



# City of Eau Claire

Eau Claire, Wisconsin

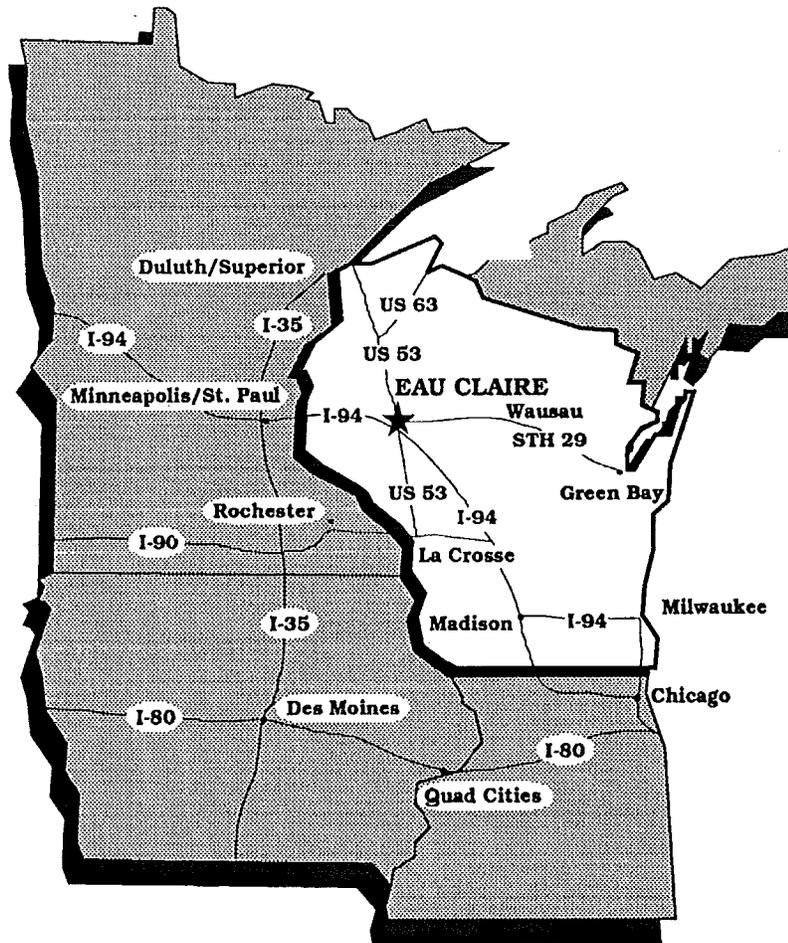
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED

DECEMBER 31, 2008

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, 2008

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## **INTRODUCTORY SECTION**

This section contains the following information:

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

CITY OF EAU CLAIRE, WISCONSIN  
ELECTED AND APPOINTED OFFICIALS

Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
David J. Adler ..... Council President	April 2007	April 2009
David L. Duax ..... District One	April 2007	April 2009
David Klinkhammer ..... District Two	April 2007	April 2009
Thomas Kemp..... District Three	April 2007	April 2009
Bob Von Hayden..... District Four	April 2007	April 2009
Berlye S. Middleton..... District Five	April 2007	April 2009
Larry Balow ..... Council at Large	April 2008	April 2010
Brandon Buchanan ..... Council at Large	April 2008	April 2010
Kerry J. S. Kincaid..... Council at Large	April 2008	April 2010
Jackie Pavelski ..... Council at Large	April 2008	April 2010
Thomas T. Vue..... Council at Large	April 2008	April 2010

