



City of Eau Claire

Eau Claire, Wisconsin

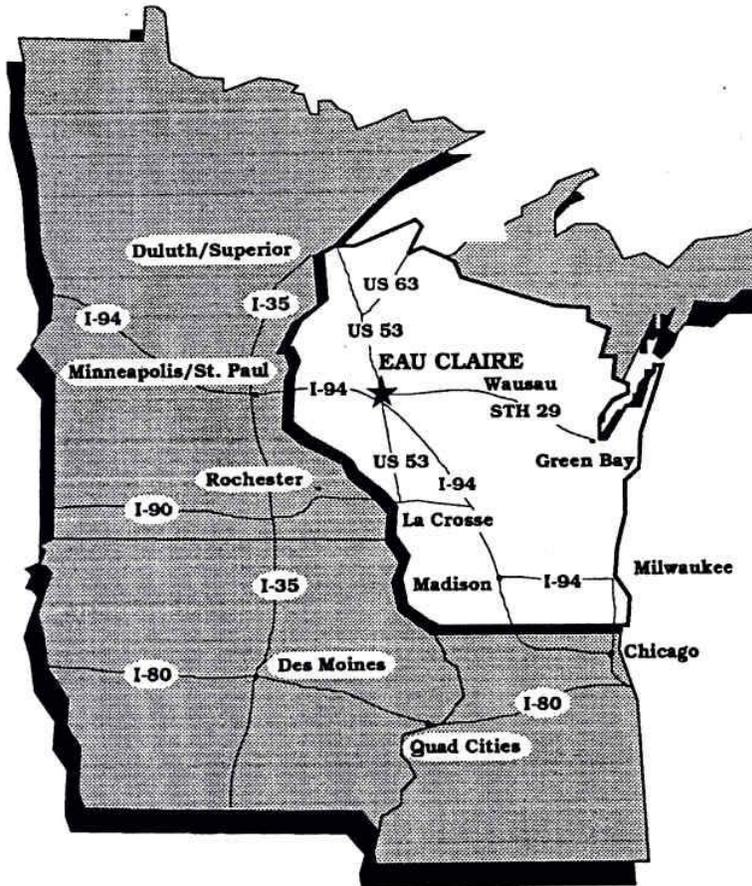
COMPREHENSIVE ANNUAL FINANCIAL REPORT
INCLUDING INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2017

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, 2017

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INTRODUCTORY SECTION

This section contains the following information:

- > Elected and Appointed Officials
- > Organizational Chart
- > Letter of Transmittal
- > Certificate of Achievement

CITY OF EAU CLAIRE, WISCONSIN
ELECTED AND APPOINTED OFFICIALS

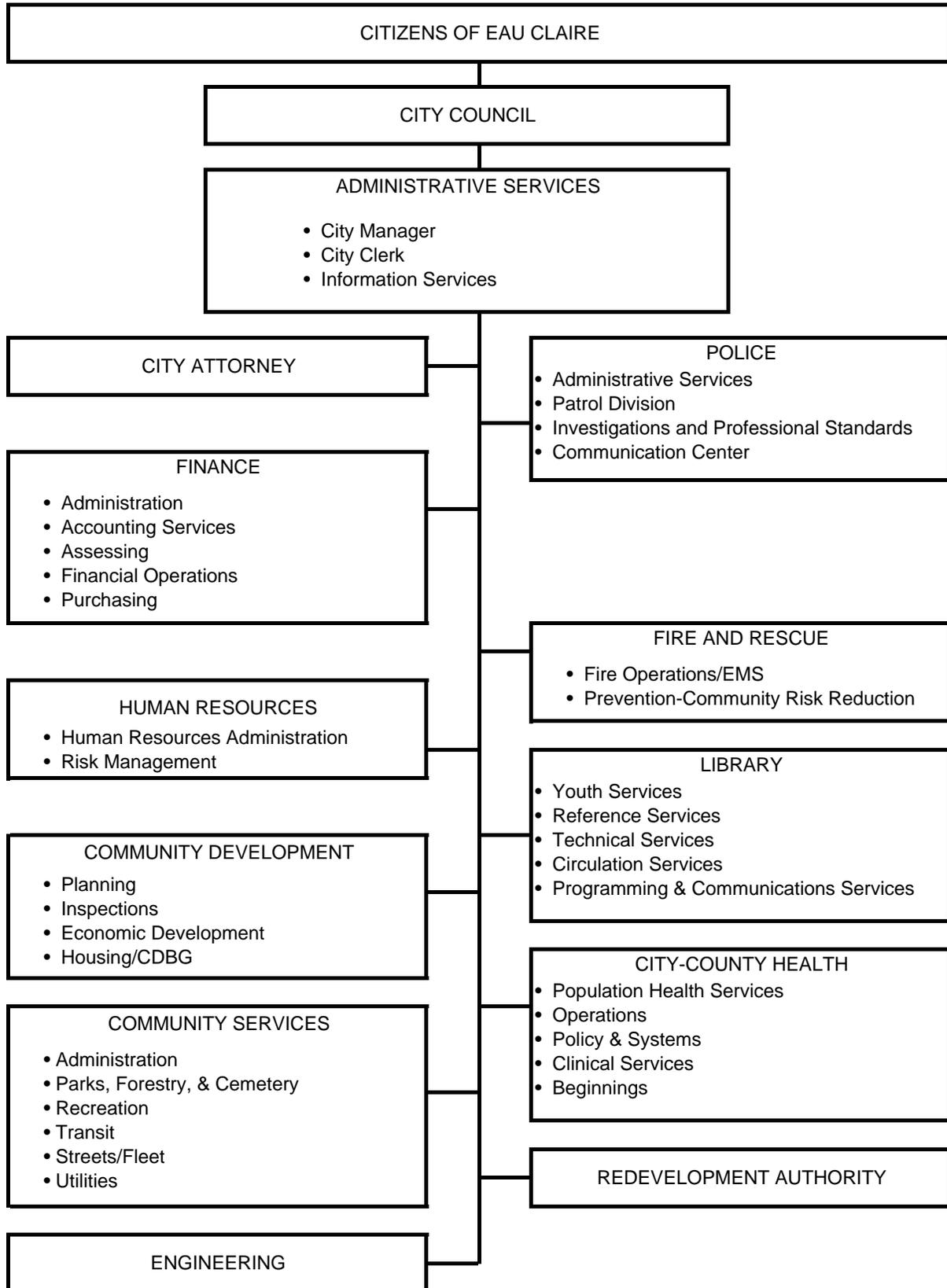
Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
Kerry J. S. Kincaid Council President	April 2017	April 2020
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
Terry L. Weld..... Council at Large	April 2017	April 2018
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
Jeffrey A. Pippenger.....	Director of Community Services
David A. Solberg.....	Director of Engineering
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
Carrie L. Riepl.....	City Clerk
Mike R. Schatz	Economic Development Administrator

Organizational Chart City of Eau Claire, Wisconsin





June 28, 2018

City Council
 Citizens of Eau Claire
 Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* for year ended December 31, 2017, 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 	

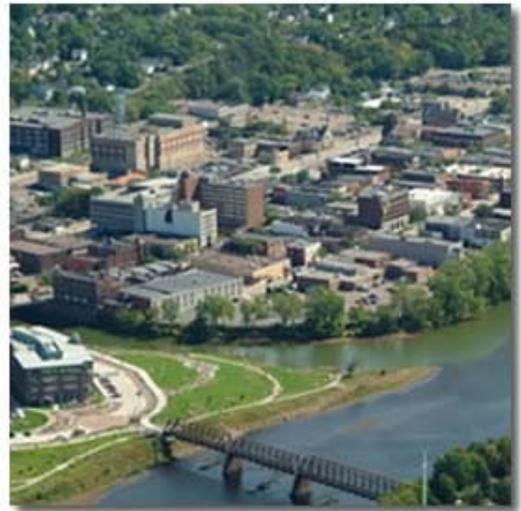
Capital Projects Funds	<ul style="list-style-type: none"> • Environmental Improvements • Land, Buildings & Equipment • Street Projects • Transportation Improvements • Bridge Projects • Parks & Recreation Projects 	<ul style="list-style-type: none"> • Library Buildings & Equipment • TIF #8 Downtown Area Development • TIF #9 NW Business Park Phase II • TIF #10 Confluence Project • TIF #11 Downtown • TIF #12 Water Street
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 2017, the population in Eau Claire is 67,926, 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 2018. 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 2017.

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. Nine 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. In 2017, a new comprehensive cancer center operated by the Marshfield Clinic Health System began construction in Eau Claire.



Marshfield Clinic



Mayo Clinic Health System



Sacred Heart Hospital

A Growing Regional Talent Pool

University of Wisconsin – Eau Claire and Chippewa Valley Technical College comprise two institutions of higher education that contribute to a growing talent pool in west-central Wisconsin. The two 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 2017 area tourism generated \$257 million in revenue in Eau Claire County, which created approximately 6,900 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 approximately 600 businesses that employ approximately 12,000 individuals. The service industry comprises the largest employer category in downtown Eau Claire, followed by retail trade, and government.

Major Initiatives

Capital Investments – Infrastructure and Services

In 2017, the new Carson Park Causeway was opened to the public. The causeway provides for improved access to Carson Park and includes a multi-use trail along both sides of the causeway, ADA accessible fishing piers, decorative lighting, boulevards, bike lanes, and additional recreational enhancements.



Carson Park Causeway

Construction on the City’s new Fire Station Number 10 began in 2017 and will be completed in 2018. The project was included in the City’s Capital Improvement Plan and the total cost for the new fire station will be approximately \$4.5 million. In addition to replacing a fire station that is 70 years old, the new fire station will include two more engine bays than the current station includes. Geography was also considered when preparing for a new fire station, and land was purchased to provide for a new station location that optimizes the department’s response time.



Current Fire Station Number 10

Phoenix Park and Haymarket Plaza area are two locations in downtown Eau Claire that have undergone recent dramatic changes. However, the two sites sit on opposite sides of the riverbank from one another. Approved in late 2017, work commenced on a pedestrian bridge that will link the two sites. Once the plaza and bridge are both finished, citizens will have a direct line of access from the Pablo Arts Center to Phoenix Park.



Downtown Pedestrian Bridge

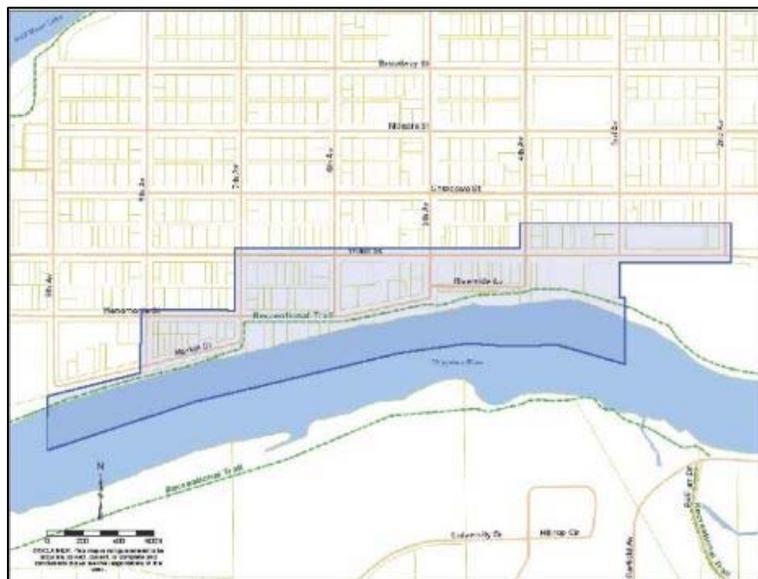
Capital Investments – Development and Redevelopment

Planning and site preparations are underway for the Cannery Redevelopment District. Plans for the District envision a redevelopment pattern similar to what occurred in the Phoenix Park area, with numerous mixed-use buildings and plentiful park space. Site preparations occurred during 2017 to prepare the area for new development, and land acquisition activities will continue through 2018.



Cannery Redevelopment District

The City's Tax Incremental District Number 12 was created in 2017 for the purpose of stimulating the expansion of mixed-use development and redevelopment projects in the Water Street area. In addition, the District will be used to fund housing revitalization in the Historic Randall Park Neighborhood. Projects to accomplish these goals include the reconstruction of riverfront pedestrian trail, expansion of a municipal parking lot, and neighborhood revitalization.



Tax Incremental District Number 12

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.

Yahoo Finance recognized Eau Claire as being among the ten best cities to retire on \$100 per day. The analysis focused on areas where retirees could live comfortably and affordably. Eau Claire’s low cost of living, easy access to high quality healthcare, recreational opportunities, and cultural events were all noted as being contributing factors.

Thrillist Travel named Eau Claire the best small town to visit in Wisconsin. The article noted the Eau Claire Music Festival set up by Bon Iver frontman and Eau Claire native Justin Vernon, 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.

Eau Claire was named as a leading location for economic and job growth by *Area Development*, an executive publication covering site selection, facility planning, and relocation. The publication ranked the Eau Claire Metropolitan Statistical Area (MSA) as 61st out of 365 MSAs in the country.

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

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

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.

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, 2017 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, 2016. 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, Vicki Franson, Accountant, Sandra Perz, 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, 2016. This was the thirty-third consecutive year that the government has achieved this prestigious award.

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

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



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, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section contains the following subsections:

- > Independent Auditors' Report
- > Management's Discussion and Analysis
- > Basic Financial Statements
- > Notes to Financial Statements
- > Pension and Other Postemployment Benefit Schedules
- > Combining and Individual Fund Statements and Schedules

Independent 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, 2017, 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.

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, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Eau Claire adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective January 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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, 2017 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, 2017 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, 2017, 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, 2017.

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, 2016 (not presented herein), and have issued our report thereon dated June 30, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended December 31, 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 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, 2016.

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 2016 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 30, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, 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

Eau Claire, Wisconsin
June 28, 2018

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, 2017. 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 \$601.4 million, total deferred outflows of \$23.7 million, total liabilities of \$224.6 million and total deferred inflows of \$55.1 million, resulting in a net position of \$345.4 million at the end of 2017. Of the net position, \$288.0 million represents the City's net investment in capital assets, \$23.2 million is held for restricted purposes and \$34.3 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2017, the City of Eau Claire's total net position increased by \$1.2 million from the 2016 restated net position, or approximately .4%.
- At the close of 2017, the City of Eau Claire's governmental funds reported ending fund balances of \$55.8 million, a net increase of \$1.3 million from 2016. The City originally budgeted for a \$2.7 million decrease in fund balance in the General Fund, however the General Fund had an increase in fund balance of \$.4 million, the Debt Service fund balance decreased by \$.2 million, while the other nonmajor governmental funds increased by \$1.1 million, these changes are discussed in more detail on page xxiv.
- During 2017, 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 \$23.1 million, excluding construction in progress, as shown in Note III-D of this report.

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 2016 to 2017, as the City's net position increased by approximately \$1.2 million, or about .4%. 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-I following the financial statements. Separately issued financial statements of the Redevelopment Authority may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Fund Financial Statements

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

Governmental Funds

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

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

Proprietary Funds

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer and Storm Water Utilities; data from the other proprietary funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements begin on page 9 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been allocated primarily to the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 114.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Eau Claire uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collection fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The fiduciary fund financial statement can be found on page 14 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 17 of this report.

Additional Supplementary Information

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Position* for the City of Eau Claire is summarized in the table on the following page. 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 \$345.4 million at the close of 2017. The majority of the net position, \$288.0 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>	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 136,786,766	\$ 132,441,977	\$ 28,626,619	\$ 28,998,143	\$165,413,385	\$ 161,440,120
Capital Assets (Net)	188,594,744	182,842,957	247,342,637	246,248,327	435,937,381	429,091,284
Total Assets	325,381,510	315,284,934	275,969,256	275,246,470	601,350,766	590,531,404
Deferred Outflows of Resources	20,896,124	25,232,136	2,834,391	3,571,550	23,730,515	28,803,686
Current Liabilities	7,746,286	5,843,192	2,083,272	2,867,254	9,829,558	8,710,446
Noncurrent Liabilities	153,718,091	132,012,527	61,033,586	63,278,033	214,751,677	195,290,560
Total Liabilities	161,464,377	137,855,719	63,116,858	66,145,287	224,581,235	204,001,006
Deferred Inflows of Resources	53,975,323	53,711,894	1,083,013	1,339,100	55,058,336	55,050,994
Net Investment in Capital Assets	108,081,249	106,818,444	189,245,423	186,039,230	297,326,672	292,857,674
Debt Reclassification	-	-	-	-	(9,356,569)	(10,272,317)
Total Net Investment in Capital Assets	108,081,249	106,818,444	189,245,423	186,039,230	287,970,103	282,585,357
Restricted	16,147,710	20,826,392	7,045,463	6,236,620	23,193,173	27,063,012
Unrestricted	6,608,975	21,304,621	18,312,890	19,057,783	24,921,865	40,362,404
Debt Reclassification	-	-	-	-	9,356,569	10,272,317
Total Unrestricted	6,608,975	21,304,621	18,312,890	19,057,783	34,278,434	50,634,721
Total Net Position	\$ 130,837,934	\$ 148,949,457	\$ 214,603,776	\$ 211,333,633	\$345,441,710	\$ 360,283,090
Total Net Position as a % of Total Liabilities/Deferred Inflows	61%	78%	334%	313%	124%	139%
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	3%	11%	29%	28%	12%	20%

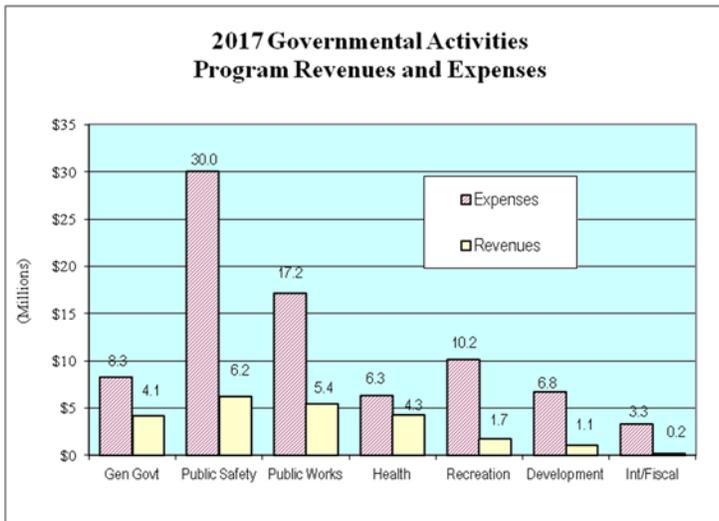
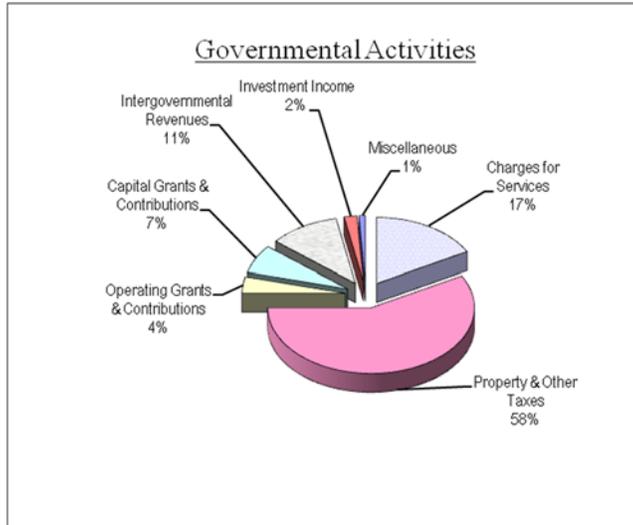
A relatively small portion of the City's net position, \$23.2 million or 6.7%, represents resources that are subject to other restrictions as to how they may be used. The amount available to meet the City's ongoing obligations to its citizens and creditors is \$34.3 million or 9.9% of total net position. It is important to note that \$18.3 million, or about 53.4%, 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 table below summarizes the City's governmental and business-type activities.

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

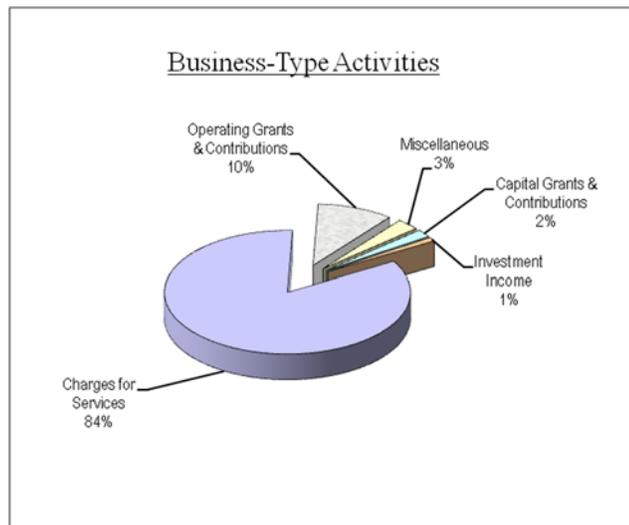
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues:						
Charges for services	\$ 13,813,060	\$ 13,557,772	\$ 27,387,141	\$ 26,410,407	\$ 41,200,201	\$ 39,968,179
Operating grants & contributions	3,539,417	3,707,932	3,420,451	3,356,138	6,959,868	7,064,070
Capital grants & contributions	5,680,238	14,487,135	535,454	959,371	6,215,692	15,446,506
General revenues:						
Property taxes	43,678,636	40,903,513	-	-	43,678,636	40,903,513
Other taxes	2,277,718	2,284,761	-	-	2,277,718	2,284,761
Intergovernmental revenues	8,636,848	8,592,189	-	-	8,636,848	8,592,189
Investment income	1,185,182	699,230	169,025	85,104	1,354,207	784,334
Miscellaneous	586,342	164,659	920,120	242,079	1,506,462	406,738
Total revenues	<u>79,397,441</u>	<u>84,397,191</u>	<u>32,432,191</u>	<u>31,053,099</u>	<u>111,829,632</u>	<u>115,450,290</u>
Expenses						
Program expenses:						
General government	8,302,415	8,488,859	-	-	8,302,415	8,488,859
Public safety	29,988,626	32,848,940	-	-	29,988,626	32,848,940
Public works	17,212,553	16,989,105	-	-	17,212,553	16,989,105
Health services	6,336,338	6,604,167	-	-	6,336,338	6,604,167
Culture and recreation	10,158,159	9,717,841	-	-	10,158,159	9,717,841
Development	6,802,760	3,489,797	-	-	6,802,760	3,489,797
Interest & fiscal charges	3,307,915	3,140,230	-	-	3,307,915	3,140,230
Water Utility	-	-	6,966,768	6,458,676	6,966,768	6,458,676
Sewer Utility	-	-	9,731,121	8,185,254	9,731,121	8,185,254
Storm Water Utility	-	-	3,298,068	3,398,280	3,298,068	3,398,280
Public Transit	-	-	6,138,377	6,017,649	6,138,377	6,017,649
Parking Utility	-	-	663,853	534,105	663,853	534,105
Hobbs Ice Center	-	-	1,234,173	1,201,063	1,234,173	1,201,063
Outdoor Pool	-	-	443,666	560,575	443,666	560,575
Total expenses	<u>82,108,766</u>	<u>81,278,939</u>	<u>28,476,026</u>	<u>26,355,602</u>	<u>110,584,792</u>	<u>107,634,541</u>
Increase in net position before transfers	(2,711,325)	3,118,252	3,956,165	4,697,497	1,244,840	7,815,749
Transfers	(424,403)	(9,523,442)	424,403	9,523,442	-	-
Change in net position	<u>(3,135,728)</u>	<u>(6,405,190)</u>	<u>4,380,568</u>	<u>14,220,939</u>	<u>1,244,840</u>	<u>7,815,749</u>
Net position at January 1	148,949,457	155,354,647	211,333,633	197,112,694	360,283,090	352,467,341
Effect of implementation of GASB 75	(14,975,795)	-	(1,110,425)	-	(16,086,220)	-
Net position at December 31	<u>\$130,837,934</u>	<u>\$148,949,457</u>	<u>\$214,603,776</u>	<u>\$211,333,633</u>	<u>\$345,441,710</u>	<u>\$360,283,090</u>

The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 58% of the revenue for governmental activities. State aids and other grants comprise another 22% while charges for services and all other sources are equal to 20% of revenues.



Another way to analyze the data in the *Statement of Activities* is to compare expenses of a particular program with revenues generated. The graph on the left reflects this comparison for 2017 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the chart on the right, 84% 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, 2017, the City of Eau Claire's *Balance Sheet - Governmental Funds* on page 4 reported combined ending fund balances of \$55.8 million, an increase of \$1.3 million over the previous year's ending balances. The net increase is due to an increase of \$.4 million in the General Fund, an increase of \$1.1 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 79.6% of revenues. Public safety, public works and general government were the primary operations of the General Fund. Of the \$67.6 million General Fund expenditures and other financing uses, 42.3% or \$28.6 million was for public safety, 13.2% or \$8.9 million for public works and 10.1% or \$6.8 million for general government.

The General Fund has a fund balance of \$28.8 million, an increase of \$.4 million from 2016. Several factor lead to the increase in fund balance including: a \$.5 million increase in current and advance repayments of special assessments, a \$.5 million increase in investment income due to improved market conditions, and a \$.2 million decrease in general government wages and benefits offset by a \$.9 million increase in public safety wages and benefits.

Of the fund balance, \$3.8 million is nonspendable, reflecting loans made to other funds and organizations, prepaid items and inventories. Assigned amounts include \$2.9 million for subsequent year capital projects, \$1.8 million for maintenance on an arterial thoroughfare. The unassigned fund balance is \$20.2 million.

The Debt Service Fund had a total fund balance of \$4.9 million, a decrease of \$.2 million from 2016. 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 2016 by \$1.1 million, primarily due to the long-term debt issued for the nonmajor capital project funds as indicated on pages 97 and 98.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from pages 9 to 13. The net position of the enterprise-type

proprietary funds at the end of 2017 totaled \$214.7 million, an increase of \$4.4 million from the previous year's restated net position.

Some highlights:

- Developers contributed \$.4 million of infrastructure to the Water, Sewer, and Storm Water Utilities.
- The enterprise funds had a collective income before contributions of \$3.4 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 74, the original 2017 General Fund budget authorized expenditures and other financing uses of \$69.5 million, funded by anticipated revenues and other financing sources of \$66.8 million and the application of \$2.7 million in available reserves. From time to time during the year, the City Council approved adjustments to the budget, primarily for grants and donations. These changes are reflected in the Final Budgeted Amounts column.

The City ended the year with net favorable variances. Revenues and other financing sources were over budget by \$.6 million due primarily to higher than anticipated advance payments of current special assessments.

The City experienced a favorable expenditure variance of \$1.9 million compared to the original adopted budget. Several factors contributed to the favorable variance, including: personnel costs were \$1.1 million under budget due to staff turnover and vacancies, contractual services were \$.6 million under budget, primarily due to under-expenses for the Engineering Department's GIS software, and supply expenses were \$.2 million under budget due to fewer winter road operations.

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, 2017 totaled \$677 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 \$241 million, or approximately 36% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is \$436 million. The net increase over 2016 is approximately \$7 million. The

largest increases were due to the construction of the water plant filtration system for \$2.9 million and \$1.4 million for new sewer mains.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2017	2016	2017	2016	2017	2016
Land	\$ 18,425,858	\$ 17,955,531	\$ 17,278,543	\$ 17,271,043	\$ 35,704,401	\$ 35,226,574
Improvements	12,206,281	12,092,860	4,074,543	4,011,015	16,280,824	16,103,875
Buildings	28,356,951	27,408,729	89,085,969	89,057,729	117,442,920	116,466,458
Infrastructure	206,403,122	200,176,842	210,021,777	203,963,869	416,424,899	404,140,711
Machinery and Equipment	41,020,516	39,232,825	28,360,855	26,499,013	69,381,371	65,731,838
Intangibles	7,939,387	7,809,964	251,204	45,080	8,190,591	7,855,044
Work in Progress	9,725,399	6,010,730	3,794,955	5,257,770	13,520,354	11,268,500
Subtotal	324,077,514	310,687,481	352,867,846	346,105,519	676,945,360	656,793,000
Less Accumulated Dep.	(135,482,770)	(127,844,524)	(105,525,210)	(99,857,193)	(241,007,980)	(227,701,717)
Total	<u>\$ 188,594,744</u>	<u>\$ 182,842,957</u>	<u>\$ 247,342,636</u>	<u>\$ 246,248,326</u>	<u>\$ 435,937,380</u>	<u>\$ 429,091,283</u>

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 2017 included the following:

<u>Significant Additions to Capital Assets in 2017</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Land and Buildings	\$1.4 M	-
Infrastructure	7.2 M	-
Machinery and Equipment	4.2 M	3.2 M
Distribution and Collection Systems	-	6.4 M

Long-Term Debt

At December 31, 2017, the City of Eau Claire had approximately \$161 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General Obligation Bonds & Notes	\$ 103,717,572	\$ 98,404,745	\$ 17,442,428	\$ 17,730,255	\$ 121,160,000	\$ 116,135,000
Revenue Bonds	-	-	39,341,337	42,330,041	39,341,337	42,330,041
Total	\$ 103,717,572	\$ 98,404,745	\$ 56,783,765	\$ 60,060,296	\$ 160,501,337	\$ 158,465,041

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. The City has set an internal debt goal, which seeks to remain below 3.5% or 70% of the maximum allowed by the state. General obligation debt of the City at the close of 2017 totaled \$121.2 million, along with amounts available for payment of principal, is approximately 45% of the maximum legal limit and 64% of the maximum allowed by the City's internal policy. During 2017, 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>
08/17/2017	General Obligation Corporate Purpose Bonds issued to finance street improvements, bridge improvements, a fire station, storm water projects, parks projects, TIF 10 projects, and TIF 11 projects.	\$12,395,000
08/17/2017	General Obligation Promissory Notes issued to finance streets and city hall improvement projects, and for the purpose of refunding 2007 street and storm water improvement bonds and 2007 water revenue bonds.	\$8,880,000

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

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

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City provides the Comprehensive Annual Financial Report on our web page (<http://www.ci.eau-claire.wi.us/government/financial-transparency/annual-financial-reports>). If anyone has any questions about this report or needs additional financial information about the City of Eau Claire, please contact the Finance Department at 203 South Farwell Street, Eau Claire, Wisconsin, 54701. Finance Department staff can also be reached at (715) 839-4915.

