



City of Eau Claire

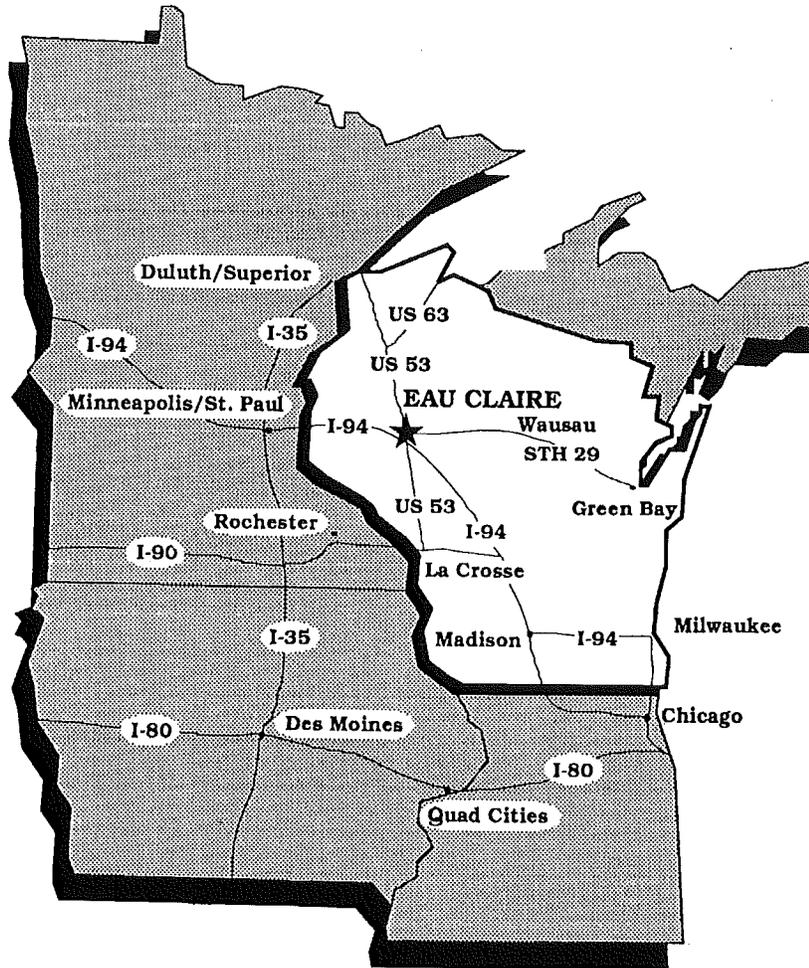
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED

DECEMBER 31, 2002

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

EAU CLAIRE, WISCONSIN

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



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

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

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

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

CITY OF EAU CLAIRE

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INTRODUCTORY SECTION

This section contains the following information:

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

CITY OF EAU CLAIRE, WISCONSIN
ELECTED AND APPOINTED OFFICIALS

Elected Officials

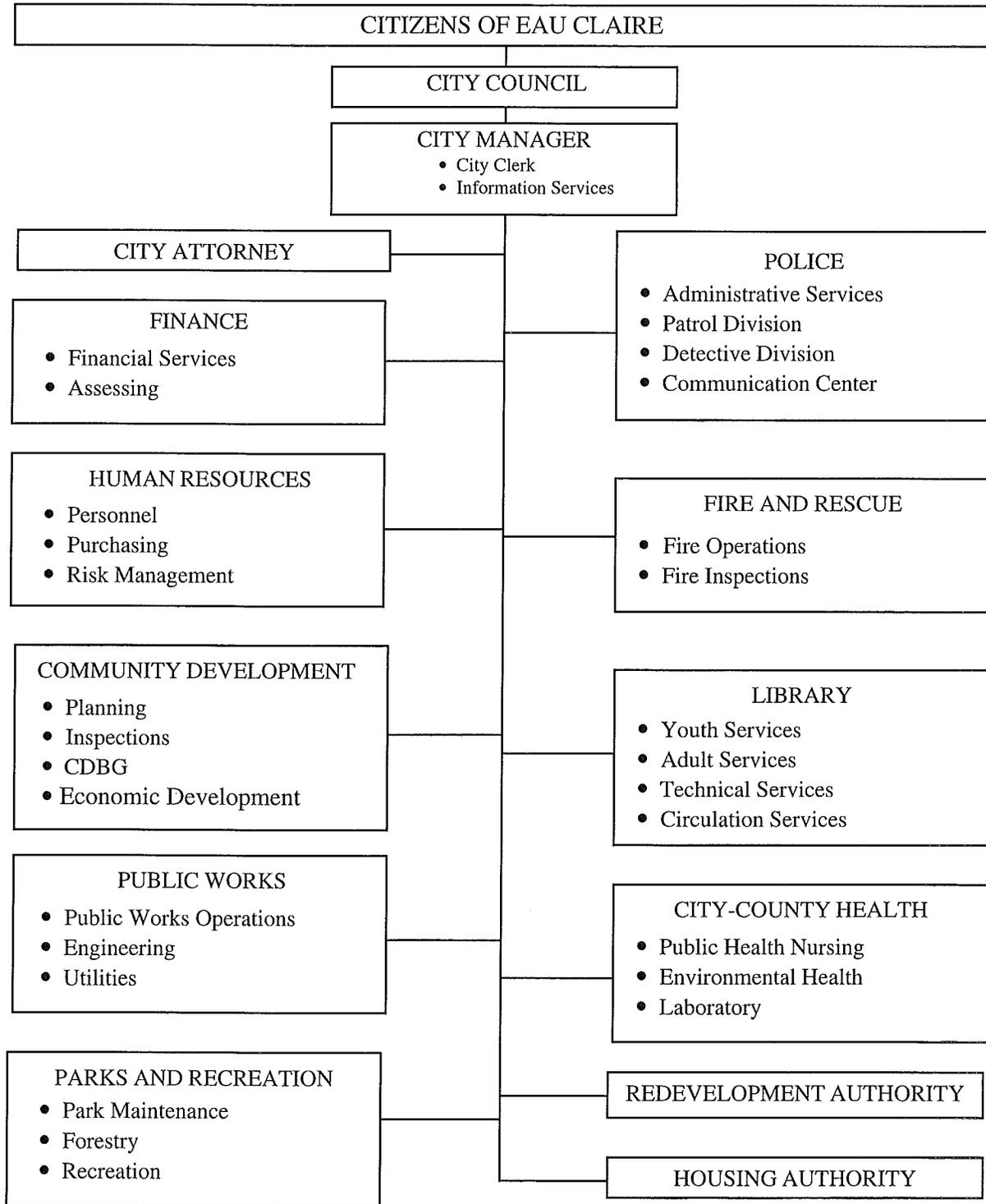
	<u>Term Commenced</u>	<u>Term Expires</u>
Howard White.....Council President	April 2001	April 2003
David J. Adler.....District One	April 2001	April 2003
Toby R. Biegel.....District Two	April 2001	April 2003
Beverly J. Boettcher.....District Three	April 2001	April 2003
Lynne Young.....District Four	April 2001	April 2003
Berlye S. Middleton.....District Five	April 2001	April 2003
Ray Hughes.....Council at Large	April 2002	April 2004
Terry Sheridan.....Council at Large	April 2002	April 2004
Terri Stanley.....Council at Large	April 2002	April 2004
Jane Tappen.....Council at Large	April 2002	April 2004
Saidang Xiong.....Council at Large	April 2002	April 2004

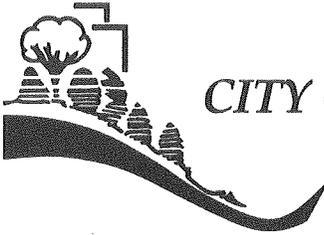
Appointed Officials

Don T. Norrell, CPA.....City Manager
 Rebecca K. Noland, CPA.....Director of Finance - Comptroller/Treasurer
 Michael W. Huggins.....Director of Planning and Development
 J. D. Peters.....Director of Human Resources
 Philip A. Johnson.....Acting Director of Parks and Recreation
 Brian Amundson, P.E.....Director of Public Works
 Bruce A Fuerbringer.....Fire Chief
 Patrick C. McNally.....Police Chief
 Stephen C. Nick.....City Attorney
 Mark P. Morse.....Public Library Director
 James M. Ryder.....City-County Health Director
 John R. Genskow, P.E.....City Engineer
 Donna A. Austad.....City Clerk

ORGANIZATIONAL CHART

City of Eau Claire, Wisconsin





CITY OF EAU CLAIRE

FINANCE DEPARTMENT
Finance Administration
(715) 839-6044

June 30, 2003

City Council
Citizens of Eau Claire
Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2002 is prepared to provide the Council, our citizens, and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City government. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and component units; and that all disclosures necessary to enable the reader to gain reasonable understanding of the City's financial affairs have been included.

Report Format

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

Reporting Entity

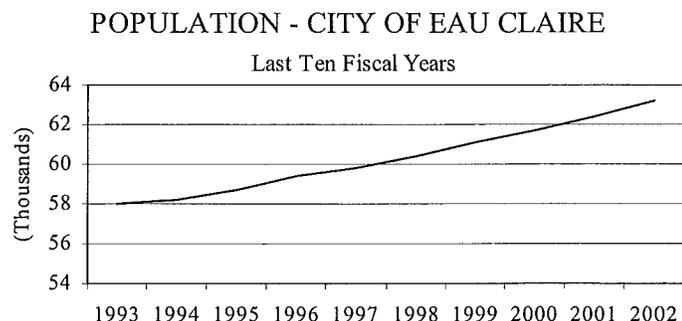
This report includes all of the funds, account groups, and component units of the City of Eau Claire. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting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

Financial data for the Housing Authority, the Redevelopment Authority and three Business Improvement Districts is included in the reporting entity by discrete presentation because they are component units of the City. The Housing Authority was formed to engage in the development and operation of low-income housing. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) and the Wisconsin Housing and Economic Development Authority (WHEDA). The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated, slum and blighted areas or properties and encouraging urban renewal. The Downtown, West Grand, and Water Street Business Improvement Districts account for the collection of special assessments from their members for business promotion within each district.

General Information

The City of Eau Claire is located in west central Wisconsin, in Eau Claire and Chippewa counties. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade, technology, and industry in west central Wisconsin. The City was incorporated in 1872, and covers an area of approximately 33 square miles. The City's current population is 63,214 and the population of the Greater Eau Claire Metropolitan Area is approximately 152,000.

The City of Eau Claire has a council/manager form of government with the City Council president and the ten Council members elected to serve two-year terms. Five of the Council members are elected at large in the even numbered years, while the other five members are elected by district in the odd numbered years. The Council president is also elected at large in the odd numbered years.

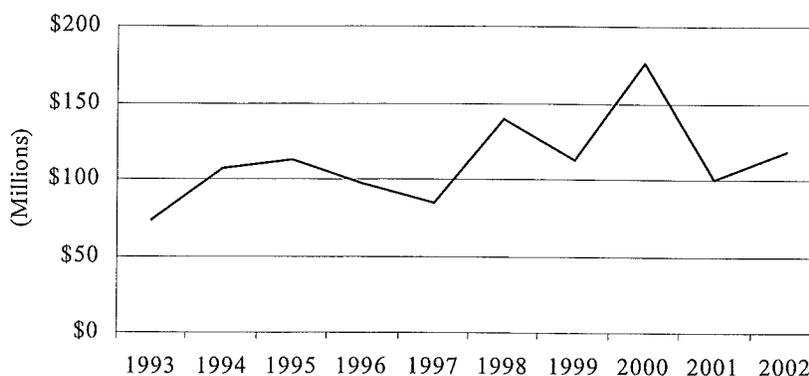


ECONOMIC CONDITIONS AND OUTLOOK

In 2003, Eau Claire's economy moved at a slower pace, reflecting the national recession. However, Eau Claire's diversified employment in such areas as medical services, technology, retail, the university, and the technical college helped mitigate the effects of the economic downturn.

While less than the building permit record of \$175.5 million set in 2000, new construction remained strong in 2002 with building permits showing total valuation increases of \$119 million. The major development areas were in the residential and commercial sectors. Residential construction established a new record of \$69.9 million. Commercial development included significant projects by local hospitals and clinics including Sacred Heart Hospital, the Luther/Mayo Health Service, and the Mayo Dialysis Clinic. Several industrial firms accounted for \$1.3M in projects, including Nestle USA, Inc., Park Ridge Distributing, Inc., Wausau Supply, and Westburne Supply.

VALUATION OF BUILDING PERMITS



The City's past economic development efforts have been so successful that Tax Incremental Financing (TIF) District # 4 – Gateway West Business Park, has recovered all of its project costs and will close in 2003, thereby adding over \$70M to the tax base. The new industries located in TIF # 4 have generated over 2,100 jobs.

Eau Claire is focusing current economic redevelopment efforts on the city's downtown area. Following the 2001 Downtown Action Agenda, the City has assisted with the creation of Downtown Eau Claire, Inc. (DECI) to prioritize and implement strategies to enhance and market the area. The strategies include completion of a community park and riverfront trail system, loan programs, special events, business recruitment, and improved parking. The City has created TIF # 8 – Downtown Development, to provide the financing for acquisition of blighted properties and the public infrastructure improvements necessary for the redevelopment efforts.

MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2002 and into 2003:

Storm Water Detention Basins

Approximately \$4.7 million was spent in 2001 to acquire 34 properties affected by the September 2000 rainstorm that dropped 6 to 8 inches of water over a span of four hours, resulting in widespread flash flooding that severely affected five areas of the city. Acquisition and clearance were followed up with a \$1.1 million appropriation in 2002 to construct the stormwater detention basins in the Taft Avenue and Kay Street area on the southeast side of the city, and in the Florence Avenue and Bell Street area on the northwest side.

Technology Improvements

In 2002, the Communication Center replaced software used to operate the dispatch and the records management systems. The new HTE software system provides the backbone for the operations of the Communication Center, Sheriff's Department and the County Jail. The City and County entered into a joint agreement to purchase and install the software. The joint project is anticipated to cost \$1.2 million. A \$500,000 federal grant has been awarded to the County to offset the software costs.

North Barstow Redevelopment District – TIF #8 Downtown Development

The City of Eau Claire acquired the former office buildings at 100 N. Barstow Street from Xcel Energy in December 2002. The site consists of 7.1 acres along the confluence of the Eau Claire and Chippewa Rivers. Acquisition of the property has provided land for park development and private reinvestment in Eau Claire's blighted downtown. Approximately 3.7 acres of the former Xcel site will be combined with property the City purchased from Phoenix Steel. The 12-acre parcel will be developed into a community park. This is a very exciting endeavor and a first-of-its-kind for the City of Eau Claire. The community park will be the location for the regional trailhead that links the four recreational trails within the Chippewa Valley Trail System. Because of the park development, Royal Credit Union made the decision to locate its corporate headquarters in the North Barstow Redevelopment District. Construction of its \$12 million office complex will act as a catalyst to promote further private investment in the downtown. Tax Incremental Financing District #8 – Downtown Development was created in 2002 to fund park and trail improvements, street and utility construction, public parking, lighting and other amenities.

Replacement of Fourteen Transit Buses

The Cities of Eau Claire, LaCrosse, Stevens Point, and Ozaukee entered into a joint contract with Gillig Corporation to purchase buses for their Transit Systems. Eau Claire purchased eight 30-foot buses and six 40-foot buses totaling approximately \$3.6 million. Delivery on the buses was completed in the summer of 2002. A Federal Grant covered 80% of the total purchase price.

FOR THE FUTURE

The City is facing the same economic problems that are occurring throughout Wisconsin. The State's budget deficit will mean a significant reduction in aids to municipalities in 2003 and future years. Eau Claire's City Council is prioritizing budget and service level adjustments to maintain essential services without raising taxes. To address the fiscal problems, the Council has adopted long-term budget policies. The policies include stabilizing city revenues and reducing the city's dependence on State aids, managing wage and benefit cost increases, implementing fees and charges to recover the full cost of services, slowing sprawl, and supporting industrial and economic development projects. These strategies will help ensure that the City is able to maintain a strong financial position, increase the number of solid job opportunities, and support services and capital improvements for the community.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

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

Budgetary control is maintained through an annual budget ordinance passed by the City Council. Formal budgetary integration is employed as a management control device during the year for the General fund, Debt Service fund, and certain Special Revenue funds, and is adopted on a basis consistent with generally accepted accounting principles. Fixed, long-term budgets on a project basis are used for Capital Project funds. Flexible annual budgets are approved for proprietary funds and expendable trust funds to provide for financial management. The City Manager and Director of Finance may authorize transfers of budgeted amounts within departments; however, transfers between departments and additional appropriations to the original budget must be made by Council resolution. The level at which expenditures may not exceed budget is by department.

Internal Control

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

requires estimates and judgments by management.

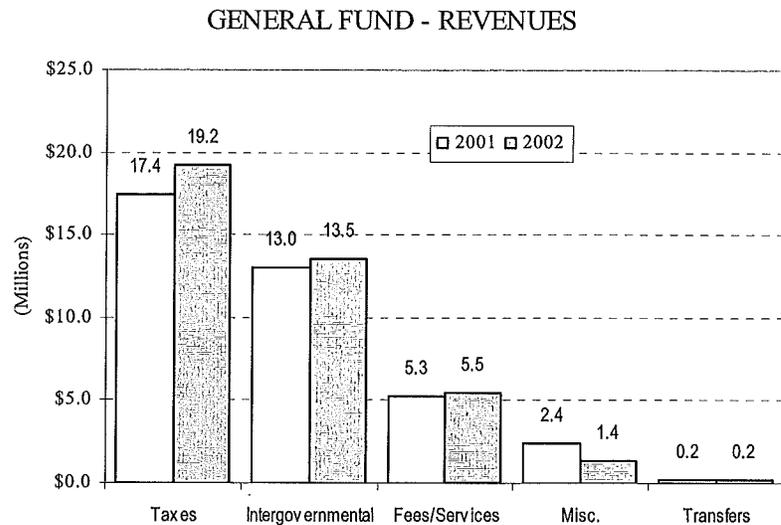
All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

General Fund

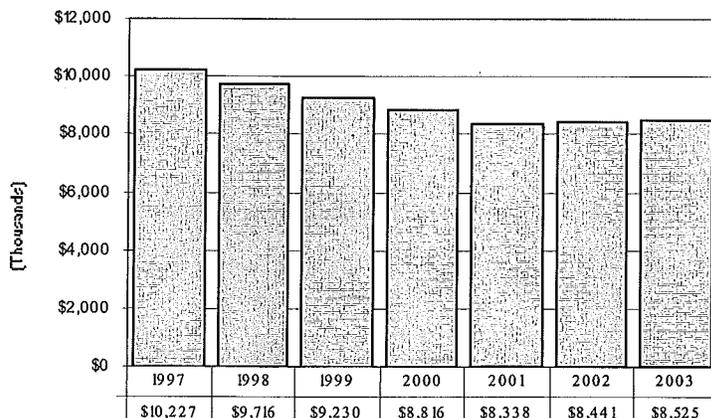
The General fund was established to account for the revenue and expenditures required to carry out general governmental functions. Revenue is recognized by source, and expenditures are recorded by functional classification and by operating department. This fund accounts for all financial transactions not properly accounted for in another fund.

Revenues and Other Financing Sources

Revenues and other financing sources in the General fund totaled \$39.8 million, an increase of 4.0% from 2001. Taxes accounted for 48.3%, compared with 45.5% last year. Intergovernmental revenues provided 33.8%, the same ratio as last year. The amount of revenue and other financing sources by type and the changes from the previous year are shown in the adjacent graph.



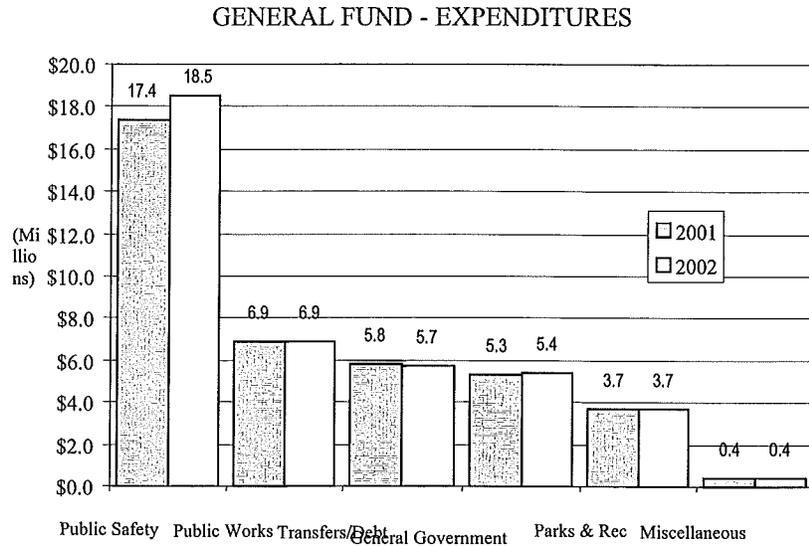
STATE SHARED REVENUE



The State Shared Revenue program was once the City's largest revenue source. Due to the City's growth and a State freeze in shared revenue funding, the City's allocation has dropped \$2.3 million since 1996. The State budget crisis in 2002 may result in significant reductions in the shared revenue and other state aids over the next three years.

Expenditures and Other Financing Uses

Expenditures and other financing uses in the General fund totaled \$40.6 million, an increase of 2.7% from 2001. Changes in the level of expenditures for major functions are shown in the adjacent graph.

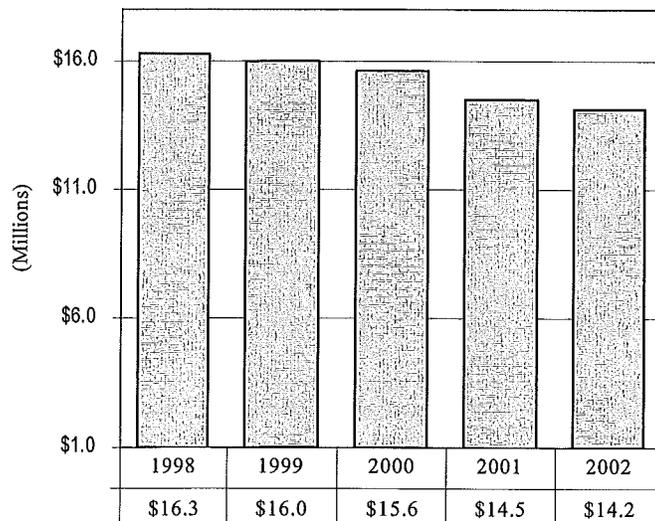


Fund Balance

Fund balance in the General fund totaled \$14.2 million, a decrease of 2% from 2001. Changes in the level of fund balance over the past five years are shown in the adjacent graph.

Fund balances reflect the accumulated excess of revenues and other financing sources over expenditures and other uses as well as residual equity transfers for general governmental functions. A major portion of the fund balance, \$7.0 million, is reserved for loans made to utility funds and for prepaid expenses and is, therefore, unavailable for appropriation or expenditure. Additionally, \$3.7 million is required to provide working capital for the General fund until state shared revenues are received in July and November of each year. The

GENERAL FUND BALANCE - YEAREND

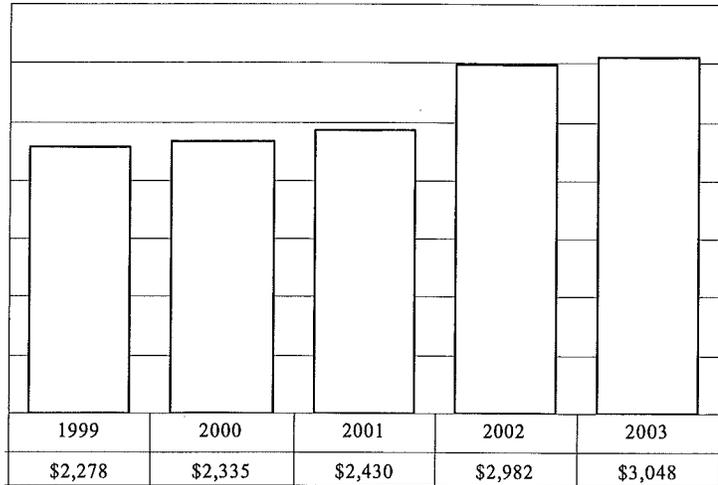


designated portion of fund balance also includes \$1.0 million allocated to 2003 expenditures. There is also \$2.5 million of the fund balance which is undesignated and available to support the annual budget allocation to the capital improvement program.

Assessed Valuation

Valuation of property is set each year on January 1 for establishment of the tax roll collected in the succeeding fiscal year. Every person owning taxable property on that date incurs a tax liability that becomes a lien on the property until paid. The total assessed valuation of taxable property is the basis for the tax levy. A city-wide reassessment was completed for taxes collectible in 2002.

TOTAL ASSESSED VALUATION



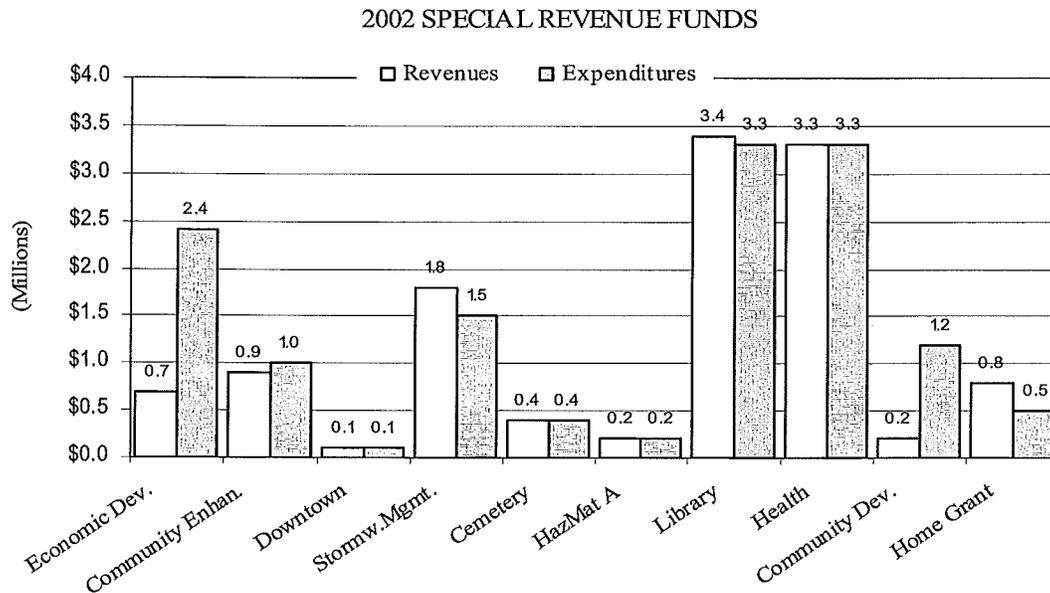
(Millions)

Tax Rate

Property taxation is a major source of revenue available to local governments in the state of Wisconsin. The tax rate is expressed in terms of "mills" with one mill equivalent to one dollar of tax for every one thousand dollars of assessed value. The mill rate and tax levy for the General fund over the past five years are reflected in the table.

<u>Year of Collection</u>	<u>Mill Rate Per \$1000 (Assessed Valuation)</u>	<u>Tax Levy (Millions)</u>
1998	5.58	\$11.737
1999	5.99	13.284
2000	6.29	14.296
2001	6.66	15.751
2002	6.07	17.512
2003	6.42	18.915

Special Revenue Funds



Special Revenue funds are used to account for resources restricted by statute, ordinance, or administrative action to specific operating purposes. Included among these are Economic Development, Community Enhancement, Downtown, Storm Water Management, Cemetery Maintenance, Hazardous Materials Response, Public Library, City-County Health Department, Community Development, and Home Grant funds. A summary of 2002 revenues and other financing sources and expenditures by fund is illustrated in the graph above.

Revenue in the Community Development fund represents proceeds from Community Development Block Grants and income from the property rehabilitation loan program. Revenue in the Economic Development fund represents primarily revolving loan repayments. Expenditures consist of personnel costs and low-interest loans to stimulate local development. The Community Enhancement fund accounts for room tax revenue expended for convention and tourism activities.

Capital Projects Funds

Capital projects funds are used to account for the purchase or construction of capital facilities and equipment by the City other than those accounted for in proprietary funds. This includes construction of streets, sidewalks, storm sewers, lighting, park development, additions to municipal buildings, and land acquisition. Capital projects are financed by sale of bonds, transfers from General and Community Development funds, intergovernmental revenues, private contributions, taxes, and interest earnings. The fund balance at fiscal year end for all capital project funds \$16.7 million. A summary of the changes is shown in the table on the following page.

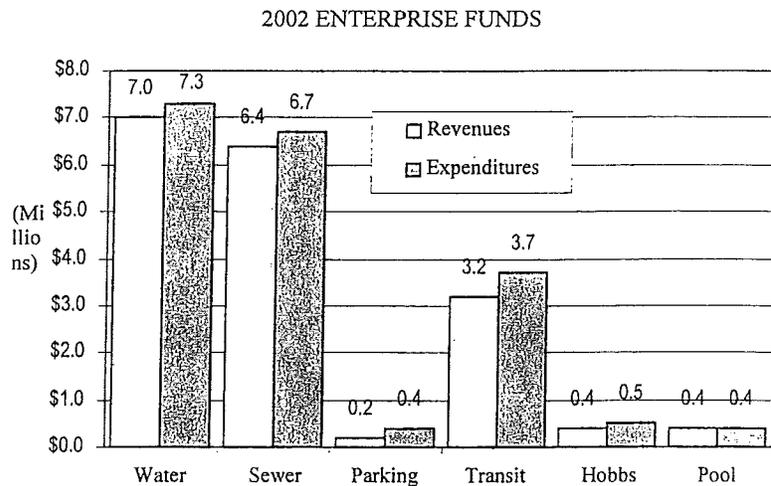
The transfers to the capital project funds are primarily from the General and Community Development funds for land acquisition, storm water, street, environmental improvements, and management systems projects.

Capital Project Funds

	<u>2001</u>	<u>2002</u>	<u>Change</u>
Revenues	\$ 3,014,981	\$ 1,053,845	\$ (1,961,136)
Expenditures	(12,428,254)	(9,581,481)	2,846,773
Subtotal	(9,413,273)	(8,527,636)	885,637
Transfers	3,398,388	3,291,316	(107,072)
Sale of Capital Assets	51,190	92,586	41,396
Proceeds from bonds	8,700,000	5,736,878	(2,963,122)
Excess (deficiency)	2,736,305	593,144	(2,143,161)
Beginning fund balance	11,992,775	15,454,080	3,461,305
Residual Equity transfers in	725,000	655,000	(70,000)
Ending fund balance	<u>\$ 15,454,080</u>	<u>\$ 16,702,224</u>	<u>\$ 1,248,144</u>

Enterprise Funds

Enterprise funds are established to account for the financing of government units that render services to the general public on a user charge basis. Records are maintained on the accrual basis of accounting. Creditors, legislators, or the general public can evaluate the performance of the municipal enterprise on the same basis as they can evaluate performance of investor-owned enterprises. The adjacent graph summarizes total revenues and expenses for each of the enterprise funds for 2002.



Trust and Agency Funds

Trust and Agency funds are established to account for assets held by the City in a trustee capacity. The Trust fund accounted for by the City is the Former Landfill Escrow fund with assets of \$81,134. The Agency fund accounted for by the City is the Tax Collection fund, used to account for property tax collections before distribution.

Debt Administration

The ratio of net bonded debt to equalized valuation and the amount of bonded debt per capita are useful indicators of the City's debt position. On December 31, 2002, net long-term debt outstanding was \$49.4 million. This is equal to 1.6% of the City's equalized value. Net long-term debt includes all general obligation debt due reduced by available funds that have been set aside for debt service.

According to Section 67.03 (1) of the Wisconsin Statutes, the total amount of indebtedness for any municipality shall not exceed 5% of the equalized valuation (market value) of the taxable property in the municipality. The City is currently at approximately 27% of the total debt allowed.

The City of Eau Claire's general obligation bonds presently carry an Aa2 rating from Moody's Investor Services and AA from Standard and Poor's. The 2001 Water Utility revenue bonds carry an Aa3/Aaa rating from Moody's Investor Services and AA- from Standard and Poor's, reflecting the insurance purchased by Stifel, Nicolaus & Co., Inc. from Financial Security Assurance, Inc. The 2002 Sewer Utility refunding bonds carry an Aa3 rating from Moody's Investor Services and AA from Standard and Poor's.

Concurrent with the Capital Improvement Plan, the City projects the amount of new debt required to finance proposed infrastructure improvements. The following table shows the proposed new debt over the next five years. The Sewer Utility will draw on capital reserves in lieu of debt. The debt projections are subject to change, based on projects approved each year and the status of the State funding levels.

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General obligation bonds	\$12,570,000	\$6,970,000	\$14,100,000	\$7,125,000	\$6,925,000
Water revenue bonds	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>
Total proposed new debt	<u>\$13,570,000</u>	<u>\$6,970,000</u>	<u>\$15,100,000</u>	<u>\$7,125,000</u>	<u>\$6,925,000</u>

The City occasionally issues Industrial Revenue Bonds (IRB) on behalf of area business, as permitted under Wisconsin State statutes. These bonds do not constitute indebtedness of the City and are not a charge against its general credit and taxing powers. At December 31, 2002, three issues were active which had an original par value of \$10,000,000 as shown below.

	<u>Closing Date</u>	<u>Original Par</u>	<u>12/31/2002 Balance</u>	<u>Year of Maturity</u>
Eau Claire Press Company	5/1/97	\$3,500,000	\$1,945,000	2007
American Phoenix	12/3/99	3,000,000	2,261,502	2006
Intek Plastics	5/24/00	<u>3,500,000</u>	<u>3,500,000</u>	2025
Total Industrial Revenue Bonds		<u>\$10,000,000</u>	<u>\$7,706,502</u>	

Cash Management

The cash management program consists of two phases. The first phase is a contractual agreement with a local bank for services. This contract specifies that the bank will pay interest on account balances based on the 13-week Treasury Bill rate.

The second phase is a long-term investment program. Funds that are available for 30 days or longer are placed in Government Agency bonds and notes, U.S. Treasury securities, or the State-maintained Local Government Investment Pool. The maximum limits on the amount of funds which can be placed in any one type of investment are as follows:

Local Government Investment Pool	80%
Obligations of Federal Government	80%

Deposits in excess of \$500,000 must have collateral agreements. The following summary shows investment earnings and the average interest rate for the past five years.

<u>Year</u>	<u>Amount</u>	<u>Net Return</u>
1998	\$3,716,529	5.53%
1999	3,425,756	4.68%
2000	4,320,757	6.44%
2001	2,989,323	4.65%
2002	1,657,268	2.33%

Risk Management

The City has joined other Wisconsin municipalities for liability insurance services. The City is one of 14 local governments that are members of Wisconsin Municipal Mutual Insurance Company (WMMIC) which has provided risk management and liability insurance services since January 1, 1988. Under this program, the City's self-insured retention is \$200,000 per occurrence to a maximum of \$400,000 per year. Transit Mutual Insurance Company of Wisconsin (TMICOW) consists of 18 municipalities, including the City, and provides auto liability coverage for property damage and bodily injury for Public Transit vehicles.

The objective of these programs is to protect the City against accidental losses, destruction, or depletion of its assets. The Risk Manager will review and award recommendations prior to payment by the insurance company. Judgment or award recommendations covered by WMMIC in excess of \$10,000 will be reviewed with the City Council prior to payment.

On January 1, 1992, the City of Eau Claire began self-insuring its primary exposure for workers' compensation. The City retains the first \$250,000 per occurrence with an annual aggregate on total claims of \$1,000,000 and purchases excess coverage from a private carrier.

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, Virchow, Krause & Company, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unqualified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for the year ending December 31, 2002 were also completed by the independent auditors. These reports are available under separate cover.

REPORTING ACHIEVEMENT

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eau Claire for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. The City has received this award each year since 1984.

In order to receive a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

GRATE Certificate of Commendation

Governmental Reporting Awards Through Evaluation (GRATE) awarded a Certificate of Commendation to the City of Eau Claire for "achieving a level of quality in their financial statements for the year ended December 31, 2001 that merits commendation, and for accepting their responsibility for accountability through the utilization of Generally Accepted Accounting Principles (GAAP)". The purpose of the GRATE program is to promote the highest level of financial reporting in local governments in Wisconsin. The City has achieved the GRATE certificate each year since 1986.

ACKNOWLEDGMENTS

We would like to thank the City Council for their support in planning and conducting the financial operations of the City in a responsible manner. In addition, we would also like to express our appreciation to Tom Hoff, Financial Services Manager, Denny Shea, Accounting Supervisor, Kathy Breault, Accountant Analyst; Pat Hoepner, Account Clerk I; and the remainder of the Finance Department Staff for their dedication in preparing this report.

Respectfully Submitted,



Rebecca K. Noland, CPA

Finance Director



Don T. Norrell, CPA

City Manager

The Government Finance Officers Association of United States and Canada (GFOA) awarded a *Certificate of Achievement of Excellence in Financial Reporting* to the City of Eau Claire, Wisconsin for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. The *Certificate of Achievement* is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR 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. The City of Eau Claire has received a *Certificate of Achievement* for the last eighteen consecutive years (fiscal years ended 1984-2001). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



GOVERNMENTAL
REPORTING
AWARDS
THROUGH
EVALUATION

The Key to Better Local Government Financial Reporting

CERTIFICATE OF COMMENDATION

GRATE
hereby awards this
Certificate of Commendation to

City of Eau Claire

for achieving a high level of quality in its
annual financial statements through the utilization of
Generally Accepted Accounting Principles (GAAP),
and accepting its responsibility for
credibility in its financial statements.

For the year ended

December 31, 2001

President, GRATE Board of Directors

Marquette University
(Technical Services)

Governmental Reporting Awards Through Evaluation (GRATE) awarded a Certificate of Commendation to the City of Eau Claire in recognition of the City's special efforts to assure adherence to generally accepted accounting principles (GAAP) in financial reporting. The GRATE program's purpose is to recognize performance in local government financial reporting as well as to assist jurisdictions in adhering to GAAP.

FINANCIAL SECTION

This section contains the following subsections:

- Auditors' Report
- General Purpose Financial Statements
- Notes to the Financial Statements
- Combining and Individual Fund and Account Group Statements and Schedules

General Fund

Special Revenue Funds

Debt Service Funds

Capital Projects Funds

Enterprise Funds

Internal Service Funds

Trust and Agency Funds

General Fixed Assets Account Group

General Long-Term Obligations Account Group

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.



**Virchow Krause
& company**

INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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 *Governmental 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Eau Claire, Wisconsin
April 8, 2003

Virchow Krause & Company, LLP

General Purpose Financial Statements

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

CITY OF EAU CLAIRE

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT
GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2002

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and short term investments	\$ 7,828,513	\$ 8,630,123	\$ 7,639,367	\$ 13,852,669
Receivables:				
Taxes	19,218,824	4,015,708	3,236,841	775,882
Accounts	1,045,603	462,198	5,382	181,832
Interest	80,229	-	13,548	-
Special assessments	94,901	-	6,332,496	65,885
Other	-	-	-	-
Due from other funds	1,233,886	2,813	-	-
Due from other governments	142,938	31,536	-	304,000
Due from primary government	-	-	-	-
Due from component unit	25,496	-	-	-
Current portion of advances to other funds	391,344	-	-	-
Inventories, at cost	-	-	-	-
Prepayments	365,750	-	78,167	-
Notes receivable	25,000	5,793,756	-	-
Restricted assets - cash & investments	-	-	-	4,252,845
Advances to other funds	6,621,899	-	-	-
Deposit in insurance pools	-	-	-	-
Fixed assets (net of accumulated depreciation in proprietary funds and component units)	-	-	-	-
Other assets	-	-	-	-
Other Debits:				
Amount available in other funds for debt service	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	\$ 37,074,383	\$ 18,936,134	\$ 17,305,801	\$ 19,433,113

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
\$ 11,205,676	\$ 14,416,280	\$ 11,094,529	\$ -	\$ -	\$ 74,667,157	\$ 2,617,968	\$ 77,285,125
928,672	-	37,657,488	-	-	65,833,415	74,500	65,907,915
1,279,520	178,202	-	-	-	3,152,737	40,242	3,192,979
-	-	-	-	-	93,777	-	93,777
2,940,332	-	-	-	-	9,433,614	-	9,433,614
1,039,030	-	-	-	-	1,039,030	-	1,039,030
-	107	-	-	-	1,236,806	-	1,236,806
1,106,940	19,875	-	-	-	1,605,289	26,233	1,631,522
-	-	-	-	-	-	71,776	71,776
-	-	-	-	-	25,496	-	25,496
-	-	-	-	-	391,344	-	391,344
125,424	411,586	-	-	-	537,010	-	537,010
7,542	-	-	-	-	451,459	15,463	466,922
-	-	-	-	-	5,818,756	189,272	6,008,028
2,612,522	170,067	-	-	-	7,035,434	2,086,071	9,121,505
-	-	-	-	-	6,621,899	-	6,621,899
-	766,496	-	-	-	766,496	-	766,496
96,561,004	9,850,682	-	41,871,359	-	148,283,045	12,979,053	161,262,098
121,307	-	-	-	-	121,307	-	121,307
-	-	-	-	7,590,244	7,590,244	-	7,590,244
-	-	-	-	58,470,686	58,470,686	-	58,470,686
<u>\$ 117,927,969</u>	<u>\$ 25,813,295</u>	<u>\$ 48,752,017</u>	<u>\$ 41,871,359</u>	<u>\$ 66,060,930</u>	<u>\$ 393,175,001</u>	<u>\$ 18,100,578</u>	<u>\$ 411,275,579</u>

CITY OF EAU CLAIRE

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT
GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2002

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 757,606	\$ 283,287	\$ 49,123	\$ 1,434,161
Accrued liabilities	1,537,763	188,725	-	-
Customer deposits	185,820	4,900	-	-
Due to other funds	-	25,597	-	-
Due to primary government	-	-	-	-
Due to other governments	73,586	83,714	-	-
Due to component unit	71,776	-	-	-
Current portion of advances from other funds	-	-	-	-
Deposits	-	-	78,167	-
Deferred revenue	20,242,307	9,980,486	9,588,267	1,296,728
Unpaid claims	-	-	-	-
General obligation debt	-	-	-	-
Bond anticipation notes	-	-	-	-
Revenue bonds payable	-	-	-	-
Premium on bonds	-	-	-	-
Deferred amount on refunding	-	-	-	-
Notes payable	-	-	-	-
Accrued employee benefits	-	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	22,868,858	10,566,709	9,715,557	2,730,889
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	-	-	-	-
External contribution	-	-	-	-
Municipal contribution	-	-	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved	7,012,649	136,072	7,001,252	6,007,239
Unreserved:				
Designated	4,714,450	2,315,500	588,992	54,800
Undesignated	2,478,426	5,917,853	-	10,640,185
Total equity and other credits	14,205,525	8,369,425	7,590,244	16,702,224
Total liabilities, equity and other credits	\$ 37,074,383	\$ 18,936,134	\$ 17,305,801	\$ 19,433,113

See accompanying notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
\$ 625,148	\$ 158,092	\$ 7,991	\$ -	\$ -	\$ 3,315,408	\$ 97,381	\$ 3,412,789
409,537	20,869	-	-	-	2,156,894	59,332	2,216,226
-	-	-	-	-	190,720	-	190,720
1,208,396	2,813	-	-	-	1,236,806	26,233	1,263,039
-	-	-	-	-	-	25,496	25,496
-	-	48,670,883	-	-	48,828,183	-	48,828,183
-	-	-	-	-	71,776	-	71,776
391,344	-	-	-	-	391,344	-	391,344
22,505	-	73,143	-	-	173,815	103,050	276,865
-	-	-	-	-	41,107,788	77,871	41,185,659
-	1,195,579	-	-	-	1,195,579	-	1,195,579
-	-	-	-	47,444,680	47,444,680	-	47,444,680
-	-	-	-	2,000,000	2,000,000	-	2,000,000
12,655,000	-	-	-	-	12,655,000	165,000	12,820,000
14,812	-	-	-	-	14,812	-	14,812
(98,324)	-	-	-	-	(98,324)	-	(98,324)
-	-	-	-	-	-	2,909,044	2,909,044
164,434	17,617	-	-	16,616,250	16,798,301	-	16,798,301
6,621,899	-	-	-	-	6,621,899	-	6,621,899
<u>22,014,751</u>	<u>1,394,970</u>	<u>48,752,017</u>	<u>-</u>	<u>66,060,930</u>	<u>184,104,681</u>	<u>3,463,407</u>	<u>187,568,088</u>
-	-	-	41,871,359	-	41,871,359	-	41,871,359
44,875,405	1,168,362	-	-	-	46,043,767	10,568,264	56,612,031
14,245,358	5,401,851	-	-	-	19,647,209	-	19,647,209
861,290	936,563	-	-	-	1,797,853	1,694,611	3,492,464
35,931,165	16,911,549	-	-	-	52,842,714	2,318,969	55,161,683
-	-	-	-	-	20,157,212	-	20,157,212
-	-	-	-	-	7,673,742	55,327	7,729,069
-	-	-	-	-	19,036,464	-	19,036,464
<u>95,913,218</u>	<u>24,418,325</u>	<u>-</u>	<u>41,871,359</u>	<u>-</u>	<u>209,070,320</u>	<u>14,637,171</u>	<u>223,707,491</u>
<u>\$ 117,927,969</u>	<u>\$ 25,813,295</u>	<u>\$ 48,752,017</u>	<u>\$ 41,871,359</u>	<u>\$ 66,060,930</u>	<u>\$ 393,175,001</u>	<u>\$ 18,100,578</u>	<u>\$ 411,275,579</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL
FUND TYPES, EXPENDABLE TRUST FUND AND DISCRETELY
PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 18,966,609	\$ 4,694,391	\$ 1,675,994	\$ 583,204
Special assessments	284,021	-	1,954,381	10,981
Intergovernmental	13,446,063	2,976,723	-	50,936
Licenses and permits	1,443,488	267,804	-	-
Fines and forfeitures	686,405	100,726	-	-
Charges for services	1,290,072	1,886,740	-	-
Charges for services - intergovernmental	2,077,418	1,533,425	-	-
Miscellaneous	1,416,794	1,239,318	511,528	408,724
Total revenues	39,610,870	12,699,127	4,141,903	1,053,845
Expenditures:				
Current:				
General government	5,401,873	-	-	-
Public works	6,863,037	-	-	-
Parks and recreation	3,729,280	-	-	-
Public safety	18,489,494	-	-	-
Storm water management	-	820,568	-	-
Cemetery maintenance	-	411,899	-	-
Hazardous materials "A" grant	-	233,981	-	-
Community development	-	704,788	-	-
Home grant	-	497,245	-	-
Economic development	-	760,472	-	-
Community enhancement	-	810,125	-	-
Library	-	3,112,142	-	-
Health	-	3,256,362	-	-
Downtown partners	-	101,685	-	-
Miscellaneous	417,742	-	56,489	-
Capital Outlay	-	-	-	9,127,471
Debt Service:				
Principal retirement	-	-	8,563,670	160,000
Interest and fiscal charges	-	-	2,092,619	294,010
Total expenditures	34,901,426	10,709,267	10,712,778	9,581,481
Excess (deficiency) of revenues over expenditures	4,709,444	1,989,860	(6,570,875)	(8,527,636)

See accompanying notes to financial statements.

