City of Eau Claire

Eau Claire, Wisconsin

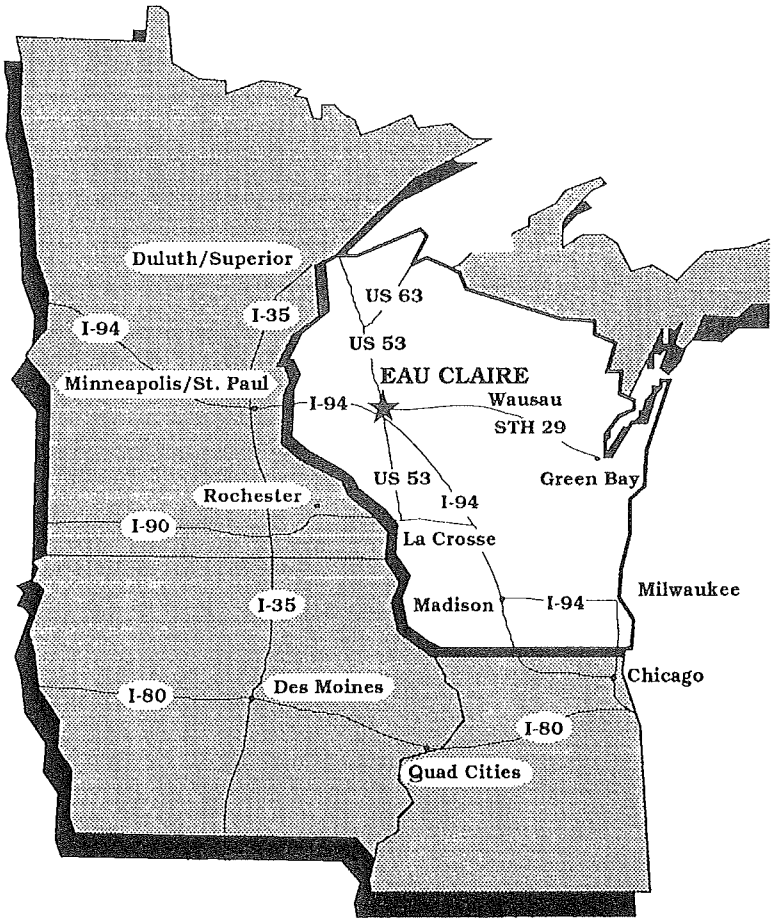
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED

DECEMBER 31, 2004

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2004

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

CITY OF EAU CLAIRE, WISCONSIN
ELECTED AND APPOINTED OFFICIALS

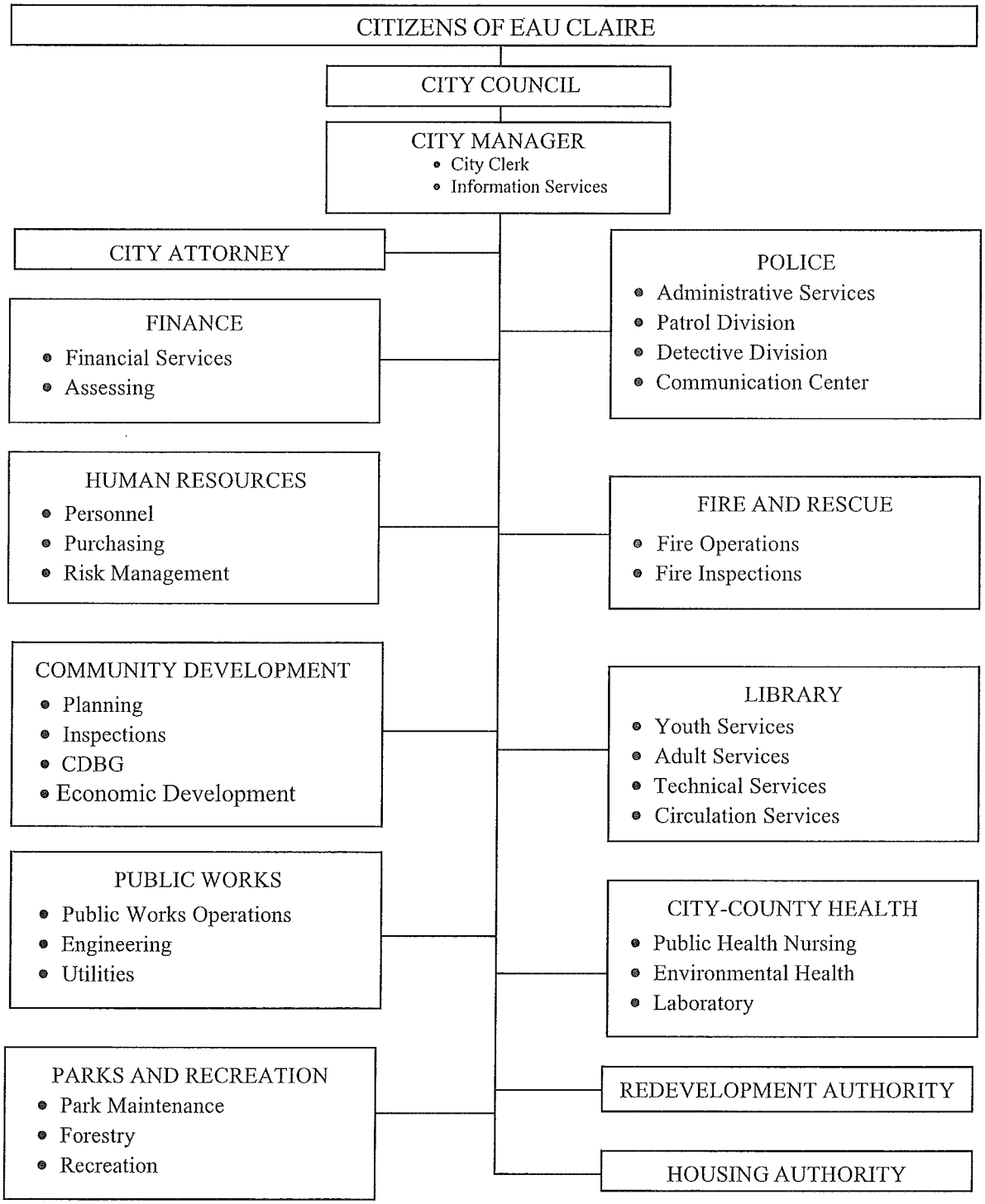
Elected Officials

		Term Commenced	Term Expires
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
Hal Davis.	Council at Large	April 2004	April 2006
Ray Hughes	Council at Large	April 2004	April 2006
Kerry Kincaid	Council at Large	April 2004	April 2006
Terri Stanley	Council at Large	April 2004	April 2006
Thomas T Vue	Council at Large	April 2004	April 2006

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

FINANCE DEPARTMENT
Finance Administration
(715) 839-6044

June 30, 2005

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, 2004 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.

203 S. Farwell St., P.O. Box 5148, Eau Claire, WI 54702-5148
www.ci.eau-claire.wi.us

Reporting Entity

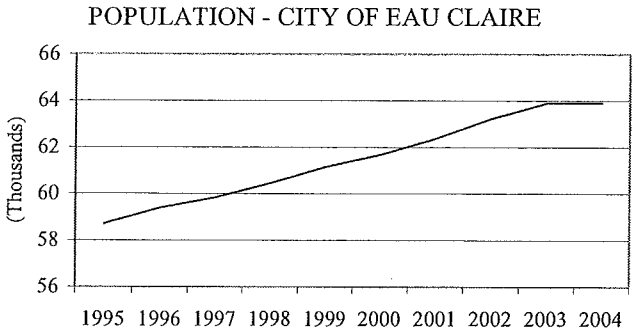
This report includes all of the funds and component units of the City of Eau Claire. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial 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

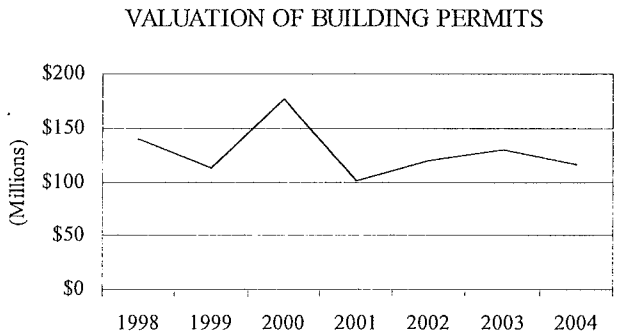
The City of Eau Claire is located in west central Wisconsin, in Eau Claire and Chippewa counties. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade, technology, and industry in west central Wisconsin. The City was incorporated in 1872, and covers an area of approximately 33 square miles. The City's current population is 63,897 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

Strong retail outlets, regional medical facilities, high technology companies, and educational institutions anchor Eau Claire's economy and establish the City as the regional economic center in western Wisconsin. For seven consecutive years, Eau Claire has had new building valuation exceeding $100 million. The 2004 construction season had a total building valuation increase of $115 million with the largest segment generated by the residential sector at $56 million. Industrial and commercial development increased by $48 million. Miscellaneous projects totaled $11 million. Notable building projects included a $9.3 million addition to a manufacturing building, and $3 million each to a credit union, a medical facility, and an apartment complex.



The City has been consistently recognized by national surveys as a highly rated area for overall quality of life. The Milken Institute, an independent economic research organization, ranked Eau Claire 23rd out of 118 small metropolitan areas in its "Best Performing Cities Study". Eau Claire received high marks for job growth and wage increases in the past year. For the 10th consecutive year, *U. S. News & World Report* magazine ranked the University of Wisconsin-Eau Claire (UWEC) as one of the best regional public universities in the Midwest. The 2005 rankings put the UWEC at #3. The Eau Claire area secondary schools achieved national recognition when *Expansion Management* ranked the schools 5th best in the nation overall, as well as 5th best among districts with less than 40,000 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.

Encouraging growth, development and diversification has been a focal point for the City Council. The City's aggressive approach to attracting new industries includes a cooperative framework with the county, the state, and private industry. A combination of loan and grant funds, job-training programs and tax credits are available to meet the needs of new businesses. Tax increment financing districts (TIFs) are another development tool utilized by the City to provide the infrastructure expansion necessary to serve the new businesses. Growth in the tax incremental districts has been exceptional. In recent years, three TIFs have recovered all their project costs and added valuation of over $125 million to the tax base. Currently, development is occurring in four TIFs with new tax increment valuations of over $49 million.

Working through a tax incremental financing district in the downtown redevelopment area, the City is constructing over $10 million in new improvements including streets, utilities, public parking, bike trail and a riverfront community park to attract commercial development. The City has also created redevelopment sites by acquiring and demolishing blighted properties. Businesses and developers are expressing interest in the area, including a credit union, a grocery store, a pharmacy, offices, restaurants and upscale residential units.

MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2004 and into 2005:

Comprehensive Plan

The *City Comprehensive Plan* provides policies and recommendations for the community's long-range physical development including land use, natural resources, transportation, parks, economic development, public utilities, community facilities, housing, historic preservation, downtown, and intergovernmental cooperation. A major revision of the Comprehensive Plan began in 2003. In 2004 a 30-member Citizens Advisory Committee assisted a consultant and the staff with reviews of the Analysis of Conditions Report, the Concept Plan, and the preliminary draft. In the summer of 2005, the completed draft will be presented to the Plan Commission for public hearing and recommendation and to the City Council for acceptance.

Highway 53 Freeway

The State of Wisconsin's construction of the Highway 53 Freeway at a cost of approximately $94 million is impacting the City's arterial infrastructure. In 2004 the City worked with WISDOT to design local street modifications to provide access to the new highway. Relocation of city utilities within the new freeway right-of-way was 95% complete in 2004. Work on the freeway will continue in 2005 and through 2006.

Phoenix Park – Phase I

Plans were completed and bids opened for the first phase of the Phoenix Park and North Barstow Street redevelopment. A $4.15 million contract was awarded for utilities, streets, park improvements, lighting, trailhead building, and landscaping. The construction for Phase I was 75% complete in 2004, and Riverfront Terrace opened to traffic. Landscaping, amenities, and trail construction are scheduled for completion in 2005.

Carson Park Artificial Turf

In 2004 the City was able to install artificial turf and a new scoreboard at the Carson Park football field. The $760,000 project was accomplished by a financing package that included donations, soft drink commissions, and fees structured to provide the debt service. The new field was a hit with the university and high school teams by allowing many more games than the former grass surface was able to accommodate.

Law Enforcement Space Study

The City has partnered with Eau Claire County to conduct a space needs study for the police department, the communications center, and the sheriff's office. The study also included other county departments mainly relating to court services and the jail. In 2004 the current space needs were evaluated and projected forward five and ten years. The final report in 2005 will propose alternative site scenarios and recommendations.

FOR THE FUTURE

In 2005 and 2006 the City will be faced with multiple challenges. Economic development, downtown redevelopment, infrastructure expansions, public safety issues, debt service, health insurance increases, and labor settlements will tend to drive up the cost of local government. However, major revenue sources like the state's shared revenue program are not expected to increase. In fact, it is likely that the state legislature will impose a tax levy freeze for the 2006 budget and future years. To balance citizen expectations for services with the budget limitations, the City will continue to explore the feasibility of service consolidations with other governments, alternative revenue sources, and long-term financing for capital improvements.

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 U.S. Bank for services. This contract specifies that the bank will pay interest on account balances based on the London Inter-Bank Offer Rate.

The second phase is a long-term investment program. Funds that are available for 30 days or longer are diversified by security type, institution, and terms of maturity to reduce portfolio risk. With the exception of US Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City will maintain at least 10 percent of its total investment portfolio in instruments maturing in 30 days or less.

Collateralization is required on all savings and demand deposits, non-negotiable Certificates of Deposits, and repurchase agreements. The following summary shows investment earnings and the average interest rate for the past five years.

Year	Amount	Net Return
2000	$ 4,320,757	6.44%
2001	2,989,323	4.65%
2002	1,657,268	2.33%
2003	873,822	1.26%
2004	709,289	.99%

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, 2004 were also completed by the independent auditors. These reports are available under separate cover.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Immediately following the independent auditor's report is *Management's Discussion and Analysis* which provides a narrative introduction, overview, and analysis of the basic financial statements.

REPORTING ACHIEVEMENT

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded 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, 2003. 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, 2003 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

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, 2003. 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 twenty consecutive years (fiscal years ended 1984-2003). 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, 2003

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

President

Executive Director

GRATE

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, 2003

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 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.

Virchow Krause & company

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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated April 1, 2004, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2005 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City Council
Eau Claire, Wisconsin

The management's discussion and analysis and budgetary comparison information on pages 15 through 26 and pages 104 and 105 are not a required part of the basic financial statements but are 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.

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 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 2004 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2004 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Eau Claire's basic financial statements for the year ended December 31, 2003, which are not presented with the accompanying financial statements. In our report dated April 1, 2004, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the 2003 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2003, 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 of Eau Claire, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Virchow Krause & Company LLP

Eau Claire, Wisconsin
April 6, 2005

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, 2004. 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 27.

FINANCIAL HIGHLIGHTS

- The City of Eau Claire has total assets of $386 million and liabilities of $122 million, resulting in net assets of $264 million at the end of 2004. Of the net assets, $196 million represents the City's investment in capital assets, net of related debt, $3 million is held for restricted purposes, and $65 million is available to meet the City's ongoing obligations to its citizens and creditors.

- During 2004, the City of Eau Claire's total net assets increased by $13.5 million, or approximately 5.4%. The increase was attributable to the business-type activities of the City, specifically the water, sewer and storm water utilities.

- At the close of 2004, the City of Eau Claire's governmental funds reported combined ending fund balances of $48 million, a decrease of $2.3 million from 2003. While there was a slight decrease in fund balance for the General Fund, the capital project expenditures were primarily responsible for the overall fund balance reduction.

- During 2004, 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 $16 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 2004, $7.02 million in new debt was issued.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net 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 2003 to 2004; the City's net assets increased by $13.5 million with the majority of the increase generated by the City's business-type activities, and in particular, by the Water, Sewer and Storm Water utilities. The government-wide financial statements can be found on pages 27 through 29 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, storm water, 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-J following the financial statements. Separately issued financial statements of the Housing Authority and the Redevelopment Authority may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Eau Claire, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the City 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 Balances – Governmental Funds.* The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net 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 Storm Water 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 35 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 141.

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 40 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 44 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 $264 million at the close of 2004. 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.

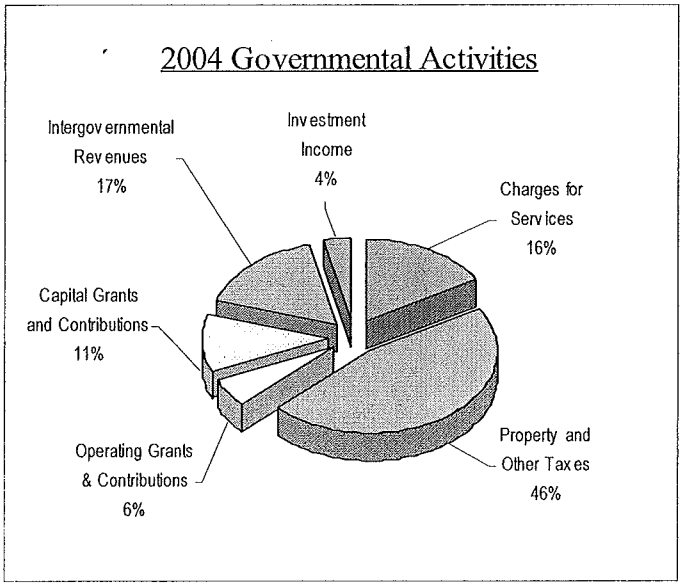
	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	$109,389,207	$109,683,247	$ 20,576,396	$ 18,804,564	$129,965,603	$128,487,811
Capital Assets (net)	116,158,511	111,204,230	140,194,851	129,772,026	256,353,362	240,976,256
Total Assets	$225,547,718	$220,887,477	$160,771,247	$148,576,590	$386,318,965	$369,464,067
Current Liabilities	$ 31,841,436	$ 29,398,494	$ 1,608,005	$ 1,791,011	$ 33,449,441	$ 31,189,505
Noncurrent Liabilities	64,003,772	61,941,888	24,482,377	24,398,603	88,486,149	86,340,491
Total Liabilities	$ 95,845,208	$ 91,340,382	$ 26,090,382	$ 26,189,614	$121,935,590	$117,529,996
Invested in Capital, Net of Debt	$ 78,197,890	$ 76,620,258	$118,330,734	$105,722,026	$196,528,624	$182,342,284
Restricted	1,664,323	14,619,800	1,496,244	3,332,207	3,160,567	17,952,007
Unrestricted	49,840,297	38,307,037	14,853,887	13,332,743	64,694,184	51,639,780
Total Net Assets	$129,702,510	$129,547,095	$134,680,865	$122,386,976	$264,383,375	$251,934,071
Total Net Assets as a % of Total Liabilities	135%	142%	516%	467%	217%	214%
Unrestricted Net Assets as a % of Total Liabilities	52%	42%	57%	51%	53%	44%

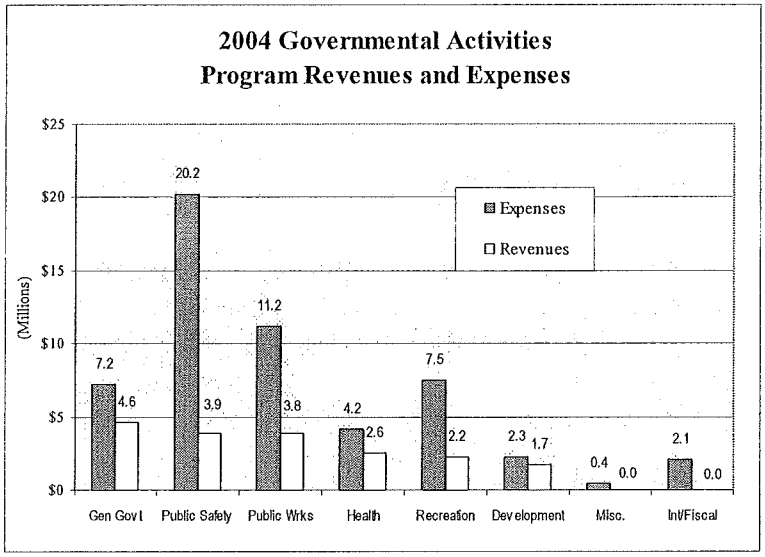
A relatively small portion of the City's net assets (1%) represents resources that are subject to other restrictions as to how they may be used. The remaining $65 million of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that $15 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 2004, 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 Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues:						
Charges for services	$ 9,211,269	$ 9,719,770	$ 15,819,904	$ 15,950,592	$ 25,031,173	$ 25,670,362
Operating grants & contributions	3,339,257	3,407,353	2,400,631	2,360,794	5,739,888	5,768,147
Capital grants & contributions	6,286,703	6,855,043	10,478,715	375,331	16,765,418	7,230,374
General revenues:						
Property taxes	24,805,415	24,511,346	-	-	24,805,415	24,511,346
Other taxes	1,349,971	1,343,124	-	-	1,349,971	1,343,124
Intergovernmental revenues	9,388,956	10,392,649	-	-	9,388,956	10,392,649
Investment income	2,057,061	1,697,609	308,078	365,909	2,365,139	2,063,518
Miscellaneous	-	-	292,347	93,558	292,347	93,558
Total revenues	56,438,632	57,926,894	29,299,675	19,146,184	85,738,307	77,073,078
Expenses						
Program expenses:						
General government	7,215,358	8,099,537	-	-	7,215,358	8,099,537
Public safety	20,202,687	20,070,417	-	-	20,202,687	20,070,417
Public works	11,221,813	10,173,302	-	-	11,221,813	10,173,302
Health services	4,175,651	4,023,159	-	-	4,175,651	4,023,159
Culture and recreation	7,522,475	9,283,774	-	-	7,522,475	9,283,774
Development	2,267,591	2,931,989	-	-	2,267,591	2,931,989
Miscellaneous	427,892	421,123	-	-	427,892	421,123
Interest & fiscal charges	2,054,281	1,791,084	-	-	2,054,281	1,791,084
Water utility	-	-	5,143,065	5,010,412	5,143,065	5,010,412
Sewer utility	-	-	5,158,959	5,089,211	5,158,959	5,089,211
Storm Water utility	-	-	1,482,635	1,628,456	1,482,635	1,628,456
Public transit	-	-	4,103,773	3,982,644	4,103,773	3,982,644
Parking utility	-	-	391,267	408,357	391,267	408,357
Hobbs ice center	-	-	519,838	503,345	519,838	503,345
Outdoor pool	-	-	319,825	367,367	319,825	367,367
Total expenses	55,087,748	56,794,385	17,119,362	16,989,792	72,207,110	73,784,177
Increase in net assets before transfers	1,350,884	1,132,509	12,180,313	2,156,392	13,531,197	3,288,901
Transfers	454,863	132,732	(454,863)	(132,732)	-	-
Change in net assets	1,805,747	1,265,241	11,725,450	2,023,660	13,531,197	3,288,901
Net assets - January 1, 2004 (as restated)	127,896,763	128,281,854	122,955,415	120,363,316	250,852,178	248,645,170
Net assets - December 31, 2004	$129,702,510	$129,547,095	$134,680,865	$122,386,976	$264,383,375	$251,934,071

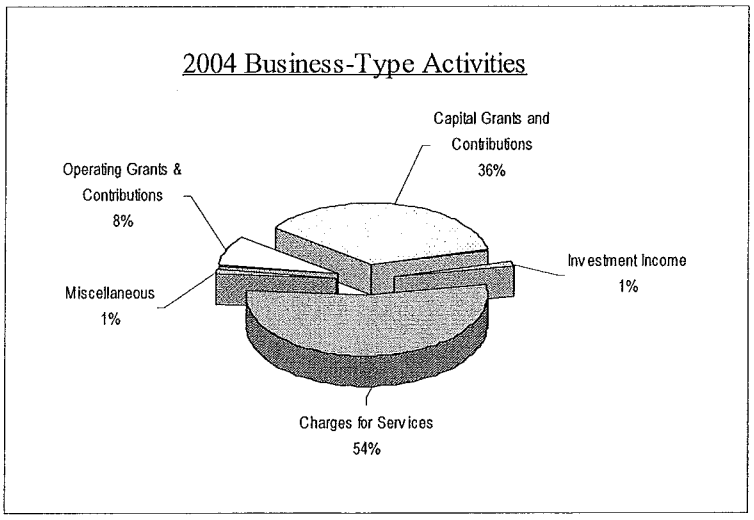
The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 46% of the revenue for governmental activities. State aids and other grants comprise another 34%, while charges for 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 2004 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, over 54% 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, 2004, the City of Eau Claire's *Balance Sheet - Governmental Funds* reported combined ending fund balances of $47.8 million, a decrease of $2.3 million over the previous year's ending balances. 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 $24.7 million available for meeting future budget requirements. Of these unreserved balances, $21.8 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 81% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General fund. Over 53% of the General fund expenditures of $37.1 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 $15.7 million. Of this amount, $6.4 million is reserved for loans made to the utilities, prepayments and notes receivable. Another $6.3 million is designated for subsequent year expenditures and working capital. The undesignated General fund balance is $3.0 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 $5.2 million, an increase of $.8 million from 2003. 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 decreased by $2.8 million during 2004, primarily due to capital project expenditures.

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 35 to page 39. The net assets of the enterprise-type proprietary funds at the end of 2004 totaled $135 million, an increase of $11.7 million from the previous year.

Some highlights:

- The enterprise funds had collective income after transfers of $1.2 million, primarily generated by the Water, Sewer, and Storm Water funds.
- In 2004, $10.5 million of the increase in the enterprise funds net assets resulted from developer infrastructure contributions to the Water, Sewer, and Storm Water Utilities.
- 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. The Public Transit fund shows a loss of $.4 million since depreciation expenses are not covered by General Fund subsidies.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on page 104, the original 2004 General fund budget authorized expenditures and other financing uses of $44,796,200, funded by anticipated revenues and other financing sources of $41,397,600 and the application of $3,398,600 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 $649,291, while expenditures and other financing uses were under budget by $2,497,095. The major component of the positive revenue variance was the sale of City-owned assets. The City sold 8.57 acres of land on Galloway Street to Indianhead Food Service, which accounts for a large portion of the variance reflected in sale of capital assets.

Several other revenue sources experienced significant variances. The decline in interest rates lowered investment income. However, licenses, fines and charges for services exceeded budget estimates, reflecting higher levels of activity in such areas as parking enforcement, landfill fees, artificial turf financing fees, and building permits. The sale of the Dells dam in 2003 precluded 2004 rental income.

A major component of the favorable expenditure variance can be attributed to positions held open during 2004 and to under expended health insurance deductible payments. A mild winter resulted in less expenditures for snow and ice control. Improved operations in Public Transit, the Ice Center and the Pool resulted in lower General Fund subsidies.

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, 2004 totaled over $367 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 $110 million, or approximately 30% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than $256 million, a net increase of $16 million over 2003.

City of Eau Claire, Wisconsin
Capital Assets, Net of Accumulated Depreciation
December 31, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	$ 14,856,651	$ 15,229,562	$ 14,609,237	$ 14,573,737	$ 29,465,888	$ 29,803,299
Land Improvements	2,325,016	2,265,578	-	-	2,325,016	2,265,578
Building and Improvement	18,455,996	18,820,256	6,652,244	6,652,244	25,108,240	25,472,500
Infrastructure	107,384,702	107,368,002	2,265,183	2,242,827	109,649,885	109,610,829
Machinery and Equipment	23,302,614	24,693,834	5,746,260	5,720,010	29,048,874	30,413,844
Water Utility	-	-	61,433,527	58,931,634	61,433,527	58,931,634
Sewer Utility	-	-	59,998,637	58,614,409	59,998,637	58,614,409
Storm Water Utility	-	-	26,933,033	21,763,776	26,933,033	21,763,776
Work in Progress	11,666,151	634,125	11,424,308	6,564,540	23,090,459	7,198,665
Subtotal	177,991,130	169,011,357	189,062,429	175,063,177	367,053,559	344,074,534
Less Accumulated Dep.	(61,832,619)	(58,889,020)	(48,867,578)	(45,291,151)	(110,700,197)	(104,180,171)
Total	**$ 116,158,511**	**$ 110,122,337**	**$ 140,194,851**	**$ 129,772,026**	**$ 256,353,362**	**$ 239,894,363**

Some of the most significant additions to the City's capital assets during 2004 included the following:

Significant Additions to Capital Assets in 2004	
Construction in Progress	$ 11,500,000
Stormwater Mains	5,200,000
Completed Construction Not Classified	4,800,000
Water Mains and Services	2,100,000
Sewer Mains	1,400,000
Total	$ 25,000,000

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

Long-Term Debt

On December 31, 2004, the City of Eau Claire had $71,837,340 of bond and long-term note principal outstanding, as summarized in the following table:

City of Eau Claire, Wisconsin
Notes and Bonds Outstanding

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General Obligation Bonds & Notes	$47,692,340	$45,741,010	$12,460,000	$11,310,000	$60,152,340	$57,051,010
Revenue Bonds	-	-	11,685,000	12,740,000	$11,685,000	12,740,000
Total	$47,692,340	$45,741,010	$24,145,000	$24,050,000	$71,837,340	$69,791,010

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 at the close of 2004 totaled $60,152,340, which, with amounts available for payment of principal, is less than twenty-nine percent of the maximum legal limit.