Basic Financial Statements

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

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
As of December 31, 2017

(With Comparative Reporting Entity Totals for December 31, 2016)

	Primary Government				Component Units	Totals Reporting Entity	
	Governmental Activities	Business- type Activities	Debt Reclassifications	Totals		2017	2016
ASSETS							
Cash and investments	\$ 60,673,795	\$ 17,438,687	\$ -	\$ 78,112,482	\$ 1,136,251	\$ 79,248,733	\$ 79,454,838
Taxes receivable, net	47,095,307	828,040	-	47,923,347	-	47,923,347	46,129,794
Special assessments receivable	4,515,010	227,474	-	4,742,484	175,000	4,917,484	6,846,661
Notes receivable, net	3,024,045	-	-	3,024,045	-	3,024,045	3,085,275
Accounts receivable, net	2,478,324	5,175,818	-	7,654,142	1,445	7,655,587	7,097,533
Interest receivable	106,792	-	-	106,792	-	106,792	86,151
Due from other governments	1,317,308	539,174	-	1,856,482	-	1,856,482	2,482,331
Internal balances	3,332,406	(3,332,406)	-	-	-	-	-
Prepaid items and inventories	1,832,755	511,789	-	2,344,544	-	2,344,544	2,254,048
Restricted assets							
Cash and investments	11,644,528	7,238,043	-	18,882,571	-	18,882,571	14,402,305
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Property held for resale	-	-	-	-	1,618,178	1,618,178	1,765,260
Capital assets							
Construction in progress	9,725,399	3,794,955	-	13,520,354	-	13,520,354	11,268,500
Land	18,425,858	17,278,543	-	35,704,401	-	35,704,401	35,226,574
Other capital assets, net of depreciation/amortization	160,443,487	226,269,139	-	386,712,626	-	386,712,626	382,596,210
Total Assets	325,381,510	275,969,256	-	601,350,766	2,930,874	604,281,640	593,461,976
DEFERRED OUTFLOWS OF RESOURCES							
Other postemployment benefit related amounts	3,292,302	266,107	-	3,558,409	-	3,558,409	-
Pension related amounts	17,603,822	2,517,320	-	20,121,142	-	20,121,142	28,620,822
Deferred charge on refunding	-	50,964	-	50,964	-	50,964	182,864
Total Deferred Outflows of Resources	20,896,124	2,834,391	-	23,730,515	-	23,730,515	28,803,686
LIABILITIES							
Accounts payable and accrued expenses	4,206,530	1,302,162	-	5,508,692	116,356	5,625,048	5,135,907
Accrued liabilities	2,969,941	695,462	-	3,665,403	-	3,665,403	3,187,395
Customer deposits	430,550	82,887	-	513,437	-	513,437	200,258
Due to other governments	139,265	2,761	-	142,026	-	142,026	191,416
Noncurrent liabilities							
Due within one year	10,998,821	4,108,164	-	15,106,985	-	15,106,985	14,801,234
Due in more than one year	142,719,270	56,925,422	-	199,644,692	-	199,644,692	180,489,326
Total Liabilities	161,464,377	63,116,858	-	224,581,235	116,356	224,697,591	204,005,536
DEFERRED INFLOWS OF RESOURCES							
Unearned revenues - time requirements	46,158,742	-	-	46,158,742	175,000	46,333,742	44,294,319
Other postemployment benefit related amounts	555,945	44,936	-	600,881	-	600,881	-
Pension related amounts	7,254,956	1,038,077	-	8,293,033	-	8,293,033	10,931,675
Deferred charge on refunding	5,680	-	-	5,680	-	5,680	-
Total Deferred Inflows of Resources	53,975,323	1,083,013	-	55,058,336	175,000	55,233,336	55,225,994
NET POSITION							
Net investment in capital assets	108,081,249	189,245,423	(9,356,569)	287,970,103	-	287,970,103	282,585,357
Restricted for:							
Debt service payments	5,837,788	1,666,463	-	7,504,251	-	7,504,251	8,178,030
Cemetery maintenance	184,786	-	-	184,786	-	184,786	174,446
Hazmat	175,014	-	-	175,014	-	175,014	143,999
Landfill Escrow	3,090	-	-	3,090	-	3,090	-
Community development	1,801,871	-	-	1,801,871	-	1,801,871	1,889,148
Home grant	1,093	-	-	1,093	-	1,093	26,752
Police department K9	455,340	-	-	455,340	-	455,340	503,290
Economic development	1,678,735	-	-	1,678,735	-	1,678,735	1,753,940
Community enhancement	102,331	-	-	102,331	-	102,331	87,121
Library	1,267,093	-	-	1,267,093	-	1,267,093	1,319,065
Health	1,471,079	-	-	1,471,079	-	1,471,079	1,198,287
Downtown	38,965	-	-	38,965	-	38,965	54,446
TIF projects	633,547	-	-	633,547	-	633,547	326,675
Capital contracts	1,395,491	-	-	1,395,491	-	1,395,491	5,983,366
Insurance deposits	1,101,487	-	-	1,101,487	-	1,101,487	1,025,447
Equipment replacement	-	5,379,000	-	5,379,000	-	5,379,000	4,399,000
Business improvement	-	-	-	-	194,123	194,123	157,020
Unrestricted	6,608,975	18,312,890	9,356,569	34,278,434	2,445,395	36,723,829	53,228,743
TOTAL NET POSITION	\$ 130,837,934	\$ 214,603,776	\$ -	\$ 345,441,710	\$ 2,639,518	\$ 348,081,228	\$ 363,034,132

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2016)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 8,302,415	\$ 3,872,997	\$ 82,194	\$ 187,327
Public safety	29,988,626	5,291,466	540,282	349,736
Public works	17,212,553	404,999	-	5,042,902
Health services	6,336,338	2,298,715	2,002,217	-
Culture and recreation	10,158,159	1,566,513	47,455	100,273
Development	6,802,760	378,370	690,384	-
Interest and fiscal charges	3,307,915	-	176,885	-
Total Governmental Activities	82,108,766	13,813,060	3,539,417	5,680,238
Business-type Activities				
Water Utility	6,966,768	9,647,682	-	307,508
Sewer Utility	9,731,121	10,483,196	3,230	190,153
Storm Water Utility	3,298,068	4,530,613	39,545	37,793
Public Transit	6,138,377	1,100,817	3,377,676	-
Parking Utility	663,853	627,623	-	-
Hobbs Ice Center	1,234,173	721,781	-	-
Outdoor Pool	443,666	275,429	-	-
Total Business-type Activities	28,476,026	27,387,141	3,420,451	535,454
Total Primary Government	\$ 110,584,792	\$ 41,200,201	\$ 6,959,868	\$ 6,215,692
Component Units				
Redevelopment Authority	\$ 236,304	\$ -	\$ 17,549	\$ -
South Barstow Business Improvement District	86,247	-	-	-
North Barstow/Medical Business Improvement District	32,780	-	-	-
West Grand Business Improvement District	10,631	-	-	-
Water Street Business Improvement District	10,252	-	600	-
Total Component Units	\$ 376,214	\$ -	\$ 18,149	\$ -
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 and property held for resale				
Contributions from City				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
NET POSITION - Beginning of Year				
<i>Prior period adjustment of OPEB related items</i>				
NET POSITION - Beginning of Year (as restated)				
NET POSITION - END OF YEAR				

Net (Expenses) Revenues and Changes in Net Position				Totals Reporting Entity	
Governmental Activities	Business-type Activities	Totals		2017	2016
		Primary Government	Component Units		
\$ (4,159,897)	\$ -	\$ (4,159,897)	\$ -	\$ (4,159,897)	\$ (4,499,992)
(23,807,142)	-	(23,807,142)	-	(23,807,142)	(26,671,928)
(11,764,652)	-	(11,764,652)	-	(11,764,652)	(3,494,503)
(2,035,406)	-	(2,035,406)	-	(2,035,406)	(2,816,522)
(8,443,918)	-	(8,443,918)	-	(8,443,918)	(7,042,438)
(5,734,006)	-	(5,734,006)	-	(5,734,006)	(2,045,077)
(3,131,030)	-	(3,131,030)	-	(3,131,030)	(2,955,640)
(59,076,051)	-	(59,076,051)	-	(59,076,051)	(49,526,100)
-	2,988,422	2,988,422	-	2,988,422	3,651,171
-	945,458	945,458	-	945,458	1,826,581
-	1,309,883	1,309,883	-	1,309,883	1,387,424
-	(1,659,884)	(1,659,884)	-	(1,659,884)	(1,614,429)
-	(36,230)	(36,230)	-	(36,230)	(111,792)
-	(512,392)	(512,392)	-	(512,392)	(502,274)
-	(168,237)	(168,237)	-	(168,237)	(266,367)
-	2,867,020	2,867,020	-	2,867,020	4,370,314
(59,076,051)	2,867,020	(56,209,031)	-	(56,209,031)	(45,155,786)
-	-	-	(218,755)	(218,755)	(216,732)
-	-	-	(86,247)	(86,247)	(100,082)
-	-	-	(32,780)	(32,780)	(151,619)
-	-	-	(10,631)	(10,631)	(12,010)
-	-	-	(9,652)	(9,652)	(11,304)
-	-	-	(358,065)	(358,065)	(491,747)
31,424,112	-	31,424,112	-	31,424,112	30,738,289
8,759,648	-	8,759,648	-	8,759,648	7,681,717
3,494,876	-	3,494,876	-	3,494,876	2,483,507
2,277,718	-	2,277,718	-	2,277,718	2,284,761
-	-	-	175,000	175,000	150,000
8,636,848	-	8,636,848	-	8,636,848	8,592,189
1,185,182	169,025	1,354,207	1,413	1,355,620	788,591
82,605	627,835	710,440	70,128	780,568	47,216
-	-	-	-	-	400,953
503,737	292,285	796,022	-	796,022	359,522
56,364,726	1,089,145	57,453,871	246,541	57,700,412	53,526,745
(424,403)	424,403	-	-	-	-
(3,135,728)	4,380,568	1,244,840	(111,524)	1,133,316	7,879,212
148,949,457	211,333,633	360,283,090	2,751,042	363,034,132	355,154,920
(14,975,795)	(1,110,425)	(16,086,220)	-	(16,086,220)	-
133,973,662	210,223,208	344,196,870	2,751,042	346,947,912	355,154,920
\$ 130,837,934	\$ 214,603,776	\$ 345,441,710	\$ 2,639,518	\$ 348,081,228	\$ 363,034,132

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2017

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 25,966,741	\$ 4,656,027	\$ 16,694,868	\$ 47,317,636
Receivables				
Taxes	42,927,341	77,716	4,077,984	47,083,041
Delinquent personal property taxes, net	12,266	-	-	12,266
Accounts, net	2,088,644	24,516	372,330	2,485,490
Notes, net	25,000	-	2,999,045	3,024,045
Special assessments	4,513,468	1,542	-	4,515,010
Interest	106,792	-	-	106,792
Due from other governments	223,417	-	1,080,432	1,303,849
Due from other funds	944,153	-	-	944,153
Prepaid items and inventories	1,050,387	-	140,913	1,191,300
Advances to other funds	3,202,056	301,300	1,400,000	4,903,356
Restricted assets - cash and investments	-	-	11,309,537	11,309,537
	\$ 81,060,265	\$ 5,061,101	\$ 38,075,109	\$ 124,196,475
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 596,331	\$ 3,650	\$ 3,426,910	\$ 4,026,891
Accrued liabilities	1,670,588	-	342,020	2,012,608
Deposits	427,822	-	2,728	430,550
Due to other governments	118,996	-	20,183	139,179
Due to other funds	-	-	790,757	790,757
Advances from other funds	-	-	3,651,145	3,651,145
Total Liabilities	2,813,737	3,650	8,233,743	11,051,130
Deferred Inflows of Resources				
Unearned revenues - time requirements	42,007,587	-	4,151,155	46,158,742
Unavailable revenues	7,412,618	103,774	3,719,360	11,235,752
Total Deferred Inflows of Resources	49,420,205	103,774	7,870,515	57,394,494
Fund Balances				
Nonspendable	3,785,171	-	140,913	3,926,084
Restricted	-	4,953,677	16,255,427	21,209,104
Committed	-	-	254,586	254,586
Assigned	4,828,248	-	9,736,364	14,564,612
Unassigned (deficit)	20,212,904	-	(4,416,439)	15,796,465
Total Fund Balances	28,826,323	4,953,677	21,970,851	55,750,851
	\$ 81,060,265	\$ 5,061,101	\$ 38,075,109	\$ 124,196,475

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, 2017

Total fund balance - governmental funds \$ 55,750,851

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

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year-end (excluding internal service funds) consist of:

Construction in progress	\$ 9,725,399	
Land	18,425,858	
Other capital assets, net of depreciation/amortization	160,443,487	
Less: Internal service fund included below	<u>(12,750,764)</u>	175,843,980

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:

(Premium)/discount on debt	(1,829,055)
Deferred charge on refunding of debt	(5,680)

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.

(73,547)

Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements.

These types of unavailable revenues at year-end consist of:

Delinquent personal property taxes receivable	12,267	
Accounts receivable	1,733,646	
Loan receivable	2,999,045	
Interest receivable	160,553	
Special assessments receivable	5,866,206	
Grants receivable	<u>464,035</u>	11,235,752

Some deferred outflows of resources do not relate to current financial resources and are not reported in the governmental funds.

Deferred outflows - OPEB related amounts	3,278,946
Deferred outflows - pension related amounts	17,300,417

Some deferred inflows of resources do not relate to current financial resources and are not reported in the governmental funds.

Deferred inflows - OPEB related amounts	(553,690)
Deferred inflows - pension related amounts	(7,134,377)

Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

26,778,300

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities at year-end (excluding internal service funds) consist of:

General obligation debt	(103,717,572)	
Vested compensated absences	(1,832,504)	
Other postemployment benefits	(41,018,784)	
Accrued interest on general obligation debt	(909,687)	
Net pension liability	<u>(2,275,416)</u>	<u>(149,753,963)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 130,837,934

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, 2017

	<u>General Fund</u>	<u>Debt Service - General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 40,722,147	\$ -	\$ 5,501,354	\$ 46,223,501
Special assessments	2,385,451	167,749	-	2,553,200
Intergovernmental	11,853,937	-	2,410,729	14,264,666
Licenses and permits	1,873,491	-	662,541	2,536,032
Fines, forfeitures and penalties	457,650	-	70,898	528,548
Charges for services - public	3,849,325	-	429,620	4,278,945
Charges for services - intergovernmental	3,503,146	-	2,220,486	5,723,632
Investment income	1,010,223	12,284	67,636	1,090,143
Miscellaneous	390,615	-	1,916,714	2,307,329
Total Revenues	<u>66,045,985</u>	<u>180,033</u>	<u>13,279,978</u>	<u>79,505,996</u>
EXPENDITURES				
Current				
General government	6,763,997	3,672	3,730	6,771,399
Public safety	28,621,536	-	172,894	28,794,430
Public works	8,949,646	-	1,202,332	10,151,978
Health services	-	-	6,096,160	6,096,160
Culture and recreation	4,205,776	-	3,889,826	8,095,602
Development	-	-	6,732,783	6,732,783
Miscellaneous	454,574	-	-	454,574
Capital Outlay	-	-	14,046,507	14,046,507
Debt Service				
Principal retirement	-	9,452,173	3,280,000	12,732,173
Interest and fiscal charges	-	2,562,611	791,089	3,353,700
Total Expenditures	<u>48,995,529</u>	<u>12,018,456</u>	<u>36,215,321</u>	<u>97,229,306</u>
Excess (deficiency) of revenues over expenditures	<u>17,050,456</u>	<u>(11,838,423)</u>	<u>(22,935,343)</u>	<u>(17,723,310)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	14,380,000	14,380,000
Refunding long-term debt issued	-	2,665,000	1,000,000	3,665,000
Premium on long-term debt issued	-	244,155	558,391	802,546
Transfers from other funds	1,815,559	8,764,422	9,898,467	20,478,448
Transfers to other funds	(18,589,177)	-	(1,820,025)	(20,409,202)
Proceeds from sale of capital assets	80,783	-	3,674	84,457
Total Other Financing Sources (Uses)	<u>(16,692,835)</u>	<u>11,673,577</u>	<u>24,020,507</u>	<u>19,001,249</u>
Net change in fund balances	357,621	(164,846)	1,085,164	1,277,939
FUND BALANCES - Beginning of Year	<u>28,468,702</u>	<u>5,118,523</u>	<u>20,885,687</u>	<u>54,472,912</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,826,323</u>	<u>\$ 4,953,677</u>	<u>\$ 21,970,851</u>	<u>\$ 55,750,851</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, 2017

Net change in fund balances - total governmental funds	\$ 1,277,939
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	14,046,507
Some capital outlay is not capitalized in the government-wide statements	(1,923,452)
Some functional expenditures are capitalized	2,262,536
Depreciation is reported in the government-wide statements	(8,603,333)
Capital assets transferred to business-type activities	(493,649)
Contributed assets are reported in the government-wide statements.	728,520
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.	
	(677,535)
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	(92,147)
Accounts receivable	(23,829)
Loan receivable	(219)
Interest receivable	107,255
Special assessments receivable	(1,103,564)
Grants receivable	119,151
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.	
	10,163
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.	
	12,732,173
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.	
	(18,045,000)

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	\$ (211,606)
Police and fire pensions	96,574
Permanent disability	248,125
Other postemployment benefit liability (and OPEB related deferred outflows/inflows of resources)	195,047
Net pension liability (and pension related deferred outflows/inflows of resources)	(2,935,202)

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.

(72,611)

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	(802,546)
Amortization of premium/(discount)	139,250
Amortization of deferred charge on refunding	(20,783)

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.

(93,492)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (3,135,728)

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds	Totals	
ASSETS						
Current Assets						
Cash and investments	\$ 4,645,158	\$ 9,954,952	\$ 1,409,328	\$ 1,429,249	\$ 17,438,687	\$ 13,356,159
Taxes receivable	366,933	330,152	130,955	-	828,040	-
Accounts receivable, net	1,980,206	1,992,549	1,042,113	160,950	5,175,818	66,381
Due from other governments	-	202,422	9,926	326,826	539,174	13,459
Inventories	316,027	-	-	185,521	501,548	638,064
Prepaid items	10,079	162	-	-	10,241	3,391
Restricted cash and investments	92,073	1,397,880	-	-	1,489,953	-
Total Current Assets	7,410,476	13,878,117	2,592,322	2,102,546	25,983,461	14,077,454
Noncurrent Assets						
Restricted assets						
Cash and investments	778,090	4,970,000	-	-	5,748,090	334,991
Deposit in insurance pools	-	-	-	-	-	766,496
Special assessment receivable	107,064	118,733	1,677	-	227,474	-
Advances to other funds	-	-	-	-	-	1,838,700
Capital assets						
Construction in progress	2,523,720	269,680	960,000	41,555	3,794,955	14,689
Land	317,174	220,012	16,091,161	650,196	17,278,543	247,199
Capital assets	100,079,039	134,234,147	60,245,373	37,235,790	331,794,349	27,354,868
Less: Accumulated depreciation/amortization	(35,396,398)	(38,289,048)	(16,353,797)	(15,485,967)	(105,525,210)	(14,865,992)
Total Capital Assets (Net of Accumulated Depreciation/Amortization)	67,523,535	96,434,791	60,942,737	22,441,574	247,342,637	12,750,764
Total Noncurrent Assets	68,408,689	101,523,524	60,944,414	22,441,574	253,318,201	15,690,951
Total Assets	75,819,165	115,401,641	63,536,736	24,544,120	279,301,662	29,768,405
DEFERRED OUTFLOWS OF RESOURCES						
Other postemployment benefit related amounts	106,236	72,496	3,558	83,817	266,107	13,356
Pension related amounts	799,716	653,344	149,791	914,469	2,517,320	303,405
Deferred charge on refunding	-	-	50,964	-	50,964	-
Total Deferred Outflows of Resources	905,952	725,840	204,313	998,286	2,834,391	316,761

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds	Totals	
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 550,198	\$ 201,138	\$ 310,080	\$ 240,746	\$ 1,302,162	\$ 179,639
Accrued payroll and payroll taxes	81,783	86,063	24,786	140,351	332,983	47,646
Accrued compensated absences	66,374	115,520	30,520	95,483	307,897	49,398
Accrued interest	22,265	-	124,274	23,360	169,899	-
Deposits	-	-	-	82,887	82,887	-
Due to other governments	-	-	-	2,761	2,761	86
Due to other funds	-	-	-	153,396	153,396	-
Current portion of advances	196,910	80,366	-	215,000	492,276	-
Current portion of general obligation debt	240,000	-	1,466,081	12,000	1,718,081	-
Current portion of unpaid claims	-	-	-	-	-	220,000
Liabilities payable from restricted assets:						
Current portion of revenue bonds	230,000	1,852,186	-	-	2,082,186	-
Accrued interest	34,573	158,007	-	-	192,580	-
Total Current Liabilities	1,422,103	2,493,280	1,955,741	965,984	6,837,108	496,769
Noncurrent Liabilities						
Advances from other funds	-	178,635	-	2,420,000	2,598,635	-
Revenue bonds payable	2,896,368	34,374,151	-	-	37,270,519	-
General obligation debt	2,909,503	-	12,843,325	277,861	16,030,689	-
Other postemployment benefits	1,328,985	906,900	44,516	1,048,531	3,328,932	167,080
Net pension liability	90,576	79,530	12,780	112,396	295,282	40,092
Unpaid claims	-	-	-	-	-	2,568,190
Total Noncurrent Liabilities	7,225,432	35,539,216	12,900,621	3,858,788	59,524,057	2,775,362
Total Liabilities	8,647,535	38,032,496	14,856,362	4,824,772	66,361,165	3,272,131
DEFERRED INFLOWS OF RESOURCES						
Other postemployment benefit related amounts	17,939	12,242	601	14,154	44,936	2,255
Pension related amounts	333,210	274,758	54,837	375,272	1,038,077	120,579
Total Deferred Inflows of Resources	351,149	287,000	55,438	389,426	1,083,013	122,834
NET POSITION						
Net investment in capital assets	60,719,197	60,029,371	46,377,057	22,119,798	189,245,423	12,707,804
Restricted for:						
Insurance deposits	-	-	-	-	-	1,101,487
Debt service payments	426,590	1,239,873	-	-	1,666,463	-
Equipment replacement	409,000	4,970,000	-	-	5,379,000	-
Unrestricted (deficit)	6,171,646	11,568,741	2,452,192	(1,791,590)	18,400,989	12,880,910
TOTAL NET POSITION	\$ 67,726,433	\$ 77,807,985	\$ 48,829,249	\$ 20,328,208	214,691,875	\$ 26,690,201
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(88,099)	
NET POSITION OF BUSINESS-TYPE ACTIVITIES					\$ 214,603,776	

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, 2017

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds		
OPERATING REVENUES						
Charges for services	\$ 9,647,682	\$ 10,483,196	\$ 4,530,613	\$ 2,725,650	\$ 27,387,141	\$ 3,371,459
Rental of equipment	-	-	-	-	-	3,284,905
Other	2,017	141,849	-	148,419	292,285	999,509
Total Operating Revenues	<u>9,649,699</u>	<u>10,625,045</u>	<u>4,530,613</u>	<u>2,874,069</u>	<u>27,679,426</u>	<u>7,655,873</u>
OPERATING EXPENSES						
Personal services	2,041,851	2,347,492	684,149	3,619,624	8,693,116	1,291,024
Contractual services	670,428	1,264,132	657,741	1,839,187	4,431,488	503,526
Supplies and materials	526,597	530,205	3,542	1,020,544	2,080,888	1,372,711
Utilities	573,262	615,402	98,470	394,907	1,682,041	222,427
Depreciation	1,922,545	3,002,852	983,389	1,224,919	7,133,705	1,667,085
Administrative	502,855	546,648	405,683	193,274	1,648,460	582,687
Claims	-	-	-	-	-	2,216,211
Total Operating Expenses	<u>6,237,538</u>	<u>8,306,731</u>	<u>2,832,974</u>	<u>8,292,455</u>	<u>25,669,698</u>	<u>7,855,671</u>
Operating income (loss)	<u>3,412,161</u>	<u>2,318,314</u>	<u>1,697,639</u>	<u>(5,418,386)</u>	<u>2,009,728</u>	<u>(199,798)</u>
NONOPERATING REVENUES (EXPENSES)						
Operating grants	-	3,230	-	3,377,676	3,380,906	-
Investment income	45,626	110,641	12,758	-	169,025	57,486
Net gain (loss) on disposal of capital assets	-	627,835	(11,290)	(47,575)	568,970	(5,122)
Interest and fiscal charges	(266,820)	(987,690)	(495,616)	(94,909)	(1,845,035)	-
IRS Build America Bond interest subsidy	-	-	39,545	-	39,545	-
Interest charged to construction	20,156	8,178	20,730	-	49,064	-
Write-off of special assessments receivable	(460,684)	(436,866)	-	-	(897,550)	-
Total Nonoperating Revenues (Expenses)	<u>(661,722)</u>	<u>(674,672)</u>	<u>(433,873)</u>	<u>3,235,192</u>	<u>1,464,925</u>	<u>52,364</u>
Income (loss) before transfers and contributions	<u>2,750,439</u>	<u>1,643,642</u>	<u>1,263,766</u>	<u>(2,183,194)</u>	<u>3,474,653</u>	<u>(147,434)</u>
Transfers from other funds	-	-	-	1,802,595	1,802,595	-
Transfers to other funds	(1,700,559)	-	-	(171,282)	(1,871,841)	-
Total Transfers	<u>(1,700,559)</u>	<u>-</u>	<u>-</u>	<u>1,631,313</u>	<u>(69,246)</u>	<u>-</u>
Income (loss) before contributions	1,049,880	1,643,642	1,263,766	(551,881)	3,405,407	(147,434)
Capital contributions	<u>307,508</u>	<u>190,153</u>	<u>531,442</u>	<u>-</u>	<u>1,029,103</u>	<u>-</u>
Change in net position	<u>1,357,388</u>	<u>1,833,795</u>	<u>1,795,208</u>	<u>(551,881)</u>	<u>4,434,510</u>	<u>(147,434)</u>
NET POSITION - Beginning of Year (as restated)	<u>66,369,045</u>	<u>75,974,190</u>	<u>47,034,041</u>	<u>20,880,089</u>		<u>26,837,635</u>
NET POSITION - END OF YEAR	<u>\$ 67,726,433</u>	<u>\$ 77,807,985</u>	<u>\$ 48,829,249</u>	<u>\$ 20,328,208</u>		<u>\$ 26,690,201</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(53,942)	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES					<u>\$ 4,380,568</u>	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds		
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES						
Cash received from customers	\$ 9,674,120	\$ 10,382,197	\$ 4,432,039	\$ 2,839,635	\$ 27,327,991	\$ 7,109,916
Cash paid to suppliers for goods and services	(1,858,363)	(2,462,267)	(763,116)	(3,305,464)	(8,389,210)	(2,686,143)
Cash paid to employees for services	(1,932,171)	(2,251,969)	(685,651)	(3,459,924)	(8,329,715)	(1,232,575)
Claims paid	-	-	-	-	-	(1,579,507)
Repayment of insurance claims	-	-	-	-	-	690,040
Administrative charges	(414,348)	(475,668)	(401,472)	(54,770)	(1,346,258)	-
Net Cash Flows From (Used By) Operating Activities	<u>5,469,238</u>	<u>5,192,293</u>	<u>2,581,800</u>	<u>(3,980,523)</u>	<u>9,262,808</u>	<u>2,301,731</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES						
Operating grants received	-	-	-	3,759,008	3,759,008	-
Negative cash implicitly financed	-	-	-	(476,461)	(476,461)	-
Transfers from other funds	-	-	-	1,262,913	1,262,913	-
Transfers to other funds	(1,700,559)	-	-	368,400	(1,332,159)	-
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,700,559)</u>	<u>-</u>	<u>-</u>	<u>4,913,860</u>	<u>3,213,301</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income	<u>45,626</u>	<u>110,641</u>	<u>12,758</u>	<u>-</u>	<u>169,025</u>	<u>57,486</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES						
Debt issued	680,000	25,000	2,550,000	-	3,255,000	-
Premium on debt issued	31,950	-	105,722	-	137,672	-
Debt retired	(1,305,000)	(1,803,704)	(3,411,427)	(11,400)	(6,531,531)	-
Special assessments received	45,448	52,707	603	-	98,758	-
Interest and fiscal charges paid	(257,286)	(971,237)	(515,456)	(6,676)	(1,750,655)	-
Interest subsidy received	-	-	39,815	-	39,815	-
Acquisition and construction of capital assets	(4,442,848)	(1,713,066)	(1,961,065)	(314,723)	(8,431,702)	(2,226,035)
Principal paid on capital advances from other funds	(183,172)	(74,933)	-	(215,000)	(473,105)	-
Interest paid on capital advances from other funds	(28,506)	(24,210)	-	(90,900)	(143,616)	-
Proceeds from sale of capital assets	-	649,966	-	-	649,966	136,045
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(5,459,414)</u>	<u>(3,859,477)</u>	<u>(3,191,808)</u>	<u>(638,699)</u>	<u>(13,149,398)</u>	<u>(2,089,990)</u>
Net Change in Cash and Cash Equivalents	<u>(1,645,109)</u>	<u>1,443,457</u>	<u>(597,250)</u>	<u>294,638</u>	<u>(504,264)</u>	<u>269,227</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,160,430</u>	<u>14,879,375</u>	<u>2,006,578</u>	<u>1,134,611</u>	<u>25,180,994</u>	<u>13,421,923</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,515,321</u>	<u>\$ 16,322,832</u>	<u>\$ 1,409,328</u>	<u>\$ 1,429,249</u>	<u>\$ 24,676,730</u>	<u>\$ 13,691,150</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents per Statement of Net Position	\$ 4,645,158	\$ 9,954,952	\$ 1,409,328	\$ 1,429,249	\$ 17,438,687	\$ 13,356,159
Restricted Cash and Cash Equivalents						
Current	92,073	1,397,880	-	-	1,489,953	-
Noncurrent	<u>778,090</u>	<u>4,970,000</u>	<u>-</u>	<u>-</u>	<u>5,748,090</u>	<u>334,991</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 5,515,321</u>	<u>\$ 16,322,832</u>	<u>\$ 1,409,328</u>	<u>\$ 1,429,249</u>	<u>\$ 24,676,730</u>	<u>\$ 13,691,150</u>

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ 3,412,161	\$ 2,318,314	\$ 1,697,639	\$ (5,418,386)	\$ 2,009,728	\$ (199,798)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities						
Noncash items included in income						
Depreciation	1,922,545	3,002,852	983,389	1,224,919	7,133,705	1,667,085
Depreciation charged to other accounts	174,445	1,639	-	-	176,084	-
Change in assets, deferred outflows, liabilities and deferred inflows						
Taxes receivable	15,442	(983)	1,869	-	16,328	-
Accounts receivable	(165,466)	(243,504)	(100,443)	(28,159)	(537,572)	144,083
Inventories	(9,233)	-	-	773	(8,460)	(16,605)
Prepaid items	209	1,534	-	120	1,863	2,999
Accounts payable	9,455	16,918	848	76,680	103,901	9,559
Due to other funds	-	-	-	10,918	10,918	-
Other liabilities	295	6,672	4,519	30,315	41,801	9,402
Other postemployment benefit related deferrals and liability	(7,528)	(5,140)	(252)	(5,939)	(18,859)	(946)
Unpaid claims	-	-	-	-	-	636,704
Pension related deferrals and liability	116,913	93,991	(5,769)	134,511	339,646	49,248
Deposits	-	-	-	(6,275)	(6,275)	-
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ 5,469,238</u>	<u>\$ 5,192,293</u>	<u>\$ 2,581,800</u>	<u>\$ (3,980,523)</u>	<u>\$ 9,262,808</u>	<u>\$ 2,301,731</u>

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

Developers, customers and other funds contributed capital assets of \$307,508 to the Water Utility, \$190,153 to the Sewer Utility, and \$531,442 to the Storm Water Utility. Write-offs of \$460,684 in the Water Utility and \$436,866 in the Sewer Utility were taken on the prior year special assessments receivable. The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2017:

Water Utility	\$ 528,467
Sewer Utility	179,083
Storm Water Utility	307,238
Nonmajor Enterprise Funds	31,915
Internal Service Funds	42,960

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUND

As of December 31, 2017

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 24,622,723
Taxes receivable	<u>44,952,220</u>
TOTAL ASSETS	<u>\$ 69,574,943</u>
LIABILITIES	
Due to other taxing units	<u>\$ 69,574,943</u>
TOTAL LIABILITIES	<u>\$ 69,574,943</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET POSITION
 COMPONENT UNITS
 As of December 31, 2017

	Redevelopment Authority	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Nonmajor Component Units	Totals
ASSETS					
CURRENT ASSETS					
Cash and investments	\$ 938,720	\$ 23,086	\$ 122,544	\$ 51,901	\$ 1,136,251
Receivables					
Special assessments	-	105,000	44,000	26,000	175,000
Accounts, net	1,445	-	-	-	1,445
Total Current Assets	<u>940,165</u>	<u>128,086</u>	<u>166,544</u>	<u>77,901</u>	<u>1,312,696</u>
NONCURRENT ASSETS					
Property held for resale	<u>1,618,178</u>	-	-	-	<u>1,618,178</u>
Total Noncurrent Assets	<u>1,618,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,618,178</u>
Total Assets	<u>2,558,343</u>	<u>128,086</u>	<u>166,544</u>	<u>77,901</u>	<u>2,930,874</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	<u>112,948</u>	<u>442</u>	-	<u>2,966</u>	<u>116,356</u>
Total Current Liabilities	<u>112,948</u>	<u>442</u>	<u>-</u>	<u>2,966</u>	<u>116,356</u>
Total Liabilities	<u>112,948</u>	<u>442</u>	<u>-</u>	<u>2,966</u>	<u>116,356</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - time requirements	<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	-	22,644	122,544	48,935	194,123
Unrestricted	<u>2,445,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,445,395</u>
TOTAL NET POSITION	<u>\$ 2,445,395</u>	<u>\$ 22,644</u>	<u>\$ 122,544</u>	<u>\$ 48,935</u>	<u>\$ 2,639,518</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, 2017

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, 2017

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

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

Redevelopment Authority of the City of Eau Claire

The government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the RDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2017. Separately issued financial statements of the RDA of the City of Eau Claire may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Business Improvement Districts (BIDs)

The government-wide financial statements include the South Barstow Business Improvement District, North Barstow/Medical Business Improvement District, West Grand Business Improvement District, and the Water Street Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.I. As major component units, the financial statements of the South Barstow Business Improvement District and the North Barstow/Medical Business Improvement District have been presented as discrete columns in the financial statements. As nonmajor component units, the remaining BIDs financial statements have been combined and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2017. Separate financial statements are not issued by the BIDs.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2017.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017

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.

The City reports the following nonmajor governmental and enterprise funds:

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

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

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

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Fund Financial Statements (cont.)

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

- TIF No. 8 Downtown Development
- TIF No. 9 Gateway Northwest Business Park Overlay
- TIF No. 10 Confluence Project
- TIF No. 11 Downtown Mixed Use
- TIF No. 12 Water Street
- Bridge Projects
- Street Projects
- Transportation Improvements
- 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
- Public Transit
- Parking Utility

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, 2017

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. At year end, there were \$1,813,878 of unrecorded deferred assessments which are not recorded as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

Fund Financial Statements (cont.)

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.

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility and other enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

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

1. Deposits and Investments

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

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

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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.)

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.
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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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.

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. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2017, 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, 2017

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 – 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale – 2017 delinquent real estate taxes	October 2020

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, and Public Library Fund have recorded allowances of \$2,469,019, \$3,262, and \$114,084, 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 \$130,000.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

Governmental 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 \$334,991. 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 acquisition value at the date of donation.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, \$49,064 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 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, 2017

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, 2017 are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations

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.

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, 2017

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/amortization 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. See the Debt Reclassifications column on the Statement of Net Position.

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, 2017

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 \$20,212,904, or 28%, and included as unassigned General Fund balance. Of that amount, \$7,200,800 is designated for working capital.

See Note III.G for further information.

11. Pension

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

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, 2016, from which the summarized information was derived.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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 8, 2016 and effective January 1, 2017.

Storm Water Utility

Current rates in the Storm Water Utility were approved by the City Council on November 8, 2016 and effective January 1, 2017.