Fiduciary Fund Types	Totals Primary Government (Memorandum Only)	Component Units (Governmental)	Totals Reporting Entity (Memorandum Only)
Expendable Trust			
\$ -	\$ 25,920,198	\$ -	\$ 25,920,198
-	2,249,383	74,300	2,323,683
-	16,473,722	-	16,473,722
-	1,711,292	-	1,711,292
-	787,131	-	787,131
133,131	3,309,943	-	3,309,943
-	3,610,843	-	3,610,843
-	3,576,364	10,694	3,587,058
<u>133,131</u>	<u>57,638,876</u>	<u>84,994</u>	<u>57,723,870</u>
-	5,401,873	-	5,401,873
74,610	6,937,647	-	6,937,647
-	3,729,280	-	3,729,280
-	18,489,494	-	18,489,494
-	820,568	-	820,568
-	411,899	-	411,899
-	233,981	-	233,981
-	704,788	70,054	774,842
-	497,245	-	497,245
-	760,472	-	760,472
-	810,125	-	810,125
-	3,112,142	-	3,112,142
-	3,256,362	-	3,256,362
-	101,685	-	101,685
-	474,231	-	474,231
-	9,127,471	-	9,127,471
-	8,723,670	-	8,723,670
-	2,386,629	-	2,386,629
<u>74,610</u>	<u>65,979,562</u>	<u>70,054</u>	<u>66,049,616</u>
<u>58,521</u>	<u>(8,340,686)</u>	<u>14,940</u>	<u>(8,325,746)</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL
FUND TYPES, EXPENDABLE TRUST FUND AND DISCRETELY
PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
Other financing sources (uses):				
Transfers from other funds	\$ 152,364	\$ 541,655	\$ 2,829,223	\$ 3,291,316
Transfers to other funds	(5,690,545)	(1,857,557)	-	-
Transfers from component unit	-	25,000	-	-
Transfer to component unit	-	(1,734,555)	-	-
Sale of capital assets	54,013	195	-	92,586
Proceeds from bonds	-	-	4,124,039	5,736,878
Total other financing sources (uses)	<u>(5,484,168)</u>	<u>(3,025,262)</u>	<u>6,953,262</u>	<u>9,120,780</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(774,724)	(1,035,402)	382,387	593,144
Fund balances at beginning of year	14,494,049	9,429,827	7,207,857	15,454,080
Residual equity transfers in	765,000	-	-	655,000
Residual equity transfer out	<u>(278,800)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ 14,205,525</u>	<u>\$ 8,369,425</u>	<u>\$ 7,590,244</u>	<u>\$ 16,702,224</u>

See accompanying notes to financial statements.

<u>Fiduciary Fund Types</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Units (Governmental)</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
<u>Expendable Trust</u>			
\$ -	\$ 6,814,558	\$ -	\$ 6,814,558
(58,521)	(7,606,623)	(25,000)	(7,631,623)
-	25,000	-	25,000
-	(1,734,555)	-	(1,734,555)
-	146,794	-	146,794
-	<u>9,860,917</u>	-	<u>9,860,917</u>
<u>(58,521)</u>	<u>7,506,091</u>	<u>(25,000)</u>	<u>7,481,091</u>
-	(834,595)	(10,060)	(844,655)
-	46,585,813	65,387	46,651,200
-	1,420,000	-	1,420,000
-	<u>(303,800)</u>	-	<u>(303,800)</u>
<u>\$ -</u>	<u>\$ 46,867,418</u>	<u>\$ 55,327</u>	<u>\$ 46,922,745</u>

CITY OF EAU CLAIRE

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND, SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS),
DEBT SERVICE FUNDS, AND EXPENDABLE TRUST FUND
Year Ended December 31, 2002

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 19,071,700	\$ 18,966,609	\$ (105,091)
Special assessments	280,000	284,021	4,021
Intergovernmental	13,208,400	13,446,063	237,663
Licenses and permits	1,202,200	1,443,488	241,288
Fines and forfeitures	478,000	686,405	208,405
Charges for services	1,052,400	1,290,072	237,672
Charges for services - intergovernmental	2,120,600	2,077,418	(43,182)
Miscellaneous	1,740,500	1,416,794	(323,706)
Total revenues	<u>39,153,800</u>	<u>39,610,870</u>	<u>457,070</u>
Expenditures:			
Current:			
General government	5,854,800	5,401,873	452,927
Public works	7,416,100	6,863,037	553,063
Parks and recreation	3,828,000	3,729,280	98,720
Public safety	18,599,000	18,489,494	109,506
Storm water management	-	-	-
Cemetery maintenance	-	-	-
Hazardous materials "A" grant	-	-	-
Economic development	-	-	-
Community enhancement	-	-	-
Library	-	-	-
Health	-	-	-
Downtown partners	-	-	-
Miscellaneous	642,700	417,742	224,958
Debt Service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>36,340,600</u>	<u>34,901,426</u>	<u>1,439,174</u>
Excess (deficiency) of revenues over expenditures	<u>2,813,200</u>	<u>4,709,444</u>	<u>1,896,244</u>
Other financing sources (uses):			
Transfers from other funds	149,700	152,364	2,664
Transfers to other funds	(6,136,100)	(5,690,545)	445,555
Transfers to component units	-	-	-
Sale of capital assets	10,000	54,013	44,013
Proceeds from bonds	-	-	-
Total other financing sources (uses)	<u>(5,976,400)</u>	<u>(5,484,168)</u>	<u>492,232</u>

Special Revenue Funds (with Annual Budgets)			Debt Service Funds		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
\$ 4,730,700	\$ 4,694,391	\$ (36,309)	\$ 1,700,000	\$ 1,675,994	\$ (24,006)
-	-	-	1,100,000	1,954,381	854,381
1,019,600	967,831	(51,769)	-	-	-
282,900	267,804	(15,096)	-	-	-
87,000	100,726	13,726	-	-	-
1,793,500	1,886,740	93,240	-	-	-
1,547,600	1,533,425	(14,175)	-	-	-
951,700	853,467	(98,233)	450,000	511,528	61,528
<u>10,413,000</u>	<u>10,304,384</u>	<u>(108,616)</u>	<u>3,250,000</u>	<u>4,141,903</u>	<u>891,903</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
951,900	820,568	131,332	-	-	-
430,900	411,899	19,001	-	-	-
269,500	233,981	35,519	-	-	-
807,000	760,472	46,528	-	-	-
810,200	810,125	75	-	-	-
3,220,500	3,112,142	108,358	-	-	-
3,406,200	3,256,362	149,838	-	-	-
124,000	101,685	22,315	-	-	-
-	-	-	12,300	56,489	(44,189)
-	-	-	8,608,700	8,563,670	45,030
-	-	-	2,220,700	2,092,619	128,081
<u>10,020,200</u>	<u>9,507,234</u>	<u>512,966</u>	<u>10,841,700</u>	<u>10,712,778</u>	<u>128,922</u>
<u>392,800</u>	<u>797,150</u>	<u>404,350</u>	<u>(7,591,700)</u>	<u>(6,570,875)</u>	<u>1,020,825</u>
481,400	541,655	60,255	3,541,200	2,829,223	(711,977)
(1,315,500)	(1,257,515)	57,985	-	-	-
(1,500,000)	(1,500,000)	-	-	-	-
500	195	(305)	-	-	-
-	-	-	4,140,000	4,124,039	(15,961)
<u>(2,333,600)</u>	<u>(2,215,665)</u>	<u>117,935</u>	<u>7,681,200</u>	<u>6,953,262</u>	<u>(727,938)</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND, SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS),
DEBT SERVICE FUNDS, AND EXPENDABLE TRUST FUND
Year Ended December 31, 2002

	General Fund		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (3,163,200)	\$ (774,724)	\$ 2,388,476
Fund balances at beginning of year	14,494,049	14,494,049	-
Residual equity transfers in	-	765,000	765,000
Residual equity transfers out	-	<u>(278,800)</u>	<u>(278,800)</u>
Fund balances at end of year	<u>\$ 11,330,849</u>	<u>\$ 14,205,525</u>	<u>\$ 2,874,676</u>

Special Revenue Funds (with Annual Budgets)			Debt Service Funds		
Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
\$ (1,940,800)	\$ (1,418,515)	\$ 522,285	\$ 89,500	\$ 382,387	\$ 292,887
9,743,131	9,743,131	-	7,207,857	7,207,857	-
-	-	-	-	-	-
-	(25,000)	(25,000)	-	-	-
<u>\$ 7,802,331</u>	<u>\$ 8,299,616</u>	<u>\$ 497,285</u>	<u>\$ 7,297,357</u>	<u>\$ 7,590,244</u>	<u>\$ 292,887</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

(Concluded)

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND, SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS),
DEBT SERVICE FUNDS, AND EXPENDABLE TRUST FUND
Year Ended December 31, 2002

	Expendable Trust Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 150,000	\$ 133,131	\$ (16,869)
Total revenues	150,000	133,131	(16,869)
Expenditures:			
Landfill closing	150,000	74,610	75,390
Total expenditures	150,000	74,610	75,390
Excess of revenues over expenditures	-	58,521	58,521
Other financing uses:			
Transfer to other funds	-	(58,521)	(58,521)
Excess of revenues over expenditures and other financing uses	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -

CITY OF EAU CLAIRE

(Continued)

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

	Proprietary Fund Types		Component Units (Enterprise)
	Enterprise	Internal Service	
Operating revenues:			
Charges for services	\$ 13,380,177	\$ 3,831,578	\$ 736,254
Other	226,621	267,250	30,456
Total operating revenues	13,606,798	4,098,828	766,710
Operating expenses:			
Personal services	5,582,151	622,380	616,543
Contractual services	2,235,924	499,245	417,855
Supplies and materials	1,024,867	600,251	86,374
Utilities	929,578	108,948	128,751
Depreciation	3,064,185	899,124	410,227
Taxes	1,060,651	-	105,524
Claims	-	694,410	-
Administrative	736,941	-	157,538
Housing assistance payments	-	-	1,172,516
Rental and closing subsidies	-	-	1,142,190
Total operating expenses	14,634,297	3,424,358	4,237,518
Operating income (loss)	(1,027,499)	674,470	(3,470,808)
Non-operating revenues (expenses):			
Operating grants	2,103,848	-	2,542,938
Investment income	472,357	176,137	149,725
Sale of fixed assets	-	12,890	-
Net gain (loss) on disposal of fixed assets	(62,308)	(7,280)	25,292
Interest expense	(1,181,463)	-	(205,913)
Amortization	(8,923)	-	-
Total non-operating revenues (expenses)	1,323,511	181,747	2,512,042

CITY OF EAU CLAIRE

(Concluded)

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

	Proprietary Fund Types		Component Units (Enterprise)
	Enterprise	Internal Service	
Income before operating transfers	\$ 296,012	\$ 856,217	\$ (958,766)
Operating transfers from other funds	792,065	-	-
Operating transfers from primary government	-	-	1,734,555
Income before contributions	1,088,077	856,217	775,789
Capital contributions	2,573,397	61,600	-
Increase in retained earnings	3,661,474	917,817	775,789
Retained earnings at beginning of year	33,130,981	18,025,295	3,237,791
Residual equity transfers in (out)	-	(1,095,000)	-
Retained earnings at end of year	\$ 36,792,455	\$ 17,848,112	\$ 4,013,580

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

(Continued)

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

	<u>Proprietary Fund Types</u>		Component
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Units (Enterprise)</u>
Cash flows from operating activities:			
Cash received from customers	\$ 13,681,659	\$ 3,882,349	\$ 811,170
Cash payments to suppliers for goods and services	(5,612,054)	(1,556,364)	(2,119,165)
Cash payments for economic development	-	-	(1,142,190)
Cash payments to employees for services	(3,743,301)	(622,380)	(490,314)
Administrative charges	(570,780)	-	-
Payment in lieu of taxes	(1,060,651)	-	(107,634)
Claims paid	-	(764,724)	-
Repayment of insurance claims	-	122,741	-
Net cash provided by operating activities	<u>2,694,873</u>	<u>1,061,622</u>	<u>(3,048,133)</u>
Cash flows from noncapital financing activities:			
Operating transfers in from other funds	808,465	-	-
Principal paid on advances from other funds	(368,443)	-	-
Operating grants received	1,803,618	-	2,542,938
Contribution to other funds	-	(1,095,000)	-
Collection of long-term receivables	-	-	6,790
Interest paid on advances from other funds	(64,893)	-	-
Net cash provided by noncapital financing activities	<u>2,178,747</u>	<u>(1,095,000)</u>	<u>2,549,728</u>
Cash flows from capital and related financing activities:			
Proceeds from long-term debt	2,828,705	-	-
Principal paid on bonds/other debt	(4,535,000)	-	(231,609)
Interest on long-term liabilities	(1,165,632)	-	(205,913)
Purchase of capital assets	(5,679,079)	(1,117,491)	(682,059)
Proceeds from sale of equipment	-	12,890	86,000
Capital contributions received	2,673,397	61,600	-
Repayment of prior contributions	(325,000)	-	-
Special assessments received	466,492	-	-
Cost of removal of property retired	(19,586)	-	-
Capital contribution in from other funds/primary gov't	187,400	-	-
Capital contribution in from primary government	-	-	1,734,555
Net cash used for capital and related financing activities	<u>(5,568,303)</u>	<u>(1,043,001)</u>	<u>700,974</u>
Cash flows from investing activities:			
Marketable securities purchased	-	-	(2,252,240)
Marketable securities sold	-	-	2,722,279
Investment income	461,290	176,137	149,722
Net cash provided by investing activities	<u>461,290</u>	<u>176,137</u>	<u>619,761</u>
Net increase in cash and cash equivalents	<u>(233,393)</u>	<u>(900,242)</u>	<u>822,330</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS Year Ended December 31, 2002

	<u>Proprietary Fund Types</u>		Component Units (Enterprise)
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash and cash equivalents at beginning of year	\$ 14,051,591	\$ 15,486,589	\$ 836,454
Total cash and cash equivalents at end of year (1)	<u>\$ 13,818,198</u>	<u>\$ 14,586,347</u>	<u>\$ 1,658,784</u>
Reconciliation of operating income to cash provided by operating activities:			
Operating income (loss)	\$ (1,027,499)	\$ 674,470	\$ (3,470,808)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	3,064,185	899,124	410,227
Non operating income	11,067	-	-
Depreciation reimbursement	77,773	-	-
Change in assets and liabilities:			
Taxes receivable	(55,606)	-	-
Accounts receivable	61,047	(93,738)	42,054
Other receivables	(20,761)	-	-
Inventories	(4,773)	173	-
Prepayments	648	-	(3,811)
Accounts payable	(151,503)	(346,984)	(43,555)
Accrued liabilities	14,763	(1,108)	1,517
Other liabilities	-	-	16,243
Customer deposits	1,341	-	-
Due to other funds	724,191	-	-
Unpaid claims	-	(70,315)	-
Net cash provided by operating activities	<u>\$ 2,694,873</u>	<u>\$ 1,061,622</u>	<u>\$ (3,048,133)</u>
Noncash investing and financing activities:			
Debt issuance costs	\$ 10,000	\$ -	\$ -
Unrealized gains on non-cash equivalents	-	-	621

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

(Concluded)

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended December 31, 2002

(1) RECONCILIATION OF CASH PER STATEMENT
OF CASH FLOWS TO THE BALANCE SHEET

	Proprietary Fund Types		Component Units (Enterprise)
	Enterprise	Internal Service	
Cash and short term investments	\$ 11,205,676	\$ 14,416,280	\$ 2,617,968
Restricted assets	2,612,522	170,067	2,086,071
Less: cash and investments of governmental component units	-	-	(56,442)
Less: noncash equivalents	-	-	(2,988,813)
	\$ 13,818,198	\$ 14,586,347	\$ 1,658,784
Total cash and cash equivalents			

See accompanying notes to financial statements.

Component Units

The **Redevelopment Authority** fund accounts for the acquisition, clearance, and improvement of blighted areas or properties within a defined district of the City.

The **Housing Authority** fund accounts provide housing assistance services to properties within the City.

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

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

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

CITY OF EAU CLAIRE

COMPONENT UNITS
COMBINING BALANCE SHEET
December 31, 2002

	Enterprise	
	Housing Authority	Redevelopment Authority
ASSETS		
Cash and short term investments	\$ 1,948,743	\$ 612,783
Receivables:		
Taxes	-	-
Accounts	40,242	-
Due from other funds	26,233	-
Due from primary government	71,776	-
Prepayments	15,463	-
Notes receivable	-	185,901
Restricted assets - cash & investments	2,086,071	-
Net property, plant and equipment	11,381,830	1,597,223
 Total assets	 \$ 15,570,358	 \$ 2,395,907
LIABILITIES AND EQUITY		
Accounts payable	\$ 33,524	\$ 62,742
Accrued liabilities	56,376	2,956
Due to other funds	26,233	-
Due to primary government	25,496	-
Deposits	103,050	-
Deferred revenue	-	-
Revenue bonds payable	165,000	-
Notes payable	2,897,804	11,240
 Total liabilities	 3,307,483	 76,938
External contribution	10,568,264	-
Retained earnings:		
Reserved	1,694,611	-
Unreserved	-	2,318,969
Fund balances:		
Unreserved:		
Designated for subsequent years expenditures	-	-
 Total equity and other credits	 12,262,875	 2,318,969
 Total liabilities, equity and other credits	 \$ 15,570,358	 \$ 2,395,907

See accompanying notes to financial statements.

Governmental			
Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals 2002
\$ 13,204	\$ 4,698	\$ 38,540	\$ 2,617,968
55,000	10,000	9,500	74,500
-	-	-	40,242
-	-	-	26,233
-	-	-	71,776
-	-	-	15,463
-	3,371	-	189,272
-	-	-	2,086,071
-	-	-	12,979,053
<u>\$ 68,204</u>	<u>\$ 18,069</u>	<u>\$ 48,040</u>	<u>\$ 18,100,578</u>
\$ 794	\$ 188	\$ 133	\$ 97,381
-	-	-	59,332
-	-	-	26,233
-	-	-	25,496
-	-	-	103,050
55,000	13,371	9,500	77,871
-	-	-	165,000
-	-	-	2,909,044
<u>55,794</u>	<u>13,559</u>	<u>9,633</u>	<u>3,463,407</u>
-	-	-	10,568,264
-	-	-	1,694,611
-	-	-	2,318,969
<u>12,410</u>	<u>4,510</u>	<u>38,407</u>	<u>55,327</u>
<u>12,410</u>	<u>4,510</u>	<u>38,407</u>	<u>14,637,171</u>
<u>\$ 68,204</u>	<u>\$ 18,069</u>	<u>\$ 48,040</u>	<u>\$ 18,100,578</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMPONENT UNITS -
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002

	<u>Downtown Business Improvement District</u>	<u>West Grand Business Improvement District</u>
Revenues:		
Taxes:		
Special assessments	\$ 55,000	\$ 9,800
Miscellaneous:		
Investment income	990	220
Other	<u>1,500</u>	<u>674</u>
 Total revenues	 <u>57,490</u>	 <u>10,694</u>
 Expenditures:		
Community development	<u>44,474</u>	<u>13,648</u>
 Total expenditures	 <u>44,474</u>	 <u>13,648</u>
 Excess (Deficiency) of revenue over expenditures	 13,016	 (2,954)
 Other financing uses		
Transfers to primary government	<u>(25,000)</u>	<u>-</u>
 Excess (Deficiency) of revenues over expenditures and other financing uses	 (11,984)	 (2,954)
 Fund balances at beginning of year	 <u>24,394</u>	 <u>7,464</u>
 Fund balances at end of year	 <u>\$ 12,410</u>	 <u>\$ 4,510</u>

See accompanying notes to financial statements.

Water Street Business Improvement		
<u>District</u>		<u>Totals</u>
\$ 9,500	\$	74,300
960		2,170
<u>6,350</u>		<u>8,524</u>
<u>16,810</u>		<u>84,994</u>
<u>11,932</u>		<u>70,054</u>
<u>11,932</u>		<u>70,054</u>
4,878		14,940
<u>-</u>		<u>(25,000)</u>
4,878		(10,060)
<u>33,529</u>		<u>65,387</u>
<u>\$ 38,407</u>	<u>\$</u>	<u>55,327</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMPONENT UNITS - COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS Year Ended December 31, 2002

	Housing Authority
Operating revenues	
Charges for service	\$ 736,254
Other	29,456
Total operating revenues	765,710
Operating expenses	
Personal services	616,543
Contractual services	416,378
Supplies and materials	86,360
Utilities	128,679
Depreciation	410,227
Taxes	105,524
Administrative	157,538
Housing assistance payments	1,172,516
Economic development costs	-
Total operating expenses	3,093,765
Net operating loss	(2,328,055)
Non-operating revenues (expenses)	
Operating grants	2,542,938
Investment income	140,205
Net gain (loss) on disposal of fixed assets	25,292
Interest expense	(205,913)
Total non-operating revenues (expenses)	2,502,522
Income (Loss) before operating transfers	174,467
Operating transfers in	
Operating transfers from primary government	-
Net operating transfers in	-
Net income	174,467
Retained earnings at beginning of year	1,520,144
Retained earnings at end of year	\$ 1,694,611

See accompanying notes to financial statements.

Redevelopment	
<u>Authority</u>	<u>Totals</u>
\$ -	\$ 736,254
1,000	30,456
<u>1,000</u>	<u>766,710</u>
-	616,543
1,477	417,855
14	86,374
72	128,751
-	410,227
-	105,524
-	157,538
-	1,172,516
<u>1,142,190</u>	<u>1,142,190</u>
<u>1,143,753</u>	<u>4,237,518</u>
<u>(1,142,753)</u>	<u>(3,470,808)</u>
-	2,542,938
9,520	149,725
-	25,292
-	(205,913)
<u>9,520</u>	<u>2,512,042</u>
(1,133,233)	(958,766)
<u>1,734,555</u>	<u>1,734,555</u>
<u>1,734,555</u>	<u>1,734,555</u>
601,322	775,789
<u>1,717,647</u>	<u>3,237,791</u>
<u>\$ 2,318,969</u>	<u>\$ 4,013,580</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMPONENT UNITS - COMBINING STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES YEAR ENDED DECEMBER 31, 2002

	Housing Authority
Cash flows from operating activities	
Cash received from customers and grant agencies	\$ 810,170
Cash paid to suppliers for goods and services	(2,111,300)
Cash paid for economic development	-
Cash payments to employees for services	(490,314)
Cash paid to city	(107,634)
Net cash provided by (used for) operating activities	(1,899,078)
Cash flows from noncapital financing	
Operating grants received	2,542,938
Collection of long-term receivable	-
Net cash provided by noncapital financing activities	2,542,938
Cash flows from capital and related financing activities	
Principal paid	(231,609)
Interest on long-term liabilities	(205,913)
Acquisition and construction of capital assets	(365,850)
Proceeds from sale of fixed assets	86,000
Capital transfer from primary government	-
Net cash flows provided by (used for) capital and related financing activities	(717,372)
Cash flows from investing activities	
Marketable securities purchased	(2,252,240)
Marketable securities sold	2,722,279
Investment income	140,202
Net cash flows from investing activities	610,241
Net increase in cash and temporary investments	536,729
Cash and cash equivalents - beginning of year	509,272
Cash and cash equivalents at end of year	\$ 1,046,001
Reconciliation of cash and cash equivalents	
Combined Balance Sheet	
Cash and short term investments	\$ 1,948,743
Restricted assets	2,086,071
Less: noncash equivalents	(2,988,813)
Cash and cash equivalents - combined statement of cash flows	\$ 1,046,001

See accompanying notes to financial statements.

Redevelopment	
<u>Authority</u>	<u>Totals</u>
\$ 1,000	\$ 811,170
(7,865)	(2,119,165)
(1,142,190)	(1,142,190)
-	(490,314)
-	(107,634)
<u>(1,149,055)</u>	<u>(3,048,133)</u>
-	2,542,938
<u>6,790</u>	<u>6,790</u>
<u>6,790</u>	<u>2,549,728</u>
-	(231,609)
-	(205,913)
(316,209)	(682,059)
-	86,000
<u>1,734,555</u>	<u>1,734,555</u>
<u>1,418,346</u>	<u>700,974</u>
-	(2,252,240)
-	2,722,279
<u>9,520</u>	<u>149,722</u>
<u>9,520</u>	<u>619,761</u>
285,601	822,330
<u>327,182</u>	<u>836,454</u>
<u>\$ 612,783</u>	<u>\$ 1,658,784</u>
\$ 612,783	\$ 2,561,526
-	2,086,071
-	(2,988,813)
<u>\$ 612,783</u>	<u>\$ 1,658,784</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

COMPONENT UNITS - COMBINING STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES YEAR ENDED DECEMBER 31, 2002

	<u>Housing Authority</u>
Reconciliation of operating income to cash provided by operating activities:	
Cash flows from operating activities	
Operating loss	\$ (2,328,055)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	410,227
Net operating changes in	
Accounts receivable	42,054
Prepaid items	(3,811)
Accounts payable	(34,297)
Accrued liabilities	(1,439)
Other liabilities	<u>16,243</u>
Net cash used for operating activities	<u>\$ (1,899,078)</u>

NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

As of December 31, 2002, unrealized gains on non-cash equivalents were \$621.

See accompanying notes to financial statements.

Redevelopment	
<u>Authority</u>	<u>Totals</u>
\$ (1,142,753)	\$ (3,470,808)
-	410,227
-	42,054
-	(3,811)
(9,258)	(43,555)
2,956	1,517
<u>-</u>	<u>16,243</u>
<u>\$ (1,149,055)</u>	<u>\$ (3,048,133)</u>

Notes to the Financial Statements

The notes to the 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

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CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Eau Claire (City), Wisconsin conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

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

Included within the reporting entity:

Housing Authority of the City of Eau Claire

The general purpose financial statements include the Housing Authority of the City of Eau Claire (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note 25. As a component unit, the Housing Authority's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separately issued financial statements of the Housing Authority of the City of Eau Claire may be obtained from the Housing Authority's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Redevelopment Authority of the City of Eau Claire

The general purpose 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 their will on the RDA, and also create a potential financial benefit to or burden on the City. See Note 25. As a component unit, the RDA's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separately issued financial statements of the 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.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

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

A. REPORTING ENTITY (cont.)

Business Improvement Districts (BIDs)

The general purpose financial statements include the Downtown Business Improvement District, West Grand Business Improvement District, and 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 their will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note 25. As a component unit, the BID's financial statements have been presented as a discrete column in the general purpose financial statements. The information presented is for the fiscal year ended December 31, 2002. Separate financial statements are not issued by the Business Improvement Districts.

B. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE

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

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue Funds

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

Transactions relating to the City's Storm Water Management, Cemetery Maintenance, Hazardous Materials Response, Community Development, Home Grant, Economic Development, Community Enhancement, Public Library, City-County Health and Downtown Partners are accounted for in special revenue funds.

Debt Service Fund

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

The City uses debt service funds to account for general debt service and Tax Incremental District No. 4.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

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

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

Capital Projects Funds

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

The City uses capital projects funds to account for activities relating to Industrial Development, Tax Incremental Districts, Street Projects, Storm Water Projects, Bridge Projects, Buildings and Equipment, Parks and Recreation Projects, Environmental Improvements – Landfill and Library Buildings and Equipment.

PROPRIETARY FUNDS

Enterprise Funds

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

Activities of the City's Water Utility, Sewer Utility, Parking Utility, Public Transit, Hobbs Ice Center, and Outdoor Pool are accounted for in enterprise funds.

Internal Service Funds

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

The City uses internal service funds to account for its Risk Management and Central Equipment.

FIDUCIARY FUNDS

Trust and Agency Funds

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

The City maintains an expendable trust fund for Former Landfill Escrow. The City accounts for tax collections on behalf of other taxing authorities in an agency fund.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

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

ACCOUNT GROUPS

General Fixed Assets Account Group

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

General Long-Term Obligations Account Group

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

C. BASIS OF ACCOUNTING

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

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

Property tax calendar – 2002 tax roll:

Lien date and levy date	December, 2002
Tax bills mailed	December, 2002
Payment in full, or	January 31, 2003
First installment due	January 31, 2003
First settlement with other taxing units	January 15, 2003
Second installment due	July 31, 2003
Final settlement with other taxing units	August 20, 2003
Personal property taxes in full	January 31, 2003

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

C. BASIS OF ACCOUNTING (cont.)

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

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

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

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

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

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

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

D. MEASUREMENT FOCUS

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

D. MEASUREMENT FOCUS (cont.)

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

E. TOTALS (MEMORANDUM ONLY)

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

F. CASH AND CASH EQUIVALENTS

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

G. INVENTORIES

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

H. LONG-TERM OBLIGATIONS/CONDUIT DEBT

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

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

The City has approved the issuance of industrial revenue bonds (IRB's) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$7,706,502 made up of 3 series.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

I. GENERAL FIXED ASSETS

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

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

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

J. FIXED ASSETS – PROPRIETARY FUNDS

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

Interest is capitalized on enterprise fund property acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated. During the year, \$1,213,263 of interest expense was incurred, of which \$31,800 was capitalized.

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

J. FIXED ASSETS – PROPRIETARY FUNDS (cont.)

Estimated average useful lives by asset category are as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Average Years</u>
Land	\$ 745,193	\$ 241,199	N/A
Land improvements	2,108,884	16,677	30 – 55
Buildings and improvements	36,332,380	5,707,137	40 – 50
Distribution system	82,946,065	-	40 – 100
Equipment	7,076,958	11,619,905	5 – 25
Construction in progress	<u>2,730,767</u>	<u>76,990</u>	N/A
 Totals	 131,940,247	 17,661,908	
 Less: Accumulated depreciation	 <u>(35,379,243)</u>	 <u>(7,811,226)</u>	
Net property, plant and equipment	<u>\$ 96,561,004</u>	<u>\$ 9,850,682</u>	

K. ADVANCES TO OTHER FUNDS

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

Refer to Note 9 which details the interfund advances.

L. ENCUMBRANCES

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year end are fulfilled. The City does not use encumbrance accounting.

M. BUDGETS AND BUDGETARY ACCOUNTING

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. Formal budgets are prepared for governmental and proprietary funds. Fixed, annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, debt service, expendable trust, and special revenue funds, except for the Community Development and Home Grant funds, which have nonlapsing budgets. Flexible, annual budgets are approved for proprietary funds to provide for financial management. Project length budgets are adopted for capital project funds. Although these appropriations are specific for each project, they are reviewed and may be adjusted annually by the city council. Section 65 of the Wisconsin Statutes provides that the legal level of control (the level on which expenditures may not legally exceed appropriations) is by department for annual fixed budgets. All annual appropriations lapse at year end.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

M. BUDGETS AND BUDGETARY ACCOUNTING (cont.)

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

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

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

The city council approved proposed 2003 budgets for governmental and proprietary funds on November 19, 2002.

During 2002, additional appropriations were approved in the General, Storm Water Management, Hazardous Materials, Economic Development, Public Library, and City-County Health Department Funds. A summary of these council actions follows:

	General Fund	Storm Water Management	Hazardous Materials	Economic Dev.	City – Co. Health Dept.	General Debt Service
Original appropriation	\$ 42,090,200	\$ 1,629,800	\$ 212,400	\$ 706,000	\$ 3,198,500	\$ 4,941,200
Carry over of appropriations	17,800	18,800	57,100	-	-	-
Grants & donations	313,300	-	-	-	207,700	-
Loans	-	-	-	400,000	-	-
Other	55,400	45,500	-	1,300,000	-	4,140,000
Final appropriation	\$ 42,476,700	\$ 1,694,100	\$ 269,500	\$ 2,406,000	\$ 3,406,200	\$ 9,081,200

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

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

N. COMPENSATED ABSENCES

All Funds

Employees accumulate vacation, compensatory time, sick leave, and other benefits at various rates depending on bargaining group and length of service.

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

Governmental and Fiduciary Funds

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

In accordance with the provisions of GASB Statement 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits since employees are not paid for unused sick leave upon termination or retirement.

Proprietary Funds

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

A summary of compensated absences outstanding as of December 31, 2002 is shown in the table below:

	General Long-Term Obligations Account Group	Proprietary Funds	Total
Unused vacation pay	\$ 921,050	\$ 162,938	\$ 1,083,988
Compensatory time	76,988	19,113	96,101
Total compensated absences	<u>\$ 998,038</u>	<u>\$ 182,051</u>	<u>\$ 1,180,089</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

O. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year end. Notes receivable is shown net of \$160,000 allowance for doubtful 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 in the accompanying water and sewer enterprise fund financial statements because those funds have the right by law to place delinquent bills on the tax roll.

P. CLAIMS AND JUDGMENTS

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

Q. CONTRIBUTED CAPITAL – PROPRIETARY FUNDS

Contributions in Aid of Construction

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

R. FUND BALANCE TERMINOLOGY

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

Designations of fund balances represent tentative plans by the City for financial resource utilization in a future period as documented in the minutes or budgeting process of the city council for a succeeding year. Such plans are subject to change from original authorizations and may not result in expenditures.

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

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

S. ECONOMIC DEVELOPMENT AND HOUSING REHABILITATION LOANS RECEIVABLE

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

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

T. BASIS FOR EXISTING RATES – PROPRIETARY FUNDS

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on February 1, 2002.

Sewer Utility

Current sewer rates were approved by the city council in December 1997.

U. OTHER ASSETS

In governmental fund types, debt issuance costs are recognized as expenditures in the current period. Debt issuance costs for the proprietary fund type are deferred and amortized over the term of the debt issue using the straight-line method. This method results in amortization of a level amount as bonds or notes are retired serially.

NOTE 2 – CASH AND INVESTMENTS

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

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 2 – CASH AND INVESTMENTS (cont.)

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

Investment of most trust funds are regulated by Chapter 881 of the Wisconsin Statutes. The section gives broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

No significant violations of these restrictions occurred during the year.

The City maintains a cash and investment pool for all funds (except the Housing Authority component unit) which is recorded on the combined balance sheet as follows:

Cash and short term investments	\$ 74,667,157
Restricted assets	<u>7,035,434</u>
Total	<u>\$ 81,702,591</u>

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

Petty cash and cash on hand	\$ 3,605
Deposits with financial institutions	15,835,196
Investments	<u>65,863,790</u>
Total Cash and Investments	<u>\$ 81,702,591</u>

DEPOSITS

At December 31, 2002, the carrying amount of the City's deposits was \$15,835,196 and the bank balance was \$16,138,836. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

Of the bank balance, \$100,000 was covered by federal depository insurance, and \$16,038,836 was covered by perfected collateral pledges held by the City's agent in the City's name.

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 2 – CASH AND INVESTMENTS (cont.)

DEPOSITS (cont.)

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

INVESTMENTS

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

	Category			Carrying Amount
	1	2	3	
U.S. government securities	\$ -	\$ 25,021,350	\$ -	\$ 25,021,350
Local government investment pool				40,672,373
Wisconsin Mutual Insurance Co. (pooled funds)				170,067
Total Investments				\$ 65,863,790

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

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

The City experienced unrealized gains on investments during 2002. Unrealized gains will be offset by future unrealized losses if the securities are held to maturity. It is the intent of the City to hold these investments to maturity.

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 2 – CASH AND INVESTMENTS (cont.)

INVESTMENTS (cont.)

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

RESTRICTED ASSETS

Funds on deposit with Wisconsin Municipal Insurance Company for payment of insurance claims are combined with twelve other participating governments. The City's deposit at year end was \$170,067. This amount is recorded as Restricted Assets in the Internal Service funds. See Note 4 for additional information on restricted assets.

CITY INVESTMENT POLICY

All funds categorized as Cash and Short Term Investments and Restricted Assets are invested under guidelines from the city council in their investment policy which also incorporates the restrictions of state statutes. This policy includes provisions for short and long term investments, as follows:

CITY INVESTMENT POLICY

All funds categorized as Cash and Short Term Investments and Restricted Assets are invested under guidelines from the city council in their investment policy which also incorporates the restrictions of state statutes. This policy includes provisions for short and long term investments, as follows:

Funds which are required for daily operations and available for short periods of time are invested through a services contract with a local bank. This agreement requires any available funds to be invested daily and earn interest based on the 13-week Treasury bill rate. Funds that are available for 30 days or longer are invested in U.S. government obligations or the State maintained Local Government Investment Pool. The maximum limits on the amount of funds which can be placed in any one type of investment are:

Local Government Investment Pool	80%
Obligations of Federal Government	80%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS

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

	Balance 1-1-02	Increases	Decreases	Balance 12-31-02
General long-term obligations				
General purpose bonds	\$ 48,230,000	\$ 7,820,000	\$ 8,700,000	\$ 47,350,000
General obligation notes	118,350	-	23,670	94,680
Bond anticipations notes	-	2,000,000	-	2,000,000
	<u>48,348,350</u>	<u>9,820,000</u>	<u>8,723,670</u>	<u>49,444,680</u>
Total general obligation debt				
	<u>48,348,350</u>	<u>9,820,000</u>	<u>8,723,670</u>	<u>49,444,680</u>
Accrued employee benefits:				
Police and fire pensions	989,834	-	85,004	904,830
State retirement fund	7,820,725	600,472	314,830	8,106,367
Retiree health insurance	1,725,419	878,598	-	2,604,017
Accumulated compensated absences	1,031,159	-	33,121	998,038
Duty disability	3,965,465	37,533	-	4,002,998
	<u>15,532,602</u>	<u>1,516,603</u>	<u>432,955</u>	<u>16,616,250</u>
Total accrued employee benefits				
	<u>15,532,602</u>	<u>1,516,603</u>	<u>432,955</u>	<u>16,616,250</u>
Total general long-term obligations	<u>63,880,952</u>	<u>11,336,603</u>	<u>9,156,625</u>	<u>66,060,930</u>
Proprietary funds long-term obligations:				
Enterprise funds:				
Revenue bonds	14,345,000	2,845,000	4,535,000	12,655,000
Internal service fund:				
Unpaid self-insurance claims	1,265,894	694,409	764,724	1,195,579
	<u>15,610,894</u>	<u>3,539,409</u>	<u>5,299,724</u>	<u>13,850,579</u>
Total proprietary fund long-term obligations				
	<u>15,610,894</u>	<u>3,539,409</u>	<u>5,299,724</u>	<u>13,850,579</u>
Total long-term obligations	<u>\$ 79,491,846</u>	<u>\$ 14,876,012</u>	<u>\$ 14,456,349</u>	<u>\$ 79,911,509</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

The schedule below shows principal and interest requirements through maturity for all outstanding debt at December 31, 2002, except accrued employee benefits and unpaid self-insurance claims which do not have fixed payment schedules:

Year Due	GENERAL OBLIGATION LONG-TERM DEBT					
	City Bonds			City Notes		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 5,460,000	\$ 2,210,461	\$ 7,670,461	\$ 23,670	\$ 6,864	\$ 30,534
2004	3,570,000	1,988,981	5,558,981	23,670	5,162	28,832
2005	3,560,000	1,833,023	5,393,023	23,670	3,432	27,102
2006	3,395,000	1,679,158	5,074,158	23,670	1,716	25,386
2007	3,505,000	1,523,565	5,028,565	-	-	-
2008-2012	14,080,000	5,574,348	19,654,348	-	-	-
2013-2017	11,300,000	2,535,427	13,835,427	-	-	-
2018-2022	4,480,000	394,963	4,874,963	-	-	-
Totals	\$ 49,350,000	\$ 17,739,926	\$ 67,089,926	\$ 94,680	\$ 17,174	\$ 111,854

Year Due	PROPRIETARY LONG-TERM DEBT		
	Principal	Interest	Total
2003	\$ 935,000	\$ 556,638	\$ 1,491,638
2004	985,000	513,049	1,498,049
2005	1,020,000	476,869	1,496,869
2006	1,065,000	439,188	1,504,188
2007	1,105,000	400,220	1,505,220
2008-2012	4,010,000	1,406,414	5,416,414
2013-2016	3,535,000	449,432	3,984,432
Totals	\$ 12,655,000	\$ 4,241,810	\$ 16,896,810

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

Type of Debt (Total issue; interest rate)	Issue Date	Maturity Dates	Current Principal Balance
General long-term debt			
General obligation bonds:			
Corporate purpose (\$3,675,000; 5.2-5.3%)	04/01/94	04/01/14	\$ 2,570,000
Corporate purpose (\$2,950,000; 4.8-5.1%)	09/01/96	04/01/07	1,475,000
Tax incremental bonds (\$3,000,000; 4.8-5.5%)	09/01/96	04/01/16	2,420,000
Corporate purpose (\$5,185,000; 4.90-5.35%)	08/01/97	04/01/17	3,585,000
Tax incremental bonds (\$5,815,000; 4.90-5.35%)	08/01/97	04/01/17	5,015,000
Corporate purpose (\$6,650,000; 4.45-4.50%)	09/15/98	04/01/18	5,225,000
Corporate purpose (\$6,450,000; 4.65-5.50%)	09/01/99	04/01/19	4,955,000
Tax incremental bonds (\$395,000; 4.65-5.50%)	09/01/99	04/01/16	375,000
Corporate purpose (\$4,730,000; 5.0-5.5%)	08/01/00	04/01/20	4,040,000
Tax incremental bonds (\$1,780,000; 5.0-5.5%)	08/08/00	04/01/20	1,780,000
Corporate purpose (\$8,700,000; 4.13-5.00%)	08/15/01	04/01/21	8,090,000
Corporate purpose (\$4,120,000; 2.85-3.875%)	08/27/02	10/01/15	4,120,000
Corporate purpose (\$3,700,000; 3.7-4.7%)	08/27/02	10/01/22	3,700,000
Total bonds			47,350,000
State trust fund note (\$450,000; 7.25%)	01/15/87	03/15/06	94,680
Bond anticipation note (\$2,000,000; 1.75%)	12/05/02	11/05/03	2,000,000
Total general obligation debt			49,444,680
Accrued employee benefits			16,616,250
Total general long-term obligations			66,060,930
Proprietary fund long-term obligations:			
Water revenue bonds:			
Revenue bonds (\$2,000,000; 4.40-5.40%)	11/01/95	10/01/12	1,400,000
Revenue bonds (\$1,000,000; 5.00-5.50%)	09/01/96	10/01/10	780,000
Revenue bonds (\$3,500,000; 5.15-5.40%)	08/01/97	10/01/16	3,080,000
Revenue bonds (\$4,615,000; 4.00-4.80%)	08/15/01	10/01/16	4,550,000
Total water revenue bonds			9,810,000

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

Type of Debt (Total issue; interest rate)	Issue Date	Maturity Dates	Current Principal Balance
Sewer revenue bonds:			
Revenue bonds (\$2,845,000; 2.50-3.00%)	08/27/02	10/01/08	\$ 2,845,000
Total sewer revenue bonds			<u>2,845,000</u>
Total revenue bonds			12,655,000
Unpaid self-insurance claims			1,195,579
Total proprietary fund long-term obligations			<u>13,850,579</u>
Total long-term obligations			79,911,509
Less: amount available in debt service fund			<u>(7,590,244)</u>
Net long-term obligations			<u>\$ 72,321,265</u>

General obligation bonds, notes, and leases 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.

