



City of Eau Claire

Eau Claire, Wisconsin

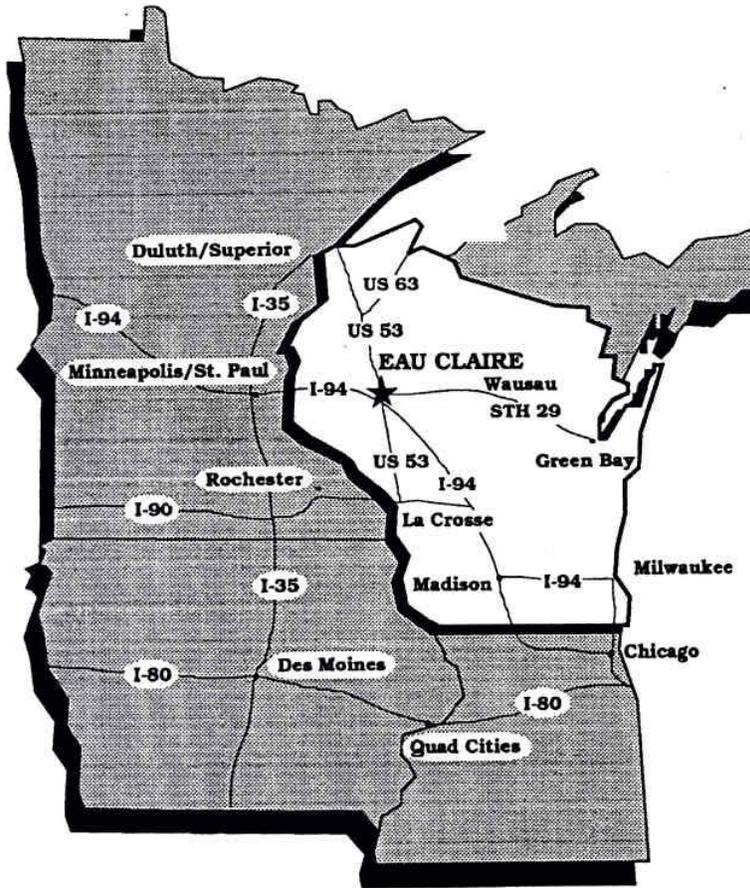
COMPREHENSIVE ANNUAL FINANCIAL REPORT
INCLUDING INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2016

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, 2016

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INTRODUCTORY SECTION

This section contains the following information:

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

CITY OF EAU CLAIRE, WISCONSIN
ELECTED AND APPOINTED OFFICIALS

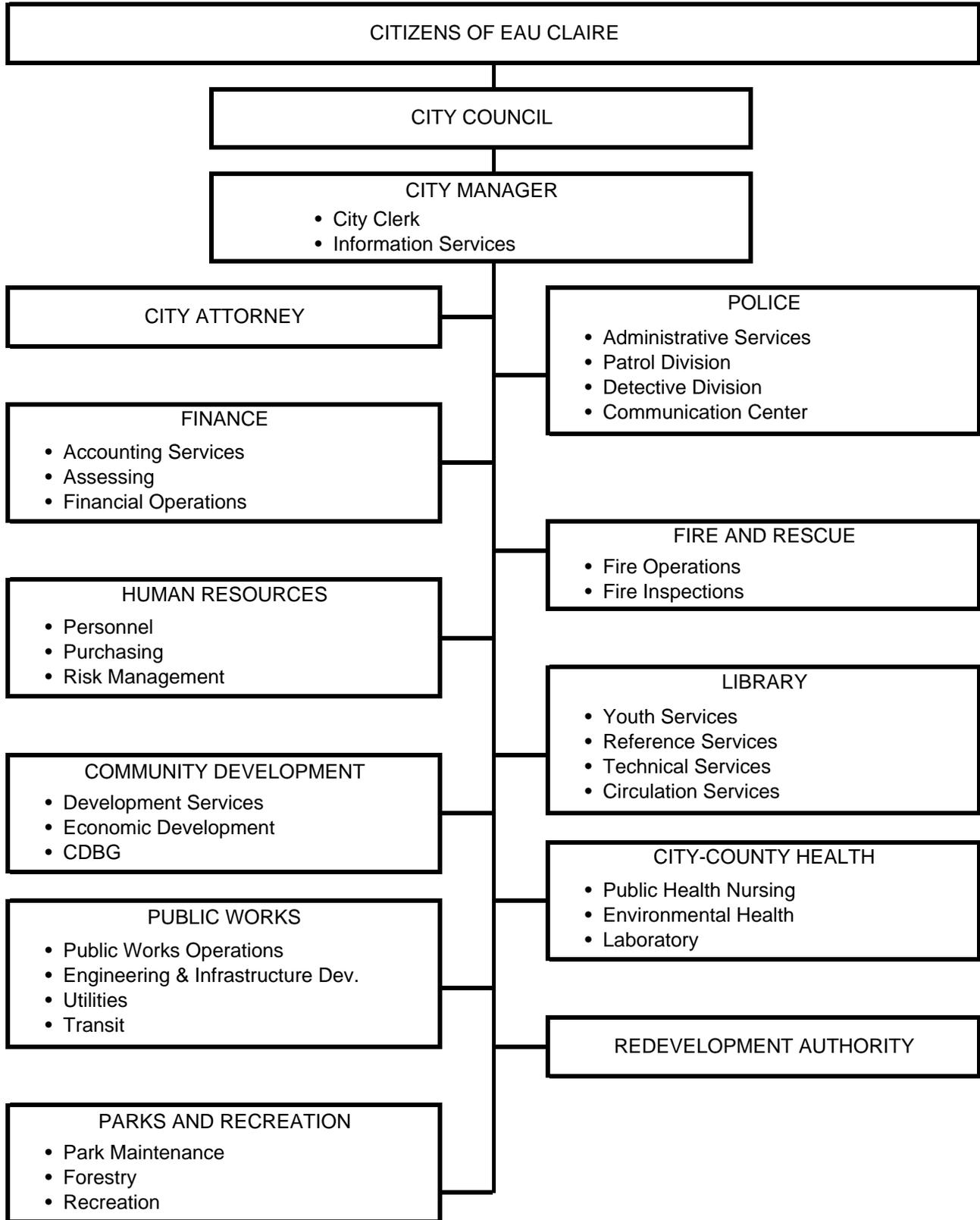
Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
Kerry J. S. Kincaid Council President	April 2014	April 2017
Timothy A. Tewalt District One	April 2016	April 2018
David E. Klinkhammer District Two	April 2015	April 2018
Kathleen M. Mitchell..... District Three	April 2015	April 2018
Bob L. Von Haden..... District Four	April 2015	April 2018
Andrew F. Werthmann District Five	April 2015	April 2018
Eric E. Larsen Council at Large	April 2016	April 2019
Kate M. Beaton Council at Large	April 2016	April 2019
David S. Strobel Council at Large	April 2016	April 2019
Michael M. Xiong Council at Large	April 2016	April 2019
Catherine N. Emmanuelle Council at Large	April 2016	April 2019

Appointed Officials

J. Dale Peters City Manager
Jacob J. Winzenz Director of Finance
Victoria L. Seltun Director of Human Resources
John A. LeBrun Information Services Manager
Darryl K. Tufte Director of Community Development
Philip C. Fieber Director of Public Works
Christian M. Bell Fire Chief
Gerald W. Staniszewski Police Chief
Stephen C. Nick City Attorney
Pamela K. Westby Public Library Director
Elizabeth A. Giese City-County Health Director
Donna A. Austad City Clerk
Mike R. Schatz Economic Development Administrator

Organizational Chart City of Eau Claire, Wisconsin





June 30, 2017

City Council
 Citizens of Eau Claire
 Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* for year ended December 31, 2016, 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 • TIFs #5, #6 & #7 	

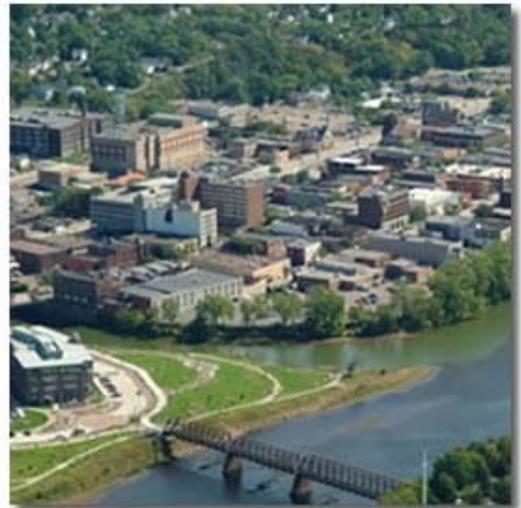
Capital Projects Funds	<ul style="list-style-type: none"> • Environmental Improvements • Land, Buildings & Equipment • Street Projects • Bridge Projects • Parks & Recreation Projects 	<ul style="list-style-type: none"> • Library Buildings & Equipment • TIF #8 Downtown Area Development • TIF #9 NW Business Park Phase II • TIF #10 Confluence Project • TIF #11 Downtown
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. As of 2016, the population in Eau Claire is 67,381, 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 2016. 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. Six 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 2016 area tourism generated \$228 million in revenue in Eau Claire County, which created approximately 6,500 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

Continuing Redevelopment

Redevelopment continues throughout downtown Eau Claire. In August of 2016 Haymarket Landing opened its doors to student renters and first floor commercial tenants. Haymarket Landing adds \$23.1 million in valuation to the community.



Haymarket Landing

Another successful redevelopment project completed in 2016 is the Oxbow Hotel. What was once a blighted and underutilized hotel is now a boutique hotel complete with a farm-to-table restaurant. The Oxbow Hotel adds \$1,500,000 of valuation to the community.



Oxbow Hotel

Construction continues on the \$45 million Community Arts Facility. This project is funded by a collaboration between the State of Wisconsin, Eau Claire County, City of Eau Claire, and numerous private philanthropists and other fundraising efforts. The Community Arts Facility will be located adjacent to Haymarket Landing and the planned Haymarket Plaza and will serve as a venue for performing arts. The facility is expected to be open by September 2018.

The City, in conjunction with its Redevelopment Authority, continues to acquire, remediate, and market properties in the Cannery Redevelopment District. In 2016 a property within the District was tentatively sold to the Brewing Projekt. The property transaction will be executed in the fall of 2017. Plans are being developed for subsequent development in the District, with plans for some combination of residential, commercial, and public park space.



Future Brewing Projekt

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.

Thrillist Travel named Eau Claire the best small town to visit in Wisconsin. The article noted the Eau Claires Music Festival set up by Bon Iver frontman and Eau Claire native Justin Vernan, as well as the Oxbow, a new boutique hotel in downtown. Also mentioned in the article are the river trails, Phoenix Park, and the Lazy Monk Brewery.

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 Claires, 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. During the annual budgeting process the City Council is presented with the budgeting policies and how proposed budgets comply with each of the policies.

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 accordance 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, 2016 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, 2015. 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, Scott Kosmo, Lead Accountant, Rose Adams, Accountant, Vicki Franson, 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, 2015. This was the thirty-second 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, 2015

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.

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, 2016, 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, 2016 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary 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, 2016 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 supplementary information for the year ended December 31, 2016 as listed in the table of contents is presented for purposes of additional analysis and is 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, 2016, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2016.

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, 2015 (not presented herein), and have issued our report thereon dated June 29, 2016, which contained unmodified opinions on the respective financial statements of the the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended December 31, 2015 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 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2015.

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 2015 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, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, 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 Virchow Krause, LLP

Altoona, Wisconsin
June 30, 2017

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, 2016. 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 \$590.5 million, total deferred outflows of \$28.8 million, total liabilities of \$204.0 million and total deferred inflows of \$55.0 million, resulting in a net position of \$360.3 million at the end of 2016. Of the net position, \$282.6 million represents the City's net investment in capital assets, \$27.1 million is held for restricted purposes and \$50.6 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2016, the City of Eau Claire's total net position increased by \$7.8 million from 2015, or approximately 2%.
- At the close of 2016, the City of Eau Claire's governmental funds reported ending fund balances of \$54.5 million, a net increase of \$9.8 million from 2015. The City originally budgeted for a \$2.0 million decrease in fund balance in the General Fund, however the General Fund had an increase in fund balance of \$3.3 million, the Debt Service fund balance decreased by \$.2 million, while the other nonmajor governmental funds increased by \$6.7 million, these changes are discussed in more detail on page xxiii.
- During 2016, the City of Eau Claire continued a proactive plan for the replacement of aging infrastructure, upgrading of technology used in operations and the improvement of utility services. The City's additions to capital assets totaled \$75.4 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 3.5% or 70% of the maximum allowed by State. The City of Eau Claire's remaining debt capacity is 54.9% of the State maximum and 35.5% of the maximum allowed by internal policy.

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 2015 to 2016, as the City's net position increased by approximately \$7.8 million, or about 2%. The government-wide financial statements can be found on pages 1 through 3 of this report.

Both 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-H 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, Storm Water, Parking Utilities and Public Transit; 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 117.

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 19 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 22 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 \$360.3 million at the close of 2016. The majority of the net position, \$282.6 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>	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 132,441,977	\$ 128,375,074	\$ 28,998,143	\$ 29,362,929	\$ 161,440,120	\$ 157,738,003
Capital Assets (Net)	182,842,957	180,564,106	246,248,327	230,534,412	429,091,284	411,098,518
Total Assets	315,284,934	308,939,180	275,246,470	259,897,341	590,531,404	568,836,521
Deferred Outflows of Resources	25,232,136	7,122,503	3,571,550	1,091,821	28,803,686	8,214,324
Current Liabilities	5,843,192	7,374,611	2,867,254	2,346,877	8,710,446	9,721,488
Noncurrent Liabilities	132,012,527	112,171,197	63,278,033	61,529,591	195,290,560	173,700,788
Total Liabilities	137,855,719	119,545,808	66,145,287	63,876,468	204,001,006	183,422,276
Deferred Inflows of Resources	53,711,894	41,161,228	1,339,100	-	55,050,994	41,161,228
Net Investment in Capital Assets	106,818,444	106,095,598	186,039,230	171,288,239	292,857,674	277,383,837
Debt Reclassification	-	-	-	-	(10,272,317)	(2,093,418)
Total Net Investment in Capital Assets	106,818,444	106,095,598	186,039,230	171,288,239	282,585,357	275,290,419
Restricted	20,826,392	24,838,403	6,236,620	6,432,015	27,063,012	31,270,418
Unrestricted	21,304,621	24,420,646	19,057,783	19,392,440	40,362,404	43,813,086
Debt Reclassification	-	-	-	-	10,272,317	2,093,418
Total Unrestricted	21,304,621	24,420,646	19,057,783	19,392,440	50,634,721	45,906,504
Total Net Position	\$ 148,949,457	\$ 155,354,647	\$ 211,333,633	\$ 197,112,694	\$ 360,283,090	\$ 352,467,341
Total Net Position as a % of Total Liabilities/Deferred Inflows	78%	97%	313%	309%	139%	157%
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	11%	15%	28%	30%	20%	20%

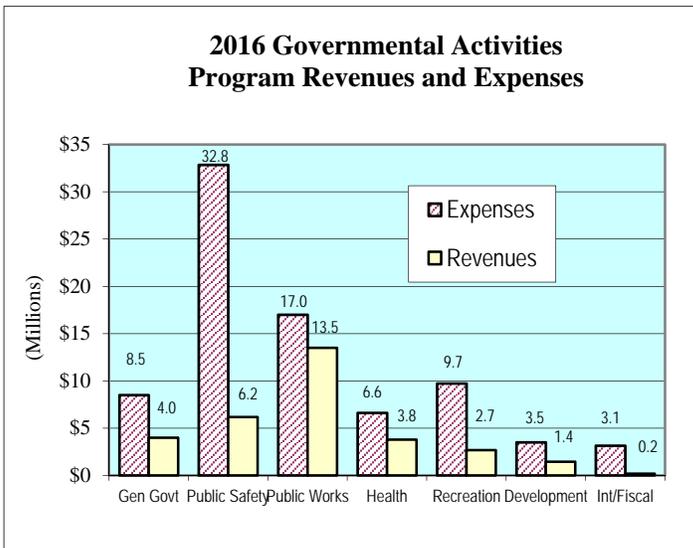
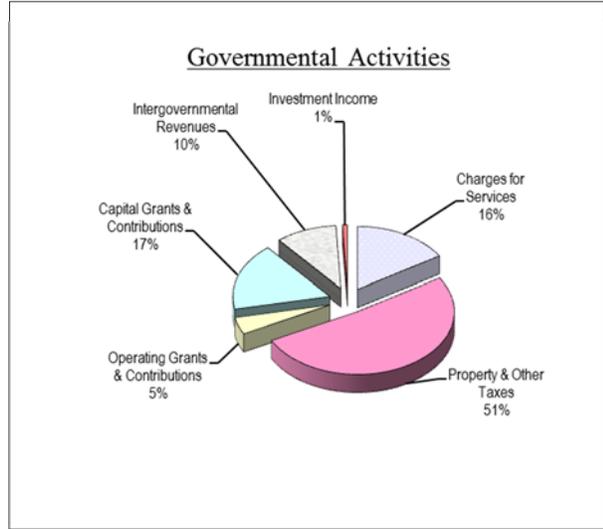
A relatively small portion of the City's net position, \$27.1 million or 8%, represents resources that are subject to other restrictions as to how they may be used. The amount available to meet the City's ongoing obligations to its citizens and creditors is \$50.6 million or 14% of total net position. It is important to note that \$19.1 million, or about 38%, 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.

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**

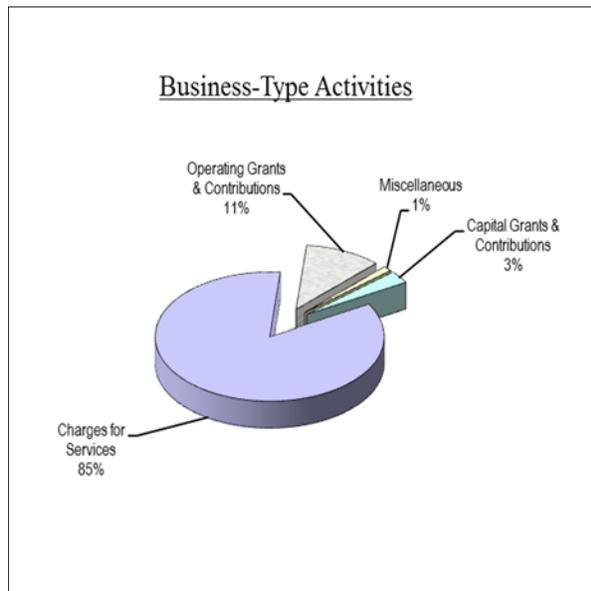
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 13,557,772	\$ 13,538,314	\$ 26,410,407	\$ 25,330,117	\$ 39,968,179	\$ 38,868,431
Operating grants & contributions	3,707,932	2,997,915	3,356,138	3,369,184	7,064,070	6,367,099
Capital grants & contributions	14,487,135	6,889,179	959,371	1,258,707	15,446,506	8,147,886
General revenues:						
Property taxes	40,903,513	40,224,635	-	-	40,903,513	40,224,635
Other taxes	2,284,761	2,192,020	-	-	2,284,761	2,192,020
Intergovernmental revenues	8,592,189	8,896,147	-	-	8,592,189	8,896,147
Investment income	699,230	1,188,703	85,104	53,151	784,334	1,241,854
Miscellaneous	164,659	431,314	242,079	643,985	406,738	1,075,299
Total revenues	84,397,191	76,358,227	31,053,099	30,655,144	115,450,290	107,013,371
Expenses						
Program expenses:						
General government	8,488,859	7,437,428	-	-	8,488,859	7,437,428
Public safety	32,848,940	29,280,552	-	-	32,848,940	29,280,552
Public works	16,989,105	19,636,363	-	-	16,989,105	19,636,363
Health services	6,604,167	5,966,318	-	-	6,604,167	5,966,318
Culture and recreation	9,717,841	9,577,588	-	-	9,717,841	9,577,588
Development	3,489,797	3,996,569	-	-	3,489,797	3,996,569
Interest & fiscal charges	3,140,230	2,924,436	-	-	3,140,230	2,924,436
Water Utility	-	-	6,458,676	6,030,093	6,458,676	6,030,093
Sewer Utility	-	-	8,185,254	7,692,253	8,185,254	7,692,253
Storm Water Utility	-	-	3,398,280	3,306,591	3,398,280	3,306,591
Public Transit	-	-	6,017,649	5,608,443	6,017,649	5,608,443
Parking Utility	-	-	534,105	533,452	534,105	533,452
Hobbs Ice Center	-	-	1,201,063	1,172,166	1,201,063	1,172,166
Outdoor Pool	-	-	560,575	467,192	560,575	467,192
Total expenses	81,278,939	78,819,254	26,355,602	24,810,190	107,634,541	103,629,444
Increase in net position before transfers	3,118,252	(2,461,027)	4,697,497	5,844,954	7,815,749	3,383,927
Transfers	(9,523,442)	(3,752,900)	9,523,442	3,752,900	-	-
Change in net position	(6,405,190)	(6,213,927)	14,220,939	9,597,854	7,815,749	3,383,927
Net position at January 1	155,354,647	148,070,576	197,112,694	185,571,120	352,467,341	333,641,696
Effect of implementation of GASB 68	-	13,497,998	-	1,943,720	-	15,441,718
Net position at December 31	\$148,949,457	\$155,354,647	\$211,333,633	\$197,112,694	\$360,283,090	\$352,467,341

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 51% of the revenue for governmental activities. State aids and other grants comprise another 32% while charges for services and all other sources are equal to 17% 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 2016 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 85% 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, 2016, the City of Eau Claire's *Balance Sheet - Governmental Funds* on page 4 reported combined ending fund balances of \$54.5 million, an increase of \$9.8 million over the previous year's ending balances. The net increase is due to an increase of \$3.3 million in the General Fund, an increase of \$6.7 million in the nonmajor governmental funds, and a decrease in the Debt Service Fund of \$.2 million.

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 78.5% of revenues. Public safety, public works and general government were the primary operations of the General Fund. Of the \$59.3 million General Fund expenditures and other financing uses, 46.8% or \$27.8 million was for public safety, 14.5% or \$8.6 million for public works and 11.9% or \$7.1 million for general government.

The General Fund has a fund balance of \$28.5 million, an increase of \$3.3 million from 2015. Of the fund balance, \$4.2 million is nonspendable, reflecting loans made to other funds and organizations, prepaid items and inventories. Assigned amounts include \$2.7 million for subsequent year capital projects, \$2 million for maintenance on an arterial thoroughfare and \$.7 million for carryovers and a potential reimbursement. The unassigned fund balance is \$18.8 million.

The Debt Service Fund had a total fund balance of \$5.1 million, a decrease of \$.2 million from 2015. This balance reflects the amounts restricted to pay debt service.

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 increased from 2015 by \$6.7 million, primarily due to the long-term debt issued for the nonmajor capital project funds as indicated on pages 100 and 101.

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 18. The net position of the enterprise-type proprietary funds at the end of 2016 totaled \$211.3 million, an increase of \$14.2 million from the previous year.

Some highlights:

- The Downtown Development TIF district contributed \$9 million to the Parking Utility toward the construction of a parking ramp.
- Developers contributed \$.8 million of infrastructure to the Water, Sewer, and Storm Water Utilities.
- The enterprise funds had a collective income before contributions of \$3.9 million, primarily generated by the Water, Sewer and Storm Water funds.

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 77, the original 2016 General Fund budget authorized expenditures and other financing uses of \$61.8 million, funded by anticipated revenues and other financing sources of \$59.8 million and the application of \$2.0 million in available reserves. From time to time during the year, the City Council approved adjustments to the budget. 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 \$2.8 million due primarily to a \$2.2 million dollar bond issue that was not budgeted. Other contributing factors were higher than anticipated advance payments of current special assessments of \$.4 million and ambulance fees exceeded the budget projection by nearly \$.4 million.

Several factors contributed to the favorable expenditure variances, with the major variance in wages and benefits of \$.7 million, due to lower than expected health insurance costs and vacant positions, primarily in the Police Department. The General Fund support for Transit and the Cemetery was less than anticipated due to higher operating assistance and paratransit revenues for Transit and higher columbarium sales and savings in wages and benefits for the Cemetery. In addition costs for street repairs and sealcoating were under budget by \$.3 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 on the following page, the City's reported investment in capital assets for governmental and business-type activities as of December 31, 2016 totaled \$657 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 \$228 million, or approximately 35% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$429 million. The net increase over 2015 is approximately \$18 million. The largest increases were due to the construction of a downtown parking ramp for \$11.5 million and the construction of the Water Street bridge for \$6.8 million.

City of Eau Claire, Wisconsin Capital Assets, Net of Accumulated Depreciation						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Land	\$ 17,955,531	\$ 17,693,517	\$ 17,271,043	\$ 17,143,525	\$ 35,226,574	\$ 34,837,042
Land Improvements	12,092,860	11,120,823	-	-	12,092,860	11,120,823
Building and Improvements	27,408,729	26,389,687	25,647,038	14,078,072	53,055,767	40,467,759
Infrastructure	200,176,842	189,236,243	4,011,015	4,011,015	204,187,857	193,247,258
Machinery and Equipment	39,232,825	37,559,131	8,202,101	8,113,508	47,434,926	45,672,639
Intangibles	7,809,964	7,774,809	45,080	45,080	7,855,044	7,819,889
Water Utility	-	-	94,771,800	92,643,520	94,771,800	92,643,520
Sewer Utility	-	-	132,491,342	94,284,250	132,491,342	94,284,250
Storm Water Utility	-	-	58,408,331	57,178,293	58,408,331	57,178,293
Work in Progress	6,010,730	13,180,925	5,257,770	38,323,598	11,268,500	51,504,523
Subtotal	310,687,481	302,955,135	346,105,520	325,820,861	656,793,001	628,775,996
Less Accumulated Dep.	(127,844,524)	(122,391,029)	(99,857,193)	(95,286,449)	(227,701,717)	(217,677,478)
Total	\$ 182,842,957	\$ 180,564,106	\$ 246,248,327	\$ 230,534,412	\$ 429,091,284	\$ 411,098,518

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 2016 included the following:

<u>Significant Additions to Capital Assets in 2016</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Land and Buildings	\$2.5 M	\$48.4 M
Infrastructure	12.9 M	-
Machinery and Equipment	4.7 M	1.8 M
Distribution and Collection System	-	5.1 M

Long-Term Debt

At December 31, 2016, the City of Eau Claire had approximately \$158 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>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General Obligation						
Bonds & Notes	\$ 98,404,745	\$ 85,550,537	\$ 17,730,255	\$ 15,564,463	\$ 116,135,000	\$ 101,115,000
Revenue Bonds	-	-	42,330,041	43,586,358	42,330,041	43,586,358
Total	<u>\$ 98,404,745</u>	<u>\$ 85,550,537</u>	<u>\$ 60,060,296</u>	<u>\$ 59,150,821</u>	<u>\$ 158,465,041</u>	<u>\$ 144,701,358</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. General obligation debt of the City at the close of 2016 totaled \$116.1 million, along with amounts available for payment of principal, is less than 46% of the maximum legal limit. During 2016, 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	\$695,598
08/30/16	General Obligation Corporate Purpose Bonds issued to finance street improvements, bridge improvements, a fire station and fire trucks, storm water projects, and water utility projects.	\$13,920,000
08/30/16	Taxable General Obligation Promissory Notes issued for the public purpose of financing the Community Arts Center project in the Confluence redevelopment and parking garage projects.	\$7,585,000

08/30/16	General Obligation Promissory Notes issued for the public purpose of financing street improvements that will be repaid with special assessments and improvements to the City Hall.	\$2,830,000
11/10/16	General Obligation Refunding Bonds issued for the purpose of refunding 2006 street and storm water improvement bonds.	\$2,080,000

The General Obligation Bonds and Promissory Notes were rated Aa1 by Moody's Investors Service and AA by Standard & Poor's.