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, 2017, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Debt Service – TIF No. 7	\$ 412,414	Expenditures in excess of revenues
TIF No. 8 Downtown Development	3,732,133	Expenditures in excess of revenues
TIF No. 12 Water Street	1,000	Expenditures in excess of revenues

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	\$ 79,248,733
Restricted cash and investments	18,824,809
Per statement of assets and liabilities – agency fund	<u>24,622,723</u>
Total	<u>\$ 122,696,265</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 7,445
Deposits with financial institutions	7,732,478
Investments	<u>114,956,342</u>
Total Cash and Investments	<u>\$ 122,696,265</u>

See Note III.I. for component unit information.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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	\$ 7,732,478	\$ 8,773,015	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, 2017, 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	\$ 41,053,165	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk
Negotiable certificates of deposit	989,529	Custodial credit risk, credit risk, interest rate risk, concentration of credit risk
LGIP	70,423,848	Credit risk
U.S. treasuries	2,489,800	Custodial credit risk, interest rate risk
Total Investments	\$ 114,956,342	

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, 2017

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
- > Automated method – IDC CD Pricing

Investment Type	December 31, 2017			Total
	Level 1	Level 2	Level 3	
U.S. agencies	\$ -	\$ 41,053,165	\$ -	\$ 41,053,165
Negotiable certificates of deposit	-	989,529	-	989,529
U.S. treasuries	2,489,800	-	-	2,489,800
Totals	\$ 2,489,800	\$ 42,042,694	\$ -	\$ 44,532,494

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, 2017, the City's investments were rated as follows:

Investment Type	Moody's Investor Service
U.S. agencies – implicitly guaranteed	Aaa
Negotiable certificates of deposit	Aaa

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

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

As of December 31, 2017, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Bullet	01/03/2018	N/A	\$ 1,249,950
FFCB Bullet	04/18/2018	N/A	1,247,275
FHLMC Bullet	06/27/2018	N/A	2,994,600
FHLMC Callable	09/13/2018	03/13/2018	1,990,840
FHLMC Callable	11/30/2018	02/28/2018	1,985,020
FHLMC Bullet	12/14/2018	N/A	1,985,080
FHLB Callable	02/12/2019	01/08/2018	1,980,800
FFCB Callable	05/03/2019	01/10/2018	1,978,480
FHLB Callable	06/21/2019	03/21/2018	1,978,060
FHLMC Callable	09/30/2019	03/30/2018	1,962,420
FHLB Bullet	03/13/2020	N/A	1,991,140
FHLMC Callable	10/29/2020	01/29/2018	1,973,580
FHLMC Callable	02/26/2021	02/26/2018	1,986,960
FHLB Callable	08/23/2021	02/23/2018	2,968,560
FHLMC Callable	08/25/2021	02/25/2018	1,962,020
FHLMC Callable	10/25/2021	01/25/2018	1,954,400
FNMA Callable	10/28/2021	01/28/2018	1,935,160
FHLMC Callable	11/30/2021	02/28/2018	1,949,180
FHLB Callable	12/16/2021	03/16/2018	1,991,780
FHLB Bullet	12/13/2019	N/A	1,008,080
FHLMC Callable	09/29/2022	03/29/2018	1,979,780
Capital One Bank CD	12/20/2019	N/A	247,447
Capital One Nat'l Assn CD	12/20/2019	N/A	247,447
Morgan Stanley Dean Witter Bank CD	12/23/2019	N/A	247,437
Morgan Stanley Private Bank CD	12/23/2019	N/A	247,198
US Treasury Note	07/15/2018	N/A	1,245,512
US Treasury Note	11/15/2018	N/A	1,244,288
Total			<u>\$ 44,532,494</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk

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

At December 31, 2017, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLMC	U.S. agencies – implicitly guaranteed	20%
FHLB	U.S. agencies – implicitly guaranteed	11%

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

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	\$ 52,365,947	\$ 2,469,019	\$ 49,896,928	\$ 4,327,180
Debt Service - General	103,774	-	103,774	13,328
Nonmajor Funds	8,777,137	247,346	8,529,791	2,860,760
Internal Service Funds	79,840	-	79,840	52,728

Business-type Activities

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,454,203	-	\$ 2,454,203	107,064
Sewer Utility	2,643,856	-	2,643,856	118,733
Storm Water Utility	1,184,671	-	1,184,671	1,677
Nonmajor Funds	487,776	-	487,776	-

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	\$ 45,761,985	\$ -
Delinquent property taxes receivable	-	12,267
Accounts receivable	212,802	1,733,646
Loan receivable	-	2,999,045
Interest receivable	-	160,553
Special assessments not yet due	-	5,866,206
Grants receivable	-	464,035
Funds received in advance	183,955	-
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 46,158,742	 \$ 11,235,752

Notes Receivable

At December 31, 2017, 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 \$1,706,847 at December 31, 2017. The balance includes 158 loans, which are all required to be secured by a lien on the property. Some loans require installment payments and some 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 \$1,292,198 at December 31, 2017. This balance is comprised of 17 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, 2017

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, 2017:

	Governmental Activities	Business-type Activities
Restricted Assets		
Restricted cash and investments		
Redemption account	\$ -	\$ 1,489,953
Reserve account	-	369,090
Depreciation account	-	1,179,000
Equipment replacement account	-	4,200,000
Revolving loan sequestered funds	376,895	-
Construction account	10,932,642	-
Insurance claims account	334,991	-
Total Restricted Assets	\$ 11,644,528	\$ 7,238,043

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated/ Amortized				
Construction in progress	\$ 6,010,730	\$ 5,770,000	\$ 2,055,331	\$ 9,725,399
Land	17,955,531	471,380	1,053	18,425,858
Total Capital Assets Not Being Depreciated/Amortized	<u>\$ 23,966,261</u>	<u>\$ 6,241,380</u>	<u>\$ 2,056,384</u>	<u>\$ 28,151,257</u>
Capital Assets Being Depreciated/ Amortized				
Land improvements	\$ 12,092,860	\$ 113,421	\$ -	\$ 12,206,281
Buildings	27,408,729	948,222	-	28,356,951
Machinery and equipment	39,232,825	4,223,917	2,436,226	41,020,516
Intangibles	7,809,964	149,516	20,093	7,939,387
Infrastructure	200,176,842	7,219,780	993,500	206,403,122
Total Capital Assets Being Depreciated/Amortized	<u>286,721,220</u>	<u>12,654,856</u>	<u>3,449,819</u>	<u>295,926,257</u>
Less: Accumulated Depreciation/ Amortization for				
Land improvements	(5,418,475)	(563,047)	-	5,981,522
Buildings	(14,078,240)	(642,612)	-	14,720,852
Machinery and equipment	(22,299,117)	(3,009,466)	1,698,457	23,610,126
Intangibles	(873,624)	(289,049)	20,093	1,142,580
Infrastructure	(85,175,068)	(5,766,244)	913,622	90,027,690
Total Accumulated Depreciation/Amortization	<u>(127,844,524)</u>	<u>(10,270,418)</u>	<u>2,632,172</u>	<u>(135,482,770)</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>\$ 158,876,696</u>	<u>\$ 2,384,438</u>	<u>\$ 817,647</u>	<u>\$ 160,443,487</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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	\$ 315,542
Public safety	1,399,448
Public works, which includes the depreciation of infrastructure	6,999,789
Health services	35,882
Culture and recreation	1,506,370
Development	<u>13,387</u>
 Total Governmental Activities Depreciation/Amortization Expense	 <u><u>\$ 10,270,418</u></u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets Not Being Depreciated/Amortized				
Construction in progress	\$ 5,257,770	\$ 2,628,679	\$ 4,091,494	\$ 3,794,955
Land	<u>17,271,043</u>	<u>7,500</u>	<u>-</u>	<u>17,278,543</u>
 Total Capital Assets Not Being Depreciated/Amortized	 <u><u>\$ 22,528,813</u></u>	 <u><u>\$ 2,636,179</u></u>	 <u><u>\$ 4,091,494</u></u>	 <u><u>\$ 21,073,498</u></u>
 Capital Assets Being Depreciated/Amortized				
Improvements	\$ 4,011,015	\$ 63,528	\$ -	\$ 4,074,543
Buildings	89,057,729	33,253	5,013	89,085,969
Distribution and collection systems	203,050,532	6,433,572	375,664	209,108,440
Source of supply system	913,336	-	-	913,336
Machinery and equipment	26,499,015	3,225,539	1,363,697	28,360,857
Intangibles	<u>45,080</u>	<u>206,124</u>	<u>-</u>	<u>251,204</u>
 Total Capital Assets Being Depreciated/Amortized	 <u><u>323,576,707</u></u>	 <u><u>9,962,016</u></u>	 <u><u>1,744,374</u></u>	 <u><u>331,794,349</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated Depreciation/ Amortization for				
Improvements	\$ (2,669,810)	\$ (102,655)	\$ -	\$ (2,772,465)
Buildings	(23,380,478)	(2,098,963)	-	(25,479,441)
Distribution and collection systems	(58,781,426)	(3,701,918)	342,243	(62,141,101)
Source of supply system	(808,636)	(8,811)	-	(817,447)
Machinery and equipment	(14,202,058)	(1,402,649)	1,314,289	(14,290,418)
Intangibles	(14,785)	(9,553)	-	(24,338)
Total Accumulated Depreciation/Amortization	(99,857,193)	(7,324,549)	1,656,532	(105,525,210)
Total Capital Assets, Being Depreciated/Amortized, Net	\$ 223,719,514	\$ 2,637,467	\$ 87,842	\$ 226,269,139

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,922,545
Sewer	3,002,852
Storm Water	983,389
Hobbs Ice Center	399,322
Outdoor Pool	75,357
Public Transit	379,519
Parking Utility	370,721

Total Business-type Activities Depreciation/Amortization Expense \$ 7,133,705

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, 2017

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	\$ 23,396
General Fund	Special Revenue – Community Development	2,036
General Fund	Enterprise – Public Transit	66,309
General Fund	Enterprise – Hobbs Ice Center	87,087
General Fund	Capital Projects – TIF No. 8	493,433
General Fund	Capital Projects – TIF No. 10	270,892
General Fund	Capital Projects – TIF No. 12	1,000
Subtotal – Fund Financial Statements		944,153
Less: Fund eliminations		(790,757)
Total Interfunds		153,396
Government-wide net interfund advances		3,090,911
Adjustment to reflect internal service fund activities related to enterprise funds		88,099
Total Internal Balances – Government-Wide Statement of Net Position		\$ 3,332,406

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%.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

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

Advances (cont.)

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%.

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	\$ 196,910	\$ -
General Fund	Sewer Utility	259,001	178,635
General Fund	Enterprise – Hobbs Ice Center	2,635,000	2,420,000
General Fund	Debt Service – TIF No. 7	111,145	111,145
Debt Service – General	Debt Service – TIF No. 7	301,300	301,300
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		6,742,056	
Less: Fund eliminations		<u>(3,651,145)</u>	
Total Net Government-Wide Advances		<u><u>\$ 3,090,911</u></u>	

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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:

Years	Advances		
	Principal	Interest	Totals
2018	\$ 492,276	\$ 117,365	\$ 609,641
2019	2,506,193	53,063	2,559,256
2020	92,442	6,702	99,144
Totals	<u>\$ 3,090,911</u>	<u>\$ 177,130</u>	<u>\$ 3,268,041</u>

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	1,700,559	Payment in lieu of tax
Special Revenue			
Economic Development	General Fund	357,000	General support
Economic Development	TIF No. 6	96,680	Close out fund
Cemetery Maintenance	General Fund	274,635	Operating subsidy
Hazardous Materials	General Fund	26,476	HazMat equipment reimbursement
Public Library	General Fund	3,041,200	February tax transfer from City
Public Library	Library Buildings & Equipment	192,000	Operating subsidy
City-County Health Department	General Fund	1,804,000	February tax transfer from City
Downtown	Economic Development	85,000	Operating subsidy
City-County Health Department	Community Development	92,194	Fund code enforcement project
Debt Service			
Debt Service – General	General Fund	8,694,671	Debt service payments
Debt Service – General	Public Library	40,248	Debt service payments
Debt Service – General	City-County Health Department	29,503	Debt service payments

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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			
Land, Buildings and Equipment	General Fund	\$ 980,600	Fund various projects
Transportation Improvements	General Fund	1,766,400	Fund various projects
Transportation Improvements	General Fund	61,000	YMCA trail
Transportation Improvements	Street Projects	240,000	Fund various projects
Transportation Improvements	Bridge Projects	400,000	Fund various projects
Parks and Recreation Projects	Community Enhancement	250,000	Fund park development projects
Library Buildings & Equipment	Public Library	60,000	Fund facility improvements
TIF No. 8	Parking Utility	171,282	75% Galloway Ramp profits
Enterprise			
Parking Utility	General Fund	368,400	Fund various projects
Public Transit	General Fund	997,068	Operating subsidy
Hobbs Ice Center	General Fund	147,649	Operating subsidy
Hobbs Ice Center	Community Enhancement	63,300	Facility improvements
Hobbs Ice Center	Community Enhancement	126,100	Subsidize facilities improvements
Outdoor Pool	General Fund	70,078	Operating subsidy
Outdoor Pool	Community Enhancement	30,000	Subsidize facilities improvements
Subtotal – Fund Financial Statements		22,281,043	
Less: Fund eliminations		(18,606,607)	
Less: Government-wide eliminations		(3,743,682)	
Plus: Capital assets transferred to Business-type activities		493,649	
Total – Government-Wide Statement of Activities		<u>\$ 424,403</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ (1,871,841)	
Business-type Activities	Governmental Activities	<u>2,296,244</u>	
Total Government-Wide Financial Statements		<u>\$ 424,403</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, 2017

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 98,404,745	\$ 18,045,000	\$ 12,732,173	\$ 103,717,572	\$ 8,896,919
Add/(Subtract):					
Premiums/(discounts)	1,254,889	802,546	228,380	1,829,055	-
Subtotals	99,659,634	18,847,546	12,960,553	105,546,627	8,896,919
Other Liabilities					
Vested compensated absences	1,669,483	3,293,903	3,081,484	1,881,902	1,881,902
Police and fire pensions	96,574	-	96,574	-	-
Net pension liability	4,517,520	2,754,454	4,956,466	2,315,508	-
Permanent disability	248,125	-	248,125	-	-
Other postemployment benefits	41,550,683	3,329,296	3,694,115	41,185,864	-
Unpaid self-insurance claims	2,151,486	1,794,160	1,157,456	2,788,190	220,000
Total Other Liabilities	50,233,871	11,171,813	13,234,220	48,171,464	2,101,902
Total Governmental Activities Long-Term Liabilities	\$ 149,893,505	\$ 30,019,359	\$ 26,194,773	\$ 153,718,091	\$ 10,998,821
	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 17,730,255	\$ 3,230,000	\$ 3,517,827	\$ 17,442,428	\$ 1,718,081
Revenue bonds	42,330,041	25,000	3,013,704	39,341,337	2,082,186
Add/(Subtract):					
Premiums/(discounts)	227,432	137,672	47,394	317,710	-
Subtotals	60,287,728	3,392,672	6,578,925	57,101,475	3,800,267
Other Liabilities					
Vested compensated absences	343,898	547,036	583,037	307,897	307,897
Net pension liability	630,212	298,521	633,451	295,282	-
Other postemployment benefits	3,361,438	266,107	298,613	3,328,932	-
Total Other Liabilities	4,335,548	1,111,664	1,515,101	3,932,111	307,897
Total Business-type Activities Long-Term Liabilities	\$ 64,623,276	\$ 4,504,336	\$ 8,094,026	\$ 61,033,586	\$ 4,108,164

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, 2017

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, 2017 was \$255,985,795. 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, 2017 was \$179,190,056. Total general obligation debt outstanding at year-end was \$121,160,000 and resources on hand for payment of debt were \$6,238,811.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-17
Governmental Activities					
General Obligation Bonds					
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	\$ 6,240,000	\$ 3,160,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	215,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	5,650,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	6,110,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	2,725,000
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	1,255,000
Corporate purpose	08/17/10	04/01/21	1.5-3.0%	4,585,000	1,955,000
Corporate purpose	08/01/11	04/01/31	2.0-4.0%	6,350,000	4,720,000
Corporate purpose	08/01/11	04/01/21	2.0-2.75%	2,160,000	870,000
Corporate purpose	08/28/12	04/01/32	2.0-2.625%	5,640,000	4,475,000
Corporate purpose	08/28/12	04/01/22	0.35-1.65%	4,335,000	1,865,000
Corporate purpose	08/15/13	04/01/33	2.0-4.25%	14,145,000	11,950,000
Corporate purpose	08/15/13	04/01/23	2.0-3.0%	9,380,000	5,865,000
Corporate purpose	09/03/14	04/01/34	3.0-4.0%	4,720,000	4,040,000
Corporate purpose	09/03/14	04/01/24	2.0-3.0%	4,100,000	2,940,000
Corporate purpose	08/18/15	04/01/25	2.0-3.0%	4,340,000	2,975,000
Tax incremental bonds	08/18/15	04/01/25	3.0%	11,810,000	10,820,000
Corporate purpose	08/30/16	04/01/36	2.0-3.0%	13,920,000	13,390,000
Tax incremental bonds	08/30/16	04/01/26	1.8-2.15%	7,585,000	7,295,000
Corporate purpose	08/30/16	04/01/26	2.0-3.0%	2,830,000	2,520,000
Corporate purpose	11/10/16	04/01/26	1.4-2.0%	2,080,000	1,880,000
Corporate purpose	08/17/17	04/01/37	2.0-4.0%	12,395,000	12,395,000
Corporate purpose	08/17/17	04/01/27	2.0-4.0%	8,880,000	8,880,000
Total General Obligation Debt					121,160,000
Less: Business-type Activities portion of G.O. Bonds					(17,442,428)
Total – Governmental Activities – G.O. Bonds					<u>\$ 103,717,572</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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
2018	\$ 8,896,919	\$ 2,989,692	\$ 1,718,081	\$ 457,512
2019	10,399,710	2,694,079	1,635,290	406,436
2020	7,321,554	2,443,374	1,543,446	366,823
2021	7,133,954	2,232,196	1,466,046	326,002
2022	6,886,635	2,018,618	1,233,365	286,734
2023 - 2027	39,573,800	6,543,552	5,231,200	991,057
2028 - 2032	16,015,000	2,310,998	3,415,000	393,734
2033 - 2037	7,490,000	443,548	1,200,000	63,673
Totals	<u>\$ 103,717,572</u>	<u>\$ 21,676,057</u>	<u>\$ 17,442,428</u>	<u>\$ 3,291,971</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 \$3,825,000 in water revenue bonds issued in 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. Annual principal and interest payments are expected to require 4% of Water Utility revenues. 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 \$4,025,248. Principal and interest paid for the current year and total customer net revenues were \$1,399,540 and \$5,380,332, respectively.

The Sewer Utility has pledged future sewer revenues, net of specified operating expenses to repay \$39,766,956 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. Annual principal and interest payments are expected to require 26% of Sewer Utility revenues. 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 \$44,329,639. Principal and interest paid for the current year and total customer net revenues were \$2,774,941 and \$5,431,807, respectively.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2017 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 12-31-17</u>
<u>Water Utility</u>					
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	\$ 3,825,000	\$ 3,115,000
<u>Sewer Utility</u>					
Revenue bonds	06/12/13	05/01/33	2.617%	39,766,956	<u>36,226,337</u>
Total – Business-type Activities – Revenue Debt					<u><u>\$ 39,341,337</u></u>

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>
2018	\$ 2,082,186	\$ 1,062,097	\$ 3,144,283
2019	2,140,657	1,003,791	3,144,448
2020	2,195,397	943,200	3,138,597
2021	2,256,439	881,078	3,137,517
2022	2,323,817	817,178	3,140,995
2023 - 2027	12,629,001	3,052,907	15,681,908
2028 - 2032	12,985,024	1,217,591	14,202,615
2033	<u>2,728,816</u>	<u>35,708</u>	<u>2,764,524</u>
Totals	<u><u>\$ 39,341,337</u></u>	<u><u>\$ 9,013,550</u></u>	<u><u>\$ 48,354,887</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, net pension liability and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences, net pension liability 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 August 17, 2017, the City issued \$6,185,000 in general obligation notes with an interest rate of 2.0-4.0% to current refund \$5,840,000 of outstanding general obligation bonds with an interest rate of 4.0-5.0% and \$900,000 of outstanding revenue bonds with an interest rate of 4.2-4.5%. Of the proceeds, \$3,665,000 related to governmental activities and \$2,520,000 to business-type activities. 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 \$7,646,185 from 2018 through 2027. The cash flow requirements on the refunding bonds are \$6,808,274 from 2018 through 2027, for an aggregate difference of \$837,911. 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 \$776,370.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2017 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Construction in progress	\$ 9,725,399
Land	18,425,858
Other capital assets, net of accumulated depreciation/amortization	160,443,487
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(80,513,495)</u>
Total Net Investment in Capital Assets	<u>\$ 108,081,249</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017 include the following:

	<u>General Fund</u>	<u>Debt Service - General</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Fund Balances				
Nonspendable:				
Long-term notes receivable	\$ 25,000	\$ -	\$ -	\$ 25,000
Long-term advances to other funds	2,709,780	-	-	2,709,780
Prepaid items and inventories	1,050,391	-	140,913	1,191,304
Restricted for:				
Debt service	-	4,953,677	1,697,548	6,651,225
Capital contracts	-	-	2,204,981	2,204,981
Cemetery maintenance	-	-	174,351	174,351
Hazardous materials	-	-	144,872	144,872
Community development	-	-	95,024	95,024
Home grant	-	-	1,093	1,093
Police department K9	-	-	455,340	455,340
Economic development	-	-	386,538	386,538
Community enhancement	-	-	102,331	102,331
Public library	-	-	992,596	992,596
City-County Health Department	-	-	1,351,585	1,351,585
Downtown	-	-	38,965	38,965
Bond construction	-	-	8,610,203	8,610,203
Committed for:				
Economic development	-	-	254,586	254,586
Assigned for:				
Capital projects	2,855,900	-	8,002,894	10,858,794
Highway 53 maintenance	1,843,312	-	-	1,843,312
Turf financing	129,036	-	-	129,036
Economic development	-	-	1,733,470	1,733,470
Unassigned (deficit):	<u>20,212,904</u>	<u>-</u>	<u>(4,416,439)</u>	<u>15,796,465</u>
Total Fund Balances	<u>\$ 28,826,323</u>	<u>\$ 4,953,677</u>	<u>\$ 21,970,851</u>	<u>\$ 55,750,851</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	\$	3,794,955
Construction in progress		17,278,543
Land		226,269,139
Other capital assets, net of accumulated depreciation		
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)		<u>(58,097,214)</u>
 Total Net Investment in Capital Assets	 \$	 <u><u>189,245,423</u></u>

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement required an adjustment to the other postemployment benefit liability and the related deferred outflows and deferred inflows, if any, to be reported in the financial statements.

The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Internal Service Funds
Net Position – December 31, 2016 (as reported)	\$ 148,949,457	\$ 211,333,633	\$ 26,878,835
Less: Additional other postemployment benefit liability	(17,880,978)	(1,345,242)	(52,986)
Add: Deferred outflows related to other postemployment benefits	<u>2,905,183</u>	<u>234,817</u>	<u>11,786</u>
Net Position – December 31, 2016 (as restated)	<u><u>\$ 133,973,662</u></u>	<u><u>\$ 210,223,208</u></u>	<u><u>\$ 26,837,635</u></u>

	Water Utility	Sewer Utility	Storm Water Utility	Nonmajor Enterprise Funds
Net Position – December 31, 2016 (as reported)	\$ 66,827,756	\$ 76,316,784	\$ 47,050,135	\$ 21,173,115
Less: Additional other postemployment benefit liability	(552,455)	(406,565)	(19,234)	(366,988)
Add: Deferred outflows related to other postemployment benefits	<u>93,744</u>	<u>63,971</u>	<u>3,140</u>	<u>73,962</u>
Net Position – December 31, 2016 (as restated)	<u><u>\$ 66,369,045</u></u>	<u><u>\$ 75,974,190</u></u>	<u><u>\$ 47,034,041</u></u>	<u><u>\$ 20,880,089</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

I. COMPONENT UNITS

Redevelopment Authority

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

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

a. Basis of Accounting

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

b. Deposits and Investments

The RDA is part of the City of Eau Claire's cash 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 \$938,720. 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. 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, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Property held for resale	<u>\$ 1,765,260</u>	<u>\$ 1,050</u>	<u>\$ 148,132</u>	<u>\$ 1,618,178</u>

d. Risk Management

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

I. COMPONENT UNITS (cont.)

Redevelopment Authority (cont.)

e. 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.

f. 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.

g. 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 2017 was \$60,000.

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.).

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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

I. COMPONENT UNITS (cont.)

Business Improvement Districts (cont.)

b. Deposits and Investments (cont.)

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

South Barstow	\$	<u>23,086</u>
North Barstow/Medical	\$	<u>122,544</u>
West Grand	\$	<u>24,616</u>
Water Street	\$	<u>27,285</u>

J. TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for seven Tax Incremental Financing Districts (TIDs) created in prior years and one Tax Incremental Financing District (TID) created during 2017 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.

	<u>Effective Date</u>	<u>Amended Date</u>	<u>Expenditure Deadline</u>	<u>Termination Year</u>
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	09/09/2014	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	09/22/2035
TIF No. 12	2017	N/A	09/12/2032	09/12/2037

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

J. TAX INCREMENTAL FINANCING DISTRICTS (cont.)

The following tables summarize the project and expenditures from creation of the districts through December 31, 2017.

Project Costs	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8
Capital expenditures	\$ 8,900,506	\$ 1,441,060	\$ 1,557,146	\$ 23,209,897
Interest and fiscal charges	3,363,091	700,955	1,193,052	4,513,634
Development, marketing, bond issuance costs	22,342	301,448	3,150	370,808
Total Project Costs	<u>12,285,939</u>	<u>2,443,463</u>	<u>2,753,348</u>	<u>28,094,339</u>

Project Revenues	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8
Tax increments	11,339,359	2,058,868	1,956,382	8,238,575
Interest income and misc. revenue	1,319,128	285,766	384,552	1,815,623
Grants and donations	-	-	-	503,008
Special assessments revenue	-	98,829	-	-
Total Project Revenues	<u>12,658,487</u>	<u>2,443,463</u>	<u>2,340,934</u>	<u>10,557,206</u>
Net Recoverable Costs (Refundable)	<u>\$ (372,548)</u>	<u>\$ -</u>	<u>\$ 412,414</u>	<u>\$ 17,537,133</u>

Project Costs (cont.)	TIF No. 9	TIF No. 10	TIF No. 11	TIF No. 12
Capital expenditures	\$ -	\$ 2,037,439	\$ -	\$ -
Interest and fiscal charges	1,050	295,596	150	-
Development, marketing, bond issuance costs	1,150	2,983,528	2,240	1,000
Total Project Costs	<u>2,200</u>	<u>5,316,563</u>	<u>2,390</u>	<u>1,000</u>

Project Revenues (cont.)	TIF No. 9	TIF No. 10	TIF No. 11	TIF No. 12
Tax increments	377,095	352,593	243,312	-
Interest income and misc. revenue	9,885	95,416	14,535	-
Total Project Revenues	<u>386,980</u>	<u>448,009</u>	<u>257,847</u>	<u>-</u>
Net Recoverable Costs (Refundable)	<u>\$ (384,780)</u>	<u>\$ 4,868,554</u>	<u>\$ (255,457)</u>	<u>\$ 1,000</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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, 2017

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
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
2016	0.5	(5)

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. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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 \$3,011,560 in contributions from the City.

Contribution rates as of December 31, 2017 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

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, 2017, the City reported a liability of \$2,610,790 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the City’s proportion was 0.31675166%, which was a decrease of .00003574% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the City recognized pension expense of \$6,676,902.

At December 31, 2017, 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	Net Amount
Differences between expected and actual experience	\$ 995,496	\$ 8,210,708	\$ (7,215,212)
Changes of actuarial assumptions	2,729,682	-	2,729,682
Net differences between projected and actual earnings on pension plan investments	12,995,682	-	12,995,682
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,476	82,325	(34,849)
Employer contributions subsequent to the measurement date	3,352,806	-	3,352,806
Totals	\$ 20,121,142	\$ 8,293,033	\$ 11,828,109

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES’ RETIREMENT SYSTEM (cont.)

\$3,352,806 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Amount</u>
2018	\$ 6,103,023	\$ 2,647,109	\$ 3,455,914
2019	6,103,021	2,647,109	3,455,912
2020	4,991,592	2,647,109	2,344,483
2021	(433,838)	351,612	(785,450)
2022	4,538	94	4,444

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
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, 2017

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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 %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	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, 2017

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 3.78%. 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)	\$ 34,346,616	\$ 2,610,790	\$ (21,827,233)

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

At December 31, 2017, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors and omissions; worker’s compensation, health care of its employees. 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, 2017

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 \$2,788,190 at December 31, 2017 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 \$1,697,183 of potential workers compensation claims and \$1,091,007 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	\$ 1,977,411	\$ 2,151,486
Current year claims and changes in estimates	805,817	1,794,160
Claim payments	<u>(631,742)</u>	<u>(1,157,456)</u>
Unpaid Claims – End of Year	<u>\$ 2,151,486</u>	<u>\$ 2,788,190</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 2017, 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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

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

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 2.92% for auto liability and 4.35% 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%.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

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

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

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, 2017. 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, 2017, 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	\$ 108,429
Bridge Projects	58,529
Transportation Improvements	818,694
Land, Buildings and Equipment	3,969,167
Parks and Recreation Projects	587,474
Environmental Improvements	1,162
Library Buildings & Equipment	9,072
TIF No. 8 Downtown Development	38,850
TIF No. 10 Confluence Project	6,225
TIF No. 11 Downtown Mixed Use	<u>12,000</u>
Total Committed Construction	<u>\$ 5,609,602</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

	<u>Proprietary Funds</u>	
Water Utility		\$ 619,787
Sewer Utility		277,761
Storm Water Utility		319,107
Parking Utility		238,607
Outdoor Pool		76,570
Central Equipment		<u>123,260</u>
Total Committed Construction and Equipment		<u>\$ 1,655,092</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 2017 were \$300,693.

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. I.g. 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, 2017, the incentive payment to PPL was \$63,917 and the remaining commitment is \$565,066.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The City has a remaining commitment to pay \$1.5 million toward improvements for Eau Claire Confluence Arts, Inc. Of this amount, \$750,000 will be paid when the developer and/or owner provides evidence of \$30 million in construction costs having been incurred and paid. The final \$750,000 payment will be made when the occupancy permit has been issued. Payments under this agreement totaled \$3.5 million in 2017.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information About the Plan

Plan description. The City's other postemployment benefit ("OPEB") plan provides medical benefits for eligible retirees and their spouses through the City's health insurance plan which covers both active and retired members. The City administers its single-employer defined benefit healthcare plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. Benefit provisions are established through collective bargaining agreements or the employee handbook; benefits vary but, 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. Administrative costs of the plan are financed by the City.

Employees covered by benefit terms. At December 31, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	161
Active plan members	433
	<u>594</u>

The plan is closed to new entrants from most employee groups, with the exception of firefighters, transit, patrol and library.

Total OPEB Liability

The City's total OPEB liability of \$44,514,796 was measured as of December 31, 2016, and was determined by an actuarial valuation as of that date.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.20 percent
Salary increases	3.20 percent, average, plus inflation
Healthcare cost trend rates	4.0% initially for both pre-65 members and post-65 members, increased annually to a maximum of 9.4% for pre-65 members and 10.6% for post-65 members in 2019 before decreasing to an ultimate rate of 4.0% in 2074 and later years.
Retirees' share of benefit related costs	Varies

The discount rate was based on a yield for 20-year Bond Buyer GO Index.

Mortality rates were based on the Wisconsin 2012 Mortality table (with adjustments) as the base table and project future improvements with MP-2015 generational improvement scale (with adjustments), as adopted by the Board in connection with the 2012-2014 Experience Study performed by the actuary for the Wisconsin Retirement System.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2016.

Changes in the Total OPEB Liability

Balance at December 31, 2016	\$ 44,912,121
Changes for the year:	
Service cost	1,821,890
Interest	1,612,847
Changes in assumptions or other inputs	(692,062)
Benefit payments	(3,140,000)
Net changes	<u>(397,325)</u>
Balance at December 31, 2017	<u>\$ 44,514,796</u>

Changes of assumptions or other inputs reflect an update of demographic assumptions based upon the most recent WRS experience study, a change in the annual claim costs to reflect current medical provisions and premiums, and an update to the medical trend rates to be consistent with the most recent Getzen model application.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.78%)	Discount Rate (3.78%)	1% Increase (4.78%)
Total OPEB Liability	\$ 47,946,194	\$ 44,514,796	\$ 41,411,799

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 40,636,599	\$ 44,514,796	\$ 49,049,285

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2017, the City recognized OPEB expense of \$3,343,557. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
Changes of actuarial assumptions	\$ -	\$ 600,881	\$ (600,881)
Employer contributions subsequent to the measurement date	3,558,409	-	3,558,409
Totals	\$ 3,558,409	\$ 600,881	\$ 2,957,528

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

\$3,558,409 reported as deferred outflows related to OPEB resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
2018	\$ -	\$ (91,181)	\$ (91,181)
2019	-	(91,181)	(91,181)
2020	-	(91,181)	(91,181)
2021	-	(91,181)	(91,181)
2022	-	(91,181)	(91,181)
Thereafter	-	(144,976)	(144,976)

E. 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, 2017, 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 \$18,750 for the year ended December 31, 2017.

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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

NOTE IV – OTHER INFORMATION (cont.)

E. RELATED PARTIES (cont.)

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 in part by the City of Eau Claire, the four business improvement districts, memberships, and festival revenue.

F. 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.

G. SUBSEQUENT EVENT

On March 9, 2018, the City of Eau Claire was awarded a \$5 million Transportation Investment Generating Economic Recovery (TIGER) grant from the U.S. Department of Transportation. The grant will provide funding for the construction of a transit transfer center in downtown Eau Claire and four new buses to be used by the Eau Claire Transit system. The total projected cost of the Chippewa Valley Regional Transit Transfer Center Revitalization Project is \$6.25 million.

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

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 40,768,000	\$ 40,768,000	\$ 40,722,147	\$ (45,853)
Special assessments	1,788,300	1,788,300	2,385,451	597,151
Intergovernmental	11,757,000	12,285,800	11,853,937	(431,863)
Licenses and permits	1,637,300	1,637,300	1,873,491	236,191
Fines, forfeitures and penalties	544,000	544,000	457,650	(86,350)
Charges for services - public	3,816,200	3,816,200	3,849,325	33,125
Charges for services - intergovernmental	3,579,200	3,579,200	3,503,146	(76,054)
Investment income	797,800	797,800	1,010,223	212,423
Miscellaneous	291,000	294,500	390,615	96,115
Total Revenues	<u>64,978,800</u>	<u>65,511,100</u>	<u>66,045,985</u>	<u>534,885</u>
EXPENDITURES				
Current				
City council	116,800	116,800	91,212	25,588
Administrative services	1,860,900	1,860,900	1,759,578	101,322
Legal	499,100	499,100	483,067	16,033
Finance	2,531,400	2,542,900	2,248,788	294,112
Human resources	1,000,700	1,000,700	891,650	109,050
Planning and development	1,299,800	1,803,200	1,289,702	513,498
Police	17,444,200	17,444,200	17,149,389	294,811
Fire	11,564,900	11,581,300	11,472,147	109,153
Public works	9,483,700	9,683,700	8,949,646	734,054
Culture and recreation	4,641,100	4,654,600	4,205,776	448,824
Miscellaneous	797,700	1,717,700	454,574	1,263,126
Total Expenditures	<u>51,240,300</u>	<u>52,905,100</u>	<u>48,995,529</u>	<u>3,909,571</u>
Excess of revenues over expenditures	<u>13,738,500</u>	<u>12,606,000</u>	<u>17,050,456</u>	<u>4,444,456</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,795,000	1,795,000	1,815,559	20,559
Transfers to other funds	(18,286,500)	(18,715,900)	(18,589,177)	126,723
Proceeds from sale of capital assets	10,000	10,000	80,783	70,783
Total Other Financing Sources (Uses)	<u>(16,481,500)</u>	<u>(16,910,900)</u>	<u>(16,692,835)</u>	<u>218,065</u>
Net change in fund balances	(2,743,000)	(4,304,900)	357,621	4,662,521
FUND BALANCE - Beginning of Year	<u>28,468,702</u>	<u>28,468,702</u>	<u>28,468,702</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,725,702</u>	<u>\$ 24,163,802</u>	<u>\$ 28,826,323</u>	<u>\$ 4,662,521</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, 2017

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
12/31/16	0.316751660%	\$ 2,610,790	\$ 35,995,011	7.25%	99.12%
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, 2017

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
12/31/17	\$ 3,352,806	\$ 3,352,806	\$ -	\$ 37,108,480	9.04%
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

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS For the Year Ended December 31, 2017

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 1,821,890
Interest	1,612,847
Changes of assumptions	(692,062)
Benefit payments	<u>(3,140,000)</u>
Net Change in Total OPEB Liability	(397,325)
Total OPEB Liability - Beginning	<u>44,912,121</u>
Total OPEB Liability - Ending	<u>\$ 44,514,796</u>
Covered-employee payroll	\$ 35,995,011
Total OPEB liability as a percentage of covered- employee payroll	123.67%

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, 2017

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 2017 budgets for governmental and proprietary funds on November 8, 2016.

