

# City of Eau Claire

Eau Claire, Wisconsin

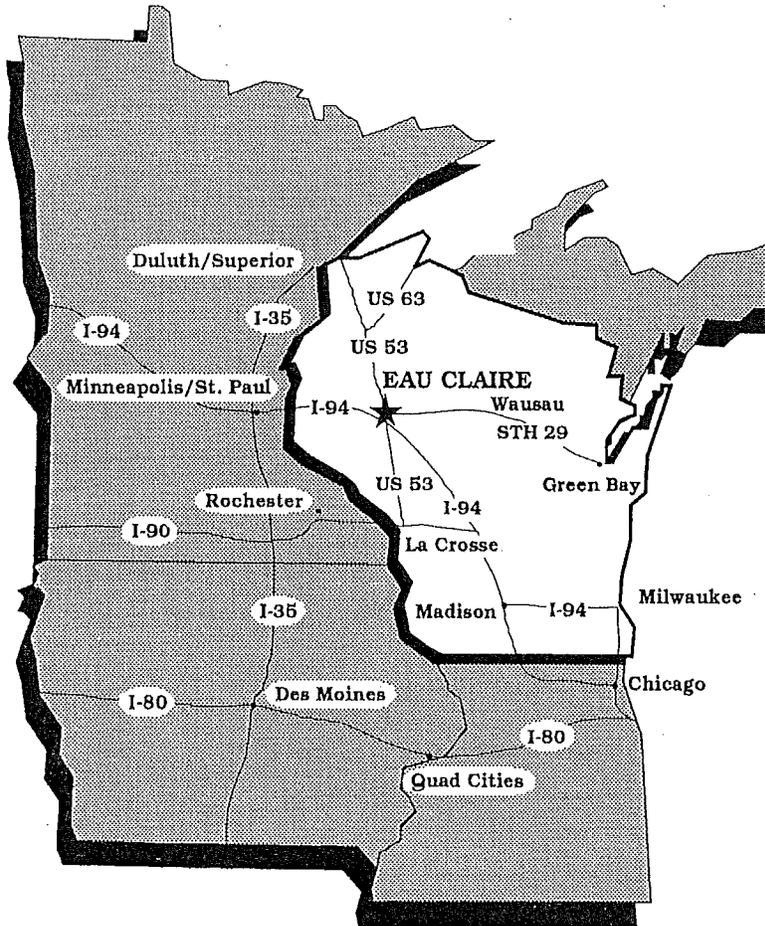
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED

DECEMBER 31, 2003

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

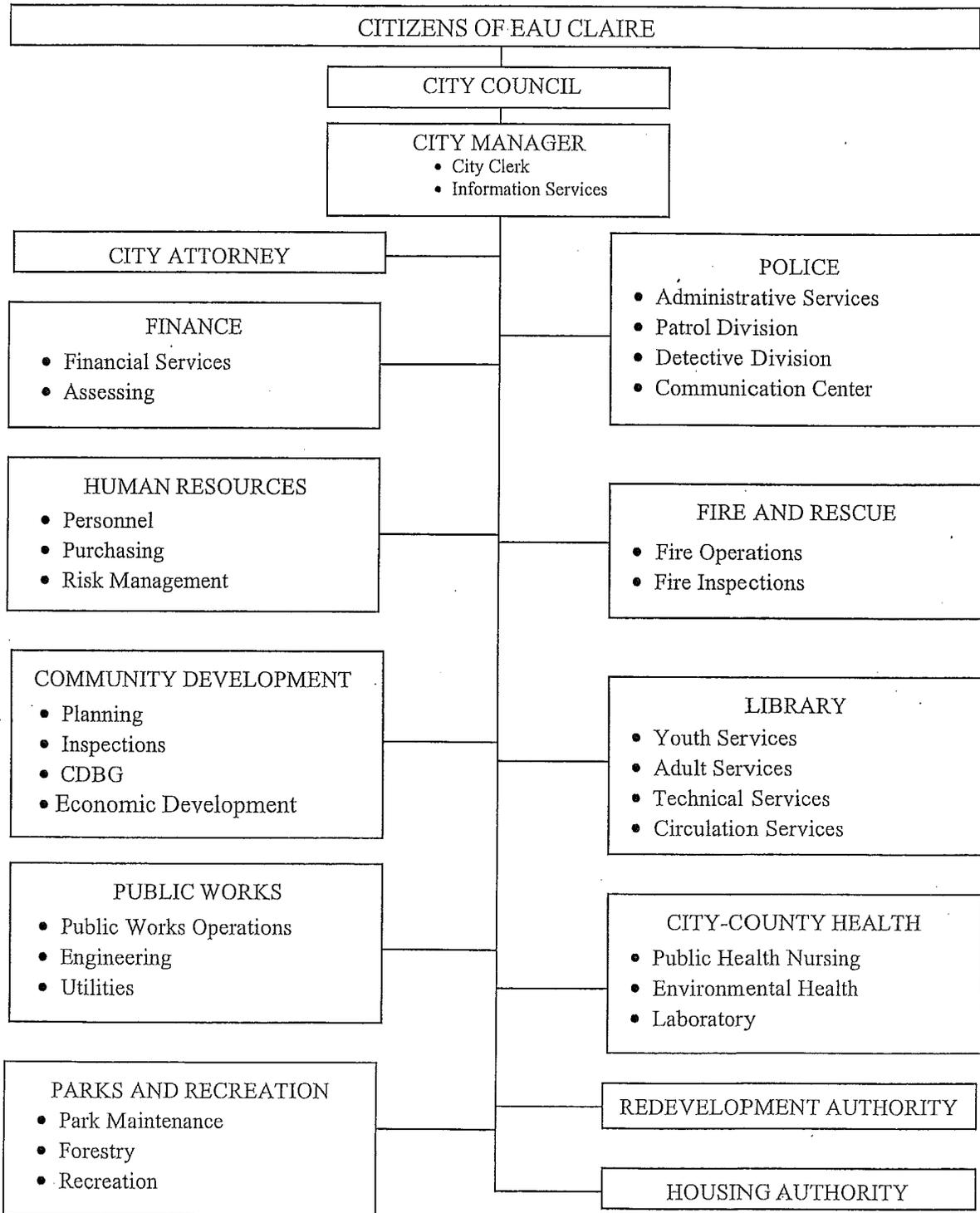
	<u>Term Commenced</u>	<u>Term Expires</u>
Howard White ..... Council President	April 2003	April 2005
David J. Adler..... District One	April 2003	April 2005
Dallas S. Neville..... District Two	April 2003	April 2005
Toby R. Biegel..... District Three	April 2003	April 2005
Bob Von Hayden..... District Four	April 2003	April 2005
Berlye S. Middleton..... District Five	April 2003	April 2005
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

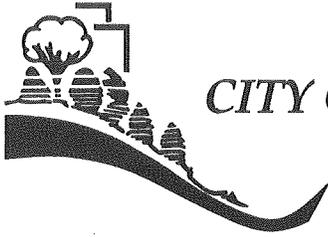
Appointed Officials

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
Phillip C. Fieber ..... Director of Parks and Recreation
Brian Amundson, P.E..... Director of Public Works
Bruce A Fuerbringer..... Fire Chief
Jerome S. Matysik ..... 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

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FINANCE DEPARTMENT  
Finance Administration  
(715) 839-6044

June 30, 2004

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, 2003 is prepared to provide the Council, our citizens, and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City government. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and component units; and that all disclosures necessary to enable the reader to gain reasonable understanding of the City's financial affairs have been included.

## **Report Format**

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

## Reporting Entity

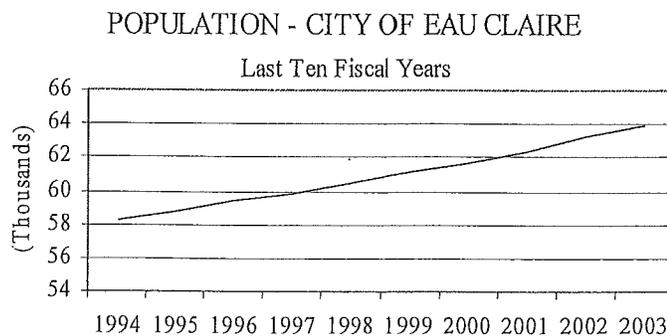
This report includes all of the funds and component units of the City of Eau Claire. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the General fund, which accounts for the general administration of the City, and the Special Revenue funds relating to Economic Development, Community Enhancement, Downtown, Cemetery Maintenance, the Hazardous Materials "A" Grant, the Public Library, the City-County Health Department, Community Development, Home Grant, and the Former Landfill Escrow. The report also includes the City's Enterprise funds that account for the Water, Sewer, Storm Water Management, 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 63,882 and the population of the Greater Eau Claire Metropolitan Area is approximately 150,000.

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

The City of Eau Claire's economic activity in 2003 reflected the general nationwide downturn. However, the City's broad-based business sector has minimized the negative impact of the recession. Strong retail outlets, regional medical facilities, high technology companies, and educational institutions anchor Eau Claire's economy. The diverse employment base has allowed the City to continue a moderate rate of growth.

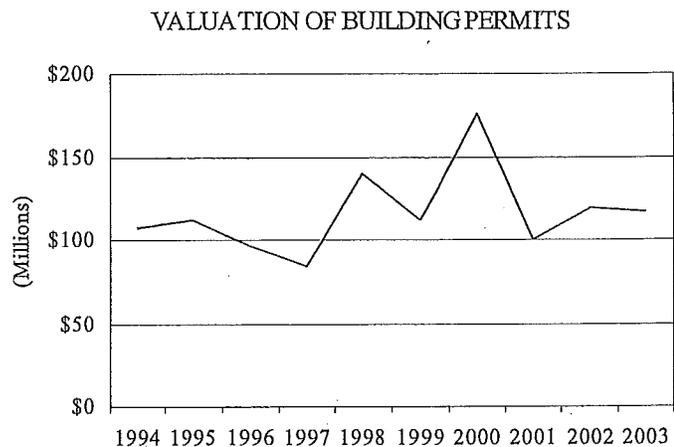
Building permit valuations were solid at \$117 million, but did not approach the 2000 record of \$175.5 million. The major development areas were in the residential and commercial segments. Some of the notable commercial projects included a technical college expansion, a credit union corporate headquarters, a new grocery store, a new hotel, and a hospital addition.

While the City lost some major employers in 2003, the City is beginning to see the payback from its re-development efforts. In the downtown area, a \$12 million dollar office building is being constructed on the site of a former brownfield. It is at the heart of a revitalization effort that includes the acquisition and demolition of blighted properties, the creation of new building sites, a community park, a trailhead, and a farmer's market. Overall, the City will invest over \$13 million in public projects to reclaim and redevelop the City's downtown.

At the site of a former mall, new development has resulted in a restaurant, grocery store, and home furnishings store with total valuations of over \$6 million. These examples of blight elimination and the reuse of distressed properties are evidence that the development community is willing to invest in the City.

Current economic priorities for the City include infrastructure expansion in the City's tax incremental financing (TIF) districts. Plans are in place for a \$9.6 million investment in streets, utilities and storm drainage for an industrial TIF on the City's west side. TIFs in other areas are providing infrastructure improvements to stimulate commercial redevelopment.

The City has been consistently recognized by national surveys as a highly rated area for overall quality of life. The Forbes Best Small Places for Business and Career ranked Eau Claire near the top third of 168 metropolitan areas. Expansion Management magazine rated the City's school district as one of the nation's best. The Eau Claire school district was identified as the fifth highest amongst all metropolitan areas with enrollments of at least 3,300 students. The factors that go into rankings like these are the same factors that continue to attract businesses and workers to the Eau Claire area.



## **MAJOR INITIATIVES**

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2003 and into 2004:

### **Downtown Development Area**

One of the most significant projects ever undertaken in the city is the redevelopment of the downtown area. Through a TIF District, the City will provide \$13.85 million to acquire and demolish blighted properties, refurbish the streets and utilities, and develop a community park at the confluence of the Eau Claire and Chippewa Rivers. Grants and donations will assist with the financing of a Farmer's Market and Trailhead. In 2003, the major activities for this project included blight removal and replacement of the utilities.

### **Shared Services**

As a possible means of reducing expenditures for public services, the City, the County, and other entities are looking at consolidating and sharing services. An early success has been the City and County Purchasing functions that have been combined into one department and expanded to a regional consortium.

### **Comprehensive Plan**

In 2003, the City initiated a three-year project to update the Comprehensive Plan as a policy document for the community's long-range physical development, including land use, transportation, parks, utilities, economic development, and community image.

### **Tax Exemption Lawsuit**

The City prevailed in both the Circuit Court and Court of Appeals in a lawsuit brought by a medical entity claiming to be tax-exempt. Since the entity has facilities throughout the State, the decision favorable to the City has statewide implications. In Eau Claire, the decision means that about \$9.6 million will remain on the tax base.

### **Parking Ticket Administration**

A new system for administering parking tickets was instituted in June 2003. Community Services Officers (CSOs) were provided with hand-held computers that automatically print out tickets in an easy-to-read format. The computers provide the CSOs with all information needed in the field regarding fines and amounts as well as information about repeat offenders.

### **Public Safety Software System**

The first phase of a new public safety software system that integrates Records Management, Computer Aided Dispatch, and Jail and Fire Department information was implemented in 2003. Phase two modules to be implemented include the mobile data browser, mapping features, document imaging, and mug shot photo programs.

## **Highway 53 Freeway**

The City continued to work with the Wisconsin Department of Transportation to relocate utilities to accommodate the Highway 53 Freeway Project. Grading of the North Crossing extension began in July 2003. The entire freeway project is tentatively planned to be opened to traffic in the fall of 2006.

## **FOR THE FUTURE**

In 2003, the State of Wisconsin's fiscal deficit resulted in the State reducing its projected 2004 shared revenues allocation to the City by \$1.1 million. Other state aids were also reduced, while the City's wages and benefits, debt service, and other costs continued to increase. As a result, the City was facing a potential 2004 budget deficit of \$2.9 million. To address the budget problem, the City developed a Budget Blueprint to identify new revenues and expenditure reductions to be implemented over the next 3 years. As a result of the work done preparing the Budget Blueprint in 2003, the City was able to identify fee increases, benefit reductions, and 29.5 positions to be eliminated through attrition. The City Council met the Governor's request to maintain the 2003 tax rate for 2004 in spite of the reductions in State aids. The 2004 budget limited the levy increase to the growth in the tax base, and actually reduced the tax rate slightly.

The City has reduced services in proportion to the staff reductions. The changes include consolidating Transit routes, eliminating the Fire Department Heavy Rescue Unit, reducing parks maintenance, less time for Police Special Services, sharing Purchasing functions with the County, outsourcing curb and gutter work, eliminating neighborhood services, and engineering, custodial, and technical reductions.

As the City approaches the 2005 budget, the major issues will focus on the effects of the State legislature's proposals to further limit levy increases. The City's ability to finance and promote economic development, continue infrastructure improvements, and to offer basic services will be impacted by the legislature's actions.

## **FINANCIAL INFORMATION**

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

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

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

### **Internal Control**

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

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

## Cash Management

The cash management program consists of two phases. The first phase is a contractual agreement with Wells Fargo 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%
2003	873,822	1.26%

## 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, 2003 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, 2002. 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, 2002 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; Cathy Marohl, Accountant, Pat Hoepner, Accounting Technician; 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, 2002. 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 nineteen consecutive years (fiscal years ended 1984-2002). 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, 2002

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.



A handwritten signature in dark ink, appearing to read "Edward Henry".

President

A handwritten signature in dark ink, appearing to read "Jeffrey R. Emery".

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, 2002**

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



## **Auditors' Report**

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

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



## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund 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 issued a report on our consideration of the City of Eau Claire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

As discussed in Note 1.B., the City of Eau Claire, Wisconsin adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments* as of January 1, 2003.

City Council  
Eau Claire, Wisconsin

The management's discussion and analysis on pages 16 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City's Storm Water Utility fund, previously reported as a special revenue fund, has been presented as an enterprise fund.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules as of and for the year ended December 31, 2003 and the individual fund financial statements as of and for the year ended December 31, 2002 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in the audit of the general purpose financial statements for the year ended December 31, 2002, and in our opinion, are fairly stated in all material respects in relation to the basic and 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" are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The information has not been audited by us and, accordingly, we express no opinion on such information.

*Victoria Kramer & Company 22A*

Eau Claire, Wisconsin  
April 1, 2004

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

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

## CITY OF EAU CLAIRE, WISCONSIN

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of the City of Eau Claire is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2003. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements, which begin on page 29. This is the initial year that the financial statements for the City of Eau Claire have been prepared in the format prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

#### FINANCIAL HIGHLIGHTS

- The City of Eau Claire has total assets of \$369 million and liabilities of \$117 million, resulting in net assets of \$252 million at the end of 2003. Of the net assets, \$182 million represents the City's investment in capital assets, net of related debt, \$18 million is held for restricted purposes, and \$52 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2003, the City of Eau Claire continued a proactive plan for the replacement of aging infrastructure, the upgrade of technology used in operations, and the improvement of utility services. The City invested more than \$17 million in upgrading infrastructure systems and other capital assets.
- Wisconsin statute restricts municipality general obligation debt to less than 5% of equalized property value. The City of Eau Claire maintained a level of remaining debt capacity of greater than 70%. In 2003, \$4.4 million in new debt was used to refund prior general obligation notes and bond issues.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

## **Government-wide Financial Statements**

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Assets* presents information on all of the City of Eau Claire's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The City's overall financial position improved from 2002 to 2003; the City's net assets increased by \$3.3 million with about two-thirds of the increase generated by the City's business-type activities, and in particular, by the Water and Sewer utilities. The government-wide financial statements can be found on pages 29 and 30 of this report.

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

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

## **Fund Financial Statements**

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

## **Governmental Funds**

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

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

## **Proprietary Funds**

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer, and Stormwater utilities and the Transit fund; data from the other proprietary funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements begin on page 37 of this report.

- Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City of Eau Claire uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 137.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Eau Claire uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collections fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City of Eau Claire. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The fiduciary fund financial statement can be found on page 44 of this report.

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

The notes to the basic financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 46 of this report.

## **Additional Supplementary Information**

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

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Assets* for the City of Eau Claire is summarized in the table below. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$252 million at the close of 2003. The majority of these net assets reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

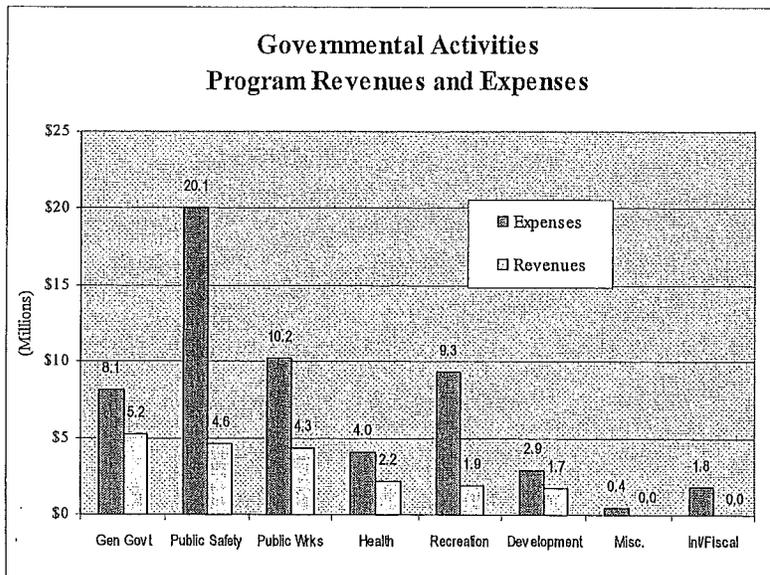
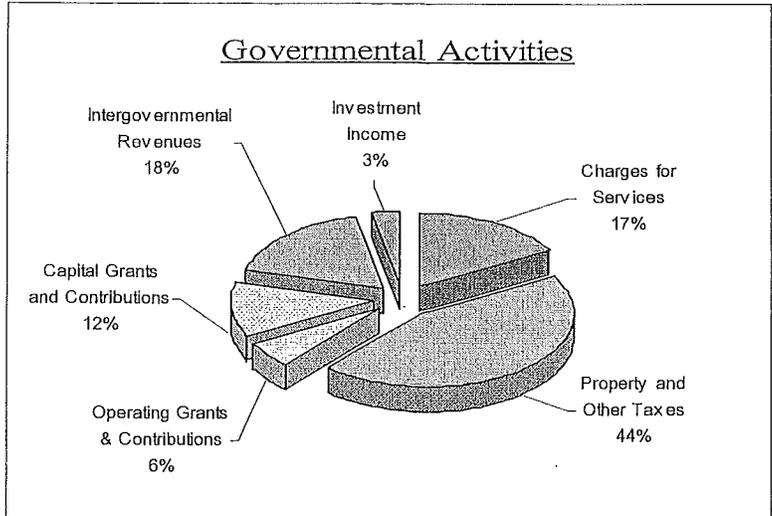
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Current and Other Assets	\$ 109,683,247	\$ 18,804,564	\$ 128,487,811
Capital Assets (net)	<u>111,204,230</u>	<u>129,772,026</u>	<u>240,976,256</u>
Total Assets	<u>\$ 220,887,477</u>	<u>\$ 148,576,590</u>	<u>\$ 369,464,067</u>
Current Liabilities	\$ 29,398,494	\$ 1,791,011	\$ 31,189,505
Noncurrent Liabilities	<u>61,941,888</u>	<u>24,398,603</u>	<u>86,340,491</u>
Total Liabilities	<u>\$ 91,340,382</u>	<u>\$ 26,189,614</u>	<u>\$ 117,529,996</u>
Invested in Capital, Net of Debt	\$ 76,620,258	\$ 105,722,026	\$ 182,342,284
Restricted	14,619,800	3,332,207	17,952,007
Unrestricted	<u>38,307,037</u>	<u>13,332,743</u>	<u>51,639,780</u>
Total Net Assets	<u>\$ 129,547,095</u>	<u>\$ 122,386,976</u>	<u>\$ 251,934,071</u>
Total Net Assets as a % of Total Liabilities	142%	467%	214%
Unrestricted Net Assets as a % of Total Liabilities	42%	51%	44%

A relatively small portion of the City's net assets (7%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$52 million of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$13 million, or about one-fourth, of these unrestricted net assets are related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2003, the City is able to report positive balances in net assets for the governmental activities as well as business-type activities.

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

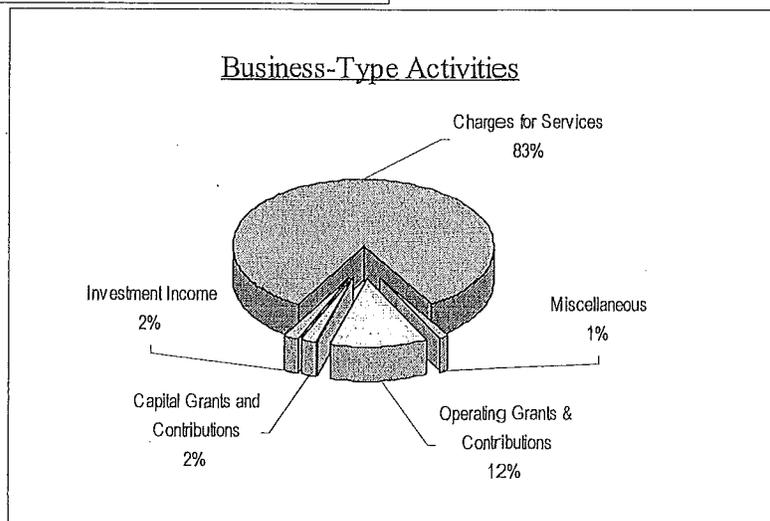
	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 9,719,770	\$ 15,950,592	\$ 25,670,362
Operating grants & contributions	3,407,353	2,360,794	5,768,147
Capital grants & contributions	6,855,043	375,331	7,230,374
General revenues:			
Property taxes	24,511,346	-	24,511,346
Other taxes	1,343,124	-	1,343,124
Intergovernmental revenues	10,392,649	-	10,392,649
Investment income	1,697,609	365,909	2,063,518
Miscellaneous	-	93,558	93,558
Total revenues	<u>57,926,894</u>	<u>19,146,184</u>	<u>77,073,078</u>
<b>Expenses</b>			
Program expenses:			
General government	8,099,537	-	8,099,537
Public safety	20,070,417	-	20,070,417
Public works	10,173,302	-	10,173,302
Health services	4,023,159	-	4,023,159
Culture and recreation	9,283,774	-	9,283,774
Development	2,931,989	-	2,931,989
Miscellaneous	421,123	-	421,123
Interest & fiscal charges	1,791,084	-	1,791,084
Water utility	-	5,010,412	5,010,412
Sewer utility	-	5,089,211	5,089,211
Storm water utility	-	1,628,456	1,628,456
Public transit	-	3,982,644	3,982,644
Parking utility	-	408,357	408,357
Hobbs ice center	-	503,345	503,345
Outdoor pool	-	367,367	367,367
Total expenses	<u>56,794,385</u>	<u>16,989,792</u>	<u>73,784,177</u>
Increase in net assets before transfers	1,132,509	2,156,392	3,288,901
Transfers	132,732	(132,732)	-
Change in net assets	1,265,241	2,023,660	3,288,901
Net assets - January 1, 2003	<u>128,281,854</u>	<u>120,363,316</u>	<u>248,645,170</u>
Net assets - December 31, 2003	<u>\$129,547,095</u>	<u>\$122,386,976</u>	<u>\$251,934,071</u>

The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 44% of the revenue for governmental activities. State aids and other grants comprise another 36%, while charges for services and all other sources are equal to 20% of revenues.



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

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, over 83% of revenues are generated from user charges.



## FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

### Governmental Funds

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

As of December 31, 2003, the City of Eau Claire's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$50.1 million, an increase of \$8.2 million over the previous year's ending balances. Nearly \$5.3 million of the increase is associated with TIF #8 and other TIF projects. Of the ending fund balances total, \$23.1 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$27.0 million available for meeting future budget requirements. Of these unreserved balances, \$24.1 million has been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$2.9 million which is in the General fund.

The General fund is the primary operating fund used to account for the governmental operations of the City of Eau Claire. The largest revenue sources for the General fund are taxes and intergovernmental aids, together accounting for 82% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General fund. Over 52% of the General fund expenditures of \$36.4 million are allocated to the public safety sector. Another 30% of the General fund costs are derived from the operations of public works and culture and recreation.

The General fund has a fund balance of \$15.9 million. Of this amount, \$6.3 million is reserved for loans made to the utilities, prepayments and notes receivable. Another \$6.7 million is designated for subsequent year expenditures and working capital. The undesignated General fund balance is \$2.9 million. The undesignated fund balance is available to be applied in a future year's budget to one-time capital projects or to reduce outstanding debt.

The Debt Service fund had a total fund balance of \$4.4 million. This balance primarily reflects the amounts reserved to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The Other Governmental Funds column in the balance sheet includes various special revenue, debt service, and capital projects funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The total accumulated fund balances of these funds increased by \$5.5 million during 2003. As indicated above, \$5.3 million of the \$5.5 million increase reflected the accumulation of resources needed to proceed with TIF #8 park and infrastructure improvements and other TIF capital projects.

## **Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from page 37 to page 41. The net assets of the enterprise-type proprietary funds at the end of 2003 totaled \$122 million, an increase of \$1.9 million from the previous year.

Some highlights:

- At the end of 2003, the Water and Sewer Utilities each maintained debt coverage ratios of over three times the annual debt service.
- The Stormwater Utility, in its first year as a business-type activity, realized a small profit to be applied to future best management practice issues and capital projects. Revenues for the utility are generated by billable Equivalent Runoff Units (ERU) on residential and commercial properties.
- The Public Transit fund is subsidized by federal and state operating assistance at approximately 60%. The balance is covered by local fares and General fund transfers to the service.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on page 36, the original 2003 General fund budget authorized expenditures and other financing uses of \$43,048,600, funded by anticipated revenues and other financing sources of \$41,369,000 and the application of \$1,679,600 of available reserves. From time to time during the year, the City Council approved adjustments to the budget, primarily for grants and donations. These changes are reflected in the Final Budget column.

The City ended the year with net favorable variances. Revenues and other financing sources exceeded the final budget by \$1,134,232, while expenditures and other financing uses were under budget by \$1,958,403. Major components of the positive revenue variance are property tax collections and the sale of City-owned assets. Tax collections exceeded the budget by \$457,833 and can be mainly attributed to taxes redistributed to all taxing entities, including the City, by the closure of Tax Incremental Financing District #4. Additionally, the City sold the Dells Dam to Xcel Energy for \$648,500, which accounts for a large portion of the variance reflected in sale of capital assets.

Several other revenue sources experienced significant variances. The steep decline in interest rates lowered investment income. The State payment for municipal services provided to state facilities was reduced by \$247,955. However, licenses, fines and charges for services exceeded budget estimates, reflecting higher levels of activity in such areas as parking enforcement, ambulance services and building permits.

A major component of the favorable expenditure variance can be attributed to positions held open during 2003 in anticipation of lay-offs in 2004. This, coupled with a mild winter season, allowed for significant savings in Public Works and other departments.

## CAPITAL ASSETS AND DEBT

### Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported investment in capital assets for governmental and business-type activities as of December 31, 2003 totaled over \$345 million. Nearly one-third of this total cost was related to governmental infrastructure, with the City's street network comprising the most significant component.

Total accumulated depreciation was calculated to be just over \$104 million, or approximately 30% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$240 million.

<b>City of Eau Claire, Wisconsin</b>			
<b>Capital Assets, Net of Accumulated Depreciation</b>			
<b>December 31, 2003</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	\$ 15,229,562	\$ 14,573,737	\$ 29,803,299
Land Improvements	2,265,578	-	2,265,578
Building and Improvements	18,820,256	6,652,244	25,472,500
Infrastructure	107,368,002	2,242,827	109,610,829
Machinery and Equipment	25,969,201	5,720,010	31,689,211
Water Utility	-	58,931,634	58,931,634
Sewer Utility	-	58,614,409	58,614,409
Stormwater Utility	-	21,763,776	21,763,776
Work in Progress	634,125	6,564,540	7,198,665
Subtotal	<u>170,286,724</u>	<u>175,063,177</u>	<u>345,349,901</u>
Less Accumulated Dep.	<u>(59,082,494)</u>	<u>(45,291,151)</u>	<u>(104,373,645)</u>
<b>Total</b>	<b><u>\$ 111,204,230</u></b>	<b><u>\$ 129,772,026</u></b>	<b><u>\$ 240,976,256</u></b>

Some of the most significant additions to the City's capital assets during 2003 included the following:

<u>Significant Additions to Capital Assets in 2003</u>	
Streets & Related Infrastructure	\$ 7,200,000
Stormwater Detention Basins	4,000,000
Water Mains and Services	2,200,000
Stormwater Mains	1,600,000
Dump Trucks for Central Maintenance	1,500,000
Sewer Mains	1,400,000
<b>Total</b>	<u><u>\$17,900,000</u></u>

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

#### **Long-Term Debt**

On December 31, 2003, the City of Eau Claire had \$69,791,010 of bond and long-term note principal outstanding, as summarized in the following table:

**City of Eau Claire, Wisconsin  
Notes and Bonds Outstanding  
December 31, 2003**

	Governmental Activities	Business-type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
General Obligation Bonds & Notes	\$ 45,741,010	\$ 11,310,000	\$ 57,051,010
Revenue Bonds	-	12,740,000	12,740,000
Total	<u><u>\$ 45,741,010</u></u>	<u><u>\$ 24,050,000</u></u>	<u><u>\$ 69,791,010</u></u>

Under Wisconsin State Statute Section 67.03(1), the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Applicable debt of the City totaled \$57,051,010, which, with amounts available for payment of principal, is less than thirty percent of the maximum legal limit.

During 2003, the City issued new debt for the following amounts and purposes:

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

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
9/15/2003	General Obligation Corporate Purpose Bonds	\$9,870,000
9/15/2003	General Obligation Corporate Purpose Refunding Bonds	4,405,000
9/15/2003	Taxable General Obligation Corporate Purpose Bonds	900,000
9/15/2003	Waterworks System Mortgage Revenue Bonds	2,310,000
8/27/2003	State Trust Fund Loan	320,000
	Total	<u>\$17,805,000</u>

The General Obligation Corporate Purpose Bonds were rated Aa2 by Moody's Investors Service and AA by Standard & Poor's Ratings Services. The Waterworks System Revenue Bonds were rated Aa3 by Moody's and AA by Standard and Poor's.

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

**CURRENTLY KNOWN FACTS**

In 2003, the State of Wisconsin projected a reduction in the distribution of shared revenues for municipalities for the 2004 budget. Eau Claire's share of the reduction was \$1.1 million. Other state aids were also reduced. At the same time, Governor Doyle requested that local governments refrain from increasing the property tax rates to compensate for the loss of state revenues.

Besides the reduction in revenues, the City was also facing expenditure increases in wages and benefits, particularly health insurance, debt service, and subsidies for some of the enterprise funds like Public Transit, the Hobbs Ice Arena, and the Fairfax Pool. Overall, the City anticipated a budget deficit of \$2.9 million.

The City Manager prepared a Budget Blueprint to assist the City Council with resolving the deficit. Through the Manager's recommendations in the Budget Blueprint, the 2004 Council-approved tax levy increase was limited to the taxes generated by new growth and the closure of Tax Incremental Financing District #4, a combined total of \$972,700. The tax rate was not increased, and actually decreased slightly. Measures implemented to balance the 2004 budget included the elimination of 29.5 positions through attrition, an assumption of the health insurance deductible risk, and the implementation of new fees for services. The 2004 budget incorporates \$3.5 million from the 2003 net assets as a funding source in lieu of raising taxes.

The *2004 Program of Services*, the City's operating budget, has been implemented. Most of the 29.5 positions have been eliminated. Reserves have been allocated to permit the remaining positions to stay in place through 2005, if necessary, to avoid involuntary terminations. The City expects to meet its 2004 budget goals.