Appointed Officials

Michael W. Huggins ..... City Manager

Rebecca K. Noland, CPA ..... Director of Finance - Comptroller/Treasurer

J. Dale Peters ..... Director of Human Resources/Assistant City  
Manager

John LeBrun ..... Information Services

Daryl Tufte..... Director of Community Development

Phillip C. Fieber ..... Director of Parks and Recreation

Brian G. Amundson, P.E. .... Director of Public Works

Edward Kassing..... Fire Chief

Jerome S. Matysik ..... Police Chief

Stephen C. Nick ..... City Attorney

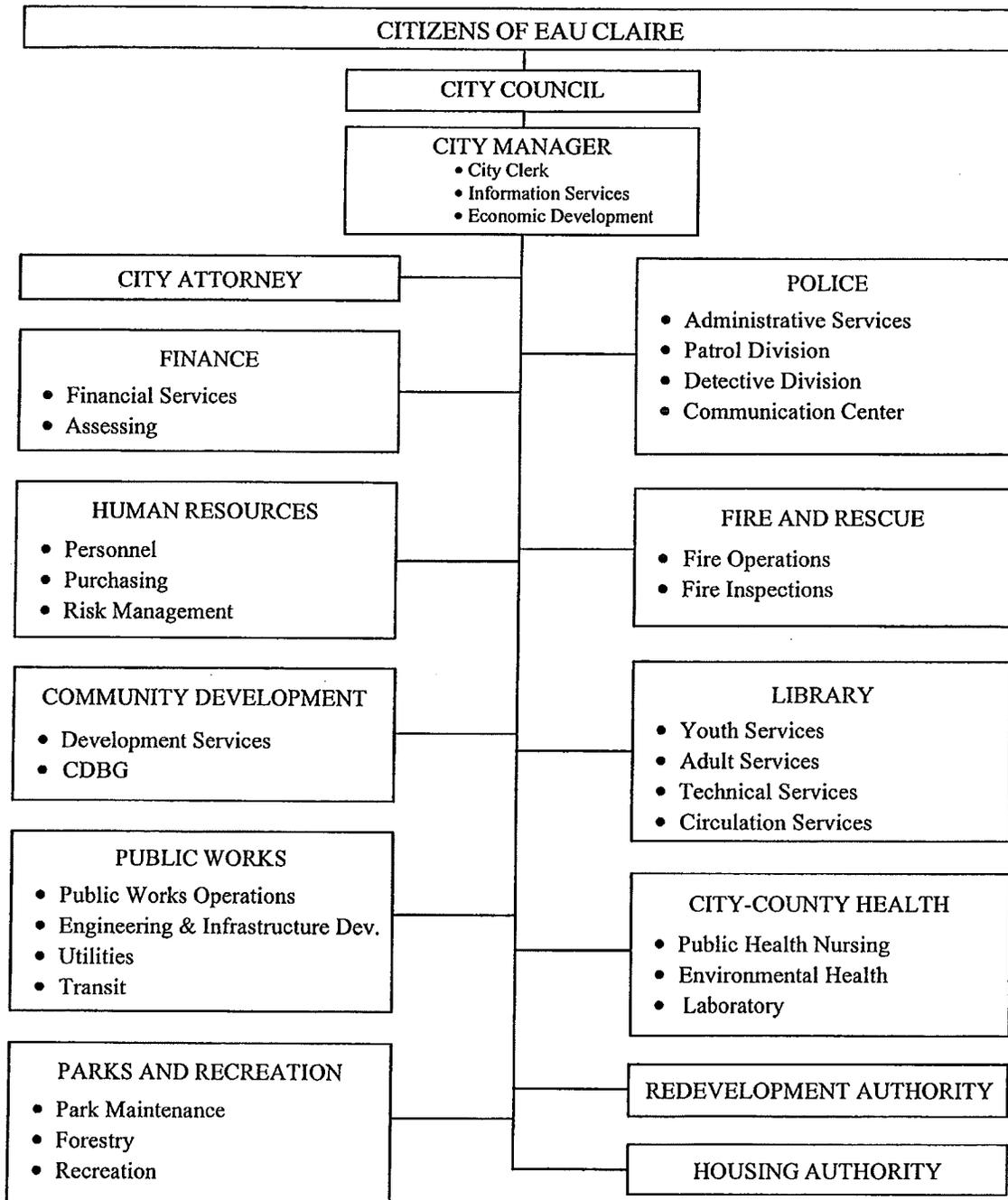
John Stoneberg ..... Public Library Director

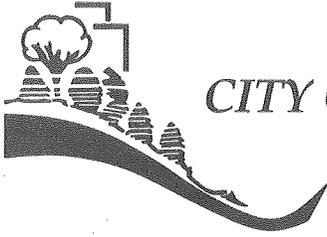
Richard J. Thoune..... City-County Health Director

Donna A. Austad..... City Clerk

Mike Schatz, EDFP..... Economic Development Administrator

**ORGANIZATIONAL CHART**  
**City of Eau Claire, Wisconsin**





June 25, 2009

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, 2008 is prepared to provide the Council, our citizens, and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City government. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and component units, and that all disclosures necessary to enable the reader to gain reasonable understanding of the City's financial affairs have been included.