See independent auditors' report.

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2017

BUDGETARY INFORMATION (cont.)

During 2016 and 2017, additional appropriations were approved in several funds. A summary of these council actions follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Carryover of Appropriations</u>	<u>Grants and Donations</u>	<u>Other</u>	<u>Final Appropriation</u>
General Fund	\$ 69,526,800	\$ 234,600	\$ 503,600	\$ 1,356,000	\$ 71,621,000
Debt Service – General	9,238,900	-	-	2,900,000	12,138,900
Economic Development	604,000	1,782,700	-	-	2,386,700
Community Enhancement	1,809,800	-	-	181,600	1,991,400
Cemetery Maintenance	466,700	-	-	3,500	470,200
Hazardous Materials Response	115,100	-	6,600	-	121,700
Public Library	4,209,600	(124,300)	-	216,800	4,302,100
City-County Health	5,632,800	190,800	148,500	-	5,972,100
Debt Service – TIF No. 5	788,400	-	-	695,000	1,483,400
Debt Service – TIF No. 6	66,300	-	-	276,700	343,000

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.

OTHER POSTEMPLOYMENT BENEFIT PLAN

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

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.

Accumulation of assets. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Changes in benefit terms and assumptions. There were no changes in the benefit terms. The discount rate changed from 3.57% in 2016 to 3.78% in 2017.

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, 2017 and 2016

	2017	2016
ASSETS		
Cash and investments	\$ 25,966,741	\$ 24,784,100
Receivables		
Taxes		
Current	42,927,341	41,608,545
Delinquent personal property, net	12,266	11,040
Total Taxes	42,939,607	41,619,585
Accounts receivable, net	2,088,644	1,924,482
Notes receivable	25,000	25,000
Special assessments		
Installment	4,488,519	4,748,742
Deferred	24,949	345,888
Interest	106,792	86,151
Due from other governments	223,417	271,469
Total Receivables	49,896,928	49,021,317
Due from other funds	944,153	702,251
Prepaid items and inventories	1,050,387	994,410
Advances to other funds	3,202,056	3,675,161
 TOTAL ASSETS	 \$ 81,060,265	 \$ 79,177,239

	<u>2017</u>	<u>2016</u>
<i>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</i>		
Liabilities		
Accounts payable	\$ 596,331	\$ 648,200
Accrued liabilities	1,670,588	1,346,662
Deposits	427,822	60,891
Due to other governments	118,996	135,096
Total Liabilities	<u>2,813,737</u>	<u>2,190,849</u>
Deferred Inflows of Resources		
Unearned revenues - time requirements	42,007,587	40,520,260
Unavailable revenues	7,412,618	7,997,428
Total Deferred Inflows of Resources	<u>49,420,205</u>	<u>48,517,688</u>
Fund Balance		
Nonspendable	3,785,171	4,221,466
Assigned	4,828,248	5,442,677
Unassigned	20,212,904	18,804,559
Total Fund Balance	<u>28,826,323</u>	<u>28,468,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 81,060,265</u>	<u>\$ 79,177,239</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
TAXES					
Real and personal property	\$ 40,357,400	\$ 40,357,400	\$ 40,288,332	\$ (69,068)	\$ 33,684,752
Mobile home fees	80,100	80,100	62,066	(18,034)	66,022
Payment in lieu of taxes:					
Other	327,500	327,500	363,079	35,579	324,325
Interest on delinquent taxes	3,000	3,000	8,670	5,670	4,965
Total Taxes	<u>40,768,000</u>	<u>40,768,000</u>	<u>40,722,147</u>	<u>(45,853)</u>	<u>34,080,064</u>
SPECIAL ASSESSMENTS					
Current	1,453,900	1,453,900	1,750,069	296,169	1,600,667
Deferred	-	-	-	-	8,037
Installment	334,400	334,400	635,382	300,982	251,872
Total Special Assessments	<u>1,788,300</u>	<u>1,788,300</u>	<u>2,385,451</u>	<u>597,151</u>	<u>1,860,576</u>
INTERGOVERNMENTAL					
Federal aid	19,000	22,800	3,943	(18,857)	40,028
State aid					
Shared taxes	6,081,100	6,081,100	6,144,449	63,349	6,081,136
Municipal services	570,700	570,700	487,961	(82,739)	570,715
Utility tax	566,700	566,700	590,160	23,460	614,362
Local streets	2,881,700	2,881,700	2,976,900	95,200	2,881,740
Expenditure restraint program	1,131,700	1,131,700	1,120,321	(11,379)	1,131,700
Fire insurance	167,300	167,300	206,666	39,366	186,459
Underground tank inspections	6,300	6,300	-	(6,300)	6,896
Police training	15,000	15,000	14,560	(440)	14,720
Other	317,500	842,500	308,977	(533,523)	310,777
Total Intergovernmental	<u>11,757,000</u>	<u>12,285,800</u>	<u>11,853,937</u>	<u>(431,863)</u>	<u>11,838,533</u>
LICENSES AND PERMITS					
Television franchise	700,000	700,000	673,358	(26,642)	704,226
Licenses	339,000	339,000	329,856	(9,144)	410,417
Permits	598,300	598,300	870,277	271,977	707,705
Total Licenses and Permits	<u>1,637,300</u>	<u>1,637,300</u>	<u>1,873,491</u>	<u>236,191</u>	<u>1,822,348</u>
FINES, FORFEITURES AND PENALTIES					
Parking violation fines	290,000	290,000	237,743	(52,257)	297,251
County court fines	250,000	250,000	217,203	(32,797)	220,096
Other fines or forfeitures	4,000	4,000	2,704	(1,296)	3,031
Total Fines, Forfeitures and Penalties	<u>544,000</u>	<u>544,000</u>	<u>457,650</u>	<u>(86,350)</u>	<u>520,378</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	2017			2016	
	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Actual
PUBLIC CHARGES FOR SERVICES					
General government	\$ 68,200	\$ 68,200	\$ 91,874	\$ 23,674	\$ 75,860
Public safety	2,850,200	2,850,200	2,854,268	4,068	3,084,886
Public works	135,000	135,000	154,252	19,252	148,687
Parks and recreation	633,300	633,300	630,739	(2,561)	634,156
Development	1,000	1,000	9,277	8,277	1,690
Other	128,500	128,500	108,915	(19,585)	66,110
Total Charges for Services	<u>3,816,200</u>	<u>3,816,200</u>	<u>3,849,325</u>	<u>33,125</u>	<u>4,011,389</u>
CHARGES FOR SERVICES - INTERGOVERNMENTAL					
Communication center reimbursement	1,588,400	1,588,400	1,467,482	(120,918)	1,405,836
Police liaison	208,700	208,700	259,859	51,159	204,217
Departmental unfunded pension charge	146,600	146,600	146,600	-	146,100
Storm water management charge	401,500	401,500	401,472	(28)	410,916
Sewer utility charge	475,700	475,700	475,668	(32)	485,832
Water utility service charge	626,100	626,100	626,100	-	643,004
Other service charges	132,200	132,200	125,965	(6,235)	147,061
Total Charges for Services - Intergovernmental	<u>3,579,200</u>	<u>3,579,200</u>	<u>3,503,146</u>	<u>(76,054)</u>	<u>3,442,966</u>
INVESTMENT INCOME					
Investment interest and gains	444,600	444,600	594,854	150,254	74,756
Interest on advance to other funds	143,600	143,600	143,617	17	178,008
Interest on special assessments	209,600	209,600	271,752	62,152	265,878
Total Investment Income	<u>797,800</u>	<u>797,800</u>	<u>1,010,223</u>	<u>212,423</u>	<u>518,642</u>
MISCELLANEOUS					
Rental					
Rental of land and buildings	63,600	63,600	76,292	12,692	62,038
Total Rental	<u>63,600</u>	<u>63,600</u>	<u>76,292</u>	<u>12,692</u>	<u>62,038</u>
Other					
Donations	-	3,500	36,884	33,384	38,439
Other miscellaneous	227,400	227,400	277,439	50,039	320,191
Total Other	<u>227,400</u>	<u>230,900</u>	<u>314,323</u>	<u>83,423</u>	<u>358,630</u>
Total Miscellaneous	<u>291,000</u>	<u>294,500</u>	<u>390,615</u>	<u>96,115</u>	<u>420,668</u>
Total Revenues	<u>64,978,800</u>	<u>65,511,100</u>	<u>66,045,985</u>	<u>534,885</u>	<u>58,515,564</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2017

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

	2017			2016	
	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	1,680,000	1,680,000	1,700,559	20,559	1,660,698
Long term debt issued	-	-	-	-	2,200,000
Premium on long-term debt issued	-	-	-	-	10,426
Proceeds from sale of capital assets	10,000	10,000	80,783	70,783	96,589
Total Other Financing Sources	<u>1,805,000</u>	<u>1,805,000</u>	<u>1,896,342</u>	<u>91,342</u>	<u>4,082,713</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 66,783,800</u>	<u>\$ 67,316,100</u>	<u>\$ 67,942,327</u>	<u>\$ 626,227</u>	<u>\$ 62,598,277</u>

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
EXPENDITURES					
GENERAL GOVERNMENT					
City council	\$ 116,800	\$ 116,800	\$ 91,212	\$ 25,588	\$ 86,459
Administrative services					
City manager	474,000	474,000	439,557	34,443	423,116
City clerk/elections	413,400	413,400	379,954	33,446	568,583
Central duplicating	4,600	4,600	1,225	3,375	-
Information services	968,900	968,900	938,842	30,058	1,029,456
Total Administrative Services	1,860,900	1,860,900	1,759,578	101,322	2,021,155
Legal	499,100	499,100	483,067	16,033	467,782
Finance					
Administration	404,200	404,200	395,032	9,168	386,306
Accounting	750,900	762,400	600,798	161,602	640,116
Assessing	512,900	512,900	478,683	34,217	498,983
Customer services	863,400	863,400	774,275	89,125	750,503
Total Finance	2,531,400	2,542,900	2,248,788	294,112	2,275,908
Human resources					
Purchasing	244,900	244,900	224,556	20,344	233,766
Personnel administration	755,800	755,800	667,094	88,706	643,113
Total Human Resources	1,000,700	1,000,700	891,650	109,050	876,879
Planning and development					
Community planning	573,500	589,800	563,134	26,666	675,225
Inspection and zoning	726,300	1,213,400	726,568	486,832	660,625
Total Planning and Development	1,299,800	1,803,200	1,289,702	513,498	1,335,850
Total General Government	7,308,700	7,823,600	6,763,997	1,059,603	7,064,033
PUBLIC SAFETY					
Police					
Administration	1,432,800	1,432,800	1,279,106	153,694	1,254,715
Administrative services	1,620,600	1,620,600	1,527,398	93,202	1,578,321
Patrol services	9,279,000	9,271,400	9,312,823	(41,423)	8,989,500
Investigative services	2,845,900	2,853,500	2,928,861	(75,361)	2,749,250
Central communications	2,265,900	2,265,900	2,101,201	164,699	2,008,338
Total Police	17,444,200	17,444,200	17,149,389	294,811	16,580,124
Fire					
Administration	972,300	982,300	1,049,331	(67,031)	977,518
Suppression and rescue	10,058,700	10,065,100	10,004,621	60,479	9,698,872
Prevention and inspection	533,900	533,900	418,195	115,705	496,581
Total Fire	11,564,900	11,581,300	11,472,147	109,153	11,172,971
Total Public Safety	29,009,100	29,025,500	28,621,536	403,964	27,753,095

CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
PUBLIC WORKS					
Administration	\$ 356,600	\$ 356,600	\$ 281,807	\$ 74,793	\$ 366,015
Parks and recreation administration	432,600	432,600	342,502	90,098	375,523
Operations	6,928,900	6,928,900	6,497,362	431,538	6,380,358
Engineering	1,765,600	1,965,600	1,827,975	137,625	1,470,699
Total Public Works	<u>9,483,700</u>	<u>9,683,700</u>	<u>8,949,646</u>	<u>734,054</u>	<u>8,592,595</u>
CULTURE AND RECREATION					
Park maintenance	3,097,400	3,110,900	2,826,385	284,515	2,824,331
Forestry	734,800	734,800	661,006	73,794	684,349
Recreation and playgrounds	808,900	808,900	718,385	90,515	793,681
Total Culture and Recreation	<u>4,641,100</u>	<u>4,654,600</u>	<u>4,205,776</u>	<u>448,824</u>	<u>4,302,361</u>
MISCELLANEOUS					
Payments to other organizations	146,300	146,300	146,300	-	143,200
Contractual services	110,300	110,300	67,031	43,269	81,228
Insurance and retirement	139,000	59,000	55,675	3,325	48,124
Special assessments	117,200	117,200	165,199	(47,999)	65,840
Illegal taxes and refunds	-	-	627	(627)	16,569
Annexation rebates	7,900	7,900	7,827	73	7,427
Wellness program	10,000	10,000	11,915	(1,915)	6,160
Contingency	267,000	1,267,000	-	1,267,000	-
Total Miscellaneous	<u>797,700</u>	<u>1,717,700</u>	<u>454,574</u>	<u>1,263,126</u>	<u>368,548</u>
Total Expenditures	<u>51,240,300</u>	<u>52,905,100</u>	<u>48,995,529</u>	<u>3,909,571</u>	<u>48,080,632</u>
OTHER FINANCING USES					
Transfers to other funds:					
Special revenue fund	5,495,700	5,495,700	5,503,311	(7,611)	322,385
Debt service fund	8,716,600	8,716,600	8,694,671	21,929	7,606,631
Capital project funds	2,747,000	2,808,000	2,808,000	-	1,833,100
Proprietary funds	1,327,200	1,695,600	1,583,195	112,405	1,428,972
Total Other Financing Uses	<u>18,286,500</u>	<u>18,715,900</u>	<u>18,589,177</u>	<u>126,723</u>	<u>11,191,088</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 69,526,800</u>	<u>\$ 71,621,000</u>	<u>\$ 67,584,706</u>	<u>\$ 4,036,294</u>	<u>\$ 59,271,720</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Special assessments	\$ 191,000	\$ 191,000	\$ 167,749	\$ (23,251)	\$ 318,988
Investment income	-	-	12,284	12,284	7,932
Total Revenues	<u>191,000</u>	<u>191,000</u>	<u>180,033</u>	<u>(10,967)</u>	<u>326,920</u>
EXPENDITURES					
Current					
General government	4,000	4,000	3,672	328	4,147
Debt Service					
Principal retirement	6,528,500	9,428,500	9,452,173	(23,673)	7,480,792
Interest and fiscal charges	<u>2,706,400</u>	<u>2,706,400</u>	<u>2,562,611</u>	<u>143,789</u>	<u>2,417,690</u>
Total Expenditures	<u>9,238,900</u>	<u>12,138,900</u>	<u>12,018,456</u>	<u>120,444</u>	<u>9,902,629</u>
Deficiency of revenues over expenditures	<u>(9,047,900)</u>	<u>(11,947,900)</u>	<u>(11,838,423)</u>	<u>109,477</u>	<u>(9,575,709)</u>
OTHER FINANCING SOURCES					
Refunding long-term debt issued	-	2,665,000	2,665,000	-	1,625,000
Premium on long-term debt issued	-	235,000	244,155	9,155	32,662
Transfers from other funds	<u>8,786,400</u>	<u>8,786,400</u>	<u>8,764,422</u>	<u>(21,978)</u>	<u>7,676,941</u>
Total Other Financing Sources	<u>8,786,400</u>	<u>11,686,400</u>	<u>11,673,577</u>	<u>(12,823)</u>	<u>9,334,603</u>
Net change in fund balances	(261,500)	(261,500)	(164,846)	96,654	(241,106)
FUND BALANCE - Beginning of Year	<u>5,118,523</u>	<u>5,118,523</u>	<u>5,118,523</u>	-	<u>5,359,629</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,857,023</u>	<u>\$ 4,857,023</u>	<u>\$ 4,953,677</u>	<u>\$ 96,654</u>	<u>\$ 5,118,523</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 and terminated in 2017.

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 and terminated in 2010.

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 **TIF #12 Water Street** fund accounts for acquisition and capital improvements along Eau Claire's Water Street and the surrounding area.

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 **Transportation Improvements** fund accounts for construction and rebuilding of city streets, bridges, trails, and other transportation-related improvements.

Nonmajor Funds – Governmental (cont.)

Capital Projects Funds (cont.)

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.

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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
ASSETS				
Cash and investments	\$ 5,046,502	\$ 1,697,579	\$ 9,950,787	\$ 16,694,868
Receivables				
Taxes	3,600	1,511,807	2,562,577	4,077,984
Accounts, net	366,276	-	6,054	372,330
Notes, net	2,999,045	-	-	2,999,045
Due from other governments	564,334	-	516,098	1,080,432
Prepaid items and inventories	140,216	-	697	140,913
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted Assets				
Revolving loan sequestered funds	376,895	-	-	376,895
Construction account	-	-	10,932,642	10,932,642
TOTAL ASSETS	<u>\$ 9,896,868</u>	<u>\$ 3,209,386</u>	<u>\$ 24,968,855</u>	<u>\$ 38,075,109</u>
LIABILITIES				
Accounts payable	\$ 298,959	\$ -	\$ 3,127,951	\$ 3,426,910
Accrued liabilities	342,020	-	-	342,020
Deposits	2,728	-	-	2,728
Due to other governments	19,233	-	950	20,183
Due to other funds	25,432	-	765,325	790,757
Advances from other funds	-	412,445	3,238,700	3,651,145
Total Liabilities	<u>688,372</u>	<u>412,445</u>	<u>7,132,926</u>	<u>8,233,743</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues - time requirements	76,771	1,511,807	2,562,577	4,151,155
Unavailable revenues	3,260,758	-	458,602	3,719,360
Total Deferred Inflows of Resources	<u>3,337,529</u>	<u>1,511,807</u>	<u>3,021,179</u>	<u>7,870,515</u>
FUND BALANCES				
Nonspendable	140,216	-	697	140,913
Restricted	3,742,695	1,697,548	10,815,184	16,255,427
Committed	254,586	-	-	254,586
Assigned	1,733,470	-	8,002,894	9,736,364
Unassigned (deficit)	-	(412,414)	(4,004,025)	(4,416,439)
Total Fund Balances	<u>5,870,967</u>	<u>1,285,134</u>	<u>14,814,750</u>	<u>21,970,851</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 9,896,868</u>	<u>\$ 3,209,386</u>	<u>\$ 24,968,855</u>	<u>\$ 38,075,109</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
REVENUES				
Taxes	\$ 2,006,478	\$ 1,492,889	\$ 2,001,987	\$ 5,501,354
Intergovernmental	2,187,485	24,566	198,678	2,410,729
Licenses and permits	662,541	-	-	662,541
Fines, forfeitures and penalties	70,898	-	-	70,898
Charges for services - public	429,620	-	-	429,620
Charges for services - intergovernmental	2,219,286	-	1,200	2,220,486
Investment income	42,079	11,357	14,200	67,636
Miscellaneous				
Loan repayments	259,123	-	-	259,123
Gifts and donations	71,502	-	10,000	81,502
Other	1,074,764	-	501,325	1,576,089
Total Revenues	<u>9,023,776</u>	<u>1,528,812</u>	<u>2,727,390</u>	<u>13,279,978</u>
EXPENDITURES				
Current				
General government	-	-	3,730	3,730
Public safety	172,809	-	85	172,894
Public works	97,770	-	1,104,562	1,202,332
Health services	6,096,160	-	-	6,096,160
Culture and recreation	3,883,330	-	6,496	3,889,826
Development	2,929,785	180,290	3,622,708	6,732,783
Capital Outlay	86,868	-	13,959,639	14,046,507
Debt Service				
Principal retirement	-	1,285,000	1,995,000	3,280,000
Interest and fiscal charges	-	62,926	728,163	791,089
Total Expenditures	<u>13,266,722</u>	<u>1,528,216</u>	<u>21,420,383</u>	<u>36,215,321</u>
Excess (deficiency) of revenues over expenditures	<u>(4,242,946)</u>	<u>596</u>	<u>(18,692,993)</u>	<u>(22,935,343)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	14,380,000	14,380,000
Refunding long-term debt issued	-	340,000	660,000	1,000,000
Premium on long-term debt issued	-	5,518	552,873	558,391
Transfers from other funds	5,969,185	-	3,929,282	9,898,467
Transfers to other funds	(891,345)	(96,680)	(832,000)	(1,820,025)
Proceeds from sale of capital assets	3,674	-	-	3,674
Total Other Financing Sources (Uses)	<u>5,081,514</u>	<u>248,838</u>	<u>18,690,155</u>	<u>24,020,507</u>
Net changes in fund balances	838,568	249,434	(2,838)	1,085,164
FUND BALANCES - Beginning of Year	<u>5,032,399</u>	<u>1,035,700</u>	<u>14,817,588</u>	<u>20,885,687</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,870,967</u>	<u>\$ 1,285,134</u>	<u>\$ 14,814,750</u>	<u>\$ 21,970,851</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
As of December 31, 2017

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
ASSETS					
Cash and investments	\$ 182,269	\$ 147,229	\$ 125	\$ 125	\$ 456,263
Receivables					
Taxes	-	-	-	-	-
Accounts, net	10,435	-	13,553	-	-
Notes, net	-	-	1,706,847	-	-
Due from other governments	-	38,337	115,394	46,532	-
Prepaid items and inventories	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted Assets					
Revolving loan sequestered funds	-	-	-	-	-
TOTAL ASSETS	\$ 192,704	\$ 185,566	\$ 1,835,919	\$ 46,657	\$ 456,263
LIABILITIES					
Accounts payable	\$ 34	\$ 10,552	\$ 23,961	\$ 21,887	\$ 761
Accrued liabilities	7,865	-	7,393	281	162
Deposits	-	-	60	-	-
Due to other governments	19	-	598	-	-
Due to other funds	-	-	2,036	23,396	-
Total Liabilities	<u>7,918</u>	<u>10,552</u>	<u>34,048</u>	<u>45,564</u>	<u>923</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - time requirements	-	-	-	-	-
Unavailable revenues	10,435	30,142	1,706,847	-	-
Total Deferred Inflows of Resources	<u>10,435</u>	<u>30,142</u>	<u>1,706,847</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	174,351	144,872	95,024	1,093	455,340
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total Fund Balances	<u>174,351</u>	<u>144,872</u>	<u>95,024</u>	<u>1,093</u>	<u>455,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 192,704	\$ 185,566	\$ 1,835,919	\$ 46,657	\$ 456,263

<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>
\$ 1,614,752	\$ 44,618	\$ 1,137,740	\$ 1,401,194	\$ 43,210	\$ 18,977	\$ 5,046,502
-	-	-	3,600	-	-	3,600
-	164,447	109,959	64,560	232	3,090	366,276
1,292,198	-	-	-	-	-	2,999,045
-	-	-	364,071	-	-	564,334
-	-	55,801	84,415	-	-	140,216
400,000	-	-	-	-	-	400,000
376,895	-	-	-	-	-	376,895
<u>\$ 3,683,845</u>	<u>\$ 209,065</u>	<u>\$ 1,303,500</u>	<u>\$ 1,917,840</u>	<u>\$ 43,442</u>	<u>\$ 22,067</u>	<u>\$ 9,896,868</u>
\$ 9,339	\$ 106,734	\$ 23,879	\$ 84,478	\$ 35	\$ 17,299	\$ 298,959
6,717	-	132,570	182,590	4,442	-	342,020
990	-	-	-	-	1,678	2,728
7	-	102	18,507	-	-	19,233
-	-	-	-	-	-	25,432
<u>17,053</u>	<u>106,734</u>	<u>156,551</u>	<u>285,575</u>	<u>4,477</u>	<u>18,977</u>	<u>688,372</u>
-	-	-	76,771	-	-	76,771
<u>1,292,198</u>	<u>-</u>	<u>98,552</u>	<u>119,494</u>	<u>-</u>	<u>3,090</u>	<u>3,260,758</u>
<u>1,292,198</u>	<u>-</u>	<u>98,552</u>	<u>196,265</u>	<u>-</u>	<u>3,090</u>	<u>3,337,529</u>
-	-	55,801	84,415	-	-	140,216
386,538	102,331	992,596	1,351,585	38,965	-	3,742,695
254,586	-	-	-	-	-	254,586
<u>1,733,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,733,470</u>
<u>2,374,594</u>	<u>102,331</u>	<u>1,048,397</u>	<u>1,436,000</u>	<u>38,965</u>	<u>-</u>	<u>5,870,967</u>
<u>\$ 3,683,845</u>	<u>\$ 209,065</u>	<u>\$ 1,303,500</u>	<u>\$ 1,917,840</u>	<u>\$ 43,442</u>	<u>\$ 22,067</u>	<u>\$ 9,896,868</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, 2017

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Police Department K9
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	95,160	375,232	382,107	-
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services - public	195,528	-	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	931	-	-	3,165
Miscellaneous					
Loan repayments	-	-	194,741	11,659	-
Gifts and donations	-	-	-	-	-
Other	27	-	-	-	-
Total Revenues	<u>195,555</u>	<u>96,091</u>	<u>569,973</u>	<u>393,766</u>	<u>3,165</u>
EXPENDITURES					
Current					
Public safety	-	121,694	-	-	51,115
Public works	-	-	-	-	-
Health services	470,190	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	485,102	419,425	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>470,190</u>	<u>121,694</u>	<u>485,102</u>	<u>419,425</u>	<u>51,115</u>
Excess (deficiency) of revenues over expenditures	<u>(274,635)</u>	<u>(25,603)</u>	<u>84,871</u>	<u>(25,659)</u>	<u>(47,950)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	274,635	26,476	-	-	-
Transfers to other funds	-	-	(92,194)	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>274,635</u>	<u>26,476</u>	<u>(92,194)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	873	(7,323)	(25,659)	(47,950)
FUND BALANCES - Beginning of Year	<u>174,351</u>	<u>143,999</u>	<u>102,347</u>	<u>26,752</u>	<u>503,290</u>
FUND BALANCES - END OF YEAR	<u>\$ 174,351</u>	<u>\$ 144,872</u>	<u>\$ 95,024</u>	<u>\$ 1,093</u>	<u>\$ 455,340</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>
\$ -	\$ 2,006,478	\$ -	\$ -	\$ -	\$ -	\$ 2,006,478
-	-	-	1,334,986	-	-	2,187,485
-	-	-	662,541	-	-	662,541
-	-	70,898	-	-	-	70,898
-	-	7,528	128,916	-	97,648	429,620
-	-	627,632	1,591,654	-	-	2,219,286
33,496	121	4,244	-	-	122	42,079
52,723	-	-	-	-	-	259,123
-	-	47,455	11,047	13,000	-	71,502
350,015	-	256,702	468,020	-	-	1,074,764
<u>436,234</u>	<u>2,006,599</u>	<u>1,014,459</u>	<u>4,197,164</u>	<u>13,000</u>	<u>97,770</u>	<u>9,023,776</u>
-	-	-	-	-	-	172,809
-	-	-	-	-	97,770	97,770
-	-	-	5,625,970	-	-	6,096,160
-	-	3,883,330	-	-	-	3,883,330
504,788	1,406,989	-	-	113,481	-	2,929,785
-	-	31,526	55,342	-	-	86,868
<u>504,788</u>	<u>1,406,989</u>	<u>3,914,856</u>	<u>5,681,312</u>	<u>113,481</u>	<u>97,770</u>	<u>13,266,722</u>
<u>(68,554)</u>	<u>599,610</u>	<u>(2,900,397)</u>	<u>(1,484,148)</u>	<u>(100,481)</u>	<u>-</u>	<u>(4,242,946)</u>
453,680	-	3,233,200	1,896,194	85,000	-	5,969,185
(85,000)	(584,400)	(100,248)	(29,503)	-	-	(891,345)
85	-	3,589	-	-	-	3,674
<u>368,765</u>	<u>(584,400)</u>	<u>3,136,541</u>	<u>1,866,691</u>	<u>85,000</u>	<u>-</u>	<u>5,081,514</u>
300,211	15,210	236,144	382,543	(15,481)	-	838,568
<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>\$ 2,374,594</u>	<u>\$ 102,331</u>	<u>\$ 1,048,397</u>	<u>\$ 1,436,000</u>	<u>\$ 38,965</u>	<u>\$ -</u>	<u>\$ 5,870,967</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
As of December 31, 2017

	<u>Debt Service - TIF No. 5</u>	<u>Debt Service - TIF No. 7</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 1,697,548	\$ 31	\$ 1,697,579
Receivables			
Taxes	<u>1,363,064</u>	<u>148,743</u>	<u>1,511,807</u>
 TOTAL ASSETS	 <u>\$ 3,060,612</u>	 <u>\$ 148,774</u>	 <u>\$ 3,209,386</u>
LIABILITIES			
Advances from other funds	<u>\$ -</u>	<u>\$ 412,445</u>	<u>\$ 412,445</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues - time requirements	<u>1,363,064</u>	<u>148,743</u>	<u>1,511,807</u>
FUND BALANCES (DEFICIT)			
Restricted	1,697,548	-	1,697,548
Unassigned (deficit)	<u>-</u>	<u>(412,414)</u>	<u>(412,414)</u>
Total Fund Balances (Deficit)	<u>1,697,548</u>	<u>(412,414)</u>	<u>1,285,134</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 3,060,612</u>	 <u>\$ 148,774</u>	 <u>\$ 3,209,386</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, 2017

	Debt Service - TIF No. 5	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
REVENUES				
Taxes	\$ 1,355,798	\$ -	\$ 137,091	\$ 1,492,889
Intergovernmental	23,501	-	1,065	24,566
Investment income	10,298	1,015	44	11,357
Total Revenues	<u>1,389,597</u>	<u>1,015</u>	<u>138,200</u>	<u>1,528,812</u>
EXPENDITURES				
Current				
Development	150	179,990	150	180,290
Debt Service				
Principal retirement	1,070,000	65,000	150,000	1,285,000
Interest and fiscal charges	58,626	1,300	3,000	62,926
Total Expenditures	<u>1,128,776</u>	<u>246,290</u>	<u>153,150</u>	<u>1,528,216</u>
Excess (deficiency) of revenues over expenditures	<u>260,821</u>	<u>(245,275)</u>	<u>(14,950)</u>	<u>596</u>
OTHER FINANCING SOURCES (USES)				
Refunding long-term debt issued	340,000	-	-	340,000
Premium on long-term debt issued	5,518	-	-	5,518
Transfer to other funds	-	(96,680)	-	(96,680)
Total Other Financing Sources (Uses)	<u>345,518</u>	<u>(96,680)</u>	<u>-</u>	<u>248,838</u>
Net change in fund balances	606,339	(341,955)	(14,950)	249,434
FUND BALANCES (DEFICIT) - Beginning of Year	<u>1,091,209</u>	<u>341,955</u>	<u>(397,464)</u>	<u>1,035,700</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,697,548</u>	<u>\$ -</u>	<u>\$ (412,414)</u>	<u>\$ 1,285,134</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
As of December 31, 2017

	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	TIF No. 11 Downtown Mixed Use	TIF No. 12 Water Street
ASSETS					
Cash and investments	\$ -	\$ 384,780	\$ -	\$ 248,766	\$ -
Receivables					
Taxes	1,449,784	70,881	703,013	338,899	-
Accounts	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted assets					
Construction account	-	-	2,504,777	206,691	-
TOTAL ASSETS	\$ 1,449,784	\$ 455,661	\$ 3,207,790	\$ 794,356	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 37,439	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	493,433	-	270,892	-	1,000
Advances from other funds	3,238,700	-	-	-	-
Total Liabilities	3,732,133	-	308,331	-	1,000
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - time requirements	1,449,784	70,881	703,013	338,899	-
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	1,449,784	70,881	703,013	338,899	-
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted	-	384,780	2,467,338	455,457	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(3,732,133)	-	(270,892)	-	(1,000)
Total Fund Balances (Deficit)	(3,732,133)	384,780	2,196,446	455,457	(1,000)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,449,784	\$ 455,661	\$ 3,207,790	\$ 794,356	\$ -

Bridge Projects	Street Projects	Transportation Improvements	Land, Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements	Library Buildings & Equipment	Totals
\$ 314,183	\$ 2,137,054	\$ 1,253,095	\$ 2,747,557	\$ 782,705	\$ 1,906,703	\$ 175,944	\$ 9,950,787
-	-	-	-	-	-	-	2,562,577
-	-	-	-	6,054	-	-	6,054
-	102,196	165,659	193,854	54,389	-	-	516,098
-	-	-	697	-	-	-	697
-	1,000,000	-	-	-	-	-	1,000,000
<u>1,170,571</u>	<u>-</u>	<u>2,961,396</u>	<u>4,089,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,932,642</u>
<u>\$ 1,484,754</u>	<u>\$ 3,239,250</u>	<u>\$ 4,380,150</u>	<u>\$ 7,031,315</u>	<u>\$ 843,148</u>	<u>\$ 1,906,703</u>	<u>\$ 175,944</u>	<u>\$ 24,968,855</u>
\$ 341,940	\$ 157,456	\$ 1,164,422	\$ 1,205,762	\$ 220,879	\$ 53	\$ -	\$ 3,127,951
-	-	-	950	-	-	-	950
-	-	-	-	-	-	-	765,325
-	-	-	-	-	-	-	3,238,700
<u>341,940</u>	<u>157,456</u>	<u>1,164,422</u>	<u>1,206,712</u>	<u>220,879</u>	<u>53</u>	<u>-</u>	<u>7,132,926</u>
-	-	-	-	-	-	-	2,562,577
-	45,000	165,659	193,550	54,393	-	-	458,602
-	45,000	165,659	193,550	54,393	-	-	3,021,179
-	-	-	697	-	-	-	697
828,881	246,633	1,913,300	3,938,356	403,333	1,162	175,944	10,815,184
313,933	2,790,161	1,136,769	1,692,000	164,543	1,905,488	-	8,002,894
-	-	-	-	-	-	-	(4,004,025)
<u>1,142,814</u>	<u>3,036,794</u>	<u>3,050,069</u>	<u>5,631,053</u>	<u>567,876</u>	<u>1,906,650</u>	<u>175,944</u>	<u>14,814,750</u>
<u>\$ 1,484,754</u>	<u>\$ 3,239,250</u>	<u>\$ 4,380,150</u>	<u>\$ 7,031,315</u>	<u>\$ 843,148</u>	<u>\$ 1,906,703</u>	<u>\$ 175,944</u>	<u>\$ 24,968,855</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, 2017

