Unearned revenues	41,161,228	-	-	41,161,228	150,000	41,311,228	40,575,663
NET POSITION							
Net investment in capital assets	106,095,598	171,288,239	(2,093,418)	275,290,419	-	275,290,419	263,199,244
Restricted for:							
Debt service payments	6,789,365	1,754,052	-	8,543,417	-	8,543,417	7,484,182
Pension	6,696,506	963,963	-	7,660,469	-	7,660,469	-
Cemetery maintenance	178,630	-	-	178,630	-	178,630	157,918
Hazmat	133,609	-	-	133,609	-	133,609	86,064
Community development	2,095,065	-	-	2,095,065	-	2,095,065	2,003,411
Home grant	4,979	-	-	4,979	-	4,979	26,671
Police department K9	571,467	-	-	571,467	-	571,467	570,461
Economic development	3,849,190	-	-	3,849,190	-	3,849,190	4,401,157
Community enhancement	155,266	-	-	155,266	-	155,266	113,048
Library	1,324,448	-	-	1,324,448	-	1,324,448	1,349,154
Health	1,148,989	-	-	1,148,989	-	1,148,989	1,234,298
Downtown	77,849	-	-	77,849	-	77,849	94,525
TIF projects	300,718	-	-	300,718	-	300,718	1,501,696
Capital contracts	379,693	-	-	379,693	-	379,693	2,846,404
RCU agreement	-	-	-	-	-	-	87,897
Insurance deposits	1,057,629	-	-	1,057,629	-	1,057,629	1,019,299
Building Bridges program	75,000	-	-	75,000	-	75,000	-
Equipment replacement	-	3,714,000	-	3,714,000	-	3,714,000	2,681,000
Business improvement	-	-	-	-	280,997	280,997	242,759
Unrestricted	24,420,646	19,392,440	2,093,418	45,906,504	2,406,582	48,313,086	47,649,182
TOTAL NET POSITION	<u>\$ 155,354,647</u>	<u>\$ 197,112,694</u>	<u>\$ -</u>	<u>\$ 352,467,341</u>	<u>\$ 2,687,579</u>	<u>\$ 355,154,920</u>	<u>\$ 336,748,370</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 7,437,428	\$ 3,584,223	\$ 48,631	\$ 9,831
Public safety	29,280,552	5,262,806	483,459	346,504
Public works	19,636,363	416,844	158,435	6,147,391
Health services	5,966,318	2,086,170	1,584,354	11,400
Culture and recreation	9,577,588	1,529,852	140,754	349,053
Development	3,996,569	658,419	391,658	25,000
Interest and fiscal charges	2,924,436	-	190,624	-
Total Governmental Activities	78,819,254	13,538,314	2,997,915	6,889,179
Business-type Activities				
Water Utility	6,030,093	9,653,806	-	528,227
Sewer Utility	7,692,253	9,356,855	-	289,797
Storm Water Utility	3,306,591	4,370,957	42,049	430,683
Public Transit	5,608,443	781,665	3,327,135	-
Parking Utility	533,452	172,589	-	-
Hobbs Ice Center	1,172,166	723,920	-	10,000
Outdoor Pool	467,192	270,325	-	-
Total Business-type Activities	24,810,190	25,330,117	3,369,184	1,258,707
Total Primary Government	\$ 103,629,444	\$ 38,868,431	\$ 6,367,099	\$ 8,147,886
Component Units				
Redevelopment Authority	\$ 1,312,337	\$ 20,475	\$ 129,573	\$ -
South Barstow Business Improvement District	74,841	-	-	-
North Barstow/Medical Business Improvement District	28,272	-	-	-
West Grand Business Improvement District	10,879	-	-	-
Water Street Business Improvement District	11,070	-	12,750	-
Total Component Units	\$ 1,437,399	\$ 20,475	\$ 142,323	\$ -
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for TIF districts				
Other taxes				
Special assessments				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Gain on disposal of capital assets				
Contributions from City				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
NET POSITION - Beginning of Year (as reported)				
<i>Prior period adjustment of pension related items</i>				
NET POSITION - Beginning of Year (as restated)				
NET POSITION - END OF YEAR				

Net (Expenses) Revenues and Changes in Net Position				Totals Reporting Entity	
Governmental Activities	Business-type Activities	Totals		2015	2014
		Primary Government	Component Units		
\$ (3,794,743)	\$ -	\$ (3,794,743)	\$ -	\$ (3,794,743)	\$ (4,628,981)
(23,187,783)	-	(23,187,783)	-	(23,187,783)	(22,455,302)
(12,913,693)	-	(12,913,693)	-	(12,913,693)	(8,789,624)
(2,284,394)	-	(2,284,394)	-	(2,284,394)	(3,107,159)
(7,557,929)	-	(7,557,929)	-	(7,557,929)	(7,364,415)
(2,921,492)	-	(2,921,492)	-	(2,921,492)	(2,253,459)
(2,733,812)	-	(2,733,812)	-	(2,733,812)	(2,722,533)
(55,393,846)	-	(55,393,846)	-	(55,393,846)	(51,321,473)
-	4,151,940	4,151,940	-	4,151,940	3,323,942
-	1,954,399	1,954,399	-	1,954,399	2,351,557
-	1,537,098	1,537,098	-	1,537,098	1,419,311
-	(1,499,643)	(1,499,643)	-	(1,499,643)	(1,483,130)
-	(360,863)	(360,863)	-	(360,863)	(362,048)
-	(438,246)	(438,246)	-	(438,246)	(460,662)
-	(196,867)	(196,867)	-	(196,867)	(153,624)
-	5,147,818	5,147,818	-	5,147,818	4,635,346
(55,393,846)	5,147,818	(50,246,028)	-	(50,246,028)	(46,686,127)
-	-	-	(1,162,289)	(1,162,289)	(503,678)
-	-	-	(74,841)	(74,841)	(81,913)
-	-	-	(28,272)	(28,272)	(29,710)
-	-	-	(10,879)	(10,879)	(12,119)
-	-	-	1,680	1,680	(45,676)
-	-	-	(1,274,601)	(1,274,601)	(673,096)
30,275,122	-	30,275,122	-	30,275,122	29,459,781
7,862,401	-	7,862,401	-	7,862,401	7,504,757
2,087,112	-	2,087,112	-	2,087,112	2,117,588
2,192,020	-	2,192,020	-	2,192,020	2,149,965
-	-	-	150,000	150,000	150,000
8,896,147	-	8,896,147	-	8,896,147	8,472,470
1,188,703	53,151	1,241,854	5,506	1,247,360	1,487,721
375,358	-	375,358	-	375,358	386,856
-	-	-	700,000	700,000	400,088
55,956	643,985	699,941	-	699,941	533,868
52,932,819	697,136	53,629,955	855,506	54,485,461	52,663,094
(3,752,900)	3,752,900	-	-	-	-
(6,213,927)	9,597,854	3,383,927	(419,095)	2,964,832	5,303,871
148,070,576	185,571,120	333,641,696	3,106,674	336,748,370	331,444,499
13,497,998	1,943,720	15,441,718	-	15,441,718	-
161,568,574	187,514,840	349,083,414	3,106,674	352,190,088	331,444,499
\$ 155,354,647	\$ 197,112,694	\$ 352,467,341	\$ 2,687,579	\$ 355,154,920	\$ 336,748,370

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 20,437,067	\$ 5,091,827	\$ 14,264,313	\$ 39,793,207
Receivables				
Taxes	34,811,010	292,115	7,250,757	42,353,882
Delinquent personal property taxes, net	9,186	-	-	9,186
Accounts, net	1,941,193	15,710	352,936	2,309,839
Notes, net	25,000	-	3,095,834	3,120,834
Special assessments	4,397,129	647,401	-	5,044,530
Interest	58,381	-	-	58,381
Due from other governments	207,244	-	1,742,201	1,949,445
Due from other funds	1,094,788	-	-	1,094,788
Prepaid items and inventories	949,477	-	124,461	1,073,938
Advances to other funds	4,259,658	268,200	1,400,000	5,927,858
Restricted assets - cash and investments	-	-	5,892,447	5,892,447
	\$ 68,190,133	\$ 6,315,253	\$ 34,122,949	\$ 108,628,335
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 578,495	\$ 398	\$ 3,908,301	\$ 4,487,194
Accrued liabilities	1,208,012	-	312,774	1,520,786
Deposits	145,257	-	140	145,397
Due to other governments	95,157	-	46,240	141,397
Due to other funds	-	-	477,640	477,640
Advances from other funds	-	-	3,618,045	3,618,045
Total Liabilities	2,026,921	398	8,363,140	10,390,459
Deferred Inflows of Resources				
Unearned revenues	33,856,419	-	7,304,809	41,161,228
Unavailable revenues	7,164,648	955,226	4,283,884	12,403,758
Total Deferred Inflows of Resources	41,021,067	955,226	11,588,693	53,564,986
Fund Balances				
Nonspendable	4,649,638	-	124,461	4,774,099
Restricted	75,000	5,359,629	11,728,121	17,162,750
Assigned	4,615,065	-	6,237,008	10,852,073
Unassigned (deficit)	15,802,442	-	(3,918,474)	11,883,968
Total Fund Balances	25,142,145	5,359,629	14,171,116	44,672,890
	\$ 68,190,133	\$ 6,315,253	\$ 34,122,949	\$ 108,628,335

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
As of December 31, 2015

Total fund balance - governmental funds		\$ 44,672,890
Amounts reported for governmental activities in the statement of net position are different because:		
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:		
Construction in progress	\$ 13,180,925	
Land	17,693,517	
Other capital assets, net of depreciation/amortization	149,689,664	
Less: Internal service fund included below	<u>(11,486,581)</u>	169,077,525
Governmental funds report the effect of 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:		
(Premium)/discount on debt		(1,092,804)
Deferred charge on refunding of debt		129,225
Receivables that may be uncollectible are recorded in unavailable 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.		
		(67,087)
Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of unavailable revenues at year end consist of:		
Delinquent personal property taxes receivable	122,566	
Accounts receivable	1,728,176	
Loan receivable	3,095,835	
Interest receivable	61,107	
Special assessments receivable	6,402,139	
Grants receivable	<u>993,935</u>	12,403,758
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.		
		6,575,477
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		
		6,870,233
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 position.		
		26,558,021
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:		
General obligation debt	(85,550,537)	
Vested compensated absences	(2,144,412)	
Police and fire pension liability	(100,767)	
Permanent disability liability	(257,577)	
Other post-employment benefits	(20,908,093)	
Accrued interest on general obligation debt	<u>(811,205)</u>	<u>(109,772,591)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 155,354,647</u>

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, 2015

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 33,862,583	\$ -	\$ 8,514,550	\$ 42,377,133
Special assessments	2,125,272	424,039	-	2,549,311
Intergovernmental	11,936,742	-	2,527,866	14,464,608
Licenses and permits	1,718,298	-	546,330	2,264,628
Fines, forfeitures and penalties	702,069	-	90,571	792,640
Charges for services - public	4,117,355	-	394,396	4,511,751
Charges for services - intergovernmental	3,691,777	-	2,061,685	5,753,462
Investment income	1,015,789	12,011	35,028	1,062,828
Miscellaneous	425,596	-	1,252,600	1,678,196
Total Revenues	<u>59,595,481</u>	<u>436,050</u>	<u>15,423,026</u>	<u>75,454,557</u>
EXPENDITURES				
Current				
General government	6,358,540	4,316	4,110	6,366,966
Public safety	26,779,876	-	100,165	26,880,041
Public works	8,475,997	-	256,349	8,732,346
Health services	-	-	5,452,849	5,452,849
Culture and recreation	4,273,139	-	3,719,318	7,992,457
Development	-	-	3,773,641	3,773,641
Miscellaneous	392,120	-	-	392,120
Capital Outlay	32,273	-	22,681,817	22,714,090
Debt Service				
Principal retirement	-	7,503,238	3,690,000	11,193,238
Interest and fiscal charges	-	2,620,146	286,704	2,906,850
Total Expenditures	<u>46,311,945</u>	<u>10,127,700</u>	<u>39,964,953</u>	<u>96,404,598</u>
Excess (deficiency) of revenues over expenditures	<u>13,283,536</u>	<u>(9,691,650)</u>	<u>(24,541,927)</u>	<u>(20,950,041)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	12,560,000	12,560,000
Refunding long-term debt issued	-	1,470,000	2,120,000	3,590,000
Premium on long-term debt issued	-	67,316	254,515	321,831
Transfers from other funds	1,666,000	7,862,401	5,054,066	14,582,467
Transfers to other funds	(14,822,295)	-	(1,562,502)	(16,384,797)
Sale of capital assets	228,824	-	443,861	672,685
Total Other Financing Sources (Uses)	<u>(12,927,471)</u>	<u>9,399,717</u>	<u>18,869,940</u>	<u>15,342,186</u>
Net change in fund balances	356,065	(291,933)	(5,671,987)	(5,607,855)
FUND BALANCES - Beginning of Year	<u>24,786,080</u>	<u>5,651,562</u>	<u>19,843,103</u>	<u>50,280,745</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,142,145</u>	<u>\$ 5,359,629</u>	<u>\$ 14,171,116</u>	<u>\$ 44,672,890</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, 2015

Net change in fund balances - total governmental funds	\$ (5,607,855)
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	22,714,090
Some functional expenditures are capitalized	510,728
Some capital outlay is not capitalized in the government-wide statements	(5,419,374)
Depreciation is reported in the government-wide statements	(7,936,372)
Capital assets transferred to business-type activities	(1,812,970)
Contributed assets are reported in the government-wide statements.	1,030,200
In the statement of activities, the gain or loss on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets are reported because the proceeds increase financial resources. This is the amount of net book value of capital asset disposals.	
	(1,471,152)
Receivables not currently available are reported as unavailable 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 unavailable revenue categories:	
Delinquent personal property taxes receivable	15,573
Accounts receivable	(632,963)
Loan receivable	88,992
Interest receivable	(31,094)
Special assessments receivable	(593,703)
Grants receivable	466,274
Receivables that may be uncollectible are recorded in unavailable 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.	
	34,773
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payments paid.	11,193,238
Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This is the amount of debt issued during the year.	(16,150,000)

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	\$ 79,507
Police and fire pension liability	70,547
Permanent disability liability	9,249
Other post-employment benefits	(2,638,030)
Net pension asset (and pension related deferred outflows of resources)	191,752

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.

(76,054)

Governmental funds report the effect of 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:

Premium on new debt	(321,831)
Amortization of premium/(discount)	83,500
Amortization of deferred charge on refunding	(24,992)

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.

14,040

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (6,213,927)**

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2015

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds		
ASSETS						
Current Assets						
Cash and investments	\$ 5,486,861	\$ 9,938,189	\$ 1,602,688	\$ 2,766,094	\$ 19,793,832	\$ 13,400,872
Taxes receivable	410,631	343,346	134,317	-	888,294	-
Accounts receivable, net	1,644,387	1,546,459	830,126	87,211	4,108,183	221,692
Due from other governments	-	217,737	10,475	828,614	1,056,826	20,654
Inventories	365,476	-	-	174,821	540,297	565,110
Prepaid items	9,415	-	-	8,475	17,890	6,345
Restricted cash and investments	103,285	1,313,033	-	-	1,416,318	-
Total Current Assets	8,020,055	13,358,764	2,577,606	3,865,215	27,821,640	14,214,673
Noncurrent Assets						
Restricted assets						
Cash and investments	939,140	3,332,000	-	-	4,271,140	291,133
Net pension asset	325,392	236,127	51,462	350,982	963,963	121,029
Deposit in insurance pools	-	-	-	-	-	766,496
Special assessment receivable	600,476	570,560	2,814	-	1,173,850	-
Advances to other funds	-	-	-	-	-	1,838,700
Capital assets						
Construction in progress	350,891	37,824,367	143,600	4,740	38,323,598	357,047
Land	317,174	169,171	16,006,984	650,196	17,143,525	247,199
Capital assets	92,643,520	94,284,250	57,178,293	26,247,675	270,353,738	25,179,827
Less: Accumulated depreciation/amortization	(32,140,335)	(34,498,571)	(14,469,575)	(14,177,968)	(95,286,449)	(14,297,492)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	61,171,250	97,779,217	58,859,302	12,724,643	230,534,412	11,486,581
Total Noncurrent Assets	63,036,258	101,917,904	58,913,578	13,075,625	236,943,365	14,503,939
Total Assets	71,056,313	115,276,668	61,491,184	16,940,840	264,765,005	28,718,612
DEFERRED OUTFLOWS OF RESOURCES						
Pension related amounts	328,412	251,587	52,098	362,937	995,034	123,045
Deferred charge on refunding	-	-	96,787	-	96,787	-
Total Deferred Outflows of Resources	328,412	251,587	148,885	362,937	1,091,821	123,045

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Storm	Nonmajor	Totals	
	Utility	Utility	Water Utility	Enterprise Funds		
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 427,514	\$ 893,341	\$ 172,190	\$ 148,108	\$ 1,641,153	\$ 238,088
Accrued payroll and payroll taxes	66,582	68,838	12,186	94,538	242,144	30,544
Accrued compensated absences	112,575	120,359	14,129	149,858	396,921	36,870
Accrued interest	-	-	138,698	25,261	163,959	-
Deposits	-	-	-	76,848	76,848	-
Due to other governments	-	-	-	3,367	3,367	-
Due to other funds	-	-	-	617,148	617,148	-
Current portion of advances	304,629	69,868	-	210,000	584,497	-
Current portion of general obligation debt	-	-	1,424,208	-	1,424,208	-
Current portion of unpaid claims	-	-	-	-	-	220,000
Liabilities payable from restricted assets:						
Current portion revenue bonds	215,000	1,726,037	-	-	1,941,037	-
Accrued interest	49,535	169,871	-	-	219,406	-
Total Current Liabilities	1,175,835	3,048,314	1,761,411	1,325,128	7,310,688	525,502
Noncurrent Liabilities						
Advances from other funds	380,082	333,934	-	2,850,000	3,564,016	-
Revenue bonds payable	4,343,466	37,320,321	-	-	41,663,787	-
General obligation debt	-	-	14,313,928	-	14,313,928	-
Other post-employment benefits	700,817	451,993	22,828	614,072	1,789,710	102,726
Unpaid claims	-	-	-	-	-	1,757,411
Total Noncurrent Liabilities	5,424,365	38,106,248	14,336,756	3,464,072	61,331,441	1,860,137
Total Liabilities	6,600,200	41,154,562	16,098,167	4,789,200	68,642,129	2,385,639
NET POSITION						
Net investment in capital assets	56,612,784	58,732,859	43,217,953	12,724,643	171,288,239	11,486,581
Restricted for:						
Pension	325,392	236,127	51,462	350,982	963,963	121,029
Restricted deposits	-	-	-	-	-	1,057,629
Debt service	610,890	1,143,162	-	-	1,754,052	-
Equipment replacement	382,000	3,332,000	-	-	3,714,000	-
Unrestricted (deficit)	6,853,459	10,929,545	2,272,487	(561,048)	19,494,443	13,790,779
TOTAL NET POSITION	\$ 64,784,525	\$ 74,373,693	\$ 45,541,902	\$ 12,514,577	197,214,697	\$ 26,456,018
					Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(102,003)
					NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 197,112,694

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds		
OPERATING REVENUES						
Charges for services	\$ 9,653,806	\$ 9,356,855	\$ 4,370,957	\$ 1,948,499	\$ 25,330,117	\$ 3,376,532
Rental of equipment	-	-	-	-	-	3,071,399
Other	1,552	310,275	(18,500)	350,658	643,985	382,889
Total Operating Revenues	<u>9,655,358</u>	<u>9,667,130</u>	<u>4,352,457</u>	<u>2,299,157</u>	<u>25,974,102</u>	<u>6,830,820</u>
OPERATING EXPENSES						
Personal services	2,043,256	2,504,893	674,709	3,328,326	8,551,184	1,079,979
Contractual services	554,582	1,260,261	600,135	2,055,450	4,470,428	526,621
Supplies and materials	434,843	518,192	5,665	712,111	1,670,811	1,470,996
Utilities	537,357	782,289	97,763	368,043	1,785,452	184,139
Depreciation	1,714,392	2,016,191	926,410	1,027,767	5,684,760	1,473,655
Administrative	492,039	555,360	412,185	174,714	1,634,298	495,257
Claims	-	-	-	-	-	1,395,697
Total Operating Expenses	<u>5,776,469</u>	<u>7,637,186</u>	<u>2,716,867</u>	<u>7,666,411</u>	<u>23,796,933</u>	<u>6,626,344</u>
Operating income (loss)	<u>3,878,889</u>	<u>2,029,944</u>	<u>1,635,590</u>	<u>(5,367,254)</u>	<u>2,177,169</u>	<u>204,476</u>
NONOPERATING REVENUES (EXPENSES)						
Operating grants	-	-	-	3,327,135	3,327,135	-
Investment income	18,015	30,033	5,103	-	53,151	24,137
Net gain (loss) on disposal of capital assets	-	(27,344)	(42,115)	-	(69,459)	(80,260)
Interest and fiscal charges	(274,548)	(1,001,225)	(583,718)	(102,555)	(1,962,046)	-
IRS Build America Bond interest subsidy	-	-	42,049	-	42,049	-
Interest charged to construction	25,154	967,226	19,155	-	1,011,535	-
Total Nonoperating Revenues (Expenses)	<u>(231,379)</u>	<u>(31,310)</u>	<u>(559,526)</u>	<u>3,224,580</u>	<u>2,402,365</u>	<u>(56,123)</u>
Income (loss) before transfers and contributions	<u>3,647,510</u>	<u>1,998,634</u>	<u>1,076,064</u>	<u>(2,142,674)</u>	<u>4,579,534</u>	<u>148,353</u>
Transfers from other funds	-	-	-	3,490,930	3,490,930	62,400
Transfers to other funds	(1,551,000)	-	-	-	(1,551,000)	(200,000)
Total Transfers	<u>(1,551,000)</u>	<u>-</u>	<u>-</u>	<u>3,490,930</u>	<u>1,939,930</u>	<u>(137,600)</u>
Income before contributions	2,096,510	1,998,634	1,076,064	1,348,256	6,519,464	10,753
Capital contributions	<u>994,871</u>	<u>548,300</u>	<u>1,518,506</u>	<u>10,000</u>	<u>3,071,677</u>	<u>10,000</u>
Change in net position	3,091,381	2,546,934	2,594,570	1,358,256	9,591,141	20,753
NET POSITION - Beginning of Year (as restated)	<u>61,693,144</u>	<u>71,826,759</u>	<u>42,947,332</u>	<u>11,156,321</u>		<u>26,435,265</u>
NET POSITION - END OF YEAR	\$ 64,784,525	\$ 74,373,693	\$ 45,541,902	\$ 12,514,577		\$ 26,456,018
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					6,713	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES					\$ 9,597,854	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES						
Cash received from customers	\$ 9,970,872	\$ 9,762,666	\$ 4,540,129	\$ 2,322,923	\$ 26,596,590	\$ 6,688,453
Cash paid to suppliers for goods and services	(1,733,726)	(2,657,801)	(721,833)	(3,488,302)	(8,601,662)	(2,574,146)
Cash paid to employees for services	(2,073,361)	(2,575,887)	(671,903)	(3,294,255)	(8,615,406)	(1,133,062)
Claims paid	-	-	-	-	-	(1,388,052)
Repayment of insurance claims	-	-	-	-	-	108,854
Administrative charges	(408,168)	(477,660)	(401,280)	(56,116)	(1,343,224)	-
Net Cash Flows From (Used By) Operating Activities	<u>5,755,617</u>	<u>4,051,318</u>	<u>2,745,113</u>	<u>(4,515,750)</u>	<u>8,036,298</u>	<u>1,702,047</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES						
Operating grants received	-	-	-	4,546,328	4,546,328	-
Negative cash implicitly financed	-	-	-	(912,689)	(912,689)	-
Transfers from other funds	-	-	-	3,490,930	3,490,930	62,400
Transfers to other funds	(1,551,000)	-	-	-	(1,551,000)	(200,000)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,551,000)</u>	<u>-</u>	<u>-</u>	<u>7,124,569</u>	<u>5,573,569</u>	<u>(137,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	18,015	30,033	5,103	-	53,151	24,137
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES						
Debt issued	-	4,329,987	-	-	4,329,987	-
Debt retired	(210,000)	-	(2,601,762)	-	(2,811,762)	-
Principal paid on advances from other funds	(283,663)	(65,145)	-	-	(348,808)	-
Interest paid on advances from other funds	(71,980)	(33,999)	-	-	(105,979)	-
Special assessments received	85,865	45,190	475	-	131,530	-
Interest paid	(206,540)	(945,719)	(621,515)	-	(1,773,774)	-
Interest subsidy received	-	-	42,113	-	42,113	-
Capital contributions	-	-	9,630	10,000	19,630	10,000
Acquisition and construction of capital assets	(2,567,403)	(6,269,452)	(1,770,741)	(191,929)	(10,799,525)	(1,812,892)
Principal paid on capital advances from other funds	-	-	-	(205,000)	(205,000)	-
Interest paid on capital advances from other funds	-	-	-	(104,066)	(104,066)	-
Proceeds from sale of capital assets	-	-	-	-	-	61,624
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(3,253,721)</u>	<u>(2,939,138)</u>	<u>(4,941,800)</u>	<u>(490,995)</u>	<u>(11,625,654)</u>	<u>(1,741,268)</u>
Net Change in Cash and Cash Equivalents	968,911	1,142,213	(2,191,584)	2,117,824	2,037,364	(152,684)
CASH AND CASH EQUIVALENTS - Beginning of Year	5,560,375	13,441,009	3,794,272	648,270	23,443,926	13,844,689
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,529,286	\$ 14,583,222	\$ 1,602,688	\$ 2,766,094	\$ 25,481,290	\$ 13,692,005
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents per Statement of Net Position	\$ 5,486,861	\$ 9,938,189	\$ 1,602,688	\$ 2,766,094	\$ 19,793,832	\$ 13,400,872
Restricted Cash and Investments						
Current	103,285	1,313,033	-	-	1,416,318	-
Noncurrent	939,140	3,332,000	-	-	4,271,140	291,133
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	\$ 6,529,286	\$ 14,583,222	\$ 1,602,688	\$ 2,766,094	\$ 25,481,290	\$ 13,692,005

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ 3,878,889	\$ 2,029,944	\$ 1,635,590	\$ (5,367,254)	\$ 2,177,169	\$ 204,476
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities						
Noncash items included in income						
Depreciation	1,714,392	2,016,191	926,410	1,027,767	5,684,760	1,473,655
Depreciation charged to other accounts	152,260	1,795	-	-	154,055	-
Change in assets, deferred outflows and liabilities						
Taxes receivable	14,383	16,803	905	-	32,091	-
Accounts receivable	148,871	76,938	186,767	1,676	414,252	(33,513)
Inventories	(86,006)	-	-	(127,896)	(213,902)	(922)
Prepaid items	368	-	-	(8,175)	(7,807)	102,272
Accounts payable	(37,435)	(19,359)	(5,881)	(81,636)	(144,311)	1,517
Due to other funds	-	-	-	(16,864)	(16,864)	-
Accrued liabilities	(111,573)	(97,620)	(21,713)	(93,585)	(324,491)	(33,841)
Other post-employment benefits	79,155	38,218	22,828	134,332	274,533	(19,208)
Unpaid claims	-	-	-	-	-	7,645
Pension related deferrals and asset	2,313	(11,592)	207	(6,205)	(15,277)	(34)
Customer deposits	-	-	-	22,090	22,090	-
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	\$ 5,755,617	\$ 4,051,318	\$ 2,745,113	\$ (4,515,750)	\$ 8,036,298	\$ 1,702,047

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

Developers, customers and other funds contributed capital assets of \$994,871 to the Water Utility, \$548,300 to the Sewer Utility, and \$1,508,876 to the Storm Water Utility; The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2015:

Water Utility	\$ 412,664
Sewer Utility	884,214
Storm Water Utility	169,960
Nonmajor Enterprise Funds	4,965
Internal Service Funds	41,181

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND**

As of December 31, 2015

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 25,579,439
Taxes receivable	<u>39,337,476</u>
TOTAL ASSETS	<u>\$ 64,916,915</u>
LIABILITIES	
Due to other taxing units	<u>\$ 64,916,915</u>
TOTAL LIABILITIES	<u>\$ 64,916,915</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
COMPONENT UNITS
As of December 31, 2015

	Redevelopment Authority	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Nonmajor Component Units	Totals
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 360,345	\$ 24,418	\$ 217,410	\$ 38,061	\$ 640,234
Receivables					
Special assessments	-	80,000	44,000	26,000	150,000
Notes	217,440	-	-	2,678	220,118
Accounts, net	4,387	-	-	-	4,387
Total Current Assets	<u>582,172</u>	<u>104,418</u>	<u>261,410</u>	<u>66,739</u>	<u>1,014,739</u>
NONCURRENT ASSETS					
Notes receivable	60,000	-	-	-	60,000
Property held for resale	1,765,260	-	-	-	1,765,260
Total Noncurrent Assets	<u>1,825,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,825,260</u>
 Total Assets	 <u>2,407,432</u>	 <u>104,418</u>	 <u>261,410</u>	 <u>66,739</u>	 <u>2,839,999</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	850	820	2	748	2,420
Total Current Liabilities	<u>850</u>	<u>820</u>	<u>2</u>	<u>748</u>	<u>2,420</u>
 Total Liabilities	 <u>850</u>	 <u>820</u>	 <u>2</u>	 <u>748</u>	 <u>2,420</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	80,000	44,000	26,000	150,000
Total Deferred Inflows of Resources	<u>-</u>	<u>80,000</u>	<u>44,000</u>	<u>26,000</u>	<u>150,000</u>
NET POSITION					
Restricted for:					
Business improvement	-	23,598	217,408	39,991	280,997
Unrestricted	2,406,582	-	-	-	2,406,582
 TOTAL NET POSITION	 <u>\$ 2,406,582</u>	 <u>\$ 23,598</u>	 <u>\$ 217,408</u>	 <u>\$ 39,991</u>	 <u>\$ 2,687,579</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE
STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2015

	Net (Expenses) Revenues and Changes in Net Position								
	Program Revenues				Redevelopment Authority	South Barstow	North Barstow/ Medical	Nonmajor Component Units	Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Business Improvement District	Business Improvement District		
Redevelopment Authority									
Contractual services	\$ 287,171	\$ 20,475	\$ 129,573	\$ -	\$ (137,123)	\$ -	\$ -	\$ -	\$ (137,123)
Relocation	64,875	-	-	-	(64,875)	-	-	-	(64,875)
Developer incentives	60,000	-	-	-	(60,000)	-	-	-	(60,000)
Loss on sale of property held for resale	162,514	-	-	-	(162,514)	-	-	-	(162,514)
Write-down of property held for resale	521,077	-	-	-	(521,077)	-	-	-	(521,077)
Federal grant funds repaid to City	216,700	-	-	-	(216,700)	-	-	-	(216,700)
Total Redevelopment Authority	1,312,337	20,475	129,573	-	-	-	-	-	-
South Barstow Business Improvement District									
Contractual services	64,255	-	-	-	-	(64,255)	-	-	(64,255)
Supplies and materials	10,586	-	-	-	-	(10,586)	-	-	(10,586)
Total South Barstow Business Improvement District	74,841	-	-	-	-	-	-	-	-
North Barstow/Medical Business Improvement District									
Contractual services	28,272	-	-	-	-	-	(28,272)	-	(28,272)
Total North Barstow/Medical Business Improvement District	28,272	-	-	-	-	-	-	-	-
Nonmajor Component Units	21,949	-	12,750	-	-	-	-	(9,199)	(9,199)
Total Component Units	\$ 1,437,399	\$ 20,475	\$ 142,323	\$ -	(1,162,289)	(74,841)	(28,272)	(9,199)	(1,274,601)
General revenues:									
Special assessments					-	80,000	44,000	26,000	150,000
Investment income					4,956	90	395	65	5,506
Contributions from City					700,000	-	-	-	700,000
Total General Revenues					704,956	80,090	44,395	26,065	855,506
Change in net position					(457,333)	5,249	16,123	16,866	(419,095)
NET POSITION - Beginning of Year					2,863,915	18,349	201,285	23,125	3,106,674
NET POSITION - END OF YEAR	\$ 2,406,582	\$ 23,598	\$ 217,408	\$ 39,991	\$ 2,687,579				

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

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE	<u>Page</u>
I. Summary of Significant Accounting Policies	18
A. Reporting Entity	18
B. Government-Wide and Fund Financial Statements	19
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	23
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	24
1. Deposits and Investments	24
2. Receivables	27
3. Inventories and Prepaid Items	28
4. Restricted Assets	28
5. Capital Assets	28
6. Deferred Outflows of Resources	29
7. Compensated Absences	30
8. Long-Term Obligations/Conduit Debt	30
9. Deferred Inflows of Resources	30
10. Equity Classifications	31
11. Prior Period Information	32
12. Basis for Existing Rates	33
II. Stewardship, Compliance, and Accountability	33
A. Budgetary Information	33
B. Limitations on the City Tax Levy	33
C. Deficit Balances	34
III. Detailed Notes on All Funds	34
A. Deposits and Investments	34
B. Receivables	38
C. Restricted Assets	40
D. Capital Assets	41
E. Interfund Receivables/Payables, Advances and Transfers	44
F. Long-Term Obligations	48
G. Net Position/Fund Balances	52
H. Restatement of Net Position	54
I. Component Units	55
J. Tax Incremental Financing Districts	58
IV. Other Information	60
A. Employees' Retirement System	60
B. Risk Management	65
C. Commitments and Contingencies	67
D. Post-Employment Benefits Other Than Pensions	69
E. Contingent Receivables	71
F. Contingent Liabilities	71
G. Related Parties	71
H. Related Organizations	72
I. Subsequent Events	72
J. Effect of New Accounting Standards on Current- Period Financial Statements	72

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Eau Claire, Wisconsin (City) 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 the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit 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 or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

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, 2015. 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 South Barstow Business Improvement District, North Barstow/Medical Business Improvement District, West Grand Business Improvement District, and the Water Street 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 major component units, the financial statements of the South Barstow Business Improvement District and the North Barstow/Medical Business Improvement District have been presented as discrete columns in the financial statements. As nonmajor component units, the remaining 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, 2015. Separate financial statements are not issued by the BIDs.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Government-Wide Financial Statements (cont.)