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, 2016

(With Comparative Reporting Entity Totals for December 31, 2015)

	Primary Government				Totals Reporting Entity		
	Governmental	Business-	Debt	Totals	Component	2016	2015
	Activities	type	Reclassifications				
ASSETS							
Cash and investments	\$ 59,854,116	\$ 18,731,225	\$ -	\$ 78,585,341	\$ 869,497	\$ 79,454,838	\$ 73,628,145
Taxes receivable, net	45,283,062	846,732	-	46,129,794	-	46,129,794	43,251,362
Special assessments receivable	5,548,346	1,123,315	-	6,671,661	175,000	6,846,661	6,368,380
Notes receivable, net	3,024,264	-	-	3,024,264	61,011	3,085,275	3,400,952
Accounts receivable, net	2,487,502	4,608,586	-	7,096,088	1,445	7,097,533	6,577,014
Interest receivable	86,151	-	-	86,151	-	86,151	58,381
Due from other governments	1,473,536	950,436	-	2,423,972	58,359	2,482,331	3,026,925
Internal balances	4,217,112	(4,217,112)	-	-	-	-	-
Prepaid items and inventories	1,748,856	505,192	-	2,254,048	-	2,254,048	2,203,580
Restricted assets							
Cash and investments	7,952,536	6,449,769	-	14,402,305	-	14,402,305	11,871,038
Net pension asset	-	-	-	-	-	-	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	1,765,260
Capital assets							
Construction in progress	6,010,730	5,257,770	-	11,268,500	-	11,268,500	51,504,523
Land	17,955,531	17,271,043	-	35,226,574	-	35,226,574	34,837,042
Other capital assets, net of depreciation/amortization	158,876,696	223,719,514	-	382,596,210	-	382,596,210	324,756,953
Total Assets	315,284,934	275,246,470	-	590,531,404	2,930,572	593,461,976	571,676,520
DEFERRED OUTFLOWS OF RESOURCES							
Pension related amounts	25,127,903	3,492,919	-	28,620,822	-	28,620,822	7,988,312
Deferred charge on refunding	104,233	78,631	-	182,864	-	182,864	226,012
Total Deferred Outflows of Resources	25,232,136	3,571,550	-	28,803,686	-	28,803,686	8,214,324
LIABILITIES							
Accounts payable and accrued expenses	3,003,215	2,128,162	-	5,131,377	4,530	5,135,907	6,368,855
Accrued liabilities	2,541,039	646,356	-	3,187,395	-	3,187,395	2,988,044
Customer deposits	111,096	89,162	-	200,258	-	200,258	222,245
Due to other governments	187,842	3,574	-	191,416	-	191,416	144,764
Noncurrent liabilities							
Due within one year	10,730,805	4,070,429	-	14,801,234	-	14,801,234	14,016,933
Due in more than one year	121,281,722	59,207,604	-	180,489,326	-	180,489,326	159,683,855
Total Liabilities	137,855,719	66,145,287	-	204,001,006	4,530	204,005,536	183,424,696
DEFERRED INFLOWS OF RESOURCES							
Unearned revenues - time requirements	44,119,319	-	-	44,119,319	175,000	44,294,319	41,311,228
Pension related amounts	9,592,575	1,339,100	-	10,931,675	-	10,931,675	-
Total Deferred Inflows of Resources	53,711,894	1,339,100	-	55,050,994	175,000	55,225,994	41,311,228
NET POSITION							
Net investment in capital assets	106,818,444	186,039,230	(10,272,317)	282,585,357	-	282,585,357	275,290,419
Restricted for:							
Debt service payments	6,340,410	1,837,620	-	8,178,030	-	8,178,030	8,543,417
Pension	-	-	-	-	-	-	7,660,469
Cemetery maintenance	174,446	-	-	174,446	-	174,446	178,630
Hazmat	143,999	-	-	143,999	-	143,999	133,609
Community development	1,889,148	-	-	1,889,148	-	1,889,148	2,095,065
Home grant	26,752	-	-	26,752	-	26,752	4,979
Police department K9	503,290	-	-	503,290	-	503,290	571,467
Economic development	1,753,940	-	-	1,753,940	-	1,753,940	3,849,190
Community enhancement	87,121	-	-	87,121	-	87,121	155,266
Library	1,319,065	-	-	1,319,065	-	1,319,065	1,324,448
Health	1,198,287	-	-	1,198,287	-	1,198,287	1,148,989
Downtown	54,446	-	-	54,446	-	54,446	77,849
TIF projects	326,675	-	-	326,675	-	326,675	300,718
Capital contracts	5,983,366	-	-	5,983,366	-	5,983,366	379,693
Insurance deposits	1,025,447	-	-	1,025,447	-	1,025,447	1,057,629
Building Bridges program	-	-	-	-	-	-	75,000
Equipment replacement	-	4,399,000	-	4,399,000	-	4,399,000	3,714,000
Business improvement	-	-	-	-	157,020	157,020	280,997
Unrestricted	21,304,621	19,057,783	10,272,317	50,634,721	2,594,022	53,228,743	48,313,086
TOTAL NET POSITION	\$ 148,949,457	\$ 211,333,633	\$ -	\$ 360,283,090	\$ 2,751,042	\$ 363,034,132	\$ 355,154,920

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2015)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 8,488,859	\$ 3,777,404	\$ 211,463	\$ -
Public safety	32,848,940	5,240,453	543,599	392,960
Public works	16,989,105	345,341	35,049	13,114,212
Health services	6,604,167	2,351,774	1,435,871	-
Culture and recreation	9,717,841	1,563,919	131,521	979,963
Development	3,489,797	278,881	1,165,839	-
Interest and fiscal charges	3,140,230	-	184,590	-
Total Governmental Activities	81,278,939	13,557,772	3,707,932	14,487,135
Business-type Activities				
Water Utility	6,458,676	9,731,499	-	378,348
Sewer Utility	8,185,254	9,781,687	3,230	226,918
Storm Water Utility	3,398,280	4,500,514	41,085	244,105
Public Transit	6,017,649	1,091,397	3,311,823	-
Parking Utility	534,105	312,313	-	110,000
Hobbs Ice Center	1,201,063	698,789	-	-
Outdoor Pool	560,575	294,208	-	-
Total Business-type Activities	26,355,602	26,410,407	3,356,138	959,371
Total Primary Government	\$ 107,634,541	\$ 39,968,179	\$ 7,064,070	\$ 15,446,506
Component Units				
Redevelopment Authority	\$ 281,986	\$ 5,379	\$ 59,875	\$ -
South Barstow Business Improvement District	100,082	-	-	-
North Barstow/Medical Business Improvement District	151,619	-	-	-
West Grand Business Improvement District	12,760	-	750	-
Water Street Business Improvement District	11,304	-	-	-
Total Component Units	\$ 557,751	\$ 5,379	\$ 60,625	\$ -

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

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position				Totals Reporting Entity	
Governmental Activities	Business-type Activities	Totals		2016	2015
		Primary Government	Component Units		
\$ (4,499,992)	\$ -	\$ (4,499,992)	\$ -	\$ (4,499,992)	\$ (3,794,743)
(26,671,928)	-	(26,671,928)	-	(26,671,928)	(23,187,783)
(3,494,503)	-	(3,494,503)	-	(3,494,503)	(12,913,693)
(2,816,522)	-	(2,816,522)	-	(2,816,522)	(2,284,394)
(7,042,438)	-	(7,042,438)	-	(7,042,438)	(7,557,929)
(2,045,077)	-	(2,045,077)	-	(2,045,077)	(2,921,492)
(2,955,640)	-	(2,955,640)	-	(2,955,640)	(2,733,812)
<u>(49,526,100)</u>	<u>-</u>	<u>(49,526,100)</u>	<u>-</u>	<u>(49,526,100)</u>	<u>(55,393,846)</u>
-	3,651,171	3,651,171	-	3,651,171	4,151,940
-	1,826,581	1,826,581	-	1,826,581	1,954,399
-	1,387,424	1,387,424	-	1,387,424	1,537,098
-	(1,614,429)	(1,614,429)	-	(1,614,429)	(1,499,643)
-	(111,792)	(111,792)	-	(111,792)	(360,863)
-	(502,274)	(502,274)	-	(502,274)	(438,246)
-	<u>(266,367)</u>	<u>(266,367)</u>	-	<u>(266,367)</u>	<u>(196,867)</u>
-	4,370,314	4,370,314	-	4,370,314	5,147,818
<u>(49,526,100)</u>	<u>4,370,314</u>	<u>(45,155,786)</u>	<u>-</u>	<u>(45,155,786)</u>	<u>(50,246,028)</u>
-	-	-	(216,732)	(216,732)	(1,162,289)
-	-	-	(100,082)	(100,082)	(74,841)
-	-	-	(151,619)	(151,619)	(28,272)
-	-	-	(12,010)	(12,010)	(10,879)
-	-	-	<u>(11,304)</u>	<u>(11,304)</u>	<u>1,680</u>
-	-	-	<u>(491,747)</u>	<u>(491,747)</u>	<u>(1,274,601)</u>
30,738,289	-	30,738,289	-	30,738,289	30,275,122
7,681,717	-	7,681,717	-	7,681,717	7,862,401
2,483,507	-	2,483,507	-	2,483,507	2,087,112
2,284,761	-	2,284,761	-	2,284,761	2,192,020
-	-	-	150,000	150,000	150,000
8,592,189	-	8,592,189	-	8,592,189	8,896,147
699,230	85,104	784,334	4,257	788,591	1,247,360
47,216	-	47,216	-	47,216	375,358
-	-	-	400,953	400,953	700,000
<u>117,443</u>	<u>242,079</u>	<u>359,522</u>	<u>-</u>	<u>359,522</u>	<u>699,941</u>
52,644,352	327,183	52,971,535	555,210	53,526,745	54,485,461
<u>(9,523,442)</u>	<u>9,523,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(6,405,190)	14,220,939	7,815,749	63,463	7,879,212	2,964,832
<u>155,354,647</u>	<u>197,112,694</u>	<u>352,467,341</u>	<u>2,687,579</u>	<u>355,154,920</u>	<u>352,190,088</u>
<u>\$ 148,949,457</u>	<u>\$ 211,333,633</u>	<u>\$ 360,283,090</u>	<u>\$ 2,751,042</u>	<u>\$ 363,034,132</u>	<u>\$ 355,154,920</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2016

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 24,784,100	\$ 4,183,029	\$ 17,724,015	\$ 46,691,144
Receivables				
Taxes	41,608,545	163,826	3,499,651	45,272,022
Delinquent personal property taxes, net	11,040	-	-	11,040
Accounts, net	1,924,482	15,710	423,968	2,364,160
Notes, net	25,000	-	2,999,264	3,024,264
Special assessments	5,094,630	453,716	-	5,548,346
Interest	86,151	-	-	86,151
Due from other governments	271,469	-	1,185,196	1,456,665
Due from other funds	702,251	649,205	-	1,351,456
Prepaid items and inventories	994,410	-	126,597	1,121,007
Advances to other funds	3,675,161	286,400	1,400,000	5,361,561
Restricted assets - cash and investments	-	-	7,693,585	7,693,585
	\$ 79,177,239	\$ 5,751,886	\$ 35,052,276	\$ 119,981,401
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 648,200	\$ 111	\$ 2,179,233	\$ 2,827,544
Accrued liabilities	1,346,662	-	318,990	1,665,652
Deposits	60,891	-	50,205	111,096
Due to other governments	135,096	-	51,915	187,011
Due to other funds	-	-	732,517	732,517
Advances from other funds	-	-	3,636,245	3,636,245
Total Liabilities	2,190,849	111	6,969,105	9,160,065
Deferred Inflows of Resources				
Unearned revenues - time requirements	40,520,260	-	3,599,059	44,119,319
Unavailable revenues	7,997,428	633,252	3,598,425	12,229,105
Total Deferred Inflows of Resources	48,517,688	633,252	7,197,484	56,348,424
Fund Balances				
Nonspendable	4,221,466	-	126,597	4,348,063
Restricted	-	5,118,523	18,691,830	23,810,353
Committed	-	-	1,248,997	1,248,997
Assigned	5,442,677	-	5,179,009	10,621,686
Unassigned (deficit)	18,804,559	-	(4,360,746)	14,443,813
Total Fund Balances	28,468,702	5,118,523	20,885,687	54,472,912
	\$ 79,177,239	\$ 5,751,886	\$ 35,052,276	\$ 119,981,401

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, 2016

Total fund balance - governmental funds		\$ 54,472,912
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year-end (excluding internal service funds) consist of:</p>		
Construction in progress	\$ 6,010,730	
Land	17,955,531	
Other capital assets, net of depreciation/amortization	158,876,696	
Less: Internal service fund included below	<u>(12,338,572)</u>	170,504,385
<p>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:</p>		
(Premium)/discount on debt		(1,254,889)
Deferred charge on refunding of debt		104,233
<p>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.</p>		
		(83,710)
<p>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:</p>		
Delinquent personal property taxes receivable	104,414	
Accounts receivable	1,757,475	
Loan receivable	2,999,264	
Interest receivable	53,298	
Special assessments receivable	6,969,770	
Grants receivable	<u>344,884</u>	12,229,105
<p>Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p>		
		24,698,489
<p>Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.</p>		
		(9,431,125)
<p>Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
		26,912,992
<p>Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities at year-end (excluding internal service funds) consist of:</p>		
General obligation debt	(98,404,745)	
Vested compensated absences	(1,620,898)	
Police and fire pensions	(96,574)	
Permanent disability	(248,125)	
Other postemployment benefits	(23,553,980)	
Accrued interest on general obligation debt	(837,075)	
Net pension liability	<u>(4,441,538)</u>	(129,202,935)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 148,949,457</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, 2016

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 34,080,064	\$ -	\$ 9,129,850	\$ 43,209,914
Special assessments	1,860,576	318,988	-	2,179,564
Intergovernmental	11,838,533	-	3,466,445	15,304,978
Licenses and permits	1,822,348	-	633,189	2,455,537
Fines, forfeitures and penalties	520,378	-	84,334	604,712
Charges for services - public	4,011,389	-	400,841	4,412,230
Charges for services - intergovernmental	3,442,966	-	2,081,829	5,524,795
Investment income	518,642	7,932	36,976	563,550
Miscellaneous	420,668	-	1,464,671	1,885,339
Total Revenues	<u>58,515,564</u>	<u>326,920</u>	<u>17,298,135</u>	<u>76,140,619</u>
EXPENDITURES				
Current				
General government	7,064,033	4,147	3,062	7,071,242
Public safety	27,753,095	-	162,796	27,915,891
Public works	8,592,595	-	205,379	8,797,974
Health services	-	-	5,718,556	5,718,556
Culture and recreation	4,302,361	-	3,759,578	8,061,939
Development	-	-	3,686,383	3,686,383
Miscellaneous	368,548	-	-	368,548
Capital Outlay	-	-	14,438,562	14,438,562
Debt Service				
Principal retirement	-	7,480,792	2,025,000	9,505,792
Interest and fiscal charges	-	2,417,690	830,313	3,248,003
Total Expenditures	<u>48,080,632</u>	<u>9,902,629</u>	<u>30,829,629</u>	<u>88,812,890</u>
Excess (deficiency) of revenues over expenditures	<u>10,434,932</u>	<u>(9,575,709)</u>	<u>(13,531,494)</u>	<u>(12,672,271)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	2,200,000	-	18,535,000	20,735,000
Refunding long-term debt issued	-	1,625,000	-	1,625,000
Premium on long-term debt issued	10,426	32,662	277,779	320,867
Transfers from other funds	1,775,698	7,676,941	2,501,792	11,954,431
Transfers to other funds	(11,191,088)	-	(1,090,333)	(12,281,421)
Proceeds from sale of capital assets	96,589	-	21,827	118,416
Total Other Financing Sources (Uses)	<u>(7,108,375)</u>	<u>9,334,603</u>	<u>20,246,065</u>	<u>22,472,293</u>
Net change in fund balances	3,326,557	(241,106)	6,714,571	9,800,022
FUND BALANCES - Beginning of Year	<u>25,142,145</u>	<u>5,359,629</u>	<u>14,171,116</u>	<u>44,672,890</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,468,702</u>	<u>\$ 5,118,523</u>	<u>\$ 20,885,687</u>	<u>\$ 54,472,912</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, 2016

Net change in fund balances - total governmental funds	\$ 9,800,022
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	14,438,562
Some capital outlay is not capitalized in the government-wide statements	(2,986,654)
Depreciation is reported in the government-wide statements	(8,271,243)
Capital assets transferred to business-type activities	(9,266,452)
Contributed assets are reported in the government-wide statements.	8,256,937
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.	
	(744,288)
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	(18,152)
Accounts receivable	29,299
Loan receivable	(96,571)
Interest receivable	(7,809)
Special assessments receivable	567,631
Grants receivable	(649,051)
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.	
	(16,623)
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.	
	9,505,792
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.	
	(22,360,000)

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	\$ 523,514
Police and fire pensions	4,193
Permanent disability	9,452
Other postemployment benefits	(2,645,887)
Net pension asset/liability (and pension related deferred outflows/inflows of resources)	(2,619,884)

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.

(25,872)

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	(320,867)
Amortization of premium/(discount)	158,782
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.

354,971

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (6,405,190)

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Parking Utility
ASSETS					
Current Assets					
Cash and investments	\$ 6,074,405	\$ 9,515,631	\$ 2,006,578	\$ 125	\$ 544,029
Taxes receivable	387,597	326,277	132,858	-	-
Accounts receivable, net	1,814,590	1,719,535	941,670	15,743	448
Due from other governments	150	231,932	10,196	708,158	-
Inventories	306,794	-	-	186,294	-
Prepaid items	10,288	1,696	-	120	-
Restricted cash and investments	124,885	1,368,744	-	-	-
Total Current Assets	<u>8,718,709</u>	<u>13,163,815</u>	<u>3,091,302</u>	<u>910,440</u>	<u>544,477</u>
Noncurrent Assets					
Restricted assets					
Cash and investments	961,140	3,995,000	-	-	-
Deposit in insurance pools	-	-	-	-	-
Special assessment receivable	575,468	545,601	2,246	-	-
Advances to other funds	-	-	-	-	-
Capital assets					
Construction in progress	4,072,412	904,413	257,785	-	-
Land	317,174	220,012	16,083,661	-	645,196
Capital assets	94,771,800	132,491,342	58,408,331	7,729,042	18,178,221
Less: Accumulated depreciation/amortization	(33,910,110)	(35,339,507)	(15,407,766)	(5,510,363)	(5,027,706)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	<u>65,251,276</u>	<u>98,276,260</u>	<u>59,342,011</u>	<u>2,218,679</u>	<u>13,795,711</u>
Total Noncurrent Assets	<u>66,787,884</u>	<u>102,816,861</u>	<u>59,344,257</u>	<u>2,218,679</u>	<u>13,795,711</u>
Total Assets	<u>75,506,593</u>	<u>115,980,676</u>	<u>62,435,559</u>	<u>3,129,119</u>	<u>14,340,188</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	1,118,660	916,347	176,211	1,202,903	14,605
Deferred charge on refunding	-	-	78,631	-	-
Total Deferred Outflows of Resources	<u>1,118,660</u>	<u>916,347</u>	<u>254,842</u>	<u>1,202,903</u>	<u>14,605</u>

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 590,457	\$ 18,731,225	\$ 13,162,972
-	846,732	-
116,600	4,608,586	207,052
-	950,436	16,871
-	493,088	621,459
-	12,104	6,390
-	1,493,629	-
<u>707,057</u>	<u>27,135,800</u>	<u>14,014,744</u>
-	4,956,140	258,951
-	-	766,496
-	1,123,315	-
-	-	1,838,700
23,160	5,257,770	84,319
5,000	17,271,043	247,199
11,997,971	323,576,707	26,056,609
(4,661,741)	(99,857,193)	(14,049,555)
<u>7,364,390</u>	<u>246,248,327</u>	<u>12,338,572</u>
<u>7,364,390</u>	<u>252,327,782</u>	<u>15,202,719</u>
<u>8,071,447</u>	<u>279,463,582</u>	<u>29,217,463</u>
64,193	3,492,919	429,414
-	78,631	-
<u>64,193</u>	<u>3,571,550</u>	<u>429,414</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Parking Utility
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 909,500	\$ 848,097	\$ 227,064	\$ 126,196	\$ 13,678
Accrued payroll and payroll taxes	61,715	68,700	19,870	91,599	4,059
Accrued compensated absences	86,147	126,211	30,917	87,170	5,707
Accrued interest	23,330	-	129,623	-	2,290
Deposits	-	-	-	62,817	19,917
Due to other governments	-	-	-	-	2,100
Due to other funds	-	-	-	542,770	-
Current portion of advances	183,172	74,933	-	-	-
Current portion of general obligation debt	95,000	-	1,506,427	-	11,400
Current portion of unpaid claims	-	-	-	-	-
Liabilities payable from restricted assets:					
Current portion revenue bonds	310,000	1,803,704	-	-	-
Accrued interest	47,385	165,764	-	-	-
Total Current Liabilities	<u>1,716,249</u>	<u>3,087,409</u>	<u>1,913,901</u>	<u>910,552</u>	<u>59,151</u>
Noncurrent Liabilities					
Advances from other funds	196,910	259,001	-	-	-
Revenue bonds payable	4,031,594	36,201,337	-	-	-
General obligation debt	2,437,422	-	13,600,842	-	290,002
Other post-employment benefits	789,505	509,192	25,717	673,779	-
Net pension liability	200,271	167,465	31,940	216,097	2,880
Unpaid claims	-	-	-	-	-
Total Noncurrent Liabilities	<u>7,655,702</u>	<u>37,136,995</u>	<u>13,658,499</u>	<u>889,876</u>	<u>292,882</u>
Total Liabilities	<u>9,371,951</u>	<u>40,224,404</u>	<u>15,572,400</u>	<u>1,800,428</u>	<u>352,033</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	<u>425,546</u>	<u>355,835</u>	<u>67,866</u>	<u>459,171</u>	<u>6,120</u>
NET POSITION					
Net investment in capital assets	58,377,260	60,271,219	44,313,373	2,218,679	13,494,309
Restricted for:					
Insurance deposits	-	-	-	-	-
Debt service payments	634,640	1,202,980	-	-	-
Equipment replacement	404,000	3,995,000	-	-	-
Unrestricted (deficit)	<u>7,411,856</u>	<u>10,847,585</u>	<u>2,736,762</u>	<u>(146,256)</u>	<u>502,331</u>
TOTAL NET POSITION	<u>\$ 66,827,756</u>	<u>\$ 76,316,784</u>	<u>\$ 47,050,135</u>	<u>\$ 2,072,423</u>	<u>\$ 13,996,640</u>

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

NET POSITION OF BUSINESS-TYPE ACTIVITIES

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 3,627	\$ 2,128,162	\$ 175,671
8,425	254,368	38,312
7,746	343,898	48,585
23,596	178,839	-
6,428	89,162	-
1,474	3,574	831
76,169	618,939	-
215,000	473,105	-
-	1,612,827	-
-	-	220,000
-	2,113,704	-
-	213,149	-
<u>342,465</u>	<u>8,029,727</u>	<u>483,399</u>
2,635,000	3,090,911	-
-	40,232,931	-
-	16,328,266	-
18,002	2,016,195	115,725
11,559	630,212	75,982
-	-	1,931,486
<u>2,664,561</u>	<u>62,298,515</u>	<u>2,123,193</u>
<u>3,007,026</u>	<u>70,328,242</u>	<u>2,606,592</u>
<u>24,562</u>	<u>1,339,100</u>	<u>161,450</u>
7,364,390	186,039,230	12,338,572
-	-	1,025,447
-	1,837,620	-
-	4,399,000	-
<u>(2,260,338)</u>	<u>19,091,940</u>	<u>13,514,816</u>
<u>\$ 5,104,052</u>	<u>211,367,790</u>	<u>\$ 26,878,835</u>
	<u>(34,157)</u>	
	<u>\$ 211,333,633</u>	

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, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Parking Utility
OPERATING REVENUES					
Charges for services	\$ 9,731,499	\$ 9,781,687	\$ 4,500,514	\$ 1,091,397	\$ 312,313
Rental of equipment	-	-	-	-	-
Other	7,032	92,946	-	61,323	142
Total Operating Revenues	<u>9,738,531</u>	<u>9,874,633</u>	<u>4,500,514</u>	<u>1,152,720</u>	<u>312,455</u>
OPERATING EXPENSES					
Personal services	2,234,305	2,554,209	705,027	3,052,176	79,456
Contractual services	599,137	1,379,395	698,715	1,738,818	140,417
Supplies and materials	569,192	504,558	26,898	657,555	19,501
Utilities	538,654	573,335	97,495	8,541	56,551
Depreciation	1,737,977	2,541,765	955,982	375,356	182,068
Administrative	504,701	553,389	416,084	174,580	51,448
Claims	-	-	-	-	-
Total Operating Expenses	<u>6,183,966</u>	<u>8,106,651</u>	<u>2,900,201</u>	<u>6,007,026</u>	<u>529,441</u>
Operating income (loss)	<u>3,554,565</u>	<u>1,767,982</u>	<u>1,600,313</u>	<u>(4,854,306)</u>	<u>(216,986)</u>
NONOPERATING REVENUES (EXPENSES)					
Operating grants	-	3,230	-	3,311,823	-
Investment income	26,037	52,841	6,206	-	20
Net gain (loss) on disposal of capital assets	-	(78,604)	(7,484)	-	-
Interest and fiscal charges	(295,749)	(1,029,325)	(544,856)	-	(5,047)
IRS Build America Bond interest subsidy	-	-	41,085	-	-
Interest charged to construction	18,873	1,000,049	8,811	-	-
Total Nonoperating Revenues (Expenses)	<u>(250,839)</u>	<u>(51,809)</u>	<u>(496,238)</u>	<u>3,311,823</u>	<u>(5,027)</u>
Income (loss) before transfers and contributions	<u>3,303,726</u>	<u>1,716,173</u>	<u>1,104,075</u>	<u>(1,542,483)</u>	<u>(222,013)</u>
Transfers from other funds	-	-	-	935,923	57,200
Transfers to other funds	(1,660,698)	-	-	-	(27,984)
Total Transfers	<u>(1,660,698)</u>	<u>-</u>	<u>-</u>	<u>935,923</u>	<u>29,216</u>
Income (loss) before contributions	1,643,028	1,716,173	1,104,075	(606,560)	(192,797)
Capital contributions	400,203	226,918	404,158	-	9,194,544
Change in net position	<u>2,043,231</u>	<u>1,943,091</u>	<u>1,508,233</u>	<u>(606,560)</u>	<u>9,001,747</u>
NET POSITION - Beginning of Year	<u>64,784,525</u>	<u>74,373,693</u>	<u>45,541,902</u>	<u>2,678,983</u>	<u>4,994,893</u>
NET POSITION - END OF YEAR	<u>\$ 66,827,756</u>	<u>\$ 76,316,784</u>	<u>\$ 47,050,135</u>	<u>\$ 2,072,423</u>	<u>\$ 13,996,640</u>

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

CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES

See accompanying notes to financial statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 992,997	\$ 26,410,407	\$ 3,426,461
-	-	3,171,879
<u>80,636</u>	<u>242,079</u>	<u>344,495</u>
<u>1,073,633</u>	<u>26,652,486</u>	<u>6,942,835</u>
487,460	9,112,633	1,297,795
258,470	4,814,952	572,389
142,482	1,920,186	1,307,346
297,021	1,571,597	183,649
464,418	6,257,566	1,416,971
16,930	1,717,132	571,208
-	-	1,385,834
<u>1,666,781</u>	<u>25,394,066</u>	<u>6,735,192</u>
<u>(593,148)</u>	<u>1,258,420</u>	<u>207,643</u>
-	3,315,053	-
-	85,104	34,546
-	(86,088)	110,628
(96,050)	(1,971,027)	-
-	41,085	-
-	<u>1,027,733</u>	-
<u>(96,050)</u>	<u>2,411,860</u>	<u>145,174</u>
<u>(689,198)</u>	<u>3,670,280</u>	<u>352,817</u>
952,549	1,945,672	70,000
-	(1,688,682)	-
<u>952,549</u>	<u>256,990</u>	<u>70,000</u>
263,351	3,927,270	422,817
-	10,225,823	-
263,351	14,153,093	422,817
<u>4,840,701</u>		<u>26,456,018</u>
<u>\$ 5,104,052</u>		<u>\$ 26,878,835</u>
	<u>67,846</u>	
	<u>\$ 14,220,939</u>	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Parking Utility
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES					
Cash received from customers	\$ 9,743,265	\$ 9,697,046	\$ 4,390,394	\$ 1,158,677	\$ 333,865
Cash paid to suppliers for goods and services	(1,741,553)	(2,530,531)	(828,512)	(2,520,010)	(269,054)
Cash paid to employees for services	(2,015,951)	(2,396,629)	(650,511)	(2,884,693)	(69,398)
Claims paid	-	-	-	-	-
Repayment of insurance claims	-	-	-	-	-
Administrative charges	(414,896)	(485,832)	(410,916)	(71,282)	-
Net Cash Flows From (Used By) Operating Activities	<u>5,570,865</u>	<u>4,284,054</u>	<u>2,500,455</u>	<u>(4,317,308)</u>	<u>(4,587)</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	-	3,396,081	-
Negative cash implicitly financed	-	-	-	(26,983)	-
Transfers from other funds	-	-	-	935,923	57,200
Transfers to other funds	(1,660,698)	-	-	-	(27,984)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,660,698)</u>	<u>-</u>	<u>-</u>	<u>4,305,021</u>	<u>29,216</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>26,037</u>	<u>52,841</u>	<u>6,206</u>	<u>-</u>	<u>20</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt issued	2,500,000	695,598	1,255,000	-	300,000
Premium on debt issued	32,975	-	19,974	-	1,422
Debt retired	(215,000)	(1,736,915)	(1,889,208)	-	-
Principal paid on advances from other funds	(304,629)	(69,868)	-	-	-
Interest paid on advances from other funds	(51,018)	(29,276)	-	-	-
Special assessments received	36,203	39,408	603	-	-
Interest and fiscal charges paid	(225,976)	(1,004,156)	(552,408)	-	(2,777)
Interest subsidy received	-	-	41,364	-	-
Capital contributions	-	-	95,632	-	110,000
Acquisition and construction of capital assets	(5,077,615)	(1,935,533)	(1,073,728)	(59,183)	(2,376,628)
Principal paid on capital advances from other funds	-	-	-	-	-
Interest paid on capital advances from other funds	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(3,305,060)</u>	<u>(4,040,742)</u>	<u>(2,102,771)</u>	<u>(59,183)</u>	<u>(1,967,983)</u>
Net Change in Cash and Cash Equivalents	<u>631,144</u>	<u>296,153</u>	<u>403,890</u>	<u>(71,470)</u>	<u>(1,943,334)</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>6,529,286</u>	<u>14,583,222</u>	<u>1,602,688</u>	<u>71,595</u>	<u>2,487,363</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,160,430</u>	<u>\$ 14,879,375</u>	<u>\$ 2,006,578</u>	<u>\$ 125</u>	<u>\$ 544,029</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents per Statement of Net Position	\$ 6,074,405	\$ 9,515,631	\$ 2,006,578	\$ 125	\$ 544,029
Restricted Cash and Cash Equivalents					
Current	124,885	1,368,744	-	-	-
Noncurrent	<u>961,140</u>	<u>3,995,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 7,160,430</u>	<u>\$ 14,879,375</u>	<u>\$ 2,006,578</u>	<u>\$ 125</u>	<u>\$ 544,029</u>

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ 1,049,198	\$ 26,372,445	\$ 6,912,314
(687,097)	(8,576,757)	(2,759,942)
(474,375)	(8,491,557)	(1,213,221)
-	-	(1,211,759)
-	-	48,944
-	(1,382,926)	-
<u>(112,274)</u>	<u>7,921,205</u>	<u>1,776,336</u>
-	3,396,081	-
-	(26,983)	-
952,549	1,945,672	70,000
-	(1,688,682)	-
<u>952,549</u>	<u>3,626,088</u>	<u>70,000</u>
-	85,104	34,546
-	4,750,598	-
-	54,371	-
-	(3,841,123)	-
-	(374,497)	-
-	(80,294)	-
-	76,214	-
-	(1,785,317)	-
-	41,364	-
-	205,632	-
(149,239)	(10,671,926)	(2,436,802)
(210,000)	(210,000)	-
(97,715)	(97,715)	-
-	-	285,838
<u>(456,954)</u>	<u>(11,932,693)</u>	<u>(2,150,964)</u>
383,321	(300,296)	(270,082)
<u>207,136</u>	<u>25,481,290</u>	<u>13,692,005</u>
<u>\$ 590,457</u>	<u>\$ 25,180,994</u>	<u>\$ 13,421,923</u>
\$ 590,457	\$ 18,731,225	\$ 13,162,972
-	1,493,629	-
-	4,956,140	258,951
<u>\$ 590,457</u>	<u>\$ 25,180,994</u>	<u>\$ 13,421,923</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds				
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Parking Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 3,554,565	\$ 1,767,982	\$ 1,600,313	\$ (4,854,306)	\$ (216,986)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Noncash items included in income					
Depreciation	1,737,977	2,541,765	955,982	375,356	182,068
Depreciation charged to other accounts	163,248	1,347	-	-	-
Change in assets, deferred outflows, liabilities and deferred inflows					
Taxes receivable	11,839	8,337	1,424	-	-
Accounts receivable	(170,353)	(187,271)	(111,544)	15,695	1,501
Inventories	58,682	-	-	(11,473)	-
Prepaid items	(873)	(1,696)	-	8,355	-
Accounts payable	(2,574)	(3,990)	(236)	(8,680)	(1,780)
Due to other funds	-	-	-	-	-
Accrued liabilities	(31,295)	5,714	24,472	(51,322)	6,870
Other post-employment benefits	88,688	57,199	2,889	75,687	-
Unpaid claims	-	-	-	-	-
Pension related deferrals and asset/liability	160,961	94,667	27,155	143,118	3,831
Deposits	-	-	-	(9,738)	19,909
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ 5,570,865</u>	<u>\$ 4,284,054</u>	<u>\$ 2,500,455</u>	<u>\$ (4,317,308)</u>	<u>\$ (4,587)</u>

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

Developers, customers and other funds contributed capital assets of \$400,203 to the Water Utility, \$226,918 to the Sewer Utility, \$308,526 to the Storm Water Utility, and \$9,084,544 to the Parking Utility. The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2016:

Water Utility	\$ 897,224
Sewer Utility	842,960
Storm Water Utility	225,070
Parking Utility	11,350
Internal Service Funds	48,551

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
\$ (593,148)	\$ 1,258,420	\$ 207,643
464,418	6,257,566	1,416,971
-	164,595	-
-	21,600	-
(26,578)	(478,550)	18,423
-	47,209	(56,349)
-	5,786	(45)
(532)	(17,792)	(69,787)
28,774	28,774	-
4,969	(40,592)	20,314
2,022	226,485	12,999
-	-	174,075
5,658	435,390	52,092
2,143	12,314	-
<u>\$ (112,274)</u>	<u>\$ 7,921,205</u>	<u>\$ 1,776,336</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND**

As of December 31, 2016

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 21,331,178
Taxes receivable	<u>47,966,357</u>
TOTAL ASSETS	<u>\$ 69,297,535</u>
LIABILITIES	
Due to other taxing units	<u>\$ 69,297,535</u>
TOTAL LIABILITIES	<u>\$ 69,297,535</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
COMPONENT UNITS
As of December 31, 2016

	Redevelopment Authority	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Nonmajor Component Units	Totals
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 711,136	\$ 4,844	\$ 110,517	\$ 43,000	\$ 869,497
Receivables					
Special assessments	-	105,000	44,000	26,000	175,000
Notes	60,000	-	-	1,011	61,011
Accounts, net	1,445	-	-	-	1,445
Due from other governments	58,359	-	-	-	58,359
Total Current Assets	<u>830,940</u>	<u>109,844</u>	<u>154,517</u>	<u>70,011</u>	<u>1,165,312</u>
NONCURRENT ASSETS					
Property held for resale	<u>1,765,260</u>	-	-	-	<u>1,765,260</u>
Total Noncurrent Assets	<u>1,765,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,765,260</u>
Total Assets	<u>2,596,200</u>	<u>109,844</u>	<u>154,517</u>	<u>70,011</u>	<u>2,930,572</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	<u>2,178</u>	<u>1,181</u>	<u>1</u>	<u>1,170</u>	<u>4,530</u>
Total Current Liabilities	<u>2,178</u>	<u>1,181</u>	<u>1</u>	<u>1,170</u>	<u>4,530</u>
Total Liabilities	<u>2,178</u>	<u>1,181</u>	<u>1</u>	<u>1,170</u>	<u>4,530</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	<u>-</u>	<u>105,000</u>	<u>44,000</u>	<u>26,000</u>	<u>175,000</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>105,000</u>	<u>44,000</u>	<u>26,000</u>	<u>175,000</u>
NET POSITION					
Restricted for:					
Business improvement	-	3,663	110,516	42,841	157,020
Unrestricted	<u>2,594,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,594,022</u>
TOTAL NET POSITION	<u>\$ 2,594,022</u>	<u>\$ 3,663</u>	<u>\$ 110,516</u>	<u>\$ 42,841</u>	<u>\$ 2,751,042</u>

See accompanying notes to financial statements.