During 2004, the City issued new debt for the following amounts and purposes:

City of Eau Claire, Wisconsin
Long-term Debt Issued

Date	Type of Debt	Amount
9/01/2004	General Obligation Corporate Purpose Bonds for streets, stormwater, parks and improvements in Tax Increment Districts	$6,270,000
9/09/2004	Taxable General Obligation Corporate Purpose Bonds for acquisitions	570,000
5/14/2004	State Trust Fund Loan for Communication Center CAD system	180,000
	Total	$7,020,000

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

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

CURRENTLY KNOWN FACTS

In November of 2004, the City Council approved a budget for 2005 based on a levy increase of 3% for new growth, and 3% for cost of living. Since the valuations of new construction absorbed half of the levy increase, the net effect on the property owners was an average 3% rate increase. The 2005 budget continues the phased reductions in personnel and services that were included in the 2004 Budget Blueprint. It appears that the 2006 budget will be impacted by legislative action to freeze tax levies on a statewide basis. Neither are any increases expected in the major state aid programs. On the other hand, labor settlements, health insurance increases, debt service, fuel costs, and public safety issues will drive up the costs of providing municipal services. The challenge facing the City will be to balance limited revenue increases with the citizens' expectations regarding service levels.

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). 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, 2004
(With Comparative Reporting Entity Totals for December 31, 2003)

	Primary Government				Totals Reporting Entity	
	Governmental Activities	Business-Type Activities	Totals	Component Units	2004	2003
ASSETS						
Cash and investments	$ 52,017,379	$ 14,072,096	$ 66,089,475	$ 4,368,957	$ 70,458,432	$ 68,882,381
Taxes receivable	28,003,119	760,037	28,763,156	91,500	28,854,656	27,814,694
Special assessments receivable	6,164,842	1,690,492	7,855,334	-	7,855,334	9,343,007
Notes receivable, net	5,933,021	-	5,933,021	786	5,933,807	5,821,117
Accounts receivable, net	2,377,617	3,186,830	5,564,447	25,326	5,589,773	5,657,817
Interest receivable	372,647	-	372,647	-	372,647	169,255
Due from other governments	1,419,338	1,735,055	3,154,393	-	3,154,393	1,401,669
Due from primary government	-	-	-	54,830	54,830	27,791
Internal balances	6,156,947	(6,156,947)	-	-	-	-
Prepaid items and inventories	935,413	142,484	1,077,897	56,636	1,134,533	750,994
Restricted cash	3,417,854	4,989,466	8,407,320	1,937,573	10,344,893	11,838,563
Advances to component unit	1,680,000	-	1,680,000	-	1,680,000	1,310,000
Deposit in insurance pools	766,496	-	766,496	-	766,496	766,496
Debt issuance costs	144,534	156,883	301,417	-	301,417	288,723
Capital Assets						
Construction in progress	11,666,151	4,069,493	15,735,644	810,919	16,546,563	7,198,665
Land	14,856,651	14,609,237	29,465,888	3,593,310	33,059,198	33,416,157
Other capital assets, net of depreciation	89,635,709	121,516,121	211,151,830	10,261,797	221,413,627	213,090,541
Total Assets	225,547,718	160,771,247	386,318,965	21,201,634	407,520,599	387,777,870
LIABILITIES						
Accounts payable and accrued expenses	3,516,497	1,069,061	4,585,558	155,567	4,741,125	3,247,210
Accrued liabilities	1,620,482	514,727	2,135,209	51,060	2,186,269	2,727,835
Customer deposits	238,453	24,711	263,164	310	263,474	534,873
Due to other governments	77,318	16,265	93,583	-	93,583	43,649
Due to component unit	54,830	-	54,830	-	54,830	27,791
Advances from primary government	-	-	-	1,680,000	1,680,000	1,310,000
Unearned revenues	26,188,042	-	26,188,042	91,500	26,279,542	24,817,133
Deferred amount on refunding	-	(80,031)	(80,031)	-	(80,031)	(89,177)
Unamortized premium	145,814	63,272	209,086	-	209,086	153,070
Noncurrent liabilities						
Due within one year	7,201,812	1,935,119	9,136,931	314,915	9,451,846	8,916,019
Due in more than one year	56,801,960	22,547,258	79,349,218	2,826,269	82,175,487	80,634,984
Total Liabilities	95,845,208	26,090,382	121,935,590	5,119,621	127,055,211	122,323,387
NET ASSETS						
Invested in capital assets, net of related debt	78,197,890	118,330,734	196,528,624	10,755,518	207,284,142	191,006,929
Restricted for:						
Deposits	943,106	-	943,106	-	943,106	930,232
Unspent grant proceeds	381,208	-	381,208	-	381,208	268,110
New loans	24,214	-	24,214	-	24,214	13,722
RCU agreement	315,795	-	315,795	-	315,795	306,300
Debt service payments	-	789,244	789,244	-	789,244	815,494
Equipment replacement	-	707,000	707,000	1,705,231	2,412,231	2,332,179
Development costs	-	-	-	113,000	113,000	113,903
Residual receipts	-	-	-	119,342	119,342	235,077
Unrestricted	49,840,297	14,853,887	64,694,184	3,388,922	68,083,106	69,432,537
Total Net Assets	$ 129,702,510	$ 134,680,865	$ 264,383,375	$ 16,082,013	$280,465,388	$ 265,454,483

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004
(With Comparative Reporting Entity Totals for the Year Ended December 31, 2003)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 7,215,358	$ 2,799,799	$ 41,955	$ 1,750,962
Public safety	20,202,687	3,083,516	750,303	57,458
Public works	11,221,813	118,378	-	3,728,343
Health services	4,175,651	1,602,248	966,021	-
Culture and recreation	7,522,475	1,449,973	24,091	749,940
Development	2,267,591	157,355	1,556,887	-
Miscellaneous	427,892	-	-	-
Interest and fiscal charges	2,054,281	-	-	-
Total Governmental Activities	55,087,748	9,211,269	3,339,257	6,286,703
Business Type Activities				
Water Utility	5,143,065	6,831,621	-	2,921,683
Sewer Utility	5,158,959	5,811,267	-	2,370,025
Storm Water Utility	1,482,635	1,935,282	-	5,187,007
Public Transit	4,103,773	470,600	2,400,631	-
Parking Utility	391,267	218,569	-	-
Hobbs Ice Center	519,838	379,206	-	-
Outdoor Pool	319,825	173,359	-	-
Total Business Type Activities	17,119,362	15,819,904	2,400,631	10,478,715
Total Primary Government	$ 72,207,110	$ 25,031,173	$ 5,739,888	$ 16,765,418
Component Units				
Housing Authority	$ 3,367,820	$ 829,033	$ 2,484,879	$ 206,961
Redevelopment Authority	2,902	-	-	1,143,021
Downtown Business Improvement District	65,277	-	-	-
West Grand Business Improvement District	12,907	-	-	-
Water Street Business Improvement District	7,838	-	-	-
Total Component Units	$ 3,456,744	$ 829,033	$ 2,484,879	$ 1,349,982

General Revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Other taxes
Intergovernmental revenues not restricted to specific programs
Investment income
Gain on sale of capital assets
Miscellaneous
Total General Revenues

Transfers

Change in Net Assets

Net Assets - Beginning of Year (as restated)

NET ASSETS - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets					
Governmental Activities	Business Type Activities	Totals Primary Government	Component Units	Totals Reporting Entity 2004	Totals Reporting Entity 2003
$ (2,622,642)	$ -	$ (2,622,642)	$ -	$ (2,622,642)	$ (2,858,075)
(16,311,410)	-	(16,311,410)	-	(16,311,410)	(15,491,499)
(7,375,092)	-	(7,375,092)	-	(7,375,092)	(5,861,812)
(1,607,382)	-	(1,607,382)	-	(1,607,382)	(1,674,358)
(5,298,471)	-	(5,298,471)	-	(5,298,471)	(7,514,179)
(553,349)	-	(553,349)	-	(553,349)	(1,200,089)
(427,892)	-	(427,892)	-	(427,892)	(421,123)
(2,054,281)	-	(2,054,281)	-	(2,054,281)	(1,791,084)
(36,250,519)	-	(36,250,519)	-	(36,250,519)	(36,812,219)
-	4,610,239	4,610,239	-	4,610,239	2,117,594
-	3,022,333	3,022,333	-	3,022,333	1,114,155
-	5,639,654	5,639,654	-	5,639,654	124,189
-	(1,232,542)	(1,232,542)	-	(1,232,542)	(1,150,152)
-	(172,698)	(172,698)	-	(172,698)	(178,693)
-	(140,632)	(140,632)	-	(140,632)	(163,053)
-	(146,466)	(146,466)	-	(146,466)	(167,115)
-	11,579,888	11,579,888	-	11,579,888	1,696,925
(36,250,519)	11,579,888	(24,670,631)	-	(24,670,631)	(35,115,294)
-	-	-	153,053	153,053	110,946
-	-	-	1,140,119	1,140,119	(279,387)
-	-	-	(65,277)	(65,277)	(59,616)
-	-	-	(12,907)	(12,907)	(10,038)
-	-	-	(7,838)	(7,838)	(27,445)
-	-	-	1,207,150	1,207,150	(265,540)
24,544,716	-	24,544,716	91,000	24,635,716	24,220,863
260,699	-	260,699	-	260,699	364,983
1,349,971	-	1,349,971	-	1,349,971	1,343,124
9,388,956	-	9,388,956	-	9,388,956	10,392,649
2,057,061	308,078	2,365,139	100,187	2,465,326	2,188,031
-	-	-	71,470	71,470	-
-	292,347	292,347	9,901	302,248	302,784
37,601,403	600,425	38,201,828	272,558	38,474,386	38,812,434
454,863	(454,863)	-	-	-	-
1,805,747	11,725,450	13,531,197	1,479,708	15,010,905	3,431,600
127,896,763	122,955,415	250,852,178	14,602,305	265,454,483	262,022,883
$ 129,702,510	$ 134,680,865	$ 264,383,375	$ 16,082,013	$ 280,465,388	$ 265,454,483

CITY OF EAU CLAIRE

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 9,827,209	$ 5,160,431	$ 23,733,221	$ 38,720,861
Receivables				
Taxes	21,155,944	1,642,637	5,121,319	27,919,900
Delinquent personal property taxes	83,219	-	-	83,219
Accounts, net	1,345,589	9,339	854,617	2,209,545
Notes, net	25,000	-	5,908,021	5,933,021
Special assessments	5,951	6,114,968	43,923	6,164,842
Interest	372,647	-	-	372,647
Prepaid items	583,864	-	686	584,550
Due from other funds	274,755	-	-	274,755
Due from other governments	55,964	-	1,350,164	1,406,128
Restricted assets - cash and investments	-	-	3,241,244	3,241,244
Advances to other funds	6,216,345	-	-	6,216,345
Advances to component unit	-	-	1,680,000	1,680,000
TOTAL ASSETS	$ 39,946,487	$ 12,927,375	$ 41,933,195	$ 94,807,057
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 1,114,968	$ -	$ 2,258,824	$ 3,373,792
Accrued liabilities	831,614	-	201,680	1,033,294
Deposits	136,928	-	101,525	238,453
Due to other governments	60,023	-	17,295	77,318
Due to other funds	-	-	165,231	165,231
Due to component unit	42,257	-	12,573	54,830
Deferred revenues	22,075,051	7,766,944	12,185,102	42,027,097
Total Liabilities	24,260,841	7,766,944	14,942,230	46,970,015
Fund Balances				
Reserved	6,384,041	4,929,731	11,790,597	23,104,369
Unreserved, designated	6,323,236	230,700	-	6,553,936
Unreserved, undesignated	2,978,369	-	-	2,978,369
Unreserved, designated reported in nonmajor funds:				
Special revenue funds	-	-	7,362,168	7,362,168
Debt service funds	-	-	393,200	393,200
Capital project funds	-	-	7,445,000	7,445,000
Total Fund Balances	15,685,646	5,160,431	26,990,965	47,837,042
TOTAL LIABILITIES AND FUND BALANCES	$ 39,946,487	$ 12,927,375	$ 41,933,195	$ 94,807,057

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2004

Total fund balance - governmental funds		$ 47,837,042
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	$ 158,885,568	
Accumulated depreciation	(53,797,632)	105,087,936
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 debt		(151,794)
Debt issuance costs on debt		151,441
Amortization of debt issuance costs		(6,907)
Amortization of premium		5,980
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	83,219	
Accounts receivable	1,054,386	
Loan receivable	5,939,688	
Interest on special assessments	340,738	
Special assessments	7,555,965	
Grants receivable	865,059	15,839,055
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.		24,595,522
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	47,692,340	
Vested compensated absences	2,070,171	
Police and fire pension liability	768,995	
Unfunded pension liability	8,702,973	
Duty disability liability	3,884,142	
Accrued interest on general obligation debt	537,144	(63,655,765)
Total net assets - governmental activities		$ 129,702,510

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 20,271,318	$ -	$ 5,892,537	$ 26,163,855
Special assessments	164,703	2,165,216	10,981	2,340,900
Intergovernmental	12,639,795	-	3,263,361	15,903,156
Licenses and permits	1,550,063	-	277,296	1,827,359
Fines, forfeitures and penalties	858,854	-	121,008	979,862
Charges for services	1,776,774	-	335,787	2,112,561
Charges for services - intergovernmental	2,298,766	-	1,724,825	4,023,591
Investment income	845,349	398,220	334,905	1,578,474
Miscellaneous	90,354	35,517	1,834,093	1,959,964
Total Revenues	40,495,976	2,598,953	13,794,793	56,889,722
EXPENDITURES				
Current				
General government	5,871,507	2,618	3,145	5,877,270
Public safety	19,767,848	-	164,589	19,932,437
Public works	7,138,798	-	71,263	7,210,061
Health services	-	-	4,172,111	4,172,111
Culture and recreation	3,865,735	-	3,251,507	7,117,242
Development	-	-	3,022,269	3,022,269
Miscellaneous	427,892	-	-	427,892
Capital Outlay	-	-	12,622,208	12,622,208
Debt Service				
Principal retirement	-	3,018,670	490,000	3,508,670
Interest and fiscal charges	-	1,243,954	748,230	1,992,184
Total Expenditures	37,071,780	4,265,242	24,545,322	65,882,344
Excess (deficiency) of revenues over expenditures	3,424,196	(1,666,289)	(10,750,529)	(8,992,622)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	5,460,000	5,460,000
Transfers from other funds	1,550,145	2,466,683	4,094,374	8,111,202
Transfers to other funds	(5,593,825)	-	(1,666,914)	(7,260,739)
Sale of capital assets	331,870	-	75,715	407,585
Total Other Financing Sources (Uses)	(3,711,810)	2,466,683	7,963,175	6,718,048
Net change in fund balances	(287,614)	800,394	(2,787,354)	(2,274,574)
FUND BALANCES - Beginning of Year	15,973,260	4,360,037	29,778,319	50,111,616
FUND BALANCES - END OF YEAR	$ 15,685,646	$ 5,160,431	$ 26,990,965	$ 47,837,042

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004

Net change in fund balances - total governmental funds	$ (2,274,574)
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.	7,422,246
Developer contributed assets are reported in the government-wide statements	154,979
In the statement of activities, only the gain or loss ($733,692) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets ($407,585) are reported because the proceeds increase financial resources.	(1,141,277)
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.	(2,043,760)
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 2004 that are recognized as deferred revenue in the fund statement and are recognized as revenue in the government-wide statement this year.	1,494,692
Receivables that are not received within 60 days of year end are recorded as deferred revenue on the fund statements but are recognized as revenue when earned in the government-wide statements. This is the amount of revenue recognized on the fund statements that was recognized in the government-wide statement in prior years.	(1,071,985)
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	809,835
Grants receivable	422,224
Interest receivable	340,738
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.	3,508,670

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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.	(5,460,000)
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.	(45,207)
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	(44,221)
Unfunded liability	(286,793)
Duty disability liability	102,069
Permanent disability liability	4,511
Police/fire pension liability	95,641
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.	(13,349)
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	(49,892)
Debt issuance costs on new debt	21,733
Amortization of debt issuance costs	(6,907)
Amortization of premium	5,980
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	(312,861)
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	803,713
Repayment principal on loans and note recognized as revenue on fund statements	(630,458)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 1,805,747

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2004

	Business-type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	$ 3,774,550	$ 8,101,958	$ 1,685,499	$ 700	$ 509,389	$ 14,072,096	$ 13,296,518
Taxes receivable	391,542	319,010	49,485	-	-	760,037	-
Accounts receivable, net	1,233,795	1,187,976	627,667	34,714	102,678	3,186,830	168,072
Due from other governmental units	488,445	797,800	-	448,810	-	1,735,055	13,210
Inventories	134,180	-	-	-	-	134,180	350,863
Prepaid items	8,304	-	-	-	-	8,304	-
Restricted cash and investments	729,422	482,917	-	-	-	1,212,339	-
Total Current Assets	6,760,238	10,889,661	2,362,651	484,224	612,067	21,108,841	13,828,663
Noncurrent assets:							
Restricted cash and investments	896,344	599,900	2,280,883	-	-	3,777,127	176,610
Deposit in insurance pools	-	-	-	-	-	-	766,496
Unamortized issuance costs	80,356	42,159	27,568	-	6,800	156,883	-
Special assessment receivable	796,134	893,108	1,250	-	-	1,690,492	-
Capital assets:							
Construction in progress	25,885	1,217,360	2,826,248	-	-	4,069,493	194,138
Land	284,274	109,339	13,579,770	-	635,854	14,609,237	241,199
Capital assets	64,546,999	61,686,983	29,486,030	5,886,599	8,777,088	170,383,699	18,670,225
Less accumulated depreciation	(15,591,538)	(19,492,043)	(7,622,760)	(2,439,728)	(3,721,509)	(48,867,578)	(8,034,987)
Total Capital Assets (Net of Accumulated Depreciation)	49,265,620	43,521,639	38,269,288	3,446,871	5,691,433	140,194,851	11,070,575
Total Noncurrent Assets	51,038,454	45,056,806	40,578,989	3,446,871	5,698,233	145,819,353	12,013,681
Total Assets	57,798,692	55,946,467	42,941,640	3,931,095	6,310,300	166,928,194	25,842,344

	Business-type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Proprietary Funds	Totals	Governmental Activities - Internal Service Funds
LIABILITIES							
Current liabilities:							
Accounts payable	$ 344,153	$ 442,009	$ 138,223	$ 104,863	$ 39,813	$ 1,069,061	$ 142,705
Accrued payroll and payroll taxes	59,008	50,846	5,300	123,522	11,391	250,067	18,186
Accrued compensated absences	119,519	103,599	1,771	97,675	14,813	337,377	31,858
Other accrued liabilities	-	-	142,321	-	-	142,321	-
Deposits	-	-	-	24,711	-	24,711	-
Due to other governmental units	-	-	-	16,265	-	16,265	-
Due to other funds	-	-	-	80,391	29,133	109,524	-
Current portion of advances	293,816	32,352	-	-	115,000	441,168	-
Current portion of general obligation debt	-	-	485,000	22,742	-	507,742	-
Current portion of unpaid claims	-	-	-	-	-	-	220,000
Liabilities payable from restricted assets:							
Current portion revenue bonds	620,000	470,000	-	-	-	1,090,000	-
Accrued interest	109,422	12,917	-	-	-	122,339	-
Total Current Liabilities	1,545,918	1,111,723	772,615	470,169	210,150	4,110,575	412,749
Noncurrent liabilities:							
Advances from other funds	4,321,272	888,905	-	-	565,000	5,775,177	-
Revenue bonds payable	9,105,000	1,490,000	-	-	-	10,595,000	-
General obligation debt	-	-	11,655,000	297,258	-	11,952,258	-
Unpaid claims	-	-	-	-	-	-	665,151
Deferred amount on refunding	(80,031)	-	-	-	-	(80,031)	-
Unamortized premium on debt	33,289	3,504	26,479	-	-	63,272	-
Total Noncurrent Liabilities	13,379,530	2,382,409	11,681,479	297,258	565,000	28,305,676	665,151
Total Liabilities	14,925,448	3,494,132	12,454,094	767,427	775,150	32,416,251	1,077,900
NET ASSETS							
Invested in capital assets, net of related debt	39,540,620	41,561,639	28,410,171	3,126,871	5,691,433	118,330,734	11,070,575
Restricted for:							
Restricted deposits	-	-	-	-	-	-	943,106
Debt service	613,344	175,900	-	-	-	789,244	-
Equipment replacement	283,000	424,000	-	-	-	707,000	-
Unrestricted (deficit)	2,436,280	10,290,796	2,077,375	36,797	(156,283)	14,684,965	12,750,763
Total Net Assets	$ 42,873,244	$ 52,452,335	$ 30,487,546	$ 3,163,668	$ 5,535,150	134,511,943	$ 24,764,444
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						168,922	
Net assets of business-type activities						$ 134,680,865	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
Operating revenues:							
Charges for services	$ 6,831,621	$ 5,811,267	$ 1,935,282	$ 470,600	$ 771,134	$ 15,819,904	$ 1,942,211
Rental of equipment	-	-	-	-	-	-	1,953,050
Other	14,792	21,446	-	161,449	94,660	292,347	274,583
Total operating revenues	6,846,413	5,832,713	1,935,282	632,049	865,794	16,112,251	4,169,844
Operating expenses:							
Personal services	1,629,995	1,765,776	197,947	2,043,168	504,080	6,140,966	681,011
Contractual services	443,413	922,148	60,414	1,190,939	125,689	2,742,603	385,879
Supplies and materials	248,072	365,170	12,228	284,970	92,048	1,002,488	574,282
Utilities	318,794	337,521	320	7,165	212,836	876,636	142,007
Depreciation	1,333,351	1,170,867	382,231	564,214	272,755	3,723,418	1,212,199
Administrative	371,357	426,078	300,553	-	-	1,097,988	-
Claims	-	-	-	-	-	-	1,139,352
Total operating expenses	4,344,982	4,987,560	953,693	4,090,456	1,207,408	15,584,099	4,134,730
Operating income (loss)	2,501,431	845,153	981,589	(3,458,407)	(341,614)	528,152	35,114
Non-operating revenues (expenses):							
Operating grants	-	-	-	2,400,631	-	2,400,631	-
Investment income	110,120	144,729	53,229	-	-	308,078	72,645
Net gain (loss) on disposal of fixed assets	287	(37,286)	-	-	-	(36,999)	(22,005)
Interest expense	(792,536)	(128,244)	(527,987)	(14,103)	(21,922)	(1,484,792)	-
Amortization	(6,621)	(7,180)	(1,086)	-	(1,600)	(16,487)	-
Total non-operating revenue (expenses)	(688,750)	(27,981)	(475,844)	2,386,528	(23,522)	1,170,431	50,640
Income (loss) before transfers	1,812,681	817,172	505,745	(1,071,879)	(365,136)	1,698,583	85,754
Transfers from other funds	-	-	-	627,355	354,554	981,909	-
Transfers to other funds	(1,131,399)	(204,882)	(100,491)	-	-	(1,436,772)	(395,600)
Total transfers	(1,131,399)	(204,882)	(100,491)	627,355	354,554	(454,863)	(395,600)
Income (loss) before contributions	681,282	612,290	405,254	(444,524)	(10,582)	1,243,720	(309,846)
Capital contributions	2,921,683	2,370,025	5,187,007	-	-	10,478,715	-
Change in net assets	3,602,965	2,982,315	5,592,261	(444,524)	(10,582)	11,722,435	(309,846)
Net assets at beginning of year (as restated)	39,270,279	49,470,020	24,895,285	3,608,192	5,545,732		25,074,290
Net assets at end of year	$ 42,873,244	$ 52,452,335	$ 30,487,546	$ 3,163,668	$ 5,535,150		$ 24,764,444
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						3,015	
Change in net assets of business-type activities						$ 11,725,450	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES							
Cash received from customers	$6,986,743	$5,912,434	$1,655,362	$ 1,322,055	$ 817,510	$16,694,104	$ 4,085,217
Cash paid to suppliers for goods and services	(1,255,018)	(1,725,451)	(110,844)	(2,306,523)	(397,065)	(5,794,901)	(1,448,739)
Cash paid to employees for services	(1,629,995)	(1,765,776)	(197,947)	(2,043,168)	(506,885)	(6,143,771)	(681,011)
Claims paid	-	-	-	-	-	-	(871,639)
Repayment of insurance claims	-	-	-	-	-	-	93,659
Administrative charges	(282,624)	(349,176)	(286,260)	-	-	(918,060)	-
Net Cash Flows From (Used By) Operating Activities	3,819,106	2,072,031	1,060,311	(3,027,636)	(86,440)	3,837,372	1,177,487
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating grants received	-	-	-	2,400,631	-	2,400,631	-
Principal paid on advances from other funds	(275,389)	(30,165)	-	-	(100,000)	(405,554)	-
Interest paid on advances from other funds	(359,245)	(68,978)	-	-	(21,922)	(450,145)	-
Transfers from other funds	-	-	-	627,355	354,554	981,909	-
Transfers to other funds	(1,131,399)	(204,882)	(100,491)	-	-	(1,436,772)	(395,600)
Net Cash Flows From (Used By) Noncapital Financing Activities	(1,766,033)	(304,025)	(100,491)	3,027,986	232,632	1,090,069	(395,600)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income	110,120	144,729	53,229	-	-	308,078	72,645
Net Cash Flows From Investing Activities	110,120	144,729	53,229	-	-	308,078	72,645
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES							
Debt issued	-	-	1,560,000	-	-	1,560,000	-
Debt issuance costs	-	-	(14,354)	-	-	(14,354)	-
Premium on bonds issued	-	-	16,524	-	-	16,524	-
Debt retired	(600,000)	(455,000)	(410,000)	-	-	(1,465,000)	-
Special assessments received	479,478	636,624	-	-	-	1,116,102	-
Interest paid	(441,041)	(63,045)	(518,044)	-	-	(1,022,130)	-
Capital contributions	185,651	297,781	252,523	-	-	735,955	-
Acquisition and construction of capital assets	(1,770,413)	(1,549,162)	(1,994,879)	-	(106,096)	(5,420,550)	(1,082,491)
Proceeds from sale of equipment	32,020	-	-	-	-	32,020	88,195
Net Cash Flows From (Used By) Capital and Related Financing Activities	(2,114,305)	(1,132,802)	(1,108,230)	-	(106,096)	(4,461,433)	(994,296)
Net Increase (Decrease) in Cash and Cash Equivalents	48,888	779,933	(95,181)	350	40,096	774,086	(139,764)
CASH AND CASH EQUIVALENTS - Beginning of Year	5,351,428	8,404,842	4,061,563	350	469,293	18,287,476	13,612,892
CASH AND CASH EQUIVALENTS - END OF YEAR	$5,400,316	$9,184,775	$3,966,382	$ 700	$ 509,389	$19,061,562	$ 13,473,128
RECONCILIATION OF CASH AND CASH EQUIVALENTS							
Cash and Cash Equivalents per Statement of Net Assets	$3,774,550	$8,101,958	$1,685,499	$ 700	$ 509,389	$14,072,096	$ 13,296,518
Restricted Cash and Investments							
Current	729,422	482,917	-	-	-	1,212,339	-
Noncurrent	896,344	599,900	2,280,883	-	-	3,777,127	176,610
Cash and Cash Equivalents Per Statement of Cash Flows	$5,400,316	$9,184,775	$3,966,382	$ 700	$ 509,389	$19,061,562	$ 13,473,128

	Business-type Activities - Enterprise Funds						
	Water Utility	Sewer Utility	Storm Water Utility	Public Transit	Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES							
Operating income (loss)	$2,501,431	$ 845,153	$ 981,589	$(3,458,407)	$(341,614)	$ 528,152	$ 35,114
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities							
Noncash items included in income							
Depreciation	1,333,351	1,170,867	382,231	564,214	272,755	3,723,418	1,212,199
Depreciation charged to other accounts	86,298	893	-	-	-	87,191	-
Change in assets and liabilities							
Taxes receivable	95,870	160,583	2,496	-	-	258,949	-
Accounts receivable	(48,319)	(81,755)	(282,416)	35,968	(48,284)	(424,806)	8,886
Due from other governments	-	-	-	653,200	-	653,200	-
Due from other funds	-	-	-	-	-	-	146
Inventories	(25,202)	-	-	-	-	(25,202)	(3,092)
Prepayments	(875)	-	-	-	-	(875)	-
Accounts payable	(107,582)	(5,310)	(24,831)	41,295	8,871	(87,557)	(41,805)
Due to other funds	-	-	-	(834,087)	29,133	(804,954)	(740)
Deposits	-	-	-	838	-	838	-
Accrued liabilities	(15,866)	(18,400)	1,242	(30,657)	(7,301)	(70,982)	(14,982)
Unpaid claims	-	-	-	-	-	-	(18,239)
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	$3,819,106	$2,072,031	$1,060,311	$(3,027,636)	$ (86,440)	$ 3,837,372	$ 1,177,487

Non-cash capital, investing & financing activities:

The water, sewer and storm water utilities received non-cash contributions of capital assets of $1,412,128, $2,408,069 and $5,204,757, respectively.