The statement of net position 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 non-exchange 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.

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 City 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

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/deferred outflows of resources, liabilities/deferred inflows of resources, 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.

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 and report all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – accounts for and reports resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise 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.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Cemetery Maintenance
- Hazardous Materials Response
- Community Development
- Home Grant
- Police Department K9
- Economic Development
- Community Enhancement
- Public Library
- City-County Health Department
- Downtown
- Former Landfill Escrow

Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

- Debt Service – TIF No. 5
- Debt Service – TIF No. 6
- Debt Service – TIF No. 7

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- TIF No. 5 Gateway Northwest Business Park
- TIF No. 8 Downtown Development
- TIF No. 9 Gateway Northwest Business Park Overlay
- TIF No. 10 Confluence Project
- Bridge Projects
- Street Projects
- Land, Buildings and Equipment
- Parks and Recreation Projects
- Environmental Improvements
- 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
- Public Transit

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 As of and for the Year Ended December 31, 2015

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 position 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 inflows. 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.

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 Utilities 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.

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 inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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 unavailable 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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 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 other enterprise funds 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.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION 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, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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

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

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

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. Treasury 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Concentration of Credit Risk (cont.)

Investments shall be diversified by:

1. Limiting investments to avoid concentration in securities from a specific issuer or business sector (excluding U.S. Treasury 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.

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 one day's notice. At December 31, 2015, 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. 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 statement of assets and liabilities – agency fund.

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

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, Community Enhancement Fund, Public Library Fund, and City-County Health Department Fund have recorded allowances of \$2,483,375, \$21,147, \$110,451, and \$5,303, 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 position. 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 nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

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 \$81,000.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

It is the City's policy to record unavailable 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 restricted 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 using the consumption method.

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.

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 \$291,133. 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, which include property, plant and equipment, are reported in the government-wide financial 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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, \$1,011,535 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 and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization 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
Intangibles	3-40 Years
Infrastructure	10-30 Years

Fund Financial Statements

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

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises 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. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

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. Only benefits considered to be vested are disclosed in these statements.

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 resources.

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, 2015 are determined on the basis of current salary rates and include salary related payments.

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, other post-employment benefits 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.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

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 \$1,243,780, made up of one issue.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications

Government–Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position 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 position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The net position 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.

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances 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. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City Council has, by resolution, adopted a financial policy authorizing the City Manager and Finance Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

In cases where multiple types of fund balance are available to pay for expenditures, restricted resources will be used first, followed by committed, assigned, and finally unassigned.

The City has adopted a minimum fund balance policy. The policy is to maintain unassigned fund balance at a level equal to a minimum of 15% of the ensuing year's budgeted General Fund expenditures, with a target of 20% for cash flow and contingency purposes. The balance at year end was \$15,802,442, or 26%, and included as unassigned General Fund balance. Of that amount, \$6,180,800 is designated for working capital.

See Note III.G for further information.

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, 2014, from which the summarized information was derived.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

12. Basis for Existing Rates

Water Utility

Current rates in the Water Utility were approved by the Public Service Commission of Wisconsin and effective on April 1, 2014.

Sewer Utility

Current rates in the Sewer Utility were approved by the City Council on November 11, 2014 and effective January 1, 2015.

Storm Water Utility

Current rates in the Storm Water Utility were approved by the City Council on November 11, 2014 and effective January 1, 2015.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for all funds except for the Police Department K9 fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

B. LIMITATIONS ON THE CITY TAX LEVY

Wisconsin law 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 zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

C. DEFICIT BALANCES

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

As of December 31, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Home Grant	\$ 25,663	Expenditures in excess of revenues
Debt Service – TIF No. 7	379,250	Expenditures in excess of revenues
Bridge Projects	521,065	Expenditures in excess of revenues

TIF district deficit is 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. The Bridge Projects and Home Grant fund deficits are anticipated to be funded with future grant revenues.

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 which is recorded on the statement of net position as follows:

Per statement of net position	
Cash and investments	\$ 73,628,145
Restricted cash and investments	11,871,038
Per statement of assets and liabilities – agency fund	<u>25,579,439</u>
Total	<u>\$ 111,078,622</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 5,885
Deposits with financial institutions	43,971,913
Investments	<u>67,100,824</u>
Total Cash and Investments	<u>\$ 111,078,622</u>

See Note III.I. for component unit information.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 43,971,913	\$ 45,322,878	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in determining custodial credit risk.

The City maintains collateral agreements with its bank. At December 31, 2015, the bank had obtained a letter of credit in the amount of \$60,000,000 to secure the City's deposits.

Investments

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

	Carrying Value	Associated Risks
U.S. agencies implicitly guaranteed	\$ 18,998,650	Custodial credit risk, concentration of credit risk, credit risk, interest rate risk
U.S. agencies explicitly guaranteed	10,951,210	Custodial credit risk, interest rate risk
LGIP	37,150,964	Credit risk
Total Cash and Investments	\$ 67,100,824	

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

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. 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 deposits or 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, 2015, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investor Service</u>
U.S. agencies – implicitly guaranteed	Aaa

The City also had investments in the external Wisconsin Local Government Investment Pool which is not rated.

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.

At December 31, 2015, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
FHLB	U.S. agencies – implicitly guaranteed	16%
FFCB	U.S. agencies – implicitly guaranteed	12%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2015, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FFCB Callable	09/05/17	12/01/16	\$ 2,000,020
FFCB Callable	09/05/17	12/01/16	2,000,020
FFCB Callable	10/23/17	12/01/16	2,000,020
FNMA One-Time Call	02/13/18	02/13/17	1,993,940
FHLB Callable	02/26/18	02/26/16	2,000,320
FFCB Callable	04/05/18	04/05/16	2,000,760
FHLB One-Time Call	05/25/18	08/25/16	2,992,590
FHLMC Bullet	06/27/18	N/A	2,991,870
FHLB One-Time Call	09/03/18	09/03/16	2,000,400
FHLB One-Time Call	10/28/19	10/28/16	2,003,040
FHLMC Callable	11/02/20	11/02/16	2,000,880
FHLB Callable	05/14/20	02/14/16	2,001,480
FHLMC Callable	10/29/20	01/29/16	1,976,820
FHLMC Callable	12/30/20	06/30/16	1,987,700
Total			<u>\$ 29,949,860</u>

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

B. RECEIVABLES

Receivables (including due from other governments) 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	\$ 43,932,518	\$ 2,483,375	\$ 41,449,143	\$ 4,450,948
Debt Service - General	955,226	-	955,226	613,011
Nonmajor Funds	12,659,629	217,901	12,441,728	2,989,186
Internal Service Funds	242,346	-	242,346	50,633

Business-type Activities

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,655,494	-	\$ 2,655,494	\$ 574,261
Sewer Utility	2,678,102	-	2,678,102	552,560
Storm Water Utility	977,732	-	977,732	2,244
Nonmajor Funds	915,825	-	915,825	2,167

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned 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 *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable	\$ 40,944,712	\$ -
Delinquent property taxes receivable	-	122,566
Interest receivable	-	61,107
Accounts receivable	-	1,728,176
Loans receivable	-	3,095,835
Special assessments not yet due	-	6,402,139
Grants receivable	216,516	993,935
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 41,161,228	\$ 12,403,758

Notes Receivable

At December 31, 2015, the General Fund has one note receivable for \$25,000. The note will be paid by the Chippewa Valley Innovation 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 \$1,840,786 at December 31, 2015, with maturities to the year 2035. The balance includes 161 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 Economic Development Special Revenue Fund has notes receivable of \$1,255,048 at December 31, 2015. This balance is comprised of 15 different loans to a variety of businesses and not-for-profits.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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.
- Reserve – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction – Used to report proceeds of bond issuances that are restricted for use in construction.

Equipment Replacement Account

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

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2015:

	Governmental Activities	Business-type Activities
Restricted Assets		
Restricted cash and investments		
Redemption account	\$ -	\$ 1,416,318
Reserve account	-	557,140
Depreciation account	-	1,314,000
Equipment replacement account	-	2,400,000
Revolving loan sequestered funds	453,951	-
Construction account	5,438,496	-
Insurance claims account	291,133	-
Total Restricted cash and investments	6,183,580	5,687,458
Net pension asset	6,696,506	963,963
Total Restricted Assets	\$ 12,880,086	\$ 6,651,421

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated/ Amortized				
Construction in progress	\$ 14,991,476	\$ 11,999,591	\$ 13,810,142	\$ 13,180,925
Land	<u>16,924,122</u>	<u>1,064,554</u>	<u>295,159</u>	<u>17,693,517</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>\$ 31,915,598</u>	<u>\$ 13,064,145</u>	<u>\$ 14,105,301</u>	<u>\$ 30,874,442</u>
Capital Assets Being Depreciated/ Amortized				
Land improvements	\$ 10,935,577	\$ 884,765	\$ 699,519	\$ 11,120,823
Buildings	23,049,209	3,340,478	-	26,389,687
Machinery and equipment	33,703,598	5,010,852	1,155,319	37,559,131
Intangibles	7,745,855	28,954	-	7,774,809
Infrastructure	<u>181,683,474</u>	<u>10,204,488</u>	<u>2,651,719</u>	<u>189,236,243</u>
Total Capital Assets Being Depreciated/Amortized	<u>257,117,713</u>	<u>19,469,537</u>	<u>4,506,557</u>	<u>272,080,693</u>
Less: Accumulated Depreciation/ Amortization for				
Land improvements	(4,779,014)	(544,447)	448,359	(4,875,102)
Buildings	(12,955,562)	(597,379)	-	(13,552,941)
Machinery and equipment	(20,181,539)	(2,653,751)	791,313	(22,043,977)
Intangibles	(336,371)	(267,737)	-	(604,108)
Infrastructure	<u>(77,917,195)</u>	<u>(5,346,713)</u>	<u>1,949,007</u>	<u>(81,314,901)</u>
Total Accumulated Depreciation/Amortization	<u>(116,169,681)</u>	<u>(9,410,027)</u>	<u>3,188,679</u>	<u>(122,391,029)</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>\$ 140,948,032</u>	<u>\$ 10,059,510</u>	<u>\$ 1,317,878</u>	<u>\$ 149,689,664</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 240,122
Public safety	1,126,755
Public works, which includes the depreciation of infrastructure	6,429,417
Health services	19,116
Culture and recreation	1,581,062
Development	<u>13,555</u>
 Total Governmental Activities Depreciation/Amortization Expense	 <u><u>\$ 9,410,027</u></u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital Assets Not Being Depreciated/Amortized				
Construction in progress	\$ 37,912,791	\$ 6,088,127	\$ 5,677,320	\$ 38,323,598
Land	<u>17,133,895</u>	<u>9,630</u>	<u>-</u>	<u>17,143,525</u>
 Total Capital Assets Not Being Depreciated/Amortized	 <u><u>\$ 55,046,686</u></u>	 <u><u>\$ 6,097,757</u></u>	 <u><u>\$ 5,677,320</u></u>	 <u><u>\$ 55,467,123</u></u>
 Capital Assets Being Depreciated/ Amortized				
Improvements	\$ 3,949,695	\$ 63,545	\$ 2,225	\$ 4,011,015
Buildings	42,066,445	67,798	-	42,134,243
Distribution and collection systems	189,460,353	9,141,010	485,730	198,115,633
Source of supply system	903,612	-	-	903,612
Machinery and equipment	20,831,623	4,312,532	-	25,144,155
Intangibles	<u>45,080</u>	<u>-</u>	<u>-</u>	<u>45,080</u>
 Total Capital Assets Being Depreciated/Amortized	 <u><u>257,256,808</u></u>	 <u><u>13,584,885</u></u>	 <u><u>487,955</u></u>	 <u><u>270,353,738</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated Depreciation/ Amortization for				
Improvements	\$ (2,457,403)	\$ (116,933)	\$ -	\$ (2,574,336)
Buildings	(21,911,407)	(1,198,170)	-	(23,109,577)
Distribution and collection systems	(52,333,581)	(3,480,582)	416,270	(55,397,893)
Source of supply system	(791,277)	(8,636)	-	(799,913)
Machinery and equipment	(12,355,965)	(1,040,098)	-	(13,396,063)
Intangibles	(2,549)	(6,118)	-	(8,667)
Total Accumulated Depreciation/Amortization	(89,852,182)	(5,850,537)	416,270	(95,286,449)
Total Capital Assets, Being Depreciated/Amortized, Net	\$ 167,404,626	\$ 7,734,348	\$ 71,685	\$ 175,067,289

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,714,392
Sewer	2,016,191
Storm Water	926,410
Parking Utility	207,684
Hobbs Ice Center	389,143
Outdoor Pool	68,775
Public Transit	362,165

Total Business-type Activities Depreciation/Amortization Expense \$ 5,684,760

Depreciation expense may be different from business-type activity accumulated depreciation/amortization additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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 – Home Grant	\$ 50,952
General Fund	Capital Projects – Bridge Projects	426,688
General Fund	Enterprise – Public Transit	569,753
General Fund	Enterprise – Hobbs Ice Center	47,395
Sub-total – Fund Financial Statements		1,094,788
Less: Fund eliminations		(477,640)
Total interfunds		617,148
Government-wide net interfund advances		4,148,513
Adjustment to reflect internal service fund activities related to enterprise funds		102,003
Total Internal Balances – Government-Wide Statement of Net Position		\$ 4,867,664

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.

Advances

The General Fund is advancing funds to the Water Utility, Sewer Utility, Hobbs Ice Center and TIF No. 7. The General Fund is charging the Water Utility, Sewer Utility and Hobbs Ice Center interest on the advances based on the balance outstanding before the principal payment for the current year. The interest rate on the Water Utility advance is 5.80-7.70%. The rate being charged on the Sewer Utility advance is 7.25%. The rate being charged on the Hobbs advances is 1.60-5.10%. The interest being charged to TIF No. 7 is based on the lesser of the average cost of borrowing funds from external markets for the current year or the average rate of return on investments from the preceding 12 months. The rate being charged on the TIF No. 7 advances is 1.00-4.00%.

The General Debt Service Fund is advancing funds to TIF No. 7. The General Debt Service Fund is charging TIF No.7 interest on the advances based on the balance outstanding before the principal payment for the current year. The rate being charged on the advances is 2.00-4.00%.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Advances (cont.)

The Economic Development, Streets Capital Projects and Risk Management Funds are advancing funds 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 1.85-6.15%.

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	\$ 684,711	\$ 380,082
General Fund	Sewer Utility	403,802	333,934
General Fund	Enterprise – Hobbs Ice Center	3,060,000	2,850,000
General Fund	Debt Service – TIF No. 7	111,145	111,145
General Debt Service	Debt Service – TIF No. 7	268,200	268,200
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		7,766,558	
Less: Fund eliminations		<u>(3,618,045)</u>	
Total Net Government-Wide Advances		<u><u>\$ 4,148,513</u></u>	

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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. 7 and 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>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 584,497	\$ 178,008	\$ 762,505
2017	473,105	143,617	616,722
2018	492,276	117,365	609,641
2019	2,506,193	53,063	2,559,256
2020	92,442	6,702	99,144
Totals	<u>\$ 4,148,513</u>	<u>\$ 498,755</u>	<u>\$ 4,647,268</u>

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>
General Fund	Community Enhancement	\$ 115,000	To fund general fund special events
	Water Utility	1,551,000	Payment in lieu of tax
Internal Service			
Central Equipment	Land, Buildings and Equipment	62,400	Software for CSO vehicle
Special Revenue			
Cemetery Maintenance	General Fund	279,687	Operating subsidy
Economic Development	General Fund	100,000	General support
City-County Health Department	Community Development	43,402	Fund code enforcement project
Downtown	Economic Development	80,000	Operating subsidy
Debt Service			
Debt Service – General	General Fund	7,791,615	Debt service payments
Debt Service – General	Public Library	39,773	Debt service payments
	City-County Health Department		
Debt Service – General		31,013	Debt service payments
Debt Service – TIF No. 5	TIF No. 5 Gateway NW Business Park	530,714	Close out capital projects fund

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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
Capital Projects			
Street Projects	General Fund	\$ 1,178,500	Fund various projects
Street Projects	Community Development	70,200	Fund alley improvements
Land, Buildings and Equipment	General Fund	1,630,300	Fund various projects
Bridge Projects	General Fund	9,200	Fund bridge renovations
Parks and Recreation	General Fund	542,063	Fund park development projects
Parks and Recreation	Community Enhancement	200,000	Fund park development projects
Environmental Improvement	Risk Management	200,000	Fund environmental projects
Library Buildings & Equipment	Public Library	190,000	Fund facility improvements
Enterprise			
Public Transit	General Fund	720,203	Operating subsidy
Parking Utility	General Fund	2,300,000	Fourth level of new parking ramp
Parking Utility	General Fund	34,428	Operating subsidy
Hobbs Ice Center	General Fund	141,740	Operating subsidy
Hobbs Ice Center	Community Enhancement	85,000	Facility improvements
Hobbs Ice Center	Community Enhancement	65,000	Subsidize facilities improvements
Outdoor Pool	General Fund	54,559	Operating subsidy
Outdoor Pool	General Fund	40,000	Subsidize facilities improvements
Outdoor Pool	Community Enhancement	<u>50,000</u>	Subsidize facilities improvements
Sub-total – Fund Financial Statements		18,135,797	
		(20,075,727)	
Less: Fund eliminations		(20,075,727)	
Less: Capital assets transferred to Business-type activities		<u>(1,812,970)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (3,752,900)</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 As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 80,593,775	\$ 16,150,000	\$ 11,193,238	\$ 85,550,537	\$ 7,835,792
Add/(Subtract):					
Premiums/(discounts)	854,473	321,831	83,500	1,092,804	-
Sub-totals	81,448,248	16,471,831	11,276,738	86,643,341	7,835,792
Other Liabilities					
Vested compensated absences	2,263,218	2,507,237	2,589,173	2,181,282	2,154,826
Police and fire pensions	171,314	-	70,547	100,767	16,169
Permanent disability	266,826	-	9,249	257,577	27,980
Other post-employment benefits	18,391,997	2,618,822	-	21,010,819	-
Unpaid self-insurance claims	1,969,766	805,927	798,282	1,977,411	220,000
Total Other Liabilities	23,063,121	5,931,986	3,467,251	25,527,856	2,418,975
Total Governmental Activities Long-Term Liabilities	\$ 104,511,369	\$ 22,403,817	\$ 14,743,989	\$ 112,171,197	\$ 10,254,767
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 18,166,225	\$ -	\$ 2,601,762	\$ 15,564,463	\$ 1,424,208
Revenue bonds	39,466,371	4,329,987	210,000	43,586,358	1,941,037
Add/(Subtract):					
Premiums/(discounts)	223,211	-	31,072	192,139	-
Sub-totals	57,855,807	4,329,987	2,842,834	59,342,960	3,365,245
Other Liabilities					
Vested compensated absences	450,444	544,067	597,590	396,921	396,921
Other post-employment benefits	1,515,177	274,533	-	1,789,710	-
Total Other Liabilities	1,965,621	818,600	597,590	2,186,631	396,921
Total Business-type Activities Long-Term Liabilities	\$ 59,821,428	\$ 5,148,587	\$ 3,440,424	\$ 61,529,591	\$ 3,762,166

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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, 2015 was \$233,222,605. The City has a policy that indebtedness may not exceed 3.5% of the equalized value of taxable property within the City's jurisdiction. That limit as of December 31, 2015 was \$163,255,824. Total general obligation debt outstanding at year end was \$101,115,000 and resources on hand for payment of debt were \$6,273,403.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-15
Governmental Activities					
General Obligation Bonds					
Corporate purpose	08/01/06	04/01/26	4.125-5.0%	\$ 5,125,000	\$ 2,460,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	4,640,000
Tax incremental bonds	05/01/07	04/01/25	4.0-5.0%	1,440,000	930,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	4,775,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	3,895,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	645,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	6,340,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	6,815,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	3,180,000
Corporate purpose	08/17/10	04/01/30	4.25-5.5%	3,210,000	3,210,000
Corporate purpose	08/17/10	04/01/20	1.0-2.85%	3,975,000	2,055,000
Corporate purpose	08/17/10	04/01/21	1.5-3.0%	4,585,000	2,855,000
Corporate purpose	08/01/11	04/01/31	2.0-4.0%	6,350,000	5,255,000
Corporate purpose	08/01/11	04/01/21	2.0-2.75%	2,160,000	1,300,000
Corporate purpose	08/28/12	04/01/32	2.0-2.625%	5,640,000	4,955,000
Corporate purpose	08/28/12	04/01/22	0.35-1.65%	4,335,000	2,790,000
Corporate purpose	08/15/13	04/01/33	2.0-4.25%	14,145,000	13,085,000
Corporate purpose	08/15/13	04/01/23	2.0-3.0%	9,380,000	7,665,000
Corporate purpose	09/03/14	04/01/34	3.0-4.0%	4,720,000	4,405,000
Corporate purpose	09/03/14	04/01/24	2.0-3.0%	4,100,000	3,710,000
Corporate purpose	08/18/15	04/01/25	2.0-3.0%	4,340,000	4,340,000
Tax incremental bonds	08/18/15	04/01/25	3.0%	11,810,000	<u>11,810,000</u>
Total General Obligation Debt					101,115,000
Less: Business-type Activities portion of G.O. Bonds					<u>(15,564,463)</u>
Total – Governmental Activities – G.O. Bonds					<u>\$ 85,550,537</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 7,835,792	\$ 3,013,810	\$ 1,424,208	\$ 533,268
2017	7,778,573	2,710,418	1,471,427	488,746
2018	6,983,919	2,471,251	1,391,081	443,194
2019	8,761,710	2,196,948	1,323,290	399,352
2020	5,654,154	1,943,084	1,240,846	357,501
2021 - 2025	30,536,389	6,898,309	4,613,611	1,246,428
2026 - 2030	13,615,000	2,163,403	3,300,000	455,683
2031 - 2034	4,375,000	254,281	800,000	37,704
Totals	<u>\$ 85,550,537</u>	<u>\$ 21,651,504</u>	<u>\$ 15,564,463</u>	<u>\$ 3,961,876</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water Utility and Sewer Utility.

The Water Utility has pledged future water revenues, net of specified operating expenses to repay \$5,825,000 in water revenue bonds issued from 2007 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 \$5,972,403. Principal and interest paid for the current year and total customer net revenues were \$416,540 and \$5,611,296, respectively. Annual principal and interest payments are expected to require 5% of Water Utility revenues through 2028.

The Sewer Utility has pledged future sewer revenues, net of specified operating expenses to repay \$39,046,358 in sewer revenue bonds issued in 2013. Proceeds from the bonds provided financing for treatment plant upgrades. The bonds are payable solely from sewer revenues and are payable through 2033. The bonds require net revenues of 1.10 times annual principal and interest payments on outstanding bonds. The total principal and interest remaining to be paid on the bonds are \$48,949,621. Principal and interest paid for the current year and total customer net revenues were \$945,719 and \$4,076,168, respectively. Annual principal and interest payments are expected to require 28% of Sewer Utility revenues through 2033.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2015 consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-15</u>
<u>Water Utility</u>					
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	\$ 2,000,000	\$ 1,215,000
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	3,825,000	<u>3,325,000</u>
Total Water Utility					4,540,000
<u>Sewer Utility</u>					
Revenue bonds*	06/12/13	05/01/33	2.617%	\$ 39,046,358	<u>39,046,358</u>
Total – Business-type Activities – Revenue Debt					<u>\$ 43,586,358</u>

* During 2013 the Sewer Utility was authorized to issue \$41,395,988 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2015. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 1,941,037	\$ 1,196,089	\$ 3,137,126
2017	2,081,208	1,143,037	3,224,245
2018	2,197,560	1,083,678	3,281,238
2019	2,255,126	1,019,540	3,274,666
2020	2,308,936	953,141	3,262,077
2021 - 2025	12,197,733	3,721,793	15,919,526
2026 - 2030	12,774,481	1,907,482	14,681,963
2031 - 2033	<u>7,830,277</u>	<u>310,906</u>	<u>8,141,183</u>
Totals	<u>\$ 43,586,358</u>	<u>\$ 11,335,666</u>	<u>\$ 54,922,024</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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 water system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issues. The City's water system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

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 August 18, 2015, the City issued \$3,590,000 in general obligation bonds with an interest rate of 2.0-3.0% to current refund \$3,725,000 of outstanding general obligation bonds and notes with an interest rate of 3.5-4.25%. The net proceeds along with existing funds of the City were used to prepay the outstanding debt.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$4,241,908 from 2016 through 2025. The cash flow requirements on the refunding bonds are \$3,926,205 from 2016 through 2025. 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 \$298,167.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Construction in progress	\$ 13,180,925
Land	17,693,517
Other capital assets, net of accumulated depreciation/amortization	149,689,664
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(74,468,508)</u>
Total Net Investment in Capital Assets	<u>\$ 106,095,598</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

	General Fund	Debt Service - General	Nonmajor Funds	Totals
Fund Balances				
Nonspendable:				
Long-term notes receivable	\$ 25,000	\$ -	\$ -	\$ 25,000
Long-term advances to other funds	3,675,161	-	-	3,675,161
Prepaid items and inventories	949,477	-	124,461	1,073,938
Restricted for:				
Debt service	-	5,359,629	1,293,024	6,652,653
Capital contracts	-	-	379,693	379,693
Cemetery maintenance	-	-	173,440	173,440
Hazardous materials	-	-	133,609	133,609
Community development	-	-	254,279	254,279
Police department K9	-	-	571,467	571,467
Economic development	-	-	2,594,142	2,594,142
Community enhancement	-	-	155,266	155,266
Public library	-	-	770,218	770,218
City-county health	-	-	984,710	984,710
Downtown	-	-	77,849	77,849
TIF #9 projects	-	-	292,059	292,059
TIF #10 projects	-	-	8,659	8,659
Bond construction	-	-	3,612,190	3,612,190
Library capital projects	-	-	427,516	427,516
Building Bridges program	75,000	-	-	75,000
Assigned for:				
Capital projects	2,020,800	-	6,237,008	8,257,808
Carryover – 2015 budget	28,600	-	-	28,600
Highway 53 maintenance	2,093,312	-	-	2,093,312
YMCA land sale	429,341	-	-	429,341
Turf financing	43,012	-	-	43,012
Unassigned (deficit):	15,802,442	-	(3,918,474)	11,883,968
Total Fund Balances	\$ 25,142,145	\$ 5,359,629	\$ 14,171,116	\$ 44,672,890

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Construction in progress	\$ 38,323,598
Land	17,143,525
Other capital assets, net of accumulated depreciation	175,067,289
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(59,246,173)</u>
Total Net Investment in Capital Assets	<u><u>\$ 171,288,239</u></u>

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements.

The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Internal Service Funds
Net Position – December 31, 2014 (as reported)	\$ 148,070,576	\$ 185,571,120	\$ 26,191,225
Add: Net pension asset	10,850,920	1,563,020	196,242
Add: Deferred outflows related to pensions	<u>2,647,078</u>	<u>380,700</u>	<u>47,798</u>
Net Position – December 31, 2014 (as restated)	<u><u>\$ 161,568,574</u></u>	<u><u>\$ 187,514,840</u></u>	<u><u>\$ 26,435,265</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

H. RESTATEMENT OF NET POSITION (cont.)

	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds
Net Position – December 31, 2014 (as reported)	\$ 61,037,027	\$ 71,350,637	\$ 42,843,565	\$ 10,448,607
Add: Net pension asset	527,609	382,868	83,443	569,100
Add: Deferred outflows related to pensions	128,508	93,254	20,324	138,614
Net Position – December 31, 2014 (as restated)	\$ 61,693,144	\$ 71,826,759	\$ 42,947,332	\$ 11,156,321

I. COMPONENT UNITS

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 position 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.

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 \$360,345. 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

I. COMPONENT UNITS (cont.)

Redevelopment Authority (cont.)

c. Notes Receivable

The RDA sold property in exchange for a note receivable of \$600,000 in 2007. On December 31, 2015, the remaining balance on the note was \$120,000. The note is subject to an annual land credit calculation.

In 2011, the RDA sold property in exchange for a note receivable of \$161,700. Principal and interest on the note are due in one lump sum payment in 2016; interest is added annually. On December 31, 2015 the outstanding balance including accrued interest was \$157,440.

No allowance for uncollectible notes is considered necessary. The amount of notes receivable not expected to be collected within one year was \$60,000 as of December 31, 2015.

d. Property Held for Resale

To further its objectives, the RDA purchases and holds property for resale. As such, this property is presented as an asset at the lower of cost or market.

Property held for resale activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Property held for resale	<u>\$ 1,867,925</u>	<u>\$ 581,811</u>	<u>\$ (163,399)</u>	<u>\$ (521,077)</u>	<u>\$ 1,765,260</u>

Adjustments were due to the write-down of property held for resale to lower of cost or market.

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 As of and for the Year Ended December 31, 2015

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

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 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. As of January 1, 2010, PPL had met the property valuation required for the full annual land credit on the note receivable. No further payments are expected to be collected. The credit awarded in 2015 was \$60,000.

In addition, PPL shall receive from the City an annual developer incentive 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 up to \$1.5 million. In calculating the amount due to PPL, the incremental increased fair market value of the Phase I property excludes the \$600,000 purchase price discussed above. Also, the developer incentive payment due to PPL shall be reduced each year by the amount corresponding to the Redevelopment Land Credit discussed above. PPL shall receive annual developer incentive payments on the Phase I property until they have received a maximum \$900,000 payment (paid by TIF #8) or until the termination of the District, whichever occurs first.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

I. COMPONENT UNITS (cont.)

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 unavailable revenue or nonspendable fund balance.

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:

South Barstow	<u>\$ 24,418</u>
North Barstow/Medical	<u>\$ 217,410</u>
West Grand	<u>\$ 14,305</u>
Water Street	<u>\$ 23,756</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 (TIDs) created in prior years and one Tax Incremental Financing District (TID) created during 2015 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. These costs are recovered 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. Wisconsin statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the termination date, whichever occurs first. The City of Eau Claire must absorb project costs that are not recovered from tax increment by the District's dissolution date.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

J. TAX INCREMENTAL FINANCING DISTRICTS (cont.)

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	10/08/2014	10/08/2019
TIF No. 6	1997	N/A	01/28/2015	01/28/2020
TIF No. 7	1997	02/24/2004	03/11/2019	03/11/2024
TIF No. 8	2003	04/10/2007	09/24/2024	09/24/2029
TIF No. 9	2008	N/A	09/09/2023	09/09/2028
TIF No. 10	2015	N/A	10/14/2036	10/14/2041

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, 2015.