Notes to Financial Statements

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

CITY OF EAU CLAIRE

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CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016

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.H. 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, 2016. 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.H. 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, 2016. Separate financial statements are not issued by the BIDs.

B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. This statement addresses accounting and financial reporting issues related to tax abatements. This standard was implemented January 1, 2016.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, 2016

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.

Debt Service – General – 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.

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

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

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Fund Financial Statements (cont.)

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

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. 8 Downtown Development

TIF No. 9 Gateway Northwest Business Park Overlay

TIF No. 10 Confluence Project

TIF No. 11 Downtown Mixed Use

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.

Hobbs Ice Center

Outdoor Pool

In addition, the City reports the following fund types:

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

Risk Management

Central Equipment

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

Tax Collection Fund

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016

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, Public Transit 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, 2016

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, nonnegotiable 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, 2016

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 methods and inputs as outlined in Note III. A. 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, 2016, 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, 2016

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 – 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale – 2016 delinquent real estate taxes	October 2019

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 \$2,416,222, \$21,147, \$108,078, and \$4,986, 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 \$76,000.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.

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 \$258,951. 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, 2016

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, \$1,027,733 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, 2016

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, 2016 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 postemployment benefits, accrued compensated absences and the net pension liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (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 \$637,092, 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, 2016

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, 2016

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 \$18,804,559, or 27%, and included as unassigned General Fund balance. Of that amount, \$6,952,700 is designated for working capital.

See Note III.G for further information.

11. Pension

For purposes of measuring the net pension asset (liability), 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.

12. 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, 2015, from which the summarized information was derived.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

13. 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 10, 2015 and effective January 1, 2016.

Storm Water Utility

Current rates in the Storm Water Utility were approved by the City Council on November 10, 2015 and effective January 1, 2016.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

B. DEFICIT BALANCES

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

As of December 31, 2016, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Debt Service – TIF No. 7	\$ 397,464	Expenditures in excess of revenues
TIF No. 8 Downtown Development	2,288,094	Expenditures in excess of revenues
TIF No. 11 Downtown Mixed Use	150	Expenditures in excess of revenues

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

B. DEFICIT BALANCES (cont.)

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

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool for all funds and component units which is recorded on the statement of net position as follows:

Per statement of net position	
Cash and investments	\$ 79,454,838
Restricted cash and investments	14,402,305
Per statement of assets and liabilities – agency fund	<u>21,331,178</u>
Total	<u>\$ 115,188,321</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 8,295
Deposits with financial institutions	18,265,249
Investments	<u>96,914,777</u>
Total Cash and Investments	<u>\$ 115,188,321</u>

See Note III.H. for component unit information.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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	\$ 18,265,249	\$ 18,750,650	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, 2016, the bank had obtained a letter of credit in the amount of \$45,000,000 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	\$ 41,612,050	Custodial credit risk, concentration of credit risk, credit risk, interest rate risk
LGIP	55,302,727	Credit risk
Total Investments	\$ 96,914,777	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Investments (cont.)

The valuation methods for recurring fair value measurements are as follows:

- > Automated method – IDC Institutional Bond Pricing

Investment Type	December 31, 2016			Total
	Level 1	Level 2	Level 3	
U.S. agencies	\$ -	\$ 41,612,050	\$ -	\$ 41,612,050
Totals	\$ -	\$ 41,612,050	\$ -	\$ 41,612,050

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, 2016, the City's investments were rated as follows:

Investment Type	Moody's Investor Service
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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At December 31, 2016, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLMC	U.S. agencies – implicitly guaranteed	21%
FHLB	U.S. agencies – implicitly guaranteed	13%

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, 2016, the City’s investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Callable	02/12/19	02/12/17	\$ 1,988,480
FHLB Callable	08/23/21	02/23/17	2,960,640
FHLB Callable	06/21/19	03/21/17	1,977,080
FHLB Callable	12/16/21	06/16/17	1,992,980
FHLB Callable	09/29/20	06/29/17	2,000,760
FHLB Bullet	12/08/17	N/A	1,995,920
FFCB Callable	05/09/17	03/07/17	2,000,000
FFCB Callable	05/03/19	02/03/17	1,980,920
FHLMC Bullet	06/27/18	N/A	2,999,130
FHLMC Callable	10/29/20	01/29/17	1,986,900
FHLMC Callable	02/26/21	02/26/17	1,982,700
FHLMC Callable	08/25/21	02/25/17	1,956,840
FHLMC Bullet	12/14/18	N/A	1,984,500
FHLMC Callable	09/13/18	03/13/17	1,996,260
FHLMC Callable	09/30/19	03/30/17	1,967,900
FHLMC Callable	10/25/21	01/25/17	1,951,340
FHLMC Callable	11/30/21	02/28/17	1,964,440
FHLMC Callable	11/30/18	05/30/17	1,987,400
FNMA Callable	02/13/18	02/13/17	1,996,720
FNMA Callable	10/28/21	04/28/17	1,941,140
Total			\$ 41,612,050

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, 2016

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	\$ 51,437,539	\$ 2,416,222	\$ 49,021,317	\$ 5,027,101
Debt Service - General	633,252	-	633,252	448,826
Nonmajor Funds	8,242,290	134,211	8,108,079	2,865,525
Internal Service Funds	223,923	-	223,923	63,530

Business-type Activities

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,777,805	-	\$ 2,777,805	\$ 575,468
Sewer Utility	2,823,345	-	2,823,345	545,601
Storm Water Utility	1,086,970	-	1,086,970	2,246
Public Transit	723,901	-	723,901	-
Parking Utility	448	-	448	-
Nonmajor Funds	116,600	-	116,600	-

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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	\$ 43,827,277	\$ -
Delinquent property taxes receivable	-	104,414
Accounts receivable	-	1,757,475
Loan receivable	-	2,999,264
Interest receivable	-	53,298
Special assessments not yet due	-	6,969,770
Grants receivable	292,042	344,884
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 44,119,319	\$ 12,229,105

Notes Receivable

At December 31, 2016, 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 \$1,786,802 at December 31, 2016, with maturities to the year 2036. The balance includes 157 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 \$1,212,462 at December 31, 2016. 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, 2016

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.

Following is a list of restricted assets at December 31, 2016:

	Governmental Activities	Business-type Activities
Restricted Assets		
Restricted cash and investments		
Redemption account	\$ -	\$ 1,493,629
Reserve account	-	557,140
Depreciation account	-	1,299,000
Equipment replacement account	-	3,100,000
Revolving loan sequestered funds	453,951	-
Construction account	7,239,634	-
Insurance claims account	258,951	-
Total Restricted Assets	\$ 7,952,536	\$ 6,449,769

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated/ Amortized				
Construction in progress	\$ 13,180,925	\$ 1,802,971	\$ 8,973,166	\$ 6,010,730
Land	17,693,517	332,703	70,689	17,955,531
Total Capital Assets Not Being Depreciated/Amortized	<u>\$ 30,874,442</u>	<u>\$ 2,135,674</u>	<u>\$ 9,043,855</u>	<u>\$ 23,966,261</u>
Capital Assets Being Depreciated/ Amortized				
Land improvements	\$ 11,120,823	\$ 972,037	\$ -	\$ 12,092,860
Buildings	26,389,687	1,174,780	155,738	27,408,729
Machinery and equipment	37,559,131	4,659,284	2,985,590	39,232,825
Intangibles	7,774,809	35,155	-	7,809,964
Infrastructure	189,236,243	12,882,799	1,942,200	200,176,842
Total Capital Assets Being Depreciated/Amortized	<u>272,080,693</u>	<u>19,724,055</u>	<u>5,083,528</u>	<u>286,721,220</u>
Less: Accumulated Depreciation/ Amortization for				
Land improvements	(4,875,102)	(543,373)	-	(5,418,475)
Buildings	(13,552,941)	(671,933)	146,634	(14,078,240)
Machinery and equipment	(22,043,977)	(2,680,962)	2,425,822	(22,299,117)
Intangibles	(604,108)	(269,516)	-	(873,624)
Infrastructure	(81,314,901)	(5,522,430)	1,662,263	(85,175,068)
Total Accumulated Depreciation/Amortization	<u>(122,391,029)</u>	<u>(9,688,214)</u>	<u>4,234,719</u>	<u>(127,844,524)</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>\$ 149,689,664</u>	<u>\$ 10,035,841</u>	<u>\$ 848,809</u>	<u>\$ 158,876,696</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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	\$ 265,712
Public safety	1,224,547
Public works, which includes the depreciation of infrastructure	6,596,754
Health services	33,995
Culture and recreation	1,553,819
Development	<u>13,387</u>
 Total Governmental Activities Depreciation/Amortization Expense	 <u><u>\$ 9,688,214</u></u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital Assets Not Being Depreciated/Amortized				
Construction in progress	\$ 38,323,598	\$ 5,070,828	\$ 38,136,656	\$ 5,257,770
Land	<u>17,143,525</u>	<u>127,518</u>	<u>-</u>	<u>17,271,043</u>
 Total Capital Assets Not Being Depreciated/Amortized	 <u><u>\$ 55,467,123</u></u>	 <u><u>\$ 5,198,346</u></u>	 <u><u>\$ 38,136,656</u></u>	 <u><u>\$ 22,528,813</u></u>
 Capital Assets Being Depreciated/ Amortized				
Improvements	\$ 4,011,015	\$ -	\$ -	\$ 4,011,015
Buildings	42,134,243	48,223,035	1,299,549	89,057,729
Distribution and collection systems	198,115,633	5,138,228	203,329	203,050,532
Source of supply system	903,612	9,724	-	913,336
Machinery and equipment	25,144,155	1,809,897	455,037	26,499,015
Intangibles	<u>45,080</u>	<u>-</u>	<u>-</u>	<u>45,080</u>
Total Capital Assets Being Depreciated/Amortized	 <u><u>270,353,738</u></u>	 <u><u>55,180,884</u></u>	 <u><u>1,957,915</u></u>	 <u><u>323,576,707</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated Depreciation/ Amortization for				
Improvements	\$ (2,574,336)	\$ (95,474)	\$ -	\$ (2,669,810)
Buildings	(23,109,577)	(1,497,095)	1,226,194	(23,380,478)
Distribution and collection systems	(55,397,893)	(3,575,083)	191,550	(58,781,426)
Source of supply system	(799,913)	(8,723)	-	(808,636)
Machinery and equipment	(13,396,063)	(1,252,020)	446,025	(14,202,058)
Intangibles	(8,667)	(6,118)	-	(14,785)
Total Accumulated Depreciation/Amortization	(95,286,449)	(6,434,513)	1,863,769	(99,857,193)
Total Capital Assets, Being Depreciated/Amortized, Net	\$ 175,067,289	\$ 48,746,371	\$ 94,146	\$ 223,719,514

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,737,977
Sewer	2,541,765
Storm Water	955,982
Public Transit	375,356
Parking Utility	182,068
Hobbs Ice Center	394,320
Outdoor Pool	70,098

Total Business-type Activities Depreciation/Amortization Expense \$ 6,257,566

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, 2016

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	\$ 82,898
General Fund	Special Revenue – Cemetery Maintenance	414
General Fund	Enterprise – Public Transit	542,770
General Fund	Enterprise – Hobbs Ice Center	76,169
General Debt Service Fund	Capital Projects – TIF No. 8	457,880
General Debt Service Fund	Capital Projects – TIF No. 10	191,175
General Debt Service Fund	Capital Projects – TIF No. 11	<u>150</u>
Subtotal – Fund Financial Statements		1,351,456
Less: Fund eliminations		<u>(732,517)</u>
Total interfunds		618,939
Government-wide net interfund advances		3,564,016
Adjustment to reflect internal service fund activities related to enterprise funds		<u>34,157</u>
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ 4,217,112</u>

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 Debt Service – General Fund is advancing funds to TIF No. 7. The Debt Service – General 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, 2016

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	\$ 380,082	\$ 196,910
General Fund	Sewer Utility	333,934	259,001
General Fund	Enterprise – Hobbs Ice Center	2,850,000	2,635,000
General Fund	Debt Service – TIF No. 7	111,145	111,145
General Debt Service	Debt Service – TIF No. 7	286,400	286,400
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
Subtotal – Fund Financial Statements		7,200,261	
Less: Fund eliminations		<u>(3,636,245)</u>	
Total Net Government-Wide Advances		<u><u>\$ 3,564,016</u></u>	

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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>	Advances		
	Principal	Interest	Totals
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	\$ 3,564,016	\$ 320,747	\$ 3,884,763

Transfers

Following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Community Enhancement	\$ 115,000	To fund general fund special events
	Water Utility	1,660,698	Payment in lieu of tax
Internal Service			
Central Equipment	Police Department K9	70,000	K9 vehicle purchase
Special Revenue			
Cemetery Maintenance	General Fund	222,385	Operating subsidy
Economic Development	General Fund	100,000	General support
City-County Health Department	Community Development	71,823	Fund code enforcement project
Downtown	Economic Development	85,000	Operating subsidy
Debt Service			
Debt Service – General	General Fund	7,606,631	Debt service payments
Debt Service – General	Public Library	40,048	Debt service payments
Debt Service – General	City-County Health Department	30,262	Debt service payments

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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	\$ 379,100	Fund various projects
Land, Buildings and Equipment	Community Development	5,000	Fund comprehensive plan
Land, Buildings and Equipment	General Fund	1,454,000	Fund various projects
TIF No. 8 Downtown Development	Parking Utility	27,984	75% Galloway Ramp profits
Library Buildings & Equipment	Public Library	156,500	Fund facility improvements
Enterprise			
Public Transit	General Fund	23,000	Fund various projects
Public Transit	General Fund	912,923	Operating subsidy
Parking Utility	General Fund	57,200	Fund various projects
Hobbs Ice Center	General Fund	157,119	Operating subsidy
Hobbs Ice Center	Community Enhancement	308,900	Facility improvements
Hobbs Ice Center	Community Enhancement	75,000	Subsidize facilities improvements
Outdoor Pool	General Fund	68,730	Operating subsidy
Outdoor Pool	General Fund	210,000	Subsidize facilities improvements
Outdoor Pool	Community Enhancement	<u>132,800</u>	Subsidize facilities improvements
Subtotal – Fund Financial Statements		13,970,103	
Less: Fund eliminations		(14,227,093)	
Less: Capital assets transferred to Business-type activities		<u>(9,266,452)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (9,523,442)</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, 2016

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 85,550,537	\$ 22,360,000	\$ 9,505,792	\$ 98,404,745	\$ 8,797,173
Add/(Subtract):					
Premiums/(discounts)	1,092,804	320,867	158,782	1,254,889	-
Subtotals	86,643,341	22,680,867	9,664,574	99,659,634	8,797,173
Other Liabilities					
Vested compensated absences	2,181,282	3,395,062	3,906,861	1,669,483	1,669,483
Police and fire pensions	100,767	-	4,193	96,574	16,169
Net pension liability (asset)	(6,696,506)	23,516,422	12,302,396	4,517,520	-
Permanent disability	257,577	-	9,452	248,125	27,980
Other postemployment benefits	21,010,819	2,658,886	-	23,669,705	-
Unpaid self-insurance claims	1,977,411	805,817	631,742	2,151,486	220,000
Total Other Liabilities	18,831,350	30,376,187	16,854,644	32,352,893	1,933,632
Total Governmental Activities Long-Term Liabilities	\$ 105,474,691	\$ 53,057,054	\$ 26,519,218	\$ 132,012,527	\$ 10,730,805
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 15,564,463	\$ 4,055,000	\$ 1,889,208	\$ 17,730,255	\$ 1,612,827
Revenue bonds	43,586,358	695,598	1,951,915	42,330,041	2,113,704
Add/(Subtract):					
Premiums/(discounts)	192,139	54,371	19,078	227,432	-
Subtotals	59,342,960	4,804,969	3,860,201	60,287,728	3,726,531
Other Liabilities					
Vested compensated absences	396,921	560,506	613,529	343,898	343,898
Net pension liability (asset)	(963,963)	3,311,151	1,716,976	630,212	-
Other postemployment benefits	1,789,710	226,485	-	2,016,195	-
Total Other Liabilities	1,222,668	4,098,142	2,330,505	2,990,305	343,898
Total Business-type Activities Long-Term Liabilities	\$ 60,565,628	\$ 8,903,111	\$ 6,190,706	\$ 63,278,033	\$ 4,070,429

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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, 2016 was \$243,636,085. 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, 2016 was \$170,545,260. Total general obligation debt outstanding at year-end was \$116,135,000 and resources on hand for payment of debt were \$6,154,223.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-16
Governmental Activities					
General Obligation Bonds					
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	\$ 9,500,000	\$ 3,975,000
Tax incremental bonds	05/01/07	04/01/25	4.0-5.0%	1,440,000	815,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	3,320,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	3,530,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	430,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	6,005,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	6,470,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	2,955,000
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	1,660,000
Corporate purpose	08/17/10	04/01/21	1.5-3.0%	4,585,000	2,410,000
Corporate purpose	08/01/11	04/01/31	2.0-4.0%	6,350,000	4,990,000
Corporate purpose	08/01/11	04/01/21	2.0-2.75%	2,160,000	1,085,000
Corporate purpose	08/28/12	04/01/32	2.0-2.625%	5,640,000	4,715,000
Corporate purpose	08/28/12	04/01/22	0.35-1.65%	4,335,000	2,330,000
Corporate purpose	08/15/13	04/01/33	2.0-4.25%	14,145,000	12,520,000
Corporate purpose	08/15/13	04/01/23	2.0-3.0%	9,380,000	6,770,000
Corporate purpose	09/03/14	04/01/34	3.0-4.0%	4,720,000	4,210,000
Corporate purpose	09/03/14	04/01/24	2.0-3.0%	4,100,000	3,325,000
Corporate purpose	08/18/15	04/01/25	2.0-3.0%	4,340,000	3,660,000
Tax incremental bonds	08/18/15	04/01/25	3.0%	11,810,000	11,335,000
Corporate purpose	08/30/16	04/01/36	2.0-3.0%	13,920,000	13,920,000
Tax incremental bonds	08/30/16	04/01/26	1.8-2.15%	7,585,000	7,585,000
Corporate purpose	08/30/16	04/01/26	2.0-3.0%	2,830,000	2,830,000
Corporate purpose	11/10/16	04/01/26	1.4-2.0%	2,080,000	2,080,000
Total General Obligation Debt					116,135,000
Less: Business-type Activities portion of G.O. Bonds					(17,730,255)
Total – Governmental Activities – G.O. Bonds					<u>\$ 98,404,745</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2017	\$ 8,797,173	\$ 3,184,335	\$ 1,612,827	\$ 572,915
2018	7,961,919	2,885,531	1,533,081	517,239
2019	9,754,710	2,590,477	1,470,290	470,052
2020	6,666,554	2,314,239	1,393,446	424,765
2021	6,453,954	2,105,053	1,311,046	380,870
2022 - 2026	38,080,435	7,195,271	5,264,565	1,346,975
2027 - 2031	14,745,000	2,152,571	3,755,000	498,611
2032 - 2036	5,945,000	321,877	1,390,000	79,735
Totals	<u>\$ 98,404,745</u>	<u>\$ 22,749,354</u>	<u>\$ 17,730,255</u>	<u>\$ 4,291,162</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 \$5,559,263. Principal and interest paid for the current year and total customer net revenues were \$413,140 and \$5,318,579, 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 \$38,005,041 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 \$47,073,739. Principal and interest paid for the current year and total customer net revenues were \$2,741,071 and \$4,362,588, 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, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2016 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 12-31-16</u>
<u>Water Utility</u>					
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	\$ 2,000,000	\$ 1,100,000
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	3,825,000	<u>3,225,000</u>
Total Water Utility					4,325,000
<u>Sewer Utility</u>					
Revenue bonds*	06/12/13	05/01/33	2.617%	39,741,956	<u>38,005,041</u>
Total – Business-type Activities – Revenue Debt					<u>\$ 42,330,041</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, 2016. 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>
2017	\$ 2,113,704	\$ 1,160,528	\$ 3,274,232
2018	2,230,907	1,100,310	3,331,217
2019	2,289,346	1,035,288	3,324,634
2020	2,344,051	967,982	3,312,033
2021	2,405,058	899,595	3,304,653
2022 - 2026	12,578,353	3,421,987	16,000,340
2027 - 2031	12,984,301	1,575,454	14,559,755
2032 - 2033	<u>5,384,321</u>	<u>141,817</u>	<u>5,526,138</u>
Totals	<u>\$ 42,330,041</u>	<u>\$ 10,302,961</u>	<u>\$ 52,633,002</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, police and fire pensions, net pension liability, permanent disability and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences, police and fire pensions, net pension liability, permanent disability and other postemployment 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 November 10, 2016, the City issued \$2,080,000 in general obligation notes with an interest rate of 1.4-2.0% to current refund \$2,135,000 of outstanding general obligation bonds with an interest rate of 4.125-5.0%. 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 \$2,623,684 from 2017 through 2026. The cash flow requirements on the refunding bonds are \$2,321,735 from 2017 through 2026. 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 \$278,911.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2016 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Construction in progress	\$ 6,010,730
Land	17,955,531
Other capital assets, net of accumulated depreciation/amortization	158,876,696
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(76,024,513)</u>
Total Net Investment in Capital Assets	<u>\$ 106,818,444</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016 include the following:

Fund Balances	General Fund	Debt Service - General	Nonmajor Funds	Totals
Nonspendable:				
Long-term notes receivable	\$ 25,000	\$ -	\$ -	\$ 25,000
Long-term advances to other funds	3,202,056	-	-	3,202,056
Prepaid items and inventories	994,410	-	126,597	1,121,007
Restricted for:				
Debt service	-	5,118,523	1,433,164	6,551,687
Capital contracts	-	-	5,983,366	5,983,366
Cemetery maintenance	-	-	174,351	174,351
Hazardous materials	-	-	143,999	143,999
Community development	-	-	102,347	102,347
Home grant	-	-	26,752	26,752
Police department K9	-	-	503,290	503,290
Economic development	-	-	541,478	541,478
Community enhancement	-	-	87,121	87,121
Public library	-	-	762,987	762,987
City-County Health Department	-	-	976,126	976,126
Downtown	-	-	54,446	54,446
TIF #9 projects	-	-	326,675	326,675
Bond construction	-	-	7,137,055	7,137,055
Library capital projects	-	-	438,673	438,673
Committed for:				
Economic development	-	-	1,248,997	1,248,997
Assigned for:				
Capital projects	2,743,000	-	4,895,101	7,638,101
Carryover – 2017 budget	216,000	-	-	216,000
Highway 53 maintenance	1,968,312	-	-	1,968,312
YMCA land sale	429,341	-	-	429,341
Turf financing	86,024	-	-	86,024
Economic development	-	-	283,908	283,908
Unassigned (deficit):	18,804,559	-	(4,360,746)	14,443,813
Total Fund Balances	\$ 28,468,702	\$ 5,118,523	\$ 20,885,687	\$ 54,472,912

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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	\$ 5,257,770
Land	17,271,043
Other capital assets, net of accumulated depreciation	223,719,514
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(60,209,097)</u>
Total Net Investment in Capital Assets	<u>\$ 186,039,230</u>

H. 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 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 \$711,136. The City's investment policy is applied to the custody of the RDA's deposits (see Note III.A.).

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

c. Notes Receivable

The RDA sold property in exchange for a note receivable of \$600,000 in 2007. On December 31, 2016, the remaining balance on the note was \$60,000. The note is subject to an annual land credit calculation.

No allowance for uncollectible notes is considered necessary. The entire balance of notes receivable is expected to be collected within one year.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

H. COMPONENT UNITS (cont.)

Redevelopment Authority (cont.)

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, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Property held for resale	\$ 1,765,260	\$ -	\$ -	\$ 1,765,260

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.

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 2016 was \$60,000.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

H. 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>\$ 4,844</u>
North Barstow/Medical	<u>\$ 110,517</u>
West Grand	<u>\$ 19,043</u>
Water Street	<u>\$ 23,957</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

I. TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for six Tax Incremental Financing Districts (TIDs) created in prior years and one Tax Incremental Financing District (TID) created during 2016 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.

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
TIF No. 11	2016	N/A	09/22/2030	9/22/2035

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, 2016.

Project Costs	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8	TIF No. 9	TIF No. 10	TIF No. 11
Capital expenditures	\$ 8,905,148	\$ 1,430,256	\$ 1,557,146	\$ 21,621,500	\$ -	\$ -	\$ -
Interest and fiscal charges	3,304,133	735,256	1,193,052	4,099,506	1,050	133,460	150
Development, marketing, bond issuance costs	17,884	-	-	364,086	1,000	2,973,555	-
Total Project Costs	12,227,165	2,165,512	2,750,198	26,085,092	2,050	3,107,015	150
Project Revenues							
Tax increments	10,038,411	1,966,693	1,829,453	6,923,951	323,990	-	-
Interest income and misc. revenue	1,224,961	239,683	373,282	1,495,040	4,735	53,308	-
Grants and donations	-	-	-	503,008	-	-	-
Special assessments revenue	-	227,679	-	-	-	-	-
Total Project Revenues	11,263,372	2,434,055	2,202,735	8,921,999	328,725	53,308	-
Net Recoverable Costs (Refundable)	\$ 963,793	\$ (268,543)	\$ 547,463	\$17,163,093	\$ (326,675)	\$ 3,053,707	\$ 150

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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 1,200 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.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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, 2016

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
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
2015	2.9	2

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 \$3,146,149 in contributions from the City.

Contribution rates as of December 31, 2016 are:

Employee Category	Employee	Employer
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

At December 31, 2016, the City reported a liability of \$5,147,732 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the City's proportion was 0.31678735%, which was an increase of 0.00491374% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the City recognized pension expense of \$6,188,012.

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 870,850	\$ 10,833,317
Changes of actuarial assumptions	3,601,578	-
Net differences between projected and actual earnings on pension plan investments	21,076,293	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	67,006	98,358
Employer contributions subsequent to the measurement date	3,005,095	-
Totals	\$ 28,620,822	\$ 10,931,675

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

\$3,005,095 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 and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 6,652,977	\$ 2,645,485
2018	6,652,977	2,645,485
2019	6,652,976	2,645,485
2020	5,541,419	2,645,485
2021	115,378	349,735

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
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% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No postretirement 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 postretirement discount rate.*

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
US Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
Variable Fund Asset Class				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

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.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City’s proportionate share of the net pension liability 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 liability (asset)	\$ 36,106,297	\$ 5,147,732	\$ (19,031,458)

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://efw.wi.gov/publications/cafr.htm>.

At December 31, 2016, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

Under an earlier provision of the law, employers were directly responsible for the administration of permanent disability payments. During 2016, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$248,125.

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

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.

The unpaid claims liability of \$2,151,486 at December 31, 2016 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 \$1,686,163 of potential workers compensation claims and \$465,323 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	\$ 1,969,766	\$ 1,977,411
Current year claims and changes in estimates	805,927	805,817
Claim payments	<u>(798,282)</u>	<u>(631,742)</u>
Unpaid Claims – End of Year	<u>\$ 1,977,411</u>	<u>\$ 2,151,486</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 2016, 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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.

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 2.96% for auto liability and 4.60% 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 2016, 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

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

The City has active construction projects as of December 31, 2016. 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, 2016, 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	\$ 3,193,930
Bridge Projects	545,398
Land, Buildings and Equipment	2,182,515
Parks and Recreation Projects	67,457
Environmental Improvements	46,755
Library Buildings and Equipment	56,101
TIF #8 Downtown	<u>200,852</u>
Total Committed Construction	<u>\$ 6,293,008</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 1,773,812
Sewer Utility	444,140
Storm Water Utility	325,985
Parking Utility	8,200
Central Equipment	<u>186,870</u>
Total Committed Construction and Equipment	<u>\$ 2,739,007</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 2016 were \$298,761.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The City owned and operated a landfill 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.

In addition to the Redevelopment Land Credit granted by the RDA, Phoenix Parkside, LLC shall receive from the City an annual developer incentive payment to stimulate economic development. The incentive is authorized through the TIF #8 project plan. The developer pays property taxes as they become due and, after meeting the criteria established in the development agreement, is entitled to future incentive payments that directly correlate to the taxes paid. PPL's commitment included constructing Phase I improvements to attain a market value of at least \$9.7 million as of January 1, 2010 and for the next ten years thereafter. The incentive payment is 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. Also, the developer incentive payment due to PPL shall be reduced each year by the amount corresponding to the Redevelopment Land Credit discussed in Note III.H.h. PPL shall receive annual developer incentive payments on the Phase I property until they have received a maximum \$900,000 payment or until the termination of the District, whichever occurs first. For the year ended December 31, 2016, the incentive payment to PPL was \$57,177 and the remaining commitment is \$628,984.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Contribution requirements 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. Nonrepresented employees hired through December 31, 2014 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 2016, the actuarial contribution by the City, including the implicit rate subsidy, was estimated as \$3,140,000. Of that amount, \$2,040,608 was for payments of retiree health insurance premiums. Retiree contributions were \$542,349.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

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

Annual required contribution	\$	6,474,738
Interest on net OPEB obligation		684,838
Adjustment to annual required contribution		<u>(1,130,739)</u>
Annual OPEB cost		6,028,837
Contributions made		<u>(3,140,000)</u>
Increase in Net OPEB Obligation		2,888,837
Net OPEB Obligation – Beginning of Year		<u>22,827,923</u>
Net OPEB Obligation – End of Year	\$	<u>25,716,760</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/14	\$ 7,247,012	42.35%	\$ 19,989,129
12/31/15	5,901,794	51.90%	22,827,923
12/31/16	6,028,837	52.08%	25,716,760

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

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.

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

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, 2016, the Community Development Special Revenue Fund has \$139,300 and the Home Grant Special Revenue Fund has \$2,055,259 of unrecorded contingent loans receivable.

F. 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, 2016, 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 \$17,500 for the year ended December 31, 2016.

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 twenty-one individuals, of which fourteen are elected directors and seven are perpetual directors. Directors represent downtown business improvement districts, the adjacent neighborhoods, and others that reflect the diverse balance of downtown's major employers, financial institutions, property owners, business, and nonbusiness activities.

The seven perpetual directors consist of representatives or appointees of the following: Eau Claire City Manager, Eau Claire City Council, University of Wisconsin- Eau Claire, South Barstow Business Improvement District, North Barstow Business Improvement District, Water Street Business Improvement District, and West Grand Business Improvement District. Downtown Eau Claire, Incorporated is funded primarily by memberships and festival revenue.

G. 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV – OTHER INFORMATION (cont.)

H. SUBSEQUENT EVENTS

The City Council has approved various bonds and notes for issuance in 2017. As of the date of these financial statements, none of these have been issued; however, the City has the following bonds and notes scheduled to be sold on August 1, 2017:

- > \$12,580,000 of General Obligation Corporate Purpose Bonds to finance street improvements, storm water improvements, fire station, bridges, parks, and TIF No. 10 & 11 projects.
- > \$9,555,000 of General Obligation Corporate Purpose Promissory Notes to finance street improvements, sidewalk improvements, City Hall improvements, and the refunding of series 2007 Bonds.
- > \$2,575,000 of General Obligation Corporate Purpose Taxable Bonds to finance baseball stadium improvements.