### **Report Format**

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

## Reporting Entity

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

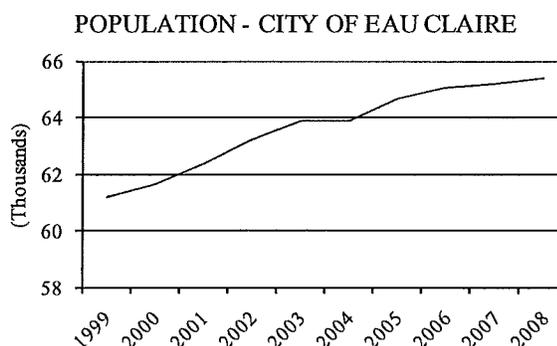
Since the Housing Authority, the Redevelopment Authority and four Business Improvement Districts are component units of the City, this report includes discrete presentation of their financial data. The Housing Authority was formed to engage in the development and operation of low-income housing. Such 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, Water Street, and North Barstow/Medical Business Improvement Districts account for the collection of special assessments from their members for business promotion within each district.

## 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 34 square miles. The City's current population is 65,362 and the population of the Greater Eau Claire Metropolitan Area is approximately 158,742.

The City of Eau Claire has a council/manager form of government. There are eleven members on the Eau Claire City Council. Five of the members are elected from aldermanic districts. Five members and the Council President

are elected at large. District Alderpersons and the City Council President were elected to three-year terms in April 2009. At-Large Alderpersons will be elected to three-year terms in 2010.



## 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. Eau Claire's diverse employment base has been cited by bond rating agencies as a significant factor in the City's solid Aa2 and AA ratings. The City's growth has been consistent, with new building valuation exceeding \$100 million for eleven consecutive years. The 2008 construction season had a total building valuation of \$108 million, with the largest segment generated by the commercial sector at \$42 million. Industrial development totaled \$17.1 million. Residential construction totaled \$27.3 million and miscellaneous projects \$10.7 million. The top building project was a \$7.5 million parking ramp addition to a healthcare facility. Other development included a \$7 million hotel and water park, a \$3 million, 33 unit apartment building downtown, and a \$3.5 million fitness center.

Two regional medical facilities are located in the City. The Luther/Midelfort Mayo Health System employs over 3,000 and has had a pivotal effect on development in the downtown area. The Luther/Midelfort Hospital complex had new construction valuation of \$7.5 million in 2008 for the construction of a parking ramp. Luther/Midelfort also initiated a \$112.5 million, five-story, 385,000 square foot bed tower, scheduled for completion in 2011. The hospital and Mayo Clinic were the recipients of a \$15 million gift to establish the Menard Transformational Fund for Education and the Menard Center for Emergency Care. Sacred Heart Hospital employs approximately 1,300 people and had \$7.8 million in new construction valuation in 2008. Dove Health Care, a 160-bed nursing and rehabilitation facility, added \$4.5 million in 2008 valuation by constructing a 50-bed skilled nursing and rehabilitation facility. The Marshfield Clinic brings over 700 jobs to Eau Claire. United Health Group currently employs over 1,100 people.

Retail trade provides nearly one-fourth of Eau Claire's jobs, with many more in wholesale. Eau Claire's trade area encompasses seven counties with a population of more than 300,000 people. There has been significant development in the south side area around the mall. Several new commercial areas are underway, including Keystone Crossing, the Shoppes at Oakwood, White Oak Commons, and the Bullis Farm Addition. The development includes office building, retail stores, and restaurants. Eau Claire is served by many national retailers, including Kohls, Walmart, Sam's Club, Target, Menards, Best Buy, Office Max, TJ Maxx, Macy's, Younkers, Eddie Bauer, Sears, JC Penney's, Charlotte Russe and Christopher Banks. Stores and restaurants that have opened within the past two or three years include Gander Mountain, Pet Smart, David's Bridal, Michaels, Jo Ann Fabrics, Gold's Gym, Texas Roadhouse, Outback Steak House, Red Robin and Manny's Mexican Restaurant. The valuation of these new businesses exceeds \$35 million.