## **REQUESTS FOR INFORMATION**

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

## **Basic Financial Statements**

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

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS**

December 31, 2003

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 52,013,665	\$ 13,635,778	\$ 65,649,443	\$ 3,232,938
Taxes receivable	26,704,708	1,018,986	27,723,694	91,000
Special assessments receivable	6,613,891	2,729,116	9,343,007	-
Notes receivable	5,640,106	-	5,640,106	181,011
Accounts receivable	2,851,143	2,762,024	5,613,167	44,650
Interest receivable	169,255	-	169,255	-
Due from other governments	299,659	1,102,010	1,401,669	-
Due from primary government	-	-	-	27,791
Internal balances	7,370,470	(7,370,470)	-	-
Prepaid items and inventories	585,440	116,407	701,847	49,147
Restricted cash	5,228,706	4,651,698	9,880,404	1,958,159
Advances to component unit	1,310,000	-	1,310,000	-
Deposit in insurance pools	766,496	-	766,496	-
Debt issuance costs	129,708	159,015	288,723	-
Capital Assets				
Construction in progress	634,125	6,564,540	7,198,665	-
Land	15,229,562	14,573,737	29,803,299	3,612,858
Other capital assets, net of depreciation	95,340,543	108,633,749	203,974,292	10,198,142
Total Assets	<u>220,887,477</u>	<u>148,576,590</u>	<u>369,464,067</u>	<u>19,395,696</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	1,856,669	1,238,454	3,095,123	152,087
Accrued liabilities	2,132,681	566,693	2,699,374	28,461
Customer deposits	509,669	23,873	533,542	1,331
Due to other governments	43,649	-	43,649	-
Due to component unit	27,791	-	27,791	-
Advances from primary government	-	-	-	1,310,000
Unearned revenues	24,726,133	-	24,726,133	91,000
Deferred amount on refunding	-	(89,177)	(89,177)	-
Unamortized premium	101,902	51,168	153,070	-
Noncurrent liabilities				
Due within one year	6,741,904	1,878,603	8,620,507	295,512
Due in more than one year	55,199,984	22,520,000	77,719,984	2,704,382
Total Liabilities	<u>91,340,382</u>	<u>26,189,614</u>	<u>117,529,996</u>	<u>4,582,773</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	76,620,258	105,722,026	182,342,284	9,746,538
Restricted	14,619,800	3,332,207	17,952,007	1,958,159
Unrestricted	38,307,037	13,332,743	51,639,780	3,108,226
Total Net Assets	<u>\$ 129,547,095</u>	<u>\$ 122,386,976</u>	<u>\$ 251,934,071</u>	<u>\$ 14,812,923</u>

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Totals
							Primary Government
<b>Governmental Activities</b>							
General government	\$ 8,099,537	\$ 2,944,928	\$ 45,361	\$ 2,251,173	\$ (2,858,075)	\$ -	\$ (2,858,075)
Public safety	20,070,417	3,582,224	928,224	68,470	(15,491,499)	-	(15,491,499)
Public works	10,173,302	65,827	-	4,225,663	(5,861,812)	-	(5,861,812)
Health services	4,023,159	1,388,975	820,384	-	(1,813,800)	-	(1,813,800)
Culture and recreation	9,283,774	1,564,306	34,994	309,737	(7,374,737)	-	(7,374,737)
Development	2,931,989	153,510	1,578,390	-	(1,200,089)	-	(1,200,089)
Miscellaneous	421,123	-	-	-	(421,123)	-	(421,123)
Interest and fiscal charges	1,791,084	-	-	-	(1,791,084)	-	(1,791,084)
<b>Total Governmental Activities</b>	<b>56,794,585</b>	<b>9,719,770</b>	<b>3,407,353</b>	<b>6,855,043</b>	<b>(36,812,219)</b>	<b>-</b>	<b>(36,812,219)</b>
<b>Business Type Activities</b>							
Water Utility	5,010,412	6,984,333	-	143,673	-	2,117,594	2,117,594
Sewer Utility	5,089,211	5,999,089	-	204,277	-	1,114,155	1,114,155
Storm Water Utility	1,628,456	1,725,264	-	27,381	-	124,189	124,189
Public Transit	3,982,644	471,698	2,360,794	-	(1,150,152)	(1,150,152)	(1,150,152)
Parking Utility	408,357	229,664	-	-	(178,693)	(178,693)	(178,693)
Hobbs Ice Center	503,345	340,292	-	-	(163,053)	(163,053)	(163,053)
Outdoor Pool	367,367	200,252	-	-	(167,115)	(167,115)	(167,115)
<b>Total Business Type Activities</b>	<b>16,989,792</b>	<b>15,950,592</b>	<b>2,360,794</b>	<b>375,331</b>	<b>-</b>	<b>1,696,925</b>	<b>1,696,925</b>
<b>Total Primary Government</b>	<b>\$ 73,784,177</b>	<b>\$ 25,670,362</b>	<b>\$ 5,768,147</b>	<b>\$ 7,230,374</b>	<b>(36,812,219)</b>	<b>1,696,925</b>	<b>(35,115,294)</b>
<b>Component Units</b>							
Housing Authority	3,234,757	753,761	2,591,942	-	-	-	110,946
Redevelopment Authority	379,387	-	100,000	-	-	-	(279,387)
Downtown Business Improvement District	59,616	-	-	-	-	-	(59,616)
West Grand Business Improvement District	10,038	-	-	-	-	-	(10,038)
Water Street Business Improvement District	27,445	-	-	-	-	-	(27,445)
<b>Total Component Units</b>	<b>3,711,243</b>	<b>753,761</b>	<b>2,691,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(265,540)</b>
<b>General Revenues</b>							
Taxes							
Property taxes, levied for general purposes					24,146,363	-	24,146,363
Property taxes, levied for debt service					364,983	-	364,983
Other taxes					1,343,124	-	1,343,124
Intergovernmental revenues not restricted to specific programs					10,392,649	-	10,392,649
Investment income					1,697,609	365,909	2,063,518
Miscellaneous					37,944,728	93,558	38,044,195
<b>Total General Revenues</b>					<b>132,732</b>	<b>459,467</b>	<b>593,199</b>
Transfers					(132,732)	-	(132,732)
<b>Change in Net Assets</b>					<b>1,265,241</b>	<b>2,023,660</b>	<b>3,288,901</b>
<b>Net Assets - Beginning of Year</b>					<b>128,281,854</b>	<b>120,363,316</b>	<b>248,645,170</b>
<b>NET ASSETS - END OF YEAR</b>					<b>\$ 129,547,095</b>	<b>\$ 122,386,976</b>	<b>\$ 251,934,071</b>

See accompanying notes to the basic financial statements.

**CITY OF EAU CLAIRE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2003

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 9,948,432	\$ 4,360,037	\$ 24,256,040	\$ 38,564,509
Receivables				
Taxes	20,437,083	1,265,006	4,888,689	26,590,778
Delinquent personal property taxes	113,930	-	-	113,930
Accounts	1,127,693	7,206	1,543,156	2,678,055
Notes	25,000	-	5,615,106	5,640,106
Special assessments	12,621	6,546,366	54,904	6,613,891
Interest	154,161	-	15,094	169,255
Prepaid items	125,980	-	111,689	237,669
Due from other funds	1,018,722	-	740	1,019,462
Due from other governments	148,173	-	134,406	282,579
Restricted assets - cash and investments	-	-	5,064,970	5,064,970
Due from component unit	36,897	-	-	36,897
Advances to other funds	6,621,899	-	-	6,621,899
Advances to component unit	-	-	1,310,000	1,310,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 39,770,591</u></b>	<b><u>\$ 12,178,615</u></b>	<b><u>\$ 42,994,794</u></b>	<b><u>\$ 94,944,000</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 825,819	\$ -	\$ 846,340	\$ 1,672,159
Accrued liabilities	1,334,024	-	209,836	1,543,860
Deposits	344,085	-	165,584	509,669
Due to other governments	25,137	-	18,512	43,649
Due to other funds	-	-	104,390	104,390
Due to component unit	64,688	-	-	64,688
Deferred revenues	21,203,578	7,818,578	11,871,813	40,893,969
Total Liabilities	<u>23,797,331</u>	<u>7,818,578</u>	<u>13,216,475</u>	<u>44,832,384</u>
<b>Fund Balances</b>				
Reserved	6,367,325	4,360,037	12,415,783	23,143,145
Unreserved, designated	6,709,720	-	-	6,709,720
Unreserved, undesignated	2,896,215	-	-	2,896,215
Unreserved, designated reported in nonmajor funds:				
Special revenue funds	-	-	7,350,482	7,350,482
Capital project funds	-	-	10,012,054	10,012,054
Total Fund Balances	<u>15,973,260</u>	<u>4,360,037</u>	<u>29,778,319</u>	<u>50,111,616</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 39,770,591</u></b>	<b><u>\$ 12,178,615</u></b>	<b><u>\$ 42,994,794</u></b>	<b><u>\$ 94,944,000</u></b>

See accompanying notes to the basic financial statements.

**CITY OF EAU CLAIRE**

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
December 31, 2003

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Total fund balance - governmental funds		\$ 50,111,616
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital assets	\$ 151,450,253	
Accumulated depreciation	<u>(51,556,506)</u>	99,893,747

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

Premium on new debt		(103,186)
Debt issuance costs on new debt		131,343
Amortization of debt issuance costs		(1,635)
Amortization of premium		<u>1,284</u>

Special assessments, loans receivable, and various other receivables are reported as deferred revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of deferred revenues at year end consist of:

Delinquent property taxes receivable	113,930	
Accounts receivable	1,908,503	
Interest receivable	15,094	
Loan receivable	5,651,773	
Special assessments	<u>8,478,536</u>	16,167,836

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

24,908,383

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

Long-term liabilities at year end consist of:

General obligation debt	45,741,010	
Vested compensated absences	2,025,950	
Police and fire pension liability	864,636	
Unfunded pension liability	8,416,180	
Duty disability liability	3,990,722	
Accrued interest on general obligation debt	<u>523,795</u>	<u>(61,562,293)</u>

Total net assets - governmental activities

\$ 129,547,095

See accompanying notes to the basic financial statements.

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2003.

	<u>General Fund</u>	<u>Debt Service - General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 19,773,133	\$ -	\$ 6,068,140	\$ 25,841,273
Special assessments	136,140	2,192,011	10,981	2,339,132
Intergovernmental	13,792,337	-	3,370,493	17,162,830
Licenses and permits	1,498,462	-	290,061	1,788,523
Fines, forfeitures and penalties	740,045	-	109,851	849,896
Charges for services	1,672,952	-	307,570	1,980,522
Charges for services - intergovernmental	2,336,695	-	1,689,478	4,026,173
Investment income	849,712	380,627	342,656	1,572,995
Miscellaneous	210,702	-	1,019,697	1,230,399
Total Revenues	<u>41,010,178</u>	<u>2,572,638</u>	<u>13,208,927</u>	<u>56,791,743</u>
<b>EXPENDITURES</b>				
Current				
General government	5,622,171	2,512	135,574	5,760,257
Public safety	19,266,966	-	269,239	19,536,205
Public works	6,942,674	-	60,696	7,003,370
Health services	-	-	3,918,339	3,918,339
Culture and recreation	3,908,082	-	3,302,522	7,210,604
Development	-	-	2,374,037	2,374,037
Miscellaneous	421,123	-	-	421,123
Capital Outlay	200,527	-	8,091,976	8,292,503
Debt Service				
Principal retirement	-	2,624,938	2,445,000	5,069,938
Interest and fiscal charges	-	1,237,234	514,621	1,751,855
Total Expenditures	<u>36,361,543</u>	<u>3,864,684</u>	<u>21,112,004</u>	<u>61,338,231</u>
Excess (deficiency) of revenues over expenditures	<u>4,648,635</u>	<u>(1,292,046)</u>	<u>(7,903,077)</u>	<u>(4,546,488)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	2,405,000	11,180,000	13,585,000
Payment to refunding agent	-	(2,468,732)	-	(2,468,732)
Transfers from other funds	1,410,224	2,280,886	3,484,825	7,175,935
Transfers to other funds	(4,997,054)	-	(1,821,381)	(6,818,435)
Sale of capital assets	705,930	-	533,214	1,239,144
Total Other Financing Sources (Uses)	<u>(2,880,900)</u>	<u>2,217,154</u>	<u>13,376,658</u>	<u>12,712,912</u>
<b>Net change in fund balances</b>	1,767,735	925,108	5,473,581	8,166,424
FUND BALANCES - Beginning of Year	<u>14,205,525</u>	<u>3,434,929</u>	<u>24,304,738</u>	<u>41,945,192</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 15,973,260</u>	<u>\$ 4,360,037</u>	<u>\$ 29,778,319</u>	<u>\$ 50,111,616</u>

See accompanying notes to the basic financial statements.

## CITY OF EAU CLAIRE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2003

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Net change in fund balances - total governmental funds	\$ 8,166,424
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(79,360)
In the statement of activities, only the gain or loss (\$229,471) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets (\$1,239,144) are reported because the proceeds increase financial resources.	(1,468,615)
Special assessments are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This is the amount of special assessment recognized as revenue on the fund statement and was recognized in the government-wide statement in prior years.	(2,339,132)
Special assessments are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements This is the amount of new special assessments in 2003 that are recognized as deferred revenue in the fund statement and are recognized as revenue in the government-wide statement this year.	2,241,750
Receivables that are not received within 60 days of year end are recorded as deferred revenue in the fund statements. These amounts are recognized as revenue in the government-wide statements.	
Accounts receivable	690,978
Developer receivables	954,000
Grants receivable	57,274
Interest receivable	22,300
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal payments paid.	7,538,670

Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of debt issued during the year.	(13,585,000)
In the statement of activities, loans receivable that have been forgiven are recognized as an expense. Since this did not decrease current resources, it is not included as an expenditure on the fund financial statements.	\$ (31,845)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following liabilities.	
Compensated absences	(1,027,912)
Unfunded liability	(309,813)
Duty disability liability	8,248
Permanent disability liability	4,028
Police/fire pension liability	40,194
Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities interest expense is recognized as the interest accrues regardless of when it is due.	(67,035)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:	
Premium on new debt	(103,186)
Debt issuance costs on new debt	131,343
Amortization of debt issuance costs	(1,635)
Amortization of premium	1,284
Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	490,058
Governmental funds report repayments of housing loans and notes receivables as revenue and issuing new housing loans as expenditures. However, in the statement of activities, these amounts are not reported as revenue and expenses.	
New loans recognized as expenditures on fund statements	514,942
Repayment principal on loans and note recognized as revenue on fund statements	<u>(582,719)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,265,241</u></b>

See accompanying notes to the basic financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2003

	2003			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Taxes	19,315,300	19,315,300	19,773,133	457,833
Special assessments	200,500	200,500	136,140	(64,360)
Intergovernmental	13,574,300	13,962,500	13,792,337 ✓	(170,163)
Licenses & permits	1,237,400	1,237,400	1,498,462 ✓	261,062
Fines, forfeitures and penalties	619,000	619,000	740,045 ✓	121,045
Charges for services	1,218,900	1,450,400	1,672,952 ✓	222,552
Charges for services - intergovernmental	2,326,100	2,326,100	2,336,695 ✓	10,595
Investment income	1,234,100	1,234,100	849,712	(384,388)
Miscellaneous	82,000	85,400	210,702	125,302
<b>Total Revenues</b>	<b>39,807,600</b>	<b>40,430,700</b>	<b>41,010,178</b>	<b>579,478</b>
<b>EXPENDITURES</b>				
Current				
General government	5,976,100	6,071,600	5,622,171	449,429
Public safety	19,332,300	19,363,100	19,266,966	96,134
Public works	7,699,600	7,620,000	6,942,674	677,326
Culture and recreation	3,963,200	3,942,600	3,908,082	34,518
Miscellaneous	810,100	851,800	421,123	430,677
Capital Outlay	-	200,600	200,527	73
<b>Total Expenditures</b>	<b>37,781,300</b>	<b>38,049,700</b>	<b>36,361,543</b>	<b>1,688,157</b>
<b>Excess of revenues over expenditures</b>	<b>2,026,300</b>	<b>2,381,000</b>	<b>4,648,635</b>	<b>2,267,635</b>
<b>Other financing sources (uses)</b>				
Transfers from other funds	1,551,400	1,551,400	1,410,224	(141,176)
Transfers to other funds	(5,267,300)	(5,267,300)	(4,997,054)	270,246
Sale of capital assets	10,000	10,000	705,930	695,930
<b>Total other financing sources (uses)</b>	<b>(3,705,900)</b>	<b>(3,705,900)</b>	<b>(2,880,900)</b>	<b>825,000</b>
<b>Net change in fund balances</b>	<b>(1,679,600)</b>	<b>(1,324,900)</b>	<b>1,767,735</b>	<b>3,092,635</b>
<b>FUND BALANCE - Beginning of Year</b>	<b>14,205,525</b>	<b>14,205,525</b>	<b>14,205,525</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 12,525,925</b>	<b>\$ 12,880,625</b>	<b>\$ 15,973,260</b>	<b>\$ 3,092,635</b>

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2003

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds	Totals	
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 3,706,912	\$ 7,322,931	\$ 2,136,292	\$ 350	\$ 469,293	\$ 13,635,778	\$ 13,449,156
Taxes receivable	487,412	479,593	51,981	-	-	1,018,986	-
Accounts receivable, net	1,185,476	1,106,221	345,251	70,682	54,394	2,762,024	173,088
Due from other governmental units	-	-	-	1,102,010	-	1,102,010	17,080
Due from other funds	-	-	-	-	-	-	146
Inventories	108,978	-	-	-	-	108,978	347,771
Prepaid items	7,429	-	-	-	-	7,429	-
Restricted cash and investments	717,172	470,761	131,558	-	-	1,319,491	-
Total Current Assets	<u>6,213,379</u>	<u>9,379,506</u>	<u>2,665,082</u>	<u>1,173,042</u>	<u>523,687</u>	<u>19,954,696</u>	<u>13,987,241</u>
Noncurrent assets:							
Restricted cash and investments	927,344	611,150	1,793,713	-	-	3,332,207	163,736
Deposit in insurance pools	-	-	-	-	-	-	766,496
Unamortized issuance costs	86,977	49,338	14,300	-	8,400	159,015	-
Special assessment receivable	1,241,525	1,487,591	-	-	-	2,729,116	-
Capital assets:							
Construction in progress	1,841,030	1,242,831	3,480,679	-	-	6,564,540	-
Land	284,274	109,339	13,544,270	-	635,854	14,573,737	-
Property, plant and equipment	58,931,634	58,614,409	21,763,776	5,886,599	8,728,482	153,924,900	18,836,471
Less accumulated depreciation	(14,328,493)	(18,340,372)	(7,240,529)	(1,875,514)	(3,506,243)	(45,291,151)	(7,525,988)
Total Capital Assets (Net of Accumulated Depreciation)	<u>46,728,445</u>	<u>41,626,207</u>	<u>31,548,196</u>	<u>4,011,085</u>	<u>5,858,093</u>	<u>129,772,026</u>	<u>11,310,483</u>
Total Noncurrent Assets	<u>48,984,291</u>	<u>43,774,286</u>	<u>33,356,209</u>	<u>4,011,085</u>	<u>5,866,493</u>	<u>135,992,364</u>	<u>12,240,715</u>
Total Assets	<u>55,197,670</u>	<u>53,153,792</u>	<u>36,021,291</u>	<u>5,184,127</u>	<u>6,390,180</u>	<u>155,947,060</u>	<u>26,227,956</u>

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Proprietary Funds	Totals	
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 607,573	\$ 261,989	\$ 258,117	\$ 79,833	\$ 30,942	\$ 1,238,454	\$ 184,510
Accrued payroll and payroll taxes	77,956	73,200	3,663	130,742	16,641	302,202	29,939
Accrued compensated absences	122,918	99,645	2,166	107,009	16,865	348,603	35,087
Deposits	-	-	-	23,873	-	23,873	-
Due to other funds	-	-	-	914,478	-	914,478	740
Current portion of advances	275,389	30,165	-	-	100,000	405,554	-
Current portion of general obligation debt	-	-	475,000	-	-	475,000	-
Current portion of unpaid claims	-	-	-	-	-	-	220,000
Total Current Liabilities	<u>1,083,836</u>	<u>464,999</u>	<u>738,946</u>	<u>1,255,935</u>	<u>164,448</u>	<u>3,708,164</u>	<u>470,276</u>
Liabilities payable from restricted assets:							
Current portion revenue bonds	600,000	455,000	-	-	-	1,055,000	-
Accrued interest	117,172	15,761	131,558	-	-	264,491	-
Current liabilities payable from restricted assets:	<u>717,172</u>	<u>470,761</u>	<u>131,558</u>	<u>-</u>	<u>-</u>	<u>1,319,491</u>	<u>-</u>
Noncurrent liabilities:							
Advances from other funds	4,615,088	921,257	-	-	680,000	6,216,345	-
Revenue bonds payable	9,725,000	1,960,000	-	-	-	11,685,000	-
General obligation debt	-	-	10,515,000	320,000	-	10,835,000	-
Unpaid claims	-	-	-	-	-	-	683,390
Deferred amount on refunding	(89,177)	-	-	-	-	(89,177)	-
Unamortized premium on debt	35,954	4,439	10,776	-	-	51,168	-
Total Noncurrent Liabilities	<u>14,286,865</u>	<u>2,885,696</u>	<u>10,525,775</u>	<u>320,000</u>	<u>680,000</u>	<u>28,698,336</u>	<u>683,390</u>
Total Liabilities	<u>16,087,873</u>	<u>3,821,456</u>	<u>11,396,279</u>	<u>1,575,935</u>	<u>844,448</u>	<u>33,725,991</u>	<u>1,153,666</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	36,403,445	39,211,207	20,558,196	3,691,085	5,858,093	105,722,026	11,310,483
Restricted for:							
Restricted deposits	-	-	-	-	-	-	930,232
Unspent bond proceeds	-	-	1,793,713	-	-	1,793,713	-
Debt service	628,344	187,150	-	-	-	815,494	-
Equipment replacement	299,000	424,000	-	-	-	723,000	-
Unrestricted (deficit)	1,779,008	9,509,979	2,273,103	(82,893)	(312,361)	13,166,836	12,833,575
Total Net Assets	<u>\$ 39,109,797</u>	<u>\$ 49,332,336</u>	<u>\$ 24,625,012</u>	<u>\$ 3,608,192</u>	<u>\$ 5,545,732</u>	<u>122,221,069</u>	<u>\$ 25,074,290</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						<u>165,907</u>	
Net assets of business-type activities						<u>\$ 122,386,976</u>	

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2003

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds		
Operating revenues:							
Charges for services	\$ 6,984,333	\$ 5,999,089	\$ 1,725,264	\$ 471,698	\$ 770,208	\$ 15,950,592	\$ 2,395,252
Rental of equipment	-	-	-	-	-	-	2,113,155
Other	1,716	25,849	2,738	40,236	23,019	93,558	215,246
Total operating revenues	6,986,049	6,024,938	1,728,002	511,934	793,227	16,044,150	4,723,653
Operating expenses:							
Personal services	1,578,923	1,740,138	275,963	2,206,069	537,880	6,338,973	669,715
Contractual services	379,566	932,115	172,382	983,993	101,627	2,569,683	434,466
Supplies and materials	322,504	349,274	31,953	267,692	113,586	1,085,009	569,106
Utilities	333,328	361,651	338	6,078	224,072	925,467	117,755
Depreciation	1,269,214	1,150,902	317,879	553,613	272,064	3,563,672	1,110,557
Administrative	369,847	420,420	364,682	-	-	1,154,949	-
Claims	-	-	-	-	-	-	1,023,350
Total operating expenses	4,253,382	4,954,500	1,163,197	4,017,445	1,249,229	15,637,753	3,924,949
Operating income (loss)	2,732,667	1,070,438	564,805	(3,505,511)	(456,002)	406,397	798,704
Non-operating revenues (expenses):							
Operating grants	-	-	-	2,360,794	-	2,360,794	-
Investment income	128,763	180,696	56,450	-	-	365,909	90,700
Net loss on disposal of fixed assets	-	(57,445)	-	-	-	(57,445)	(8,671)
Interest expense	(799,455)	(141,189)	(472,888)	(4,701)	(28,240)	(1,446,473)	-
Amortization	(4,977)	(7,180)	(271)	-	(1,600)	(14,028)	-
Total non-operating revenue (expenses)	(675,669)	(25,118)	(416,709)	2,356,093	(29,840)	1,208,757	82,029
Income (loss) before operating transfers	2,056,998	1,045,320	148,096	(1,149,418)	(485,842)	1,615,154	880,733
Transfers from other funds	-	-	70	652,846	494,311	1,147,227	30,232
Transfers to other funds	(1,003,248)	(276,078)	(633)	-	-	(1,279,959)	(255,000)
Total transfers	(1,003,248)	(276,078)	(563)	652,846	494,311	(132,732)	(224,768)
Income before contributions	1,053,750	769,242	147,533	(496,572)	8,469	1,482,422	655,965
Capital contributions	143,673	204,277	27,381	-	-	375,331	-
Change in net assets	1,197,423	973,519	174,914	(496,572)	8,469	1,857,753	655,965
Net assets at beginning of year (as restated)	37,912,374	48,358,817	24,450,098	4,104,764	5,537,263		24,418,325
Net assets at end of year	\$ 39,109,797	\$ 49,332,336	\$ 24,625,012	\$ 3,608,192	\$ 5,545,732		\$ 25,074,290
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						165,907	
Change in net assets of business-type activities						\$ 2,023,660	

**CITY OF EAU CLAIRE**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2003**

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from customers	\$ 6,965,624	\$ 5,992,298	\$ 1,692,988	\$ 489,558	\$ 827,995	\$ 15,968,463	\$ 4,679,495
Cash paid to suppliers for goods and services	(1,007,645)	(1,647,399)	(703,095)	(1,466,103)	(439,767)	(5,264,009)	(1,722,721)
Cash paid to employees for services	(1,578,923)	(1,740,138)	(275,963)	(2,206,069)	(532,833)	(6,333,926)	(669,715)
Claims paid	-	-	-	-	-	-	(599,445)
Repayment of insurance claims	-	-	-	-	-	-	52,028
Administrative charges	(276,030)	(342,720)	-	-	-	(618,750)	-
Net Cash Flows From Operating Activities	<u>4,103,026</u>	<u>2,262,041</u>	<u>713,930</u>	<u>(3,182,614)</u>	<u>(144,605)</u>	<u>3,751,778</u>	<u>1,739,642</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Operating grants received	-	-	-	2,360,794	-	2,360,794	-
Principal paid on advances from other funds	(258,218)	(28,126)	-	-	(105,000)	(391,344)	-
Interest paid on advances from other funds	-	-	-	-	(28,240)	(28,240)	-
Transfers from other funds	-	-	70	652,846	494,311	1,147,227	30,232
Transfers to other funds	(1,003,248)	(276,078)	(633)	-	-	(1,279,959)	(255,000)
Net Cash Flows From Noncapital Financing Activities	<u>(1,261,466)</u>	<u>(304,204)</u>	<u>(563)</u>	<u>3,013,640</u>	<u>361,071</u>	<u>1,808,478</u>	<u>(224,768)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Investment income	<u>128,763</u>	<u>180,696</u>	<u>56,450</u>	-	-	<u>365,909</u>	<u>90,700</u>
Net Cash Flows From Investing Activities	<u>128,763</u>	<u>180,696</u>	<u>56,450</u>	-	-	<u>365,909</u>	<u>90,700</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Debt issued	2,310,000	-	1,590,000	320,000	-	4,220,000	-
Debt issuance costs	(37,165)	-	(14,571)	-	-	(51,736)	-
Premium on bonds issued	27,944	-	10,980	-	-	38,924	-
Debt retired	(1,795,000)	(430,000)	(350,000)	-	-	(2,575,000)	-
Special assessments received	240,694	278,435	-	-	-	519,129	-
Interest paid	(800,637)	(154,240)	(460,588)	-	-	(1,415,465)	-
Capital contributions	143,673	204,277	27,381	-	-	375,331	-
Cost of removal of property retired	(57,409)	-	-	-	-	(57,409)	-
Acquisition and construction of capital assets	(2,399,418)	(2,229,107)	(2,695,970)	(151,026)	(219,654)	(7,695,175)	(2,657,954)
Proceeds from sale of equipment	-	-	-	-	-	-	78,925
Net Cash Flows From Capital and Related Financing Activities	<u>(2,367,318)</u>	<u>(2,330,635)</u>	<u>(1,892,768)</u>	<u>168,974</u>	<u>(219,654)</u>	<u>(6,641,401)</u>	<u>(2,579,029)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	603,005	(192,102)	(1,122,951)	-	(3,188)	(715,236)	(973,455)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>\$ 4,748,423</u>	<u>\$ 8,596,944</u>	<u>\$ 5,184,514</u>	<u>\$ 350</u>	<u>\$ 472,481</u>	<u>19,002,712</u>	<u>14,586,347</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,351,428</u>	<u>\$ 8,404,842</u>	<u>\$ 4,061,563</u>	<u>\$ 350</u>	<u>\$ 469,293</u>	<u>\$ 18,287,476</u>	<u>\$ 13,612,892</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>							
Cash and Cash Equivalents per Statement of Net Assets	\$ 3,706,912	\$ 7,322,931	\$ 2,136,292	\$ 350	\$ 469,293	\$ 13,635,778	\$ 13,449,156
Restricted Cash and Investments	<u>1,644,516</u>	<u>1,081,911</u>	<u>1,925,271</u>	-	-	<u>4,651,698</u>	<u>163,736</u>
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 5,351,428</u>	<u>\$ 8,404,842</u>	<u>\$ 4,061,563</u>	<u>\$ 350</u>	<u>\$ 469,293</u>	<u>\$ 18,287,476</u>	<u>\$ 13,612,892</u>

	Business-type Activities - Enterprise Funds					Totals	Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds		
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 2,732,667	\$ 1,070,438	\$ 564,805	\$ (3,505,511)	\$ (456,002)	\$ 406,397	798,704
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities							
Noncash items included in income							
Depreciation	1,269,214	1,150,902	317,879	553,613	272,064	3,563,672	1,110,557
Depreciation charged to other accounts	81,867	-	-	-	-	81,867	-
Change in assets and liabilities							
Taxes receivable	(34,713)	-	-	-	-	(34,713)	-
Accounts receivable	(56,349)	(19,451)	(27,341)	(30,674)	34,768	(99,047)	7,909
Other receivables	(18,948)	(9,569)	-	-	-	(28,517)	-
Due from other governments	-	-	-	6,930	-	6,930	-
Due from other funds	-	(3,620)	(7,673)	-	-	(11,293)	(39)
Inventories	16,446	-	-	-	-	16,446	63,815
Prepayments	113	-	-	-	-	113	-
Accounts payable	14,336	23,966	(135,557)	27,629	(9,971)	(79,597)	26,418
Due to other funds	-	-	-	(293,918)	-	(293,918)	(2,073)
Deposits	-	-	-	1,368	-	1,368	-
Accrued liabilities	98,393	49,375	1,817	57,949	14,536	222,070	26,540
Unpaid claims	-	-	-	-	-	-	(292,189)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 4,103,026</b>	<b>\$ 2,262,041</b>	<b>\$ 713,930</b>	<b>\$ (3,182,614)</b>	<b>\$ (144,605)</b>	<b>\$ 3,751,778</b>	<b>\$ 1,739,642</b>

**Non-cash capital, investing & financing activities:**

The Central Equipment fund traded in equipment during 2003 of \$154,105.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
COMPONENT UNITS  
December 31, 2003

<b>ASSETS</b>	Housing Authority	Other Component Units	Totals
<b>CURRENT ASSETS</b>			
Cash and short term investments	\$ 2,135,051	\$ 1,097,887	\$ 3,232,938
Receivables:			
Taxes	-	91,000	91,000
Notes receivable	-	181,011	181,011
Accounts	44,650	-	44,650
Due from primary government	27,791	-	27,791
Prepaid items	49,147	-	49,147
Total Current Assets	<u>2,256,639</u>	<u>1,369,898</u>	<u>3,626,537</u>
<b>NONCURRENT ASSETS</b>			
Restricted assets - cash & investments	1,958,159	-	1,958,159
Land	1,293,404	2,319,454	3,612,858
Property, plant and equipment	15,052,029	-	15,052,029
Less: accumulated depreciation	<u>(4,853,887)</u>	<u>-</u>	<u>(4,853,887)</u>
Total Noncurrent Assets	<u>13,449,705</u>	<u>2,319,454</u>	<u>15,769,159</u>
Total Assets	<u>\$ 15,706,344</u>	<u>\$ 3,689,352</u>	<u>\$ 19,395,696</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 21,146	\$ 26,968	\$ 48,114
Accrued liabilities	51,668	985	52,653
Other liabilities	103,973	-	103,973
Deposits	-	1,331	1,331
Deferred revenue	-	91,000	91,000
Current portion of long-term debt	<u>271,320</u>	<u>-</u>	<u>271,320</u>
Total Current Liabilities	<u>448,107</u>	<u>120,284</u>	<u>568,391</u>
<b>NONCURRENT LIABILITIES</b>			
Advances from primary government	-	1,310,000	1,310,000
Housing projects notes and bonds	1,631,569	-	1,631,569
Revenue bonds payable	130,000	-	130,000
Notes payable	41,470	11,240	52,710
Other loans payable	<u>890,103</u>	<u>-</u>	<u>890,103</u>
Total Noncurrent Liabilities	<u>2,693,142</u>	<u>1,321,240</u>	<u>4,014,382</u>
Total Liabilities	<u>3,141,249</u>	<u>1,441,524</u>	<u>4,582,773</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,527,084	1,219,454	9,746,538
Restricted	1,958,159	-	1,958,159
Unrestricted (Deficit)	<u>2,079,852</u>	<u>1,028,374</u>	<u>3,108,226</u>
Total Net Assets	<u>\$ 12,565,095</u>	<u>\$ 2,247,828</u>	<u>\$ 14,812,923</u>

**CITY OF EAU CLAIRE**

STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS  
COMPONENT UNITS  
Year Ended December 31, 2003

	Housing Authority	Other Component Units	Totals
Operating revenues			
Charges for service	\$ 753,761	\$ -	\$ 753,761
Other	47,291	1,368	48,659
Total operating revenues	<u>801,052</u>	<u>1,368</u>	<u>802,420</u>
Operating expenses			
Personal services	639,232	-	639,232
Contractual services	212,576	68,120	280,696
Supplies and materials	77,101	33,135	110,236
Utilities	149,147	78	149,225
Depreciation	424,024	-	424,024
Taxes	107,023	-	107,023
Administrative	218,640	-	218,640
Housing assistance payments	1,219,797	-	1,219,797
Economic development costs	-	375,153	375,153
Total operating expenses	<u>3,047,540</u>	<u>476,486</u>	<u>3,524,026</u>
Net operating loss	<u>(2,246,488)</u>	<u>(475,118)</u>	<u>(2,721,606)</u>
Non-operating revenues (expenses)			
Donations	-	160,567	160,567
Operating grants	2,591,942	100,000	2,691,942
Property taxes	-	74,500	74,500
Investment income	114,301	10,212	124,513
Net gain (loss) on disposal of fixed assets	(25,365)	-	(25,365)
Interest expense	(161,852)	-	(161,852)
Total non-operating revenues (expenses)	<u>2,519,026</u>	<u>345,279</u>	<u>2,864,305</u>
Change in net assets	272,538	(129,839)	142,699
Net assets at beginning of year	<u>12,292,557</u>	<u>2,377,667</u>	<u>14,670,224</u>
Net assets at end of year	<u>\$ 12,565,095</u>	<u>\$ 2,247,828</u>	<u>\$ 14,812,923</u>

See accompanying notes to the basic financial statements.