Project Costs	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8	TIF No. 9	TIF No. 10
Capital expenditures	\$ 8,905,148	\$ 1,430,256	\$ 1,557,146	\$ 17,699,335	\$ -	\$ -
Interest and fiscal charges	3,217,307	730,356	1,184,102	3,656,073	900	3,000
Development, marketing, bond issuance costs	17,884	-	-	292,795	1,000	2,678,555
Total Project Costs	12,140,339	2,160,612	2,741,248	21,648,203	1,900	2,681,555
Project Revenues						
Tax increments	8,976,023	1,966,693	1,698,759	5,598,185	290,235	-
Interest income and misc. revenue	1,221,657	239,683	373,239	1,458,528	3,724	35,540
Grants and donations	-	-	-	503,008	-	-
Special assessments revenue	-	227,679	-	-	-	-
Total Project Revenues	10,197,680	2,434,055	2,071,998	7,559,721	293,959	35,540
Net Recoverable Costs (Refundable)	\$ 1,942,659	\$ (273,443)	\$ 669,250	\$ 14,088,482	\$ (292,059)	\$ 2,646,015

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pension. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. 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 participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,027,778 in contributions from the City.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015, the City reported an asset of \$7,660,469 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.31187361%, which was a decrease of 0.00300135% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$2,820,715.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 1,110,529
Net differences between projected and actual earnings on pension plan investments	3,709,569
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,517
Employer contributions subsequent to the measurement date	<u>3,087,697</u>
Totals	<u>\$ 7,988,312</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

\$3,087,697 reported as deferred outflows related to pension resulting from the WRS Employer’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 1,198,936
2017	1,198,936
2018	1,198,936
2019	1,198,936
2020	104,871

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset (liability)	\$ (21,611,502)	\$ 7,660,469	\$ 30,778,289

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; including damage, theft or destruction of assets, errors and omissions; worker's compensation, health care of its employees and natural disasters. The City purchases commercial insurance to provide coverage for employee health, auto and general liability, property damage and boiler and machinery loss. Excess insurance for worker's compensation is also purchased; however, worker's 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 \$550,000 per incident. The City has purchased excess insurance from Safety National Insurance Company 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

The unpaid claims liability of \$1,977,411 at December 31, 2015 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 \$1,430,660 of potential workers compensation claims and \$546,751 for potential liability claims. Changes in unpaid claims liabilities in the current and prior year were:

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 1,709,103	\$ 1,969,766
Current year claims and changes in estimates	1,395,615	805,927
Claim payments	<u>(1,134,952)</u>	<u>(798,282)</u>
Unpaid Claims – End of Year	<u>\$ 1,969,766</u>	<u>\$ 1,977,411</u>

Public Entity Risk Pool

Transit Mutual Insurance Corporation of Wisconsin (TMI)

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

In 2015, TMI issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000. In addition, the City's policy provides \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

The physical damage policy issued by TMI to the City provides collision and comprehensive coverage for the lesser of the agreed value or the cost of repairs minus a \$500 per accident deductible for private passenger and service units and a \$1,000 per accident deductible for bus units.

Management of TMI 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 corporation beyond its representation on the board of directors.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, 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 premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 2.99% for auto liability and 3.51% of physical damage liability. A list of the other members and their share of participation is available in the TMI report which is available from TMI, 400 N. Richmond Street, Suite J, Appleton, WI 54915-1483 or by email from tmi@new.rr.com.

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 2015, with an annual cap of \$10,000,000. The policy is nonassessable, 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 3.19%.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditures for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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.

The City has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

At December 31, 2015, 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 restrictions of net position have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
Street Projects	\$ 993,661
Bridge Projects	303,617
Land, Buildings and Equipment	100,968
Parks and Recreation Projects	3,599
Environmental Improvements	81,361
Library Buildings & Equipment	11,081
TIF #8 Downtown	3,759,098
TIF #10 Confluence	<u>295,000</u>
Total Committed Construction	<u>\$ 5,548,385</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 3,252,319
Sewer Utility	720,180
Storm Water Utility	125,074
Parking Utility	2,215,795
Public Transit	41,232
Outdoor Pool	1,872
Central Equipment	<u>113,299</u>
Total Committed Construction and Equipment	<u>\$ 6,469,771</u>

During 2014, the City entered into a 20 year lease commencing January 1, 2014 and continuing through December 31, 2033 to operate a Joint Law Enforcement Center within the Eau Claire County Courthouse. The lease may be extended for up to two additional ten-year terms at the option of the City. The monthly rental rate is adjusted annually based on actual operational costs. The total rental payments made in 2015 were \$273,798.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

D. POST-EMPLOYMENT 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 for represented employees are established through collective bargaining agreements with the Police, Fire and Transit unions and may be amended only through negotiations between the City and the union. Non-represented employees hired through December 31, 2013 also receive retiree health insurance benefits as established in the employee handbook. Under these agreements and handbook, the City and its plan members are required to contribute to the plan at a variety of different rates. For fiscal year 2015, the actuarial contribution by the City, including the implicit rate subsidy, was estimated as \$3,063,000. Of that amount, \$1,835,836 was for payments of retiree health insurance premiums. Retiree contributions were \$486,540.

The City's annual other post-employment 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	\$ 6,292,245
Interest on net OPEB obligation	599,674
Adjustment to annual required contribution	<u>(990,125)</u>
Annual OPEB cost	5,901,794
Contributions made	<u>(3,063,000)</u>
Increase in Net OPEB Obligation	2,838,794
Net OPEB Obligation – Beginning of Year	<u>19,989,129</u>
Net OPEB Obligation – End of Year	<u>\$ 22,827,923</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

D. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/13	\$ 7,063,112	38.78%	\$ 15,811,117
12/31/14	7,247,012	42.35%	19,989,129
12/31/15	5,901,794	51.90%	22,827,923

The funded status of the plans as of January 1, 2016, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 66,633,160
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 66,633,160</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 36,336,415
UAAL as a percentage of covered payroll	183.38%

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

D. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

In the actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3% investment rate of return, a 2.3% inflation rate and an annual healthcare cost trend rate of 3.8% initially for pre-65 members and 4.4% initially for post-65 members, adjusted annually to an ultimate rate of 4.2% 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 amortization period is 30 years.

E. CONTINGENT RECEIVABLES

The City has unrecorded loans which are not recorded as receivables because collection is subject to certain events occurring in the future. Each loan is fully forgivable if none of these triggering events have occurred by the end of the loan's term. At December 31, 2015, the Community Development Special Revenue Fund has \$739,300 and the Home Grant Special Revenue Fund has \$2,313,862 of unrecorded contingent loans receivable.

F. CONTINGENT LIABILITIES

The City owned and operated a street in the Town of Union which closed in 1978. A treatment system operation began in 1997. This system is designed to contain VOCs (volatile organic compounds) from migration from the landfill to the Blue Valley subdivision. The City currently works with Potentially Responsible Parties (PRPs) and the Wisconsin Department of Natural Resources on a long term monitoring plan for groundwater containment and treatment system. Ultimate final cleanup costs are unknown.

G. RELATED PARTIES

Gateway Industrial Park Corporation (Gateway), a Wisconsin nonstock, nonprofit 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 Energy, and the Eau Claire Area Industrial Development Corporation each appoint one director.

In April 1991, the City, Xcel Energy, 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, 2015, the outstanding loans under the agreement were \$1,000,000, of which \$500,000 was due the City. Total interest earned by the City was \$16,250 for the year ended December 31, 2015.

Downtown Eau Claire, Incorporated (DECI), a Wisconsin nonstock, nonprofit 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 nonbusiness activities.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

G. RELATED PARTIES (cont.)

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, South Barstow 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.

H. RELATED ORGANIZATIONS

Housing Authority

The City's officials are responsible for appointing the board members of the Housing Authority of the City of Eau Claire, but the City's accountability for this organization does not extend beyond making the appointments.

I. SUBSEQUENT EVENTS

In 2016, the City has made additional draws of \$279,830 on its 2013 sewerage system Clean Water Fund revenue bonds.

J. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- > Statement No. 77, *Tax Abatement Disclosures*

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV – OTHER INFORMATION (cont.)

J. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS (cont.)

- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues - an amendment of GASB Statements 67, 68, 73*

When they become effective, 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 For the Year Ended December 31, 2015

	2015			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 33,905,800	\$ 33,905,800	\$ 33,862,583	\$ (43,217)
Special assessments	1,313,000	1,313,000	2,125,272	812,272
Intergovernmental	11,591,500	11,644,800	11,936,742	291,942
Licenses and permits	1,583,900	1,583,900	1,718,298	134,398
Fines, forfeitures and penalties	692,300	692,300	702,069	9,769
Charges for services - public	3,433,300	3,433,300	4,117,355	684,055
Charges for services - intergovernmental	3,435,200	3,433,500	3,691,777	258,277
Investment income	736,500	736,500	1,015,789	279,289
Miscellaneous	286,100	304,400	425,596	121,196
Total Revenues	<u>56,977,600</u>	<u>57,047,500</u>	<u>59,595,481</u>	<u>2,547,981</u>
EXPENDITURES				
Current				
City council	112,100	112,100	92,331	19,769
Administrative services	1,859,100	1,885,500	1,597,488	288,012
Legal	487,700	487,700	438,867	48,833
Finance	2,390,400	2,382,900	2,176,972	205,928
Human resources	941,000	963,900	860,406	103,494
Planning and development	1,228,900	1,249,100	1,192,476	56,624
Police	16,393,200	16,391,400	15,872,436	518,964
Fire	10,839,800	10,907,500	10,907,440	60
Public works	9,424,900	9,478,100	8,475,997	1,002,103
Culture and recreation	4,446,300	4,463,000	4,273,139	189,861
Miscellaneous	771,700	771,700	392,120	379,580
Capital outlay	-	-	32,273	(32,273)
Total Expenditures	<u>48,895,100</u>	<u>49,092,900</u>	<u>46,311,945</u>	<u>2,780,955</u>
Excess of revenues over expenditures	<u>8,082,500</u>	<u>7,954,600</u>	<u>13,283,536</u>	<u>5,328,936</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,732,000	1,732,000	1,666,000	(66,000)
Transfers to other funds	(12,389,400)	(14,998,000)	(14,822,295)	175,705
Sale of capital assets	10,000	190,000	228,824	38,824
Total Other Financing Sources (Uses)	<u>(10,647,400)</u>	<u>(13,076,000)</u>	<u>(12,927,471)</u>	<u>148,529</u>
Net change in fund balances	(2,564,900)	(5,121,400)	356,065	5,477,465
FUND BALANCE - Beginning of Year	<u>24,786,080</u>	<u>24,786,080</u>	<u>24,786,080</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,221,180</u>	<u>\$ 19,664,680</u>	<u>\$ 25,142,145</u>	<u>\$ 5,477,465</u>

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

CITY OF EAU CLAIRE

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION ASSET WISCONSIN RETIREMENT SYSTEM (WRS) For the Year Ended December 31, 2015

Year End	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/15	0.311873610%	\$ 7,660,469	\$ 34,381,449	22.28%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM (WRS) For the Year Ended December 31, 2015

Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 3,087,697	\$ 3,087,697	-	\$ 36,336,415	8.50%

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

CITY OF EAU CLAIRE

OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
For the Year Ended December 31, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Unit Credit Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2012	\$ -	\$ 48,826,648	\$ 48,826,648	0%	\$ 32,920,027	148.3%
1/1/2014	-	72,289,461	72,289,461	0%	34,381,449	210.3%
1/1/2016	-	66,633,160	66,633,160	0%	36,336,415	183.4%

The City of Eau Claire provides some staffing for the Housing Authority operations, therefore, the Housing Authority amounts are included above. The Housing Authority's approximate share of the AAL and UAAL is as follows:

Actuarial Valuation Date	Share of AAL and UAAL
1/1/2012	\$ 34,000
1/1/2014	287,000
1/1/2016	229,000

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

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

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

BUDGETARY INFORMATION

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 fund-department level.

An annual budget has been adopted for the General Fund, Debt Service, and all Special Revenue funds, except for the Community Development Block Grant 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. Capital projects are categorized as recurring or non-recurring projects, and this categorization determines the length of time funds are appropriated for expenditure. Funding for annual, recurring projects lapses at year end each year whereas funding for non-recurring projects lapses at the end of three years. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. All annual appropriations lapse at year end.

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 2015 budgets for governmental and proprietary funds on November 11, 2014.

See independent auditors' report.

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2015

BUDGETARY INFORMATION (cont.)

During 2014 and 2015, additional appropriations were approved in several funds. A summary of these council actions follows:

Fund	Original Appropriation	Carryover of Appropriations	Grants and Donations	Other	Final Appropriation
General Fund	\$ 61,284,500	\$ 19,800	\$ (28,000)	\$ 2,814,600	\$ 64,090,900
Debt Service – General	8,651,900	-	-	1,525,000	10,176,900
Debt Service – TIF No. 5	857,200	-	-	2,056,900	2,914,100
Economic Development	744,400	(470,400)	500,000	615,000	1,389,000
Hazardous Materials Response	119,200	-	-	6,000	125,200
Public Library	4,034,300	(94,500)	108,100	-	4,047,900
City-County Health	5,036,600	(353,100)	638,000	73,100	5,394,600

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

See independent 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 As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and investments	\$ 20,437,067	\$ 19,205,956
Receivables		
Taxes		
Current	34,811,010	34,872,478
Delinquent personal property	9,186	11,708
Total Taxes	<u>34,820,196</u>	<u>34,884,186</u>
Accounts receivable, net	1,941,193	2,159,970
Notes receivable	25,000	25,000
Special assessments		
Installment	4,232,200	4,124,522
Deferred	164,929	148,663
Interest	58,381	77,775
Due from other governments	<u>207,244</u>	<u>1,745,736</u>
Total Receivables	<u>41,449,143</u>	<u>43,165,852</u>
Due from other funds	1,094,788	1,616,765
Inventories and prepaid items	949,477	949,733
Advance to other funds	<u>4,259,658</u>	<u>4,813,466</u>
 TOTAL ASSETS	 <u>\$ 68,190,133</u>	 <u>\$ 69,751,772</u>

	<u>2015</u>	<u>2014</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 578,495	\$ 703,576
Accrued liabilities	1,208,012	2,547,979
Deposits	145,257	144,681
Due to other governments	95,157	6,348
Total Liabilities	<u>2,026,921</u>	<u>3,402,584</u>
Deferred Inflows of Resources		
Unearned revenues	33,856,419	33,627,002
Unavailable revenues	7,164,648	7,936,106
Total Deferred Inflows of Resources	<u>41,021,067</u>	<u>41,563,108</u>
Fund Balance		
Nonspendable	4,649,638	5,234,391
Restricted	75,000	-
Assigned	4,615,065	5,321,453
Unassigned	15,802,442	14,230,236
Total Fund Balance	<u>25,142,145</u>	<u>24,786,080</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 68,190,133</u>	<u>\$ 69,751,772</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2015

With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
TAXES					
Real and personal property	\$ 33,479,900	\$ 33,479,900	\$ 33,448,625	\$ (31,275)	\$ 32,339,853
Mobile home fees	80,100	80,100	65,560	(14,540)	74,607
Payment in lieu of taxes:					
Other	342,800	342,800	345,059	2,259	346,359
Omitted and corrected taxes	-	-	-	-	99,000
Interest on delinquent taxes	3,000	3,000	3,339	339	4,240
Total Taxes	<u>33,905,800</u>	<u>33,905,800</u>	<u>33,862,583</u>	<u>(43,217)</u>	<u>32,864,059</u>
SPECIAL ASSESSMENTS					
Current	1,163,000	1,163,000	1,613,087	450,087	1,538,671
Installment	150,000	150,000	512,185	362,185	456,952
Total Special Assessments	<u>1,313,000</u>	<u>1,313,000</u>	<u>2,125,272</u>	<u>812,272</u>	<u>1,995,623</u>
INTERGOVERNMENTAL					
Federal aid	104,000	131,900	128,092	(3,808)	361,362
State aid					
Shared taxes	6,081,100	6,081,100	6,081,136	36	6,081,136
Municipal services	479,600	479,600	560,719	81,119	479,572
Utility tax	533,100	533,100	589,872	56,772	456,923
Local streets	2,741,000	2,741,000	2,899,367	158,367	2,652,625
Expenditure restraint program	1,146,900	1,146,900	1,136,786	(10,114)	1,086,846
Fire insurance	173,900	173,900	167,293	(6,607)	173,927
Underground tank inspections	7,000	7,000	7,050	50	6,474
Police training	15,000	15,000	14,400	(600)	15,680
Other	309,900	335,300	352,027	16,727	336,952
Total Intergovernmental	<u>11,591,500</u>	<u>11,644,800</u>	<u>11,936,742</u>	<u>291,942</u>	<u>11,651,497</u>
LICENSES AND PERMITS					
Television franchise	670,000	670,000	703,041	33,041	722,247
Licenses	328,900	328,900	335,617	6,717	346,196
Permits	585,000	585,000	679,640	94,640	511,398
Total Licenses and Permits	<u>1,583,900</u>	<u>1,583,900</u>	<u>1,718,298</u>	<u>134,398</u>	<u>1,579,841</u>
FINES, FORFEITURES AND PENALTIES					
Parking violation fines	420,300	420,300	466,468	46,168	401,118
County court fines	270,000	270,000	228,616	(41,384)	248,932
Other fines or forfeitures	2,000	2,000	6,985	4,985	1,323
Total Fines, Forfeitures and Penalties	<u>692,300</u>	<u>692,300</u>	<u>702,069</u>	<u>9,769</u>	<u>651,373</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2015

With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
PUBLIC CHARGES FOR SERVICES					
General government	\$ 59,900	\$ 59,900	\$ 74,074	\$ 14,174	\$ 68,161
Public safety	2,586,200	2,586,200	3,174,630	588,430	2,849,100
Public works	158,000	158,000	151,707	(6,293)	147,618
Parks and recreation	627,200	627,200	630,396	3,196	619,940
Development	2,000	2,000	-	(2,000)	1,750
Other	-	-	86,548	86,548	3,031
Total Charges for Services	<u>3,433,300</u>	<u>3,433,300</u>	<u>4,117,355</u>	<u>684,055</u>	<u>3,689,600</u>
CHARGES FOR SERVICES - INTERGOVERNMENTAL					
Communication center reimbursement	1,453,200	1,451,500	1,656,758	205,258	1,328,196
Police liaison	198,400	198,400	189,025	(9,375)	184,235
Departmental unfunded pension charge	145,300	145,300	145,300	-	145,200
Storm water management charge	401,300	401,300	401,280	(20)	377,040
Sewer utility charge	477,700	477,700	477,660	(40)	445,620
Water utility service charge	631,600	631,600	631,536	(64)	584,498
Other service charges	127,700	127,700	190,218	62,518	104,852
Total Charges for Services - Intergovernmental	<u>3,435,200</u>	<u>3,433,500</u>	<u>3,691,777</u>	<u>258,277</u>	<u>3,169,641</u>
INVESTMENT INCOME					
Investment interest and gains (losses)	250,000	250,000	522,304	272,304	532,994
Interest on advance to other funds	210,100	210,100	210,044	(56)	250,501
Interest on special assessments	276,400	276,400	283,441	7,041	294,185
Total Investment Income	<u>736,500</u>	<u>736,500</u>	<u>1,015,789</u>	<u>279,289</u>	<u>1,077,680</u>
MISCELLANEOUS					
Rental					
Rental of land and buildings	58,300	58,300	59,303	1,003	57,509
Total Rental	<u>58,300</u>	<u>58,300</u>	<u>59,303</u>	<u>1,003</u>	<u>57,509</u>
Other					
Donations	-	17,300	113,626	96,326	40,183
Other miscellaneous	227,800	228,800	252,667	23,867	245,178
Total Other	<u>227,800</u>	<u>246,100</u>	<u>366,293</u>	<u>120,193</u>	<u>285,361</u>
Total Miscellaneous	<u>286,100</u>	<u>304,400</u>	<u>425,596</u>	<u>121,196</u>	<u>342,870</u>
Total Revenues	<u>56,977,600</u>	<u>57,047,500</u>	<u>59,595,481</u>	<u>2,547,981</u>	<u>57,022,184</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2015

With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
OTHER FINANCING SOURCES					
Transfers from other funds	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ 115,000
Transfer from water utility - PILOT	1,617,000	1,617,000	1,551,000	(66,000)	1,584,516
Sale of capital assets	10,000	190,000	228,824	38,824	65,485
Total Other Financing Sources	<u>1,742,000</u>	<u>1,922,000</u>	<u>1,894,824</u>	<u>(27,176)</u>	<u>1,765,001</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 58,719,600</u>	<u>\$ 58,969,500</u>	<u>\$ 61,490,305</u>	<u>\$ 2,520,805</u>	<u>\$ 58,787,185</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
EXPENDITURES					
GENERAL GOVERNMENT					
City council	\$ 112,100	\$ 112,100	\$ 92,331	\$ 19,769	\$ 95,714
Administrative services					
City manager	432,900	441,400	395,849	45,551	409,361
City clerk/elections	477,500	477,500	281,821	195,679	436,965
Information services	948,700	966,600	919,818	46,782	904,840
Total Administrative Services	<u>1,859,100</u>	<u>1,885,500</u>	<u>1,597,488</u>	<u>288,012</u>	<u>1,751,166</u>
Legal	487,700	487,700	438,867	48,833	484,644
Finance					
Administration	389,300	381,800	354,487	27,313	384,995
Accounting	682,000	682,000	652,838	29,162	604,690
Assessing	502,700	502,700	447,326	55,374	443,811
Customer services	816,400	816,400	722,321	94,079	747,491
Total Finance	<u>2,390,400</u>	<u>2,382,900</u>	<u>2,176,972</u>	<u>205,928</u>	<u>2,180,987</u>
Human resources					
Purchasing	244,400	244,400	215,762	28,638	220,980
Personnel administration	696,600	719,500	644,644	74,856	658,279
Total Human Resources	<u>941,000</u>	<u>963,900</u>	<u>860,406</u>	<u>103,494</u>	<u>879,259</u>
Planning and development					
Community planning	577,400	597,600	559,635	37,965	571,573
Inspection and zoning	651,500	651,500	632,841	18,659	617,768
Total Planning and Development	<u>1,228,900</u>	<u>1,249,100</u>	<u>1,192,476</u>	<u>56,624</u>	<u>1,189,341</u>
Total General Government	<u>7,019,200</u>	<u>7,081,200</u>	<u>6,358,540</u>	<u>722,660</u>	<u>6,581,111</u>
PUBLIC SAFETY					
Police					
Administration	1,267,400	1,267,400	1,201,252	66,148	1,159,576
Administrative services	1,534,100	1,534,100	1,489,756	44,344	1,441,658
Patrol services	8,913,000	8,913,600	8,622,631	290,969	8,417,584
Investigative services	2,630,300	2,630,300	2,638,201	(7,901)	2,600,936
Central communications	2,048,400	2,046,000	1,920,596	125,404	1,848,198
Total Police	<u>16,393,200</u>	<u>16,391,400</u>	<u>15,872,436</u>	<u>518,964</u>	<u>15,467,952</u>
Fire					
Administration	877,400	877,400	851,904	25,496	705,343
Suppression and rescue	9,462,100	9,529,800	9,538,504	(8,704)	9,449,271
Prevention and inspection	500,300	500,300	517,032	(16,732)	508,824
Total Fire	<u>10,839,800</u>	<u>10,907,500</u>	<u>10,907,440</u>	<u>60</u>	<u>10,663,438</u>
Total Public Safety	<u>27,233,000</u>	<u>27,298,900</u>	<u>26,779,876</u>	<u>519,024</u>	<u>26,131,390</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2015

With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
PUBLIC WORKS					
Administration	\$ 732,100	\$ 732,700	\$ 709,791	\$ 22,909	\$ 705,520
Operations	6,925,700	6,966,000	6,196,300	769,700	6,729,366
Engineering	1,767,100	1,779,400	1,569,906	209,494	1,613,299
Total Public Works	9,424,900	9,478,100	8,475,997	1,002,103	9,048,185
CULTURE AND RECREATION					
Park maintenance	2,920,500	2,937,000	2,947,032	(10,032)	2,887,040
Forestry	616,600	616,600	530,084	86,516	464,771
Recreation and playgrounds	909,200	909,400	796,023	113,377	785,850
Total Culture and Recreation	4,446,300	4,463,000	4,273,139	189,861	4,137,661
MISCELLANEOUS					
Payments to other organizations	143,200	143,200	143,200	-	124,722
Contractual services	110,300	105,300	54,329	50,971	93,509
Insurance and retirement	183,400	183,400	131,939	51,461	234,202
Special assessments	117,200	117,200	44,244	72,956	54,586
Illegal taxes and refunds	-	5,000	4,968	32	9,958
Annexation rebates	7,600	7,600	7,567	33	17,712
Wellness program	10,000	10,000	5,873	4,127	6,286
Contingency	200,000	200,000	-	200,000	-
Total Miscellaneous	771,700	771,700	392,120	379,580	540,975
CAPITAL OUTLAY	-	-	32,273	(32,273)	36,345
Total Expenditures	48,895,100	49,092,900	46,311,945	2,780,955	46,475,667
OTHER FINANCING USES					
Transfers to other funds:					
Special revenue fund	380,000	380,000	379,687	313	541,668
Debt service fund	7,809,000	7,809,000	7,791,615	17,385	7,433,244
Capital project funds	2,788,000	3,360,100	3,360,063	37	2,625,900
Proprietary funds	1,412,400	3,448,900	3,290,930	157,970	1,115,130
Total Other Financing Uses	12,389,400	14,998,000	14,822,295	175,705	11,715,942
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 61,284,500	\$ 64,090,900	\$ 61,134,240	\$ 2,956,660	\$ 58,191,609

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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Special assessments	\$ 400,900	\$ 400,900	\$ 424,039	\$ 23,139	\$ 503,724
Charges for services - public	-	-	-	-	12,500
Investment income	5,000	5,000	12,011	7,011	4,923
Total Revenues	<u>405,900</u>	<u>405,900</u>	<u>436,050</u>	<u>30,150</u>	<u>521,147</u>
EXPENDITURES					
Current					
General government	3,800	4,000	4,316	(316)	3,571
Debt Service					
Principal retirement	5,978,300	7,503,300	7,503,238	62	6,630,114
Interest and fiscal charges	2,669,800	2,669,600	2,620,146	49,454	2,680,136
Total Expenditures	<u>8,651,900</u>	<u>10,176,900</u>	<u>10,127,700</u>	<u>49,200</u>	<u>9,313,821</u>
Deficiency of revenues over expenditures	<u>(8,246,000)</u>	<u>(9,771,000)</u>	<u>(9,691,650)</u>	<u>79,350</u>	<u>(8,792,674)</u>
OTHER FINANCING SOURCES					
Refunding long-term debt issued	-	1,470,000	1,470,000	-	830,000
Premium on long-term debt issued	-	67,400	67,316	(84)	37,400
Transfers from other funds	7,879,900	7,879,900	7,862,401	(17,499)	7,504,757
Total Other Financing Sources	<u>7,879,900</u>	<u>9,417,300</u>	<u>9,399,717</u>	<u>(17,583)</u>	<u>8,372,157</u>
Net change in fund balances	(366,100)	(353,700)	(291,933)	61,767	(420,517)
FUND BALANCE - Beginning of Year	<u>5,651,562</u>	<u>5,651,562</u>	<u>5,651,562</u>	-	<u>6,072,079</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,285,462</u>	<u>\$ 5,297,862</u>	<u>\$ 5,359,629</u>	<u>\$ 61,767</u>	<u>\$ 5,651,562</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 for incidents involving hazardous materials to a statewide area – primarily northern and west central 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 **Police Department K9** fund accounts for funds bequeathed to the Eau Claire Police Department.

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** 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 #5** fund accounts for debt funded by taxes resulting from the incremental property values in the industrial development area north and west of the Gateway West Business Park. This district was created in 1997.

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. Phillips 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** 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 **TIF #10 Confluence Project** fund accounts for assisting the development of the South Barstow Area, including undeveloped sections of TIF #8.

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

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

The **Land, 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.

Nonmajor Funds – Governmental (cont.)

Capital Projects Funds (cont.)