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
December 31, 2004

	Tax Collection Agency Fund
ASSETS	
Cash and investments	$ 11,430,779
Taxes receivable	46,755,875
Total Assets	58,186,654
LIABILITIES	
Due to other taxing units	58,186,654
Total Liabilities	58,186,654
NET ASSETS	$ -

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS
COMPONENT UNITS
December 31, 2004

	Housing Authority	Other Component Units	Totals
ASSETS			
CURRENT ASSETS			
Cash and short term investments	$ 2,338,844	$ 2,030,113	$ 4,368,957
Receivables:			
Taxes	-	91,500	91,500
Notes receivable	-	786	786
Accounts, net	25,326	-	25,326
Due from primary government	54,830	-	54,830
Prepaid items	56,636	-	56,636
Total Current Assets	2,475,636	2,122,399	4,598,035
NONCURRENT ASSETS			
Restricted assets - cash and investments	1,937,573	-	1,937,573
Land	1,315,404	2,277,906	3,593,310
Construction in progress	-	810,919	810,919
Capital assets	15,518,466	-	15,518,466
Less: accumulated depreciation	(5,256,669)	-	(5,256,669)
Total Noncurrent Assets	13,514,774	3,088,825	16,603,599
Total Assets	$ 15,990,410	$ 5,211,224	$ 21,201,634
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 24,356	$ 29,957	$ 54,313
Accrued liabilities	75,252	-	75,252
Other liabilities	101,254	-	101,254
Deposits	-	310	310
Deferred revenue	-	91,500	91,500
Current portion of long-term debt	290,723	-	290,723
Total Current Liabilities	491,585	121,767	613,352
NONCURRENT LIABILITIES			
Advances from primary government	-	1,680,000	1,680,000
Housing projects notes and bonds	1,368,259	-	1,368,259
Revenue bonds payable	110,000	-	110,000
Notes payable	34,052	-	34,052
Other loans payable	1,313,958	-	1,313,958
Total Noncurrent Liabilities	2,826,269	1,680,000	4,506,269
Total Liabilities	3,317,854	1,801,767	5,119,621
NET ASSETS			
Invested in capital assets, net of related debt	8,460,209	2,295,309	10,755,518
Restricted for:			
Replacement	1,705,231	-	1,705,231
Development costs	113,000	-	113,000
Residual receipts	119,342	-	119,342
Unrestricted	2,274,774	1,114,148	3,388,922
Total Net Assets	$ 12,672,556	$ 3,409,457	$ 16,082,013

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended December 31, 2004

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Housing Authority	Nonmajor Component Units	Totals
Housing Authority							
Housing projects	$ 3,367,820	$ 829,033	$ 2,484,879	$ 206,961	$ 153,053	$ -	$ 153,053
Nonmajor Component Units	88,924	-	-	1,143,021	-	1,054,097	1,054,097
Total Component Units	$ 3,456,744	$ 829,033	$ 2,484,879	$ 1,349,982			
General revenues:							
Property taxes					-	91,000	91,000
Investment income					93,556	6,631	100,187
Gain on sale of capital assets					71,470	-	71,470
Miscellaneous					-	9,901	9,901
Total general revenues					165,026	107,532	272,558
Change in net assets					318,079	1,161,629	1,479,708
Net assets - beginning of year (as restated)					12,354,477	2,247,828	14,602,305
Net assets - end of year					$ 12,672,556	$ 3,409,457	$ 16,082,013

See accompanying notes to financial statements.

Notes to Financial Statements

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

CITY OF EAU CLAIRE

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December 31, 2004

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NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

This report includes all of the funds 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. A legally separate organization should be reported as a component unit if the elected official of the primary government is financially accountable to the organization. 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. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that 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.J. 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, 2004. 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.

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

A. *REPORTING ENTITY* (cont.)

Discretely Presented Component Units (cont.)

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.J. 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, 2004. Separately issued financial statements of the RDA of the City of Eau Claire may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Business Improvement Districts (BIDs)

The government-wide financial statements include the 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.J. 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, 2004. Separate financial statements are not issued by the Business Improvement Districts.

B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

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.

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

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

Government-Wide Financial Statements (cont.)

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.

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.

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

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

Fund Financial Statements (cont.)

The City reports the following major governmental funds:

General Fund – accounts for the City's primary operating activities. It is used to account for 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.

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
Former Landfill Escrow

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

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

Fund Financial Statements (cont.)

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- Debt Service – TIF #4
- Debt Service – TIF #6

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 #7 Soo Line Development
- TIF #8 Downtown Development
- Street Projects
- Bridge Projects
- Buildings and Equipment
- Parks and Recreation Projects
- Environmental Improvements – Landfill
- Library Buildings and Equipment

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.
- Parking Utility
- Hobbs Ice Center
- Outdoor Pool

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

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

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

Government-Wide Financial Statements

The government-wide statement of net 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.

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.

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

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

Fund Financial Statements (cont.)

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.

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

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

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

Fund Financial Statements (cont.)

The enterprise 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 January 1, 1998. Current storm water utility rates were approved by the City council on November 18, 2003.

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

D. *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.

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

1. Deposits and Investments (cont.)

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.

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, 2004, 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:

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

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

1. *Deposits and Investments* (cont.)

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.A. 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.

Property tax calendar – 2004 tax roll:

Lien date and levy date	December 2004
Tax bills mailed	December 2004
Payment in full, or	January 31, 2005
First installment due	January 31, 2005
Second installment due	July 31, 2005
Personal property taxes in full	January 31, 2005
Tax sale – 2004 delinquent real estate taxes	October 2007

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.

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

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

2. Receivables (cont.)

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".

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 $88,000.

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.

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

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

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 $176,610. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

5. Capital Assets

Government –Wide Statements

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, 2004, the City has retroactively reported all network infrastructure acquired by its governmental fund types.

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

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

5. *Capital Assets* (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. $30,700 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, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. *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.

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

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

7. *Compensated Absences*

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. 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, 2004 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 $4,085,000, made up of two issues.

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.

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

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

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.

11. Comparative Data/Reclassifications

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

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.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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. All annual appropriations lapse at year end.

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

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

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

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

A. *BUDGETARY INFORMATION* (cont.)

The City council approved proposed 2004 budgets for governmental and proprietary funds on November 18, 2003.

During 2004, additional appropriations were approved in the General, Cemetery Maintenance, Hazardous Materials, Economic Development, and City-County Health Department Funds. A summary of these council actions follows:

	General Fund	Cemetery Maintenance	Hazardous Materials	Economic Development	City – Co. Health Dept.
Original appropriation	$ 44,796,200	$ 398,400	$ 242,900	$ 667,200	$ 3,622,700
Carry over of appropriations	175,200	-	-	-	27,700
Grants & donations	196,800	-	12,100	5,500	252,700
Loans	-	-	-	381,800	-
Other	(5,500)	8,800	-	25,000	(2,900)
Final appropriation	$ 45,162,700	$ 407,200	$ 255,000	$ 1,079,500	$ 3,900,200

B. *EXCESS EXPENDITURES OVER APPROPRIATIONS*

Budgeted expenditures in the Debt Service TIF #6 fund (including amendments) were $106,000. Total expenditures were $107,914. This results in excess expenditures of $1,914.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. *DEPOSITS AND INVESTMENTS*

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

Per statement of net assets	$ 66,089,475
Per statement of net assets - restricted	8,407,320
Per statement of net assets – fiduciary funds	11,430,779
Total	$ 85,927,574

Total cash and investments consist of the following:

Petty cash and cash on hand	$ 4,485
Deposits with financial institutions	33,239,809
Investments	52,683,280
Total Cash and Investments	$ 85,927,574

See Note III.J. for component unit information.

DEPOSITS

At December 31, 2004, the carrying amount of the City's deposits was $33,239,809 and the bank balance was $37,182,479. 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 $37,082,479 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 uninsured balances during the year significantly exceeding uninsured amounts at year end.

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	$ -	$52,127,730	$ -	$ 52,127,730
Local government investment pool				378,940
Wisconsin Mutual Insurance Co. (pooled funds)				176,610
Total Investments				$ 52,683,280

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

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:

Governmental Activities Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
General	$ 23,044,314	$ -	$ 23,044,314	$ 139,045
Debt Service - General	7,766,944	-	7,766,944	5,239,564
Nonmajor Funds	13,402,878	124,834	13,278,044	6,266,739
Internal Service Funds	181,282	-	181,282	10,906

Business-Type Activities Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	$ 2,909,916	$ -	$ 2,909,916	$ 1,262,953
Sewer Utility	3,197,894	-	3,197,894	1,673,449
Storm Water Utility	679,552	1,150	678,402	9,709
Public Transit	483,524	-	483,524	-
Nonmajor Funds	102,678	-	102,678	14,780

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

B. *RECEIVABLES* (cont.)

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	$ -	$ 26,188,042	$26,188,042
Delinquent property taxes receivable	83,219	-	83,219
Accounts receivable	1,054,386	-	1,054,386
Loans receivable	5,939,688	-	5,939,688
Special assessments not yet due	7,896,703	-	7,896,703
Grant receivable	865,059	-	865,059
Total Deferred/Unearned Revenue for Governmental Funds	$ 15,839,055	$ 26,188,042	$ 42,027,097

Notes Receivable

At December 31, 2004 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 $2,654,389 at December 31, 2004, with maturities to the year 2018. These loans include $765,779 for four small industry and economic development loans and $1,888,610 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 258 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.

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

C. *RESTRICTED ASSETS*

The following represent the balances of the restricted assets:

Long Term Debt Accounts

Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.

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, 2004:

Restricted Assets	Governmental Activities	Business-Type Activities
Redemption account	$ -	$ 2,001,583
Replacement account	-	707,000
TID #5 construction account	1,002,759	-
TID #7 construction account	330,716	-
TID #8 construction account	1,907,769	-
Stormwater construction account	-	2,280,883
Insurance claims account	176,610	-
Total Restricted Assets	3,417,854	4,989,466
Less: Restricted Assets Not Funded by Revenues Construction accounts	(3,241,244)	(2,280,883)
Less: Current Liabilities Payable From Restricted Assets	-	(1,212,339)
Less: Insurance claims account	(176,610)	-
Total Restricted Net Assets as Reported	$ -	$ 1,496,244

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

D. *CAPITAL ASSETS*

Capital asset activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Construction in progress	$ 634,125	$11,555,332	$ 523,306	$ 11,666,151
Land	15,229,562	70,400	443,311	14,856,651
Total Capital Assets Not Being Depreciated	$ 15,863,687	$11,625,732	$ 966,617	$ 26,522,802
Capital Assets Being Depreciated:				
Land improvements	$ 2,265,578	$ 64,326	$ 4,888	$ 2,325,016
Buildings	18,820,256	102,386	466,646	18,455,996
Machinery and equipment	24,693,834	1,794,815	3,186,035	23,302,614
Infrastructure	107,368,002	16,700	-	107,384,702
Total Capital Assets Being Depreciated	153,147,670	1,978,227	3,657,569	151,468,328
Less: Accumulated Depreciation for:				
Land improvements	535,452	137,731	-	673,183
Buildings	8,438,097	481,537	91,652	8,827,982
Machinery and equipment	12,601,041	2,104,381	3,034,618	11,670,804
Infrastructure	37,314,430	3,346,220	-	40,660,650
Total Accumulated Depreciation	58,889,020	6,069,869	3,126,270	61,832,619
Capital Assets, Being Depreciated, Net	$ 94,258,650	$ (4,091,642)	$ 531,299	$ 89,635,709

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

D. *CAPITAL ASSETS* (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 233,709
Public safety	599,831
Public works, which includes the depreciation of infrastructure	3,961,935
Health and human services	25,015
Culture, recreation, and education	1,248,522
Development	857
Total Governmental Activities Depreciation Expense	$ 6,069,869

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets Not Being Depreciated:				
Construction in progress	$ 4,069,493	$ -	$ -	$ 4,069,493
Land	14,573,737	35,500	-	14,609,237
Total Capital Assets Not Being Depreciated	$ 18,643,230	$ 35,500	$ -	$ 18,678,730
Other Capital Assets				
Completed construction not classified	$ 2,495,047	$ 4,859,768	$ -	$ 7,354,815
Improvements	2,242,827	79,845	57,489	2,265,183
Buildings	30,046,229	67,122	57,375	30,055,976
Distribution and collection systems	106,933,271	9,227,668	188,337	115,972,602
Source of supply system	889,335	-	-	889,335
Machinery and equipment	13,813,238	32,550	-	13,845,788
Total Capital Assets Being Depreciated	156,419,947	14,266,953	303,201	170,383,699

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

D. *CAPITAL ASSETS* (cont.)

Less: Accumulated depreciation for:	Beginning Balance	Additions	Deletions	Ending Balance
Completed construction not classified	$ -	$ 66,455	$ -	$ 66,455
Improvements	943,669	79,893	57,489	966,073
Buildings	12,254,896	746,876	20,089	12,981,683
Distribution and collection systems	25,322,276	1,986,538	156,604	27,152,210
Source of supply system	560,689	23,987	-	584,676
Machinery and equipment	6,209,621	906,860	-	7,116,481
Total Accumulated Depreciation	45,291,151	3,810,609	234,182	48,867,578
Total capital assets, being depreciated, net	$ 111,128,796	$ 10,456,344	$ 69,019	$ 121,516,121

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	$ 1,333,351
Sewer	1,170,867
Storm Water	382,231
Public Transit	564,214
Parking Utility	151,440
Hobbs Ice Center	73,576
Outdoor Pool	47,739
Other	87,191
Total Business – Type Activities Depreciation Expense	$ 3,810,609

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:

Receivable Fund	Payable Fund	Amount
General fund	Special Revenue – Public Library	$ 5,294
General fund	Special Revenue – City-County Health	12,432
General fund	Special Revenue – Community Enhancement	71,547
General fund	Special Revenue – Home Grant	75,958
General fund	Enterprise – Public Transit	80,391
General fund	Enterprise – Hobbs Ice Center	29,133
Subtotal – Fund financial statements		274,755
Less: Fund eliminations		(165,231)
Total interfunds		109,524
Interfund advances		6,216,345
Adjustment to reflect internal service fund activities related to enterprise funds		(168,922)
Total – Government-Wide Statement of Net Assets		$ 6,156,947

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 is 7.25%. The rate being charged to the outdoor pool is 2.875% – 3.35%.

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

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

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General fund	Water Utility	$ 4,615,088	$ 4,321,272
General fund	Sewer Utility	921,257	888,905
General fund	Outdoor Pool	680,000	565,000
Total – Government-Wide Statement of Net Assets and Financial Statements		$ 6,216,345	$ 5,775,177

The principle purpose of the advances is 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:

Years	Advances Principal	Advances Interest	Totals
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	551,186	306,271	857,457
2010 – 2014	2,301,169	1,039,951	3,341,120
2015 – 2019	1,344,879	285,485	1,630,364
2020	92,442	6,702	99,144
Totals	$ 6,216,345	$ 3,167,049	$ 9,383,394

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
General fund	Community Enhancement	$ 62,900	To fund general fund special events
	Community Development	2,088	Fund after school program
	Community Development	29,287	To fund community liaison
	Community Development	19,098	To fund coalition for youth
	Water Utility	1,131,399	Payment in lieu of tax
	Sewer Utility	175,000	To pay back contributed capital
	Sewer Utility	29,882	Payment in lieu of tax
	Storm Water Utility	691	Payment in lieu of tax
	Storm Water Utility	99,800	Fund street cleaning costs
Special Revenue			
Economic Development	Industrial Development	105,735	To close out fund
Cemetery Maintenance	General fund	236,288	Operating subsidy
Downtown Partners	Economic Development	84,700	Operating subsidy
City-County Health	Community Development	70,866	Fund code enforcement project
Debt Service	General fund	2,333,628	Debt service payments
	Public Library	133,055	Debt service payments
Capital Projects			
Buildings and Equipment	General fund	968,000	Fund various projects
Buildings and Equipment	Community Development	131,420	Fund comprehensive plan
Street Projects	General fund	1,074,000	Subsidize street projects
Street Projects	Community Development	679	Fund tree planting
Parks and Recreation	Community Enhancement	218,400	Fund park development projects
Parks and Recreation	Community Development	5,886	Fund Forest and Lakeshore Park projects
TID #8 Downtown Development	Economic Development	200,000	Fund public parking
TID #8 Downtown Development	Street Projects	500,000	Fund street improvements
TID #8 Downtown Development	Risk Management	300,600	Debt service payments
Library Buildings and Equipment	Public Library	102,800	Fund facility improvements
Environmental Improvement	Risk Management	95,000	Fund environmental projects

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

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

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Enterprise			
Parking Utility	General fund	$ 65,000	Subsidize parking ramp renovations
Public Transit	General fund	620,245	Operating subsidy
Public Transit	General fund	7,110	Subsidize facility improvements
Hobbs Ice Center	General fund	27,115	Operating subsidy
Hobbs Ice Center	General fund	48,000	Subsidize facilities improvements
Outdoor Pool	General fund	179,939	Operating subsidy/debt payments
Outdoor Pool	General fund	34,500	Subsidize facility improvements
Subtotal – Fund Financial Statements		9,093,111	
Less: Fund eliminations		(8,638,248)	
Total – Government-Wide Statement of Activities		$ 454,863	

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.

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable:					
General obligation bonds	$ 45,670,000	$ 5,280,000	$ 3,485,000	$ 47,465,000	$ 3,755,000
State trust fund notes	71,010	180,000	23,670	227,340	57,832
Sub-total	45,741,010	5,460,000	3,508,670	47,692,340	3,812,832
Other Liabilities					
Vested compensated absences	2,025,950	2,717,135	2,672,914	2,070,171	2,070,171
Police and fire pensions	864,636	-	95,641	768,995	142,897
State retirement fund	8,416,180	613,207	326,414	8,702,973	564,631
Duty disability	3,990,722	282,651	389,231	3,884,142	391,281
Unpaid self-insurance claims	903,390	806,701	824,940	885,151	220,000
Total Other Liabilities	16,200,878	4,419,694	4,309,140	16,311,432	3,388,980
Total Governmental Activities Long-Term Liabilities	$ 61,941,888	$ 9,879,694	$ 7,817,810	$ 64,003,772	$ 7,201,812
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
General obligation bonds	$ 10,990,000	$ 1,560,000	$ 410,000	$ 12,140,000	$ 485,000
State trust fund notes	320,000	-	-	320,000	22,742
Revenue bonds	12,740,000	-	1,055,000	11,685,000	1,090,000
Sub-total	24,050,000	1,560,000	1,465,000	24,145,000	1,597,742
Other Liabilities:					
Vested compensated absences	348,603	419,000	430,226	337,377	337,377
Total Business-Type Activities Long-Term Liabilities	$ 24,398,603	$ 1,979,000	$ 1,895,226	$ 24,482,377	$ 1,935,119

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, 2004, was $177,313,850. Total general obligation debt outstanding at year end was $60,152,340.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted-ness	Balance 12-31-04
Governmental Activities					
General Obligation Bonds					
Corporate purpose	09/01/96	04/01/07	4.8-5.1%	$ 2,950,000	$ 885,000
Tax incremental bonds	09/01/96	04/01/16	4.8-5.5%	3,000,000	2,175,000
Corporate purpose	08/01/97	04/01/17	4.9-5.35%	5,185,000	2,850,000
Tax incremental bonds	08/01/97	04/01/17	4.9-5.35%	5,815,000	4,460,000
Corporate purpose	09/15/98	04/01/18	4.45-4.5%	6,650,000	4,470,000
Corporate purpose	09/01/99	04/01/19	4.65-5.5%	6,450,000	3,965,000
Tax incremental bonds	09/01/99	04/01/16	4.65-5.5%	395,000	335,000
Corporate purpose	08/01/00	04/01/20	5.0-5.5%	4,730,000	3,620,000
Tax incremental bonds	08/08/00	04/01/20	5.0-5.5%	1,780,000	1,685,000
Corporate purpose	08/15/01	04/01/21	4.13-5.0%	8,700,000	7,380,000
Corporate purpose	08/27/02	10/01/15	2.85-3.875%	4,120,000	3,045,000
Corporate purpose	08/27/02	10/01/22	3.7-4.7%	3,700,000	3,215,000
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	9,565,000
Corporate purpose	09/15/03	04/01/14	3.5-3.75%	4,405,000	4,215,000
Corporate purpose	09/01/04	04/01/14	3.5-3.625%	6,270,000	6,270,000
Tax incremental bonds	09/09/04	04/01/14	6.28%	570,000	570,000
			Subtotal		59,605,000
Less: Enterprise portion of G.O. Bonds					(12,140,000)
Total– Bonds					47,465,000

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

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

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted-ness	Balance 12-31-04
Governmental Activities					
State trust fund note	01/15/87	03/15/06	7.25%	$ 450,000	$ 47,340
State trust fund note	05/14/04	03/15/09	4%	180,000	180,000
Total Governmental Activities – General Obligation Debt					$ 47,692,340
Business-Type Activities General Obligation Debt					
State trust fund note	08/27/03	3/15/13	4.5%	$ 320,000	$ 320,000
Plus: Enterprise portion of G.O.Bonds					12,140,000
Total Business-Type Activities General Obligation Debt					12,460,000
Total General Obligation Debt					$ 60,152,340

Debt service requirements to maturity are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
Years	Principal	Interest	Principal	Interest
2005	$ 3,812,832	$ 2,046,471	$ 507,742	$ 576,197
2006	3,743,015	1,872,568	536,696	541,142
2007	3,975,719	1,708,887	563,122	517,692
2008	3,502,140	1,553,547	589,584	492,854
2009	3,663,634	1,403,334	621,168	466,497
2010 – 2014	15,710,000	4,889,357	3,601,688	1,873,487
2015 – 2019	9,305,000	1,936,998	4,105,000	955,634
2020 – 2024	3,980,000	351,459	1,935,000	156,160
Totals	$ 47,692,340	$ 15,762,621	$ 12,460,000	$ 5,579,663

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, 2004 consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted-ness	Balance 12-31-04
Water Utility					
Revenue bonds	09/01/96	10/01/10	5-5.5%	$ 1,000,000	$ 615,000
Revenue bonds	08/01/97	10/01/16	5.15-5.4%	3,500,000	2,760,000
Revenue bonds	08/15/01	10/01/16	4-4.8%	4,615,000	4,225,000
Revenue bonds	09/15/03	10/01/14	2.5-4.3%	2,310,000	2,125,000
				Total Water Utility	9,725,000
Sewer Utility					
Revenue bonds	08/27/02	10/01/08	2.5-3.0%	$ 2,845,000	1,960,000
				Total Sewer Utility	1,960,000
Total Business-type Activities Revenue Debt					$ 11,685,000

Debt service requirements to maturity are as follows:

	Business-Type Activities Revenue Debt		
Years	Principal	Interest	Totals
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	730,000	328,781	1,058,781
2010 – 2014	4,215,000	1,125,621	5,340,621
2015 – 2017	2,130,000	166,625	2,296,625
Totals	$ 11,685,000	$ 3,351,593	$ 15,036,593

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

J. *COMPONENT UNITS* (cont.)

e. Capital asset activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 1,293,404	$ 22,000	$ -	$ 1,315,404
Other Capital Assets				
Land and building improvements	$ 1,172,515	$ 9,565	$ 2,600	$ 1,179,480
Buildings	13,119,737	468,752	-	13,588,489
Machinery and equipment	759,777	18,191	27,471	750,497
Total Capital Assets Being Depreciated	15,052,029	496,508	30,071	15,518,466
Less: Accumulated depreciation for:				
Land and building improvements	309,609	53,246	2,600	360,255
Buildings	4,200,175	325,683	-	4,525,858
Machinery and equipment	344,103	50,718	24,265	370,556
Total Accumulated Depreciation	4,853,887	429,647	26,865	5,256,669
Net Other Capital Assets	$ 10,198,142	$ 66,861	$ 3,206	$ 10,261,797

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

J. *COMPONENT UNITS* (cont.)

f. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable:					
Revenue bonds	$ 150,000	$ -	$ 20,000	$ 130,000	$ 20,000
Mortgage notes	1,875,837	-	244,268	1,631,569	263,310
Other loans/notes	938,625	213,237	7,057	1,355,423	7,413
Subtotal	2,964,462	213,237	271,325	3,116,992	290,723
Other Liabilities:					
Vested compensated absences	24,192	56,001	37,693	42,500	42,500
Total Long-Term Liabilities	$ 2,988,654	$ 269,238	$ 309,018	$ 3,159,492	$ 333,223

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

Revenue debt payable at December 31, 2004 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.	$ 130,000
Total Revenue Debt	$ 130,000

Debt service requirements to maturity are as follows:

	Principal	Interest
2005	$ 20,000	$ 6,825
2006	20,000	5,775
2007	20,000	4,725
2008	20,000	3,675
2009	25,000	2,625
2010	25,000	1,313
Totals	$ 130,000	$ 24,938

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

J. COMPONENT UNITS (cont.)

i. 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.

j. 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.

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

J. COMPONENT UNITS (cont.)

k. 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 $681,872 during 2004.

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.

l. 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.

m. 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.

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

J. *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 $1,983,641 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. Advance from Primary Government

The City of Eau Claire advanced the RDA $1,310,000 in 2003 and $370,000 in 2004 for a total advance of $1,680,000. Currently, the City is not charging interest on the advance. Repayment of the loan is based on the sale of the related property. No amount is expected to be repaid in 2005.

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

J. *COMPONENT UNITS* (cont.)

d. Capital Assets

Capital asset held for resale activity for the year ended December 31, 2004 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 2,277,906	$ -	$ -	$ 2,277,906
Construction in progress	41,548	769,371	-	810,919
Total Capital Assets Not Being Depreciated	$ 2,319,454	$ 769,371	$ -	$ 3,088,825

e. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2004 was as follows:

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

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

J. *COMPONENT UNITS* (cont.)

f. Net Assets

Net assets reported on the statement of net assets at December 31, 2004 includes the following:

Invested in capital assets, net of related debt		
Land	$	2,277,906
Construction in progress		810,919
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds		(793,516)
Total Invested in Capital Assets, net of related debt		2,295,309
Unrestricted		1,069,934
Total Net Assets	$	3,365,243

g. 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.

h. 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.

i. 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.

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

J. 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	$ 16,929
West Grand	$ 5,501
Water Street	$ 24,042

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

K. 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 unless the TIDs are amended. 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.

	Effective Date	Amended Date	Expenditure Deadline	Termination Year
TID No. 4	1992	N/A	2002	03/25/2003
TID No. 5	1997	09/23/03	09/23/06	10/08/2020
TID No. 6	1997	N/A	01/28/04	01/28/2020
TID No. 7	1997	02/24/04	02/24/07	03/17/2020
TID No. 8	2002	N/A	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, 2004.

Project Costs	TIF #4	TIF #5	TIF #6	TIF #7	TIF #8
Capital expenditures	$ 7,060,286	$ 2,617,800	$ 1,130,255	$ 1,267,421	$ 4,347,837
Interest and fiscal charges	2,635,104	854,886	366,517	602,793	345,418
Bond issuance costs	62,670	4,880	2,160	5,710	5,200
Total project costs	9,758,060	3,477,566	1,498,932	1,875,924	4,698,455
Project Revenues					
Tax increments	8,809,213	1,493,765	648,606	340,856	5,222
Interest income and misc. revenue	1,424,256	268,532	86,055	266,619	292,072
Special assessments revenue	-	-	166,845	-	-
Total revenue	10,233,469	1,762,297	901,506	607,475	297,294
Net recoverable costs (refundable)	$ (475,409)	$ 1,715,269	$ 597,426	$ 1,268,449	$ 4,401,161

NOTE IV – OTHER INFORMATION

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, 2004 was $30,082,163; the employer's total payroll was $31,296,364. The total required contribution for the year ended December 31, 2004 was $4,354,298 or 14.5 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, 2003 and 2002 were $3,964,853 and $3,842,361, 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, 2004, was $8,702,973. 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.

NOTE IV – OTHER INFORMATION

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 28 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 2004 was approximately $143,297. Total estimated unfunded pension-related debt of this plan is approximately $768,995 as of December 31, 2004, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2003 and 2002 was $152,510 and $156,978, 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 11 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 2004, 15 former employees participated in the program at a cost of $734,872. The estimated present value of future costs for this program is $3,618,834.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2004, three former employees were paid a total of $27,980. The estimated present value of future costs of these benefits is $265,308.

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.

NOTE IV – OTHER INFORMATION (cont.)

B. *RISK MANAGEMENT* (cont.)

Self Insurance (cont.)

The unpaid claims liability of $885,151 at December 31, 2004 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 $885,151 includes $481,451 of potential workers compensation claims and $403,700 for potential liability claims. Changes in unpaid claims liabilities in the current and prior year were:

Claims Liability

	Prior Year	Current Year
Unpaid claims – Beginning of Year	$ 1,195,579	$ 903,390
Current year claims and changes in estimates	447,826	788,462
Claim payments	(740,015)	(806,701)
Unpaid claims – End of Year	$ 903,390	$ 885,151

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 2004, the TMICOW is protected by a $2,000,000 self-insurance limit and a $5,000,000 excess insurance policy issued by General Reinsurance Corporation effective January 1, 2004 through December 31, 2004. TMICOW provides $7,000,000 in first dollar liability coverage.

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.

NOTE IV – OTHER INFORMATION (cont.)

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 per occurrence or $300,000 aggregate for years 1988-94 and $200,000 per occurrence or $500,000 aggregate for years 1995-97, and $200,000 per occurrence or $400,000 aggregate in 1999 through 2004, 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 4.13%.

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.

NOTE IV – OTHER INFORMATION (cont.)

C. *COMMITMENTS AND CONTINGENCIES* (cont.)

At December 31, 2004, the city was engaged in a dispute with the Transit union. The union alleges that the union members should be awarded over $500,000 plus interest. The City asserts that the appropriate back pay is less than $25,000. The remedy will be determined by the WERC.