Retiree health insurance reflects the liability for contractually defined insurance payments to be made for retirees. The long term liability for duty disability payments reflects the present value of estimated payments to be made to retired police officers and firefighters who are receiving disability payments for job related injuries.

Proprietary fund revenue bonds are backed by user fees generated from operations in the enterprise funds. Other proprietary debt is paid by available resources of the appropriate fund, and becomes a responsibility of the City only when funds are not adequate.

The City has never defaulted on any of its prior outstanding indebtedness. Short-term debt is not issued for operational purposes.

Section 67.03 (1) of the Wisconsin Statutes provides that the amount of indebtedness of a municipality shall not exceed 5 percent of the equalized valuation of the taxable property in the municipality.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 3 – LONG-TERM OBLIGATIONS (cont.)

DEBT LIMITATION

The following computation compares the total debt allowable for the City with actual outstanding indebtedness at December 31, 2002:

Equalized valuation (certified, August, 2002)	\$ 3,105,363,300
Legal debt capacity (5% of equalized value)	155,268,165
General obligation long-term debt	49,444,680
Less: amount available in debt service fund	<u>(7,590,244)</u>
Net long-term debt	<u>41,854,436</u>
Unused borrowing capacity	<u>\$ 113,413,729</u>
Percent of debt capacity remaining	73%

DEBT REFUNDING

On August 27, 2002, the City issued \$2,845,000 in sewerage system mortgage revenue refunding bonds with an average interest rate of 2.66 percent to advance refund \$3,700,000 of outstanding 1992, 1993 and 1995 Sewer Revenue Bonds, with an average interest rate of 5.21 percent. The net proceeds of \$2,846,507 (after payment of \$6,677 in underwriting fees) plus an additional \$883,493 of sewer system utility fund's monies were used to call the 1992, 1993, and 1995 Sewer Revenue Bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$4,892,773 from 2002 through 2012. The cash flow requirements on the 2002 refunding bonds are \$3,123,944 from 2003 through 2008. 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 \$442,297.

On August 27, 2002, the City issued \$4,120,000 in general obligation refunding bonds with an average interest rate of 3.34 percent to refund \$4,610,000 of outstanding 1990, 1993 and 1995 general obligation bonds, with an average interest rate of 5.39 percent. The net proceeds of \$4,124,039 (after payment of \$19,245 in underwriting fees) and \$227,932 of debt service funds were used to call the 1990, 1993, and 1995 general obligation bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$5,424,244 from 2002 through 2015. The cash flow requirements on the 2002 refunding bonds are \$4,776,959 from 2003 through 2015. 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 \$339,256.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 4 – RESTRICTED ASSETS

The total restricted assets on the balance sheet are comprised of the following cash and cash equivalents:

Capital Project Funds

TIF #5 - Gateway Northwest Business Park	\$ 31,893
TIF #7 - Soo Line Development Area	149,998
TIF #8 – Downtown Development	1,917,161
Storm Water	2,153,793
Total Capital Project funds	<u>\$ 4,252,845</u>

Enterprise Funds

Water Utility	
Equipment replacement account	\$ 268,000
Revenue bond debt service account	1,278,744
Total Water Utility	<u>1,546,744</u>
Sewer Utility	
Equipment replacement account	402,000
Revenue bond debt service account	663,778
Total Sewer Utility	<u>1,065,778</u>
Total Enterprise funds	<u>\$ 2,612,522</u>

Internal Service Funds

Risk Management	
Escrow account	\$ 170,067

NOTE 5 – NOTES RECEIVABLE

At December 31, 2002 the General fund had one note receivable totaling \$25,000. This note will be paid by the Chippewa Valley Incubation Center which used the proceeds to partially fund a loan pool that is designed to provide beginning businesses with loans to purchase machinery and equipment.

The Community Development Special Revenue fund has notes receivable of \$2,852,450 at December 31, 2002, with maturities to the year 2018. These loans include \$799,853 for five small industry and economic development loans and \$2,052,597 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 256 loans which are all required to be secured by a lien on the property. Some loans can be deferred until the property is sold. Interest on these loans is either lower than market or zero. The City discontinued the small industry loan program in 1989.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 5 – NOTES RECEIVABLE (cont.)

The Economic Development Special Revenue fund has notes receivable of \$1,809,574, net of an allowance for doubtful accounts of \$160,000. This fund participates in subsidized loans to new and existing businesses for commercial and industrial development. Of the 23 loans included in the program, one note to Gateway Industrial Park comprise over 30% of the total loan balance. Principal and interest repayments during 2002 were \$256,951 and \$87,228 respectively.

The Community Enhancement Special Revenue fund has an unsecured note receivable of \$41,667 which supported remodeling and refurbishing a regional arts facility in the downtown area. This note to the Regional Arts Holding, Inc. is interest free.

The Home Grant program fund has notes receivable of \$1,090,065. Loans are made for low income first time home buyers.

NOTE 6 – ROOM TAX

Since 1975, the City has levied a room tax on hotels and motels within the City limits under authority of Wisconsin statutes 66.75. The tax is currently 7% of gross room rental charges. Room tax revenues are recognized in the Community Enhancement Special Revenue fund and dedicated for projects that encourage convention and tourism activities. Total room tax revenues in 2002 were \$938,691.

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 5.2% of their salary (3.9% for Executives and Elected Officials, 3.8% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the system for the year ended December 31, 2002 was \$28,232,981; the employer's total payroll was \$29,528,215. The total required contribution for the year ended December 31, 2002 was \$3,842,361 or 13.6 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2001 and 2000 were \$3,710,835 and \$3,100,013, respectively, equal to the required contributions for each year.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 7 – EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Retirement benefits are calculated as 1.6% (2.0% for Executives, Elected Officials, and Protective Occupations with Social Security and 2.5% for Protective Occupations without Social Security) of final average earnings for each year of creditable service. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension-related debt for the City was \$8,106,367 at December 31, 2002. This liability was determined in accordance with provisions of GASB Statement 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly. The actuarial methods and assumptions used are unchanged from those used prior to the implementation of GASB Statement 27.

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers 30 retired employees of the city police and fire departments. These individuals were covered by a private pension plan prior to the City joining the system. No new employees are added to the plan. The City's policy is to fund retirement contributions to meet current benefit payments of these retired employees (i.e. "pay as you go"). Contributions are not actuarially determined. The total cost for 2002 was approximately \$156,978. The total estimated unfunded pension-related debt of this plan is approximately \$904,830 as of December 31, 2002, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2001 and 2000 was \$169,887 and \$202,744, respectively. The rate of investment return is presently assumed to be 8%. The estimated remaining period of amortization is 12 years. This information is included in the above pension plan. The report can be obtained from the same address above.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 8 – CURRENT INTERFUND RECEIVABLES/PAYABLES AND ADVANCES

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue – Public Library	\$ 1,456
General	Special Revenue – City-County Health	345
General	Special Revenue – Home Grant	23,689
General	Enterprise – Public Transit	1,208,396
Special Revenue – Public Library	Internal Service – Risk Management	2,813
Internal Service – Central Equipment	Special Revenue – Public Library	107
Total		<u>\$ 1,236,806</u>

The current portion of advances to other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise – Water Utility	\$ 258,218
General	Enterprise – Sewer Utility	28,126
General	Enterprise – Outdoor Pool	105,000
Total		<u>\$ 391,344</u>

NOTE 9 – ADVANCES TO OTHER FUNDS

The general fund has made loans to several proprietary funds for capital construction projects and for collateral on a letter of credit. The current portion of advances is reported in the appropriate funds as "current portion of advances receivables" and "current portion of advances payables."

<u>Receiving fund</u>	<u>Paying fund</u>	<u>Original Year</u>	<u>Original Amount</u>	<u>Rate</u>	<u>Final Maturity</u>	<u>Balance 12-31-02</u>
General	Water Utility	1987	\$ 450,000	7.25%	2006	\$ 94,680
		1987	4,855,945	7.25%	2016	3,118,959
		1989	2,500,000	5.8-7.7%	2018	1,935,056
General	Sewer Utility	1990	1,200,000	7.25%	2020	979,548
General	Outdoor Pool	1990	1,700,000	6.0-8.5%	2009	885,000
Total advances to other funds			<u>\$ 10,705,945</u>			<u>7,013,243</u>
Less current portion						(391,344)
Advances to other funds less current portion						<u>\$ 6,621,899</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 9 – ADVANCES TO OTHER FUNDS (cont.)

Annual repayment of principal and interest are made according to the following schedule:

	<u>Water Utility Advances</u>	<u>Sewer Utility Advances</u>	<u>Municipal Pool Advances</u>	<u>Total</u>
2003	\$ 636,336	\$ 99,143	\$ 133,240	\$ 868,719
2004	634,634	99,143	121,923	855,700
2005	632,903	99,143	133,832	865,878
2006	631,188	99,144	140,382	870,714
2007	605,801	99,144	151,555	856,500
2008-2012	3,029,005	495,719	309,788	3,834,512
2013-2017	1,950,966	495,717	-	2,446,683
2087-2020	211,678	297,432	-	509,110
	<u>8,332,511</u>	<u>1,784,585</u>	<u>990,720</u>	<u>11,107,816</u>
Less: Interest	<u>(3,183,816)</u>	<u>(805,037)</u>	<u>(105,720)</u>	<u>(4,094,573)</u>
Total Principal	<u><u>\$ 5,148,695</u></u>	<u><u>\$ 979,548</u></u>	<u><u>\$ 885,000</u></u>	<u><u>\$ 7,013,243</u></u>

NOTE 10 – INTERFUND TRANSFERS

OPERATING TRANSFERS

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

<u>Transferred to</u>	<u>Transferred from</u>	<u>Amount</u>
General	Special Revenue – Community Development	\$ 86,864
	Special Revenue – Community Enhancement	65,500
Special Revenue		
Cemetery Maintenance	General	262,172
Economic Development	General	150,000
Downtown Partners	Special Revenue – Economic Development	99,000
Downtown Partners	Component Unit – Downtown BID	25,000
City-County Health	Special Revenue – Community Development	30,483
Debt Service	General	1,985,308
	Special Revenue – Storm Water Management	709,202
	Special Revenue – Public Library	134,713

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 10 – INTERFUND TRANSFERS (cont.)

Capital Projects

Street Projects	General	\$ 1,136,900
Street Projects	Special Revenue – Community Development	202,805
Storm Sewer	Special Revenue – Community Development	86,916
Buildings and Equipment	General	1,188,100
Buildings and Equipment	Special Revenue – Community Development	63,415
Parks and Recreation Projects	General	176,000
Parks and Recreation Projects	Special Revenue – Community Development	129,559
Parks and Recreation Projects	Special Revenue –Community Enhancement	150,000
Environmental Improvements – Landfill	Trust & Agency – Former Landfill Escrow	58,521
Library Buildings and Equipment	Special Revenue – Public Library	99,100

Enterprise

Public Transit	General	570,347
Hobbs Ice Center	General	56,233
Outdoor Pool	General	165,485

Component Units

Redevelopment Authority	Special Revenue – Community Development	234,555
Redevelopment Authority	Special Revenue – Economic Development	<u>1,500,000</u>
Total		<u>\$ 9,366,178</u>

RESIDUAL EQUITY TRANSFERS

Residual equity transfers out for 2002 exceed similar transfers in by \$21,200 because of differing reporting focuses for proprietary and governmental fund types. Residual equity transfers from other funds are reported in the receiving proprietary funds as part of the increase in contributed capital, rather than as residual transfers in.

2002 residual equity transfers consist of the following:

<u>Transferred From</u>	<u>Transferred To</u>	<u>Amount</u>
General	Enterprise – Parking Utility	\$ 100,000
General	Enterprise – Public Transit	12,400
General	Enterprise – Hobbs Ice Center	50,000
General	Enterprise – Outdoor Pool	116,400
Special Revenue – Community Enhancement	Enterprise – Hobbs Ice Center	25,000
	Capital projects – Environmental	
Internal Service – Risk Management	Improvements-Landfill	95,000
Internal Service – Risk Management	Capital projects – Streets	560,000
Internal Service – Risk Management	General	440,000
Enterprise – Sewer Utility	General	<u>325,000</u>
Residual equity total		<u>\$ 1,723,800</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 11 – DEFERRED REVENUE

Under the modified accrual basis of accounting, revenues are often measurable but not available to be used to pay liabilities in the current period. Amounts of this nature are reported as receivables and deferred revenue. Revenues collected in advance of the fiscal year to which they apply are also reported as deferred revenue. See Note 1.

The table below lists deferred revenue as of December 31, 2002:

General Fund:	
2002 tax levy available in 2003	\$ 19,010,271
Special assessment receivables	303,454
Accounts / notes receivable	928,582
Total General fund	<u>20,242,307</u>
Special Revenue funds:	
Storm Water Management	
2002 tax levy available in 2003	44,308
Accounts receivable	31,673
Total Storm Water Management	<u>75,981</u>
Cemetery Maintenance	
Accounts receivable	13,680
Hazardous Materials Response -	
Accounts receivable	6,849
Community Development -	
Notes receivable	2,852,450
Home Grant -	
Notes receivable	1,090,065
Economic Development -	
Notes receivable	1,809,574
Community Enhancement -	
Notes receivable	41,667
Public Library -	
2002 tax levy available in 2003	2,591,900
Accounts receivable	118,820
Total Public Library	<u>2,710,720</u>
City County Health	
2002 tax levy available in 2003	<u>1,379,500</u>
Total Special Revenue funds	<u>9,980,486</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 11 – DEFERRED REVENUE (cont.)

Debt Service funds:	
2002 tax levy, accounts and interest receivable, and special assessments available in future years	\$ <u>9,588,267</u>
Capital Project funds:	
2002 tax increment available in 2003	760,289
Special assessment receivables	81,478
Accounts receivable	<u>454,961</u>
Total Capital Project funds	<u>1,296,728</u>
Total Deferred Revenue	\$ <u><u>41,107,788</u></u>

NOTE 12 – DESIGNATED FUND BALANCES

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

General Fund designated for	
Applied to the 2002 budget	\$ 1,014,450
Working capital	<u>3,700,000</u>
Total	\$ <u><u>4,714,450</u></u>
Special Revenue Funds designated for	
Hazardous Materials - Applied to 2003 budget	\$ 37,700
Economic Development - Economic development	1,044,598
Applied to 2003 budget	620,000
Community Enhancement - Applied to 2003 budget	88,045
Public Library - Applied to 2003 budget	130,500
- Capital projects	162,800
- Library trust funds	52,557
City-County Health - Future expenditures	87,400
Applied to 2003 budget	<u>91,900</u>
Total	\$ <u><u>2,315,500</u></u>
Debt Service Funds designated for	
Debt Service - Applied to 2003 budget	\$ <u><u>588,992</u></u>
Capital Project Funds designated for	
TIF #7 - Applied to 2003 budget	\$ <u><u>54,800</u></u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 13 – RESERVED FUND BALANCES/RETAINED EARNINGS

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

General Fund	
Prepaid items	\$ 365,750
Notes receivable	25,000
Advance to other funds	<u>6,621,899</u>
	<u>\$ 7,012,649</u>
Special Revenue Funds	
Grant proceeds	<u>\$ 136,072</u>
Debt Service Funds	
Debt service	<u>\$ 7,001,252</u>
Capital Projects Funds	
Capital contracts	\$ 3,671,554
Bond construction	<u>2,335,685</u>
Total	<u>\$ 6,007,239</u>
Enterprise Funds	
Water Utility – Debt service	\$ 655,390
Sewer Utility – Debt service	<u>205,900</u>
Total	<u>\$ 861,290</u>
Internal Service Funds	
Restricted assets	\$ 170,067
Deposit in insurance pools	<u>766,496</u>
Total	<u>\$ 936,563</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 14 – FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance				Balance
	1-1-02	Additions	Deletions		12-31-02
Land and improvements	\$ 13,252,704	\$ 65,252	\$ 100,835		\$ 13,217,121
Buildings and improvements	12,640,248	434,086	7,953		13,066,381
Improvements and infrastructure	3,575,068	2,500	-		3,577,568
Machinery and equipment	5,565,840	611,834	872,443		5,305,231
Construction in progress	4,554,744	2,451,277	300,963		6,705,058
Totals	\$ 39,588,604	\$ 3,564,949	\$ 1,282,194		\$ 41,871,359

NOTE 15 – DEFICIT BALANCES

Special Revenue Fund

The Home Grant fund reflects a deficit fund balance of \$24,665 as of December 31, 2002. As explained in more detail in Note 11, deferred revenue which offsets the fund deficit at that date is \$1,090,065.

Enterprise Funds

The Parking Utility, Hobbs Ice Center and the Outdoor Pool reflect negative retained earnings balances for the year ended December 31, 2002. Operations of these facilities are subsidized by the General fund based on the annual loss before depreciation. Subsidies for capital purchases are recorded as contributions.

Information for 2002 is as follows:

Fund	Deficit Retained Earnings	Operating Subsidy	External Contribution and Municipal Contributions
Parking Utility	\$ 1,419,774	\$ -	\$ 5,049,991
Hobbs Ice Center	1,203,396	56,233	2,541,547
Outdoor Pool	330,193	165,485	899,088

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 16 – SEGMENTS OF ENTERPRISE ACTIVITIES

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

	Water Utility	Sewer Utility	Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Total All Funds
Operating revenues	\$ 6,519	\$ 5,814	\$ 243	\$ 454	\$ 353	\$ 224	\$ 13,607
Depreciation and amortization expense	1,236	1,142	151	429	69	46	3,073
Operating income (Loss)	1,483	1,048	(144)	(3,142)	(126)	(146)	(1,027)
Subsidies from other governments	-	-	-	2,104	-	-	2,104
Operating transfers in	-	-	-	570	56	166	792
Increase (decrease) in retained earnings	1,110	1,395	(144)	1,405	(59)	(46)	3,661
Capital contributions							
External contributions	319	319	-	1,935	-	-	2,573
Municipal contributions	-	(325)	100	13	75	100	(37)
Additions to fixed assets	1,457	3,119	-	2,364	47	-	6,987
Retirements of fixed assets	129	81	41	468	5	-	724
Net working capital (deficit)	4,235	8,695	350	(309)	123	(76)	13,018
Total assets	53,305	52,578	3,642	5,563	1,377	1,463	117,928
Long-term liabilities	14,106	3,372	-	-	-	780	18,258
Total equity	37,912	48,359	3,630	4,105	1,338	569	95,913
Payment to City in lieu of taxes	1,061	-	-	-	-	-	1,061

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 17 – COMMITMENTS AND CONTINGENCIES

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

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

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

At December 31, 2002, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

Capital Projects

TIF #5 Gateway NW Business Park	\$	12,107
TIF #6 NE Industrial Area		813
TIF #8 Downtown Development		1,917,161
Street Projects		925,912
Bridge Projects		145,301
Buildings and Equipment		560,578
Parks and Recreation Projects		55,246
Environmental Improvements - Landfill		50,349
Library Buildings & Equipment		4,087
Total Committed Construction	\$	<u>3,671,554</u>

Proprietary Funds

Water Utility	\$	640
Sewer Utility		2,596
Public Transit		11,395
Hobbs Ice Center		380
Central Equipment		54,718
Total Committed Construction	\$	<u>69,729</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 18 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, worker's compensation, health care of its employees, and natural disaster. There have been no significant reductions in insurance coverage during the past year, and no settlements in excess of insurance coverage in any of the prior three fiscal years. The City's risks have been addressed in the following ways:

Commercial Insurance

Employee health, property damage, and boiler insurance are purchased from commercial insurance companies.

Self-Insurance

The City self-insures its workers' compensation exposure for the first \$250,000 of each occurrence, with an annual aggregate of \$1,000,000. A commercial stop loss policy was purchased to cover single losses in excess of \$250,000. Settled claims have not exceeded the commercial coverage in any of the past three years.

The Risk Management Internal Service fund is used to account for and finance uninsured risks and to purchase excess insurance coverage. All funds participate in the insurance program and make payments to the Risk Management fund based on historical cost estimates of amounts needed to pay prior and current year claims.

The unpaid claims liability of \$1,195,579 at December 31, 2002 is based on GASB Statement Number 10 which requires that a liability for claims be reported if information prior to the issuance of the financial reports indicates that it is probable that a liability has been incurred and the amount of loss can reasonably be estimated. The liability is based on actuarial estimates of the present value of unpaid losses and includes both current claims payable and incurred but not reported (IBNR) claims. The liability at year end of \$1,195,579 includes \$406,243 of potential workers compensation claims and \$789,336 for potential liability claims. Changes in unpaid claims liabilities in the five most recent years were:

Fiscal Year	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Year-end
1998	\$ 1,335,213	\$ 488,414	\$ (398,885)	\$ 1,424,742
1999	1,424,742	715,117	(500,533)	1,639,326
2000	1,639,326	551,043	(637,516)	1,552,853
2001	1,552,853	510,313	(797,272)	1,265,894
2002	1,265,894	694,409	(764,724)	1,195,579

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 18 – RISK MANAGEMENT (cont.)

PUBLIC ENTITY RISK POOLS

Transit Mutual Insurance Corporation of Wisconsin (TMICOW)

The Transit Mutual Insurance Corporation of Wisconsin was formed by 21 Wisconsin municipalities which have joined together for the managing and funding of the first party property losses and third party liability claims of its member municipalities mass transit funds.

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

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

Initial contributions are determined in advance of each membership year. The board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit attributable to a membership year during which they were a member. The City's share of this operation is 4.27%. A list of the other members and their share of participation is available in the TMICOW report which is available from TMICOW, P.O. Box 1722, Appleton, WI 54912-1772.

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 or \$300,000 aggregate for years 1988-94 and \$200,000 or \$500,000 aggregate for years 1995-97, and \$200,000 or \$400,000 aggregate in 1999 and 2002, with an annual cap of \$5 million. The policy is non-assessable, thereby limiting the City's commitment to a proportional share of a \$13,935,000 revenue bond issue sold by WMMIC to provide for the initial capitalization. The share of participation is determined on a basis of prior claim history and can be affected by acceptance of new members. The City's current share of participation is 4.22%.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 19 – DUTY DISABILITY PLAN

The Wisconsin Retirement System also manages a duty disability plan under Section 40.65 of the Wisconsin Statutes. This plan pays lifetime disability benefits to police and fire employees who sustain on-the-job injuries that prevent them from continuing employment. The costs of this program are charged to the City as a percent of current police and fire wages. In 2002, 15 former employees participated in the program at a cost of \$669,514. The estimated present value of future costs for this program is \$3,729,151.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2002, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$273,847.

NOTE 20 – CONTINGENT LIABILITIES

The City had the usual and customary types of miscellaneous claims pending at year end. At the present time, there is no significant litigation pending.

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

NOTE 21 – OTHER POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the City provides certain contractually defined health care benefits for retired employees. Substantially all of the City's permanent employees may become eligible to receive an employer paid health care retirement benefit. 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 sixty-five.

The cost of retiree health care benefits is recognized as an expenditure in the General fund as premiums are paid. During 2002, \$395,823 was paid on behalf of 66 retired employees.

As of December 31, 2002 the estimated present value of future costs to provide retiree health care benefits for current participants is \$2,604,017. The liability is reflected in the general long-term obligation account group and will be adjusted annually based on estimated health care costs and actual levels of participation.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 22 – CONTRIBUTED CAPITAL

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

	Water Utility	Sewer Utility	Parking Utility	Public Transit	Hobbs Ice Center	Municipal Pool	Total All Funds
Contributed capital – January 1, 2002	\$ 20,839	\$ 27,849	\$ 4,950	\$ 2,238	\$ 2,467	\$ 799	\$ 59,142
Additions:							
Municipality	-	-	100	13	75	116	304
Reduction:							
Repayment to municipality	-	(325)	-	-	-	-	(325)
Contributed capital – December 31, 2002	<u>\$ 20,839</u>	<u>\$ 27,524</u>	<u>\$ 5,050</u>	<u>\$ 2,251</u>	<u>\$ 2,542</u>	<u>\$ 915</u>	<u>\$ 59,121</u>

Contributed capital of the internal service funds did not change during 2002.

NOTE 23 – RELATED PARTIES

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

In April, 1991, the City, Xcel, the Industrial Development Corporation, and Gateway signed an agreement to provide Gateway with loans up to \$960,000 (increased to \$3,000,000 in 1995) for the acquisition and development of industrial property. As of December 31, 2002, the outstanding loans under the agreement were \$1,100,000, of which \$550,000 was due the City. Total interest earned by the City was \$52,250 for the year ended December 31, 2002.

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 23 – RELATED PARTIES (cont.)

The eight perpetual directors consist of representatives or appointees of the following: Eau Claire City Manager, Eau Claire City Council President, Redevelopment Authority, Eau Claire County Board, Downtown Business Improvement District, West Grand Business Improvement District, Regional Arts Council and Eau Claire City Council. Downtown Eau Claire, Incorporated is funded by the City of Eau Claire and the Downtown Business Improvement District. The City of Eau Claire has contributed \$99,000 and the Downtown Business Improvement District contributed \$25,000 in 2002 for a budget of \$124,000 (increased to \$131,000 in 2003 with contributions from former City Center Corporation).

NOTE 24 – RECONCILIATION FOR UNBUDGETED FUNDS

Budgets have been adopted for the special revenue funds and a comparison of actual to budget for these funds are presented in the combined statement of revenues, expenditures and changes in fund balances – actual and budget of the general purpose financial statements. Fixed annual budgets have not been adopted for the Community Development fund and Home Grant fund.

A reconciliation of the combined statement of revenues, expenditures and changes in fund balances – actual and budget to the combined statement of revenues, expenditures, and changes in fund balances – all governmental fund types is as follows:

	Special Revenue Funds
	<u> </u>
Excess of revenues and other sources over expenditures and other uses (budgeted)	\$ (1,393,515)
Community Development (unbudgeted)	14,034
Home Grant (unbudgeted)	<u>344,079</u>
 Excess of Revenues and Other Sources Over Expenditures and Other Uses (all funds)	 <u>\$ (1,035,402)</u>

NOTE 25 – COMPONENT UNITS

This report contains the Eau Claire Housing Authority (Housing Authority), Eau Claire Redevelopment Authority (RDA), and three Business Improvement Districts (Downtown, West Grand and Water Street), which are included as component units. Financial information is presented as a discrete column in the combined balance sheet, combined statement of revenues, expenditures and changes in fund balance, combined statement of revenues, expenses, and changes in retained earnings, and combined statement of cash flows.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

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

Housing Authority

a. Basis of Accounting

The Housing Authority prepares its financial statements in accordance with the accrual basis of accounting.

b. Measurement Focus

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

c. Cash and Investments

The Housing Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year end. The specific categories are as follows:

1. Insured or registered, or securities held by the Housing Authority or its agent in the Housing Authority's name.
2. Uninsured and unregistered, with securities held by the financial institution's trust department or agent in the Housing Authority's name.
3. Uninsured and unregistered, with securities held by the financial institution, or by its trust department or agent but not in the Housing Authority's name.

The following table summarizes credit risk and fair value of investments as of December 31, 2002.

	Category 1	Category 2	Category 3	Balance	Carrying Amount
U.S. Government Securities	\$ -	\$ -	\$ 1,693,486	\$ 1,693,486	\$ 1,693,488
Cash with escrow agent (pooled funds)					2,086,071
Petty Cash					1,155
Total investments and petty cash					\$ 3,780,714

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

The Housing Authority had no significant type of investment during the year not included in the schedule above. Investments are stated at fair value.

At year end all deposits with a carrying value of \$254,100 and a bank balance of \$346,666 were insured by the FDIC or covered by perfected collateral pledges. Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for all interest bearing accounts and \$100,000 for all non-interest bearing accounts. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities. This coverage has been considered in computing the insured amounts above. Fluctuating cash flows during the year due to receipt of grants and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

d. Restricted Assets

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

Cash and cash equivalents – equipment replacement	<u>\$ 2,086,071</u>
---	---------------------

e. Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost, which includes materials and labor. Donated property, plant and equipment are recorded at fair value on date of donation.

A summary of property, plant and equipment in service and useful live is as follows:

	Balance 12/31/02	Years
Land	\$ 1,297,779	N/A
Land improvements	958,302	15 – 20
Buildings	12,897,984	20 – 40
Machinery and equipment	745,730	5 – 15
Sub-Total	15,899,795	
Less: Accumulated depreciation	(4,517,965)	
Total	\$ 11,381,830	

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

- f. Long-term debt of the Housing Authority is as follows:

The Housing Authority notes payable are secured by a first pledge of the annual contributions payable to the Housing Authority, pursuant to an Annual Contributions Contract between the Housing Authority and the United States and by a lien on all revenues of the Housing Authority's Low Income Program. The Housing Authority notes are not a general obligation of the City nor are they guaranteed by the City.

Owen Rust Memorial Apartments fund	Series 1993 Housing refunding revenue bonds, \$295,000 face value, payable in semiannual installments including interest at 2.80-5.25% through December 1, 2010.	\$ <u>165,000</u>
Sub-rehab fund	1982 Note, payable to the City of Eau Claire Community Development Block Grant Program, requires monthly installment of \$777, including principal and interest at 5%, and is due February 1, 2010.	<u>55,260</u>
Park Towers Apartments fund	1992 Note, payable to the City of Eau Claire Community Development Block Grant Program, is non-interest bearing and due on demand should certain conditions be met.	195,462
	1991 Note, payable to the City of Eau Claire Community Development Block Grant Program, is unsecured, non-interest bearing, and due on demand.	63,000
	Mortgage note payable to WHEDA requires monthly installments of \$31,434, including interest at 7.53%, through March 2010 and is secured by the project real estate.	<u>2,102,441</u>
Total Park Towers Apartment fund		<u>2,360,903</u>
Large Family Housing fund	1991 Note, payable to the City of Eau Claire Community Development Block Grant Program, is non-interest bearing and due on demand should certain conditions be met.	<u>331,641</u>
Transitional Housing fund	1996 Note, payable to the City of Eau Claire Community Development Block Grant Program, is non-interest bearing and due on demand should certain conditions be met.	150,000
Total notes payable		<u>2,897,804</u>
Total long-term debt		<u>\$ 3,062,804</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

f. Long-term debt of the Housing Authority (cont.)

As of December 31, 2002, long-term debt mature as follows:

	Principal	Interest
2003	\$ 248,313	\$ 161,877
2004	271,320	143,081
2005	290,723	122,629
2006	311,628	100,673
2007	334,153	77,099
2008 – 2010	866,564	78,607
Total	2,322,701	683,966
Demand notes with no set payment schedule	740,103	-
Total	\$ 3,062,804	\$ 683,966

In 1996, the HUD Projects Fund was amended to reflect the intent of the federal legislation. However, the Housing Authority has not amended its annual contributions contract with HUD to complete the process necessary for debt forgiveness. In 1991, HUD reported that \$7,907,578 of principal and interest had been forgiven and removed from the HUD security ledger. At December 31, 1995 HUD still shows HUD project notes, other debt and accrued interest outstanding.

Redevelopment Authority

a. Basis of Accounting

The RDA prepares its financial statements in accordance with the accrual basis of accounting.

b. Measurement Focus

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

c. Cash and Investments

At year end, the RDA deposits were \$612,783 which was commingled with the City's cash and investments. The entire balance was insured by the FDIC or covered by perfected collateral pledges.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

d. Long-term debt

The RDA has a note payable which is due to the City of Eau Claire at no interest.

	Balance 1/1/02	Increase	Decrease	Balance 12/31/02
2000 Promissory note				
Original amount \$11,240.				
Due in 2005. No interest.	\$ 11,240	\$ -	\$ -	\$ 11,240

e. Property, Plant and Equipment

Property, plant and equipment are stated at the original cost, which includes materials, labor, overhead costs and an allowance for funds used during construction when significant.

Depreciation expense is computed at straight-line rates over the estimated useful lives of the assets.

A summary of property, plant and equipment in service and useful lives are as follows:

	Balance	Useful Lives
Land	\$ 1,214,938	N/A
Construction in progress	382,285	N/A
Total	\$ 1,597,223	

Business Improvement Districts

a. Cash

At year end, the Business Improvement District (BID) deposits were commingled with the City's cash and investments. The balances were insured by the FDIC or covered by perfected collateral pledges.

Downtown	\$ 13,204
West Grand	\$ 4,698
Water Street	\$ 38,540

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE 25 – COMPONENT UNITS (cont.)

Business Improvement Districts (cont.)

b. Measurement Focus

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

c. Basis of Accounting

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

NOTE 26 – TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for five Tax Incremental Financing Districts (TID) created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the districts were created, the property tax base within each district was "frozen" and subsequent incremental taxes resulting from any increases to the property tax base are available to finance district improvements, including principal and interest on debt issued by the City to finance such improvements. All eligible project expenditures for the districts are made from capital projects funds and must be incurred within ten years for districts created prior to October 1, 1995, and seven years for districts created thereafter. 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. Unless terminated by the City prior thereto, TID No. 4 must be terminated after 27 years, and TID No. 5, 6, 7 and 8 must be terminated after 23 years.

	<u>Creation Date</u>	<u>Expenditure Deadline</u>	<u>Termination Year</u>
TID No. 4	1992	2002	2018
TID No. 5	1997	10/08/04	10/08/2020
TID No. 6	1997	01/28/04	01/28/2020
TID No. 7	1997	03/17/04	03/17/2020
TID No. 8	2002	09/24/09	09/24/2025

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

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2002

NOTE 26 – TAX INCREMENTAL FINANCING DISTRICTS (cont.)

The following table summarizes the project and expenditures from creation of the districts through December 31, 2002.

Project Costs	TIF #4	TIF #5	TIF #6	TIF #7	TIF #8
Capital expenditures	\$ 7,065,706	\$ 2,573,800	\$ 1,129,442	\$ 1,256,204	\$ 84,366
Interest and fiscal charges	2,234,927	560,422	253,391	446,610	5,247
Bond issuance costs	62,670	4,880	2,160	5,710	5,200
Total project costs	<u>9,363,303</u>	<u>3,139,102</u>	<u>1,384,993</u>	<u>1,708,524</u>	<u>94,813</u>
Project Revenues					
Tax increments	8,408,908	506,097	295,593	177,538	-
Interest income and misc. revenue	1,134,708	155,377	69,329	196,653	5,971
Special assessments revenue	-	-	136,318	-	-
Total revenue	<u>9,543,616</u>	<u>661,474</u>	<u>501,240</u>	<u>374,191</u>	<u>5,971</u>
Net recoverable costs (refundable)	<u>\$ (180,313)</u>	<u>\$ 2,477,628</u>	<u>\$ 883,753</u>	<u>\$ 1,334,333</u>	<u>\$ 88,842</u>

NOTE 27 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

General Fund

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.

CITY OF EAU CLAIRE

GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

ASSETS	<u>2002</u>	<u>2001</u>
Cash and short term investments	\$ 7,828,513	\$ 7,658,825
Receivables:		
Taxes:		
Current	19,123,558	17,788,991
Delinquent personal property	<u>95,266</u>	<u>60,559</u>
Total taxes	<u>19,218,824</u>	<u>17,849,550</u>
Accounts	1,045,603	1,116,067
Interest	80,229	78,738
Special assessments:		
Installment	<u>94,901</u>	<u>228,573</u>
Total receivables	20,439,557	19,272,928
Due from other funds	1,233,886	710,319
Due from other governments	142,938	114,212
Due from component unit	25,496	-
Interfund receivable	391,344	368,443
Inventories, at cost	-	3,906
Prepayments	365,750	323,929
Notes receivable	25,000	27,166
Advance to other funds	<u>6,621,899</u>	<u>7,003,243</u>
Total assets	<u>\$ 37,074,383</u>	<u>\$ 35,482,971</u>

	<u>2002</u>	<u>2001</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 757,606	\$ 340,539
Accrued liabilities	1,537,763	1,304,282
Customer deposits	185,820	259,244
Due to other governments	73,586	25,000
Due to component unit	71,776	67,344
Deferred revenue	<u>20,242,307</u>	<u>18,992,513</u>
 Total liabilities	 <u>22,868,858</u>	 <u>20,988,922</u>
Fund balance:		
Reserved:		
For stores inventory	-	3,906
For prepayments	365,750	323,929
For notes receivable	25,000	25,000
For advances to other funds	<u>6,621,899</u>	<u>7,003,243</u>
 Total reserved	 <u>7,012,649</u>	 <u>7,356,078</u>
Unreserved:		
Designated:		
For working capital	3,700,000	3,700,000
For subsequent year expenditures	<u>1,014,450</u>	<u>1,947,871</u>
 Total designated	 <u>4,714,450</u>	 <u>5,647,871</u>
 Undesignated	 <u>2,478,426</u>	 <u>1,490,100</u>
 Total unreserved	 <u>7,192,876</u>	 <u>7,137,971</u>
 Total fund balance	 <u>14,205,525</u>	 <u>14,494,049</u>
 Total liabilities and fund balance	 <u>\$ 37,074,383</u>	 <u>\$ 35,482,971</u>

CITY OF EAU CLAIRE

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL Year Ended December 31, 2002 With Comparative Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Taxes	\$ 19,071,700	\$ 18,966,609	\$ (105,091)	\$ 17,116,955
Special assessments	280,000	284,021	4,021	299,098
Intergovernmental	13,208,400	13,446,063	237,663	12,957,091
Licenses and permits	1,202,200	1,443,488	241,288	1,295,042
Fines and forfeitures	478,000	686,405	208,405	552,751
Charges for services	1,052,400	1,290,072	237,672	1,394,452
Charges for services - intergovernmental	2,120,600	2,077,418	(43,182)	2,071,195
Miscellaneous	1,740,500	1,416,794	(323,706)	2,238,540
Total revenues	39,153,800	39,610,870	457,070	37,925,124
Expenditures:				
Current:				
General government	5,854,800	5,401,873	452,927	5,298,658
Public works	7,416,100	6,863,037	553,063	6,892,814
Parks and recreation	3,828,000	3,729,280	98,720	3,672,550
Public safety	18,599,000	18,489,494	109,506	17,469,667
Miscellaneous	642,700	417,742	224,958	441,616
Total expenditures	36,340,600	34,901,426	1,439,174	33,775,305
Excess of revenues over expenditures	2,813,200	4,709,444	1,896,244	4,149,819
Other financing sources (uses):				
Transfers from other funds	149,700	152,364	2,664	161,564
Transfers to other funds	(6,136,100)	(5,690,545)	445,555	(5,762,782)
Sale of capital assets	10,000	54,013	44,013	206,972
Total other financing sources (uses)	(5,976,400)	(5,484,168)	492,232	(5,394,246)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,163,200)	(774,724)	2,388,476	(1,244,427)
Fund balance at beginning of year	14,494,049	14,494,049	-	15,623,476
Residual equity transfers in	-	765,000	765,000	400,000
Residual equity transfers out	-	(278,800)	(278,800)	(285,000)
Fund balances at end of year	\$ 11,330,849	\$ 14,205,525	\$ 2,874,676	\$ 14,494,049

CITY OF EAU CLAIRE

(Continued)

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER
 FINANCING SOURCES-BUDGET AND ACTUAL
 Year Ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Taxes:				
Real and personal property	\$ 17,536,800	\$ 17,482,304	\$ (54,496)	\$ 15,719,775
Mobile home fees	100,000	120,485	20,485	77,269
Payment in lieu of taxes:				
Water	1,169,000	1,088,760	(80,240)	1,065,032
Other	263,900	268,893	4,993	249,820
Interest on delinquent personal property taxes	2,000	6,167	4,167	5,059
Total taxes	19,071,700	18,966,609	(105,091)	17,116,955
Special assessments:				
Current	250,000	259,014	9,014	267,371
Installment	30,000	25,007	(4,993)	31,727
Total special assessments	280,000	284,021	4,021	299,098
Intergovernmental:				
Federal aid	84,400	111,144	26,744	53,408
State aid:				
Shared taxes	8,440,800	8,440,828	28	8,338,025
Municipal services	648,000	849,260	201,260	641,810
Utility tax	205,900	205,936	36	203,897
Local streets	2,731,500	2,729,253	(2,247)	2,547,203
Expenditure restraint program	728,500	727,380	(1,120)	754,689
Fire insurance	90,000	101,458	11,458	92,435
Underground tank inspections	10,000	20,850	10,850	20,659
Other	269,300	259,954	(9,346)	304,965
Total intergovernmental	13,208,400	13,446,063	237,663	12,957,091
Licenses and Permits:				
Television franchise	583,200	684,954	101,754	673,604
Licenses	223,800	221,159	(2,641)	215,990
Permits	395,200	537,375	142,175	405,448
Total licenses and permits	1,202,200	1,443,488	241,288	1,295,042

CITY OF EAU CLAIRE

GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES-BUDGET AND ACTUAL (cont'd) Year Ended December 31, 2002 With Comparative Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Fines and forfeitures:				
Parking violation fines	\$ 200,000	\$ 315,052	\$ 115,052	\$ 264,768
County court fines	275,000	360,755	85,755	282,628
Other fines or forfeitures	3,000	10,598	7,598	5,355
Total fines and forfeitures	478,000	686,405	208,405	552,751
Charges for services:				
General government	40,400	32,438	(7,962)	14,122
Police and fire	736,500	890,884	154,384	1,026,929
Public works	13,600	27,018	13,418	32,365
Parks and recreation	261,900	339,732	77,832	321,036
Total charges for services	1,052,400	1,290,072	237,672	1,394,452
Charges for services - intergovernmental:				
Communication center reimbursement	940,500	893,192	(47,308)	899,788
Storm water management charge	260,900	260,892	(8)	264,996
Sewer utility charge	317,300	317,340	40	314,796
Water utility service charge	428,800	428,820	20	420,948
Other service charges	173,100	177,174	4,074	170,667
Total charges for services - intergovernmental	2,120,600	2,077,418	(43,182)	2,071,195
Miscellaneous:				
Investment income:				
Investment interest	1,100,000	688,377	(411,623)	1,106,473
Interest on advance to other funds	533,700	533,645	(55)	558,526
Interest on special assessments	20,000	25,915	5,915	43,066
Other interest	100	3,781	3,681	244
Total investment income	1,653,800	1,251,718	(402,082)	1,708,309
Rental:				
Rental of dam	50,000	64,959	14,959	61,530
Rental of land and buildings	23,000	37,116	14,116	28,224
Total rental	73,000	102,075	29,075	89,754

CITY OF EAU CLAIRE

GENERAL FUND
 SCHEDULE OF REVENUES AND OTHER
 FINANCING SOURCES-BUDGET AND ACTUAL (cont'd)
 Year Ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Other:				
Refunds of prior years expenditures	\$ -	\$ 25	\$ 25	\$ 1,120
Donations	3,400	3,356	(44)	-
Other reimbursements and refunds	<u>10,300</u>	<u>59,620</u>	<u>49,320</u>	<u>439,357</u>
Total other	<u>13,700</u>	<u>63,001</u>	<u>49,301</u>	<u>440,477</u>
Total miscellaneous	<u>1,740,500</u>	<u>1,416,794</u>	<u>(323,706)</u>	<u>2,238,540</u>
Total revenues	<u>39,153,800</u>	<u>39,610,870</u>	<u>457,070</u>	<u>37,925,124</u>
Other financing sources:				
Transfers from other funds	149,700	152,364	2,664	161,564
Sale of capital assets	<u>10,000</u>	<u>54,013</u>	<u>44,013</u>	<u>206,972</u>
Total other financing sources	<u>159,700</u>	<u>206,377</u>	<u>46,677</u>	<u>368,536</u>
Total revenues and other financing sources	<u>\$ 39,313,500</u>	<u>\$ 39,817,247</u>	<u>\$ 503,747</u>	<u>\$ 38,293,660</u>

CITY OF EAU CLAIRE

GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES-BUDGET AND ACTUAL Year Ended December 31, 2002 With Comparative Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
General government:				
City council	\$ 127,400	\$ 109,870	\$ 17,530	\$ 135,273
Administrative services	384,300	357,413	26,887	360,875
Information services	592,600	589,305	3,295	540,659
Legal	419,100	413,140	5,960	331,511
Finance:				
Administration	252,200	264,286	(12,086)	254,652
Accounting	547,700	492,269	55,431	526,408
Assessing	494,800	485,581	9,219	450,490
Customer services	827,700	701,176	126,524	674,560
Total finance	<u>2,122,400</u>	<u>1,943,312</u>	<u>179,088</u>	<u>1,906,110</u>
Human resources:				
Purchasing	229,100	171,876	57,224	212,668
Personnel administration	477,300	377,521	99,779	439,715
Total human resources	<u>706,400</u>	<u>549,397</u>	<u>157,003</u>	<u>652,383</u>
Planning and development:				
Community planning	491,800	474,021	17,779	448,709
Inspection and zoning	614,500	566,234	48,266	583,271
Total planning and development	<u>1,106,300</u>	<u>1,040,255</u>	<u>66,045</u>	<u>1,031,980</u>
Insurance and retirement:				
Liability and health insurance	365,000	368,379	(3,379)	308,629
Disability settlement	31,300	30,802	498	31,238
Total insurance and retirement	<u>396,300</u>	<u>399,181</u>	<u>(2,881)</u>	<u>339,867</u>
Total general government	<u>5,854,800</u>	<u>5,401,873</u>	<u>452,927</u>	<u>5,298,658</u>

CITY OF EAU CLAIRE

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER
 FINANCING USES-BUDGET AND ACTUAL (cont'd)
 Year Ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Public works:				
Administration	\$ 301,000	\$ 299,933	\$ 1,067	\$ 296,369
Operations	5,573,200	5,130,316	442,884	5,302,319
Engineering	1,541,900	1,432,788	109,112	1,294,126
Total public works	<u>7,416,100</u>	<u>6,863,037</u>	<u>553,063</u>	<u>6,892,814</u>
Parks and recreation:				
Administration	315,000	230,193	84,807	282,265
Park maintenance	2,259,500	2,308,232	(48,732)	2,179,222
Forestry	410,200	425,076	(14,876)	412,610
Recreation and playgrounds	843,300	765,779	77,521	798,453
Total parks and recreation	<u>3,828,000</u>	<u>3,729,280</u>	<u>98,720</u>	<u>3,672,550</u>
Public safety:				
Police:				
Administration	508,900	492,752	16,148	466,545
Administrative services	1,327,700	1,286,316	41,384	1,286,501
Patrol services	6,361,100	6,296,302	64,798	5,720,274
Investigative services	1,573,200	1,740,622	(167,422)	1,638,465
Central communications	1,183,500	1,138,285	45,215	1,112,178
Total police	<u>10,954,400</u>	<u>10,954,277</u>	<u>123</u>	<u>10,223,963</u>
Fire:				
Administration	501,600	420,585	81,015	426,595
Suppression and rescue	6,828,500	6,851,485	(22,985)	6,522,907
Prevention and inspection	314,500	263,147	51,353	296,202
Total fire	<u>7,644,600</u>	<u>7,535,217</u>	<u>109,383</u>	<u>7,245,704</u>
Total public safety	<u>18,599,000</u>	<u>18,489,494</u>	<u>109,506</u>	<u>17,469,667</u>

CITY OF EAU CLAIRE

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER
 FINANCING USES-BUDGET AND ACTUAL (cont'd)
 Year Ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	2002		Variance - Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Miscellaneous:				
Payments to other organizations	\$ 400,800	\$ 323,576	\$ 77,224	\$ 315,512
Contractual services	32,300	32,587	(287)	32,057
Insurance	28,600	28,600	-	28,600
Special assessments	<u>181,000</u>	<u>32,979</u>	<u>148,021</u>	<u>65,447</u>
Total miscellaneous	<u>642,700</u>	<u>417,742</u>	<u>224,958</u>	<u>441,616</u>
Total expenditures	<u>36,340,600</u>	<u>34,901,426</u>	<u>1,439,174</u>	<u>33,775,305</u>
Other financing uses:				
Transfers to other funds:				
Special revenue fund	450,400	412,172	38,228	347,504
Debt service fund	2,113,500	1,985,308	128,192	1,750,701
Capital project funds	2,501,000	2,501,000	-	2,642,000
Proprietary funds	<u>1,071,200</u>	<u>792,065</u>	<u>279,135</u>	<u>1,022,577</u>
Total other financing uses	<u>6,136,100</u>	<u>5,690,545</u>	<u>445,555</u>	<u>5,762,782</u>
Total expenditures and other financing uses	<u>\$ 42,476,700</u>	<u>\$ 40,591,971</u>	<u>\$ 1,884,729</u>	<u>\$ 39,538,087</u>

Special Revenue Funds

The **Storm Water Management** fund was created to comply with DNR storm water discharge permit regulations and to account 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 **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 5-year grant from the State of Wisconsin to provide emergency response to incidents involving hazardous materials within a 16 county area of Northwestern Wisconsin.