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

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

- > *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. 80, Blending Requirements for Certain Component Units*
- > *Statement No. 81, Irrevocable Split-Interest Agreements*
- > *Statement No. 82, Pension Issues-an Amendment of GASB Statement No. 67, No. 68, and No. 73*
- > *Statement No. 83, Certain Asset Retirement Obligations*
- > *Statement No. 84, Fiduciary Activities*
- > *Statement No. 85, Omnibus 2017*
- > *Statement No. 86, Certain Debt Extinguishment Issues*

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, 2016

	2016			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 34,136,500	\$ 34,136,500	\$ 34,080,064	\$ (56,436)
Special assessments	1,543,100	1,543,100	1,860,576	317,476
Intergovernmental	11,764,700	11,802,500	11,838,533	36,033
Licenses and permits	1,624,200	1,624,200	1,822,348	198,148
Fines, forfeitures and penalties	672,300	672,300	520,378	(151,922)
Charges for services - public	3,697,000	3,697,000	4,011,389	314,389
Charges for services - intergovernmental	3,552,100	3,553,800	3,442,966	(110,834)
Investment income	736,100	736,100	518,642	(217,458)
Miscellaneous	291,600	294,500	420,668	126,168
Total Revenues	<u>58,017,600</u>	<u>58,060,000</u>	<u>58,515,564</u>	<u>455,564</u>
EXPENDITURES				
Current				
City council	111,500	111,500	86,459	25,041
Administrative services	2,115,900	2,115,900	2,021,155	94,745
Legal	487,400	487,400	467,782	19,618
Finance	2,511,300	2,511,300	2,275,908	235,392
Human resources	968,800	968,800	876,879	91,921
Planning and development	1,275,700	1,391,600	1,335,850	55,750
Police	16,952,800	16,955,200	16,580,124	375,076
Fire	11,174,200	11,186,500	11,172,971	13,529
Public works	9,587,600	9,177,600	8,592,595	585,005
Culture and recreation	4,629,300	4,632,200	4,302,361	329,839
Miscellaneous	771,000	3,291,600	368,548	2,923,052
Total Expenditures	<u>50,585,500</u>	<u>52,829,600</u>	<u>48,080,632</u>	<u>4,748,968</u>
Excess of revenues over expenditures	<u>7,432,100</u>	<u>5,230,400</u>	<u>10,434,932</u>	<u>5,204,532</u>
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	-	2,200,000	2,200,000
Premium on long-term debt issued	-	-	10,426	10,426
Transfers from other funds	1,760,000	1,760,000	1,775,698	15,698
Transfers to other funds	(11,222,900)	(11,549,200)	(11,191,088)	358,112
Proceeds from sale of capital assets	10,000	10,000	96,589	86,589
Total Other Financing Sources (Uses)	<u>(9,452,900)</u>	<u>(9,779,200)</u>	<u>(7,108,375)</u>	<u>2,670,825</u>
Net change in fund balances	(2,020,800)	(4,548,800)	3,326,557	7,875,357
FUND BALANCE - Beginning of Year	<u>25,142,145</u>	<u>25,142,145</u>	<u>25,142,145</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 23,121,345</u>	<u>\$ 20,593,345</u>	<u>\$ 28,468,702</u>	<u>\$ 7,875,357</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 LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2016

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset)/Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.316787350%	\$ 5,147,732	\$ 36,336,415	14.17%	98.20%
12/31/14	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, 2016

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	\$ 3,005,095	\$ 3,005,095	\$ -	\$ 35,995,011	8.35%
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 POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
For the Year Ended December 31, 2016

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, 2016

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 nonrecurring 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 nonrecurring 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 2016 budgets for governmental and proprietary funds on November 10, 2015.

See independent auditors' report.

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2016

BUDGETARY INFORMATION (cont.)

During 2015 and 2016, 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	\$ 61,808,400	\$ (163,500)	\$ 97,000	\$ 2,636,900	\$ 64,378,800
Debt Service – General	8,264,500	-	-	1,670,000	9,934,500
Police Department K9	-	-	-	70,000	70,000
Economic Development	747,500	470,400	-	-	1,217,900
Community Enhancement	1,909,900	-	-	44,400	1,954,300
Downtown	119,600	7,700	-	-	127,300
Hazardous Materials Response	122,100	-	56,900	-	179,000
Public Library	4,131,500	197,300	24,400	-	4,353,200
City-County Health	5,403,300	(256,600)	391,200	-	5,537,900
Debt Service – TIF No. 5	806,600	-	-	300	800,900

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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 24,784,100	\$ 20,437,067
Receivables		
Taxes		
Current	41,608,545	34,811,010
Delinquent personal property, net	<u>11,040</u>	<u>9,186</u>
Total Taxes	<u>41,619,585</u>	<u>34,820,196</u>
Accounts receivable, net	1,924,482	1,941,193
Notes receivable	25,000	25,000
Special assessments		
Installment	4,748,742	4,232,200
Deferred	345,888	164,929
Interest	86,151	58,381
Due from other governments	<u>271,469</u>	<u>207,244</u>
Total Receivables	<u>49,021,317</u>	<u>41,449,143</u>
Due from other funds	702,251	1,094,788
Prepaid items and inventories	994,410	949,477
Advances to other funds	<u>3,675,161</u>	<u>4,259,658</u>
 TOTAL ASSETS	 <u>\$ 79,177,239</u>	 <u>\$ 68,190,133</u>

	2016	2015
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 648,200	\$ 578,495
Accrued liabilities	1,346,662	1,208,012
Deposits	60,891	145,257
Due to other governments	135,096	95,157
Total Liabilities	<u>2,190,849</u>	<u>2,026,921</u>
Deferred Inflows of Resources		
Unearned revenues - time requirements	40,520,260	33,856,419
Unavailable revenues	7,997,428	7,164,648
Total Deferred Inflows of Resources	<u>48,517,688</u>	<u>41,021,067</u>
Fund Balance		
Nonspendable	4,221,466	4,649,638
Restricted	-	75,000
Assigned	5,442,677	4,615,065
Unassigned	18,804,559	15,802,442
Total Fund Balance	<u>28,468,702</u>	<u>25,142,145</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 79,177,239</u>	<u>\$ 68,190,133</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2016

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

	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
TAXES					
Real and personal property	\$ 33,725,900	\$ 33,725,900	\$ 33,684,752	\$ (41,148)	\$ 33,448,625
Mobile home fees	80,100	80,100	66,022	(14,078)	65,560
Payment in lieu of taxes:					
Other	327,500	327,500	324,325	(3,175)	345,059
Interest on delinquent taxes	3,000	3,000	4,965	1,965	3,339
Total Taxes	<u>34,136,500</u>	<u>34,136,500</u>	<u>34,080,064</u>	<u>(56,436)</u>	<u>33,862,583</u>
SPECIAL ASSESSMENTS					
Current	1,283,100	1,283,100	1,600,667	317,567	1,613,087
Deferred	-	-	8,037	8,037	-
Installment	260,000	260,000	251,872	(8,128)	512,185
Total Special Assessments	<u>1,543,100</u>	<u>1,543,100</u>	<u>1,860,576</u>	<u>317,476</u>	<u>2,125,272</u>
INTERGOVERNMENTAL					
Federal aid	19,000	48,500	40,028	(8,472)	128,092
State aid					
Shared taxes	6,081,100	6,081,100	6,081,136	36	6,081,136
Municipal services	560,700	560,700	570,715	10,015	560,719
Utility tax	566,700	566,700	614,362	47,662	589,872
Local streets	2,899,400	2,899,400	2,881,740	(17,660)	2,899,367
Expenditure restraint program	1,131,700	1,131,700	1,131,700	-	1,136,786
Fire insurance	167,300	167,300	186,459	19,159	167,293
Underground tank inspections	6,300	6,300	6,896	596	7,050
Police training	15,000	15,000	14,720	(280)	14,400
Other	317,500	325,800	310,777	(15,023)	352,027
Total Intergovernmental	<u>11,764,700</u>	<u>11,802,500</u>	<u>11,838,533</u>	<u>36,033</u>	<u>11,936,742</u>
LICENSES AND PERMITS					
Television franchise	700,000	700,000	704,226	4,226	703,041
Licenses	331,200	331,200	410,417	79,217	335,617
Permits	593,000	593,000	707,705	114,705	679,640
Total Licenses and Permits	<u>1,624,200</u>	<u>1,624,200</u>	<u>1,822,348</u>	<u>198,148</u>	<u>1,718,298</u>
FINES, FORFEITURES AND PENALTIES					
Parking violation fines	420,300	420,300	297,251	(123,049)	466,468
County court fines	250,000	250,000	220,096	(29,904)	228,616
Other fines or forfeitures	2,000	2,000	3,031	1,031	6,985
Total Fines, Forfeitures and Penalties	<u>672,300</u>	<u>672,300</u>	<u>520,378</u>	<u>(151,922)</u>	<u>702,069</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2016

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

	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
PUBLIC CHARGES FOR SERVICES					
General government	\$ 66,200	\$ 66,200	\$ 75,860	\$ 9,660	\$ 74,074
Public safety	2,720,300	2,720,300	3,084,886	364,586	3,174,630
Public works	147,500	147,500	148,687	1,187	151,707
Parks and recreation	632,300	632,300	634,156	1,856	630,396
Development	2,000	2,000	1,690	(310)	-
Other	128,700	128,700	66,110	(62,590)	86,548
Total Charges for Services	3,697,000	3,697,000	4,011,389	314,389	4,117,355
CHARGES FOR SERVICES - INTERGOVERNMENTAL					
Communication center reimbursement	1,539,200	1,540,900	1,405,836	(135,064)	1,656,758
Police liaison	191,000	191,000	204,217	13,217	189,025
Departmental unfunded pension charge	146,100	146,100	146,100	-	145,300
Storm water management charge	410,900	410,900	410,916	16	401,280
Sewer utility charge	485,800	485,800	485,832	32	477,660
Water utility service charge	643,000	643,000	643,004	4	631,536
Other service charges	136,100	136,100	147,061	10,961	190,218
Total Charges for Services - Intergovernmental	3,552,100	3,553,800	3,442,966	(110,834)	3,691,777
INVESTMENT INCOME					
Investment interest and gains	344,000	344,000	74,756	(269,244)	522,304
Interest on advance to other funds	178,200	178,200	178,008	(192)	210,044
Interest on special assessments	213,900	213,900	265,878	51,978	283,441
Total Investment Income	736,100	736,100	518,642	(217,458)	1,015,789
MISCELLANEOUS					
Rental					
Rental of land and buildings	62,000	62,000	62,038	38	59,303
Total Rental	62,000	62,000	62,038	38	59,303
Other					
Donations	-	2,900	38,439	35,539	113,626
Other miscellaneous	229,600	229,600	320,191	90,591	252,667
Total Other	229,600	232,500	358,630	126,130	366,293
Total Miscellaneous	291,600	294,500	420,668	126,168	425,596
Total Revenues	58,017,600	58,060,000	58,515,564	455,564	59,595,481

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2016

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

	2016			2015	
	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	1,645,000	1,645,000	1,660,698	15,698	1,551,000
Long term debt issued	-	-	2,200,000	2,200,000	-
Premium on long-term debt issued	-	-	10,426	10,426	-
Proceeds from sale of capital assets	10,000	10,000	96,589	86,589	228,824
Total Other Financing Sources	<u>1,770,000</u>	<u>1,770,000</u>	<u>4,082,713</u>	<u>2,312,713</u>	<u>1,894,824</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 59,787,600</u>	<u>\$ 59,830,000</u>	<u>\$ 62,598,277</u>	<u>\$ 2,768,277</u>	<u>\$ 61,490,305</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
EXPENDITURES					
GENERAL GOVERNMENT					
City council	\$ 111,500	\$ 111,500	\$ 86,459	\$ 25,041	\$ 92,331
Administrative services					
City manager	436,800	436,800	423,116	13,684	395,849
City clerk/elections	702,400	702,400	568,583	133,817	281,821
Information services	976,700	976,700	1,029,456	(52,756)	919,818
Total Administrative Services	2,115,900	2,115,900	2,021,155	94,745	1,597,488
Legal	487,400	487,400	467,782	19,618	438,867
Finance					
Administration	417,100	417,100	386,306	30,794	354,487
Accounting	776,900	770,900	640,116	130,784	652,838
Assessing	527,200	527,200	498,983	28,217	447,326
Customer services	790,100	796,100	750,503	45,597	722,321
Total Finance	2,511,300	2,511,300	2,275,908	235,392	2,176,972
Human resources					
Purchasing	248,800	248,800	233,766	15,034	215,762
Personnel administration	720,000	720,000	643,113	76,887	644,644
Total Human Resources	968,800	968,800	876,879	91,921	860,406
Planning and development					
Community planning	582,800	698,700	675,225	23,475	559,635
Inspection and zoning	692,900	692,900	660,625	32,275	632,841
Total Planning and Development	1,275,700	1,391,600	1,335,850	55,750	1,192,476
Total General Government	7,470,600	7,586,500	7,064,033	522,467	6,358,540
PUBLIC SAFETY					
Police					
Administration	1,321,000	1,321,000	1,254,715	66,285	1,201,252
Administrative services	1,579,800	1,579,800	1,578,321	1,479	1,489,756
Patrol services	9,146,900	9,146,900	8,989,500	157,400	8,622,631
Investigative services	2,710,700	2,710,700	2,749,250	(38,550)	2,638,201
Central communications	2,194,400	2,196,800	2,008,338	188,462	1,920,596
Total Police	16,952,800	16,955,200	16,580,124	375,076	15,872,436
Fire					
Administration	927,000	927,000	977,518	(50,518)	851,904
Suppression and rescue	9,732,800	9,745,100	9,698,872	46,228	9,538,504
Prevention and inspection	514,400	514,400	496,581	17,819	517,032
Total Fire	11,174,200	11,186,500	11,172,971	13,529	10,907,440
Total Public Safety	28,127,000	28,141,700	27,753,095	388,605	26,779,876

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
PUBLIC WORKS					
Administration	\$ 410,100	\$ 398,100	\$ 366,015	\$ 32,085	\$ 709,791
Parks and recreation administration	379,900	391,900	375,523	16,377	-
Operations	7,074,600	6,864,600	6,380,358	484,242	6,196,300
Engineering	1,723,000	1,523,000	1,470,699	52,301	1,569,906
Total Public Works	<u>9,587,600</u>	<u>9,177,600</u>	<u>8,592,595</u>	<u>585,005</u>	<u>8,475,997</u>
CULTURE AND RECREATION					
Park maintenance	2,980,300	2,983,200	2,824,331	158,869	2,947,032
Forestry	749,600	749,600	684,349	65,251	530,084
Recreation and playgrounds	899,400	899,400	793,681	105,719	796,023
Total Culture and Recreation	<u>4,629,300</u>	<u>4,632,200</u>	<u>4,302,361</u>	<u>329,839</u>	<u>4,273,139</u>
MISCELLANEOUS					
Payments to other organizations	143,200	143,200	143,200	-	143,200
Contractual services	110,300	93,700	81,228	12,472	54,329
Insurance and retirement	183,400	183,400	48,124	135,276	131,939
Special assessments	117,200	117,200	65,840	51,360	44,244
Illegal taxes and refunds	-	16,600	16,569	31	4,968
Annexation rebates	6,900	6,900	7,427	(527)	7,567
Wellness program	10,000	10,000	6,160	3,840	5,873
Contingency	200,000	2,720,600	-	2,720,600	-
Total Miscellaneous	<u>771,000</u>	<u>3,291,600</u>	<u>368,548</u>	<u>2,923,052</u>	<u>392,120</u>
CAPITAL OUTLAY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,273</u>
Total Expenditures	<u>50,585,500</u>	<u>52,829,600</u>	<u>48,080,632</u>	<u>4,748,968</u>	<u>46,311,945</u>
OTHER FINANCING USES					
Transfers to other funds:					
Special revenue fund	394,800	394,800	322,385	72,415	379,687
Debt service fund	7,607,000	7,607,000	7,606,631	369	7,791,615
Capital project funds	1,833,100	1,949,400	1,833,100	116,300	3,360,063
Proprietary funds	1,388,000	1,598,000	1,428,972	169,028	3,290,930
Total Other Financing Uses	<u>11,222,900</u>	<u>11,549,200</u>	<u>11,191,088</u>	<u>358,112</u>	<u>14,822,295</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 61,808,400</u>	<u>\$ 64,378,800</u>	<u>\$ 59,271,720</u>	<u>\$ 5,107,080</u>	<u>\$ 61,134,240</u>

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
DEBT SERVICE - GENERAL
For the Year Ended December 31, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Special assessments	\$ 194,100	\$ 194,100	\$ 318,988	\$ 124,888	\$ 424,039
Investment income	-	-	7,932	7,932	12,011
Total Revenues	<u>194,100</u>	<u>194,100</u>	<u>326,920</u>	<u>132,820</u>	<u>436,050</u>
EXPENDITURES					
Current					
General government	3,800	3,800	4,147	(347)	4,316
Debt Service					
Principal retirement	5,810,800	7,480,800	7,480,792	8	7,503,238
Interest and fiscal charges	<u>2,449,900</u>	<u>2,449,900</u>	<u>2,417,690</u>	<u>32,210</u>	<u>2,620,146</u>
Total Expenditures	<u>8,264,500</u>	<u>9,934,500</u>	<u>9,902,629</u>	<u>31,871</u>	<u>10,127,700</u>
Deficiency of revenues over expenditures	<u>(8,070,400)</u>	<u>(9,740,400)</u>	<u>(9,575,709)</u>	<u>164,691</u>	<u>(9,691,650)</u>
OTHER FINANCING SOURCES					
Refunding long-term debt issued	-	1,625,000	1,625,000	-	1,470,000
Premium on long-term debt issued	-	45,000	32,662	(12,338)	67,316
Transfers from other funds	<u>7,677,400</u>	<u>7,677,400</u>	<u>7,676,941</u>	<u>(459)</u>	<u>7,862,401</u>
Total Other Financing Sources	<u>7,677,400</u>	<u>9,347,400</u>	<u>9,334,603</u>	<u>(12,797)</u>	<u>9,399,717</u>
Net change in fund balances	(393,000)	(393,000)	(241,106)	151,894	(291,933)
FUND BALANCE - Beginning of Year	<u>5,359,629</u>	<u>5,359,629</u>	<u>5,359,629</u>	-	<u>5,651,562</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,966,629</u>	<u>\$ 4,966,629</u>	<u>\$ 5,118,523</u>	<u>\$ 151,894</u>	<u>\$ 5,359,629</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 #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 **TIF #11 Downtown Mixed Use** fund accounts for acquisition and capital improvements in downtown Eau Claire.

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
ASSETS				
Cash and investments	\$ 4,107,894	\$ 1,433,245	\$ 12,182,876	\$ 17,724,015
Receivables				
Taxes	4,775	1,492,889	2,001,987	3,499,651
Accounts, net	423,964	-	4	423,968
Notes, net	2,999,264	-	-	2,999,264
Due from other governments	740,671	-	444,525	1,185,196
Prepaid items and inventories	126,597	-	-	126,597
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted Assets				
Revolving loan sequestered funds	453,951	-	-	453,951
Construction account	-	-	7,239,634	7,239,634
TOTAL ASSETS	<u>\$ 9,257,116</u>	<u>\$ 2,926,134</u>	<u>\$ 22,869,026</u>	<u>\$ 35,052,276</u>
LIABILITIES				
Accounts payable	\$ 277,189	\$ -	\$ 1,902,044	\$ 2,179,233
Accrued liabilities	318,990	-	-	318,990
Deposits	50,205	-	-	50,205
Due to other governments	51,915	-	-	51,915
Due to other funds	83,312	-	649,205	732,517
Advances from other funds	-	397,545	3,238,700	3,636,245
Total Liabilities	<u>781,611</u>	<u>397,545</u>	<u>5,789,949</u>	<u>6,969,105</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - time requirements	104,183	1,492,889	2,001,987	3,599,059
Unavailable revenues	3,338,923	-	259,502	3,598,425
Total Deferred Inflows of Resources	<u>3,443,106</u>	<u>1,492,889</u>	<u>2,261,489</u>	<u>7,197,484</u>
FUND BALANCES				
Nonspendable	126,597	-	-	126,597
Restricted	3,372,897	1,433,164	13,885,769	18,691,830
Committed	1,248,997	-	-	1,248,997
Assigned	283,908	-	4,895,101	5,179,009
Unassigned (deficit)	-	(397,464)	(3,963,282)	(4,360,746)
Total Fund Balances	<u>5,032,399</u>	<u>1,035,700</u>	<u>14,817,588</u>	<u>20,885,687</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 9,257,116</u>	<u>\$ 2,926,134</u>	<u>\$ 22,869,026</u>	<u>\$ 35,052,276</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
REVENUES				
Taxes	\$ 6,646,343	\$ 1,162,333	\$ 1,321,174	\$ 9,129,850
Intergovernmental	2,517,830	30,749	917,866	3,466,445
Licenses and permits	633,189	-	-	633,189
Fines, forfeitures and penalties	84,334	-	-	84,334
Charges for services - public	400,841	-	-	400,841
Charges for services - intergovernmental	2,079,204	-	2,625	2,081,829
Investment income	29,186	4,520	3,270	36,976
Miscellaneous				
Loan repayments	292,269	-	-	292,269
Gifts and donations	66,752	-	-	66,752
Other	437,503	-	668,147	1,105,650
Total Revenues	<u>13,187,451</u>	<u>1,197,602</u>	<u>2,913,082</u>	<u>17,298,135</u>
EXPENDITURES				
Current				
General government	-	3,062	-	3,062
Public safety	162,796	-	-	162,796
Public works	54,697	-	150,682	205,379
Health services	5,718,556	-	-	5,718,556
Culture and recreation	3,759,578	-	-	3,759,578
Development	3,579,862	300	106,221	3,686,383
Capital Outlay	104,043	-	14,334,519	14,438,562
Debt Service				
Principal retirement	-	975,000	1,050,000	2,025,000
Interest and fiscal charges	-	97,314	732,999	830,313
Total Expenditures	<u>13,379,532</u>	<u>1,075,676</u>	<u>16,374,421</u>	<u>30,829,629</u>
Excess (deficiency) of revenues over expenditures	<u>(192,081)</u>	<u>121,926</u>	<u>(13,461,339)</u>	<u>(13,531,494)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	18,535,000	18,535,000
Premium on long-term debt issued	-	-	277,779	277,779
Transfers from other funds	479,208	-	2,022,584	2,501,792
Transfers to other funds	(1,090,333)	-	-	(1,090,333)
Proceeds from sale of capital assets	21,827	-	-	21,827
Total Other Financing Sources (Uses)	<u>(589,298)</u>	<u>-</u>	<u>20,835,363</u>	<u>20,246,065</u>
Net changes in fund balances	(781,379)	121,926	7,374,024	6,714,571
FUND BALANCES - Beginning of Year	<u>5,813,778</u>	<u>913,774</u>	<u>7,443,564</u>	<u>14,171,116</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,032,399</u>	<u>\$ 1,035,700</u>	<u>\$ 14,817,588</u>	<u>\$ 20,885,687</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
As of December 31, 2016

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
ASSETS					
Cash and investments	\$ 174,351	\$ 115,022	\$ 23,190	\$ 125	\$ 503,290
Receivables					
Taxes	-	-	-	-	-
Accounts, net	6,208	-	-	-	-
Notes, net	-	-	1,786,802	-	-
Due from other governments	-	28,979	163,080	113,232	-
Prepaid items and inventories	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted Assets					
Revolving loan sequestered funds	-	-	-	-	-
TOTAL ASSETS	\$ 180,559	\$ 144,001	\$ 1,973,072	\$ 113,357	\$ 503,290
LIABILITIES					
Accounts payable	\$ 203	\$ 2	\$ 66,307	\$ 64	\$ -
Accrued liabilities	5,487	-	5,721	215	-
Deposits	-	-	-	-	-
Due to other governments	9	-	11,895	3,428	-
Due to other funds	414	-	-	82,898	-
Total Liabilities	<u>6,113</u>	<u>2</u>	<u>83,923</u>	<u>86,605</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - time requirements	-	-	-	-	-
Unavailable revenues	95	-	1,786,802	-	-
Total Deferred Inflows of Resources	<u>95</u>	<u>-</u>	<u>1,786,802</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	174,351	143,999	102,347	26,752	503,290
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total Fund Balances	<u>174,351</u>	<u>143,999</u>	<u>102,347</u>	<u>26,752</u>	<u>503,290</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 180,559	\$ 144,001	\$ 1,973,072	\$ 113,357	\$ 503,290

<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>
\$ 1,224,221	\$ 2,074	\$ 905,640	\$ 1,056,556	\$ 56,891	\$ 46,534	\$ 4,107,894
-	-	-	4,775	-	-	4,775
-	129,499	133,975	148,197	575	5,510	423,964
1,212,462	-	-	-	-	-	2,999,264
105,486	-	-	329,894	-	-	740,671
-	-	49,266	77,331	-	-	126,597
400,000	-	-	-	-	-	400,000
453,951	-	-	-	-	-	453,951
<u>\$ 3,396,120</u>	<u>\$ 131,573</u>	<u>\$ 1,088,881</u>	<u>\$ 1,616,753</u>	<u>\$ 57,466</u>	<u>\$ 52,044</u>	<u>\$ 9,257,116</u>
\$ 103,922	\$ 44,452	\$ 37,565	\$ 22,671	\$ 54	\$ 1,949	\$ 277,189
5,353	-	121,625	177,623	2,966	-	318,990
-	-	-	110	-	50,095	50,205
-	-	34	36,549	-	-	51,915
-	-	-	-	-	-	83,312
<u>109,275</u>	<u>44,452</u>	<u>159,224</u>	<u>236,953</u>	<u>3,020</u>	<u>52,044</u>	<u>781,611</u>
-	-	-	104,183	-	-	104,183
<u>1,212,462</u>	<u>-</u>	<u>117,404</u>	<u>222,160</u>	<u>-</u>	<u>-</u>	<u>3,338,923</u>
<u>1,212,462</u>	<u>-</u>	<u>117,404</u>	<u>326,343</u>	<u>-</u>	<u>-</u>	<u>3,443,106</u>
-	-	49,266	77,331	-	-	126,597
541,478	87,121	762,987	976,126	54,446	-	3,372,897
1,248,997	-	-	-	-	-	1,248,997
283,908	-	-	-	-	-	283,908
<u>2,074,383</u>	<u>87,121</u>	<u>812,253</u>	<u>1,053,457</u>	<u>54,446</u>	<u>-</u>	<u>5,032,399</u>
<u>\$ 3,396,120</u>	<u>\$ 131,573</u>	<u>\$ 1,088,881</u>	<u>\$ 1,616,753</u>	<u>\$ 57,466</u>	<u>\$ 52,044</u>	<u>\$ 9,257,116</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, 2016

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	172,780	438,180	328,874	-
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	36	-	-	-	-
Charges for services - public	196,980	-	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	406	-	-	1,823
Miscellaneous					
Loan repayments	-	-	235,377	9,306	-
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>197,016</u>	<u>173,186</u>	<u>673,557</u>	<u>338,180</u>	<u>1,823</u>
EXPENDITURES					
Current					
Public safety	-	162,796	-	-	-
Public works	-	-	-	-	-
Health services	418,490	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	748,666	285,765	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>418,490</u>	<u>162,796</u>	<u>748,666</u>	<u>285,765</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(221,474)</u>	<u>10,390</u>	<u>(75,109)</u>	<u>52,415</u>	<u>1,823</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	222,385	-	-	-	-
Transfers to other funds	-	-	(76,823)	-	(70,000)
Proceeds from sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>222,385</u>	<u>-</u>	<u>(76,823)</u>	<u>-</u>	<u>(70,000)</u>
Net change in fund balances	911	10,390	(151,932)	52,415	(68,177)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>173,440</u>	<u>133,609</u>	<u>254,279</u>	<u>(25,663)</u>	<u>571,467</u>
FUND BALANCES - END OF YEAR	<u>\$ 174,351</u>	<u>\$ 143,999</u>	<u>\$ 102,347</u>	<u>\$ 26,752</u>	<u>\$ 503,290</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>
\$ -	\$ 1,886,043	\$ 2,994,900	\$ 1,765,400	\$ -	\$ -	\$ 6,646,343
470,411	-	-	1,107,585	-	-	2,517,830
-	-	-	633,189	-	-	633,189
-	-	84,298	-	-	-	84,334
-	-	8,124	141,095	-	54,642	400,841
-	-	591,545	1,487,659	-	-	2,079,204
27,534	35	(667)	-	-	55	29,186
47,586	-	-	-	-	-	292,269
-	-	47,921	5,831	13,000	-	66,752
3,215	-	266,892	167,396	-	-	437,503
<u>548,746</u>	<u>1,886,078</u>	<u>3,993,013</u>	<u>5,308,155</u>	<u>13,000</u>	<u>54,697</u>	<u>13,187,451</u>
-	-	-	-	-	-	162,796
-	-	-	-	-	54,697	54,697
-	-	-	5,300,066	-	-	5,718,556
-	-	3,759,578	-	-	-	3,759,578
1,101,505	1,322,523	-	-	121,403	-	3,579,862
-	-	50,561	53,482	-	-	104,043
<u>1,101,505</u>	<u>1,322,523</u>	<u>3,810,139</u>	<u>5,353,548</u>	<u>121,403</u>	<u>54,697</u>	<u>13,379,532</u>
<u>(552,759)</u>	<u>563,555</u>	<u>182,874</u>	<u>(45,393)</u>	<u>(108,403)</u>	<u>-</u>	<u>(192,081)</u>
100,000	-	-	71,823	85,000	-	479,208
(85,000)	(631,700)	(196,548)	(30,262)	-	-	(1,090,333)
18,000	-	3,827	-	-	-	21,827
<u>33,000</u>	<u>(631,700)</u>	<u>(192,721)</u>	<u>41,561</u>	<u>85,000</u>	<u>-</u>	<u>(589,298)</u>
(519,759)	(68,145)	(9,847)	(3,832)	(23,403)	-	(781,379)
<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>\$ 2,074,383</u>	<u>\$ 87,121</u>	<u>\$ 812,253</u>	<u>\$ 1,053,457</u>	<u>\$ 54,446</u>	<u>\$ -</u>	<u>\$ 5,032,399</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
As of December 31, 2016

	Debt Service - TIF No. 5	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
ASSETS				
Cash and investments	\$ 1,091,209	\$ 341,955	\$ 81	\$ 1,433,245
Receivables				
Taxes	<u>1,355,798</u>	<u>-</u>	<u>137,091</u>	<u>1,492,889</u>
 TOTAL ASSETS	 <u>\$ 2,447,007</u>	 <u>\$ 341,955</u>	 <u>\$ 137,172</u>	 <u>\$ 2,926,134</u>
LIABILITIES				
Advances from other funds	\$ -	\$ -	\$ 397,545	\$ 397,545
Total Liabilities	<u>-</u>	<u>-</u>	<u>397,545</u>	<u>397,545</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - time requirements	<u>1,355,798</u>	<u>-</u>	<u>137,091</u>	<u>1,492,889</u>
Total Deferred Inflows of Resources	<u>1,355,798</u>	<u>-</u>	<u>137,091</u>	<u>1,492,889</u>
FUND BALANCES (DEFICIT)				
Restricted	1,091,209	341,955	-	1,433,164
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(397,464)</u>	<u>(397,464)</u>
Total Fund Balances (Deficit)	<u>1,091,209</u>	<u>341,955</u>	<u>(397,464)</u>	<u>1,035,700</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 2,447,007</u>	 <u>\$ 341,955</u>	 <u>\$ 137,172</u>	 <u>\$ 2,926,134</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, 2016

	Debt Service - TIF No. 5	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
REVENUES				
Taxes	\$ 1,035,487	\$ -	\$ 126,846	\$ 1,162,333
Intergovernmental	26,901	-	3,848	30,749
Investment income	3,304	1,174	42	4,520
Total Revenues	<u>1,065,692</u>	<u>1,174</u>	<u>130,736</u>	<u>1,197,602</u>
EXPENDITURES				
Current				
General government	3,062	-	-	3,062
Development	150	-	150	300
Debt Service				
Principal retirement	720,000	115,000	140,000	975,000
Interest and fiscal charges	83,614	4,900	8,800	97,314
Total Expenditures	<u>806,826</u>	<u>119,900</u>	<u>148,950</u>	<u>1,075,676</u>
Net change in fund balances	258,866	(118,726)	(18,214)	121,926
FUND BALANCES (DEFICIT) - Beginning of Year	<u>832,343</u>	<u>460,681</u>	<u>(379,250)</u>	<u>913,774</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,091,209</u>	<u>\$ 341,955</u>	<u>\$ (397,464)</u>	<u>\$ 1,035,700</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31, 2016