	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	TIF No. 10 Confluence Project	TIF No. 11 Downtown Mixed Use	TIF No. 12 Water Street
REVENUES					
Taxes	\$ 1,352,462	\$ 53,620	\$ 352,593	\$ 243,312	\$ -
Intergovernmental	70,977	2,172	125	4,249	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	564	2,463	2,643	1,916	-
Miscellaneous					
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>1,424,003</u>	<u>58,255</u>	<u>355,361</u>	<u>249,477</u>	<u>-</u>
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	1,583,819	150	2,037,589	150	1,000
Capital Outlay	5,439	-	-	-	-
Debt Service					
Principal retirement	1,730,000	-	265,000	-	-
Interest and fiscal charges	419,989	-	171,958	2,090	-
Total Expenditures	<u>3,739,247</u>	<u>150</u>	<u>2,474,547</u>	<u>2,240</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	<u>(2,315,244)</u>	<u>58,105</u>	<u>(2,119,186)</u>	<u>247,237</u>	<u>(1,000)</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	940,000	200,000	-
Refunding long-term debt issued	660,000	-	-	-	-
Premium on long-term debt issued	39,923	-	39,339	8,370	-
Transfers from other funds	171,282	-	-	-	-
Transfer to other funds	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>871,205</u>	<u>-</u>	<u>979,339</u>	<u>208,370</u>	<u>-</u>
Net change in fund balances	(1,444,039)	58,105	(1,139,847)	455,607	(1,000)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(2,288,094)</u>	<u>326,675</u>	<u>3,336,293</u>	<u>(150)</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (3,732,133)</u>	<u>\$ 384,780</u>	<u>\$ 2,196,446</u>	<u>\$ 455,457</u>	<u>\$ (1,000)</u>

Bridge Projects	Street Projects	Transportation Improvements	Land, Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,001,987
-	-	-	18,087	103,068	-	-	198,678
-	-	-	1,200	-	-	-	1,200
40	-	-	292	-	6,282	-	14,200
-	-	-	-	10,000	-	-	10,000
-	57,196	-	374,590	69,539	-	-	501,325
<u>40</u>	<u>57,196</u>	<u>-</u>	<u>394,169</u>	<u>182,607</u>	<u>6,282</u>	<u>-</u>	<u>2,727,390</u>
-	-	-	3,730	-	-	-	3,730
-	-	-	85	-	-	-	85
23,795	15,884	41,074	998,050	-	25,759	-	1,104,562
-	-	-	-	-	-	6,496	6,496
-	-	-	-	-	-	-	3,622,708
2,740,167	1,157,546	4,854,887	4,291,886	783,743	1,738	124,233	13,959,639
-	-	-	-	-	-	-	1,995,000
35,425	-	52,891	43,615	2,195	-	-	728,163
<u>2,799,387</u>	<u>1,173,430</u>	<u>4,948,852</u>	<u>5,337,366</u>	<u>785,938</u>	<u>27,497</u>	<u>130,729</u>	<u>21,420,383</u>
<u>(2,799,347)</u>	<u>(1,116,234)</u>	<u>(4,948,852)</u>	<u>(4,943,197)</u>	<u>(603,331)</u>	<u>(21,215)</u>	<u>(130,729)</u>	<u>(18,692,993)</u>
3,390,000	-	5,375,480	4,264,520	210,000	-	-	14,380,000
-	-	-	-	-	-	-	660,000
141,872	-	156,041	158,539	8,789	-	-	552,873
-	-	2,467,400	980,600	250,000	-	60,000	3,929,282
<u>(400,000)</u>	<u>(240,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,000)</u>	<u>(832,000)</u>
<u>3,131,872</u>	<u>(240,000)</u>	<u>7,998,921</u>	<u>5,403,659</u>	<u>468,789</u>	<u>-</u>	<u>(132,000)</u>	<u>18,690,155</u>
332,525	(1,356,234)	3,050,069	460,462	(134,542)	(21,215)	(262,729)	(2,838)
810,289	4,393,028	-	5,170,591	702,418	1,927,865	438,673	14,817,588
<u>\$ 1,142,814</u>	<u>\$ 3,036,794</u>	<u>\$ 3,050,069</u>	<u>\$ 5,631,053</u>	<u>\$ 567,876</u>	<u>\$ 1,906,650</u>	<u>\$ 175,944</u>	<u>\$ 14,814,750</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Cemetery Maintenance				
	2017			2016	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Fines, forfeitures and penalties	\$ -	\$ -	\$ -	\$ -	\$ 36
Charges for services - public	173,700	173,700	195,528	21,828	196,980
Miscellaneous					
Other	-	-	27	-	-
Total Revenues	<u>173,700</u>	<u>173,700</u>	<u>195,555</u>	<u>21,828</u>	<u>197,016</u>
EXPENDITURES					
Current					
Health services	<u>466,700</u>	<u>470,200</u>	<u>470,190</u>	<u>10</u>	<u>418,490</u>
Deficiency of revenues over expenditures	(293,000)	(296,500)	(274,635)	21,865	(221,474)
OTHER FINANCING SOURCES					
Transfers from other funds	<u>293,000</u>	<u>293,000</u>	<u>274,635</u>	<u>(18,365)</u>	<u>222,385</u>
Net change in fund balances	-	(3,500)	-	3,500	911
FUND BALANCES - Beginning of Year	<u>174,351</u>	<u>174,351</u>	<u>174,351</u>	<u>-</u>	<u>173,440</u>
FUND BALANCES - END OF YEAR	<u>\$ 174,351</u>	<u>\$ 170,851</u>	<u>\$ 174,351</u>	<u>\$ 3,500</u>	<u>\$ 174,351</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Hazardous Materials Response				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Intergovernmental	\$ 116,000	\$ 122,600	\$ 95,160	\$ (27,440)	\$ 172,780
Charges for services - public	2,000	2,000	-	(2,000)	-
Investment income	300	300	931	631	406
Total Revenues	<u>118,300</u>	<u>124,900</u>	<u>96,091</u>	<u>(28,809)</u>	<u>173,186</u>
EXPENDITURES					
Current					
Public safety	<u>115,100</u>	<u>121,700</u>	<u>121,694</u>	<u>6</u>	<u>162,796</u>
Excess (deficiency) of revenues over expenditures	3,200	3,200	(25,603)	(28,803)	10,390
OTHER FINANCING SOURCES					
Transfers from other funds	<u>-</u>	<u>-</u>	<u>26,476</u>	<u>26,476</u>	<u>-</u>
Net change in fund balances	3,200	3,200	873	(2,327)	10,390
FUND BALANCES - Beginning of Year	<u>143,999</u>	<u>143,999</u>	<u>143,999</u>	<u>-</u>	<u>133,609</u>
FUND BALANCES - END OF YEAR	<u>\$ 147,199</u>	<u>\$ 147,199</u>	<u>\$ 144,872</u>	<u>\$ (2,327)</u>	<u>\$ 143,999</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Police Department K9				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Investment income	\$ 1,200	\$ 1,200	\$ 3,165	\$ 1,965	\$ 1,823
EXPENDITURES					
Current					
Public safety	52,500	52,500	51,115	1,385	-
Excess (deficiency) of revenues over expenditures	(51,300)	(51,300)	(47,950)	3,350	1,823
OTHER FINANCING USES					
Transfers to other funds	-	-	-	-	(70,000)
Net change in fund balances	(51,300)	(51,300)	(47,950)	3,350	(68,177)
FUND BALANCES - Beginning of Year	503,290	503,290	503,290	-	571,467
FUND BALANCES - END OF YEAR	\$ 451,990	\$ 451,990	\$ 455,340	\$ 3,350	\$ 503,290

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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Economic Development				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 470,411
Investment income	27,400	27,400	33,496	6,096	27,534
Miscellaneous					
Loan repayments	92,700	92,700	52,723	(39,977)	47,586
Other	100	100	350,015	349,915	3,215
Total Revenues	<u>120,200</u>	<u>120,200</u>	<u>436,234</u>	<u>316,034</u>	<u>548,746</u>
EXPENDITURES					
Current					
Development	<u>519,000</u>	<u>2,301,700</u>	<u>504,788</u>	<u>1,796,912</u>	<u>1,101,505</u>
Deficiency of revenues over expenditures	<u>(398,800)</u>	<u>(2,181,500)</u>	<u>(68,554)</u>	<u>2,112,946</u>	<u>(552,759)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	357,000	357,000	453,680	96,680	100,000
Transfers to other funds	(85,000)	(85,000)	(85,000)	-	(85,000)
Proceeds from sale of capital assets	-	-	85	85	18,000
Total Other Financing Sources (Uses)	<u>272,000</u>	<u>272,000</u>	<u>368,765</u>	<u>96,765</u>	<u>33,000</u>
Net change in fund balances	(126,800)	(1,909,500)	300,211	2,209,711	(519,759)
FUND BALANCES - Beginning of Year	<u>2,074,383</u>	<u>2,074,383</u>	<u>2,074,383</u>	<u>-</u>	<u>2,594,142</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,947,583</u>	<u>\$ 164,883</u>	<u>\$ 2,374,594</u>	<u>\$ 2,209,711</u>	<u>\$ 2,074,383</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Community Enhancement				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Taxes	\$ 1,747,200	\$ 1,928,800	\$ 2,006,478	\$ 77,678	\$ 1,886,043
Investment income	100	100	121	21	35
Total Revenues	<u>1,747,300</u>	<u>1,928,900</u>	<u>2,006,599</u>	<u>77,699</u>	<u>1,886,078</u>
EXPENDITURES					
Current					
Development	<u>1,225,400</u>	<u>1,407,000</u>	<u>1,406,989</u>	<u>11</u>	<u>1,322,523</u>
Excess of revenues over expenditures	521,900	521,900	599,610	77,710	563,555
OTHER FINANCING USES					
Transfers to other funds	<u>(584,400)</u>	<u>(584,400)</u>	<u>(584,400)</u>	<u>-</u>	<u>(631,700)</u>
Net change in fund balances	(62,500)	(62,500)	15,210	77,710	(68,145)
FUND BALANCES - Beginning of Year	<u>87,121</u>	<u>87,121</u>	<u>87,121</u>	<u>-</u>	<u>155,266</u>
FUND BALANCES - END OF YEAR	<u>\$ 24,621</u>	<u>\$ 24,621</u>	<u>\$ 102,331</u>	<u>\$ 77,710</u>	<u>\$ 87,121</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Public Library				
	2017			2016	
	Budgeted Amounts		Actual	Variance with	Actual
Original	Final	Final Budget			
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,994,900
Fines and forfeitures	87,800	87,800	70,898	(16,902)	84,298
Charges for services - public	18,200	18,200	7,528	(10,672)	8,124
Charges for services - intergovernmental	629,400	629,400	627,632	(1,768)	591,545
Investment income	-	-	4,244	4,244	(667)
Miscellaneous					
Gifts and donations	33,000	46,200	47,455	1,255	47,921
Other	254,300	256,100	256,702	602	266,892
Total Revenues	<u>1,022,700</u>	<u>1,037,700</u>	<u>1,014,459</u>	<u>(23,241)</u>	<u>3,993,013</u>
EXPENDITURES					
Current					
Culture and recreation	4,090,300	4,182,800	3,883,330	299,470	3,759,578
Capital Outlay	8,000	8,000	31,526	(23,526)	50,561
Total Expenditures	<u>4,098,300</u>	<u>4,190,800</u>	<u>3,914,856</u>	<u>275,944</u>	<u>3,810,139</u>
Excess (deficiency) of revenues over expenditures	<u>(3,075,600)</u>	<u>(3,153,100)</u>	<u>(2,900,397)</u>	<u>252,703</u>	<u>182,874</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,041,400	3,041,400	3,233,200	191,800	-
Transfers to other funds	(111,300)	(111,300)	(100,248)	11,052	(196,548)
Proceeds from sale of capital assets	500	500	3,589	3,089	3,827
Total Other Financing Sources (Uses)	<u>2,930,600</u>	<u>2,930,600</u>	<u>3,136,541</u>	<u>205,941</u>	<u>(192,721)</u>
Net change in fund balances	(145,000)	(222,500)	236,144	458,644	(9,847)
FUND BALANCES - Beginning of Year	<u>812,253</u>	<u>812,253</u>	<u>812,253</u>	<u>-</u>	<u>822,100</u>
FUND BALANCES - END OF YEAR	<u>\$ 667,253</u>	<u>\$ 589,753</u>	<u>\$ 1,048,397</u>	<u>\$ 458,644</u>	<u>\$ 812,253</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	City-County Health Department				
	2017			2016	
	Original	Final	Actual	Variance with Final Budget	Actual
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,765,400
Intergovernmental	1,099,900	1,246,400	1,334,986	88,586	1,107,585
Licenses and permits	618,900	618,900	662,541	43,641	633,189
Charges for services - public	149,600	153,400	128,916	(24,484)	141,095
Charges for services - intergovernmental	1,568,600	1,568,600	1,591,654	23,054	1,487,659
Miscellaneous					
Gifts and donations	1,800	3,600	11,047	7,447	5,831
Other	258,300	484,700	468,020	(16,680)	167,396
Total Revenues	<u>3,697,100</u>	<u>4,075,600</u>	<u>4,197,164</u>	<u>121,564</u>	<u>5,308,155</u>
EXPENDITURES					
Current					
Health services	5,603,300	5,885,600	5,625,970	259,630	5,300,066
Capital Outlay	-	57,000	55,342	1,658	53,482
Total Expenditures	<u>5,603,300</u>	<u>5,942,600</u>	<u>5,681,312</u>	<u>261,288</u>	<u>5,353,548</u>
Deficiency of revenues over expenditures	<u>(1,906,200)</u>	<u>(1,867,000)</u>	<u>(1,484,148)</u>	<u>382,852</u>	<u>(45,393)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,875,500	1,896,500	1,896,194	(306)	71,823
Transfers to other funds	<u>(29,500)</u>	<u>(29,500)</u>	<u>(29,503)</u>	<u>(3)</u>	<u>(30,262)</u>
Total Other Financing Sources (Uses)	<u>1,846,000</u>	<u>1,867,000</u>	<u>1,866,691</u>	<u>(309)</u>	<u>41,561</u>
Net change in fund balances	(60,200)	-	382,543	382,543	(3,832)
FUND BALANCES - Beginning of Year	<u>1,053,457</u>	<u>1,053,457</u>	<u>1,053,457</u>	<u>-</u>	<u>1,057,289</u>
FUND BALANCES - END OF YEAR	<u>\$ 993,257</u>	<u>\$ 1,053,457</u>	<u>\$ 1,436,000</u>	<u>\$ 382,543</u>	<u>\$ 1,053,457</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Downtown				
	2017			2016	
	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	122,100	122,100	113,481	8,619	121,403
Deficiency of revenues over expenditures	(109,100)	(109,100)	(100,481)	8,619	(108,403)
OTHER FINANCING SOURCES					
Transfers from other funds	85,000	85,000	85,000	-	85,000
Net change in fund balances	(24,100)	(24,100)	(15,481)	8,619	(23,403)
FUND BALANCES - Beginning of Year	54,446	54,446	54,446	-	77,849
FUND BALANCES - END OF YEAR	\$ 30,346	\$ 30,346	\$ 38,965	\$ 8,619	\$ 54,446

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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Former Landfill Escrow				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 97,648	\$ (52,352)	\$ 54,642
Investment income	-	-	122	122	55
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>97,770</u>	<u>(52,230)</u>	<u>54,697</u>
EXPENDITURES					
Current					
Public works	<u>150,000</u>	<u>150,000</u>	<u>97,770</u>	<u>52,230</u>	<u>54,697</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Debt Service - TIF No. 5				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 1,056,300	\$ 1,056,300	\$ 1,355,798	\$ 299,498	\$ 1,035,487
Intergovernmental	27,300	27,300	23,501	(3,799)	26,901
Investment income	4,500	4,500	10,298	5,798	3,304
Total Revenues	<u>1,088,100</u>	<u>1,088,100</u>	<u>1,389,597</u>	<u>301,497</u>	<u>1,065,692</u>
EXPENDITURES					
Current					
General government	2,700	2,700	-	2,700	3,062
Development	200	200	150	50	150
Debt Service					
Principal retirement	730,000	1,425,000	1,070,000	355,000	720,000
Interest and fiscal charges	<u>55,500</u>	<u>55,500</u>	<u>58,626</u>	<u>(3,126)</u>	<u>83,614</u>
Total Expenditures	<u>788,400</u>	<u>1,483,400</u>	<u>1,128,776</u>	<u>354,624</u>	<u>806,826</u>
Excess (deficiency) of revenues over expenditures	<u>299,700</u>	<u>(395,300)</u>	<u>260,821</u>	<u>656,121</u>	<u>258,866</u>
OTHER FINANCING SOURCES (USES)					
Refunding long-term debt issued	-	660,000	340,000	(320,000)	-
Premium on long-term debt issued	-	35,000	5,518	(29,482)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>695,000</u>	<u>345,518</u>	<u>(349,482)</u>	<u>-</u>
Net change in fund balances	299,700	299,700	606,339	306,639	258,866
FUND BALANCES - Beginning of Year	<u>1,091,209</u>	<u>1,091,209</u>	<u>1,091,209</u>	<u>-</u>	<u>832,343</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,390,909</u>	<u>\$ 1,390,909</u>	<u>\$ 1,697,548</u>	<u>\$ 306,639</u>	<u>\$ 1,091,209</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Debt Service - TIF No. 6				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Investment income	\$ 1,400	\$ 1,400	\$ 1,015	\$ (385)	\$ 1,174
Total Revenues	<u>1,400</u>	<u>1,400</u>	<u>1,015</u>	<u>(385)</u>	<u>1,174</u>
EXPENDITURES					
Current					
Development	-	276,700	179,990	96,710	-
Debt Service					
Principal retirement	65,000	65,000	65,000	-	115,000
Interest and fiscal charges	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>4,900</u>
Total Expenditures	<u>66,300</u>	<u>343,000</u>	<u>246,290</u>	<u>96,710</u>	<u>119,900</u>
Deficiency of revenues over expenditures	(64,900)	(341,600)	(245,275)	96,325	(118,726)
OTHER FINANCING USES					
Transfers to other funds	-	-	(96,680)	(96,680)	-
Net change in fund balances	(64,900)	(341,600)	(341,955)	(355)	(118,726)
FUND BALANCES - Beginning of Year	<u>341,955</u>	<u>341,955</u>	<u>341,955</u>	<u>-</u>	<u>460,681</u>
FUND BALANCES - END OF YEAR	<u>\$ 277,055</u>	<u>\$ 355</u>	<u>\$ -</u>	<u>\$ (355)</u>	<u>\$ 341,955</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, 2017
With Comparative Actual Totals for the Year Ended December 31, 2016

	Debt Service - TIF No. 7				
	2017			2016	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
REVENUES					
Taxes	\$ 129,400	\$ 129,400	\$ 137,091	\$ 7,691	\$ 126,846
Intergovernmental	1,200	1,200	1,065	(135)	3,848
Investment income	-	-	44	44	42
Total Revenues	<u>130,600</u>	<u>130,600</u>	<u>138,200</u>	<u>7,600</u>	<u>130,736</u>
EXPENDITURES					
Current					
General government	100	100	-	100	-
Development	200	200	150	50	150
Debt Service					
Principal retirement	150,000	150,000	150,000	-	140,000
Interest and fiscal charges	3,000	3,000	3,000	-	8,800
Total Expenditures	<u>153,300</u>	<u>153,300</u>	<u>153,150</u>	<u>150</u>	<u>148,950</u>
Net change in fund balances	(22,700)	(22,700)	(14,950)	7,750	(18,214)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(397,464)</u>	<u>(397,464)</u>	<u>(397,464)</u>	-	<u>(379,250)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (420,164)</u>	<u>\$ (420,164)</u>	<u>\$ (412,414)</u>	<u>\$ 7,750</u>	<u>\$ (397,464)</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.

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

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

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET POSITION -
NONMAJOR ENTERPRISE FUNDS
As of December 31, 2017

	Hobbs Ice Center	Outdoor Pool	Public Transit	Parking Utility	Total Nonmajor Enterprise Funds
ASSETS					
Current Assets					
Cash and investments	\$ 223,307	\$ 167,083	\$ 2,626	\$ 1,036,233	\$ 1,429,249
Accounts receivable, net	131,546	4,357	16,756	8,291	160,950
Due from other governments	-	-	326,826	-	326,826
Inventories	-	-	185,521	-	185,521
Total Current Assets	<u>354,853</u>	<u>171,440</u>	<u>531,729</u>	<u>1,044,524</u>	<u>2,102,546</u>
Noncurrent Assets					
Capital assets					
Construction in progress	-	41,555	-	-	41,555
Land	5,000	-	-	645,196	650,196
Capital assets	8,844,047	3,467,650	6,745,872	18,178,221	37,235,790
Less: Accumulated depreciation	<u>(3,929,706)</u>	<u>(1,206,714)</u>	<u>(4,951,120)</u>	<u>(5,398,427)</u>	<u>(15,485,967)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>4,919,341</u>	<u>2,302,491</u>	<u>1,794,752</u>	<u>13,424,990</u>	<u>22,441,574</u>
Total Noncurrent Assets	<u>4,919,341</u>	<u>2,302,491</u>	<u>1,794,752</u>	<u>13,424,990</u>	<u>22,441,574</u>
Total Assets	<u>5,274,194</u>	<u>2,473,931</u>	<u>2,326,481</u>	<u>14,469,514</u>	<u>24,544,120</u>
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefit related amounts	3,237	-	77,999	2,581	83,817
Pension related amounts	<u>38,599</u>	<u>8,998</u>	<u>846,769</u>	<u>20,103</u>	<u>914,469</u>
Total Deferred Outflows of Resources	<u>41,836</u>	<u>8,998</u>	<u>924,768</u>	<u>22,684</u>	<u>998,286</u>
LIABILITIES					
Current Liabilities					
Accounts payable	15,131	19,509	205,693	413	240,746
Accrued payroll and payroll taxes	10,210	1,463	123,068	5,610	140,351
Accrued compensated absences	7,261	1,201	81,165	5,856	95,483
Accrued interest	21,854	-	-	1,506	23,360
Deposits	603	7,800	55,494	18,990	82,887
Due to other governments	1,415	501	-	845	2,761
Due to other funds	87,087	-	66,309	-	153,396
Current portion of advances	215,000	-	-	-	215,000
Current portion of general obligation debt	-	-	-	12,000	12,000
Total Current Liabilities	<u>358,561</u>	<u>30,474</u>	<u>531,729</u>	<u>45,220</u>	<u>965,984</u>
Noncurrent Liabilities					
Long-Term Debt					
Advances from other funds	2,420,000	-	-	-	2,420,000
General obligation debt payable	-	-	-	277,861	277,861
Other postemployment benefits	40,499	-	975,749	32,283	1,048,531
Net pension liability	<u>5,356</u>	<u>927</u>	<u>106,113</u>	<u>-</u>	<u>112,396</u>
Total Noncurrent Liabilities	<u>2,465,855</u>	<u>927</u>	<u>1,081,862</u>	<u>310,144</u>	<u>3,858,788</u>
Total Liabilities	<u>2,824,416</u>	<u>31,401</u>	<u>1,613,591</u>	<u>355,364</u>	<u>4,824,772</u>
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefit related amounts	547	-	13,171	436	14,154
Pension related amounts	<u>15,231</u>	<u>2,925</u>	<u>350,996</u>	<u>6,120</u>	<u>375,272</u>
Total Deferred Inflows of Resources	<u>15,778</u>	<u>2,925</u>	<u>364,167</u>	<u>6,556</u>	<u>389,426</u>
NET POSITION					
Net investment in capital assets	4,909,176	2,283,241	1,792,252	13,135,129	22,119,798
Unrestricted (deficit)	<u>(2,433,340)</u>	<u>165,362</u>	<u>(518,761)</u>	<u>995,149</u>	<u>(1,791,590)</u>
TOTAL NET POSITION	<u>\$ 2,475,836</u>	<u>\$ 2,448,603</u>	<u>\$ 1,273,491</u>	<u>\$ 14,130,278</u>	<u>\$ 20,328,208</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Hobbs Ice Center	Outdoor Pool	Public Transit	Parking Utility	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Charges for services	\$ 721,781	\$ 275,429	\$ 1,100,817	\$ 627,623	\$ 2,725,650
Other	59,037	22,666	66,085	631	148,419
Total Operating Revenues	<u>780,818</u>	<u>298,095</u>	<u>1,166,902</u>	<u>628,254</u>	<u>2,874,069</u>
OPERATING EXPENSES					
Personal services	280,822	219,542	3,005,808	113,452	3,619,624
Contractual services	107,284	25,809	1,636,384	69,710	1,839,187
Supplies and materials	78,487	64,988	854,590	22,479	1,020,544
Utilities	268,004	49,765	9,099	68,039	394,907
Depreciation	399,322	75,357	379,519	370,721	1,224,919
Administrative	9,731	7,349	164,933	11,261	193,274
Total Operating Expenses	<u>1,143,650</u>	<u>442,810</u>	<u>6,050,333</u>	<u>655,662</u>	<u>8,292,455</u>
Operating loss	<u>(362,832)</u>	<u>(144,715)</u>	<u>(4,883,431)</u>	<u>(27,408)</u>	<u>(5,418,386)</u>
NONOPERATING REVENUES (EXPENSES)					
Operating grants	-	-	3,377,676	-	3,377,676
Net gain (loss) on disposal of capital assets	-	-	(47,575)	-	(47,575)
Interest and fiscal charges	(89,158)	-	-	(5,751)	(94,909)
Total Nonoperating Revenues (Expenses)	<u>(89,158)</u>	<u>-</u>	<u>3,330,101</u>	<u>(5,751)</u>	<u>3,235,192</u>
Loss before transfers	(451,990)	(144,715)	(1,553,330)	(33,159)	(2,183,194)
Transfers from other funds	337,049	100,078	997,068	368,400	1,802,595
Transfers to other funds	-	-	-	(171,282)	(171,282)
Total Transfers	<u>337,049</u>	<u>100,078</u>	<u>997,068</u>	<u>197,118</u>	<u>1,631,313</u>
Change in net position	(114,941)	(44,637)	(556,262)	163,959	(551,881)
NET POSITION - Beginning of Year (as restated)	<u>2,590,777</u>	<u>2,493,240</u>	<u>1,829,753</u>	<u>13,966,319</u>	<u>20,880,089</u>
NET POSITION - END OF YEAR	<u>\$ 2,475,836</u>	<u>\$ 2,448,603</u>	<u>\$ 1,273,491</u>	<u>\$ 14,130,278</u>	<u>\$ 20,328,208</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2017

	Hobbs Ice Center	Outdoor Pool	Public Transit	Parking Utility	Total Nonmajor Enterprise Funds
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES					
Cash received from customers	\$ 765,304	\$ 296,281	\$ 1,158,566	\$ 619,484	\$ 2,839,635
Cash paid to suppliers for goods and services	(450,032)	(148,427)	(2,532,346)	(174,659)	(3,305,464)
Cash paid to employees for services	(271,635)	(220,079)	(2,847,897)	(120,313)	(3,459,924)
Administrative charges	-	-	(54,770)	-	(54,770)
Net Cash Flows From (Used By) Operating Activities	<u>43,637</u>	<u>(72,225)</u>	<u>(4,276,447)</u>	<u>324,512</u>	<u>(3,980,523)</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	3,759,008	-	3,759,008
Negative cash implicitly financed	-	-	(476,461)	-	(476,461)
Transfers from other funds	337,049	100,078	997,068	(171,282)	1,262,913
Transfers to other funds	-	-	-	368,400	368,400
Net Cash Flows From Noncapital Financing Activities	<u>337,049</u>	<u>100,078</u>	<u>4,279,615</u>	<u>197,118</u>	<u>4,913,860</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES					
Debt retired	-	-	-	(11,400)	(11,400)
Interest and fiscal charges paid	-	-	-	(6,676)	(6,676)
Acquisition and construction of capital assets	(31,043)	(271,663)	(667)	(11,350)	(314,723)
Principal paid on capital advances from other funds	(215,000)	-	-	-	(215,000)
Interest paid on capital advances from other funds	(90,900)	-	-	-	(90,900)
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(336,943)</u>	<u>(271,663)</u>	<u>(667)</u>	<u>(29,426)</u>	<u>(638,699)</u>
Net Change in Cash and Cash Equivalents	43,743	(243,810)	2,501	492,204	294,638
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>179,564</u>	<u>410,893</u>	<u>125</u>	<u>544,029</u>	<u>1,134,611</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 223,307	\$ 167,083	\$ 2,626	\$ 1,036,233	\$ 1,429,249
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating loss	\$ (362,832)	\$ (144,715)	\$ (4,883,431)	\$ (27,408)	\$ (5,418,386)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities					
Noncash items included in income					
Depreciation	399,322	75,357	379,519	370,721	1,224,919
Change in assets, deferred outflows, liabilities and deferred inflows					
Accounts receivable	(15,514)	(3,789)	(1,013)	(7,843)	(28,159)
Inventories	-	-	773	-	773
Prepaid items	-	-	120	-	120
Accounts payable	2,287	(689)	76,997	(1,915)	76,680
Due to other funds	10,918	-	-	-	10,918
Other liabilities	4,051	355	25,464	445	30,315
Other postemployment benefit related deferrals and liability	(228)	-	(5,528)	(183)	(5,939)
Pension related deferrals and liability	5,633	(719)	137,975	(8,378)	134,511
Deposits	-	1,975	(7,323)	(927)	(6,275)
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	\$ 43,637	\$ (72,225)	\$ (4,276,447)	\$ 324,512	\$ (3,980,523)

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:

The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2017:

Hobbs Ice Center	\$ 10,165
Outdoor Pool	19,250
Public Transit	2,500

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, 2017

	Risk Management	Central Equipment	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 7,315,866	\$ 6,040,293	\$ 13,356,159
Accounts receivable, net	66,381	-	66,381
Due from other governments	12,941	518	13,459
Inventories	-	638,064	638,064
Prepaid items	-	3,391	3,391
Total Current Assets	<u>7,395,188</u>	<u>6,682,266</u>	<u>14,077,454</u>
Noncurrent Assets			
Restricted assets			
Escrow account	334,991	-	334,991
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	14,689	14,689
Land	-	247,199	247,199
Land improvements	-	32,009	32,009
Intangible assets	-	217,528	217,528
Buildings	-	6,881,683	6,881,683
Equipment	-	723,952	723,952
Rental equipment	-	19,499,696	19,499,696
Less: Accumulated depreciation	-	<u>(14,865,992)</u>	<u>(14,865,992)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>12,750,764</u>	<u>12,750,764</u>
Total Noncurrent Assets	<u>2,940,187</u>	<u>12,750,764</u>	<u>15,690,951</u>
Total Assets	<u>10,335,375</u>	<u>19,433,030</u>	<u>29,768,405</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefit related amounts	2,825	10,531	13,356
Pension related amounts	<u>42,337</u>	<u>261,068</u>	<u>303,405</u>
Total Deferred Outflows of Resources	<u>45,162</u>	<u>271,599</u>	<u>316,761</u>
LIABILITIES			
Current Liabilities			
Accounts payable	59,259	120,380	179,639
Accrued payroll and payroll taxes	6,140	41,506	47,646
Accrued compensated absences	1,858	47,540	49,398
Due to other governments	-	86	86
Current portion of unpaid claims	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total Current Liabilities	<u>287,257</u>	<u>209,512</u>	<u>496,769</u>
Noncurrent Liabilities			
Other postemployment benefits	35,338	131,742	167,080
Net pension liability	6,315	33,777	40,092
Unpaid claims	<u>2,568,190</u>	<u>-</u>	<u>2,568,190</u>
Total Noncurrent Liabilities	<u>2,609,843</u>	<u>165,519</u>	<u>2,775,362</u>
Total Liabilities	<u>2,897,100</u>	<u>375,031</u>	<u>3,272,131</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefit related amounts	477	1,778	2,255
Pension related amounts	<u>17,887</u>	<u>102,692</u>	<u>120,579</u>
Total Deferred Inflows of Resources	<u>18,364</u>	<u>104,470</u>	<u>122,834</u>
NET POSITION			
Net investment in capital assets	-	12,707,804	12,707,804
Restricted for:			
Insurance deposits	1,101,487	-	1,101,487
Unrestricted	<u>6,363,586</u>	<u>6,517,324</u>	<u>12,880,910</u>
TOTAL NET POSITION	<u>\$ 7,465,073</u>	<u>\$ 19,225,128</u>	<u>\$ 26,690,201</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

	Risk Management	Central Equipment	Totals
OPERATING REVENUES			
Charges for services	\$ 1,743,138	\$ 1,628,321	\$ 3,371,459
Rental of equipment	-	3,284,905	3,284,905
Total Charges for Services	1,743,138	4,913,226	6,656,364
Other			
Repayment of insurance claims	690,040	-	690,040
Building rental	-	294,396	294,396
Miscellaneous	-	15,073	15,073
Total Operating Revenues	2,433,178	5,222,695	7,655,873
OPERATING EXPENSES			
Personal services	157,237	1,133,787	1,291,024
Contractual services	69,521	434,005	503,526
Supplies and materials	3,446	1,369,265	1,372,711
Utilities	212	222,215	222,427
Depreciation	-	1,667,085	1,667,085
Administrative	440,208	142,479	582,687
Claims	2,216,211	-	2,216,211
Total Operating Expenses	2,886,835	4,968,836	7,855,671
Operating income (loss)	(453,657)	253,859	(199,798)
NONOPERATING REVENUES			
Investment income	57,486	-	57,486
Net gain (loss) on disposal of capital assets	-	(5,122)	(5,122)
Total Nonoperating Revenues	57,486	(5,122)	52,364
Change in net position	(396,171)	248,737	(147,434)
NET POSITION - Beginning of Year (as restated)	7,861,244	18,976,391	26,837,635
NET POSITION - END OF YEAR	\$ 7,465,073	\$ 19,225,128	\$ 26,690,201

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2017

	Risk Management	Central Equipment	Totals
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Cash received from customers	\$ 1,887,005	\$ 5,222,911	\$ 7,109,916
Cash payments to suppliers for goods and services	(526,039)	(2,160,104)	(2,686,143)
Cash payments to employees for services	(145,898)	(1,086,677)	(1,232,575)
Claims paid	(1,579,507)	-	(1,579,507)
Repayment of insurance claims	690,040	-	690,040
Net Cash Flows From Operating Activities	325,601	1,976,130	2,301,731
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	57,486	-	57,486
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(2,226,035)	(2,226,035)
Proceeds from sale of capital assets	-	136,045	136,045
Net Cash Flows From (Used By) Capital and Related Financing Activities	-	(2,089,990)	(2,089,990)
Net change in cash and cash equivalents	383,087	(113,860)	269,227
CASH AND CASH EQUIVALENTS - Beginning of Year	7,267,770	6,154,153	13,421,923
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,650,857	\$ 6,040,293	\$ 13,691,150
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Position	\$ 7,315,866	\$ 6,040,293	\$ 13,356,159
Restricted Cash and Cash Equivalents	334,991	-	334,991
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	\$ 7,650,857	\$ 6,040,293	\$ 13,691,150

	<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)	\$ (453,657)	\$ 253,859	\$ (199,798)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities			
Depreciation	-	1,667,085	1,667,085
Change in assets, deferred outflows, liabilities and deferred inflows			
Accounts receivable	143,867	216	144,083
Inventories	-	(16,605)	(16,605)
Prepaid items	-	2,999	2,999
Accounts payable	(12,652)	22,211	9,559
Accrued liabilities	1,359	8,043	9,402
Other postemployment benefit related deferrals and liability	(200)	(746)	(946)
Unpaid claims	636,704	-	636,704
Pension related deferrals and liability	<u>10,180</u>	<u>39,068</u>	<u>49,248</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 325,601</u>	<u>\$ 1,976,130</u>	<u>\$ 2,301,731</u>

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:

Central Equipment had accrued \$42,960 of accounts payable for capital assets acquired prior to December 31, 2017.