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2003**

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	Tax Collection Agency Fund
<b>ASSETS</b>	
Cash and investments	\$ 11,952,772
Taxes receivable	<u>37,759,636</u>
Total Assets	<u>49,712,408</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>49,712,408</u>
Total Liabilities	<u>49,712,408</u>
<b>NET ASSETS</b>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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

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

# CITY OF EAU CLAIRE

## INDEX TO NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

This report includes all of the funds of the City. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. 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. All discretely presented component units have been combined and reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

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

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

The government-wide financial statements include the Housing Authority of the City of Eau Claire (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note III.K. As a major component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2003. 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 government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose their will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.K. As a nonmajor component unit, the RDA's financial statements have been combined with other nonmajor component units and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2003. 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 THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

The government-wide 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 III.K. As nonmajor component units, the BID's financial statements have been combined with other nonmajor component units and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2003. Separate financial statements are not issued by the Business Improvement Districts.

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

In June 1999, GASB issued Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). In June 2001, GASB issued Statement No. 37 *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments – Omnibus*, (GASB 37), and Statement No. 38 *Certain Financial Statement Note Disclosures*.

The City of Eau Claire made the decision to implement these standards effective January 1, 2003.

Statements No. 34 and 37, among many other changes, add two new "government-wide" financial statements as basic financial statements required for all governmental units. The statement of net assets and the statement of activities are the two new required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the City used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds in the fund financial statements are reported as business-type activities, governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note I.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

Statement No. 33 requires capital contributions to proprietary funds to be presented as a change in net assets rather than being directly credited to net assets. Statement No. 38 requires additional note disclosures.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

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

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

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

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

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

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

The City reports the following major governmental funds:

- General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- General Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TID or enterprise fund debt.

The City reports the following major enterprise funds:

- Water Utility – accounts for the construction, operations, and maintenance of the municipal water pumping, treatment, and distribution systems.
- Sewer Utility – accounts for the construction, operations, and maintenance of the municipal sewage collection and treatment system.
- Storm Water Utility – accounts for the construction and operation of the City's storm sewer system. It also accounts for the acquisition and maintenance of storm water detention areas.
- Public Transit – accounts for the operations and maintenance of the municipal mass transit facility and fleet equipment.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

The City reports the following non-major governmental and enterprise funds:

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

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

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

- Debt Service – T.I.F. #4

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

- Industrial Development
  - TIF #5 Gateway Northwest Business Park
  - TIF #6 Northeast Industrial Area
  - TIF #7 Soo Line Development Area
  - TIF #8 Downtown Development
- Street Projects
- Bridge Projects
- Buildings and Equipment
- Parks and Recreation Projects
- Environmental Improvements – Landfill
- Library Buildings and Equipment

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

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

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

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

- Parking Utility
- Hobbs Ice Center
- Outdoor Pool

In addition, the City reports the following fund types:

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

- Risk Management
- Central Equipment

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

- Tax Collection Fund

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

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

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

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

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

The proprietary funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility, and Public Transit are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Current rates in the water utility were approved by the Public Service Commission of Wisconsin on August 1, 2003. Current sewer rates were approved by the City council in December 1997. Current storm water utility rates were approved by the City council on January 1, 2002.

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.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

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

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

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

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

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on the same day if prior to 11:00 a.m. CST. At December 31, 2003, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The 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 provision 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 service 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 one type of investment are:

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

See Note III.C. for further information.

##### *2. Receivables*

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

Property tax calendar – 2003 tax roll:

Lien date and levy date	December 2003
Tax bills mailed	December 2003
Payment in full, or	January 31, 2004
First installment due	January 31, 2004
Second installment due	July 31, 2004
Personal property taxes in full	January 31, 2004
Tax sale – 2003 delinquent real estate taxes	October 2006

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water, Sewer, and Storm Water utilities because they have the right by law to place delinquent bills on the tax roll.

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$160,000.

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

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

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

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

##### *4. Restricted Assets*

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

Funds on deposit with Wisconsin Municipal Insurance Company for payment of insurance claims are combined with twelve other participating governments. The City's deposit at year end was \$163,736. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### *5. Capital Assets*

###### *Government –Wide Statements*

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

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2007, when GASB 34 requires the City to retroactively report all major general infrastructure assets acquired since January 1, 1980. For the year ended December 31, 2003, the City has retroactively reported all network infrastructure acquired by its governmental fund types.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$56,900 of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

###### *Fund Financial Statements*

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### **6. Other Assets**

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

##### **7. Compensated Absences**

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2003 are determined on the basis of current salary rates and include salary related payments.

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

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

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

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$4,735,000, made up of two issues.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### *9. Claims and Judgments*

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

##### *10. Equity Classifications*

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

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

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

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

###### *Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

###### **11. Comparative Data/Reclassifications**

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

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

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##### **A. BUDGETARY INFORMATION**

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

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

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.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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 2004 budgets for governmental and proprietary funds on November 18, 2003.

During 2003, additional appropriations were approved in the General, Downtown Partners, Hazardous Materials, Public Library, and City-County Health Department Funds. A summary of these council actions follows:

	General Fund	Downtown Partners	Hazardous Materials	Public Library	City – Co. Health Dept.
Original appropriation	\$ 43,048,600	\$ 131,000	\$ 214,200	\$3,642,300	\$ 3,349,600
Carry over of appropriations	243,400	-	-	67,200	-
Grants & donations	158,600	-	62,100	-	242,000
Other	(133,600)	8,900	35,000	-	-
Final appropriation	\$ 43,317,000	\$ 139,900	\$ 311,300	\$3,709,500	\$ 3,591,600

##### B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the Cemetery Maintenance fund (including amendments) were \$443,500. Total expenditures were \$452,112. This results in excess expenditures of \$8,612.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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### NOTE III – DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

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

Per statement of net assets	\$ 65,649,443
Per statement of net assets - restricted	9,880,404
Per statement of net assets – fiduciary funds	<u>11,952,772</u>
Total	<u>\$ 87,482,619</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 3,405
Deposits with financial institutions	15,073,338
Investments	<u>72,405,876</u>
Total Cash and Investments	<u>\$ 87,482,619</u>

#### DEPOSITS

At December 31, 2003, the carrying amount of the City's deposits was \$15,073,338 and the bank balance was \$15,588,236. 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 \$15,488,236 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.

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.

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

*A. DEPOSITS AND INVESTMENTS (cont.)*

*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	Fair Value
US Government Securities	\$ -	\$ 29,024,290	\$ -	\$ 29,024,290
Local government investment pool				43,217,850
Wisconsin Mutual Insurance Co. (pooled funds)				163,736
Total Investments				<u>\$ 72,405,876</u>

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

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

Investments in the local government investment pool 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.

##### **B. RECEIVABLES**

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

<b>Governmental Activities</b>	<u>General</u>	<u>Debt Service- General</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 20,437,083	\$ 1,265,006	\$ 4,888,689	\$ -	\$ 26,590,778
Delinquent personal property taxes	113,930	-	-	-	113,930
Accounts	1,127,693	7,206	1,579,990	173,088	2,887,977
Special assessments	12,621	6,546,366	54,904	-	6,613,891
Notes	25,000	-	5,775,106	-	5,800,106
Interest	154,161	-	15,094	-	169,255
Due from other governments	148,173	-	134,406	17,080	299,659
Gross receivables	<u>22,018,661</u>	<u>7,818,578</u>	<u>12,448,189</u>	<u>190,168</u>	<u>42,475,596</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>(196,834)</u>	<u>-</u>	<u>(196,834)</u>
Net Total Receivables	<u>\$ 22,018,661</u>	<u>\$ 7,818,578</u>	<u>\$ 12,251,355</u>	<u>\$ 190,168</u>	<u>\$ 42,278,762</u>
Amounts not expected to be collected within one year	<u>\$ 147,681</u>	<u>\$ 5,866,796</u>	<u>\$ 5,775,874</u>	<u>\$ 8,234</u>	<u>\$ 11,798,585</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

**B. RECEIVABLES (cont.)**

<i>Business-Type Activities</i>	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Nonmajor Business- Type Activities	Total
Receivables:						
Taxes	\$ 487,412	\$ 479,593	\$ 51,981	\$ -	\$ -	\$ 1,018,986
Special assessments	1,241,525	1,487,591	-	-	-	2,729,116
Accounts	1,185,476	1,106,221	346,401	70,682	54,394	2,763,174
Due from other governments	-	-	-	1,102,010	-	1,102,010
Gross receivables	<u>2,914,413</u>	<u>3,073,405</u>	<u>398,382</u>	<u>1,172,692</u>	<u>54,394</u>	<u>7,613,286</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>(1,150)</u>	<u>-</u>	<u>-</u>	<u>(1,150)</u>
Net Total Receivables	<u>\$ 2,914,413</u>	<u>\$ 3,073,405</u>	<u>\$ 397,232</u>	<u>\$ 1,172,692</u>	<u>\$ 54,394</u>	<u>\$ 7,612,136</u>
Amounts not expected to be collected within one year	<u>\$ 795,861</u>	<u>\$ 991,343</u>	<u>\$ 7,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,794,645</u>

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

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 24,726,133	\$ 24,726,133
Delinquent property taxes receivable	113,930	-	113,930
Accounts receivable	1,908,503	-	1,908,503
Loans receivable	5,651,773	-	5,651,773
Special assessments not yet due	8,478,536	-	8,478,536
Interest receivable	<u>15,094</u>	<u>-</u>	<u>15,094</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 16,167,836</u>	<u>\$ 24,726,133</u>	<u>\$ 40,893,969</u>

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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#### **C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

#### ***Long Term Debt Accounts***

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

#### ***Equipment Replacement Account***

The water and sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2003:

Restricted Assets	
Redemption account	\$ 2,003,427
Replacement account	723,000
TID #8 construction account	4,993,401
TID #7 construction account	71,569
Stormwater construction account	1,925,271
Insurance claims account	<u>163,736</u>
Total Restricted Assets	<u>9,880,404</u>
Less: Restricted Assets Not Funded by Revenues	
Construction accounts	(5,064,970)
Less: Current Liabilities Payable From Restricted Assets	(1,319,491)
Less: Insurance claims account	<u>(163,736)</u>
Total Restricted Net Assets as Reported	<u>\$ 3,332,207</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2003 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 14,402,962	\$ 1,193,760	\$ 367,130	\$ 15,229,562
Construction in progress	<u>6,782,048</u>	<u>615,675</u>	<u>6,763,598</u>	<u>634,125</u>
Total Capital Assets Not Being Depreciated	<u>\$ 21,185,010</u>	<u>\$ 1,809,435</u>	<u>\$ 7,130,728</u>	<u>\$ 15,863,687</u>
Capital Assets Being Depreciated:				
Land improvements	\$ 2,117,014	\$ 148,564	\$ -	\$ 2,265,578
Buildings	18,773,518	114,898	68,160	18,820,256
Machinery and equipment	24,298,097	4,110,522	2,439,418	25,969,201
Infrastructure	<u>99,241,981</u>	<u>8,126,021</u>	<u>-</u>	<u>107,368,002</u>
Total Capital Assets Being Depreciated	<u>144,430,610</u>	<u>12,500,005</u>	<u>2,507,578</u>	<u>154,423,037</u>
Less: Accumulated Depreciation for:				
Land improvements	399,160	136,292	-	535,452
Buildings	7,944,574	493,523	-	8,438,097
Machinery and equipment	11,915,326	2,694,596	1,815,407	12,794,515
Infrastructure	<u>34,223,410</u>	<u>3,091,020</u>	<u>-</u>	<u>37,314,430</u>
Total Accumulated Depreciation	<u>54,482,470</u>	<u>6,415,431</u>	<u>1,815,407</u>	<u>59,082,494</u>
Capital Assets, Net of Depreciation	<u>\$ 89,948,140</u>	<u>\$ 6,084,574</u>	<u>\$ 692,171</u>	<u>\$ 95,340,543</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 594,399
Public safety	561,104
Public works, which includes the depreciation of infrastructure	3,634,963
Health and human services	9,272
Culture, recreation, and education	1,607,726
Conservation and development	<u>7,967</u>

Total Governmental Activities Depreciation Expense \$ 6,415,431

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 9,197,260	\$ 5,741,412	\$ 8,374,132	\$ 6,564,540
Land	<u>10,495,297</u>	<u>4,078,440</u>	<u>-</u>	<u>14,573,737</u>
Total Capital Assets Not Being Depreciated	<u>\$ 19,692,557</u>	<u>\$ 9,819,852</u>	<u>\$ 8,374,132</u>	<u>\$ 21,138,277</u>
Other Capital Assets				
Improvements	\$ 2,242,827	\$ -	\$ -	\$ 2,242,827
Buildings	29,698,850	461,554	114,175	30,046,229
Distribution and collection systems	102,030,075	5,560,406	657,210	106,933,271
Source of supply system	889,335	-	-	889,335
Machinery and equipment	<u>13,592,156</u>	<u>289,731</u>	<u>68,649</u>	<u>13,813,238</u>
Total Capital Assets Being Depreciated	<u>148,453,243</u>	<u>6,311,691</u>	<u>840,034</u>	<u>153,924,900</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for:				
Improvements	\$ 865,595	\$ 78,074	\$ -	\$ 943,669
Buildings	11,612,370	756,701	114,175	12,254,896
Distribution and collection systems	24,101,507	1,877,012	656,243	25,322,276
Source of supply system	536,702	23,987	-	560,689
Machinery and equipment	5,353,882	909,765	54,026	6,209,621
 Total Accumulated Depreciation	<u>42,470,056</u>	<u>3,645,539</u>	<u>824,444</u>	<u>45,291,151</u>
 Total capital assets, being depreciated, net	<u>105,983,187</u>	<u>2,666,152</u>	<u>15,590</u>	<u>108,633,749</u>
 Business-type activities capital assets, net	<u>\$ 125,675,744</u>	<u>\$ 12,486,004</u>	<u>\$ 8,389,722</u>	<u>\$ 129,772,026</u>

Depreciation expense was charged to functions as follows:

**Business-Type Activities**

Water	\$ 1,269,214
Sewer	1,150,902
Storm Water	317,879
Public Transit	553,613
Parking Utility	152,837
Hobbs Ice Center	72,688
Outdoor Pool	46,539
Other	<u>81,867</u>
 Total Business – Type Activities Depreciation Expense	<u>\$ 3,645,539</u>

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

##### *E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS*

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Special Revenue – Public Library	\$ 7,305
General fund	Special Revenue – City-County Health	8,499
General fund	Special Revenue – Community Enhancement	82,915
General fund	Special Revenue – Home Grant	5,525
General fund	Enterprise – Public Transit	914,478
Special Revenue – Public Library	Internal Service – Risk Management	740
Internal Service – Central Equipment	Special Revenue – Public Library	146
	Subtotal – Fund financial statements	1,019,608
	Less: Fund eliminations	(105,130)
	Total interfunds	914,478
	Interfund advances	6,621,899
	Adjustment to reflect internal service fund activities related to enterprise funds	(165,907)
	Total – Government-Wide Statement of Net Assets	\$ 7,370,470

These interfunds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

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

The general fund is advancing funds to the water utility, sewer utility, and the outdoor pool fund. The general fund is charging the other funds interest on the advances based on the balance outstanding before the principal payment for the current year. The interest rate on the water utility advances is 5.8% – 7.7%. The rate being charged on the sewer utility and outdoor pool advances is 7.25%.

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Water Utility	\$ 4,890,477	\$ 4,615,088
General fund	Sewer Utility	951,422	921,257
General fund	Outdoor Pool	<u>780,000</u>	<u>680,000</u>
Total – Government-Wide Statement of Net Assets and Financial Statements		<u>\$ 6,621,899</u>	<u>\$ 6,216,345</u>

The principle purpose of the general fund advances to advance funds for capital construction projects and collateral on a letter of credit.

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

<u>Years</u>	<u>Advances</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 405,554	\$ 450,146	\$ 855,700
2005	441,168	424,709	865,877
2006	473,293	397,420	870,713
2007	488,365	368,135	856,500
2008	523,843	338,376	862,219
2009 – 2013	2,379,821	1,205,617	3,585,438
2014 – 2018	1,731,220	413,139	2,144,359
2019 – 2020	<u>178,635</u>	<u>19,653</u>	<u>198,288</u>
Totals	<u>\$ 6,621,899</u>	<u>\$ 3,617,195</u>	<u>\$ 10,239,094</u>

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>General fund</b>	Community Enhancement	\$ 45,500	To fund general fund special events.
	Community Development	84,765	To fund salaries.
	Water Utility	1,003,248	Payment in lieu of tax
	Sewer Utility	250,000	To pay back contributed capital
	Sewer Utility	26,078	Payment in lieu of tax
	Storm Water Utility	633	Payment in lieu of tax
<b>Special Revenue</b>			
Economic Development	General fund	150,000	Operating subsidy
Cemetery Maintenance	General fund	312,527	Operating subsidy
Downtown Partners	Economic Development	99,000	Operating subsidy
City-County Health	Community Development	49,357	Fund code enforcement project
<b>Debt Service</b>			
	General fund	2,146,870	Debt service payments
	Public Library	134,016	Debt service payments
<b>Capital Projects</b>			
Buildings and Equipment	General fund	953,000	Fund various projects
Buildings and Equipment	Community Development	125,937	Fund comprehensive plan
Street Projects	General fund	37,500	Subsidize street projects
Street Projects	Community Development	18,460	Fund tree planting
Bridges	General fund	100,000	Fund Eddy Street bridge project
Parks and Recreation	General fund	200,000	Subsidize various park projects
Parks and Recreation	Community Enhancement	236,000	Fund park development projects
Parks and Recreation	Community Development	75,244	Fund playground equipment
TID #8 Downtown Development	Economic Development	200,000	Fund Phoenix Park projects
TID #8 Downtown Development	Street Projects	500,000	Fund RCU parking lot
TID #8 Downtown Development	Risk Management	160,000	Debt service payments
Library Buildings and Equipment	Public Library	172,800	Fund technology upgrade
Environmental Improvement	Risk Management	95,000	Fund City owned landfill and environmental projects

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>Enterprise</b>			
Storm Water Utility	Community Development	\$ 70	Subsidize street project
Parking Utility	General fund	75,000	Subsidize parking ramp renovations
Public Transit	General fund	652,846	Operating subsidy
Hobbs Ice Center	General fund	135,830	Facilities improvements and operating subsidy
Hobbs Ice Center	Community Enhancement	50,000	Fund facility improvements
Outdoor Pool	General fund	233,481	Debt payments, operating subsidy, and facility improvements
<b>Internal Service</b>			
Central Equipment	Hazardous Materials	<u>30,232</u>	Fund vehicle purchase
Subtotal – Fund Financial Statements		8,353,394	
Less: Fund eliminations		<u>(8,220,662)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 132,732</u>	

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

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

#### **F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation bonds	\$ 39,600,000	\$ 13,585,000	\$ 7,515,000	\$ 45,670,000	\$ 3,485,000
State trust fund notes	<u>94,680</u>	<u>-</u>	<u>23,670</u>	<u>71,010</u>	<u>23,670</u>
Sub-total	<u>39,694,680</u>	<u>13,585,000</u>	<u>7,538,670</u>	<u>45,741,010</u>	<u>3,508,670</u>
Other Liabilities					
Vested compensated absences	998,038	3,039,409	2,011,497	2,025,950	2,025,950
Police and fire pensions	904,830	-	40,194	864,636	155,092
State retirement fund	8,106,367	624,217	314,404	8,416,180	314,404
Duty disability	4,002,998	382,488	394,764	3,990,722	517,788
Unpaid self-insurance claims	<u>1,195,579</u>	<u>447,826</u>	<u>740,015</u>	<u>903,390</u>	<u>220,000</u>
Total Other Liabilities	<u>15,207,812</u>	<u>4,493,940</u>	<u>3,500,874</u>	<u>16,200,878</u>	<u>3,233,234</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,902,492</u>	<u>\$ 18,078,940</u>	<u>\$ 11,039,544</u>	<u>\$ 61,941,888</u>	<u>\$ 6,741,904</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation bonds	\$ 9,750,000	\$ 1,590,000	\$ 350,000	\$ 10,990,000	\$ 475,000
State trust fund notes	-	320,000	-	320,000	-
Revenue bonds	<u>12,655,000</u>	<u>2,310,000</u>	<u>2,225,000</u>	<u>12,740,000</u>	<u>1,055,000</u>
Sub-total	<u>22,405,000</u>	<u>4,220,000</u>	<u>2,575,000</u>	<u>24,050,000</u>	<u>1,530,000</u>
Other Liabilities:					
Vested compensated absences	<u>164,433</u>	<u>581,285</u>	<u>397,115</u>	<u>348,603</u>	<u>348,603</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 22,569,433</u>	<u>\$ 4,801,285</u>	<u>\$ 2,972,115</u>	<u>\$ 24,398,603</u>	<u>\$ 1,878,603</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

**General Obligation Debt**

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2003, was \$166,528,040. Total general obligation debt outstanding at year end was \$57,051,010.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-03</u>
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Corporate purpose	09/01/96	04/01/07	4.8-5.1%	\$ 2,950,000	\$ 1,180,000
Tax incremental bonds	09/01/96	04/01/16	4.8-5.5%	3,000,000	2,300,000
Corporate purpose	08/01/97	04/01/17	4.9-5.35%	5,185,000	3,225,000
Tax incremental bonds	08/01/97	04/01/17	4.9-5.35%	5,815,000	4,745,000
Corporate purpose	09/15/98	04/01/18	4.45-4.5%	6,650,000	4,850,000
Corporate purpose	09/01/99	04/01/19	4.65-5.5%	6,450,000	4,465,000
Tax incremental bonds	09/01/99	04/01/16	4.65-5.5%	395,000	355,000
Corporate purpose	08/01/00	04/01/20	5.0-5.5%	4,730,000	3,830,000
Tax incremental bonds	08/08/00	04/01/20	5.0-5.5%	1,780,000	1,745,000
Corporate purpose	08/15/01	04/01/21	4.13-5.0%	8,700,000	7,735,000
Corporate purpose	08/27/02	10/01/15	2.85-3.875%	4,120,000	3,590,000
Corporate purpose	08/27/02	10/01/22	3.7-4.7%	3,700,000	3,465,000
Tax incremental bonds	09/15/03	04/01/09	2.75-4.0%	900,000	900,000
Corporate purpose	09/15/03	04/01/14	3.625-4.8%	9,870,000	9,870,000
Corporate purpose	09/15/03	04/01/14	3.5-3.75%	4,405,000	4,405,000
			Subtotal		56,660,000
Less: Enterprise portion of G.O. Bonds					<u>(10,990,000)</u>
Total- Bonds					<u>\$ 45,670,000</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

**General Obligation Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-03</u>
<b>Governmental Activities</b>					
State trust fund note	01/15/87	03/15/06	7.25%	\$ 450,000	\$ <u>71,010</u>
Total Governmental Activities – General Obligation Debt					<u>\$ 45,741,010</u>
<b>Business-Type Activities</b>					
<b>General Obligation Debt</b>					
State trust fund note	08/27/03	3/15/13	4.5%	\$ 320,000	\$ 320,000
Plus: Enterprise portion of G.O.Bonds					<u>10,990,000</u>
Total Business-Type Activities General Obligation Debt					<u>11,310,000</u>
Total General Obligation Debt					<u>\$ 57,051,010</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>General Obligation Debt</u>		<u>Business-Type Activities</u> <u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 3,508,670	\$ 1,994,694	\$ 410,000	\$ 511,811
2005	3,533,670	1,819,042	467,742	510,138
2006	3,408,670	1,671,486	486,696	481,793
2007	3,625,000	1,519,941	513,122	460,093
2008	3,135,000	1,376,309	534,584	437,092
2009 – 2013	13,925,000	4,959,257	3,147,856	1,785,667
2014 – 2018	9,860,000	2,241,112	3,695,000	971,163
2019 – 2023	4,745,000	494,763	2,055,000	178,149
Totals	<u>\$ 45,741,010</u>	<u>\$16,076,604</u>	<u>\$ 11,310,000</u>	<u>\$ 5,335,906</u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

**Revenue Debt**

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

Revenue debt payable at December 31, 2003 consists of the following:

**Business-Type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-03</u>
<b>Water Utility</b>					
Revenue bonds	09/01/96	10/01/10	5-5.5%	\$ 1,000,000	\$ 700,000
Revenue bonds	08/01/97	10/01/16	5.15-5.4%	3,500,000	2,925,000
Revenue bonds	08/15/01	10/01/16	4-4.8%	4,615,000	4,390,000
Revenue bonds	09/15/03	10/01/14	2.5-4.3%	2,310,000	<u>2,310,000</u>
				Total Water Utility	<u>10,325,000</u>
<b>Sewer Utility</b>					
Revenue bonds	08/27/02	10/01/08	2.5-3.0%	\$ 2,845,000	<u>2,415,000</u>
				Total Sewer Utility	<u>2,415,000</u>
					<u><u>\$ 12,740,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2004	\$ 1,055,000	\$ 528,302	\$ 1,583,302
2005	1,090,000	489,358	1,579,358
2006	1,135,000	452,568	1,587,568
2007	1,175,000	414,904	1,589,904
2008	1,210,000	373,736	1,583,736
2009 – 2013	4,015,000	1,306,059	5,321,059
2014 – 2018	<u>3,060,000</u>	<u>314,969</u>	<u>3,374,969</u>
Totals	<u>\$ 12,740,000</u>	<u>\$ 3,879,896</u>	<u>\$ 16,619,896</u>

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

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

###### *Other Debt Information*

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

###### *Current Refunding*

On September 15, 2003, the City issued \$4,405,000 in general obligation bonds. \$2,000,000 of this issue was used to make the 2003 payment on the outstanding 2002 bond anticipation notes. The remaining portion of \$2,405,000, with an average interest rate of 3.60 percent, was used to refund \$2,570,000 of outstanding 1994 general obligation bonds with an average interest rate of 5.27 percent. The net proceeds of \$4,425,120 (after payment of \$27,808 in underwriting fees, insurance and other issuance costs) plus an additional \$63,733 of debt service funds and \$39,681 of other City funds were used to call the 1994 general obligation bonds and to pay off the 2002 bond anticipation notes.

The cash flow requirements on the refunded bonds prior to the current refunding was \$3,231,800 from 2003 through 2014. The cash flow requirements on the 2003 refunding bonds are \$2,906,645 from 2004 through 2014. 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 \$214,619.

###### *Deferred Amount on Refunding*

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deduction from debt payable in the government-wide and proprietary fund statements. Amortization for 2003 was \$9,147, all of which is for the Water Utility.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

#### **G. LEASE DISCLOSURES**

The City has no material leases as lessee or lessor.

#### **H. NOTES RECEIVABLE**

At December 31, 2003 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 \$2,713,739 at December 31, 2003, with maturities to the year 2018. These loans include \$778,279 for four small industry and economic development loans and \$1,935,460 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 247 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.

#### **I. NET ASSETS/FUND BALANCES**

Net assets reported on the government wide statement of net assets at December 31, 2003 includes the following:

##### **Governmental Activities**

Invested in capital assets, net of related debt	
Construction in progress	\$ 634,125
Land	15,229,562
Other capital assets, net of accumulated depreciation	95,340,543
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(34,583,972)</u>
Total Invested in Capital Assets	<u>76,620,258</u>
Restricted	
Restricted deposits	930,232
Restricted for debt service	8,036,466
Unspent grant proceeds	268,110
Unspent bond proceeds	5,064,970
Restricted for new loans	13,722
Restricted per RCU agreement	<u>306,300</u>
Total Restricted	<u>14,619,800</u>
Unrestricted	<u>38,307,037</u>
Total Governmental Activities Net Assets	<u>\$ 129,547,095</u>

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2003 include the following:

<b>Reserved</b>	
Major Funds	
General Fund	
Notes receivable	\$ 25,000
Advances to other funds (noncurrent portion)	6,216,345
Prepaid items	<u>125,980</u>
Total	<u>\$ 6,367,325</u>
General Debt Service Fund	
Reserved for debt service	<u>\$ 4,360,037</u>
Non-Major Funds	
Debt Service – TIF No. 4	
Reserved for TID No. 4 debt service	\$ 4,200,224
Special Revenue – Economic Development	
Reserved for grant proceeds	\$ 268,110
Special Revenue – Home Grant	
Reserved for new loans	\$ 13,722
Capital Projects – TIF No. 8 Downtown Development	
Reserved for advances to component unit	\$ 1,310,000
Reserved for capital contracts	22,721
Reserved for bond construction	<u>4,993,401</u>
Total	<u>\$ 6,326,122</u>
Capital Projects – TIF No. 7 Soo Line Development	
Reserved for bond construction	\$ 71,569
Capital Projects - Street Projects	
Reserved for bond construction	\$ 770,157
Capital Projects – Bridge Projects	
Reserved for capital contracts	\$ 148,639
Capital Projects – Buildings and Equipment	
Reserved for capital contracts	\$ 256,033
Capital Projects – Parks and Recreation Projects	
Reserved for capital contracts	\$ 20,937

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

Capital Projects – Environmental Improvements - Landfill	
Reserved for capital contracts	\$ 1,200
Reserved for environmental remediation	<u>306,300</u>
Total	\$ <u>307,500</u>
Capital Projects – Library Buildings and Equipment	
Reserved for capital contracts	\$ <u>32,770</u>
Total reserved fund balance – nonmajor funds	\$ <u><u>12,415,783</u></u>

##### **Unreserved, undesignated**

Major Funds	
General fund	\$ <u><u>2,896,215</u></u>

##### **Unreserved, designated**

Major Funds	
General fund designated for	
Working capital	\$ 3,700,000
Subsequent year expenditures	<u>3,009,720</u>
Total	\$ <u><u>6,709,720</u></u>

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### Unreserved, designated

##### Non-Major Funds

Special Revenue Funds designated for  
Cemetery Maintenance

- Subsequent year expenditures \$ 142,442

Hazardous Materials Response - Subsequent year expenditures 307,392

Community Development - Subsequent year expenditures 270,391

Economic Development - Economic development 950,000  
- Subsequent year expenditures 4,698,108  
- Code compliance loans 96,684

Community Enhancement - Subsequent year expenditures 21

Public Library - Library funds 61,724  
- Capital projects 162,800  
- Subsequent year expenditures 196,931

City-County Health Department - Future expenditures 80,100  
- Subsequent year expenditures 349,167

Downtown Partners - Subsequent year expenditures 34,722

Subtotal – Special Revenue Funds 7,350,482

Capital Projects Funds designated for

Industrial Development - Subsequent year expenditures 104,705

TIF #5 Gateway NW Business Park - Subsequent year expenditures 675,450

TIF #6 NE Industrial Area - Subsequent year expenditures 347,697

TIF #7 Soo Line Development - Subsequent year expenditures 153,945

TIF #8 Downtown Development - Subsequent year expenditures 589,413

Street Projects - Subsequent year expenditures 1,826,666

Bridge Projects - Subsequent year expenditures 1,041,310

Buildings and Equipment - Subsequent year expenditures 1,734,215

Parks and Recreation Projects - Subsequent year expenditures 1,590,597

Environmental Improvements- Landfill - Subsequent year expenditures 1,399,579

Library Buildings and Equipment - Subsequent year expenditures 548,477

Subtotal – Capital Projects Funds 10,012,054

Total designations – nonmajor funds \$ 17,362,536

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

***Business-Type Activities***

Invested in capital assets, net of related debt	
Construction in progress	\$ 6,564,540
Land	14,573,737
Other capital assets, net of accumulated depreciation	108,633,749
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(24,050,000)</u>
Total Invested in Capital Assets	<u>105,722,026</u>
Restricted	
Unspent bond proceeds	1,793,713
Debt service payments	815,494
Equipment replacement	<u>723,000</u>
Total Restricted	<u>3,332,207</u>
Unrestricted	<u>13,332,743</u>
Total Business-Type Activities Net Assets	<u>\$ 122,386,976</u>

***J. RESTATEMENT OF FUND BALANCES/NET ASSETS***

Prior to 2003 the City reported a Stormwater Management special revenue fund and a Stormwater Management capital projects fund. These funds were combined into one fund which is now reported as an enterprise fund. Net assets have been restated as follows:

***STORM WATER UTILITY FUND***

Stormwater Management special revenue fund balance	
– December 31, 2002 (as reported)	\$ 903,356
Stormwater capital projects fund balance	
– December 31, 2002 (as reported)	4,018,870
Add: Fixed assets capitalized	22,648,249
Add: Work in progress capitalized	6,521,856
Add: Deferred revenue balance at December 31, 2002	75,981
Add: Unbilled revenue accrual	150,839
Less: Outstanding principal at December 31, 2002	(9,750,000)
Less: Accrued interest at December 31, 2002	<u>(119,053)</u>
Net assets – January 1, 2003 (as restated)	<u>\$ 24,450,098</u>

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

#### *K. COMPONENT UNITS*

##### *Housing Authority*

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

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

a. Basis of Accounting/Measurement Focus

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

b. Investments

The Housing Authority's investments are categorized in the following categories based on the descriptions used in Note III, A.

	Category			Balance	Carrying Amount/ Fair Value
	1	2	3		
U.S. government securities	\$ 1,158,406	-	\$ 593,266	\$ 1,751,672	\$ 1,752,781
Cash with escrow agent (pooled funds)					1,958,159
Petty cash					1,055
Total Investments and petty cash					\$ 3,711,995

c. Deposits

At year end all deposits with a carrying value of \$381,215 and a bank balance of \$490,517 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.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

##### K. COMPONENT UNITS (cont.)

##### d. Cash and Cash Equivalents

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

##### e. Receivables

Accounts Receivable - tenants	\$	10,737
Less: Allowance for Uncollectibles		(1,185)
Due from other governments		35,098
Net Total Receivables	\$	44,650
Amounts not expected to be collected within one year	\$	-

##### f. Capital asset activity for the year ended December 31, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 1,297,779	\$ 21,000	\$ 25,375	\$ 1,293,404
Other Capital Assets				
Land improvements	\$ 958,302	\$ 25,230	\$ 27,922	\$ 955,610
Buildings	12,897,984	613,926	175,268	13,336,642
Machinery and equipment	745,730	78,933	64,886	759,777
Total Capital Assets Being Depreciated	14,602,016	718,089	268,076	15,052,029
Less: Accumulated depreciation for:				
Land improvements	270,911	38,914	7,446	302,379
Buildings	3,818,486	349,976	19,544	4,207,405
Machinery and equipment	428,568	35,134	61,112	344,103
Total Accumulated Depreciation	4,517,965	424,024	88,102	4,853,887
Net Other Capital Assets	\$ 10,084,051	\$ 294,065	\$ 179,974	\$ 10,198,142

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

#### K. COMPONENT UNITS (cont.)

##### g. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Bonds and Notes Payable:</b>					
Revenue bonds	\$ 165,000	\$ -	\$ 15,000	\$ 150,000	\$ 20,000
Mortgage notes	2,102,441	-	226,604	1,875,837	244,268
Other loans/notes	795,363	150,000	6,738	938,625	7,052
Subtotal	3,062,804	150,000	248,342	2,964,462	271,320
<b>Other Liabilities:</b>					
Vested compensated absences	28,937	45,291	50,036	24,192	24,192
<b>Total Long-Term Liabilities</b>	<b>\$ 3,091,741</b>	<b>\$ 195,291</b>	<b>\$ 298,378</b>	<b>\$ 2,988,654</b>	<b>\$ 295,512</b>
Total Long-Term Liabilities – Housing Authority				\$ 2,988,654	
Total Long-Term Liabilities – Redevelopment Authority				11,240	
Total Long-Term Liabilities – Statement of Net Assets				\$ 2,999,894	

Revenue bonds are payable only from revenues derived from the operation of the Housing Authority.