	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	TIF No. 11 Downtown Mixed Use	Bridge Projects
ASSETS					
Cash and investments	\$ -	\$ 326,675	\$ -	\$ -	\$ 478,862
Receivables					
Taxes	1,352,462	53,620	352,593	243,312	-
Accounts	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted assets					
Construction account	1,511,064	-	3,527,468	-	392,958
TOTAL ASSETS	\$ 2,863,526	\$ 380,295	\$ 3,880,061	\$ 243,312	\$ 871,820
LIABILITIES					
Accounts payable	\$ 102,578	\$ -	\$ -	\$ -	\$ 61,531
Due to other funds	457,880	-	191,175	150	-
Advances from other funds	3,238,700	-	-	-	-
Total Liabilities	3,799,158	-	191,175	150	61,531
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - time requirements	1,352,462	53,620	352,593	243,312	-
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	1,352,462	53,620	352,593	243,312	-
FUND BALANCES (DEFICIT)					
Restricted	1,408,485	326,675	3,527,468	-	885,667
Assigned	-	-	-	-	-
Unassigned (deficit)	(3,696,579)	-	(191,175)	(150)	(75,378)
Total Fund Balances (Deficit)	(2,288,094)	326,675	3,336,293	(150)	810,289
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,863,526	\$ 380,295	\$ 3,880,061	\$ 243,312	\$ 871,820

Street Projects	Land, Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements	Library Buildings & Equipment	Totals
\$ 4,672,192	\$ 3,618,728	\$ 708,156	\$ 1,928,333	\$ 449,930	\$ 12,182,876
-	-	-	-	-	2,001,987
-	-	4	-	-	4
144,437	188,029	112,059	-	-	444,525
1,000,000	-	-	-	-	1,000,000
-	1,808,144	-	-	-	7,239,634
<u>\$ 5,816,629</u>	<u>\$ 5,614,901</u>	<u>\$ 820,219</u>	<u>\$ 1,928,333</u>	<u>\$ 449,930</u>	<u>\$ 22,869,026</u>
\$ 1,423,601	\$ 263,305	\$ 39,304	\$ 468	\$ 11,257	\$ 1,902,044
-	-	-	-	-	649,205
-	-	-	-	-	3,238,700
<u>1,423,601</u>	<u>263,305</u>	<u>39,304</u>	<u>468</u>	<u>11,257</u>	<u>5,789,949</u>
-	-	-	-	-	2,001,987
-	181,005	78,497	-	-	259,502
-	181,005	78,497	-	-	2,261,489
3,193,930	3,990,659	67,457	46,755	438,673	13,885,769
1,199,098	1,179,932	634,961	1,881,110	-	4,895,101
-	-	-	-	-	(3,963,282)
<u>4,393,028</u>	<u>5,170,591</u>	<u>702,418</u>	<u>1,927,865</u>	<u>438,673</u>	<u>14,817,588</u>
<u>\$ 5,816,629</u>	<u>\$ 5,614,901</u>	<u>\$ 820,219</u>	<u>\$ 1,928,333</u>	<u>\$ 449,930</u>	<u>\$ 22,869,026</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, 2016

	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	TIF No. 11 Downtown Mixed Use	Bridge Projects
REVENUES					
Taxes	\$ 1,287,928	\$ 33,246	\$ -	\$ -	\$ -
Intergovernmental	37,838	509	-	-	492,000
Charges for services - intergovernmental	-	-	-	-	-
Investment income	1,202	1,011	568	-	47
Miscellaneous					
Other	-	-	-	-	-
Total Revenues	<u>1,326,968</u>	<u>34,766</u>	<u>568</u>	<u>-</u>	<u>492,047</u>
EXPENDITURES					
Current					
Public works	-	-	-	-	15,167
Development	105,771	150	150	150	-
Capital Outlay	3,887,835	-	295,000	-	147,083
Debt Service					
Principal retirement	925,000	-	125,000	-	-
Interest and fiscal charges	443,283	-	130,311	-	11,135
Total Expenditures	<u>5,361,889</u>	<u>150</u>	<u>550,461</u>	<u>150</u>	<u>173,385</u>
Excess (deficiency) of revenues over expenditures	<u>(4,034,921)</u>	<u>34,616</u>	<u>(549,893)</u>	<u>(150)</u>	<u>318,662</u>
OTHER FINANCING SOURCES					
Long-term debt issued	1,525,000	-	3,560,000	-	1,000,000
Premium on long-term debt issued	7,326	-	17,201	-	12,692
Transfers from other funds	27,984	-	-	-	-
Total Other Financing Sources	<u>1,560,310</u>	<u>-</u>	<u>3,577,201</u>	<u>-</u>	<u>1,012,692</u>
Net change in fund balances	(2,474,611)	34,616	3,027,308	(150)	1,331,354
FUND BALANCES (DEFICIT) - Beginning of Year	<u>186,517</u>	<u>292,059</u>	<u>308,985</u>	<u>-</u>	<u>(521,065)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (2,288,094)</u>	<u>\$ 326,675</u>	<u>\$ 3,336,293</u>	<u>\$ (150)</u>	<u>\$ 810,289</u>

Street Projects	Land, Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,321,174
204,064	74,889	33,566	-	75,000	917,866
-	2,625	-	-	-	2,625
123	319	-	-	-	3,270
<u>144,462</u>	<u>424,780</u>	<u>35,081</u>	<u>-</u>	<u>63,824</u>	<u>668,147</u>
<u>348,649</u>	<u>502,613</u>	<u>68,647</u>	<u>-</u>	<u>138,824</u>	<u>2,913,082</u>
44,044	45,415	-	46,056	-	150,682
-	-	-	-	-	106,221
6,156,571	2,865,507	369,857	328,499	284,167	14,334,519
-	-	-	-	-	1,050,000
<u>112,513</u>	<u>35,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,999</u>
<u>6,313,128</u>	<u>2,946,679</u>	<u>369,857</u>	<u>374,555</u>	<u>284,167</u>	<u>16,374,421</u>
<u>(5,964,479)</u>	<u>(2,444,066)</u>	<u>(301,210)</u>	<u>(374,555)</u>	<u>(145,343)</u>	<u>(13,461,339)</u>
9,615,000	2,835,000	-	-	-	18,535,000
169,642	70,918	-	-	-	277,779
<u>379,100</u>	<u>1,459,000</u>	<u>-</u>	<u>-</u>	<u>156,500</u>	<u>2,022,584</u>
<u>10,163,742</u>	<u>4,364,918</u>	<u>-</u>	<u>-</u>	<u>156,500</u>	<u>20,835,363</u>
4,199,263	1,920,852	(301,210)	(374,555)	11,157	7,374,024
<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>\$ 4,393,028</u>	<u>\$ 5,170,591</u>	<u>\$ 702,418</u>	<u>\$ 1,927,865</u>	<u>\$ 438,673</u>	<u>\$ 14,817,588</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Cemetery Maintenance				
	2016			2015	
	Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	Actual	
REVENUES					
Fines, forfeitures and penalties	\$ -	\$ -	\$ 36	\$ 36	\$ 36
Charges for services - public	182,600	182,600	196,980	14,380	154,587
Miscellaneous					
Other	-	-	-	-	914
Total Revenues	<u>182,600</u>	<u>182,600</u>	<u>197,016</u>	<u>14,416</u>	<u>155,537</u>
EXPENDITURES					
Current					
Health services	<u>477,400</u>	<u>477,400</u>	<u>418,490</u>	<u>58,910</u>	<u>419,702</u>
Deficiency of revenues over expenditures	(294,800)	(294,800)	(221,474)	73,326	(264,165)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>294,800</u>	<u>294,800</u>	<u>222,385</u>	<u>(72,415)</u>	<u>279,687</u>
Net change in fund balances	-	-	911	911	15,522
FUND BALANCES - Beginning of Year	<u>173,440</u>	<u>173,440</u>	<u>173,440</u>	<u>-</u>	<u>157,918</u>
FUND BALANCES - END OF YEAR	<u>\$ 173,440</u>	<u>\$ 173,440</u>	<u>\$ 174,351</u>	<u>\$ 911</u>	<u>\$ 173,440</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Hazardous Materials Response				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Intergovernmental	\$ 116,000	\$ 172,900	\$ 172,780	\$ (120)	\$ 147,510
Charges for services - public	2,000	2,000	-	(2,000)	-
Investment income	300	300	406	106	200
Total Revenues	<u>118,300</u>	<u>175,200</u>	<u>173,186</u>	<u>(2,014)</u>	<u>147,710</u>
EXPENDITURES					
Current					
Public safety	<u>122,100</u>	<u>179,000</u>	<u>162,796</u>	<u>16,204</u>	<u>100,165</u>
Net change in fund balances	(3,800)	(3,800)	10,390	14,190	47,545
FUND BALANCES - Beginning of Year	<u>133,609</u>	<u>133,609</u>	<u>133,609</u>	-	<u>86,064</u>
FUND BALANCES - END OF YEAR	<u>\$ 129,809</u>	<u>\$ 129,809</u>	<u>\$ 143,999</u>	<u>\$ 14,190</u>	<u>\$ 133,609</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Police Department K9				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Investment income	\$ -	\$ -	\$ 1,823	\$ 1,823	\$ 1,006
OTHER FINANCING USES					
Transfers to other funds	-	(70,000)	(70,000)	-	-
Net change in fund balances	-	(70,000)	(68,177)	1,823	1,006
FUND BALANCES - Beginning of Year	571,467	571,467	571,467	-	570,461
FUND BALANCES - END OF YEAR	<u>\$ 571,467</u>	<u>\$ 501,467</u>	<u>\$ 503,290</u>	<u>\$ 1,823</u>	<u>\$ 571,467</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Economic Development				
	2016			2015	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Intergovernmental	\$ -	\$ 470,400	\$ 470,411	\$ 11	\$ 29,589
Investment income	26,200	26,200	27,534	1,334	28,506
Miscellaneous					
Loan repayments	83,000	83,000	47,586	(35,414)	56,606
Building rental	-	-	-	-	7,752
Other	100	100	3,215	3,115	56
Total Revenues	<u>109,300</u>	<u>579,700</u>	<u>548,746</u>	<u>(30,954)</u>	<u>122,509</u>
EXPENDITURES					
Current					
Development	<u>662,500</u>	<u>1,132,900</u>	<u>1,101,505</u>	<u>31,395</u>	<u>1,273,297</u>
Deficiency of revenues over expenditures	<u>(553,200)</u>	<u>(553,200)</u>	<u>(552,759)</u>	<u>441</u>	<u>(1,150,788)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	100,000	100,000	100,000	-	100,000
Transfers to other funds	(85,000)	(85,000)	(85,000)	-	(80,000)
Proceeds from sale of capital assets	-	-	18,000	18,000	440,500
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>33,000</u>	<u>18,000</u>	<u>460,500</u>
Net change in fund balances	(538,200)	(538,200)	(519,759)	18,441	(690,288)
FUND BALANCES - Beginning of Year	<u>2,594,142</u>	<u>2,594,142</u>	<u>2,594,142</u>	<u>-</u>	<u>3,284,430</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,055,942</u>	<u>\$ 2,055,942</u>	<u>\$ 2,074,383</u>	<u>\$ 18,441</u>	<u>\$ 2,594,142</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Community Enhancement				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Taxes	\$ 1,822,500	\$ 1,866,900	\$ 1,886,043	\$ 19,143	\$ 1,774,938
Investment income	200	200	35	(165)	50
Total Revenues	<u>1,822,700</u>	<u>1,867,100</u>	<u>1,886,078</u>	<u>18,978</u>	<u>1,774,988</u>
EXPENDITURES					
Current					
Development	<u>1,278,200</u>	<u>1,322,600</u>	<u>1,322,523</u>	<u>77</u>	<u>1,217,770</u>
Excess of revenues over expenditures	544,500	544,500	563,555	19,055	557,218
OTHER FINANCING USES					
Transfers to other funds	<u>(631,700)</u>	<u>(631,700)</u>	<u>(631,700)</u>	<u>-</u>	<u>(515,000)</u>
Net change in fund balances	(87,200)	(87,200)	(68,145)	19,055	42,218
FUND BALANCES - Beginning of Year	<u>155,266</u>	<u>155,266</u>	<u>155,266</u>	<u>-</u>	<u>113,048</u>
FUND BALANCES - END OF YEAR	<u>\$ 68,066</u>	<u>\$ 68,066</u>	<u>\$ 87,121</u>	<u>\$ 19,055</u>	<u>\$ 155,266</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Public Library					
	2016			2015		
	Budgeted Amounts			Variance with		
Original	Final	Actual	Final Budget	Actual		
REVENUES						
Taxes	\$ 2,994,900	\$ 2,994,900	\$ 2,994,900	\$ -	\$ 2,929,300	
Fines and forfeitures	104,000	104,000	84,298	(19,702)	90,535	
Charges for services - public	7,400	7,400	8,124	724	7,489	
Charges for services - intergovernmental	595,000	595,000	591,545	(3,455)	568,993	
Investment income	-	-	(667)	(667)	(129)	
Miscellaneous						
Gifts and donations	18,000	45,800	47,921	2,121	138,592	
Other	255,200	255,600	266,892	11,292	249,613	
Total Revenues	<u>3,974,500</u>	<u>4,002,700</u>	<u>3,993,013</u>	<u>(9,687)</u>	<u>3,984,393</u>	
EXPENDITURES						
Current						
Culture and recreation	3,926,900	4,060,100	3,759,578	300,522	3,710,088	
Capital Outlay	8,000	96,500	50,561	45,939	16,100	
Total Expenditures	<u>3,934,900</u>	<u>4,156,600</u>	<u>3,810,139</u>	<u>346,461</u>	<u>3,726,188</u>	
Excess (deficiency) of revenues over expenditures	<u>39,600</u>	<u>(153,900)</u>	<u>182,874</u>	<u>336,774</u>	<u>258,205</u>	
OTHER FINANCING SOURCES (USES)						
Transfers to other funds	(196,600)	(196,600)	(196,548)	52	(229,773)	
Proceeds from sale of capital assets	500	500	3,827	3,327	3,361	
Total Other Financing Sources (Uses)	<u>(196,100)</u>	<u>(196,100)</u>	<u>(192,721)</u>	<u>3,379</u>	<u>(226,412)</u>	
Net change in fund balances	(156,500)	(350,000)	(9,847)	340,153	31,793	
FUND BALANCES - Beginning of Year	<u>822,100</u>	<u>822,100</u>	<u>822,100</u>	<u>-</u>	<u>790,307</u>	
FUND BALANCES - END OF YEAR	<u>\$ 665,600</u>	<u>\$ 472,100</u>	<u>\$ 812,253</u>	<u>\$ 340,153</u>	<u>\$ 822,100</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	City-County Health Department				
	2016			2015	
	Original	Final	Actual	Variance with Final Budget	Actual
REVENUES					
Taxes	\$ 1,765,400	\$ 1,765,400	\$ 1,765,400	\$ -	\$ 1,723,200
Intergovernmental	1,081,600	1,179,200	1,107,585	(71,615)	1,061,724
Licenses and permits	563,600	563,600	633,189	69,589	546,330
Charges for services - public	151,100	156,000	141,095	(14,905)	126,216
Charges for services - intergovernmental	1,512,600	1,543,600	1,487,659	(55,941)	1,490,532
Miscellaneous					
Gifts and donations	900	4,100	5,831	1,731	19,215
Other	188,600	254,100	167,396	(86,704)	241,749
Total Revenues	<u>5,263,800</u>	<u>5,466,000</u>	<u>5,308,155</u>	<u>(157,845)</u>	<u>5,208,966</u>
EXPENDITURES					
Current					
Health services	5,373,000	5,454,100	5,300,066	154,034	5,033,147
Capital Outlay	-	53,500	53,482	18	229,764
Total Expenditures	<u>5,373,000</u>	<u>5,507,600</u>	<u>5,353,548</u>	<u>154,052</u>	<u>5,262,911</u>
Deficiency of revenues over expenditures	<u>(109,200)</u>	<u>(41,600)</u>	<u>(45,393)</u>	<u>(3,793)</u>	<u>(53,945)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	71,200	71,900	71,823	(77)	43,402
Transfers to other funds	<u>(30,300)</u>	<u>(30,300)</u>	<u>(30,262)</u>	<u>38</u>	<u>(31,013)</u>
Total Other Financing Sources (Uses)	<u>40,900</u>	<u>41,600</u>	<u>41,561</u>	<u>(39)</u>	<u>12,389</u>
Net change in fund balances	(68,300)	-	(3,832)	(3,832)	(41,556)
FUND BALANCES - Beginning of Year	<u>1,057,289</u>	<u>1,057,289</u>	<u>1,057,289</u>	<u>-</u>	<u>1,098,845</u>
FUND BALANCES - END OF YEAR	<u>\$ 988,989</u>	<u>\$ 1,057,289</u>	<u>\$ 1,053,457</u>	<u>\$ (3,832)</u>	<u>\$ 1,057,289</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Downtown				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Miscellaneous					
Gifts and donations	\$ 13,000	\$ 13,000	\$ 13,000	\$ -	\$ 13,000
EXPENDITURES					
Current					
Development	119,600	127,300	121,403	5,897	109,676
Deficiency of revenues over expenditures	(106,600)	(114,300)	(108,403)	5,897	(96,676)
OTHER FINANCING SOURCES					
Transfers from other funds	85,000	85,000	85,000	-	80,000
Net change in fund balances	(21,600)	(29,300)	(23,403)	5,897	(16,676)
FUND BALANCES - Beginning of Year	77,849	77,849	77,849	-	94,525
FUND BALANCES - END OF YEAR	\$ 56,249	\$ 48,549	\$ 54,446	\$ 5,897	\$ 77,849

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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Former Landfill Escrow				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 54,642	\$ (95,358)	\$ 106,104
Investment income	-	-	55	55	71
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>54,697</u>	<u>(95,303)</u>	<u>106,175</u>
EXPENDITURES					
Current					
Public works	<u>150,000</u>	<u>150,000</u>	<u>54,697</u>	<u>95,303</u>	<u>106,175</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Debt Service - TIF No. 5				
	2016			2015	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Taxes	\$ 1,115,900	\$ 1,115,900	\$ 1,035,487	\$ (80,413)	\$ 1,127,416
Intergovernmental	28,100	28,100	26,901	(1,199)	27,949
Investment income	2,200	2,200	3,304	1,104	2,388
Total Revenues	<u>1,146,200</u>	<u>1,146,200</u>	<u>1,065,692</u>	<u>(80,508)</u>	<u>1,157,753</u>
EXPENDITURES					
Current					
General government	2,700	3,000	3,062	(62)	4,110
Development	200	200	150	50	18,034
Debt Service					
Principal retirement	720,000	720,000	720,000	-	2,755,000
Interest and fiscal charges	<u>83,700</u>	<u>83,700</u>	<u>83,614</u>	<u>86</u>	<u>117,941</u>
Total Expenditures	<u>806,600</u>	<u>806,900</u>	<u>806,826</u>	<u>74</u>	<u>2,895,085</u>
Excess (deficiency) of revenues over expenditures	<u>339,600</u>	<u>339,300</u>	<u>258,866</u>	<u>(80,434)</u>	<u>(1,737,332)</u>
OTHER FINANCING SOURCES					
Refunding long-term debt issued	-	-	-	-	1,955,000
Premium on long-term debt issued	-	-	-	-	83,961
Transfers from other funds	-	-	-	-	530,714
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,569,675</u>
Net change in fund balances	339,600	339,300	258,866	(80,434)	832,343
FUND BALANCES - Beginning of Year	<u>832,343</u>	<u>832,343</u>	<u>832,343</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,171,943</u>	<u>\$ 1,171,643</u>	<u>\$ 1,091,209</u>	<u>\$ (80,434)</u>	<u>\$ 832,343</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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Debt Service - TIF No. 6				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Investment income	\$ 800	\$ 800	\$ 1,174	\$ 374	\$ 865
EXPENDITURES					
Debt Service					
Principal retirement	115,000	115,000	115,000	-	115,000
Interest and fiscal charges	4,900	4,900	4,900	-	9,500
Total Expenditures	119,900	119,900	119,900	-	124,500
Net change in fund balances	(119,100)	(119,100)	(118,726)	374	(123,635)
FUND BALANCES - Beginning of Year	460,681	460,681	460,681	-	584,316
FUND BALANCES - END OF YEAR	\$ 341,581	\$ 341,581	\$ 341,955	\$ 374	\$ 460,681

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, 2016
With Comparative Actual Totals for the Year Ended December 31, 2015

	Debt Service - TIF No. 7				
	2016			2015	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 122,600	\$ 122,600	\$ 126,846	\$ 4,246	\$ 120,219
Intergovernmental	1,000	1,000	3,848	2,848	6,314
Investment income	100	100	42	(58)	24
Total Revenues	<u>123,700</u>	<u>123,700</u>	<u>130,736</u>	<u>7,036</u>	<u>126,557</u>
EXPENDITURES					
Current					
General government	100	100	-	100	-
Development	200	200	150	50	150
Debt Service					
Principal retirement	140,000	140,000	140,000	-	135,000
Interest and fiscal charges	8,800	8,800	8,800	-	14,300
Total Expenditures	<u>149,100</u>	<u>149,100</u>	<u>148,950</u>	<u>150</u>	<u>149,450</u>
Net change in fund balances	(25,400)	(25,400)	(18,214)	7,186	(22,893)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(379,250)</u>	<u>(379,250)</u>	<u>(379,250)</u>	-	<u>(356,357)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (404,650)</u>	<u>\$ (404,650)</u>	<u>\$ (397,464)</u>	<u>\$ 7,186</u>	<u>\$ (379,250)</u>

Nonmajor Enterprise Funds

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

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

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
As of December 31, 2016

	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets			
Cash and investments	\$ 179,564	\$ 410,893	\$ 590,457
Accounts receivable, net	116,032	568	116,600
Total Current Assets	<u>295,596</u>	<u>411,461</u>	<u>707,057</u>
Noncurrent Assets			
Capital assets			
Construction in progress	-	23,160	23,160
Land	5,000	-	5,000
Capital assets	8,802,839	3,195,132	11,997,971
Less accumulated depreciation	<u>(3,530,384)</u>	<u>(1,131,357)</u>	<u>(4,661,741)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,277,455</u>	<u>2,086,935</u>	<u>7,364,390</u>
Total Noncurrent Assets	<u>5,277,455</u>	<u>2,086,935</u>	<u>7,364,390</u>
Total Assets	<u>5,573,051</u>	<u>2,498,396</u>	<u>8,071,447</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	54,075	10,118	64,193
Total Deferred Outflows of Resources	<u>54,075</u>	<u>10,118</u>	<u>64,193</u>
LIABILITIES			
Current Liabilities			
Accounts payable	2,679	948	3,627
Accrued payroll and payroll taxes	7,239	1,186	8,425
Accrued compensated absences	6,450	1,296	7,746
Accrued interest	23,596	-	23,596
Deposits	603	5,825	6,428
Due to other governments	1,146	328	1,474
Due to other funds	76,169	-	76,169
Current portion of advances	215,000	-	215,000
Total Current Liabilities	<u>332,882</u>	<u>9,583</u>	<u>342,465</u>
Noncurrent Liabilities			
Long-Term Debt			
Advances from other funds	2,635,000	-	2,635,000
Other post-employment benefits	18,002	-	18,002
Net pension liability	9,738	1,821	11,559
Total Noncurrent Liabilities	<u>2,662,740</u>	<u>1,821</u>	<u>2,664,561</u>
Total Liabilities	<u>2,995,622</u>	<u>11,404</u>	<u>3,007,026</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	20,692	3,870	24,562
Total Deferred Inflows of Resources	<u>20,692</u>	<u>3,870</u>	<u>24,562</u>
NET POSITION			
Net investment in capital assets	5,277,455	2,086,935	7,364,390
Unrestricted (deficit)	<u>(2,666,643)</u>	<u>406,305</u>	<u>(2,260,338)</u>
TOTAL NET POSITION	<u>\$ 2,610,812</u>	<u>\$ 2,493,240</u>	<u>\$ 5,104,052</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 698,789	\$ 294,208	\$ 992,997
Other	59,204	21,432	80,636
Total Operating Revenues	<u>757,993</u>	<u>315,640</u>	<u>1,073,633</u>
OPERATING EXPENSES			
Personal services	260,513	226,947	487,460
Contractual services	113,236	145,234	258,470
Supplies and materials	75,754	66,728	142,482
Utilities	252,656	44,365	297,021
Depreciation	394,320	70,098	464,418
Administrative	9,652	7,278	16,930
Total Operating Expenses	<u>1,106,131</u>	<u>560,650</u>	<u>1,666,781</u>
Operating loss	<u>(348,138)</u>	<u>(245,010)</u>	<u>(593,148)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and fiscal charges	<u>(96,050)</u>	-	<u>(96,050)</u>
Total Nonoperating Revenues (Expenses)	<u>(96,050)</u>	-	<u>(96,050)</u>
Loss before transfers and contributions	(444,188)	(245,010)	(689,198)
Transfers from other funds	<u>541,019</u>	<u>411,530</u>	<u>952,549</u>
Total Transfers	<u>541,019</u>	<u>411,530</u>	<u>952,549</u>
Change in net position	96,831	166,520	263,351
NET POSITION - Beginning of Year	<u>2,513,981</u>	<u>2,326,720</u>	<u>4,840,701</u>
NET POSITION - END OF YEAR	<u>\$ 2,610,812</u>	<u>\$ 2,493,240</u>	<u>\$ 5,104,052</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Cash received from customers	\$ 728,908	\$ 320,290	\$ 1,049,198
Cash paid to suppliers for goods and services	(424,587)	(262,510)	(687,097)
Cash paid to employees for services	(249,265)	(225,110)	(474,375)
Net Cash Flows From (Used By) Operating Activities	<u>55,056</u>	<u>(167,330)</u>	<u>(112,274)</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	<u>541,019</u>	<u>411,530</u>	<u>952,549</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(125,854)	(23,385)	(149,239)
Principal paid on capital advances from other funds	(210,000)	-	(210,000)
Interest paid on capital advances from other funds	(97,715)	-	(97,715)
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(433,569)</u>	<u>(23,385)</u>	<u>(456,954)</u>
Net Change in Cash and Cash Equivalents	162,506	220,815	383,321
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>17,058</u>	<u>190,078</u>	<u>207,136</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 179,564</u>	<u>\$ 410,893</u>	<u>\$ 590,457</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (348,138)	\$ (245,010)	\$ (593,148)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	394,320	70,098	464,418
Change in assets, deferred outflows, liabilities and deferred inflows			
Accounts receivable	(28,585)	2,007	(26,578)
Accounts payable	(1,465)	933	(532)
Due to other funds	28,774	-	28,774
Other liabilities	4,041	928	4,969
Other post-employment benefits	2,022	-	2,022
Pension related deferrals and asset/liability	4,587	1,071	5,658
Deposits	(500)	2,643	2,143
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ 55,056</u>	<u>\$ (167,330)</u>	<u>\$ (112,274)</u>

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, 2016

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 7,008,819	\$ 6,154,153	\$ 13,162,972
Accounts receivable, net	207,052	-	207,052
Due from other governments	16,137	734	16,871
Inventories	-	621,459	621,459
Prepaid items	-	6,390	6,390
Total Current Assets	<u>7,232,008</u>	<u>6,782,736</u>	<u>14,014,744</u>
Noncurrent Assets			
Restricted assets			
Escrow account	258,951	-	258,951
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	84,319	84,319
Land	-	247,199	247,199
Land improvements	-	32,009	32,009
Intangible assets	-	217,528	217,528
Buildings	-	6,601,645	6,601,645
Equipment	-	699,690	699,690
Rental equipment	-	18,505,737	18,505,737
Less: Accumulated depreciation	-	(14,049,555)	(14,049,555)
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>12,338,572</u>	<u>12,338,572</u>
Total Noncurrent Assets	<u>2,864,147</u>	<u>12,338,572</u>	<u>15,202,719</u>
Total Assets	<u>10,096,155</u>	<u>19,121,308</u>	<u>29,217,463</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	64,087	365,327	429,414
Total Deferred Outflows of Resources	<u>64,087</u>	<u>365,327</u>	<u>429,414</u>
LIABILITIES			
Current Liabilities			
Accounts payable	71,911	103,760	175,671
Accrued payroll and payroll taxes	4,554	33,758	38,312
Accrued compensated absences	2,085	46,500	48,585
Due to other governments	-	831	831
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>298,550</u>	<u>184,849</u>	<u>483,399</u>
Noncurrent Liabilities			
Other postemployment benefits	23,145	92,580	115,725
Net pension liability	11,448	64,534	75,982
Unpaid claims	1,931,486	-	1,931,486
Total Noncurrent Liabilities	<u>1,966,079</u>	<u>157,114</u>	<u>2,123,193</u>
Total Liabilities	<u>2,264,629</u>	<u>341,963</u>	<u>2,606,592</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	24,324	137,126	161,450
Total Deferred Inflows of Resources	<u>24,324</u>	<u>137,126</u>	<u>161,450</u>
NET POSITION			
Net investment in capital assets	-	12,338,572	12,338,572
Restricted for:			
Insurance deposits	1,025,447	-	1,025,447
Unrestricted	6,845,842	6,668,974	13,514,816
TOTAL NET POSITION	<u>\$ 7,871,289</u>	<u>\$ 19,007,546</u>	<u>\$ 26,878,835</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2016

	Risk Management	Central Equipment	Totals
OPERATING REVENUES			
Charges for services	\$ 1,856,185	\$ 1,570,276	\$ 3,426,461
Rental of equipment	-	3,171,879	3,171,879
Total Charges for Services	<u>1,856,185</u>	<u>4,742,155</u>	<u>6,598,340</u>
Other			
Repayment of insurance claims	48,944	-	48,944
Building rental	-	293,835	293,835
Miscellaneous	-	1,716	1,716
Total Operating Revenues	<u>1,905,129</u>	<u>5,037,706</u>	<u>6,942,835</u>
OPERATING EXPENSES			
Personal services	139,948	1,157,847	1,297,795
Contractual services	108,726	463,663	572,389
Supplies and materials	5,509	1,301,837	1,307,346
Utilities	288	183,361	183,649
Depreciation	-	1,416,971	1,416,971
Administrative	424,620	146,588	571,208
Claims	1,385,834	-	1,385,834
Total Operating Expenses	<u>2,064,925</u>	<u>4,670,267</u>	<u>6,735,192</u>
Operating income (loss)	<u>(159,796)</u>	<u>367,439</u>	<u>207,643</u>
NONOPERATING REVENUES			
Investment income	34,546	-	34,546
Net gain on disposal of capital assets	-	110,628	110,628
Total Nonoperating Revenues	<u>34,546</u>	<u>110,628</u>	<u>145,174</u>
Income (loss) before transfers	(125,250)	478,067	352,817
Transfers from other funds	-	70,000	70,000
Change in net position	(125,250)	548,067	422,817
NET POSITION - Beginning of Year	<u>7,996,539</u>	<u>18,459,479</u>	<u>26,456,018</u>
NET POSITION - END OF YEAR	<u>\$ 7,871,289</u>	<u>\$ 19,007,546</u>	<u>\$ 26,878,835</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Cash received from customers	\$ 1,871,454	\$ 5,040,860	\$ 6,912,314
Cash payments to suppliers for goods and services	(559,285)	(2,200,657)	(2,759,942)
Cash payments to employees for services	(133,076)	(1,080,145)	(1,213,221)
Claims paid	(1,211,759)	-	(1,211,759)
Repayment of insurance claims	48,944	-	48,944
Net Cash Flows From (Used By) Operating Activities	<u>16,278</u>	<u>1,760,058</u>	<u>1,776,336</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	70,000	70,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>34,546</u>	-	<u>34,546</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(2,436,802)	(2,436,802)
Proceeds from sale of capital assets	-	285,838	285,838
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>-</u>	<u>(2,150,964)</u>	<u>(2,150,964)</u>
Net change in cash and cash equivalents	50,824	(320,906)	(270,082)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,216,946</u>	<u>6,475,059</u>	<u>13,692,005</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,267,770</u>	<u>\$ 6,154,153</u>	<u>\$ 13,421,923</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Position	\$ 7,008,819	\$ 6,154,153	\$ 13,162,972
Restricted Cash and Cash Equivalents	<u>258,951</u>	<u>-</u>	<u>258,951</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 7,267,770</u>	<u>\$ 6,154,153</u>	<u>\$ 13,421,923</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)	\$ (159,796)	\$ 367,439	\$ 207,643
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	-	1,416,971	1,416,971
Change in assets, deferred outflows, liabilities and deferred inflows			
Accounts receivable	15,269	3,154	18,423
Inventories	-	(56,349)	(56,349)
Prepaid items	-	(45)	(45)
Accounts payable	(20,142)	(49,645)	(69,787)
Accrued liabilities	(1,859)	22,173	20,314
Other postemployment benefits	2,600	10,399	12,999
Unpaid claims	174,075	-	174,075
Pension related deferrals and asset/liability	<u>6,131</u>	<u>45,961</u>	<u>52,092</u>
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ 16,278</u>	<u>\$ 1,760,058</u>	<u>\$ 1,776,336</u>

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:

Central Equipment had accrued \$48,551 of accounts payable for capital assets acquired prior to December 31, 2016.