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

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

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

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

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

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

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

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2002 With Comparative
Totals as of December 31, 2001

	<u>Storm Water Management</u>	<u>Cemetery Maintenance</u>	<u>Hazardous Materials Response</u>	<u>Community Development</u>	<u>Home Grant</u>
ASSETS					
Cash and short term investments	\$ 859,075	\$ 152,727	\$ 384,572	\$ 125,695	\$ -
Receivables:					
Taxes	44,308	-	-	-	-
Accounts	167,072	13,680	6,849	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepayments	-	-	-	-	-
Notes receivable	-	-	-	2,852,450	1,090,065
Total assets	<u>\$ 1,070,455</u>	<u>\$ 166,407</u>	<u>\$ 391,421</u>	<u>\$ 2,978,145</u>	<u>\$ 1,090,065</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 87,105	\$ 2,730	\$ 25,273	\$ 18,769	\$ 879
Accrued liabilities	4,013	7,555	492	32,602	97
Customer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	23,689
Due to other governments	-	-	-	4,850	-
Deferred revenue	75,981	13,680	6,849	2,852,450	1,090,065
Total liabilities	<u>167,099</u>	<u>23,965</u>	<u>32,614</u>	<u>2,908,671</u>	<u>1,114,730</u>
Fund balances:					
Reserved:					
For prepayments	-	-	-	-	-
For grant proceeds	-	-	-	-	-
Total reserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved:					
Designated:					
Designated for economic development	-	-	-	-	-
Designated for library trust funds	-	-	-	-	-
Designated for future expenditures	-	-	-	-	-
Designated for capital projects	-	-	-	-	-
Designated for subsequent year expenditures	-	-	37,700	-	-
Total designated	<u>-</u>	<u>-</u>	<u>37,700</u>	<u>-</u>	<u>-</u>
Undesignated (deficit)	903,356	142,442	321,107	69,474	(24,665)
Total fund balances	<u>903,356</u>	<u>142,442</u>	<u>358,807</u>	<u>69,474</u>	<u>(24,665)</u>
Total liabilities and fund balances	<u>\$ 1,070,455</u>	<u>\$ 166,407</u>	<u>\$ 391,421</u>	<u>\$ 2,978,145</u>	<u>\$ 1,090,065</u>

Economic Development	Community Enhancement	Public Library	City-County Health Department	Downtown Partners	Totals	
					2002	2001
\$ 6,063,019	\$ 16,523	\$ 590,952	\$ 403,536	\$ 34,024	\$ 8,630,123	\$ 9,936,929
-	-	2,591,900	1,379,500	-	4,015,708	3,804,041
-	71,522	187,445	15,630	-	462,198	504,127
-	-	2,813	-	-	2,813	98
-	-	-	31,536	-	31,536	11,666
-	-	-	-	-	-	28,458
<u>1,809,574</u>	<u>41,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,793,756</u>	<u>5,180,657</u>
<u>\$ 7,872,593</u>	<u>\$ 129,712</u>	<u>\$ 3,373,110</u>	<u>\$ 1,830,202</u>	<u>\$ 34,024</u>	<u>\$ 18,936,134</u>	<u>\$ 19,465,976</u>
\$ 6,845	\$ -	\$ 90,306	\$ 45,659	\$ 5,721	\$ 283,287	\$ 286,737
7,558	-	66,699	64,756	4,953	188,725	159,622
-	-	-	4,900	-	4,900	67,042
-	-	1,563	345	-	25,597	226,207
-	-	-	78,864	-	83,714	74,754
<u>1,809,574</u>	<u>41,667</u>	<u>2,710,720</u>	<u>1,379,500</u>	<u>-</u>	<u>9,980,486</u>	<u>9,221,787</u>
<u>1,823,977</u>	<u>41,667</u>	<u>2,869,288</u>	<u>1,574,024</u>	<u>10,674</u>	<u>10,566,709</u>	<u>10,036,149</u>
-	-	-	-	-	-	28,458
<u>136,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,072</u>	<u>150,814</u>
<u>136,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,072</u>	<u>179,272</u>
1,044,598	-	-	-	-	1,044,598	1,045,230
-	-	52,557	-	-	52,557	52,557
-	-	-	87,400	-	87,400	89,165
-	-	162,800	-	-	162,800	162,800
<u>620,000</u>	<u>88,045</u>	<u>130,500</u>	<u>91,900</u>	<u>-</u>	<u>968,145</u>	<u>941,842</u>
<u>1,664,598</u>	<u>88,045</u>	<u>345,857</u>	<u>179,300</u>	<u>-</u>	<u>2,315,500</u>	<u>2,291,594</u>
<u>4,247,946</u>	<u>-</u>	<u>157,965</u>	<u>76,878</u>	<u>23,350</u>	<u>5,917,853</u>	<u>6,958,961</u>
<u>6,048,616</u>	<u>88,045</u>	<u>503,822</u>	<u>256,178</u>	<u>23,350</u>	<u>8,369,425</u>	<u>9,429,827</u>
<u>\$ 7,872,593</u>	<u>\$ 129,712</u>	<u>\$ 3,373,110</u>	<u>\$ 1,830,202</u>	<u>\$ 34,024</u>	<u>\$ 18,936,134</u>	<u>\$ 19,465,976</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES Year Ended December 31, 2002 With Comparative Totals for Year Ended December 31, 2001

	Storm Water Management	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,257	-	237,135	1,177,953	830,939
Licenses and permits	-	13,345	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	1,620,523	135,922	2,458	-	-
Charges for services - intergovernmental	-	-	-	-	-
Miscellaneous:					
Loan repayments	-	-	-	375,466	10,385
Investment income	26,250	460	8,830	-	-
Building rental	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Other	53,712	-	-	-	-
Total miscellaneous	<u>79,962</u>	<u>460</u>	<u>8,830</u>	<u>375,466</u>	<u>10,385</u>
Total revenues	<u>1,714,742</u>	<u>149,727</u>	<u>248,423</u>	<u>1,553,419</u>	<u>841,324</u>
Current:					
Storm water management	820,568	-	-	-	-
Cemetery maintenance	-	411,899	-	-	-
Hazardous materials response	-	-	233,981	-	-
Community development	-	-	-	704,788	-
Home grant	-	-	-	-	497,245
Economic development	-	-	-	-	-
Community enhancement	-	-	-	-	-
Library	-	-	-	-	-
Health	-	-	-	-	-
Downtown partners	-	-	-	-	-
Total expenditures	<u>820,568</u>	<u>411,899</u>	<u>233,981</u>	<u>704,788</u>	<u>497,245</u>
Excess (deficiency) of revenues over expenditures	<u>894,174</u>	<u>(262,172)</u>	<u>14,442</u>	<u>848,631</u>	<u>344,079</u>
Other financing sources (uses):					
Transfers from other funds	-	262,172	-	-	-
Transfers to other funds	(709,202)	-	-	(600,042)	-
Transfers from component unit	-	-	-	-	-
Transfer to component unit	-	-	-	(234,555)	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>(709,202)</u>	<u>262,172</u>	<u>-</u>	<u>(834,597)</u>	<u>-</u>

(Continued)

Economic Development	Community Enhancement	Public Library	City-County Health Department	Downtown Partners	Totals	
					2002	2001
\$ -	\$ 938,691	\$ 2,464,400	\$ 1,291,300	\$ -	\$ 4,694,391	\$ 4,647,323
-	-	581	715,858	-	2,976,723	2,059,771
-	-	-	254,459	-	267,804	303,388
-	-	100,726	-	-	100,726	91,821
-	-	7,489	120,348	-	1,886,740	1,551,027
-	-	698,738	834,687	-	1,533,425	1,514,977
256,951	5,000	-	-	-	647,802	931,981
258,538	880	1,220	2,070	-	298,248	538,971
68,694	-	-	-	-	68,694	89,764
-	-	17,262	-	1,035	18,297	51,737
420	-	127,170	24,975	-	206,277	193,131
<u>584,603</u>	<u>5,880</u>	<u>145,652</u>	<u>27,045</u>	<u>1,035</u>	<u>1,239,318</u>	<u>1,805,584</u>
<u>584,603</u>	<u>944,571</u>	<u>3,417,586</u>	<u>3,243,697</u>	<u>1,035</u>	<u>12,699,127</u>	<u>11,973,891</u>
-	-	-	-	-	820,568	638,063
-	-	-	-	-	411,899	370,588
-	-	-	-	-	233,981	164,782
-	-	-	-	-	704,788	742,401
-	-	-	-	-	497,245	663,370
760,472	-	-	-	-	760,472	670,767
-	810,125	-	-	-	810,125	767,639
-	-	3,112,142	-	-	3,112,142	2,892,723
-	-	-	3,256,362	-	3,256,362	3,139,596
-	-	-	-	101,685	101,685	-
<u>760,472</u>	<u>810,125</u>	<u>3,112,142</u>	<u>3,256,362</u>	<u>101,685</u>	<u>10,709,267</u>	<u>10,049,929</u>
<u>(175,869)</u>	<u>134,446</u>	<u>305,444</u>	<u>(12,665)</u>	<u>(100,650)</u>	<u>1,989,860</u>	<u>1,923,962</u>
150,000	-	-	30,483	99,000	541,655	371,863
(99,000)	(215,500)	(233,813)	-	-	(1,857,557)	(1,600,157)
-	-	-	-	25,000	25,000	-
(1,500,000)	-	-	-	-	(1,734,555)	(411,235)
-	-	195	-	-	195	408
<u>(1,449,000)</u>	<u>(215,500)</u>	<u>(233,618)</u>	<u>30,483</u>	<u>124,000</u>	<u>(3,025,262)</u>	<u>(1,639,121)</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES (cont'd)
 Year Ended December 31, 2002 With Comparative
 Totals for Year Ended December 31, 2001

	<u>Storm Water Management</u>	<u>Cemetery Maintenance</u>	<u>Hazardous Materials Response</u>	<u>Community Development</u>	<u>Home Grant</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 184,972	\$ -	\$ 14,442	\$ 14,034	\$ 344,079
Fund balances (deficit) at beginning of year	<u>718,384</u>	<u>142,442</u>	<u>344,365</u>	<u>55,440</u>	<u>(368,744)</u>
Residual equity transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 903,356</u>	<u>\$ 142,442</u>	<u>\$ 358,807</u>	<u>\$ 69,474</u>	<u>\$ (24,665)</u>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Totals</u>	
					<u>2002</u>	<u>2001</u>
\$ (1,624,869)	\$ (81,054)	\$ 71,826	\$ 17,818	\$ 23,350	\$ (1,035,402)	\$ 284,841
<u>7,673,485</u>	<u>194,099</u>	<u>431,996</u>	<u>238,360</u>	<u>-</u>	<u>9,429,827</u>	<u>9,308,986</u>
<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(164,000)</u>
<u>\$ 6,048,616</u>	<u>\$ 88,045</u>	<u>\$ 503,822</u>	<u>\$ 256,178</u>	<u>\$ 23,350</u>	<u>\$ 8,369,425</u>	<u>\$ 9,429,827</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Storm Water Management			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental	\$ 18,800	\$ 14,257	\$ (4,543)	\$ -
Charges for services	1,556,400	1,620,523	64,123	1,345,909
Miscellaneous:				
Investment income	12,000	26,250	14,250	52,510
Other	55,500	53,712	(1,788)	14,033
Total miscellaneous	67,500	79,962	12,462	66,543
Total revenues	1,642,700	1,714,742	72,042	1,412,452
Expenditures:				
Current:				
Storm water management	951,900	820,568	131,332	638,063
Excess of revenues over expenditures	690,800	894,174	203,374	774,389
Other financing sources (uses):				
Transfers to other funds	(742,200)	(709,202)	32,998	(822,670)
Total other financing sources (uses)	(742,200)	(709,202)	32,998	(822,670)
Excess (deficiency) of revenues over expenditures and other financing uses	(51,400)	184,972	236,372	(48,281)
Fund balances at beginning of year	718,384	718,384	-	766,665
Fund balances at end of year	\$ 666,984	\$ 903,356	\$ 236,372	\$ 718,384

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Cemetery Maintenance			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Licenses and permits	\$ 70,000	\$ 13,345	\$ (56,655)	\$ 89,690
Charges for services	46,500	135,922	89,422	72,954
Miscellaneous:				
Investment income	14,000	460	(13,540)	7,340
Other	-	-	-	3,100
Total revenues	130,500	149,727	19,227	173,084
Expenditures:				
Current:				
Cemetery maintenance	430,900	411,899	19,001	370,588
Excess (deficiency) of revenues over expenditures	(300,400)	(262,172)	38,228	(197,504)
Other financing sources (uses):				
Transfers from other funds	300,400	262,172	(38,228)	197,504
Transfers to other funds	-	-	-	(105,000)
Total other financing sources (uses)	300,400	262,172	(38,228)	92,504
Excess (deficiency) of revenues and other financing sources over expenditures	-	-	-	(105,000)
Fund balances at beginning of year	142,442	142,442	-	247,442
Fund balances at end of year	\$ 142,442	\$ 142,442	\$ -	\$ 142,442

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Hazardous Materials Response			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Intergovernmental	\$ 222,100	\$ 237,135	\$ 15,035	\$ 164,800
Charges for services	8,000	2,458	(5,542)	1,155
Miscellaneous:				
Investment income	<u>3,500</u>	<u>8,830</u>	<u>5,330</u>	<u>15,680</u>
Total miscellaneous	<u>3,500</u>	<u>8,830</u>	<u>5,330</u>	<u>15,680</u>
Total revenues	<u>233,600</u>	<u>248,423</u>	<u>14,823</u>	<u>181,635</u>
Expenditures:				
Current:				
Hazardous materials response	<u>269,500</u>	<u>233,981</u>	<u>35,519</u>	<u>164,782</u>
Excess (deficiency) of revenues over expenditures	(35,900)	14,442	50,342	16,853
Fund balances at beginning of year	<u>344,365</u>	<u>344,365</u>	-	<u>327,512</u>
Fund balances at end of year	<u>\$ 308,465</u>	<u>\$ 358,807</u>	<u>\$ 50,342</u>	<u>\$ 344,365</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Economic Development			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Miscellaneous:				
Loan repayments	\$ 251,200	\$ 256,951	\$ 5,751	\$ 535,215
Investment income	357,000	258,538	(98,462)	450,051
Building rental	62,000	68,694	6,694	89,764
Gifts and donations	-	-	-	42,571
Other	-	420	420	1,500
Total miscellaneous	<u>670,200</u>	<u>584,603</u>	<u>(85,597)</u>	<u>1,119,101</u>
Total revenues	<u>670,200</u>	<u>584,603</u>	<u>(85,597)</u>	<u>1,119,101</u>
Expenditures:				
Current:				
Economic development	<u>807,000</u>	<u>760,472</u>	<u>46,528</u>	<u>670,767</u>
Excess (deficiency) of revenues over expenditures	<u>(136,800)</u>	<u>(175,869)</u>	<u>(39,069)</u>	<u>448,334</u>
Other financing sources (uses):				
Transfers from other funds	150,000	150,000	-	150,000
Transfers to other funds	(99,000)	(99,000)	-	-
Transfer to component unit	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>-</u>	<u>(202,340)</u>
Total other financing sources (uses)	<u>(1,449,000)</u>	<u>(1,449,000)</u>	<u>-</u>	<u>(52,340)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(1,585,800)</u>	<u>(1,624,869)</u>	<u>(39,069)</u>	<u>395,994</u>
Fund balances at beginning of year	<u>7,673,485</u>	<u>7,673,485</u>	<u>-</u>	<u>7,277,491</u>
Fund balances at end of year	<u>\$ 6,087,685</u>	<u>\$ 6,048,616</u>	<u>\$ (39,069)</u>	<u>\$ 7,673,485</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Community Enhancement			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes	\$ 975,000	\$ 938,691	\$ (36,309)	\$ 1,073,823
Miscellaneous:				
Loan repayments	5,000	5,000	-	3,333
Investment income	5,000	880	(4,120)	8,650
Total revenues	<u>985,000</u>	<u>944,571</u>	<u>(40,429)</u>	<u>1,085,806</u>
Expenditures:				
Current:				
Community enhancement	<u>810,200</u>	<u>810,125</u>	<u>75</u>	<u>767,639</u>
Excess of revenues over expenditures	174,800	134,446	(40,354)	318,167
Other financing uses:				
Transfers to other funds	<u>(240,500)</u>	<u>(215,500)</u>	<u>25,000</u>	<u>(146,600)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	(65,700)	(81,054)	(15,354)	171,567
Fund balances at beginning of year	<u>194,099</u>	<u>194,099</u>	<u>-</u>	<u>186,532</u>
Residual equity transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>(164,000)</u>
Fund balances at end of year	<u>\$ 103,399</u>	<u>\$ 88,045</u>	<u>\$ (15,354)</u>	<u>\$ 194,099</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Public Library			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes	\$ 2,464,400	\$ 2,464,400	\$ -	\$ 2,305,100
Intergovernmental	16,000	581	(15,419)	1,826
Fines and forfeitures	87,000	100,726	13,726	91,821
Charges for services	7,300	7,489	189	7,712
Charges for services - intergovernmental	710,100	698,738	(11,362)	731,324
Miscellaneous:				
Investment income	-	1,220	1,220	2,280
Gifts and donations	15,000	17,262	2,262	9,166
Other	154,000	127,170	(26,830)	87,618
Total miscellaneous	169,000	145,652	(23,348)	99,064
Total revenues	3,453,800	3,417,586	(36,214)	3,236,847
Expenditures:				
Current:				
Library	3,220,500	3,112,142	108,358	2,892,723
Excess of revenues over expenditures	233,300	305,444	72,144	344,124
Other financing sources (uses):				
Transfers to other funds	(233,800)	(233,813)	(13)	(251,976)
Sale of capital assets	500	195	(305)	408
Total other financing sources (uses)	(233,300)	(233,618)	(318)	(251,568)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	71,826	71,826	92,556
Fund balances at beginning of year	431,996	431,996	(13)	339,440
Fund balances at end of year	\$ 431,996	\$ 503,822	\$ 71,813	\$ 431,996

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	City-County Health			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes	\$ 1,291,300	\$ 1,291,300	\$ -	\$ 1,268,400
Intergovernmental	762,700	715,858	(46,842)	724,585
Licenses and permits	212,900	254,459	41,559	213,698
Charges for services	175,300	120,348	(54,952)	123,297
Charges for services - intergovernmental	837,500	834,687	(2,813)	783,653
Miscellaneous:				
Investment income	2,500	2,070	(430)	2,460
Other	15,000	24,975	9,975	86,880
Total miscellaneous	17,500	27,045	9,545	89,340
Total revenues	3,297,200	3,243,697	(53,503)	3,202,973
Expenditures:				
Current:				
Health	3,406,200	3,256,362	149,838	3,139,596
Excess (deficiency) of revenues over expenditures	(109,000)	(12,665)	96,335	63,377
Other financing sources (uses):				
Transfers from other funds	31,000	30,483	(517)	24,359
Excess (deficiency) of revenues and other financing sources over expenditures	(78,000)	17,818	95,818	87,736
Fund balances at beginning of year	238,360	238,360	-	150,624
Fund balances at end of year	\$ 160,360	\$ 256,178	\$ 95,818	\$ 238,360

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Downtown Partners			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Miscellaneous:				
Gifts and donations	\$ -	\$ 1,035	\$ 1,035	\$ -
Total revenues	-	1,035	1,035	-
Expenditures:				
Current:				
Downtown partners	124,000	101,685	22,315	-
Excess (deficiency) of revenues over expenditures	(124,000)	(100,650)	23,350	-
Other financing sources				
Transfers from other funds	99,000	99,000	-	-
Transfers from component unit	25,000	25,000	-	-
Total other financing sources	124,000	124,000	-	-
Excess (deficiency) of revenues over expenditures and other financing uses	-	23,350	23,350	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ 23,350	\$ 23,350	\$ -

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Total			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes	\$ 4,730,700	\$ 4,694,391	\$ (36,309)	\$ 4,647,323
Intergovernmental	1,019,600	967,831	(51,769)	891,211
Licenses and permits	282,900	267,804	(15,096)	303,388
Fines and forfeitures	87,000	100,726	13,726	91,821
Charges for services	1,793,500	1,886,740	93,240	1,551,027
Charges for services - intergovernmental	1,547,600	1,533,425	(14,175)	1,514,977
Miscellaneous:				
Loan repayments	256,200	261,951	5,751	538,548
Investment income	394,000	298,248	(95,752)	538,971
Building rental	62,000	68,694	6,694	89,764
Gifts and donations	15,000	18,297	3,297	51,737
Other	224,500	206,277	(18,223)	193,131
Total miscellaneous	<u>951,700</u>	<u>853,467</u>	<u>(98,233)</u>	<u>1,412,151</u>
Total revenues	<u>10,413,000</u>	<u>10,304,384</u>	<u>(108,616)</u>	<u>10,411,898</u>
Expenditures:				
Current:				
Storm water management	951,900	820,568	131,332	638,063
Cemetery maintenance	430,900	411,899	19,001	370,588
Hazardous materials response	269,500	233,981	35,519	164,782
Economic development	807,000	760,472	46,528	670,767
Community enhancement	810,200	810,125	75	767,639
Library	3,220,500	3,112,142	108,358	2,892,723
Health	3,406,200	3,256,362	149,838	3,139,596
Downtown partners	124,000	101,685	22,315	-
Total expenditures	<u>10,020,200</u>	<u>9,507,234</u>	<u>512,966</u>	<u>8,644,158</u>

CITY OF EAU CLAIRE

SPECIAL REVENUE FUNDS (WITH ANNUAL BUDGETS)
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
 Year ended December 31, 2002 With Comparative
 Actual Totals for Year Ended December 31, 2001

	Total			2001 Actual
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	
Excess of revenues over expenditures	\$ 392,800	\$ 797,150	\$ 404,350	\$ 1,767,740
Other financing sources (uses):				
Transfers from other funds	481,400	541,655	60,255	371,863
Transfers to other funds	(1,315,500)	(1,257,515)	57,985	(1,326,246)
Transfers to component units	(1,500,000)	(1,500,000)	-	(202,340)
Sale of capital assets	500	195	(305)	408
Total other financing sources (uses):	<u>(2,333,600)</u>	<u>(2,215,665)</u>	<u>117,935</u>	<u>(1,156,315)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,940,800)	(1,418,515)	522,285	611,425
Fund balances at beginning of year	<u>9,743,131</u>	<u>9,743,131</u>	<u>-</u>	<u>9,295,706</u>
Residual equity transfers out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(164,000)</u>
Fund balances at end of year	<u>\$ 7,802,331</u>	<u>\$ 8,299,616</u>	<u>\$ 497,285</u>	<u>\$ 9,743,131</u>

Debt Service Funds

The Debt Service funds account for the payment of interest and principal on the current portion of general obligation long-term debt, and the accumulation of resources for future payments.

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.

The **Debt Service – T.I.F. #4** fund accounts for debt funded by taxes resulting from the incremental property values in a defined area on the City's northwest side. This district was January 1, 1992 and amended in 1995.

CITY OF EAU CLAIRE

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2002 With Comparative
Totals as of December 31, 2001

	Debt	Debt	Totals	
	Service - General	Service - T.I.F. #4	2002	2001
ASSETS				
Current assets:				
Cash and short term investments	\$ 3,484,052	\$ 4,155,315	\$ 7,639,367	\$ 7,236,258
Receivables:				
Taxes	1,479,478	1,757,363	3,236,841	3,029,824
Accounts	5,382	-	5,382	-
Interest	-	13,548	13,548	12,621
Special assessments:				
Installment	5,968,946	-	5,968,946	5,827,109
Deferred	363,550	-	363,550	359,526
Prepayments	-	78,167	78,167	90,788
	<u>-</u>	<u>78,167</u>	<u>78,167</u>	<u>90,788</u>
Total assets	<u>\$ 11,301,408</u>	<u>\$ 6,004,393</u>	<u>\$ 17,305,801</u>	<u>\$ 16,556,126</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 49,123	\$ -	\$ 49,123	\$ 28,401
Refundable deposits	-	78,167	78,167	90,788
Deferred revenue	<u>7,817,356</u>	<u>1,770,911</u>	<u>9,588,267</u>	<u>9,229,080</u>
Total liabilities	<u>7,866,479</u>	<u>1,849,078</u>	<u>9,715,557</u>	<u>9,348,269</u>
Fund Balance:				
Reserved for debt service	2,845,937	4,155,315	7,001,252	6,657,057
Unreserved:				
Designated for subsequent years expenditures	<u>588,992</u>	<u>-</u>	<u>588,992</u>	<u>550,800</u>
Total fund balances	<u>3,434,929</u>	<u>4,155,315</u>	<u>7,590,244</u>	<u>7,207,857</u>
Total liabilities and fund balances	<u>\$ 11,301,408</u>	<u>\$ 6,004,393</u>	<u>\$ 17,305,801</u>	<u>\$ 16,556,126</u>

CITY OF EAU CLAIRE

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2002 With Comparative
 Totals for Year Ended December 31, 2001

	Debt Service- General	Debt Service- T.I.F. #4	Totals	
			2002	2001
Revenues:				
Taxes:				
Real and personal property	\$ -	\$ 1,675,994	\$ 1,675,994	\$ 1,492,620
Special assessments	<u>1,954,381</u>	<u>-</u>	<u>1,954,381</u>	<u>1,903,191</u>
Total taxes	<u>1,954,381</u>	<u>1,675,994</u>	<u>3,630,375</u>	<u>3,395,811</u>
Miscellaneous:				
Other revenue	-	43,948	43,948	56,949
Investment income	<u>380,879</u>	<u>86,701</u>	<u>467,580</u>	<u>509,546</u>
Total miscellaneous	<u>380,879</u>	<u>130,649</u>	<u>511,528</u>	<u>566,495</u>
Total revenues	<u>2,335,260</u>	<u>1,806,643</u>	<u>4,141,903</u>	<u>3,962,306</u>
Expenditures:				
Contractual services	55,859	630	56,489	3,020
Debt service:				
Principal retirement	7,093,670	1,470,000	8,563,670	2,893,670
Interest and fiscal charges	<u>1,803,001</u>	<u>289,618</u>	<u>2,092,619</u>	<u>1,837,197</u>
Total expenditures	<u>8,952,530</u>	<u>1,760,248</u>	<u>10,712,778</u>	<u>4,733,887</u>
Excess (deficiency) of revenues over expenditures	<u>(6,617,270)</u>	<u>46,395</u>	<u>(6,570,875)</u>	<u>(771,581)</u>
Other financing sources:				
Transfers from other funds	2,829,223	-	2,829,223	2,408,547
Proceeds from bonds	<u>4,124,039</u>	<u>-</u>	<u>4,124,039</u>	<u>-</u>
Total other financing sources	<u>6,953,262</u>	<u>-</u>	<u>6,953,262</u>	<u>2,408,547</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>335,992</u>	<u>46,395</u>	<u>382,387</u>	<u>1,636,966</u>
Fund balances at beginning of year	<u>3,098,937</u>	<u>4,108,920</u>	<u>7,207,857</u>	<u>5,570,891</u>
Fund balances at end of year	<u>\$ 3,434,929</u>	<u>\$ 4,155,315</u>	<u>\$ 7,590,244</u>	<u>\$ 7,207,857</u>

CITY OF EAU CLAIRE

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL
 Year Ended December 31, 2002 with Comparative
 Actual Totals for Year Ended December 31, 2001

	Debt Service - General			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes:				
Special assessments	\$ 1,100,000	\$ 1,954,381	\$ 854,381	\$ 1,903,191
Miscellaneous:				
Investment income	300,000	380,879	80,879	396,847
Total revenues	1,400,000	2,335,260	935,260	2,300,038
Expenditures:				
Contractual services	11,500	55,859	(44,359)	2,380
Debt service:				
Principal retirement	7,138,700	7,093,670	45,030	2,638,670
Interest and fiscal charges	1,931,000	1,803,001	127,999	1,534,395
Total expenditures	9,081,200	8,952,530	128,670	4,175,445
Excess (deficiency) of revenues over expenditures	(7,681,200)	(6,617,270)	1,063,930	(1,875,407)
Other financing sources:				
Transfer from other funds	3,541,200	2,829,223	(711,977)	2,408,547
Proceeds from bonds	4,140,000	4,124,039	(15,961)	-
Total other financing sources	7,681,200	6,953,262	(727,938)	2,408,547
Excess of revenues and other financing sources over expenditures	-	335,992	335,992	533,140
Fund balances at beginning of year	3,098,937	3,098,937	-	2,565,797
Fund balances at end of year	\$ 3,098,937	\$ 3,434,929	\$ 335,992	\$ 3,098,937

CITY OF EAU CLAIRE

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL (cont'd)
 Year Ended December 31, 2002 with Comparative
 Actual Totals for Year Ended December 31, 2001

	Debt Service - T.I.F. #4			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes:				
Real and personal property	\$ 1,700,000	\$ 1,675,994	\$ (24,006)	\$ 1,492,620
Miscellaneous:				
Other income	57,000	43,948	(13,052)	56,949
Investment income	150,000	86,701	(63,299)	112,699
Total miscellaneous	207,000	130,649	(76,351)	169,648
Total revenues	1,907,000	1,806,643	(100,357)	1,662,268
Expenditures:				
Contractual services	800	630	170	640
Debt service:				
Principal retirement	1,470,000	1,470,000	-	255,000
Interest and fiscal charges	289,700	289,618	82	302,802
Total expenditures	1,760,500	1,760,248	252	558,442
Excess of revenues over expenditures	146,500	46,395	(100,105)	1,103,826
Fund balances at beginning of year	4,108,920	4,108,920	-	3,005,094
Fund balances at end of year	\$ 4,255,420	\$ 4,155,315	\$ (100,105)	\$ 4,108,920

CITY OF EAU CLAIRE

DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL (cont'd)
 Year Ended December 31, 2002 with Comparative
 Actual Totals for Year Ended December 31, 2001

	Total			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Taxes:				
Real and personal property	\$ 1,700,000	\$ 1,675,994	\$ (24,006)	\$ 1,492,620
Special assessments	<u>1,100,000</u>	<u>1,954,381</u>	<u>854,381</u>	<u>1,903,191</u>
Total taxes	<u>2,800,000</u>	<u>3,630,375</u>	<u>830,375</u>	<u>3,395,811</u>
Miscellaneous:				
Other income	-	43,948	43,948	56,949
Investment income	<u>450,000</u>	<u>467,580</u>	<u>17,580</u>	<u>509,546</u>
Total miscellaneous	<u>450,000</u>	<u>511,528</u>	<u>61,528</u>	<u>566,495</u>
Total revenues	<u>3,250,000</u>	<u>4,141,903</u>	<u>891,903</u>	<u>3,962,306</u>
Expenditures:				
Contractual services	12,300	56,489	(44,189)	3,020
Debt service:				
Principal retirement	8,608,700	8,563,670	45,030	2,893,670
Interest and fiscal charges	<u>2,220,700</u>	<u>2,092,619</u>	<u>128,081</u>	<u>1,837,197</u>
Total expenditures	<u>10,841,700</u>	<u>10,712,778</u>	<u>128,922</u>	<u>4,733,887</u>
Excess of revenues over expenditures	(7,591,700)	(6,570,875)	1,020,825	(771,581)
Other financing sources (uses):				
Transfer from other funds	3,541,200	2,829,223	(711,977)	2,408,547
Proceeds from bonds	<u>4,140,000</u>	<u>4,124,039</u>	<u>(15,961)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,681,200</u>	<u>6,953,262</u>	<u>(727,938)</u>	<u>2,408,547</u>
Excess of revenues and other financing sources over expenditures and other financing uses	89,500	382,387	292,887	1,636,966
Fund balances at beginning of year	<u>7,207,857</u>	<u>7,207,857</u>	<u>-</u>	<u>5,570,891</u>
Fund balances at end of year	<u>\$ 7,297,357</u>	<u>\$ 7,590,244</u>	<u>\$ 292,887</u>	<u>\$ 7,207,857</u>

Capital Projects Funds

The **Industrial Development** fund accounts for land acquisition and improvements for development of industrial parks and other efforts by the City to encourage industrial and commercial growth.

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

The **TIF #6 Northeast Industrial Area** fund accounts for public improvements in the area bounded by Melby Road, Robin Road, County "I", and the City limits north of Sundet Road.

The **TIF #7 Soo Line Development Area** fund accounts for public improvements in the downtown area on the site of the former Soo Line depot, as well as City-owned property on Railroad Street, part of Doty Street, and the L.E. Philips Memorial Public Library.

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

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

The **Storm Water Projects** fund accounts for construction and major upgrades of storm sewers in the City.