Revenue debt payable at December 31, 2003 consists of the following:

#### ***Owen Rust Memorial Apartments***

Series 1993 housing refunding revenue bonds, \$295,000 face value, payable in semi-annual installments including interest at 2.8% - 5.25% through December 1, 2010.

	\$ 150,000
Total Revenue Debt	\$ 150,000

Debt service requirements to maturity are as follows:

	Principal	Interest
2004	\$ 20,000	\$ 7,875
2005	20,000	6,825
2006	20,000	5,775
2007	20,000	4,725
2008	20,000	3,675
2009 – 2010	50,000	3,938
Totals	\$ 150,000	\$ 32,813

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

**K. COMPONENT UNITS (cont.)**

g. Long-Term Obligations (cont.)

**MORTGAGE NOTES**

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

Mortgage notes payable at December 31, 2003 consists of the following:

***Park Towers Apartments***

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

\$ 1,875,837

Total Mortgage Notes

\$ 1,875,837

Debt service requirements to maturity are as follows:

	Principal	Interest
2004	\$ 244,268	\$ 132,934
2005	263,310	113,893
2006	283,836	93,367
2007	305,962	71,241
2008	329,813	47,390
2009 – 2010	448,648	22,851
Totals	<u>\$ 1,875,837</u>	<u>\$ 481,676</u>

**OTHER LOANS/NOTES PAYABLE**

Other loans and notes payable at December 31, 2003 consist of the following:

***Substantial Rehabilitation***

1982 note payable to the City of Eau Claire Community Development Block Grant Program, requires monthly installment of \$777, which includes principal and interest at a rate of 5%, due February 1, 2010.

\$ 48,522

***Park Towers Apartments***

1992 note payable from the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met.

195,462

1991 note payable to the City of Eau Claire, Community Development Block Grant Program. Unsecured, non-interest bearing, and due on demand.

63,000

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

**K. COMPONENT UNITS (cont.)**

g. Long-Term Obligations (cont.)

**Home Ownership**

1991 note payable to the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met. \$ 331,641

**Affordable Housing**

2003 note payable to the City of Eau Claire HOME Investment Partnerships Program, the note is non-interest bearing and is due on demand should certain conditions be met. 150,000

1997 note payable to the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met. 150,000

Total Notes Payable \$ 938,625

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2004	\$ 7,052	\$ 2,272
2005	7,413	1,911
2006	7,792	1,532
2007	8,191	1,133
2008	8,610	714
2009 – 2010	<u>9,464</u>	<u>40</u>
	48,522	7,602
Demand notes with no set payment schedule	<u>890,103</u>	<u>-</u>
Totals	<u><u>\$ 938,625</u></u>	<u><u>\$ 7,602</u></u>

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

**K. COMPONENT UNITS (cont.)**

g. Long-Term Obligations (cont.)

**OTHER DEBT INFORMATION**

Estimated payments of compensated absences are not included in the debt service requirement schedules.

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

h. Net Assets

Net assets reported on the statement of net assets at December 31, 2003 includes the following:

Invested in capital assets, net of related debt	
Land	\$ 1,293,404
Other capital assets, net of accumulated depreciation	10,198,142
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(2,964,462)</u>
Total Invested in Capital Assets	<u>8,527,084</u>
Restricted	
Escrow for replacement	1,609,179
Escrow for development costs	113,903
Escrow for residual receipts	<u>235,077</u>
Total Restricted	<u>1,958,159</u>
Unrestricted	
	<u>2,079,852</u>
Total Net Assets	<u>\$ 12,565,095</u>

i. Restatement of Net Assets

Net assets have been restated for the following items:

Net assets – December 31, 2002 (as previously reported)	\$ 12,262,875
Add: Recording of prepaid insurance	28,407
Add: Adjustment of accounts receivable	<u>1,275</u>
Net assets – January 1, 2003 (as restated)	<u>\$ 12,292,557</u>

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

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

##### j. Employee Retirement System

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

All eligible City and Housing Authority employees participate in the Wisconsin Retirement System (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 Housing Authority employees covered by the system for the year ended December 31, 2003 was \$407,020; the employer's total payroll was \$429,495. The total required contribution for the year ended December 31, 2003 was \$38,258 or 9.4 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2002 and 2001 were \$35,618 and \$34,364, respectively, equal to the required contributions for each year. The City of Eau Claire employees who work for Housing Authority are covered under the City's plan. Detailed information can be found in the City of Eau Claire's financial statements. The related unfunded commitment to the plan is recorded as a liability on the Statement of Net Assets.

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.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

##### j. Employee Retirement System (cont.)

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.

##### k. Risk Management

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

##### ***Self-Insurance***

The Housing Authority is insured for workers' compensation through the City of Eau Claire. The City of Eau Claire self-insures its workers' compensation exposure for the first \$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. Payments to the City's self-insurance program are based on historical cost estimates of amounts needed to pay prior and current year claims.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

---

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

###### *l. Commitments*

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

The Housing Authority provides housing for the Park Tower Apartments Fund pursuant to Section 8 of the United States Housing Act of 1974. Rentals are subsidized by the federal government through a housing assistance payments contract between WHEDA and the Housing Authority. Total assistance payments received from WHEDA were \$685,326 during 2003.

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

There is no project debt outstanding at year-end.

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

###### *m. Related Parties*

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

###### *n. Economic Dependency*

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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#### K. COMPONENT UNITS (cont.)

##### *Redevelopment Authority*

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

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

##### a. Basis of Accounting

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

##### b. Deposits and Investments

At year end, the RDA deposits were \$1,059,666 which was commingled with the City's cash and investments. The entire balance was insured by the FDIC or covered by perfected collateral pledges.

##### c. Receivables

The following is a schedule of receivable at year end:

	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
Notes receivable	\$ 178,764	\$ 69,545
	<u>\$ 178,764</u>	<u>\$ 69,545</u>

##### d. Advance from Primary Government

The City of Eau Claire advanced the RDA \$1,310,000 in 2003. Currently, the City is not charging interest in the advance. Repayment of the loan is based on the sale of the related property. No amount is expected to be repaid in 2004.

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

**K. COMPONENT UNITS (cont.)**

e. Capital Assets

Capital asset held for resale activity for the year ended December 31, 2003 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 1,214,938	\$ 1,062,968	\$ -	\$ 2,277,906
Construction in progress	382,285	63,240	403,915	41,548
Total Capital Assets Not Being Depreciated	\$ 1,597,223	\$ 1,126,208	\$ 403,915	\$ 2,319,454

f. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2003 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Notes Payable:					
Promissory note	\$ 11,240	\$ -	\$ -	\$ 11,240	\$ -

**NOTES PAYABLE**

Notes payable at December 31, 2003 consists of the following:

Promissory note payable to City of Eau Claire. Original amount \$11,240. The entire balance is due in 2005. This is a non-interest bearing note.

	\$ 11,240
Total Notes Payable	\$ 11,240

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

---

#### K. COMPONENT UNITS (cont.)

##### g. Net Assets

Net assets reported on the statement of net assets at December 31, 2003 includes the following:

Invested in capital assets, net of related debt	
Land	\$ 2,277,906
Construction in progress	41,548
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(1,100,000)</u>
Total Invested in Capital Assets, net of related debt	1,219,454
Unrestricted (Deficit)	<u>991,027</u>
Total Net Assets	<u>\$ 2,210,481</u>

##### h. Risk Management

The RDA participates in the same risk pools as the reporting entity. Information related specifically to the RDA is unavailable. See the risk management note in the reporting entity's financial statements for further details.

##### i. Commitments

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

##### j. Related Parties

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

**CITY OF EAU CLAIRE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
December 31, 2003

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

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**K. COMPONENT UNITS (cont.)**

***Business Improvement Districts***

a. Basis of Accounting and Measurement Focus

The business improvement districts prepare their financial statements in accordance with the modified accrual basis of accounting. The measurement focus of the BIDs is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity.

b. Deposits and Investments

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	<u>\$ 10,174</u>
West Grand	<u>\$ 5,716</u>
Water Street	<u>\$ 22,331</u>

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

#### L. 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. 5, 6, 7 and 8 must be terminated after 23 years. TID No. 4 was terminated during 2003. The City still maintains a debt service fund for TID No. 4. Surplus funds will be used to pay the remaining debt outstanding in TID No. 4.

	Creation Date	Expenditure Deadline	Termination Year
TID No. 4	1992	2002	03/25/2003
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.

The following table summarizes the project and expenditures from creation of the districts through December 31, 2003.

Project Costs	TIF #4	TIF #5	TIF #6	TIF #7	TIF #8
Capital expenditures	\$ 7,060,286	\$ 2,617,800	\$ 1,130,255	\$ 1,256,204	\$ 761,941
Interest and fiscal charges	2,445,917	708,168	311,044	526,425	58,357
Bond issuance costs	62,670	4,880	2,160	5,710	5,200
Total project costs	9,568,873	3,330,848	1,443,459	1,788,339	825,498
<u>Project Revenues</u>					
Tax increments	8,773,891	1,020,324	458,746	260,447	-
Interest income and misc. revenue	1,265,204	190,974	75,499	238,406	48,032
Special assessments revenue	-	-	151,911	-	-
Total revenue	10,039,095	1,211,298	686,156	498,853	48,032
Net recoverable costs (refundable)	\$ (470,222)	\$ 2,119,550	\$ 757,303	\$ 1,289,486	\$ 777,466

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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### NOTE IV – OTHER INFORMATION

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#### *A. 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, 2003 was \$28,937,051; the employer's total payroll was \$30,138,243. The total required contribution for the year ended December 31, 2003 was \$3,964,853 or 13.7 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2002 and 2001 were \$3,842,361 and \$3,710,835, respectively, equal to the required contributions for each year.

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 as of December 31, 2003, was \$8,416,180. 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.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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### NOTE IV – OTHER INFORMATION

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

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 2003 was approximately \$152,510. The total estimated unfunded pension-related debt of this plan is approximately \$864,636 as of December 31, 2003, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2002 and 2001 was \$156,978 and \$169,887, respectively, equal to required contributions for each year. The rate of investment return is presently assumed to be 8%. The estimated remaining period of amortization is 12 years. This information is included in the above pension plan. The report can be obtained from the same address above.

The Wisconsin Retirement System also manages a duty disability plan under Section 40.65 of the Wisconsin Statutes. This plan pays lifetime disability benefits to police and fire employees who sustain on-the-job injuries that prevent them from continuing employment. The costs of this program are charged to the City as a percent of current police and fire wages. In 2003, 15 former employees participated in the program at a cost of \$695,772. The estimated present value of future costs for this program is \$3,720,903.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2003, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$269,819.

#### B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; health care of its employees, and natural disaster. The City purchases commercial insurance to provide coverage for employee health, property damage, and boiler insurance.

##### *Self Insurance*

For workers' compensation claims, the uninsured risk of loss is \$250,000 per incident and \$1,000,000 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

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

**CITY OF EAU CLAIRE**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2003

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

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

***Self Insurance (cont.)***

The unpaid claims liability of \$903,390 at December 31, 2003 is based on GASB Statement Number 10 which requires that a liability for claims be established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The liability is based on actuarial estimates of the present value of unpaid losses and includes both current claims payable and an amount for claims that have been incurred but not reported. The liability at year end of \$903,390 includes \$551,274 of potential workers compensation claims and \$352,116 for potential liability claims. Changes in unpaid claims liabilities in the current and prior year were:

***Claims Liability***

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 1,265,894	\$ 1,195,579
Current year claims and changes in estimates	694,409	447,826
Claim payments	<u>(764,724)</u>	<u>(740,015)</u>
Unpaid claims – End of Year	<u>\$ 1,195,579</u>	<u>\$ 903,390</u>

***Public Entity Risk Pool***

***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 2003, 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, 2003 through December 31, 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 4.5%. 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.

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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

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

##### *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 2003, 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 4.18%.

#### *C. COMMITMENTS AND CONTINGENCIES*

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO THE BASIC FINANCIAL STATEMENTS December 31, 2003

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

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#### C. COMMITMENTS AND CONTINGENCIES (cont.)

At December 31, 2003, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
TIF #8 Downtown Development	\$ 22,721
Bridge Projects	148,639
Buildings and Equipment	256,033
Parks and Recreation Projects	20,937
Environmental Improvements - Landfill	1,200
Library Buildings & Equipment	32,770
Total Committed Construction	<u>\$ 482,300</u>

<u>Proprietary Funds</u>	
Water Utility	\$ 2,000
Sewer Utility	5,529
Parking Utility	86
Public Transit	813
Central Equipment	1,678
Total Committed Construction	<u>\$ 10,106</u>

#### D. 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 current policy has a deductible of \$1,000 for individuals, and \$2,000 for families. The City employees submit medical expenses up to these deductibles to the City and the City reimburses the employee.

The cost of retiree health care benefits is recognized as an expenditure in the General fund as premiums are paid. During 2003, \$532,892 was paid on behalf of 66 retired employees.

As of December 31, 2003 the estimated present value of future costs to provide retiree health care benefits for current participants is \$4,466,607. This liability is adjusted annually based on estimated health care costs and actual levels of participation.

## CITY OF EAU CLAIRE

### NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2003

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

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##### *E. 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.

##### *F. RELATED PARTIES*

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

In April, 1991, the City, Xcel, the Industrial Development Corporation, and Gateway signed an agreement to provide Gateway with loans up to \$960,000 (increased to \$3,000,000 in 1995) for the acquisition and development of industrial property. As of December 31, 2003, 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 \$26,125 for the year ended December 31, 2003.

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

The eight perpetual directors consist of representatives or appointees of the following: Eau Claire City Manager, Eau Claire City Council President, Redevelopment Authority, Eau Claire County Board, Downtown Business Improvement District, West Grand Business Improvement District, Regional Arts Council and Eau Claire City Council. Downtown Eau Claire, Incorporated is funded 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 2003 for a budget of \$124,000.

## Major Funds - Governmental

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

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

**CITY OF EAU CLAIRE**

GENERAL FUND  
COMPARATIVE BALANCE SHEET  
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
Cash and short term investments	\$ 9,948,432	\$ 7,828,513
Receivables:		
Taxes:		
Current	20,437,083	19,123,558
Delinquent personal property	<u>113,930</u>	<u>95,266</u>
Total taxes	<u>20,551,013</u>	<u>19,218,824</u>
Accounts Interest	1,127,693	1,045,603
Interest	154,161	80,229
Special assessments:		
Installment	<u>12,621</u>	<u>94,901</u>
Total receivables	21,845,488	20,439,557
Due from other funds	1,018,722	1,233,886
Due from other governments	148,173	142,938
Due from component unit	36,897	25,496
Prepayments	125,980	365,750
Notes receivable	25,000	25,000
Advance to other funds	<u>6,621,899</u>	<u>7,013,243</u>
Total assets	<u>\$ 39,770,591</u>	<u>\$ 37,074,383</u>

	<u>2003</u>	<u>2002</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 825,819	\$ 757,606
Accrued liabilities	1,334,024	1,537,763
Customer deposits	344,085	185,820
Due to other governments	25,137	73,586
Due to component unit	64,688	71,776
Deferred revenue	<u>21,203,578</u>	<u>20,242,307</u>
 Total liabilities	 <u>23,797,331</u>	 <u>22,868,858</u>
Fund balance:		
Reserved:		
For prepayments	125,980	365,750
For notes receivable	25,000	25,000
For advances to other funds	<u>6,216,345</u>	<u>6,621,899</u>
 Total reserved	 <u>6,367,325</u>	 <u>7,012,649</u>
Unreserved:		
Designated:		
For working capital	3,700,000	3,700,000
For subsequent year expenditures	<u>3,009,720</u>	<u>1,014,450</u>
 Total designated	 <u>6,709,720</u>	 <u>4,714,450</u>
 Undesignated	 <u>2,896,215</u>	 <u>2,478,426</u>
 Total unreserved	 <u>9,605,935</u>	 <u>7,192,876</u>
 Total fund balance	 <u>15,973,260</u>	 <u>14,205,525</u>
 Total liabilities and fund balance	 <u>\$ 39,770,591</u>	 <u>\$ 37,074,383</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>TAXES</b>					
Real and personal property	\$ 18,940,000	\$ 18,940,000	\$ 19,414,675	\$ 474,675	\$ 17,482,304
Mobile home fees	100,000	100,000	61,355	(38,645)	120,485
Payment in lieu of taxes:					
Other	273,300	273,300	290,362	17,062	268,893
Interest on delinquent personal property taxes	2,000	2,000	6,741	4,741	6,167
<b>Total taxes</b>	<b>19,315,300</b>	<b>19,315,300</b>	<b>19,773,133</b>	<b>457,833</b>	<b>17,877,849</b>
<b>SPECIAL ASSESSMENTS:</b>					
Current	170,500	170,500	126,209	(44,291)	259,014
Installment	30,000	30,000	9,931	(20,069)	25,007
<b>Total special assessments</b>	<b>200,500</b>	<b>200,500</b>	<b>136,140</b>	<b>(64,360)</b>	<b>284,021</b>
<b>INTERGOVERNMENTAL:</b>					
Federal aid	-	348,900	340,427	(8,473)	111,144
State aid:					
Shared taxes	8,343,000	8,343,000	8,343,051	51	8,440,828
Highway safety	-	4,000	3,858	(142)	-
Medical transportation	182,200	182,200	182,185	(15)	-
Municipal services	858,000	858,000	610,045	(247,955)	849,260
Utility tax	208,000	208,000	207,995	(5)	205,936
Local streets	2,820,000	2,820,000	2,856,275	36,275	2,729,253
Expenditure restraint program	853,100	853,100	848,300	(4,800)	727,380
Fire insurance	95,000	95,000	119,041	24,041	101,458
Underground tank inspections	15,000	15,000	17,683	2,683	20,850
Other	200,000	235,300	262,921	27,621	259,954
County aid	-	-	556	556	-
<b>Total intergovernmental</b>	<b>13,574,300</b>	<b>13,962,500</b>	<b>13,792,337</b>	<b>(170,163)</b>	<b>13,446,063</b>
<b>LICENSES AND PERMITS</b>					
Television franchise	582,400	582,400	659,438	77,038	684,954
Licenses	227,100	227,100	264,052	36,952	221,159
Permits	427,900	427,900	574,972	147,072	537,375
<b>Total licenses and permits</b>	<b>1,237,400</b>	<b>1,237,400</b>	<b>1,498,462</b>	<b>261,062</b>	<b>1,443,488</b>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>FINES, FORFEITURES AND PENALTIES</b>					
Parking violation fines	\$ 315,000	\$ 315,000	\$ 402,638	\$ 87,638	\$ 315,052
County court fines	300,000	300,000	330,462	30,462	360,755
Other fines or forfeitures	4,000	4,000	6,945	2,945	10,598
Total fines and forfeitures	619,000	619,000	740,045	121,045	686,405
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	33,500	33,500	28,569	(4,931)	32,438
Police and fire	896,400	1,126,900	1,278,575	151,675	890,884
Public works	16,000	16,000	24,567	8,567	27,018
Parks and recreation	273,000	274,000	341,241	67,241	339,732
Total charges for services	1,218,900	1,450,400	1,672,952	222,552	1,290,072
<b>CHARGES FOR SERVICES - INTERGOVERNMENTAL</b>					
Communication center reimbursement	1,016,900	1,016,900	968,996	(47,904)	893,192
Storm water management charge	281,600	281,600	331,152	49,552	260,892
Sewer utility charge	342,700	342,700	342,720	20	317,340
Water utility service charge	459,200	459,200	459,156	(44)	428,820
Other service charges	225,700	225,700	234,671	8,971	177,174
Total charges for services - intergovernmental	2,326,100	2,326,100	2,336,695	10,595	2,077,418
<b>MISCELLANEOUS</b>					
<b>Investment income:</b>					
Investment interest	775,000	775,000	358,688	(416,312)	688,377
Interest on advance to other funds	449,100	449,100	477,375	28,275	533,645
Interest on special assessments	10,000	10,000	13,030	3,030	25,915
Other interest	-	-	619	619	3,781
Total investment income	1,234,100	1,234,100	849,712	(384,388)	1,251,718
<b>Rental:</b>					
Rental of dam	50,000	50,000	128,434	78,434	64,959
Rental of land and buildings	24,000	24,000	30,687	6,687	37,116
Total rental	74,000	74,000	159,121	85,121	102,075

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>Other:</b>					
Refunds of prior years expenditures	\$ -	\$ -	\$ 3,164	\$ 3,164	\$ 25
Donations	-	3,400	11,207	7,807	3,356
Other reimbursements and refunds	8,000	8,000	37,210	29,210	59,620
<b>Total other</b>	<u>8,000</u>	<u>11,400</u>	<u>51,581</u>	<u>40,181</u>	<u>63,001</u>
<b>Total rental and other</b>	<u>82,000</u>	<u>85,400</u>	<u>210,702</u>	<u>125,302</u>	<u>165,076</u>
<b>Total miscellaneous</b>	<u>1,316,100</u>	<u>1,319,500</u>	<u>1,060,414</u>	<u>(259,086)</u>	<u>1,416,794</u>
<b>Total revenues</b>	<u>39,807,600</u>	<u>40,430,700</u>	<u>41,010,178</u>	<u>579,478</u>	<u>38,522,110</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers from other funds	381,400	381,400	380,265	(1,135)	152,364
Transfer from water utility - PILOT	1,170,000	1,170,000	1,029,959	(140,041)	1,088,760
Sale of capital assets	10,000	10,000	705,930	695,930	54,013
<b>Total other financing sources</b>	<u>1,561,400</u>	<u>1,561,400</u>	<u>2,116,154</u>	<u>554,754</u>	<u>1,295,137</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 41,369,000</u>	<u>\$ 41,992,100</u>	<u>\$ 43,126,332</u>	<u>\$ 1,134,232</u>	<u>\$ 39,817,247</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES</b>					
General government:					
City council	\$ 125,000	\$ 124,900	\$ 110,115	\$ 14,785	109,870
Administrative services	401,400	398,400	382,620	15,780	357,413
Information services	653,000	648,800	614,821	33,979	589,305
Legal	372,800	384,000	345,513	38,487	413,140
Finance:					
Administration	256,800	254,800	263,958	(9,158)	264,286
Accounting	596,200	591,900	493,197	98,703	492,269
Assessing	510,800	507,000	512,458	(5,458)	485,581
Customer services	720,800	716,600	640,587	76,013	701,176
Total finance	<u>2,084,600</u>	<u>2,070,300</u>	<u>1,910,200</u>	<u>160,100</u>	<u>1,943,312</u>
Human resources:					
Purchasing	232,200	230,600	184,426	46,174	171,876
Personnel administration	486,200	468,700	437,261	31,439	377,521
Total human resources	<u>718,400</u>	<u>699,300</u>	<u>621,687</u>	<u>77,613</u>	<u>549,397</u>
Planning and development:					
Community planning	518,100	514,000	467,303	46,697	474,021
Inspection and zoning	627,500	623,200	606,774	16,426	566,234
Total planning and development	<u>1,145,600</u>	<u>1,137,200</u>	<u>1,074,077</u>	<u>63,123</u>	<u>1,040,255</u>
Insurance and retirement:					
Liability and health insurance	444,500	577,900	533,221	44,679	368,379
Disability settlement	30,800	30,800	29,917	883	30,802
Total insurance and retirement	<u>475,300</u>	<u>608,700</u>	<u>563,138</u>	<u>45,562</u>	<u>399,181</u>
Total general government	<u>5,976,100</u>	<u>6,071,600</u>	<u>5,622,171</u>	<u>449,429</u>	<u>5,401,873</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>PUBLIC SAFETY</b>					
Police:					
Administration	\$ 553,900	\$ 526,800	\$ 508,164	\$ 18,636	\$ 492,752
Administrative services	1,322,900	1,452,900	1,381,970	70,930	1,286,316
Patrol services	6,453,300	6,458,500	6,467,499	(8,999)	6,296,302
Investigative services	1,693,600	1,690,500	1,747,304	(56,804)	1,740,622
Central communications	<u>1,292,200</u>	<u>1,281,300</u>	<u>1,223,781</u>	<u>57,519</u>	<u>1,138,285</u>
Total police	<u>11,315,900</u>	<u>11,410,000</u>	<u>11,328,718</u>	<u>81,282</u>	<u>10,954,277</u>
Fire:					
Administration	540,600	525,600	445,947	79,653	420,585
Suppression and rescue	7,172,400	7,126,800	7,174,025	(47,225)	6,851,485
Prevention and inspection	<u>303,400</u>	<u>300,700</u>	<u>318,276</u>	<u>(17,576)</u>	<u>263,147</u>
Total fire	<u>8,016,400</u>	<u>7,953,100</u>	<u>7,938,248</u>	<u>14,852</u>	<u>7,535,217</u>
Total public safety	<u>19,332,300</u>	<u>19,363,100</u>	<u>19,266,966</u>	<u>96,134</u>	<u>18,489,494</u>
<b>PUBLIC WORKS</b>					
Administration	311,500	309,200	294,200	15,000	299,933
Operations	5,885,700	5,643,800	5,056,879	586,921	5,130,316
Engineering	<u>1,502,400</u>	<u>1,667,000</u>	<u>1,591,595</u>	<u>75,405</u>	<u>1,432,788</u>
Total public works	<u>7,699,600</u>	<u>7,620,000</u>	<u>6,942,674</u>	<u>677,326</u>	<u>6,863,037</u>
<b>CULTURE AND RECREATION</b>					
Administration	313,300	311,500	282,693	28,807	230,193
Park maintenance	2,344,500	2,329,800	2,345,659	(15,859)	2,308,232
Forestry	427,600	425,200	449,679	(24,479)	425,076
Recreation and playgrounds	<u>877,800</u>	<u>876,100</u>	<u>830,051</u>	<u>46,049</u>	<u>765,779</u>
Total parks and recreation	<u>3,963,200</u>	<u>3,942,600</u>	<u>3,908,082</u>	<u>34,518</u>	<u>3,729,280</u>
<b>CAPITAL OUTLAY</b>					
General construction	-	200,600	200,527	73	-
Total capital outlay	<u>-</u>	<u>200,600</u>	<u>200,527</u>	<u>73</u>	<u>-</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>MISCELLANEOUS</b>					
Payments to other organizations	\$ 322,900	\$ 337,900	\$ 327,939	\$ 9,961	\$ 323,576
Contractual services	40,000	66,700	64,584	2,116	32,587
Insurance	28,600	28,600	28,600	-	28,600
Special assessments	200,000	200,000	-	200,000	32,979
Contingent appropriation	218,600	218,600	-	218,600	-
Total miscellaneous	810,100	851,800	421,123	430,677	417,742
Total expenditures	37,781,300	38,049,700	36,361,543	1,688,157	34,901,426
Other financing uses:					
Transfers to other funds:					
Special revenue fund	467,100	467,100	462,527	4,573	412,172
Debt service fund	2,143,200	2,143,200	2,146,870	(3,670)	1,985,308
Capital project funds	1,290,500	1,290,500	1,290,500	-	2,501,000
Proprietary funds	1,366,500	1,366,500	1,097,157	269,343	792,065
Total other financing uses	5,267,300	5,267,300	4,997,054	270,246	5,690,545
Total expenditures and other financing uses	\$ 43,048,600	\$ 43,317,000	\$ 41,358,597	\$ 1,958,403	\$ 40,591,971

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL

DEBT SERVICE - GENERAL

For the Year Ended December 31, 2003 with Comparative  
Actual Totals for Year Ended December 31, 2002

	Budgeted Amounts		2003 Actual	Variance with Final Budget -	2002 Actual
	Original	Final		Positive (Negative)	
<b>REVENUES</b>					
Special assessments	1,250,000	1,250,000	2,192,011	942,011	1,954,381
Investment income	350,000	350,000	380,627	30,627	380,879
<b>Total Revenues</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>2,572,638</b>	<b>972,638</b>	<b>2,335,260</b>
<b>EXPENDITURES</b>					
Current					
General government	45,500	45,500	2,512	42,988	55,859
Debt Service					
Principal retirement	2,666,100	2,602,368	2,624,938	(22,570)	7,093,670
Interest and fiscal charges	1,418,600	1,418,600	1,237,234	181,366	1,803,001
<b>Total Expenditures</b>	<b>4,130,200</b>	<b>4,066,468</b>	<b>3,864,684</b>	<b>201,784</b>	<b>8,952,530</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,530,200)</b>	<b>(2,466,468)</b>	<b>(1,292,046)</b>	<b>1,174,422</b>	<b>(6,617,270)</b>
<b>Other financing sources (uses)</b>					
Long-term debt issued	-	2,405,000	2,405,000	-	4,124,039
Payment to refunding agent	-	(2,468,732)	(2,468,732)	-	-
Transfers from other funds	2,530,200	2,530,200	2,280,886	(249,314)	2,829,223
<b>Total other financing sources (uses)</b>	<b>2,530,200</b>	<b>2,466,468</b>	<b>2,217,154</b>	<b>(249,314)</b>	<b>6,953,262</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>925,108</b>	<b>925,108</b>	<b>335,992</b>
<b>FUND BALANCE - Beginning of Year</b>	<b>3,434,929</b>	<b>3,434,929</b>	<b>3,434,929</b>	<b>-</b>	<b>3,098,937</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 3,434,929</b>	<b>\$ 3,434,929</b>	<b>\$ 4,360,037</b>	<b>\$ 925,108</b>	<b>\$ 3,434,929</b>

## Nonmajor Funds - Governmental

### Special Revenue Funds

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

The **Hazardous Materials Response** fund accounts for 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.

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.

### Debt Service Funds

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 created on January 1, 1992 and amended in 1995.