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, 2016

<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2016</u>
ASSETS				
Cash and investments	\$ 25,579,439	\$ 92,673,763	\$ 96,922,024	\$ 21,331,178
Taxes receivable	<u>39,337,476</u>	<u>94,876,974</u>	<u>86,248,093</u>	<u>47,966,357</u>
TOTAL ASSETS	<u>\$ 64,916,915</u>	<u>\$ 187,550,737</u>	<u>\$ 183,170,117</u>	<u>\$ 69,297,535</u>
LIABILITIES				
Due to other taxing units	<u>\$ 64,916,915</u>	<u>\$ 69,297,535</u>	<u>\$ 64,916,915</u>	<u>\$ 69,297,535</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, 2016

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 4,844	\$ 110,517	\$ 115,361
Receivables			
Special assessments	<u>105,000</u>	<u>44,000</u>	<u>149,000</u>
TOTAL ASSETS	<u>\$ 109,844</u>	<u>\$ 154,517</u>	<u>\$ 264,361</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,181	\$ 1	\$ 1,182
Total Liabilities	<u>1,181</u>	<u>1</u>	<u>1,182</u>
Deferred Inflows of Resources			
Unearned revenue	<u>105,000</u>	<u>44,000</u>	<u>149,000</u>
Total Deferred Inflows of Resources	<u>105,000</u>	<u>44,000</u>	<u>149,000</u>
Fund Balances			
Restricted	<u>3,663</u>	<u>110,516</u>	<u>114,179</u>
Total Fund Balances	<u>3,663</u>	<u>110,516</u>	<u>114,179</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 109,844</u>	<u>\$ 154,517</u>	<u>\$ 264,361</u>

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE MAJOR GOVERNMENTAL COMPONENT UNITS For the Year Ended December 31, 2016

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
REVENUES			
Special assessments	\$ 80,000	\$ 44,000	\$ 124,000
Investment income	147	727	874
Total Revenues	80,147	44,727	124,874
EXPENDITURES			
Current			
Contractual services	88,289	151,619	239,908
Supplies and materials	11,793	-	11,793
Total Expenditures	100,082	151,619	251,701
Net change in fund balances	(19,935)	(106,892)	(126,827)
FUND BALANCES - Beginning of Year	23,598	217,408	241,006
FUND BALANCES - END OF YEAR	\$ 3,663	\$ 110,516	\$ 114,179

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, 2016

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 19,043	\$ 23,957	\$ 43,000
Receivables			
Special assessments	15,000	11,000	26,000
Notes	1,011	-	1,011
Total Assets	<u>35,054</u>	<u>34,957</u>	<u>70,011</u>
LIABILITIES			
Accounts payable	-	1,170	1,170
Total Liabilities	<u>-</u>	<u>1,170</u>	<u>1,170</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	15,000	11,000	26,000
Total Deferred Inflows of Resources	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
NET POSITION			
Restricted for business improvement	<u>20,054</u>	<u>22,787</u>	<u>42,841</u>
TOTAL NET POSITION	<u>\$ 20,054</u>	<u>\$ 22,787</u>	<u>\$ 42,841</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
For the Year Ended December 31, 2016

	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		West Grand Business Improvement District	Water Street Business Improvement District	Totals
		Charges for Services	Operating Grants and Contributions			
West Grand Business Improvement District						
Contractual services	\$ 12,760	\$ -	\$ 750	\$ -	\$ (12,010)	\$ (12,010)
Water Street Business Improvement District						
Contractual services	<u>11,304</u>	-	-	-	<u>(11,304)</u>	<u>(11,304)</u>
Total Nonmajor Component Units	<u>\$ 24,064</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>(12,010)</u>	<u>(11,304)</u>
			General Revenues			
			Special assessments	15,000	11,000	26,000
			Investment income	<u>81</u>	<u>83</u>	<u>164</u>
			Total General Revenues	<u>15,081</u>	<u>11,083</u>	<u>26,164</u>
			Change in net position	3,071	(221)	2,850
			NET POSITION - Beginning of Year	<u>16,983</u>	<u>23,008</u>	<u>39,991</u>
			NET POSITION - END OF YEAR	<u>\$ 20,054</u>	<u>\$ 22,787</u>	<u>\$ 42,841</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL COMPONENT UNITS
As of December 31, 2016

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 19,043	\$ 23,957	\$ 43,000
Receivables			
Special assessments	15,000	11,000	26,000
Notes	<u>1,011</u>	<u>-</u>	<u>1,011</u>
 TOTAL ASSETS	 <u>\$ 35,054</u>	 <u>\$ 34,957</u>	 <u>\$ 70,011</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 1,170	\$ 1,170
Total Liabilities	<u>-</u>	<u>1,170</u>	<u>1,170</u>
Deferred Inflows of Resources			
Unearned revenues	15,000	11,000	26,000
Unavailable revenues	<u>1,011</u>	<u>-</u>	<u>1,011</u>
Total Deferred Inflows of Resources	<u>16,011</u>	<u>11,000</u>	<u>27,011</u>
Fund Balances			
Restricted	<u>19,043</u>	<u>22,787</u>	<u>41,830</u>
Total Fund Balances	<u>19,043</u>	<u>22,787</u>	<u>41,830</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 35,054</u>	 <u>\$ 34,957</u>	 <u>\$ 70,011</u>
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE			
Fund balance at year end	\$ 19,043	\$ 22,787	\$ 41,830
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>1,011</u>	<u>-</u>	<u>1,011</u>
 NET POSITION AT YEAR END	 <u>\$ 20,054</u>	 <u>\$ 22,787</u>	 <u>\$ 42,841</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, 2016

	<u>West Grand Business Improvement District</u>	<u>Water Street Business Improvement District</u>	<u>Totals</u>
REVENUES			
Special assessments	\$ 15,000	\$ 11,000	\$ 26,000
Investment income	81	83	164
Miscellaneous			
Gifts and donations	750	-	750
Other	1,667	-	1,667
Total Revenues	<u>17,498</u>	<u>11,083</u>	<u>28,581</u>
EXPENDITURES			
Current			
Contractual services	<u>12,760</u>	<u>11,304</u>	<u>24,064</u>
Total Expenditures	<u>12,760</u>	<u>11,304</u>	<u>24,064</u>
Net change in fund balances	4,738	(221)	4,517
FUND BALANCES - Beginning of Year	<u>14,305</u>	<u>23,008</u>	<u>37,313</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,043</u>	<u>\$ 22,787</u>	<u>\$ 41,830</u>
RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION			
Net change in fund balances	\$ 4,738	\$ (221)	\$ 4,517
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	<u>(1,667)</u>	<u>-</u>	<u>(1,667)</u>
CHANGE IN NET POSITION	<u>\$ 3,071</u>	<u>\$ (221)</u>	<u>\$ 2,850</u>

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 31-36

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.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 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	\$ 106,818,444
Restricted	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	20,826,392
Unrestricted	33,619,637	41,631,592	51,074,170	50,715,707	34,201,343	32,209,137	27,680,816	24,765,242	24,420,646	21,304,621
Total governmental activities net position	<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>	<u>148,949,457</u>
Business-type activities										
Net investment in capital assets	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	186,039,230
Restricted	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	6,236,620
Unrestricted	18,485,636	16,261,525	14,752,404	14,596,965	16,269,324	17,163,338	15,359,319	17,570,033	19,392,440	19,057,783
Total business-type activities net position	<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>	<u>211,333,633</u>
Primary government										
Net investment in capital assets (1)	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	282,585,357
Restricted	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	27,063,012
Unrestricted (1)	57,030,036	61,923,377	69,664,609	68,925,358	53,807,309	52,395,149	45,949,432	44,785,267	45,906,504	50,634,721
Total primary government net position	<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>	<u>\$ 360,283,090</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>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>2016</u>
Governmental activities:										
General government	\$ 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	\$ 8,488,859
Public safety	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	32,848,940
Public works	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	16,989,105
Health services	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	6,604,167
Culture and recreation	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	9,717,841
Development	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	3,489,797
Interest and fiscal charges	2,046,007	2,664,817	2,814,770	2,985,972	3,070,331	2,984,386	3,096,357	2,919,561	2,924,436	3,140,230
Total governmental activities expenses	<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>	<u>81,278,939</u>
Business-type activities										
Water Utility	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	6,458,676
Sewer Utility	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	8,185,254
Storm Water Utility	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	3,398,280
Public Transit	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	6,017,649
Parking Utility	454,931	473,048	484,008	496,319	408,272	429,501	483,670	528,347	533,452	534,105
Hobbs Ice Center	589,633	622,235	703,386	991,013	1,116,011	1,128,084	1,193,577	1,181,985	1,172,166	1,201,063
Outdoor Pool	373,385	402,603	369,257	350,890	346,058	344,940	350,115	393,815	467,192	560,575
Total business-type activities expenses	<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>	<u>26,355,602</u>
Total primary government expenses	<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>	<u>\$ 107,634,541</u>

CITY OF EAU CLAIRE

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 3,777,404
Public safety	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	5,240,453
Public works	258,474	250,219	299,656	391,199	368,467	355,763	336,719	335,389	416,844	345,341
Health services	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	2,351,774
Culture and recreation	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	1,563,919
Development	1,232,950	468,614	99,137	375,568	726,293	525,008	362,644	689,675	658,419	278,881
Operating grants and contributions										
General government	12,416	12,877	13,723	34,331	43,279	14,405	28,862	43,662	48,631	211,463
Public safety	1,091,291	344,610	475,948	525,055	585,005	1,049,144	687,735	1,489,262	483,459	543,599
Public works	-	6,371,107	1,011,157	-	6,658	162,106	163,569	16,193	158,435	35,049
Health services	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	1,435,871
Culture and recreation	31,370	14,235	32,337	50,888	100,489	36,528	70,304	47,988	140,754	131,521
Development	1,241,461	1,103,856	1,741,828	711,533	1,497,532	1,513,340	1,294,798	812,867	391,658	1,165,839
Interest and fiscal charges	-	-	-	-	230,884	222,811	208,540	197,028	190,624	184,590
Capital grants and contributions										
General government	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	392,960
Public works	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	13,114,212
Health services	-	9,109	-	-	-	-	-	16,378	11,400	-
Culture and recreation	216,384	94,390	804,943	503,022	521,094	406,739	103,330	424,468	349,053	979,963
Development	-	-	-	53,750	17,144	3,107	74,500	-	25,000	-
Total governmental activities program revenues	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	31,752,839
Business-type activities										
Charges for services										
Water Utility	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	9,731,499
Sewer Utility	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	9,781,687
Storm Water Utility	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	4,500,514
Public Transit	552,510	645,823	689,595	655,056	705,102	682,133	709,843	739,331	781,665	1,091,397
Parking Utility	214,184	240,605	219,392	201,233	217,547	194,258	163,655	166,299	172,589	312,313
Hobbs Ice Center	452,511	503,710	485,956	574,986	620,916	695,623	703,816	721,323	723,920	698,789
Outdoor Pool	213,503	217,613	205,898	217,258	231,326	242,323	230,722	240,191	270,325	294,208
Operating grants and contributions										
Water Utility	-	-	-	-	-	-	-	(67,960)	-	-
Sewer Utility	-	-	-	-	-	-	-	-	-	3,230
Storm Water Utility	-	-	-	-	62,447	47,836	44,078	42,797	42,049	41,085
Public Transit	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	3,311,823
Capital grants and contributions										
Water Utility	492,431	937,844	378,597	870,815	927,308	172,770	261,659	682,033	528,227	378,348
Sewer Utility	357,700	690,951	58,364	247,327	409,621	106,577	332,833	483,456	289,797	226,918
Storm Water Utility	90,973	147,010	19,470	96,737	379,626	137,994	192,513	292,510	430,683	244,105
Public Transit	-	-	-	-	1,928,001	5,238	1,311,862	-	-	-
Parking Utility	-	-	-	-	50,000	-	-	-	-	110,000
Hobbs Ice Center	-	50,000	-	343,592	8,437	-	-	-	10,000	-
Total business-type activities program revenues	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	30,725,916
Total primary government program revenues	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	62,478,755
Net (Expense) Revenue										
Governmental activities	(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)	(49,526,100)
Business-type activities	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	4,370,314
Total primary government net expenses	\$(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)	\$(45,155,786)

CITY OF EAU CLAIRE

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes	\$ 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	\$ 43,188,274
Intergovernmental revenues	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	8,592,189
Investment income	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	699,230
Gain on disposal of capital assets	65,420	33,868	34,589	-	-	-	18,066	386,773	375,358	47,216
Miscellaneous	14,373	16,075	184,711	274,145	29,585	64,586	159,353	121,329	55,956	117,443
Transfers	(4,336,850)	406,040	298,000	1,337,790	(309,026)	(1,408,574)	(750,521)	244,386	(3,752,900)	(9,523,442)
Total governmental activities	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	43,120,910
Business-type activities										
Investment income	1,046,523	737,649	208,680	136,594	160,168	80,733	81,087	112,878	53,151	85,104
Gain on sale of capital assets	-	-	-	-	-	34,699	12,134	83	-	-
Miscellaneous	259,062	286,189	864,303	674,971	482,053	475,306	445,618	412,539	643,985	242,079
Transfers	4,336,850	(406,040)	(298,000)	(1,337,790)	309,026	1,408,574	750,521	(244,386)	3,752,900	9,523,442
Total business-type activities	5,642,435	617,798	774,983	(526,225)	951,247	1,999,312	1,289,360	281,114	4,450,036	9,850,625
Total primary government	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	52,971,535
Change in Net Position										
Governmental activities	1,224,782	9,670,075	1,759,094	(622,720)	(846,147)	(4,729,210)	(6,168,100)	504,289	(6,213,927)	(6,405,190)
Business-type activities	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	14,220,939
Total primary government	\$ 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	\$ 7,815,749

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable	\$ 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	\$ 4,221,466
Restricted	-	-	-	-	-	-	-	-	75,000	-
Assigned	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	5,442,677
Unassigned	8,338,803	9,954,326	12,549,834	14,087,620	13,099,710	12,524,213	13,735,102	14,230,236	15,802,442	18,804,559
Total General Fund	<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>	<u>28,468,702</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	126,597
Capital projects funds	-	-	-	-	31,654	-	-	-	-	-
Restricted										
Special revenue funds	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	3,372,897
Debt service funds	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	6,551,687
Capital projects funds	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	13,885,769
Committed										
Special revenue funds	-	-	-	-	-	-	-	-	-	1,248,997
Assigned										
Special revenue funds	-	-	-	-	-	-	-	-	-	283,908
Capital projects funds	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	4,895,101
Unassigned (deficit)										
Special revenue funds	-	-	-	(1,709)	-	-	-	(18,469)	(25,663)	-
Debt service funds	-	-	-	-	(26,145)	(96,237)	(174,629)	(356,357)	(379,250)	(397,464)
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)	(3,963,282)
Total All Other Governmental Funds	<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>	<u>26,004,210</u>
Total All Governmental Funds	<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>	<u>\$ 54,472,912</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)

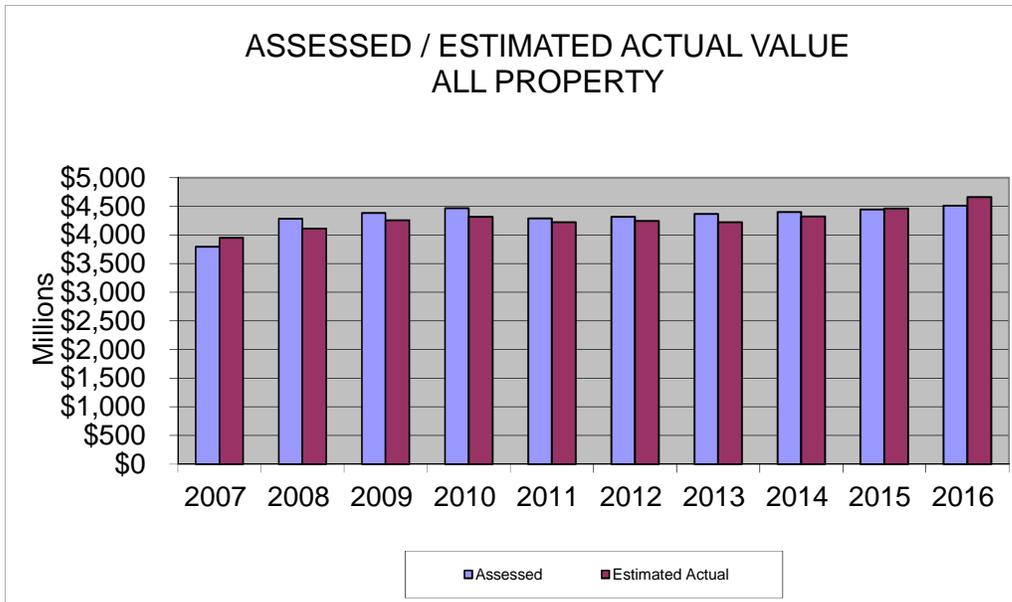
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Taxes	\$ 29,462	\$ 31,296	\$ 33,526	\$ 35,477	\$ 37,319	\$ 38,374	\$ 39,093	\$ 41,308	\$ 42,377	\$ 43,210
Special assessments	1,898	2,053	1,989	1,853	1,888	1,930	2,313	2,499	2,549	2,180
Intergovernmental	15,957	22,109	15,958	16,033	15,287	14,507	14,290	13,960	14,465	15,305
Licenses and permits	1,922	1,969	1,993	1,936	1,821	1,996	1,966	2,093	2,265	2,456
Fines, forfeitures and penalties	1,018	941	897	866	865	758	749	753	793	605
Charges for services	7,005	9,576	9,878	9,049	9,316	8,990	8,678	9,292	10,265	9,937
Investment income	4,328	3,355	1,430	1,296	1,249	977	432	1,192	1,063	564
Miscellaneous	1,726	1,281	2,218	1,879	2,282	1,675	1,803	2,189	1,678	1,885
Total revenues	<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>	<u>76,142</u>
Expenditures										
General government	5,700	6,169	5,888	6,136	6,135	6,343	6,238	6,585	6,367	7,071
Public safety	23,563	24,252	24,739	25,362	25,909	25,653	26,467	26,234	26,880	27,916
Public works	7,693	8,109	8,545	8,723	8,106	8,112	9,002	9,145	8,732	8,798
Health services	4,666	4,814	4,959	5,026	5,026	4,983	4,913	5,457	5,453	5,719
Culture and recreation	7,830	7,908	7,935	8,062	8,220	8,328	8,268	7,821	7,993	8,062
Development	3,614	2,839	3,096	2,738	2,701	3,369	3,106	3,667	3,774	3,686
Miscellaneous	630	465	451	612	474	382	435	541	392	369
Capital outlay	8,119	11,899	9,685	9,179	17,593	10,689	15,730	14,233	22,714	14,439
Debt service										
Principal	4,311	5,057	4,983	4,930	5,740	7,276	12,577	8,200	11,193	9,506
Interest	1,957	2,634	2,907	3,134	3,034	3,063	3,002	3,118	2,907	3,248
Total expenditures	<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>	<u>88,814</u>
Other financing sources (uses)										
Debt issued	17,785	15,400	11,618	7,707	6,060	7,757	21,580	7,184	16,150	22,360
Premium on debt issued	166	-	-	27	30	52	295	37	322	321
Discount on debt issued	-	(60)	(79)	-	-	-	-	-	-	-
Payment to refunding agent	(8,812)	-	-	(2,293)	-	-	-	-	-	-
Pay-off of unfunded retirement liability	-	(9,392)	-	-	-	-	-	-	-	-
Transfers in	7,841	7,910	10,390	10,141	10,318	11,906	11,402	13,134	14,582	11,954
Transfers out	(7,135)	(7,099)	(11,494)	(8,832)	(10,398)	(12,531)	(11,189)	(12,689)	(16,385)	(12,281)
Proceeds from sale of capital assets	86	36	578	65	72	26	18	451	673	118
Total other financing sources (uses)	<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>	<u>22,472</u>
Net change in fund balances	<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>	<u>\$ 9,800</u>
Debt service as a percentage of noncapital expenditures	10.6%	12.2%	12.4%	12.4%	13.5%	15.3%	20.6%	16.2%	17.9%	16.5%

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>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>2016</u>
ALL PROPERTY										
Real property:										
Assessed value	\$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	\$4,341,114
Estimated actual value (1)	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	4,487,633
Personal property:										
Assessed value	\$132,425	\$150,560	\$152,927	\$167,057	\$160,043	\$151,299	\$162,039	\$179,945	\$178,769	\$169,474
Estimated actual value	139,214	149,802	154,122	161,241	161,758	148,638	158,492	175,990	182,188	175,130
Total:										
Assessed value	\$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	\$4,510,587
Estimated actual value	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	\$4,662,763
Ratio of total assessed to total estimated actual value	96.06%	104.21%	103.00%	103.46%	101.54%	101.60%	103.41%	101.70%	99.69%	96.74%
Direct tax rate:										
Eau Claire County	\$7.22	\$6.80	\$7.12	\$7.34	\$8.01	\$8.22	\$8.24	\$8.60	\$8.74	\$8.73
Chippewa County	\$7.12	\$6.86	\$7.18	\$7.51	\$8.19	\$8.30	\$8.24	\$8.72	\$8.96	\$8.77



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.

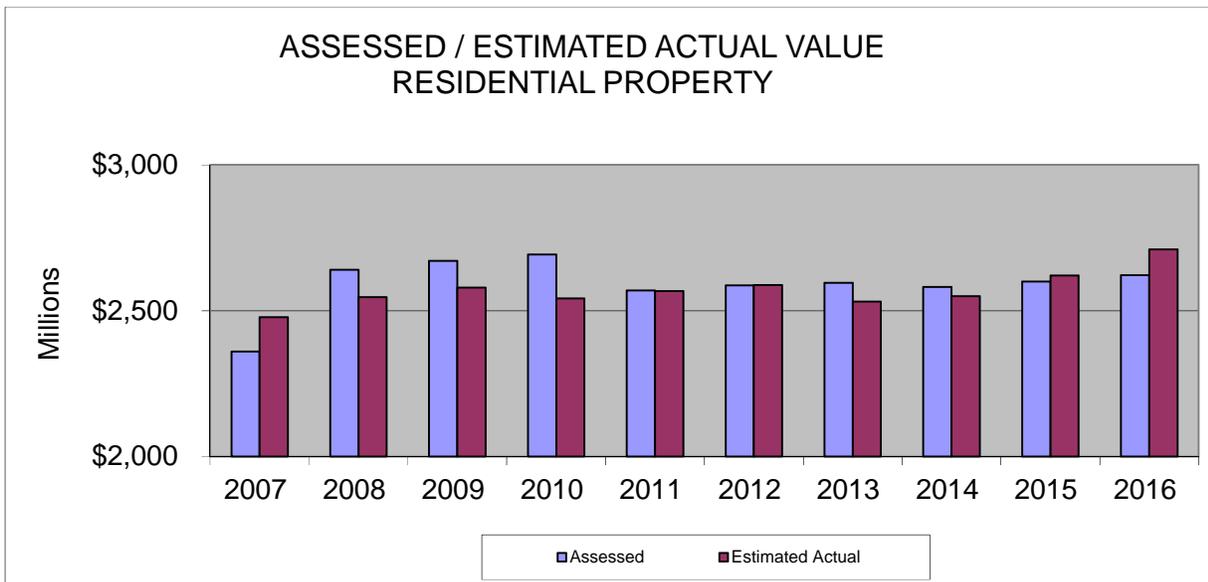
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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>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>2016</u>
RESIDENTIAL										
Real property:										
Assessed value	\$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	\$2,622,135
Estimated actual value	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	2,710,764
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	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948	\$2,581,699	\$2,600,068	\$2,622,135
Estimated actual value	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	2,710,764
Total all classes:										
Assessed value	\$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	\$4,510,587
Estimated actual value	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	\$4,662,763
Residential property as a percentage of total:										
Assessed value	62.17%	61.64%	60.94%	60.30%	59.89%	59.94%	59.43%	58.69%	58.46%	58.13%
Estimated actual value	62.71%	61.95%	60.63%	58.90%	60.78%	60.93%	59.93%	58.95%	58.74%	58.14%
Number of parcels										
Number of parcels with improvements	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995	20,056



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.

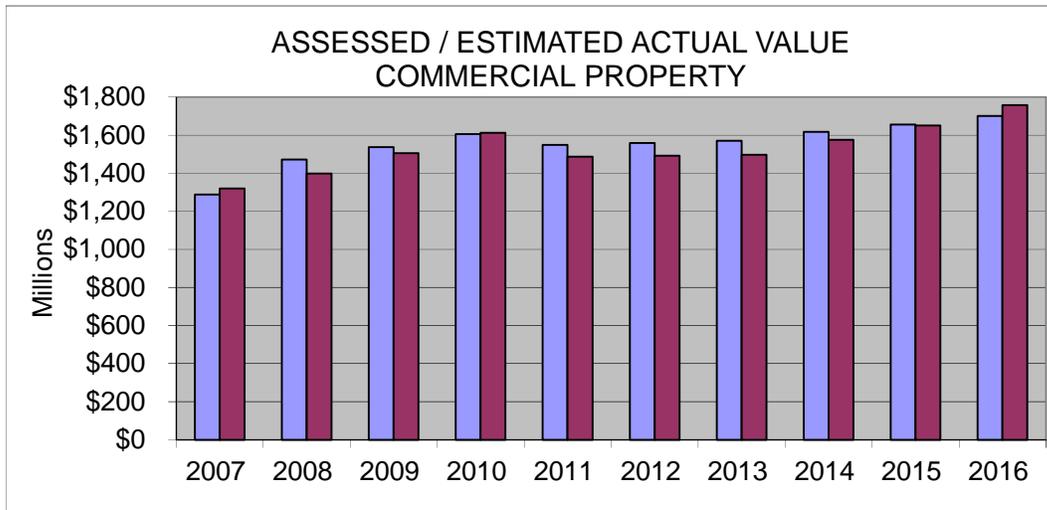
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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>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>2016</u>
COMMERCIAL										
Real property:										
Assessed value	\$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	\$1,564,450
Estimated actual value	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	1,617,532
Personal property:										
Assessed value	\$116,173	\$126,739	\$130,769	\$145,125	\$138,680	\$131,570	\$128,431	\$139,062	\$142,521	\$135,265
Estimated actual value	122,319	126,823	132,663	139,976	140,642	129,175	126,004	135,234	146,120	139,781
Total commercial:										
Assessed value	\$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	\$1,699,715
Estimated actual value	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	1,757,313
Total all classes:										
Assessed value	\$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	\$4,510,587
Estimated actual value	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	4,662,763
Commercial property as a percentage of total:										
Assessed value	33.90%	34.34%	35.07%	35.95%	36.09%	36.12%	35.96%	36.76%	37.21%	37.68%
Estimated actual value	33.40%	34.02%	35.38%	37.33%	35.19%	35.12%	35.44%	36.42%	36.97%	37.69%
Number of parcels	2,755	3,253	3,200	3,224	3,236	3,174	3,139	3,241	2,192	2,199
Number of parcels with improvements	1,786	1,847	1,881	1,904	1,913	1,918	1,933	1,944	1,948	1,958



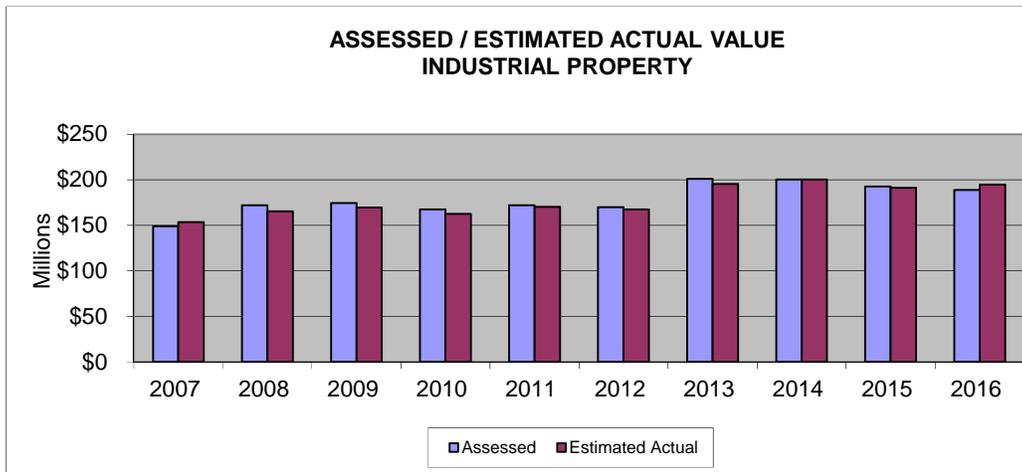
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax inc

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>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>2016</u>
INDUSTRIAL										
Real property:										
Assessed value	\$132,852	\$148,389	\$152,504	\$145,773	\$150,835	\$150,135	\$167,661	\$159,428	\$156,437	\$154,529
Estimated actual value	136,850	142,630	148,282	141,499	149,188	148,158	162,891	159,660	155,409	159,337
Personal property:										
Assessed value	\$16,252	\$23,821	\$22,159	\$21,932	\$21,363	\$19,729	\$33,608	\$40,883	\$36,247	\$34,209
Estimated actual value	16,894	22,979	21,459	21,264	21,116	19,463	32,488	40,755	36,068	35,349
Total industrial:										
Assessed value	\$149,104	\$172,210	\$174,663	\$167,705	\$172,198	\$169,864	\$201,269	\$200,310	\$192,684	\$188,738
Estimated actual value	153,744	165,609	169,741	162,763	170,304	167,621	195,379	200,416	191,477	194,686
Total all classes:										
Assessed value	\$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	\$4,510,587
Estimated actual value	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	4,662,763
Industrial property as a percentage of total:										
Assessed value	3.48%	3.93%	3.99%	3.76%	4.01%	3.94%	4.61%	4.55%	4.33%	4.18%
Estimated actual value	3.74%	3.89%	3.99%	3.77%	4.03%	3.95%	4.63%	4.63%	4.29%	4.18%
Number of parcels										
Number of parcels	93	95	97	95	94	96	93	92	90	91
Number of parcels with improvements										
Number of parcels with improvements	85	84	82	80	79	80	78	77	76	77