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, 2017

<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2017</u>
ASSETS				
Cash and investments	\$ 21,331,178	\$ 106,090,085	\$ 102,798,540	\$ 24,622,723
Taxes receivable	<u>47,966,357</u>	<u>90,906,121</u>	<u>93,920,258</u>	<u>44,952,220</u>
TOTAL ASSETS	<u>\$ 69,297,535</u>	<u>\$ 196,996,206</u>	<u>\$ 196,718,798</u>	<u>\$ 69,574,943</u>
LIABILITIES				
Due to other taxing units	<u>\$ 69,297,535</u>	<u>\$ 69,574,943</u>	<u>\$ 69,297,535</u>	<u>\$ 69,574,943</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, 2017

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 23,086	\$ 122,544	\$ 145,630
Receivables			
Special assessments	<u>105,000</u>	<u>44,000</u>	<u>149,000</u>
TOTAL ASSETS	<u><u>\$ 128,086</u></u>	<u><u>\$ 166,544</u></u>	<u><u>\$ 294,630</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 442	\$ -	\$ 442
Total Liabilities	<u>442</u>	<u>-</u>	<u>442</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>22,644</u>	<u>122,544</u>	<u>145,188</u>
Total Fund Balances	<u>22,644</u>	<u>122,544</u>	<u>145,188</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 128,086</u></u>	<u><u>\$ 166,544</u></u>	<u><u>\$ 294,630</u></u>

CITY OF EAU CLAIRE

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
MAJOR GOVERNMENTAL COMPONENT UNITS
For the Year Ended December 31, 2017

	<u>South Barstow Business Improvement District</u>	<u>North Barstow/ Medical Business Improvement District</u>	<u>Totals</u>
REVENUES			
Special assessments	\$ 105,000	\$ 44,000	\$ 149,000
Investment income	228	808	1,036
Total Revenues	<u>105,228</u>	<u>44,808</u>	<u>150,036</u>
EXPENDITURES			
Current			
Contractual services	70,549	32,780	103,329
Supplies and materials	<u>15,698</u>	<u>-</u>	<u>15,698</u>
Total Expenditures	<u>86,247</u>	<u>32,780</u>	<u>119,027</u>
Net change in fund balances	18,981	12,028	31,009
FUND BALANCES - Beginning of Year	<u>3,663</u>	<u>110,516</u>	<u>114,179</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,644</u>	<u>\$ 122,544</u>	<u>\$ 145,188</u>

Nonmajor Component Units

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

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

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
As of December 31, 2017

	<u>West Grand Business Improvement District</u>	<u>Water Street Business Improvement District</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 24,616	\$ 27,285	\$ 51,901
Receivables			
Special assessments	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Total Assets	<u>39,616</u>	<u>38,285</u>	<u>77,901</u>
LIABILITIES			
Accounts payable	<u>-</u>	<u>2,966</u>	<u>2,966</u>
Total Liabilities	<u>-</u>	<u>2,966</u>	<u>2,966</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenues	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Total Deferred Inflows of Resources	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
NET POSITION			
Restricted for business improvement	<u>24,616</u>	<u>24,319</u>	<u>48,935</u>
TOTAL NET POSITION	<u>\$ 24,616</u>	<u>\$ 24,319</u>	<u>\$ 48,935</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
For the Year Ended December 31, 2017

	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	\$ 10,631	\$ -	\$ -	\$ -	\$ (10,631)	\$ (10,631)
Water Street Business Improvement District						
Contractual services	<u>10,252</u>	-	<u>600</u>	-	<u>(9,652)</u>	<u>(9,652)</u>
Total Nonmajor Component Units	<u>\$ 20,883</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>(10,631)</u>	<u>(9,652)</u>
			General Revenues			
			Special assessments	15,000	11,000	26,000
			Investment income	<u>193</u>	<u>184</u>	<u>377</u>
			Total General Revenues	<u>15,193</u>	<u>11,184</u>	<u>26,377</u>
			Change in net position	4,562	1,532	6,094
			NET POSITION - Beginning of Year	<u>20,054</u>	<u>22,787</u>	<u>42,841</u>
			NET POSITION - END OF YEAR	<u>\$ 24,616</u>	<u>\$ 24,319</u>	<u>\$ 48,935</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL COMPONENT UNITS
As of December 31, 2017

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS			
Cash and investments	\$ 24,616	\$ 27,285	\$ 51,901
Receivables			
Special assessments	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
 TOTAL ASSETS	 <u>\$ 39,616</u>	 <u>\$ 38,285</u>	 <u>\$ 77,901</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 2,966	\$ 2,966
Total Liabilities	<u>-</u>	<u>2,966</u>	<u>2,966</u>
Deferred Inflows of Resources			
Unearned revenues	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Total Deferred Inflows of Resources	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Fund Balances			
Restricted	<u>24,616</u>	<u>24,319</u>	<u>48,935</u>
Total Fund Balances	<u>24,616</u>	<u>24,319</u>	<u>48,935</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 39,616</u>	 <u>\$ 38,285</u>	 <u>\$ 77,901</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, 2017

	<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	193	184	377
Miscellaneous			
Gifts and donations	-	600	600
Other	<u>1,011</u>	<u>-</u>	<u>1,011</u>
Total Revenues	<u>16,204</u>	<u>11,784</u>	<u>27,988</u>
EXPENDITURES			
Current			
Contractual services	<u>10,631</u>	<u>10,252</u>	<u>20,883</u>
Total Expenditures	<u>10,631</u>	<u>10,252</u>	<u>20,883</u>
Net change in fund balances	5,573	1,532	7,105
FUND BALANCES - Beginning of Year	<u>19,043</u>	<u>22,787</u>	<u>41,830</u>
FUND BALANCES - END OF YEAR	<u>\$ 24,616</u>	<u>\$ 24,319</u>	<u>\$ 48,935</u>
RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION			
Net change in fund balances	\$ 5,573	\$ 1,532	\$ 7,105
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>(1,011)</u>	<u>-</u>	<u>(1,011)</u>
CHANGE IN NET POSITION	<u>\$ 4,562</u>	<u>\$ 1,532</u>	<u>\$ 6,094</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.

CITY OF EAU CLAIRE

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 108,081,249
Restricted	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	16,147,710
Unrestricted	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	6,608,975
Total governmental activities net position	155,057,897	156,816,991	156,194,271	159,031,228	154,302,018	147,566,287	148,070,576	155,354,647	148,949,457	130,837,934
Business-type activities										
Net investment in capital assets	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	189,245,423
Restricted	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	7,045,463
Unrestricted	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	18,312,890
Total business-type activities net position	155,499,380	158,620,271	161,107,840	167,691,105	173,452,592	180,654,660	185,571,120	197,112,694	211,333,633	214,603,776
Primary government										
Net investment in capital assets (1)	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	287,970,103
Restricted	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	23,193,173
Unrestricted (1)	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	34,278,434
Total primary government net position	\$ 310,557,277	\$ 315,437,262	\$ 317,302,111	\$ 326,722,333	\$ 327,754,610	\$ 328,220,947	\$ 333,641,696	\$ 352,467,341	\$ 360,283,090	\$ 345,441,710

(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>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>2017</u>
Governmental activities:										
General government	\$ 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	\$ 8,302,415
Public safety	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	29,988,626
Public works	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	17,212,553
Health services	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	6,336,338
Culture and recreation	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	10,158,159
Development	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	6,802,760
Interest and fiscal charges	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	3,307,915
Total governmental activities expenses	<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>	<u>82,108,766</u>
Business-type activities										
Water Utility	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	6,966,768
Sewer Utility	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	9,731,121
Storm Water Utility	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	3,298,068
Public Transit	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	6,138,377
Parking Utility	473,048	484,008	496,319	408,272	429,501	483,670	528,347	533,452	534,105	663,853
Hobbs Ice Center	622,235	703,386	991,013	1,116,011	1,128,084	1,193,577	1,181,985	1,172,166	1,201,063	1,234,173
Outdoor Pool	402,603	369,257	350,890	346,058	344,940	350,115	393,815	467,192	560,575	443,666
Total business-type activities expenses	<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>	<u>28,476,026</u>
Total primary government expenses	<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>	<u>\$ 110,584,792</u>

CITY OF EAU CLAIRE

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

Program Revenues	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 3,872,997
Public safety	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	5,291,466
Public works	250,219	299,656	391,199	368,467	355,763	336,719	335,389	416,844	345,341	404,999
Health services	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	2,298,715
Culture and recreation	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	1,566,513
Development	468,614	99,137	375,568	726,293	525,008	362,644	689,675	658,419	278,881	378,370
Operating grants and contributions										
General government	12,877	13,723	34,331	43,279	14,405	28,862	43,662	48,631	211,463	82,194
Public safety	344,610	475,948	525,055	585,005	1,049,144	687,735	1,489,262	483,459	543,599	540,282
Public works	6,371,107	1,011,157	-	6,658	162,106	163,569	16,193	158,435	35,049	-
Health services	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	2,002,217
Culture and recreation	14,235	32,337	50,888	100,489	36,528	70,304	47,988	140,754	131,521	47,455
Development	1,103,856	1,741,828	711,533	1,497,532	1,513,340	1,294,798	812,867	391,658	1,165,839	690,384
Interest and fiscal charges	-	-	-	230,884	222,811	208,540	197,028	190,624	184,590	176,885
Capital grants and contributions										
General government	2,678,484	301,393	-	-	-	166,000	35,000	9,831	-	187,327
Public safety	329,736	110,099	97,089	102,038	-	-	-	346,504	392,960	349,736
Public works	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	5,042,902
Health services	9,109	-	-	-	-	-	16,378	11,400	-	-
Culture and recreation	94,390	804,943	503,022	521,094	406,739	103,330	424,468	349,053	979,963	100,273
Development	-	-	53,750	17,144	3,107	74,500	-	25,000	-	-
Total governmental activities program revenues	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	23,032,715
Business-type activities										
Charges for services										
Water Utility	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	9,647,682
Sewer Utility	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	10,483,196
Storm Water Utility	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	4,530,613
Public Transit	645,823	689,595	655,056	705,102	682,133	709,843	739,331	781,665	1,091,397	1,100,817
Parking Utility	240,605	219,392	201,233	217,547	194,258	163,655	166,299	172,589	312,313	627,623
Hobbs Ice Center	503,710	485,956	574,986	620,916	695,623	703,816	721,323	723,920	698,789	721,781
Outdoor Pool	217,613	205,898	217,258	231,326	242,323	230,722	240,191	270,325	294,208	275,429
Operating grants and contributions										
Water Utility	-	-	-	-	-	-	(67,960)	-	-	-
Sewer Utility	-	-	-	-	-	-	-	-	3,230	3,230
Storm Water Utility	-	-	-	62,447	47,836	44,078	42,797	42,049	41,085	39,545
Public Transit	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	3,377,676
Capital grants and contributions										
Water Utility	937,844	378,597	870,815	927,308	172,770	261,659	682,033	528,227	378,348	307,508
Sewer Utility	690,951	58,364	247,327	409,621	106,577	332,833	483,456	289,797	226,918	190,153
Storm Water Utility	147,010	19,470	96,737	379,626	137,994	192,513	292,510	430,683	244,105	37,793
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	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	31,343,046
Total primary government program revenues	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	54,375,761
Net (Expense) Revenue										
Governmental activities	(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)	(59,076,051)
Business-type activities	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	2,867,020
Total primary government net expenses	\$ (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)	\$ (56,209,031)

CITY OF EAU CLAIRE

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other										
Changes in Net Position										
Governmental activities										
Taxes	\$ 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	\$ 45,956,354
Intergovernmental revenues	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	8,636,848
Investment income	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	1,185,182
Gain on disposal of capital assets	33,868	34,589	-	-	-	18,066	386,773	375,358	47,216	82,605
Miscellaneous	16,075	184,711	274,145	29,585	64,586	159,353	121,329	55,956	117,443	503,737
Transfers	406,040	298,000	1,337,790	(309,026)	(1,408,574)	(750,521)	244,386	(3,752,900)	(9,523,442)	(424,403)
Total governmental activities	<u>46,656,625</u>	<u>45,187,322</u>	<u>48,303,341</u>	<u>47,533,291</u>	<u>46,506,014</u>	<u>47,808,168</u>	<u>51,825,762</u>	<u>49,179,919</u>	<u>43,120,910</u>	<u>55,940,323</u>
Business-type activities										
Investment income	737,649	208,680	136,594	160,168	80,733	81,087	112,878	53,151	85,104	169,025
Gain on sale of capital assets	-	-	-	-	34,699	12,134	83	-	-	627,835
Miscellaneous	286,189	864,303	674,971	482,053	475,306	445,618	412,539	643,985	242,079	292,285
Transfers	(406,040)	(298,000)	(1,337,790)	309,026	1,408,574	750,521	(244,386)	3,752,900	9,523,442	424,403
Total business-type activities	<u>617,798</u>	<u>774,983</u>	<u>(526,225)</u>	<u>951,247</u>	<u>1,999,312</u>	<u>1,289,360</u>	<u>281,114</u>	<u>4,450,036</u>	<u>9,850,625</u>	<u>1,513,548</u>
Total primary government	<u>47,274,423</u>	<u>45,962,305</u>	<u>47,777,116</u>	<u>48,484,538</u>	<u>48,505,326</u>	<u>49,097,528</u>	<u>52,106,876</u>	<u>53,629,955</u>	<u>52,971,535</u>	<u>57,453,871</u>
Change in Net Position										
Governmental activities	9,670,075	1,759,094	(622,720)	(846,147)	(4,729,210)	(6,168,100)	504,289	(6,213,927)	(6,405,190)	(3,135,728)
Business-type activities	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	4,380,568
Total primary government	<u>\$ 12,679,949</u>	<u>\$ 4,879,985</u>	<u>\$ 1,864,849</u>	<u>\$ 5,737,118</u>	<u>\$ 1,032,277</u>	<u>\$ 1,279,215</u>	<u>\$ 5,420,749</u>	<u>\$ 3,383,927</u>	<u>\$ 7,815,749</u>	<u>\$ 1,244,840</u>

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$ 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	\$ 3,785,171
Restricted	-	-	-	-	-	-	-	75,000	-	-
Assigned	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	4,828,248
Unassigned	<u>9,954,326</u>	<u>12,549,834</u>	<u>14,087,620</u>	<u>13,099,710</u>	<u>12,524,213</u>	<u>13,735,102</u>	<u>14,230,236</u>	<u>15,802,442</u>	<u>18,804,559</u>	<u>20,212,904</u>
Total General Fund	<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>	<u>28,826,323</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	140,216
Capital projects funds	-	-	-	31,654	-	-	-	-	-	697
Restricted										
Special revenue funds	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	3,742,695
Debt service funds	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	6,651,225
Capital projects funds	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	10,815,184
Committed										
Special revenue funds	-	-	-	-	-	-	-	-	1,248,997	254,586
Assigned										
Special revenue funds	-	-	-	-	-	-	-	-	283,908	1,733,470
Capital projects funds	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	8,002,894
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)	(412,414)
Capital projects funds	<u>(1,000)</u>	<u>(2,134,426)</u>	<u>(2,235,123)</u>	<u>(2,385,867)</u>	<u>(2,485,767)</u>	<u>(2,943,258)</u>	<u>(3,251,270)</u>	<u>(3,513,561)</u>	<u>(3,963,282)</u>	<u>(4,004,025)</u>
Total All Other Governmental Funds	<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>	<u>26,924,528</u>
Total All Governmental Funds	<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>	<u>\$ 55,750,851</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)

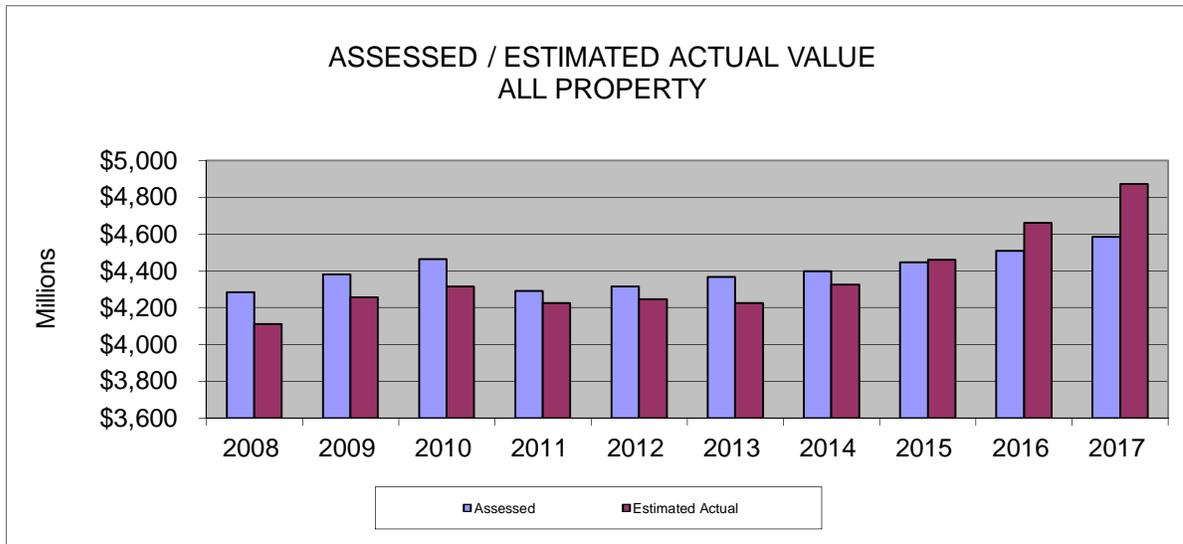
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 31,296	\$ 33,526	\$ 35,477	\$ 37,319	\$ 38,374	\$ 39,093	\$ 41,308	\$ 42,377	\$ 43,210	\$ 46,223
Special assessments	2,053	1,989	1,853	1,888	1,930	2,313	2,499	2,549	2,180	2,553
Intergovernmental	22,109	15,958	16,033	15,287	14,507	14,290	13,960	14,465	15,305	14,265
Licenses and permits	1,969	1,993	1,936	1,821	1,996	1,966	2,093	2,265	2,456	2,536
Fines, forfeitures and penalties	941	897	866	865	758	749	753	793	605	529
Charges for services	9,576	9,878	9,049	9,316	8,990	8,678	9,292	10,265	9,937	10,003
Investment income	3,355	1,430	1,296	1,249	977	432	1,192	1,063	564	1,090
Miscellaneous	1,281	2,218	1,879	2,282	1,675	1,803	2,189	1,678	1,885	2,307
Total revenues	72,580	67,889	68,389	70,027	69,207	69,324	73,286	75,455	76,142	79,506
Expenditures										
General government	6,169	5,888	6,136	6,135	6,343	6,238	6,585	6,367	7,071	6,771
Public safety	24,252	24,739	25,362	25,909	25,653	26,467	26,234	26,880	27,916	28,794
Public works	8,109	8,545	8,723	8,106	8,112	9,002	9,145	8,732	8,798	10,152
Health services	4,814	4,959	5,026	5,026	4,983	4,913	5,457	5,453	5,719	6,096
Culture and recreation	7,908	7,935	8,062	8,220	8,328	8,268	7,821	7,993	8,062	8,096
Development	2,839	3,096	2,738	2,701	3,369	3,106	3,667	3,774	3,686	6,733
Miscellaneous	465	451	612	474	382	435	541	392	369	455
Capital outlay	11,899	9,685	9,179	17,593	10,689	15,730	14,233	22,714	14,439	14,046
Debt service										
Principal	5,057	4,983	4,930	5,740	7,276	12,577	8,200	11,193	9,506	12,732
Interest	2,634	2,907	3,134	3,034	3,063	3,002	3,118	2,907	3,248	3,354
Total expenditures	74,146	73,188	73,902	82,938	78,198	89,738	85,001	96,405	88,814	97,229
Other financing sources (uses)										
Debt issued	15,400	11,618	7,707	6,060	7,757	21,580	7,184	16,150	22,360	18,045
Premium on debt issued	-	-	27	30	52	295	37	322	321	803
Discount on debt issued	(60)	(79)	-	-	-	-	-	-	-	-
Payment to refunding agent	-	-	(2,293)	-	-	-	-	-	-	-
Pay-off of unfunded retirement liability	(9,392)	-	-	-	-	-	-	-	-	-
Transfers in	7,910	10,390	10,141	10,318	11,906	11,402	13,134	14,582	11,954	20,478
Transfers out	(7,099)	(11,494)	(8,832)	(10,398)	(12,531)	(11,189)	(12,689)	(16,385)	(12,281)	(20,409)
Proceeds from sale of capital assets	36	578	65	72	26	18	451	673	118	84
Total other financing sources (uses)	6,795	11,013	6,815	6,082	7,210	22,106	8,117	15,342	22,472	19,001
Net change in fund balances	\$ 5,229	\$ 5,714	\$ 1,302	\$ (6,829)	\$ (1,781)	\$ 1,692	\$ (3,598)	\$ (5,608)	\$ 9,800	\$ 1,278
Debt service as a percentage of noncapital expenditures	12.2%	12.4%	12.4%	13.5%	15.3%	20.6%	16.2%	17.9%	16.5%	19.4%

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 5
 ASSESSED AND ESTIMATED ACTUAL VALUE
 OF ALL TAXABLE PROPERTY
 Last Ten Fiscal Years
 (Dollars in Thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
ALL PROPERTY										
Real property:										
Assessed value	\$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	\$4,418,314
Estimated actual value (1)	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	4,693,299
Personal property:										
Assessed value	\$150,560	\$152,927	\$167,057	\$160,043	\$151,299	\$162,039	\$179,945	\$178,769	\$169,474	\$167,290
Estimated actual value	149,802	154,122	161,241	161,758	148,638	158,492	175,990	182,188	175,130	177,702
Total:										
Assessed value	\$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	\$4,585,604
Estimated actual value	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	\$4,871,001
Ratio of total assessed to total estimated actual value	104.21%	103.00%	103.46%	101.54%	101.60%	103.41%	101.70%	99.69%	96.74%	94.14%
Direct tax rate:										
Eau Claire County	\$6.80	\$7.12	\$7.34	\$8.01	\$8.22	\$8.24	\$8.60	\$8.74	\$8.73	\$9.08
Chippewa County	\$6.86	\$7.18	\$7.51	\$8.19	\$8.30	\$8.24	\$8.72	\$8.96	\$8.77	\$9.04



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.

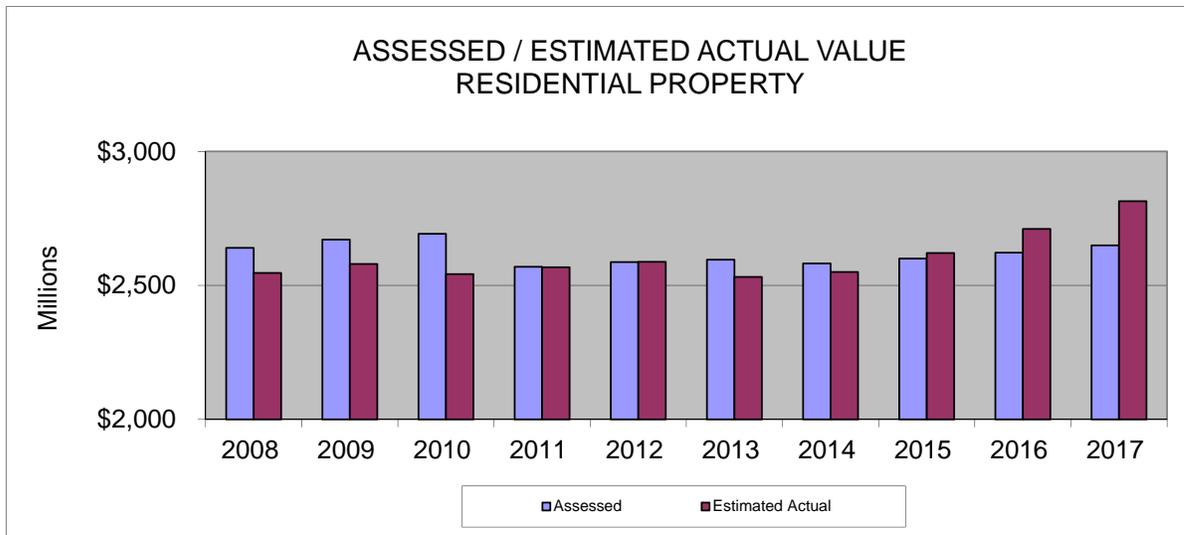
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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>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>2017</u>
RESIDENTIAL										
Real property:										
Assessed value	\$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	\$2,649,404
Estimated actual value	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	2,814,296
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	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948	\$2,581,699	\$2,600,068	\$2,622,135	\$2,649,404
Estimated actual value	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	2,814,296
Total all classes:										
Assessed value	\$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	\$4,585,604
Estimated actual value	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	4,871,001
Residential property as a percentage of total:										
Assessed value	61.64%	60.94%	60.30%	59.89%	59.94%	59.43%	58.69%	58.46%	58.13%	57.78%
Estimated actual value	61.95%	60.63%	58.90%	60.78%	60.93%	59.93%	58.95%	58.74%	58.14%	57.78%
Number of parcels										
Number of parcels	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995	20,056	20,167
Number of parcels with improvements	18,358	18,445	18,590	18,668	18,737	18,752	18,845	18,892	18,953	19,050



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.

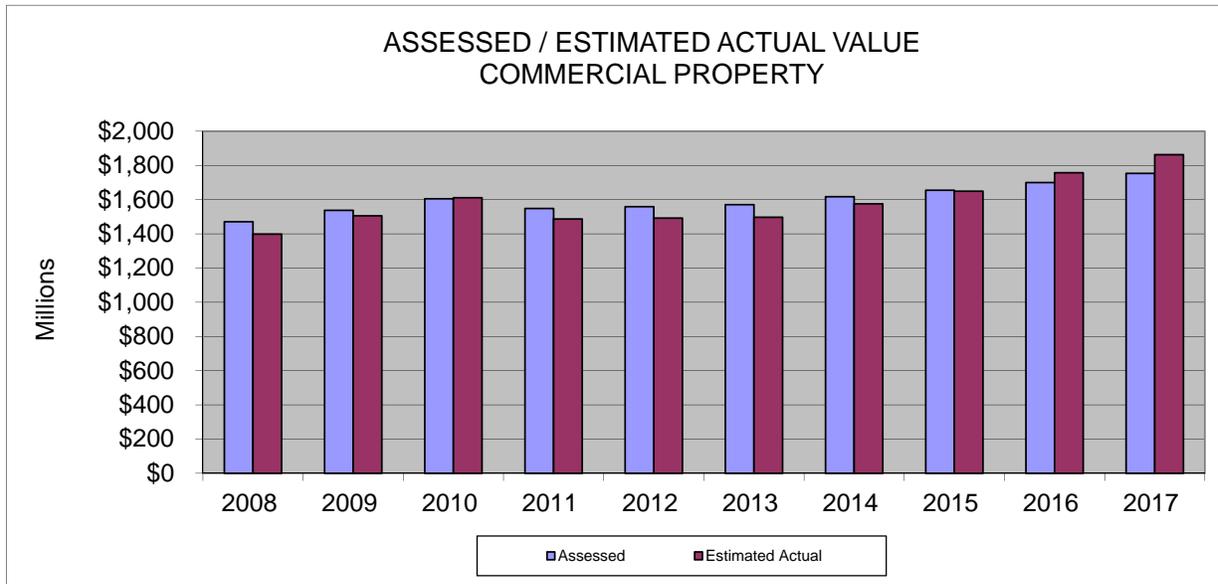
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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>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>2017</u>
COMMERCIAL										
Real property:										
Assessed value	\$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	\$1,617,932
Estimated actual value	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	1,718,628
Personal property:										
Assessed value	\$126,739	\$130,769	\$145,125	\$138,680	\$131,570	\$128,431	\$139,062	\$142,521	\$135,265	\$135,708
Estimated actual value	126,823	132,663	139,976	140,642	129,175	126,004	135,234	146,120	139,781	144,155
Total commercial:										
Assessed value	\$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	\$1,753,640
Estimated actual value	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	1,862,783
Total all classes:										
Assessed value	\$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	\$4,585,604
Estimated actual value	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	4,871,001
Commercial property as a percentage of total:										
Assessed value	34.34%	35.07%	35.95%	36.09%	36.12%	35.96%	36.76%	37.21%	37.68%	38.24%
Estimated actual value	34.02%	35.38%	37.33%	35.19%	35.12%	35.44%	36.42%	36.97%	37.69%	38.24%
Number of parcels	3,253	3,200	3,224	3,236	3,174	3,139	3,241	2,192	2,199	2,203
Number of parcels with improvements	1,847	1,881	1,904	1,913	1,918	1,933	1,944	1,948	1,958	1,966



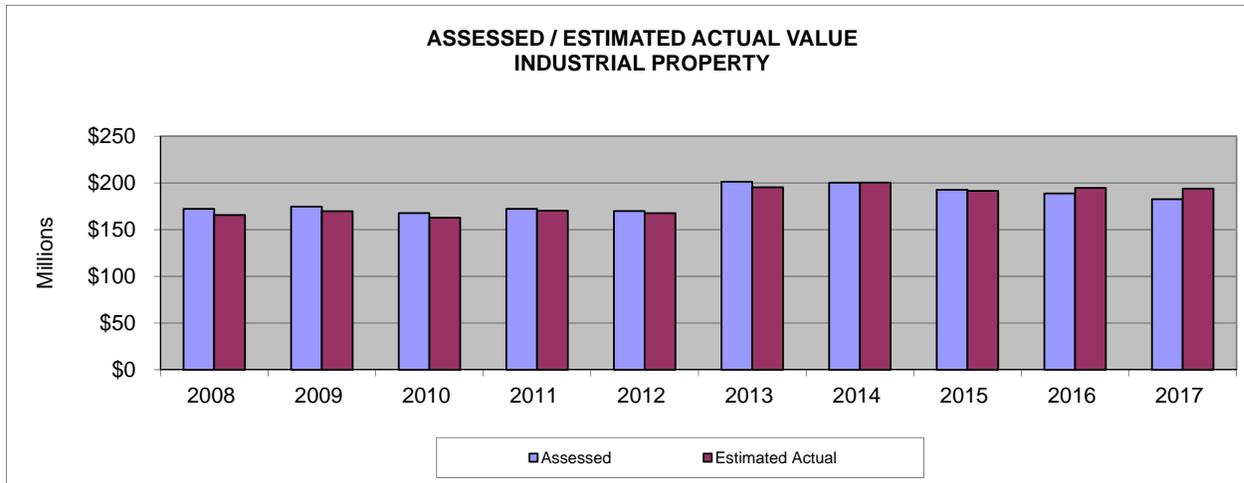
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties

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>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>2017</u>
INDUSTRIAL										
Real property:										
Assessed value	\$148,389	\$152,504	\$145,773	\$150,835	\$150,135	\$167,661	\$159,428	\$156,437	\$154,529	\$150,978
Estimated actual value	142,630	148,282	141,499	149,188	148,158	162,891	159,660	155,409	159,337	160,375
Personal property:										
Assessed value	\$23,821	\$22,159	\$21,932	\$21,363	\$19,729	\$33,608	\$40,883	\$36,247	\$34,209	\$31,582
Estimated actual value	22,979	21,459	21,264	21,116	19,463	32,488	40,755	36,068	35,349	33,547
Total industrial:										
Assessed value	\$172,210	\$174,663	\$167,705	\$172,198	\$169,864	\$201,269	\$200,310	\$192,684	\$188,738	\$182,560
Estimated actual value	165,609	169,741	162,763	170,304	167,621	195,379	200,416	191,477	194,686	193,922
Total all classes:										
Assessed value	\$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	\$4,585,604
Estimated actual value	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	4,871,001
Industrial property as a percentage of total:										
Assessed value	3.93%	3.99%	3.76%	4.01%	3.94%	4.61%	4.55%	4.33%	4.18%	3.98%
Estimated actual value	3.89%	3.99%	3.77%	4.03%	3.95%	4.63%	4.63%	4.29%	4.18%	3.98%
Number of parcels	95	97	95	94	96	93	92	90	91	91
Number of parcels with improvements	84	82	80	79	80	78	77	76	77	77