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

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

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

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

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

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

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service - T.I.F. #4	Non-Major Capital Projects Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 7,998,529	\$ 4,201,081	\$ 12,056,430	\$ 24,256,040
Receivables				
Taxes	4,089,500	35,323	763,866	4,888,689
Accounts	420,257	-	1,122,899	1,543,156
Notes	5,615,106	-	-	5,615,106
Special assessments	-	-	54,904	54,904
Interest	-	15,094	-	15,094
Due from other funds	740	-	-	740
Due from other governments	134,406	-	-	134,406
Prepaid items	33,522	78,167	-	111,689
Advances to component unit	-	-	1,310,000	1,310,000
Restricted assets:				
Construction account	-	-	5,064,970	5,064,970
<b>Total Assets</b>	<b>\$ 18,292,060</b>	<b>\$ 4,329,665</b>	<b>\$ 20,373,069</b>	<b>\$ 42,994,794</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 318,522	\$ 857	\$ 526,961	\$ 846,340
Accrued payroll and payroll taxes	209,836	-	-	209,836
Deposits	87,417	78,167	-	165,584
Due to other government units	18,512	-	-	18,512
Due to other funds	104,390	-	-	104,390
Deferred revenue	9,921,069	50,417	1,900,327	11,871,813
<b>Total Liabilities</b>	<b>\$ 10,659,746</b>	<b>\$ 129,441</b>	<b>\$ 2,427,288</b>	<b>\$ 13,216,475</b>
<b>FUND BALANCES</b>				
Reserved for:				
Grant proceeds	281,832	-	-	281,832
Advances	-	-	1,310,000	1,310,000
Debt service	-	4,200,224	-	4,200,224
Capital contracts	-	-	482,300	482,300
Environmental remediation	-	-	306,300	306,300
Bond construction	-	-	5,835,127	5,835,127
Designated				
Designated for economic development	950,000	-	-	950,000
Designated for library funds	61,724	-	-	61,724
Designated for future expenditures	80,100	-	-	80,100
Designated for capital projects	162,800	-	-	162,800
Designated for subsequent year expenditures	5,999,174	-	10,012,054	16,011,228
Designated for code compliance loans	96,684	-	-	96,684
<b>Total Fund Balances</b>	<b>7,632,314</b>	<b>4,200,224</b>	<b>17,945,781</b>	<b>29,778,319</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,292,060</b>	<b>\$ 4,329,665</b>	<b>\$ 20,373,069</b>	<b>\$ 42,994,794</b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service - T.I.F. #4	Non-Major Capital Projects Funds	Totals
Revenues:				
Taxes	\$ 4,942,868	\$ 364,983	\$ 760,289	\$ 6,068,140
Special assessments	-	-	10,981	10,981
Intergovernmental	2,601,302	70,281	698,910	3,370,493
Licenses and permits	290,061	-	-	290,061
Fines and forfeitures	109,851	-	-	109,851
Charges for services	307,570	-	-	307,570
Charges for services - intergovernmental	1,689,478	-	-	1,689,478
Miscellaneous:				
Investment income	82,390	60,215	200,051	342,656
Loan repayments	602,359	-	-	602,359
Building rental	76,478	-	-	76,478
Gifts and donations	71,904	-	5,956	77,860
Other	157,840	-	105,160	263,000
<b>Total revenues</b>	<b>\$ 10,932,101</b>	<b>\$ 495,479</b>	<b>\$ 1,781,347</b>	<b>\$ 13,208,927</b>
Current:				
General government	\$ 130,740	\$ 4,834	\$ -	\$ 135,574
Public safety	269,239	-	-	269,239
Public works	60,696	-	-	60,696
Health services	3,918,339	-	-	3,918,339
Culture and recreation	3,302,522	-	-	3,302,522
Development	2,374,037	-	-	2,374,037
Capital Outlay	-	-	8,091,976	8,091,976
Debt Service:				
Principal retirement	-	245,000	2,200,000	2,445,000
Interest and fiscal charges	-	200,736	313,885	514,621
<b>Total expenditures</b>	<b>\$ 10,055,573</b>	<b>\$ 450,570</b>	<b>\$ 10,605,861</b>	<b>\$ 21,112,004</b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2003

	Non-Major Special Revenue Funds	Non-Major Debt Service - T.I.F. #4	Non-Major Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ 876,528	\$ 44,909	\$ (8,824,514)	\$ (7,903,077)
Other financing sources (uses):				
Long term debt issued	-	-	11,180,000	11,180,000
Transfers from other funds	610,884	-	2,873,941	3,484,825
Transfers to other funds	(1,321,381)	-	(500,000)	(1,821,381)
Sale of capital assets	214	-	533,000	533,214
Total other financing sources (uses)	<u>(710,283)</u>	<u>-</u>	<u>14,086,941</u>	<u>13,376,658</u>
Net changes in fund balances	166,245	44,909	5,262,427	5,473,581
Fund balances at beginning of year	<u>7,466,069</u>	<u>4,155,315</u>	<u>12,683,354</u>	<u>24,304,738</u>
Fund balances at end of year	<u>\$ 7,632,314</u>	<u>\$ 4,200,224</u>	<u>\$ 17,945,781</u>	<u>\$ 29,778,319</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2003

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
<b>ASSETS</b>				
Cash and investments	\$ 158,296	\$ 321,082	\$ 280,694	\$ -
Receivables				
Taxes	-	-	-	-
Accounts	9,512	6,762	-	-
Notes	-	-	2,713,739	1,341,333
Due from other funds	-	-	-	-
Due from other governments	-	-	68,936	37,952
Prepaid items	-	-	-	-
 Total Assets	 <u>\$ 167,808</u>	 <u>\$ 327,844</u>	 <u>\$ 3,063,369</u>	 <u>\$ 1,379,285</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,580	\$ 13,668	\$ 12,174	\$ 17,438
Accrued payroll and payroll taxes	10,274	22	63,935	1,267
Deposits	-	-	-	-
Due to other government units	-	-	3,130	-
Due to other funds	-	-	-	5,525
Deferred revenue	<u>9,512</u>	<u>6,762</u>	<u>2,713,739</u>	<u>1,341,333</u>
 Total Liabilities	 <u>25,366</u>	 <u>20,452</u>	 <u>2,792,978</u>	 <u>1,365,563</u>
<b>FUND BALANCES</b>				
Reserved for:				
Grant proceeds	-	-	-	13,722
Designated				
Designated for economic development	-	-	-	-
Designated for library funds	-	-	-	-
Designated for future expenditures	-	-	-	-
Designated for capital projects	-	-	-	-
Designated for subsequent year expenditures	142,442	307,392	270,391	-
Designated for code compliance loans	-	-	-	-
Total Fund Balances	<u>142,442</u>	<u>307,392</u>	<u>270,391</u>	<u>13,722</u>
 Total Liabilities and Fund Balances	 <u>\$ 167,808</u>	 <u>\$ 327,844</u>	 <u>\$ 3,063,369</u>	 <u>\$ 1,379,285</u>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 6,025,127	\$ -	\$ 587,755	\$ 505,154	\$ 38,408	\$ 82,013	\$ 7,998,529
-	-	2,636,700	1,452,800	-	-	4,089,500
-	123,336	246,185	34,462	-	-	420,257
1,560,034	-	-	-	-	-	5,615,106
-	-	740	-	-	-	740
-	-	1,206	26,312	-	-	134,406
-	-	1,560	31,962	-	-	33,522
<u>\$ 7,585,161</u>	<u>\$ 123,336</u>	<u>\$ 3,474,146</u>	<u>\$ 2,050,690</u>	<u>\$ 38,408</u>	<u>\$ 82,013</u>	<u>\$ 18,292,060</u>
\$ 5,127	\$ -	\$ 187,010	\$ 71,768	\$ 1,081	\$ 4,676	\$ 318,522
7,098	-	61,741	62,894	2,605	-	209,836
-	-	-	10,080	-	77,337	87,417
-	-	-	15,382	-	-	18,512
-	82,915	7,451	8,499	-	-	104,390
1,560,034	40,400	2,796,489	1,452,800	-	-	9,921,069
<u>1,572,259</u>	<u>123,315</u>	<u>3,052,691</u>	<u>1,621,423</u>	<u>3,686</u>	<u>82,013</u>	<u>10,659,746</u>
268,110	-	-	-	-	-	281,832
950,000	-	-	-	-	-	950,000
-	-	61,724	-	-	-	61,724
-	-	-	80,100	-	-	80,100
-	-	162,800	-	-	-	162,800
4,698,108	21	196,931	349,167	34,722	-	5,999,174
96,684	-	-	-	-	-	96,684
<u>6,012,902</u>	<u>21</u>	<u>421,455</u>	<u>429,267</u>	<u>34,722</u>	<u>-</u>	<u>7,632,314</u>
<u>\$ 7,585,161</u>	<u>\$ 123,336</u>	<u>\$ 3,474,146</u>	<u>\$ 2,050,690</u>	<u>\$ 38,408</u>	<u>\$ 82,013</u>	<u>\$ 18,292,060</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2003

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Economic Development
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	242,863	897,674	637,604	-
Licenses and permits	1,080	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	138,362	603	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Miscellaneous:					
Investment income	-	4,590	-	-	75,850
Loan repayments	-	-	339,839	7,980	249,540
Building rental	-	-	-	-	76,478
Gifts and donations	-	-	-	-	-
Other	143	-	-	-	57,393
<b>Total revenues</b>	<b>139,585</b>	<b>248,056</b>	<b>1,237,513</b>	<b>645,584</b>	<b>459,261</b>
Current:					
General government	-	-	-	-	-
Public safety	-	269,239	-	-	-
Public works	-	-	-	-	-
Health services	452,112	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	682,763	607,197	345,975
<b>Total expenditures</b>	<b>452,112</b>	<b>269,239</b>	<b>682,763</b>	<b>607,197</b>	<b>345,975</b>
Excess (deficiency) of revenues over expenditures	(312,527)	(21,183)	554,750	38,387	113,286
Other financing sources (uses):					
Transfers from other funds	312,527	-	-	-	150,000
Transfers to other funds	-	(30,232)	(353,833)	-	(299,000)
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>312,527</b>	<b>(30,232)</b>	<b>(353,833)</b>	<b>-</b>	<b>(149,000)</b>
Net change in fund balances	-	(51,415)	200,917	38,387	(35,714)
Fund balances (deficit) at beginning of year	142,442	358,807	69,474	(24,665)	6,048,616
Fund balances at end of year	\$ 142,442	\$ 307,392	\$ 270,391	\$ 13,722	\$ 6,012,902

<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 971,468	\$ 2,591,900	\$ 1,379,500	\$ -	\$ -	\$ 4,942,868
-	2,100	821,061	-	-	2,601,302
-	-	288,981	-	-	290,061
-	109,851	-	-	-	109,851
-	6,576	101,333	-	60,696	307,570
-	710,266	979,212	-	-	1,689,478
110	740	1,100	-	-	82,390
5,000	-	-	-	-	602,359
-	-	-	-	-	76,478
-	28,792	-	43,112	-	71,904
5,000	76,532	18,772	-	-	157,840
<u>981,578</u>	<u>3,526,757</u>	<u>3,589,959</u>	<u>43,112</u>	<u>60,696</u>	<u>10,932,101</u>
-	-	-	130,740	-	130,740
-	-	-	-	-	269,239
-	-	-	-	60,696	60,696
-	-	3,466,227	-	-	3,918,339
-	3,302,522	-	-	-	3,302,522
738,102	-	-	-	-	2,374,037
<u>738,102</u>	<u>3,302,522</u>	<u>3,466,227</u>	<u>130,740</u>	<u>60,696</u>	<u>10,055,573</u>
243,476	224,235	123,732	(87,628)	-	876,528
-	-	49,357	99,000	-	610,884
(331,500)	(306,816)	-	-	-	(1,321,381)
-	214	-	-	-	214
<u>(331,500)</u>	<u>(306,602)</u>	<u>49,357</u>	<u>99,000</u>	<u>-</u>	<u>(710,283)</u>
(88,024)	(82,367)	173,089	11,372	-	166,245
88,045	503,822	256,178	23,350	-	7,466,069
<u>\$ 21</u>	<u>\$ 421,455</u>	<u>\$ 429,267</u>	<u>\$ 34,722</u>	<u>\$ -</u>	<u>\$ 7,632,314</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2003

	<u>Industrial Development</u>	<u>TIF #5 Gateway NW Business Park</u>	<u>TIF #6 NE Industrial Area</u>	<u>TIF #7 Soo Line Development</u>	<u>TIF #8 Downtown Development</u>
<b>ASSETS</b>					
Cash and investments	\$ 104,705	\$ 675,450	\$ 347,697	\$ 153,945	\$ 640,252
Receivables					
Taxes	-	473,441	204,794	80,409	5,222
Accounts	-	-	-	-	57,274
Special assessments	-	-	54,904	-	-
Advances to component unit	-	-	-	-	1,310,000
Restricted assets:					
Construction account	-	-	-	71,569	4,993,401
 Total Assets	 <u>\$ 104,705</u>	 <u>\$ 1,148,891</u>	 <u>\$ 607,395</u>	 <u>\$ 305,923</u>	 <u>\$ 7,006,149</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 28,118
Deferred revenue	-	473,441	259,698	80,409	62,496
 Total Liabilities	 <u>-</u>	 <u>473,441</u>	 <u>259,698</u>	 <u>80,409</u>	 <u>90,614</u>
<b>FUND BALANCES</b>					
Reserved for:					
Advances	-	-	-	-	1,310,000
Capital contracts	-	-	-	-	22,721
Environmental remediation	-	-	-	-	-
Bond construction	-	-	-	71,569	4,993,401
Designated					
Designated for subsequent year expenditures	<u>104,705</u>	<u>675,450</u>	<u>347,697</u>	<u>153,945</u>	<u>589,413</u>
Total Fund Balances	<u>104,705</u>	<u>675,450</u>	<u>347,697</u>	<u>225,514</u>	<u>6,915,535</u>
 Total Liabilities and Fund Balances	 <u>\$ 104,705</u>	 <u>\$ 1,148,891</u>	 <u>\$ 607,395</u>	 <u>\$ 305,923</u>	 <u>\$ 7,006,149</u>

<u>Street Projects</u>	<u>Bridge Projects</u>	<u>Buildings and Equipment</u>	<u>Parks and Recreation Projects</u>	<u>Environmental Improvements- Landfill</u>	<u>Library Buildings &amp; Equipment</u>	<u>Totals</u>
\$ 3,010,337	\$ 1,193,552	\$ 2,014,260	\$ 1,617,087	\$ 1,708,051	\$ 591,094	\$ 12,056,430
-	-	-	-	-	-	763,866
954,000	-	41,342	70,283	-	-	1,122,899
-	-	-	-	-	-	54,904
-	-	-	-	-	-	1,310,000
-	-	-	-	-	-	5,064,970
<u>\$ 3,964,337</u>	<u>\$ 1,193,552</u>	<u>\$ 2,055,602</u>	<u>\$ 1,687,370</u>	<u>\$ 1,708,051</u>	<u>\$ 591,094</u>	<u>\$ 20,373,069</u>
\$ 413,514	\$ 3,603	\$ 65,354	\$ 5,553	\$ 972	\$ 9,847	\$ 526,961
954,000	-	-	70,283	-	-	1,900,327
<u>1,367,514</u>	<u>3,603</u>	<u>65,354</u>	<u>75,836</u>	<u>972</u>	<u>9,847</u>	<u>2,427,288</u>
-	-	-	-	-	-	1,310,000
-	148,639	256,033	20,937	1,200	32,770	482,300
-	-	-	-	306,300	-	306,300
770,157	-	-	-	-	-	5,835,127
<u>1,826,666</u>	<u>1,041,310</u>	<u>1,734,215</u>	<u>1,590,597</u>	<u>1,399,579</u>	<u>548,477</u>	<u>10,012,054</u>
<u>2,596,823</u>	<u>1,189,949</u>	<u>1,990,248</u>	<u>1,611,534</u>	<u>1,707,079</u>	<u>581,247</u>	<u>17,945,781</u>
<u>\$ 3,964,337</u>	<u>\$ 1,193,552</u>	<u>\$ 2,055,602</u>	<u>\$ 1,687,370</u>	<u>\$ 1,708,051</u>	<u>\$ 591,094</u>	<u>\$ 20,373,069</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2003

	Industrial Development	TIF #5 Gateway NW Business Park	TIF #6 NE Industrial Area	TIF #7 Soo Line Development	TIF #8 Downtown Development
Revenues:					
Taxes	\$ -	\$ 514,227	\$ 163,153	\$ 82,909	\$ -
Special assessments	-	-	10,981	-	-
Intergovernmental	-	27,485	1,900	38,678	-
Miscellaneous:					
Investment income	1,310	8,111	8,881	3,075	42,061
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>1,310</u>	<u>549,823</u>	<u>184,915</u>	<u>124,662</u>	<u>42,061</u>
Current:					
Capital outlay	-	44,000	813	106	701,906
Debt service:					
Principal retirement	-	95,000	40,000	65,000	2,000,000
Interest and fiscal charges	-	<u>147,746</u>	<u>57,652</u>	<u>79,709</u>	<u>28,778</u>
Total expenditures	<u>-</u>	<u>286,746</u>	<u>98,465</u>	<u>144,815</u>	<u>2,730,684</u>
Excess (deficiency) of revenues over expenditures	1,310	263,077	86,450	(20,153)	(2,688,623)
Other financing sources (uses):					
Long-term debt issued	-	-	-	-	6,600,000
Transfers from other funds	-	-	-	-	860,000
Transfers to other funds	-	-	-	-	-
Sale of capital assets	-	-	-	-	<u>233,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,693,000</u>
Net change in fund balances	1,310	263,077	86,450	(20,153)	5,004,377
Fund balances at beginning of year	<u>103,395</u>	<u>412,373</u>	<u>261,247</u>	<u>245,667</u>	<u>1,911,158</u>
Fund balances at end of year	<u>\$ 104,705</u>	<u>\$ 675,450</u>	<u>\$ 347,697</u>	<u>\$ 225,514</u>	<u>\$ 6,915,535</u>

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760,289
-	-	-	-	-	-	10,981
243,828	-	68,470	304,000	14,549	-	698,910
63,643	13,720	18,410	14,360	18,960	7,520	200,051
-	-	-	5,956	-	-	5,956
105,160	-	-	-	-	-	105,160
<u>412,631</u>	<u>13,720</u>	<u>86,880</u>	<u>324,316</u>	<u>33,509</u>	<u>7,520</u>	<u>1,781,347</u>
5,830,863	12,476	1,019,504	399,071	49,847	33,390	8,091,976
-	-	-	-	-	-	2,200,000
-	-	-	-	-	-	313,885
<u>5,830,863</u>	<u>12,476</u>	<u>1,019,504</u>	<u>399,071</u>	<u>49,847</u>	<u>33,390</u>	<u>10,605,861</u>
(5,418,232)	1,244	(932,624)	(74,755)	(16,338)	(25,870)	(8,824,514)
4,580,000	-	-	-	-	-	11,180,000
55,960	100,000	1,078,937	511,244	95,000	172,800	2,873,941
(500,000)	-	-	-	-	-	(500,000)
-	-	-	-	300,000	-	533,000
<u>4,135,960</u>	<u>100,000</u>	<u>1,078,937</u>	<u>511,244</u>	<u>395,000</u>	<u>172,800</u>	<u>14,086,941</u>
(1,282,272)	101,244	146,313	436,489	378,662	146,930	5,262,427
<u>3,879,095</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>12,683,354</u>
<u>\$ 2,596,823</u>	<u>\$ 1,189,949</u>	<u>\$ 1,990,248</u>	<u>\$ 1,611,534</u>	<u>\$ 1,707,079</u>	<u>\$ 581,247</u>	<u>\$ 17,945,781</u>

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Cemetery Maintenance				
	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Licenses and permits	\$ -	\$ -	\$ 1,080	\$ 1,080	\$ 13,345
Charges for services	125,400	125,400	138,362	12,962	135,922
Miscellaneous:					
Investment income	1,000	1,000	-	(1,000)	460
Other	-	-	143	143	-
<b>Total revenues</b>	<b>126,400</b>	<b>126,400</b>	<b>139,585</b>	<b>13,185</b>	<b>149,727</b>
Expenditures:					
Current:					
Health services	443,500	443,500	452,112	(8,612)	411,899
Excess (deficiency) of revenues over expenditures	(317,100)	(317,100)	(312,527)	4,573	(262,172)
Other financing sources (uses):					
Transfers from other funds	317,100	317,100	312,527	(4,573)	262,172
<b>Total other financing sources (uses)</b>	<b>317,100</b>	<b>317,100</b>	<b>312,527</b>	<b>(4,573)</b>	<b>262,172</b>
Net change in fund balances	-	-	-	-	-
Fund balances at beginning of year	142,442	142,442	142,442	-	142,442
Fund balances at end of year	\$ 142,442	\$ 142,442	\$ 142,442	\$ -	\$ 142,442

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Hazardous Materials Response				
	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Intergovernmental	\$ 165,000	\$ 227,100	\$ 242,863	\$ 15,763	\$ 237,135
Charges for services	8,000	8,000	603	(7,397)	2,458
Miscellaneous:					
Investment income	3,500	3,500	4,590	1,090	8,830
Total revenues	176,500	238,600	248,056	9,456	248,423
Expenditures:					
Current:					
Public safety	214,200	276,300	269,239	7,061	233,981
Excess (deficiency) of revenues over expenditures	(37,700)	(37,700)	(21,183)	16,517	14,442
Other financing sources (uses):					
Transfers to other funds	-	(35,000)	(30,232)	4,768	-
Total other financing sources (uses)	-	(35,000)	(30,232)	4,768	-
Net change in fund balances	(37,700)	(72,700)	(51,415)	21,285	14,442
Fund balances at beginning of year	358,807	358,807	358,807	-	344,365
Fund balances at end of year	\$ 321,107	\$ 286,107	\$ 307,392	\$ 21,285	\$ 358,807

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Economic Development				
	2003			2002	
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Revenues:					
Miscellaneous:					
Loan repayments	\$ 220,000	\$ 220,000	\$ 249,540	\$ 29,540	\$ 256,951
Investment income	300,000	300,000	75,850	(224,150)	258,538
Building rental	62,000	62,000	76,478	14,478	68,694
Other	<u>59,500</u>	<u>59,500</u>	<u>57,393</u>	<u>(2,107)</u>	<u>420</u>
Total miscellaneous	<u>641,500</u>	<u>641,500</u>	<u>459,261</u>	<u>(182,239)</u>	<u>584,603</u>
Total revenues	<u>641,500</u>	<u>641,500</u>	<u>459,261</u>	<u>(182,239)</u>	<u>584,603</u>
Expenditures:					
Current:					
Development	423,900	423,900	345,975	77,925	760,472
Payment to Redevelopment Authority	-	-	-	-	1,500,000
Total expenditures	<u>423,900</u>	<u>423,900</u>	<u>345,975</u>	<u>77,925</u>	<u>2,260,472</u>
Excess (deficiency) of revenues over expenditures	<u>217,600</u>	<u>217,600</u>	<u>113,286</u>	<u>(104,314)</u>	<u>(1,675,869)</u>
Other financing sources (uses):					
Transfers from other funds	150,000	150,000	150,000	-	150,000
Transfers to other funds	<u>(299,000)</u>	<u>(299,000)</u>	<u>(299,000)</u>	<u>-</u>	<u>(99,000)</u>
Total other financing sources (uses)	<u>(149,000)</u>	<u>(149,000)</u>	<u>(149,000)</u>	<u>-</u>	<u>51,000</u>
Net change in fund balances	68,600	68,600	(35,714)	(104,314)	(1,624,869)
Fund balances at beginning of year	<u>6,048,616</u>	<u>6,048,616</u>	<u>6,048,616</u>	<u>-</u>	<u>7,673,485</u>
Fund balances at end of year	<u>\$ 6,117,216</u>	<u>\$ 6,117,216</u>	<u>\$ 6,012,902</u>	<u>\$ (104,314)</u>	<u>\$ 6,048,616</u>

## CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Community Enhancement				
	2003			2002	
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Revenues:					
Taxes	\$ 970,000	\$ 970,000	\$ 971,468	\$ 1,468	\$ 938,691
Miscellaneous:					
Loan repayments	5,000	5,000	5,000	-	5,000
Investment income	1,000	1,000	110	(890)	880
Other	-	-	5,000	5,000	-
Total revenues	<u>976,000</u>	<u>976,000</u>	<u>981,578</u>	<u>5,578</u>	<u>944,571</u>
Expenditures:					
Current:					
Development	<u>739,300</u>	<u>739,300</u>	<u>738,102</u>	<u>1,198</u>	<u>810,125</u>
Excess of revenues over expenditures	236,700	236,700	243,476	6,776	134,446
Other financing sources (uses):					
Transfers from other funds	108,800	108,800	-	(108,800)	-
Transfers to other funds	<u>(345,500)</u>	<u>(345,500)</u>	<u>(331,500)</u>	<u>14,000</u>	<u>(215,500)</u>
Net change in fund balances	-	-	(88,024)	(88,024)	(81,054)
Fund balances at beginning of year	<u>88,045</u>	<u>88,045</u>	<u>88,045</u>	<u>-</u>	<u>194,099</u>
Residual equity transfers out	-	-	-	-	(25,000)
Fund balances at end of year	<u>\$ 88,045</u>	<u>\$ 88,045</u>	<u>\$ 21</u>	<u>\$ (88,024)</u>	<u>\$ 88,045</u>

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Public Library				
	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Taxes	\$ 2,591,900	\$ 2,591,900	\$ 2,591,900	\$ -	\$ 2,464,400
Intergovernmental	16,000	16,000	2,100	(13,900)	581
Fines and forfeitures	100,000	100,000	109,851	9,851	100,726
Charges for services	8,200	8,200	6,576	(1,624)	7,489
Charges for services - intergovernmental	685,800	685,800	710,266	24,466	698,738
Miscellaneous:					
Investment income	-	-	740	740	1,220
Gifts and donations	15,000	15,000	28,792	13,792	17,262
Other	94,500	94,500	76,532	(17,968)	127,170
Total miscellaneous	109,500	109,500	106,064	(3,436)	145,652
Total revenues	3,511,400	3,511,400	3,526,757	15,357	3,417,586
Expenditures:					
Current:					
Culture and recreation	3,335,500	3,402,700	3,302,522	100,178	3,112,142
Excess of revenues over expenditures	175,900	108,700	224,235	115,535	305,444
Other financing sources (uses):					
Transfers to other funds	(306,800)	(306,800)	(306,816)	(16)	(233,813)
Sale of capital assets	400	400	214	(186)	195
Total other financing sources (uses)	(306,400)	(306,400)	(306,602)	(202)	(233,618)
Net change in fund balances	(130,500)	(197,700)	(82,367)	115,333	71,826
Fund balances at beginning of year	503,822	503,822	503,822	-	431,996
Fund balances at end of year	\$ 373,322	\$ 306,122	\$ 421,455	\$ 115,333	\$ 503,822

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
Year ended December 31, 2003 With Comparative  
Actual Totals for Year Ended December 31, 2002

	City-County Health				
	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Taxes	\$ 1,379,500	\$ 1,379,500	\$ 1,379,500	\$ -	\$ 1,291,300
Intergovernmental	618,300	831,100	821,061	(10,039)	715,858
Licenses and permits	243,600	243,600	288,981	45,381	254,459
Charges for services	127,400	127,400	101,333	(26,067)	120,348
Charges for services - intergovernmental	881,400	910,600	979,212	68,612	834,687
Miscellaneous:					
Investment income	2,500	2,500	1,100	(1,400)	2,070
Other	-	-	18,772	18,772	24,975
Total miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>19,872</u>	<u>17,372</u>	<u>27,045</u>
Total revenues	<u>3,252,700</u>	<u>3,494,700</u>	<u>3,589,959</u>	<u>95,259</u>	<u>3,243,697</u>
Expenditures:					
Current:					
Health services	<u>3,349,600</u>	<u>3,591,600</u>	<u>3,466,227</u>	<u>125,373</u>	<u>3,256,362</u>
Excess (deficiency) of revenues over expenditures	(96,900)	(96,900)	123,732	220,632	(12,665)
Other financing sources (uses):					
Transfers from other funds	<u>55,000</u>	<u>55,000</u>	<u>49,357</u>	<u>(5,643)</u>	<u>30,483</u>
Net change in fund balances	(41,900)	(41,900)	173,089	214,989	17,818
Fund balances at beginning of year	<u>256,178</u>	<u>256,178</u>	<u>256,178</u>	<u>-</u>	<u>238,360</u>
Fund balances at end of year	<u>\$ 214,278</u>	<u>\$ 214,278</u>	<u>\$ 429,267</u>	<u>\$ 214,989</u>	<u>\$ 256,178</u>

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Downtown Partners				
	2003				2002
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Miscellaneous:					
Gifts and donations	\$ 32,000	\$ 40,900	\$ 43,112	\$ 2,212	\$ 26,035
Total revenues	32,000	40,900	43,112	2,212	26,035
Expenditures:					
Current:					
General government	131,000	139,900	130,740	9,160	101,685
Excess (deficiency) of revenues over expenditures	(99,000)	(99,000)	(87,628)	11,372	(75,650)
Other financing sources (uses)					
Transfers from other funds	99,000	99,000	99,000	-	99,000
Net change in fund balances	-	-	11,372	11,372	23,350
Fund balances at beginning of year	23,350	23,350	23,350	-	-
Fund balances at end of year	\$ 23,350	\$ 23,350	\$ 34,722	\$ 11,372	\$ 23,350

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Former Landfill Escrow				
	2003			Variance with Final Budget Positive (Negative)	2002
	Budgeted Amounts		Actual		Actual
	Original	Final			
Miscellaneous:					
Charges for services	\$ 150,000	\$ 150,000	\$ 60,696	\$ (89,304)	\$ 133,131
Total revenues	150,000	150,000	60,696	(89,304)	133,131
Expenditures:					
Current:					
Public works	150,000	150,000	60,696	89,304	74,610
Excess of revenues over expenditures	-	-	-	-	58,521
Other financing sources (uses)					
Transfers to other funds	-	-	-	-	(58,521)
Net change in fund balances	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF EAU CLAIRE**

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)  
 Year ended December 31, 2003 With Comparative  
 Actual Totals for Year Ended December 31, 2002

	Debt Service - T.I.F. #4				
	2003			2002	
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual
	Original	Final			
Revenues:					
Taxes:					
Real and personal property	\$ 1,692,300	\$ 1,692,300	\$ 364,983	\$ (1,327,317)	\$ 1,675,994
Intergovernmental	44,000	44,000	70,281	26,281	-
Miscellaneous:					
Other income	-	-	-	-	43,948
Investment income	20,000	20,000	60,215	40,215	86,701
Total miscellaneous	20,000	20,000	60,215	40,215	130,649
Total revenues	<u>1,756,300</u>	<u>1,756,300</u>	<u>495,479</u>	<u>(1,260,821)</u>	<u>1,806,643</u>
Expenditures:					
General government	112,600	112,600	4,834	107,766	630
Debt service:					
Principal retirement	245,000	245,000	245,000	-	1,470,000
Interest and fiscal charges	200,700	200,700	200,736	(36)	289,618
Total expenditures	<u>558,300</u>	<u>558,300</u>	<u>450,570</u>	<u>107,730</u>	<u>1,760,248</u>
Excess of revenues over expenditures	1,198,000	1,198,000	44,909	(1,153,091)	46,395
Other financing sources (uses)					
Transfers to other funds	(1,198,000)	(1,198,000)	-	1,198,000	-
Net change in fund balances	-	-	44,909	44,909	46,395
Fund balances at beginning of year	<u>4,155,315</u>	<u>4,155,315</u>	<u>\$ 4,155,315</u>	<u>-</u>	<u>4,108,920</u>
Fund balances at end of year	<u>\$ 4,155,315</u>	<u>\$ 4,155,315</u>	<u>\$ 4,200,224</u>	<u>\$ 44,909</u>	<u>\$ 4,155,315</u>

## **Nonmajor Enterprise Funds**

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

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

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
NONMAJOR ENTERPRISE FUNDS  
December 31, 2003

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 413,153	\$ 9,892	\$ 46,248	\$ 469,293
Accounts receivable, net	2,939	51,455	-	54,394
Total current assets	<u>416,092</u>	<u>61,347</u>	<u>46,248</u>	<u>523,687</u>
Noncurrent assets:				
Unamortized issuance cost	-	-	8,400	8,400
Capital assets:				
Land	630,854	5,000	-	635,854
Property, plant and equipment	4,679,847	2,137,916	1,910,719	8,728,482
Less accumulated depreciation	<u>(2,183,414)</u>	<u>(790,747)</u>	<u>(532,082)</u>	<u>(3,506,243)</u>
Total capital assets (net of accumulated depreciation)	<u>3,127,287</u>	<u>1,352,169</u>	<u>1,378,637</u>	<u>5,858,093</u>
Total noncurrent assets	<u>3,127,287</u>	<u>1,352,169</u>	<u>1,387,037</u>	<u>5,866,493</u>
Total assets	<u>\$ 3,543,379</u>	<u>\$ 1,413,516</u>	<u>\$ 1,433,285</u>	<u>\$ 6,390,180</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 4,001	\$ 25,545	\$ 1,396	\$ 30,942
Accrued payroll and payroll taxes	4,841	10,867	933	16,641
Accrued compensated absences	8,013	8,852	-	16,865
Current portion of advances	-	-	100,000	100,000
Total current liabilities	<u>16,855</u>	<u>45,264</u>	<u>102,329</u>	<u>164,448</u>
Noncurrent liabilities:				
Advances from other funds	-	-	680,000	680,000
Total noncurrent liabilities	-	-	680,000	680,000
Total liabilities	<u>16,855</u>	<u>45,264</u>	<u>782,329</u>	<u>844,448</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,127,287	1,352,169	1,378,637	5,858,093
Unrestricted (Deficit)	<u>399,237</u>	<u>16,083</u>	<u>(727,681)</u>	<u>(312,361)</u>
Total net assets	<u>\$ 3,526,524</u>	<u>\$ 1,368,252</u>	<u>\$ 650,956</u>	<u>\$ 5,545,732</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2003

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 229,664	\$ 340,292	\$ 200,252	\$ 770,208
Other	-	7,324	15,695	23,019
Total operating revenues	<u>229,664</u>	<u>347,616</u>	<u>215,947</u>	<u>793,227</u>
Operating expenses:				
Personal services	133,932	233,364	170,584	537,880
Contractual services	54,010	28,148	19,469	101,627
Supplies and materials	31,410	20,623	61,553	113,586
Utilities	36,168	148,522	39,382	224,072
Depreciation	152,837	72,688	46,539	272,064
Total operating expenses	<u>408,357</u>	<u>503,345</u>	<u>337,527</u>	<u>1,249,229</u>
Operating income (loss)	<u>(178,693)</u>	<u>(155,729)</u>	<u>(121,580)</u>	<u>(456,002)</u>
Non-operating revenues (expenses):				
Interest expense	-	-	(28,240)	(28,240)
Amortization	-	-	(1,600)	(1,600)
Total non-operating revenue (expenses)	<u>-</u>	<u>-</u>	<u>(29,840)</u>	<u>(29,840)</u>
Income (loss) before operating transfers	(178,693)	(155,729)	(151,420)	(485,842)
Transfers from other funds	<u>75,000</u>	<u>185,830</u>	<u>233,481</u>	<u>494,311</u>
Change in net assets	(103,693)	30,101	82,061	8,469
Net Assets at beginning of year	<u>3,630,217</u>	<u>1,338,151</u>	<u>568,895</u>	<u>5,537,263</u>
Net Assets at end of year	<u>\$ 3,526,524</u>	<u>\$ 1,368,252</u>	<u>\$ 650,956</u>	<u>\$ 5,545,732</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2003

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 234,609	\$ 376,904	\$ 216,482	\$ 827,995
Cash paid to suppliers for goods and services	(122,259)	(190,611)	(126,897)	(439,767)
Cash paid to employees for services	(128,885)	(233,364)	(170,584)	(532,833)
Net Cash Flows From Operating Activities	<u>(16,535)</u>	<u>(47,071)</u>	<u>(80,999)</u>	<u>(144,605)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Principal paid on advances from other funds	-	-	(105,000)	(105,000)
Interest paid on advances from other funds	-	-	(28,240)	(28,240)
Transfers from other funds	75,000	185,830	233,481	494,311
Net Cash Flows From Noncapital Financing Activities	<u>75,000</u>	<u>185,830</u>	<u>233,481</u>	<u>361,071</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(209,285)	(10,369)	(219,654)
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(209,285)</u>	<u>(10,369)</u>	<u>(219,654)</u>
Net Increase in Cash and Cash Equivalents	58,465	(70,526)	142,113	(3,188)
CASH AND CASH EQUIVALENTS - Beginning of Year	\$ 354,688	\$ 80,418	\$ 37,375	472,481
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 413,153</u>	<u>\$ 9,892</u>	<u>\$ 179,488</u>	<u>\$ 469,293</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash and Cash Equivalents per Balance Sheet	\$ 413,153	\$ 9,892	\$ 46,248	\$ 469,293
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 413,153</u>	<u>\$ 9,892</u>	<u>\$ 46,248</u>	<u>\$ 469,293</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating loss	\$ (178,693)	\$ (155,729)	\$ (121,580)	\$ (456,002)
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	152,837	72,688	46,539	272,064
Change in assets and liabilities				
Accounts receivable	4,945	29,288	535	34,768
Accounts payable	(671)	(1,875)	(7,425)	(9,971)
Other current liabilities	5,047	8,557	932	14,536
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (16,535)</u>	<u>\$ (47,071)</u>	<u>\$ (80,999)</u>	<u>\$ (144,605)</u>

## **Internal Service Funds**

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

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
INTERNAL SERVICE FUNDS  
December 31, 2003

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 6,896,839	\$ 6,552,317	\$ 13,449,156
Accounts receivable, net	173,088	-	173,088
Due from other governmental units	-	17,080	17,080
Due from other funds	-	146	146
Inventories	-	347,771	347,771
Total Current Assets	<u>7,069,927</u>	<u>6,917,314</u>	<u>13,987,241</u>
Noncurrent assets:			
Escrow account	163,736	-	163,736
Deposit in insurance pools	766,496	-	766,496
Capital assets:			
Land and land improvements	-	257,876	257,876
Buildings	-	5,710,107	5,710,107
Equipment	-	132,586	132,586
Rental equipment	-	12,715,155	12,715,155
Construction in progress	-	20,747	20,747
Less accumulated depreciation	-	(7,525,988)	(7,525,988)
Total capital assets (net of accumulated depreciation)	-	<u>11,310,483</u>	<u>11,310,483</u>
Total Noncurrent Assets	<u>930,232</u>	<u>11,310,483</u>	<u>12,240,715</u>
Total Assets	<u>\$ 8,000,159</u>	<u>\$ 18,227,797</u>	<u>\$ 26,227,956</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
INTERNAL SERVICE FUNDS

December 31, 2003

<b>LIABILITIES</b>	Risk Management	Central Equipment	Totals
Current liabilities:			
Accounts payable	\$ 110,519	\$ 73,991	\$ 184,510
Accrued payroll and payroll taxes	7,668	22,271	29,939
Accrued compensated absences	3,985	31,102	35,087
Due to other funds	740	-	740
Current portion of unpaid claims	220,000	-	220,000
<b>Total Current Liabilities</b>	<u>342,912</u>	<u>127,364</u>	<u>470,276</u>
Noncurrent liabilities:			
Unpaid claims	683,390	-	683,390
<b>Total Noncurrent Liabilities</b>	<u>683,390</u>	<u>-</u>	<u>683,390</u>
<b>Total Liabilities</b>	<u>1,026,302</u>	<u>127,364</u>	<u>1,153,666</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	11,310,483	11,310,483
Restricted for			
Restricted deposits	930,232	-	930,232
Unrestricted (deficit)	6,043,625	6,789,950	12,833,575
<b>Total Net Assets</b>	<u>\$ 6,973,857</u>	<u>\$ 18,100,433</u>	<u>\$ 25,074,290</u>

**CITY OF EAU CLAIRE**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
For the Year Ended December 31, 2003

	Risk Management	Central Equipment	Totals
Operating revenues:			
Charges for services	\$ 1,792,815	\$ 602,437	\$ 2,395,252
Rental of equipment	-	2,113,155	2,113,155
Total charges for services	<u>1,792,815</u>	<u>2,715,592</u>	<u>4,508,407</u>
Other:			
Repayment of insurance claims	46,914	-	46,914
Building rental	-	163,853	163,853
Miscellaneous	-	4,479	4,479
Total operating revenues	<u>1,839,729</u>	<u>2,883,924</u>	<u>4,723,653</u>
Operating expenses:			
Personal services	114,227	555,488	669,715
Contractual services	20,815	413,651	434,466
Supplies and materials	2,228	566,878	569,106
Utilities	916	116,839	117,755
Depreciation	-	1,110,557	1,110,557
Claims	1,023,350	-	1,023,350
Total operating expenses	<u>1,161,536</u>	<u>2,763,413</u>	<u>3,924,949</u>
Operating income	<u>678,193</u>	<u>120,511</u>	<u>798,704</u>
Non-operating revenues (expenses):			
Investment income	90,700	-	90,700
Net gain (loss) on disposal of fixed assets	-	(8,671)	(8,671)
Total non-operating revenues (expenses)	<u>90,700</u>	<u>(8,671)</u>	<u>82,029</u>
Income before contributions and transfers	768,893	111,840	880,733
Transfers in	-	30,232	30,232
Transfers out	(255,000)	-	(255,000)
Change in net assets	513,893	142,072	655,965
Total net assets - beginning	<u>6,459,964</u>	<u>17,958,361</u>	<u>24,418,325</u>
Total net assets - ending	<u>\$ 6,973,857</u>	<u>\$ 18,100,433</u>	<u>\$ 25,074,290</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2003

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash received from customers	\$ 1,792,815	\$ 2,886,680	\$ 4,679,495
Cash payments to suppliers for goods and services	(649,959)	(1,072,762)	(1,722,721)
Cash payments to employees for services	(114,227)	(555,488)	(669,715)
Claims paid	(599,445)	-	(599,445)
Repayment of insurance claims	52,028	-	52,028
Net cash provided by operating activities	<u>481,212</u>	<u>1,258,430</u>	<u>1,739,642</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	-	30,232	30,232
Transfers to other funds	(255,000)	-	(255,000)
Net cash provided by noncapital financial activities	<u>(255,000)</u>	<u>30,232</u>	<u>(224,768)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(2,657,954)	(2,657,954)
Proceeds from sale of equipment	-	78,925	78,925
Net cash used for capital and related financing activities	<u>-</u>	<u>(2,579,029)</u>	<u>(2,579,029)</u>
Cash flows from investing activities:			
Investment income	90,700	-	90,700
Net increase (decrease) in cash and cash equivalents	316,912	(1,290,367)	(973,455)
Cash and cash equivalents at beginning of year	<u>6,743,663</u>	<u>7,842,684</u>	<u>14,586,347</u>
Cash and cash equivalents at end of year	<u>\$ 7,060,575</u>	<u>\$ 6,552,317</u>	<u>\$ 13,612,892</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF CASH FLOWS (cont'd) INTERNAL SERVICE FUNDS For the Year Ended December 31, 2003

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>Reconciliation of operating income to cash flows from operating activities:</b>			
Operating income	\$ 678,193	\$ 120,511	\$ 798,704
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	1,110,557	1,110,557
Change in assets and liabilities:			
Accounts receivable	5,114	2,795	7,909
Due from other funds	-	(39)	(39)
Inventories	-	63,815	63,815
Accounts payable	87,439	(61,021)	26,418
Due to other funds	(2,073)	-	(2,073)
Accrued liabilities	4,728	21,812	26,540
Unpaid claims	<u>(292,189)</u>	<u>-</u>	<u>(292,189)</u>
 Total adjustments	 <u>(196,981)</u>	 <u>1,137,919</u>	 <u>940,938</u>
 Net cash provided by operating activities	 <u>\$ 481,212</u>	 <u>\$ 1,258,430</u>	 <u>\$ 1,739,642</u>

**Non-cash capital, investing & financing activities:**

The Central Equipment fund traded in equipment during 2003 of \$154,105.