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

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

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

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

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

CITY OF EAU CLAIRE

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
December 31, 2002 With Comparative
Totals as of December 31, 2001

	Industrial	TIF#5	TIF #6	TIF #7	TIF #8	Street
	Development	Gateway NW Business Park	NE Industrial Area	Soo Line Development	Downtown Development	Projects
ASSETS						
Cash and short term investments	\$ 103,395	\$ 380,480	\$ 261,247	\$ 95,669	\$ 3,720	\$ 4,808,425
Receivables:						
Taxes	-	514,227	178,746	82,909	-	-
Accounts	-	-	-	-	-	30,871
Special assessments	-	-	65,885	-	-	-
Due from other governments	-	-	-	-	-	-
Total current assets	<u>103,395</u>	<u>894,707</u>	<u>505,878</u>	<u>178,578</u>	<u>3,720</u>	<u>4,839,296</u>
Restricted assets:						
Construction account	-	31,893	-	149,998	1,917,161	-
Total assets	<u>\$ 103,395</u>	<u>\$ 926,600</u>	<u>\$ 505,878</u>	<u>\$ 328,576</u>	<u>\$ 1,920,881</u>	<u>\$ 4,839,296</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,723	\$ 960,201
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	514,227	244,631	82,909	-	-
Total liabilities	-	<u>514,227</u>	<u>244,631</u>	<u>82,909</u>	<u>9,723</u>	<u>960,201</u>
Fund balances:						
Reserved:						
For capital contracts	-	12,107	813	-	1,917,161	925,912
For bond construction	-	31,893	-	149,998	-	-
Unreserved:						
Designated for subsequent year expenditures	-	-	-	54,800	-	-
Undesignated (deficit)	<u>103,395</u>	<u>368,373</u>	<u>260,434</u>	<u>40,869</u>	<u>(6,003)</u>	<u>2,953,183</u>
Total fund balances	<u>103,395</u>	<u>412,373</u>	<u>261,247</u>	<u>245,667</u>	<u>1,911,158</u>	<u>3,879,095</u>
Total liabilities and fund balances	<u>\$ 103,395</u>	<u>\$ 926,600</u>	<u>\$ 505,878</u>	<u>\$ 328,576</u>	<u>\$ 1,920,881</u>	<u>\$ 4,839,296</u>

Storm Water Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals	
						2002	2001
\$ 2,171,645	\$ 1,114,104	\$ 1,897,935	\$ 1,226,609	\$ 1,339,561	\$ 449,879	\$ 13,852,669	\$ 12,685,711
-	-	-	-	-	-	775,882	599,456
-	-	74,771	76,190	-	-	181,832	89,827
-	-	-	-	-	-	65,885	76,866
-	-	-	304,000	-	-	304,000	108,458
<u>2,171,645</u>	<u>1,114,104</u>	<u>1,972,706</u>	<u>1,606,799</u>	<u>1,339,561</u>	<u>449,879</u>	<u>15,180,268</u>	<u>13,560,318</u>
<u>2,153,793</u>	-	-	-	-	-	4,252,845	3,542,430
<u>\$ 4,325,438</u>	<u>\$ 1,114,104</u>	<u>\$ 1,972,706</u>	<u>\$ 1,606,799</u>	<u>\$ 1,339,561</u>	<u>\$ 449,879</u>	<u>\$ 19,433,113</u>	<u>\$ 17,102,748</u>
\$ 306,568	\$ 25,399	\$ 54,000	\$ 51,564	\$ 11,144	\$ 15,562	\$ 1,434,161	\$ 940,522
-	-	-	-	-	-	-	2,166
-	-	74,771	380,190	-	-	1,296,728	705,980
<u>306,568</u>	<u>25,399</u>	<u>128,771</u>	<u>431,754</u>	<u>11,144</u>	<u>15,562</u>	<u>2,730,889</u>	<u>1,648,668</u>
-	145,301	560,578	55,246	50,349	4,087	3,671,554	1,652,284
2,153,794	-	-	-	-	-	2,335,685	3,542,430
-	-	-	-	-	-	54,800	61,700
<u>1,865,076</u>	<u>943,404</u>	<u>1,283,357</u>	<u>1,119,799</u>	<u>1,278,068</u>	<u>430,230</u>	<u>10,640,185</u>	<u>10,197,666</u>
<u>4,018,870</u>	<u>1,088,705</u>	<u>1,843,935</u>	<u>1,175,045</u>	<u>1,328,417</u>	<u>434,317</u>	<u>16,702,224</u>	<u>15,454,080</u>
<u>\$ 4,325,438</u>	<u>\$ 1,114,104</u>	<u>\$ 1,972,706</u>	<u>\$ 1,606,799</u>	<u>\$ 1,339,561</u>	<u>\$ 449,879</u>	<u>\$ 19,433,113</u>	<u>\$ 17,102,748</u>

CITY OF EAU CLAIRE

CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES Year Ended December 31, 2002 With Comparative Totals for Year Ended December 31, 2001

	Industrial Development	TIF#5 Gateway NW Business Park	TIF #6 NE Industrial Area	TIF #7 Soo Line Development	TIF #8 Downtown Development	Street Projects
Revenues:						
Taxes	\$ -	\$ 375,775	\$ 127,080	\$ 80,349	\$ -	\$ -
Special assessments	-	-	10,981	-	-	-
Intergovernmental:						
Grants	-	3,492	1,094	10,853	-	30,871
Miscellaneous:						
Investment income	2,350	9,595	12,103	6,414	5,971	45,703
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total miscellaneous	2,350	9,595	12,103	6,414	5,971	45,703
Total revenues	2,350	388,862	151,258	97,616	5,971	76,574
Expenditures:						
Capital projects	-	-	75,940	2,500	94,813	4,582,996
Debt Service:						
Principal retirement	-	55,000	40,000	65,000	-	-
Interest and fiscal charges	-	151,511	59,573	82,926	-	-
Total expenditures	-	206,511	175,513	150,426	94,813	4,582,996
Excess (deficiency) of revenues over expenditures	2,350	182,351	(24,255)	(52,810)	(88,842)	(4,506,422)
Other financing sources (uses):						
Transfer from other funds	-	-	-	-	-	1,339,705
Transfer to other funds	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Proceeds from bonds	-	-	-	-	2,000,000	2,574,709
Total other financing sources	-	-	-	-	2,000,000	3,914,414
Excess (deficiency) of revenue and other financing sources over expenditures	2,350	182,351	(24,255)	(52,810)	1,911,158	(592,008)
Fund balances at beginning of year	101,045	230,022	285,502	298,477	-	3,911,103
Residual equity transfers in	-	-	-	-	-	560,000
Fund balances at end of year	\$ 103,395	\$ 412,373	\$ 261,247	\$ 245,667	\$ 1,911,158	\$ 3,879,095

Storm Water Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements-Landfill	Library Buildings & Equipment	Totals	
						2002	2001
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 583,204	\$ 210,474
-	-	-	-	-	-	10,981	10,981
-	-	-	4,626	-	-	50,936	1,333,884
100,915	66,940	25,050	25,510	28,270	12,410	341,231	579,193
-	-	-	-	-	-	-	552,196
-	-	-	67,493	-	-	67,493	328,253
<u>100,915</u>	<u>66,940</u>	<u>25,050</u>	<u>93,003</u>	<u>28,270</u>	<u>12,410</u>	<u>408,724</u>	<u>1,459,642</u>
<u>100,915</u>	<u>66,940</u>	<u>25,050</u>	<u>97,629</u>	<u>28,270</u>	<u>12,410</u>	<u>1,053,845</u>	<u>3,014,981</u>
2,334,421	46,269	991,156	765,940	38,346	195,090	9,127,471	11,976,496
-	-	-	-	-	-	160,000	135,000
-	-	-	-	-	-	294,010	316,758
<u>2,334,421</u>	<u>46,269</u>	<u>991,156</u>	<u>765,940</u>	<u>38,346</u>	<u>195,090</u>	<u>9,581,481</u>	<u>12,428,254</u>
<u>(2,233,506)</u>	<u>20,671</u>	<u>(966,106)</u>	<u>(668,311)</u>	<u>(10,076)</u>	<u>(182,680)</u>	<u>(8,527,636)</u>	<u>(9,413,273)</u>
86,916	-	1,251,515	455,559	58,521	99,100	3,291,316	3,403,388
-	-	-	-	-	-	-	(5,000)
92,586	-	-	-	-	-	92,586	51,190
<u>1,162,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,736,878</u>	<u>8,700,000</u>
<u>1,341,671</u>	<u>-</u>	<u>1,251,515</u>	<u>455,559</u>	<u>58,521</u>	<u>99,100</u>	<u>9,120,780</u>	<u>12,149,578</u>
(891,835)	20,671	285,409	(212,752)	48,445	(83,580)	593,144	2,736,305
4,910,705	1,068,034	1,558,526	1,387,797	1,184,972	517,897	15,454,080	11,992,775
-	-	-	-	95,000	-	655,000	725,000
<u>\$ 4,018,870</u>	<u>\$ 1,088,705</u>	<u>\$ 1,843,935</u>	<u>\$ 1,175,045</u>	<u>\$ 1,328,417</u>	<u>\$ 434,317</u>	<u>\$ 16,702,224</u>	<u>\$ 15,454,080</u>

Enterprise Funds

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

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

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

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

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

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

CITY OF EAU CLAIRE

ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 December 31, 2002 With Comparative
 Totals as of December 31, 2001

ASSETS	Water Utility	Sewer Utility
Current assets:		
Cash and short term investments	\$ 3,201,679	\$ 7,531,166
Receivables:		
Taxes	452,699	475,973
Accounts	572,893	577,457
Other	537,286	499,744
Due from other governments	-	-
Inventories, at cost	125,424	-
Prepayments	7,542	-
Total current assets	4,897,523	9,084,340
Restricted assets:		
Equipment replacement account	268,000	402,000
Revenue bond debt service account	1,278,744	663,778
Total restricted assets	1,546,744	1,065,778
Net property, plant, and equipment	45,449,987	40,786,842
Other assets:		
Special assessments	1,355,701	1,584,631
Deferred debits	54,789	56,518
Total other assets	1,410,490	1,641,149
Total assets	\$ 53,304,744	\$ 52,578,109

Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Totals	
				2002	2001
\$ 354,688	\$ 350	\$ 80,418	\$ 37,375	\$ 11,205,676	\$ 11,392,649
-	-	-	-	928,672	873,066
7,884	40,008	80,743	535	1,279,520	1,407,618
-	2,000	-	-	1,039,030	1,018,269
-	1,106,940	-	-	1,106,940	739,659
-	-	-	-	125,424	120,651
-	-	-	-	7,542	8,190
<u>362,572</u>	<u>1,149,298</u>	<u>161,161</u>	<u>37,910</u>	<u>15,692,804</u>	<u>15,560,102</u>
-	-	-	-	670,000	678,000
-	-	-	-	1,942,522	1,980,942
-	-	-	-	2,612,522	2,658,942
<u>3,280,124</u>	<u>4,413,672</u>	<u>1,215,572</u>	<u>1,414,807</u>	<u>96,561,004</u>	<u>94,706,641</u>
-	-	-	-	2,940,332	2,766,787
-	-	-	10,000	121,307	39,432
-	-	-	10,000	3,061,639	2,806,219
<u>\$ 3,642,696</u>	<u>\$ 5,562,970</u>	<u>\$ 1,376,733</u>	<u>\$ 1,462,717</u>	<u>\$ 117,927,969</u>	<u>\$ 115,731,904</u>

CITY OF EAU CLAIRE

ENTERPRISE FUNDS
 COMBINING BALANCE SHEET (cont'd)
 December 31, 2002 With Comparative
 Totals as of December 31, 2001

<i>LIABILITIES AND FUND EQUITY</i>	Water Utility	Sewer Utility
Current liabilities:		
Accounts payable	\$ 294,007	\$ 238,023
Accrued liabilities	65,232	75,871
Accrued compensated absences	44,967	47,599
Due to other funds	-	-
Due to other governments	-	-
Deposits	-	-
Current portion of advances from other funds	258,218	28,126
Total current liabilities	662,424	389,619
Liabilities payable from restricted assets:		
Current portion of revenue bonds	505,000	430,000
Interest accrued	118,354	27,878
Total liabilities payable from restricted assets	623,354	457,878
Long-term liabilities (net of current portion)		
Revenue bonds	9,305,000	2,415,000
Premium on bonds	9,439	5,373
Deferred amount on refunding	(98,324)	-
Advance from other funds	4,890,477	951,422
Total long-term liabilities	14,106,592	3,371,795
Total liabilities	15,392,370	4,219,292
Fund equity:		
External contribution	16,798,003	25,993,776
Municipal contribution	4,041,399	1,529,728
Retained earnings:		
Reserved:		
Principal and interest	655,390	205,900
Total reserved	655,390	205,900
Unreserved (deficit)	16,417,582	20,629,413
Total retained earnings (deficit)	17,072,972	20,835,313
Total fund equity	37,912,374	48,358,817
Total liabilities and fund equity	\$ 53,304,744	\$ 52,578,109

Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Totals	
				2002	2001
\$ 4,672	\$ 52,204	\$ 27,420	\$ 8,822	\$ 625,148	\$ 774,484
5,344	108,275	8,583	-	263,305	257,909
2,463	66,826	2,579	-	164,434	155,067
-	1,208,396	-	-	1,208,396	484,205
-	-	-	-	-	2,167
-	22,505	-	-	22,505	21,164
-	-	-	105,000	391,344	368,443
<u>12,479</u>	<u>1,458,206</u>	<u>38,582</u>	<u>113,822</u>	<u>2,675,132</u>	<u>2,063,439</u>
-	-	-	-	935,000	805,000
-	-	-	-	146,232	203,402
-	-	-	-	1,081,232	1,008,402
-	-	-	-	11,720,000	13,540,000
-	-	-	-	14,812	(156,124)
-	-	-	-	(98,324)	-
-	-	-	780,000	6,621,899	7,003,243
-	-	-	780,000	18,258,387	20,387,119
<u>12,479</u>	<u>1,458,206</u>	<u>38,582</u>	<u>893,822</u>	<u>22,014,751</u>	<u>23,458,960</u>
-	1,147,292	936,334	-	44,875,405	44,875,405
5,049,991	1,103,539	1,605,213	915,488	14,245,358	14,266,558
-	-	-	-	861,290	973,913
-	-	-	-	861,290	973,913
<u>(1,419,774)</u>	<u>1,853,933</u>	<u>(1,203,396)</u>	<u>(346,593)</u>	<u>35,931,165</u>	<u>32,157,068</u>
<u>(1,419,774)</u>	<u>1,853,933</u>	<u>(1,203,396)</u>	<u>(346,593)</u>	<u>36,792,455</u>	<u>33,130,981</u>
<u>3,630,217</u>	<u>4,104,764</u>	<u>1,338,151</u>	<u>568,895</u>	<u>95,913,218</u>	<u>92,272,944</u>
<u>\$ 3,642,696</u>	<u>\$ 5,562,970</u>	<u>\$ 1,376,733</u>	<u>\$ 1,462,717</u>	<u>\$ 117,927,969</u>	<u>\$ 115,731,904</u>

CITY OF EAU CLAIRE

ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS Year Ended December 31, 2002 With Comparative Totals for the Year Ended December 31, 2001

	<u>Water Utility</u>	<u>Sewer Utility</u>
Operating revenues:		
Charges for services	\$ 6,399,393	\$ 5,730,721
Other	<u>120,039</u>	<u>83,166</u>
Total operating revenues	<u>6,519,432</u>	<u>5,813,887</u>
Operating expenses:		
Personal services	1,377,174	1,624,321
Contractual services	412,609	846,917
Supplies and materials	275,234	390,741
Utilities	338,362	369,615
Depreciation	1,231,858	1,137,346
Taxes	1,060,651	-
Administrative	<u>340,052</u>	<u>396,889</u>
Total operating expenses	<u>5,035,940</u>	<u>4,765,829</u>
Operating income (loss)	<u>1,483,492</u>	<u>1,048,058</u>
Non-operating revenues (expenses):		
Operating grants	-	-
Investment income	174,317	286,973
Net loss on disposal of fixed assets	-	-
Interest expense	(862,694)	(253,877)
Amortization	<u>(3,990)</u>	<u>(4,933)</u>
Total non-operating revenue (expenses)	<u>(692,367)</u>	<u>28,163</u>
Income (loss) before operating transfers	791,125	1,076,221
Operating transfers from other funds	<u>-</u>	<u>-</u>
Income before contributions	791,125	1,076,221
Capital contributions	<u>318,683</u>	<u>319,205</u>
Increase (decrease) in retained earnings	1,109,808	1,395,426
Retained earnings (deficit) at beginning of year	<u>15,963,164</u>	<u>19,439,887</u>
Retained earnings (deficit) at end of year	<u>\$ 17,072,972</u>	<u>\$ 20,835,313</u>

Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Totals	
				2002	2001
\$ 242,785	\$ 430,140	\$ 353,156	\$ 223,982	\$ 13,380,177	\$ 13,133,643
-	23,416	-	-	226,621	282,128
<u>242,785</u>	<u>453,556</u>	<u>353,156</u>	<u>223,982</u>	<u>13,606,798</u>	<u>13,415,771</u>
125,734	2,059,318	220,572	175,032	5,582,151	5,557,717
70,040	859,717	24,508	22,133	2,235,924	2,582,063
7,753	243,519	16,589	91,031	1,024,867	1,020,148
32,548	4,887	147,787	36,379	929,578	922,711
151,260	428,394	69,352	45,975	3,064,185	2,786,391
-	-	-	-	1,060,651	1,038,188
-	-	-	-	736,941	734,688
<u>387,335</u>	<u>3,595,835</u>	<u>478,808</u>	<u>370,550</u>	<u>14,634,297</u>	<u>14,641,906</u>
<u>(144,550)</u>	<u>(3,142,279)</u>	<u>(125,652)</u>	<u>(146,568)</u>	<u>(1,027,499)</u>	<u>(1,226,135)</u>
-	2,103,848	-	-	2,103,848	2,990,982
-	-	11,067	-	472,357	766,944
-	(62,308)	-	-	(62,308)	(123,940)
-	-	-	(64,892)	(1,181,463)	(1,142,026)
-	-	-	-	(8,923)	(8,331)
<u>-</u>	<u>2,041,540</u>	<u>11,067</u>	<u>(64,892)</u>	<u>1,323,511</u>	<u>2,483,629</u>
(144,550)	(1,100,739)	(114,585)	(211,460)	296,012	1,257,494
<u>-</u>	<u>570,347</u>	<u>56,233</u>	<u>165,485</u>	<u>792,065</u>	<u>1,022,577</u>
(144,550)	(530,392)	(58,352)	(45,975)	1,088,077	2,280,071
<u>-</u>	<u>1,935,509</u>	<u>-</u>	<u>-</u>	<u>2,573,397</u>	<u>1,576,126</u>
(144,550)	1,405,117	(58,352)	(45,975)	3,661,474	3,856,197
<u>(1,275,224)</u>	<u>448,816</u>	<u>(1,145,044)</u>	<u>(300,618)</u>	<u>33,130,981</u>	<u>29,274,784</u>
<u>\$ (1,419,774)</u>	<u>\$ 1,853,933</u>	<u>\$ (1,203,396)</u>	<u>\$ (346,593)</u>	<u>\$ 36,792,455</u>	<u>\$ 33,130,981</u>

CITY OF EAU CLAIRE

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended December 31, 2002 With Comparative
 Totals for the Year Ended December 31, 2001

	<u>Water Utility</u>	<u>Sewer Utility</u>
Cash flows from operating activities:		
Cash received from customers	\$ 6,649,753	\$ 5,867,051
Cash payments to suppliers for goods and services	(1,139,027)	(1,807,095)
Cash payments to employees for services	(1,377,174)	(1,624,322)
Administrative charges	(253,440)	(317,340)
Payment in lieu of taxes	<u>(1,060,651)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>2,819,461</u>	<u>2,118,294</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	-	-
Principal paid on advances from other funds	(242,218)	(26,225)
Operating grants received	-	-
Interest paid on advances from other funds	<u>-</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(242,218)</u>	<u>(26,225)</u>
Cash flows from capital and related financing activities:		
Net proceeds from sale of revenue bonds	-	-
Debt issuance costs	-	-
Proceeds from debt issued	-	2,828,705
Principal paid on revenue bonds	(480,000)	(4,055,000)
Interest on long-term liabilities	(887,318)	(278,314)
Purchase of capital assets	(1,739,705)	(1,505,996)
Capital contributions	318,683	319,205
Repayment of prior contributions	-	(325,000)
Special assessments received	205,475	261,017
Cost of removal of plant	(19,586)	-
Capital transfers in from other funds	<u>-</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	<u>(2,602,451)</u>	<u>(2,755,383)</u>
Cash flows from investing activities:		
Investment income	<u>174,317</u>	<u>286,973</u>
Net increase (decrease) in cash and cash equivalents	149,109	(376,341)
Cash and cash equivalents at beginning of year	<u>4,599,314</u>	<u>8,973,285</u>
Cash and cash equivalents at end of year	<u>\$ 4,748,423</u>	<u>\$ 8,596,944</u>

Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Total	
				2002	2001
\$ 238,359	\$ 359,580	\$ 343,469	\$ 223,447	\$ 13,681,659	\$ 13,152,457
(114,891)	(2,202,940)	(204,152)	(143,949)	(5,612,054)	(6,105,837)
(125,628)	(220,573)	(220,572)	(175,032)	(3,743,301)	(3,550,281)
-	-	-	-	(570,780)	(570,120)
-	-	-	-	(1,060,651)	(1,038,188)
<u>(2,160)</u>	<u>(2,063,933)</u>	<u>(81,255)</u>	<u>(95,534)</u>	<u>2,694,873</u>	<u>1,888,031</u>
-	570,347	56,233	181,885	808,465	1,022,577
-	-	-	(100,000)	(368,443)	(341,762)
-	1,803,618	-	-	1,803,618	3,016,807
-	-	-	(64,893)	(64,893)	(71,378)
-	<u>2,373,965</u>	<u>56,233</u>	<u>16,992</u>	<u>2,178,747</u>	<u>3,626,244</u>
-	-	-	-	-	4,615,000
-	-	-	-	-	(160,870)
-	-	-	-	2,828,705	-
-	-	-	-	(4,535,000)	(3,750,000)
-	-	-	-	(1,165,632)	(1,045,956)
-	(2,413,476)	(19,902)	-	(5,679,079)	(7,567,190)
-	1,935,509	-	100,000	2,673,397	1,266,126
-	-	-	-	(325,000)	-
-	-	-	-	466,492	446,204
-	-	-	-	(19,586)	(44,735)
<u>100,000</u>	<u>12,400</u>	<u>75,000</u>	<u>-</u>	<u>187,400</u>	<u>359,000</u>
<u>100,000</u>	<u>(465,567)</u>	<u>55,098</u>	<u>100,000</u>	<u>(5,568,303)</u>	<u>(5,882,421)</u>
-	-	-	-	461,290	766,944
97,840	(155,535)	30,076	21,458	(233,393)	398,798
<u>256,848</u>	<u>155,885</u>	<u>50,342</u>	<u>15,917</u>	<u>14,051,591</u>	<u>13,652,793</u>
<u>\$ 354,688</u>	<u>\$ 350</u>	<u>\$ 80,418</u>	<u>\$ 37,375</u>	<u>\$ 13,818,198</u>	<u>\$ 14,051,591</u>

CITY OF EAU CLAIRE

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended December 31, 2002 With Comparative
 Totals for the Year Ended December 31, 2001

	<u>Water Utility</u>	<u>Sewer Utility</u>
Reconciliation of operating income to cash flows from operating activities:		
Operating income (loss)	\$ 1,483,492	\$ 1,048,058
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,231,858	1,137,346
Nonoperating income	-	-
Depreciation reimbursement	77,773	-
Change in assets and liabilities:		
Taxes receivable	(41,303)	(14,303)
Accounts receivable	112,442	69,637
Other receivables	(18,591)	(2,170)
Inventories	(4,773)	-
Prepayments	648	-
Accounts payable	(15,240)	(123,390)
Accrued liabilities	(6,845)	3,116
Customer deposits	-	-
Due to other funds	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,819,461</u>	<u>\$ 2,118,294</u>

Parking Utility	Public Transit	Hobbs Ice Center	Outdoor Pool	Totals	
				2002	2001
\$ (144,550)	\$ (3,142,279)	\$ (125,652)	\$ (146,568)	\$ (1,027,499)	\$ (1,226,135)
151,260	428,394	69,352	45,975	3,064,185	2,786,391
-	-	11,067	-	11,067	-
-	-	-	-	77,773	82,977
-	-	-	-	(55,606)	(233,644)
(4,426)	(95,317)	(20,754)	(535)	61,047	(105,317)
-	-	-	-	(20,761)	(13,041)
-	-	-	-	(4,773)	16,674
-	-	-	-	648	(80)
(4,550)	(20,266)	6,349	5,594	(151,503)	57,983
106	19,513	(1,127)	-	14,763	49,279
-	1,341	-	-	1,341	5,712
-	744,681	(20,490)	-	724,191	467,232
<u>\$ (2,160)</u>	<u>\$ (2,063,933)</u>	<u>\$ (81,255)</u>	<u>\$ (95,534)</u>	<u>\$ 2,694,873</u>	<u>\$ 1,888,031</u>

CITY OF EAU CLAIRE
WATER UTILITY
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

	2002	2001
ASSETS		
Current assets:		
Cash and short term investments	\$ 3,201,679	\$ 3,027,109
Receivables:		
Taxes	452,699	411,396
Accounts	572,893	685,335
Other	537,286	518,695
Inventories, at cost	125,424	120,651
Prepayments	7,542	8,190
Total current assets	4,897,523	4,771,376
Equipment replacement account	268,000	268,000
Revenue bond debt service account	1,278,744	1,304,205
Total restricted assets	1,546,744	1,572,205
Property, plant and equipment:		
Source of supply	1,102,537	1,100,237
Pumping plant	4,464,565	4,436,429
Water treatment plant	4,958,814	4,926,749
Transmission and distribution plant	45,966,036	44,700,533
General plant	521,904	521,904
Construction in progress	1,773,921	1,790,843
Accumulated depreciation	(13,337,790)	(12,157,430)
Net property, plant, and equipment	45,449,987	45,319,265
Other assets:		
Special assessments:		
Non-current	944,486	845,336
Deferred	411,215	396,902
Total special assessments	1,355,701	1,242,238
Deferred debits:		
Unamortized bond issuance costs	54,789	58,779
Total other assets	1,410,490	1,301,017
Total assets	\$ 53,304,744	\$ 52,963,863

LIABILITIES AND FUND EQUITY	<u>2002</u>	<u>2001</u>
Current liabilities:		
Accounts payable	\$ 294,007	\$ 309,247
Accrued liabilities	65,232	73,551
Accrued compensated absences	44,967	43,493
Current portion of advances from other funds	<u>258,218</u>	<u>242,218</u>
Total current liabilities	<u>662,424</u>	<u>668,509</u>
Liabilities payable from restricted assets:		
Current portion of revenue bonds	505,000	480,000
Interest accrued	<u>118,354</u>	<u>151,438</u>
Total liabilities payable from restricted assets	<u>623,354</u>	<u>631,438</u>
Long-term liabilities (net of current portion):		
Revenue bonds	9,305,000	9,810,000
Premium on bonds	9,439	10,125
Deferred amount on refunding	(98,324)	(107,470)
Advance from other funds	<u>4,890,477</u>	<u>5,148,695</u>
Total long-term liabilities	<u>14,106,592</u>	<u>14,861,350</u>
Total liabilities	<u>15,392,370</u>	<u>16,161,297</u>
Fund equity:		
External contribution	16,798,003	16,798,003
Municipal contribution	4,041,399	4,041,399
Retained earnings:		
Reserved for debt service	655,390	674,140
Unreserved	<u>16,417,582</u>	<u>15,289,024</u>
Total retained earnings	<u>17,072,972</u>	<u>15,963,164</u>
Total fund equity	<u>37,912,374</u>	<u>36,802,566</u>
Total liabilities and fund equity	<u>\$ 53,304,744</u>	<u>\$ 52,963,863</u>

CITY OF EAU CLAIRE

WATER UTILITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 2002 and 2001

	2002	2001
Operating revenues:		
Charges for services:		
General customers:		
Residential	\$ 2,967,815	\$ 2,985,798
Commercial	1,192,756	1,206,176
Industrial	683,512	621,143
Fire protection service:		
Private	39,817	38,836
Public	1,123,029	1,087,343
Other sales to public authorities	320,332	318,175
Service charge for sewer collections	72,132	70,248
	6,399,393	6,327,719
Other:		
Forfeited discounts	63,978	57,646
Miscellaneous revenues	56,061	74,512
	120,039	132,158
Total operating revenues	6,519,432	6,459,877
Operating expenses:		
Personal services	1,377,174	1,339,188
Contractual services	412,609	662,172
Supplies and materials	275,234	243,432
Utilities	338,362	312,266
Depreciation	1,231,858	1,208,064
Taxes	1,060,651	1,038,188
Administrative	340,052	342,261
	5,035,940	5,145,571
Total operating expenses	5,035,940	5,145,571
Operating income	1,483,492	1,314,306

	<u>2002</u>	<u>2001</u>
Non-operating revenues (expenses):		
Investment income	\$ 174,317	\$ 242,372
Interest expense	(862,694)	(777,060)
Amortization	<u>(3,990)</u>	<u>(4,746)</u>
Total non-operating revenues (expenses)	<u>(692,367)</u>	<u>(539,434)</u>
Income before contributions	791,125	774,872
Capital contributions	<u>318,683</u>	<u>646,379</u>
Increase in retained earnings	1,109,808	1,421,251
Retained earnings at beginning of year	<u>15,963,164</u>	<u>14,541,913</u>
Retained earnings at end of year	<u>\$ 17,072,972</u>	<u>\$ 15,963,164</u>

CITY OF EAU CLAIRE

WATER UTILITY
 COMPARATIVE STATEMENT OF CASH FLOWS
 Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$ 6,649,753	\$ 6,393,259
Cash payments to suppliers for goods and services	(1,139,027)	(1,199,389)
Cash payments to employees for services	(1,377,174)	(1,339,188)
Administrative charges	(253,440)	(255,324)
Payment in lieu of taxes	(1,060,651)	(1,038,188)
Net cash provided by operating activities	2,819,461	2,561,170
Cash flows from noncapital financing activities:		
Principal paid on advances from other funds	(242,218)	(227,310)
Net cash used for noncapital financing activities	(242,218)	(227,310)
Cash flows from capital and related financing activities:		
Net proceeds from sale of revenue bonds	-	4,615,000
Debt issuance costs	-	(160,870)
Principal paid on revenue bonds	(480,000)	(3,440,000)
Purchase of capital assets	(1,739,705)	(2,748,974)
Special assessments received	205,475	215,736
Capital contributions	318,683	646,379
Cost of removal of property retired	(19,586)	(44,735)
Interest on long-term liabilities	(887,318)	(748,688)
Net cash used for capital and related financing activities	(2,602,451)	(1,666,152)
Cash flows from investing activities:		
Investment income	174,317	242,372
Net decrease in cash and cash equivalents	149,109	910,080
Cash and cash equivalents at beginning of year	4,599,314	3,689,234
Cash and cash equivalents at end of year	\$ 4,748,423	\$ 4,599,314

	<u>2002</u>	<u>2001</u>
Reconciliation of operating income to cash flows from operating activities:		
Operating income	\$ 1,483,492	\$ 1,314,306
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,231,858	1,208,064
Depreciation reimbursement	77,773	82,977
Change in assets and liabilities:		
Taxes receivable	(41,303)	(107,642)
Accounts receivable	112,442	(25,111)
Other receivables	(18,591)	(16,842)
Inventories	(4,773)	16,674
Prepayments	648	(80)
Accounts payable	(15,240)	42,240
Accrued liabilities	(6,845)	46,584
Net cash provided by operating activities	<u>\$ 2,819,461</u>	<u>\$ 2,561,170</u>

RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET	<u>Cash and Short Term Investments</u>	<u>Restricted Assets</u>	<u>Statement of Cash Flow Total</u>
Cash - beginning	\$ 3,027,109	\$ 1,572,205	\$ 4,599,314
Net increase (decrease)	<u>174,570</u>	<u>(25,461)</u>	<u>149,109</u>
Cash - ending	<u>\$ 3,201,679</u>	<u>\$ 1,546,744</u>	<u>\$ 4,748,423</u>

CITY OF EAU CLAIRE
SEWER UTILITY
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

ASSETS	2002	2001
Currents assets:		
Cash and short term investments	\$ 7,531,166	\$ 7,886,548
Receivables:		
Taxes	475,973	461,670
Accounts	577,457	647,094
Other	499,744	497,574
Total current assets	9,084,340	9,492,886
Restricted assets:		
Equipment replacement account	402,000	410,000
Revenue bond debt service account	663,778	676,737
Total restricted assets	1,065,778	1,086,737
Property, plant and equipment:		
Land and land improvements	109,339	109,339
Buildings	19,840,332	19,718,180
Sanitary sewer extensions	35,877,492	32,903,684
Equipment	1,429,394	1,486,994
Construction in progress	901,483	2,835,055
Accumulated depreciation	(17,371,198)	(16,313,961)
Net property, plant and equipment	40,786,842	40,739,291
Other assets:		
Special assessments:		
Non-current	1,185,088	1,133,636
Deferred	399,543	390,913
Total special assessments	1,584,631	1,524,549
Deferred debits:		
Debt discount and expense	56,518	39,432
Total other assets	1,641,149	1,563,981
Total assets	\$ 52,578,109	\$ 52,882,895

LIABILITIES AND FUND EQUITY	<u>2002</u>	<u>2001</u>
Current liabilities:		
Accounts payable	\$ 238,023	\$ 359,246
Accrued expense	75,871	72,604
Accrued compensated absences	47,599	47,750
Due to other governments	-	2,167
Current portion of advances from other funds	<u>28,126</u>	<u>26,225</u>
Total current liabilities	<u>389,619</u>	<u>507,992</u>
Liabilities payable from restricted assets:		
Current portion of revenue bonds	430,000	325,000
Interest accrued	<u>27,878</u>	<u>51,964</u>
Total liabilities payable from restricted assets	<u>457,878</u>	<u>376,964</u>
Long-term liabilities (net of current portion):		
Revenue bonds	2,415,000	3,730,000
Premium on bonds	5,373	-
Advance from other funds	<u>951,422</u>	<u>979,548</u>
Total long-term liabilities	<u>3,371,795</u>	<u>4,709,548</u>
Total liabilities	<u>4,219,292</u>	<u>5,594,504</u>
Fund equity:		
External contribution	25,993,776	25,993,776
Municipal contribution	1,529,728	1,854,728
Retained earnings:		
Reserved for debt service	205,900	299,773
Unreserved	<u>20,629,413</u>	<u>19,140,114</u>
Total retained earnings	<u>20,835,313</u>	<u>19,439,887</u>
Total fund equity	<u>48,358,817</u>	<u>47,288,391</u>
Total liabilities and fund equity	<u>\$ 52,578,109</u>	<u>\$ 52,882,895</u>

CITY OF EAU CLAIRE

SEWER UTILITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charges for services:		
Residential	\$ 2,602,739	\$ 2,611,939
Commercial	1,691,399	1,713,724
Industrial	666,100	558,631
Public	330,728	318,625
Other	<u>439,755</u>	<u>407,428</u>
 Total charges for services	 <u>5,730,721</u>	 <u>5,610,347</u>
 Other:		
Forfeited discounts	58,217	52,685
Miscellaneous revenues	<u>24,949</u>	<u>58,268</u>
 Total other	 <u>83,166</u>	 <u>110,953</u>
 Total operating revenues	 <u>5,813,887</u>	 <u>5,721,300</u>
 Operating expenses:		
Personal services	1,624,321	1,573,033
Contractual services	846,917	947,450
Supplies and materials	390,741	422,069
Utilities	369,615	382,654
Depreciation	1,137,346	1,073,780
Administrative	<u>396,889</u>	<u>392,427</u>
 Total operating expenses	 <u>4,765,829</u>	 <u>4,791,413</u>
 Operating income	 <u>1,048,058</u>	 <u>929,887</u>

	<u>2002</u>	<u>2001</u>
Non-operating revenues (expenses):		
Investment income	\$ 286,973	\$ 524,572
Interest expense	(253,877)	(293,588)
Amortization	(4,933)	(3,585)
Loss on disposal of equipment	<u>-</u>	<u>(89,181)</u>
Total non-operating revenues (expenses)	<u>28,163</u>	<u>138,218</u>
Income before contributions	1,076,221	1,068,105
Capital contributions	<u>319,205</u>	<u>904,747</u>
Increase in retained earnings	1,395,426	1,972,852
Retained earnings at beginning of year	<u>19,439,887</u>	<u>17,467,035</u>
Retained earnings at end of year	<u>\$ 20,835,313</u>	<u>\$ 19,439,887</u>

CITY OF EAU CLAIRE

SEWER UTILITY
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Cash received from customers	\$ 5,867,051	\$ 5,499,191
Cash payments to suppliers for goods and services	(1,807,095)	(1,722,123)
Cash payments to employees for services	(1,624,322)	(1,573,033)
Administrative charges	<u>(317,340)</u>	<u>(314,796)</u>
Net cash provided by operating activities	<u>2,118,294</u>	<u>1,889,239</u>
Cash flows from noncapital financing activities:		
Principal paid on advances from other funds	<u>(26,225)</u>	<u>(24,452)</u>
Net cash used for noncapital financing activities	<u>(26,225)</u>	<u>(24,452)</u>
Cash flows from capital and related financing activities:		
Proceeds from debt issued	2,828,705	-
Principal paid on revenue bonds	(4,055,000)	(310,000)
Interest on long-term liabilities	(278,314)	(297,268)
Purchase of capital assets	(1,505,996)	(3,043,573)
Capital contributions	319,205	504,747
Repayment of prior contributions	(325,000)	-
Special assessments received	<u>261,017</u>	<u>230,468</u>
Net cash used for capital and related financing activities	<u>(2,755,383)</u>	<u>(2,915,626)</u>
Cash flows from investing activities:		
Investment income	<u>286,973</u>	<u>524,572</u>
Net decrease in cash and cash equivalents	(376,341)	(526,267)
Cash and cash equivalents at beginning of year	<u>8,973,285</u>	<u>9,499,552</u>
Cash and cash equivalents at end of year	<u>\$ 8,596,944</u>	<u>\$ 8,973,285</u>

	<u>2002</u>	<u>2001</u>
Reconciliation of operating income to cash flows from operating activities:		
Operating income	\$ 1,048,058	\$ 929,887
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,137,346	1,073,780
Change in assets and liabilities:		
Taxes receivable	(14,303)	(126,002)
Accounts receivable	69,637	(99,908)
Other receivables	(2,170)	3,801
Accounts payable	(123,390)	65,506
Accrued liabilities	3,116	42,175
Net cash provided by operating activities	<u>\$ 2,118,294</u>	<u>\$ 1,889,239</u>

RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET	<u>Cash and Short Term Investments</u>	<u>Restricted Assets</u>	<u>Statement of Cash Flow Total</u>
Cash - beginning	\$ 7,886,548	\$ 1,086,737	\$ 8,973,285
Net decrease	<u>(355,382)</u>	<u>(20,959)</u>	<u>(376,341)</u>
Cash - ending	<u>\$ 7,531,166</u>	<u>\$ 1,065,778</u>	<u>\$ 8,596,944</u>

CITY OF EAU CLAIRE
PARKING UTILITY
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

	2002	2001
ASSETS		
Currents assets:		
Cash and short term investments	\$ 354,688	\$ 256,848
Receivables:		
Accounts	7,884	3,458
Total current assets	362,572	260,306
Property, plant and equipment:		
Land and land improvements	1,397,051	1,397,051
Buildings	3,913,650	3,913,650
Equipment	-	41,329
Accumulated depreciation	(2,030,577)	(1,920,646)
Net property, plant, and equipment	3,280,124	3,431,384
Total assets	\$ 3,642,696	\$ 3,691,690
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 4,672	\$ 9,222
Accrued liabilities	5,344	5,407
Accrued compensated absences	2,463	2,294
Total current liabilities	12,479	16,923
Fund equity:		
Municipal contribution	5,049,991	4,949,991
Retained earnings:		
Unreserved (deficit)	(1,419,774)	(1,275,224)
Total fund equity	3,630,217	3,674,767
Total liabilities and fund equity	\$ 3,642,696	\$ 3,691,690

CITY OF EAU CLAIRE

PARKING UTILITY
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 2002 and 2001

	2002	2001
Operating revenues:		
Charges for services:		
On-street meters	\$ 19,905	\$ 16,813
Off-street meters	107,924	98,012
Off-street unmetered:		
Graham ramp	49,192	48,874
Farwell ramp	65,764	61,074
Miscellaneous	-	1,200
	242,785	225,973
Total operating revenues		
Operating expenses:		
Personal services	125,734	116,557
Contractual services	70,040	60,202
Supplies and materials	7,753	8,098
Utilities	32,548	35,386
Depreciation	151,260	150,513
	387,335	370,756
Total operating expenses		
Operating loss	(144,550)	(144,783)
Non-operating revenue (expenses)		
Loss of disposal of equipment	-	(3,215)
Total non-operating income (expenses)	-	(3,215)
Net loss	(144,550)	(147,998)
Retained earnings (deficit) at beginning of year	(1,275,224)	(1,127,226)
Retained earnings (deficit) at end of year	\$ (1,419,774)	\$ (1,275,224)

CITY OF EAU CLAIRE

PARKING UTILITY
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$ 238,359	\$ 226,935
Cash payments to suppliers for goods and services	(114,891)	(112,667)
Cash payments to employees for services	(125,628)	(112,981)
Net cash provided by operating activities	(2,160)	1,287
Cash flows from capital and related financing activities:		
Purchase of capital assets	-	(188,111)
Capital transfers in from other funds	100,000	100,000
Net cash provided (used for) capital and related financing activities	100,000	(88,111)
Net increase (decrease) in cash and cash equivalents	97,840	(86,824)
Cash and cash equivalents at beginning of year	256,848	343,672
Cash and cash equivalents at end of year	\$ 354,688	\$ 256,848
 Reconciliation of operating income to cash flows from operating activities:		
Operating loss	\$ (144,550)	\$ (144,783)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	151,260	150,513
Change in assets and liabilities:		
Accounts receivable	(4,426)	962
Accounts payable	(4,550)	(8,981)
Accrued liabilities	106	3,576
Net cash provided by operating activities	\$ (2,160)	\$ 1,287

CITY OF EAU CLAIRE
PUBLIC TRANSIT
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

ASSETS	2002	2001
Currents assets:		
Cash and short term investments	\$ 350	\$ 155,885
Receivables:		
Accounts	40,008	11,742
Other	2,000	2,000
Due from other governments	1,106,940	739,659
Total current assets	1,149,298	909,286
Property, plant and equipment:		
Buildings	110,335	110,335
Equipment	5,569,875	3,673,354
Construction work in progress	55,363	-
Accumulated depreciation	(1,321,901)	(1,292,791)
Net property, plant, and equipment	4,413,672	2,490,898
Total assets	\$ 5,562,970	\$ 3,400,184
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 52,204	\$ 72,470
Accrued liabilities	108,275	95,654
Accrued compensated absences	66,826	59,934
Deposits	22,505	21,164
Due to other funds	1,208,396	463,715
Total current liabilities	1,458,206	712,937
Fund equity:		
External contribution	1,147,292	1,147,292
Municipal contribution	1,103,539	1,091,139
Retained earnings:		
Unreserved	1,853,933	448,816
Total fund equity	4,104,764	2,687,247
Total liabilities and fund equity	\$ 5,562,970	\$ 3,400,184

CITY OF EAU CLAIRE

PUBLIC TRANSIT
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
Years Ended December 31, 2002 and 2001

	2002	2001
Operating revenues:		
Charges for services:		
Passenger revenue	\$ 430,140	\$ 435,126
Other:		
Advertising	21,315	18,320
Miscellaneous	2,101	20,697
	23,416	39,017
Total other		
	23,416	39,017
Total operating revenues	453,556	474,143
Operating expenses:		
Personal services	2,059,318	2,120,417
Contractual services	859,717	862,696
Supplies and materials	243,519	269,588
Utilities	4,887	4,677
Depreciation	428,394	235,702
	3,595,835	3,493,080
Total operating expenses	3,595,835	3,493,080
Operating loss	(3,142,279)	(3,018,937)
Non-operating revenues:		
Operating grants:		
Federal	891,003	1,629,452
State	1,030,221	1,113,454
Local	182,624	248,076
	2,103,848	2,990,982
Total operating grants	2,103,848	2,990,982
Net loss on disposal of fixed assets	(62,308)	(10,253)
Total non-operating revenues	2,041,540	2,980,729
Loss before contributions and operating transfers	(1,100,739)	(38,208)
Capital contributions	1,935,509	
Operating transfers from general fund	570,347	762,923
Net change in retained earnings	1,405,117	724,715
Retained earnings (deficit) at beginning of year	448,816	(275,899)
Retained earnings at end of year	\$ 1,853,933	\$ 448,816

CITY OF EAU CLAIRE

PUBLIC TRANSIT
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$ 359,580	\$ 477,815
Cash payments to suppliers for goods and services	(2,202,940)	(2,770,319)
Cash payments to employees for services	(220,573)	(116,557)
Net cash used for operating activities	(2,063,933)	(2,409,061)
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	570,347	762,923
Operating grants received	1,803,618	3,016,807
Net cash provided by noncapital financial activities	2,373,965	3,779,730
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,413,476)	(1,225,134)
Capital contributions	1,935,509	-
Capital transfers in from other funds	12,400	10,000
Net cash provided by (used for) capital and related financing activities	(465,567)	(1,215,134)
Net increase (decrease) in cash and cash equivalents	(155,535)	155,535
Cash and cash equivalents at beginning of year	155,885	350
Cash and cash equivalents at end of year	\$ 350	\$ 155,885
Reconciliation of operating income to cash flows from operating activities:		
Operating loss	\$ (3,142,279)	\$ (3,018,937)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	428,394	235,702
Change in assets and liabilities:		
Accounts receivable	(95,317)	(2,040)
Accounts payable	(20,266)	(28,128)
Accrued liabilities	19,513	(48,112)
Customer deposits	1,341	5,712
Due to other funds	744,681	446,742
Net cash used for operating activities	\$ (2,063,933)	\$ (2,409,061)

CITY OF EAU CLAIRE
HOBBS ICE CENTER
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

	2002	2001
ASSETS		
Currents assets:		
Cash and short term investments	\$ 80,418	\$ 50,342
Receivables:		
Accounts	80,743	59,989
	161,161	110,331
Total current assets		
Property, plant and equipment:		
Land and land improvements	5,000	5,000
Buildings	1,965,117	1,918,442
Equipment	77,689	82,842
Construction in progress	-	26,774
Accumulated depreciation	(832,234)	(768,036)
	1,215,572	1,265,022
Net property, plant, and equipment		
	1,376,733	1,375,353
Total assets	\$ 1,376,733	\$ 1,375,353
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 27,420	\$ 21,071
Accrued liabilities	8,583	10,693
Accrued compensated absences	2,579	1,596
Due to other funds	-	20,490
	38,582	53,850
Total current liabilities		
Fund equity:		
External contribution	936,334	936,334
Municipal contribution	1,605,213	1,530,213
Retained earnings:		
Unreserved (deficit)	(1,203,396)	(1,145,044)
	1,338,151	1,321,503
Total fund equity		
	1,376,733	1,375,353
Total liabilities and fund equity	\$ 1,376,733	\$ 1,375,353

CITY OF EAU CLAIRE

HOBBS ICE CENTER
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charges for services	\$ 353,156	\$ 322,827
 Total operating revenues	 <u>353,156</u>	 <u>322,827</u>
Operating expenses:		
Personal services	220,572	230,082
Contractual services	24,508	27,286
Supplies and materials	16,589	27,853
Utilities	147,787	152,140
Depreciation	<u>69,352</u>	<u>71,834</u>
 Total operating expenses	 <u>478,808</u>	 <u>509,195</u>
 Operating loss	 (125,652)	 (186,368)
Non-operating revenues (expenses):		
Gifts and donations	11,067	-
Net loss on disposal of fixed assets	<u>-</u>	<u>(689)</u>
 Loss before operating transfers	 (114,585)	 (187,057)
 Operating transfers from other funds	 <u>56,233</u>	 <u>114,534</u>
 Loss before contributions	 (58,352)	 (72,523)
 Capital contributions	 <u>-</u>	 <u>25,000</u>
 Decrease in retained earnings	 (58,352)	 (47,523)
 Retained earnings (deficit) at beginning of year	 <u>(1,145,044)</u>	 <u>(1,097,521)</u>
 Retained earnings (deficit) at end of year	 <u>\$ (1,203,396)</u>	 <u>\$ (1,145,044)</u>