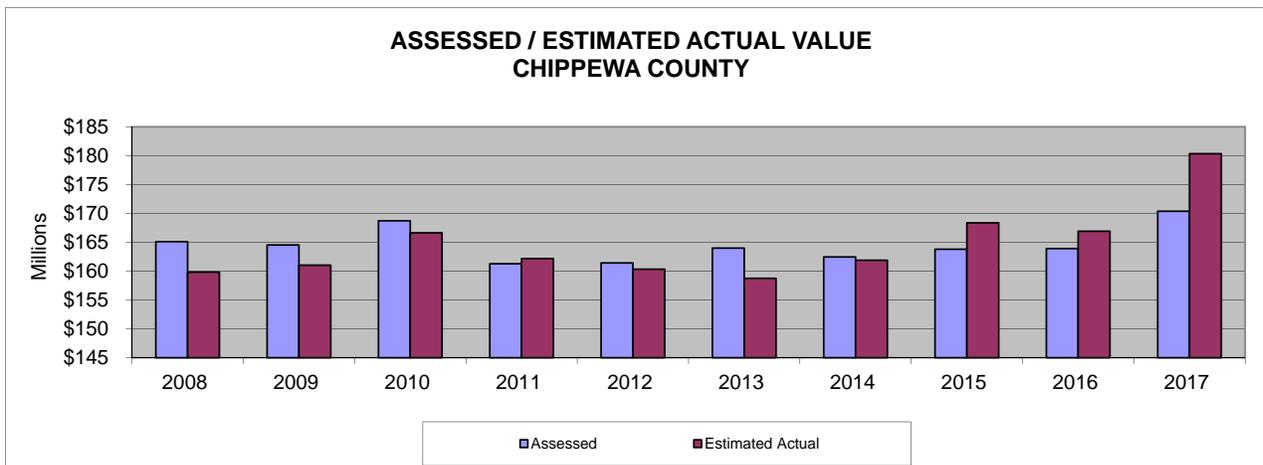
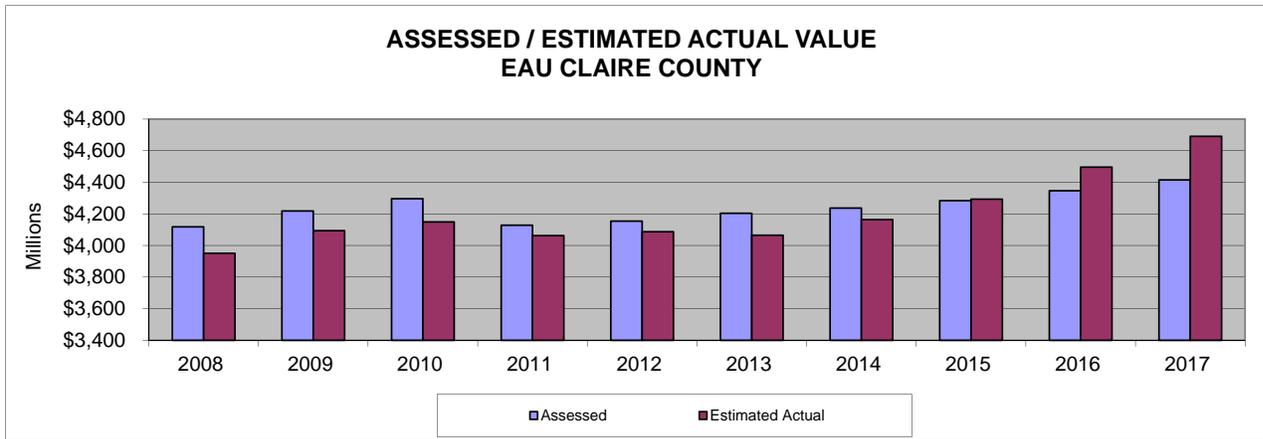
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EAU CLAIRE COUNTY										
Assessed value	\$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	\$4,415,228
Estimated actual value	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	4,690,667
Ratio of assessment	104.25%	103.04%	103.54%	101.62%	101.64%	103.41%	101.75%	99.78%	96.68%	94.13%
CHIPPEWA COUNTY										
Assessed value	\$165,102	\$164,533	\$168,716	\$161,273	\$161,416	\$163,990	\$162,455	\$163,793	\$163,908	\$170,376
Estimated actual value	159,815	161,027	166,633	162,179	160,335	158,750	161,886	168,357	166,910	180,333
Ratio of assessment	103.31%	102.18%	101.25%	99.44%	100.67%	103.30%	100.35%	97.29%	98.20%	94.48%



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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	21,074	22,901	23,258	29,187	30,122	39,284	46,556	48,498	45,968	58,803
Total TID #5	\$22,074	\$23,901	\$24,258	\$30,187	\$31,122	\$40,284	\$47,556	\$49,498	\$46,968	\$59,803
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	10,663	11,404	11,383	0	0	0	0	0	0	0
Total TID #6	\$11,649	\$12,390	\$12,369	\$0						
TID #7 equalized valuation:										
Base	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329
Increment	5,859	6,193	6,467	6,007	5,265	5,507	5,963	5,172	5,631	5,946
Total TID #7	\$6,188	\$6,522	\$6,796	\$6,336	\$5,594	\$5,836	\$6,292	\$5,501	\$5,960	\$6,275
TID #8 equalized valuation:										
Base	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,845	\$12,418	\$12,418
Increment	16,805	18,523	22,362	25,813	26,805	29,055	36,349	35,945	57,174	58,659
Total TID #8	\$27,246	\$28,964	\$32,803	\$36,254	\$37,246	\$39,496	\$46,790	\$46,790	\$69,592	\$71,077
TID #9 equalized valuation:										
Base	\$0	\$0	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239	\$11,239
Increment	0	0	2,222	5,117	2,310	2,201	355	167	1,476	2,326
Total TID #9	\$0	\$0	\$13,461	\$16,356	\$13,549	\$13,440	\$11,594	\$11,406	\$12,715	\$13,565
TID #10 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,794
Increment	0	0	0	0	0	0	0	0	0	15,293
Total TID #10	\$0	\$25,087								
TID #11 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,625
Increment	0	0	0	0	0	0	0	0	0	10,553
Total TID #11	\$0	\$27,178								
ALL PROPERTY										
All property - w/o TIDs	\$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	\$4,669,737
Base valuation - TIDs	12,756	12,756	23,995	23,009	23,009	23,009	23,009	23,413	24,986	51,405
All property - w/o TID increment	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	4,721,142
Increment valuation - TIDs	54,401	59,022	65,692	66,124	64,502	76,047	89,223	89,782	110,249	151,580
Equalized valuation - all property	\$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	\$4,872,722

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>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>2017</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670	\$7.652	\$7.989
Library	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671	0.679	0.685
Health	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395	0.401	0.406
Total Direct Rate	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736	8.732	9.080
Eau Claire School Dist.	8.774	8.714	9.219	9.876	10.012	9.772	9.410	9.879	9.715	10.383
Vocational District	1.511	1.535	1.606	1.728	1.714	1.707	1.706	0.900	0.916	0.933
Eau Claire County	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782	3.927	4.108
State Forestry	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170	0.175	0.180
Gross Tax Rate	20.585	20.850	21.712	23.284	23.631	23.390	23.492	23.467	23.465	24.684
Less State Credit	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)	(1.677)	(1.640)
Net Tax Rate	\$ 18.970	\$ 19.220	\$ 20.185	\$ 21.726	\$ 22.097	\$ 21.855	\$ 21.966	\$ 21.972	\$ 21.788	\$ 23.044

City Property Located in Eau Claire County (Altoona School District)										
City	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168	\$7.532	\$7.670	\$7.652	\$7.989
Library	0.652	0.653	0.644	0.679	0.680	0.674	0.673	0.671	0.679	0.685
Health	0.380	0.383	0.379	0.401	0.399	0.394	0.396	0.395	0.401	0.406
Total Direct Rate	6.799	7.120	7.344	8.014	8.220	8.236	8.601	8.736	8.732	9.080
Altoona School Dist.	10.025	8.533	8.931	8.859	9.271	9.344	9.568	11.747	12.609	12.055
Vocational District	1.511	1.535	1.606	1.728	1.714	1.707	1.706	0.900	0.916	0.933
Eau Claire County	3.338	3.316	3.379	3.499	3.518	3.511	3.608	3.782	3.927	4.108
State Forestry	0.163	0.165	0.164	0.167	0.167	0.164	0.167	0.170	0.175	0.180
Gross Tax Rate	21.836	20.669	21.423	22.267	22.890	22.962	23.650	25.335	26.359	26.356
Less State Credit	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)	(1.526)	(1.495)	(1.677)	(1.640)
Net Tax Rate	\$ 20.221	\$ 19.039	\$ 19.896	\$ 20.709	\$ 21.356	\$ 21.427	\$ 22.124	\$ 23.840	\$ 24.682	\$ 24.716

Source: City of Eau Claire Annual Operating Budget

(Continued)

CITY OF EAU CLAIRE

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

	<u>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>2017</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866	\$7.682	\$7.956
Library	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689	0.683	0.682
Health	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405	0.402	0.404
Total Direct Rate	6.861	7.180	7.510	8.189	8.299	8.245	8.721	8.959	8.767	9.042
Eau Claire School Dist.	8.870	8.787	9.428	10.081	10.108	9.749	9.561	10.132	9.755	10.341
Vocational District	1.524	1.549	1.642	1.765	1.730	1.709	1.730	0.922	0.920	0.929
Chippewa County	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732	3.686	3.697
State Forestry	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174	0.176	0.179
Gross Tax Rate	20.499	20.726	21.914	23.513	23.662	23.328	23.792	23.921	23.304	24.188
Less State Credit	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)	(1.589)	(1.554)	(1.769)	(1.677)
Net Tax Rate	\$ 18.952	\$ 19.140	\$ 20.459	\$ 22.017	\$ 22.146	\$ 21.781	\$ 22.203	\$ 22.367	\$ 21.535	\$ 22.511
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175	\$7.637	\$7.866	\$7.682	\$7.956
Library	0.658	0.659	0.658	0.693	0.687	0.675	0.682	0.689	0.683	0.682
Health	0.384	0.386	0.388	0.410	0.402	0.395	0.402	0.405	0.402	0.404
Total Direct Rate	6.861	7.180	7.510	8.189	8.299	8.245	8.721	8.959	8.767	9.042
Chippewa Falls School Dist.	6.914	7.403	8.335	8.957	9.079	10.285	8.793	9.506	9.408	9.119
Vocational District	1.524	1.549	1.642	1.765	1.730	1.709	1.730	0.922	0.920	0.929
Chippewa County	3.080	3.044	3.166	3.307	3.357	3.461	3.611	3.732	3.686	3.697
State Forestry	0.164	0.166	0.168	0.171	0.168	0.164	0.169	0.174	0.176	0.179
Gross Tax Rate	18.543	19.341	20.821	22.389	22.633	23.864	23.024	23.294	22.957	22.966
Less State Credit	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)	(1.589)	(1.554)	(1.769)	(1.677)
Net Tax Rate	\$ 16.996	\$ 17.755	\$ 19.366	\$ 20.893	\$ 21.117	\$ 22.317	\$ 21.435	\$ 21.741	\$ 21.188	\$ 21.289

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	2017 Equalized Value	2017 Rank	2017 Percentage of Total Equalized Value	2008 Equalized Value	2008 Rank	2008 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 77,201	1	1.58%	\$ 71,533	1	1.68%
Mayo Clinic Health System	76,885	2	1.58%	-		
Nestle Foods	72,727	3	1.49%	26,120	5	0.61%
Keystone Corporation	49,998	4	1.03%	37,628	2	0.88%
Menard Inc.	45,582	5	0.94%	19,458	9	0.46%
Marshfield Clinic	45,416	6	0.93%	32,200	4	0.76%
Royal Credit Union	22,605	7	0.46%	22,781	7	0.54%
Hutchinson Technology, Inc.	20,500	8	0.42%	33,581	3	0.79%
Haymarket Concepts	17,848	9	0.37%	-		
Phillips Properties	16,507	10	0.34%	17,162	10	0.40%
Luther Hospital	-			25,421	6	0.60%
Midelfort Clinic	-			21,159	8	0.50%
Principal Taxpayers total	<u>\$ 445,268</u>			<u>\$ 307,043</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,871,001</u>			<u>\$ 4,254,935</u>		

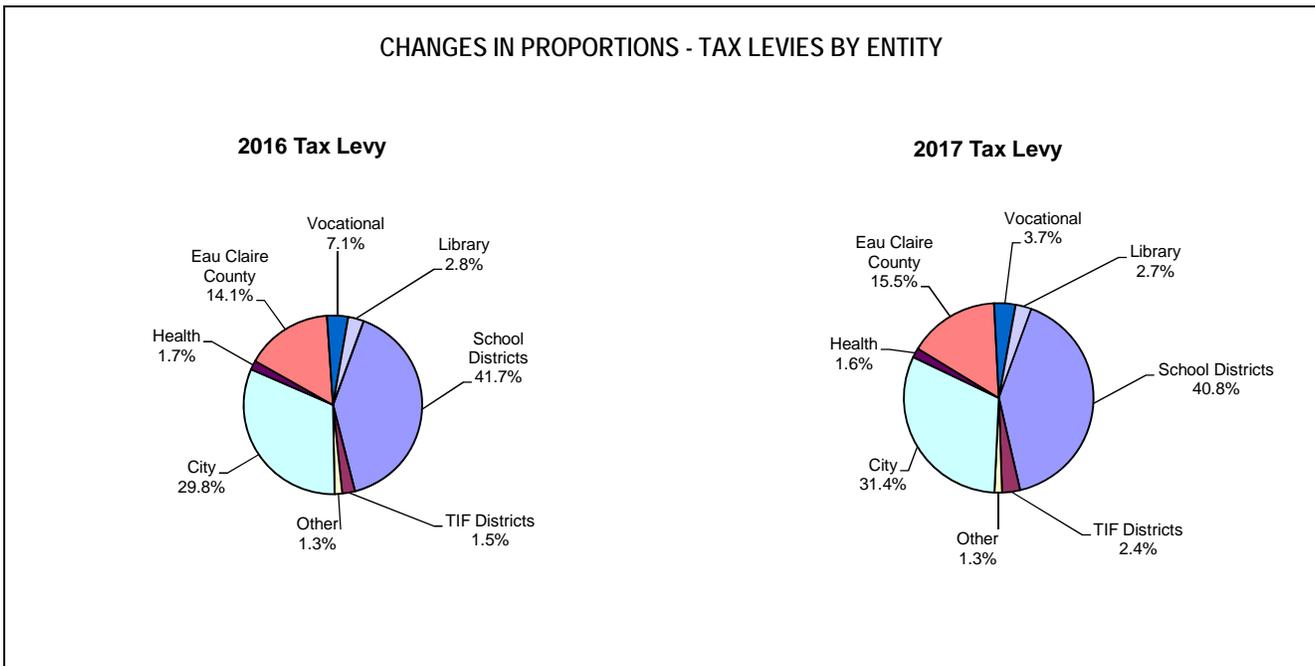
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties.

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>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>2017</u>
City	\$ 24,380	\$ 26,301	\$ 27,815	\$ 29,303	\$ 30,360	\$ 30,742	\$ 32,465	\$ 33,455	\$ 33,701	\$ 35,487
TIF Districts	1,151	1,251	1,460	1,553	1,538	1,827	2,118	2,087	2,484	3,495
Library	2,758	2,825	2,834	2,867	2,891	2,891	2,901	2,929	2,995	3,041
Health	1,609	1,656	1,671	1,696	1,695	1,691	1,707	1,723	1,765	1,804
Eau Claire School District	36,934	37,511	40,408	41,545	42,373	41,723	40,390	42,903	42,603	45,925
Chippewa Falls School District	30	33	31	49	50	51	42	51	49	47
Altoona School District	142	121	126	121	127	130	134	166	178	171
Vocational District	6,387	6,639	7,065	7,300	7,285	7,323	7,355	3,923	4,037	4,144
Eau Claire County	13,596	13,824	14,330	14,213	14,386	14,486	14,959	15,866	16,654	17,553
Chippewa County	474	465	498	533	542	567	587	611	604	630
State Forestry- Eau Claire County	670	695	704	689	694	690	707	729	763	796
State Forestry- Chippewa County	27	27	28	28	27	27	27	29	29	31
Total tax levy	\$88,158	\$ 91,348	\$ 96,970	\$ 99,897	\$ 101,968	\$ 102,148	\$ 103,392	\$ 104,472	\$ 105,862	\$ 113,124
City percent of total levy	27.65%	28.79%	28.68%	29.33%	29.77%	30.10%	31.40%	32.02%	31.83%	31.37%



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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Tax Levy	\$ 28,747	\$ 30,782	\$ 32,319	\$ 33,865	\$ 34,946	\$ 35,324	\$ 39,191	\$ 40,195	\$ 40,945	\$ 43,827
Current tax collections	\$ 28,654	\$ 30,633	\$ 32,142	\$ 33,612	\$ 34,801	\$ 35,177	\$ 38,989	\$ 39,925	\$ 40,766	\$ 43,581
Percentage of Levy	99.7%	99.5%	99.5%	99.3%	99.6%	99.6%	99.5%	99.3%	99.6%	99.4%
Collection of delinquent personal property taxes	\$ 71	\$ 97	\$ 129	\$ 217	\$ 101	\$ 122	\$ 184	\$ 245	\$ 144	\$ 166
Total tax collections (1)	<u>\$ 28,725</u>	<u>\$ 30,730</u>	<u>\$ 32,271</u>	<u>\$ 33,829</u>	<u>\$ 34,902</u>	<u>\$ 35,299</u>	<u>\$ 39,173</u>	<u>\$ 40,170</u>	<u>\$ 40,910</u>	<u>\$ 43,747</u>
Percentage of Levy	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.8%

(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>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>2017</u>
Total assessments levied each fiscal period: (1)										
General fund	\$109	\$120	\$271	\$383	\$808	\$1,036	\$1,334	\$1,413	\$1,110	\$1,276
Business Improvement										
Districts	152	152	145	145	147	147	150	150	150	175
Debt Service	1,721	1,546	1,373	1,126	711	596	468	378	292	164
Water Utility	90	87	83	82	70	64	49	48	42	28
Sewer Utility	91	90	82	77	51	51	39	29	29	20
Storm Water Utility	0	0	0	0	0	0	6	1	1	1
Health	0	8	8	6	5	6	4	3	7	5
Delinquent utility bills	617	656	809	774	776	774	777	833	801	780
 Total assessments levied	 \$2,780	 \$2,659	 \$2,771	 \$2,593	 \$2,568	 \$2,674	 \$2,827	 \$2,855	 \$2,432	 \$2,449
 Current collections	 \$2,780	 \$2,659	 \$2,771	 \$2,593	 \$2,568	 \$2,674	 \$2,827	 \$2,855	 \$2,432	 \$2,449
 Total collections	 \$2,780	 \$2,659	 \$2,771	 \$2,593	 \$2,568	 \$2,674	 \$2,827	 \$2,855	 \$2,432	 \$2,449

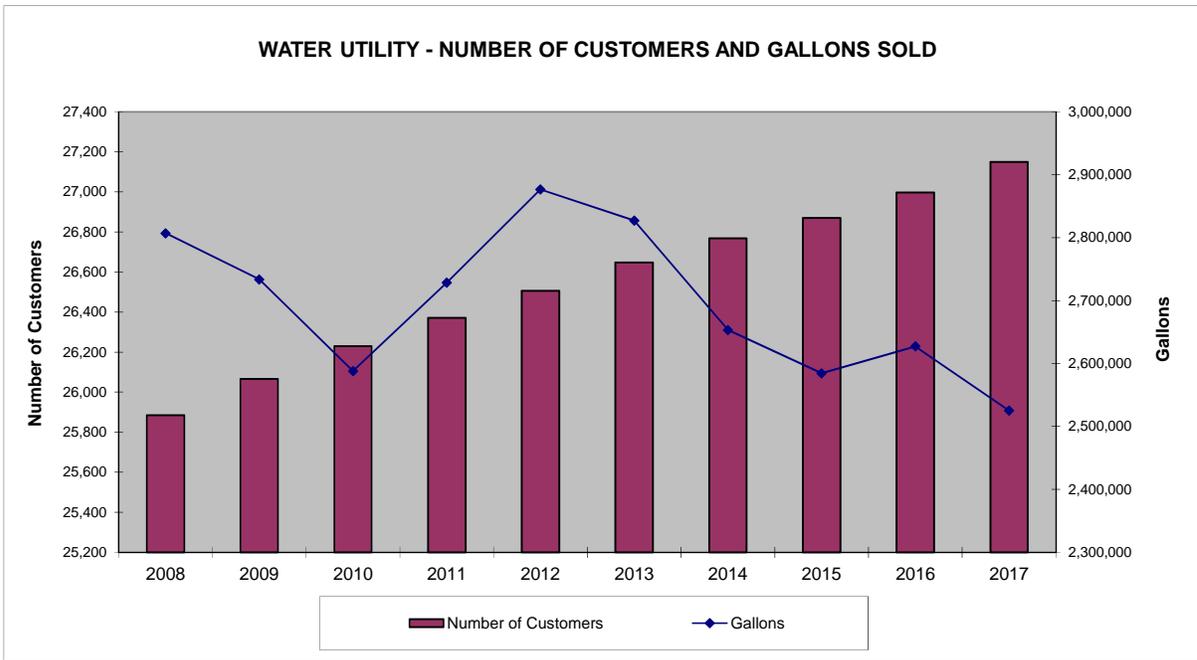
(1) NOTE: Includes current interest due on installment special assessments.

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>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>2017</u>
Number of customers										
Residential	22,992	23,152	23,293	23,417	23,556	23,931	24,281	24,376	24,589	24,825
Commercial	2,574	2,593	2,612	2,628	2,625	2,390	2,158	2,163	2,079	1,997
Industrial	110	109	109	109	109	109	109	106	104	104
Public	208	212	216	217	216	217	221	225	225	224
Total	25,884	26,066	26,230	26,371	26,506	26,647	26,769	26,870	26,997	27,150
Gallons (thousands)										
Residential	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	1,243,196
Commercial	694,815	667,586	656,846	673,138	701,560	650,697	555,737	530,879	537,566	483,572
Industrial	612,579	517,711	505,853	604,273	612,696	571,655	607,864	594,629	593,008	585,756
Public	254,553	259,869	242,820	241,090	264,612	254,054	224,465	234,094	236,506	212,693
Total	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	2,525,217



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>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>2017</u>
General Metered Service										
Quarterly Service Charge										
5/8 inch meter	\$ 15.60	\$ 17.10	\$ 17.10	\$ 17.61	\$ 17.61	\$ 18.17	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
3/4 inch meter	15.60	17.10	17.10	17.61	17.61	18.17	21.00	21.00	21.00	21.00
1 inch meter	22.80	26.70	26.70	27.50	27.50	28.38	30.00	30.00	30.00	30.00
1 1/4 inch meter	30.00	35.40	35.40	36.46	36.46	37.63	39.00	39.00	39.00	39.00
1 1/2 inch meter	36.00	43.80	43.80	45.11	45.11	46.55	51.00	51.00	51.00	51.00
2 inch meter	55.80	65.40	65.40	67.36	67.36	69.52	75.00	75.00	75.00	75.00
3 inch meter	99.00	105.00	105.00	108.15	108.15	111.61	120.00	120.00	120.00	120.00
4 inch meter	129.00	156.00	156.00	160.68	160.68	165.82	180.00	180.00	180.00	180.00
6 inch meter	225.00	273.00	273.00	281.19	281.19	290.19	312.00	312.00	312.00	312.00
8 inch meter	339.00	411.00	411.00	423.33	423.33	436.88	474.00	474.00	474.00	474.00
10 inch meter	489.00	591.00	591.00	608.73	608.73	628.21	660.00	660.00	660.00	660.00
12 inch meter	639.00	771.00	771.00	794.13	794.13	819.54	825.00	825.00	825.00	825.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 1.31	\$ 1.49	\$ 1.49	\$ 1.53	\$ 1.53	\$ 1.58	\$ 1.70	\$ 1.70	\$ 1.70	\$ 1.70
Next 742,500 cubic feet	1.13	1.28	1.28	1.32	1.32	1.36	1.45	1.45	1.45	1.45
Over 750,000 cubic feet	0.79	0.89	0.89	0.92	0.92	0.95	1.10	1.10	1.10	1.10
Public Fire Protection										
Quarterly Service Charge										
5/8 inch meter	\$ 9.46	\$ 9.60	\$ 9.60	\$ 9.89	\$ 9.89	\$ 10.21	\$ 10.80	\$ 10.80	\$ 10.80	\$ 10.80
3/4 inch meter	9.46	9.60	9.60	9.89	9.89	10.21	10.80	10.80	10.80	10.80
1 inch meter	23.48	24.00	24.00	24.72	24.72	25.51	27.00	27.00	27.00	27.00
1 1/4 inch meter	34.92	35.40	35.40	36.46	36.46	37.63	39.00	39.00	39.00	39.00
1 1/2 inch meter	47.28	48.00	48.00	49.44	49.44	51.02	54.00	54.00	54.00	54.00
2 inch meter	75.71	76.80	76.80	79.10	79.10	81.63	87.00	87.00	87.00	87.00
3 inch meter	142.14	144.00	144.00	148.32	148.32	153.07	165.00	165.00	165.00	165.00
4 inch meter	234.84	240.00	240.00	247.20	247.20	255.11	270.00	270.00	270.00	270.00
6 inch meter	472.77	480.00	480.00	494.40	494.40	510.22	540.00	540.00	540.00	540.00
8 inch meter	753.96	768.00	768.00	791.04	791.04	816.35	870.00	870.00	870.00	870.00
10 inch meter	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	1,350.00
12 inch meter	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	1,740.00

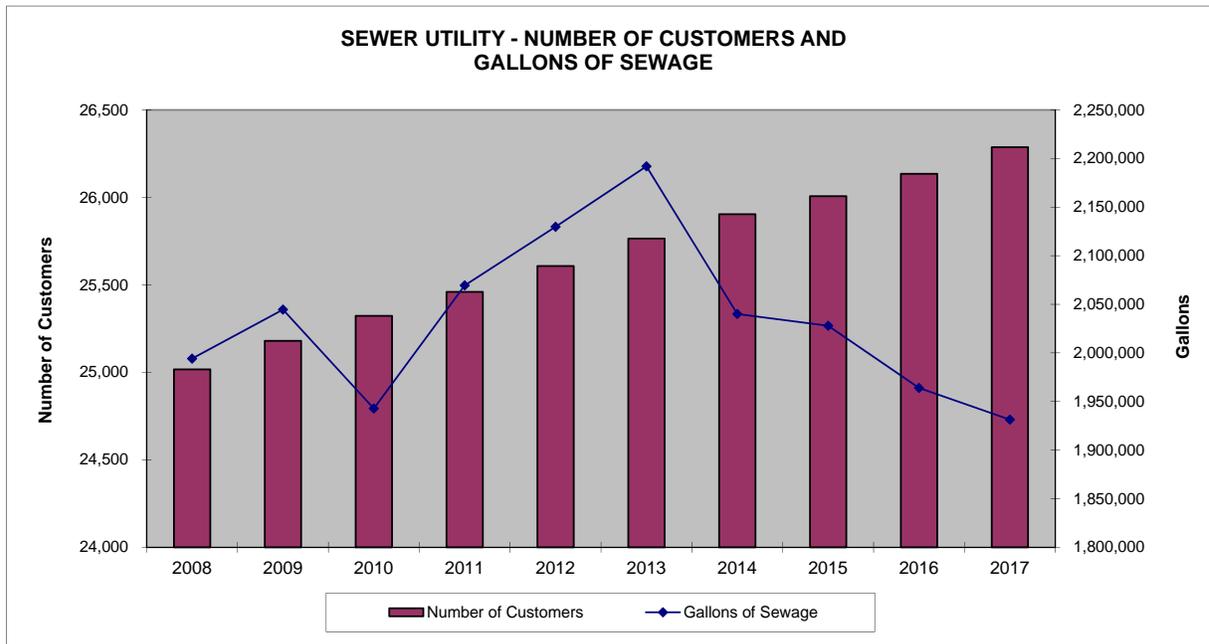
Source: Customer Services - City of Eau Claire

Note: Increases in water rates must be approved by the Public Service Commission of Wisconsin.

CITY OF EAU CLAIRE

TABLE 19
SEWER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	<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>2017</u>
Number of customers										
Residential	22,345	22,495	22,626	22,753	22,895	23,272	23,625	23,729	23,951	24,185
Commercial	2,411	2,424	2,435	2,445	2,451	2,231	2,012	2,012	1,924	1,842
Industrial	94	93	94	95	95	95	98	97	93	93
Public	167	168	168	167	167	167	169	169	167	167
Total	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007	26,135	26,287
Gallons (thousands)										
Residential	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	1,137,083
Commercial	600,342	599,731	566,088	600,681	632,874	615,338	511,521	516,095	497,141	447,873
Industrial	303,806	252,218	235,880	285,293	302,251	274,097	262,107	263,422	245,028	249,516
Public	99,735	110,403	105,089	103,340	107,545	117,949	102,396	103,959	99,496	96,898
Total	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	1,931,370



Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 20
SEWER UTILITY CUSTOMER RATES
LAST TEN FISCAL YEARS

	<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>2017</u>
General Metered Service										
Quarterly Minimum Charge	\$ 17.28	\$ 18.48	\$ 19.76	\$ 21.12	\$ 22.56	\$ 5.19	\$ 5.31	\$ 5.40	\$ 5.50	\$ 5.60 *
Volume rate (per 100 cubic feet)	\$ 2.16	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.82	\$ 2.89	\$ 2.97	\$ 3.05	\$ 3.20	\$ 3.34

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

Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 21
SEWER UTILITY - TEN LARGEST CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

<u>Customer</u>	2017		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestle USA	144,152,316	\$ 643,920	7.5%
Hutchinson Technology	79,231,900	353,901	4.1%
University of Wisconsin - Eau Claire	44,008,746	197,239	2.3%
Mayo Clinic Health System	38,155,480	170,552	2.0%
Sacred Heart Hospital	22,584,288	101,009	1.2%
Silver Spring Foods	17,365,568	77,564	0.9%
Oak Ridge Village	13,102,729	58,529	0.7%
Eau Claire Area School District	12,381,382	55,867	0.6%
John Mogenson	10,832,977	51,030	0.6%
Landmark Company	10,656,241	49,014	0.6%
Subtotal (ten largest)	392,471,627	1,758,625	20.5%
All other customers	1,538,898,373	7,569,488	79.5%
Grand Totals	1,931,370,000	\$ 9,328,113	100.0%

<u>Customer</u>	2008		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	92,322,648	\$ 251,789	4.8%
Hutchinson Technology	74,105,108	202,105	3.9%
University of Wisconsin-Eau Claire	71,618,818	195,324	3.7%
Luther Midelfort-Mayo Health	44,841,852	122,296	2.3%
Eau Claire School District	23,402,676	63,825	1.2%
Sacred Heart Hospital	20,954,472	57,149	1.1%
Oakwood Mall	19,335,052	52,732	1.0%
Huebsch Laundry	16,691,620	45,523	0.9%
W.L. Gore	15,751,384	42,958	0.8%
Oakwood Village Mobile Home Park	9,616,288	26,226	0.5%
Subtotal (ten largest)	388,639,918	1,059,927	20.2%
All other customers	1,526,999,082	4,214,528	79.8%
Grand Totals	1,915,639,000	\$ 5,274,455	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 22
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, except per capita)

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes	State Trust Fund Loans	General Obligation Bonds/Notes	State Trust Fund Loans	Revenue Bonds			
2008	\$ 64,855	\$ 39	\$ 15,445	\$ 198	\$ 9,015	\$ 89,552	4.06%	\$ 1,370
2009	71,060	468	16,405	162	10,070	98,165	4.42%	1,488
2010	71,647	468	17,253	124	9,445	98,937	4.40%	1,502
2011	72,002	433	18,673	84	8,700	99,892	4.28%	1,512
2012	72,916	-	18,959	43	7,925	99,843	4.31%	1,509
2013	81,919	-	18,616	-	22,037	122,572	4.73%	1,844
2014	80,594	-	18,166	-	39,466	138,226	5.30%	2,068
2015	86,643	-	15,738	-	43,605	145,986	5.08%	2,184
2016	99,659	-	17,941	-	42,347	159,947	5.52%	2,374
2017	105,547	-	17,749	-	39,353	162,648	5.44%	2,394

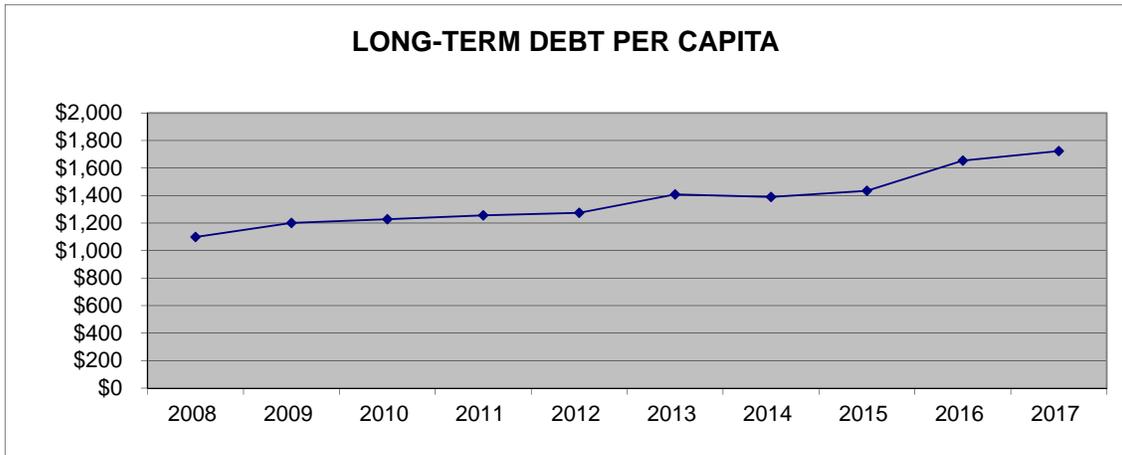
Source: City of Eau Claire Comprehensive Annual Financial Reports