Tourism is another vital component of Eau Claire's economy. People from all over the country enjoy Eau Claire's natural and cultural resources. A new \$7 million Metropolis Hotel with a 30,000 square foot water park was underway in 2008. Area tourism generates over \$323 million in revenue and creates approximately 8,300 jobs in the Chippewa Valley. Room tax revenues exceeded \$1 million in 2008. Eau Claire generates the sixth highest room tax in the state.

In addition to the trade and services industries, Eau Claire's employment base is enhanced by the area's post secondary education institutions including the University of Wisconsin-Eau Claire,

Chippewa Valley Technical College, Immanuel Lutheran College and Globe University, a division of the Minnesota School of Business. Besides providing a significant number of jobs, these institutions ensure that the area's workforce is well educated for the technical and professional jobs that the Eau Claire area attracts. The Chippewa Valley Technical College recently opened a \$5.5 million nanotechnology incubator for high-tech businesses. It is expected to generate \$30 million in private investment. The Nanorite Center is home to both OEM Micro Fabricators and Minnesota Wire and Cable, a firm that received \$4 million in high-tech research grants to advance developments in signal integrity and carbon nanotubes for military use.

Eau Claire received national recognition in 2008 from a variety of nationally recognized publications. The awards and rankings include:

- Received **"2008 Downtown Merit Achievement Award for Public Space"** for the Phoenix Park Project from the *International Downtown Association*.
- Ranked 56 of 124 small metro areas in 2008 (up from 93rd in 2007) in the **"Best Performing Cities Index"** by the *Milken Institute*.
- Selected as one of the **"Ten Most Affordable Places to Retire"** by *US News & World Report* (April 3, 2009).
- Received the **"Law Enforcement Partnership Award"** given by the *Wisconsin Department of Transportation's Bureau of Transportation Safety and AAA Wisconsin*.
- Received **"2008 Good Government Award"** from Green Bay based consulting engineering firm *Foth*.

## MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2008 and into 2009.

### **Clear Vision Eau Claire**

A consortium of local governments and community organizations worked with the National Civic League to continue a community-visioning and strategic-planning process for the greater Eau Claire area. The citizen-led project began in September 2007 with an initial large community stakeholder group meeting of 200 citizens. The final report was released in July 2008 and identified six key community performance areas: (1) quality of life; (2) economic development; (3) health; (4) education; (5) transportation; and (6) civic engagement. A volunteer Implementation Committee of representatives from the six performance areas meets monthly to coordinate implementation of the 125 strategic actions identified in the final report.

### **Baldrige Performance Excellence Planning Process**

City Council and senior management met in December 2008 to begin a year-long strategic planning process to incorporate vision, mission, goals, and values into our operations and our budget planning processes. Working with the ICMA Consulting Services, the planning process is based on incorporating the criteria of the national Baldrige quality model into the City's major decision-making processes, including setting annual Council priorities, preparation of the budget and CIP, and annual operational planning. An initial Strategic Profile developed at the December meeting and approved in February 2009 identified a vision, mission, key values, and priority issues that will guide further work in 2009.

### **Green Team Report**

The City Manager formed a "Green Team" to complete a study of the City's internal operations, existing policies, procedures, and practices pertaining to sustainability. The focus of the report is on measures that could save money, particularly with energy conservation. The report provides an operational definition of sustainability, highlights past success, inventories unsustainable practices and recommends changes in a 5-year strategic plan.

### **Regional Emergency Medical Services (EMS)**

In 2008, Eau Claire Fire & Rescue entered into long-term contracts with Sacred Heart Hospital, Midelfort/Luther Hospital, Marshfield Clinic, and 11 neighboring communities for the delivery of regional emergency medical services beyond the city limits.

### **Smoking Ordinance**

The *Smoking Prohibited* Ordinance became effective July 1, 2008. The Environmental Health department took primary responsibility for the development and distribution of pre-implementation education materials and information. Since implementation, only three establishments have been found to be in violation of the ordinance.

### **L.E. Phillips Memorial Public Library Expansion**

The Library Board awarded a contract for the remodeling of the Library to Uihlein-Wilson Architects in 2008. The plan includes a 1,700 square foot expansion of the Youth Services, doubling the space for the Holds and Resource Sharing workroom, and relocating the microfilm stations.

### **Hobbs Ice Center**

A design for a renovation of the Hobbs Ice Center was initiated in 2008. The improvements will include UWEC locker rooms, front lobby alterations, and a covered third sheet of ice. The project is expected to be completed in 2009.