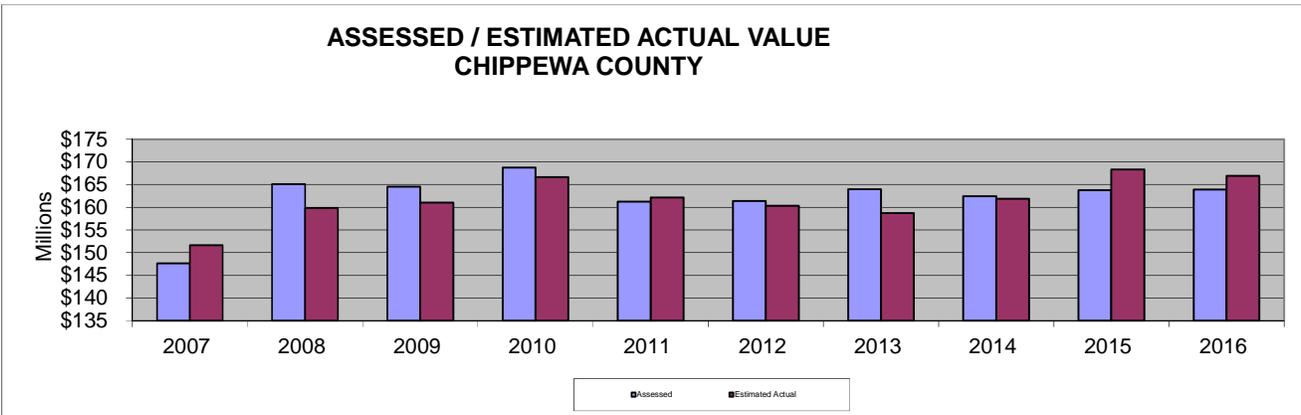
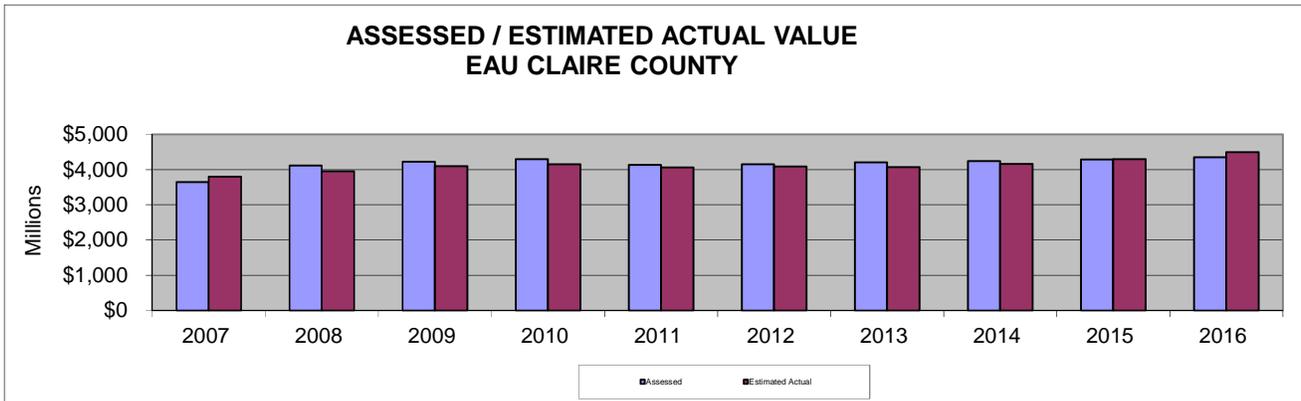
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EAU CLAIRE COUNTY										
Assessed value	\$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	\$4,346,679
Estimated actual value	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	4,495,853
Ratio of assessment	96.01%	104.25%	103.04%	103.54%	101.62%	101.64%	103.41%	101.75%	99.78%	96.68%
CHIPPEWA COUNTY										
Assessed value	\$147,637	\$165,102	\$164,533	\$168,716	\$161,273	\$161,416	\$163,990	\$162,455	\$163,793	\$163,908
Estimated actual value	151,649	159,815	161,027	166,633	162,179	160,335	158,750	161,886	168,357	166,910
Ratio of assessment	97.35%	103.31%	102.18%	101.25%	99.44%	100.67%	103.30%	100.35%	97.29%	98.20%



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)

	<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>2016</u>
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	21,661	21,074	22,901	23,258	29,187	30,122	39,284	46,556	48,498	45,968
Total TID #5	\$22,661	\$22,074	\$23,901	\$24,258	\$30,187	\$31,122	\$40,284	\$47,556	\$49,498	\$46,968
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$0	\$0	\$0	\$0	\$0	\$0
Increment	9,907	10,663	11,404	11,383	0	0	0	0	0	0
Total TID #6	\$10,893	\$11,649	\$12,390	\$12,369	\$0	\$0	\$0	\$0	\$0	\$0
TID #7 equalized valuation:										
Base	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329
Increment	5,675	5,859	6,193	6,467	6,007	5,265	5,507	5,963	5,172	5,631
Total TID #7	\$6,004	\$6,188	\$6,522	\$6,796	\$6,336	\$5,594	\$5,836	\$6,292	\$5,501	\$5,960
TID #8 equalized valuation:										
Base	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,845	\$12,418
Increment	16,288	16,805	18,523	22,362	25,813	26,805	29,055	36,349	35,945	57,174
Total TID #8	\$26,729	\$27,246	\$28,964	\$32,803	\$36,254	\$37,246	\$39,496	\$46,790	\$46,790	\$69,592
TID #9 equalized valuation:										
Base	\$0	\$0	\$0	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239
Increment	0	0	0	2,222	5,117	2,310	2,201	355	167	1,476
Total TID #9	\$0	\$0	\$0	\$13,461	\$16,356	\$13,549	\$13,440	\$11,594	\$11,406	\$12,715
ALL PROPERTY										
All property - w/o TIDs	\$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	\$4,529,217
Base valuation - TIDs	12,756	12,756	12,756	23,995	23,009	23,009	23,009	23,009	23,413	24,986
All property - w/o TID increment	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	4,554,203
Increment valuation - TIDs	53,530	54,401	59,022	65,692	66,124	64,502	76,047	89,223	89,782	110,249
Equalized valuation - all property	\$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	\$4,664,452

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>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>2016</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670	\$7.652
Library	0.725	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671	0.679
Health	0.416	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395	0.401
Total Direct Rate	7.216	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736	8.732
Eau Claire School Dist.	9.624	8.774	8.714	9.219	9.876	10.012	9.772	9.410	9.879	9.715
Vocational District	1.634	1.511	1.535	1.606	1.728	1.714	1.707	1.706	0.900	0.916
Eau Claire County	3.159	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782	3.927
State Forestry	0.183	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170	0.175
Gross Tax Rate	21.816	20.585	20.850	21.712	23.284	23.631	23.390	23.492	23.467	23.465
Less State Credit	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)	(1.677)
Net Tax Rate	\$ 20.189	\$ 18.970	\$ 19.220	\$ 20.185	\$ 21.726	\$ 22.097	\$ 21.855	\$ 21.966	\$ 21.972	\$ 21.788
City Property Located in Eau Claire County (Altoona School District)										
City	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670	\$7.652
Library	0.725	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671	0.679
Health	0.416	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395	0.401
Total Direct Rate	7.216	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736	8.732
Altoona School Dist.	10.034	10.025	8.533	8.931	8.859	9.271	9.344	9.568	11.747	12.609
Vocational District	1.634	1.511	1.535	1.605	1.728	1.714	1.707	1.706	0.900	0.916
Eau Claire County	3.159	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782	3.927
State Forestry	0.183	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170	0.175
Gross Tax Rate	22.226	21.836	20.669	21.423	22.267	22.890	22.962	23.650	25.335	26.359
Less State Credit	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)	(1.677)
Net Tax Rate	\$ 20.599	\$ 20.221	\$ 19.039	\$ 19.896	\$ 20.709	\$ 21.356	\$ 21.427	\$ 22.124	\$ 23.840	\$ 24.682

Source: City of Eau Claire Annual Operating Budget

CITY OF EAU CLAIRE

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

	<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>2016</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866	\$7.682
Library	0.714	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689	0.683
Health	0.410	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405	0.402
Total Direct Rate	<u>7.115</u>	<u>6.861</u>	<u>7.180</u>	<u>7.510</u>	<u>8.189</u>	<u>8.299</u>	<u>8.245</u>	<u>8.721</u>	<u>8.959</u>	<u>8.767</u>
Eau Claire School Dist.	9.491	8.870	8.787	9.428	10.081	10.108	9.749	9.561	10.132	9.755
Vocational District	1.611	1.524	1.549	1.642	1.765	1.730	1.709	1.730	0.922	0.920
Chippewa County	3.270	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732	3.686
State Forestry	0.181	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174	0.176
Gross Tax Rate	<u>21.668</u>	<u>20.499</u>	<u>20.726</u>	<u>21.914</u>	<u>23.513</u>	<u>23.662</u>	<u>23.328</u>	<u>23.792</u>	<u>23.921</u>	<u>23.304</u>
Less State Credit	<u>(1.583)</u>	<u>(1.547)</u>	<u>(1.586)</u>	<u>(1.455)</u>	<u>(1.496)</u>	<u>(1.516)</u>	<u>(1.547)</u>	<u>(1.589)</u>	<u>(1.554)</u>	<u>(1.769)</u>
Net Tax Rate	<u>\$ 20.085</u>	<u>\$ 18.952</u>	<u>\$ 19.140</u>	<u>\$ 20.459</u>	<u>\$ 22.017</u>	<u>\$ 22.146</u>	<u>\$ 21.781</u>	<u>\$ 22.203</u>	<u>\$ 22.367</u>	<u>\$ 21.535</u>
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866	\$7.682
Library	0.714	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689	0.683
Health	0.410	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405	0.402
Total Direct Rate	<u>7.115</u>	<u>6.861</u>	<u>7.180</u>	<u>7.510</u>	<u>8.189</u>	<u>8.299</u>	<u>8.245</u>	<u>8.721</u>	<u>8.959</u>	<u>8.767</u>
Chippewa Falls School Dist.	8.085	6.914	7.403	8.335	8.957	9.079	10.285	8.793	9.506	9.408
Vocational District	1.611	1.524	1.548	1.642	1.765	1.730	1.709	1.730	0.922	0.920
Chippewa County	3.270	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732	3.686
State Forestry	0.181	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174	0.176
Gross Tax Rate	<u>20.262</u>	<u>18.543</u>	<u>19.341</u>	<u>20.821</u>	<u>22.389</u>	<u>22.633</u>	<u>23.864</u>	<u>23.024</u>	<u>23.294</u>	<u>22.957</u>
Less State Credit	<u>(1.583)</u>	<u>(1.547)</u>	<u>(1.586)</u>	<u>(1.455)</u>	<u>(1.496)</u>	<u>(1.516)</u>	<u>(1.547)</u>	<u>(1.589)</u>	<u>(1.554)</u>	<u>(1.769)</u>
Net Tax Rate	<u>\$ 18.679</u>	<u>\$ 16.996</u>	<u>\$ 17.755</u>	<u>\$ 19.366</u>	<u>\$ 20.893</u>	<u>\$ 21.117</u>	<u>\$ 22.317</u>	<u>\$ 21.435</u>	<u>\$ 21.741</u>	<u>\$ 21.188</u>

Source: City of Eau Claire Annual Operating Budget

CITY OF EAU CLAIRE

TABLE 12
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Dollars in Thousands)

Taxpayer	2016 Equalized Value	2016 Rank	2016 Percentage of Total Equalized Value	2007 Equalized Value	2007 Rank	2007 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 75,230	1	1.61%	\$ 70,775	1	1.72%
Nestle Foods	74,712	2	1.60%	26,164	4	0.64%
Mayo Clinic Health System	74,642	3	1.60%	-		
Keystone Corporation	48,208	4	1.03%	35,986	2	0.88%
Menard Inc.	40,594	5	0.87%	19,394	9	0.47%
Marshfield Clinic	35,455	6	0.76%	19,952	8	0.49%
Royal Credit Union	22,466	7	0.48%	22,696	6	
Hutchinson Technology, Inc.	21,121	8	0.45%	33,305	3	0.81%
Phillips Properties	16,241	9	0.35%	16,501	10	0.40%
Ch Valley Partners	15,880	10	0.34%	-		0.00%
Luther Hospital	-			24,061	5	0.59%
Midelfort Clinic	-			21,182	7	0.52%
Principal Taxpayers total	<u>\$ 424,549</u>			<u>\$ 290,016</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,662,763</u>			<u>\$ 4,110,179</u>		

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.

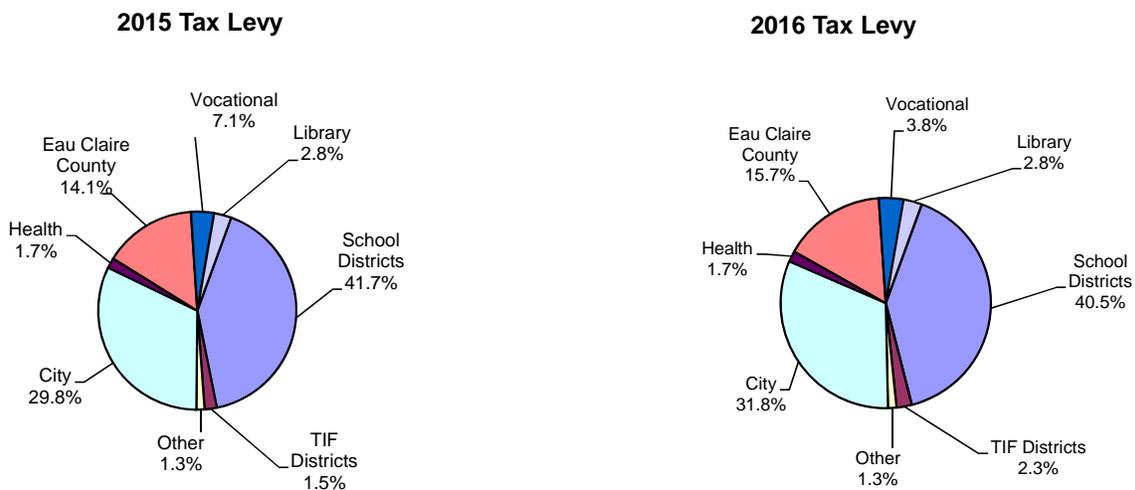
Sources: City of Eau Claire Assessor's Office, Clerk's Statement of Assessments, Statistical Report:
Eau Claire and Chippewa Counties

CITY OF EAU CLAIRE

TABLE 13
GROSS TAX LEVY BY TAXING ENTITY
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>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>2016</u>
City	\$ 22,734	\$ 24,380	\$ 26,301	\$ 27,815	\$ 29,303	\$ 30,360	\$ 30,742	\$ 32,465	\$ 33,455	\$ 33,701
TIF Districts	1,110	1,151	1,251	1,460	1,553	1,538	1,827	2,118	2,087	2,484
Library	2,712	2,758	2,825	2,834	2,867	2,891	2,891	2,901	2,929	2,995
Health	1,557	1,609	1,656	1,671	1,696	1,695	1,691	1,707	1,723	1,765
Eau Claire School District	35,847	36,934	37,511	40,408	41,545	42,373	41,723	40,390	42,903	42,603
Chippewa Falls School District	31	30	33	31	49	50	51	42	51	49
Altoona School District	140	142	121	126	121	127	130	134	166	178
Vocational District	6,113	6,387	6,639	7,065	7,300	7,285	7,323	7,355	3,923	4,037
Eau Claire County	11,395	13,596	13,824	14,330	14,213	14,386	14,486	14,959	15,866	16,654
Chippewa County	451	474	465	498	533	542	567	587	611	604
State Forestry- Eau Claire County	667	670	695	704	689	694	690	707	729	763
State Forestry- Chippewa County	27	27	27	28	28	27	27	27	29	29
Total tax levy	\$82,784	\$88,158	\$91,348	\$96,970	\$99,897	\$101,968	\$102,148	\$103,392	\$104,472	\$105,862
City percent of total levy	27.46%	27.65%	28.79%	28.68%	29.33%	29.77%	30.10%	31.40%	32.02%	31.83%

CHANGES IN PROPORTIONS - TAX LEVIES BY ENTITY



Sources: City of Eau Claire Annual Operating Budget, 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Tax Levy	\$ 27,003	\$ 28,747	\$ 30,782	\$ 32,319	\$ 33,865	\$ 34,946	\$ 35,324	\$ 39,191	\$ 40,195	\$ 40,945
Current tax collections	\$ 26,877	\$ 28,654	\$ 30,633	\$ 32,142	\$ 33,612	\$ 34,801	\$ 35,177	\$ 39,044	\$ 40,048	\$ 40,798
Percentage of Levy	99.5%	99.7%	99.5%	99.5%	99.3%	99.6%	99.6%	99.6%	99.6%	99.6%
Collection of delinquent personal property taxes	\$ 111	\$ 71	\$ 97	\$ 129	\$ 217	\$ 101	\$ 106	\$ 106	\$ 106	\$ 106
Total tax collections (1)	<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>	<u>\$ 40,904</u>
Percentage of Levy	99.9%	99.9%	99.8%	99.9%	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>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>2016</u>
Total assessments levied each fiscal period: (1)										
General fund	\$100	\$109	\$120	\$271	\$383	\$808	\$1,036	\$1,334	\$1,413	\$1,110
Business Improvement										
Districts	151	152	152	145	145	147	147	150	150	150
Debt Service	1,547	1,721	1,546	1,373	1,126	711	596	468	378	292
Water Utility	99	90	87	83	82	70	64	49	48	42
Sewer Utility	105	91	90	82	77	51	51	39	29	29
Storm Water Utility	0	0	0	0	0	0	0	6	1	1
Health	0	0	8	8	6	5	6	4	3	7
Delinquent utility bills	548	617	656	809	774	776	774	777	833	801
 Total assessments levied	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,659</u>	<u>\$2,771</u>	<u>\$2,593</u>	<u>\$2,568</u>	<u>\$2,674</u>	<u>\$2,827</u>	<u>\$2,855</u>	<u>\$2,432</u>
 Current collections	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,659</u>	<u>\$2,771</u>	<u>\$2,593</u>	<u>\$2,568</u>	<u>\$2,674</u>	<u>\$2,827</u>	<u>\$2,861</u>	<u>\$2,433</u>
 Total collections	<u>\$2,550</u>	<u>\$2,780</u>	<u>\$2,659</u>	<u>\$2,771</u>	<u>\$2,593</u>	<u>\$2,568</u>	<u>\$2,674</u>	<u>\$2,827</u>	<u>\$2,861</u>	<u>\$2,433</u>

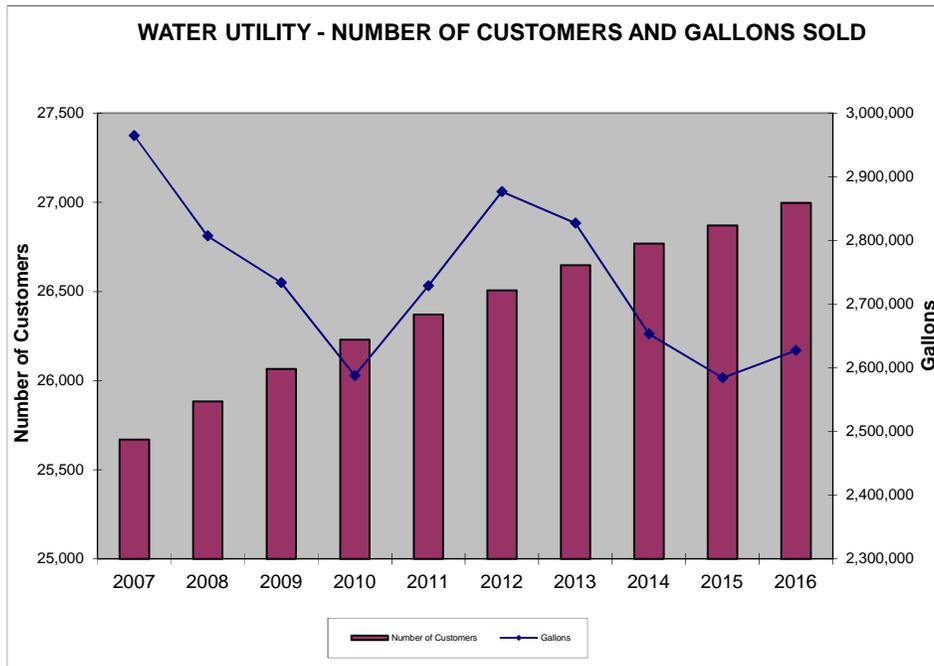
(1) NOTE: Includes current interest due on installment special assessments.

Sources: City of Eau Claire Comprehensive Annual Financial Report; Statement of Taxes

CITY OF EAU CLAIRE

TABLE 16
WATER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	<u>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>2016</u>
Number of customers										
Residential	22,805	22,992	23,152	23,293	23,417	23,556	23,931	24,281	24,376	24,589
Commercial	2,551	2,574	2,593	2,612	2,628	2,625	2,390	2,158	2,163	2,079
Industrial	111	110	109	109	109	109	109	109	106	104
Public	202	208	212	216	217	216	217	221	225	225
Total	25,669	25,884	26,066	26,230	26,371	26,506	26,647	26,769	26,870	26,997
Gallons (thousands)										
Residential	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	1,260,199
Commercial	715,582	694,815	667,586	656,846	673,138	701,560	650,697	555,737	530,879	537,566
Industrial	606,778	612,579	517,711	505,853	604,273	612,696	571,655	607,864	594,629	593,008
Public	256,705	254,553	259,869	242,820	241,090	264,612	254,054	224,465	234,094	236,506
Total	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	2,627,279



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>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>2016</u>
General Metered Service										
Quarterly Service Charge										
5/8 inch meter	\$ 15.60	\$ 15.60	\$ 17.10	\$ 17.10	\$ 17.61	\$ 17.61	\$ 18.17	\$ 21.00	\$ 21.00	\$ 21.00
3/4 inch meter	15.60	15.60	17.10	17.10	17.61	17.61	18.17	21.00	21.00	21.00
1 inch meter	22.80	22.80	26.70	26.70	27.50	27.50	28.38	30.00	30.00	30.00
1 1/4 inch meter	30.00	30.00	35.40	35.40	36.46	36.46	37.63	39.00	39.00	39.00
1 1/2 inch meter	36.00	36.00	43.80	43.80	45.11	45.11	46.55	51.00	51.00	51.00
2 inch meter	55.80	55.80	65.40	65.40	67.36	67.36	69.52	75.00	75.00	75.00
3 inch meter	99.00	99.00	105.00	105.00	108.15	108.15	111.61	120.00	120.00	120.00
4 inch meter	129.00	129.00	156.00	156.00	160.68	160.68	165.82	180.00	180.00	180.00
6 inch meter	225.00	225.00	273.00	273.00	281.19	281.19	290.19	312.00	312.00	312.00
8 inch meter	339.00	339.00	411.00	411.00	423.33	423.33	436.88	474.00	474.00	474.00
10 inch meter	489.00	489.00	591.00	591.00	608.73	608.73	628.21	660.00	660.00	660.00
12 inch meter	639.00	639.00	771.00	771.00	794.13	794.13	819.54	825.00	825.00	825.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 1.31	\$ 1.31	\$ 1.49	\$ 1.49	\$ 1.53	\$ 1.53	\$ 1.58	\$ 1.70	\$ 1.70	\$ 1.70
Next 742,500 cubic feet	1.13	1.13	1.28	1.28	1.32	1.32	1.36	1.45	1.45	1.45
Over 750,000 cubic feet	0.79	0.79	0.89	0.89	0.92	0.92	0.95	1.10	1.10	1.10
Public Fire Protection										
Quarterly Service Charge										
5/8 inch meter	\$ 9.46	\$ 9.46	\$ 9.60	\$ 9.60	\$ 9.89	\$ 9.89	\$ 10.21	\$ 10.80	\$ 10.80	\$ 10.80
3/4 inch meter	9.46	9.46	9.60	9.60	9.89	9.89	10.21	10.80	10.80	10.80
1 inch meter	23.48	23.48	24.00	24.00	24.72	24.72	25.51	27.00	27.00	27.00
1 1/4 inch meter	34.92	34.92	35.40	35.40	36.46	36.46	37.63	39.00	39.00	39.00
1 1/2 inch meter	47.28	47.28	48.00	48.00	49.44	49.44	51.02	54.00	54.00	54.00
2 inch meter	75.71	75.71	76.80	76.80	79.10	79.10	81.63	87.00	87.00	87.00
3 inch meter	142.14	142.14	144.00	144.00	148.32	148.32	153.07	165.00	165.00	165.00
4 inch meter	234.84	234.84	240.00	240.00	247.20	247.20	255.11	270.00	270.00	270.00
6 inch meter	472.77	472.77	480.00	480.00	494.40	494.40	510.22	540.00	540.00	540.00
8 inch meter	753.96	753.96	768.00	768.00	791.04	791.04	816.35	870.00	870.00	870.00
10 inch meter	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	1,350.00
12 inch meter	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	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

Customer	2016		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestle USA	232,061,016	\$ 409,966	8.8%
Cascades Tissue	124,231,580	125,417	4.7%
American Phoenix	101,098,932	161,050	3.8%
Hutchinson Technology	84,627,972	190,925	3.2%
University of Wisconsin - Eau Claire	57,767,292	114,587	2.2%
Mayo Clinic Health System	53,980,916	126,255	2.1%
Sacred Heart Hospital	32,065,264	44,141	1.2%
Eau Claire Area School District	30,866,220	83,815	1.2%
Silver Spring Foods	25,333,264	48,680	1.0%
Landmark Company	13,920,280	28,705	0.5%
Subtotal (ten largest)	755,952,736	1,333,541	28.7%
All other customers	1,871,326,264	8,003,267	71.3%
Grand Totals	2,627,279,000	\$ 9,336,808	100.0%

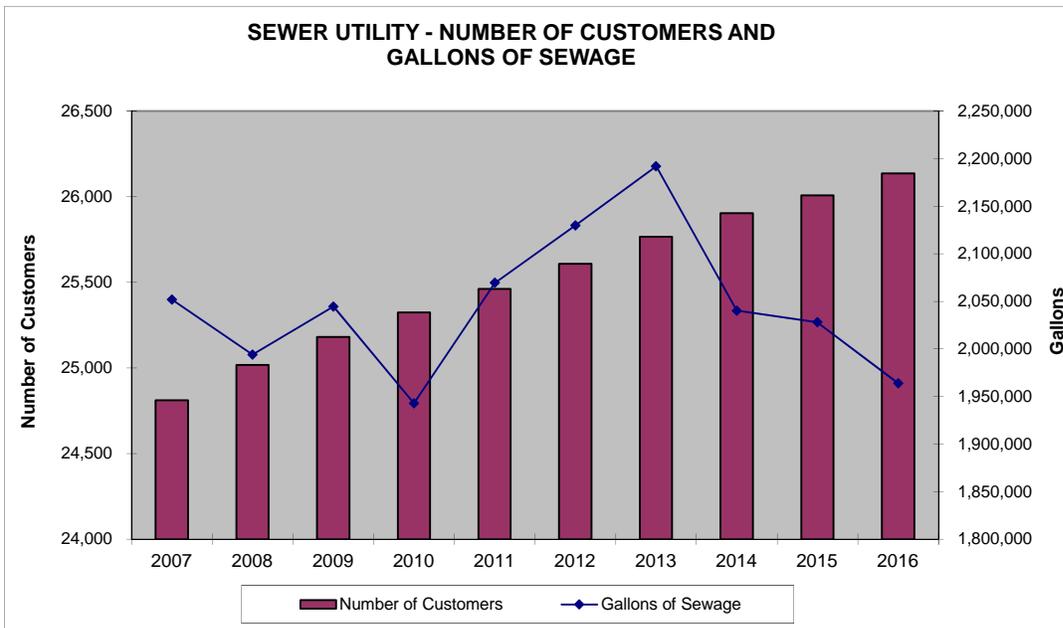
Customer	2007		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	209,152,768	260,894	7.1%
Nestles Food Company	177,177,264	227,588	6.0%
Cascade Tissue	119,670,276	151,674	4.0%
University of Wisconsin-Eau Claire	78,708,300	132,854	2.7%
American Phoenix	48,357,452	67,148	1.6%
3M	39,883,360	52,893	1.3%
Sacred Heart Hospital	35,633,972	68,489	1.2%
Luther Midelfort-Mayo Health	28,574,348	47,562	1.0%
Eau Claire School District	13,444,552	20,482	0.5%
Huebsch Laundry Company	13,294,204	20,533	0.4%
Subtotal (ten largest)	763,896,496	1,050,117	25.8%
All other customers	2,200,768,504	6,015,803	74.2%
Grand Totals	2,964,665,000	\$ 7,065,920	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 19
SEWER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	<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>2016</u>
Number of customers										
Residential	22,157	22,345	22,495	22,626	22,753	22,895	23,272	23,625	23,729	23,951
Commercial	2,391	2,411	2,424	2,435	2,445	2,451	2,231	2,012	2,012	1,924
Industrial	95	94	93	94	95	95	95	98	97	93
Public	167	167	168	168	167	167	167	169	169	167
Total	24,810	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007	26,135
Gallons (thousands)										
Residential	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	1,122,278
Commercial	602,989	600,342	599,731	566,088	600,681	632,874	615,338	511,521	516,095	497,141
Industrial	334,562	303,806	252,218	235,880	285,293	302,251	274,097	262,107	263,422	245,028
Public	109,208	99,735	110,403	105,089	103,340	107,545	117,949	102,396	103,959	99,496
Total	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	1,963,943



Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 20
SEWER UTILITY CUSTOMER RATES
LAST TEN FISCAL YEARS

	<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>2016</u>
General Metered Service										
Quarterly Minimum Charge	\$ 16.32	\$ 17.28	\$ 18.48	\$ 19.76	\$ 21.12	\$ 22.56	\$ 5.19	\$ 5.31	\$ 5.40	\$ 5.50 *
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.16	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.82	\$ 2.89	\$ 2.97	\$ 3.05	\$ 3.20

* 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 of \$5.19 per quarterly billing.