The **Environmental Improvements** 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 As of December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
ASSETS				
Cash and investments	\$ 5,070,368	\$ 1,293,119	\$ 7,900,826	\$ 14,264,313
Receivables				
Taxes	4,767,250	1,162,333	1,321,174	7,250,757
Accounts, net	352,932	-	4	352,936
Notes, net	3,095,834	-	-	3,095,834
Due from other governments	502,569	-	1,239,632	1,742,201
Prepaid items and inventories	124,461	-	-	124,461
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted Assets				
Revolving loan sequestered funds	453,951	-	-	453,951
Construction account	-	-	5,438,496	5,438,496
TOTAL ASSETS	<u>\$ 14,767,365</u>	<u>\$ 2,455,452</u>	<u>\$ 16,900,132</u>	<u>\$ 34,122,949</u>
LIABILITIES				
Accounts payable	\$ 299,719	\$ -	\$ 3,608,582	\$ 3,908,301
Accrued liabilities	312,574	-	200	312,774
Deposits	140	-	-	140
Due to other governments	46,240	-	-	46,240
Due to other funds	50,952	-	426,688	477,640
Advances from other funds	-	379,345	3,238,700	3,618,045
Total Liabilities	<u>709,625</u>	<u>379,345</u>	<u>7,274,170</u>	<u>8,363,140</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	4,821,302	1,162,333	1,321,174	7,304,809
Unavailable revenues	3,422,660	-	861,224	4,283,884
Total Deferred Inflows of Resources	<u>8,243,962</u>	<u>1,162,333</u>	<u>2,182,398</u>	<u>11,588,693</u>
FUND BALANCES				
Nonspendable	124,461	-	-	124,461
Restricted	5,714,980	1,293,024	4,720,117	11,728,121
Assigned	-	-	6,237,008	6,237,008
Unassigned (deficit)	(25,663)	(379,250)	(3,513,561)	(3,918,474)
Total Fund Balances	<u>5,813,778</u>	<u>913,774</u>	<u>7,443,564</u>	<u>14,171,116</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 14,767,365</u>	<u>\$ 2,455,452</u>	<u>\$ 16,900,132</u>	<u>\$ 34,122,949</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
REVENUES				
Taxes	\$ 6,427,438	\$ 1,247,635	\$ 839,477	\$ 8,514,550
Intergovernmental	1,904,738	34,263	588,865	2,527,866
Licenses and permits	546,330	-	-	546,330
Fines, forfeitures and penalties	90,571	-	-	90,571
Charges for services - public	394,396	-	-	394,396
Charges for services - intergovernmental	2,059,525	-	2,160	2,061,685
Investment income	29,704	3,277	2,047	35,028
Miscellaneous				
Loan repayments	277,084	-	-	277,084
Building rental	7,752	-	-	7,752
Gifts and donations	170,807	-	10,500	181,307
Other	709,032	-	77,425	786,457
Total Revenues	<u>12,617,377</u>	<u>1,285,175</u>	<u>1,520,474</u>	<u>15,423,026</u>
EXPENDITURES				
Current				
General government	-	4,110	-	4,110
Public safety	100,165	-	-	100,165
Public works	106,175	-	150,174	256,349
Health services	5,452,849	-	-	5,452,849
Culture and recreation	3,710,088	-	9,230	3,719,318
Development	3,456,404	18,184	299,053	3,773,641
Capital Outlay	245,864	-	22,435,953	22,681,817
Debt Service				
Principal retirement	-	3,005,000	685,000	3,690,000
Interest and fiscal charges	-	141,741	144,963	286,704
Total Expenditures	<u>\$ 13,071,545</u>	<u>\$ 3,169,035</u>	<u>\$ 23,724,373</u>	<u>\$ 39,964,953</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (454,168)</u>	<u>\$ (1,883,860)</u>	<u>\$ (22,203,899)</u>	<u>\$ (24,541,927)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	12,560,000	12,560,000
Refunding long-term debt issued	-	1,955,000	165,000	2,120,000
Premium on long-term debt issued	-	83,961	170,554	254,515
Transfers from other funds	503,089	530,714	4,020,263	5,054,066
Transfers to other funds	(969,388)	-	(593,114)	(1,562,502)
Sale of capital assets	443,861	-	-	443,861
Total Other Financing Sources (Uses)	<u>(22,438)</u>	<u>2,569,675</u>	<u>16,322,703</u>	<u>18,869,940</u>
Net changes in fund balances	(476,606)	685,815	(5,881,196)	(5,671,987)
FUND BALANCES - Beginning of Year	<u>6,290,384</u>	<u>227,959</u>	<u>13,324,760</u>	<u>19,843,103</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,813,778</u>	<u>\$ 913,774</u>	<u>\$ 7,443,564</u>	<u>\$ 14,171,116</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
As of December 31, 2015

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
ASSETS					
Cash and investments	\$ 174,767	\$ 115,961	\$ 236,408	\$ 125	\$ 571,467
Receivables					
Taxes	-	-	-	-	-
Accounts, net	11,111	-	5,940	-	-
Notes, net	-	-	1,840,786	-	-
Due from other governments	-	28,989	42,493	69,098	-
Prepaid items and inventories	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted Assets					
Revolving loan sequestered funds	-	-	-	-	-
TOTAL ASSETS	\$ 185,878	\$ 144,950	\$ 2,125,627	\$ 69,223	\$ 571,467
LIABILITIES					
Accounts payable	\$ 2,193	\$ 11,341	\$ 11,416	\$ 10,862	\$ -
Accrued liabilities	5,055	-	5,331	190	-
Deposits	-	-	30	-	-
Due to other governments	-	-	13,785	2,240	-
Due to other funds	-	-	-	50,952	-
Total Liabilities	<u>7,248</u>	<u>11,341</u>	<u>30,562</u>	<u>64,244</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	-	-	-
Unavailable revenues	5,190	-	1,840,786	30,642	-
Total Deferred Inflows of Resources	<u>5,190</u>	<u>-</u>	<u>1,840,786</u>	<u>30,642</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	173,440	133,609	254,279	-	571,467
Unassigned (deficit)	-	-	-	(25,663)	-
Total Fund Balances	<u>173,440</u>	<u>133,609</u>	<u>254,279</u>	<u>(25,663)</u>	<u>571,467</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 185,878	\$ 144,950	\$ 2,125,627	\$ 69,223	\$ 571,467

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 1,745,790	\$ 139,592	\$ 927,140	\$ 1,025,795	\$ 80,741	\$ 52,582	\$ 5,070,368
-	-	2,994,900	1,772,350	-	-	4,767,250
-	131,217	139,418	65,155	91	-	352,932
1,255,048	-	-	-	-	-	3,095,834
29,589	-	-	332,400	-	-	502,569
-	-	51,882	72,579	-	-	124,461
400,000	-	-	-	-	-	400,000
453,951	-	-	-	-	-	453,951
<u>\$ 3,884,378</u>	<u>\$ 270,809</u>	<u>\$ 4,113,340</u>	<u>\$ 3,268,279</u>	<u>\$ 80,832</u>	<u>\$ 52,582</u>	<u>\$ 14,767,365</u>
\$ 29,692	\$ 115,543	\$ 48,922	\$ 17,163	\$ 5	\$ 52,582	\$ 299,719
5,496	-	120,676	172,848	2,978	-	312,574
-	-	-	110	-	-	140
-	-	27	30,188	-	-	46,240
-	-	-	-	-	-	50,952
<u>35,188</u>	<u>115,543</u>	<u>169,625</u>	<u>220,309</u>	<u>2,983</u>	<u>52,582</u>	<u>709,625</u>
-	-	2,994,900	1,826,402	-	-	4,821,302
1,255,048	-	126,715	164,279	-	-	3,422,660
<u>1,255,048</u>	<u>-</u>	<u>3,121,615</u>	<u>1,990,681</u>	<u>-</u>	<u>-</u>	<u>8,243,962</u>
-	-	51,882	72,579	-	-	124,461
2,594,142	155,266	770,218	984,710	77,849	-	5,714,980
-	-	-	-	-	-	(25,663)
<u>2,594,142</u>	<u>155,266</u>	<u>822,100</u>	<u>1,057,289</u>	<u>77,849</u>	<u>-</u>	<u>5,813,778</u>
<u>\$ 3,884,378</u>	<u>\$ 270,809</u>	<u>\$ 4,113,340</u>	<u>\$ 3,268,279</u>	<u>\$ 80,832</u>	<u>\$ 52,582</u>	<u>\$ 14,767,365</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, 2015

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	147,510	358,288	307,627	-
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	36	-	-	-	-
Charges for services - public	154,587	-	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	200	-	-	1,006
Miscellaneous					
Loan repayments	-	-	213,048	7,430	-
Building rental	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Other	914	-	216,700	-	-
Total Revenues	<u>155,537</u>	<u>147,710</u>	<u>788,036</u>	<u>315,057</u>	<u>1,006</u>
EXPENDITURES					
Current					
Public safety	-	100,165	-	-	-
Public works	-	-	-	-	-
Health services	419,702	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	533,410	322,251	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>419,702</u>	<u>100,165</u>	<u>533,410</u>	<u>322,251</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(264,165)</u>	<u>47,545</u>	<u>254,626</u>	<u>(7,194)</u>	<u>1,006</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	279,687	-	-	-	-
Transfers to other funds	-	-	(113,602)	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>279,687</u>	<u>-</u>	<u>(113,602)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,522	47,545	141,024	(7,194)	1,006
FUND BALANCES (DEFICIT) - Beginning of Year	<u>157,918</u>	<u>86,064</u>	<u>113,255</u>	<u>(18,469)</u>	<u>570,461</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 173,440</u>	<u>\$ 133,609</u>	<u>\$ 254,279</u>	<u>\$ (25,663)</u>	<u>\$ 571,467</u>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ -	\$ 1,774,938	\$ 2,929,300	\$ 1,723,200	\$ -	\$ -	\$ 6,427,438
29,589	-	-	1,061,724	-	-	1,904,738
-	-	-	546,330	-	-	546,330
-	-	90,535	-	-	-	90,571
-	-	7,489	126,216	-	106,104	394,396
-	-	568,993	1,490,532	-	-	2,059,525
28,506	50	(129)	-	-	71	29,704
56,606	-	-	-	-	-	277,084
7,752	-	-	-	-	-	7,752
-	-	138,592	19,215	13,000	-	170,807
56	-	249,613	241,749	-	-	709,032
<u>122,509</u>	<u>1,774,988</u>	<u>3,984,393</u>	<u>5,208,966</u>	<u>13,000</u>	<u>106,175</u>	<u>12,617,377</u>
-	-	-	-	-	-	100,165
-	-	-	-	-	106,175	106,175
-	-	-	5,033,147	-	-	5,452,849
-	-	3,710,088	-	-	-	3,710,088
1,273,297	1,217,770	-	-	109,676	-	3,456,404
-	-	16,100	229,764	-	-	245,864
<u>1,273,297</u>	<u>1,217,770</u>	<u>3,726,188</u>	<u>5,262,911</u>	<u>109,676</u>	<u>106,175</u>	<u>13,071,545</u>
<u>(1,150,788)</u>	<u>557,218</u>	<u>258,205</u>	<u>(53,945)</u>	<u>(96,676)</u>	<u>-</u>	<u>(454,168)</u>
100,000	-	-	43,402	80,000	-	503,089
(80,000)	(515,000)	(229,773)	(31,013)	-	-	(969,388)
440,500	-	3,361	-	-	-	443,861
<u>460,500</u>	<u>(515,000)</u>	<u>(226,412)</u>	<u>12,389</u>	<u>80,000</u>	<u>-</u>	<u>(22,438)</u>
(690,288)	42,218	31,793	(41,556)	(16,676)	-	(476,606)
<u>3,284,430</u>	<u>113,048</u>	<u>790,307</u>	<u>1,098,845</u>	<u>94,525</u>	<u>-</u>	<u>6,290,384</u>
<u>\$ 2,594,142</u>	<u>\$ 155,266</u>	<u>\$ 822,100</u>	<u>\$ 1,057,289</u>	<u>\$ 77,849</u>	<u>\$ -</u>	<u>\$ 5,813,778</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
As of December 31, 2015

	Debt Service - TIF No. 5	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
ASSETS				
Cash and investments	\$ 832,343	\$ 460,681	\$ 95	\$ 1,293,119
Receivables				
Taxes	1,035,487	-	126,846	1,162,333
TOTAL ASSETS	<u>\$ 1,867,830</u>	<u>\$ 460,681</u>	<u>\$ 126,941</u>	<u>\$ 2,455,452</u>
LIABILITIES				
Advances from other funds	\$ -	\$ -	\$ 379,345	\$ 379,345
Total Liabilities	<u>-</u>	<u>-</u>	<u>379,345</u>	<u>379,345</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	1,035,487	-	126,846	1,162,333
Total Deferred Inflows of Resources	<u>1,035,487</u>	<u>-</u>	<u>126,846</u>	<u>1,162,333</u>
FUND BALANCES (DEFICIT)				
Restricted	832,343	460,681	-	1,293,024
Unassigned (deficit)	-	-	(379,250)	(379,250)
Total Fund Balances (Deficit)	<u>832,343</u>	<u>460,681</u>	<u>(379,250)</u>	<u>913,774</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,867,830</u>	<u>\$ 460,681</u>	<u>\$ 126,941</u>	<u>\$ 2,455,452</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, 2015

	Debt Service - TIF No. 5	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
REVENUES				
Taxes	\$ 1,127,416	\$ -	\$ 120,219	\$ 1,247,635
Intergovernmental	27,949	-	6,314	34,263
Investment income	2,388	865	24	3,277
Total Revenues	<u>1,157,753</u>	<u>865</u>	<u>126,557</u>	<u>1,285,175</u>
EXPENDITURES				
Current				
General government	4,110	-	-	4,110
Development	18,034	-	150	18,184
Debt Service				
Principal retirement	2,755,000	115,000	135,000	3,005,000
Interest and fiscal charges	117,941	9,500	14,300	141,741
Total Expenditures	<u>2,895,085</u>	<u>124,500</u>	<u>149,450</u>	<u>3,169,035</u>
Excess (deficiency) of revenues over expenditures	<u>(1,737,332)</u>	<u>(123,635)</u>	<u>(22,893)</u>	<u>(1,883,860)</u>
OTHER FINANCING SOURCES				
Refunding long-term debt issued	1,955,000	-	-	1,955,000
Premium on long-term debt issued	83,961	-	-	83,961
Transfers from other funds	530,714	-	-	530,714
Total Other Financing Sources	<u>2,569,675</u>	<u>-</u>	<u>-</u>	<u>2,569,675</u>
Net change in fund balances	832,343	(123,635)	(22,893)	685,815
FUND BALANCES (DEFICIT) - Beginning of Year	<u>-</u>	<u>584,316</u>	<u>(356,357)</u>	<u>227,959</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 832,343</u>	<u>\$ 460,681</u>	<u>\$ (379,250)</u>	<u>\$ 913,774</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31, 2015

	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	Bridge Projects
ASSETS				
Cash and investments	\$ 246,204	\$ 292,059	\$ 8,659	\$ -
Receivables				
Taxes	1,287,928	33,246	-	-
Accounts	-	-	-	-
Due from other governments	-	-	-	480,000
Advances to other funds	-	-	-	-
Restricted assets				
Construction account	<u>4,005,319</u>	<u>-</u>	<u>1,300,326</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,539,451</u>	<u>\$ 325,305</u>	<u>\$ 1,308,985</u>	<u>\$ 480,000</u>
LIABILITIES				
Accounts payable	\$ 826,306	\$ -	\$ 1,000,000	\$ 94,377
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	426,688
Advances from other funds	<u>3,238,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,065,006</u>	<u>-</u>	<u>1,000,000</u>	<u>521,065</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	1,287,928	33,246	-	-
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,000</u>
Total Deferred Inflows of Resources	<u>1,287,928</u>	<u>33,246</u>	<u>-</u>	<u>480,000</u>
FUND BALANCES (DEFICIT)				
Restricted	3,179,013	292,059	308,985	-
Assigned	-	-	-	-
Unassigned (deficit)	<u>(2,992,496)</u>	<u>-</u>	<u>-</u>	<u>(521,065)</u>
Total Fund Balances (Deficit)	<u>186,517</u>	<u>292,059</u>	<u>308,985</u>	<u>(521,065)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,539,451</u>	<u>\$ 325,305</u>	<u>\$ 1,308,985</u>	<u>\$ 480,000</u>

<u>Street Projects</u>	<u>Land, Buildings and Equipment</u>	<u>Parks and Recreation Projects</u>	<u>Environmental Improvements</u>	<u>Library Buildings & Equipment</u>	<u>Totals</u>
\$ 625,909	\$ 2,993,951	\$ 987,650	\$ 2,311,038	\$ 435,356	\$ 7,900,826
-	-	-	-	-	1,321,174
-	-	4	-	-	4
195,925	516,023	47,684	-	-	1,239,632
1,000,000	-	-	-	-	1,000,000
-	132,851	-	-	-	5,438,496
<u>\$ 1,821,834</u>	<u>\$ 3,642,825</u>	<u>\$ 1,035,338</u>	<u>\$ 2,311,038</u>	<u>\$ 435,356</u>	<u>\$ 16,900,132</u>
\$ 1,432,144	\$ 207,591	\$ 31,706	\$ 8,618	\$ 7,840	\$ 3,608,582
-	200	-	-	-	200
-	-	-	-	-	426,688
-	-	-	-	-	3,238,700
<u>1,432,144</u>	<u>207,791</u>	<u>31,706</u>	<u>8,618</u>	<u>7,840</u>	<u>7,274,170</u>
-	-	-	-	-	1,321,174
195,925	185,295	4	-	-	861,224
<u>195,925</u>	<u>185,295</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>2,182,398</u>
193,765	233,819	3,599	81,361	427,516	4,720,117
-	3,015,920	1,000,029	2,221,059	-	6,237,008
-	-	-	-	-	(3,513,561)
<u>193,765</u>	<u>3,249,739</u>	<u>1,003,628</u>	<u>2,302,420</u>	<u>427,516</u>	<u>7,443,564</u>
<u>\$ 1,821,834</u>	<u>\$ 3,642,825</u>	<u>\$ 1,035,338</u>	<u>\$ 2,311,038</u>	<u>\$ 435,356</u>	<u>\$ 16,900,132</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, 2015

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	Bridge Projects
REVENUES					
Taxes	\$ -	\$ 835,589	\$ 3,888	\$ -	\$ -
Intergovernmental	-	33,907	5	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	1,117	512	333	-
Miscellaneous					
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>-</u>	<u>870,613</u>	<u>4,405</u>	<u>333</u>	<u>-</u>
EXPENDITURES					
Current					
Public works	-	-	-	-	5,889
Culture and recreation	-	-	-	-	-
Development	-	272,348	150	26,555	-
Capital Outlay	683,178	6,235,862	-	2,655,000	1,653,516
Debt Service					
Principal retirement	-	685,000	-	-	-
Interest and fiscal charges	-	144,963	-	-	-
Total Expenditures	<u>683,178</u>	<u>7,338,173</u>	<u>150</u>	<u>2,681,555</u>	<u>1,659,405</u>
Excess (deficiency) of revenues over expenditures	<u>(683,178)</u>	<u>(6,467,560)</u>	<u>4,255</u>	<u>(2,681,222)</u>	<u>(1,659,405)</u>
OTHER FINANCING SOURCES					
Long-term debt issued	-	9,605,000	-	2,955,000	-
Refunding long-term debt issued	-	165,000	-	-	-
Premium on long-term debt issued	-	135,347	-	35,207	-
Transfers from other funds	-	-	-	-	9,200
Transfer to other funds	(530,714)	-	-	-	-
Total Other Financing Sources	<u>(530,714)</u>	<u>9,905,347</u>	<u>-</u>	<u>2,990,207</u>	<u>9,200</u>
Net change in fund balances	(1,213,892)	3,437,787	4,255	308,985	(1,650,205)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>1,213,892</u>	<u>(3,251,270)</u>	<u>287,804</u>	<u>-</u>	<u>1,129,140</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 186,517</u>	<u>\$ 292,059</u>	<u>\$ 308,985</u>	<u>\$ (521,065)</u>

Street Projects	Land, Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,477
158,435	348,834	47,684	-	-	588,865
-	2,160	-	-	-	2,160
-	85	-	-	-	2,047
-	5,000	5,500	-	-	10,500
253	33,929	43,243	-	-	77,425
<u>158,688</u>	<u>390,008</u>	<u>96,427</u>	<u>-</u>	<u>-</u>	<u>1,520,474</u>
76,560	307	-	67,418	-	150,174
-	-	9,230	-	-	9,230
-	-	-	-	-	299,053
7,898,590	2,007,309	1,034,294	18,996	249,208	22,435,953
-	-	-	-	-	685,000
-	-	-	-	-	144,963
<u>7,975,150</u>	<u>2,007,616</u>	<u>1,043,524</u>	<u>86,414</u>	<u>249,208</u>	<u>23,724,373</u>
<u>(7,816,462)</u>	<u>(1,617,608)</u>	<u>(947,097)</u>	<u>(86,414)</u>	<u>(249,208)</u>	<u>(22,203,899)</u>
-	-	-	-	-	12,560,000
-	-	-	-	-	165,000
-	-	-	-	-	170,554
1,248,700	1,630,300	742,063	200,000	190,000	4,020,263
-	(62,400)	-	-	-	(593,114)
<u>1,248,700</u>	<u>1,567,900</u>	<u>742,063</u>	<u>200,000</u>	<u>190,000</u>	<u>16,322,703</u>
(6,567,762)	(49,708)	(205,034)	113,586	(59,208)	(5,881,196)
<u>6,761,527</u>	<u>3,299,447</u>	<u>1,208,662</u>	<u>2,188,834</u>	<u>486,724</u>	<u>13,324,760</u>
<u>\$ 193,765</u>	<u>\$ 3,249,739</u>	<u>\$ 1,003,628</u>	<u>\$ 2,302,420</u>	<u>\$ 427,516</u>	<u>\$ 7,443,564</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Cemetery Maintenance				
	2015			2014	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Fines, forfeitures and penalties	\$ -	\$ -	\$ 36	\$ 36	\$ -
Charges for services - public	194,400	194,400	154,587	(39,813)	157,354
Miscellaneous					
Other	-	-	914	-	15,522
Total Revenues	<u>194,400</u>	<u>194,400</u>	<u>155,537</u>	<u>(39,777)</u>	<u>172,876</u>
EXPENDITURES					
Current					
Health services	474,400	474,400	419,702	54,698	669,500
Capital outlay	-	-	-	-	35,944
Total expenses	<u>474,400</u>	<u>474,400</u>	<u>419,702</u>	<u>54,698</u>	<u>705,444</u>
Excess (deficiency) of revenues over expenditures	<u>(280,000)</u>	<u>(280,000)</u>	<u>(264,165)</u>	<u>15,835</u>	<u>(532,568)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	280,000	280,000	279,687	(313)	441,668
Transfers to other funds	-	-	-	-	(2,905)
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>280,000</u>	<u>279,687</u>	<u>(313)</u>	<u>438,763</u>
Net change in fund balances	-	-	15,522	15,522	(93,805)
FUND BALANCES - Beginning of Year	<u>157,918</u>	<u>157,918</u>	<u>157,918</u>	<u>-</u>	<u>251,723</u>
FUND BALANCES - END OF YEAR	<u>\$ 157,918</u>	<u>\$ 157,918</u>	<u>\$ 173,440</u>	<u>\$ 15,522</u>	<u>\$ 157,918</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Hazardous Materials Response				
	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Intergovernmental	\$ 113,900	\$ 113,900	\$ 147,510	\$ 33,610	\$ 183,944
Charges for services - public	2,000	2,000	-	(2,000)	2,647
Investment income	300	300	200	(100)	360
Total Revenues	<u>116,200</u>	<u>116,200</u>	<u>147,710</u>	<u>31,510</u>	<u>186,951</u>
EXPENDITURES					
Current					
Public safety	119,200	125,200	100,165	25,035	97,367
Capital outlay	-	-	-	-	74,066
Total Expenditures	<u>119,200</u>	<u>125,200</u>	<u>100,165</u>	<u>25,035</u>	<u>171,433</u>
Net change in fund balances	(3,000)	(9,000)	47,545	56,545	15,518
FUND BALANCES - Beginning of Year	<u>86,064</u>	<u>86,064</u>	<u>86,064</u>	-	<u>70,546</u>
FUND BALANCES - END OF YEAR	<u>\$ 83,064</u>	<u>\$ 77,064</u>	<u>\$ 133,609</u>	<u>\$ 56,545</u>	<u>\$ 86,064</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Economic Development				
	2015			2014	
	Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	Actual	
REVENUES					
Intergovernmental	\$ -	\$ 29,600	\$ 29,589	\$ (11)	\$ -
Investment income	34,200	34,200	28,506	(5,694)	35,458
Miscellaneous					
Loan repayments	58,500	58,500	56,606	(1,894)	159,019
Building rental	44,400	44,400	7,752	(36,648)	47,747
Other	100	100	56	(44)	4,015
Total Revenues	<u>137,200</u>	<u>166,800</u>	<u>122,509</u>	<u>(44,291)</u>	<u>246,239</u>
EXPENDITURES					
Current					
Development	<u>664,400</u>	<u>1,309,000</u>	<u>1,273,297</u>	<u>35,703</u>	<u>1,109,941</u>
Deficiency of revenues over expenditures	<u>(527,200)</u>	<u>(1,142,200)</u>	<u>(1,150,788)</u>	<u>(8,588)</u>	<u>(863,702)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	100,000	100,000	100,000	-	100,000
Transfers to other funds	(80,000)	(80,000)	(80,000)	-	(80,000)
Sale of capital assets	-	-	440,500	440,500	385,000
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>460,500</u>	<u>440,500</u>	<u>405,000</u>
Net change in fund balances	(507,200)	(1,122,200)	(690,288)	431,912	(458,702)
FUND BALANCES - Beginning of Year	<u>3,284,430</u>	<u>3,284,430</u>	<u>3,284,430</u>	<u>-</u>	<u>3,743,132</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,777,230</u>	<u>\$ 2,162,230</u>	<u>\$ 2,594,142</u>	<u>\$ 431,912</u>	<u>\$ 3,284,430</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Community Enhancement				
	2015			2014	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Taxes	\$ 1,570,000	\$ 1,685,500	\$ 1,774,938	\$ 89,438	\$ 1,719,141
Investment income	500	500	50	(450)	740
Total Revenues	<u>1,570,500</u>	<u>1,686,000</u>	<u>1,774,988</u>	<u>88,988</u>	<u>1,719,881</u>
EXPENDITURES					
Current					
Development	<u>1,102,300</u>	<u>1,217,800</u>	<u>1,217,770</u>	<u>30</u>	<u>1,185,914</u>
Excess of revenues over expenditures	468,200	468,200	557,218	89,018	533,967
OTHER FINANCING USES					
Transfers to other funds	<u>(515,000)</u>	<u>(515,000)</u>	<u>(515,000)</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balances	(46,800)	(46,800)	42,218	89,018	33,967
FUND BALANCES - Beginning of Year	<u>113,048</u>	<u>113,048</u>	<u>113,048</u>	<u>-</u>	<u>79,081</u>
FUND BALANCES - END OF YEAR	<u>\$ 66,248</u>	<u>\$ 66,248</u>	<u>\$ 155,266</u>	<u>\$ 89,018</u>	<u>\$ 113,048</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Public Library				
	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Taxes	\$ 2,929,300	\$ 2,929,300	\$ 2,929,300	\$ -	\$ 2,900,700
Fines and forfeitures	109,000	109,000	90,535	(18,465)	101,780
Charges for services - public	7,000	7,000	7,489	489	6,874
Charges for services - intergovernmental	569,500	569,500	568,993	(507)	557,153
Investment income	-	-	(129)	(129)	490
Miscellaneous					
Gifts and donations	18,000	123,500	138,592	15,092	47,495
Other	246,900	249,500	249,613	113	263,593
Total Revenues	<u>3,879,700</u>	<u>3,987,800</u>	<u>3,984,393</u>	<u>(3,407)</u>	<u>3,878,085</u>
EXPENDITURES					
Current					
Culture and recreation	3,788,700	3,800,900	3,710,088	90,812	3,683,793
Capital Outlay	15,800	17,200	16,100	1,100	9,879
Total Expenditures	<u>3,804,500</u>	<u>3,818,100</u>	<u>3,726,188</u>	<u>91,912</u>	<u>3,693,672</u>
Excess of revenues over expenditures	<u>75,200</u>	<u>169,700</u>	<u>258,205</u>	<u>88,505</u>	<u>184,413</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(229,800)	(229,800)	(229,773)	27	(225,750)
Sale of capital assets	100	100	3,361	3,261	175
Total Other Financing Sources (Uses)	<u>(229,700)</u>	<u>(229,700)</u>	<u>(226,412)</u>	<u>3,288</u>	<u>(225,575)</u>
Net change in fund balances	(154,500)	(60,000)	31,793	91,793	(41,162)
FUND BALANCES - Beginning of Year	<u>790,307</u>	<u>790,307</u>	<u>790,307</u>	<u>-</u>	<u>831,469</u>
FUND BALANCES - END OF YEAR	<u>\$ 635,807</u>	<u>\$ 730,307</u>	<u>\$ 822,100</u>	<u>\$ 91,793</u>	<u>\$ 790,307</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	City-County Health Department				
	2015			2014	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Taxes	\$ 1,723,200	\$ 1,723,200	\$ 1,723,200	\$ -	\$ 1,706,800
Intergovernmental	1,089,800	1,073,100	1,061,724	(11,376)	1,128,797
Licenses and permits	476,500	540,000	546,330	6,330	512,980
Charges for services - public	146,200	142,300	126,216	(16,084)	212,732
Charges for services - intergovernmental	1,526,400	1,524,600	1,490,532	(34,068)	1,432,770
Miscellaneous					
Gifts and donations	400	16,200	19,215	3,015	30,197
Other	10,100	240,100	241,749	1,649	36,998
Total Revenues	<u>4,972,600</u>	<u>5,259,500</u>	<u>5,208,966</u>	<u>(50,534)</u>	<u>5,061,274</u>
EXPENDITURES					
Current					
Health services	5,005,500	5,132,900	5,033,147	99,753	4,787,392
Capital Outlay	-	230,600	229,764	836	25,167
Total expenditures	<u>5,005,500</u>	<u>5,363,500</u>	<u>5,262,911</u>	<u>100,589</u>	<u>4,812,559</u>
Excess (deficiency) of revenues over expenditures	<u>(32,900)</u>	<u>(104,000)</u>	<u>(53,945)</u>	<u>50,055</u>	<u>248,715</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	62,000	43,300	43,402	102	76,774
Transfers to other funds	(31,100)	(31,100)	(31,013)	87	(31,763)
Total Other Financing Sources (Uses)	<u>30,900</u>	<u>12,200</u>	<u>12,389</u>	<u>189</u>	<u>45,011</u>
Net change in fund balances	(2,000)	(91,800)	(41,556)	50,244	293,726
FUND BALANCES - Beginning of Year	<u>1,098,845</u>	<u>1,098,845</u>	<u>1,098,845</u>	<u>-</u>	<u>805,119</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,096,845</u>	<u>\$ 1,007,045</u>	<u>\$ 1,057,289</u>	<u>\$ 50,244</u>	<u>\$ 1,098,845</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Downtown				
	2015			2014	
	Budgeted Amounts		Actual	Variance with	
Original	Final	Final Budget		Actual	
REVENUES					
Miscellaneous					
Gifts and donations	\$ 13,000	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
EXPENDITURES					
Current					
Development	113,700	113,700	109,676	4,024	111,350
Deficiency of revenues over expenditures	(100,700)	(100,700)	(96,676)	4,024	(98,350)
OTHER FINANCING SOURCES					
Transfers from other funds	80,000	80,000	80,000	-	80,000
Net change in fund balances	(20,700)	(20,700)	(16,676)	4,024	(18,350)
FUND BALANCES - Beginning of Year	94,525	94,525	94,525	-	112,875
FUND BALANCES - END OF YEAR	\$ 73,825	\$ 73,825	\$ 77,849	\$ 4,024	\$ 94,525

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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Former Landfill Escrow				
	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 106,104	\$ (43,896)	\$ 50,944
Investment income	-	-	71	71	-
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>106,175</u>	<u>(43,825)</u>	<u>50,944</u>
EXPENDITURES					
Current					
Public works	<u>150,000</u>	<u>150,000</u>	<u>106,175</u>	<u>43,825</u>	<u>50,944</u>
Net change in fund balances	-	-	-	-	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Debt Service - TIF No. 5				
	2015				2014
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 1,127,100	\$ 1,127,100	\$ 1,127,416	\$ 316	\$ -
Intergovernmental	25,400	25,400	27,949	2,549	-
Investment income	6,000	6,000	2,388	(3,612)	-
Total Revenues	<u>1,158,500</u>	<u>1,158,500</u>	<u>1,157,753</u>	<u>(747)</u>	<u>-</u>
EXPENDITURES					
Current					
General government	2,700	2,700	4,110	(1,410)	-
Development	200	200	18,034	(17,834)	-
Debt Service					
Principal retirement	730,000	2,755,000	2,755,000	-	-
Interest and fiscal charges	124,300	156,200	117,941	38,259	-
Total Expenditures	<u>857,200</u>	<u>2,914,100</u>	<u>2,895,085</u>	<u>19,015</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>301,300</u>	<u>(1,755,600)</u>	<u>(1,737,332)</u>	<u>18,268</u>	<u>-</u>
OTHER FINANCING SOURCES					
Refunding long-term debt issued	-	1,955,000	1,955,000	-	-
Premium on long-term debt issued	-	84,000	83,961	(39)	-
Transfers from other funds	-	-	530,714	530,714	-
Total Other Financing Sources	<u>-</u>	<u>2,039,000</u>	<u>2,569,675</u>	<u>530,675</u>	<u>-</u>
Net change in fund balances	301,300	283,400	832,343	548,943	-
FUND BALANCES - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 301,300</u>	<u>\$ 283,400</u>	<u>\$ 832,343</u>	<u>\$ 548,943</u>	<u>\$ -</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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Debt Service - TIF No. 6				
	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Investment income	\$ 600	\$ 600	\$ 865	\$ 265	\$ 537
EXPENDITURES					
Current					
Development	-	-	-	-	300,000
Debt Service					
Principal retirement	115,000	115,000	115,000	-	115,000
Interest and fiscal charges	9,500	9,500	9,500	-	14,100
Total Expenditures	124,500	124,500	124,500	-	429,100
Net change in fund balances	(123,900)	(123,900)	(123,635)	265	(428,563)
FUND BALANCES - Beginning of Year	584,316	584,316	584,316	-	1,012,879
FUND BALANCES - END OF YEAR	\$ 460,416	\$ 460,416	\$ 460,681	\$ 265	\$ 584,316

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, 2015
With Comparative Actual Totals for the Year Ended December 31, 2014

	Debt Service - TIF No. 7				
	2015			2014	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 144,400	\$ 144,400	\$ 120,219	\$ (24,181)	\$ 141,514
Intergovernmental	1,000	1,000	6,314	5,314	1,574
Investment income	-	-	24	24	-
Total Revenues	<u>145,400</u>	<u>145,400</u>	<u>126,557</u>	<u>(18,843)</u>	<u>143,088</u>
EXPENDITURES					
Current					
General government	100	100	-	100	97
Development	200	200	150	50	150
Debt Service					
Principal retirement	135,000	135,000	135,000	-	300,000
Interest and fiscal charges	14,300	14,300	14,300	-	24,569
Total Expenditures	<u>149,600</u>	<u>149,600</u>	<u>149,450</u>	<u>150</u>	<u>324,816</u>
Net change in fund balances	(4,200)	(4,200)	(22,893)	(18,693)	(181,728)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(356,357)</u>	<u>(356,357)</u>	<u>(356,357)</u>	-	<u>(174,629)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (360,557)</u>	<u>\$ (360,557)</u>	<u>\$ (379,250)</u>	<u>\$ (18,693)</u>	<u>\$ (356,357)</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.