## **TIF #9 Gateway Industrial Business Park Overlay**

TIF #9 was created in 2008 on the City's northwest side to provide financing for infrastructure to serve undeveloped industrial properties. TIF #9 overlays TIF #5 in order to extend the development time frame.

## **FOR THE FUTURE**

Although the City has allocated significant resources to fostering economic development and job diversification, the current and projected levy limits present a serious challenge for future development activities. The City hopes to work through public/private partnerships to formulate new models to generate tax valuation increases and new jobs.

## **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 Target Fed Funds 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.

<u>Year</u>	<u>Amount</u>	<u>Net Return</u>
2004	\$709,289	.99%
2005	1,856,756	2.57%
2006	3,161,680	3.73%
2007	3,996,238	4.45%
2008	3,245,580	3.19%

### **Risk Management**

The City has joined other Wisconsin municipalities for liability insurance services. The City is one of 17 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 \$400,000 per accident and excess coverage is purchased from WMMIC.

## **INDEPENDENT AUDIT**

Included in the financial section is the independent auditor's report which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Baker Tilly Virchow Krause, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in 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, 2008 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, 2007. The City has received this award each year since 1984. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

We would like to thank the City Council for their support in 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, Kathy Ludack, Accounting Supervisor, Laura Leland, Senior Accountant, Rose Adams, Accountant, Vicki Franson, Accountant, and the remainder of the Finance Department Staff for their dedication in preparing this report.

Respectfully Submitted,



Rebecca K. Noland, CPA

Finance Director



Mike Huggins

City Manager

The Government Finance Officers Association of United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Eau Claire, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the twenty-second consecutive year that the government has achieved this prestigious award.

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

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

# 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, 2007

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



A handwritten signature in black ink, appearing to read "M. L. M.", is written over a faint, larger version of the same signature.

President

A handwritten signature in black ink that reads "Jeffrey R. Enos".

Executive Director

## **FINANCIAL SECTION**

This section contains the following subsections:

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

## **Auditors' Report**

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

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

## INDEPENDENT AUDITORS' REPORT

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

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, 2008, 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 2007 financial statements and, in our report dated July 17, 2008, 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, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note IV.D, the City of Eau Claire adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective January 1, 2008.

City Council  
Eau Claire, Wisconsin

In accordance with *Government Auditing Standards*, we will also be issuing our report on our consideration of the City of Eau Claire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

The management's discussion and analysis, budgetary comparison information and other postemployment benefit funding information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 2008 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, 2008 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, 2007, which are not presented with the accompanying financial statements. In our report dated July 17, 2008, 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 2007 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, 2007, taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents 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.

*Baker Tilly Vuchow Krume, J2P*

June 25, 2009

## **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, 2008. 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 \$461 million and liabilities of \$150 million, resulting in net assets of \$311 million at the end of 2008. Of the net assets, \$227.6 million represents the City's investment in capital assets, net of related debt, \$21.1 million is held for restricted purposes, and \$61.9 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2008, the City of Eau Claire's total net assets increased by \$12.7 million, from 2007, as restated, or approximately 4.3%. The net asset increase was primarily attributable to the increase in cash and investments, in the governmental activities, and specifically due to \$6.3 million received from the State for the reconstruction of Hastings Way.
- At the close of 2008, the City of Eau Claire's governmental funds reported ending balances of \$53.8 million, a net increase of \$5.2 million from 2007. The capital funds, primarily the Streets fund, contributed \$3.4 million to the net increase. The General Fund balance increased by \$2.7 million, including a \$1.7 increase in the funds designated for maintenance of Highway 53. The Debt Service Fund increased by \$.2 million for special assessments received to offset the cost of street improvements. The Special Revenue Funds and nonmajor Debt Service Funds decreased by \$1.1 million, reflecting the distribution of excess TIF #4 tax increments.
- During 2008, 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 \$22.7 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 approximately 66%. In 2008, \$16.4 million in new general obligation debt was issued, which included \$8.1 million in taxable refunding bonds to pay off the unfunded pension liability.

## **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 2007 to 2008; the City's net assets increased by \$12.7 million with a significant portion of the increase generated by the City's governmental activities, specifically to a \$6.3 million contribution from the State for the reconstruction of Highway 53. 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, the Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District. These entities are

described in Note III-K 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 150.