At December 31, 2004, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

Capital Projects		
TIF #8 Downtown Development	$	1,013,722
Street Projects		442,343
Bridge Projects		153,209
Buildings and Equipment		184,469
Parks and Recreation Projects		336,166
Environmental Improvements - Landfill		3,082
Library Buildings & Equipment		2,800
Total Committed Construction	$	2,135,791
Proprietary Funds		
Water Utility	$	424
Sewer Utility		1,809
Storm Water Utility		288
Hobbs Ice Center		4,667
Public Transit		7,542
Risk Management		5,500
Total Committed Construction	$	20,230

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 cost of retiree health care benefits is recognized as an expenditure in the General fund as premiums are paid. During 2004, $512,888 was paid on behalf of 81 retired employees.

As of December 31, 2004 the estimated present value of future costs to provide retiree health care benefits for current participants is $4,861,002. This liability is adjusted annually based on estimated health care costs and actual levels of participation.

NOTE IV – OTHER INFORMATION (cont.)

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, 2004, 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 $23,375 for the year ended December 31, 2004.

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 $84,700 and the Downtown Business Improvement District contributed $25,000 in 2004 for a budget of $109,700.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004

	2004			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 20,299,200	$ 20,299,200	$ 20,271,318	$ (27,882)
Special assessments	80,000	80,000	164,703	84,703
Intergovernmental	12,364,400	12,596,500	12,639,795	43,295
Licenses & permits	1,427,000	1,427,000	1,550,063	123,063
Fines, forfeitures and penalties	754,000	754,000	858,854	104,854
Charges for services	1,517,000	1,578,900	1,776,774	197,874
Charges for services - intergovernmental	2,441,100	2,341,300	2,298,766	(42,534)
Investment income	950,400	950,400	845,349	(105,051)
Miscellaneous	83,000	118,900	90,354	(28,546)
Total Revenues	39,916,100	40,146,200	40,495,976	349,776
EXPENDITURES				
Current				
General government	6,176,400	6,295,600	5,871,507	424,093
Public safety	19,915,500	20,309,200	19,767,848	541,352
Public works	7,352,900	7,691,500	7,138,798	552,702
Culture and recreation	3,924,300	3,929,700	3,865,735	63,965
Miscellaneous	1,463,400	985,400	427,892	557,508
Total Expenditures	38,832,500	39,211,400	37,071,780	2,139,620
Excess of revenues over expenditures	1,083,600	934,800	3,424,196	2,489,396
Other financing sources (uses)				
Transfers from other funds	1,471,500	1,572,500	1,550,145	(22,355)
Transfers to other funds	(5,963,700)	(5,951,300)	(5,593,825)	357,475
Sale of capital assets	10,000	10,000	331,870	321,870
Total other financing sources (uses)	(4,482,200)	(4,368,800)	(3,711,810)	656,990
Net change in fund balances	(3,398,600)	(3,434,000)	(287,614)	3,146,386
FUND BALANCE - Beginning of Year	15,973,260	15,973,260	15,973,260	-
FUND BALANCE - END OF YEAR	$ 12,574,660	$ 12,539,260	$ 15,685,646	$ 3,146,386

See accompanying notes to required supplementary information.

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2004

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

SUPPLEMENTARY INFORMATION

Major Funds - Governmental

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

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

CITY OF EAU CLAIRE

GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2004 and 2003

	2004	2003
ASSETS		
Cash and short term investments	$ 9,827,209	$ 9,948,432
Receivables:		
Taxes:		
Current	21,155,944	20,437,083
Delinquent personal property	83,219	113,930
Total taxes	21,239,163	20,551,013
Accounts	1,345,589	1,127,693
Notes receivable	25,000	25,000
Special assessments:		
Installment	5,951	12,621
Interest	372,647	154,161
Total receivables	22,988,350	21,870,488
Prepayments	583,864	125,980
Due from other funds	274,755	1,018,722
Due from other governments	55,964	148,173
Due from component unit	-	36,897
Advance to other funds	6,216,345	6,621,899
Total assets	$ 39,946,487	$ 39,770,591

LIABILITIES AND FUND BALANCE	2004	2003
Liabilities:		
Accounts payable	$ 1,114,968	$ 825,819
Accrued liabilities	831,614	1,334,024
Customer deposits	136,928	344,085
Due to other governments	60,023	25,137
Due to component unit	42,257	64,688
Deferred revenue	22,075,051	21,203,578
Total liabilities	24,260,841	23,797,331
Fund balance:		
Reserved:		
For prepayments	583,864	125,980
For notes receivable	25,000	25,000
For advances to other funds	5,775,177	6,216,345
Total reserved	6,384,041	6,367,325
Unreserved:		
Designated:		
For working capital	3,700,000	3,700,000
For subsequent year expenditures	2,623,236	3,009,720
Total designated	6,323,236	6,709,720
Undesignated	2,978,369	2,896,215
Total unreserved	9,301,605	9,605,935
Total fund balance	15,685,646	15,973,260
Total liabilities and fund balance	$ 39,946,487	$ 39,770,591

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING
SOURCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
TAXES					
Real and personal property	$ 19,902,700	$ 19,902,700	$ 19,896,143	$ (6,557)	$ 19,414,675
Mobile home fees	100,000	100,000	81,893	(18,107)	61,355
Payment in lieu of taxes:					
Other	294,500	294,500	285,534	(8,966)	290,362
Interest on delinquent personal property taxes	2,000	2,000	7,748	5,748	6,741
Total taxes	20,299,200	20,299,200	20,271,318	(27,882)	19,773,133
SPECIAL ASSESSMENTS					
Current	80,000	80,000	151,595	71,595	126,209
Installment	-	-	13,108	13,108	9,931
Total special assessments	80,000	80,000	164,703	84,703	136,140
INTERGOVERNMENTAL					
Federal aid	57,200	210,000	102,258	(107,742)	340,427
State aid:					
Shared taxes	7,479,100	7,266,400	7,270,560	4,160	8,343,051
Highway safety	-	7,800	7,754	(46)	3,858
Medical transportation	-	212,700	212,700	-	182,185
Municipal services	575,000	575,000	673,336	98,336	610,045
Utility tax	200,700	200,700	216,627	15,927	207,995
Local streets	2,800,000	2,800,000	2,803,982	3,982	2,856,275
Expenditure restraint program	906,500	906,500	901,067	(5,433)	848,300
Fire insurance	100,000	100,000	130,279	30,279	119,041
Underground tank inspections	15,000	15,000	10,162	(4,838)	17,683
Other	230,900	302,400	311,070	8,670	262,921
County aid	-	-	-	-	556
Total intergovernmental	12,364,400	12,596,500	12,639,795	43,295	13,792,337
LICENSES AND PERMITS					
Television franchise	584,000	584,000	707,751	123,751	659,438
Licenses	236,200	236,200	260,925	24,725	264,052
Permits	606,800	606,800	581,387	(25,413)	574,972
Total licenses and permits	1,427,000	1,427,000	1,550,063	123,063	1,498,462

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING
SOURCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
FINES, FORFEITURES AND PENALTIES					
Parking violation fines	$ 450,000	$ 450,000	$ 509,568	$ 59,568	$ 402,638
County court fines	300,000	300,000	339,980	39,980	330,462
Other fines or forfeitures	4,000	4,000	9,306	5,306	6,945
Total fines and forfeitures	754,000	754,000	858,854	104,854	740,045
PUBLIC CHARGES FOR SERVICES					
General government	28,700	32,400	44,915	12,515	28,569
Police and fire	1,038,400	1,095,800	1,086,301	(9,499)	1,278,575
Public works	76,000	76,800	174,778	97,978	24,567
Parks and recreation	373,900	373,900	470,780	96,880	341,241
Total charges for services	1,517,000	1,578,900	1,776,774	197,874	1,672,952
CHARGES FOR SERVICES - INTERGOVERNMENTAL					
Communication center reimbursement	1,000,500	1,000,500	965,681	(34,819)	968,996
Storm water management charge	386,100	286,300	286,260	(40)	331,152
Sewer utility charge	349,200	349,200	349,176	(24)	342,720
Water utility service charge	467,900	467,900	467,820	(80)	459,156
Other service charges	237,400	237,400	229,829	(7,571)	234,671
Total charges for services - intergovernmental	2,441,100	2,341,300	2,298,766	(42,534)	2,336,695
INVESTMENT INCOME					
Investment interest	495,000	495,000	378,471	(116,529)	358,688
Interest on advance to other funds	450,400	450,400	450,146	(254)	477,375
Interest on special assessments	5,000	5,000	16,732	11,732	13,030
Other interest	-	-	-	-	619
Total investment income	950,400	950,400	845,349	(105,051)	849,712
MISCELLANEOUS					
Rental:					
Rental of dam	50,000	50,000	-	(50,000)	128,434
Rental of land and buildings	25,000	25,000	9,506	(15,494)	30,687
Total rental	75,000	75,000	9,506	(65,494)	159,121

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING
SOURCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Other:					
Refunds of prior years expenditures	$ -	$ -	$ 13	$ 13	$ 3,164
Donations	-	18,800	19,755	955	11,207
Other reimbursements and refunds	8,000	25,100	61,080	35,980	37,210
Total other	8,000	43,900	80,848	36,948	51,581
Total miscellaneous	83,000	118,900	90,354	(28,546)	210,702
Total revenues	39,916,100	40,146,200	40,495,976	349,776	41,010,178
OTHER FINANCING SOURCES:					
Transfers from other funds	301,500	402,500	388,173	(14,327)	380,265
Transfer from water utility - PILOT	1,170,000	1,170,000	1,161,972	(8,028)	1,029,959
Sale of capital assets	10,000	10,000	331,870	321,870	705,930
Total other financing sources	1,481,500	1,582,500	1,882,015	299,515	2,116,154
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 41,397,600	$ 41,728,700	$ 42,377,991	$ 649,291	$ 43,126,332

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
EXPENDITURES					
General government:					
City council	$ 126,600	$ 126,600	$ 106,445	$ 20,155	$ 110,115
Administrative services	401,400	401,400	392,858	8,542	382,620
Information services	605,100	670,300	650,038	20,262	614,821
Legal	386,000	396,300	383,420	12,880	345,513
Finance:					
Administration	266,200	266,200	257,777	8,423	263,958
Accounting	545,200	545,200	518,710	26,490	493,197
Assessing	565,400	565,400	491,976	73,424	512,458
Customer services	634,200	634,200	565,885	68,315	542,234
Elections	194,800	194,800	210,866	(16,066)	98,353
Total finance	2,205,800	2,205,800	2,045,214	160,586	1,910,200
Human resources:					
Purchasing	196,300	196,300	183,656	12,644	184,426
Personnel administration	455,100	498,800	479,294	19,506	437,261
Total human resources	651,400	695,100	662,950	32,150	621,687
Planning and development:					
Community planning	470,300	470,300	471,207	(907)	467,303
Inspection and zoning	649,000	649,000	617,135	31,865	606,774
Total planning and development	1,119,300	1,119,300	1,088,342	30,958	1,074,077
Insurance and retirement:					
Liability and health insurance	650,000	650,000	513,662	136,338	533,221
Disability settlement	30,800	30,800	28,578	2,222	29,917
Total insurance and retirement	680,800	680,800	542,240	138,560	563,138
Total general government	6,176,400	6,295,600	5,871,507	424,093	5,622,171

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
PUBLIC SAFETY					
Police:					
Administration	$ 543,800	$ 511,000	$ 472,125	$ 38,875	$ 508,164
Administrative services	1,378,200	1,497,700	1,301,543	196,157	1,381,970
Patrol services	6,736,900	6,880,600	6,795,338	85,262	6,467,499
Investigative services	1,751,600	1,756,400	1,763,672	(7,272)	1,747,304
Central communications	1,343,900	1,343,900	1,294,101	49,799	1,223,781
Total police	11,754,400	11,989,600	11,626,779	362,821	11,328,718
Fire:					
Administration	561,300	554,600	484,111	70,489	445,947
Suppression and rescue	7,262,000	7,427,200	7,363,074	64,126	7,174,025
Prevention and inspection	337,800	337,800	293,884	43,916	318,276
Total fire	8,161,100	8,319,600	8,141,069	178,531	7,938,248
Total public safety	19,915,500	20,309,200	19,767,848	541,352	19,266,966
PUBLIC WORKS					
Administration	221,300	298,600	276,691	21,909	294,200
Operations	5,612,400	5,843,500	5,506,250	337,250	5,056,879
Engineering	1,519,200	1,549,400	1,355,857	193,543	1,591,595
Total public works	7,352,900	7,691,500	7,138,798	552,702	6,942,674
CULTURE AND RECREATION					
Administration	324,900	324,900	283,630	41,270	282,693
Park maintenance	2,278,400	2,280,900	2,369,024	(88,124)	2,345,659
Forestry	455,600	455,600	451,728	3,872	449,679
Recreation and playgrounds	865,400	868,300	761,353	106,947	830,051
Total parks and recreation	3,924,300	3,929,700	3,865,735	63,965	3,908,082
CAPITAL OUTLAY					
General construction	-	-	-	-	200,527
Total capital outlay	-	-	-	-	200,527

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER
FINANCING USES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
MISCELLANEOUS					
Payments to other organizations	$ 976,200	$ 816,800	$ 293,352	$ 523,448	$ 327,939
Contractual services	40,000	40,000	32,507	7,493	64,584
Insurance	28,600	28,600	28,600	-	28,600
Special assessments	100,000	100,000	73,433	26,567	-
Contingent appropriation	318,600	-	-	-	-
Total miscellaneous	1,463,400	985,400	427,892	557,508	421,123
Total expenditures	38,832,500	39,211,400	37,071,780	2,139,620	36,361,543
Other financing uses:					
Transfers to other funds:					
Special revenue fund	244,400	244,400	236,288	8,112	462,527
Debt service fund	2,431,000	2,431,000	2,333,628	97,372	2,146,870
Capital project funds	2,042,000	2,042,000	2,042,000	-	1,290,500
Proprietary funds	1,246,300	1,233,900	981,909	251,991	1,097,157
Total other financing uses	5,963,700	5,951,300	5,593,825	357,475	4,997,054
Total expenditures and other financing uses	$ 44,796,200	$ 45,162,700	$ 42,665,605	$ 2,497,095	$ 41,358,597

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, 2004 with Comparative
Actual Totals for Year Ended December 31, 2003

	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget -	Actual
REVENUES					
Special assessments	$ 1,300,100	$ 1,300,100	$ 2,165,216	$ 865,116	$ 2,192,011
Investment income	340,000	340,000	398,220	58,220	380,627
Other	-	-	35,517	35,517	-
Total Revenues	1,640,100	1,640,100	2,598,953	958,853	2,572,638
EXPENDITURES					
Current					
General government	22,800	22,800	2,618	20,182	2,512
Debt Service					
Principal retirement	2,958,700	2,958,700	3,018,670	(59,970)	2,624,938
Interest and fiscal charges	1,356,600	1,356,600	1,243,954	112,646	1,237,234
Total Expenditures	4,338,100	4,338,100	4,265,242	72,858	3,864,684
Excess (deficiency) of revenues over expenditures	(2,698,000)	(2,698,000)	(1,666,289)	1,031,711	(1,292,046)
Other financing sources (uses)					
Long-term debt issued	-	-	-	-	2,405,000
Payment to refunding agent	-	-	-	-	(2,468,732)
Transfers from other funds	2,564,100	2,564,100	2,466,683	(97,417)	2,280,886
Total other financing sources (uses)	2,564,100	2,564,100	2,466,683	(97,417)	2,217,154
Net change in fund balances	(133,900)	(133,900)	800,394	934,294	925,108
FUND BALANCE - Beginning of Year	4,360,037	4,360,037	4,360,037	-	3,434,929
FUND BALANCE - END OF YEAR	$ 4,226,137	$ 4,226,137	$ 5,160,431	$ 934,294	$ 4,360,037

Nonmajor Funds - Governmental

Special Revenue Funds

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

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response 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.

Nonmajor Funds – Governmental (cont.)

Debt Service Funds

The **Debt Service – TIF #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.

The **Debt Service – TIF #6** fund accounts for debt funded by taxes resulting from the incremental property values in a defined area on the City's northeast side. This district was created in 1997.

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

The **TIF #8 Downtown Development Area** fund 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, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
ASSETS				
Cash and investments	$ 7,964,462	$ 4,407,986	$ 11,360,773	$ 23,733,221
Receivables				
Taxes	4,202,200	224,626	694,493	5,121,319
Accounts	486,873	-	367,744	854,617
Notes	5,908,021	-	-	5,908,021
Special assessments	-	43,923	-	43,923
Prepaid items	686	-	-	686
Due from other governments	318,669	-	1,031,495	1,350,164
Restricted assets:				
Construction account	-	-	3,241,244	3,241,244
Advances to component unit	-	-	1,680,000	1,680,000
Total Assets	$ 18,880,911	$ 4,676,535	$ 18,375,749	$ 41,933,195
LIABILITIES				
Accounts payable	$ 264,821	$ 2,441	$ 1,991,562	$ 2,258,824
Accrued payroll and payroll taxes	201,680	-	-	201,680
Deposits	101,525	-	-	101,525
Due to other government units	17,295	-	-	17,295
Due to other funds	165,231	-	-	165,231
Due to component unit	12,573	-	-	12,573
Deferred revenue	10,350,196	268,549	1,566,357	12,185,102
Total Liabilities	11,113,321	270,990	3,557,919	14,942,230
FUND BALANCES				
Reserved:				
Grant proceeds	405,422	-	-	405,422
Advances	-	-	1,680,000	1,680,000
Debt service	-	4,012,345	-	4,012,345
Capital contracts	-	-	2,135,791	2,135,791
Environmental remediation	-	-	315,795	315,795
Bond construction	-	-	3,241,244	3,241,244
Designated:				
Designated for economic development	950,000	-	-	950,000
Designated for library funds	64,109	-	-	64,109
Designated for future expenditures	31,100	-	-	31,100
Designated for capital projects	162,800	-	-	162,800
Designated for subsequent year expenditures	6,034,082	393,200	7,445,000	13,872,282
Designated for loft matching program	12,000	-	-	12,000
Designated for downtown facade loans	10,000	-	-	10,000
Designated for code compliance loans	98,077	-	-	98,077
Total Fund Balances	7,767,590	4,405,545	14,817,830	26,990,965
Total Liabilities and Fund Balances	$ 18,880,911	$ 4,676,535	$ 18,375,749	$ 41,933,195

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	$ 5,108,283	$ 225,182	$ 559,072	$ 5,892,537
Special assessments	-	10,981	-	10,981
Intergovernmental	2,700,421	4,008	558,932	3,263,361
Licenses and permits	277,296	-	-	277,296
Fines and forfeitures	121,008	-	-	121,008
Charges for services	335,787	-	-	335,787
Charges for services - intergovernmental	1,724,825	-	-	1,724,825
Miscellaneous:				
Investment income	63,730	91,387	179,788	334,905
Loan repayments	680,950	-	-	680,950
Building rental	74,240	-	-	74,240
Gifts and donations	48,384	-	485,000	533,384
Other	169,966	78,167	297,386	545,519
Total revenues	11,304,890	409,725	2,080,178	13,794,793
Expenditures:				
Current:				
General government	-	3,145	-	3,145
Public safety	164,589	-	-	164,589
Public works	71,263	-	-	71,263
Health services	4,172,111	-	-	4,172,111
Culture and recreation	3,251,507	-	-	3,251,507
Development	3,022,269	-	-	3,022,269
Capital Outlay	-	-	12,622,208	12,622,208
Debt Service:				
Principal retirement	-	305,000	185,000	490,000
Interest and fiscal charges	-	243,956	504,274	748,230
Total expenditures	10,681,739	552,101	13,311,482	24,545,322

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	$ 623,151	$ (142,376)	$ (11,231,304)	$ (10,750,529)
Other financing sources (uses):				
Long term debt issued	-	-	5,460,000	5,460,000
Transfers from other funds	497,589	-	3,596,785	4,094,374
Transfers to other funds	(1,061,179)	-	(605,735)	(1,666,914)
Sale of capital assets	75,715	-	-	75,715
Total other financing sources (uses)	(487,875)	-	8,451,050	7,963,175
Net changes in fund balances	135,276	(142,376)	(2,780,254)	(2,787,354)
Fund balances at beginning of year	7,632,314	4,547,921	17,598,084	29,778,319
Fund balances at end of year	$ 7,767,590	$ 4,405,545	$ 14,817,830	$ 26,990,965

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2004

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
ASSETS				
Cash and investments	$ 158,286	$ 345,848	$ 277,540	$ -
Receivables:				
Taxes	-	-	-	-
Accounts	10,070	6,762	-	-
Notes	-	-	2,654,389	1,581,946
Prepaid items	-	-	-	-
Due from other governments	-	-	140,065	122,394
Total Assets	$ 168,356	$ 352,610	$ 3,071,994	$ 1,704,340
LIABILITIES				
Accounts payable	$ 6,912	$ 2,399	$ 31,328	$ 9,288
Accrued payroll and payroll taxes	8,932	154	1,399	361
Deposits	-	-	-	-
Due to other government units	-	-	2,450	-
Due to other funds	-	-	-	75,958
Due to component unit	-	-	-	12,573
Deferred revenue	10,070	6,762	2,654,389	1,581,946
Total Liabilities	25,914	9,315	2,689,566	1,680,126
FUND BALANCES				
Reserved:				
Grant proceeds	-	-	-	24,214
Designated:				
Designated for economic development	-	-	-	-
Designated for library funds	-	-	-	-
Designated for future expenditures	-	-	-	-
Designated for capital projects	-	-	-	-
Designated for subsequent year expenditures	142,442	343,295	382,428	-
Designated for loft matching program	-	-	-	-
Designated for downtown facade loans	-	-	-	-
Designated for code compliance loans	-	-	-	-
Total Fund Balances	142,442	343,295	382,428	24,214
Total Liabilities and Fund Balances	$ 168,356	$ 352,610	$ 3,071,994	$ 1,704,340

Economic Development	Community Enhancement	Public Library	City-County Health Department	Downtown Partners	Former Landfill Escrow	Totals
$ 5,706,774	$ -	$ 620,432	$ 698,095	$ 65,540	$ 91,947	$ 7,964,462
-	-	2,694,300	1,507,900	-	-	4,202,200
-	119,397	278,791	71,853	-	-	486,873
1,671,686	-	-	-	-	-	5,908,021
-	-	-	686	-	-	686
-	-	2,437	53,773	-	-	318,669
$ 7,378,460	$ 119,397	$ 3,595,960	$ 2,332,307	$ 65,540	$ 91,947	$ 18,880,911
$ 4,350	$ -	$ 123,504	$ 81,461	$ 1,672	$ 3,907	$ 264,821
2,511	-	71,395	115,565	1,363	-	201,680
-	-	-	13,485	-	88,040	101,525
-	-	-	14,845	-	-	17,295
-	71,547	5,294	12,432	-	-	165,231
-	-	-	-	-	-	12,573
1,671,686	33,585	2,883,858	1,507,900	-	-	10,350,196
1,678,547	105,132	3,084,051	1,745,688	3,035	91,947	11,113,321
381,208	-	-	-	-	-	405,422
950,000	-	-	-	-	-	950,000
-	-	64,109	-	-	-	64,109
-	-	-	31,100	-	-	31,100
-	-	162,800	-	-	-	162,800
4,260,628	14,265	285,000	555,519	50,505	-	6,034,082
-	-	-	-	12,000	-	12,000
10,000	-	-	-	-	-	10,000
98,077	-	-	-	-	-	98,077
5,699,913	14,265	511,909	586,619	62,505	-	7,767,590
$ 7,378,460	$ 119,397	$ 3,595,960	$ 2,332,307	$ 65,540	$ 91,947	$ 18,880,911

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2004

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	196,455	1,003,573	522,815
Licenses and permits	832	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	169,596	847	-	-
Charges for services - intergovernmental	-	-	-	-
Miscellaneous:				
Investment income	450	3,190	-	-
Loan repayments	-	-	310,416	23,386
Building rental	-	-	-	-
Gifts and donations				
Other	-	-	-	-
Total revenues	170,878	200,492	1,313,989	546,201
Expenditures:				
Current:				
Public safety	-	164,589	-	-
Public works	-	-	-	-
Health services	407,166	-	-	-
Culture and recreation	-	-	-	-
Development	-	-	942,628	535,709
Total expenditures	407,166	164,589	942,628	535,709
Excess (deficiency) of revenues over expenditures	(236,288)	35,903	371,361	10,492
Other financing sources (uses):				
Transfers from other funds	236,288	-	-	-
Transfers to other funds	-	-	(259,324)	
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	236,288	-	(259,324)	-
Net change in fund balances	-	35,903	112,037	10,492
Fund balances at beginning of year	142,442	307,392	270,391	13,722
Fund balances at end of year	$ 142,442	$ 343,295	$ 382,428	$ 24,214

Economic Development	Community Enhancement	Public Library	City-County Health Department	Downtown Partners	Former Landfill Escrow	Totals
$ -	$ 1,018,783	$ 2,636,700	$ 1,452,800	$ -	$ -	$ 5,108,283
-	-	3,727	973,851	-	-	2,700,421
-	-	-	276,464	-	-	277,296
-	-	121,008	-	-	-	121,008
-	-	7,074	87,007	-	71,263	335,787
-	-	683,567	1,041,258	-	-	1,724,825
58,690	-	610	790	-	-	63,730
342,148	5,000	-	-	-	-	680,950
74,240	-	-	-	-	-	74,240
5,500	-	17,884	-	25,000	-	48,384
43,863	-	106,842	19,261	-	-	169,966
524,441	1,023,783	3,577,412	3,851,431	25,000	71,263	11,304,890
-	-	-	-	-	-	164,589
-	-	-	-	-	71,263	71,263
-	-	-	3,764,945	-	-	4,172,111
-	-	3,251,507	-	-	-	3,251,507
733,776	728,239	-	-	81,917	-	3,022,269
733,776	728,239	3,251,507	3,764,945	81,917	71,263	10,681,739
(209,335)	295,544	325,905	86,486	(56,917)	-	623,151
105,735	-	-	70,866	84,700	-	497,589
(284,700)	(281,300)	(235,855)	-	-	-	(1,061,179)
75,311	-	404	-	-	-	75,715
(103,654)	(281,300)	(235,451)	70,866	84,700	-	(487,875)
(312,989)	14,244	90,454	157,352	27,783	-	135,276
6,012,902	21	421,455	429,267	34,722	-	7,632,314
$ 5,699,913	$ 14,265	$ 511,909	$ 586,619	$ 62,505	$ -	$ 7,767,590

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
December 31, 2004

	Debt Service - TIF #4	Debt Service - TIF #6	Totals
ASSETS			
Cash and investments	$ 3,950,411	$ 457,575	$ 4,407,986
Receivables			
Taxes	-	224,626	224,626
Special assessments	-	43,923	43,923
Total Assets	$ 3,950,411	$ 726,124	$ 4,676,535
LIABILITIES			
Accounts payable	$ -	$ 2,441	$ 2,441
Deferred revenue	-	268,549	268,549
Total Liabilities	-	270,990	270,990
FUND BALANCES			
Reserved for:			
Debt service	3,557,211	455,134	4,012,345
Designated:			
Designated for subsequent year expenditures	393,200	-	393,200
Total Fund Balances	3,950,411	455,134	4,405,545
Total Liabilities and Fund Balances	$ 3,950,411	$ 726,124	$ 4,676,535

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended December 31, 2004

	Debt Service - TIF #4	Debt Service - TIF #6	Totals
Revenues:			
Taxes	$ 35,322	$ 189,860	$ 225,182
Special assessments	-	10,981	10,981
Intergovernmental	-	4,008	4,008
Miscellaneous:			
Investment income	80,885	10,502	91,387
Other	78,167	-	78,167
Total revenues	194,374	215,351	409,725
Expenditures:			
Current:			
General government	704	2,441	3,145
Debt Service:			
Principal retirement	255,000	50,000	305,000
Interest and fiscal charges	188,483	55,473	243,956
Total expenditures	444,187	107,914	552,101
Net change in fund balances	(249,813)	107,437	(142,376)
Fund balances at beginning of year	4,200,224	347,697	4,547,921
Fund balances at end of year	$ 3,950,411	$ 455,134	$ 4,405,545

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2004

	Industrial Development	TIF #5 Gateway NW Business Park	TIF #7 Soo Line Development	TIF #8 Downtown Development
ASSETS				
Cash and investments	$ -	$ 961,971	$ 182,194	$ 1,885,255
Receivables				
Taxes	-	520,016	87,582	86,895
Accounts	-	-	-	-
Due from other governments	-	-	-	220,504
Restricted assets:				
Construction account	-	1,002,759	330,716	1,907,769
Advances to component unit	-	-	-	1,680,000
Total Assets	$ -	$ 2,484,746	$ 600,492	$ 5,780,423
LIABILITIES				
Accounts payable	$ -	$ -	$ 1,359	$ 756,762
Deferred revenue	-	520,016	87,582	306,895
Total Liabilities	-	520,016	88,941	1,063,657
FUND BALANCES				
Reserved:				
Advances	-	-	-	1,680,000
Capital contracts	-	-	-	1,013,722
Environmental remediation	-	-	-	-
Bond construction	-	1,002,759	330,716	1,907,769
Designated:				
Designated for subsequent year expenditures	-	961,971	180,835	115,275
Total Fund Balances	-	1,964,730	511,551	4,716,766
Total Liabilities and Fund Balances	$ -	$ 2,484,746	$ 600,492	$ 5,780,423