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

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
As of December 31, 2015

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Public Transit	Total Nonmajor Enterprise Funds
ASSETS					
Current Assets					
Cash and investments	\$ 2,487,363	\$ 17,058	\$ 190,078	\$ 71,595	\$ 2,766,094
Accounts receivable, net	1,949	51,249	2,575	31,438	87,211
Due from other governments	-	36,198	-	792,416	828,614
Inventories	-	-	-	174,821	174,821
Prepaid items	-	-	-	8,475	8,475
Total Current Assets	<u>2,489,312</u>	<u>104,505</u>	<u>192,653</u>	<u>1,078,745</u>	<u>3,865,215</u>
Noncurrent Assets					
Restricted net pension asset	4,700	13,653	2,686	329,943	350,982
Capital assets					
Construction in progress	4,740	-	-	-	4,740
Land	645,196	5,000	-	-	650,196
Capital assets	6,705,699	8,676,985	3,195,132	7,669,859	26,247,675
Less accumulated depreciation	<u>(4,845,638)</u>	<u>(3,136,064)</u>	<u>(1,061,259)</u>	<u>(5,135,007)</u>	<u>(14,177,968)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>2,509,997</u>	<u>5,545,921</u>	<u>2,133,873</u>	<u>2,534,852</u>	<u>12,724,643</u>
Total Noncurrent Assets	<u>2,514,697</u>	<u>5,559,574</u>	<u>2,136,559</u>	<u>2,864,795</u>	<u>13,075,625</u>
Total Assets	<u>5,004,009</u>	<u>5,664,079</u>	<u>2,329,212</u>	<u>3,943,540</u>	<u>16,940,840</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	4,736	14,579	2,812	340,810	362,937
Total Deferred Outflows of Resources	<u>4,736</u>	<u>14,579</u>	<u>2,812</u>	<u>340,810</u>	<u>362,937</u>
LIABILITIES					
Current Liabilities					
Accounts payable	8,848	4,144	240	134,876	148,108
Accrued payroll and payroll taxes	1,332	7,007	1,179	85,020	94,538
Accrued compensated absences	2,207	2,043	537	145,071	149,858
Accrued interest	-	25,261	-	-	25,261
Deposits	8	1,103	3,182	72,555	76,848
Due to other governments	1,457	1,744	166	-	3,367
Due to other funds	-	47,395	-	569,753	617,148
Current portion of advances	-	210,000	-	-	210,000
Total Current Liabilities	<u>13,852</u>	<u>298,697</u>	<u>5,304</u>	<u>1,007,275</u>	<u>1,325,128</u>
Noncurrent Liabilities					
Advances from other funds	-	2,850,000	-	-	2,850,000
Other post-employment benefits	-	15,980	-	598,092	614,072
Total Noncurrent Liabilities	<u>-</u>	<u>2,865,980</u>	<u>-</u>	<u>598,092</u>	<u>3,464,072</u>
Total Liabilities	<u>13,852</u>	<u>3,164,677</u>	<u>5,304</u>	<u>1,605,367</u>	<u>4,789,200</u>
NET POSITION					
Net investment in capital assets	2,509,997	5,545,921	2,133,873	2,534,852	12,724,643
Restricted for pension	4,700	13,653	2,686	329,943	350,982
Unrestricted (deficit)	<u>2,480,196</u>	<u>(3,045,593)</u>	<u>190,161</u>	<u>(185,812)</u>	<u>(561,048)</u>
TOTAL NET POSITION	<u>\$ 4,994,893</u>	<u>\$ 2,513,981</u>	<u>\$ 2,326,720</u>	<u>\$ 2,678,983</u>	<u>\$ 12,514,577</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Public Transit	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Charges for services	\$ 172,589	\$ 723,920	\$ 270,325	\$ 781,665	\$ 1,948,499
Other	270	51,435	20,628	278,325	350,658
Total Operating Revenues	<u>172,859</u>	<u>775,355</u>	<u>290,953</u>	<u>1,059,990</u>	<u>2,299,157</u>
OPERATING EXPENSES					
Personal services	53,573	249,839	190,159	2,834,755	3,328,326
Contractual services	190,724	102,790	87,116	1,674,820	2,055,450
Supplies and materials	12,461	63,274	68,041	568,335	712,111
Utilities	59,101	254,403	45,787	8,752	368,043
Depreciation	207,684	389,143	68,775	362,165	1,027,767
Administrative	9,652	10,192	7,123	147,747	174,714
Total Operating Expenses	<u>533,195</u>	<u>1,069,641</u>	<u>467,001</u>	<u>5,596,574</u>	<u>7,666,411</u>
Operating loss	<u>(360,336)</u>	<u>(294,286)</u>	<u>(176,048)</u>	<u>(4,536,584)</u>	<u>(5,367,254)</u>
NONOPERATING REVENUES (EXPENSES)					
Operating grants	-	-	-	3,327,135	3,327,135
Interest and fiscal charges	-	(102,555)	-	-	(102,555)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(102,555)</u>	<u>-</u>	<u>3,327,135</u>	<u>3,224,580</u>
Loss before transfers and contributions	(360,336)	(396,841)	(176,048)	(1,209,449)	(2,142,674)
Transfers from other funds	<u>2,334,428</u>	<u>291,740</u>	<u>144,559</u>	<u>720,203</u>	<u>3,490,930</u>
Income (loss) before contributions	1,974,092	(105,101)	(31,489)	(489,246)	1,348,256
Capital Contributions	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Change in net position	1,974,092	(95,101)	(31,489)	(489,246)	1,358,256
NET POSITION - Beginning of Year (as restated)	<u>3,020,801</u>	<u>2,609,082</u>	<u>2,358,209</u>	<u>3,168,229</u>	<u>11,156,321</u>
NET POSITION - END OF YEAR	<u>\$ 4,994,893</u>	<u>\$ 2,513,981</u>	<u>\$ 2,326,720</u>	<u>\$ 2,678,983</u>	<u>\$ 12,514,577</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Public Transit	Total Nonmajor Enterprise Funds
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES					
Cash received from customers	\$ 171,401	\$ 802,189	\$ 289,397	\$ 1,059,936	\$ 2,322,923
Cash paid to suppliers for goods and services	(295,620)	(448,883)	(208,198)	(2,535,601)	(3,488,302)
Cash paid to employees for services	(60,343)	(247,657)	(190,098)	(2,796,157)	(3,294,255)
Administrative charges	-	-	-	(56,116)	(56,116)
Net Cash Flows From (Used By) Operating Activities	<u>(184,562)</u>	<u>105,649</u>	<u>(108,899)</u>	<u>(4,327,938)</u>	<u>(4,515,750)</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	-	4,546,328	4,546,328
Negative cash implicitly financed	-	-	-	(912,689)	(912,689)
Transfers from other funds	2,334,428	291,740	144,559	720,203	3,490,930
Net Cash Flows From (Used By) Financing Activities	<u>2,334,428</u>	<u>291,740</u>	<u>144,559</u>	<u>4,353,842</u>	<u>7,124,569</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	-	10,000	-	-	10,000
Acquisition and construction of capital assets	(13,431)	(133,896)	(44,602)	-	(191,929)
Principal paid on capital advances from other funds	-	(205,000)	-	-	(205,000)
Interest paid on capital advances from other funds	-	(104,066)	-	-	(104,066)
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(13,431)</u>	<u>(432,962)</u>	<u>(44,602)</u>	<u>-</u>	<u>(490,995)</u>
Net Change in Cash and Cash Equivalents	2,136,435	(35,573)	(8,942)	25,904	2,117,824
CASH AND CASH EQUIVALENTS - Beginning of Year	350,928	52,631	199,020	45,691	648,270
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,487,363</u>	<u>\$ 17,058</u>	<u>\$ 190,078</u>	<u>\$ 71,595</u>	<u>\$ 2,766,094</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating loss	\$ (360,336)	\$ (294,286)	\$ (176,048)	\$ (4,536,584)	\$ (5,367,254)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities					
Noncash items included in income					
Depreciation	207,684	389,143	68,775	362,165	1,027,767
Change in assets, deferred outflows and liabilities					
Accounts receivable	(1,344)	28,309	(2,275)	(23,014)	1,676
Inventories	-	-	-	(127,896)	(127,896)
Prepaid items	-	-	-	(8,175)	(8,175)
Accounts payable	(23,711)	(1,763)	(170)	(55,992)	(81,636)
Due to other funds	-	(16,864)	-	-	(16,864)
Other liabilities	(2,783)	(6,696)	181	(84,287)	(93,585)
Other post-employment benefits	(3,998)	9,983	-	128,347	134,332
Pension related deferrals and asset	40	(702)	(81)	(5,462)	(6,205)
Customer deposits	(114)	(1,475)	719	22,960	22,090
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (184,562)</u>	<u>\$ 105,649</u>	<u>\$ (108,899)</u>	<u>\$ (4,327,938)</u>	<u>\$ (4,515,750)</u>

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

The following fund had accrued accounts payable for capital assets acquired prior to December 31, 2015:

Parking Utility	\$ 4,740
Outdoor Pool	225

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 POSITION -
INTERNAL SERVICE FUNDS
As of December 31, 2015

	Risk Management	Central Equipment	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 6,925,813	\$ 6,475,059	\$ 13,400,872
Accounts receivable, net	220,979	713	221,692
Due from other governments	17,479	3,175	20,654
Inventories	-	565,110	565,110
Prepaid items	-	6,345	6,345
Total Current Assets	<u>7,164,271</u>	<u>7,050,402</u>	<u>14,214,673</u>
Noncurrent Assets			
Restricted assets			
Escrow account	291,133	-	291,133
Net pension asset	16,816	104,213	121,029
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	357,047	357,047
Land	-	247,199	247,199
Land improvements	-	32,009	32,009
Intangible assets	-	217,528	217,528
Buildings	-	6,472,606	6,472,606
Equipment	-	558,730	558,730
Rental equipment	-	17,898,954	17,898,954
Less: Accumulated depreciation	-	(14,297,492)	(14,297,492)
Total Capital Assets (Net of Accumulated Depreciation)	-	<u>11,486,581</u>	<u>11,486,581</u>
Total Noncurrent Assets	<u>2,913,145</u>	<u>11,590,794</u>	<u>14,503,939</u>
Total Assets	<u>10,077,416</u>	<u>18,641,196</u>	<u>28,718,612</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	17,630	105,415	123,045
Total Deferred Outflows of Resources	<u>17,630</u>	<u>105,415</u>	<u>123,045</u>
LIABILITIES			
Current Liabilities			
Accounts payable	92,053	146,035	238,088
Accrued payroll and payroll taxes	3,931	26,613	30,544
Accrued compensated absences	4,567	32,303	36,870
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>320,551</u>	<u>204,951</u>	<u>525,502</u>
Noncurrent Liabilities			
Other post-employment benefits	20,545	82,181	102,726
Unpaid claims	1,757,411	-	1,757,411
Total Noncurrent Liabilities	<u>1,777,956</u>	<u>82,181</u>	<u>1,860,137</u>
Total Liabilities	<u>2,098,507</u>	<u>287,132</u>	<u>2,385,639</u>
NET POSITION			
Net investment in capital assets	-	11,486,581	11,486,581
Restricted for:			
Pension	16,816	104,213	121,029
Deposits	1,057,629	-	1,057,629
Unrestricted	<u>6,922,094</u>	<u>6,868,685</u>	<u>13,790,779</u>
TOTAL NET POSITION	<u>\$ 7,996,539</u>	<u>\$ 18,459,479</u>	<u>\$ 26,456,018</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 1,851,104	\$ 1,525,428	\$ 3,376,532
Rental of equipment	-	3,071,399	3,071,399
Total Charges for Services	<u>1,851,104</u>	<u>4,596,827</u>	<u>6,447,931</u>
Other			
Repayment of insurance claims	108,854	-	108,854
Building rental	-	271,896	271,896
Miscellaneous	-	2,139	2,139
Total Operating Revenues	<u>1,959,958</u>	<u>4,870,862</u>	<u>6,830,820</u>
OPERATING EXPENSES			
Personal services	146,841	933,138	1,079,979
Contractual services	103,231	423,390	526,621
Supplies and materials	1,961	1,469,035	1,470,996
Utilities	294	183,845	184,139
Depreciation	-	1,473,655	1,473,655
Administrative	357,146	138,111	495,257
Claims	1,395,697	-	1,395,697
Total Operating Expenses	<u>2,005,170</u>	<u>4,621,174</u>	<u>6,626,344</u>
Operating income (loss)	<u>(45,212)</u>	<u>249,688</u>	<u>204,476</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	24,137	-	24,137
Net loss on disposal of capital assets	-	(80,260)	(80,260)
Total Nonoperating Revenues (Expenses)	<u>24,137</u>	<u>(80,260)</u>	<u>(56,123)</u>
Income (loss) before transfers and contributions	<u>(21,075)</u>	<u>169,428</u>	<u>148,353</u>
Transfers from other funds	-	62,400	62,400
Transfers to other funds	(200,000)	-	(200,000)
Total Transfers	<u>(200,000)</u>	<u>62,400</u>	<u>(137,600)</u>
Income (loss) before contributions	<u>(221,075)</u>	<u>231,828</u>	<u>10,753</u>
Capital contributions	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Change in net position	<u>(221,075)</u>	<u>241,828</u>	<u>20,753</u>
NET POSITION - Beginning of Year (as restated)	<u>8,217,614</u>	<u>18,217,651</u>	<u>26,435,265</u>
NET POSITION - END OF YEAR	<u>\$ 7,996,539</u>	<u>\$ 18,459,479</u>	<u>\$ 26,456,018</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	Risk Management	Central Equipment	Totals
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Cash received from customers	\$ 1,807,272	\$ 4,881,181	\$ 6,688,453
Cash payments to suppliers for goods and services	(363,068)	(2,211,078)	(2,574,146)
Cash payments to employees for services	(167,435)	(965,627)	(1,133,062)
Claims paid	(1,388,052)	-	(1,388,052)
Repayment of insurance claims	108,854	-	108,854
Net Cash Flows From (Used By) Operating Activities	<u>(2,429)</u>	<u>1,704,476</u>	<u>1,702,047</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	62,400	62,400
Transfers to other funds	(200,000)	-	(200,000)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(200,000)</u>	<u>62,400</u>	<u>(137,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>24,137</u>	-	<u>24,137</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	10,000	10,000
Acquisition and construction of capital assets	-	(1,812,892)	(1,812,892)
Proceeds from sale of capital assets	-	61,624	61,624
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>-</u>	<u>(1,741,268)</u>	<u>(1,741,268)</u>
Net change in cash and cash equivalents	(178,292)	25,608	(152,684)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,395,238</u>	<u>6,449,451</u>	<u>13,844,689</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,216,946</u>	<u>\$ 6,475,059</u>	<u>\$ 13,692,005</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Position	\$ 6,925,813	\$ 6,475,059	\$ 13,400,872
Restricted Cash and Investments	<u>291,133</u>	-	<u>291,133</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 7,216,946</u>	<u>\$ 6,475,059</u>	<u>\$ 13,692,005</u>

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (45,212)	\$ 249,688	\$ 204,476
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	1,473,655	1,473,655
Change in assets, deferred outflows and liabilities:			
Accounts receivable	(43,832)	10,319	(33,513)
Inventories	-	(922)	(922)
Prepays	99,263	3,009	102,272
Accounts payable	301	1,216	1,517
Accrued liabilities	(6,618)	(27,223)	(33,841)
Other post-employment benefits	(13,437)	(5,771)	(19,208)
Unpaid claims	7,645	-	7,645
Pension related deferrals and asset	(539)	505	(34)
	<u>(539)</u>	<u>505</u>	<u>(34)</u>
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (2,429)</u>	<u>\$ 1,704,476</u>	<u>\$ 1,702,047</u>

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:

Central Equipment had accrued \$41,181 of accounts payable for capital assets acquired prior to December 31, 2015.

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, 2015

<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2015</u>
ASSETS				
Cash and investments	\$ 23,324,302	\$ 100,882,207	\$ 98,627,070	\$ 25,579,439
Taxes receivable	<u>40,953,358</u>	<u>88,241,216</u>	<u>89,857,098</u>	<u>39,337,476</u>
TOTAL ASSETS	<u>\$ 64,277,660</u>	<u>\$ 189,123,423</u>	<u>\$ 188,484,168</u>	<u>\$ 64,916,915</u>
LIABILITIES				
Due to other taxing units	<u>\$ 64,277,660</u>	<u>\$ 64,916,915</u>	<u>\$ 64,277,660</u>	<u>\$ 64,916,915</u>

Major Governmental Component Units

The **South Barstow Business Improvement District** fund accounts for funds collected and disbursed on behalf of the South Barstow 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 **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

BALANCE SHEET
 MAJOR GOVERNMENTAL COMPONENT UNITS
 As of December 31, 2015

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 24,418	\$ 217,410	\$ 241,828
Receivables			
Special assessments	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
TOTAL ASSETS	<u>\$ 104,418</u>	<u>\$ 261,410</u>	<u>\$ 365,828</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 820	\$ 2	\$ 822
Total Liabilities	<u>820</u>	<u>2</u>	<u>822</u>
Deferred Inflows of Resources			
Unearned revenue	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
Total Deferred Inflows of Resources	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
Fund Balances			
Restricted	<u>23,598</u>	<u>217,408</u>	<u>241,006</u>
Total Fund Balances	<u>23,598</u>	<u>217,408</u>	<u>241,006</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 104,418</u>	<u>\$ 261,410</u>	<u>\$ 365,828</u>

CITY OF EAU CLAIRE

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
MAJOR GOVERNMENTAL COMPONENT UNITS
For the Year Ended December 31, 2015

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
REVENUES			
Special assessments	\$ 80,000	\$ 44,000	\$ 124,000
Investment income	90	395	485
Total Revenues	<u>80,090</u>	<u>44,395</u>	<u>124,485</u>
EXPENDITURES			
Current			
Contractual services	64,255	28,272	92,527
Supplies and materials	<u>10,586</u>	<u>-</u>	<u>10,586</u>
Total Expenditures	<u>74,841</u>	<u>28,272</u>	<u>103,113</u>
Net change in fund balances	5,249	16,123	21,372
FUND BALANCES - Beginning of Year	<u>18,349</u>	<u>201,285</u>	<u>219,634</u>
FUND BALANCES - END OF YEAR	<u>\$ 23,598</u>	<u>\$ 217,408</u>	<u>\$ 241,006</u>

Nonmajor Component Units

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.

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
As of December 31, 2015

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 14,305	\$ 23,756	\$ 38,061
Receivables			
Special assessments	15,000	11,000	26,000
Notes	<u>2,678</u>	<u>-</u>	<u>2,678</u>
Total Assets	<u>31,983</u>	<u>34,756</u>	<u>66,739</u>
LIABILITIES			
Accounts payable	<u>-</u>	<u>748</u>	<u>748</u>
Total Liabilities	<u>-</u>	<u>748</u>	<u>748</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Total Deferred Inflows of Resources	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
NET POSITION			
Restricted for business improvement	<u>16,983</u>	<u>23,008</u>	<u>39,991</u>
TOTAL NET POSITION	<u>\$ 16,983</u>	<u>\$ 23,008</u>	<u>\$ 39,991</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
For the Year Ended December 31, 2015

				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Program Revenues</u>		<u>West Grand Business Improvement District</u>	<u>Water Street Business Improvement District</u>	<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>			
West Grand Business Improvement District						
Contractual services	\$ 10,879	\$ -	\$ -	\$ -	\$ -	\$ (10,879)
Water Street Business Improvement District						
Contractual services	<u>11,070</u>	<u>-</u>	<u>12,750</u>	<u>-</u>	<u>1,680</u>	<u>1,680</u>
Total Nonmajor Component Units	<u>\$ 21,949</u>	<u>\$ -</u>	<u>\$ 12,750</u>	<u>\$ -</u>	<u>(10,879)</u>	<u>(9,199)</u>
			General Revenues			
			Special assessments	15,000	11,000	26,000
			Investment income	<u>31</u>	<u>34</u>	<u>65</u>
			Total General Revenues	<u>15,031</u>	<u>11,034</u>	<u>26,065</u>
			Change in net position	4,152	12,714	16,866
			NET POSITION - Beginning of Year	<u>12,831</u>	<u>10,294</u>	<u>23,125</u>
			NET POSITION - END OF YEAR	<u>\$ 16,983</u>	<u>\$ 23,008</u>	<u>\$ 39,991</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL COMPONENT UNITS
As of December 31, 2015

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 14,305	\$ 23,756	\$ 38,061
Receivables			
Special assessments	15,000	11,000	26,000
Notes	<u>2,678</u>	<u>-</u>	<u>2,678</u>
 TOTAL ASSETS	 <u>\$ 31,983</u>	 <u>\$ 34,756</u>	 <u>\$ 66,739</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 748	\$ 748
Total Liabilities	<u>-</u>	<u>748</u>	<u>748</u>
Deferred Inflows of Resources			
Unearned revenues	15,000	11,000	26,000
Unavailable revenues	<u>2,678</u>	<u>-</u>	<u>2,678</u>
Total Deferred Inflows of Resources	<u>17,678</u>	<u>11,000</u>	<u>28,678</u>
Fund Balances			
Restricted	<u>14,305</u>	<u>23,008</u>	<u>37,313</u>
Total Fund Balances	<u>14,305</u>	<u>23,008</u>	<u>37,313</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 31,983</u>	 <u>\$ 34,756</u>	 <u>\$ 66,739</u>
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE			
Fund balance at year end	\$ 14,305	\$ 23,008	\$ 37,313
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds.	<u>2,678</u>	<u>-</u>	<u>2,678</u>
 NET POSITION AT YEAR END	 <u>\$ 16,983</u>	 <u>\$ 23,008</u>	 <u>\$ 39,991</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL COMPONENT UNITS For the Year Ended December 31, 2015

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
REVENUES			
Special assessments	\$ 15,000	\$ 11,000	\$ 26,000
Investment income	31	34	65
Miscellaneous			
Gifts and donations	-	12,750	12,750
Other	3,294	-	3,294
Total Revenues	18,325	23,784	42,109
EXPENDITURES			
Current			
Contractual services	10,879	11,070	21,949
Total Expenditures	10,879	11,070	21,949
Net change in fund balances	7,446	12,714	20,160
FUND BALANCES - Beginning of Year	6,859	10,294	17,153
FUND BALANCES - END OF YEAR	\$ 14,305	\$ 23,008	\$ 37,313
RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION			
Net change in fund balances	\$ 7,446	\$ 12,714	\$ 20,160
Governmental funds report repayments of loans receivable as revenue and issuing of new loans as expenditures. However, in the statement of activities, these amounts are not reported as revenues and expenses.			
Repayment of principal on loans recognized as revenue on fund statements	(3,294)	-	(3,294)
CHANGE IN NET POSITION	\$ 4,152	\$ 12,714	\$ 16,866

STATISTICAL SECTION (Unaudited)

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

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.

CITY OF EAU CLAIRE

TABLE 1
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 92,019,758	\$ 91,774,543	\$ 94,701,258	\$ 88,485,022	\$ 90,572,719	\$ 98,427,662	\$ 97,125,034	\$ 95,534,363	\$ 100,938,789	\$ 106,095,598
Restricted	19,613,325	19,993,642	18,725,047	17,257,799	14,905,845	26,402,223	24,967,847	24,351,108	22,366,545	24,838,403
Unrestricted	<u>32,529,957</u>	<u>33,619,637</u>	<u>41,631,592</u>	<u>51,074,170</u>	<u>50,715,707</u>	<u>34,201,343</u>	<u>32,209,137</u>	<u>27,680,816</u>	<u>24,765,242</u>	<u>24,420,646</u>
Total governmental activities net position	<u>144,163,040</u>	<u>145,387,822</u>	<u>155,057,897</u>	<u>156,816,991</u>	<u>156,194,271</u>	<u>159,031,228</u>	<u>154,302,018</u>	<u>147,566,287</u>	<u>148,070,576</u>	<u>155,354,647</u>
Business-type activities										
Net investment in capital assets	127,757,415	131,320,732	136,900,275	142,147,587	144,754,595	149,683,001	154,554,974	161,838,061	164,710,447	171,288,239
Restricted	2,379,744	2,683,138	2,337,580	1,720,280	1,756,280	1,738,780	1,734,280	3,457,280	3,290,640	6,432,015
Unrestricted	<u>14,066,385</u>	<u>18,485,636</u>	<u>16,261,525</u>	<u>14,752,404</u>	<u>14,596,965</u>	<u>16,269,324</u>	<u>17,163,338</u>	<u>15,359,319</u>	<u>17,570,033</u>	<u>19,392,440</u>
Total business-type activities net position	<u>144,203,544</u>	<u>152,489,506</u>	<u>155,499,380</u>	<u>158,620,271</u>	<u>161,107,840</u>	<u>167,691,105</u>	<u>173,452,592</u>	<u>180,654,660</u>	<u>185,571,120</u>	<u>197,112,694</u>
Primary government										
Net investment in capital assets (1)	218,562,857	218,170,512	227,571,273	226,794,574	231,714,628	244,774,021	248,657,334	254,463,127	263,199,244	275,290,419
Restricted	21,993,069	22,676,780	21,062,627	18,978,079	16,662,125	28,141,003	26,702,127	27,808,388	25,657,185	31,270,418
Unrestricted (1)	<u>47,810,658</u>	<u>57,030,036</u>	<u>61,923,377</u>	<u>69,664,609</u>	<u>68,925,358</u>	<u>53,807,309</u>	<u>52,395,149</u>	<u>45,949,432</u>	<u>44,785,267</u>	<u>45,906,504</u>
Total primary government net position	<u>\$ 288,366,584</u>	<u>\$ 297,877,328</u>	<u>\$ 310,557,277</u>	<u>\$ 315,437,262</u>	<u>\$ 317,302,111</u>	<u>\$ 326,722,333</u>	<u>\$ 327,754,610</u>	<u>\$ 328,220,947</u>	<u>\$ 333,641,696</u>	<u>\$ 352,467,341</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

CITY OF EAU CLAIRE

TABLE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expenses	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:										
General government	\$ 6,493,902	\$ 6,464,010	\$ 8,357,900	\$ 6,914,248	\$ 7,413,879	\$ 7,688,891	\$ 7,784,358	\$ 7,304,201	\$ 8,057,579	\$ 7,437,428
Public safety	23,034,101	23,743,952	25,983,790	25,574,799	27,320,440	28,078,889	28,215,577	28,084,089	29,094,423	29,280,552
Public works	11,533,035	12,080,012	13,574,402	14,203,614	14,006,148	12,092,862	14,777,016	16,208,836	15,025,070	19,636,363
Health services	4,436,211	4,677,429	4,836,338	5,079,081	5,128,740	5,296,571	5,177,080	8,376,282	6,555,268	5,966,318
Culture and recreation	8,105,219	8,646,899	8,701,253	8,745,604	8,993,462	9,990,949	10,957,742	9,277,789	9,393,095	9,577,588
Development	2,359,672	3,281,340	3,426,710	3,111,437	3,329,286	5,347,354	3,598,455	3,082,492	3,756,001	3,996,569
Interest and fiscal charges	<u>2,106,598</u>	<u>2,046,007</u>	<u>2,664,817</u>	<u>2,814,770</u>	<u>2,985,972</u>	<u>3,070,331</u>	<u>2,984,386</u>	<u>3,096,357</u>	<u>2,919,561</u>	<u>2,924,436</u>
Total governmental activities expenses	<u>58,068,738</u>	<u>60,939,649</u>	<u>67,545,210</u>	<u>66,443,553</u>	<u>69,177,927</u>	<u>71,565,847</u>	<u>73,494,614</u>	<u>75,430,046</u>	<u>74,800,997</u>	<u>78,819,254</u>
Business-type activities										
Water Utility	5,439,753	5,787,761	6,313,831	6,403,962	6,561,935	6,336,311	6,231,089	6,148,766	6,733,490	6,030,093
Sewer Utility	5,558,045	5,476,435	6,018,079	5,987,480	6,451,288	6,328,716	6,832,166	6,994,271	7,512,146	7,692,253
Storm Water Utility	2,064,283	2,066,896	2,289,679	2,117,002	2,153,306	2,944,824	2,888,377	3,752,368	3,163,028	3,306,591
Public Transit	4,770,055	4,864,830	5,130,887	4,795,731	5,194,260	5,745,719	5,531,514	5,545,632	5,980,184	5,608,443
Parking Utility	445,732	454,931	473,048	484,008	496,319	408,272	429,501	483,670	528,347	533,452
Hobbs Ice Center	621,290	589,633	622,235	703,386	991,013	1,116,011	1,128,084	1,193,577	1,181,985	1,172,166
Outdoor Pool	<u>354,369</u>	<u>373,385</u>	<u>402,603</u>	<u>369,257</u>	<u>350,890</u>	<u>346,058</u>	<u>344,940</u>	<u>350,115</u>	<u>393,815</u>	<u>467,192</u>
Total business-type activities expenses	<u>19,253,527</u>	<u>19,613,871</u>	<u>21,250,362</u>	<u>20,860,826</u>	<u>22,199,011</u>	<u>23,225,911</u>	<u>23,385,671</u>	<u>24,468,399</u>	<u>25,492,995</u>	<u>24,810,190</u>
Total primary government expenses	<u>\$ 77,322,265</u>	<u>\$ 80,553,520</u>	<u>\$ 88,795,572</u>	<u>\$ 87,304,379</u>	<u>\$ 91,376,938</u>	<u>\$ 94,791,758</u>	<u>\$ 96,880,285</u>	<u>\$ 99,898,445</u>	<u>\$ 100,293,992</u>	<u>\$ 103,629,444</u>

CITY OF EAU CLAIRE

TABLE 2 (cont.)
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 3,131,097	\$ 3,014,682	\$ 3,112,881	\$ 3,873,184	\$ 3,750,638	\$ 3,665,540	\$ 3,289,407	\$ 3,329,885	\$ 3,349,936	\$ 3,584,223
Public safety	3,460,345	3,777,133	4,151,824	4,807,007	4,779,379	4,945,608	4,874,142	4,882,213	5,149,859	5,262,806
Public works	396,987	258,474	250,219	299,656	391,199	368,467	355,763	336,719	335,389	416,844
Health services	1,769,891	1,817,621	1,849,982	1,887,058	2,088,397	2,073,356	2,095,515	1,844,279	2,032,850	2,086,170
Culture and recreation	1,360,404	1,595,776	1,619,949	1,603,176	1,599,091	1,641,235	1,635,845	1,444,807	1,556,224	1,529,852
Development	746,569	1,232,950	468,614	99,137	375,568	726,293	525,008	362,644	689,675	658,419
Operating grants and contributions										
General government	22,444	12,416	12,877	13,723	34,331	43,279	14,405	28,862	43,662	48,631
Public safety	670,279	1,091,291	344,610	475,948	525,055	585,005	1,049,144	687,735	1,489,262	483,459
Public works	-	-	6,371,107	1,011,157	-	6,658	162,106	163,569	16,193	158,435
Health services	895,312	984,965	1,049,388	1,209,737	1,231,045	1,028,604	1,336,168	1,164,409	1,398,881	1,584,354
Culture and recreation	12,205	31,370	14,235	32,337	50,888	100,489	36,528	70,304	47,988	140,754
Development	802,334	1,241,461	1,103,856	1,741,828	711,533	1,497,532	1,513,340	1,294,798	812,867	391,658
Interest and fiscal charges	-	-	-	-	-	230,884	222,811	208,540	197,028	190,624
Capital grants and contributions										
General government	2,122,452	1,619,901	2,678,484	301,393	-	-	-	166,000	35,000	9,831
Public safety	-	131,896	329,736	110,099	97,089	102,038	-	-	-	346,504
Public works	10,799,856	5,365,276	7,097,399	4,744,942	4,060,881	5,633,183	4,739,362	5,291,184	5,883,864	6,147,391
Health services	-	-	9,109	-	-	-	-	-	-	11,400
Culture and recreation	1,005,338	216,384	94,390	804,943	503,022	521,094	406,739	103,330	424,468	349,053
Development	-	-	-	-	53,750	17,144	3,107	74,500	-	25,000
Total governmental activities	27,195,513	22,391,596	30,558,660	23,015,325	20,251,866	23,186,409	22,259,390	21,453,778	23,479,524	23,425,408
Business-type activities										
Charges for services										
Water Utility	7,600,310	8,100,296	7,822,825	8,379,381	8,388,766	8,649,397	9,347,490	9,369,910	9,443,359	9,653,806
Sewer Utility	6,267,035	6,266,314	6,492,660	6,617,211	6,955,547	7,659,365	8,520,852	9,721,206	9,380,247	9,356,855
Storm Water Utility	2,460,532	2,677,207	2,944,799	3,245,820	3,522,074	3,739,357	3,915,685	4,084,504	4,247,032	4,370,957
Public Transit	527,466	552,510	645,823	689,595	655,056	705,102	682,133	709,843	739,331	781,665
Parking Utility	227,065	214,184	240,605	219,392	201,233	217,547	194,258	163,655	166,299	172,589
Hobbs Ice Center	443,141	452,511	503,710	485,956	574,986	620,916	695,623	703,816	721,323	723,920
Outdoor Pool	210,756	213,503	217,613	205,898	217,258	231,326	242,323	230,722	240,191	270,325
Operating grants and contributions										
Water Utility	-	-	-	-	-	-	-	-	(67,960)	-
Storm Water Utility	-	-	-	-	-	62,447	47,836	44,078	42,797	42,049
Public Transit	2,711,846	2,839,769	2,948,598	2,907,050	3,139,414	3,269,479	3,079,067	3,499,753	3,757,723	3,327,135
Capital grants and contributions										
Water Utility	542,390	492,431	937,844	378,597	870,815	927,308	172,770	261,659	682,033	528,227
Sewer Utility	540,063	357,700	690,951	58,364	247,327	409,621	106,577	332,833	483,456	289,797
Storm Water Utility	505,753	90,973	147,010	19,470	96,737	379,626	137,994	192,513	292,510	430,683
Public Transit	-	-	-	-	-	1,928,001	5,238	1,311,862	-	-
Parking Utility	-	-	-	-	-	50,000	-	-	-	-
Hobbs Ice Center	-	-	50,000	-	343,592	8,437	-	-	-	10,000
Total business-type activities	22,036,357	22,257,398	23,642,438	23,206,734	25,212,805	28,857,929	27,147,846	30,626,354	30,128,341	29,958,008
Total primary government										
program revenues	49,231,870	44,648,994	54,201,098	46,222,059	45,464,671	52,044,338	49,407,236	52,080,132	53,607,865	53,383,416
Net (Expense) Revenue										
Governmental activities	(30,873,225)	(38,548,053)	(36,986,550)	(43,428,228)	(48,926,061)	(48,379,438)	(51,235,224)	(53,976,268)	(51,321,473)	(55,393,846)
Business-type activities	2,782,830	2,643,527	2,392,076	2,345,908	3,013,794	5,632,018	3,762,175	6,157,955	4,635,346	5,147,818
Total primary government net expenses	\$(28,090,395)	\$(35,904,526)	\$(34,594,474)	\$(41,082,320)	\$(45,912,267)	\$(42,747,420)	\$(47,473,049)	\$(47,818,313)	\$(46,686,127)	\$(50,246,028)