### **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 45 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 48 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 \$311 million at the close of 2008. The majority of these net assets (\$228 million) 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.

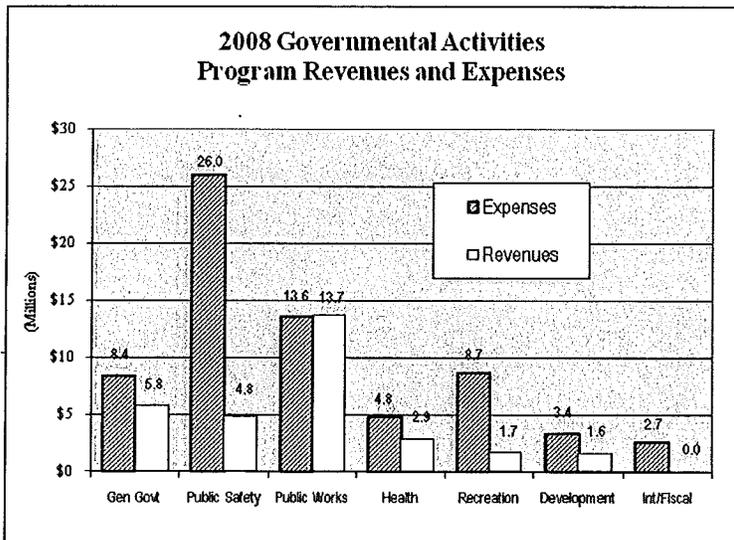
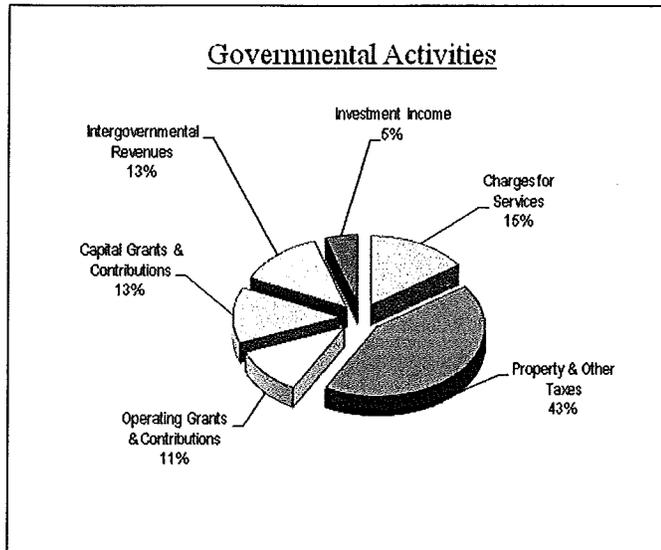
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total	Total
	2008	2007 Restated	2008	2007	2008	2007 Restated
Current and Other Assets	\$ 132,231,932	\$ 115,818,291	\$ 23,135,598	\$ 25,417,142	\$155,367,530	\$141,235,433
Capital Assets (net)	145,987,836	137,433,290	159,393,117	154,607,067	305,380,953	292,040,357
<b>Total Assets</b>	<b>\$ 278,219,768</b>	<b>\$ 253,251,581</b>	<b>\$ 182,528,715</b>	<b>\$ 180,024,209</b>	<b>\$460,748,483</b>	<b>\$433,275,790</b>
Current Liabilities	\$ 47,541,503	\$ 35,361,575	\$ 1,639,322	\$ 1,479,094	\$ 49,180,825	\$ 36,840,669
Noncurrent Liabilities	75,620,368	72,502,184	25,390,013	26,055,609	101,010,381	98,557,793
<b>Total Liabilities</b>	<b>\$ 123,161,871</b>	<b>\$ 107,863,759</b>	<b>\$ 27,029,335</b>	<b>\$ 27,534,703</b>	<b>\$150,191,206</b>	<b>\$135,398,462</b>
Invested in capital assets, net of related debt	\$ 94,701,258	\$ 91,774,543	\$ 136,900,275	\$ 131,320,732	\$231,601,533	\$223,095,275
Debt reclassification	-	-	-	-	(4,030,260)	(4,924,763)
<b>Total invested in capital</b>	<b>94,701,258</b>	<b>91,774,543</b>	<b>136,900,275</b>	<b>131,320,732</b>	<b>227,571,273</b>	<b>218,170,512</b>
Restricted	18,725,047	19,993,642	2,337,580	2,683,138	21,062,627	22,676,780
Unrestricted	41,631,592	33,619,637	16,261,525	18,485,636	57,893,117	52,105,273
Debt reclassification	-	-	-	-	4,030,260	4,924,763
<b>Total unrestricted</b>	<b>41,631,592</b>	<b>33,619,637</b>	<b>16,261,525</b>	<b>18,485,636</b>	<b>61,923,377</b>	<b>57,030,036</b>
<b>Total Net Assets</b>	<b>\$ 155,057,897</b>	<b>\$ 145,387,822</b>	<b>\$ 155,499,380</b>	<b>\$ 152,489,506</b>	<b>\$310,557,277</b>	<b>\$297,877,328</b>
Total Net Assets as a % of Total Liabilities	126%	135%	575%	554%	207%	220%
Unrestricted Net Assets as a % of Total Liabilities	34%	31%	60%	67%	41%	42%