## **Nonmajor 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 **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**

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR COMPONENT UNITS  
For the Year Ended December 31, 2003**

	Redevelopment Authority	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
<b>ASSETS</b>					
Cash and short term investments	\$ 1,059,666	\$ 10,174	\$ 5,716	\$ 22,331	\$ 1,097,887
Receivables:					
Taxes	-	71,000	10,500	9,500	91,000
Notes receivable	178,764	-	2,247	-	181,011
Property, plant and equipment	2,319,454	-	-	-	2,319,454
<b>Total assets</b>	<b>\$ 3,557,884</b>	<b>\$ 81,174</b>	<b>\$ 18,463</b>	<b>\$ 31,831</b>	<b>\$ 3,689,352</b>
<b>LIABILITIES AND EQUITY</b>					
Accounts payable	\$ 23,847	\$ 1,762	\$ -	\$ 1,359	\$ 26,968
Accrued liabilities	985	-	-	-	985
Deposits	1,331	-	-	-	1,331
Deferred revenue	-	71,000	10,500	9,500	91,000
Advances from primary government	1,310,000	-	-	-	1,310,000
Notes payable	11,240	-	-	-	11,240
<b>Total liabilities</b>	<b>1,347,403</b>	<b>72,762</b>	<b>10,500</b>	<b>10,859</b>	<b>1,441,524</b>
Net assets:					
Invested in capital assets, net of related debt	1,219,454	-	-	-	1,219,454
Unrestricted (Deficit)	991,027	8,412	7,963	20,972	1,028,374
<b>Total net assets</b>	<b>\$ 2,210,481</b>	<b>\$ 8,412</b>	<b>\$ 7,963</b>	<b>\$ 20,972</b>	<b>\$ 2,247,828</b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
NONMAJOR COMPONENT UNITS  
For the Year Ended December 31, 2003

	Redevelopment Authority	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
Operating revenues					
Other	\$ 1,160	\$ 208	\$ -	\$ -	\$ 1,368
Operating expenses					
Contractual services	4,156	48,426	10,038	5,500	68,120
Supplies and materials	-	11,190	-	21,945	33,135
Utilities	78	-	-	-	78
Economic development costs	375,153	-	-	-	375,153
Total operating expenses	379,387	59,616	10,038	27,445	476,486
Net operating loss	(378,227)	(59,408)	(10,038)	(27,445)	(475,118)
Non-operating revenues (expenses)					
Donation	160,567	-	-	-	160,567
Operating grants	100,000	-	-	-	100,000
Property taxes	-	55,000	10,000	9,500	74,500
Investment income	9,172	410	120	510	10,212
Total non-operating revenues (expenses)	269,739	55,410	10,120	10,010	345,279
Change in net assets	(108,488)	(3,998)	82	(17,435)	(129,839)
Net assets at beginning of year	2,318,969	12,410	7,881	38,407	2,377,667
Net assets at end of year	\$ 2,210,481	\$ 8,412	\$ 7,963	\$ 20,972	\$ 2,247,828

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET  
COMPONENT UNITS - GOVERNMENTAL  
Year Ended December 31, 2003

<b>ASSETS</b>	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
Cash and short term investments	\$ 10,174	\$ 5,716	\$ 22,331	\$ 38,221
Receivables:				
Taxes	71,000	10,500	9,500	91,000
Notes receivable	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>2,247</u>
Total assets	<u>\$ 81,174</u>	<u>\$ 18,463</u>	<u>\$ 31,831</u>	<u>\$ 131,468</u>
<b>LIABILITIES AND EQUITY</b>				
Accounts payable	\$ 1,762	\$ -	\$ 1,359	\$ 3,121
Deferred revenue	<u>71,000</u>	<u>12,747</u>	<u>9,500</u>	<u>93,247</u>
Total liabilities	<u>72,762</u>	<u>12,747</u>	<u>10,859</u>	<u>96,368</u>
Fund balances:				
Designated for subsequent years expenditures	<u>8,412</u>	<u>5,716</u>	<u>20,972</u>	<u>35,100</u>
Total equity and other credits	<u>8,412</u>	<u>5,716</u>	<u>20,972</u>	<u>35,100</u>
Total liabilities, equity and other credits	<u>\$ 81,174</u>	<u>\$ 18,463</u>	<u>\$ 31,831</u>	<u>\$ 131,468</u>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>				
Fund balance at year end	\$ 8,412	\$ 5,716	\$ 20,972	\$ 35,100
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>2,247</u>
Net assets at year end	<u>\$ 8,412</u>	<u>\$ 7,963</u>	<u>\$ 20,972</u>	<u>\$ 37,347</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
COMPONENT UNITS - GOVERNMENTAL  
Year Ended December 31, 2003

	<u>Downtown Business Improvement District</u>	<u>West Grand Business Improvement District</u>	<u>Water Street Business Improvement District</u>	<u>Totals</u>
Revenues:				
Taxes:				
Special assessments	\$ 55,000	\$ 10,000	\$ 9,500	\$ 74,500
Miscellaneous:				
Investment income	410	120	510	1,040
Other	<u>208</u>	<u>1,124</u>	<u>-</u>	<u>1,332</u>
 Total revenues	 <u>55,618</u>	 <u>11,244</u>	 <u>10,010</u>	 <u>76,872</u>
 Expenditures:				
Contractual services	48,426	10,038	5,500	63,964
Supplies and materials	<u>11,190</u>	<u>-</u>	<u>21,945</u>	<u>33,135</u>
 Total expenditures	 <u>59,616</u>	 <u>10,038</u>	 <u>27,445</u>	 <u>97,099</u>
 Net change in fund balances	 (3,998)	 1,206	 (17,435)	 (20,227)
 Fund balances at beginning of year	 <u>12,410</u>	 <u>4,510</u>	 <u>38,407</u>	 <u>55,327</u>
 Fund balances at end of year	 <u>\$ 8,412</u>	 <u>\$ 5,716</u>	 <u>\$ 20,972</u>	 <u>\$ 35,100</u>
 <b>Reconciliation of excess (deficiency) of revenues over expenditures to change in net assets:</b>				
Net change in fund balances	\$ (3,998)	\$ 1,206	\$ (17,435)	\$ (20,227)
Revenues on the statement of revenues, expenses, and changes in net assets that do not provide current financial resources are not reported as revenues in the fund statements.	<u>-</u>	<u>(1,124)</u>	<u>-</u>	<u>(1,124)</u>
 Change in net assets	 <u>\$ (3,998)</u>	 <u>\$ 82</u>	 <u>\$ (17,435)</u>	 <u>\$ (21,351)</u>

## **Agency Funds**

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

# CITY OF EAU CLAIRE

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND Year Ended December 31, 2003

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	<u>Balance</u> <u>Jan. 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2003</u>
<u>Tax Collection Fund</u>				
Assets:				
Cash and cash equivalents	\$ 11,013,395	\$ 66,082,148	\$ 65,142,771	\$ 11,952,772
Taxes receivable	<u>37,657,488</u>	<u>60,725,803</u>	<u>60,623,655</u>	<u>37,759,636</u>
Total assets	<u>\$ 48,670,883</u>	<u>\$ 126,807,951</u>	<u>\$ 125,766,426</u>	<u>\$ 49,712,408</u>
Liabilities:				
Due to other governments	<u>\$ 48,670,883</u>	<u>\$ 49,712,408</u>	<u>\$ 48,670,883</u>	<u>\$ 49,712,408</u>

**Capital Assets Used in the  
Operation of Governmental Funds**

**CITY OF EAU CLAIRE**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
General fixed assets:		
Land	\$ 14,988,364	\$ 13,217,121
Land improvements	2,248,901	2,100,337
Building and improvements	13,110,149	13,066,381
Machinery and equipment	13,121,459	12,678,192
Improvements and infrastructure	107,368,002	100,186,624
Construction in progress	<u>613,378</u>	<u>6,705,058</u>
Total general fixed assets	<u>\$ 151,450,253</u>	<u>\$ 147,953,713</u>
Investment in general fixed assets from:		
General fund revenues	\$ 145,874,499	\$ 140,904,507
Federal grants	4,477,102	5,358,130
State grants	367,165	939,282
Federal revenue sharing	<u>731,487</u>	<u>751,794</u>
Total investment in general fixed assets	<u>\$ 151,450,253</u>	<u>\$ 147,953,713</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF EAU CLAIRE**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
December 31, 2003

<i>Function and Activity</i>	Land	Buildings and Improvements	Land Improvements and Infrastructure	Machinery and Equipment	Total
General government:					
City manager	\$ -	\$ 25,402	\$ -	\$ 2,184,862	\$ 2,210,264
Finance	3,366,834	262,797	-	203,140	3,832,771
Human resources	-	-	-	8,500	8,500
Land use planning	780,701	68,160	-	-	848,861
<b>Total general government</b>	<b>4,147,535</b>	<b>356,359</b>	<b>-</b>	<b>2,396,502</b>	<b>6,900,396</b>
Public safety:					
Police	58,144	312,946	-	789,966	1,161,056
Fire	358,418	1,971,183	-	367,964	2,697,565
<b>Total public safety</b>	<b>416,562</b>	<b>2,284,129</b>	<b>-</b>	<b>1,157,930</b>	<b>3,858,621</b>
Public works	3,495,106	2,996,221	107,368,002	471,444	114,330,773
Parks and recreation	3,918,961	3,823,029	2,238,771	356,755	10,337,516
Community development	2,752,695	398,486	4,160	-	3,155,341
Library	257,505	3,251,925	5,970	8,544,707	12,060,107
Health	-	-	-	194,121	194,121
<b>Total general fixed assets allocated to functions</b>	<b>\$ 14,988,364</b>	<b>\$ 13,110,149</b>	<b>\$ 109,616,903</b>	<b>\$ 13,121,459</b>	<b>150,836,875</b>
Construction in progress					613,378
<b>Total general fixed assets</b>					<b>\$ 151,450,253</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF EAU CLAIRE**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 Year Ended December 31, 2003

<i>Function and Activity</i>	Balance Jan. 1, 2003	Additions	Deductions	Balance Dec. 31, 2003
General government:				
City manager	\$ 2,057,870	\$ 304,578	\$ 152,184	\$ 2,210,264
Finance	2,805,470	1,140,633	113,332	3,832,771
Human resources	8,500	-	-	8,500
Land use planning	857,742	-	8,881	848,861
<b>Total general government</b>	<b>5,729,582</b>	<b>1,445,211</b>	<b>274,397</b>	<b>6,900,396</b>
Public safety:				
Police	1,203,993	199,207	242,144	1,161,056
Fire	2,658,393	55,106	15,934	2,697,565
<b>Total public safety</b>	<b>3,862,386</b>	<b>254,313</b>	<b>258,078</b>	<b>3,858,621</b>
Public works	106,254,357	8,391,080	314,664	114,330,773
Parks and recreation	10,237,293	195,600	95,377	10,337,516
Community development	3,172,308	159,882	176,849	3,155,341
Library	11,798,607	394,488	132,988	12,060,107
Health	194,121	-	-	194,121
Construction in progress	6,705,058	594,928	6,686,608	613,378
<b>Total general fixed assets</b>	<b>\$ 147,953,712</b>	<b>\$ 11,435,502</b>	<b>\$ 7,938,961</b>	<b>\$ 151,450,253</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

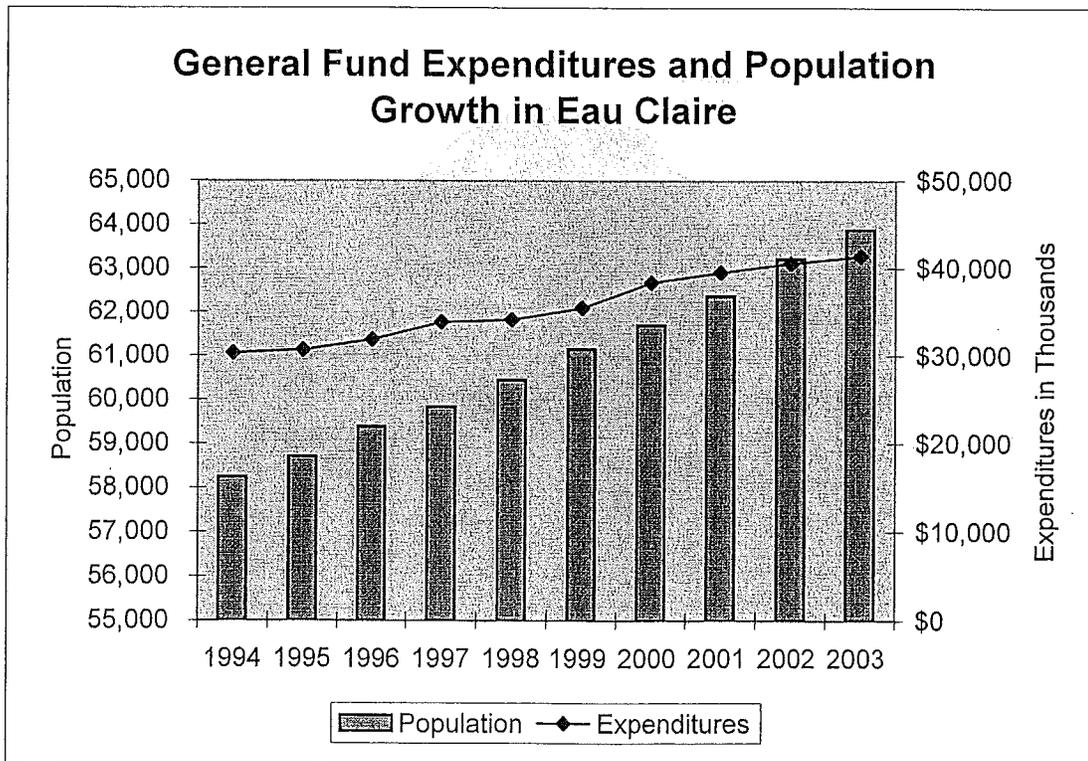
**Statistical Section  
(Unaudited)**

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)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Government	\$4,305	\$4,384	\$4,543	\$4,615	\$4,587	\$4,729	\$5,106	\$5,299	\$5,402	\$5,622
Public Works	6,393	5,829	6,201	6,170	5,998	6,149	7,681	6,893	6,863	6,943
Parks & Recreation	3,298	3,239	2,916	3,106	3,231	3,229	3,330	3,672	3,729	3,908
Public Safety	12,625	13,070	13,474	14,117	15,161	15,884	16,307	17,470	18,489	19,267
Miscellaneous	919	572	200	200	223	401	504	441	418	622
<b>Total expenditures</b>	<b>27,540</b>	<b>27,094</b>	<b>27,334</b>	<b>28,208</b>	<b>29,200</b>	<b>30,392</b>	<b>32,928</b>	<b>33,775</b>	<b>34,901</b>	<b>36,362</b>
Other financing uses:										
Transfers	2,192	2,774	3,688	4,011	3,806	3,623	3,865	4,012	3,706	2,850
Indebtedness	598	777	820	1,608	1,109	1,463	1,588	1,751	1,985	2,147
<b>Total expenditures and other financing uses</b>	<b>\$30,330</b>	<b>\$30,645</b>	<b>\$31,842</b>	<b>\$33,827</b>	<b>\$34,115</b>	<b>\$35,478</b>	<b>\$38,381</b>	<b>\$39,538</b>	<b>\$40,592</b>	<b>\$41,359</b>
 Population	 58,239	 58,702	 59,383	 59,832	 60,449	 61,150	 61,704	 62,368	 63,214	 63,882

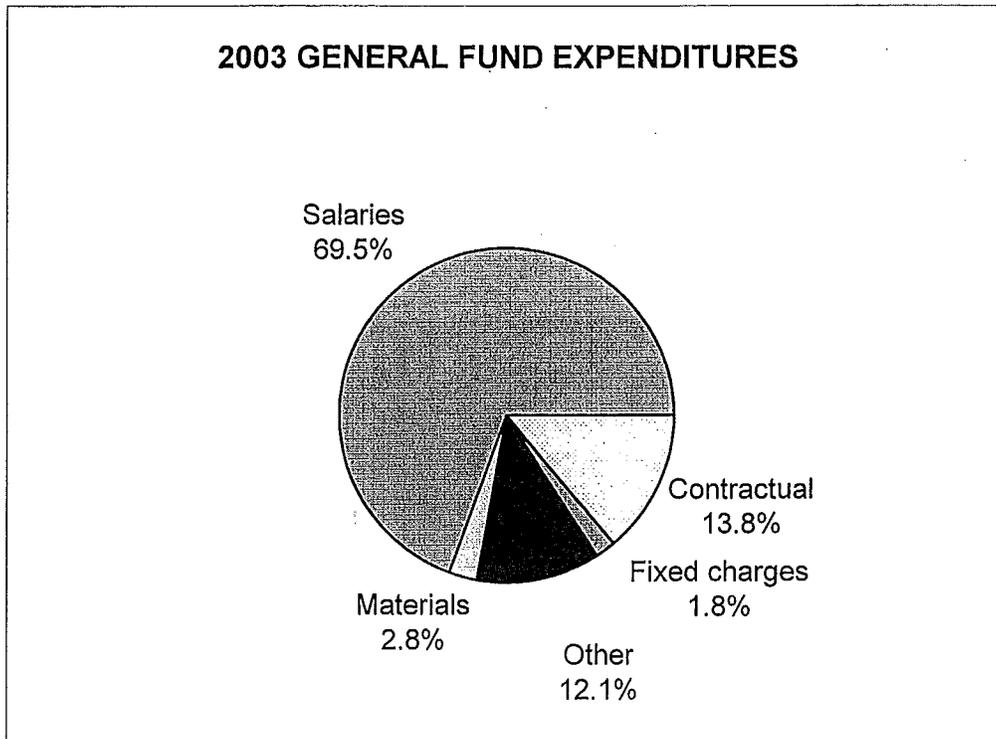


Source: City of Eau Claire Comprehensive Annual Financial Reports

## CITY OF EAU CLAIRE

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

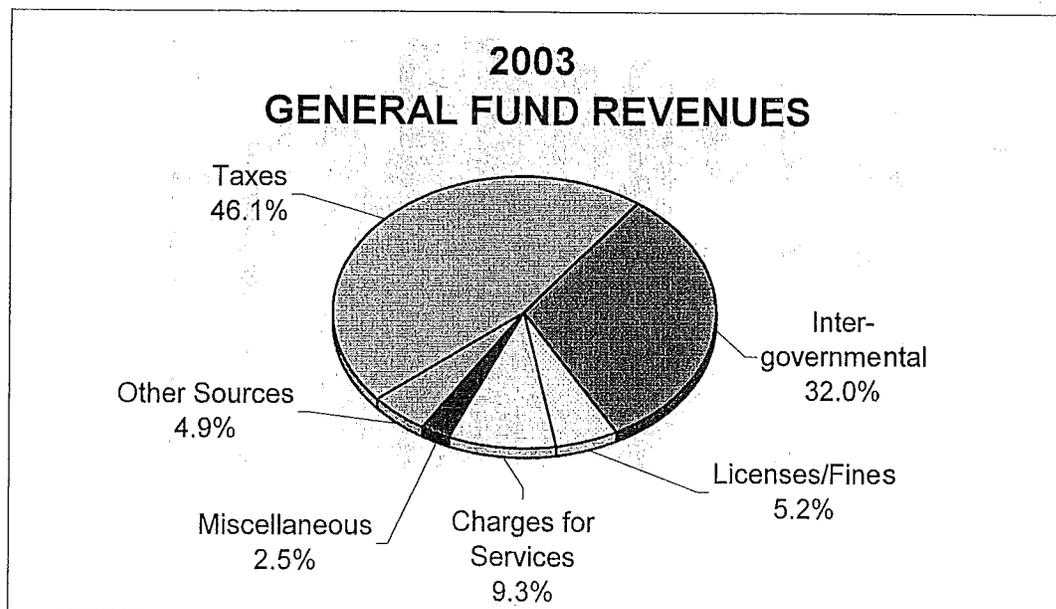
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Salaries and benefits	\$20,844	\$20,819	\$21,390	\$21,782	\$22,829	\$23,749	\$24,554	\$25,995	\$27,373	\$28,743
Contractual services	4,794	4,255	3,954	4,360	4,543	4,559	5,196	5,532	5,438	5,713
Materials & supplies	870	820	990	1,019	992	1,079	1,301	1,283	1,253	1,145
Fixed charges	889	918	890	881	668	829	872	825	789	761
Capital outlay	142	282	110	166	168	176	1,004	140	48	0
<b>Total expenditures</b>	<b>27,539</b>	<b>27,094</b>	<b>27,334</b>	<b>28,208</b>	<b>29,200</b>	<b>30,392</b>	<b>32,927</b>	<b>33,775</b>	<b>34,901</b>	<b>36,362</b>
Other financing uses	2,791	3,551	4,508	5,619	4,915	5,086	5,454	5,763	5,691	4,997
<b>Total expenditures and other financing uses</b>	<b>\$30,330</b>	<b>\$30,645</b>	<b>\$31,842</b>	<b>\$33,827</b>	<b>\$34,115</b>	<b>\$35,478</b>	<b>\$38,381</b>	<b>\$39,538</b>	<b>\$40,592</b>	<b>\$41,359</b>



## CITY OF EAU CLAIRE

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Taxes:</b>										
General property (1)	\$9,311	\$9,225	\$9,970	\$11,307	\$13,105	\$14,532	\$15,699	\$17,117	\$18,967	\$19,773
Special assessments	1,500	1,291	1,056	880	713	573	426	299	284	136
<b>Intergovernmental</b>	14,400	14,707	14,089	13,878	13,744	13,511	14,144	12,957	13,446	13,792
<b>Licenses and permits</b>	839	911	846	879	990	981	1,633	1,295	1,444	1,498
<b>Fines and forfeits</b>	510	480	476	433	533	523	526	553	686	740
<b>Charges for services</b>	2,182	2,202	2,473	2,647	2,689	2,842	2,807	3,465	3,367	4,010
<b>Miscellaneous:</b>										
Interest	1,782	2,324	2,125	2,222	2,011	1,723	2,075	1,708	1,252	850
Other	116	139	51	237	116	111	120	531	165	211
<b>Total revenues</b>	<b>30,640</b>	<b>31,279</b>	<b>31,086</b>	<b>32,483</b>	<b>33,901</b>	<b>34,796</b>	<b>37,430</b>	<b>37,925</b>	<b>39,611</b>	<b>41,010</b>
<b>Other financing sources</b>	186	200	162	262	168	168	389	369	206	2,116
<b>Total revenues and other financing sources</b>	<b>\$30,826</b>	<b>\$31,479</b>	<b>\$31,248</b>	<b>\$32,745</b>	<b>\$34,069</b>	<b>\$34,964</b>	<b>\$37,819</b>	<b>\$38,294</b>	<b>\$39,817</b>	<b>\$43,126</b>



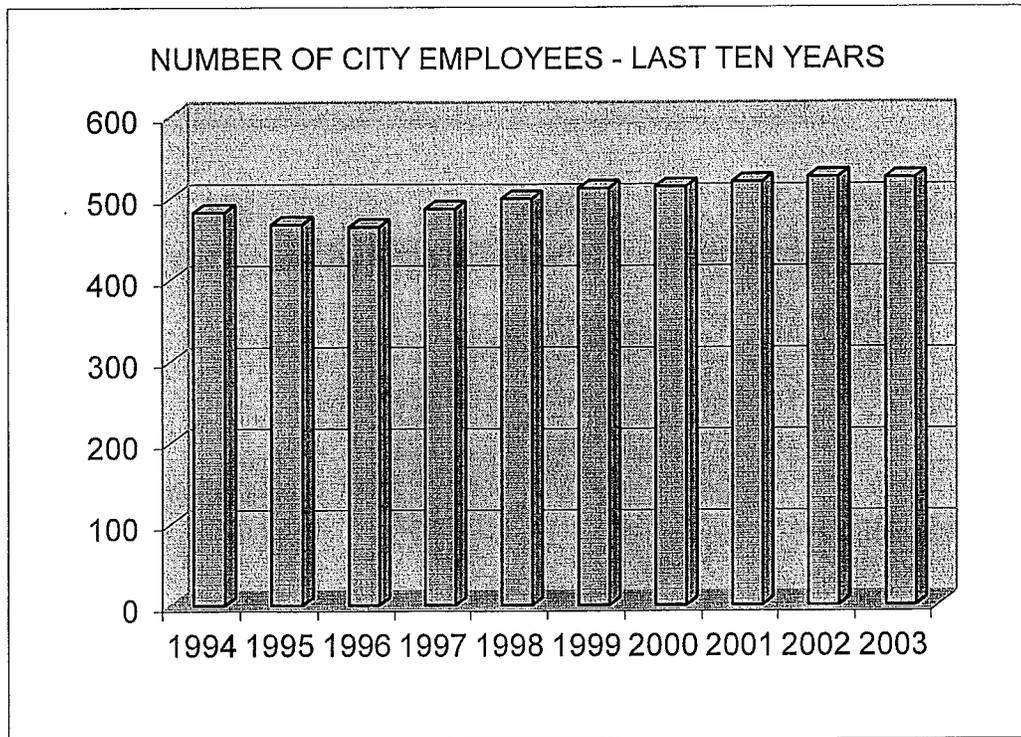
(1) NOTE: Includes real estate tax, mobile home fees, and interest on delinquent personal property taxes.

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>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>2003</u>
General Government	64.3	61.5	60.6	61.6	62.6	65.8	66.8	69.9	71.9	71.4
Public Works	75.2	67.3	66.3	66.0	68.5	72.0	73.5	73.0	74.0	71.0
Parks & Recreation	44.8	42.8	39.8	39.8	39.8	40.8	40.8	40.8	40.8	40.8
Public Safety	203.0	200.0	200.0	213.0	222.0	222.0	224.0	227.0	228.0	228.0
Enterprise Funds	85.0	86.0	88.0	96.3	96.2	101.3	100.8	101.3	102.8	105.8
Internal Service Funds	10.5	10.0	10.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0
<b>Total Employees</b>	<b>482.8</b>	<b>467.5</b>	<b>464.6</b>	<b>486.6</b>	<b>499.1</b>	<b>511.9</b>	<b>513.9</b>	<b>519.9</b>	<b>525.4</b>	<b>524.9</b>



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>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>2003</u>
Compensatory leave	507	423	489	545	610	666	736	630	543	456
Vacation leave	5,195	5,314	5,309	5,313	5,398	5,792	5,574	5,992	5,729	12,534
	5,702	5,737	5,798	5,858	6,008	6,458	6,310	6,622	6,272	12,990
Sick leave	39,161	38,047	37,688	37,630	37,268	37,261	37,241	36,917	37,227	36,240
Total compensatory, vacation, and sick leave	44,863	43,784	43,486	43,488	43,276	43,719	43,551	43,539	43,499	49,230

NOTE: Unused compensatory and vacation leave are paid upon retirement and the value of accrued time is included as a liability on the Statement of Net Assets.

Sick leave is paid only as used during employment.

## CITY OF EAU CLAIRE

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

	<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>2003</u>
Total tax levy	\$7,545	\$7,960	\$8,756	\$10,119	\$11,737	\$13,284	\$14,296	\$15,750	\$17,512	\$18,915
Current tax collections (1)	7,497	7,944	8,732	10,104	11,720	13,180	14,206	15,579	17,329	19,186
Collection of delinquent personal property taxes from prior years	44	64	32	17	171	102	102	141	153	228
Total tax collections (2)	<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>	<u>\$19,414</u>
Percent of current collections to tax levy	99.4%	99.8%	99.7%	99.9%	99.9%	99.2%	99.4%	98.9%	99.0%	101.4%
Percent of total tax collections to tax levy	99.9%	100.6%	100.1%	100.0%	101.3%	100.0%	100.1%	99.8%	99.8%	102.6%
Total delinquent taxes outstanding	\$108	\$57	\$51	\$50	\$38	\$43	\$57	\$61	\$95	\$114

(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)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TID #2 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	5,497	5,225	5,495	6,042	6,221	0	0	0	0	0
Total TID #2	\$5,497	\$5,225	\$5,495	\$6,042	\$6,221	\$0	\$0	\$0	\$0	\$0
TID #3 equalized valuation:										
Base	\$204	\$204	\$204	\$204	\$204	\$0	\$0	\$0	\$0	\$0
Increment	34,106	32,431	35,953	35,793	39,464	0	0	0	0	0
Total TID #3	\$34,310	\$32,635	\$36,157	\$35,997	\$39,668	\$0	\$0	\$0	\$0	\$0
TID #4 equalized valuation:										
Base	\$103	\$103	\$103	\$256	\$256	\$256	\$256	\$256	\$256	\$256
Increment	3,118	6,419	10,113	25,707	51,902	59,058	60,240	62,127	69,529	74,346
Total TID #4	\$3,221	\$6,522	\$10,216	\$25,963	\$52,158	\$59,314	\$60,496	\$62,383	\$69,785	\$74,602
TID #5 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$130	\$130	\$130	\$130	\$130	\$130
Increment	0	0	0	0	0	1,190	1,425	2,821	15,589	21,755
Total TID #5	\$0	\$0	\$0	\$0	\$130	\$1,320	\$1,555	\$2,951	\$15,719	\$21,885
TID #6 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$986	\$986	\$986	\$986	\$986	\$986
Increment	0	0	0	0	0	2,221	2,308	2,871	5,301	6,932
Total TID #6	\$0	\$0	\$0	\$0	\$986	\$3,207	\$3,294	\$3,857	\$6,287	\$7,918
TID #7 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$115	\$115	\$115	\$115	\$115	\$115
Increment	0	0	0	0	0	0	875	3,174	3,333	3,508
Total TID #7	\$0	\$0	\$0	\$0	\$115	\$115	\$990	\$3,289	\$3,448	\$3,623
TID #8 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,441	\$10,441
Increment	0	0	0	0	0	0	0	0	0	0
Total TID #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,441	\$10,441
ALL PROPERTY										
All property - w/o TIDs	\$1,433,600	\$1,519,294	\$1,671,083	\$1,890,434	\$2,040,972	\$2,257,099	\$2,414,238	\$2,634,494	\$2,783,614	\$2,986,894
Base valuation - TIDs	307	307	307	460	1,691	1,487	1,487	1,487	11,928	11,928
All property - w/o TID increment	1,433,907	1,519,601	1,671,390	1,890,894	2,042,663	2,258,586	2,415,725	2,635,981	2,795,542	2,998,822
Increment valuation - TIDs	42,721	44,075	51,561	67,542	97,587	62,469	64,848	70,993	93,752	106,541
Equalized valuation - all property	\$1,476,628	\$1,563,676	\$1,722,951	\$1,958,436	\$2,140,250	\$2,321,055	\$2,480,573	\$2,706,974	\$2,889,294	\$3,105,363

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.