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements-Landfill	Library Buildings & Equipment	Totals
$ 1,026,005	$ 1,166,740	$ 2,468,803	$ 1,264,351	$ 1,761,434	$ 644,020	$ 11,360,773
-	-	-	-	-	-	694,493
254,975	-	-	112,769	-	-	367,744
562,672	-	138,319	110,000	-	-	1,031,495
-	-	-	-	-	-	3,241,244
-	-	-	-	-	-	1,680,000
$ 1,843,652	$ 1,166,740	$ 2,607,122	$ 1,487,120	$ 1,761,434	$ 644,020	$ 18,375,749
$ 937,371	$ 13,572	$ 223,082	$ 57,880	$ 1,536	$ -	$ 1,991,562
429,095	-	-	222,769	-	-	1,566,357
1,366,466	13,572	223,082	280,649	1,536	-	3,557,919
-	-	-	-	-	-	1,680,000
442,343	153,209	184,469	336,166	3,082	2,800	2,135,791
-	-	-	-	315,795	-	315,795
-	-	-	-	-	-	3,241,244
34,843	999,959	2,199,571	870,305	1,441,021	641,220	7,445,000
477,186	1,153,168	2,384,040	1,206,471	1,759,898	644,020	14,817,830
$ 1,843,652	$ 1,166,740	$ 2,607,122	$ 1,487,120	$ 1,761,434	$ 644,020	$ 18,375,749

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2004

	Industrial Development	TIF #5 Gateway NW Business Park	TIF #7 Soo Line Development	TIF #8 Downtown Development
Revenues:				
Taxes	$ -	$ 473,441	$ 80,409	$ 5,222
Intergovernmental	-	61,569	23,597	171,861
Miscellaneous:				
Investment income	1,030	15,989	4,616	72,179
Gifts and donations	-	-	-	-
Other	-	-	-	-
Total revenues	1,030	550,999	108,622	249,262
Expenditures:				
Capital Outlay	-	4,260	11,217	3,733,184
Debt Service:				
Principal retirement	-	115,000	70,000	-
Interest and fiscal charges	-	142,459	76,368	285,447
Total expenditures	-	261,719	157,585	4,018,631
Excess (deficiency) of revenues over expenditures	1,030	289,280	(48,963)	(3,769,369)
Other financing sources (uses):				
Long-term debt issued	-	1,000,000	335,000	570,000
Transfers from other funds	-	-	-	1,000,600
Transfers to other funds	(105,735)	-	-	-
Total other financing sources (uses)	(105,735)	1,000,000	335,000	1,570,600
Net change in fund balances	(104,705)	1,289,280	286,037	(2,198,769)
Fund balances at beginning of year	104,705	675,450	225,514	6,915,535
Fund balances at end of year	$ -	$ 1,964,730	$ 511,551	$ 4,716,766

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements-Landfill	Library Buildings & Equipment	Totals
$ -	$ -	$ -	$ -	$ -	$ -	$ 559,072
158,577	-	143,328	-	-	-	558,932
20,524	11,610	16,220	14,480	16,700	6,440	179,788
-	-	-	485,000	-	-	485,000
275,445	-	-	8,804	13,137	-	297,386
454,546	11,610	159,548	508,284	29,837	6,440	2,080,178
6,123,862	48,391	1,045,176	1,537,633	72,018	46,467	12,622,208
-	-	-	-	-	-	185,000
-	-	-	-	-	-	504,274
6,123,862	48,391	1,045,176	1,537,633	72,018	46,467	13,311,482
(5,669,316)	(36,781)	(885,628)	(1,029,349)	(42,181)	(40,027)	(11,231,304)
2,975,000	-	180,000	400,000	-	-	5,460,000
1,074,679	-	1,099,420	224,286	95,000	102,800	3,596,785
(500,000)	-	-	-	-	-	(605,735)
3,549,679	-	1,279,420	624,286	95,000	102,800	8,451,050
(2,119,637)	(36,781)	393,792	(405,063)	52,819	62,773	(2,780,254)
2,596,823	1,189,949	1,990,248	1,611,534	1,707,079	581,247	17,598,084
$ 477,186	$ 1,153,168	$2,384,040	$1,206,471	$ 1,759,898	$ 644,020	$ 14,817,830

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Cemetery Maintenance				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Licenses and permits	$ -	$ -	$ 832	$ 832	$ 1,080
Charges for services	153,000	161,800	169,596	7,796	138,362
Miscellaneous:					
Investment income	1,000	1,000	450	(550)	-
Other	-	-	-	-	143
Total revenues	154,000	162,800	170,878	8,078	139,585
Expenditures:					
Current:					
Health services	398,400	407,200	407,166	34	452,112
Excess (deficiency) of revenues over expenditures	(244,400)	(244,400)	(236,288)	8,112	(312,527)
Other financing sources (uses):					
Transfers from other funds	244,400	244,400	236,288	(8,112)	312,527
Total other financing sources (uses)	244,400	244,400	236,288	(8,112)	312,527
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)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Hazardous Materials Response				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Intergovernmental	$ 189,100	$ 201,200	$ 196,455	$ (4,745)	$ 242,863
Charges for services	3,000	3,000	847	(2,153)	603
Miscellaneous:					
Investment income	3,500	3,500	3,190	(310)	4,590
Total revenues	195,600	207,700	200,492	(7,208)	248,056
Expenditures:					
Current:					
Public safety	242,900	255,000	164,589	90,411	269,239
Excess (deficiency) of revenues over expenditures	(47,300)	(47,300)	35,903	83,203	(21,183)
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(30,232)
Total other financing sources (uses)	-	-	-	-	(30,232)
Net change in fund balances	(47,300)	(47,300)	35,903	83,203	(51,415)
Fund balances at beginning of year	307,392	307,392	307,392	-	358,807
Fund balances at end of year	$ 260,092	$ 260,092	$ 343,295	$ 83,203	$ 307,392

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Economic Development				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Miscellaneous:					
Investment income	$ 75,000	$ 75,000	$ 58,690	$ (16,310)	$ 75,850
Loan repayments	171,300	171,300	342,148	170,848	249,540
Building rental	78,600	78,600	74,240	(4,360)	76,478
Gifts and donations	-	5,500	5,500	5,500	-
Other	45,000	45,000	43,863	(1,137)	57,393
Total miscellaneous	369,900	375,400	524,441	149,041	459,261
Total revenues	369,900	375,400	524,441	149,041	459,261
Expenditures:					
Current:					
Development	394,500	794,800	733,776	61,024	345,975
Total expenditures	394,500	794,800	733,776	61,024	345,975
Excess (deficiency) of revenues over expenditures	(24,600)	(419,400)	(209,335)	210,065	113,286
Other financing sources (uses):					
Transfers from other funds	-	-	105,735	105,735	150,000
Transfers to other funds	(272,700)	(284,700)	(284,700)	-	(299,000)
Sale of capital assets	-	-	75,311	75,311	-
Total other financing sources (uses)	(272,700)	(284,700)	(103,654)	181,046	(149,000)
Net change in fund balances	(297,300)	(704,100)	(312,989)	391,111	(35,714)
Fund balances at beginning of year	6,012,902	6,012,902	6,012,902	-	6,048,616
Fund balances at end of year	$ 5,715,602	$ 5,308,802	$ 5,699,913	$ 391,111	$ 6,012,902

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Community Enhancement				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes	$ 950,000	$ 950,000	$ 1,018,783	$ 68,783	$ 971,468
Miscellaneous:					
Loan repayments	5,000	5,000	5,000	-	5,000
Investment income	-	-	-	-	110
Other	-	-	-	-	5,000
Total revenues	955,000	955,000	1,023,783	68,783	981,578
Expenditures:					
Current:					
Development	715,600	729,200	728,239	961	738,102
Excess of revenues over expenditures	239,400	225,800	295,544	69,744	243,476
Other financing uses:					
Transfers to other funds	(294,900)	(281,300)	(281,300)	-	(331,500)
Total other financing uses	(294,900)	(281,300)	(281,300)	-	(331,500)
Net change in fund balances	(55,500)	(55,500)	14,244	69,744	(88,024)
Fund balances at beginning of year	21	21	21	-	88,045
Fund balances at end of year	$ (55,479)	$ (55,479)	$ 14,265	$ 69,744	$ 21

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Public Library				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes	$ 2,636,700	$ 2,636,700	$ 2,636,700	$ -	$ 2,591,900
Intergovernmental	16,000	16,000	3,727	(12,273)	2,100
Fines and forfeitures	100,500	100,500	121,008	20,508	109,851
Charges for services	7,200	7,200	7,074	(126)	6,576
Charges for services - intergovernmental	700,000	700,000	683,567	(16,433)	710,266
Miscellaneous:					
Investment income	-	-	610	610	740
Gifts and donations	15,000	15,000	17,884	2,884	28,792
Other	113,800	113,800	106,842	(6,958)	76,532
Total miscellaneous	128,800	128,800	125,336	(3,464)	106,064
Total revenues	3,589,200	3,589,200	3,577,412	(11,788)	3,526,757
Expenditures:					
Current:					
Culture and recreation	3,426,500	3,426,500	3,251,507	174,993	3,302,522
Excess of revenues over expenditures	162,700	162,700	325,905	163,205	224,235
Other financing sources (uses):					
Transfers to other funds	(235,900)	(235,900)	(235,855)	45	(306,816)
Sale of capital assets	200	200	404	204	214
Total other financing sources (uses)	(235,700)	(235,700)	(235,451)	249	(306,602)
Net change in fund balances	(73,000)	(73,000)	90,454	163,454	(82,367)
Fund balances at beginning of year	421,455	421,455	421,455	-	503,822
Fund balances at end of year	$ 348,455	$ 348,455	$ 511,909	$ 163,454	$ 421,455

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	City-County Health				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes	$ 1,452,800	$ 1,452,800	$ 1,452,800	$ -	$ 1,379,500
Intergovernmental	766,400	1,124,300	973,851	(150,449)	821,061
Licenses and permits	268,400	268,400	276,464	8,064	288,981
Charges for services	110,000	110,000	87,007	(22,993)	101,333
Charges for services - intergovernmental	931,100	949,800	1,041,258	91,458	979,212
Miscellaneous:					
Investment income	2,500	2,500	790	(1,710)	1,100
Other	-	-	19,261	19,261	18,772
Total miscellaneous	2,500	2,500	20,051	17,551	19,872
Total revenues	3,531,200	3,907,800	3,851,431	(56,369)	3,589,959
Expenditures:					
Current:					
Health services	3,622,700	3,900,200	3,764,945	135,255	3,466,227
Excess of revenues over expenditures	(91,500)	7,600	86,486	78,886	123,732
Other financing sources:					
Transfers from other funds	62,000	62,000	70,866	8,866	49,357
Total other financing sources	62,000	62,000	70,866	8,866	49,357
Net change in fund balances	(29,500)	69,600	157,352	87,752	173,089
Fund balances at beginning of year	429,267	429,267	429,267	-	256,178
Fund balances at end of year	$ 399,767	$ 498,867	$ 586,619	$ 87,752	$ 429,267

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Downtown Partners				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Miscellaneous:					
Gifts and donations	$ 25,000	$ 25,000	$ 25,000	$ -	$ 43,112
Total revenues	25,000	25,000	25,000	-	43,112
Expenditures:					
Current:					
Development	116,200	116,200	81,917	34,283	130,740
Excess (deficiency) of revenues over expenditures	(91,200)	(91,200)	(56,917)	34,283	(87,628)
Other financing sources					
Transfers from other funds	72,700	84,700	84,700	-	99,000
Net change in fund balances	(18,500)	(6,500)	27,783	34,283	11,372
Fund balances at beginning of year	34,722	34,722	34,722	-	23,350
Fund balances at end of year	$ 16,222	$ 28,222	$ 62,505	$ 34,283	$ 34,722

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Former Landfill Escrow				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Miscellaneous:					
Charges for services	$ 150,000	$ 150,000	$ 71,263	$ (78,737)	$ 60,696
Total revenues	150,000	150,000	71,263	(78,737)	60,696
Expenditures:					
Current:					
Public works	150,000	150,000	71,263	78,737	60,696
Excess of revenues over expenditures	-	-	-	-	-
Other financing sources (uses)					
Transfers to other funds	-	-	-	-	-
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)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Debt Service - TIF #4				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes:					
Real and personal property	$ -	$ -	$ 35,322	$ 35,322	$ 364,983
Intergovernmental	-	-	-	-	70,281
Miscellaneous:					
Investment income	50,000	50,000	80,885	30,885	60,215
Other income	-	-	78,167	78,167	-
Total miscellaneous	50,000	50,000	159,052	109,052	60,215
Total revenues	50,000	50,000	194,374	144,374	495,479
Expenditures:					
Current:					
General government	1,400	1,400	704	696	4,834
Debt service:					
Principal retirement	255,000	255,000	255,000	-	245,000
Interest and fiscal charges	188,500	188,500	188,483	17	200,736
Total expenditures	444,900	444,900	444,187	713	450,570
Net change in fund balances	(394,900)	(394,900)	(249,813)	145,087	44,909
Fund balances at beginning of year	4,200,224	4,200,224	4,200,224	-	4,155,315
Fund balances at end of year	$ 3,805,324	$ 3,805,324	$ 3,950,411	$ 145,087	$ 4,200,224

CITY OF EAU CLAIRE

NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (cont'd)
For the Year Ended December 31, 2004 With Comparative
Actual Totals for Year Ended December 31, 2003

	Debt Service - TIF #6				
	2004				2003
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
Revenues:					
Taxes:					
Real and personal property	$ 189,500	$ 189,500	$ 189,860	$ 360	$ 163,153
Special assessments	-	-	10,981	10,981	10,981
Intergovernmental	1,900	1,900	4,008	2,108	1,900
Miscellaneous:					
Investment income	3,300	3,300	10,502	7,202	8,881
Total revenues	194,700	194,700	215,351	20,651	184,915
Expenditures:					
Current:					
General government	500	500	2,441	(1,941)	-
Capital outlay	-	-	-	-	813
Debt service:					
Principal retirement	50,000	50,000	50,000	-	40,000
Interest and fiscal charges	55,500	55,500	55,473	27	57,652
Total expenditures	106,000	106,000	107,914	(1,914)	98,465
Net change in fund balances	88,700	88,700	107,437	18,737	86,450
Fund balances at beginning of year	347,697	347,697	347,697	-	261,247
Fund balances at end of year	$ 436,397	$ 436,397	$ 455,134	$ 18,737	$ 347,697

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, 2004

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	$ 456,114	$ 750	$ 52,525	$ 509,389
Accounts receivable, net	1,439	100,214	1,025	102,678
Total current assets	457,553	100,964	53,550	612,067
Noncurrent assets:				
Unamortized issuance cost	-	-	6,800	6,800
Capital assets:				
Land	630,854	5,000	-	635,854
Property, plant and equipment	4,679,847	2,170,272	1,926,969	8,777,088
Less accumulated depreciation	(2,334,854)	(816,834)	(569,821)	(3,721,509)
Total capital assets (net of accumulated depreciation)	2,975,847	1,358,438	1,357,148	5,691,433
Total noncurrent assets	2,975,847	1,358,438	1,363,948	5,698,233
Total assets	$ 3,433,400	$ 1,459,402	$ 1,417,498	$ 6,310,300
LIABILITIES				
Current liabilities:				
Accounts payable	$ 4,324	$ 32,715	$ 2,774	$ 39,813
Accrued payroll and payroll taxes	2,614	8,570	207	11,391
Accrued compensated absences	7,435	7,378	-	14,813
Due to other funds	-	29,133	-	29,133
Current portion of advances	-	-	115,000	115,000
Total current liabilities	14,373	77,796	117,981	210,150
Noncurrent liabilities:				
Advances from other funds	-	-	565,000	565,000
Total liabilities	14,373	77,796	682,981	775,150
NET ASSETS				
Invested in capital assets, net of related debt	2,975,847	1,358,438	1,357,148	5,691,433
Unrestricted (Deficit)	443,180	23,168	(622,631)	(156,283)
Total net assets	$ 3,419,027	$ 1,381,606	$ 734,517	$ 5,535,150

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2004

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	$ 218,569	$ 379,206	$ 173,359	$ 771,134
Other	201	78,871	15,588	94,660
Total operating revenues	218,770	458,077	188,947	865,794
Operating expenses:				
Personal services	112,072	244,841	147,167	504,080
Contractual services	78,819	28,476	18,394	125,689
Supplies and materials	12,386	36,763	42,899	92,048
Utilities	36,550	136,182	40,104	212,836
Depreciation	151,440	73,576	47,739	272,755
Total operating expenses	391,267	519,838	296,303	1,207,408
Operating loss	(172,497)	(61,761)	(107,356)	(341,614)
Non-operating revenues (expenses):				
Interest expense	-	-	(21,922)	(21,922)
Amortization	-	-	(1,600)	(1,600)
Total non-operating revenue (expenses)	-	-	(23,522)	(23,522)
Loss before operating transfers	(172,497)	(61,761)	(130,878)	(365,136)
Transfers from other funds	65,000	75,115	214,439	354,554
Change in net assets	(107,497)	13,354	83,561	(10,582)
Net assets at beginning of year	3,526,524	1,368,252	650,956	5,545,732
Net assets at end of year	$ 3,419,027	$ 1,381,606	$ 734,517	$ 5,535,150

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2004

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 220,270	$ 409,318	$ 187,922	$ 817,510
Cash paid to suppliers for goods and services	(127,432)	(168,888)	(100,745)	(397,065)
Cash paid to employees for services	(114,877)	(244,841)	(147,167)	(506,885)
Net Cash Flows From Operating Activities	(22,039)	(4,411)	(59,990)	(86,440)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on advances from other funds	-	-	(100,000)	(100,000)
Interest paid on advances from other funds	-	-	(21,922)	(21,922)
Transfers from other funds	65,000	75,115	214,439	354,554
Net Cash Flows From Noncapital Financing Activities	65,000	75,115	92,517	232,632
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(79,846)	(26,250)	(106,096)
Net Cash Flows From Capital and Related Related Financing Activities	-	(79,846)	(26,250)	(106,096)
Net Increase (Decrease) in Cash and Cash Equivalents	42,961	(9,142)	6,277	40,096
CASH AND CASH EQUIVALENTS - Beginning of Year	413,153	9,892	46,248	469,293
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 456,114	$ 750	$ 52,525	$ 509,389
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and Cash Equivalents per Balance Sheet	$ 456,114	$ 750	$ 52,525	$ 509,389
Cash and Cash Equivalents Per Statement of Cash Flows	$ 456,114	$ 750	$ 52,525	$ 509,389
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	$ (172,497)	$ (61,761)	$ (107,356)	$ (341,614)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	151,440	73,576	47,739	272,755
Change in assets and liabilities				
Accounts receivable	1,500	(48,759)	(1,025)	(48,284)
Accounts payable	323	7,171	1,377	8,871
Due to other funds	-	29,133	-	29,133
Other current liabilities	(2,805)	(3,771)	(725)	(7,301)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (22,039)	$ (4,411)	$ (59,990)	$ (86,440)

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, 2004

	Risk Management	Central Equipment	Totals
ASSETS			
Current assets:			
Cash and investments	$ 6,646,482	$ 6,650,036	$ 13,296,518
Accounts receivable, net	168,072	-	168,072
Due from other governmental units	-	13,210	13,210
Inventories	-	350,863	350,863
Total Current Assets	6,814,554	7,014,109	13,828,663
Noncurrent assets:			
Escrow account	176,610	-	176,610
Deposit in insurance pools	766,496	-	766,496
Capital assets:			
Construction in progress	-	194,138	194,138
Land	-	241,199	241,199
Land improvements	-	16,677	16,677
Buildings	-	5,710,107	5,710,107
Equipment	-	119,201	119,201
Rental equipment	-	12,824,240	12,824,240
Less accumulated depreciation	-	(8,034,987)	(8,034,987)
Total capital assets (net of accumulated depreciation)	-	11,070,575	11,070,575
Total Noncurrent Assets	943,106	11,070,575	12,013,681
Total Assets	$ 7,757,660	$ 18,084,684	$ 25,842,344
LIABILITIES			
Current liabilities:			
Accounts payable	$ 45,581	$ 97,124	$ 142,705
Accrued payroll and payroll taxes	2,394	15,792	18,186
Accrued compensated absences	3,365	28,493	31,858
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	271,340	141,409	412,749
Noncurrent liabilities:			
Unpaid claims	665,151	-	665,151
Total Noncurrent Liabilities	665,151	-	665,151
Total Liabilities	936,491	141,409	1,077,900
NET ASSETS			
Invested in capital assets, net of related debt	-	11,070,575	11,070,575
Restricted for deposits	943,106	-	943,106
Unrestricted	5,878,063	6,872,700	12,750,763
Total Net Assets	$ 6,821,169	$ 17,943,275	$ 24,764,444

CITY OF EAU CLAIRE

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
For the Year Ended December 31, 2004

	Risk Management	Central Equipment	Totals
Operating revenues:			
Charges for services	$ 1,371,151	$ 571,060	$ 1,942,211
Rental of equipment	-	1,953,050	1,953,050
Total charges for services	1,371,151	2,524,110	3,895,261
Other:			
Repayment of insurance claims	88,644	-	88,644
Building rental	-	174,549	174,549
Miscellaneous	-	11,390	11,390
Total operating revenues	1,459,795	2,710,049	4,169,844
Operating expenses:			
Personal services	119,753	561,258	681,011
Contractual services	26,557	359,322	385,879
Supplies and materials	2,448	571,834	574,282
Utilities	1,418	140,589	142,007
Depreciation	-	1,212,199	1,212,199
Claims	1,139,352	-	1,139,352
Total operating expenses	1,289,528	2,845,202	4,134,730
Operating income (loss)	170,267	(135,153)	35,114
Non-operating revenues (expenses):			
Investment income	72,645	-	72,645
Net loss on disposal of capital assets	-	(22,005)	(22,005)
Total non-operating revenues (expenses)	72,645	(22,005)	50,640
Income (loss) before transfers	242,912	(157,158)	85,754
Transfers out	(395,600)	-	(395,600)
Change in net assets	(152,688)	(157,158)	(309,846)
Total net assets - beginning	6,973,857	18,100,433	25,074,290
Total net assets - ending	$ 6,821,169	$ 17,943,275	$ 24,764,444

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2004

	Risk Management	Central Equipment	Totals
Cash flows from operating activities:			
Cash received from customers	$ 1,371,152	$ 2,714,065	$ 4,085,217
Cash payments to suppliers for goods and services	(387,947)	(1,060,792)	(1,448,739)
Cash payments to employees for services	(119,753)	(561,258)	(681,011)
Claims paid	(871,639)	-	(871,639)
Repayment of insurance claims	93,659	-	93,659
Net cash provided by operating activities	85,472	1,092,015	1,177,487
Cash flows from noncapital financing activities:			
Transfers to other funds	(395,600)	-	(395,600)
Net cash provided by noncapital financial activities	(395,600)	-	(395,600)
Cash flows from investing activities:			
Investment income	72,645	-	72,645
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(1,082,491)	(1,082,491)
Proceeds from sale of equipment	-	88,195	88,195
Net cash used for capital and related financing activities	-	(994,296)	(994,296)
Net increase (decrease) in cash and cash equivalents	(237,483)	97,719	(139,764)
Cash and cash equivalents at beginning of year	7,060,575	6,552,317	13,612,892
Cash and cash equivalents at end of year	$ 6,823,092	$ 6,650,036	$ 13,473,128

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents per Statement of Net Assets	$ 6,646,482	$ 6,650,036	$ 13,296,518
Restricted Cash and Investments	176,610	-	176,610
Cash and Cash Equivalents Per Statement of Cash Flows	$ 6,823,092	$ 6,650,036	$ 13,473,128

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS (cont'd)
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2004

	Risk Management	Central Equipment	Totals
Reconciliation of operating income to cash flows from operating activities:			
Operating income (loss)	$ 170,267	$ (135,153)	$ 35,114
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	1,212,199	1,212,199
Change in assets and liabilities:			
Accounts receivable	5,016	3,870	8,886
Due from other funds	-	146	146
Inventories	-	(3,092)	(3,092)
Accounts payable	(64,938)	23,133	(41,805)
Due to other funds	(740)	-	(740)
Accrued liabilities	(5,894)	(9,088)	(14,982)
Unpaid claims	(18,239)	-	(18,239)
Total adjustments	(84,795)	1,227,168	1,142,373
Net cash provided by operating activities	$ 85,472	$ 1,092,015	$ 1,177,487

Non-cash capital, investing & financing activities: None

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, 2004

	Redevelopment Authority	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS					
Cash and short term investments	$ 1,983,641	$ 16,929	$ 5,501	$ 24,042	$ 2,030,113
Receivables:					
Taxes	-	71,000	11,000	9,500	91,500
Notes receivable	-	-	786	-	786
Land	2,277,906	-	-	-	2,277,906
Construction in progress	810,919	-	-	-	810,919
Total assets	$ 5,072,466	$ 87,929	$ 17,287	$ 33,542	$ 5,211,224
LIABILITIES AND EQUITY					
Accounts payable	$ 26,913	$ 1,255	$ 631	$ 1,158	$ 29,957
Deposits	310	-	-	-	310
Deferred revenue	-	71,000	11,000	9,500	91,500
Advances from primary government	1,680,000	-	-	-	1,680,000
Total liabilities	1,707,223	72,255	11,631	10,658	1,801,767
Net assets:					
Invested in capital assets, net of related debt	2,295,309	-	-	-	2,295,309
Unrestricted	1,069,934	15,674	5,656	22,884	1,114,148
Total net assets	$ 3,365,243	$ 15,674	$ 5,656	$ 22,884	$ 3,409,457

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
For the Year Ended December 31, 2004

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Redevelopment Authority	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
Redevelopment Authority									
Contractual services	$ 2,902	$ -	$ -	$ 1,143,021	$ 1,140,119	$ -	$ -	$ -	$ 1,140,119
Downtown Business Improvement District									
Contractual services	48,434	-	-	-	-	(48,434)	-	-	(48,434)
Supplies and materials	16,843	-	-	-	-	(16,843)	-	-	(16,843)
Total Downtown Business Improvement District	65,277	-	-	-					
West Grand Business Improvement District									
Contractual services	12,907	-	-	-	-	-	(12,907)	-	(12,907)
Water Street Business Improvement District									
Contractual services	6,733	-	-	-	-	-	-	(6,733)	(6,733)
Supplies and materials	1,105	-	-	-	-	-	-	(1,105)	(1,105)
Total Water Street Business Improvement District	7,838	-	-	-					
Total component units	$ 88,924	$ -	$ -	$ 1,143,021	1,140,119	(65,277)	(12,907)	(7,838)	1,054,097
			General revenues:						
			Property taxes		-	71,000	10,500	9,500	91,000
			Investment income		5,861	420	100	250	6,631
			Miscellaneous		8,782	1,119	-	-	9,901
			Total general revenues		14,643	72,539	10,600	9,750	107,532
			Change in net assets		1,154,762	7,262	(2,307)	1,912	1,161,629
			Net assets at beginning of year		2,210,481	8,412	7,963	20,972	2,247,828
			Net assets at end of year		$ 3,365,243	$ 15,674	$ 5,656	$ 22,884	$ 3,409,457

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET
COMPONENT UNITS - GOVERNMENTAL
Year Ended December 31, 2004

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
ASSETS				
Cash and short term investments	$ 16,929	$ 5,501	$ 24,042	$ 46,472
Receivables:				
Taxes	71,000	11,000	9,500	91,500
Notes receivable	-	786	-	786
Total assets	$ 87,929	$ 17,287	$ 33,542	$ 138,758
LIABILITIES AND EQUITY				
Accounts payable	$ 1,255	$ 631	$ 1,158	$ 3,044
Deferred revenue	71,000	11,786	9,500	92,286
Total liabilities	72,255	12,417	10,658	95,330
Fund balances:				
Designated for subsequent years expenditures	15,674	4,870	22,884	43,428
Total equity and other credits	15,674	4,870	22,884	43,428
Total liabilities, equity and other credits	$ 87,929	$ 17,287	$ 33,542	$ 138,758
Amounts reported for governmental activities in the statement of net assets are different because:				
Fund balance at year end	$ 15,674	$ 4,870	$ 22,884	$ 43,428
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	-	786	-	786
Net assets at year end	$ 15,674	$ 5,656	$ 22,884	$ 44,214

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPONENT UNITS - GOVERNMENTAL
Year Ended December 31, 2004

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	Totals
Revenues:				
Taxes:				
Special assessments	$ 71,000	$ 10,500	$ 9,500	$ 91,000
Miscellaneous:				
Investment income	420	100	250	770
Other	1,119	1,461	-	2,580
Total revenues	72,539	12,061	9,750	94,350
Expenditures:				
Contractual services	48,434	12,907	6,733	68,074
Supplies and materials	16,843	-	1,105	17,948
Total expenditures	65,277	12,907	7,838	86,022
Net change in fund balances	7,262	(846)	1,912	8,328
Fund balances at beginning of year	8,412	5,716	20,972	35,100
Fund balances at end of year	$ 15,674	$ 4,870	$ 22,884	$ 43,428
Reconciliation of excess (deficiency) of revenues over expenditures to change in net assets:				
Net change in fund balances	$ 7,262	$ (846)	$ 1,912	$ 8,328
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.	-	(1,461)	-	(1,461)
Change in net assets	$ 7,262	$ (2,307)	$ 1,912	$ 6,867

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, 2004

	Balance Jan. 1, 2004	Additions	Deletions	Balance Dec. 31, 2004
Tax Collection Fund				
Assets:				
Cash and cash equivalents	$ 11,952,772	$ 64,889,444	$ 65,411,437	$ 11,430,779
Taxes receivable	37,759,636	70,139,426	61,143,187	46,755,875
Total assets	$ 49,712,408	$ 135,028,870	$ 126,554,624	$ 58,186,654
Liabilities:				
Due to other governments	$ 49,712,408	$ 58,186,654	$ 49,712,408	$ 58,186,654

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, 2004 and 2003

	2004	2003
General capital assets:		
Land	$ 14,615,452	$ 14,988,364
Land improvements	2,308,339	2,248,901
Building and improvements	12,745,889	13,110,149
Machinery and equipment	10,359,173	13,121,459
Improvements and infrastructure	107,384,702	107,368,002
Construction in progress	11,472,013	613,378
Total general capital assets	$ 158,885,568	$ 151,450,253
Investment in general capital assets from:		
General fund revenues	$ 153,891,195	$ 145,874,499
Federal grants	3,900,609	4,477,102
State grants	367,165	367,165
Federal revenue sharing	726,599	731,487
Total investment in general capital assets	$ 158,885,568	$ 151,450,253

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, 2004

Function and Activity	Land	Buildings and Improvements	Land Improvements and Infrastructure	Machinery and Equipment	Total
General government:					
City manager	$ -	$ 25,402	$ -	$ 1,063,401	$ 1,088,803
Finance	3,120,896	194,637	-	203,140	3,518,673
Human resources	-	-	-	8,500	8,500
Land use planning	883,574	68,160	-	-	951,734
Total general government	4,004,470	288,199	-	1,275,041	5,567,710
Public safety:					
Police	58,144	312,946	-	808,245	1,179,335
Fire	358,418	1,971,183	-	374,264	2,703,865
Total public safety	416,562	2,284,129	-	1,182,509	3,883,200
Public works	3,435,226	3,098,607	107,384,702	475,446	114,393,981
Parks and recreation	3,945,361	3,823,029	2,298,209	366,755	10,433,354
Community development	2,556,328	-	4,160	-	2,560,488
Library	257,505	3,251,925	5,970	6,885,015	10,400,415
Health	-	-	-	174,407	174,407
Total general capital assets allocated to functions	$ 14,615,452	$ 12,745,889	$ 109,693,041	$ 10,359,173	147,413,555
Construction in progress					11,472,013
Total general capital assets					$ 158,885,568

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, 2004

Function and Activity	Balance Jan. 1, 2004	Additions	Deductions	Balance Dec. 31, 2004
General government:				
City manager	$ 2,210,264	$ 18,465	$ 1,139,926	$ 1,088,803
Finance	3,729,898	44,000	255,225	3,518,673
Human resources	8,500	-	-	8,500
Land use planning	951,734	-	-	951,734
Total general government	6,900,396	62,465	1,395,151	5,567,710
Public safety:				
Police	1,161,056	59,449	41,170	1,179,335
Fire	2,697,565	6,300	-	2,703,865
Total public safety	3,858,621	65,749	41,170	3,883,200
Public works	114,330,773	174,587	111,379	114,393,981
Parks and recreation	10,337,516	208,136	112,298	10,433,354
Community development	3,155,341	-	594,853	2,560,488
Library	12,060,107	736,000	2,395,692	10,400,415
Health	194,121	-	19,714	174,407
Construction in progress	613,378	10,858,635	-	11,472,013
Total general capital assets	$ 151,450,253	$ 12,105,572	$ 4,670,257	$ 158,885,568

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.