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	65,362	65,950	65,883	66,060	66,170	66,480	66,834	67,006	67,381	67,926
Equalized valuation	\$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	\$5,119,716
General obligation bonds/notes	80,300	87,465	88,900	90,675	91,875	100,535	98,760	102,381	117,600	123,295
State trust fund loans	236	630	592	517	-	-	-	-	-	-
Total long-term debt (1)	80,536	88,095	89,492	91,192	91,875	100,535	98,760	102,381	117,600	123,295
Resources on hand for payment of debt	(8,735)	(8,888)	(8,609)	(8,226)	(7,555)	(6,910)	(5,880)	(6,273)	(6,154)	(6,239)
Net long-term debt	\$ 71,801	\$ 79,207	\$ 80,883	\$ 82,966	\$ 84,320	\$ 93,625	\$ 92,880	\$ 96,108	\$ 111,446	\$ 117,056
Percent of net long-term debt to equalized value	1.69%	1.84%	1.91%	1.95%	2.00%	2.16%	2.08%	2.06%	2.29%	2.29%
Net long-term debt per capita (not in thousands)	\$1,099	\$1,201	\$1,228	\$1,256	\$1,274	\$1,408	\$1,390	\$1,434	\$1,654	\$1,723



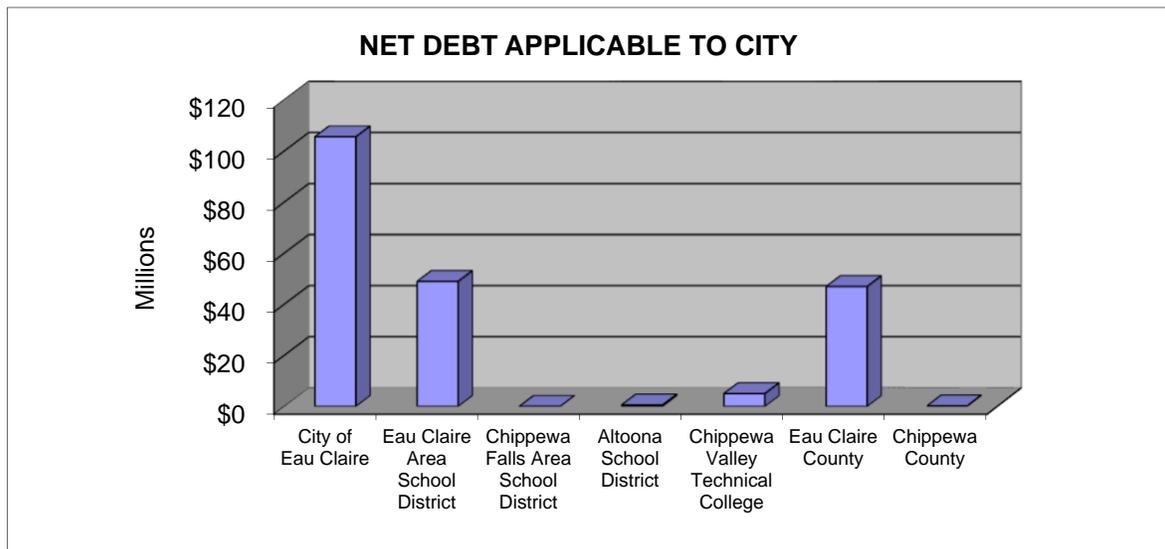
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

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, 2017

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	<u>\$ 105,546,627</u>	100.00%	<u>\$ 105,546,627</u>
Indirect debt:			
Eau Claire Area School District	69,160,000	70.72%	48,907,491
Chippewa Falls Area School District	-	0.21%	-
Altoona School District	20,960,000	2.70%	565,693
Chippewa Valley Technical College	24,885,000	20.11%	5,004,037
Eau Claire County	82,000,000	57.21%	46,915,817
Chippewa County	<u>5,695,000</u>	3.62%	<u>205,961</u>
Total indirect debt	<u>202,700,000</u>		<u>101,599,000</u>
Total direct and indirect debt	<u>\$ 308,246,627</u>		<u>\$ 207,145,627</u>
Indirect debt per capita			\$ 1,496
Indirect debt as a % of equalized value			1.98%
Total direct and indirect debt per capita			\$ 3,050
Total direct and indirect debt as a % of equalized value			4.05%



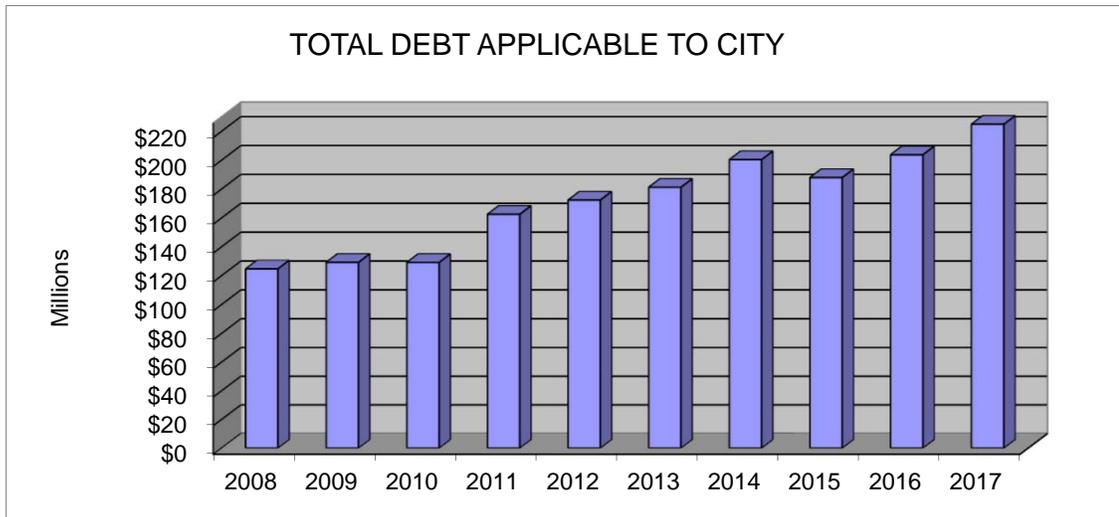
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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>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>2017</u>
Total debt applicable to City	\$124,713	\$129,213	\$129,133	\$162,524	\$172,390	\$181,242	\$200,359	\$187,935	\$203,752	\$224,894
Direct debt:										
General City	\$80,536	\$88,095	\$89,492	\$91,192	\$91,918	\$100,535	\$98,760	\$102,381	\$117,600	\$123,295
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	\$22,440	\$20,512	\$13,703	\$32,777	\$44,164	\$42,713	\$48,907	\$36,850	\$34,096	\$48,907
Percent	74.60%	75.12%	74.09%	74.27%	74.03%	74.03%	74.02%	71.51%	71.19%	70.72%
Chippewa Falls Area										
School District	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Percent	0.18%	0.16%	0.24%	0.24%	0.00%	0.00%	0.21%	0.21%	0.21%	0.21%
Altoona School District	\$183	\$176	\$156	\$142	\$118	\$42	\$566	\$634	\$606	\$566
Percent	2.64%	2.65%	2.65%	2.68%	2.65%	2.67%	2.62%	2.73%	2.72%	2.70%
C.V. Technical College	\$4,764	\$4,643	\$4,116	\$4,272	\$4,349	\$3,657	\$5,004	\$5,084	\$5,917	\$5,004
Percent	19.83%	20.33%	20.22%	20.58%	20.69%	20.69%	20.89%	20.92%	20.09%	20.11%
Eau Claire County	\$16,425	\$15,444	\$21,345	\$33,517	\$31,487	\$33,889	\$46,916	\$42,677	\$45,282	\$46,916
Percent	61.10%	61.62%	60.72%	60.89%	60.65%	60.41%	60.29%	60.75%	57.84%	57.21%
Chippewa County	\$364	\$343	\$320	\$624	\$354	\$406	\$206	\$309	\$251	\$206
Percent	3.37%	3.50%	3.64%	3.64%	3.63%	3.64%	3.69%	3.59%	3.50%	3.62%



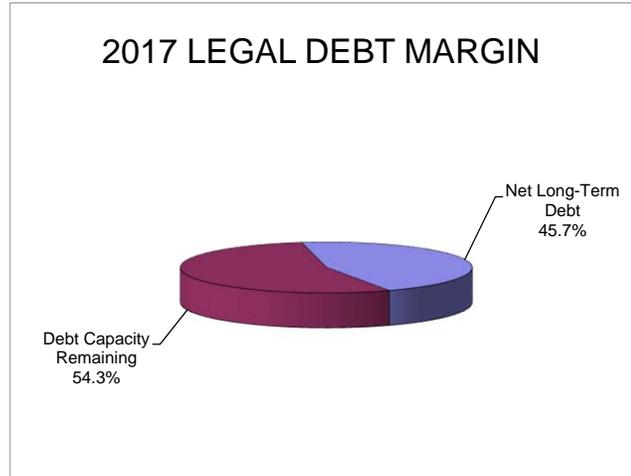
Source: City of Eau Claire Schedule of Long-Term Debt

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>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>2017</u>
Equalized valuation	\$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	\$5,119,716
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$212,747	\$215,797	\$211,231	\$212,373	\$211,186	\$216,283	\$223,080	\$233,223	\$243,636	\$255,986
Resources on hand for payment of debt	(\$8,735)	(\$8,888)	(\$8,609)	(\$8,226)	(\$7,555)	(6,910)	(5,880)	(6,273)	(6,154)	(6,239)
Net long-term debt	\$71,801	\$79,207	\$80,883	\$82,966	\$84,320	\$93,625	\$92,880	\$96,108	\$111,446	\$117,056
Legal debt margin	\$140,946	\$136,590	\$130,348	\$129,407	\$126,866	\$122,658	\$130,200	\$137,114	\$132,190	\$138,929
Legal debt margin as a percentage of the debt limit	66%	63%	62%	61%	60%	57%	58%	59%	54%	54%



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

CITY OF EAU CLAIRE

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

	<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>2017</u>
<u>WATER UTILITY</u>										
Operating revenue	\$7,822	\$8,379	\$8,390	\$8,649	\$9,349	\$9,372	\$9,446	\$9,655	\$9,739	\$9,650
Operating expense (1)	\$4,110	\$4,230	\$4,280	\$4,120	\$5,686	\$5,670	\$6,349	\$5,776	\$4,446	\$4,315
Income available for debt service	\$3,712	\$4,149	\$4,110	\$4,529	\$3,663	\$3,702	\$3,097	\$3,879	\$5,293	\$5,335
Debt service current year (2)	\$1,244	\$3,176	\$1,094	\$1,156	\$1,154	\$1,160	\$2,685	\$417	\$413	\$253
Coverage	2.98	1.31	3.76	3.92	3.17	3.19	1.15	9.30	12.82	21.09
Debt service for highest principal and interest year in retirement schedule	\$1,243	\$1,163	\$1,163	\$1,163	\$1,163	\$1,163	\$557	\$557	\$557	\$369
Coverage on highest year	2.99	3.57	3.53	3.89	3.15	3.18	5.56	6.96	9.50	14.46
<u>SEWER UTILITY</u>										
Operating revenue	\$6,514	\$6,653	\$6,979	\$7,692	\$8,591	\$9,742	\$9,461	\$9,667	\$9,875	\$10,625
Operating expense (1)	\$4,485	\$4,639	\$5,069	\$4,975	\$6,775	\$6,886	\$7,383	\$7,637	\$5,565	\$5,304
Income available for debt service	\$2,029	\$2,014	\$1,910	\$2,717	\$1,816	\$2,856	\$2,078	\$2,030	\$4,310	\$5,321
Debt service current year (2)	\$520	\$0	\$0	\$0	\$0	\$0	\$376	\$946	\$2,741	\$2,775
Coverage	3.90	N/A	N/A	N/A	N/A	N/A	5.53	2.15	1.57	1.92
Debt service for highest principal and interest year in retirement schedule	\$0	\$0	\$0	\$0	\$0	\$1,041	\$2,423	\$2,725	\$2,775	\$2,776
Coverage on highest year	N/A	N/A	N/A	N/A	N/A	2.74	0.86	0.74	1.55	1.92

(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)

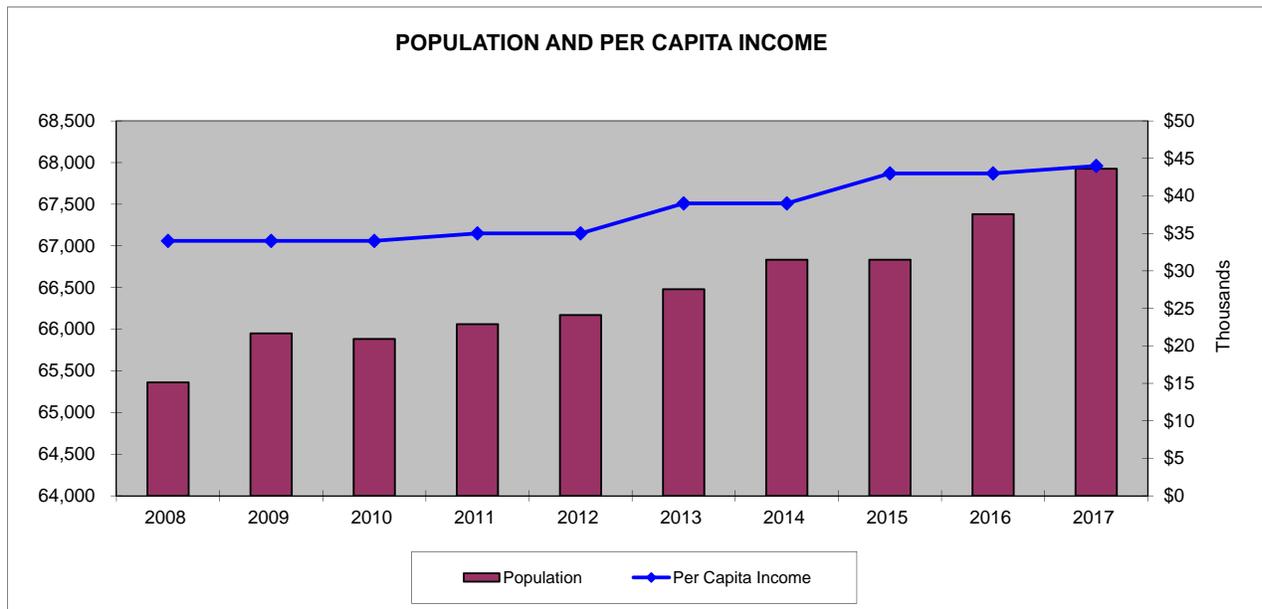
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transfers to Debt Service fund	\$4,418	\$4,187	\$4,966	\$5,534	\$6,096	\$6,187	\$7,433	\$7,792	\$7,607	\$8,695
Total expenditures and other financing uses	\$48,966	\$51,108	\$52,623	\$54,065	\$56,330	\$56,570	\$58,192	\$61,134	\$59,272	\$67,584
Percent of debt transfers to expenditures and other financing uses	9.0%	8.2%	9.4%	10.2%	10.8%	10.9%	12.8%	12.7%	12.8%	12.9%

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)

	<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>2017</u>
Population	65,362	65,950	65,883	66,060	66,170	66,480	66,834	66,834	67,381	67,926
Consumer price index (1)	215.3	214.5	218.1	224.9	229.6	233.0	234.8	236.5	240.0	244.7
Per capita income (2)	\$34	\$34	\$34	\$35	\$35	\$39	\$39	\$43	\$43	\$44
Personal income	\$2,206,490	\$2,219,811	\$2,249,066	\$2,331,918	\$2,315,950	\$2,592,720	\$2,606,526	\$2,873,862	\$2,897,383	\$2,988,744
Unemployment rate E.C. Metro Area	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.3%	3.8%	2.8%
Area in square miles	33.77	33.88	33.90	33.91	33.99	34.26	34.28	34.35	34.35	34.37
Number of residential parcels	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,976	19,995	20,167
Number of business properties	1,525	1,524	1,527	1,527	1,530	1,534	1,535	1,539	1,540	1,542
Acres devoted to business	3,281	3,282	3,287	3,287	3,290	3,318	3,334	3,340	3,342	3,350
Miles of street	341.7	341.9	343.4	343.3	344.5	344.6	345.0	345.0	345.0	340.0



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

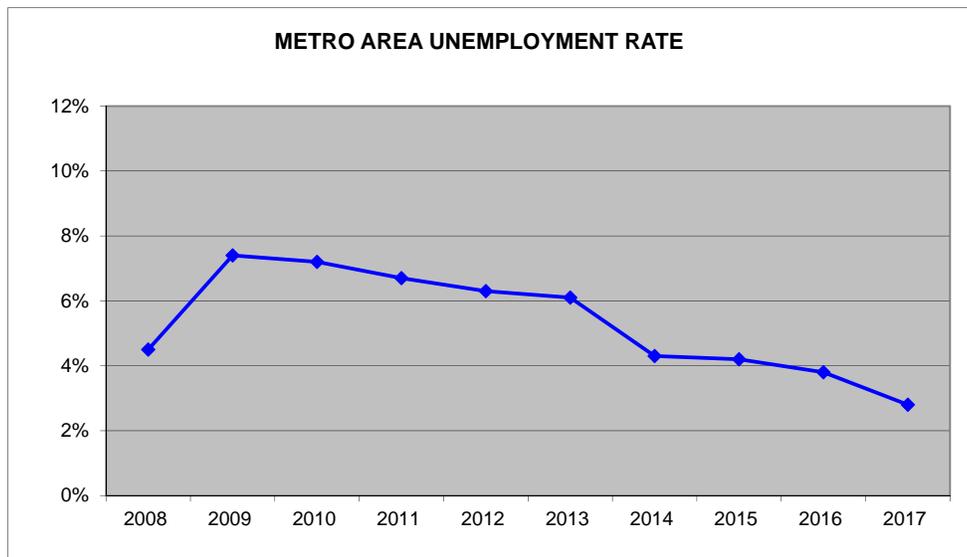
(2) Through 2009, U.S. Bureau of Economic Analysis; 2010 is estimated.

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>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>2017</u>
Number of residential parcels	19,766	19,829	19,922	19,941	19,960	19,974	19,976	19,995	20,056	20,167
Vacancy rates (percent):										
Residential	5.00	3.50	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.88
Commercial	5.90	7.09	8.18	7.60	8.00	9.11	12.92	10.68	8.35	11.43
Industrial	7.50	7.50	8.78	8.70	8.70	8.70	8.50	9.00	9.00	1.85
Unemployment rate E.C. Metro Area	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%	4.3%	4.2%	3.8%	2.8%



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

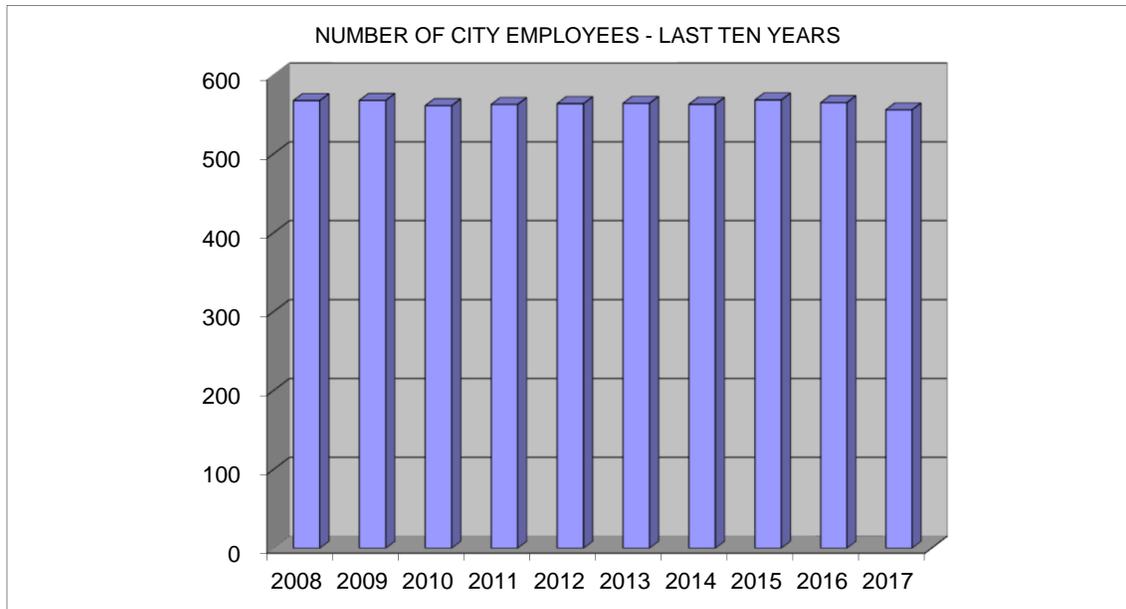
Employer	2017			2008	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
Mayo Clinic Health System	3000+	1	6%	3,145	2
Menard's Inc.	3000+	2	6%	4,500	1
Sacred Heart Hospital	1000+	3	2%	1,350	6
Eau Claire Area School District	1000+	4	2%	1,733	4
University of Wisconsin - Eau Claire	1000+	5	2%	1,450	5
United Health Group	1000+	6	2%	1,191	8
Marshfield Clinic - Eau Claire	1000+	7	2%	744	9
Nestle Foods	1000+	8	2%		
Hutchinson Technology	1000+	9	2%	1,766	3
City of Eau Claire	500-999	10	1%	570	10
CVTC			0%	1,303	7
Total Principal Employers	<u>13,500</u>		27%	<u>17,752</u>	
TOTAL EMPLOYEES	50,554			36,702	

Sources : 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>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>2017</u>
General Government	49.3	49.3	47.8	47.8	47.8	47.8	47.8	48.8	48.8	48.8
Public Safety	226.0	227.0	228.0	229.0	231.0	230.8	230.8	231.8	232.8	232.8
Public Works	61.0	61.0	59.0	60.0	60.0	60.0	63.0	63.0	63.0	61.5
Culture and Recreation	35.0	34.0	33.0	32.0	32.0	32.0	29.0	28.0	29.0	29.0
Development	15.5	15.0	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	36.9	37.6	36.5	36.4	36.0	36.3	36.1	36.1	36.1	36.1
Health Services	34.3	34.3	33.8	33.4	33.9	33.8	32.6	36.1	34.8	36.6
Water Utility	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	29.0	19.2
Sewer Utility	26.5	26.5	26.5	26.5	26.5	26.5	26.5	26.5	22.5	22.7
Storm Water Utility	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Transit	37.5	37.5	37.5	38.5	38.5	38.0	38.0	38.0	38.0	38.0
Parking Utility	1.0	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	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Central Equipment	7.0	7.0	7.0	7.0	7.0	8.0	8.0	9.0	9.0	9.2
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Employees	567.4	567.7	561.0	562.5	563.6	564.0	562.7	568.3	564.9	555.7



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.

Source: City of Eau Claire Annual Operating Budget

CITY OF EAU CLAIRE

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

	<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>2017</u>
General government										
Size of the City in square miles	33.77	33.88	33.90	33.90	33.99	34.26	34.28	34.35	34.35	34.37
Population	65,362	65,950	66,149	66,060	66,170	66,480	66,834	66,834	67,381	67,926
Number of City employees*	496.3	495.8	490.8	492.8	493.8	494.0	496.0	496.0	494.0	492.0
Community Development										
Building permits issued	1,064	1,102	1,179	1,197	1,389	1,091	961	958	980	995
Police										
Calls for service	29,628	27,309	27,591	26,173	26,748	26,107	26,477	27,103	27,891	28,227
Adult arrests	6,465	5,604	5,388	4,202	4,217	4,025	4,069	3,925	4,736	3,663
Fire										
EMS responses	6,060	5,819	6,056	6,294	6,420	6,480	6,801	7,265	7,332	7,508
Fire responses	157	183	157	183	156	152	145	137	109	144
Fire inspections	6,005	3,962	3,925	3,865	4,000	4,268	4,230	4,500	4,903	4,850
Public Works										
Miles of street plowed/maintained	337	349	343	343	343	344	346	348	346	340
Vehicles and equipment in fleet	291	293	299	298	295	302	295	304	308	309
Parks & Recreation										
Neighborhood playground program attendance	9,148	6,549	4,741	4,450	1,870	752	-	-	-	-
Hobbs Ice Arena - rented hours	3,683	3,199	4,336	4,539	4,264	5,308	5,625	5,464	7,105	6,249
Outdoor Pool attendance	57,151	47,027	60,070	64,189	67,051	60,345	58,199	63,354	70,252	59,611
Library										
Volumes in collection	298,458	291,003	279,260	282,018	277,022	271,678	273,214	269,215	241,670	211,431
Circulation	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	977,094
Health Department										
Environmental Health Inspections	4,647	5,117	5,301	5,740	4,444	3,585	4,353	4,968	4,381	4,180
Number of lab analyses	19,308	18,817	17,152	21,223	21,595	18,226	13,163	10,495	21,239	18,210
Public Health Nurse visits	3,741	4,928	3,893	4,635	4,246	2,706	2,523	1,915	1,937	1,827
Water										
Meters in service	25,982	26,146	26,291	26,136	27,469	27,801	28,076	28,147	28,349	29,117
Average daily consumption (1,000 gallons)	7,690	7,490	7,096	7,476	7,881	7,746	7,269	7,080	7,198	6,918
Sewer										
Sewer customers	25,017	25,180	25,323	25,460	25,608	25,765	25,904	26,007	26,135	26,287
Stormwater										
ERU rate	\$ 62.00	\$ 68.00	\$ 73.00	\$ 77.00	\$ 80.00	\$ 83.00	\$ 86.00	\$ 88.00	\$ 90.00	\$ 90.00
Transit										
Total route miles	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	1,153,085
Passengers	1,090,203	1,001,790	971,491	1,091,958	1,039,921	1,047,962	1,072,460	915,130	937,560	909,359

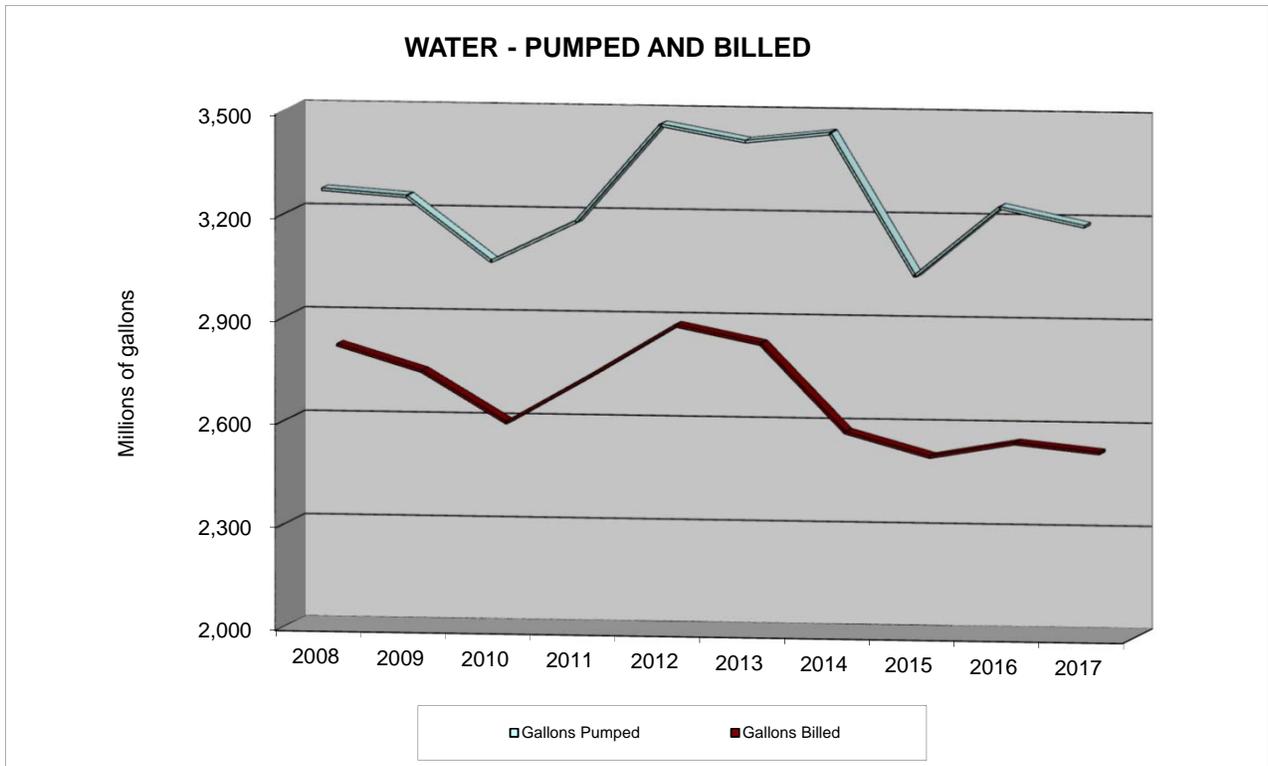
Source: Various City Department records and Annual Operating Budget

*Excludes Library and Health Services employees

CITY OF EAU CLAIRE

TABLE 33
WATER UTILITY - PRODUCTION STATISTICS
 Last Ten Fiscal Years

	<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>2017</u>
Average number of water customers	25,884	26,066	26,230	26,371	26,504	26,647	26,769	26,870	26,997	27,150
Total gallons pumped (in thousands)	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	3,204,101
Total gallons billed (in thousands)	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	2,525,217
Percent of water billed	85.59%	83.79%	84.09%	85.38%	82.66%	82.28%	74.34%	82.12%	78.34%	78.81%
Miles of main	368	368	369	375	374	392	392	386	380	380
Number of fire hydrants	3,703	3,696	3,747	3,831	3,893	3,948	3,980	4,020	3,844	3,874
Residential customer's average quarterly water bill	\$45.73	\$51.37	\$51.37	\$52.80	\$54.51	\$55.24	\$56.55	\$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>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>2017</u>
Police										
Patrol units	21	21	23	23	23	25	25	25	25	26
Unmarked vehicles	18	18	16	16	16	19	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	341.7	341.9	343.4	343.3	344.5	344.6	345.0	346.6	340.0	340.0
Number of traffic signs installed/straightened	671	601	1249	684	973	1185	1304	797	803	854
Vehicles and equipment in fleet	291	293	299	298	295	302	295	304	308	309
Parks & Recreation										
Number of parks	32	32	35	35	35	35	35	36	36	36
Number of playgrounds	18	18	18	18	18	18	18	19	20	21
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	3	3	3	3	3	3	3	3
Water										
Water hydrants	3703	3696	3747	3831	3893	3558	3677	3650	3670	3654
Storage capacity (1)	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Sewer										
Miles of sewers	320	321	322	326	327	339	341	341	341	343
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	3	3
Surface lots	11	11	11	11	11	12	12	12	12	12
Transit										
Number of buses	22	22	22	22	22	22	22	22	22	22

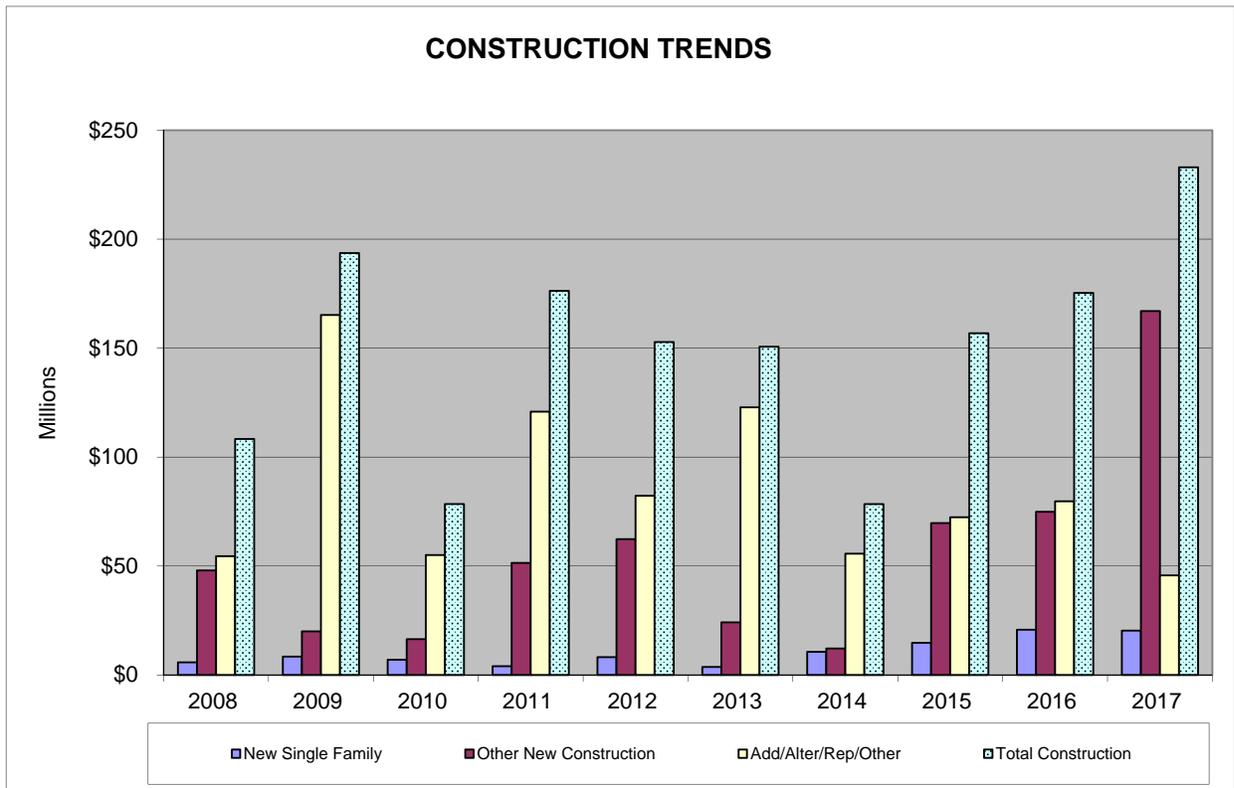
NOTES (1) - Numbers are in millions of gallons.

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>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>2017</u>
New single family dwellings: # of units	37	47	41	25	55	59	59	67	75	79
Value	\$5,780	\$8,407	\$6,971	\$4,002	\$8,181	\$3,665	\$10,603	\$14,748	\$20,754	\$20,337
Other new construction	\$47,992	\$20,002	\$16,417	\$51,448	\$62,332	\$24,158	\$12,146	\$69,707	\$74,875	\$167,000
Additions/alterations/repairs & all other types of const.	\$54,531	\$165,200	\$55,054	\$120,830	\$82,268	\$122,830	\$55,654	\$72,373	\$79,716	\$45,716
Total construction valuation	\$108,303	\$193,609	\$78,442	\$176,280	\$152,781	\$150,653	\$78,403	\$156,828	\$175,345	\$233,000
Number of permits	1,064	1,102	1,151	1,197	1,389	1,091	961	958	980	995



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

CITY OF EAU CLAIRE

TABLE 36
INSURANCE COVERAGES
December 31, 2017

	<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