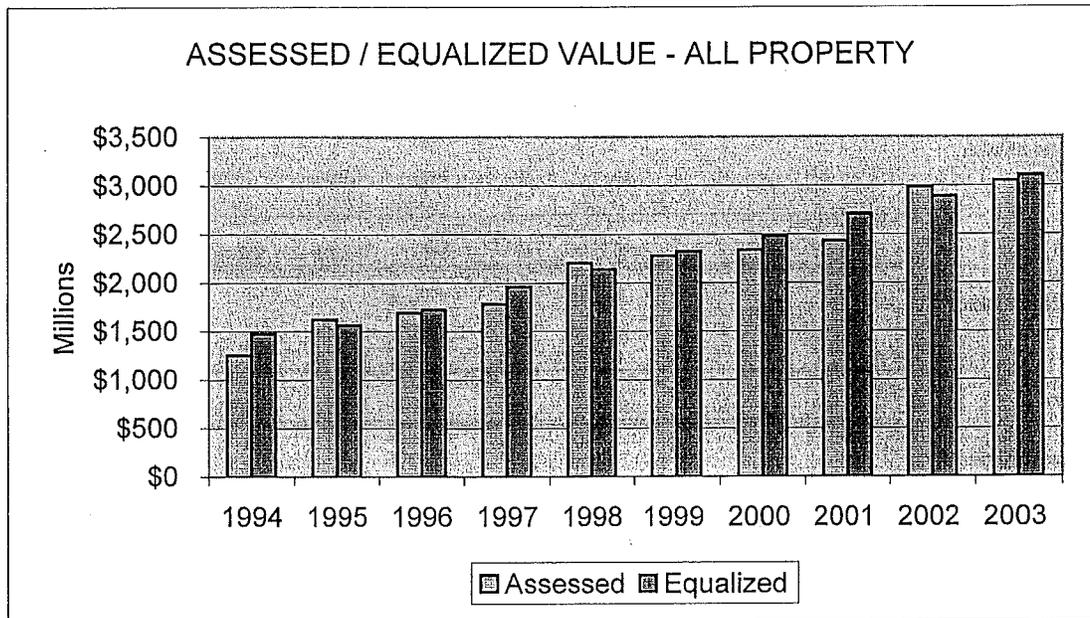
NOTE: TIF #2 and #3 were closed in 1998.

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)

	<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>2003</u>
<b>ALL PROPERTY</b>										
<b>Real property:</b>										
Assessed value	\$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	2,913,967
Equalized value (1)	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	2,966,933
<b>Personal property:</b>										
Assessed value	\$71,633	\$82,534	\$93,995	\$105,471	\$133,486	\$131,294	\$110,929	\$119,618	\$139,844	134,989
Equalized value	83,918	82,419	96,783	116,957	132,942	133,993	119,040	133,993	138,930	138,430
<b>Total:</b>										
Assessed value	\$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	3,048,956
Equalized value	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	3,105,363
Ratio of total assessed to total equalized value	84.87%	103.80%	98.07%	91.07%	103.04%	98.13%	94.14%	89.69%	103.23%	98.18%



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

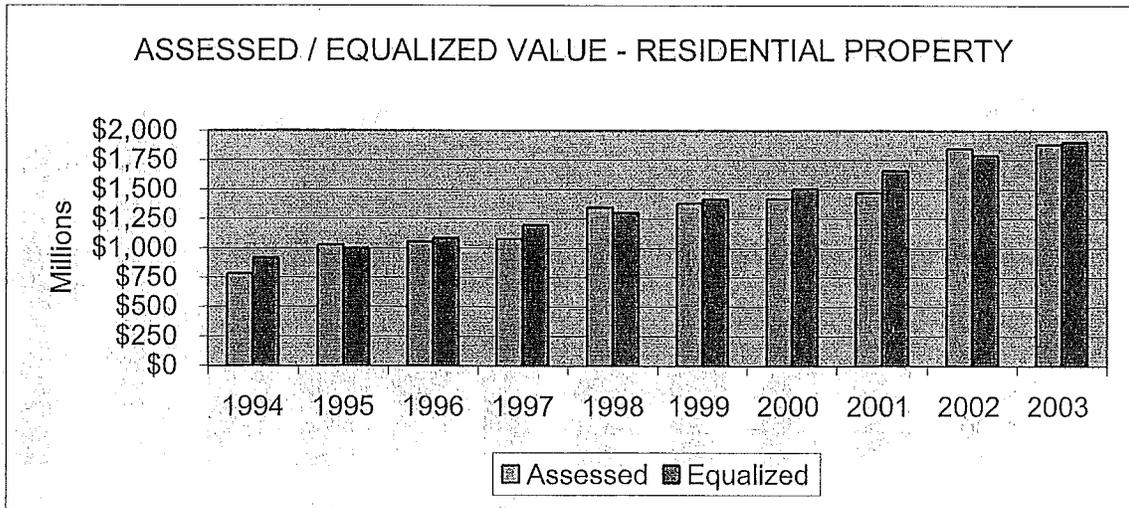
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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)**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>RESIDENTIAL</b>										
Real property:										
Assessed value	\$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	\$1,884,731
Equalized value	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	1,902,182
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	\$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	\$1,884,731
Equalized value	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	1,902,182
Total all classes:										
Assessed value	\$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	\$3,048,956
Equalized value	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	3,105,363
Residential property as a percentage of total:										
Assessed value	62.50%	63.19%	62.24%	60.36%	61.02%	60.58%	60.74%	60.45%	61.99%	61.82%
Equalized value	61.86%	63.64%	62.78%	61.14%	60.74%	60.97%	60.66%	61.23%	61.98%	61.25%
Number of parcels (2)										
Number of parcels with improvements	17,816	17,682	17,855	17,955	18,186	18,217	18,447	18,814	21,745	21,870



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.

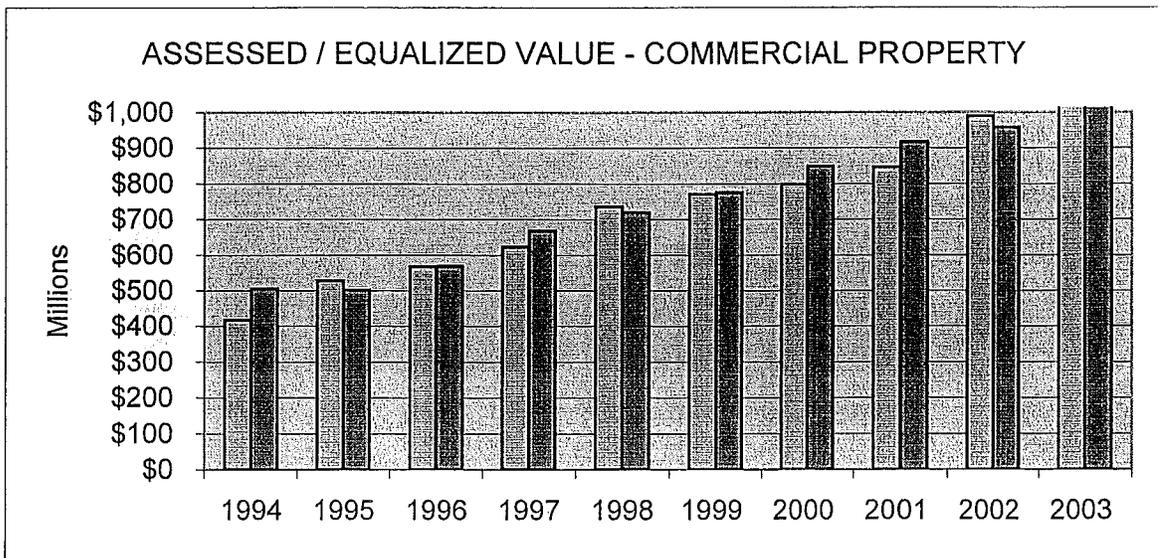
(2) NOTE: In 1994, apartment properties with 4-7 units were reclassified from residential to commercial.

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>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>2003</u>
<b>COMMERCIAL</b>										
<b>Real property:</b>										
Assessed value	\$355,293	\$457,292	\$486,938	\$533,437	\$626,208	\$665,623	\$707,721	\$746,582	\$872,022	903,427
Equalized value	432,110	430,869	486,086	569,608	610,037	668,550	752,655	810,573	841,406	936,814
<b>Personal property:</b>										
Assessed value	\$62,129	\$70,205	\$80,984	\$88,982	\$109,341	\$104,514	\$90,341	\$99,819	\$117,363	115,716
Equalized value	73,100	70,595	82,555	98,873	109,459	106,647	96,120	106,647	117,100	118,345
<b>Total commercial:</b>										
Assessed value	\$417,422	\$527,497	\$567,922	\$622,419	\$735,549	\$770,137	\$798,062	\$846,401	\$989,385	\$1,019,143
Equalized value	505,210	501,464	568,641	668,481	719,496	775,197	848,775	917,220	958,506	1,055,159
<b>Total all classes:</b>										
Assessed value	\$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	3,048,956
Equalized value	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	3,105,363
<b>Commercial property as a percentage of total:</b>										
Assessed value	33.31%	32.50%	33.61%	34.90%	33.35%	33.81%	34.18%	34.84%	33.18%	33.43%
Equalized value	34.21%	32.07%	33.00%	34.13%	33.62%	33.40%	34.22%	33.86%	33.17%	33.98%
<b>Number of parcels</b>										
Number of parcels	2,204	2,423	2,409	2,483	2,528	2,559	2,601	2,635	2,634	2,669
Number of parcels with improvements	1,200	1,387	1,424	1,471	1,509	1,552	1,592	1,642	1,652	1,683



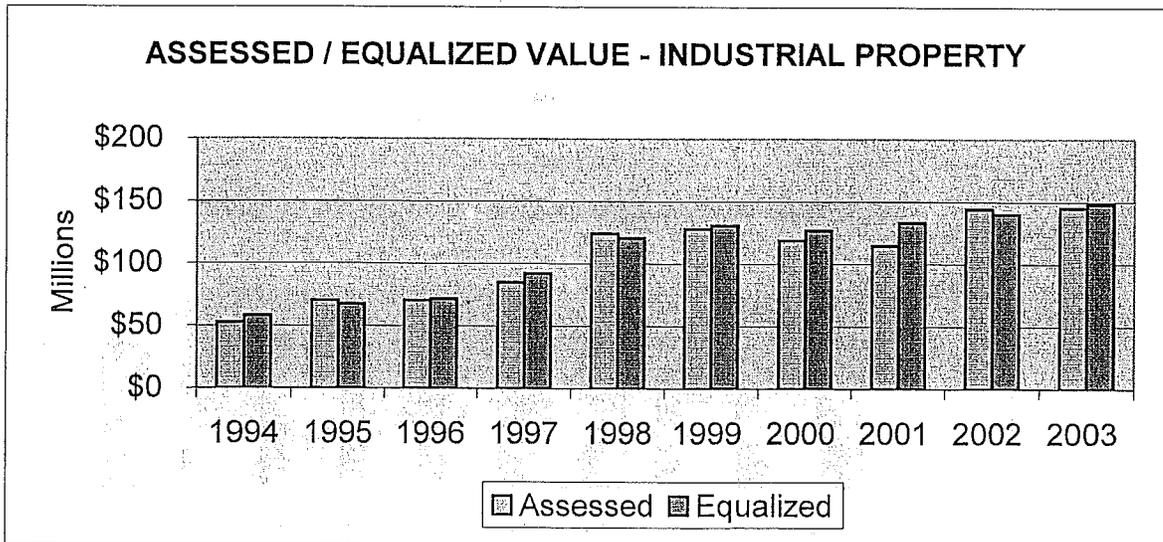
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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>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>2003</u>
<b>INDUSTRIAL</b>										
<b>Real property:</b>										
Assessed value	\$42,963	\$57,629	\$57,141	\$68,131	\$99,854	\$100,928	\$98,016	\$94,681	\$121,417	\$125,809
Equalized value	47,111	55,232	58,249	74,090	97,185	103,264	103,868	105,668	118,173	127,937
<b>Personal property:</b>										
Assessed value	\$9,504	\$12,329	\$13,011	\$16,489	\$24,145	\$26,780	\$20,588	\$19,799	\$22,481	\$19,272
Equalized value	10,818	11,823	13,263	18,084	23,483	27,346	22,920	27,346	21,830	20,085
<b>Total industrial:</b>										
Assessed value	\$52,467	\$69,958	\$70,152	\$84,620	\$123,999	\$127,708	\$118,604	\$114,480	\$143,898	\$145,081
Equalized value	57,929	67,055	71,512	92,174	120,668	130,610	126,788	133,014	140,003	148,022
<b>Total all classes:</b>										
Assessed	\$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	\$3,048,956
Equalized	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	3,105,363
<b>Industrial property as a percentage of total:</b>										
Assessed value	4.19%	4.31%	4.15%	4.74%	5.62%	5.61%	5.08%	4.71%	4.83%	4.76%
Equalized value	3.92%	4.29%	4.15%	4.71%	5.64%	5.63%	5.11%	4.91%	4.85%	4.77%
Number of parcels	92	93	96	101	104	99	100	107	107	103
Number of parcels with improvements	78	79	81	84	87	84	84	92	92	92



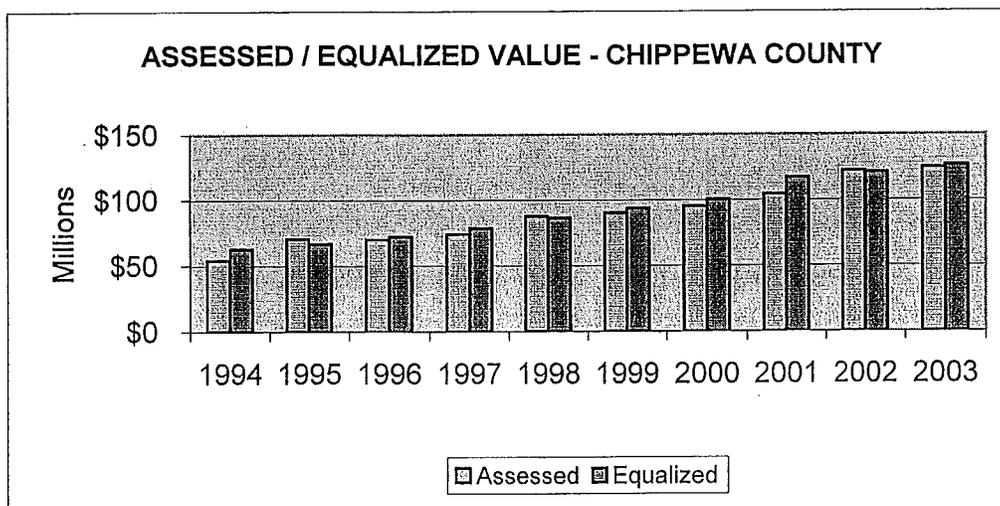
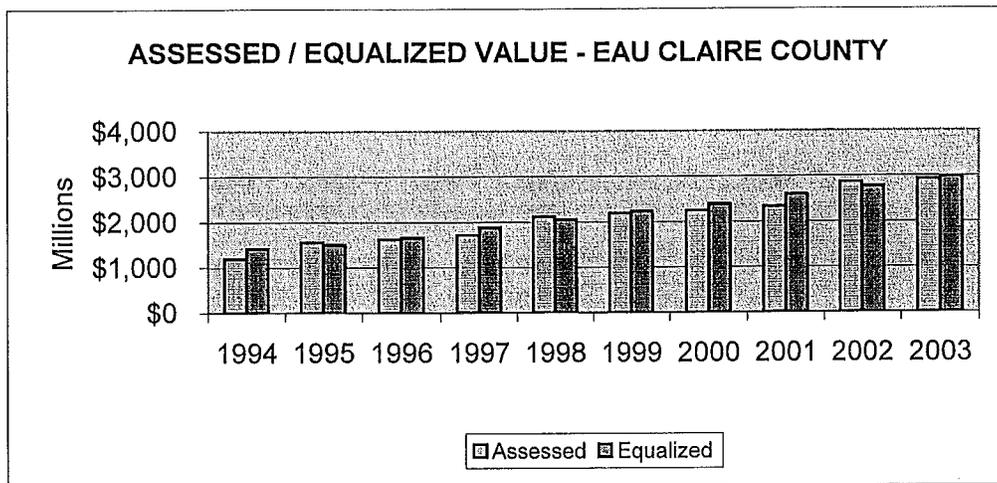
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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>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>2003</u>
<b>EAU CLAIRE COUNTY</b>										
Assessed value	\$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	\$2,924,407
Equalized value	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	2,978,826
Ratio of assessment	84.79%	103.72%	98.10%	90.94%	103.10%	98.20%	94.12%	89.77%	103.29%	98.17%
<b>CHIPPEWA COUNTY</b>										
Assessed value	\$54,325	\$70,497	\$70,137	\$73,945	\$87,604	\$90,157	\$95,012	\$104,200	\$122,097	\$124,549
Equalized value	62,716	66,752	72,110	78,404	86,203	93,568	100,069	116,841	120,827	126,537
Ratio of assessment	86.62%	105.61%	97.26%	94.31%	101.63%	96.35%	94.95%	89.18%	101.05%	98.43%



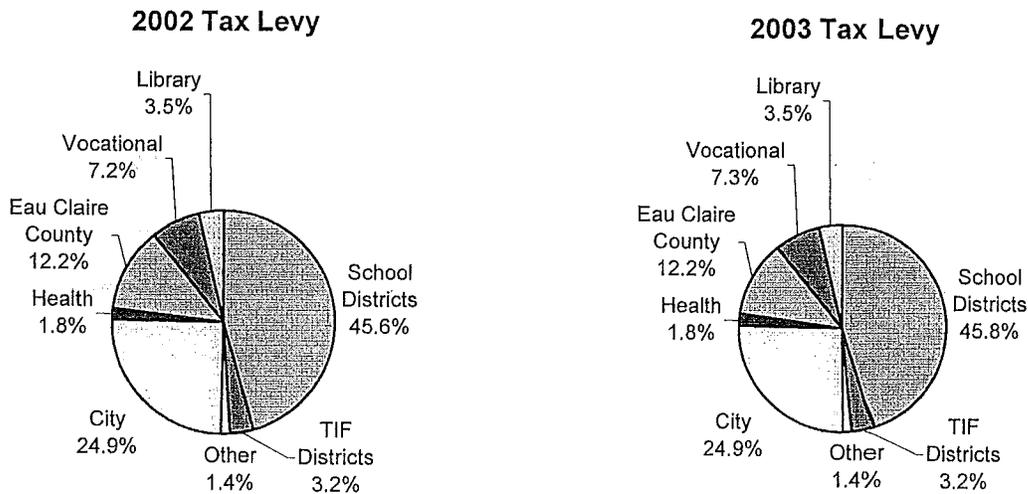
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

# CITY OF EAU CLAIRE

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
City	\$7,545	\$7,960	\$8,756	\$10,118	\$11,737	\$13,284	\$14,296	\$15,750	\$17,512	18,915
TIF Districts	1,435	1,389	1,537	1,656	2,423	1,492	1,548	1,703	2,259	2,518
Library	1,466	1,513	1,546	1,585	1,710	2,206	2,247	2,305	2,464	2,592
Health	975	1,001	1,039	1,078	1,117	1,196	1,219	1,268	1,291	1,379
Eau Claire School District	29,239	28,079	27,710	21,749	23,293	25,595	28,857	31,391	31,828	33,130
Chippewa Falls School District	23	19	23	35	34	30	31	111	115	34
Altoona School District (1)	0	0	0	0	12	74	105	117	113	129
Vocational District	2,567	2,849	3,075	3,332	3,548	3,890	4,223	4,615	5,088	5,410
Eau Claire County	6,066	6,180	7,329	8,099	8,875	7,486	6,495	7,401	8,569	8,917
Chippewa County	237	254	277	303	334	336	350	427	429	430
State Forestry- Eau Claire County	283	300	330	376	411	445	476	518	554	596
State Forestry- Chippewa County	12	13	14	16	17	19	20	23	24	25
<b>Total tax levy</b>	<b>\$49,848</b>	<b>\$49,557</b>	<b>\$51,636</b>	<b>\$48,347</b>	<b>\$53,511</b>	<b>\$56,053</b>	<b>\$59,867</b>	<b>\$65,629</b>	<b>\$70,246</b>	<b>\$74,075</b>
<b>City percent of total levy</b>	<b>15.14%</b>	<b>16.06%</b>	<b>16.96%</b>	<b>20.93%</b>	<b>21.93%</b>	<b>23.70%</b>	<b>23.88%</b>	<b>24.00%</b>	<b>24.93%</b>	<b>25.53%</b>

## 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>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>2003</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424
Library	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854	0.880
Health	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448	0.469
Eau Claire School Dist.	24.072	17.831	16.916	12.673	11.085	11.588	12.760	13.376	11.111	11.311
Vocational District	2.111	1.808	1.875	1.938	1.685	1.754	1.858	1.950	1.762	1.838
Eau Claire County	5.217	4.101	4.671	4.914	4.400	3.517	2.977	3.268	3.095	3.154
State Forestry	0.236	0.193	0.204	0.220	0.194	0.204	0.212	0.223	0.194	0.204
<b>Gross Tax Rate</b>	<b>39.842</b>	<b>30.574</b>	<b>30.585</b>	<b>27.168</b>	<b>24.283</b>	<b>24.592</b>	<b>25.617</b>	<b>26.985</b>	<b>23.534</b>	<b>24.280</b>
<b>Less State Credit</b>	<b>2.371</b>	<b>1.865</b>	<b>1.779</b>	<b>2.474</b>	<b>1.921</b>	<b>1.833</b>	<b>1.805</b>	<b>1.853</b>	<b>1.600</b>	<b>1.616</b>
<b>Net Tax Rate</b>	<b>\$37.471</b>	<b>\$28.709</b>	<b>\$28.806</b>	<b>\$24.694</b>	<b>\$22.362</b>	<b>\$22.759</b>	<b>\$23.812</b>	<b>\$25.132</b>	<b>\$21.934</b>	<b>\$22.664</b>
City Property Located in Eau Claire County (Altoona School District) (1)										
City	\$0	\$0	\$0	\$0	\$0	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424
Library	0	0	0	0	0	0.812	0.995	0.988	0.854	0.880
Health	0	0	0	0	0	0.531	0.540	0.536	0.448	0.469
Eau Claire School Dist.	0	0	0	0	0	10.203	11.782	11.598	10.184	11.190
Vocational District	0	0	0	0	0	1.685	1.754	1.858	1.762	1.838
Eau Claire County	0	0	0	0	0	4.400	3.517	2.977	3.095	3.154
State Forestry	0	0	0	0	0	0.194	0.204	0.212	0.194	0.204
<b>Gross Tax Rate</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>23.401</b>	<b>24.786</b>	<b>24.455</b>	<b>22.607</b>	<b>24.159</b>
<b>Less State Credit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.921</b>	<b>1.833</b>	<b>1.805</b>	<b>1.600</b>	<b>1.616</b>
<b>Net Tax Rate</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$21.480</b>	<b>\$22.953</b>	<b>\$22.650</b>	<b>\$21.007</b>	<b>\$22.543</b>

(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>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>2003</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424
Library	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854	0.880
Health	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448	0.469
Eau Claire School Dist.	23.563	17.570	17.062	12.219	11.246	11.811	12.648	13.466	11.258	11.282
Vocational District	2.066	1.775	1.891	1.868	1.709	1.787	1.841	1.963	1.801	1.833
Chippewa County	4.367	3.607	3.956	4.098	3.808	3.816	3.773	4.197	3.673	3.652
State Forestry	0.231	0.189	0.206	0.212	0.197	0.208	0.211	0.224	0.198	0.203
Gross Tax Rate	38.433	29.782	30.034	25.820	23.879	25.151	26.283	28.018	24.302	24.743
Less State Credit	2.459	1.909	1.887	2.599	2.075	1.957	1.825	1.759	1.606	1.631
Net Tax Rate	\$35.974	\$27.873	\$28.147	\$23.221	\$21.804	\$23.194	\$24.458	\$26.259	\$22.696	\$23.112
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.931	\$6.200	\$5.047	\$5.342	\$5.876	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424
Library	1.135	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.854	0.880
Health	0.775	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.448	0.469
Chippewa Falls School Dist.	20.025	19.810	12.195	14.605	10.188	10.132	9.994	10.430	9.849	9.445
Vocational District	2.003	2.066	1.775	1.892	1.868	1.709	1.787	1.841	1.801	1.833
Chippewa County	4.205	4.367	3.607	3.956	4.098	3.808	3.816	3.773	3.673	3.652
State Forestry	0.221	0.231	0.189	0.206	0.212	0.197	0.208	0.211	0.198	0.203
Gross Tax Rate	34.295	34.680	24.407	27.578	23.789	22.765	23.334	24.065	22.893	22.906
Less State Credit	2.472	2.459	1.909	1.887	2.599	2.075	1.957	1.825	1.606	1.631
Net Tax Rate	\$31.823	\$32.221	\$22.498	\$25.691	\$21.190	\$20.690	\$21.377	\$22.240	\$21.287	\$21.275

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>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>2003</u>
Total assessments levied each fiscal period: (1)										
General fund	\$1,216	\$1,187	\$1,212	\$1,472	\$691	\$563	\$457	\$365	\$130	\$137
Business Improvement										
Districts	64	64	64	68	68	74	74	74	74	75
Debt Service	75	72	68	.0	756	1,017	1,160	1,289	1,525	1,566
Water Utility	202	211	198	233	214	87	86	101	142	193
Sewer Utility	160	170	163	210	219	95	104	120	183	242
Delinquent utility bills	433	399	381	437	469	442	420	450	587	526
<b>Total assessments levied</b>	<b>\$2,150</b>	<b>\$2,103</b>	<b>\$2,086</b>	<b>\$2,420</b>	<b>\$2,417</b>	<b>\$2,278</b>	<b>\$2,301</b>	<b>\$2,399</b>	<b>\$2,641</b>	<b>\$2,739</b>
Current collections	\$2,150	\$2,103	\$2,086	\$2,420	\$2,417	\$2,278	\$2,301	\$2,399	\$2,641	\$2,739
Delinquent collections	4	1	2	1	2	0	0	0	0	0
<b>Total collections</b>	<b>\$2,154</b>	<b>\$2,104</b>	<b>\$2,088</b>	<b>\$2,421</b>	<b>\$2,419</b>	<b>\$2,278</b>	<b>\$2,301</b>	<b>\$2,399</b>	<b>\$2,641</b>	<b>\$2,739</b>
Delinquent S/A outstanding	\$62	\$61	\$59	\$58	\$56	\$56	\$0	\$0	\$0	\$0

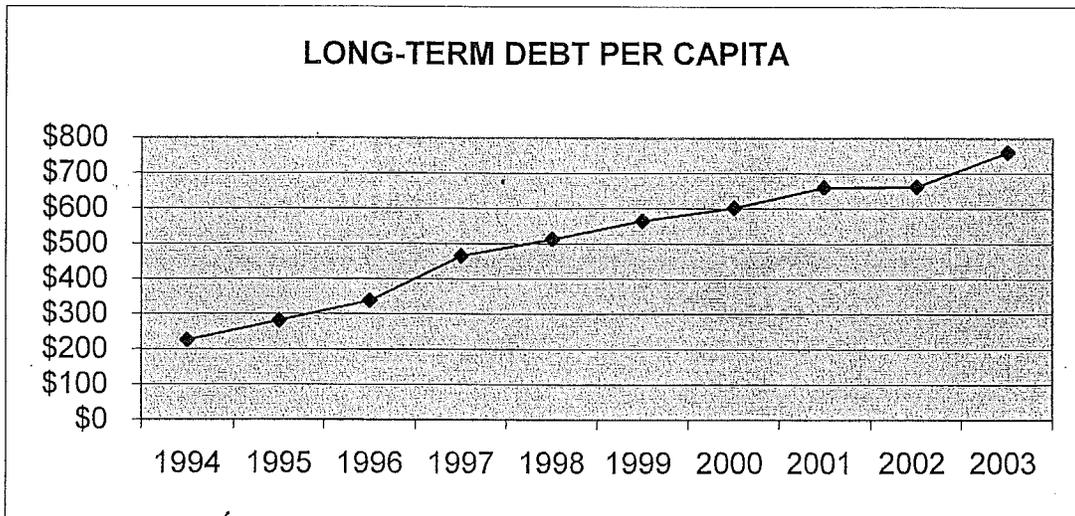
(1) NOTE: Includes current interest due on installment special assessments.

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

## CITY OF EAU CLAIRE

**TABLE 16 - RATIO OF NET LONG-TERM DEBT TO EQUALIZED VALUE  
AND NET GENERAL LONG-TERM DEBT PER CAPITA  
Last Ten Fiscal Years  
(Dollars in Thousands)**

	<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>2003</u>
Population	58,239	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214	63,882
Equalized valuation	\$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	\$3,330,561
Total long-term debt (1)	\$17,652	\$18,947	\$21,983	\$30,183	\$34,334	\$38,766	\$42,677	\$48,348	\$49,445	\$57,051
Resources on hand for payment of debt	\$4,530	\$2,446	\$1,960	\$2,379	\$3,362	\$4,232	\$5,571	\$7,208	\$7,590	\$8,560
Net long-term debt	\$13,122	\$16,501	\$20,023	\$27,804	\$30,972	\$34,534	\$37,106	\$41,140	\$41,855	\$48,491
Percent of net long-term debt to equalized value	0.84%	0.96%	1.02%	1.30%	1.33%	1.39%	1.37%	1.42%	1.35%	1.46%
Net long-term debt per capita (not in thousands)	\$225	\$281	\$337	\$465	\$512	\$565	\$601	\$660	\$662	\$759



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

	<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>2003</u>
Transfers to Debt Service fund	\$598	\$777	\$820	\$1,608	\$1,109	\$1,463	\$1,588	\$1,751	\$1,985	2,281
Total expenditures and other financing uses	\$30,330	\$30,645	\$31,842	\$33,827	\$34,115	\$35,478	\$38,381	\$39,538	\$40,592	\$41,359
Percent of debt transfers to expenditures and other financing uses	2.0%	2.5%	2.6%	4.8%	3.3%	4.1%	4.1%	4.4%	4.9%	5.5%

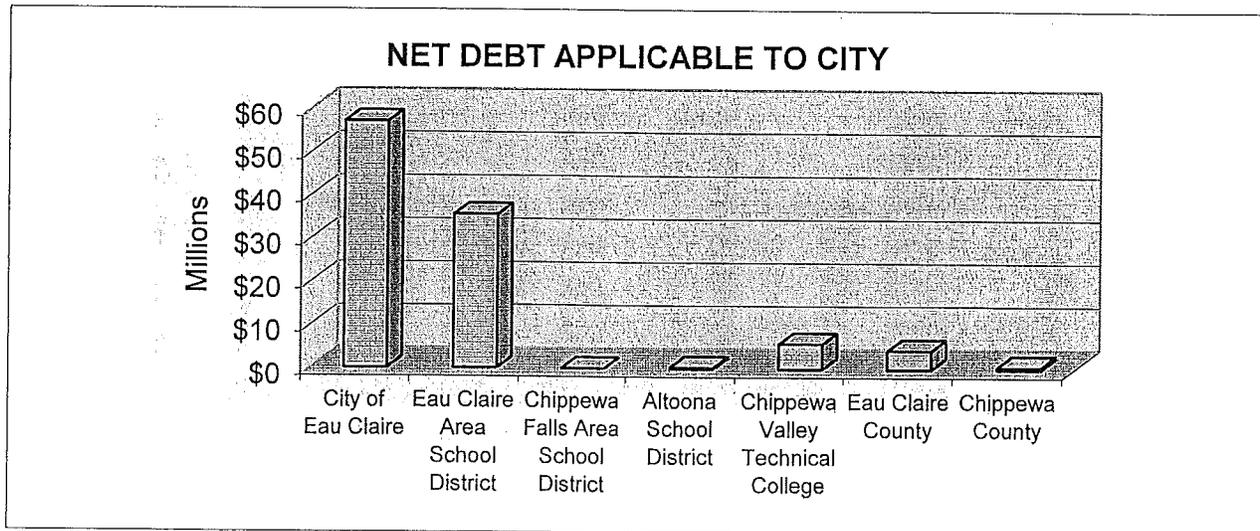
Source: City of Eau Claire Annual Program of Services

# CITY OF EAU CLAIRE

TABLE 18 - SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
December 31, 2003

<u>Governmental Unit</u>	<u>Total Debt</u>	<u>% of Debt Applicable To City (1)</u>	<u>Net Debt Applicable To City</u>
<b>Direct debt:</b>			
City of Eau Claire	\$57,051,010	100.00%	\$57,051,010
<b>Indirect debt:</b>			
Eau Claire Area School District	47,050,000	75.54%	35,543,880
Chippewa Falls Area School District	10,400,000	0.22%	22,565
Altoona School District	8,513,146	3.19%	271,486
Chippewa Valley Technical College	27,690,000	21.07%	5,834,064
Eau Claire County	7,064,408	61.64%	4,354,523
Chippewa County	13,630,000	4.04%	551,128
<b>Total indirect debt</b>	<b>114,347,554</b>		<b>46,577,646</b>
<b>Total direct and indirect debt</b>	<b>\$171,398,564</b>		<b>\$103,628,656</b>

Indirect debt per capita	\$729
Indirect debt as a % of equalized value	1.40%
<b>Total direct and indirect debt per capita</b>	<b>\$1,622</b>
<b>Total direct and indirect debt as a % of equalized value</b>	<b>3.11%</b>