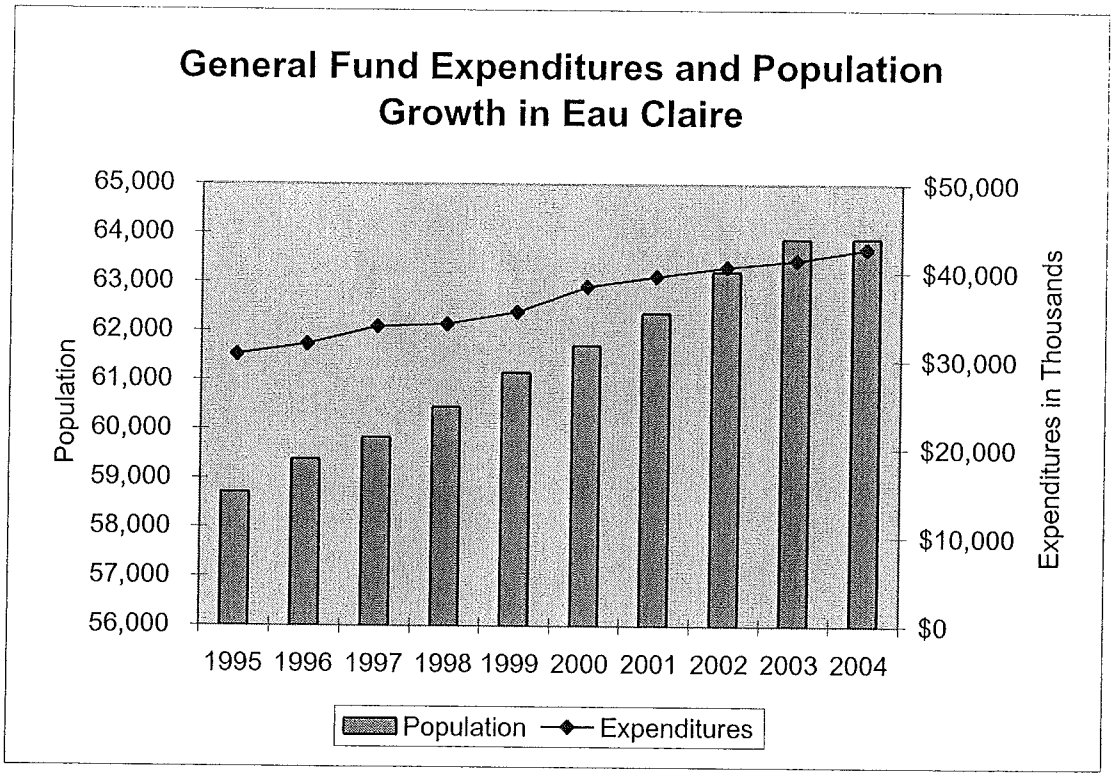
Statistical Section
(Unaudited)

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Government	$4,384	$4,543	$4,615	$4,587	$4,729	$5,106	$5,299	$5,402	$5,622	$5,871
Public Works	5,829	6,201	6,170	5,998	6,149	7,681	6,893	6,863	6,943	7,139
Parks & Recreation	3,239	2,916	3,106	3,231	3,229	3,330	3,672	3,729	3,908	3,866
Public Safety	13,070	13,474	14,117	15,161	15,884	16,307	17,470	18,489	19,267	19,768
Miscellaneous	572	200	200	223	401	504	441	418	622	428
Total expenditures	27,094	27,334	28,208	29,200	30,392	32,928	33,775	34,901	36,362	37,072
Other financing uses:										
Transfers	2,774	3,688	4,011	3,806	3,623	3,865	4,012	3,706	2,850	3,260
Indebtedness	777	820	1,608	1,109	1,463	1,588	1,751	1,985	2,147	2,334
Total expenditures and other financing uses	$30,645	$31,842	$33,827	$34,115	$35,478	$38,381	$39,538	$40,592	$41,359	$42,666
Population	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214	63,882	63,897

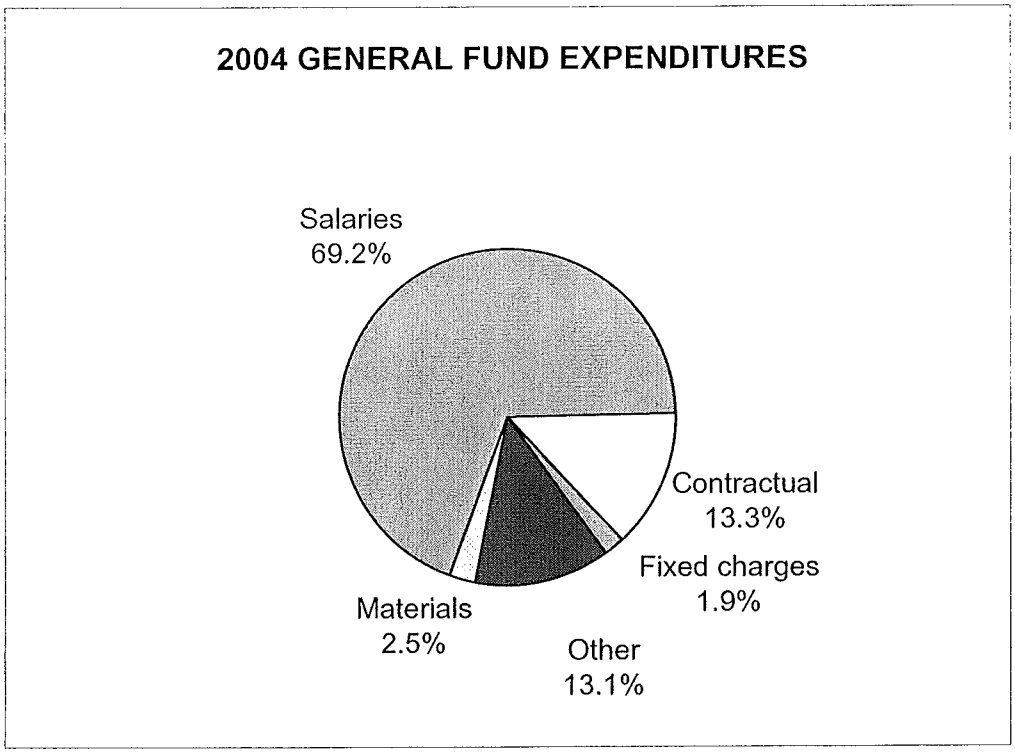


Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

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

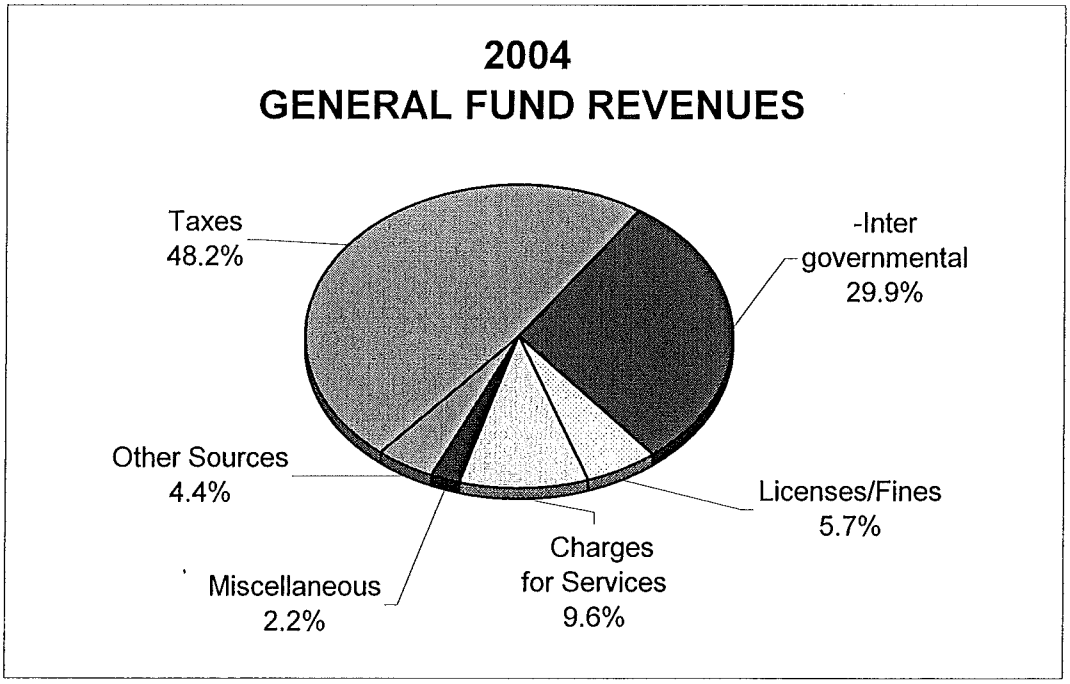
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Salaries and benefits	$20,819	$21,390	$21,782	$22,829	$23,749	$24,554	$25,995	$27,373	$28,743	$29,528
Contractual services	4,255	3,954	4,360	4,543	4,559	5,196	5,532	5,438	5,713	5,680
Materials & supplies	820	990	1,019	992	1,079	1,301	1,283	1,253	1,145	1,061
Fixed charges	918	890	881	668	829	872	825	789	761	797
Capital outlay	282	110	166	168	176	1,004	140	48	0	6
Total expenditures	27,094	27,334	28,208	29,200	30,392	32,927	33,775	34,901	36,362	37,072
Other financing uses	3,551	4,508	5,619	4,915	5,086	5,454	5,763	5,691	4,997	5,594
Total expenditures and other financing uses	$30,645	$31,842	$33,827	$34,115	$35,478	$38,381	$39,538	$40,592	$41,359	$42,666



CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Taxes:										
General property (1)	$9,225	$9,970	$11,307	$13,105	$14,532	$15,699	$17,117	$18,967	$19,773	$20,271
Special assessments	1,291	1,056	880	713	573	426	299	284	136	165
Intergovernmental	14,707	14,089	13,878	13,744	13,511	14,144	12,957	13,446	13,792	12,640
Licenses and permits	911	846	879	990	981	1,633	1,295	1,444	1,498	1,550
Fines and forfeits	480	476	433	533	523	526	553	686	740	859
Charges for services	2,202	2,473	2,647	2,689	2,842	2,807	3,465	3,367	4,010	4,076
Miscellaneous:										
Interest	2,324	2,125	2,222	2,011	1,723	2,075	1,708	1,252	850	845
Other	139	51	237	116	111	120	531	165	211	90
Total revenues	31,279	31,086	32,483	33,901	34,796	37,430	37,925	39,611	41,010	40,496
Other financing sources	200	162	262	168	168	389	369	206	2,116	1,882
Total revenues and other financing sources	$31,479	$31,248	$32,745	$34,069	$34,964	$37,819	$38,294	$39,817	$43,126	$42,378



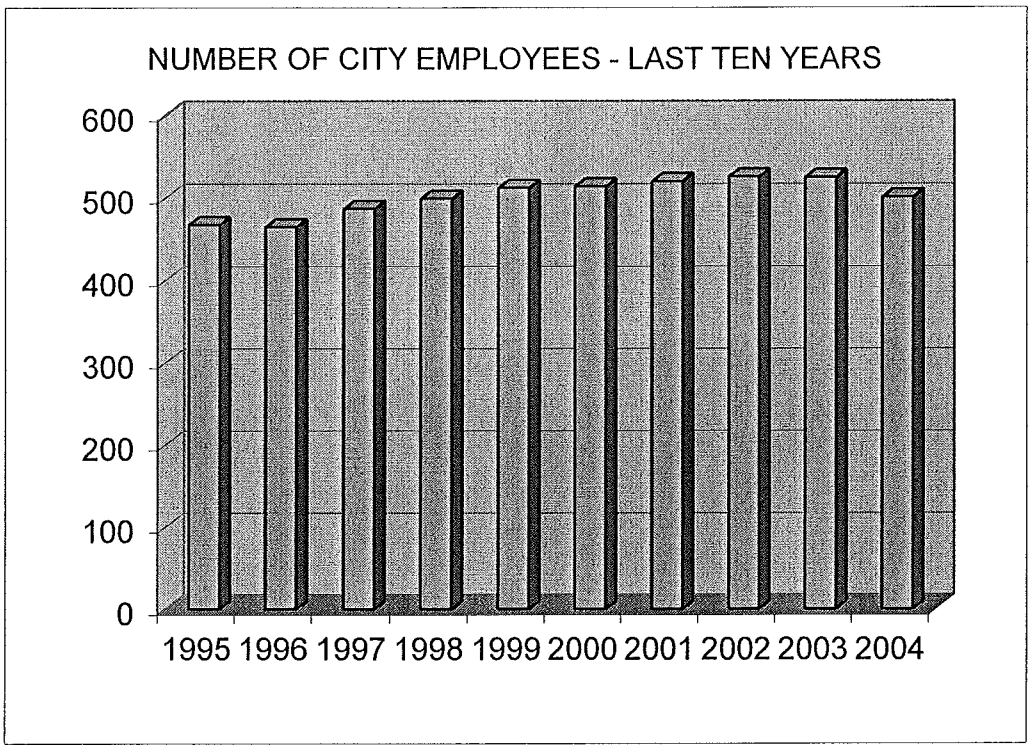
(1) NOTE: Includes real estate tax, mobile home fees, and interest on delinquent personal property taxes.

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Government	61.5	60.6	61.6	62.6	65.8	66.8	69.9	71.9	71.4	66.9
Public Works	67.3	66.3	66.0	68.5	72.0	73.5	73.0	74.0	71.0	64.0
Parks & Recreation	42.8	39.8	39.8	39.8	40.8	40.8	40.8	40.8	40.8	37.8
Public Safety	200.0	200.0	213.0	222.0	222.0	224.0	227.0	228.0	228.0	222.0
Enterprise Funds	86.0	88.0	96.3	96.2	101.3	100.8	101.3	102.8	105.8	102.0
Internal Service Funds	10.0	10.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0	8.0
Total Employees	467.5	464.6	486.6	499.1	511.9	513.9	519.9	525.4	524.9	500.7



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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Compensatory leave	423	489	545	610	666	736	630	543	456	541
Vacation leave	5,314	5,309	5,313	5,398	5,792	5,574	5,992	5,729	12,534	12,607
	5,737	5,798	5,858	6,008	6,458	6,310	6,622	6,272	12,990	13,148
Sick leave	38,047	37,688	37,630	37,268	37,261	37,241	36,917	37,227	36,240	38,024
Total compensatory, vacation, and sick leave	43,784	43,486	43,488	43,276	43,719	43,551	43,539	43,499	49,230	51,172

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total tax levy	$7,960	$8,756	$10,119	$11,737	$13,284	$14,296	$15,750	$17,512	$18,915	$19,888
Current tax collections (1)	7,944	8,732	10,104	11,720	13,180	14,206	15,579	17,329	19,186	19,565
Collection of delinquent personal property taxes from prior years	64	32	17	171	102	102	141	153	228	331
Total tax collections (2)	$8,008	$8,764	$10,121	$11,891	$13,282	$14,308	$15,720	$17,482	$19,414	$19,896
Percent of current collections to tax levy	99.8%	99.7%	99.9%	99.9%	99.2%	99.4%	98.9%	99.0%	101.4%	98.4%
Percent of total tax collections to tax levy	100.6%	100.1%	100.0%	101.3%	100.0%	100.1%	99.8%	99.8%	102.6%	100.0%
Total delinquent taxes outstanding	$57	$51	$50	$38	$43	$57	$61	$95	$114	$83

(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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
TID #2 equalized valuation:										
Base	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Increment	5,225	5,495	6,042	6,221	0	0	0	0	0	0
Total TID #2	$5,225	$5,495	$6,042	$6,221	$0	$0	$0	$0	$0	$0
TID #3 equalized valuation:										
Base	$204	$204	$204	$204	$0	$0	$0	$0	$0	$0
Increment	32,431	35,953	35,793	39,464	0	0	0	0	0	0
Total TID #3	$32,635	$36,157	$35,997	$39,668	$0	$0	$0	$0	$0	$0
TID #4 equalized valuation:										
Base	$103	$103	$256	$256	$256	$256	$256	$256	$256	$0
Increment	6,419	10,113	25,707	51,902	59,058	60,240	62,127	69,529	74,346	0
Total TID #4	$6,522	$10,216	$25,963	$52,158	$59,314	$60,496	$62,383	$69,785	$74,602	$0
TID #5 equalized valuation:										
Base	$0	$0	$0	$130	$130	$130	$130	$130	$130	$130
Increment	0	0	0	0	1,190	1,425	2,821	15,589	21,755	21,395
Total TID #5	$0	$0	$0	$130	$1,320	$1,555	$2,951	$15,719	$21,885	$21,525
TID #6 equalized valuation:										
Base	$0	$0	$0	$986	$986	$986	$986	$986	$986	$986
Increment	0	0	0	0	2,221	2,308	2,871	5,301	6,932	8,503
Total TID #6	$0	$0	$0	$986	$3,207	$3,294	$3,857	$6,287	$7,918	$9,489
TID #7 equalized valuation:										
Base	$0	$0	$0	$115	$115	$115	$115	$115	$115	$115
Increment	0	0	0	0	0	875	3,174	3,333	3,508	3,634
Total TID #7	$0	$0	$0	$115	$115	$990	$3,289	$3,448	$3,623	$3,749
TID #8 equalized valuation:										
Base	$0	$0	$0	$0	$0	$0	$0	$10,441	$10,441	$10,441
Increment	0	0	0	0	0	0	0	0	0	236
Total TID #8	$0	$0	$0	$0	$0	$0	$0	$10,441	$10,441	$10,677
ALL PROPERTY										
All property - w/o TIDs	$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	$3,285,121
Base valuation - TIDs	307	307	460	1,691	1,487	1,487	1,487	11,928	11,928	11,672
All property - w/o TID increment	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	3,296,793
Increment valuation - TIDs	44,075	51,561	67,542	97,587	62,469	64,848	70,993	93,752	106,541	33,768
Equalized valuation - all property	$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	$3,330,561

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.

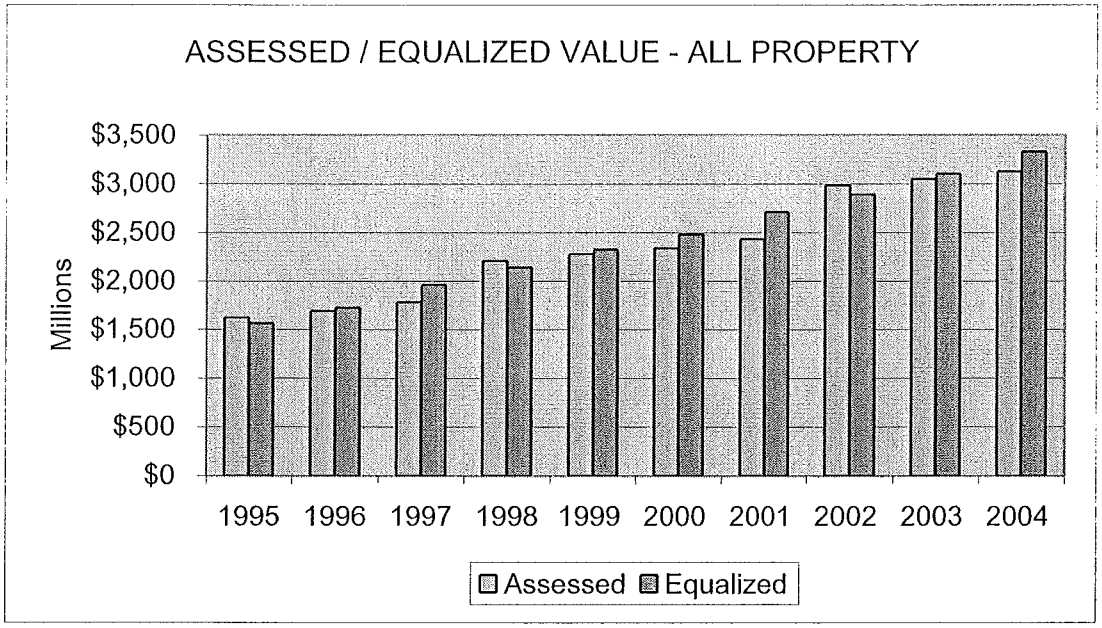
NOTE: TIF #2 and #3 were closed in 1998.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
ALL PROPERTY										
Real property:										
Assessed value	$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	$2,997,305
Equalized value (1)	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	3,192,523
Personal property:										
Assessed value	$82,534	$93,995	$105,471	$133,486	$131,294	$110,929	$119,618	$139,844	$134,989	$131,225
Equalized value	82,419	96,783	116,957	132,942	133,993	119,040	133,993	138,930	138,430	138,038
Total:										
Assessed value	$1,623,041	$1,689,647	$1,783,616	$2,205,335	$2,277,611	$2,335,442	$2,429,573	$2,981,694	$3,048,956	$3,128,530
Equalized value	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
Ratio of total assessed to total equalized value	103.80%	98.07%	91.07%	103.04%	98.13%	94.15%	89.75%	103.20%	98.18%	93.93%



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.

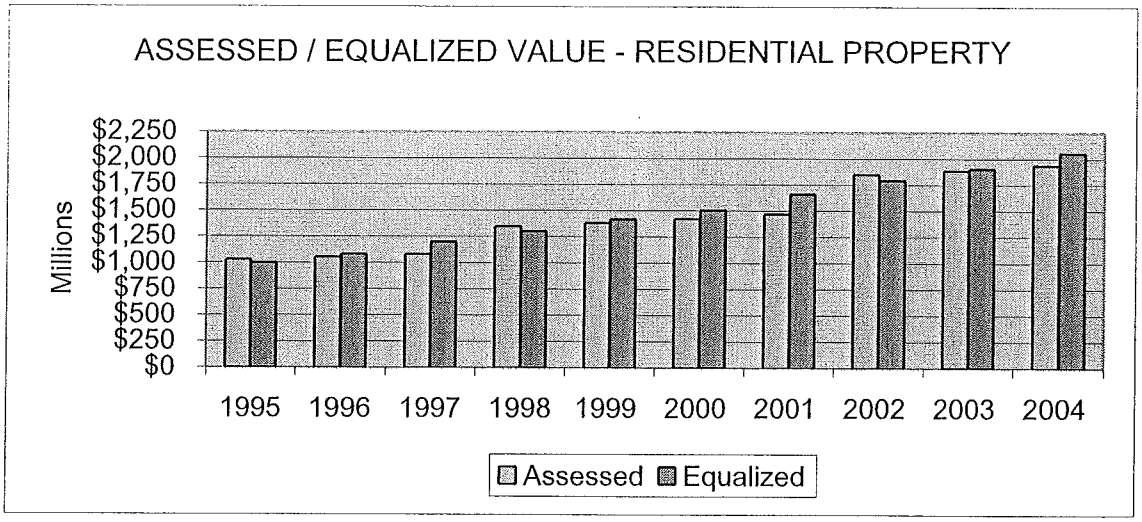
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
RESIDENTIAL										
Real property:										
Assessed value	$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	$1,936,665
Equalized value	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	2,051,612
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	$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	$1,936,665
Equalized value	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	2,051,612
Total all classes:										
Assessed value	$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	$3,128,530
Equalized value	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	3,330,561
Residential property as a percentage of total:										
Assessed value	63.19%	62.24%	60.36%	61.02%	60.58%	60.74%	60.45%	61.99%	61.82%	61.90%
Equalized value	63.64%	62.78%	61.14%	60.74%	60.97%	60.66%	61.23%	61.98%	61.25%	61.60%
Number of parcels (2)	17,682	17,855	17,955	18,186	18,217	18,447	18,814	21,745	21,870	19,313
Number of parcels with improvements	15,431	15,603	15,758	15,943	16,193	16,413	16,729	18,778	18,994	17,513



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

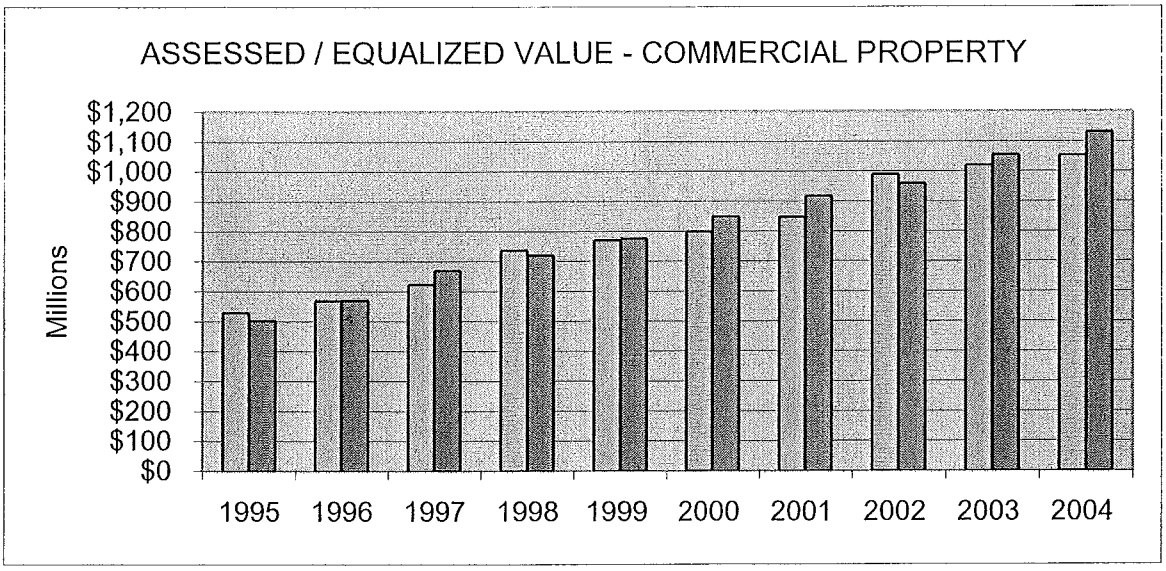
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
COMMERCIAL										
Real property:										
Assessed value	$457,292	$486,938	$533,437	$626,208	$665,623	$707,721	$746,582	$872,022	$903,427	$939,329
Equalized value	430,869	486,086	569,608	610,037	668,550	752,655	810,573	841,406	936,814	1,011,523
Personal property:										
Assessed value	$70,205	$80,984	$88,982	$109,341	$104,514	$90,341	$99,819	$117,363	$115,716	$113,637
Equalized value	70,595	82,555	98,873	109,459	106,647	96,120	106,647	117,100	118,345	119,796
Total commercial:										
Assessed value	$527,497	$567,922	$622,419	$735,549	$770,137	$798,062	$846,401	$989,385	$1,019,143	$1,052,966
Equalized value	501,464	568,641	668,481	719,496	775,197	848,775	917,220	958,506	1,055,159	1,131,319
Total all classes:										
Assessed value	$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	$3,128,530
Equalized value	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	3,330,561
Commercial property as a percentage of total:										
Assessed value	32.50%	33.61%	34.90%	33.35%	33.81%	34.18%	34.84%	33.18%	33.43%	33.66%
Equalized value	32.07%	33.00%	34.13%	33.62%	33.40%	34.22%	33.86%	33.17%	33.98%	33.97%
Number of parcels	2,423	2,409	2,483	2,528	2,559	2,601	2,635	2,634	2,669	2,692
Number of parcels with improvements	1,387	1,424	1,471	1,509	1,552	1,592	1,642	1,652	1,683	1,721