CITY OF EAU CLAIRE

HOBBS ICE CENTER
COMPARATIVE STATEMENT OF CASH FLOWS
 Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$ 343,469	\$ 343,177
Cash payments to suppliers for goods and services	(204,152)	(196,955)
Cash payments to employees for services	(220,572)	(230,082)
Net cash used for operating activities	(81,255)	(83,860)
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	56,233	114,534
Cash flows from capital and related financing activities:		
Purchase of capital assets	(19,902)	(361,398)
Contributions received	-	25,000
Capital transfers in from other funds	75,000	249,000
Net cash provided by (used for) capital and related financing activities	55,098	(87,398)
Net increase (decrease) in cash and cash equivalents	30,076	(56,724)
Cash and cash equivalents at beginning of year	50,342	107,066
Cash and cash equivalents at end of year	\$ 80,418	\$ 50,342
Reconciliation of operating income to cash flows from operating activities:		
Operating loss	\$ (125,652)	\$ (186,368)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	69,352	71,834
Non-operating income	11,067	-
Change in assets and liabilities:		
Accounts receivable	(20,754)	20,351
Accounts payable	6,349	(15,223)
Accrued liabilities	(1,127)	5,056
Due to other funds	(20,490)	20,490
Net cash used for operating activities	\$ (81,255)	\$ (83,860)

CITY OF EAU CLAIRE

OUTDOOR POOL
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

	2002	2001
ASSETS		
Currents assets:		
Cash and short term investments	\$ 37,375	\$ 15,917
Accounts receivable	535	-
Total current assets	37,910	15,917
Property, plant and equipment:		
Land and land improvements	1,342,687	1,342,687
Buildings	557,663	557,663
Accumulated depreciation	(485,543)	(439,569)
Net property, plant, and equipment	1,414,807	1,460,781
Deferred debits:		
Debt discount and expense	10,000	-
Total assets	\$ 1,462,717	\$ 1,476,698
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 8,822	\$ 3,228
Current portion of advances from other funds	105,000	100,000
Total current liabilities	113,822	103,228
Long-term liabilities (net of current portion):		
Advance from other funds	780,000	875,000
Total long-term liabilities	780,000	875,000
Total liabilities	893,822	978,228
Fund equity:		
Municipal contribution	915,488	799,088
Retained earnings:		
Unreserved (deficit)	(346,593)	(300,618)
Total fund equity	568,895	498,470
Total liabilities and fund equity	\$ 1,462,717	\$ 1,476,698

CITY OF EAU CLAIRE

OUTDOOR POOL
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Years Ended December 31, 2002 and 2001

	2002	2001
Operating revenues:		
Charges for services:		
Pool admissions	\$ 167,965	\$ 156,225
Pool concessions	42,289	41,473
Miscellaneous	13,728	13,953
Total operating revenues	223,982	211,651
Operating expenses:		
Personal services	175,032	178,440
Contractual services	22,133	22,257
Supplies and materials	91,031	49,108
Utilities	36,379	35,588
Depreciation	45,975	46,498
Total operating expenses	370,550	331,891
Operating loss	(146,568)	(120,240)
Non-operating expenses:		
Loss on disposal of fixed assets	-	(20,602)
Interest expense	(64,892)	(71,378)
Total non-operating expenses	(64,892)	(91,980)
Loss before operating transfers	(211,460)	(212,220)
Operating transfers from general fund	165,485	145,120
Net loss	(45,975)	(67,100)
Retained earnings (deficit) at beginning of year	(300,618)	(233,518)
Retained earnings (deficit) at end of year	\$ (346,593)	\$ (300,618)

CITY OF EAU CLAIRE

OUTDOOR POOL
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Cash received from customers	\$ 223,447	\$ 212,080
Cash payments to suppliers for goods and services	(143,949)	(104,384)
Cash payments to employees for services	<u>(175,032)</u>	<u>(178,440)</u>
Net cash provided by (used for) operating activities	<u>(95,534)</u>	<u>(70,744)</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	181,885	145,120
Principal paid on advances from other funds	(100,000)	(90,000)
Interest paid on advances from other funds	<u>(64,893)</u>	<u>(71,378)</u>
Net cash used for noncapital financing activities	<u>16,992</u>	<u>(16,258)</u>
Cash flows from capital and related financing activities:		
Capital paid in by municipality	<u>100,000</u>	<u>90,000</u>
Net cash provided by capital and related financing activities	<u>100,000</u>	<u>90,000</u>
Net increase in cash and cash equivalents	21,458	2,998
Cash and cash equivalents at beginning of year	<u>15,917</u>	<u>12,919</u>
Cash and cash equivalents at end of year	<u>\$ 37,375</u>	<u>\$ 15,917</u>
 Reconciliation of operating income to cash flows from operating activities:		
Operating loss	\$ (146,568)	\$ (120,240)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	45,975	46,498
Changes in assets and liabilities:		
Accounts receivable	(535)	429
Accounts payable	<u>5,594</u>	<u>2,569</u>
Net cash used for operating activities	<u>\$ (95,534)</u>	<u>\$ (70,744)</u>
Noncash investing, capital and financing activities:		
Debt issuance costs	<u>\$ 10,000</u>	<u>\$ -</u>

Internal Service Funds

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

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

CITY OF EAU CLAIRE

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2002 With Comparative
Totals as of December 31, 2001

ASSETS	Risk Management	Central Equipment	Totals	
			2002	2001
Current assets:				
Cash and short term investments	\$ 6,573,596	\$ 7,842,684	\$ 14,416,280	\$ 15,379,531
Receivables:				
Accounts	178,202	-	178,202	86,913
Due from other funds	-	107	107	93
Due from other governments	-	19,875	19,875	17,440
Inventories, at cost	-	411,586	411,586	411,759
Total current assets	<u>6,751,798</u>	<u>8,274,252</u>	<u>15,026,050</u>	<u>15,895,736</u>
Restricted assets:				
Equipment replacement account	-	-	-	-
Escrow account	170,067	-	170,067	107,058
Total restricted assets	<u>170,067</u>	<u>-</u>	<u>170,067</u>	<u>107,058</u>
Deposit in insurance pools	766,496	-	766,496	766,496
Net property, plant, and equipment	-	9,850,682	9,850,682	9,639,595
Total assets	<u>\$ 7,688,361</u>	<u>\$ 18,124,934</u>	<u>\$ 25,813,295</u>	<u>\$ 26,408,885</u>

LIABILITIES AND EQUITY	Risk Management	Central Equipment	Totals	
			2002	2001
Current liabilities:				
Accounts payable	\$ 23,080	\$ 135,012	\$ 158,092	\$ 507,791
Accrued liabilities	3,207	17,662	20,869	20,700
Due to other funds	2,813	-	2,813	98
Accrued compensated absences	3,718	13,899	17,617	18,894
Unpaid claims-current portion	<u>220,000</u>	<u>-</u>	<u>220,000</u>	<u>220,000</u>
Total current liabilities	<u>252,818</u>	<u>166,573</u>	<u>419,391</u>	<u>767,483</u>
Long-term liabilities (net of current portion):				
Unpaid claims	<u>975,579</u>	<u>-</u>	<u>975,579</u>	<u>1,045,894</u>
Total liabilities	<u>1,228,397</u>	<u>166,573</u>	<u>1,394,970</u>	<u>1,813,377</u>
Equity:				
External contribution	-	1,168,362	1,168,362	1,168,362
Municipal contribution	-	5,401,851	5,401,851	5,401,851
Retained earnings:				
Reserved:				
For restricted assets	170,067	-	170,067	107,058
For deposit in insurance pools	<u>766,496</u>	<u>-</u>	<u>766,496</u>	<u>766,496</u>
Total reserved	<u>936,563</u>	<u>-</u>	<u>936,563</u>	<u>873,554</u>
Unreserved	<u>5,523,401</u>	<u>11,388,148</u>	<u>16,911,549</u>	<u>17,151,741</u>
Total retained earnings	<u>6,459,964</u>	<u>11,388,148</u>	<u>17,848,112</u>	<u>18,025,295</u>
Total equity	<u>6,459,964</u>	<u>17,958,361</u>	<u>24,418,325</u>	<u>24,595,508</u>
Total liabilities and equity	<u>\$ 7,688,361</u>	<u>\$ 18,124,934</u>	<u>\$ 25,813,295</u>	<u>\$ 26,408,885</u>

CITY OF EAU CLAIRE

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS Year Ended December 31, 2002 With Comparative Totals for Year Ended December 31, 2001

	Risk Management	Central Equipment	Totals	
			2002	2001
Operating revenues:				
Service charges	\$ -	\$ 608,175	\$ 608,175	\$ 602,080
Rental of equipment	-	1,983,271	1,983,271	1,962,382
Insurance	<u>1,240,132</u>	<u>-</u>	<u>1,240,132</u>	<u>1,117,582</u>
Total charges for services	<u>1,240,132</u>	<u>2,591,446</u>	<u>3,831,578</u>	<u>3,682,044</u>
Other:				
Repayment of insurance claims	105,203	-	105,203	133,487
Building rental	-	155,618	155,618	162,549
Refund of prior year expenditures	-	-	-	5,300
Miscellaneous	<u>-</u>	<u>6,429</u>	<u>6,429</u>	<u>3,726</u>
Total operating revenues	<u>1,345,335</u>	<u>2,753,493</u>	<u>4,098,828</u>	<u>3,987,106</u>
Operating expenses:				
Personal services	107,614	514,766	622,380	603,461
Contractual services	13,713	485,532	499,245	528,413
Supplies and materials	2,490	597,761	600,251	548,044
Utilities	609	108,339	108,948	123,681
Depreciation	-	899,124	899,124	926,385
Claims	<u>694,410</u>	<u>-</u>	<u>694,410</u>	<u>510,313</u>
Total operating expenses	<u>818,836</u>	<u>2,605,522</u>	<u>3,424,358</u>	<u>3,240,297</u>
Operating income	<u>526,499</u>	<u>147,971</u>	<u>674,470</u>	<u>746,809</u>
Non-operating revenues (expenses):				
Investment income	176,137	-	176,137	333,983
Sale of fixed assets	-	12,890	12,890	-
Net gain (loss) on disposal of fixed assets	<u>(1,250)</u>	<u>(6,030)</u>	<u>(7,280)</u>	<u>(44,006)</u>
Total non-operating revenues (expenses)	<u>174,887</u>	<u>6,860</u>	<u>181,747</u>	<u>289,977</u>
Income before contributions	701,386	154,831	856,217	1,036,786
Capital contributions	<u>-</u>	<u>61,600</u>	<u>61,600</u>	<u>-</u>
Increase in retained earnings	701,386	216,431	917,817	1,036,786
Retained earnings at beginning of year	6,853,578	11,171,717	18,025,295	17,713,509
Residual equity transfer out	<u>(1,095,000)</u>	<u>-</u>	<u>(1,095,000)</u>	<u>(725,000)</u>
Retained earnings at end of year	<u>\$ 6,459,964</u>	<u>\$ 11,388,148</u>	<u>\$ 17,848,112</u>	<u>\$ 18,025,295</u>

(Continued)

CITY OF EAU CLAIRE

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended December 31, 2002 With Comparative
 Totals for Year Ended December 31, 2001

	Risk	Central	Totals	
	Management	Equipment	2002	2001
Cash flows from operating activities:				
Cash received from customers	\$ 1,119,459	\$ 2,762,890	\$ 3,882,349	\$ 3,937,849
Cash payments to suppliers for goods and services	(9,372)	(1,546,992)	(1,556,364)	(863,875)
Cash payments to employees for services	(107,614)	(514,766)	(622,380)	(603,461)
Claims paid	(764,724)	-	(764,724)	(890,941)
Repayment of insurance claims	122,741	-	122,741	93,669
Net cash provided by operating activities	<u>360,490</u>	<u>701,132</u>	<u>1,061,622</u>	<u>1,673,241</u>
Cash flows from noncapital financing activities:				
Contributions to other funds	<u>(1,095,000)</u>	<u>-</u>	<u>(1,095,000)</u>	<u>(725,000)</u>
Net cash provided by noncapital financial activities	<u>(1,095,000)</u>	<u>-</u>	<u>(1,095,000)</u>	<u>(725,000)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(1,117,491)	(1,117,491)	(1,181,544)
Capital contributions	-	61,600	61,600	-
Proceeds from sale of equipment	-	12,890	12,890	-
Net cash used for capital and related financing activities	<u>-</u>	<u>(1,043,001)</u>	<u>(1,043,001)</u>	<u>(1,181,544)</u>
Cash flows from investing activities:				
Investment income	<u>176,137</u>	<u>-</u>	<u>176,137</u>	<u>333,983</u>
Net increase (decrease) in cash and cash equivalents	(558,373)	(341,869)	(900,242)	100,680
Cash and cash equivalents at beginning of year	<u>7,302,036</u>	<u>8,184,553</u>	<u>15,486,589</u>	<u>15,385,909</u>
Cash and cash equivalents at end of year	<u>\$ 6,743,663</u>	<u>\$ 7,842,684</u>	<u>\$ 14,586,347</u>	<u>\$ 15,486,589</u>

CITY OF EAU CLAIRE

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

	Risk Management	Central Equipment	Totals	
			2002	2001
Reconciliation of operating income to cash flows from operating activities:				
Operating income	\$ 526,499	\$ 147,971	\$ 674,470	\$ 746,809
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	899,124	899,124	926,385
Change in assets and liabilities:				
Accounts receivable	(103,135)	9,397	(93,738)	(49,257)
Inventories	-	173	173	(52,934)
Accounts payable	8,137	(355,121)	(346,984)	374,830
Accrued liabilities	(696)	(412)	(1,108)	14,367
Unpaid claims	(70,315)	-	(70,315)	(286,959)
Net cash provided by operating activities	<u>\$ 360,490</u>	<u>\$ 701,132</u>	<u>\$ 1,061,622</u>	<u>\$ 1,673,241</u>

CITY OF EAU CLAIRE

RISK MANAGEMENT
COMPARATIVE BALANCE SHEET
December 31, 2002 and 2001

ASSETS	2002	2001
Current assets:		
Cash and short term investments	\$ 6,573,596	\$ 7,194,978
Receivables:		
Accounts	<u>178,202</u>	<u>75,067</u>
Total current assets	<u>6,751,798</u>	<u>7,270,045</u>
Restricted assets:		
Escrow account	170,067	107,058
Deposit in insurance pools	766,496	766,496
Property, plant and equipment:		
Equipment	-	25,000
Accumulated depreciation	<u>-</u>	<u>(23,750)</u>
Net property, plant, and equipment	<u>-</u>	<u>1,250</u>
Total assets	<u>\$ 7,688,361</u>	<u>\$ 8,144,849</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 23,080	\$ 17,658
Accrued liabilities	3,207	4,349
Due to other funds	2,813	98
Accrued compensated absences	3,718	3,272
Unpaid claims-current portion	<u>220,000</u>	<u>220,000</u>
Total current liabilities	<u>252,818</u>	<u>245,377</u>
Long-term liabilities (net of current portion):		
Unpaid claims	<u>975,579</u>	<u>1,045,894</u>
Total liabilities	<u>1,228,397</u>	<u>1,291,271</u>
Equity:		
Retained earnings:		
Reserved:		
For restricted assets	170,067	107,058
For deposit in insurance pools	<u>766,496</u>	<u>766,496</u>
Total reserved	<u>936,563</u>	<u>873,554</u>
Unreserved	5,523,401	5,980,024
Total equity	<u>6,459,964</u>	<u>6,853,578</u>
Total liabilities and equity	<u>\$ 7,688,361</u>	<u>\$ 8,144,849</u>

CITY OF EAU CLAIRE

RISK MANAGEMENT COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Charges for services:		
Insurance	\$ 1,240,132	\$ 1,117,582
Other:		
Repayment of insurance claims	<u>105,203</u>	<u>133,487</u>
 Total operating revenues	 <u>1,345,335</u>	 <u>1,251,069</u>
 Operating expenses:		
Personal services	107,614	105,996
Contractual services	13,713	18,998
Supplies and materials	2,490	3,633
Utilities	609	989
Claims	<u>694,410</u>	<u>510,313</u>
 Total operating expenses	 <u>818,836</u>	 <u>639,929</u>
 Operating income	 <u>526,499</u>	 <u>611,140</u>
 Non-operating revenues (expenses):		
Investment income	176,137	333,983
Net loss on disposal of fixed assets	<u>(1,250)</u>	<u>(8,788)</u>
 Total non-operating revenues (expenses)	 <u>174,887</u>	 <u>325,195</u>
 Net income	 701,386	 936,335
 Retained earnings at beginning of year	 6,853,578	 6,642,243
 Residual equity transfer out	 <u>(1,095,000)</u>	 <u>(725,000)</u>
 Retained earnings at end of year	 <u>\$ 6,459,964</u>	 <u>\$ 6,853,578</u>

CITY OF EAU CLAIRE

RISK MANAGEMENT
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Cash received from customers	\$ 1,119,459	\$ 1,211,251
Cash payments to suppliers for goods and services	(9,372)	(11,662)
Cash payments to employees for services	(107,614)	(105,996)
Claims paid	(764,724)	(890,941)
Repayment of insurance claims	<u>122,741</u>	<u>93,669</u>
 Net cash provided by operating activities	 <u>360,490</u>	 <u>296,321</u>
 Cash flows used for noncapital financing activities:		
Contributions to other funds	<u>(1,095,000)</u>	<u>(725,000)</u>
 Net cash used for capital and related financing activities:	 <u>(1,095,000)</u>	 <u>(725,000)</u>
 Cash flows from investing activities:		
Investment income	<u>176,137</u>	<u>333,983</u>
 Net decrease in cash and cash equivalents	 (558,373)	 (94,696)
 Cash and cash equivalents at beginning of year	 <u>7,302,036</u>	 <u>7,396,732</u>
 Cash and cash equivalents at end of year	 <u>\$ 6,743,663</u>	 <u>\$ 7,302,036</u>
 Reconciliation of operating income to cash flows from operating activities:		
Operating income	\$ 526,499	\$ 611,140
 Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts receivable	(103,135)	(39,818)
Accounts payable	8,137	7,728
Accrued liabilities	(696)	4,230
Unpaid claims	<u>(70,315)</u>	<u>(286,959)</u>
 Net cash provided by operating activities	 <u>\$ 360,490</u>	 <u>\$ 296,321</u>

RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET	<u>Cash and Short Term Investments</u>	<u>Restricted Assets</u>	<u>Statement of Cash Flow Total</u>
Cash - beginning	\$ 7,194,978	\$ 107,058	\$ 7,302,036
Net increase	<u>(621,382)</u>	<u>63,009</u>	<u>(558,373)</u>
 Cash - ending	 <u>\$ 6,573,596</u>	 <u>\$ 170,067</u>	 <u>\$ 6,743,663</u>

CITY OF EAU CLAIRE

CENTRAL EQUIPMENT COMPARATIVE BALANCE SHEET December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
Current assets:		
Cash and short term investments	\$ 7,842,684	\$ 8,184,553
Receivables:		
Accounts	-	11,846
Due from other funds	107	93
Due from other governments	19,875	17,440
Inventories, at cost	<u>411,586</u>	<u>411,759</u>
Total current assets	<u>8,274,252</u>	<u>8,625,691</u>
Property, plant and equipment:		
Land and land improvements	257,876	257,876
Buildings	5,707,137	5,519,619
Equipment	170,086	182,974
Rental equipment	11,449,819	10,919,229
Construction in progress	76,990	122,443
Accumulated depreciation	<u>(7,811,226)</u>	<u>(7,363,796)</u>
Net property, plant, and equipment	<u>9,850,682</u>	<u>9,638,345</u>
Total assets	<u>\$ 18,124,934</u>	<u>\$ 18,264,036</u>

CITY OF EAU CLAIRE

**CENTRAL EQUIPMENT
COMPARATIVE BALANCE SHEET (cont'd)
December 31, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
<i>LIABILITIES AND EQUITY</i>		
Current liabilities:		
Accounts payable	\$ 135,012	\$ 490,133
Accrued liabilities	17,662	16,351
Accrued compensated absences	<u>13,899</u>	<u>15,622</u>
Total liabilities	<u>166,573</u>	<u>522,106</u>
Equity:		
External contribution	1,168,362	1,168,362
Municipal contribution	5,401,851	5,401,851
Retained earnings:		
Reserved:		
Unreserved	<u>11,388,148</u>	<u>11,171,717</u>
Total retained earnings	<u>11,388,148</u>	<u>11,171,717</u>
Total equity	<u>17,958,361</u>	<u>17,741,930</u>
Total liabilities and equity	<u>\$ 18,124,934</u>	<u>\$ 18,264,036</u>

CITY OF EAU CLAIRE

CENTRAL EQUIPMENT COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS Years Ended December 31, 2002 and 2001

	2002	2001
Operating revenues:		
Charges for services:	\$ 608,175	\$ 602,080
Rental of equipment	1,983,271	1,962,382
Other:		
Building rental	155,618	162,549
Refund of prior year expenditures	-	5,300
Miscellaneous	6,429	3,726
 Total operating revenues	 2,753,493	 2,736,037
 Operating expenses:		
Personal services	514,766	497,465
Contractual services	485,532	509,415
Supplies and materials	597,761	544,411
Utilities	108,339	122,692
Depreciation	899,124	926,385
 Total operating expenses	 2,605,522	 2,600,368
 Operating income	 147,971	 135,669
 Non-operating revenues:		
Sale of fixed assets	12,890	-
Net gain (loss) on disposal of fixed assets	(6,030)	(35,218)
 Total non-operating revenues (expenses)	 6,860	 (35,218)
 Income before contributions	 154,831	 100,451
 Capital contributions	 61,600	 -
 Increase in retained earnings	 216,431	 100,451
 Retained earnings at beginning of year	 11,171,717	 11,071,266
 Retained earnings at end of year	 \$ 11,388,148	 \$ 11,171,717

CITY OF EAU CLAIRE

CENTRAL EQUIPMENT COMPARATIVE STATEMENT OF CASH FLOWS Years Ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from customers	\$ 2,762,890	\$ 2,726,598
Cash payments to suppliers for goods and services	(1,546,992)	(852,213)
Cash payments to employees for services	(514,766)	(497,465)
Net cash provided by operating activities	701,132	1,376,920
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,117,491)	(1,181,544)
Capital contributions	61,600	-
Proceeds from sale of equipment	12,890	-
Net cash used for capital and related financing activities	(1,043,001)	(1,181,544)
Net increase (decrease) in cash and cash equivalents	(341,869)	195,376
Cash and cash equivalents at beginning of year	8,184,553	7,989,177
Cash and cash equivalents at end of year	\$ 7,842,684	\$ 8,184,553
Reconciliation of operating income to cash flows from operating activities:		
Operating income	\$ 147,971	\$ 135,669
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	899,124	926,385
Change in assets and liabilities:		
Accounts receivable	9,397	(9,439)
Inventories	173	(52,934)
Accounts payable	(355,121)	367,102
Accrued liabilities	(412)	10,137
Net cash provided by operating activities	\$ 701,132	\$ 1,376,920

Trust and Agency Funds

Expendable Trust Funds

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.

Agency Fund

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

CITY OF EAU CLAIRE

TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 December 31, 2002 With Comparative
 Totals as of December 31, 2001

	<u>Expendable Trust Fund</u>	<u>Agency Fund</u>	<u>Totals</u>	
	<u>Former Landfill Escrow</u>	<u>Tax Collection</u>	<u>2002</u>	<u>2001</u>
ASSETS				
Cash and short term investments	\$ 81,134	\$ 11,013,395	\$ 11,094,529	\$ 7,489,911
Receivables:				
Taxes	<u>-</u>	<u>37,657,488</u>	<u>37,657,488</u>	<u>39,354,970</u>
Total assets	<u>\$ 81,134</u>	<u>\$ 48,670,883</u>	<u>\$ 48,752,017</u>	<u>\$ 46,844,881</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,991	\$ -	\$ 7,991	\$ 5,802
Due to other governments	-	48,670,883	48,670,883	46,719,405
Deposits	<u>73,143</u>	<u>-</u>	<u>73,143</u>	<u>119,674</u>
Total liabilities	<u>81,134</u>	<u>48,670,883</u>	<u>48,752,017</u>	<u>46,844,881</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 81,134</u>	<u>\$ 48,670,883</u>	<u>\$ 48,752,017</u>	<u>\$ 46,844,881</u>

CITY OF EAU CLAIRE

EXPENDABLE TRUST FUND -
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002 With Comparative
Totals for Year Ended December 31, 2001

	Expendable Trust Fund Former Landfill Escrow	
	<u>2002</u>	<u>2001</u>
Revenues:		
Taxes:		
Charges for services	\$ 133,131	\$ 81,516
Expenditures:		
Landfill closing	<u>74,610</u>	<u>81,516</u>
Excess of revenues over expenditures	58,521	-
Other financing uses:		
Transfer to other funds	<u>(58,521)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>

CITY OF EAU CLAIRE

**AGENCY FUND
STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
Year Ended December 31, 2002**

	<u>Balance Jan. 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2002</u>
<u>Tax Collection Fund</u>				
Assets:				
Cash and cash equivalents	\$ 7,364,435	\$ 65,813,926	\$ 62,164,966	\$ 11,013,395
Taxes receivable	<u>39,354,970</u>	<u>56,035,318</u>	<u>57,732,800</u>	<u>37,657,488</u>
Total assets	<u>\$ 46,719,405</u>	<u>\$ 121,849,244</u>	<u>\$ 119,897,766</u>	<u>\$ 48,670,883</u>
Liabilities:				
Due to other governments	<u>\$ 46,719,405</u>	<u>\$ 48,670,883</u>	<u>\$ 46,719,405</u>	<u>\$ 48,670,883</u>

CITY OF EAU CLAIRE

EXPENDABLE TRUST FUND
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL
Year Ended December 31, 2002 With Comparative
Actual Totals For Year Ended December 31, 2001

	Former Landfill Escrow			
	2002 Budget	2002 Actual	Variance - Favorable (Unfavorable)	2001 Actual
Revenues:				
Charges for services	\$ 150,000	\$ 133,131	\$ (16,869)	\$ 81,516
Total revenues	<u>150,000</u>	<u>133,131</u>	<u>(16,869)</u>	<u>81,516</u>
Expenditures:				
Landfill closing	<u>150,000</u>	<u>74,610</u>	<u>75,390</u>	<u>81,516</u>
Total expenditures	<u>150,000</u>	<u>74,610</u>	<u>75,390</u>	<u>81,516</u>
Excess of revenues over expenditures	-	58,521	58,521	-
Other financing uses:				
Transfer to other funds	<u>-</u>	<u>(58,521)</u>	<u>(58,521)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Fixed Assets Account Group

The **General Fixed Assets Account Group** accounts for all fixed assets not accounted for in enterprise and internal service funds.

CITY OF EAU CLAIRE

**SCHEDULE OF GENERAL FIXED ASSETS-
BY SOURCES
December 31, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
General fixed assets:		
Land and land improvements	\$ 13,217,121	\$ 13,252,704
Building and improvements	13,066,381	12,640,248
Machinery and equipment	5,305,230	5,565,840
Improvements and infrastructure	3,577,569	3,575,068
Construction in progress	<u>6,705,058</u>	<u>4,554,744</u>
Total general fixed assets	<u>\$ 41,871,359</u>	<u>\$ 39,588,604</u>
Investment in general fixed assets from:		
General fund revenues	\$ 34,822,153	\$ 33,909,997
Federal grants	5,358,130	4,194,407
State grants	939,282	712,041
Federal revenue sharing	<u>751,794</u>	<u>772,159</u>
Total investment in general fixed assets	<u>\$ 41,871,359</u>	<u>\$ 39,588,604</u>

CITY OF EAU CLAIRE

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

<i>Function and Activity</i>	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Improvements and Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Total</u>
General government:					
City manager	\$ -	\$ 25,402	\$ -	\$ 2,032,468	\$ 2,057,870
Finance	1,263,276	236,399	-	258,281	1,757,956
Human resources	-	-	-	8,500	8,500
Land use planning	-	-	-	8,881	8,881
Total general government	<u>1,263,276</u>	<u>261,801</u>	<u>-</u>	<u>2,308,130</u>	<u>3,833,207</u>
Public safety:					
Police	58,144	312,946	-	832,902	1,203,992
Fire	352,742	1,953,813	-	351,839	2,658,394
Total public safety	<u>410,886</u>	<u>2,266,759</u>	<u>-</u>	<u>1,184,741</u>	<u>3,862,386</u>
Public works	3,712,199	2,996,221	532,589	303,955	7,544,964
Parks and recreation	3,943,958	3,823,029	3,034,849	380,099	11,181,935
Community development	3,629,297	466,646	4,160	23,939	4,124,042
Library	257,505	3,251,925	5,970	910,246	4,425,646
Health	-	-	-	194,121	194,121
Total general fixed assets allocated to functions	<u>\$ 13,217,121</u>	<u>\$ 13,066,381</u>	<u>\$ 3,577,568</u>	<u>\$ 5,305,231</u>	<u>35,166,301</u>
Construction in progress					<u>6,705,058</u>
Total general fixed assets					<u>\$ 41,871,359</u>

CITY OF EAU CLAIRE

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS-
BY FUNCTION AND ACTIVITY
Year Ended December 31, 2002

<i>Function and Activity</i>	Balance <u>Jan. 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>Dec. 31, 2002</u>
General government:				
City manager	\$ 1,799,235	\$ 307,940	\$ 49,305	\$ 2,057,870
Finance	1,685,317	87,418	14,780	1,757,955
Human resources	8,500	-	-	8,500
Land use planning	<u>8,881</u>	<u>-</u>	<u>-</u>	<u>8,881</u>
Total general government	<u>3,501,933</u>	<u>395,358</u>	<u>64,085</u>	<u>3,833,206</u>
Public safety:				
Police	1,216,027	23,199	35,233	1,203,993
Fire	<u>2,611,832</u>	<u>146,191</u>	<u>99,630</u>	<u>2,658,393</u>
Total public safety	<u>3,827,859</u>	<u>169,390</u>	<u>134,863</u>	<u>3,862,386</u>
Public works	7,764,711	21,390	241,136	7,544,965
Parks and recreation	10,884,082	310,307	12,453	11,181,936
Community development	4,178,764	-	54,723	4,124,041
Library	4,680,690	192,304	447,348	4,425,646
Health	195,821	24,923	26,623	194,121
Construction in progress	<u>4,554,744</u>	<u>2,451,277</u>	<u>300,963</u>	<u>6,705,058</u>
Total general fixed assets	<u>\$ 39,588,604</u>	<u>\$ 3,564,949</u>	<u>\$ 1,282,194</u>	<u>\$ 41,871,359</u>

General Long-Term Obligations Account Group

The **General Long-Term Obligations Account Group** accounts for all unmatured long-term debt and accrued employee benefits that are secured by the full faith and credit of the City.

CITY OF EAU CLAIRE

COMPARATIVE STATEMENT OF GENERAL
LONG-TERM OBLIGATIONS
December 31, 2002 and 2001

	2002	2001
Amount available in other funds for debt service	\$ 7,590,244	\$ 7,207,857
Amount to be provided:		
Debt service	41,854,436	41,140,493
Employee benefits	16,616,250	15,532,602
Total to be provided	58,470,686	56,673,095
Total available and to be provided	\$ 66,060,930	\$ 63,880,952
General long-term obligations payable:		
Debt:		
Notes payable	\$ 94,680	\$ 118,350
Bond anticipation notes	2,000,000	-
Bonds payable	37,760,000	37,010,000
Bonds payable - TIF Districts	9,590,000	11,220,000
Total general obligation debt payable	49,444,680	48,348,350
Accrued employee benefits:		
Police and fire pensions	904,830	989,834
State retirement fund	8,106,367	7,820,725
Retiree health insurance	2,604,017	1,725,419
Accumulated compensated absences	998,038	1,031,159
Duty disability	4,002,998	3,965,465
Total accrued employee benefits	16,616,250	15,532,602
Total general long-term obligations payable	\$ 66,060,930	\$ 63,880,952

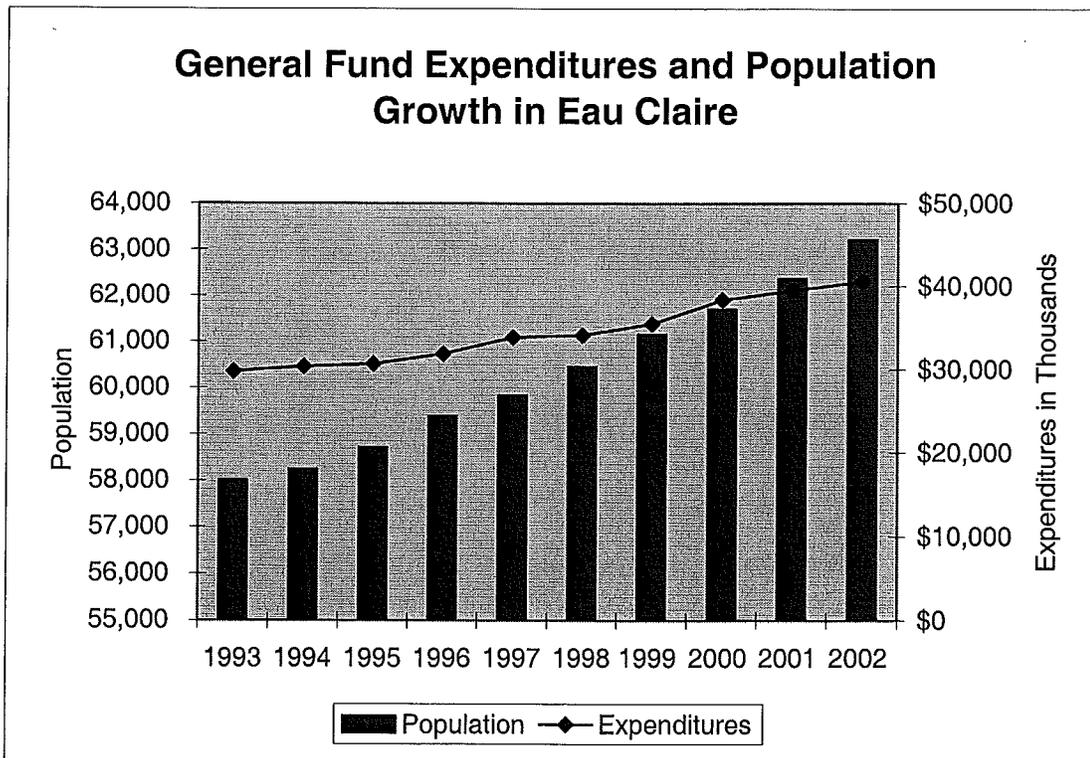
STATISTICAL SECTION (Unaudited)

This section includes ten-year trend data for revenues, expenditures (expenses), taxes, debt ratios, and other supplemental statistical data. The information is provided to give report users a better historical perspective and assists in assessing current financial trends.

CITY OF EAU CLAIRE

**TABLE 1 - GENERAL FUND EXPENDITURES AND
OTHER FINANCING USES BY FUNCTION**
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Government	\$4,162	\$4,305	\$4,384	\$4,543	\$4,615	\$4,587	\$4,729	\$5,106	\$5,299	\$5,402
Public Works	6,303	6,393	5,829	6,201	6,170	5,998	6,149	7,681	6,893	6,863
Parks & Recreation	3,173	3,298	3,239	2,916	3,106	3,231	3,229	3,330	3,672	3,729
Public Safety	12,028	12,625	13,070	13,474	14,117	15,161	15,884	16,307	17,470	18,489
Miscellaneous	917	919	572	200	200	223	401	504	441	418
Total expenditures	26,583	27,540	27,094	27,334	28,208	29,200	30,392	32,928	33,775	34,901
Other financing uses:										
Operating transfers	2,740	2,192	2,774	3,688	4,011	3,806	3,623	3,865	4,012	3,706
Indebtedness	440	598	777	820	1,608	1,109	1,463	1,588	1,751	1,985
Total expenditures and other financing uses	\$29,763	\$30,330	\$30,645	\$31,842	\$33,827	\$34,115	\$35,478	\$38,381	\$39,538	\$40,592
 Population	 58,005	 58,239	 58,702	 59,383	 59,832	 60,449	 61,150	 61,704	 62,368	 63,214

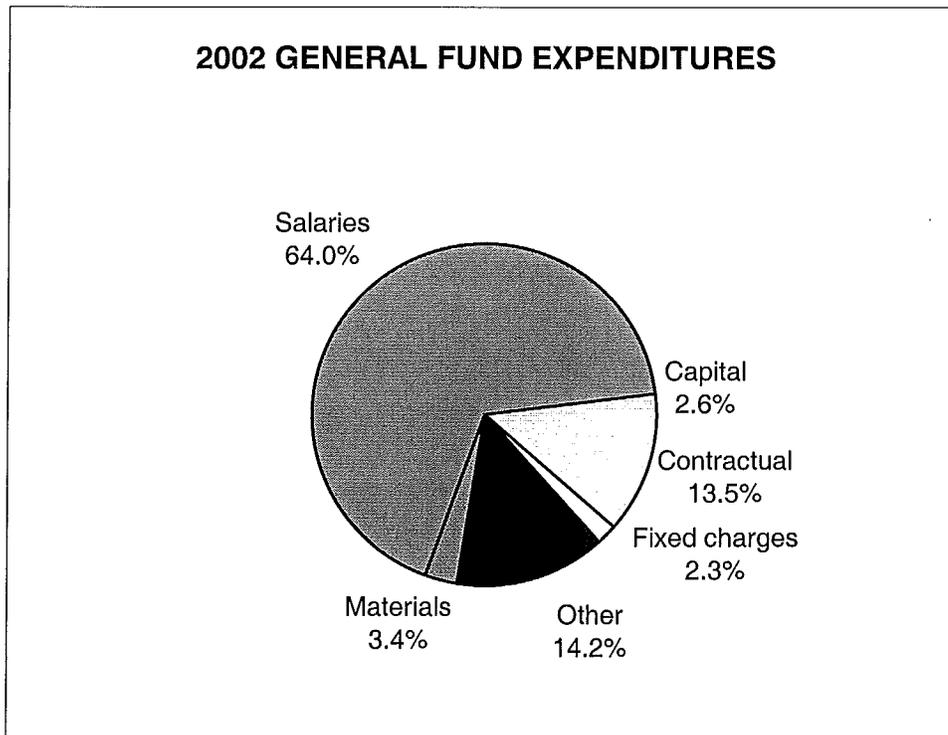


Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

**TABLE 2 - GENERAL FUND EXPENDITURES AND
OTHER FINANCING USES BY CLASS
Last Ten Fiscal Years
(Dollars in Thousands)**

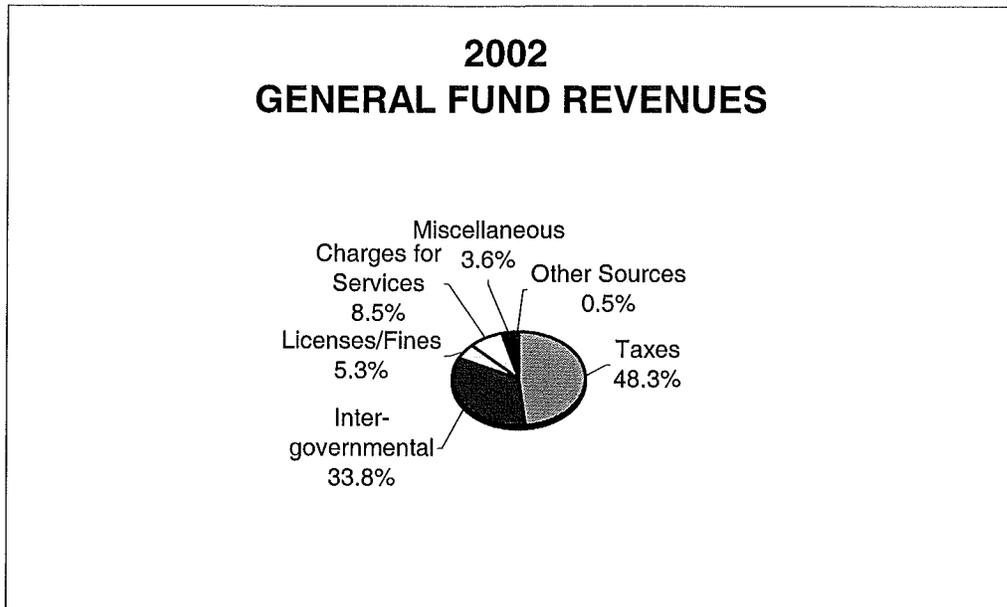
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Salaries and benefits	\$19,850	\$20,844	\$20,819	\$21,390	\$21,782	\$22,829	\$23,749	\$24,554	\$25,995	\$27,373
Contractual services	4,815	4,794	4,255	3,954	4,360	4,543	4,559	5,196	5,532	5,438
Materials & supplies	877	870	820	990	1,019	992	1,079	1,301	1,283	1,253
Fixed charges	928	889	918	890	881	668	829	872	825	789
Capital outlay	113	142	282	110	166	168	176	1,004	140	48
Total expenditures	26,583	27,539	27,094	27,334	28,208	29,200	30,392	32,927	33,775	34,901
Other financing uses	3,180	2,791	3,551	4,508	5,619	4,915	5,086	5,454	5,763	5,691
Total expenditures and other financing uses	\$29,763	\$30,330	\$30,645	\$31,842	\$33,827	\$34,115	\$35,478	\$38,381	\$39,538	\$40,592



CITY OF EAU CLAIRE

**TABLE 3 - GENERAL FUND REVENUES AND
OTHER FINANCING SOURCES BY SOURCE**
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Taxes:										
General property (1)	\$8,913	\$9,311	\$9,225	\$9,970	\$11,307	\$13,105	\$14,532	\$15,699	\$17,117	\$18,967
Special assessments	1,589	1,500	1,291	1,056	880	713	573	426	299	284
Intergovernmental	14,153	14,400	14,707	14,089	13,878	13,744	13,511	14,144	12,957	13,446
Licenses and permits	716	839	911	846	879	990	981	1,633	1,295	1,444
Fines and forfeits	485	510	480	476	433	533	523	526	553	686
Charges for services	1,846	2,182	2,202	2,473	2,647	2,689	2,842	2,807	3,465	3,367
Miscellaneous:										
Interest	1,585	1,782	2,324	2,125	2,222	2,011	1,723	2,075	1,708	1,252
Other	150	116	139	51	237	116	111	120	531	165
Total revenues	<u>29,437</u>	<u>30,640</u>	<u>31,279</u>	<u>31,086</u>	<u>32,483</u>	<u>33,901</u>	<u>34,796</u>	<u>37,430</u>	<u>37,925</u>	<u>39,611</u>
Other financing sources	<u>200</u>	<u>186</u>	<u>200</u>	<u>162</u>	<u>262</u>	<u>168</u>	<u>168</u>	<u>389</u>	<u>369</u>	<u>206</u>
Total revenues and other financing sources	<u>\$29,637</u>	<u>\$30,826</u>	<u>\$31,479</u>	<u>\$31,248</u>	<u>\$32,745</u>	<u>\$34,069</u>	<u>\$34,964</u>	<u>\$37,819</u>	<u>\$38,294</u>	<u>\$39,817</u>



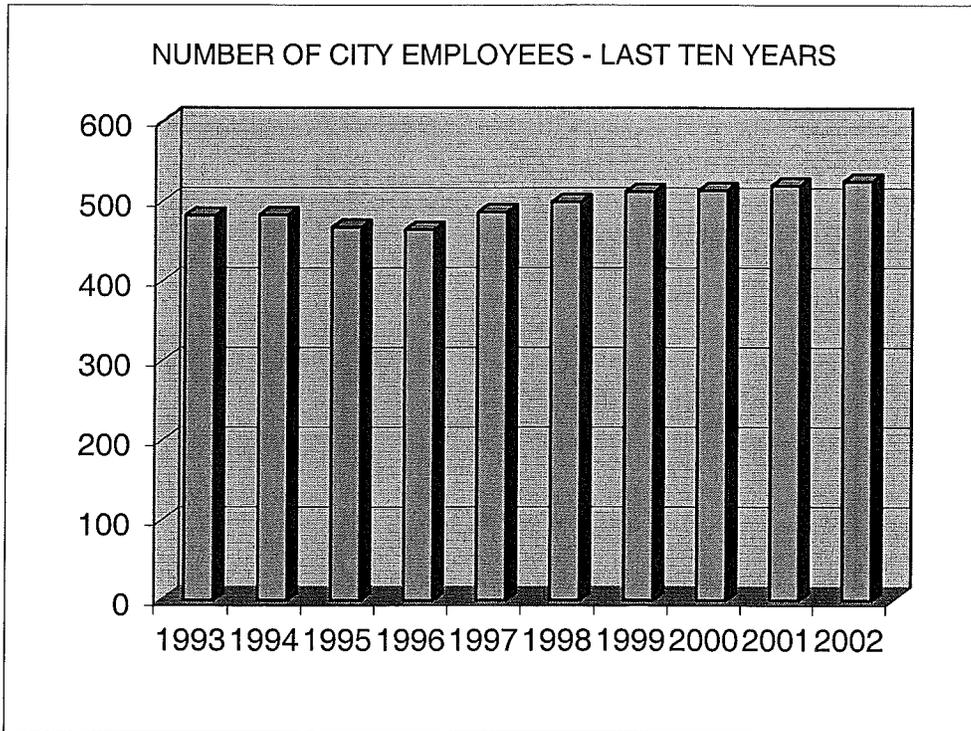
(1) NOTE: Includes real estate tax, mobile home fees, payment in lieu of taxes, and interest on delinquent personal property taxes.