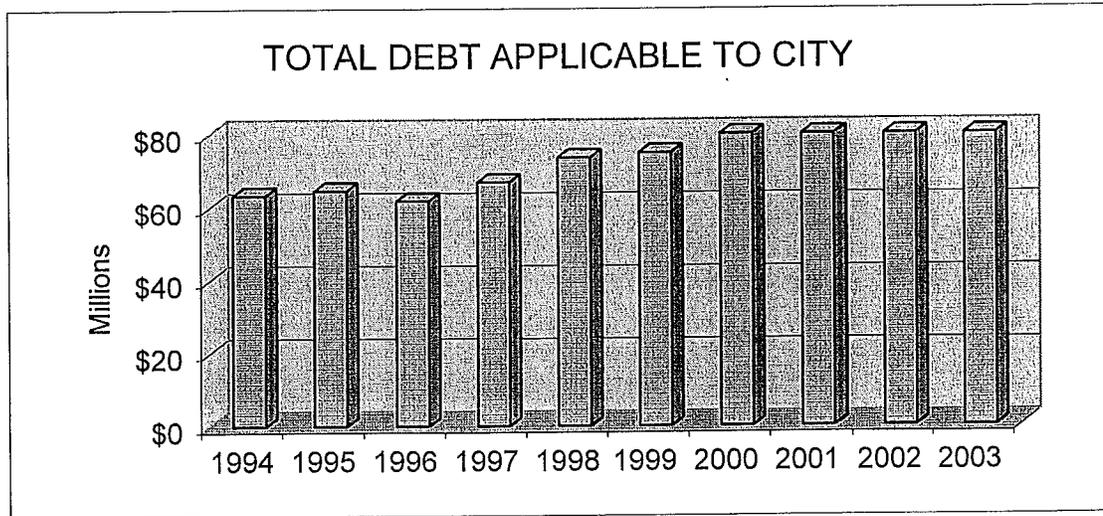
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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

## CITY OF EAU CLAIRE

**TABLE 19 - SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
Last Ten Fiscal Years  
(Dollars in Thousands)**

	<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>2003</u>
Total debt applicable to City	\$63,256	\$64,552	\$61,758	\$66,865	\$73,564	\$74,929	\$106,623	\$103,233	\$101,371	\$103,629
Direct debt:										
General City	\$17,652	\$18,947	\$21,983	\$30,183	\$34,334	\$38,766	\$42,677	\$48,348	\$49,445	\$57,051
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	\$30,364	\$29,691	\$28,814	\$27,988	\$26,808	\$24,992	\$52,325	\$44,755	\$41,859	\$35,544
Percent	75.68%	75.81%	76.40%	75.46%	76.28%	75.81%	75.98%	0.00%	74.93%	75.74%
Chippewa Falls Area School District	\$10	\$15	\$31	\$64	\$53	\$48	\$165	\$132	\$31	\$23
Percent	0.15%	0.18%	0.39%	0.32%	0.26%	0.25%	0.82%	0.00%	0.22%	0.22%
Altoona School District (1)	\$0	\$0	\$0	\$16	\$137	\$316	\$309	\$300	\$269	\$271
Percent	0.00%	0.00%	0.00%	0.48%	2.44%	3.27%	3.34%	0.00%	3.02%	3.19%
C.V. Technical College	\$2,550	\$2,165	\$1,886	\$2,360	\$4,324	\$3,732	\$3,977	\$3,959	\$4,438	\$5,834
Percent	22.08%	22.24%	22.78%	22.36%	22.54%	22.04%	21.78%	0.00%	20.95%	21.07%
Eau Claire County	\$12,263	\$13,333	\$8,658	\$6,254	\$7,907	\$6,637	\$6,550	\$5,177	\$4,752	\$4,355
Percent	63.07%	63.27%	62.73%	61.86%	62.80%	62.05%	62.06%	0.00%	61.13%	61.64%
Chippewa County	\$416	\$401	\$386	\$0	\$0	\$438	\$619	\$563	\$577	\$551
Percent	4.64%	4.57%	4.63%	0.00%	0.00%	4.38%	4.49%	0.00%	4.03%	4.04%



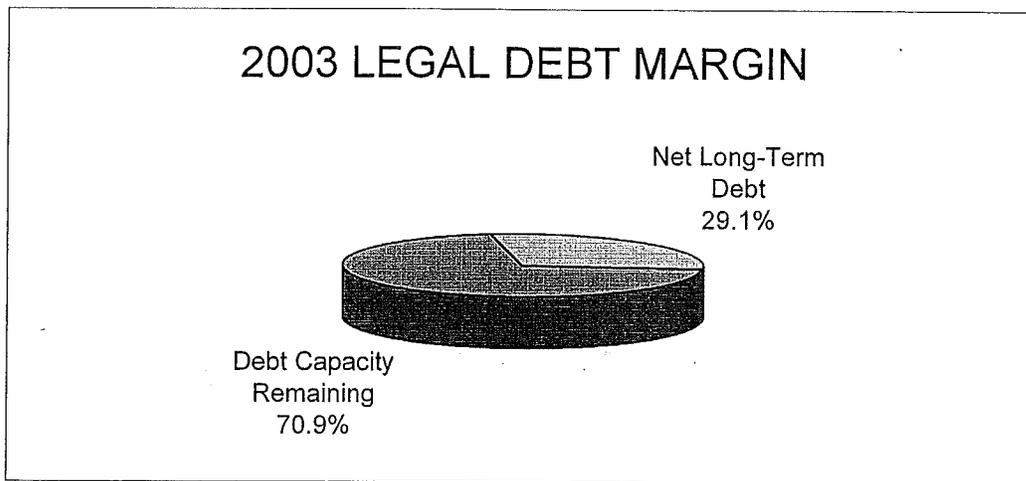
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

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

CITY OF EAU CLAIRE

TABLE 20 - COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
(Dollars in Thousands)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Equalized valuation	\$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	\$3,330,561
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$78,184	\$86,148	\$97,922	\$107,013	\$116,053	\$124,029	\$135,349	\$144,465	\$155,268	\$166,528
Resources on hand for payment of debt	\$4,530	\$2,446	\$1,960	\$2,379	\$3,362	\$4,232	\$5,571	\$7,208	\$7,590	\$8,560
Net long-term debt	\$13,122	\$16,501	\$20,023	\$27,804	\$30,972	\$34,534	\$37,106	\$41,140	\$41,855	\$48,491
Legal debt margin	\$65,062	\$69,647	\$77,899	\$79,209	\$85,080	\$89,495	\$98,243	\$103,325	\$113,413	\$118,037
Percentage of debt capacity remaining	83%	81%	80%	74%	73%	72%	73%	72%	73%	71%



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

## CITY OF EAU CLAIRE

TABLE 21 - SCHEDULE OF REVENUE BOND COVERAGE  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<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>2003</u>
<u>WATER UTILITY</u>										
Operating revenue	\$4,581	\$4,697	\$4,779	\$5,122	\$5,615	\$5,911	\$6,105	\$6,460	\$6,519	\$6,986
Operating expense (1)	\$2,210	\$2,077	\$2,253	\$2,090	\$2,237	\$2,359	\$2,678	\$2,900	\$2,743	\$2,985
Income available for debt service	\$2,371	\$2,620	\$2,526	\$3,032	\$3,378	\$3,552	\$3,427	\$3,560	\$3,776	\$4,001
Debt service current year (2)	\$768	\$827	\$975	\$1,047	\$1,100	\$989	\$987	\$944	\$1,003	\$978
Coverage	3.09	3.17	2.59	2.90	3.07	3.59	3.47	3.77	3.76	4.09
Debt service for highest principal and interest year in retirement schedule	\$846	\$991	\$1,047	\$1,100	\$989	\$988	\$988	\$1,034	\$1,034	\$1,077
Coverage on highest year	2.80	2.64	2.41	2.76	3.42	3.60	3.47	3.44	3.65	3.71
<u>SEWER UTILITY</u>										
Operating revenue	\$4,866	\$5,136	\$5,080	\$5,302	\$5,765	\$5,869	\$5,906	\$5,721	\$5,814	\$6,025
Operating expense (1)	\$2,746	\$2,944	\$3,456	\$3,117	\$3,026	\$3,551	\$3,488	\$3,718	\$3,628	\$3,830
Income available for debt service	\$2,120	\$2,192	\$1,624	\$2,185	\$2,739	\$2,318	\$2,418	\$2,003	\$2,186	\$2,195
Debt service current year (2)	\$652	\$795	\$895	\$904	\$900	\$535	\$531	\$533	\$533	\$513
Coverage	3.25	2.76	1.81	2.42	3.04	4.33	4.55	3.76	4.10	4.28
Debt service for highest principal and interest year in retirement schedule	\$795	\$904	\$904	\$904	\$544	\$544	\$544	\$544	\$528	\$528
Coverage on highest year	2.67	2.42	1.80	2.42	5.03	4.26	4.44	3.68	4.14	4.16

(1) NOTE: Operating expense does not include depreciation or property tax equivalent.

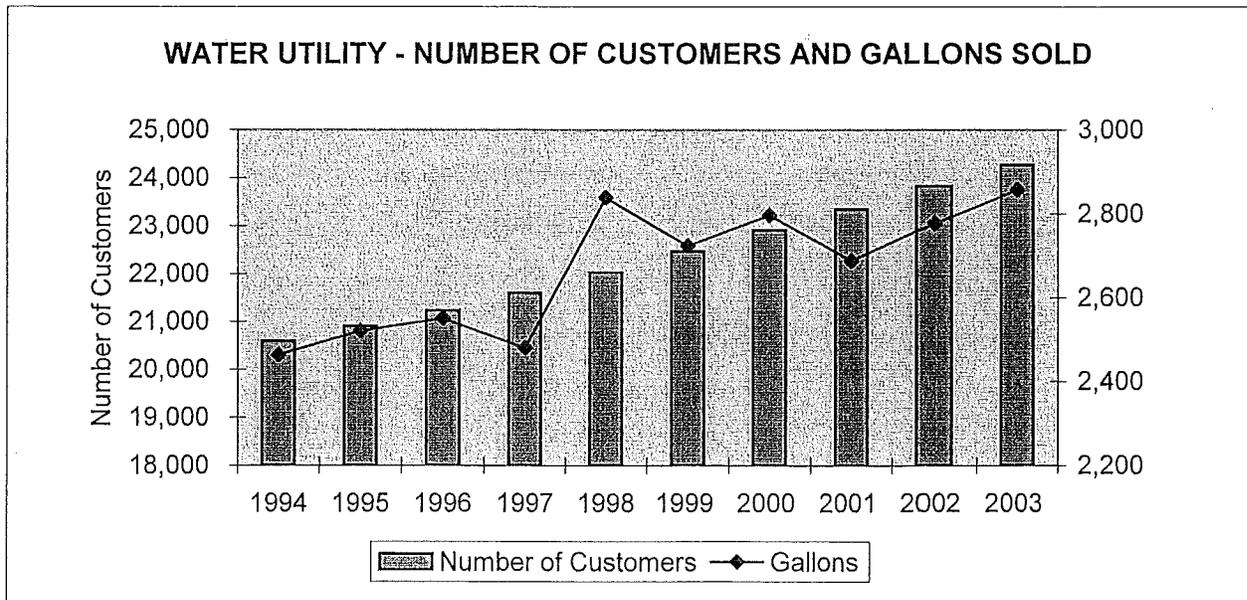
(2) NOTE: Includes only revenue bond principal and interest.

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 22 - WATER UTILITY CUSTOMER SUMMARY Last Ten Fiscal Years

	<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>2003</u>
<b>Residential:</b>										
Customers	18,175	18,448	18,751	19,089	19,464	19,851	20,254	20,650	21,115	21,535
Gallons (thousands)	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	1,342,086
<b>Commercial:</b>										
Customers	2,195	2,225	2,240	2,259	2,303	2,342	2,373	2,407	2,424	2,436
Gallons (thousands)	623,056	633,210	647,595	645,015	702,248	709,245	681,275	704,283	710,863	703,999
<b>Industrial:</b>										
Customers	78	83	84	87	96	102	105	108	110	110
Gallons (thousands)	510,931	553,241	556,646	544,750	632,586	655,984	700,216	572,885	693,336	581,087
<b>Public:</b>										
Customers	145	151	158	162	166	173	181	184	187	189
Gallons (thousands)	212,568	217,530	224,367	199,913	234,432	210,948	216,808	206,609	222,951	230,292
<b>Total:</b>										
Customers	20,593	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,836	24,270
Gallons (thousands)	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	2,857,464



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

## CITY OF EAU CLAIRE

TABLE 23 - WATER UTILITY - LARGEST SYSTEM CUSTOMERS  
December 31, 2003

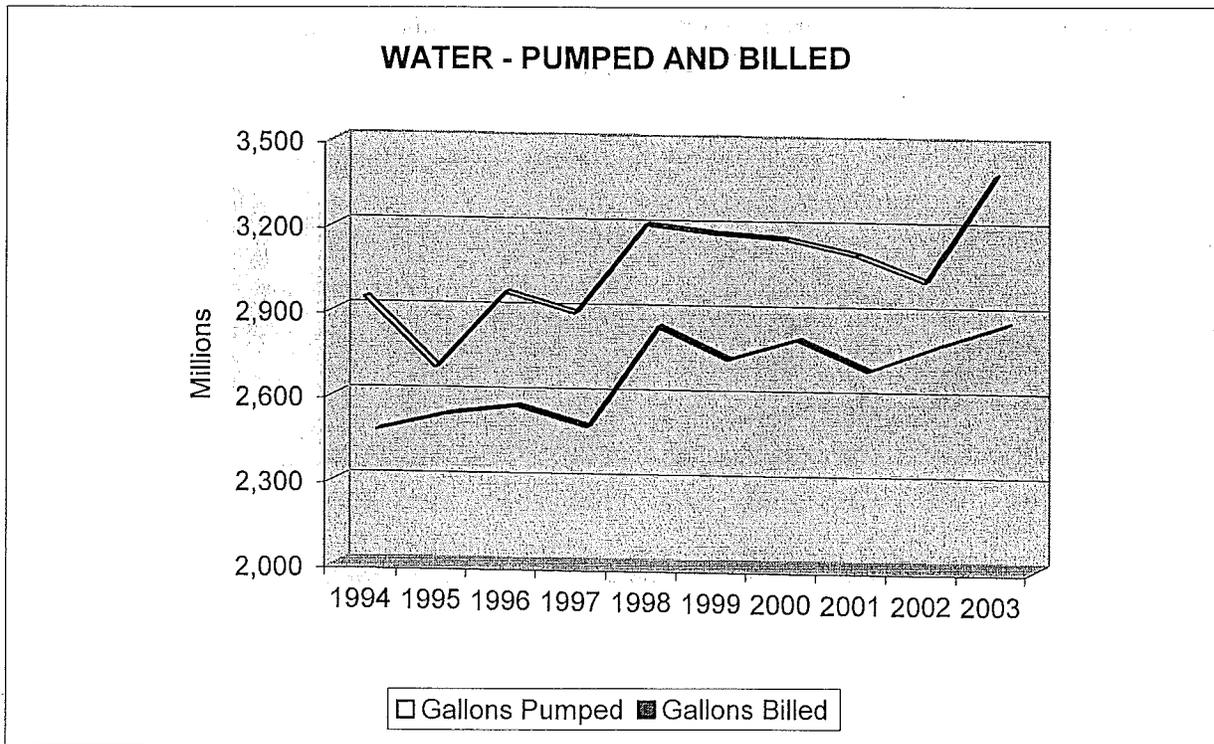
<u>Customer</u>	<u>Gallons Billed</u>	<u>% of Total</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	203,762,932	7.1%	\$245,603	4.4%
Cascade Tissue	142,648,088	5.0%	158,669	2.8%
University of Wisconsin-Eau Claire	85,251,804	3.0%	129,840	2.3%
Hutchinson Technology	60,094,320	2.1%	73,996	1.3%
Luther Midelfort-Mayo Health	54,170,908	1.9%	79,684	1.4%
American Phoenix	46,156,088	1.6%	52,353	0.9%
Eau Claire School District	36,856,204	1.3%	60,882	1.1%
Sacred Heart Hospital	34,538,900	1.2%	44,433	0.8%
3M	25,304,840	0.9%	34,220	0.6%
Oakwood Village	11,864,776	0.4%	17,073	0.3%
Huebsch Laundry Co.	<u>11,449,636</u>	<u>0.4%</u>	<u>16,079</u>	<u>0.3%</u>
Subtotal	<u>712,098,496</u>	<u>24.9%</u>	<u>912,832</u>	<u>16.2%</u>
All other customers	<u>2,145,365,504</u>	<u>75.1%</u>	<u>4,667,317</u>	<u>83.8%</u>
Total	<u><u>2,857,464,000</u></u>	<u><u>100.0%</u></u>	<u><u>\$5,580,149</u></u>	<u><u>100.0%</u></u>

Source: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

**TABLE 24 - WATER UTILITY - PRODUCTION STATISTICS**  
Last Ten Fiscal Years

	<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>2003</u>
Average number of water customers	20,593	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,830	24,270
Total gallons pumped (in thousands)	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	3,404,126
Total gallons billed (in thousands)	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	2,857,464
Percent of water billed	83.43%	93.13%	85.74%	85.42%	88.14%	85.36%	88.09%	86.16%	91.69%	83.94%
Number of meters in service	20,725	21,075	21,389	21,792	22,289	23,303	23,004	24,500	24,110	24,467
Miles of main	301	306	318	319	322	330	335	336	340	341
Number of fire hydrants	2,856	2,877	2,987	2,864	3,007	3,060	3,136	3,230	3,277	3,337
Residential customer's average quarterly water bill	\$32.52	\$32.52	\$32.52	\$34.61	\$34.61	\$37.74	\$37.74	\$40.86	\$40.86	\$41.50

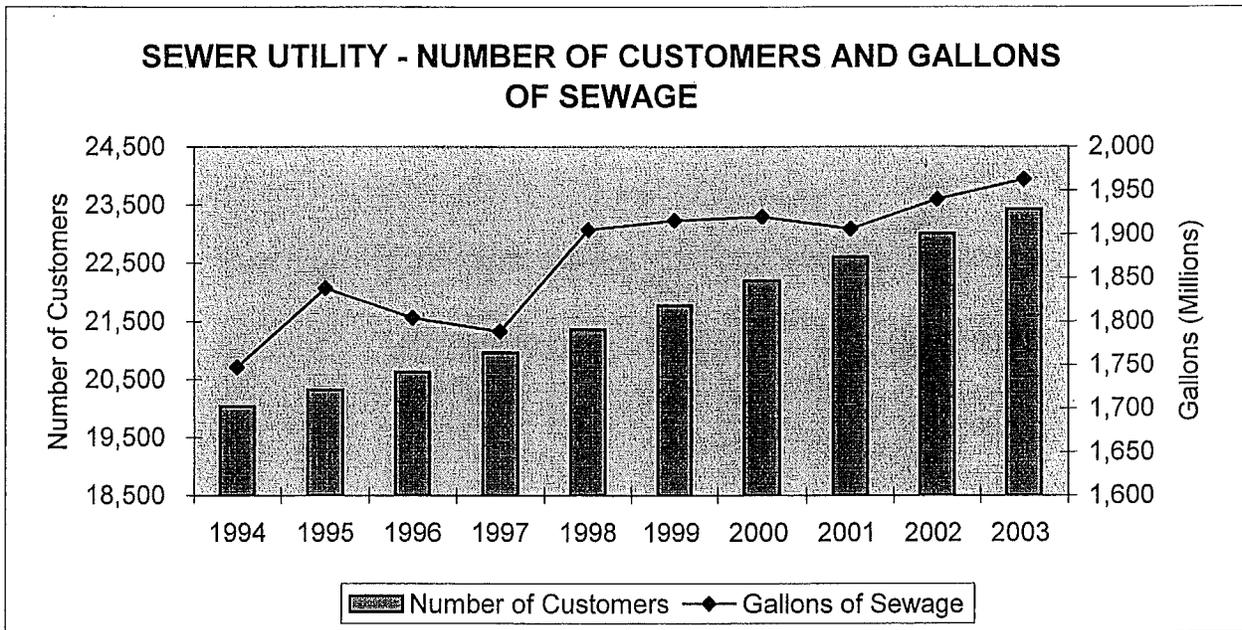


Source: Public Service Commission Reports

# CITY OF EAU CLAIRE

## TABLE 25 - SEWER UTILITY CUSTOMER SUMMARY Last Ten Fiscal Years

	<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>2003</u>
<b>Residential:</b>										
Customers	17,745	18,005	18,281	18,596	18,951	19,316	19,697	20,078	20,479	20,891
Gallons (thousands)	882,526	923,752	908,718	896,473	921,117	910,597	935,340	957,711	954,338	985,693
<b>Commercial:</b>										
Customers	2,099	2,116	2,136	2,152	2,185	2,222	2,255	2,280	2,282	2,289
Gallons (thousands)	581,269	606,572	593,776	600,133	635,590	634,185	617,395	628,365	620,180	642,469
<b>Industrial:</b>										
Customers	72	75	76	79	85	89	91	93	93	92
Gallons (thousands)	149,340	157,931	152,832	164,396	209,958	237,705	240,671	204,831	244,237	209,427
<b>Public:</b>										
Customers	126	131	135	139	141	147	153	156	158	159
Gallons (thousands)	134,378	149,929	148,847	127,536	138,403	133,152	126,492	115,112	121,267	125,447
<b>Total:</b>										
Customers	20,042	20,326	20,628	20,964	21,362	21,774	22,196	22,607	23,012	23,431
Gallons (thousands)	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	1,963,036



Source: Customer Services - City of Eau Claire

# CITY OF EAU CLAIRE

TABLE 26 - SEWER UTILITY - LARGEST SYSTEM CUSTOMERS  
December 31, 2003

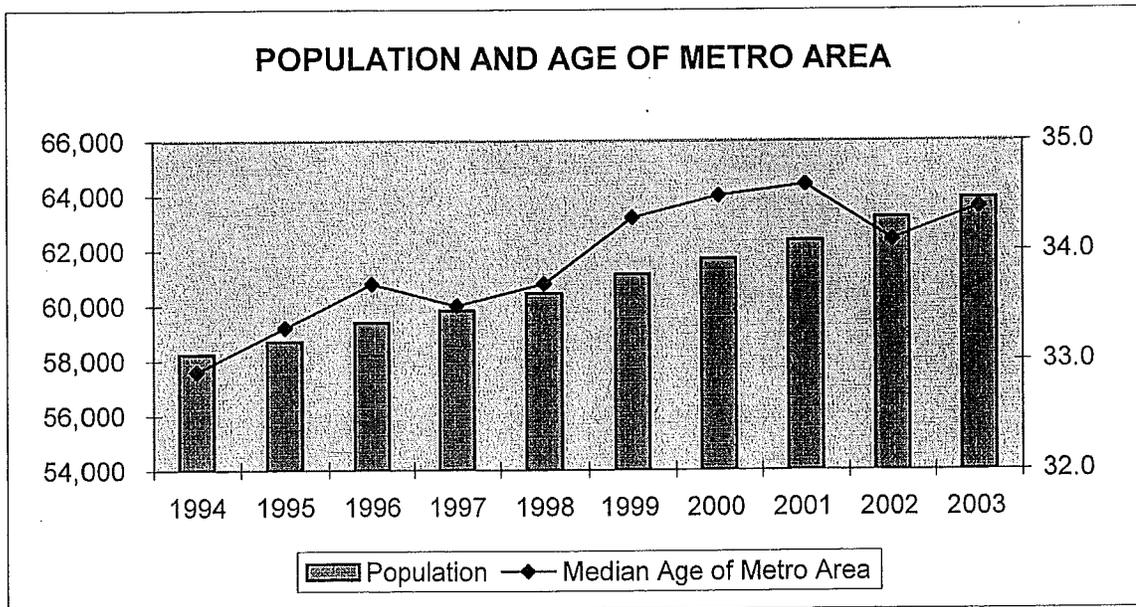
<u>Customer</u>	<u>Gallons Billed</u>	<u>% of Total</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	126,063,059	6.4%	\$334,855	6.3%
University of Wisconsin-Eau Claire	72,191,247	3.7%	191,758	3.6%
Luther Midelfort-Mayo Health	52,778,918	2.7%	140,194	2.6%
Hutchinson Technology	46,827,671	2.4%	124,386	2.3%
Sacred Heart Hospital	33,064,659	1.7%	87,828	1.6%
3-M Companies	20,981,082	1.1%	55,731	1.0%
Eau Claire School District	18,205,365	0.9%	48,358	0.9%
Villa Diane Mobile Home Park	12,430,682	0.6%	33,019	0.6%
Huebsch Laundry Co.	11,755,671	0.6%	31,226	0.6%
Oakridge Village Mobile Home Park	11,015,529	0.6%	29,260	0.5%
Chippewa Valley Technical College	<u>7,328,376</u>	<u>0.4%</u>	<u>19,466</u>	<u>0.4%</u>
Subtotal	<u>412,642,259</u>	<u>11.0%</u>	<u>1,096,081</u>	<u>10.5%</u>
All other customers	<u>1,550,393,741</u>	<u>89.0%</u>	<u>4,257,653</u>	<u>89.5%</u>
Total	<u><u>1,963,036,000</u></u>	<u><u>100.0%</u></u>	<u><u>\$5,353,734</u></u>	<u><u>100.0%</u></u>

Source: Customer Services - City of Eau Claire

# CITY OF EAU CLAIRE

## TABLE 27 - DEMOGRAPHIC STATISTICS Last Ten Fiscal Years (Dollars in Thousands)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Population	58,239	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214	63,908
Median age of Metro Area	32.9	33.3	33.7	33.5	33.7	34.3	34.5	34.6	34.1	34.4
Consumer price index (1)	148.2	152.0	156.5	160.2	163.1	166.6	172.2	177.1	179.9	184.0
Per capita income (2)	\$14	\$13	\$13	\$13	\$14	\$14	\$15	\$15	\$15	\$19
Effective buying income of population (3)	\$836,810	\$760,231	\$789,788	\$795,000	\$819,660	\$854,247	\$927,164	\$948,183	\$959,058	\$970,103
Area in square miles	30.50	30.96	31.61	31.90	32.00	32.23	32.59	32.33	33.00	33.29
Number of business properties	1,350	1,370	1,385	1,400	1,410	1,425	1,445	1,455	1,460	1,480
Acres devoted to business	2,674	2,858	3,033	3,003	3,013	3,080	3,110	3,135	3,139	3,180
Miles of street	322.4	327.0	323.8	337.0	339.6	346.0	345.9	350.2	352.2	355.0



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

(2) NOTE: Based on U.S. Census Bureau Data, 1999.

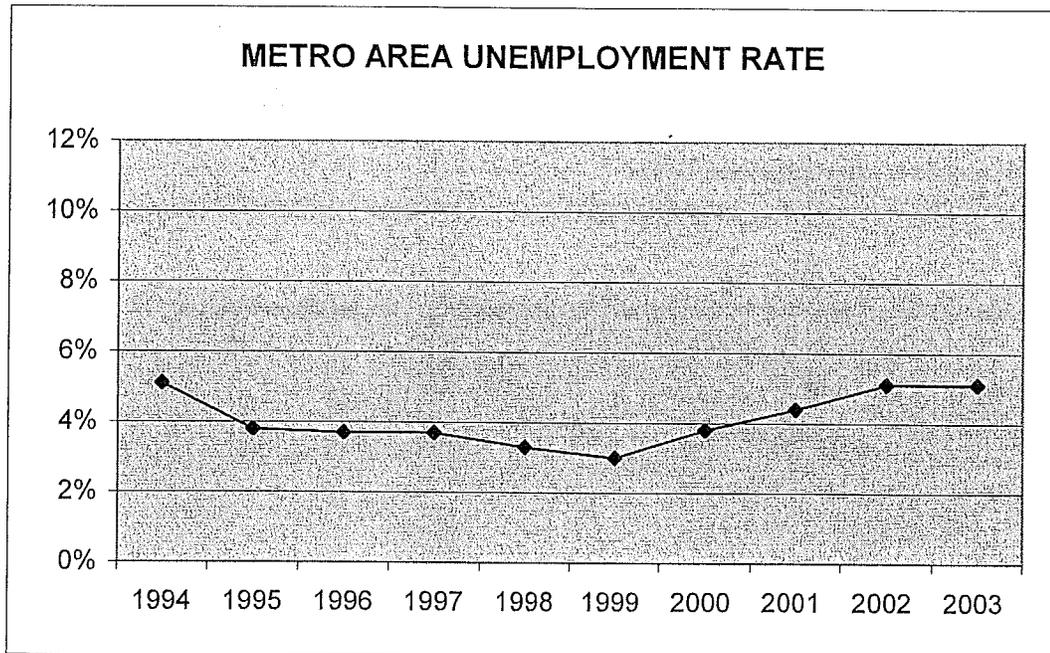
(3) NOTE: Sale and Marketing Management "Survey of Buying Power" Annual Report

Sources: City of Eau Claire Department of Community Development

# CITY OF EAU CLAIRE

## TABLE 27 - DEMOGRAPHIC STATISTICS (cont'd) Last Ten Fiscal Years

	<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>2003</u>
Number of residential parcels	17,816	17,682	17,855	17,955	18,186	18,814	18,472	18,814	19,004	19,217
Vacancy rates (per cent):										
Residential	2.75	2.75	2.75	3.00	3.00	3.00	3.00	3.50	3.75	3.75
Commercial	12.75	10.00	8.00	8.50	9.00	7.00	7.00	8.80	8.00	7.75
Industrial	5.00	4.50	4.00	3.50	4.50	2.00	2.00	6.50	8.50	8.00
Unemployment rate E.C. Metro Area	5.1%	3.8%	3.7%	3.7%	3.3%	3.0%	3.8%	4.4%	5.1%	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 28 - PRINCIPAL TAXPAYERS  
December 31, 2003  
(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	\$57,799	\$61,521	1.98%
Keystone Corporation	Investment real estate	29,368	31,259	1.01%
Carnation Corporation - Nestle Foods	Manufacturing	28,808	30,663	0.99%
Hutchinson Technology Inc.	Computer equipment manufacturing	24,341	25,908	0.83%
Luther Hospital	Medical facility	19,811	21,087	0.68%
Marshfield Clinic	Medical facility	19,590	20,851	0.67%
Dayton Hudson Corporation	Retail	18,074	19,238	0.62%
Phillips Properties (1)	Investment real estate	14,765	15,716	0.51%
Midelfort Clinic	Medical facility	15,361	15,611	0.50%
Menard Inc.	Retail	12,843	13,670	0.44%
Principal taxpayers total		240,760	255,524	8.23%
All other taxpayers		2,808,196	2,849,839	91.77%
Total valuation		<u>\$3,048,956</u>	<u>\$3,105,363</u>	<u>100.00%</u>

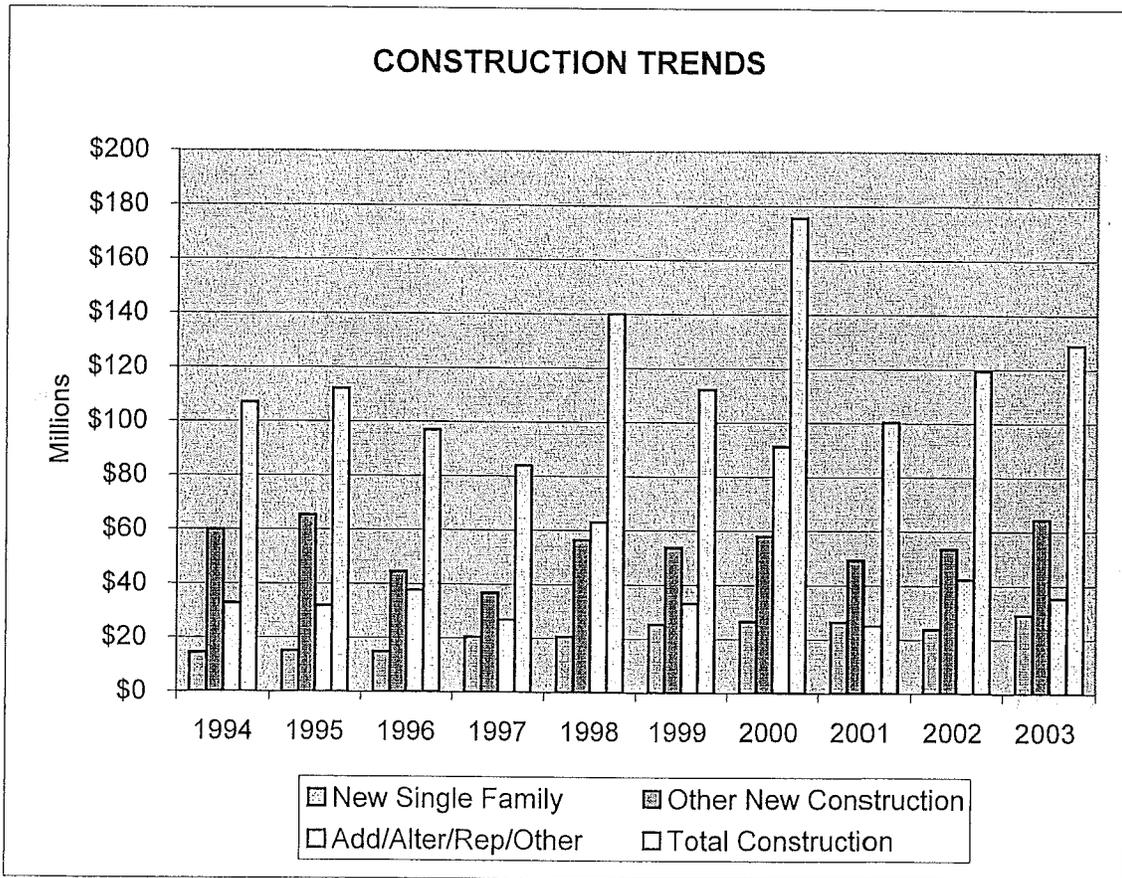
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties.

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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
New single family dwellings: # of units	124	135	131	167	174	188	189	170	156	192
Value	\$14,297	\$15,034	\$14,812	\$20,372	\$20,536	\$25,294	\$26,432	\$26,303	\$23,757	\$29,076
Other new construction	\$59,961	\$65,310	\$44,497	\$36,688	\$56,421	\$53,827	\$57,946	\$49,208	\$53,440	\$64,368
Additions/alterations/repairs & all other types of const.	\$32,681	\$31,716	\$37,592	\$26,796	\$63,023	\$33,003	\$91,173	\$24,864	\$42,237	\$35,292
Total construction valuation	\$106,939	\$112,060	\$96,901	\$83,856	\$139,980	\$112,124	\$175,551	\$100,375	\$119,434	\$128,736
Number of permits	1,341	1,321	1,472	1,441	1,516	1,431	1,479	1,443	1,340	1,452



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

# CITY OF EAU CLAIRE

## TABLE 30 - INSURANCE COVERAGES December 31, 2003

	<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	\$148,170,010	\$25,000
Inland marine - all risks (contractor's equipment)	\$2,909,357	\$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	\$6,974,574	\$5,000
Collision	\$6,973,801	\$5,000
Transit Bodily injury and property damage liability	\$6,500,000	\$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