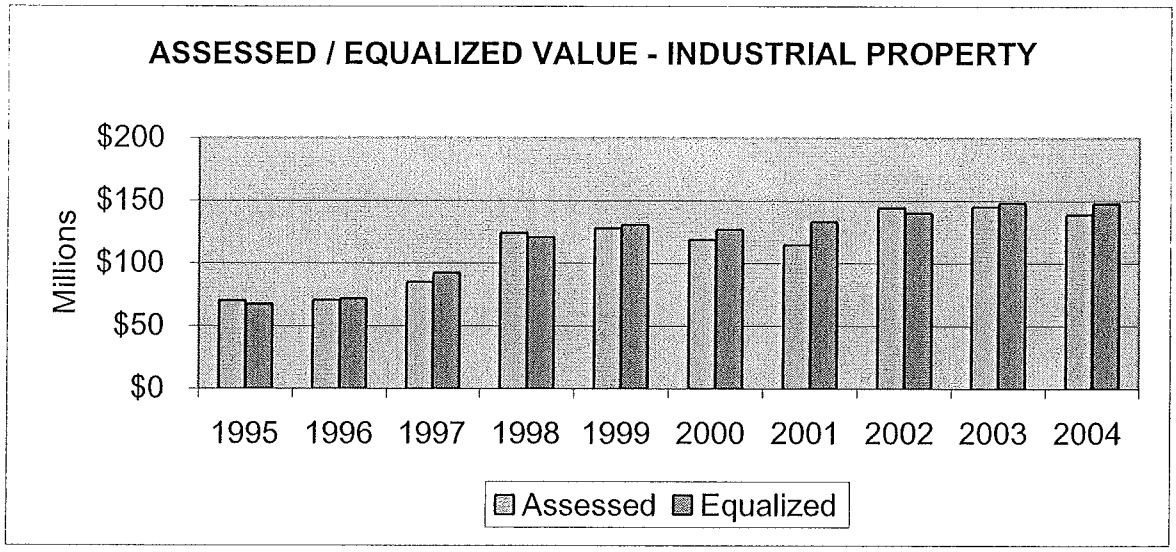
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
INDUSTRIAL										
Real property:										
Assessed value	$57,629	$57,141	$68,131	$99,854	$100,928	$98,016	$94,681	$121,417	$125,809	$121,311
Equalized value	55,232	58,249	74,090	97,185	103,264	103,868	105,668	118,173	127,937	129,389
Personal property:										
Assessed value	$12,329	$13,011	$16,489	$24,145	$26,780	$20,588	$19,799	$22,481	$19,272	$17,588
Equalized value	11,823	13,263	18,084	23,483	27,346	22,920	27,346	21,830	20,085	18,242
Total industrial:										
Assessed value	$69,958	$70,152	$84,620	$123,999	$127,708	$118,604	$114,480	$143,898	$145,081	$138,899
Equalized value	67,055	71,512	92,174	120,668	130,610	126,788	133,014	140,003	148,022	147,631
Total all classes:										
Assessed	$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	$3,128,530
Equalized	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	3,330,561
Industrial property as a percentage of total:										
Assessed value	4.31%	4.15%	4.74%	5.62%	5.61%	5.08%	4.71%	4.83%	4.76%	4.44%
Equalized value	4.29%	4.15%	4.71%	5.64%	5.63%	5.11%	4.91%	4.85%	4.77%	4.43%
Number of parcels	93	96	101	104	99	100	107	107	103	96
Number of parcels with improvements	79	81	84	87	84	84	92	92	92	89



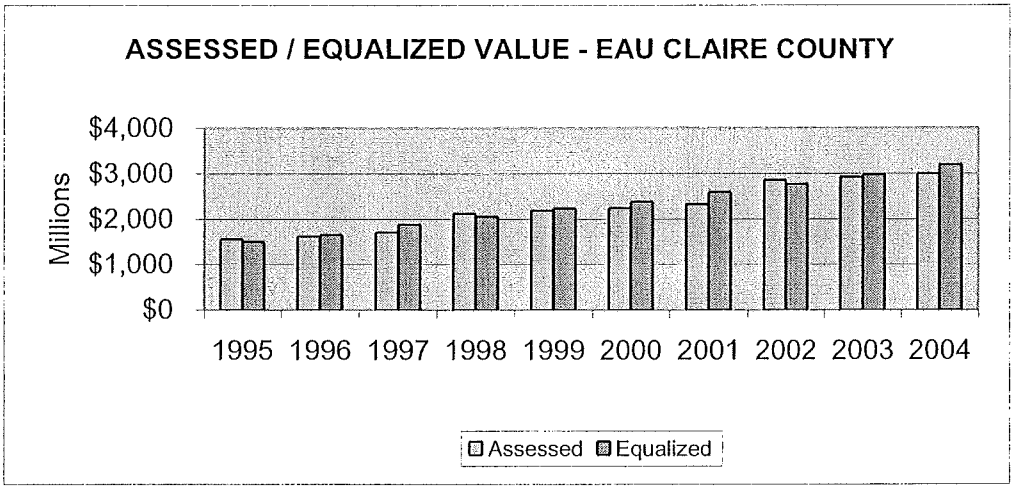
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

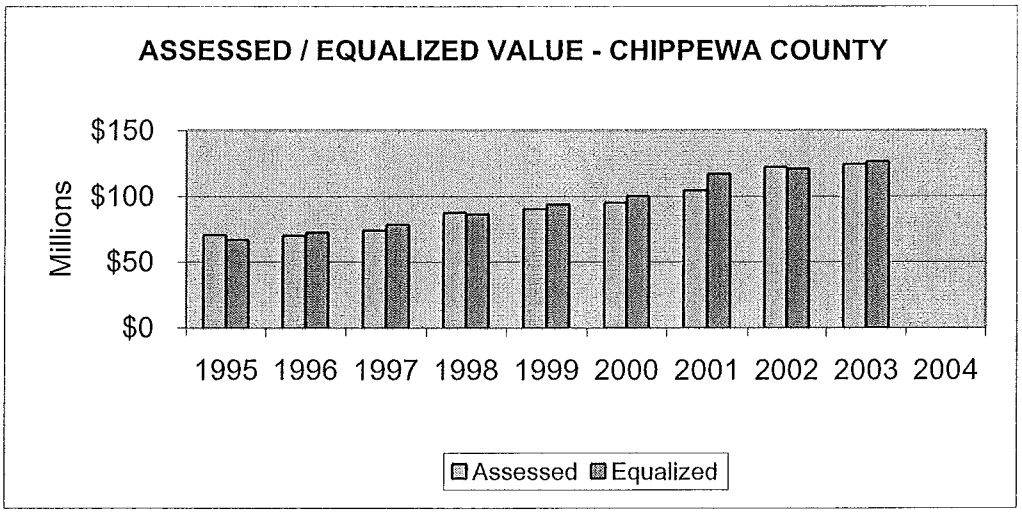
Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

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:	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
EAU CLAIRE COUNTY										
Assessed value	$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	$3,000,387
Equalized value	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	3,192,926
Ratio of assessment	103.72%	98.10%	90.94%	103.10%	98.20%	94.12%	89.77%	103.29%	98.17%	93.97%
CHIPPEWA COUNTY										
Assessed value	$70,497	$70,137	$73,945	$87,604	$90,157	$95,012	$104,200	$122,097	$124,549	$128,143
Equalized value	66,752	72,110	78,404	86,203	93,568	100,069	116,841	120,827	126,537	137,635
Ratio of assessment	105.61%	97.26%	94.31%	101.63%	96.35%	94.95%	89.18%	101.05%	98.43%	93.10%



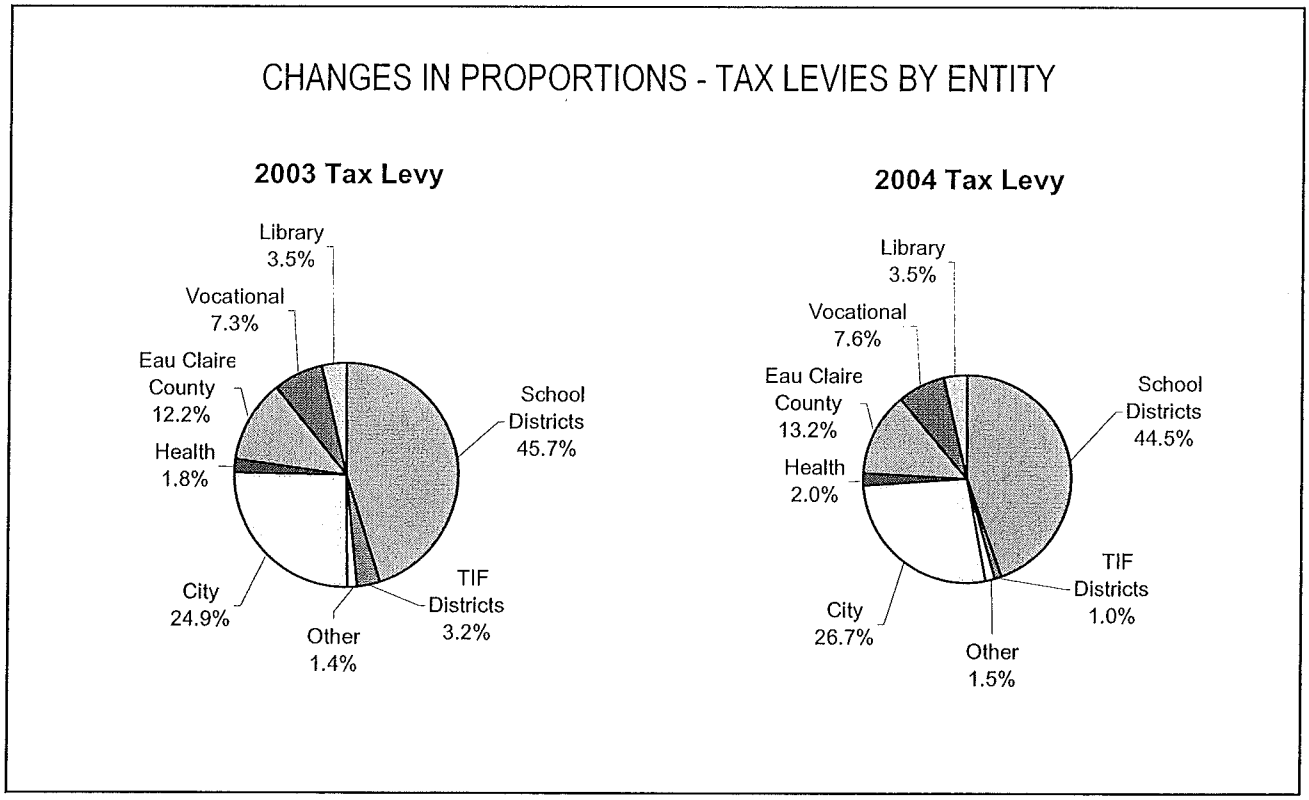


NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
City	$7,960	$8,756	$10,118	$11,737	$13,284	$14,296	$15,750	$17,512	$18,915	$19,887
TIF Districts	1,389	1,537	1,656	2,423	1,492	1,548	1,703	2,259	2,518	749
Library	1,513	1,546	1,585	1,710	2,206	2,247	2,305	2,464	2,592	2,637
Health	1,001	1,039	1,078	1,117	1,196	1,219	1,268	1,291	1,379	1,453
Eau Claire School District	28,079	27,710	21,749	23,293	25,595	28,857	31,391	31,828	33,130	32,959
Chippewa Falls School District	19	23	35	34	30	31	111	115	34	34
Altoona School District (1)	0	0	0	12	74	105	117	113	129	145
Vocational District	2,849	3,075	3,332	3,548	3,890	4,223	4,615	5,088	5,410	5,629
Eau Claire County	6,180	7,329	8,099	8,875	7,486	6,495	7,401	8,569	8,917	9,818
Chippewa County	254	277	303	334	336	350	427	429	430	462
State Forestry- Eau Claire County	300	330	376	411	445	476	518	554	596	638
State Forestry- Chippewa County	13	14	16	17	19	20	23	24	25	28
Total tax levy	$49,557	$51,636	$48,347	$53,511	$56,053	$59,867	$65,629	$70,246	$74,075	$74,439
City percent of total levy	16.06%	16.96%	20.93%	21.93%	23.70%	23.88%	24.00%	24.93%	25.53%	26.72%



(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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	$5.047	$5.342	$5.876	$5.576	$5.994	$6.286	$6.658	$6.070	$6.424	$6.422
Library	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854	0.880	0.851
Health	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448	0.469	0.469
Eau Claire School Dist.	17.831	16.916	12.673	11.085	11.588	12.760	13.376	11.111	11.311	10.694
Vocational District	1.808	1.875	1.938	1.685	1.754	1.858	1.950	1.762	1.838	1.817
Eau Claire County	4.101	4.671	4.914	4.400	3.517	2.977	3.268	3.095	3.154	3.298
State Forestry	0.193	0.204	0.220	0.194	0.204	0.212	0.223	0.194	0.204	0.213
Gross Tax Rate	30.574	30.585	27.168	24.283	24.592	25.617	26.985	23.534	24.280	23.764
Less State Credit	1.865	1.779	2.474	1.921	1.833	1.805	1.853	1.600	1.616	1.577
Net Tax Rate	$28.709	$28.806	$24.694	$22.362	$22.759	$23.812	$25.132	$21.934	$22.664	$22.187
City Property Located in Eau Claire County (Altoona School District) (1)										
City	$0	$0	$0	$0	$5.576	$5.994	$6.286	$6.070	$6.424	$6.422
Library	0	0	0	0	0.812	0.995	0.988	0.854	0.880	0.851
Health	0	0	0	0	0.531	0.540	0.536	0.448	0.469	0.469
Eau Claire School Dist.	0	0	0	0	10.203	11.782	11.598	10.184	11.190	11.650
Vocational District	0	0	0	0	1.685	1.754	1.858	1.762	1.838	1.817
Eau Claire County	0	0	0	0	4.400	3.517	2.977	3.095	3.154	3.298
State Forestry	0	0	0	0	0.194	0.204	0.212	0.194	0.204	0.213
Gross Tax Rate	0.000	0.000	0.000	0.000	23.401	24.786	24.455	22.607	24.159	24.720
Less State Credit	0.000	0.000	0.000	0.000	1.921	1.833	1.805	1.600	1.616	1.577
Net Tax Rate	$0.000	$0.000	$0.000	$0.000	$21.480	$22.953	$22.650	$21.007	$22.543	$23.143

(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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
City Property Located in Chippewa County (Eau Claire Area School District)										
City	$5.047	$5.342	$5.876	$5.576	$5.994	$6.286	$6.658	$6.070	$6.424	$6.422
Library	0.959	0.943	0.921	0.812	0.995	0.988	0.974	0.854	0.880	0.851
Health	0.635	0.634	0.626	0.531	0.540	0.536	0.536	0.448	0.469	0.469
Eau Claire School Dist.	17.570	17.062	12.219	11.246	11.811	12.648	13.466	11.258	11.282	10.793
Vocational District	1.775	1.891	1.868	1.709	1.787	1.841	1.963	1.801	1.833	1.834
Chippewa County	3.607	3.956	4.098	3.808	3.816	3.773	4.197	3.673	3.652	3.840
State Forestry	0.189	0.206	0.212	0.197	0.208	0.211	0.224	0.198	0.203	0.215
Gross Tax Rate	29.782	30.034	25.820	23.879	25.151	26.283	28.018	24.302	24.743	24.424
Less State Credit	1.909	1.887	2.599	2.075	1.957	1.825	1.759	1.606	1.631	1.578
Net Tax Rate	$27.873	$28.147	$23.221	$21.804	$23.194	$24.458	$26.259	$22.696	$23.112	$22.846
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	$6.200	$5.047	$5.342	$5.876	$5.576	$5.994	$6.286	$6.070	$6.424	$6.422
Library	1.205	0.959	0.943	0.921	0.812	0.995	0.988	0.854	0.880	0.851
Health	0.801	0.635	0.634	0.626	0.531	0.540	0.536	0.448	0.469	0.469
Chippewa Falls School Dist.	19.810	12.195	14.605	10.188	10.132	9.994	10.430	9.849	9.445	9.693
Vocational District	2.066	1.775	1.892	1.868	1.709	1.787	1.841	1.801	1.833	1.834
Chippewa County	4.367	3.607	3.956	4.098	3.808	3.816	3.773	3.673	3.652	3.840
State Forestry	0.231	0.189	0.206	0.212	0.197	0.208	0.211	0.198	0.203	0.215
Gross Tax Rate	34.680	24.407	27.578	23.789	22.765	23.334	24.065	22.893	22.906	23.324
Less State Credit	2.459	1.909	1.887	2.599	2.075	1.957	1.825	1.606	1.631	1.578
Net Tax Rate	$32.221	$22.498	$25.691	$21.190	$20.690	$21.377	$22.240	$21.287	$21.275	$21.746

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total assessments levied each fiscal period: (1)										
General fund	$1,187	$1,212	$1,472	$691	$563	$457	$365	$130	$137	$157
Business Improvement Districts	64	64	68	68	74	74	74	74	75	91
Debt Service	72	68	0	756	1,017	1,160	1,289	1,525	1,566	1,663
Water Utility	211	198	233	214	87	86	101	142	193	191
Sewer Utility	170	163	210	219	95	104	120	183	242	238
Delinquent utility bills	399	381	437	469	442	420	450	587	526	581
Total assessments levied	$2,103	$2,086	$2,420	$2,417	$2,278	$2,301	$2,399	$2,641	$2,739	$2,921
Current collections	$2,103	$2,086	$2,420	$2,417	$2,278	$2,301	$2,399	$2,641	$2,739	$2,921
Delinquent collections	1	2	1	2	0	0	0	0	0	0
Total collections	$2,104	$2,088	$2,421	$2,419	$2,278	$2,301	$2,399	$2,641	$2,739	$2,921
Delinquent S/A outstanding	$61	$59	$58	$56	$56	$0	$0	$0	$0	$0

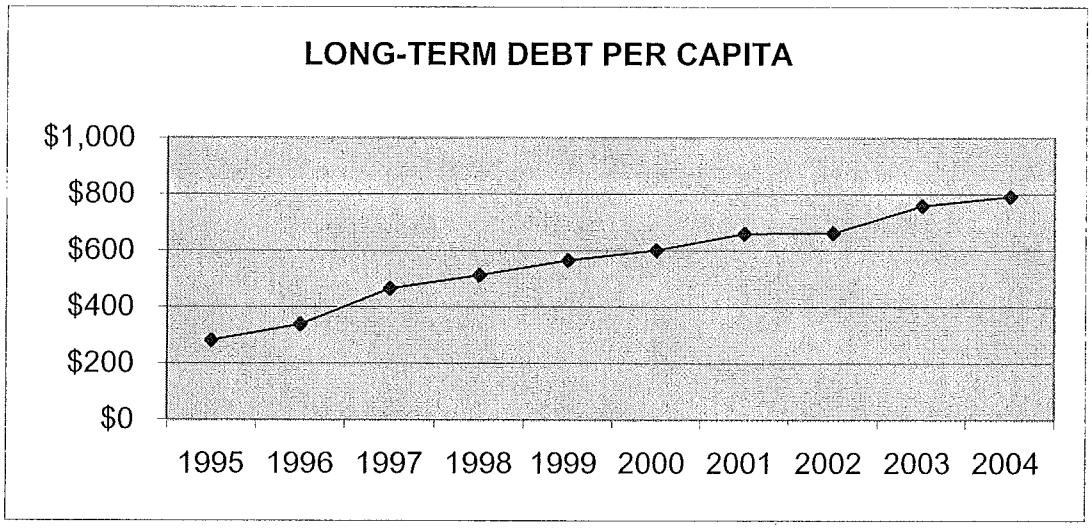
(1) NOTE: Includes current interest due on installment special assessments.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Population	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214	63,882	63,897
Equalized valuation	$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	$3,546,277
Total long-term debt (1)	$18,947	$21,983	$30,183	$34,334	$38,766	$42,677	$48,348	$49,445	$57,051	$60,152
Resources on hand for payment of debt	$2,446	$1,960	$2,379	$3,362	$4,232	$5,571	$7,208	$7,590	$8,560	$9,566
Net long-term debt	$16,501	$20,023	$27,804	$30,972	$34,534	$37,106	$41,140	$41,855	$48,491	$50,586
Percent of net long-term debt to equalized value	0.96%	1.02%	1.30%	1.33%	1.39%	1.37%	1.42%	1.35%	1.46%	1.43%
Net long-term debt per capita (not in thousands)	$281	$337	$465	$512	$565	$601	$660	$662	$759	$792



(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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Transfers to Debt Service fund	$777	$820	$1,608	$1,109	$1,463	$1,588	$1,751	$1,985	$2,147	$2,334
Total expenditures and other financing uses	$30,645	$31,842	$33,827	$34,115	$35,478	$38,381	$39,538	$40,592	$41,359	$42,666
Percent of debt transfers to expenditures and other financing uses	2.5%	2.6%	4.8%	3.3%	4.1%	4.1%	4.4%	4.9%	5.2%	5.5%

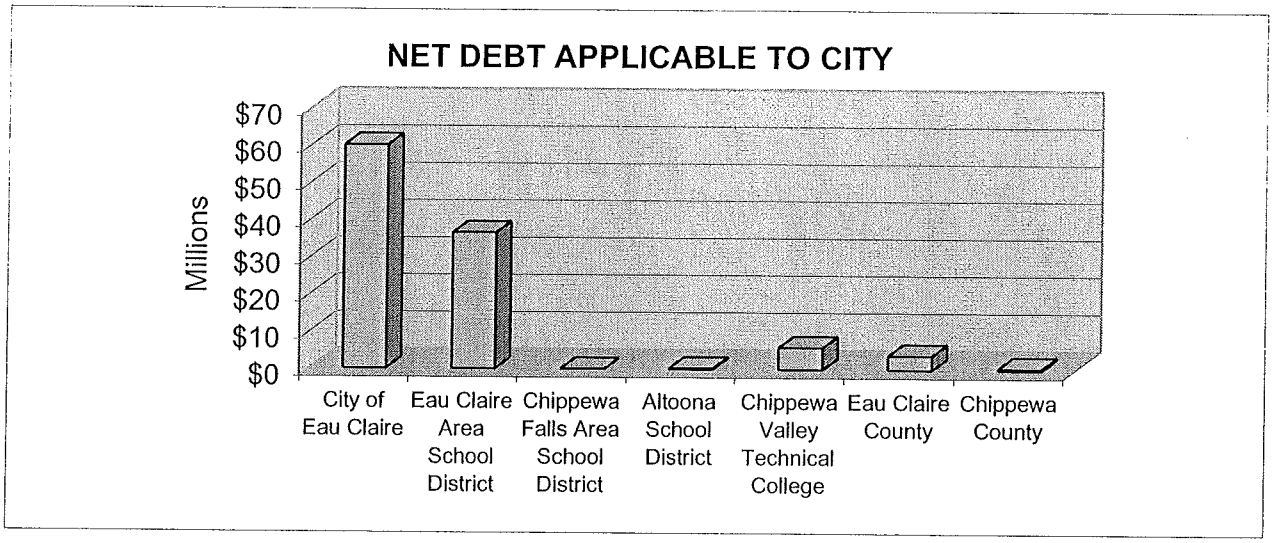
Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 18 - SCHEDULE OF DIRECT AND INDIRECT GENERAL OBLIGATION DEBT
December 31, 2004

Governmental Unit	Total Debt	% of Debt Applicable To City (1)	Net Debt Applicable To City
Direct debt:			
City of Eau Claire	$60,152,340	100.00%	$60,152,340
Indirect debt:			
Eau Claire Area School District	48,800,000	75.01%	36,604,661
Chippewa Falls Area School District	7,630,000	0.20%	15,340
Altoona School District	8,244,011	3.10%	255,759
Chippewa Valley Technical College	28,865,000	20.57%	5,938,754
Eau Claire County	6,266,288	61.42%	3,848,453
Chippewa County	12,960,000	3.90%	505,689
Total indirect debt	112,765,299		47,168,656
Total direct and indirect debt	$172,917,639		$107,320,996

Indirect debt per capita	$738
Indirect debt as a % of equalized value	1.34%
Total direct and indirect debt per capita	$1,680
Total direct and indirect debt as a % of equalized value	3.06%



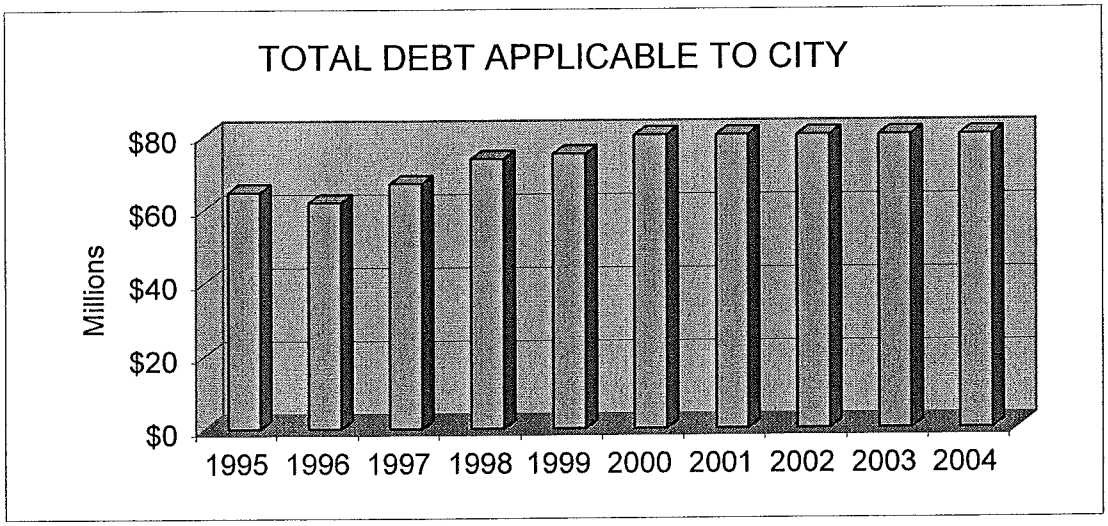
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total debt applicable to City	$64,552	$61,758	$66,865	$73,564	$74,929	$106,623	$103,233	$101,371	$103,629	$107,321
Direct debt:										
General City	$18,947	$21,983	$30,183	$34,334	$38,766	$42,677	$48,348	$49,445	$57,051	$60,152
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	$29,691	$28,814	$27,988	$26,808	$24,992	$52,325	$44,755	$41,859	$35,544	$36,605
Percent	75.81%	76.40%	75.46%	76.28%	75.81%	75.98%	0.00%	74.93%	75.74%	75.74%
Chippewa Falls Area School District	$15	$31	$64	$53	$48	$165	$132	$31	$23	$15
Percent	0.18%	0.39%	0.32%	0.26%	0.25%	0.82%	0.00%	0.22%	0.22%	0.22%
Altoona School District (1)	$0	$0	$16	$137	$316	$309	$300	$269	$271	$256
Percent	0.00%	0.00%	0.48%	2.44%	3.27%	3.34%	0.00%	3.02%	3.19%	3.19%
C.V. Technical College	$2,165	$1,886	$2,360	$4,324	$3,732	$3,977	$3,959	$4,438	$5,834	$5,939
Percent	22.24%	22.78%	22.36%	22.54%	22.04%	21.78%	0.00%	20.95%	21.07%	21.07%
Eau Claire County	$13,333	$8,658	$6,254	$7,907	$6,637	$6,550	$5,177	$4,752	$4,355	$3,848
Percent	63.27%	62.73%	61.86%	62.80%	62.05%	62.06%	0.00%	61.13%	61.64%	61.64%
Chippewa County	$401	$386	$0	$0	$438	$619	$563	$577	$551	$506
Percent	4.57%	4.63%	0.00%	0.00%	4.38%	4.49%	0.00%	4.03%	4.04%	4.04%