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 4 - EMPLOYEE SUMMARY -
NUMBER OF MUNICIPAL EMPLOYEES
Last Ten Fiscal Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Government	64.8	64.3	61.5	60.6	61.6	62.6	65.8	66.8	69.9	71.9
Public Works	75.2	75.2	67.3	66.3	66.0	68.5	72.0	73.5	73.0	74.0
Parks & Recreation	44.8	44.8	42.8	39.8	39.8	39.8	40.8	40.8	40.8	40.8
Public Safety	203.0	203.0	200.0	200.0	213.0	222.0	222.0	224.0	227.0	228.0
Enterprise Funds	84.5	85.0	86.0	88.0	96.3	96.2	101.3	100.8	101.3	102.8
Internal Service Funds	10.0	10.5	10.0	10.0	10.0	10.0	10.0	8.0	8.0	8.0
Total Employees	482.3	482.8	467.5	464.6	486.6	499.1	511.9	513.9	519.9	525.4



NOTE: Public Library and City-County Health employees are not included.

Source: City of Eau Claire Program of Services

CITY OF EAU CLAIRE

TABLE 5 - EMPLOYEE SUMMARY
 SCHEDULE OF COMPENSATED ABSENCES
 Last Ten Fiscal Years
 (Total Unused Time In Days)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Compensatory leave	392	507	423	489	545	610	666	736	630	543
Vacation leave	4,956	5,195	5,314	5,309	5,313	5,398	5,792	5,574	5,992	5,729
	5,348	5,702	5,737	5,798	5,858	6,008	6,458	6,310	6,622	6,272
Sick leave	38,471	39,161	38,047	37,688	37,630	37,268	37,261	37,241	36,917	37,227
Total compensatory, vacation, and sick leave	43,819	44,863	43,784	43,486	43,488	43,276	43,719	43,551	43,539	43,499

NOTE: Unused compensatory and vacation leave are paid upon retirement and the value of accrued time is included in the Long-Term Obligations Account Group. Sick leave is paid only as used during employment.

CITY OF EAU CLAIRE

TABLE 6 - REAL AND PERSONAL PROPERTY TAX
LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total tax levy	\$7,114	\$7,545	\$7,960	\$8,756	\$10,119	\$11,737	\$13,284	\$14,296	\$15,751	\$17,567
Current tax collections (1)	7,051	7,497	7,944	8,732	10,104	11,720	13,180	14,206	15,579	17,329
Collection of delinquent personal property taxes from prior years	47	44	64	32	17	171	102	102	141	153
Total tax collections (2)	<u>\$7,098</u>	<u>\$7,541</u>	<u>\$8,008</u>	<u>\$8,764</u>	<u>\$10,121</u>	<u>\$11,891</u>	<u>\$13,282</u>	<u>\$14,308</u>	<u>\$15,720</u>	<u>\$17,482</u>
Percent of current collections to tax levy	99.1%	99.4%	99.8%	99.7%	99.9%	99.9%	99.2%	99.4%	98.9%	98.6%
Percent of total tax collections to tax levy	99.8%	99.9%	100.6%	100.1%	100.0%	101.3%	100.0%	100.1%	99.8%	99.5%
Total delinquent taxes outstanding	\$110	\$108	\$57	\$51	\$50	\$38	\$43	\$57	\$61	\$95

(1) 1998 includes transfer of excess TIF taxes.

(2) 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 7 - EQUALIZED VALUE OF
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years
(Dollars in Thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
TID #2 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	5,558	5,497	5,225	5,495	6,042	6,221	0	0	0	0
Total TID #2	\$5,558	\$5,497	\$5,225	\$5,495	\$6,042	\$6,221	\$0	\$0	\$0	\$0
TID #3 equalized valuation:										
Base	\$204	\$204	\$204	\$204	\$204	\$204	\$0	\$0	\$0	\$0
Increment	32,195	34,106	32,431	35,953	35,793	39,464	0	0	0	0
Total TID #3	\$32,399	\$34,310	\$32,635	\$36,157	\$35,997	\$39,668	\$0	\$0	\$0	\$0
TID #4 equalized valuation:										
Base	\$103	\$103	\$103	\$103	\$256	\$256	\$256	\$256	\$256	\$256
Increment	0	3,118	6,419	10,113	25,707	51,902	59,058	60,240	62,127	69,529
Total TID #4	\$103	\$3,221	\$6,522	\$10,216	\$25,963	\$52,158	\$59,314	\$60,496	\$62,383	\$69,785
TID #5 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$130	\$130	\$130	\$130	\$130
Increment	0	0	0	0	0	0	1,190	1,425	2,821	15,589
Total TID #5	\$0	\$0	\$0	\$0	\$0	\$130	\$1,320	\$1,555	\$2,951	\$15,719
TID #6 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$986	\$986	\$986	\$986	\$986
Increment	0	0	0	0	0	0	2,221	2,308	2,871	5,301
Total TID #6	\$0	\$0	\$0	\$0	\$0	\$986	\$3,207	\$3,294	\$3,857	\$6,287
TID #7 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$115	\$115	\$115	\$115	\$115
Increment	0	0	0	0	0	0	0	875	3,174	3,333
Total TID #7	\$0	\$0	\$0	\$0	\$0	\$115	\$115	\$990	\$3,289	\$3,448
TID #8 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,441
Increment	0	0	0	0	0	0	0	0	0	0
Total TID #8	\$0	\$10,441								
ALL PROPERTY										
All property - w/o TIDs	\$1,334,660	\$1,433,600	\$1,519,294	\$1,671,083	\$1,890,434	\$2,040,972	\$2,257,099	\$2,414,238	\$2,634,494	\$2,794,056
Base valuation - TIDs	307	307	307	307	460	1,691	1,487	1,487	1,487	11,928
All property - w/o TID increment	1,334,967	1,433,907	1,519,601	1,671,390	1,890,894	2,042,663	2,258,586	2,415,725	2,635,981	2,805,984
Increment valuation - TIDs	37,753	42,721	44,075	51,561	67,542	97,587	62,469	64,848	70,993	93,752
Equalized valuation - all property	\$1,372,720	\$1,476,628	\$1,563,676	\$1,722,951	\$1,958,436	\$2,140,250	\$2,321,055	\$2,480,573	\$2,706,974	\$2,899,736

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.

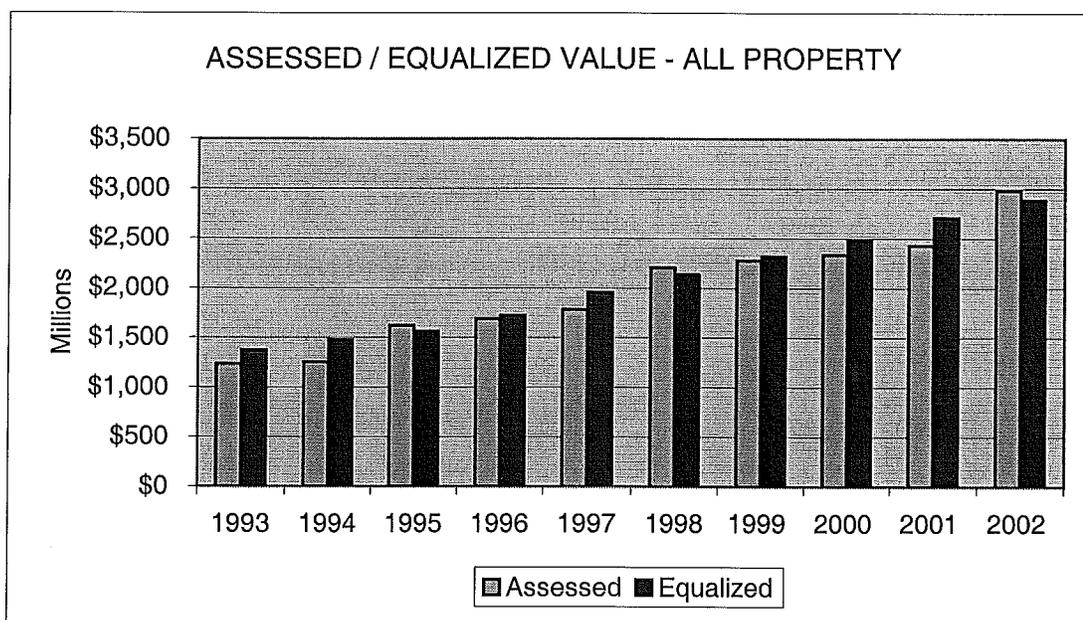
NOTE: TIF #2 and #3 were closed in 1998.

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 EQUALIZED VALUE
OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
ALL PROPERTY										
Real property:										
Assessed value	\$1,152,550	\$1,181,525	\$1,540,507	\$1,595,652	\$1,678,145	\$2,071,849	\$2,146,317	\$2,224,512	\$2,309,955	\$2,841,850
Equalized value (1)	1,283,009	1,392,711	1,481,256	1,626,169	1,841,479	2,007,308	2,187,062	2,361,217	2,574,728	2,750,365
Personal property:										
Assessed value	\$80,756	\$71,633	\$82,534	\$93,995	\$105,471	\$133,486	\$131,294	\$110,929	\$119,618	\$139,844
Equalized value	89,711	83,918	82,419	96,783	116,957	132,942	133,993	119,040	133,993	138,930
Total:										
Assessed value	\$1,233,306	\$1,253,158	\$1,623,041	\$1,689,647	\$1,783,616	\$2,205,335	\$2,277,611	\$2,335,150	\$2,429,573	\$2,981,694
Equalized value	1,372,720	1,476,629	1,563,675	1,722,952	1,958,436	2,140,250	2,321,055	2,480,574	2,708,721	2,888,295
Ratio of total assessed to total equalized value	89.84%	84.87%	103.80%	98.07%	91.07%	103.04%	98.13%	94.14%	89.69%	103.23%



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.

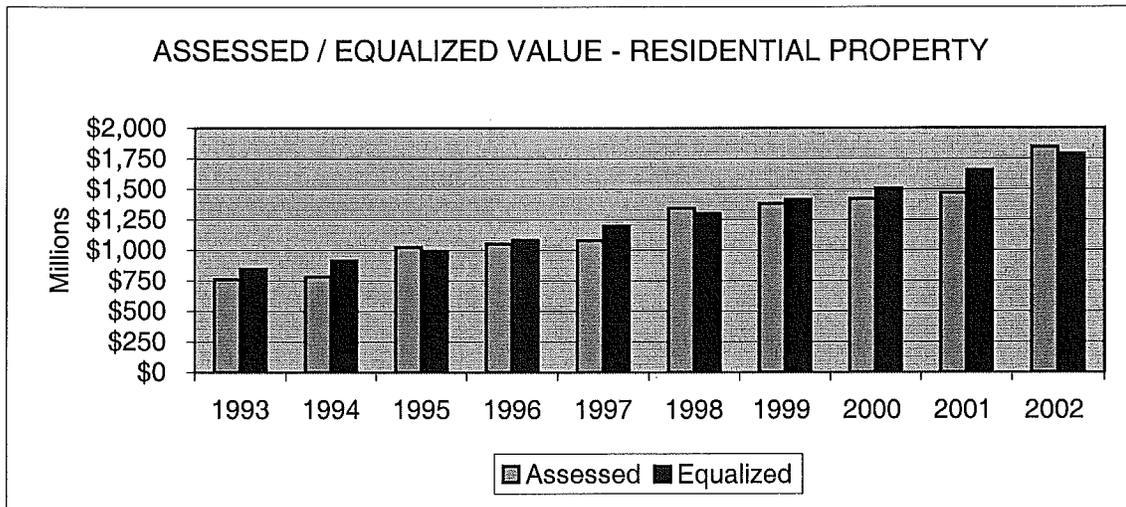
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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 9 - ASSESSED AND EQUALIZED VALUE OF RESIDENTIAL PROPERTY Last Ten Fiscal Years (Dollars in Thousands)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
RESIDENTIAL										
Real property:										
Assessed value	\$760,432	\$783,269	\$1,025,586	\$1,051,573	\$1,076,577	\$1,345,786	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411
Equalized value	846,207	913,490	995,156	1,081,740	1,197,482	1,300,087	1,415,248	1,504,694	1,658,487	1,790,786
Personal property: (1)										
Assessed value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equalized value	0	0	0	0	0	0	0	0	0	0
Total residential:										
Assessed value	\$760,432	\$783,269	\$1,025,586	\$1,051,573	\$1,076,577	\$1,345,786	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411
Equalized value	846,207	913,490	995,156	1,081,740	1,197,482	1,300,087	1,415,248	1,504,694	1,658,487	1,790,786
Total all classes:										
Assessed value	\$1,233,306	\$1,253,158	\$1,623,041	\$1,689,647	\$1,783,616	\$2,205,335	\$2,277,611	\$2,335,150	\$2,429,573	\$2,981,695
Equalized value	1,372,720	1,476,629	1,563,675	1,722,952	1,958,436	2,140,250	2,321,055	2,480,574	2,708,721	2,889,295
Residential property as a percentage of total:										
Assessed value	61.66%	62.50%	63.19%	62.24%	60.36%	61.02%	60.58%	60.74%	60.45%	61.99%
Equalized value	61.64%	61.86%	63.64%	62.78%	61.14%	60.74%	60.97%	60.66%	61.23%	61.98%
Number of parcels (2)										
Number of parcels with improvements	17,734	17,816	17,682	17,855	17,955	18,186	18,217	18,447	18,814	21,745



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.

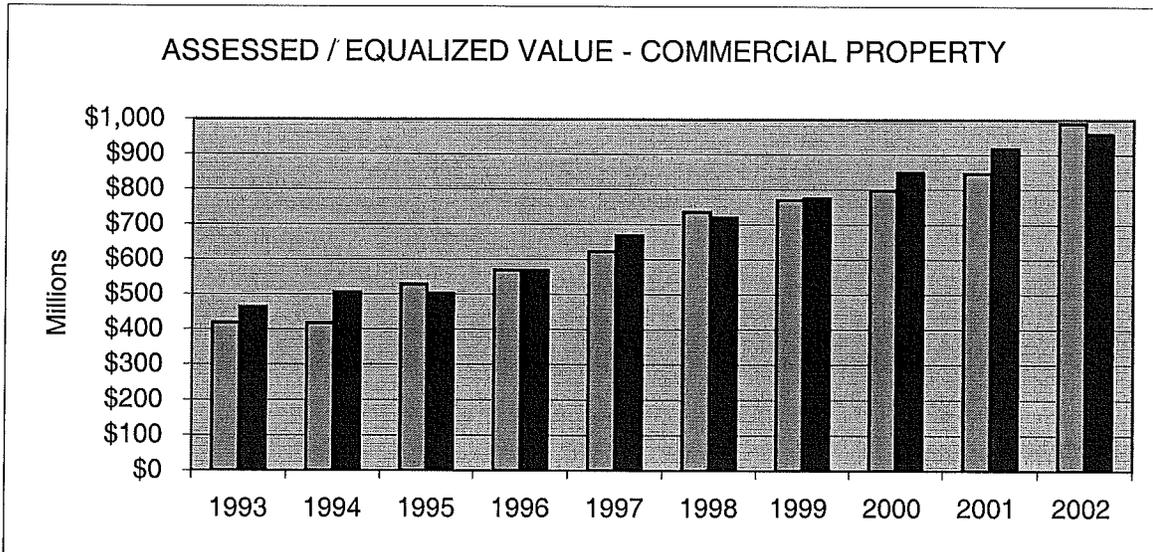
(2) NOTE: In 1994, apartment properties with 4-7 units were reclassified from residential to commercial.

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 10 - ASSESSED AND EQUALIZED VALUE
OF COMMERCIAL PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
COMMERCIAL										
Real property:										
Assessed value	\$350,873	\$355,293	\$457,292	\$486,938	\$533,437	\$626,208	\$665,623	\$707,721	\$746,582	\$872,022
Equalized value	387,926	432,110	430,869	486,086	569,608	610,037	668,550	752,655	810,573	841,406
Personal property:										
Assessed value	\$68,279	\$62,129	\$70,205	\$80,984	\$88,982	\$109,341	\$104,514	\$90,341	\$99,819	\$117,363
Equalized value	75,608	73,100	70,595	82,555	98,873	109,459	106,647	96,120	106,647	117,100
Total commercial:										
Assessed value	\$419,152	\$417,422	\$527,497	\$567,922	\$622,419	\$735,549	\$770,137	\$798,062	\$846,401	\$989,385
Equalized value	463,534	505,210	501,464	568,641	668,481	719,496	775,197	848,775	917,220	958,506
Total all classes:										
Assessed value	\$1,233,306	\$1,253,158	\$1,623,041	\$1,689,647	\$1,783,616	\$2,205,335	\$2,277,611	\$2,335,150	\$2,429,573	\$2,981,694
Equalized value	1,372,720	1,476,629	1,563,675	1,722,952	1,958,436	2,140,250	2,321,055	2,480,574	2,708,721	2,889,295
Commercial property as a percentage of total:										
Assessed value	33.99%	33.31%	32.50%	33.61%	34.90%	33.35%	33.81%	34.18%	34.84%	33.18%
Equalized value	33.77%	34.21%	32.07%	33.00%	34.13%	33.62%	33.40%	34.22%	33.86%	33.17%
Number of parcels	2,221	2,204	2,423	2,409	2,483	2,528	2,559	2,601	2,635	2,634
Number of parcels with improvements	1,197	1,200	1,387	1,424	1,471	1,509	1,552	1,592	1,642	1,652



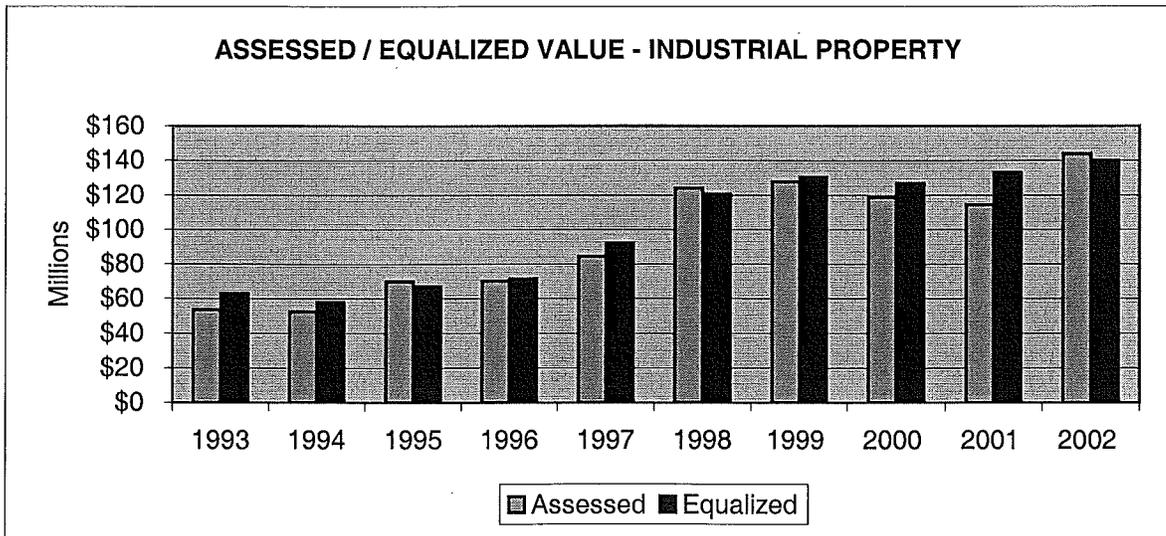
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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 11 - ASSESSED AND EQUALIZED VALUE
OF INDUSTRIAL PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
INDUSTRIAL										
Real property:										
Assessed value	\$41,245	\$42,963	\$57,629	\$57,141	\$68,131	\$99,854	\$100,928	\$98,016	\$94,681	\$121,417
Equalized value	48,876	47,111	55,232	58,249	74,090	97,185	103,264	103,868	105,668	118,173
Personal property:										
Assessed value	\$12,477	\$9,504	\$12,329	\$13,011	\$16,489	\$24,145	\$26,780	\$20,588	\$19,799	\$22,481
Equalized value	14,103	10,818	11,823	13,263	18,084	23,483	27,346	22,920	27,346	21,830
Total industrial:										
Assessed value	\$53,722	\$52,467	\$69,958	\$70,152	\$84,620	\$123,999	\$127,708	\$118,604	\$114,480	\$143,898
Equalized value	62,979	57,929	67,055	71,512	92,174	120,668	130,610	126,788	133,014	140,003
Total all classes:										
Assessed	\$1,233,306	\$1,253,158	\$1,623,041	\$1,689,647	\$1,783,616	\$2,205,335	\$2,277,611	\$2,335,150	\$2,429,573	\$2,981,694
Equalized	1,372,720	1,476,629	1,563,675	1,722,952	1,958,436	2,140,250	2,321,055	2,480,574	2,708,721	2,889,295
Industrial property as a percentage of total:										
Assessed value	4.36%	4.19%	4.31%	4.15%	4.74%	5.62%	5.61%	5.08%	4.71%	4.83%
Equalized value	4.59%	3.92%	4.29%	4.15%	4.71%	5.64%	5.63%	5.11%	4.91%	4.85%
Number of parcels	90	92	93	96	101	104	99	100	107	107
Number of parcels with improvements	74	78	79	81	84	87	84	84	92	92



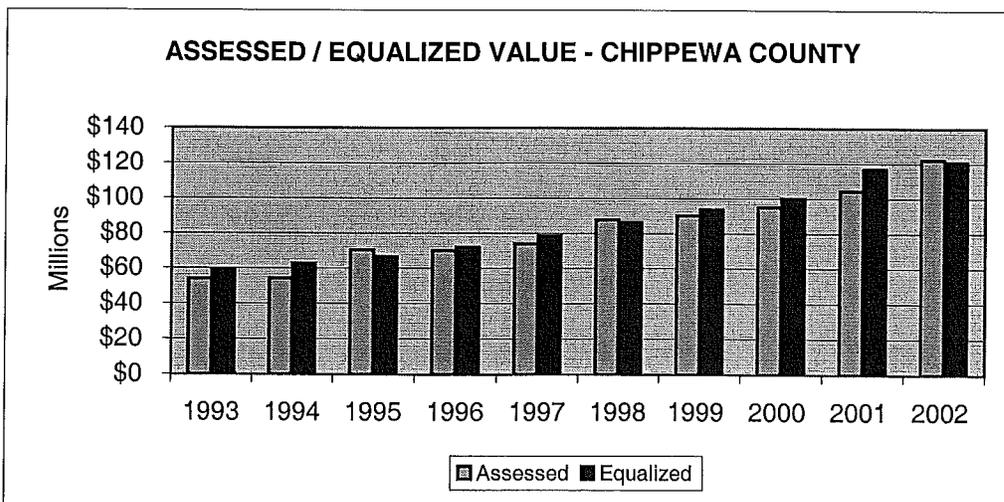
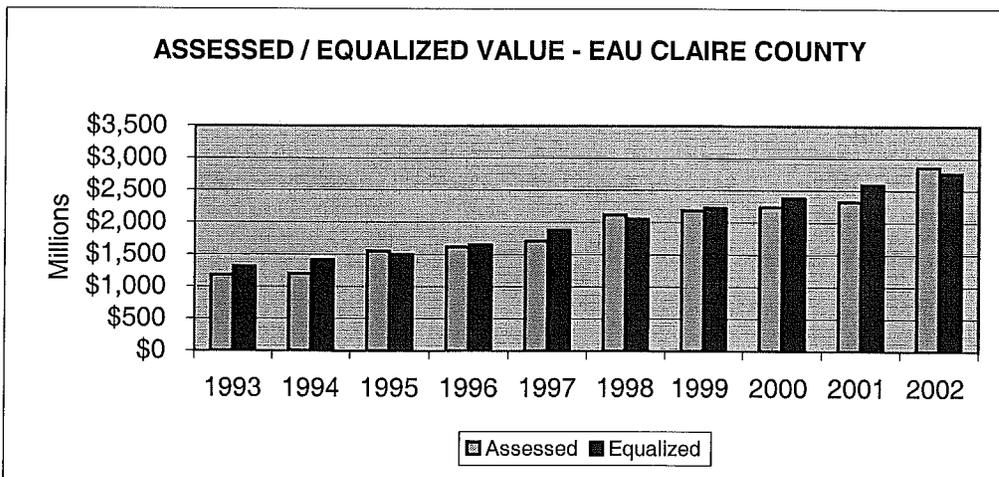
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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 12 - ASSESSED AND EQUALIZED VALUE
OF TAXABLE PROPERTY BY COUNTY**
Last Ten Fiscal Years
(Dollars in Thousands)

PORTION OF CITY IN:	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
EAU CLAIRE COUNTY										
Assessed value	\$1,179,401	\$1,198,833	\$1,552,544	\$1,619,510	\$1,709,671	\$2,117,731	\$2,187,453	\$2,240,430	\$2,325,108	\$2,859,598
Equalized value	1,313,211	1,413,913	1,496,923	1,650,842	1,880,032	2,054,047	2,227,487	2,380,504	2,590,133	2,768,468
Ratio of assessment	89.81%	84.79%	103.72%	98.10%	90.94%	103.10%	98.20%	94.12%	89.77%	103.29%
CHIPPEWA COUNTY										
Assessed value	\$53,905	\$54,325	\$70,497	\$70,137	\$73,945	\$87,604	\$90,157	\$95,012	\$104,200	\$122,097
Equalized value	59,509	62,716	66,752	72,110	78,404	86,203	93,568	100,069	116,841	120,827
Ratio of assessment	90.58%	86.62%	105.61%	97.26%	94.31%	101.63%	96.35%	94.95%	89.18%	101.05%



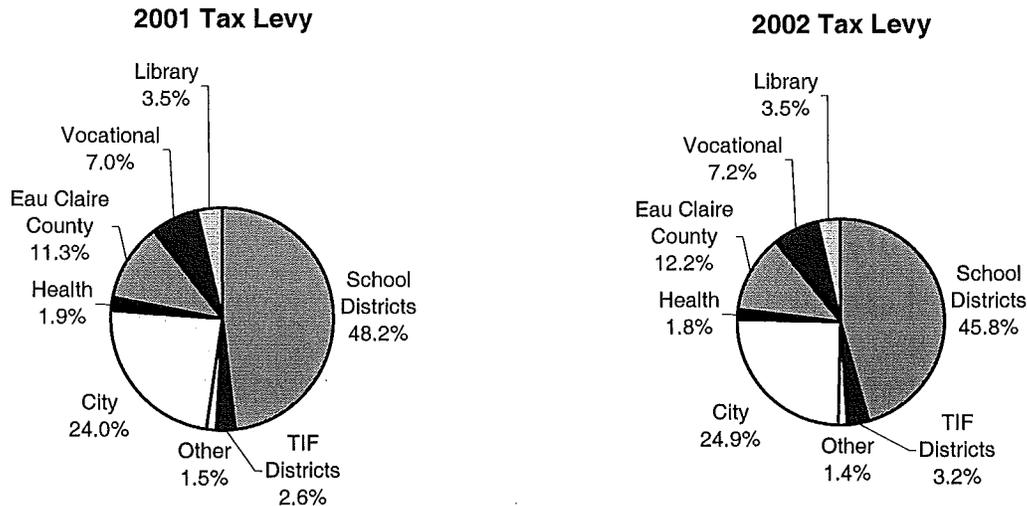
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

CITY OF EAU CLAIRE

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

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
City	\$7,114	\$7,545	\$7,960	\$8,756	\$10,118	\$11,737	\$13,284	\$14,296	\$15,750	\$17,512
TIF Districts	1,243	1,435	1,389	1,537	1,656	2,423	1,492	1,548	1,703	2,259
Library	1,362	1,466	1,513	1,546	1,585	1,710	2,206	2,247	2,305	2,464
Health	929	975	1,001	1,039	1,078	1,117	1,196	1,219	1,268	1,291
Eau Claire School District	26,138	29,239	28,079	27,710	21,749	23,293	25,595	28,857	31,391	31,828
Chippewa Falls School District	48	23	19	23	35	34	30	31	111	115
Altoona School District (1)	0	0	0	0	0	12	74	105	117	113
Vocational District	2,403	2,567	2,849	3,075	3,332	3,548	3,890	4,223	4,615	5,088
Eau Claire County	5,711	6,066	6,180	7,329	8,099	8,875	7,486	6,495	7,401	8,569
Chippewa County	227	237	254	277	303	334	336	350	427	429
State Forestry- Eau Claire County	263	283	300	330	376	411	445	476	518	554
State Forestry- Chippewa County	12	12	13	14	16	17	19	20	23	24
Total tax levy	\$45,450	\$49,848	\$49,557	\$51,636	\$48,347	\$53,511	\$56,053	\$59,867	\$65,629	\$70,246
City percent of total levy	15.65%	15.14%	16.06%	16.96%	20.93%	21.93%	23.70%	23.88%	24.00%	24.93%

CHANGES IN PROPORTIONS - TAX LEVIES BY ENTITY



(1) NOTE: 1998 was the first year that any City of Eau Claire residents living in Eau Claire County, were in the Altoona School District.

Sources: City of Eau Claire Annual Program of Services, Annual Tax Levy Certification Forms from the Board of Education, Vocational School and Counties

CITY OF EAU CLAIRE

TABLE 14 - PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Year
(Per \$1,000 Assessed Valuation)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$5.931	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070
Library	1.135	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854
Health	0.775	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448
Eau Claire School Dist.	21.836	24.072	17.831	16.916	12.673	11.085	11.588	12.760	13.376	11.111
Vocational District	2.003	2.111	1.808	1.875	1.938	1.685	1.754	1.858	1.950	1.762
Eau Claire County	4.986	5.217	4.101	4.671	4.914	4.400	3.517	2.977	3.268	3.095
State Forestry	0.223	0.236	0.193	0.204	0.220	0.194	0.204	0.212	0.223	0.194
Gross Tax Rate	36.889	39.842	30.574	30.585	27.168	24.283	24.592	25.617	26.985	23.534
Less State Credit	2.418	2.371	1.865	1.779	2.474	1.921	1.833	1.805	1.853	1.600
Net Tax Rate	\$34.471	\$37.471	\$28.709	\$28.806	\$24.694	\$22.362	\$22.759	\$23.812	\$25.132	\$21.934

City Property Located in Eau Claire County (Altoona School District) (1)										
City	\$0	\$0	\$0	\$0	\$0	\$0	\$5.576	\$5.994	\$6.286	\$6.070
Library	0	0	0	0	0	0	0.812	0.995	0.988	0.854
Health	0	0	0	0	0	0	0.531	0.540	0.536	0.448
Eau Claire School Dist.	0	0	0	0	0	0	10.203	11.782	11.598	10.184
Vocational District	0	0	0	0	0	0	1.685	1.754	1.858	1.762
Eau Claire County	0	0	0	0	0	0	4.400	3.517	2.977	3.095
State Forestry	0	0	0	0	0	0	0.194	0.204	0.212	0.194
Gross Tax Rate	0.000	0.000	0.000	0.000	0.000	0.000	23.401	24.786	24.455	22.607
Less State Credit	0.000	0.000	0.000	0.000	0.000	0.000	1.921	1.833	1.805	1.600
Net Tax Rate	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$21.480	\$22.953	\$22.650	\$21.007

(1) NOTE: 1998 was the first year that any City of Eau Claire residents living in Eau Claire County, were in the Altoona School District.

Source: City of Eau Claire Annual Program of Services

(Continued)

CITY OF EAU CLAIRE

TABLE 14 - PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS (cont'd)
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$5.931	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070
Library	1.135	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854
Health	0.775	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448
Eau Claire School Dist.	21.836	23.563	17.570	17.062	12.219	11.246	11.811	12.648	13.466	11.258
Vocational District	2.003	2.066	1.775	1.891	1.868	1.709	1.787	1.841	1.963	1.801
Chippewa County	4.205	4.367	3.607	3.956	4.098	3.808	3.816	3.773	4.197	3.673
State Forestry	0.221	0.231	0.189	0.206	0.212	0.197	0.208	0.211	0.224	0.198
Gross Tax Rate	36.106	38.433	29.782	30.034	25.820	23.879	25.151	26.283	28.018	24.302
Less State Credit	2.472	2.459	1.909	1.887	2.599	2.075	1.957	1.825	1.759	1.606
Net Tax Rate	\$33.634	\$35.974	\$27.873	\$28.147	\$23.221	\$21.804	\$23.194	\$24.458	\$26.259	\$22.696
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.931	\$5.931	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.070
Library	1.140	1.135	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.854
Health	0.716	0.775	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.448
Chippewa Falls School Dist.	18.824	20.025	19.810	12.195	14.605	10.188	10.132	9.994	10.430	9.849
Vocational District	1.901	2.003	2.066	1.775	1.892	1.868	1.709	1.787	1.841	1.801
Chippewa County	4.240	4.205	4.367	3.807	3.956	4.098	3.808	3.816	3.773	3.673
State Forestry	0.225	0.221	0.231	0.189	0.206	0.212	0.197	0.208	0.211	0.198
Gross Tax Rate	32.977	34.295	34.680	24.407	27.578	23.789	22.765	23.334	24.065	22.893
Less State Credit	2.505	2.472	2.459	1.909	1.887	2.599	2.075	1.957	1.825	1.606
Net Tax Rate	\$30.472	\$31.823	\$32.221	\$22.498	\$25.691	\$21.190	\$20.690	\$21.377	\$22.240	\$21.287

Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 15 - SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total assessments levied each fiscal period: (1)										
General fund	\$1,265	\$1,216	\$1,187	\$1,212	\$1,472	\$691	\$563	\$457	\$365	\$130
Business Improvement Districts	64	64	64	64	68	68	74	74	74	74
Debt Service	79	75	72	68	0	756	1,017	1,160	1,289	1,525
Water Utility	170	202	211	198	233	214	87	86	101	142
Sewer Utility	132	160	170	163	210	219	95	104	120	183
Delinquent utility bills	423	433	399	381	437	469	442	420	450	587
Total assessments levied	\$2,133	\$2,150	\$2,103	\$2,086	\$2,420	\$2,417	\$2,278	\$2,301	\$2,399	\$2,641
Current collections (2)	\$2,133	\$2,150	\$2,103	\$2,086	\$2,420	\$2,417	\$2,278	\$2,301	\$2,399	\$2,641
Delinquent collections	9	4	1	2	1	2	0	0	0	0
Total collections	\$2,142	\$2,154	\$2,104	\$2,088	\$2,421	\$2,419	\$2,278	\$2,301	\$2,399	\$2,641
Delinquent S/A outstanding	\$66	\$62	\$61	\$59	\$58	\$56	\$56	\$0	\$0	\$0

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

(2) After 1989, both county governments within which the City is located began purchasing the unpaid balance of current special assessments.

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

CITY OF EAU CLAIRE

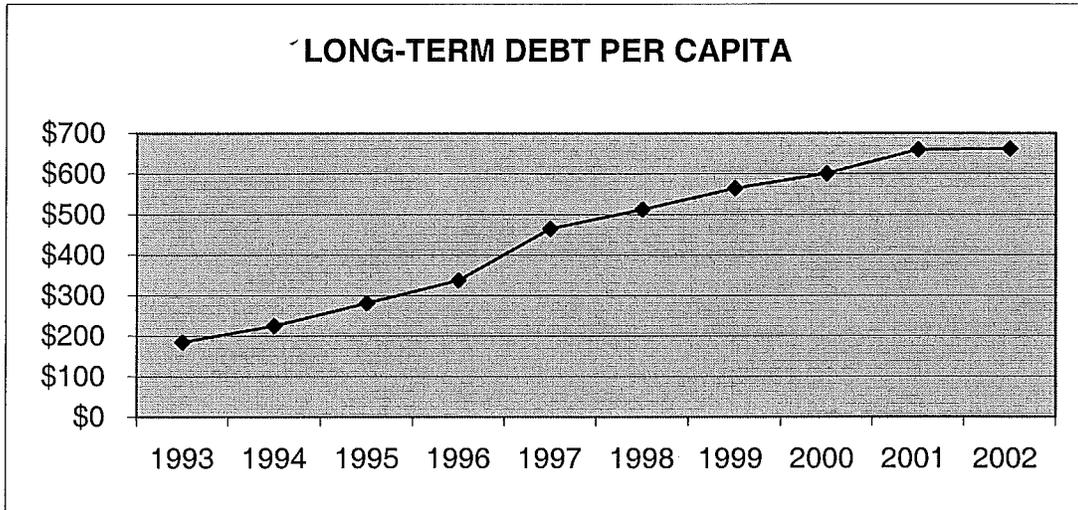
TABLE 16 - SCHEDULE OF DELINQUENT TAXES RECEIVABLE
Year Ended December 31, 2002

Tax Roll Year	1993 <u>And Prior</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Total</u>
Personal Property	<u>\$2,170</u>	<u>\$273</u>	<u>\$277</u>	<u>\$419</u>	<u>\$12,944</u>	<u>\$1,776</u>	<u>\$764</u>	<u>\$30,140</u>	<u>\$46,503</u>	<u>\$95,266</u>

CITY OF EAU CLAIRE

**TABLE 17 - RATIO OF NET LONG-TERM DEBT TO EQUALIZED VALUE
AND NET GENERAL LONG-TERM DEBT PER CAPITA
Last Ten Fiscal Years
(Dollars in Thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Population	58,005	58,239	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214
Equalized valuation	\$1,476,629	\$1,563,675	\$1,722,952	\$1,958,436	\$2,140,250	\$2,321,055	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363
Total long-term debt (1)	\$18,078	\$17,652	\$18,947	\$21,983	\$30,183	\$34,334	\$38,766	\$42,677	\$48,348	\$49,445
Resources on hand for payment of debt	\$7,357	\$4,530	\$2,446	\$1,960	\$2,379	\$3,362	\$4,232	\$5,571	\$7,208	\$7,590
Net long-term debt	\$10,721	\$13,122	\$16,501	\$20,023	\$27,804	\$30,972	\$34,534	\$37,106	\$41,140	\$41,855
Percent of net long-term debt to equalized value	0.73%	0.84%	0.96%	1.02%	1.30%	1.33%	1.39%	1.37%	1.42%	1.35%
Net long-term debt per capita (not in thousands)	\$185	\$225	\$281	\$337	\$465	\$512	\$565	\$601	\$660	\$662



(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 18 - RATIO OF ANNUAL GENERAL FUND DEBT PAYMENTS
TO TOTAL GENERAL FUND EXPENDITURES AND
OTHER FINANCING USES
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Transfers to Debt Service fund	\$440	\$598	\$777	\$820	\$1,608	\$1,109	\$1,463	\$1,588	\$1,751	\$1,985
Total expenditures and other financing uses	\$29,763	\$30,330	\$30,645	\$31,842	\$33,827	\$34,115	\$35,478	\$38,381	\$39,538	\$40,592
Percent of debt transfers to expenditures and other financing uses	1.5%	2.0%	2.5%	2.6%	4.8%	3.3%	4.1%	4.1%	4.4%	4.9%

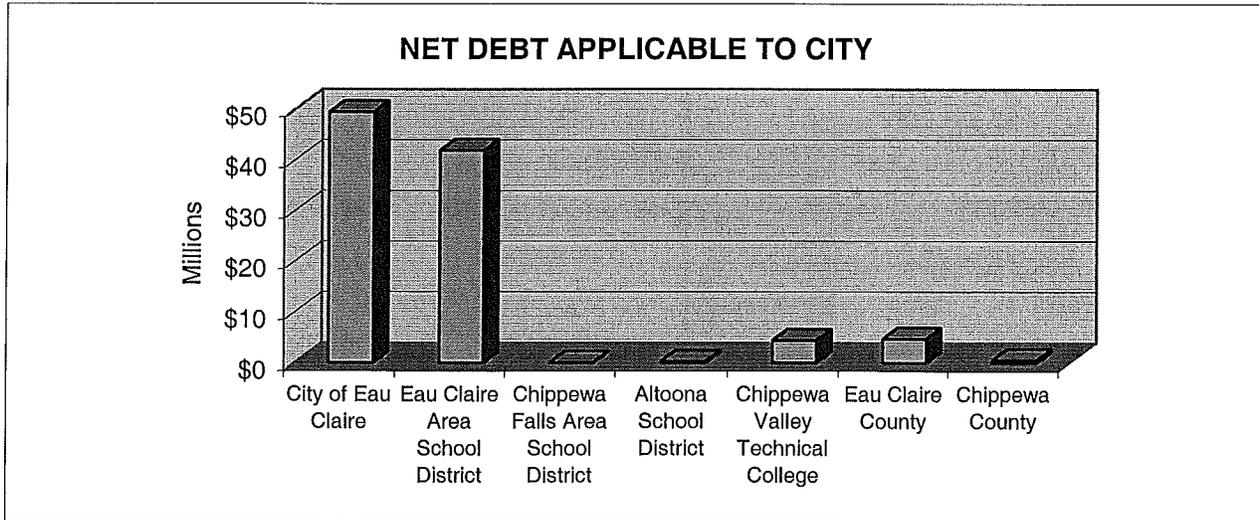
Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

**TABLE 19 - SCHEDULE OF DIRECT AND INDIRECT
GENERAL OBLIGATION DEBT
December 31, 2002**

<u>Governmental Unit</u>	<u>Total Debt</u>	<u>% of Debt Applicable To City (1)</u>	<u>Net Debt Applicable To City</u>
Direct debt:			
City of Eau Claire	<u>\$49,444,680</u>	100.00%	<u>\$49,444,680</u>
Indirect debt:			
Eau Claire Area School District	55,865,950	74.93%	41,858,791
Chippewa Falls Area School District	13,720,000	0.22%	30,821
Altoona School District	8,910,000	3.02%	269,257
Chippewa Valley Technical College	21,185,000	20.95%	4,437,924
Eau Claire County	7,774,159	61.13%	4,752,330
Chippewa County	<u>14,315,000</u>	4.03%	<u>577,213</u>
Total indirect debt	<u>121,770,109</u>		<u>51,926,336</u>
Total direct and indirect debt	<u>\$171,214,789</u>		<u>\$101,371,016</u>

Indirect debt per capita	\$813
Indirect debt as a % of equalized value	1.65%
Total direct and indirect debt per capita	\$1,604
Total direct and indirect debt as a % of equalized value	3.26%



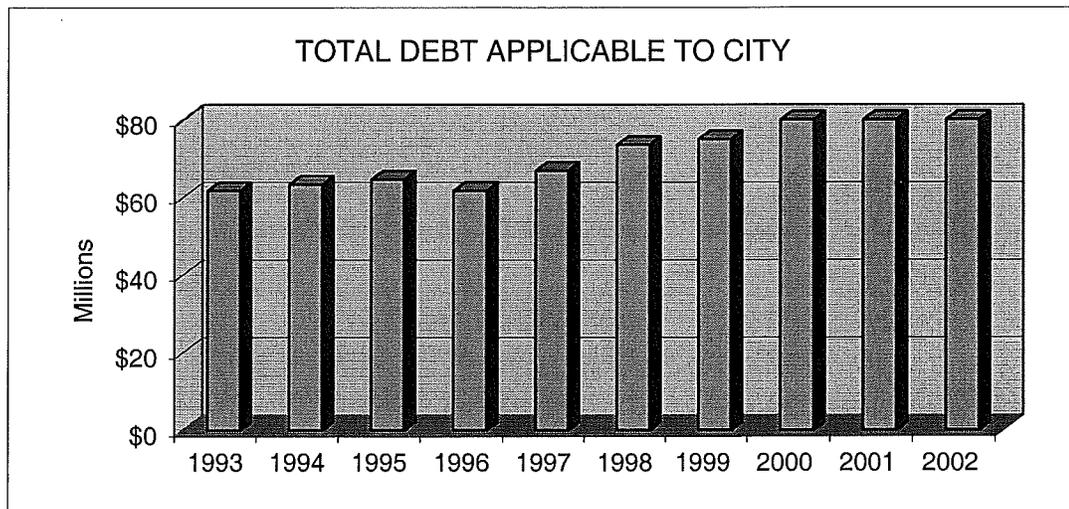
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