Sources: 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			
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%	2,068
2015	60,541	26,102	-	15,738	-	43,605	145,986	5.07%	2,179
2016	65,847	33,812	-	17,941	-	42,347	159,947	5.52%	2,374

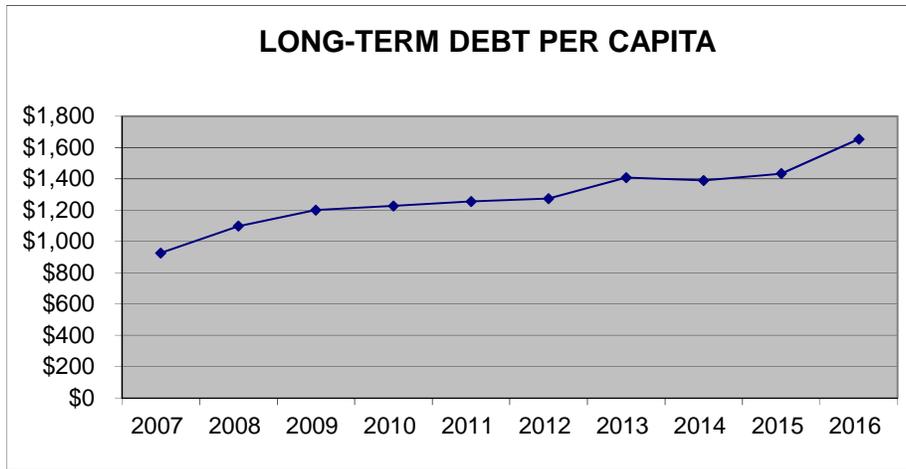
Source: City of Eau Claire Comprehensive Annual Financial Reports

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>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>2016</u>
Population	65,202	65,362	65,950	65,883	66,060	66,170	66,480	66,834	67,006	67,381
Equalized valuation	\$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	\$4,872,722
General obligation bonds	69,630	78,285	81,260	81,355	83,115	82,956	89,721	87,515	76,279	83,789
Promissory Notes	-	2,015	6,205	7,545	7,560	8,962	10,814	11,245	26,102	33,812
State trust fund loans	<u>308</u>	<u>236</u>	<u>630</u>	<u>592</u>	<u>517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term debt (1)	69,938	80,536	88,095	89,492	91,192	91,918	100,535	98,760	102,381	117,601
Resources on hand for payment of debt	<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>	<u>(6,154)</u>
Net long-term debt	<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>	<u>\$ 111,447</u>
Percent of net long-term debt to equalized value	1.47%	1.69%	1.84%	1.91%	1.95%	2.00%	2.16%	2.08%	2.06%	2.29%
Net long-term debt per capita (not in thousands)	\$927	\$1,099	\$1,201	\$1,228	\$1,256	\$1,275	\$1,408	\$1,390	\$1,434	\$1,654



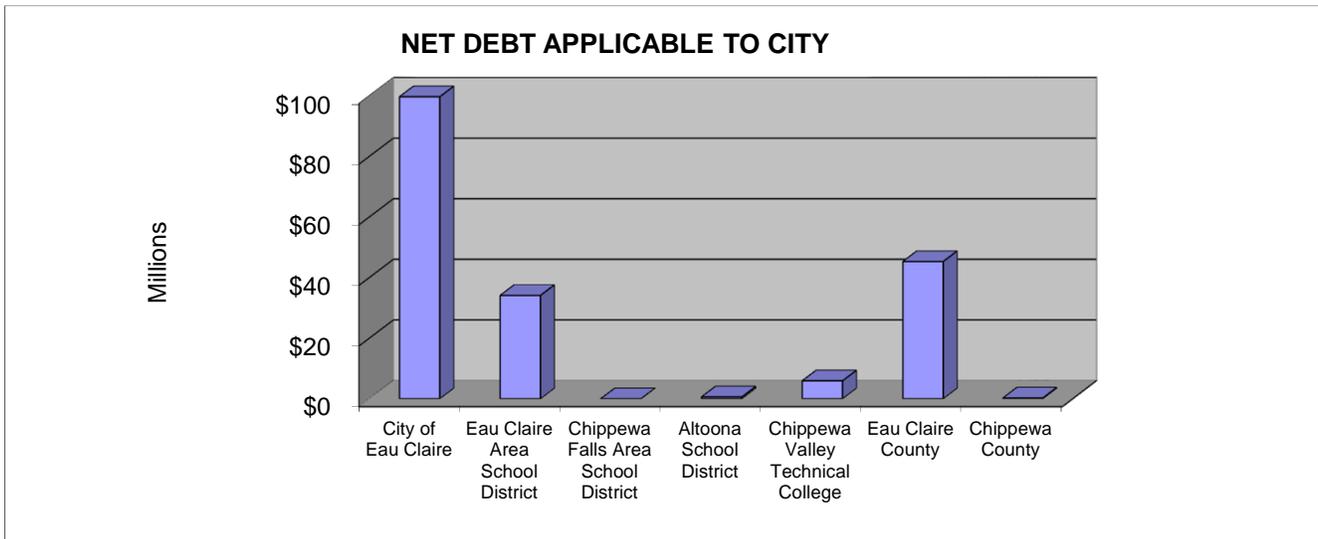
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

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, 2016

Governmental Unit	<u>Total Debt</u>	<u>Estimated Percentage Applicable To City (1)</u>	<u>Net Debt Applicable To City</u>
Direct debt:			
City of Eau Claire	\$ 99,659,634	100.00%	\$ 99,659,634
Indirect debt:			
Eau Claire Area School District	47,895,000	71.19%	34,096,091
Chippewa Falls Area School District	-	0.00%	-
Altoona School District	22,321,320	2.72%	606,412
Chippewa Valley Technical College	29,455,000	20.09%	5,916,942
Eau Claire County	78,285,000	57.84%	45,282,131
Chippewa County	<u>7,165,000</u>	3.50%	<u>250,968</u>
Total indirect debt	<u>185,121,320</u>		<u>86,152,544</u>
Total direct and indirect debt	<u>\$ 284,780,954</u>		<u>\$ 185,812,178</u>
Indirect debt per capita			\$ 1,279
Indirect debt as a % of equalized value			1.77%
Total direct and indirect debt per capita			\$ 2,758
Total direct and indirect debt as a % of equalized value			3.81%



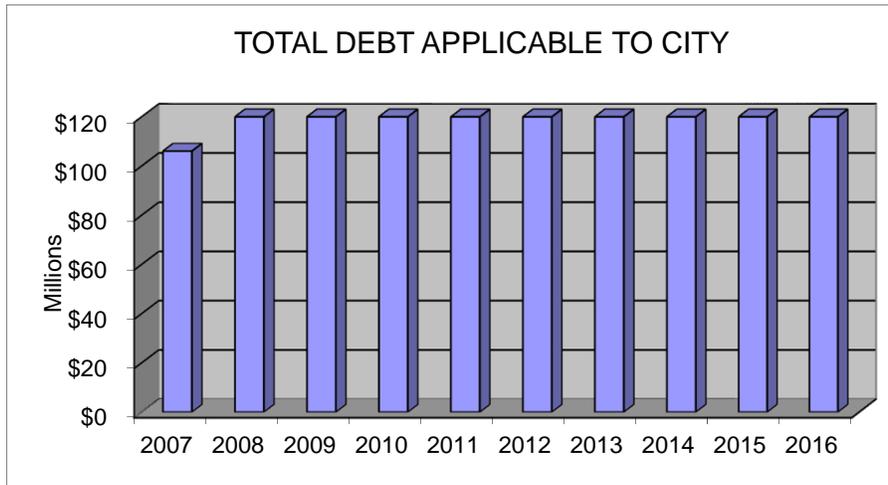
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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>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>2016</u>
Total debt applicable to City	\$106,074	\$124,713	\$129,213	\$129,133	\$162,524	\$172,390	\$181,242	\$184,913	\$187,935	\$203,753
Direct debt:										
General City	\$69,938	\$80,536	\$88,095	\$89,492	\$91,192	\$91,918	\$100,535	\$98,760	\$102,381	\$117,601
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	\$28,451	\$22,440	\$20,512	\$13,703	\$32,777	\$44,164	\$42,713	\$34,096	\$36,850	\$34,096
Percent	74.66%	74.60%	75.12%	74.09%	74.27%	74.03%	74.03%	74.02%	71.51%	71.19%
Chippewa Falls Area										
School District	\$3	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Percent	0.18%	0.18%	0.16%	0.24%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%
Altoona School District	\$221	\$183	\$176	\$156	\$142	\$118	\$42	\$606	\$634	\$606
Percent	2.95%	2.64%	2.65%	2.65%	2.68%	2.65%	2.67%	2.62%	2.73%	2.72%
C.V. Technical College	\$5,208	\$4,764	\$4,643	\$4,116	\$4,272	\$4,349	\$3,657	\$5,917	\$5,084	\$5,917
Percent	19.94%	19.83%	20.33%	20.22%	20.58%	20.69%	20.69%	20.89%	20.92%	20.09%
Eau Claire County	\$1,837	\$16,425	\$15,444	\$21,345	\$33,517	\$31,487	\$33,889	\$45,282	\$42,677	\$45,282
Percent	61.16%	61.10%	61.62%	60.72%	60.89%	60.65%	60.41%	60.29%	60.75%	57.84%
Chippewa County	\$416	\$364	\$343	\$320	\$624	\$354	\$406	\$251	\$309	\$251
Percent	3.55%	3.37%	3.50%	3.64%	3.64%	3.63%	3.64%	3.69%	3.59%	3.50%



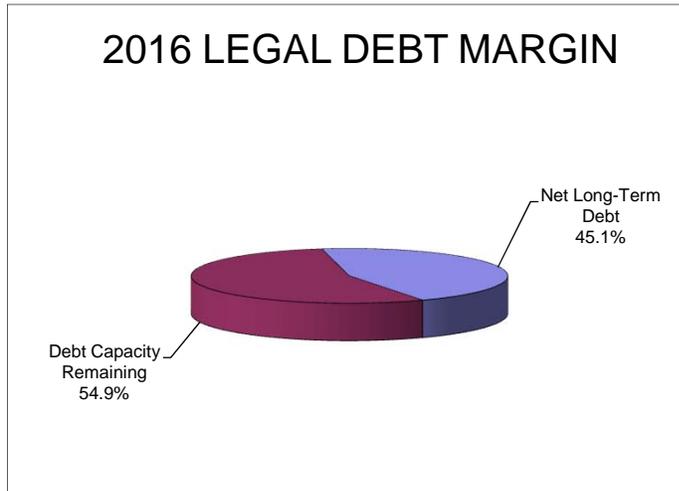
Source: City of Eau Claire Schedule of Long-Term Debt

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>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>2016</u>
Equalized valuation	\$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	\$4,872,722
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$205,509	\$212,747	\$215,797	\$211,231	\$212,373	\$211,186	\$216,283	\$223,080	\$233,223	\$243,636
Resources on hand for payment of debt	(\$9,504)	(\$8,735)	(\$8,888)	(\$8,609)	(\$8,226)	(\$7,555)	(6,910)	(5,880)	(6,273)	(6,154)
Net long-term debt (1)	\$60,434	\$71,801	\$79,207	\$80,883	\$82,966	\$84,363	\$93,625	\$92,880	94,842	109,981
Legal debt margin	\$145,075	\$140,946	\$136,590	\$130,348	\$129,407	\$126,823	\$122,658	\$130,200	\$138,381	\$133,655
Legal debt margin as a percentage of the debt limit	71%	66%	63%	62%	61%	60%	57%	58%	59%	55%



(1) NOTE: Excludes premium/discount on long-term debt.

Sources: City of Eau Claire Comprehensive Annual Financial Report
City of Eau Claire Annual Operating Budget

CITY OF EAU CLAIRE

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

	<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>2016</u>
<u>WATER UTILITY</u>										
Operating revenue	\$8,100	\$7,822	\$8,379	\$8,390	\$8,649	\$9,349	\$9,372	\$9,446	\$9,655	\$9,739
Operating expense (1)	\$3,609	\$4,110	\$4,230	\$4,280	\$4,120	\$5,686	\$5,670	\$6,349	\$5,776	\$4,446
Income available for debt service	4,491	3,712	4,149	4,110	4,529	3,663	3,702	3,097	3,879	5,293
Debt service current year (2)	\$1,062	\$1,244	\$3,176	\$1,094	\$1,156	\$1,154	\$1,160	\$2,685	\$417	\$413
Coverage	4.23	2.98	1.31	3.76	3.92	3.17	3.19	1.15	9.30	12.82
Debt service for highest principal and interest year in retirement schedule	\$1,244	\$1,243	\$1,163	\$1,163	\$1,163	\$1,163	\$1,163	\$557	\$557	\$557
Coverage on highest year	3.61	2.99	3.57	3.53	3.89	3.15	3.18	5.56	6.96	9.50
<u>SEWER UTILITY</u>										
Operating revenue	\$6,291	\$6,514	\$6,653	\$6,979	\$7,692	\$8,591	\$9,742	\$9,461	\$9,667	\$9,875
Operating expense (1)	\$4,100	\$4,485	\$4,639	\$5,069	\$4,975	\$6,775	\$6,886	\$7,383	\$7,637	\$5,565
Income available for debt service	\$2,191	\$2,029	\$2,014	\$1,910	\$2,717	\$1,816	\$2,856	\$2,078	\$2,030	\$4,310
Debt service current year (2)	\$528	\$520	\$0	\$0	\$0	\$0	\$0	\$376	\$946	\$2,741
Coverage	4.15	3.90	N/A	N/A	N/A	N/A	N/A	5.53	2.15	1.57
Debt service for highest principal and interest year in retirement schedule	\$520	\$0	\$0	\$0	\$0	\$0	\$1,041	\$2,423	\$2,725	\$2,775
Coverage on highest year	4.21	N/A	N/A	N/A	N/A	N/A	2.74	0.86	0.74	1.55

(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)

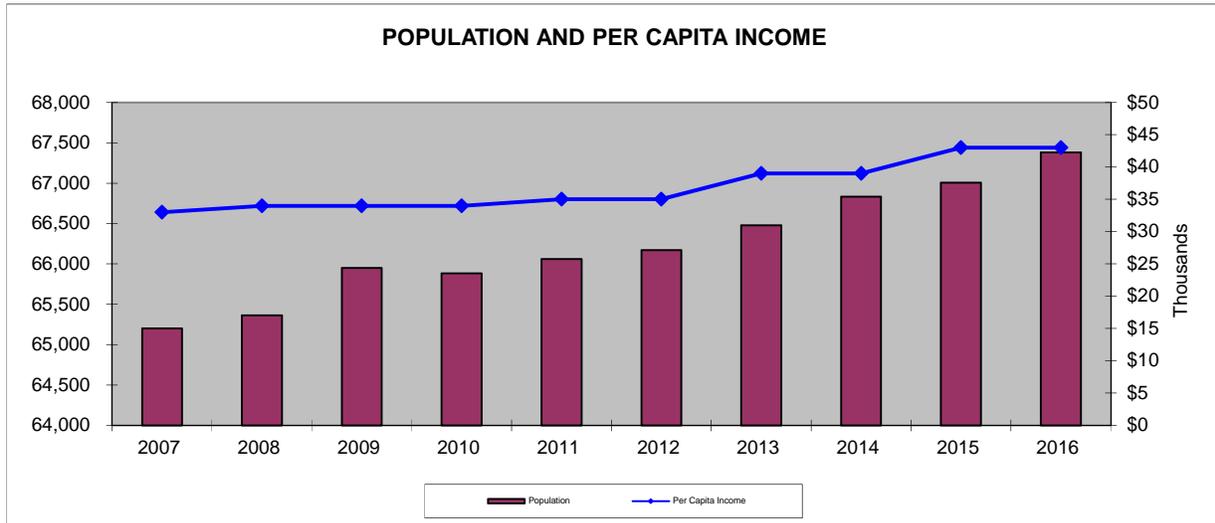
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Transfers to Debt Service fund	\$2,853	\$4,418	\$4,187	\$4,966	\$5,534	\$6,096	\$6,187	\$7,433	\$7,792	\$7,607
Total expenditures and other financing uses	\$47,775	\$48,966	\$51,108	\$52,623	\$54,065	\$56,330	\$56,570	\$58,192	\$61,134	\$59,272
Percent of debt transfers to expenditures and other financing uses	6.0%	9.0%	8.2%	9.4%	10.2%	10.8%	10.9%	12.8%	12.7%	12.8%

Source: City of Eau Claire Annual Operating Budget

CITY OF EAU CLAIRE

TABLE 29
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Dollars in Thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population	65,202	65,362	65,950	65,883	66,060	66,170	66,480	66,834	67,006	67,381
Consumer price index (1)	207.3	215.3	214.5	218.1	224.9	229.6	233.0	234.8	236.5	240.0
Per capita income (2)	\$33	\$34	\$34	\$34	\$35	\$35	\$39	\$39	\$43	\$43
Personal income	\$2,133,083	\$2,206,490	\$2,219,811	\$2,249,066	\$2,331,918	\$2,315,950	\$2,592,720	\$2,606,526	\$2,881,258	\$2,897,383
Unemployment rate E.C. Metro Area	4.5%	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.3%	3.8%
Area in square miles	33.47	33.77	33.88	33.90	33.91	33.99	34.26	34.28	34.35	34.35
Number of residential parcels	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995	20,056
Number of business properties	1,520	1,525	1,524	1,527	1,527	1,530	1,534	1,535	1,539	1,540
Acres devoted to business	3,271	3,281	3,282	3,287	3,287	3,290	3,318	3,334	3,340	3,342
Miles of street	341.4	341.7	341.9	343.4	343.3	344.5	344.6	345.0	346.6	345.0



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

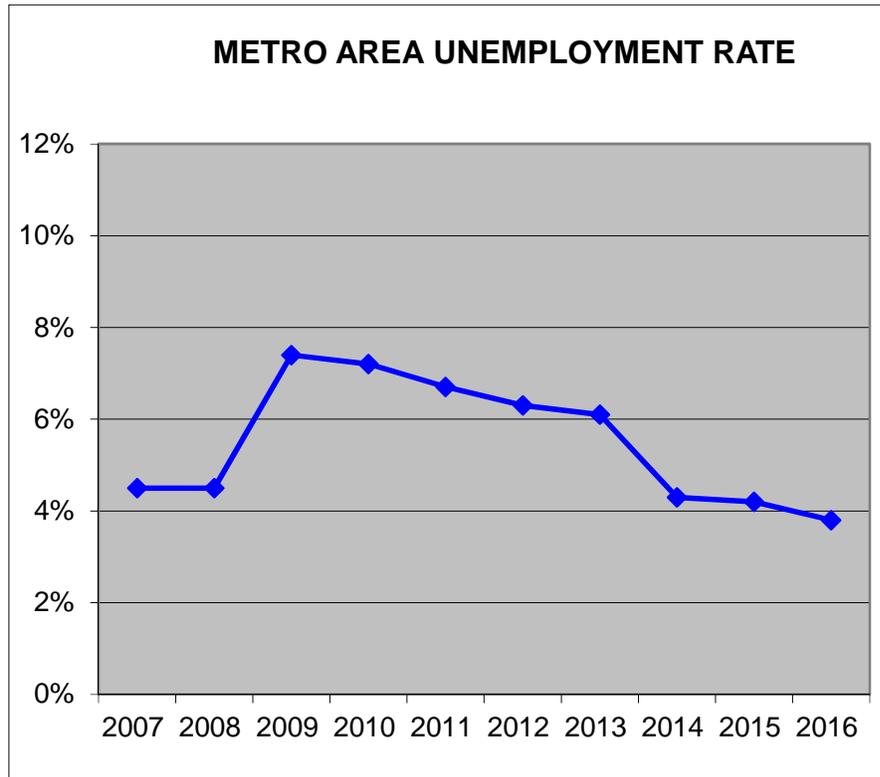
(2) Through 2009, U.S. Bureau of Economic Analysis; 2010 is estimated.

Sources: City of Eau Claire Department of Community Development
City of Eau Claire Public Works Department
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>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>2016</u>
Number of residential parcels	20,072	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995	20,056
Vacancy rates (percent):										
Residential	4.70	5.00	3.50	4.25	4.25	4.50	4.50	4.50	4.50	4.50
Commercial	4.75	5.90	7.09	8.18	7.60	8.00	9.11	12.92	10.68	8.35
Industrial	7.50	7.50	7.50	8.78	8.70	8.70	8.70	8.50	9.00	9.00
Unemployment rate E.C. Metro Area	4.5%	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.2%	3.8%



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

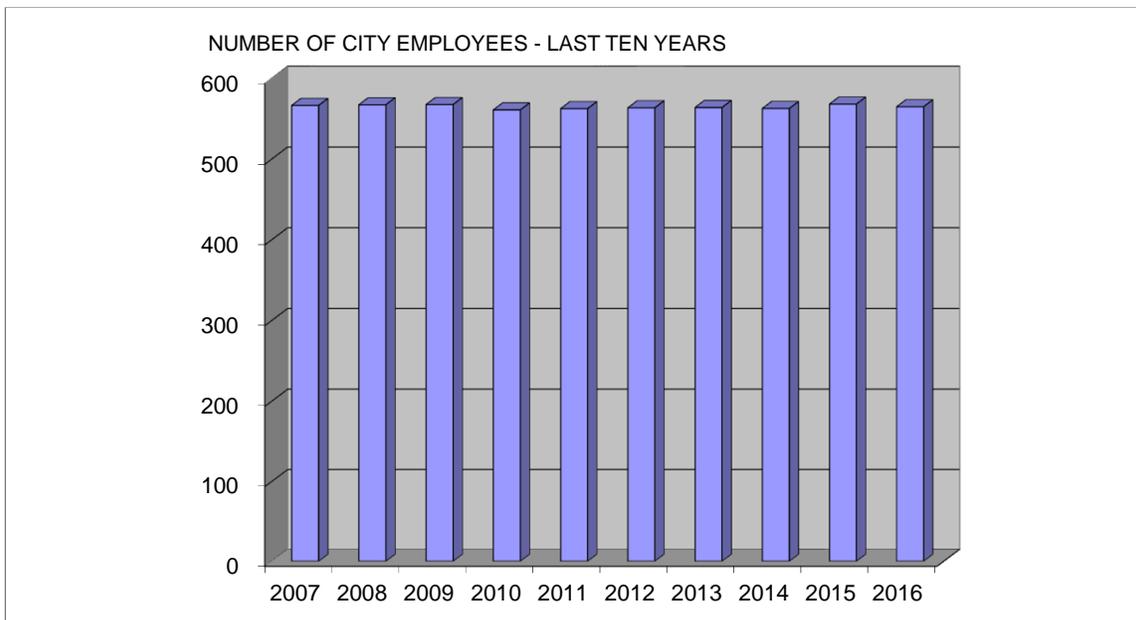
Employer	2016		2007	
	Employees	Rank	Employees	Rank
Mayo Clinic Health System	3000+	1	3000+	2
Menard's Inc.	3000+	2	4000+	1
Sacred Heart Hospital	1000+	3	1000+	6
Eau Claire Area School District	1000+	4	1000+	4
University of Wisconsin - Eau Claire	1000+	5	1000+	5
United Health Group	1000+	6	1000+	8
Marshfield Clinic - Eau Claire	500-999	7	500-999	9
Nestle Foods	500-999	8		
City of Eau Claire	500-999	9	500-999	10
CVTC	250-499	10	1000+	7
Hutchinson Technology			1000+	3

Source : Wisconsin Department of Workforce Development, Office of Economic Advisors

CITY OF EAU CLAIRE

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

	<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>2016</u>
General Government	49.0	49.3	49.3	47.8	47.8	47.8	47.8	47.8	48.8	48.8
Public Safety	223.0	226.0	227.0	228.0	229.0	231.0	230.8	230.8	231.8	232.8
Public Works	62.0	61.0	61.0	59.0	60.0	60.0	60.0	63.0	63.0	63.0
Culture and Recreation	35.8	35.0	34.0	33.0	32.0	32.0	32.0	29.0	28.0	29.0
Development	15.5	15.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Cemetery	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Library	37.5	36.9	37.6	36.5	36.4	36.0	36.3	36.1	36.1	36.1
Health Services	33.8	34.3	34.3	33.8	33.4	33.9	33.8	32.6	36.1	34.8
Water Utility	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Sewer Utility	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	22.5
Storm Water Utility	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Transit	37.5	37.5	37.5	37.5	38.5	38.5	38.0	38.0	38.0	38.0
Parking Utility	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Hobbs Ice Center	3.5	3.5	3.5	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Outdoor Pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central Equipment	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	9.0	9.0
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Employees	566.5	567.4	567.7	561.0	562.5	563.6	564.0	562.7	568.3	564.9



NOTES: 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.

CITY OF EAU CLAIRE

TABLE 32
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

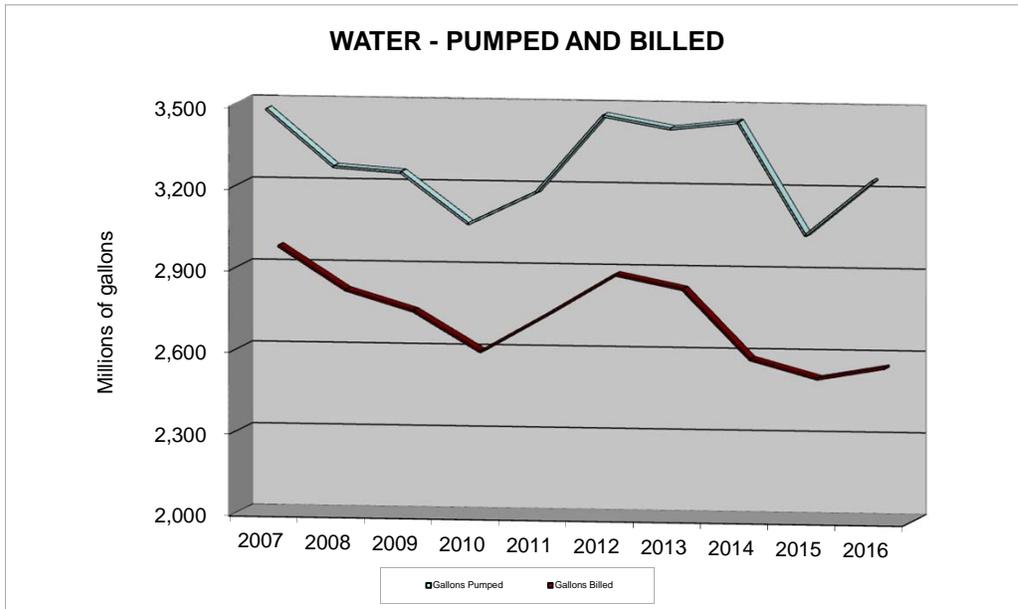
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Size of the City in square miles	33.47	33.77	33.88	33.90	33.90	33.99	34.26	34.28	34.35	34.35
Population	65,202	65,362	65,950	66,149	66,060	66,170	66,480	66,834	67,006	67,381
Number of City employees	494.3	496.3	495.8	490.8	492.8	493.8	494.0	496.0	496.0	494.0
Community Development										
Building permits issued	1,159	1,064	1,102	1,179	1,197	1,389	1,091	961	958	980
Police										
Calls for service	30,006	29,628	27,309	27,591	26,173	26,748	26,107	26,477	27,103	27,891
Adult arrests	5,891	6,465	5,604	5,388	4,202	4,217	4,025	4,069	3,925	4,736
Fire										
EMS responses	4,622	6,060	5,819	6,056	6,294	6,420	6,480	6,801	7,265	7,332
Fire responses	166	157	183	157	183	156	152	145	137	109
Fire inspections	5,893	6,005	3,962	3,925	3,865	4,000	4,268	4,230	4,500	4,903
Public Works										
Miles of street plowed/maintained	335	337	349	343	343	343	344	346	348	346
Vehicles and equipment in fleet	284	291	293	299	298	295	302	295	304	308
Parks & Recreation										
Neighborhood playground program attendance	10,368	9,148	6,549	4,741	4,450	1,870	752	-	-	-
Hobbs Ice Arena - rented hours	3,321	3,683	3,199	4,336	4,539	4,264	5,308	5,625	5,464	7,105
Outdoor Pool attendance	51,560	57,151	47,027	60,070	64,189	67,051	60,345	58,199	63,354	70,252
Library										
Volumes in collection	304,261	298,458	291,003	279,260	282,018	277,022	271,678	273,214	269,215	241,670
Circulation	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	979,431
Health Department										
Environmental Health Inspections	5,470	4,647	5,117	5,301	5,740	4,444	3,585	4,353	4,968	4,381
Number of lab analyses	21,858	19,308	18,817	17,152	21,223	21,595	18,226	13,163	10,495	21,239
Public Health Nurse visits	4,751	3,741	4,928	3,893	4,635	4,246	2,706	2,523	1,915	1,937
Water										
Meters in service	25,660	25,982	26,146	26,291	26,136	27,469	27,801	28,076	28,147	28,349
Average daily consumption (1,000 gallons)	8,122	7,690	7,490	7,096	7,476	7,881	7,746	7,269	7,080	7,198
Sewer										
Sewer customers	24,810	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007	26,135
Stormwater										
ERU rate	\$ 59.00	\$ 62.00	\$ 68.00	\$ 73.00	\$ 77.00	\$ 80.00	\$ 83.00	\$ 86.00	\$ 88.00	\$ 90.00
Transit										
Total route miles	900,099	960,910	1,008,425	1,040,069	996,349	1,078,552	1,077,649	1,136,003	1,199,008	1,280,029
Passengers	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	937,560

Source: Various City Department records and Annual Operating Budget

CITY OF EAU CLAIRE

TABLE 33
WATER UTILITY - PRODUCTION STATISTICS
Last Ten Fiscal Years

	<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>2016</u>
Average number of water customers	25,664	25,884	26,066	26,230	26,371	26,504	26,647	26,769	26,870	26,997
Total gallons pumped (in thousands)	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	3,255,365
Total gallons billed (in thousands)	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	2,550,167
Percent of water billed	85.02%	85.59%	83.79%	84.09%	85.38%	82.66%	82.28%	74.34%	82.12%	78.34%
Miles of main	366	368	368	369	375	374	392	392	386	380
Number of fire hydrants	3,671	3,703	3,696	3,747	3,831	3,893	3,948	3,980	4,020	3,844
Residential customer's average quarterly water bill	\$45.73	\$45.73	\$51.37	\$51.37	\$52.80	\$54.51	\$55.24	\$56.55	\$56.55	\$56.55



Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 34
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	<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>2016</u>
Police										
Patrol units	21	21	21	23	23	23	25	25	25	25
Unmarked vehicles	14	18	18	16	16	16	19	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	6	6	6	6	6	6	6	6	6	6
Public Works										
Miles of streets	341.4	341.7	341.9	343.4	343.3	344.5	344.6	345.0	346.6	340.0
Number of traffic signs installed/straightened	459	671	601	1249	684	973	1185	1304	797	803
Vehicles and equipment in fleet	284	291	293	299	298	295	302	295	304	308
Parks & Recreation										
Number of parks	32	32	32	35	35	35	35	35	36	36
Number of playgrounds	18	18	18	18	18	18	18	18	19	20
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	3	3	3	3	3	3	3
Water										
Water hydrants	3671	3703	3696	3747	3831	3893	3558	3677	3650	3670
Storage capacity (1)	15.5	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Sewer										
Miles of sewers	319	320	321	322	326	327	339	341	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	3
Surface lots	11	11	11	11	11	11	12	12	12	12
Transit										
Number of buses	22	22	22	22	22	22	22	22	22	22

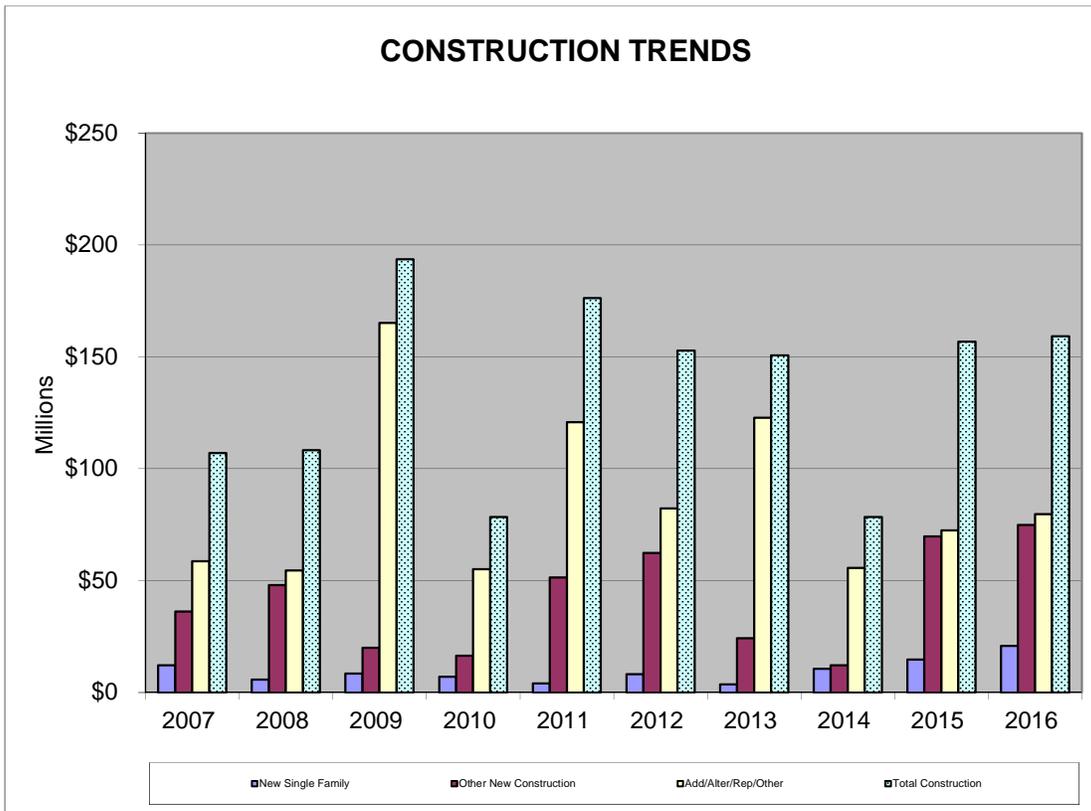
NOTES (1) - Numbers are in millions of gallons.

Sources: City department records
City of Eau Claire Annual Operating Budget
City of Eau Claire Comprehensive Annual Financial Report

CITY OF EAU CLAIRE

TABLE 35
PROPERTY VALUE AND CONSTRUCTION
Last Ten Fiscal Years
(Dollars in Thousands)

	<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>2016</u>
New single family dwellings: # of units	66	37	47	41	25	55	59	59	67	75
Value	\$12,203	\$5,780	\$8,407	\$6,971	\$4,002	\$8,181	\$3,665	\$10,603	\$14,748	\$20,754
Other new construction	\$36,100	\$47,992	\$20,002	\$16,417	\$51,448	\$62,332	\$24,158	\$12,146	\$69,707	\$74,875
Additions/alterations/repairs & all other types of const.	\$58,675	\$54,531	\$165,200	\$55,054	\$120,830	\$82,268	\$122,830	\$55,654	\$72,373	\$79,716
Total construction valuation	\$106,978	\$108,303	\$193,609	\$78,442	\$176,280	\$152,781	\$150,653	\$78,403	\$156,828	\$159,128
Number of permits	1,159	1,064	1,102	1,151	1,197	1,389	1,091	961	958	980



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

CITY OF EAU CLAIRE

TABLE 36
INSURANCE COVERAGES
December 31, 2016

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$550,000 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	\$255,625,282	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,037,158	\$5,000
Money and securities - broad form coverage	\$10,000	\$1,000
Crime Policy	\$1,000,000	\$100,000
Cyber Liability coverage	\$2,000,000	\$50,000
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	\$15,831,470	\$10,000
Collision	\$15,831,470	\$10,000
Transit		
Bodily injury and property damage liability	\$7,000,000	\$0

Source: City of Eau Claire Risk Manager