CITY OF EAU CLAIRE

TABLE 2 (cont.)
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes	\$ 28,709,747	\$ 29,927,378	\$ 32,904,778	\$ 33,555,043	\$ 35,566,702	\$ 36,973,482	\$ 38,406,838	\$ 39,386,203	\$ 41,232,091	\$ 42,416,655
Intergovernmental revenues	9,390,895	9,463,185	9,603,015	10,069,736	9,695,627	9,457,785	8,410,416	8,476,861	8,472,470	8,896,147
Investment income	4,167,233	4,639,329	3,692,849	1,045,243	1,429,077	1,381,465	1,032,748	518,206	1,368,713	1,188,703
Gain on disposal of capital assets	38,033	65,420	33,868	34,589	-	-	-	18,066	386,773	375,358
Miscellaneous	107,281	14,373	16,075	184,711	274,145	29,585	64,586	159,353	121,329	55,956
Transfers	146,418	(4,336,850)	406,040	298,000	1,337,790	(309,026)	(1,408,574)	(750,521)	244,386	(3,752,900)
Total governmental activities	42,559,607	39,772,835	46,656,625	45,187,322	48,303,341	47,533,291	46,506,014	47,808,168	51,825,762	49,179,919
Business-type activities										
Investment income	806,542	1,046,523	737,649	208,680	136,594	160,168	80,733	81,087	112,878	53,151
Gain on sale of capital assets	-	-	-	-	-	-	34,699	12,134	83	-
Miscellaneous	267,438	259,062	286,189	864,303	674,971	482,053	475,306	445,618	412,539	643,985
Transfers	(146,418)	4,336,850	(406,040)	(298,000)	(1,337,790)	309,026	1,408,574	750,521	(244,386)	3,752,900
Total business-type activities	927,562	5,642,435	617,798	774,983	(526,225)	951,247	1,999,312	1,289,360	281,114	4,450,036
Total primary government	43,487,169	45,415,270	47,274,423	45,962,305	47,777,116	48,484,538	48,505,326	49,097,528	52,106,876	53,629,955
Change in Net Position										
Governmental activities	11,686,382	1,224,782	9,670,075	1,759,094	(622,720)	(846,147)	(4,729,210)	(6,168,100)	504,289	(6,213,927)
Business-type activities	3,710,392	8,285,962	3,009,874	3,120,891	2,487,569	6,583,265	5,761,487	7,447,315	4,916,460	9,597,854
Total primary government	\$ 15,396,774	\$ 9,510,744	\$ 12,679,949	\$ 4,879,985	\$ 1,864,849	\$ 5,737,118	\$ 1,032,277	\$ 1,279,215	\$ 5,420,749	\$ 3,383,927

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 3
FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 4,881,267	\$ 4,412,107	\$ 4,203,971	\$ 8,124,878	\$ 7,511,280	\$ 6,833,801	\$ 6,368,186	\$ 4,859,049	\$ 5,234,391	\$ 4,649,638
Restricted	-	-	-	-	-	-	-	-	-	75,000
Assigned	3,023,752	2,021,632	3,285,838	3,250,173	3,767,065	6,873,403	6,774,678	5,596,353	5,321,453	4,615,065
Unassigned	<u>7,368,023</u>	<u>8,338,803</u>	<u>9,954,326</u>	<u>12,549,834</u>	<u>14,087,620</u>	<u>13,099,710</u>	<u>12,524,213</u>	<u>13,735,102</u>	<u>14,230,236</u>	<u>15,802,442</u>
Total General Fund	<u>15,273,042</u>	<u>14,772,542</u>	<u>17,444,135</u>	<u>23,924,885</u>	<u>25,365,965</u>	<u>26,806,914</u>	<u>25,667,077</u>	<u>24,190,504</u>	<u>24,786,080</u>	<u>25,142,145</u>
All Other Governmental Funds										
Nonspendable										
Special revenue funds	-	-	64,821	65,766	65,071	81,089	111,421	126,907	114,298	124,461
Capital projects funds	-	-	-	-	-	31,654	-	-	-	-
Restricted										
Special revenue funds	6,878,678	5,983,423	5,807,695	5,479,406	5,647,550	5,571,228	5,792,285	5,903,534	6,194,555	5,714,980
Debt service funds	8,862,125	9,503,745	8,734,738	8,888,011	8,909,211	8,251,980	7,651,161	7,084,958	6,235,878	6,652,653
Capital projects funds	6,738,191	10,423,566	8,062,537	6,003,611	6,868,734	6,902,429	5,615,218	8,244,329	5,180,083	4,720,117
Assigned										
Capital projects funds	5,635,465	8,006,460	13,667,533	17,267,084	16,177,093	8,733,925	9,931,969	11,446,114	11,395,947	6,237,008
Unassigned (deficit)										
Special revenue funds	-	-	-	-	(1,709)	-	-	-	(18,469)	(25,663)
Debt service funds	-	-	-	-	-	(26,145)	(96,237)	(174,629)	(356,357)	(379,250)
Capital projects funds	-	(138,222)	(1,000)	(2,134,426)	(2,235,123)	(2,385,867)	(2,485,767)	(2,943,258)	(3,251,270)	(3,513,561)
Total All Other Governmental Funds	<u>28,114,459</u>	<u>33,778,972</u>	<u>36,336,324</u>	<u>35,569,452</u>	<u>35,430,827</u>	<u>27,160,293</u>	<u>26,520,050</u>	<u>29,687,955</u>	<u>25,494,665</u>	<u>19,530,745</u>
Total All Governmental Funds	<u>\$ 43,387,501</u>	<u>\$ 48,551,514</u>	<u>\$ 53,780,459</u>	<u>\$ 59,494,337</u>	<u>\$ 60,796,792</u>	<u>\$ 53,967,207</u>	<u>\$ 52,187,127</u>	<u>\$ 53,878,459</u>	<u>\$ 50,280,745</u>	<u>\$ 44,672,890</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)

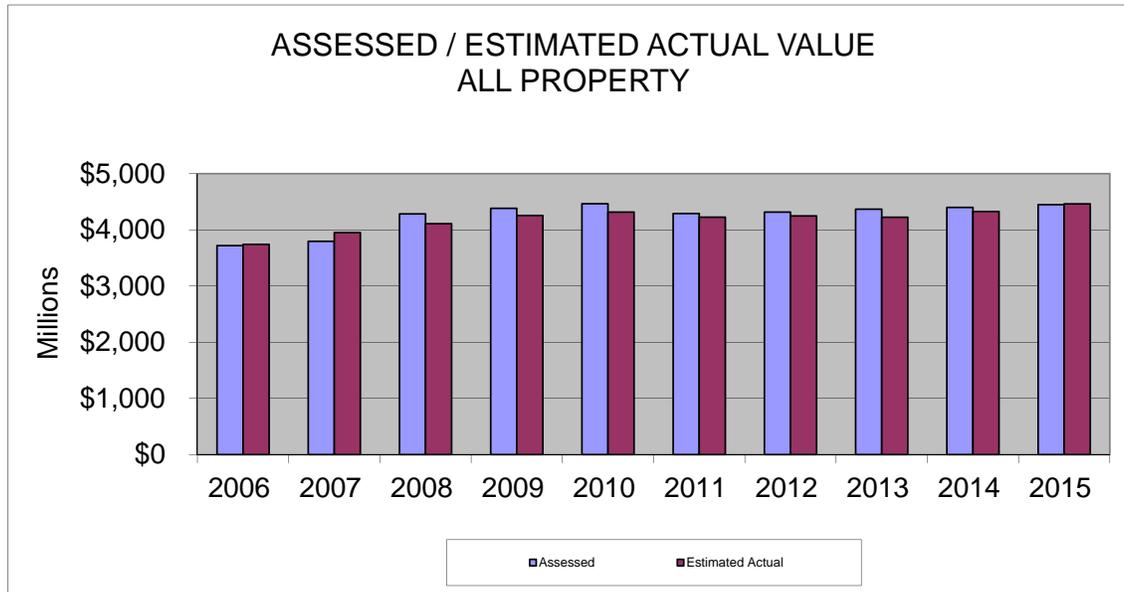
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Taxes	\$ 28,667	\$ 29,462	\$ 31,296	\$ 33,526	\$ 35,477	\$ 37,319	\$ 38,374	\$ 39,093	\$ 41,308	\$ 42,377
Special assessments	1,988	1,898	2,053	1,989	1,853	1,888	1,930	2,313	2,499	2,549
Intergovernmental	15,546	15,957	22,109	15,958	16,033	15,287	14,507	14,290	13,960	14,465
Licenses and permits	1,938	1,922	1,969	1,993	1,936	1,821	1,996	1,966	2,093	2,265
Fines, forfeitures and penalties	900	1,018	941	897	866	865	758	749	753	793
Charges for services	7,169	7,005	9,576	9,878	9,049	9,316	8,990	8,678	9,292	10,265
Investment income	3,682	4,328	3,355	1,430	1,296	1,249	977	432	1,192	1,063
Miscellaneous	1,509	1,726	1,281	2,218	1,879	2,282	1,675	1,803	2,189	1,678
Total revenues	<u>61,399</u>	<u>63,316</u>	<u>72,580</u>	<u>67,889</u>	<u>68,389</u>	<u>70,027</u>	<u>69,207</u>	<u>69,324</u>	<u>73,286</u>	<u>75,455</u>
Expenditures										
General government	5,696	5,700	6,169	5,888	6,136	6,135	6,343	6,238	6,585	6,367
Public safety	22,412	23,563	24,252	24,739	25,362	25,909	25,653	26,467	26,234	26,880
Public works	7,137	7,693	8,109	8,545	8,723	8,106	8,112	9,002	9,145	8,732
Health services	4,402	4,666	4,814	4,959	5,026	5,026	4,983	4,913	5,457	5,453
Culture and recreation	7,493	7,830	7,908	7,935	8,062	8,220	8,328	8,268	7,821	7,993
Development	2,772	3,614	2,839	3,096	2,738	2,701	3,369	3,106	3,667	3,774
Miscellaneous	462	630	465	451	612	474	382	435	541	392
Capital outlay	13,408	8,119	11,899	9,685	9,179	17,593	10,689	15,730	14,233	22,714
Debt service										
Principal	3,789	4,311	5,057	4,983	4,930	5,740	7,276	12,577	8,200	11,193
Interest	2,073	1,957	2,634	2,907	3,134	3,034	3,063	3,002	3,118	2,907
Total expenditures	<u>69,644</u>	<u>68,083</u>	<u>74,146</u>	<u>73,188</u>	<u>73,902</u>	<u>82,938</u>	<u>78,198</u>	<u>89,738</u>	<u>85,001</u>	<u>96,405</u>
Other financing sources (uses)										
Debt issued	4,365	17,785	15,400	11,618	7,707	6,060	7,757	21,580	7,184	16,150
Premium on debt issued	55	166	-	-	27	30	52	295	37	322
Discount on debt issued	-	-	(60)	(79)	-	-	-	-	-	-
Payment to refunding agent	-	(8,812)	-	-	(2,293)	-	-	-	-	-
Pay-off of unfunded retirement liability	-	-	(9,392)	-	-	-	-	-	-	-
Transfers in	7,931	7,841	7,910	10,390	10,141	10,318	11,906	11,402	13,134	14,582
Transfers out	(7,450)	(7,135)	(7,099)	(11,494)	(8,832)	(10,398)	(12,531)	(11,189)	(12,689)	(16,385)
Sale of capital assets	38	86	36	578	65	72	26	18	451	673
Total other financing sources (uses)	<u>4,939</u>	<u>9,931</u>	<u>6,795</u>	<u>11,013</u>	<u>6,815</u>	<u>6,082</u>	<u>7,210</u>	<u>22,106</u>	<u>8,117</u>	<u>15,342</u>
Net change in fund balances	<u>\$ (3,306)</u>	<u>\$ 5,164</u>	<u>\$ 5,229</u>	<u>\$ 5,714</u>	<u>\$ 1,302</u>	<u>\$ (6,829)</u>	<u>\$ (1,781)</u>	<u>\$ 1,692</u>	<u>\$ (3,598)</u>	<u>\$ (5,608)</u>
Debt service as a percentage of noncapital expenditures	10.4%	10.6%	12.2%	12.4%	12.4%	13.5%	15.3%	20.6%	16.2%	17.9%

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
ALL PROPERTY										
Real property:										
Assessed value	\$3,589,140	\$3,663,397	\$4,132,625	\$4,229,806	\$4,298,042	\$4,129,685	\$4,164,172	\$4,205,728	\$4,219,220	\$4,268,982
Estimated actual value (1)	3,614,093	3,812,428	3,960,377	4,100,813	4,154,706	4,062,866	4,098,830	4,065,232	4,149,675	4,279,412
Personal property:										
Assessed value	\$129,985	\$132,425	\$150,560	\$152,927	\$167,057	\$160,043	\$151,299	\$162,039	\$179,945	\$178,769
Estimated actual value	126,950	139,214	149,802	154,122	161,241	161,758	148,638	158,492	175,990	182,188
Total:										
Assessed value	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767	\$4,399,165	\$4,447,751
Estimated actual value	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724	4,325,665	4,461,599
Ratio of total assessed to total estimated actual value	99.41%	96.06%	104.21%	103.00%	103.46%	101.54%	101.60%	103.41%	101.70%	99.69%
Direct tax rate:										
Eau Claire County	\$7.15	\$7.22	\$6.80	\$7.12	\$7.34	\$8.01	\$8.22	\$8.24	\$8.60	\$8.74
Chippewa County	\$7.15	\$7.12	\$6.86	\$7.18	\$7.51	\$8.19	\$8.30	\$8.24	\$8.72	\$8.96



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.

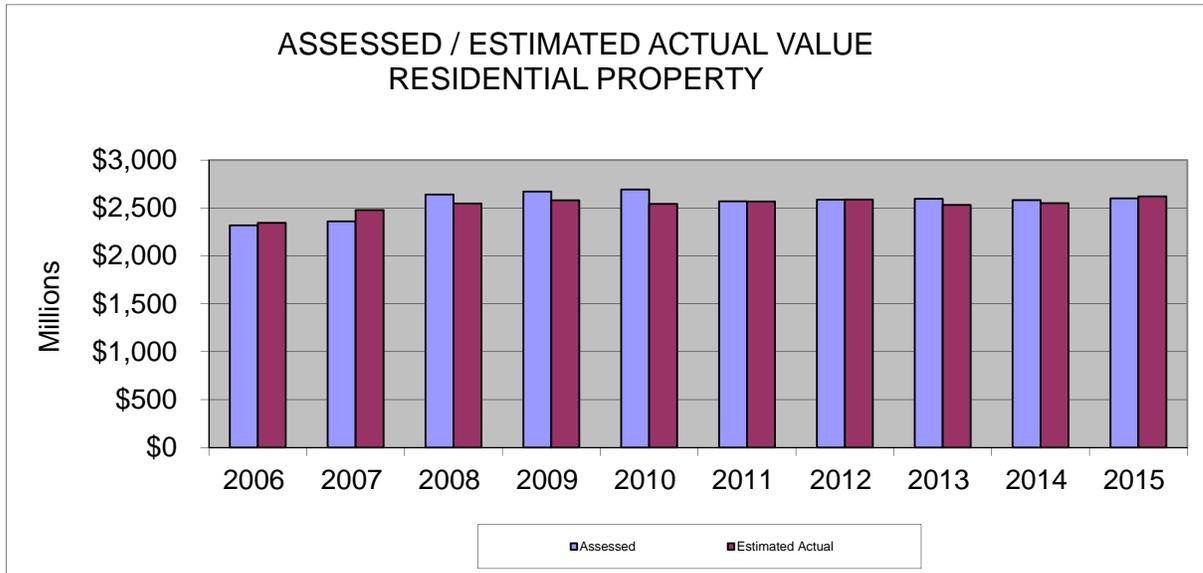
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
RESIDENTIAL										
Real property:										
Assessed value	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948	\$2,581,699	\$2,600,068
Estimated actual value	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048	2,567,621	2,587,946	2,531,431	2,549,958	2,620,864
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	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948	\$2,581,699	\$2,600,068
Estimated actual value	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048	2,567,621	2,587,946	2,531,431	2,549,958	2,620,864
Total all classes:										
Assessed value	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767	\$4,399,165	\$4,447,751
Estimated actual value	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724	4,325,665	4,461,599
Residential property as a percentage of total:										
Assessed value	62.34%	62.17%	61.64%	60.94%	60.30%	59.89%	59.94%	59.43%	58.69%	58.46%
Estimated actual value	62.67%	62.71%	61.95%	60.63%	58.90%	60.78%	60.93%	59.93%	58.95%	58.74%
Number of parcels	19,838	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995
Number of parcels with improvements	17,993	18,114	18,358	18,445	18,590	18,668	18,737	18,752	18,845	18,892



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.

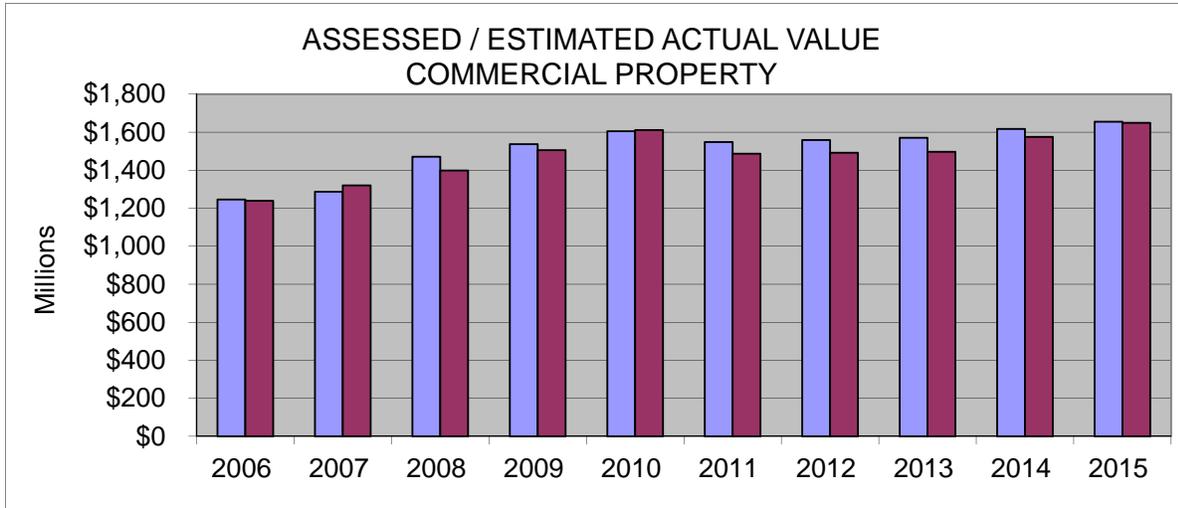
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
COMMERCIAL										
Real property:										
Assessed value	\$1,132,143	\$1,170,613	\$1,344,227	\$1,406,379	\$1,459,862	\$1,409,526	\$1,427,191	\$1,442,120	\$1,478,093	\$1,512,479
Estimated actual value	1,128,558	1,197,480	1,271,451	1,372,777	1,471,159	1,346,057	1,362,726	1,370,911	1,440,058	1,503,139
Personal property:										
Assessed value	\$113,661	\$116,173	\$126,739	\$130,769	\$145,125	\$138,680	\$131,570	\$128,431	\$139,062	\$142,521
Estimated actual value	110,476	122,319	126,823	132,663	139,976	140,642	129,175	126,004	135,234	146,120
Total commercial:										
Assessed value	\$1,245,804	\$1,286,786	\$1,470,966	\$1,537,148	\$1,604,987	\$1,548,206	\$1,558,761	\$1,570,551	\$1,617,156	\$1,655,000
Estimated actual value	1,239,034	1,319,799	1,398,274	1,505,440	1,611,135	1,486,699	1,491,901	1,496,915	1,575,292	1,649,259
Total all classes:										
Assessed value	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767	\$4,399,165	\$4,447,751
Estimated actual value	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724	4,325,665	4,461,599
Commercial property as a percentage of total:										
Assessed value	33.50%	33.90%	34.34%	35.07%	35.95%	36.09%	36.12%	35.96%	36.76%	37.21%
Estimated actual value	33.12%	33.40%	34.02%	35.38%	37.33%	35.19%	35.12%	35.44%	36.42%	36.97%
Number of parcels	2,739	2,755	3,253	3,200	3,224	3,236	3,174	3,139	3,241	2,192
Number of parcels with improvements	1,751	1,786	1,847	1,881	1,904	1,913	1,918	1,933	1,944	1,948



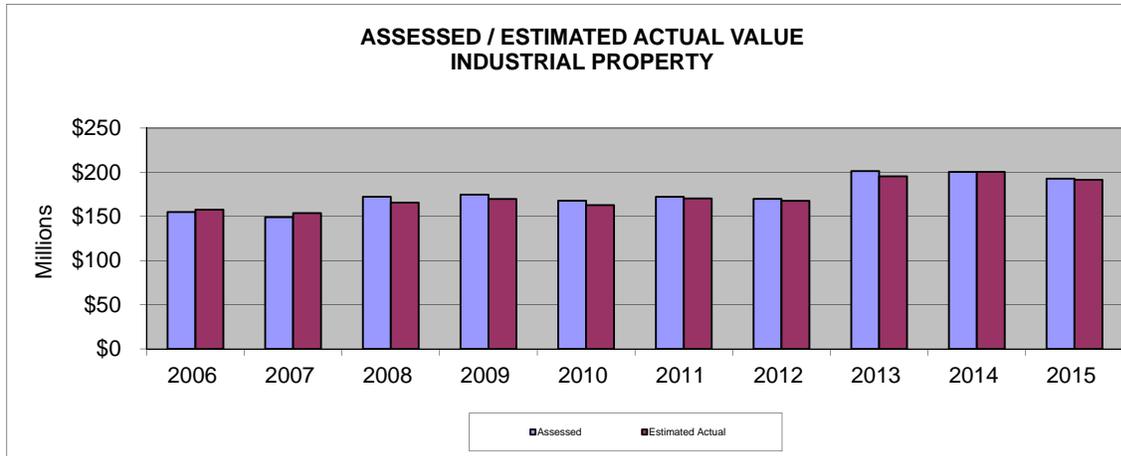
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
INDUSTRIAL										
Real property:										
Assessed value	\$138,617	\$132,852	\$148,389	\$152,504	\$145,773	\$150,835	\$150,135	\$167,661	\$159,428	\$156,437
Estimated actual value	141,086	136,850	142,630	148,282	141,499	149,188	148,158	162,891	159,660	155,409
Personal property:										
Assessed value	\$16,324	\$16,252	\$23,821	\$22,159	\$21,932	\$21,363	\$19,729	\$33,608	\$40,883	\$36,247
Estimated actual value	16,474	16,894	22,979	21,459	21,264	21,116	19,463	32,488	40,755	36,068
Total industrial:										
Assessed value	\$154,941	\$149,104	\$172,210	\$174,663	\$167,705	\$172,198	\$169,864	\$201,269	\$200,310	\$192,684
Estimated actual value	157,560	153,744	165,609	169,741	162,763	170,304	167,621	195,379	200,416	191,477
Total all classes:										
Assessed value	\$3,719,125	\$4,283,185	\$4,382,733	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767	\$4,399,165	\$4,447,751
Estimated actual value	3,741,043	4,110,179	4,254,935	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724	4,325,665	4,461,599
Industrial property as a percentage of total:										
Assessed value	4.17%	3.48%	3.93%	3.99%	3.76%	4.01%	3.94%	4.61%	4.55%	4.33%
Estimated actual value	4.21%	3.74%	3.89%	3.99%	3.77%	4.03%	3.95%	4.63%	4.63%	4.29%
Number of parcels	97	93	95	97	95	94	96	93	92	90
Number of parcels with improvements	89	85	84	82	80	79	80	78	77	76



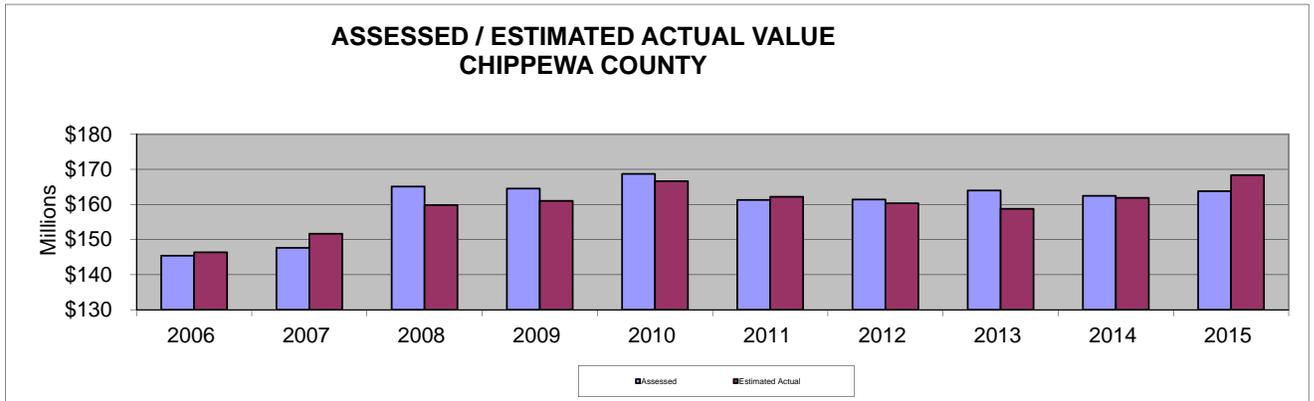
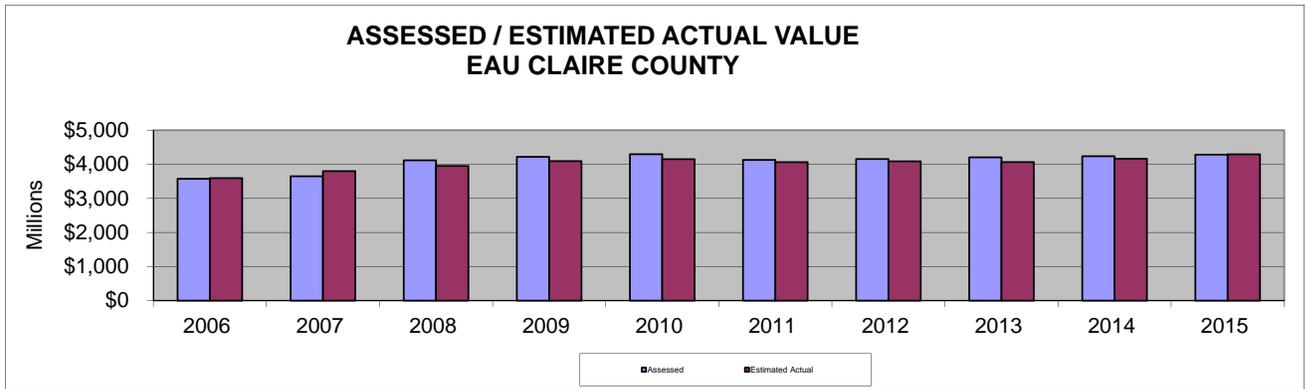
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
EAU CLAIRE COUNTY										
Assessed value	\$3,573,733	\$3,648,184	\$4,118,082	\$4,218,200	\$4,296,383	\$4,128,456	\$4,154,056	\$4,203,777	\$4,236,710	\$4,283,958
Estimated actual value	3,594,685	3,799,993	3,950,363	4,093,908	4,149,314	4,062,445	4,087,132	4,064,974	4,163,778	4,293,242
Ratio of assessment	99.42%	96.01%	104.25%	103.04%	103.54%	101.62%	101.64%	103.41%	101.75%	99.78%
CHIPPEWA COUNTY										
Assessed value	\$145,392	\$147,637	\$165,102	\$164,533	\$168,716	\$161,273	\$161,416	\$163,990	\$162,455	\$163,793
Estimated actual value	146,358	151,649	159,815	161,027	166,633	162,179	160,335	158,750	161,886	168,357
Ratio of assessment	99.34%	97.35%	103.31%	102.18%	101.25%	99.44%	100.67%	103.30%	100.35%	97.29%



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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TID #4 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	0	0	0	0	0	0	0	0	0	0
Total TID #4	\$0									
TID #5 equalized valuation:										
Base	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Increment	20,703	21,661	21,074	22,901	23,258	29,187	30,122	39,284	46,556	48,498
Total TID #5	\$21,703	\$22,661	\$22,074	\$23,901	\$24,258	\$30,187	\$31,122	\$40,284	\$47,556	\$49,498
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$986	\$0	\$0	\$0	\$0	\$0
Increment	9,254	9,907	10,663	11,404	11,383	0	0	0	0	0
Total TID #6	\$10,240	\$10,893	\$11,649	\$12,390	\$12,369	\$0	\$0	\$0	\$0	\$0
TID #7 equalized valuation:										
Base	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329
Increment	3,894	5,675	5,859	6,193	6,467	6,007	5,265	5,507	5,963	5,172
Total TID #7	\$4,223	\$6,004	\$6,188	\$6,522	\$6,796	\$6,336	\$5,594	\$5,836	\$6,292	\$5,501
TID #8 equalized valuation:										
Base	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,845
Increment	12,661	16,288	16,805	18,523	22,362	25,813	26,805	29,055	36,349	35,945
Total TID #8	\$23,102	\$26,729	\$27,246	\$28,964	\$32,803	\$36,254	\$37,246	\$39,496	\$46,790	\$46,790
TID #9 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239
Increment	0	0	0	0	2,222	5,117	2,310	2,201	355	167
Total TID #9	\$0	\$0	\$0	\$0	\$13,461	\$16,356	\$13,549	\$13,440	\$11,594	\$11,406
ALL PROPERTY										
All property - w/o TIDs	\$3,681,775	\$3,885,355	\$4,043,022	\$4,183,157	\$4,226,260	\$4,135,491	\$4,159,957	\$4,124,668	\$4,213,432	\$4,348,404
Base valuation - TIDs	12,756	12,756	12,756	12,756	23,995	23,009	23,009	23,009	23,009	23,413
All property - w/o TID increment	3,694,531	3,898,111	4,055,778	4,195,913	4,250,255	4,158,500	4,182,966	4,147,677	4,236,441	4,371,817
Increment valuation - TIDs	46,512	53,530	54,401	59,022	65,692	66,124	64,502	76,047	89,223	89,782
Equalized valuation - all property	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724	\$4,325,664	\$4,461,599