A relatively small portion of the City's net assets (\$21 million or 7%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$62 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 \$16 million, or about 24%, 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 2008, 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.

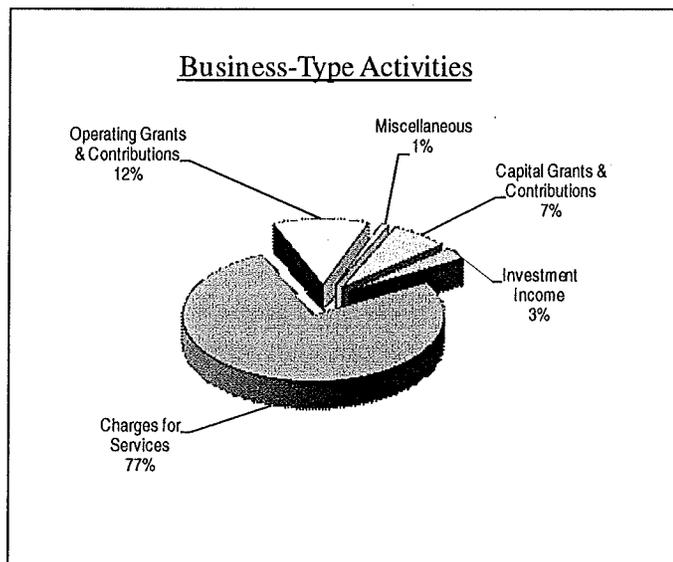
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	<u>Total</u>
	2007		2008	2007	2008	2007
	2008	Restated				
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 11,453,469	\$ 11,696,636	\$ 18,868,035	\$ 18,476,525	\$ 30,321,504	\$ 30,173,161
Operating grants & contributions	8,896,073	3,361,503	2,948,598	2,839,769	11,844,671	6,201,272
Capital grants & contributions	10,209,118	7,333,457	1,825,805	941,104	12,034,923	8,274,561
General revenues:						
Property taxes	31,556,552	28,370,520	-	-	31,556,552	28,370,520
Other taxes	1,348,226	1,556,858	-	-	1,348,226	1,556,858
Intergovernmental revenues	9,603,015	9,463,185	-	-	9,603,015	9,463,185
Investment income	3,692,849	4,639,329	737,649	1,046,523	4,430,498	5,685,852
Miscellaneous	49,943	79,793	286,189	259,062	336,132	338,855
<b>Total revenues</b>	<b>76,809,245</b>	<b>66,501,281</b>	<b>24,666,276</b>	<b>23,562,983</b>	<b>101,475,521</b>	<b>90,064,264</b>
<b>Expenses</b>						
Program expenses:						
General government	8,357,900	6,464,010	-	-	8,357,900	6,464,010
Public safety	25,983,790	23,743,952	-	-	25,983,790	23,743,952
Public works	13,574,402	12,080,012	-	-	13,574,402	12,080,012
Health services	4,836,338	4,677,429	-	-	4,836,338	4,677,429
Culture and recreation	8,701,253	8,646,899	-	-	8,701,253	8,646,899
Development	3,426,710	3,281,340	-	-	3,426,710	3,281,340
Miscellaneous	-	-	-	-	-	-
Interest & fiscal charges	2,664,817	2,046,007	-	-	2,664,817	2,046,007
Water utility	-	-	6,313,831	5,787,761	6,313,831	5,787,761
Sewer utility	-	-	6,018,079	5,476,435	6,018,079	5,476,435
Storm water utility	-	-	2,289,679	2,066,896	2,289,679	2,066,896
Public transit	-	-	5,130,887	4,864,830	5,130,887	4,864,830
Parking utility	-	-	473,048	454,931	473,048	454,931
Hobbs ice center	-	-	622,235	589,633	622,235	589,633
Outdoor pool	-	-	402,603	373,385	402,603	373,385
<b>Total expenses</b>	<b>67,545,210</b>	<b>60,939,649</b>	<b>21,250,362</b>	<b>19,613,871</b>	<b>88,795,572</b>	<b>80,553,520</b>
Increase in net assets before transfers	9,264,035	5,561,632	3,415,914	3,949,112	12,679,949	9,510,744
Transfers	406,040	(4,336,850)	(406,040)	4,336,850	-	-
Change in net assets	9,670,075	1,224,782	3,009,874	8,285,962	12,679,949	9,510,744
Net assets at January 1 (as restated)	145,387,822	144,163,040	152,489,506	144,203,544	297,877,328	288,366,584
<b>Net assets at December 31</b>	<b>\$155,057,897</b>	<b>\$145,387,822</b>	<b>\$155,499,380</b>	<b>\$152,489,506</b>	<b>310,557,277</b>	<b>297,877,328</b>