Sources: City of Eau Claire Comprehensive Annual Financial Report
Financial Officers of the overlapping School Districts and Counties

CITY OF EAU CLAIRE

**TABLE 20 - SCHEDULE OF DIRECT AND INDIRECT
GENERAL OBLIGATION DEBT
Last Ten Fiscal Years
(Dollars in Thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total debt applicable to City	\$61,686	\$63,256	\$64,552	\$61,758	\$66,865	\$73,564	\$74,929	\$106,623	\$103,233	\$101,371
Direct debt:										
General City	\$18,078	\$17,652	\$18,947	\$21,983	\$30,183	\$34,334	\$38,766	\$42,677	\$48,348	\$49,445
Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Indirect debt:										
Eau Claire Area										
School District	\$28,516	\$30,364	\$29,691	\$28,814	\$27,988	\$26,808	\$24,992	\$52,325	\$44,755	\$41,859
Percent	76.37%	75.68%	75.81%	76.40%	75.46%	76.28%	75.81%	75.98%	0.00%	74.93%
Chippewa Falls Area										
School District	\$4	\$10	\$15	\$31	\$64	\$53	\$48	\$165	\$132	\$31
Percent	0.18%	0.15%	0.18%	0.39%	0.32%	0.26%	0.25%	0.82%	0.00%	0.22%
Altoona School District (1)	\$0	\$0	\$0	\$0	\$16	\$137	\$316	\$309	\$300	\$269
Percent	0.00%	0.00%	0.00%	0.00%	0.48%	2.44%	3.27%	3.34%	0.00%	3.02%
C.V. Technical College	\$1,974	\$2,550	\$2,165	\$1,886	\$2,360	\$4,324	\$3,732	\$3,977	\$3,959	\$4,438
Percent	22.29%	22.08%	22.24%	22.78%	22.36%	22.54%	22.04%	21.78%	0.00%	20.95%
Eau Claire County	\$12,683	\$12,263	\$13,333	\$8,658	\$6,254	\$7,907	\$6,637	\$6,550	\$5,177	\$4,752
Percent	63.80%	63.07%	63.27%	62.73%	61.86%	62.80%	62.05%	62.06%	0.00%	61.13%
Chippewa County	\$431	\$416	\$401	\$386	\$0	\$0	\$438	\$619	\$563	\$577
Percent	4.70%	4.64%	4.57%	4.63%	0.00%	0.00%	4.38%	4.49%	0.00%	4.03%



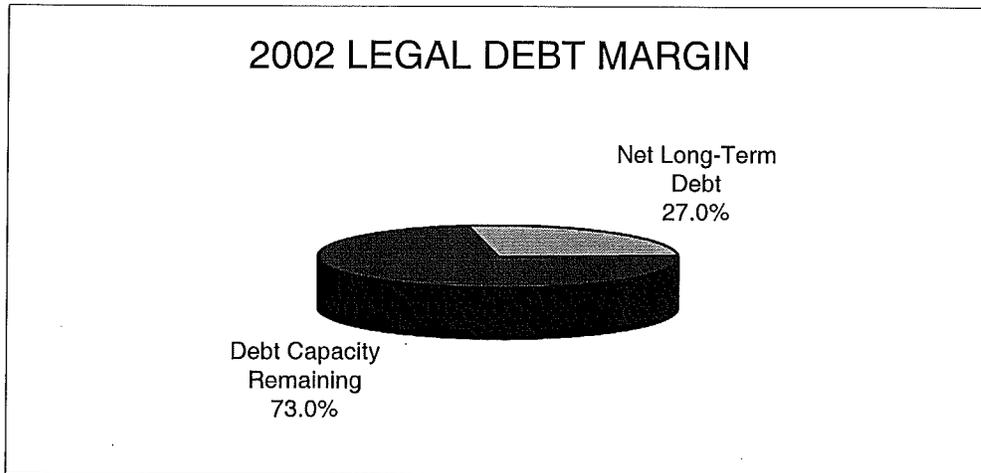
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

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

CITY OF EAU CLAIRE

TABLE 21 - COMPUTATION OF LEGAL DEBT MARGIN
 Last Ten Fiscal Years
 (Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Equalized valuation	\$1,476,629	\$1,563,675	\$1,722,952	\$1,958,436	\$2,140,250	\$2,321,055	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$73,831	\$78,184	\$86,148	\$97,922	\$107,013	\$116,053	\$124,029	\$135,349	\$144,465	\$155,268
Resources on hand for payment of debt	\$7,357	\$4,530	\$2,446	\$1,960	\$2,379	\$3,362	\$4,232	\$5,571	\$7,208	\$7,590
Net long-term debt	\$10,721	\$13,122	\$16,501	\$20,023	\$27,804	\$30,972	\$34,534	\$37,106	\$41,140	\$41,855
Legal debt margin	\$63,110	\$65,062	\$69,647	\$77,899	\$79,209	\$85,080	\$89,495	\$98,243	\$103,325	\$113,413
Percentage of debt capacity remaining	85%	83%	81%	80%	74%	73%	72%	73%	72%	73%



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

CITY OF EAU CLAIRE

TABLE 22 - SCHEDULE OF REVENUE BOND COVERAGE
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>WATER UTILITY</u>										
Operating revenue	\$4,385	\$4,581	\$4,697	\$4,779	\$5,122	\$5,615	\$5,911	\$6,105	\$6,460	\$6,519
Operating expense (1)	\$2,082	\$2,210	\$2,077	\$2,253	\$2,090	\$2,237	\$2,359	\$2,678	\$2,900	\$2,743
Income available for debt service	\$2,303	\$2,371	\$2,620	\$2,526	\$3,032	\$3,378	\$3,552	\$3,427	\$3,560	\$3,776
Debt service current year (2)	\$686	\$768	\$827	\$975	\$1,047	\$1,100	\$989	\$987	\$944	\$1,003
Coverage	3.36	3.09	3.17	2.59	2.90	3.07	3.59	3.47	3.77	3.76
Debt service for highest principal and interest year in retirement schedule	\$846	\$846	\$991	\$1,047	\$1,100	\$989	\$988	\$988	\$1,034	\$1,034
Coverage on highest year	2.72	2.80	2.64	2.41	2.76	3.42	3.60	3.47	3.44	3.65
<u>SEWER UTILITY</u>										
Operating revenue	\$4,339	\$4,866	\$5,136	\$5,080	\$5,302	\$5,765	\$5,869	\$5,906	\$5,721	\$5,814
Operating expense (1)	\$2,708	\$2,746	\$2,944	\$3,456	\$3,117	\$3,026	\$3,551	\$3,488	\$3,718	\$3,628
Income available for debt service	\$1,631	\$2,120	\$2,192	\$1,624	\$2,185	\$2,739	\$2,318	\$2,418	\$2,003	\$2,186
Debt service current year (2)	\$641	\$652	\$795	\$895	\$904	\$900	\$535	\$531	\$533	\$533
Coverage	2.54	3.25	2.76	1.81	2.42	3.04	4.33	4.55	3.76	4.10
Debt service for highest principal and interest year in retirement schedule	\$817	\$795	\$904	\$904	\$904	\$544	\$544	\$544	\$544	\$528
Coverage on highest year	2.00	2.67	2.42	1.80	2.42	5.03	4.26	4.44	3.68	4.14

(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 23 - SCHEDULE OF ANNUAL
DEBT SERVICE
December 31, 2002

TOTAL GENERAL OBLIGATION DEBT

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Requirement</u>
2003	\$5,483,670	\$2,217,328	\$7,700,998
2004	3,593,670	1,994,147	5,587,817
2005	3,583,670	1,836,455	5,420,125
2006	3,418,670	1,680,874	5,099,544
2007	3,505,000	1,523,565	5,028,565
2008	3,035,000	1,376,121	4,411,121
2009	2,945,000	1,241,123	4,186,123
2010	2,655,000	1,112,251	3,767,251
2011	2,710,000	986,739	3,696,739
2012	2,735,000	858,114	3,593,114
2013	2,295,000	736,691	3,031,691
2014	2,420,000	620,269	3,040,269
2015	2,225,000	504,847	2,729,847
2016	2,270,000	392,018	2,662,018
2017	2,090,000	281,602	2,371,602
2018	1,520,000	190,319	1,710,319
2019	1,215,000	120,234	1,335,234
2020	1,015,000	62,200	1,077,200
2021	640,000	20,098	660,098
2022	90,000	2,115	92,115
	<u> </u>	<u> </u>	<u> </u>
Balance	<u>\$49,444,680</u>	<u>\$17,757,110</u>	<u>\$67,201,790</u>

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

CITY OF EAU CLAIRE

TABLE 23 - SCHEDULE OF ANNUAL
DEBT SERVICE (cont'd)
December 31, 2002

TOTAL REVENUE BONDS - WATER UTILITY

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Requirement</u>
2003	\$505,000	\$473,415	\$978,415
2004	530,000	450,005	980,005
2005	550,000	425,200	975,200
2006	580,000	399,270	979,270
2007	605,000	371,820	976,820
2008	635,000	342,790	977,790
2009	665,000	312,285	977,285
2010	700,000	280,059	980,059
2011	735,000	245,707	980,707
2012	770,000	210,423	980,423
2013	810,000	172,754	982,754
2014	850,000	134,353	984,353
2015	890,000	93,185	983,185
2016	985,000	49,140	1,034,140
	<u>\$9,810,000</u>	<u>\$3,960,406</u>	<u>\$13,770,406</u>
Balance	<u>\$9,810,000</u>	<u>\$3,960,406</u>	<u>\$13,770,406</u>

TOTAL REVENUE BONDS - SEWER UTILITY

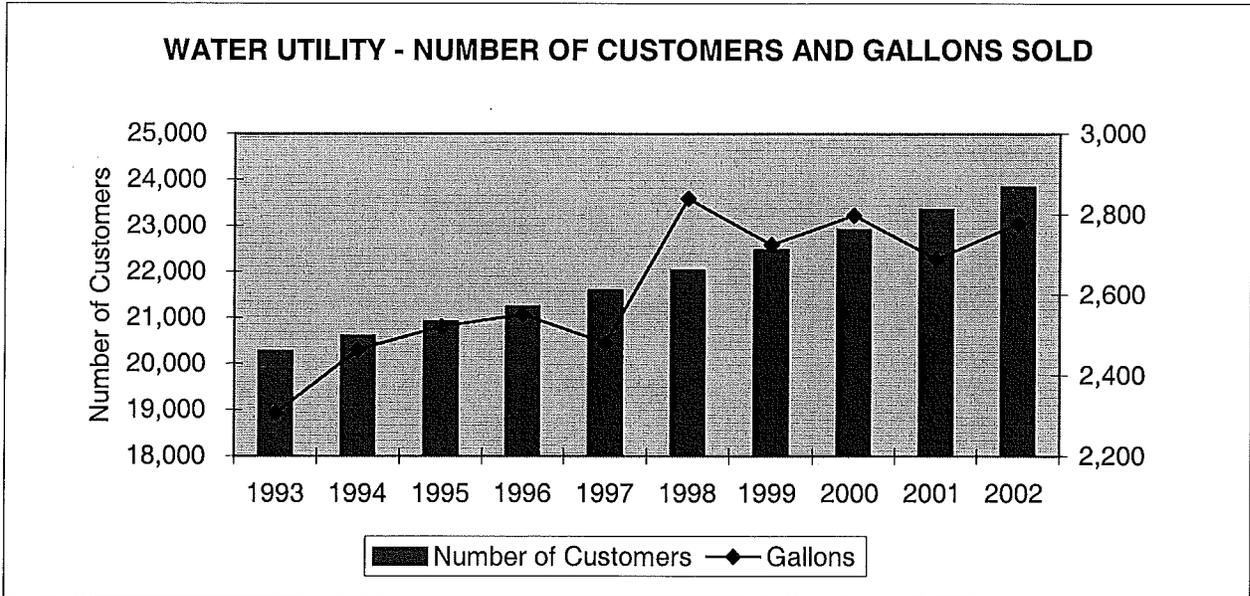
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Requirement</u>
2003	\$430,000	\$83,223	\$513,223
2004	455,000	63,044	518,044
2005	470,000	51,669	521,669
2006	485,000	39,918	524,918
2007	500,000	28,400	528,400
2008	505,000	15,150	520,150
	<u>\$2,845,000</u>	<u>\$281,404</u>	<u>\$3,126,404</u>
Balance	<u>\$2,845,000</u>	<u>\$281,404</u>	<u>\$3,126,404</u>

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

CITY OF EAU CLAIRE

TABLE 24 - WATER UTILITY CUSTOMER SUMMARY Last Ten Fiscal Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Residential:										
Customers	17,876	18,175	18,448	18,751	19,089	19,464	19,851	20,254	20,650	21,115
Gallons (thousands)	1,008,442	1,117,377	1,117,208	1,122,248	1,090,933	1,269,242	1,148,110	1,198,843	1,204,880	1,149,851
Commercial:										
Customers	2,171	2,195	2,225	2,240	2,259	2,303	2,342	2,373	2,407	2,424
Gallons (thousands)	611,324	623,056	633,210	647,595	645,015	702,248	709,245	681,275	704,283	710,863
Industrial:										
Customers	76	78	83	84	87	96	102	105	108	110
Gallons (thousands)	491,170	510,931	553,241	556,646	544,750	632,586	655,984	700,216	572,885	693,336
Public:										
Customers	141	145	151	158	162	166	173	181	184	187
Gallons (thousands)	194,356	212,568	217,530	224,367	199,913	234,432	210,948	216,808	206,609	222,951
Total:										
Customers	20,264	20,593	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,836
Gallons (thousands)	2,305,292	2,463,932	2,521,189	2,550,856	2,480,611	2,838,508	2,724,287	2,797,142	2,688,657	2,777,001



Sources: Wisconsin Public Service Commission Annual Reports
Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 25 - WATER UTILITY - LARGEST SYSTEM CUSTOMERS
December 31, 2002

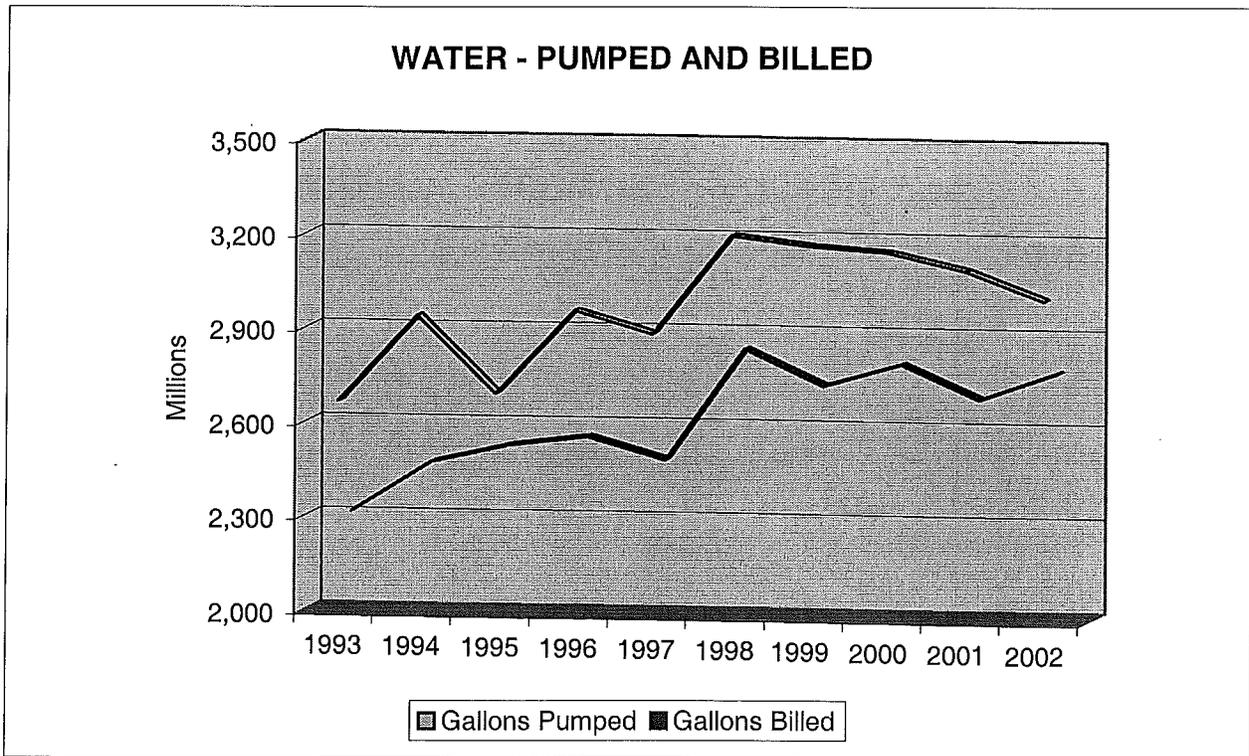
<u>Customer</u>	<u>Gallons Billed</u>	<u>% of Total</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	258,873,076	9.3%	\$282,795	5.5%
Cascade Tissue	169,834,896	6.1%	179,845	3.5%
University of Wisconsin-Eau Claire	84,640,688	3.0%	116,528	2.3%
Luther Midelfort-Mayo Health	53,099,024	1.9%	76,285	1.5%
Hutchinson Technology	51,806,480	1.9%	64,986	1.3%
Sacred Heart Hospital	36,329,612	1.3%	50,220	1.0%
American Phoenix	33,897,864	1.2%	39,899	0.8%
Eau Claire School District	29,670,168	1.1%	50,482	1.0%
3M	27,025,988	1.0%	35,429	0.7%
Huebsch Laundry Co.	15,004,132	0.5%	21,220	0.4%
Oakwood Village	<u>11,812,416</u>	<u>0.4%</u>	<u>16,831</u>	<u>0.3%</u>
Subtotal	<u>771,994,344</u>	<u>27.7%</u>	<u>934,520</u>	<u>18.3%</u>
All other customers	<u>2,005,006,656</u>	<u>72.3%</u>	<u>4,229,896</u>	<u>81.7%</u>
Total	<u><u>2,777,001,000</u></u>	<u><u>100.0%</u></u>	<u><u>\$5,164,416</u></u>	<u><u>100.0%</u></u>

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 26 - WATER UTILITY - PRODUCTION STATISTICS
Last Ten Fiscal Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Average number of water customers	20,264	20,593	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,830
Total gallons pumped (in thousands)	2,676,417	2,953,147	2,707,239	2,975,091	2,904,112	3,220,545	3,191,406	3,175,349	3,120,404	3,028,641
Total gallons billed (in thousands)	2,305,292	2,463,932	2,521,189	2,550,856	2,480,611	2,838,508	2,724,287	2,797,142	2,688,657	2,777,001
Percent of water billed	86.13%	83.43%	93.13%	85.74%	85.42%	88.14%	85.36%	88.09%	86.16%	91.89%
Miles of main	298	301	306	318	319	322	330	335	336	340
Number of fire hydrants	2,835	2,856	2,877	2,987	2,864	3,007	3,060	3,136	3,230	3,277
Residential customer's average quarterly water bill	\$31.91	\$32.52	\$32.52	\$32.52	\$34.61	\$34.61	\$37.74	\$37.74	\$40.86	\$40.86

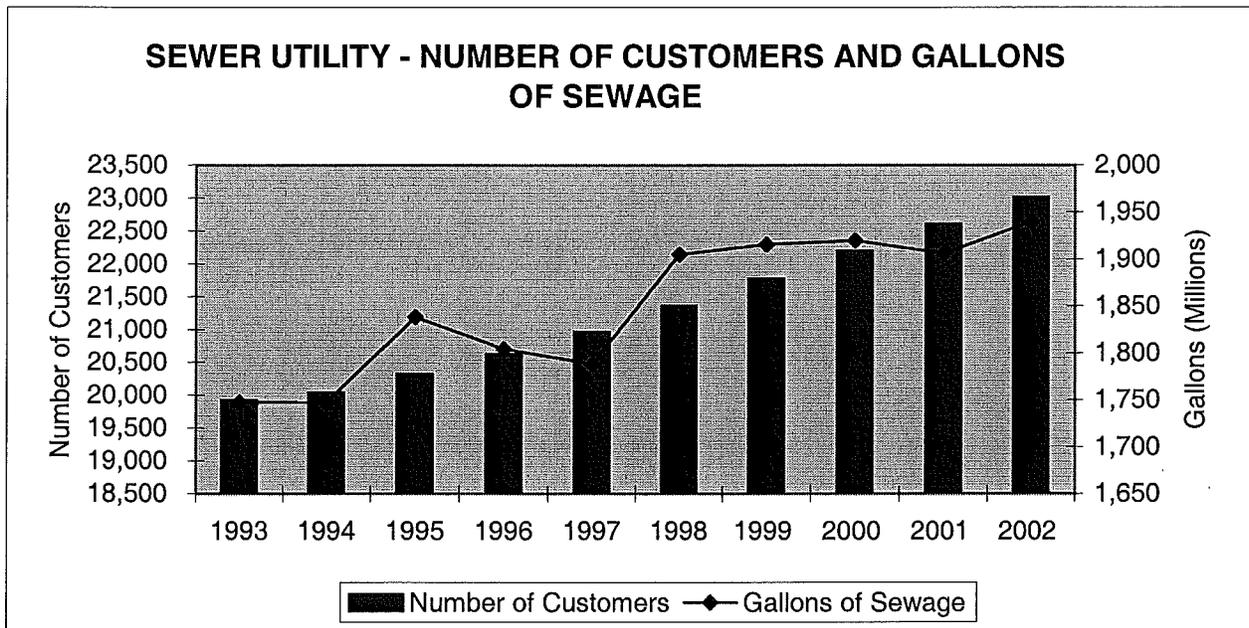


Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 27 - SEWER UTILITY CUSTOMER SUMMARY Last Ten Fiscal Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Residential:										
Customers	17,645	17,745	18,005	18,281	18,596	18,951	19,316	19,697	20,078	20,479
Gallons (thousands)	896,025	882,526	923,752	908,718	896,473	921,117	910,597	935,340	957,711	954,338
Commercial:										
Customers	2,084	2,099	2,116	2,136	2,152	2,185	2,222	2,255	2,280	2,282
Gallons (thousands)	576,594	581,269	606,572	593,776	600,133	635,590	634,185	617,395	628,365	620,180
Industrial:										
Customers	71	72	75	76	79	85	89	91	93	93
Gallons (thousands)	136,364	149,340	157,931	152,832	164,396	209,958	237,705	240,671	204,831	244,237
Public:										
Customers	126	126	131	135	139	141	147	153	156	158
Gallons (thousands)	138,839	134,378	149,929	148,847	127,536	138,403	133,152	126,492	115,112	121,267
Total:										
Customers	19,926	20,042	20,326	20,628	20,964	21,362	21,774	22,196	22,607	23,012
Gallons (thousands)	1,747,822	1,747,513	1,838,184	1,804,173	1,788,538	1,905,068	1,915,639	1,919,898	1,906,019	1,940,022



Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 28 - SEWER UTILITY - LARGEST SYSTEM CUSTOMERS
December 31, 2002

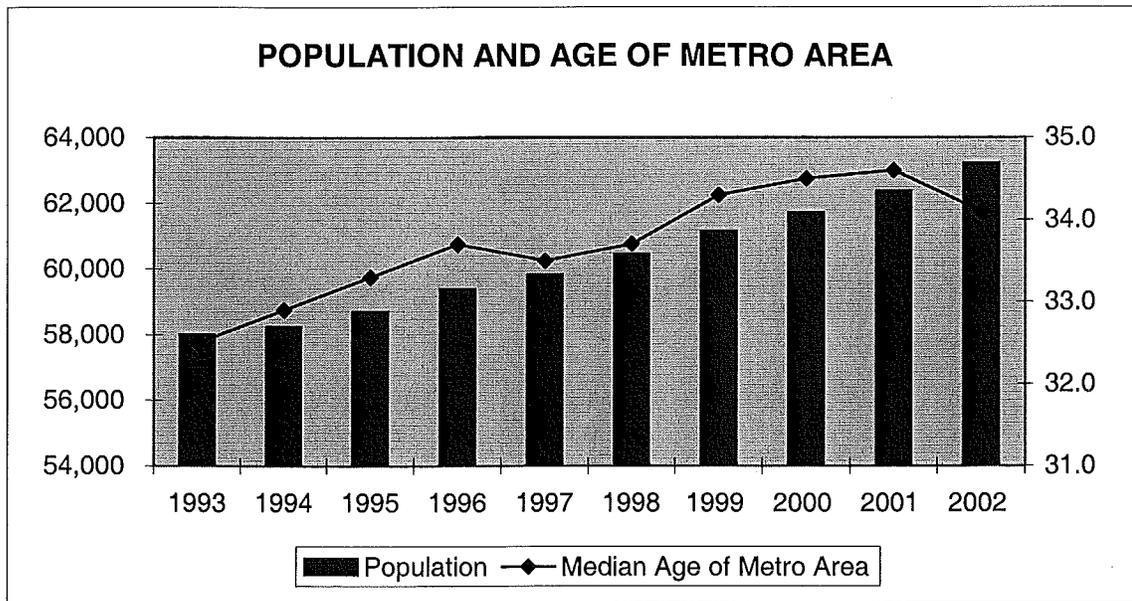
<u>Customer</u>	<u>Gallons Billed</u>	<u>% of Total</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	152,449,286	7.9%	\$415,771	7.9%
University of Wisconsin-Eau Claire	65,876,844	3.4%	179,664	3.4%
Luther Midelfort-Mayo Health	48,994,000	2.5%	133,620	2.5%
Sacred Heart Hospital	36,019,192	1.9%	98,234	1.9%
3-M Companies	32,997,272	1.7%	89,993	1.7%
Hutchinson Technology	22,023,217	1.1%	60,063	1.1%
Eau Claire School District	21,037,500	1.1%	57,375	1.1%
Oakwood Mall	15,004,132	0.8%	40,920	0.8%
Huebsch Laundry Co.	14,193,608	0.7%	38,710	0.7%
Oakridge Village Mobile Home	9,063,516	0.5%	24,719	0.5%
Larson Management	<u>8,195,836</u>	<u>0.4%</u>	<u>22,352</u>	<u>0.4%</u>
Subtotal	<u>425,854,403</u>	<u>10.7%</u>	<u>1,161,421</u>	<u>10.7%</u>
All other customers	<u>1,514,167,597</u>	<u>89.3%</u>	<u>4,129,546</u>	<u>89.3%</u>
Total	<u><u>1,940,022,000</u></u>	<u><u>100.0%</u></u>	<u><u>\$5,290,967</u></u>	<u><u>100.0%</u></u>

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

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

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Population	58,005	58,239	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214
Median age of Metro Area	32.5	32.9	33.3	33.7	33.5	33.7	34.3	34.5	34.6	34.1
Consumer price index (1)	144.5	148.2	152.0	156.5	160.2	163.1	166.6	174.0	177.1	179.9
Per capita income (2)	\$14	\$14	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$15
Effective buying income of population (2)	\$812,515	\$836,810	\$760,231	\$789,788	\$795,000	\$819,660	\$854,247	\$927,164	\$948,183	\$959,058
Number of business properties	1,335	1,350	1,370	1,385	1,400	1,410	1,425	1,445	1,455	1,460
Acres devoted to business	2,643	2,674	2,858	3,033	3,003	3,013	3,080	3,110	3,135	3,139



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

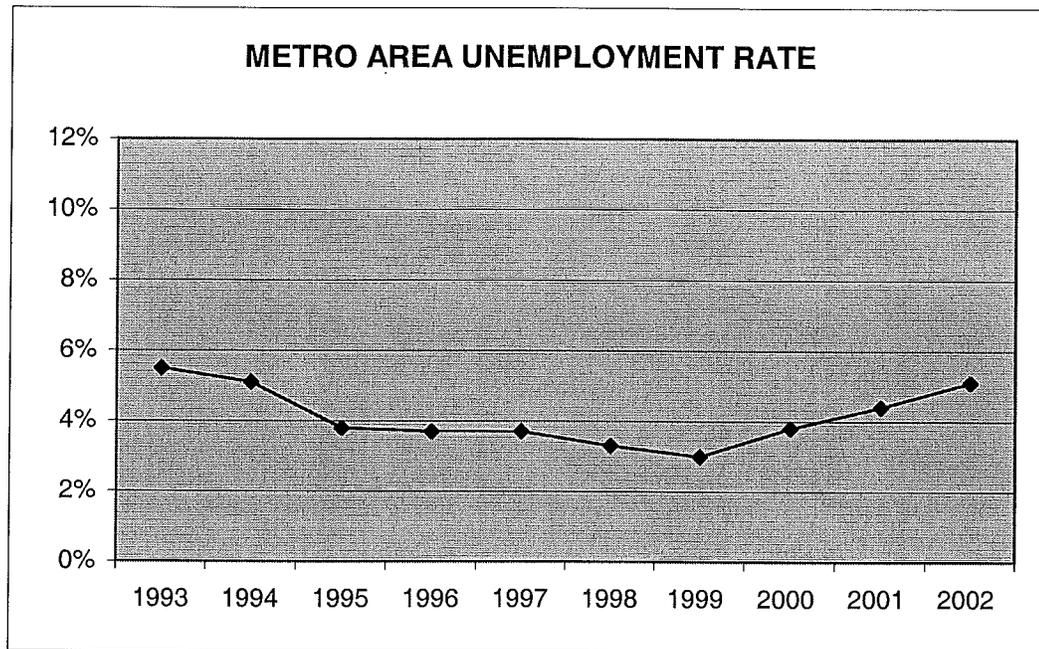
(2) NOTE: Estimated.

Sources: Sale and Marketing Management "Survey of Buying Power" Annual Report
 City of Eau Claire Department of Community Development

CITY OF EAU CLAIRE

TABLE 29 - DEMOGRAPHIC STATISTICS (cont'd)
Last Ten Fiscal Years

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of residential parcels	17,734	17,816	17,682	17,855	17,955	18,186	18,814	18,472	18,814	19,004
Vacancy rates (per cent):										
Residential	3.00	2.75	2.75	2.75	3.00	3.00	3.00	3.00	3.50	3.75
Commercial	13.50	12.75	10.00	8.00	8.50	9.00	7.00	7.00	8.80	8.00
Industrial	5.50	5.00	4.50	4.00	3.50	4.50	2.00	2.00	6.50	8.50
Unemployment rate E.C. Metro Area	5.5%	5.1%	3.8%	3.7%	3.7%	3.3%	3.0%	3.8%	4.4%	5.1%



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 TAXPAYERS

December 31, 2002

(Dollars in Thousands)

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation (1)</u>	<u>Equalized Valuation</u>	<u>% Total Equalized Valuation</u>
Oakwood Mall - General Growth	Mall	\$56,165	\$57,078	2.11%
Carnation Corporation - Nestle Foods	Manufacturing	30,507	31,003	1.14%
Keystone Corporation	Investment real estate	29,400	29,878	1.10%
Hutchinson Technology Inc.	Computer equipment manufacturing	25,140	25,549	0.94%
Dayton Hudson Corporation	Retail	18,478	18,779	0.69%
Luther Hospital	Medical facility	18,191	18,487	0.68%
Marshfield Clinic	Medical facility	17,804	18,094	0.67%
Midelfort Clinic	Medical facility	15,361	15,611	0.58%
Phillips Properties (1)	Investment real estate	14,212	14,443	0.53%
Sam's Club - Walmart	Retail	12,744	12,951	0.48%
Principal taxpayers total		238,002	241,873	8.93%
All other taxpayers		2,191,571	2,466,848	91.07%
Total valuation		<u>\$2,429,573</u>	<u>\$2,708,721</u>	<u>100.00%</u>

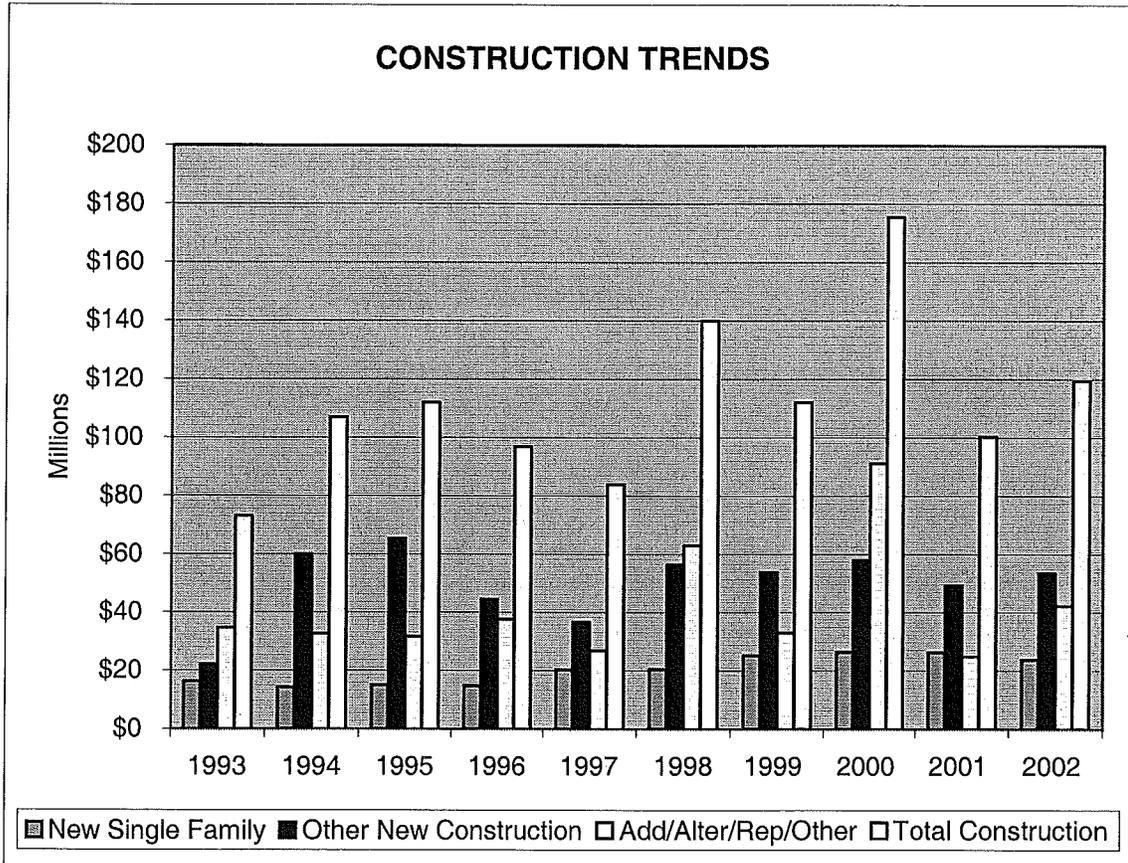
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties.

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 31 - PROPERTY VALUE AND
CONSTRUCTION
Last Ten Fiscal Years
(Dollars in Thousands)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
New single family dwellings: # of units	146	124	135	131	167	174	188	189	170	156
Value	\$16,346	\$14,297	\$15,034	\$14,812	\$20,372	\$20,536	\$25,294	\$26,432	\$26,303	\$23,757
Other new construction	\$22,048	\$59,961	\$65,310	\$44,497	\$36,688	\$56,421	\$53,827	\$57,946	\$49,208	\$53,440
Additions/alterations/repairs & all other types of const.	\$34,631	\$32,681	\$31,716	\$37,592	\$26,796	\$63,023	\$33,003	\$91,173	\$24,864	\$42,237
Total construction	\$73,025	\$106,939	\$112,060	\$96,901	\$83,856	\$139,980	\$112,124	\$175,551	\$100,375	\$119,434



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

CITY OF EAU CLAIRE

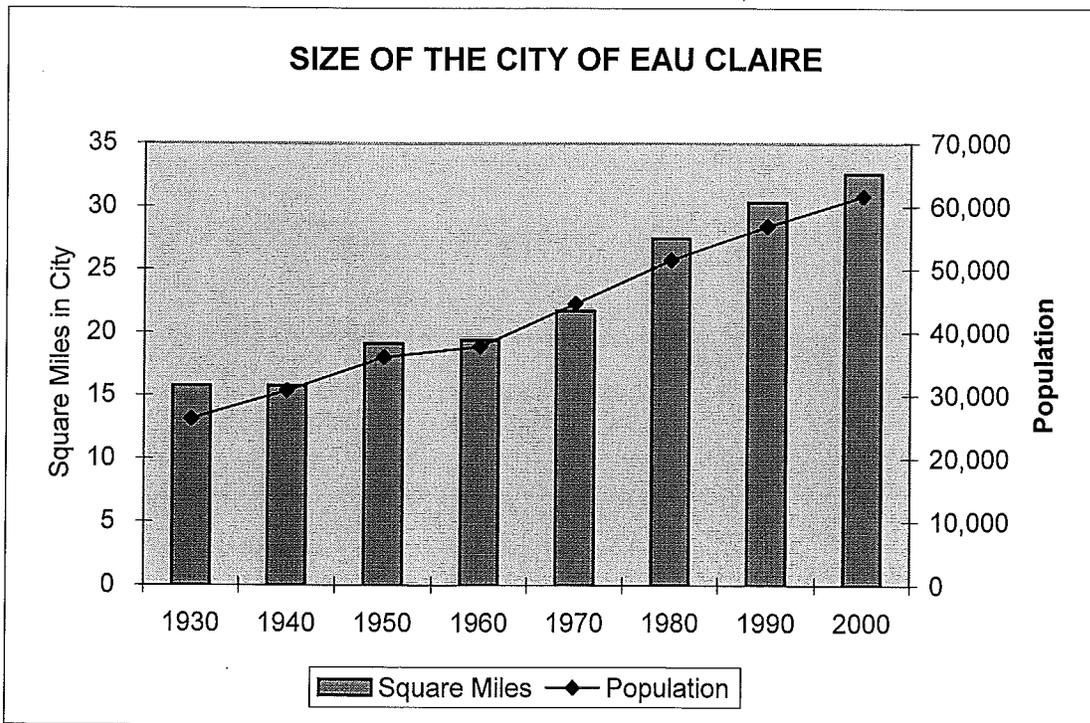
TABLE 32 - SUPPLEMENTAL INFORMATION
Year Ended December 31, 2002
(Dollars in Thousands)

Date of incorporation: 1872

Form of government: Council - Manager, Council President & 10 Council members

Size and Area of the City of Eau Claire

<u>Year</u>	<u>Area</u>	<u>Population</u>
1950	19.12 square miles	36,058
1960	19.38 square miles	37,787
1970	21.71 square miles	44,619
1980	27.45 square miles	51,509
1990	30.34 square miles	56,856
1991	30.49 square miles	57,069
1992	30.20 square miles	57,403
1993	30.38 square miles	58,005
1994	30.50 square miles	58,239
1995	30.96 square miles	58,702
1996	31.61 square miles	59,383
1997	31.90 square miles	59,832
1998	32.00 square miles	60,449
1999	32.23 square miles	61,704
2000	32.59 square miles	61,704
2001	32.33 square miles	62,368
2002	33.00 square miles	63,214



CITY OF EAU CLAIRE

TABLE 32 - SUPPLEMENTAL INFORMATION (cont'd)
 Year Ended December 31, 2002
 (Dollars in Thousands)

Building permits and total construction valuation

<u>Year</u>	<u>Number of Permits</u>	<u>Total Valuation</u>
1989	767	43,466
1990	846	60,990
1991	797	42,514
1992	996	66,102
1993	1,121	73,025
1994	1,341	106,939
1995	1,321	112,060
1996	1,472	96,901
1997	1,441	83,856
1998	1,516	139,980
1999	1,431	112,124
2000	1,479	175,551
2001	1,443	100,375
2002	1,340	119,434
 <u>Fire protection</u>		
Number of stations		6
Number of employees		96
Number of firefighting vehicles		10
Number of ambulances		5
Number of HazMat Vehicles		2
Other Fire department vehicles		4
Number of boats		5
Number of Fire Department incidents		4,903
Number of inspections		5,878
 <u>Police protection</u>		
Number of sworn personnel-authorized positions		99
Number of non-sworn personnel-authorized positions		29
Number of Community Service Officers		9
Number of calls for service		32,490
Number of adult arrests		5,039
Number of juvenile referrals		2,342
Number of marked squad cars		21
Number of unmarked vehicles		14
Number of animal control / parking enforcement vehicles		3
Number of incident command / evidence tech vehicles		3
 <u>Parks and Recreation</u>		
Number of indoor skating facilities		1
Number of outdoor skating facilities:		
Supervised		17
Non-supervised		3
Number of playgrounds		19
Number of parks:		
Neighborhood		6
Community		8
Special areas		17
Total park and playground area (in acres)		106
 <u>Library</u>		
Circulation		949,183
Number of volumes owned		292,957

Sources: City Community Development, Fire, Police, and Parks & Recreation Departments, Public Library

CITY OF EAU CLAIRE

TABLE 32 - SUPPLEMENTAL INFORMATION (cont'd)
Year Ended December 31, 2002

	1998	1999	2000	2001	2002
<u>Public Education</u>					
Number of school campuses	22	22	22	22	22
Elementary schools	16	16	16	16	16
Middle schools	3	3	3	3	3
High schools	2	2	2	2	2
Charter school	1	1	1	1	1
Number of personnel (full-time equivalents)	1,349	1,389	1,360	1,368	1,372
Number of students registered	11,409	11,293	11,268	11,131	10,889
Area of district (sq.miles)	200	200	200	200	200
<u>Private Schools</u>					
Elementary schools	8	10	10	10	10
High Schools	4	4	3	3	3
Number of students registered	1,440	1,690	1,613	1,415	1,541
<u>Colleges</u>					
University of Wisconsin - Eau Claire				9,451	9,745
Chippewa Valley Technical College				6,137	5,073
Immanuel Lutheran College				41	36
Number of students enrolled for credit	15,628	16,538	14,275	15,629	14,854
<u>Municipal water and sewer plant</u>					
Water system:					
Number of meters in service					24,110
Average daily consumption (in gallons):					
Measured					7,608,222
Pumped					8,297,646
Maximum daily capacity (in gallons)					20,000,000
Number of gallons sold (In thousands)					2,777,001
Water mains (in miles)					340
Fire hydrants					3,277
Maximum gallons pumped in any one day (July 10, 2001)					18,000,000
Minimum gallons pumped in any one day (April 5, 2001)					4,802,000
Storage capacity (in gallons)					15,000,000
Sewers:					
Sewer customers					23,221
<u>Total miles of streets within the City</u>					
City jurisdiction					322.7
Other jurisdictions					29.5
Total Miles					352.2
<u>Elections</u>					
Number of wards					40
Number of votes cast in last municipal election (April 3, 2002)					6,464
Total number of current registered voters					49,149
Percentage of registered voters voting in last election					43%

Sources: Eau Claire Area School District, City Customer Services Division, City Engineer, City Clerk
Eau Claire Area Economic Profile, Industrial Development Corporation

CITY OF EAU CLAIRE

TABLE 33 - INSURANCE COVERAGES December 31, 2002

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$250,000 per occurrence
Commercial general liability: Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Boiler and machinery	\$50,000,000	\$5,000
Fire and extended coverage	\$131,657,293	\$500
Inland marine - all risks (contractor's equipment)	\$2,703,253	\$500
Money and securities - broad form coverage	\$10,000	\$500
Public official liability insurance (includes police)	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Automobile and truck insurance (excluding Transit): Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Uninsured motorists	\$50,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Comprehensive	\$5,212,661	\$500
Collision	\$5,212,661	\$3,000
Transit Bodily injury and property damage liability	\$6,250,000	\$0
Public official surety bond Chief of Police	\$10,000	N/A
Director of Finance	\$10,000	N/A

Source: City of Eau Claire Risk Manager

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