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670
Library	0.724	0.725	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671
Health	0.418	0.416	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395
Total Direct Rate	7.148	7.216	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736
Eau Claire School Dist.	9.954	9.624	8.774	8.714	9.219	9.876	10.012	9.772	9.410	9.879
Vocational District	1.620	1.634	1.511	1.535	1.606	1.728	1.714	1.707	1.706	0.900
Eau Claire County	3.095	3.159	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782
State Forestry	0.189	0.183	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170
Gross Tax Rate	22.006	21.816	20.585	20.850	21.712	23.284	23.631	23.390	23.492	23.467
Less State Credit	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)
Net Tax Rate	\$ 20.681	\$ 20.189	\$ 18.970	\$ 19.220	\$ 20.185	\$ 21.726	\$ 22.097	\$ 21.855	\$ 21.966	\$ 21.972
City Property Located in Eau Claire County (Altoona School District)										
City	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670
Library	0.724	0.725	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671
Health	0.418	0.416	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395
Total Direct Rate	7.148	7.216	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736
Altoona School Dist.	9.718	10.034	10.025	8.533	8.931	8.859	9.271	9.344	9.568	11.747
Vocational District	1.620	1.634	1.511	1.535	1.605	1.728	1.714	1.707	1.706	0.900
Eau Claire County	3.095	3.159	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782
State Forestry	0.189	0.183	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170
Gross Tax Rate	21.770	22.226	21.836	20.669	21.423	22.267	22.890	22.962	23.650	25.335
Less State Credit	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)
Net Tax Rate	\$ 20.445	\$ 20.599	\$ 20.221	\$ 19.039	\$ 19.896	\$ 20.709	\$ 21.356	\$ 21.427	\$ 22.124	\$ 23.840

Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 11 (cont.)
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866
Library	0.724	0.714	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689
Health	0.418	0.410	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405
Total Direct Rate	7.148	7.115	6.861	7.180	7.510	8.189	8.299	8.245	8.721	8.959
Eau Claire School Dist.	9.961	9.491	8.870	8.787	9.428	10.081	10.108	9.749	9.561	10.132
Vocational District	1.621	1.611	1.524	1.549	1.642	1.765	1.730	1.709	1.730	0.922
Chippewa County	3.408	3.270	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732
State Forestry	0.189	0.181	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174
Gross Tax Rate	22.327	21.668	20.499	20.726	21.914	23.513	23.662	23.328	23.792	23.921
Less State Credit	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)	(1.589)	(1.554)
Net Tax Rate	\$ 21.014	\$ 20.085	\$ 18.952	\$ 19.140	\$ 20.459	\$ 22.017	\$ 22.146	\$ 21.781	\$ 22.203	\$ 22.367
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866
Library	0.724	0.714	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689
Health	0.418	0.410	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405
Total Direct Rate	7.148	7.115	6.861	7.180	7.510	8.189	8.299	8.245	8.721	8.959
Chippewa Falls School Dist.	8.240	8.085	6.914	7.403	8.335	8.957	9.079	10.285	8.793	9.506
Vocational District	1.621	1.611	1.524	1.548	1.642	1.765	1.730	1.709	1.730	0.922
Chippewa County	3.408	3.270	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732
State Forestry	0.189	0.181	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174
Gross Tax Rate	20.606	20.262	18.543	19.341	20.821	22.389	22.633	23.864	23.024	23.294
Less State Credit	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)	(1.589)	(1.554)
Net Tax Rate	\$ 19.293	\$ 18.679	\$ 16.996	\$ 17.755	\$ 19.366	\$ 20.893	\$ 21.117	\$ 22.317	\$ 21.435	\$ 21.741

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	2015 Equalized Value	2015 Rank	2015 Percentage of Total Equalized Value	2006 Equalized Value	2006 Rank	2006 Percentage of Total Equalized Value
Nestle Foods	\$ 76,576	1	1.72%	\$ 30,123	3	0.81%
Mayo Clinic Health System	73,080	2	1.64%	-		
Oakwood Hills Mall	72,859	3	1.63%	67,355	1	1.80%
Keystone Corporation	41,996	4	0.94%	33,545	2	0.90%
Marshfield Clinic	34,366	5	0.77%	18,099	7	0.48%
Menard Inc.	26,097	6	0.58%	16,481	8	0.44%
Royal Credit Union	21,834	7	0.49%	-		
Hutchinson Technology, Inc.	18,384	8	0.41%	21,835	5	0.58%
Phillips Properties	15,851	9	0.36%	16,113	9	0.43%
Ch Valley Partners	15,375	10	0.34%	-		0.00%
F&L II & JHP Eau Claire	-			12,419	10	0.33%
Luther Hospital	-			22,113	4	0.59%
Midelfort Clinic	-			<u>19,296</u>	6	0.52%
Principal Taxpayers total	<u>\$ 396,418</u>			<u>\$ 257,379</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,461,599</u>			<u>\$ 3,741,043</u>		

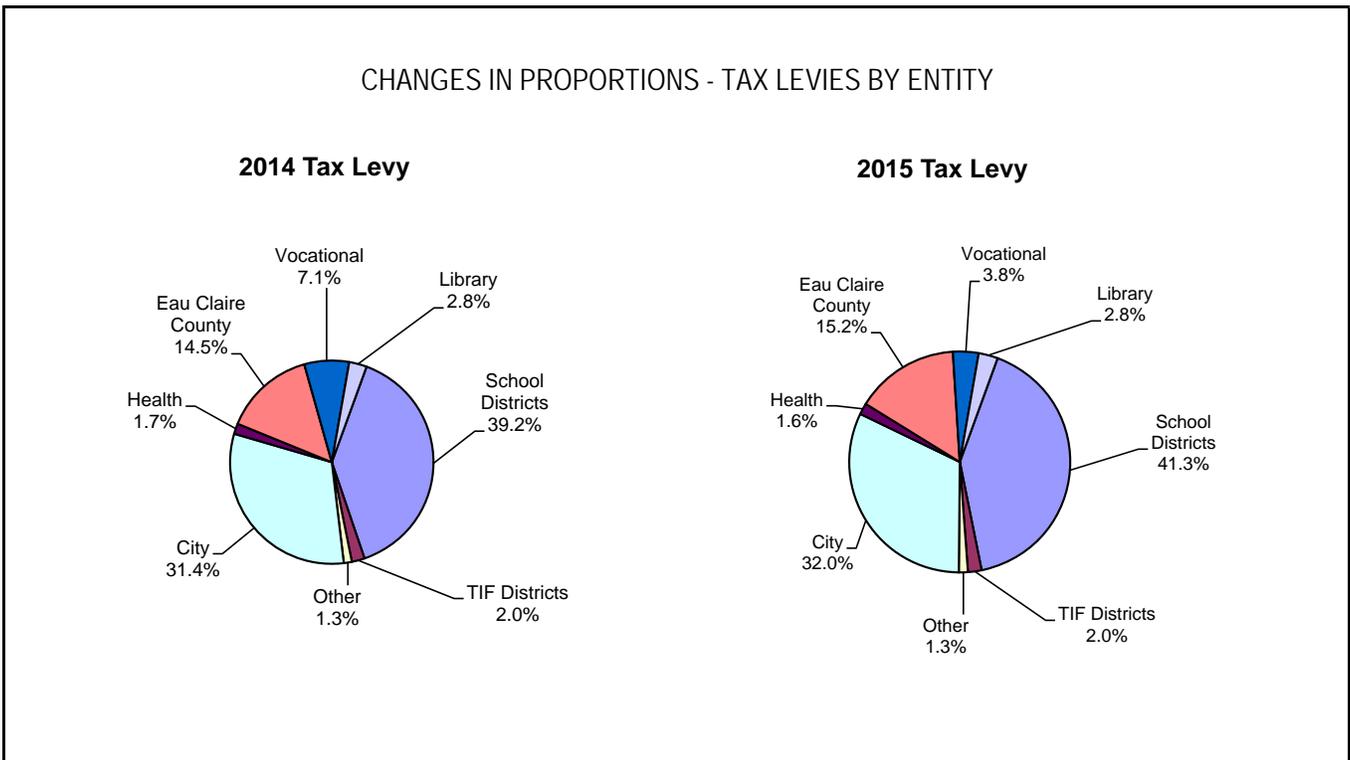
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of tax applied to the fiscal year. Values are for both Eau Claire and Chippewa counties.

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City	\$ 22,058	\$ 22,734	\$ 24,380	\$ 26,301	\$ 27,815	\$ 29,303	\$ 30,360	\$ 30,742	\$ 32,465	\$ 33,455
TIF Districts	1,008	1,110	1,151	1,251	1,460	1,553	1,538	1,827	2,118	2,087
Library	2,658	2,712	2,758	2,825	2,834	2,867	2,891	2,891	2,901	2,929
Health	1,537	1,557	1,609	1,656	1,671	1,696	1,695	1,691	1,707	1,723
Eau Claire School District	36,385	35,847	36,934	37,511	40,408	41,545	42,373	41,723	40,390	42,903
Chippewa Falls School District	31	31	30	33	31	49	50	51	42	51
Altoona School District	137	140	142	121	126	121	127	130	134	166
Vocational District	5,951	6,113	6,387	6,639	7,065	7,300	7,285	7,323	7,355	3,923
Eau Claire County	10,947	11,395	13,596	13,824	14,330	14,213	14,386	14,486	14,959	15,866
Chippewa County	464	451	474	465	498	533	542	567	587	611
State Forestry- Eau Claire County	674	667	670	695	704	689	694	690	707	729
State Forestry- Chippewa County	27	27	27	27	28	28	27	27	27	29
Total tax levy	\$81,877	\$82,784	\$88,158	\$ 91,348	\$ 96,970	\$ 99,897	\$ 101,968	\$ 102,148	\$ 103,392	\$ 104,472
City percent of total levy	26.94%	27.46%	27.65%	28.79%	28.68%	29.33%	29.77%	30.10%	31.40%	32.02%



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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Tax Levy	\$ 26,253	\$ 27,003	\$ 28,747	\$ 30,782	\$ 32,319	\$ 33,865	\$ 34,946	\$ 35,324	\$ 39,191	\$ 40,195
Current tax collections	\$ 26,086	\$ 26,877	\$ 28,654	\$ 30,633	\$ 32,142	\$ 33,612	\$ 34,801	\$ 35,177	\$ 39,044	\$ 40,048
Percentage of Levy	99.4%	99.5%	99.7%	99.5%	99.5%	99.3%	99.6%	99.6%	99.6%	99.6%
Collection of delinquent personal property taxes	\$ 142	\$ 111	\$ 71	\$ 97	\$ 129	\$ 217	\$ 101	\$ 106	\$ 106	\$ 106
Total tax collections (1)	<u>\$ 26,228</u>	<u>\$ 26,988</u>	<u>\$ 28,725</u>	<u>\$ 30,730</u>	<u>\$ 32,271</u>	<u>\$ 33,829</u>	<u>\$ 34,902</u>	<u>\$ 35,283</u>	<u>\$ 39,150</u>	<u>\$ 40,154</u>
Percentage of Levy	99.9%	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%

(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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total assessments levied each fiscal period: (1)										
General fund	\$89	\$100	\$109	\$120	\$271	\$383	\$808	\$1,036	\$1,334	\$1,413
Business Improvement Districts	141	151	152	152	145	145	147	147	150	150
Debt Service	1,516	1,547	1,721	1,546	1,373	1,126	711	596	468	378
Water Utility	90	99	90	87	83	82	70	64	49	48
Sewer Utility	104	105	91	90	82	77	51	51	39	29
Storm Water Utility	0	0	0	0	0	0	0	0	6	7
Health	0	0	0	8	8	6	5	6	4	3
Delinquent utility bills	561	548	617	656	809	774	776	774	777	833
Total assessments levied	\$2,501	\$2,550	\$2,780	\$2,659	\$2,771	\$2,593	\$2,568	\$2,674	\$2,827	\$2,861
Current collections	\$2,501	\$2,550	\$2,780	\$2,659	\$2,771	\$2,593	\$2,568	\$2,674	\$2,827	\$2,861
Total collections	\$2,501	\$2,550	\$2,780	\$2,659	\$2,771	\$2,593	\$2,568	\$2,674	\$2,827	\$2,861

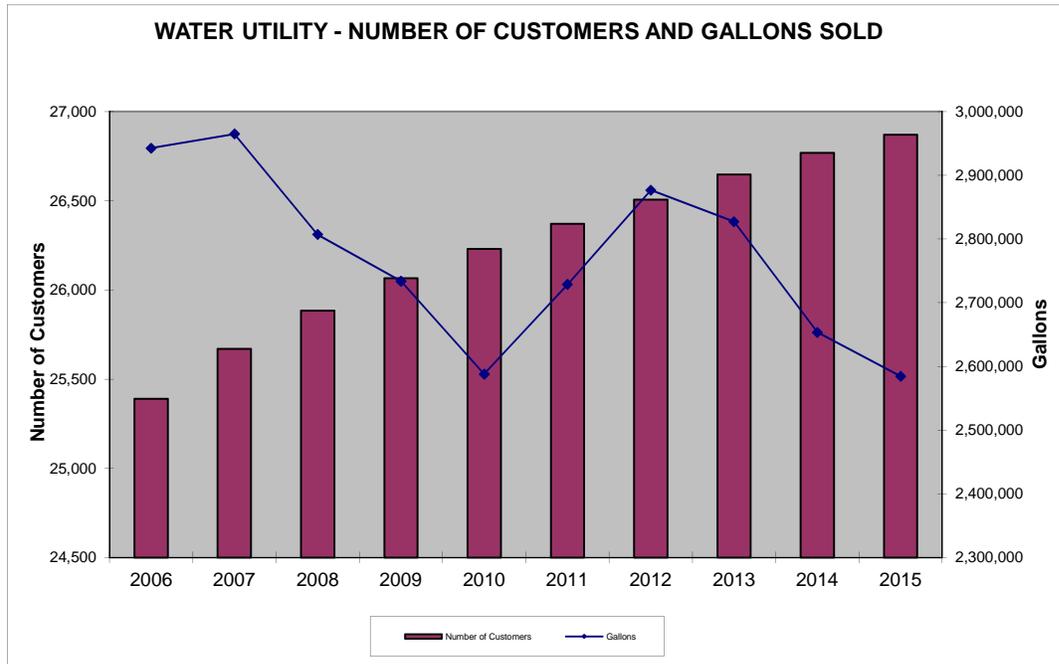
(1) NOTE: Includes current interest due on installment special assessments.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of customers										
Residential	22,560	22,805	22,992	23,152	23,293	23,417	23,556	23,931	24,281	24,376
Commercial	2,519	2,551	2,574	2,593	2,612	2,628	2,625	2,390	2,158	2,163
Industrial	111	111	110	109	109	109	109	109	109	106
Public	199	202	208	212	216	217	216	217	221	225
Total	25,389	25,669	25,884	26,066	26,230	26,371	26,506	26,647	26,769	26,870
Gallons (thousands)										
Residential	1,371,987	1,385,600	1,244,970	1,288,528	1,182,343	1,210,111	1,297,806	1,350,816	1,265,265	1,224,855
Commercial	694,466	715,582	694,815	667,586	656,846	673,138	701,560	650,697	555,737	530,879
Industrial	616,834	606,778	612,579	517,711	505,853	604,273	612,696	571,655	607,864	594,629
Public	259,278	256,705	254,553	259,869	242,820	241,090	264,612	254,054	224,465	234,094
Total	2,942,565	2,964,665	2,806,917	2,733,694	2,587,862	2,728,612	2,876,674	2,827,222	2,653,331	2,584,457



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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Metered Service										
Quarterly Service Charge										
5/8 inch meter	\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.10	\$ 17.10	\$ 17.61	\$ 17.61	\$ 18.17	\$ 21.00	\$ 21.00
3/4 inch meter	15.60	15.60	15.60	17.10	17.10	17.61	17.61	18.17	21.00	21.00
1 inch meter	22.80	22.80	22.80	26.70	26.70	27.50	27.50	28.38	30.00	30.00
1 1/4 inch meter	30.00	30.00	30.00	35.40	35.40	36.46	36.46	37.63	39.00	39.00
1 1/2 inch meter	36.60	36.00	36.00	43.80	43.80	45.11	45.11	46.55	51.00	51.00
2 inch meter	55.80	55.80	55.80	65.40	65.40	67.36	67.36	69.52	75.00	75.00
3 inch meter	99.00	99.00	99.00	105.00	105.00	108.15	108.15	111.61	120.00	120.00
4 inch meter	129.00	129.00	129.00	156.00	156.00	160.68	160.68	165.82	180.00	180.00
6 inch meter	225.00	225.00	225.00	273.00	273.00	281.19	281.19	290.19	312.00	312.00
8 inch meter	339.00	339.00	339.00	411.00	411.00	423.33	423.33	436.88	474.00	474.00
10 inch meter	489.00	489.00	489.00	591.00	591.00	608.73	608.73	628.21	660.00	660.00
12 inch meter	639.00	639.00	639.00	771.00	771.00	794.13	794.13	819.54	825.00	825.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.49	\$ 1.49	\$ 1.53	\$ 1.53	\$ 1.58	\$ 1.70	\$ 1.70
Next 742,500 cubic feet	1.13	1.13	1.13	1.28	1.28	1.32	1.32	1.36	1.45	1.45
Over 750,000 cubic feet	0.79	0.79	0.79	0.89	0.89	0.92	0.92	0.95	1.10	1.10
Public Fire Protection										
Quarterly Service Charge										
5/8 inch meter	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.60	\$ 9.60	\$ 9.89	\$ 9.89	\$ 10.21	\$ 10.80	\$ 10.80
3/4 inch meter	9.46	9.46	9.46	9.60	9.60	9.89	9.89	10.21	10.80	10.80
1 inch meter	23.48	23.48	23.48	24.00	24.00	24.72	24.72	25.51	27.00	27.00
1 1/4 inch meter	34.92	34.92	34.92	35.40	35.40	36.46	36.46	37.63	39.00	39.00
1 1/2 inch meter	47.28	47.28	47.28	48.00	48.00	49.44	49.44	51.02	54.00	54.00
2 inch meter	75.71	75.71	75.71	76.80	76.80	79.10	79.10	81.63	87.00	87.00
3 inch meter	142.14	142.14	142.14	144.00	144.00	148.32	148.32	153.07	165.00	165.00
4 inch meter	234.84	234.84	234.84	240.00	240.00	247.20	247.20	255.11	270.00	270.00
6 inch meter	472.77	472.77	472.77	480.00	480.00	494.40	494.40	510.22	540.00	540.00
8 inch meter	753.96	753.96	753.96	768.00	768.00	791.04	791.04	816.35	870.00	870.00
10 inch meter	1,134.03	1,134.03	1,134.03	1,152.00	1,152.00	1,186.56	1,186.56	1,224.53	1,350.00	1,350.00
12 inch meter	1,511.01	1,511.01	1,511.01	1,536.00	1,536.00	1,582.08	1,582.08	1,632.71	1,740.00	1,740.00

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

<u>Customer</u>	2015		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestle USA	242,400,620	\$ 425,383	9.4%
Cascades Tissue	115,917,560	200,476	4.5%
American Phoenix	95,693,136	153,100	3.7%
Hutchinson Technology	93,514,960	239,399	3.6%
University of Wisconsin - Eau Claire	57,496,516	152,026	2.2%
Mayo Clinic Health System	41,452,664	97,360	1.6%
Sacred Heart Hospital	26,762,692	57,610	1.0%
Eau Claire Area School District	23,465,508	77,630	0.9%
Silver Spring Foods	21,094,348	41,790	0.8%
Landmark Company	13,175,272	52,192	0.5%
Subtotal (ten largest)	730,973,276	1,496,964	28.2%
All other customers	1,853,483,724	7,752,703	71.8%
Grand Totals	2,584,457,000	\$ 9,249,667	100.0%

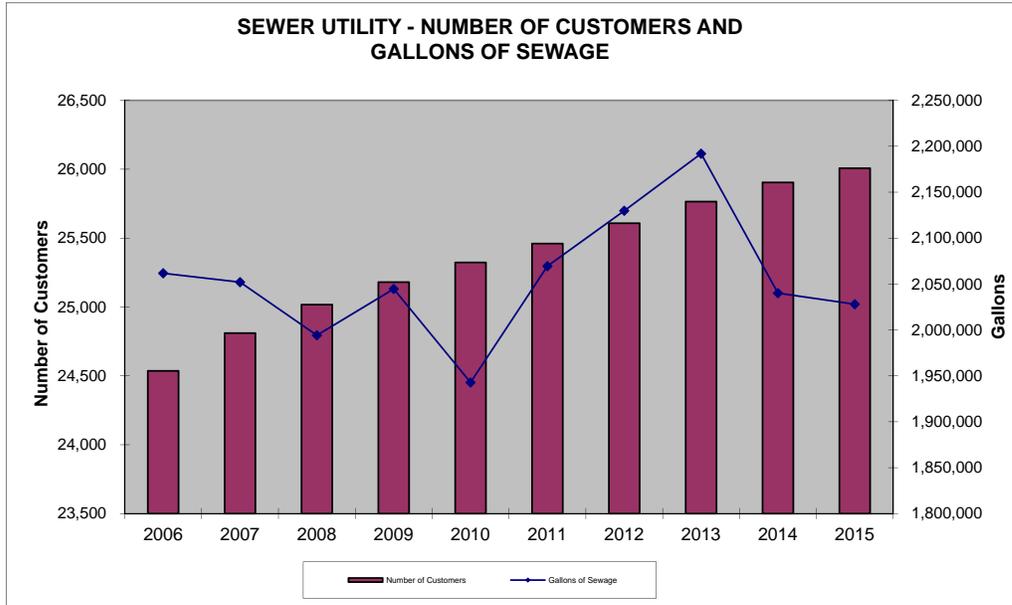
<u>Customer</u>	2006		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	182,351,928	211,062	6.2%
Nestles Food Company	149,753,340	187,000	5.1%
Cascade Tissue	132,267,344	160,802	4.5%
University of Wisconsin-Eau Claire	80,887,224	182,408	2.7%
American Phoenix	51,664,360	58,724	1.8%
3M	40,799,660	50,107	1.4%
Sacred Heart Hospital	40,551,324	53,089	1.4%
Luther Midelfort-Mayo Health	38,635,696	55,885	1.3%
Eau Claire School District	33,310,684	57,952	1.1%
Huebsch Laundry Company	13,051,104	18,979	0.4%
Subtotal (ten largest)	763,272,664	1,036,008	25.9%
All other customers	2,179,292,336	6,015,803	74.1%
Grand Totals	2,942,565,000	\$ 7,051,811	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 19
SEWER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of customers										
Residential	21,911	22,157	22,345	22,495	22,626	22,753	22,895	23,272	23,625	23,729
Commercial	2,365	2,391	2,411	2,424	2,435	2,445	2,451	2,231	2,012	2,012
Industrial	94	95	94	93	94	95	95	95	98	97
Public	166	167	167	168	168	167	167	167	169	169
Total	24,536	24,810	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007
Gallons (thousands)										
Residential	989,805	1,005,253	990,279	1,082,255	1,035,729	1,080,152	1,087,106	1,184,590	1,164,036	1,144,500
Commercial	609,161	602,989	600,342	599,731	566,088	600,681	632,874	615,338	511,521	516,095
Industrial	348,936	334,562	303,806	252,218	235,880	285,293	302,251	274,097	262,107	263,422
Public	113,783	109,208	99,735	110,403	105,089	103,340	107,545	117,949	102,396	103,959
Total	2,061,685	2,052,012	1,994,162	2,044,607	1,942,786	2,069,466	2,129,776	2,191,974	2,040,060	2,027,976



Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 20
SEWER UTILITY CUSTOMER RATES
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Metered Service										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 17.28	\$ 18.48	\$ 19.76	\$ 21.12	\$ 22.56	\$ 5.19	\$ 5.31	\$ 5.40 *
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.16	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.82	\$ 2.89	\$ 2.97	\$ 3.05

* Prior to 2013 the Quarterly Minimum charge was 8 CCF x volume rate, in 2013 the pricing structure was changed to a minimum flat fee of \$5.19 per quarterly billing.

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>	2015		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestle USA	155,052,920	\$ 632,471	7.6%
Hutchinson Technology	58,073,972	236,906	2.9%
University of Wisconsin - Eau Claire	46,229,310	189,257	2.3%
Mayo Clinic Health System	39,667,936	161,919	2.0%
Sacred Heart Hospital	23,555,253	96,197	1.2%
Silver Spring Foods	16,197,940	66,069	0.8%
Eau Claire Area School District	14,279,043	58,784	0.7%
Oak Ridge Village	11,713,710	47,785	0.6%
John Mogenson	11,533,584	49,595	0.6%
Landmark Company	10,991,187	46,747	0.5%
Subtotal (ten largest)	387,294,855	\$ 1,585,730	19.2%
All other customers	1,640,681,145	\$ 6,160,622	80.8%
Grand Totals	2,027,976,000	\$ 7,746,353	100.0%

<u>Customer</u>	2006		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	169,098,428	\$ 461,178	8.2%
Nestles Food Company	107,336,504	292,736	5.2%
University of Wisconsin-Eau Claire	64,215,800	175,134	3.1%
3-M Companies	37,706,680	102,836	1.8%
Luther Midelfort-Mayo Health	33,790,944	92,157	1.6%
Sacred Heart Hospital	32,985,238	89,960	1.6%
Eau Claire School District	15,078,932	41,124	0.7%
Huebsch Laundry	13,051,104	35,594	0.6%
Oakwood Village Mobile Home Park	11,605,968	31,653	0.6%
Chippewa Valley Technical College	7,103,008	19,372	0.3%
Subtotal (ten largest)	491,972,606	\$ 1,341,744	23.9%
All other customers	1,569,712,394	\$ 4,281,033	76.1%
Grand Totals	2,061,685,000	\$ 5,622,777	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			
2006	\$ 49,565	\$ -	\$ 111	\$ 13,635	\$ 266	\$ 9,460	\$ 73,037	3.57%	\$ 1,123
2007	54,475	-	76	15,155	232	10,285	80,223	3.76%	1,230
2008	62,840	2,015	39	15,445	198	9,015	89,552	4.06%	1,370
2009	64,855	6,205	468	16,405	162	10,070	98,165	4.42%	1,488
2010	64,102	7,545	468	17,253	124	9,445	98,937	4.40%	1,502
2011	64,442	7,560	433	18,673	84	8,700	99,892	4.28%	1,512
2012	63,954	8,962	-	18,959	43	7,925	99,843	4.31%	1,509
2013	71,105	10,814	-	18,616	-	22,037	122,572	4.73%	1,844
2014	69,349	11,245	-	18,166	-	39,466	138,226	5.30%	2,063
2015	60,541	26,102	-	15,738	-	43,605	145,986	5.59%	2,179

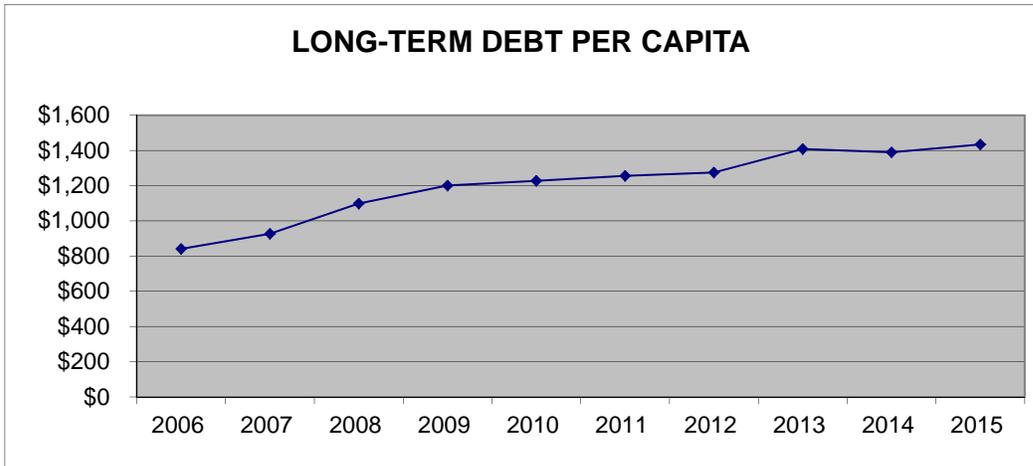
Source: City of Eau Claire Comprehensive Annual Financial Reports

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Population	65,056	65,202	65,362	65,950	65,883	66,060	66,170	66,480	66,834	67,006
Equalized valuation	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724	\$4,325,665	\$4,461,599	\$4,664,452
General obligation bonds	63,200	69,630	78,285	81,260	81,355	83,115	82,956	89,721	87,515	76,279
Promissory Notes	-	-	2,015	6,205	7,545	7,560	8,962	10,814	11,245	26,102
State trust fund loans	<u>377</u>	<u>308</u>	<u>236</u>	<u>630</u>	<u>592</u>	<u>517</u>	-	-	-	-
Total long-term debt (1)	63,577	69,938	80,536	88,095	89,492	91,192	91,918	100,535	98,760	102,381
Resources on hand for payment of debt	<u>(8,862)</u>	<u>(9,504)</u>	<u>(8,735)</u>	<u>(8,888)</u>	<u>(8,609)</u>	<u>(8,226)</u>	<u>(7,555)</u>	<u>(6,910)</u>	<u>(5,880)</u>	<u>(6,273)</u>
Net long-term debt	<u>\$ 54,715</u>	<u>\$ 60,434</u>	<u>\$ 71,801</u>	<u>\$ 79,207</u>	<u>\$ 80,883</u>	<u>\$ 82,966</u>	<u>\$ 84,363</u>	<u>\$ 93,625</u>	<u>\$ 92,880</u>	<u>\$ 96,108</u>
Percent of net long-term debt to equalized value	1.38%	1.47%	1.69%	1.84%	1.91%	1.95%	2.00%	2.16%	2.08%	2.06%
Net long-term debt per capita (not in thousands)	\$841	\$927	\$1,099	\$1,201	\$1,228	\$1,256	\$1,275	\$1,408	\$1,390	\$1,434



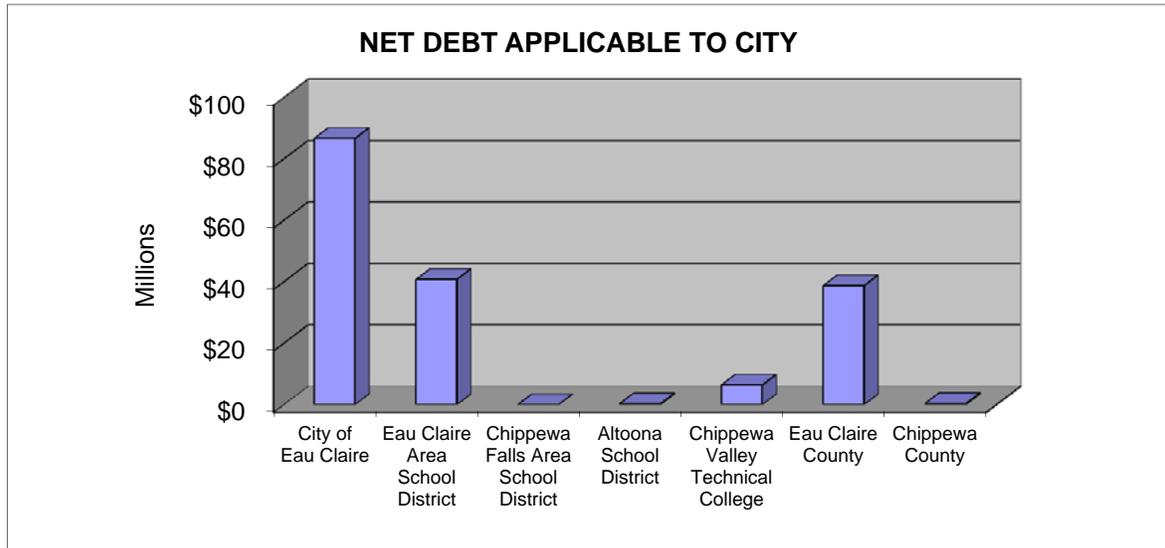
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