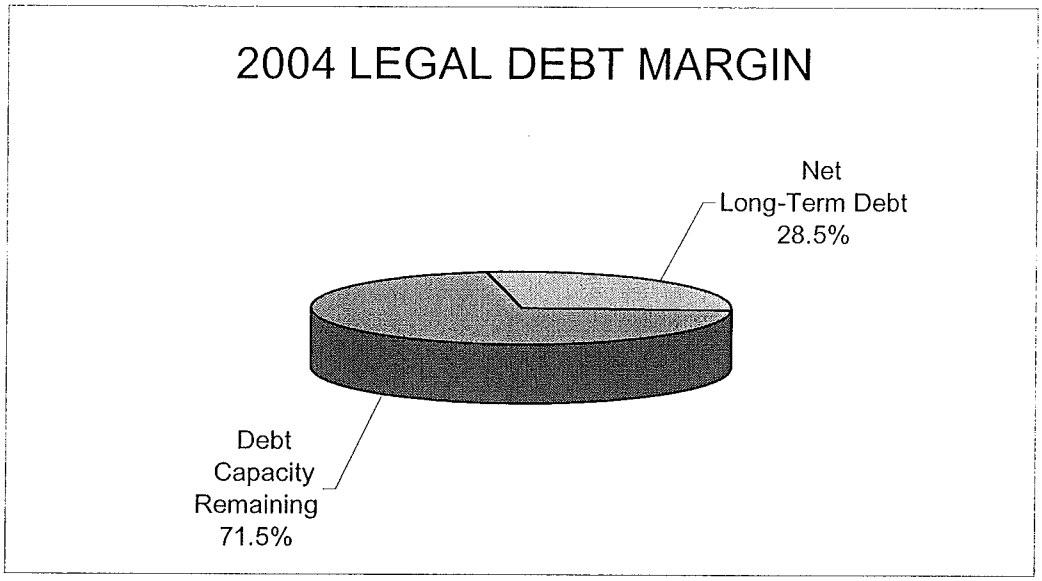
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Equalized valuation	$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	$3,546,277
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	$86,148	$97,922	$107,013	$116,053	$124,029	$135,349	$144,465	$155,268	$166,528	$177,314
Resources on hand for payment of debt	$2,446	$1,960	$2,379	$3,362	$4,232	$5,571	$7,208	$7,590	$8,560	$9,566
Net long-term debt	$16,501	$20,023	$27,804	$30,972	$34,534	$37,106	$41,140	$41,855	$48,491	$50,586
Legal debt margin	$69,647	$77,899	$79,209	$85,080	$89,495	$98,243	$103,325	$113,413	$118,037	$126,728
Percentage of debt capacity remaining	81%	80%	74%	73%	72%	73%	72%	73%	71%	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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
WATER UTILITY										
Operating revenue	$4,697	$4,779	$5,122	$5,615	$5,911	$6,105	$6,460	$6,519	$6,986	$6,846
Operating expense (1)	$2,077	$2,253	$2,090	$2,237	$2,359	$2,678	$2,900	$2,743	$2,985	$4,345
Income available for debt service	$2,620	$2,526	$3,032	$3,378	$3,552	$3,427	$3,560	$3,776	$4,001	$2,501
Debt service current year (2)	$827	$975	$1,047	$1,100	$989	$987	$944	$1,003	$978	$1,065
Coverage	3.17	2.59	2.90	3.07	3.59	3.47	3.77	3.76	4.09	2.35
Debt service for highest principal and interest year in retirement schedule	$991	$1,047	$1,100	$989	$988	$988	$1,034	$1,034	$1,077	$1,078
Coverage on highest year	2.64	2.41	2.76	3.42	3.60	3.47	3.44	3.65	3.71	2.32
SEWER UTILITY										
Operating revenue	$5,136	$5,080	$5,302	$5,765	$5,869	$5,906	$5,721	$5,814	$6,025	$5,833
Operating expense (1)	$2,944	$3,456	$3,117	$3,026	$3,551	$3,488	$3,718	$3,628	$3,830	$4,988
Income available for debt service	$2,192	$1,624	$2,185	$2,739	$2,318	$2,418	$2,003	$2,186	$2,195	$845
Debt service current year (2)	$795	$895	$904	$900	$535	$531	$533	$533	$513	$518
Coverage	2.76	1.81	2.42	3.04	4.33	4.55	3.76	4.10	4.28	1.63
Debt service for highest principal and interest year in retirement schedule	$904	$904	$904	$544	$544	$544	$544	$528	$528	$528
Coverage on highest year	2.42	1.80	2.42	5.03	4.26	4.44	3.68	4.14	4.16	1.60

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

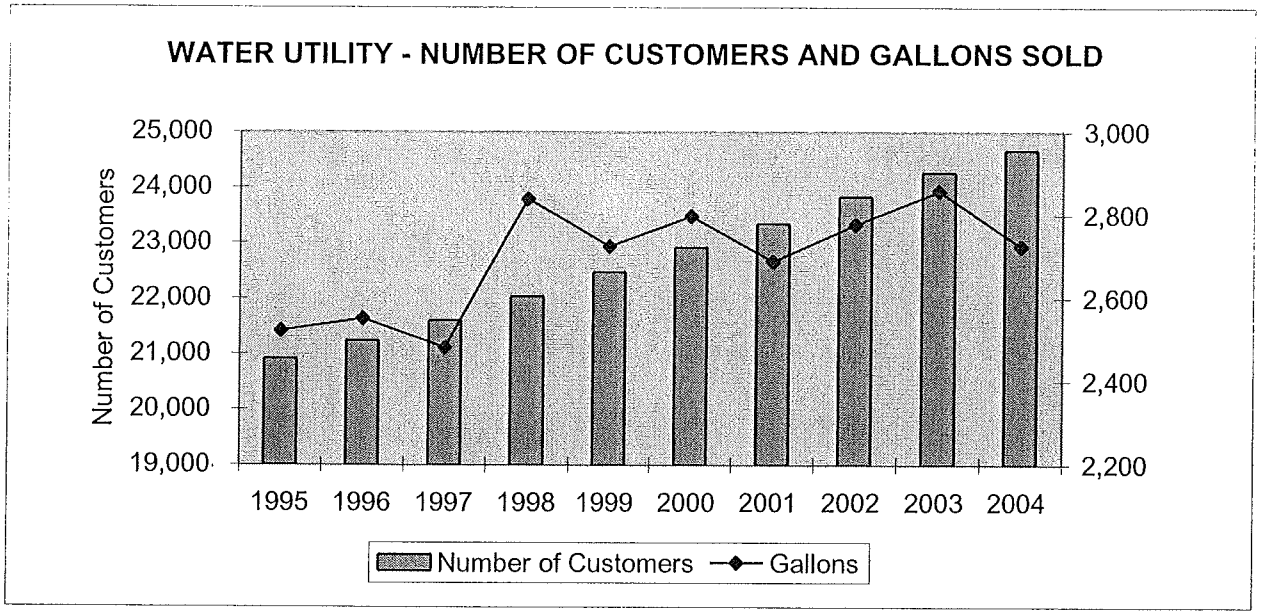
(2) NOTE: Includes only revenue bond principal and interest.

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Residential:										
Customers	18,448	18,751	19,089	19,464	19,851	20,254	20,650	21,115	21,535	21,921
Gallons (thousands)	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	1,213,839
Commercial:										
Customers	2,225	2,240	2,259	2,303	2,342	2,373	2,407	2,424	2,436	2,453
Gallons (thousands)	633,210	647,595	645,015	702,248	709,245	681,275	704,283	710,863	703,999	688,356
Industrial:										
Customers	83	84	87	96	102	105	108	110	110	110
Gallons (thousands)	553,241	556,646	544,750	632,586	655,984	700,216	572,885	693,336	581,087	594,416
Public:										
Customers	151	158	162	166	173	181	184	187	189	191
Gallons (thousands)	217,530	224,367	199,913	234,432	210,948	216,808	206,609	222,951	230,292	227,438
Total:										
Customers	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,836	24,270	24,675
Gallons (thousands)	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	2,724,049



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, 2004

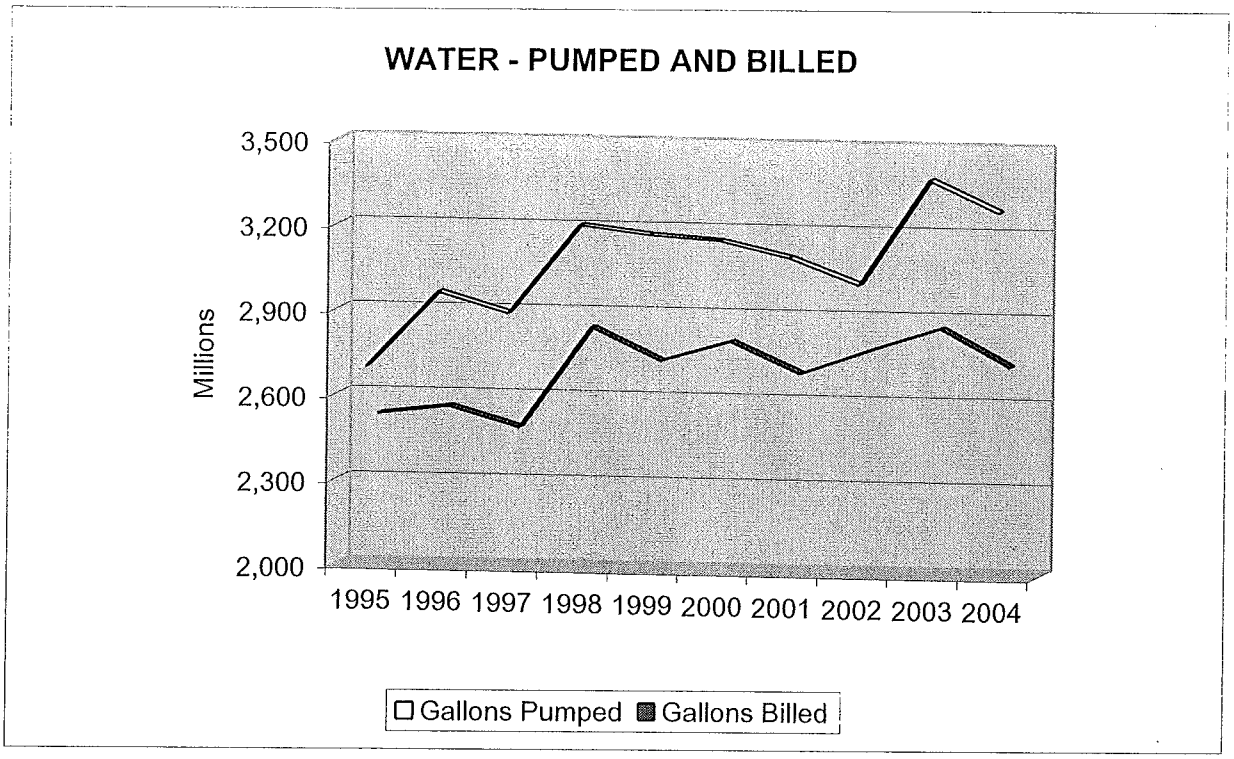
Customer	Gallons Billed	% of Total	Amount Billed	% of Total
Nestles Food Company	220,646,536	8.1%	$255,717	4.7%
Cascade Tissue	122,254,616	4.5%	142,741	2.6%
Hutchinson Technology	75,815,036	2.8%	90,769	1.7%
University of Wisconsin-Eau Claire	74,056,488	2.7%	118,185	2.2%
American Phoenix	51,242,488	1.9%	62,177	1.2%
Sacred Heart Hospital	44,002,596	1.6%	56,888	1.1%
Luther Midelfort-Mayo Health	42,603,088	1.6%	64,850	1.2%
Eau Claire School District	29,727,764	1.1%	51,039	0.9%
3M	24,203,784	0.9%	33,524	0.6%
Huebsch Laundry Co.	11,448,888	0.4%	16,365	0.3%
Oakwood Village	11,433,928	0.4%	15,959	0.3%
Subtotal	707,435,212	26.0%	908,214	16.8%
All other customers	2,016,613,788	74.0%	4,490,385	83.2%
Total	2,724,049,000	100.0%	$5,398,599	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Average number of water customers	20,907	21,233	21,597	22,029	22,468	22,913	23,349	23,830	24,270	24,675
Total gallons pumped (in thousands)	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	3,292,365
Total gallons billed (in thousands)	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	2,726,029
Percent of water billed	93.13%	85.74%	85.42%	88.14%	85.36%	88.09%	86.16%	91.69%	83.94%	82.80%
Number of meters in service	21,075	21,389	21,792	22,289	23,303	23,004	24,500	24,110	24,467	24,783
Miles of main	306	318	319	322	330	335	336	340	341	350
Number of fire hydrants	2,877	2,987	2,864	3,007	3,060	3,136	3,230	3,277	3,337	3,395
Residential customer 's average quarterly water bill	$32.52	$32.52	$34.61	$34.61	$37.74	$37.74	$40.86	$40.86	$41.50	$42.20

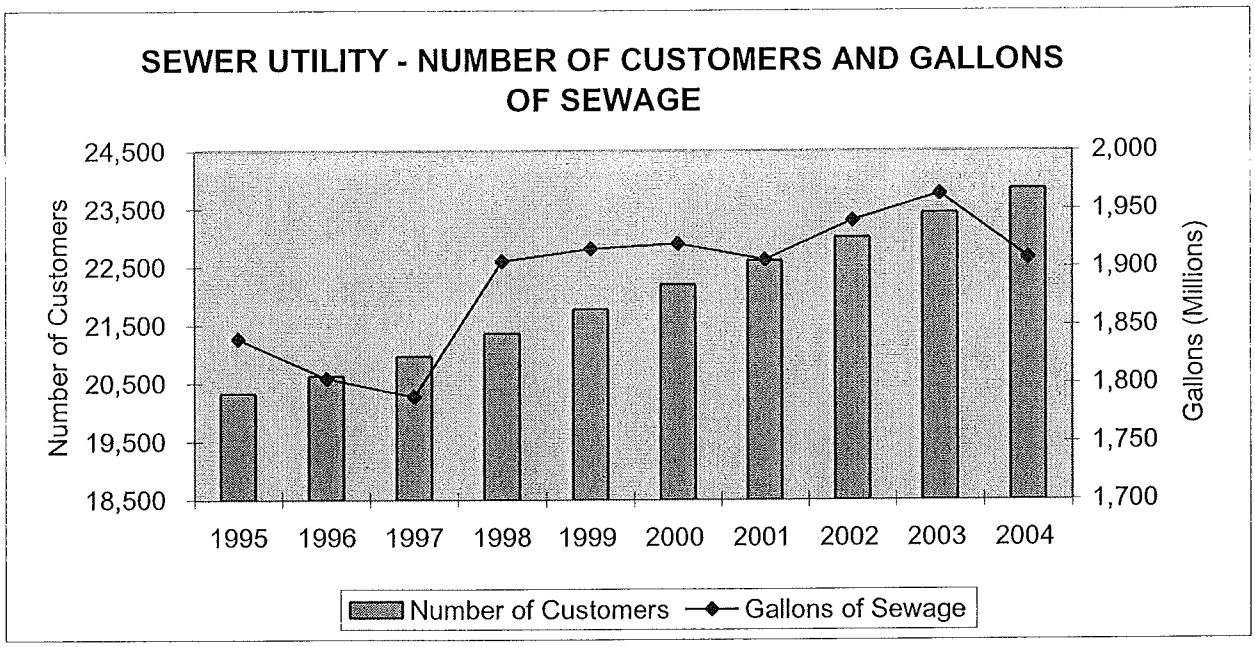


Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 25 - SEWER UTILITY CUSTOMER SUMMARY
Last Ten Fiscal Years

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Residential:										
Customers	18,005	18,281	18,596	18,951	19,316	19,697	20,078	20,479	20,891	21,279
Gallons (thousands)	923,752	908,718	896,473	921,117	910,597	935,340	957,711	954,338	985,693	983,564
Commercial:										
Customers	2,116	2,136	2,152	2,185	2,222	2,255	2,280	2,282	2,289	2,315
Gallons (thousands)	606,572	593,776	600,133	635,590	634,185	617,395	628,365	620,180	642,469	590,527
Industrial:										
Customers	75	76	79	85	89	91	93	93	92	92
Gallons (thousands)	157,931	152,832	164,396	209,958	237,705	240,671	204,831	244,237	209,427	221,503
Public:										
Customers	131	135	139	141	147	153	156	158	159	161
Gallons (thousands)	149,929	148,847	127,536	138,403	133,152	126,492	115,112	121,267	125,447	112,455
Total:										
Customers	20,326	20,628	20,964	21,362	21,774	22,196	22,607	23,012	23,431	23,847
Gallons (thousands)	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	1,908,049



Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 26 - SEWER UTILITY - LARGEST SYSTEM CUSTOMERS
December 31, 2004

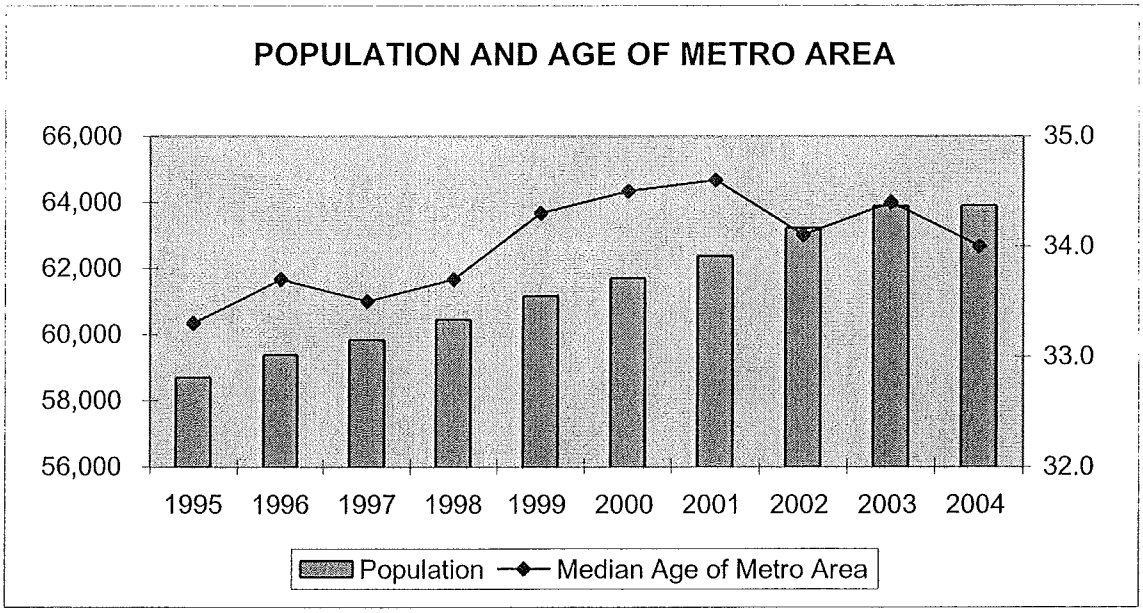
Customer	Gallons Billed	% of Total	Amount Billed	% of Total
Nestles Food Company	117,141,200	6.1%	$319,476	6.1%
Hutchinson Technology	64,409,033	3.4%	175,661	3.4%
University of Wisconsin-Eau Claire	63,128,267	3.3%	172,168	3.3%
Sacred Heart Hospital	41,178,133	2.2%	112,304	2.2%
Luther Midelfort-Mayo Health	39,770,867	2.1%	108,466	2.1%
3-M Companies	20,368,700	1.1%	55,551	1.1%
Eau Claire School District	17,512,733	0.9%	47,762	0.9%
Huebsch Laundry Co.	11,448,800	0.6%	31,224	0.6%
Oakridge Village Mobile Home Park	11,246,033	0.6%	30,671	0.6%
Villa Diane Mobile Home Park	8,631,700	0.5%	23,541	0.5%
The Plaza Hotel & Suites	7,728,233	0.4%	21,077	0.4%
Chippewa Valley Technical College	6,985,733	0.4%	19,052	0.4%
Subtotal	409,549,432	21.6%	1,116,953	21.6%
All other customers	1,498,499,567	78.4%	4,086,817	78.4%
Total	1,908,048,999	100.0%	$5,203,770	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Population	58,702	59,383	59,832	60,449	61,150	61,704	62,368	63,214	63,882	63,897
Median age of Metro Area	33.3	33.7	33.5	33.7	34.3	34.5	34.6	34.1	34.4	34.0
Consumer price index (1)	152.0	156.5	160.2	163.1	166.6	172.2	177.1	179.9	184.0	188.9
Per capita income (2)	$13	$13	$13	$14	$14	$15	$15	$15	$19	$27
Effective buying income of population (3)	$760,231	$789,788	$795,000	$819,660	$854,247	$927,164	$948,183	$959,058	$970,103	$961,635
Area in square miles	30.96	31.61	31.90	32.00	32.23	32.59	32.33	33.00	33.29	33.32
Number of business properties	1,370	1,385	1,400	1,410	1,425	1,445	1,455	1,460	1,480	1,495
Acres devoted to business	2,858	3,033	3,003	3,013	3,080	3,110	3,135	3,139	3,180	3,190
Miles of street	327.0	323.8	337.0	339.6	346.0	345.9	350.2	352.2	355.0	358.5



(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

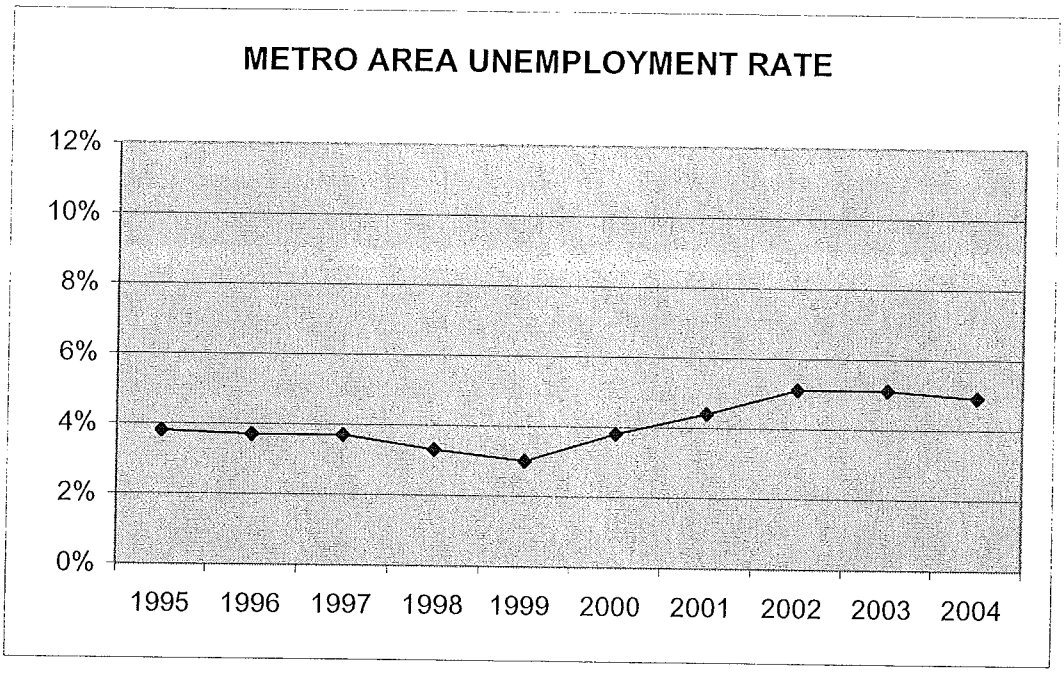
Sources: City of Eau Claire Department of Community Development

(Continued)

CITY OF EAU CLAIRE

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of residential parcels	17,682	17,855	17,955	18,186	18,814	18,472	18,814	19,004	19,217	19,313
Vacancy rates (per cent):										
Residential	2.75	2.75	3.00	3.00	3.00	3.00	3.50	3.75	3.75	4.25
Commercial	10.00	8.00	8.50	9.00	7.00	7.00	8.80	8.00	7.75	9.60
Industrial	4.50	4.00	3.50	4.50	2.00	2.00	6.50	8.50	8.00	13.80
Unemployment rate E.C. Metro Area	3.8%	3.7%	3.7%	3.3%	3.0%	3.8%	4.4%	5.1%	5.1%	4.9%



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, 2004
(Dollars in Thousands)

Name	Type of Business	Assessed Valuation (1)	Equalized Valuation	% Total Equalized Valuation
Oakwood Mall - General Growth	Mall	$66,805	$65,495	1.97%
Keystone Corporation	Investment real estate	33,531	32,873	0.99%
Carnation Corporation - Nestle Foods	Manufacturing	30,860	30,255	0.91%
Luther Hospital	Medical facility	22,571	22,128	0.66%
Marshfield Clinic	Medical facility	20,749	20,343	0.61%
Hutchinson Technology Inc.	Computer equipment manufacturing	17,859	17,528	0.53%
Midelfort Clinic	Medical facility	17,842	17,492	0.53%
Menard Inc.	Retail	16,975	16,642	0.50%
Phillips Properties (1)	Investment real estate	16,144	15,828	0.48%
F&L II & JHP Eau Claire	Real estate investments	12,213	11,974	0.36%
Principal taxpayers total		255,549	250,558	7.52%
All other taxpayers		2,872,981	3,080,003	92.48%
Total valuation		$3,128,530	$3,330,561	100.00%

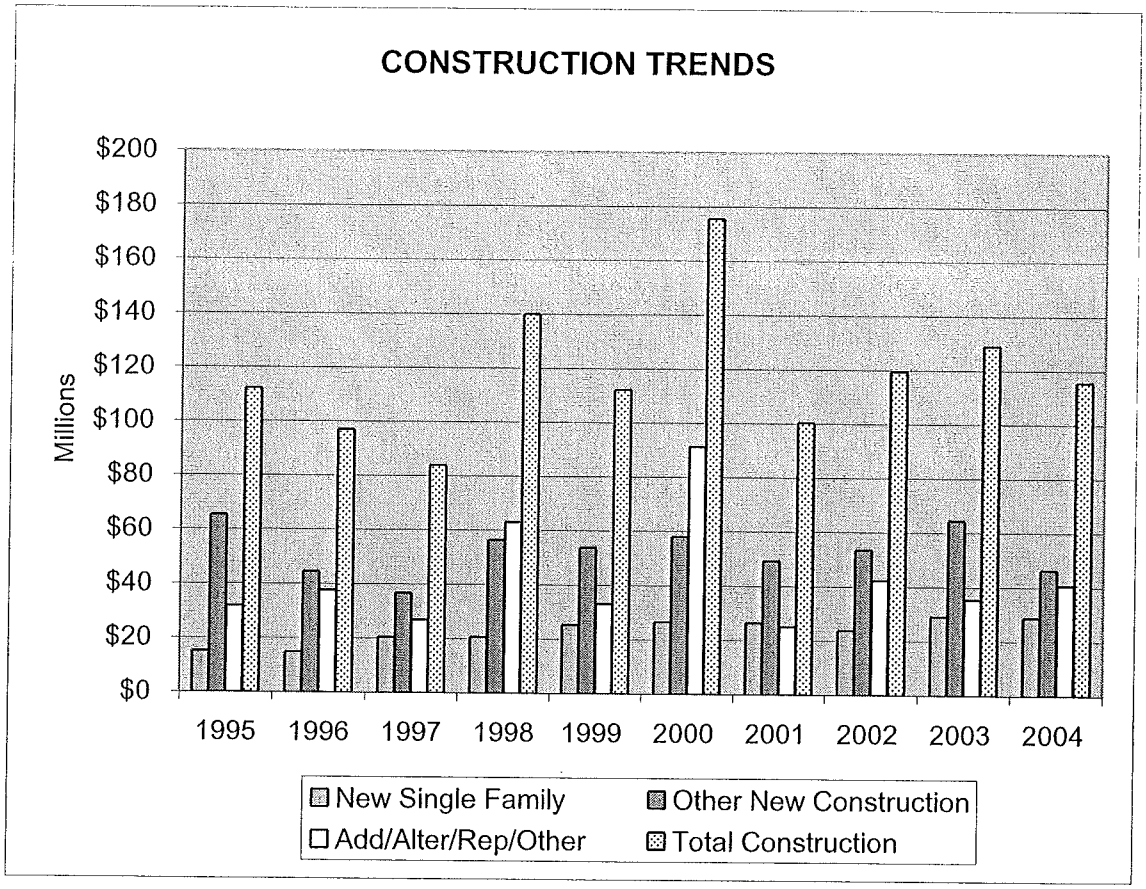
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties.

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)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
New single family dwellings:										
# of units	135	131	167	174	188	189	170	156	192	188
Value	$15,034	$14,812	$20,372	$20,536	$25,294	$26,432	$26,303	$23,757	$29,076	$28,697
Other new construction	$65,310	$44,497	$36,688	$56,421	$53,827	$57,946	$49,208	$53,440	$64,368	$46,270
Additions/alterations/repairs & all other types of const.	$31,716	$37,592	$26,796	$63,023	$33,003	$91,173	$24,864	$42,237	$35,292	$40,488
Total construction valuation	$112,060	$96,901	$83,856	$139,980	$112,124	$175,551	$100,375	$119,434	$128,736	$115,455
Number of permits	1,321	1,472	1,441	1,516	1,431	1,479	1,443	1,340	1,452	1,375



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

CITY OF EAU CLAIRE

TABLE 30 - INSURANCE COVERAGES
December 31, 2004

	Coverage Limits	Deductible or Self-Insured Retention (SIR)
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	$153,849,674	$25,000
Inland marine - all risks (contractor's equipment)	$2,429,261	$500
Money and securities - broad form coverage	$10,000	$1,000
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	$7,778,783	$5,000
Collision	$7,778,783	$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