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
GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION DEBT
December 31, 2015

Governmental Unit	<u>Total Debt</u>	Estimated Percentage Applicable To City (1)	Net Debt Applicable To City
Direct debt:			
City of Eau Claire	\$ 86,643,341	100.00%	\$ 86,643,341
Indirect debt:			
Eau Claire Area School District	51,530,000	79.11%	40,764,429
Chippewa Falls Area School District	-	0.00%	-
Altoona School District	23,260,000	1.28%	297,897
Chippewa Valley Technical College	24,300,000	26.35%	6,402,837
Eau Claire County	70,255,000	55.18%	38,769,091
Chippewa County	8,600,000	4.28%	368,357
Total indirect debt	<u>177,945,000</u>		<u>86,602,611</u>
Total direct and indirect debt	<u>\$ 264,588,341</u>		<u>\$ 173,245,952</u>
Indirect debt per capita			\$ 1,292
Indirect debt as a % of equalized value			1.86%
Total direct and indirect debt per capita			\$ 2,586
Total direct and indirect debt as a % of equalized value			3.71%



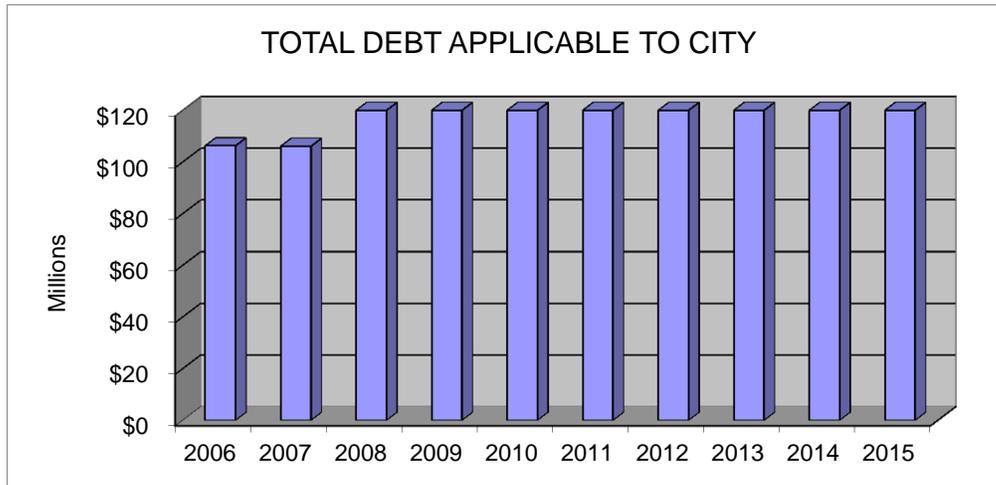
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total debt applicable to City	\$106,253	\$106,074	\$124,713	\$129,213	\$129,133	\$162,524	\$172,390	\$181,242	\$185,363	\$187,935
Direct debt:										
General City	\$63,577	\$69,938	\$80,536	\$88,095	\$89,492	\$91,192	\$91,918	\$100,535	\$98,760	\$102,381
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	\$34,154	\$28,451	\$22,440	\$20,512	\$13,703	\$32,777	\$44,164	\$42,713	\$40,764	\$36,850
Percent	74.77%	74.66%	74.60%	75.12%	74.09%	74.27%	74.03%	74.03%	74.02%	79.11%
Chippewa Falls Area										
School District	\$6	\$3	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Percent	0.18%	0.18%	0.18%	0.16%	0.24%	0.24%	0.00%	0.00%	0.00%	0.00%
Altoona School District	\$221	\$221	\$183	\$176	\$156	\$142	\$118	\$42	\$298	\$634
Percent	2.93%	2.95%	2.64%	2.65%	2.65%	2.68%	2.65%	2.67%	2.62%	1.28%
C.V. Technical College	\$5,606	\$5,208	\$4,764	\$4,643	\$4,116	\$4,272	\$4,349	\$3,657	\$6,403	\$5,084
Percent	20.04%	19.94%	19.83%	20.33%	20.22%	20.58%	20.69%	20.69%	20.89%	26.35%
Eau Claire County	\$2,242	\$1,837	\$16,425	\$15,444	\$21,345	\$33,517	\$31,487	\$33,889	\$38,769	\$42,677
Percent	61.39%	61.16%	61.10%	61.62%	60.72%	60.89%	60.65%	60.41%	60.29%	55.18%
Chippewa County	\$447	\$416	\$364	\$343	\$320	\$624	\$354	\$406	\$368	\$309
Percent	3.54%	3.55%	3.37%	3.50%	3.64%	3.64%	3.63%	3.64%	3.69%	4.28%



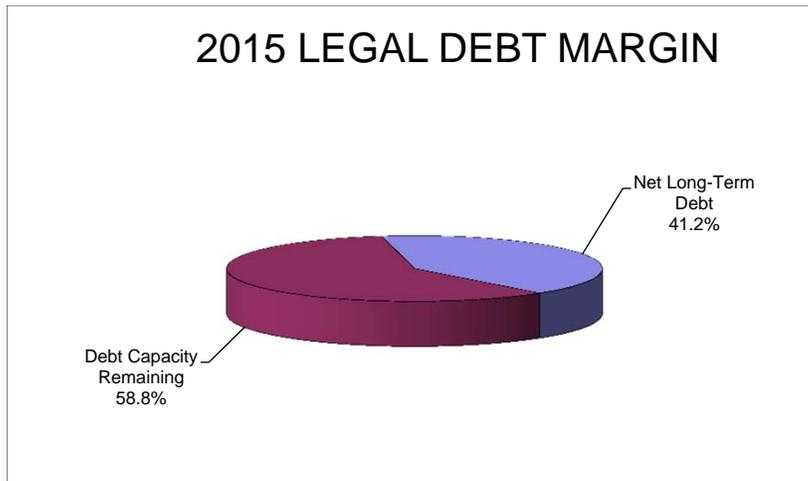
Source: City of Eau Claire Schedule of Long-Term Debt

Note: The information on this table differs from Table 24 as all general obligation debt is reported, including debt from business-type activities.

CITY OF EAU CLAIRE

TABLE 26
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized valuation	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724	\$4,325,665	\$4,461,599	\$4,664,452
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$197,582	\$205,509	\$212,747	\$215,797	\$211,231	\$212,373	\$211,186	\$216,283	\$223,080	\$233,223
Resources on hand for payment of debt	(\$8,862)	(\$9,504)	(\$8,735)	(\$8,888)	(\$8,609)	(\$8,226)	(\$7,555)	(6,910)	(5,880)	(6,273)
Net long-term debt	\$54,715	\$60,434	\$71,801	\$79,207	\$80,883	\$82,966	\$84,363	\$93,625	\$92,880	\$96,108
Legal debt margin	\$142,867	\$145,075	\$140,946	\$136,590	\$130,348	\$129,407	\$126,823	\$122,658	\$130,200	\$137,115
Legal debt margin as a percentage of the debt limit	72%	71%	66%	63%	62%	61%	60%	57%	58%	59%



Sources: City of Eau Claire Comprehensive Annual Financial Report
City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 27
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>WATER UTILITY</u>										
Operating revenue	\$7,600	\$8,100	\$7,822	\$8,379	\$8,390	\$8,649	\$9,349	\$9,372	\$9,446	\$9,655
Operating expense (1)	\$3,295	\$3,609	\$4,110	\$4,230	\$4,280	\$4,120	\$5,686	\$5,670	\$6,349	\$5,776
Income available for debt service	\$4,305	\$4,491	\$3,712	\$4,149	\$4,110	\$4,529	\$3,663	\$3,702	\$3,097	\$3,879
Debt service current year (2)	\$1,063	\$1,062	\$1,244	\$3,176	\$1,094	\$1,156	\$1,154	\$1,160	\$2,685	\$417
Coverage	4.05	4.23	2.98	1.31	3.76	3.92	3.17	3.19	1.15	9.30
Debt service for highest principal and interest year in retirement schedule	\$1,078	\$1,244	\$1,243	\$1,163	\$1,163	\$1,163	\$1,163	\$1,163	\$557	\$557
Coverage on highest year	3.99	3.61	2.99	3.57	3.53	3.89	3.15	3.18	5.56	6.96
<u>SEWER UTILITY</u>										
Operating revenue	\$6,295	\$6,291	\$6,514	\$6,653	\$6,979	\$7,692	\$8,591	\$9,742	\$9,461	\$9,667
Operating expense (1)	\$4,184	\$4,100	\$4,485	\$4,639	\$5,069	\$4,975	\$6,775	\$6,886	\$7,383	\$7,637
Income available for debt service	\$2,111	\$2,191	\$2,029	\$2,014	\$1,910	\$2,717	\$1,816	\$2,856	\$2,078	\$2,030
Debt service current year (2)	\$525	\$528	\$520	\$0	\$0	\$0	\$0	\$0	\$376	\$946
Coverage	4.02	4.15	3.90	N/A	N/A	N/A	N/A	N/A	5.5266	\$2
Debt service for highest principal and interest year in retirement schedule	\$528	\$520	\$0	\$0	\$0	\$0	\$0	\$1,041	\$2,423	\$2,725
Coverage on highest year	4.00	4.21	N/A	N/A	N/A	N/A	N/A	2.74	0.86	0.74

(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)

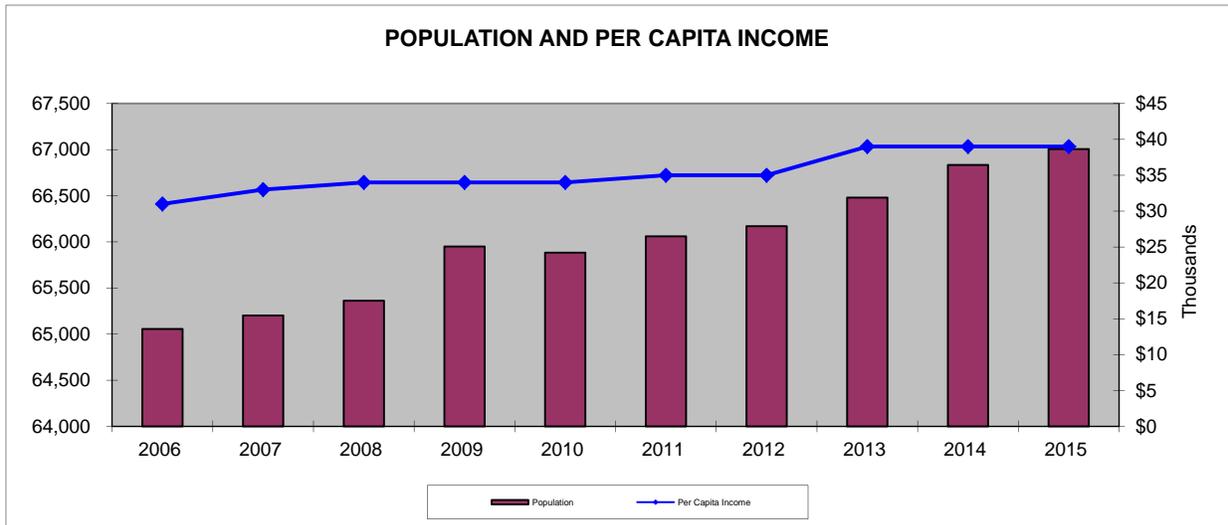
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Transfers to Debt Service fund	\$2,731	\$2,853	\$4,418	\$4,187	\$4,966	\$5,534	\$6,096	\$6,187	\$7,433	\$7,792
Total expenditures and other financing uses	\$45,839	\$47,775	\$48,966	\$51,108	\$52,623	\$54,065	\$56,330	\$56,570	\$58,192	\$61,134
Percent of debt transfers to expenditures and other financing uses	6.0%	6.0%	9.0%	8.2%	9.4%	10.2%	10.8%	10.9%	12.8%	12.7%

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population	65,056	65,202	65,362	65,950	65,883	66,060	66,170	66,480	66,834	67,006
Consumer price index (1)	201.6	207.3	215.3	214.5	218.1	224.9	229.6	233.0	234.8	236.5
Per capita income (2)	\$31	\$33	\$34	\$34	\$34	\$35	\$35	\$39	\$39	\$39
Personal income	\$2,047,377	\$2,133,083	\$2,206,490	\$2,219,811	\$2,249,066	\$2,331,918	\$2,315,950	\$2,592,720	\$2,606,526	\$2,613,234
Unemployment rate E.C. Metro Area	4.4%	4.5%	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.3%
Area in square miles	33.85	33.47	33.77	33.88	33.90	33.91	33.99	34.26	34.28	34.35
Number of residential parcels	19,838	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995
Number of business properties	1,507	1,520	1,525	1,524	1,527	1,527	1,530	1,534	1,535	1,539
Acres devoted to business	3,209	3,271	3,281	3,282	3,287	3,287	3,290	3,318	3,334	3,340
Miles of street	366.0	341.4	341.7	341.9	343.4	343.3	344.5	344.6	345.0	346.6



(1) U.S. All Cities Consumer Price Index for all urban consumers (CPU-U), annual average.

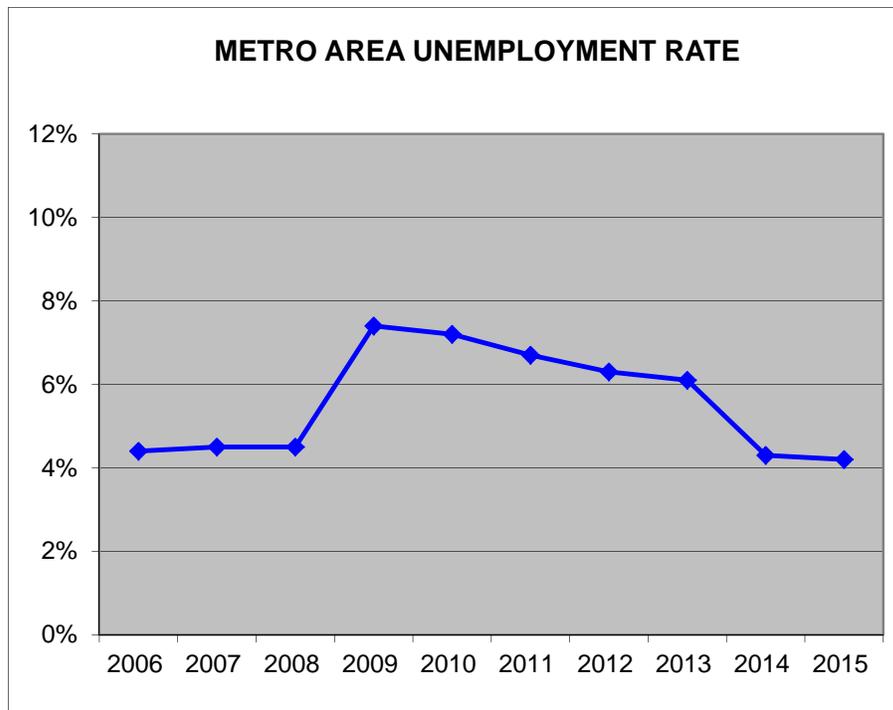
(2) Through 2009, U.S. Bureau of Economic Analysis; 2010 is estimated.

Sources: City of Eau Claire Department of Community Development
City of Eau Claire Public Works Department
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 29 (cont.)
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years
 (Dollars in Thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Number of residential parcels	19,838	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995
Vacancy rates (percent):										
Residential	4.80	4.70	5.00	3.50	4.25	4.25	4.50	4.50	4.50	4.50
Commercial	5.50	4.75	5.90	7.09	8.18	7.60	8.00	9.11	12.92	10.68
Industrial	17.70	7.50	7.50	7.50	8.78	8.70	8.70	8.70	8.50	9.00
Unemployment rate E.C. Metro Area	4.4%	4.5%	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.2%



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

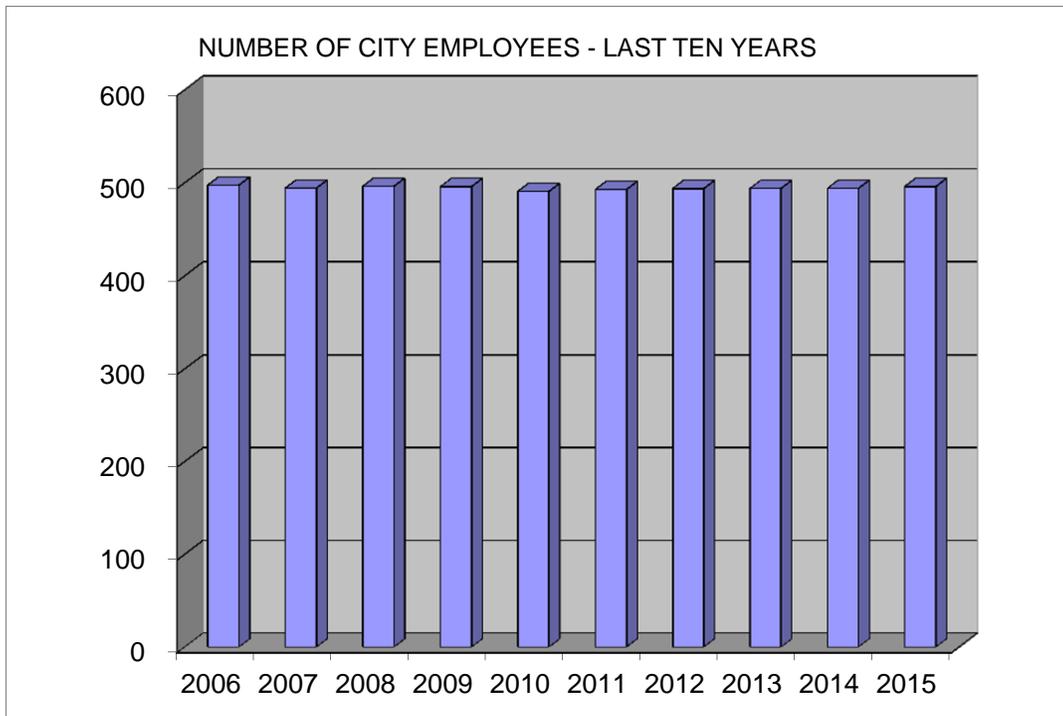
Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mayo Clinic Health System	3,662	1	7%	3,900	2	11%
Menard's Inc.	2,500	2	5%	4,500	1	12%
Sacred Heart Hospital	1,454	3	3%	1,300	6	4%
Eau Claire Area School District	1,392	4	3%	1,827	3	5%
University of Wisconsin - Eau Claire	1,217	5	2%	1,300	5	4%
United Health Group	999	6	2%	695	8	2%
Marshfield Clinic - Eau Claire	715	7	1%	600	9	2%
Nestle Foods	633	8	1%			
City of Eau Claire	523	9	1%	586	10	2%
Hutchinson Technology	450	10	1%	1,766	4	5%
CVTC				1,090	7	3%
Total Principal Employers	<u>13,545</u>		26%	<u>17,564</u>		50%
TOTAL EMPLOYEES	54,256			36,097		

Sources : Wisconsin Department of Workforce Development, Office of Economic Advisors
Community Development - City of Eau Claire
Phone Survey

CITY OF EAU CLAIRE

TABLE 31
EMPLOYEE SUMMARY -
NUMBER OF MUNICIPAL EMPLOYEES
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	66.0	64.5	64.8	64.3	62.8	62.8	62.8	62.8	62.8	63.8
Public Works	62.0	61.0	61.0	61.0	59.0	60.0	60.0	60.0	63.0	63.0
Parks & Recreation	37.8	37.8	37.0	36.0	35.0	35.0	34.0	34.0	31.0	30.0
Public Safety	222.0	223.0	226.0	227.0	228.0	229.0	231.0	230.7	230.7	231.8
Enterprise Funds	101.7	100.0	99.5	99.5	98.0	98.0	98.0	97.5	97.5	97.5
Internal Service Funds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	10.0
Total Employees	497.5	494.3	496.3	495.8	490.8	492.8	493.8	494.0	494.0	496.0



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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Compensatory leave	561	411	501	461	479	543	612	933	807	751
Vacation leave	7,180	5,303	5,316	5,547	5,305	5,475	5,281	10,788	7,572	6,744
	7,741	5,714	5,817	6,008	5,784	6,018	5,893	11,721	8,379	7,495
Sick leave	43,214	33,295	34,094	33,112	32,704	33,130	31,756	38,261	30,529	29,515
Total compensatory, vacation, and sick leave	50,955	39,009	39,911	39,120	38,488	39,148	37,649	49,982	38,908	37,010

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.

For years 2006 through 2012 employee vacation earned but not yet available for use was not included in the total. In 2013 for non-union employees all vacation earned was available for use therefore included in the total.

CITY OF EAU CLAIRE

TABLE 33
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

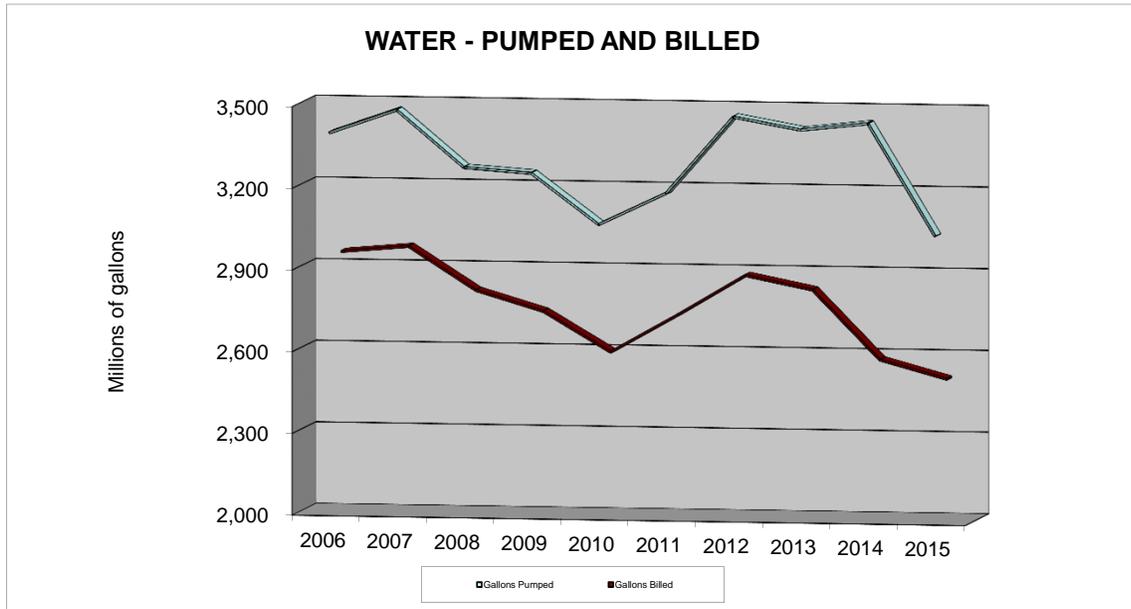
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Size of the City in square miles	33.85	33.47	33.77	33.88	33.90	33.90	33.99	34.26	34.28	34.35
Population	65,056	65,202	65,362	65,950	66,149	66,060	66,170	66,480	66,834	67,006
Number of City employees	497.5	494.3	496.3	495.8	490.8	492.8	493.8	494.0	494.0	496.0
Community Development										
Building permits issued	1,255	1,159	1,064	1,102	1,179	1,197	1,389	1,091	961	958
Police										
Calls for service	30,750	30,006	29,628	27,309	27,591	26,173	26,748	26,107	26,477	27,103
Adult arrests	6,171	5,891	6,465	5,604	5,388	4,202	4,217	4,025	4,069	3,925
Fire										
EMS responses	4,741	4,622	6,060	5,819	6,056	6,294	6,420	6,480	6,801	7,265
Fire responses	201	166	157	183	157	183	156	152	145	137
Fire inspections	6,148	5,893	6,005	3,962	3,925	3,865	4,000	4,268	4,230	4,500
Public Works										
Miles of street plowed/maintained	333	335	337	349	343	343	343	344	346	348
Vehicles and equipment in fleet	284	284	291	293	299	298	295	302	295	304
Parks & Recreation										
Neighborhood playground program attendance	11,625	10,368	9,148	6,549	4,741	4,450	1,870	752	-	-
Hobbs Ice Arena - rented hours	3,554	3,321	3,683	3,199	4,336	4,539	4,264	5,308	5,625	5,464
Outdoor Pool attendance	58,025	51,560	57,151	47,027	60,070	64,189	67,051	60,345	58,199	63,354
Library										
Volumes in collection	297,799	304,261	298,458	291,003	279,260	282,018	277,022	271,678	273,214	269,215
Circulation	1,367,066	1,345,609	1,371,203	1,324,094	1,389,733	1,386,018	1,291,468	1,189,608	1,085,971	1,015,666
Health Department										
Environmental Health Inspections	5,387	5,470	4,647	5,117	5,301	5,740	4,444	3,585	4,353	4,968
Number of lab analyses	24,507	21,858	19,308	18,817	17,152	21,223	21,595	18,226	13,163	10,495
Public Health Nurse visits	5,022	4,751	3,741	4,928	3,893	4,635	4,246	2,706	2,523	1,915
Water										
Meters in service	25,424	25,660	25,982	26,146	26,291	26,136	27,469	27,801	28,076	28,147
Average daily consumption (1,000 gallons)	8,067	8,122	7,690	7,490	7,096	7,476	7,881	7,746	7,269	7,080
Sewer										
Sewer customers	24,536	24,810	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007
Stormwater										
ERU rate	\$ 53.00	\$ 59.00	\$ 62.00	\$ 68.00	\$ 73.00	\$ 77.00	\$ 80.00	\$ 83.00	\$ 86.00	\$ 88.00
Transit										
Total route miles	1,066,727	900,099	960,910	1,008,425	1,040,069	996,349	1,078,552	1,077,649	1,136,003	1,199,008
Passengers	1,030,374	1,067,303	1,090,203	1,001,790	971,491	1,091,958	1,039,921	1,047,962	1,072,460	915,130

Source: Various City Department records and Program of Services

CITY OF EAU CLAIRE

TABLE 34
 WATER UTILITY - PRODUCTION STATISTICS
 Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Average number of water customers	25,389	25,664	25,884	26,066	26,230	26,371	26,504	26,647	26,769	26,870
Total gallons pumped (in thousands)	3,399,614	3,487,015	3,279,529	3,262,360	3,077,606	3,195,910	3,480,099	3,435,954	3,463,220	3,053,074
Total gallons billed (in thousands)	2,942,565	2,964,665	2,806,917	2,733,694	2,587,862	2,728,612	2,876,674	2,827,222	2,574,410	2,507,082
Percent of water billed	86.56%	85.02%	85.59%	83.79%	84.09%	85.38%	82.66%	82.28%	74.34%	82.12%
Miles of main	357	366	368	368	369	375	374	392	392	386
Number of fire hydrants	3,530	3,671	3,703	3,696	3,747	3,831	3,893	3,948	3,980	4,020
Residential customer's average quarterly water bill	\$42.20	\$45.73	\$45.73	\$51.37	\$51.37	\$52.80	\$54.51	\$55.24	\$56.55	\$56.55



Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 35
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Patrol units	21	21	21	21	23	23	23	25	25	25
Unmarked vehicles	14	14	18	18	16	16	16	19	19	19
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	6	6	6	6	6	6	6	6	6
Public Works										
Miles of streets	366.0	341.4	341.7	341.9	343.4	343.3	344.5	344.6	345.0	346.6
Number of traffic signs installed/straightened	673	459	671	601	1249	684	973	1185	1304	797
Vehicles and equipment in fleet	284	284	291	293	299	298	295	302	295	304
Parks & Recreation										
Number of parks	36	32	32	32	35	35	35	35	35	36
Number of playgrounds	20	18	18	18	18	18	18	18	18	19
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	2	3	3	3	3	3	3
Water										
Water hydrants	3530	3671	3703	3696	3747	3831	3893	3558	3677	3650
Storage capacity (1)	15.5	15.5	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Sewer										
Miles of sewers	316	319	320	321	322	326	327	339	341	341
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	11	11	11	11	11	11	11	12	12	12
Transit										
Number of buses	22	22	22	22	22	22	22	22	22	22

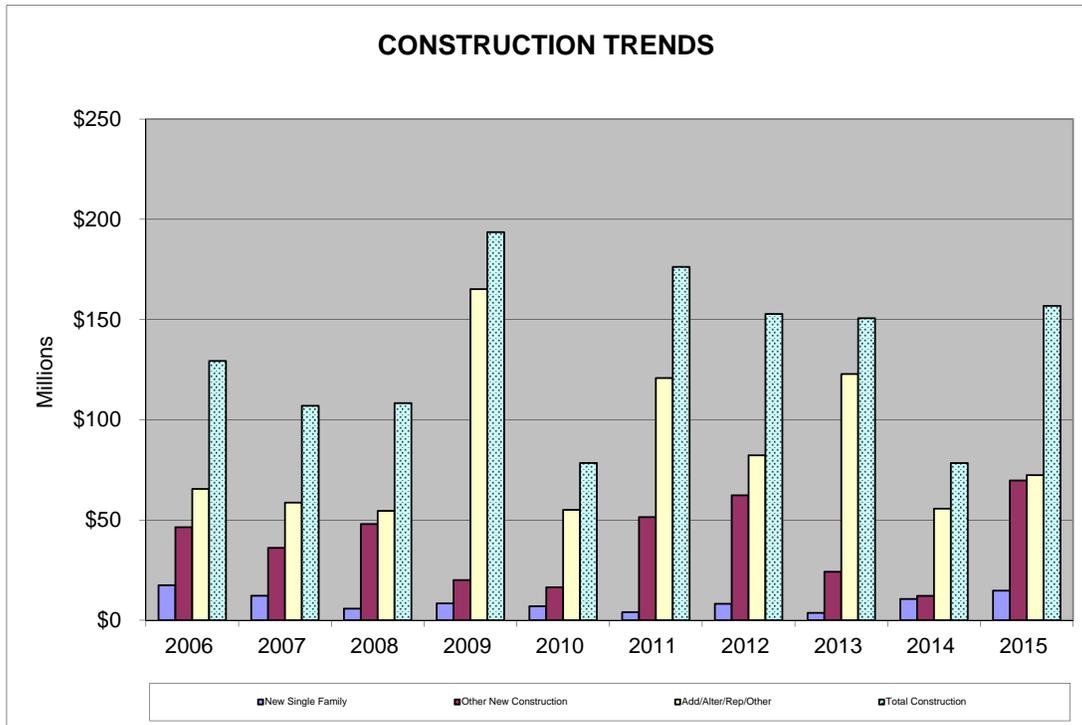
NOTES (1) - Numbers are in millions of gallons.

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
New single family dwellings: # of units	104	66	37	47	41	25	55	59	59	67
Value	\$17,451	\$12,203	\$5,780	\$8,407	\$6,971	\$4,002	\$8,181	\$3,665	\$10,603	\$14,748
Other new construction	\$46,399	\$36,100	\$47,992	\$20,002	\$16,417	\$51,448	\$62,332	\$24,158	\$12,146	\$69,707
Additions/alterations/repairs & all other types of const.	\$65,484	\$58,675	\$54,531	\$165,200	\$55,054	\$120,830	\$82,268	\$122,830	\$55,654	\$72,373
Total construction valuation	\$129,334	\$106,978	\$108,303	\$193,609	\$78,442	\$176,280	\$152,781	\$150,653	\$78,403	\$156,828
Number of permits	1,255	1,159	1,064	1,102	1,151	1,197	1,389	1,091	961	958



Source: City of Eau Claire Inspections Division , "Fee Summary Report"

CITY OF EAU CLAIRE

TABLE 37
INSURANCE COVERAGES
December 31, 2015

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$500,000 per occurrence
Commercial general liability:		
Bodily injury and property damage liability	\$10,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Boiler and machinery	\$50,000,000	\$5,000
Fire and extended coverage	\$236,699,613	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,721,076	\$5,000
Money and securities - broad form coverage	\$10,000	\$1,000
Public official liability insurance (includes police)	\$10,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Automobile and truck insurance (excluding Transit):		
Bodily injury and property damage liability	\$10,000,000	\$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	\$8,846,777	\$5,000
Collision	\$8,846,777	\$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