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 43% of the revenue for governmental activities. State aids and other grants comprise another 37% 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 2008 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 77% 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, 2008, the City of Eau Claire's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$53.8 million, an increase of \$5.2 million over the previous year's ending balances. Of the ending fund balances total, \$16.6 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$37.1 million available for meeting future budget requirements. Of these unreserved balances, \$30.8 million has been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$6.3 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 76.3% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General fund. Over 49% of the General fund expenditures and other financing uses of \$49 million are allocated to the public safety sector. Another 25% 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 \$17.4 million. Of this amount, \$4.2 million is reserved for loans made to the utilities, prepayments and notes receivable. Another \$7 million is designated for subsequent year expenditures and working capital. The undesignated General fund balance is \$6.3 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 \$7.6 million, an increase of \$270,000 from 2007. 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 capital projects funds increased by \$3.4 million, largely reflecting a contribution by the State to the reconstruction of Highway 53 in the Streets Capital Fund. The nonmajor debt service funds and special revenue funds decreased \$1.1 million, reflecting the prepayment of bonds and the distribution of excess tax increments in the TIF #4 debt service fund.

## **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 44. The net assets of the enterprise-type proprietary funds at the end of 2008 totaled \$155.5 million, an increase of \$3 million from the previous year.

Some highlights:

- The Water, Sewer, and Storm Water funds transferred \$2,083,757 to the General fund and the General fund and other funds transferred \$1,402,717 to the Parking, Transit, Hobbs, and Pool funds. After transfers, the enterprise funds had collective net income of \$1 million, primarily generated by the Water, Sewer, and Storm Water funds.
- In 2008, \$2.1 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 58%. 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 112, the original 2008 General fund budget authorized expenditures and other financing uses of \$51,322,300, funded by anticipated revenues and other financing sources of \$48,898,900 and the application of \$2,423,400 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 \$2,568,894, while expenditures and other financing uses were under budget by \$2,639,699. The three major components of the positive revenue variance were the \$1.5 million received from the State in 2008 for future maintenance of Highway 53, \$.4 million in ambulance fees over the budget estimates, and \$.4 million in proceeds from the sale of bonds for the renovation of the Hobbs Ice Center. Several factors contributed to the favorable expenditure variance. Payroll costs were under expended by \$.9 million, reflecting positions held open and fewer payroll costs incurred for snow and ice control. Transfers to other funds were less than expected. The debt service transfer was under budget by \$.5 million reflecting the elimination of a subsidy for special assessment debt. Transfers to Transit, Hobbs Ice Center and the Municipal Pool were less than expected by \$.2 million due to the increased revenues in these funds. Contingency accounts for unforeseen operating costs, for facilitating service reductions, for vacating positions through normal attrition, and for highway maintenance costs transferred to the City by the State were under expended in total by \$.5 million.

## CAPITAL ASSETS AND DEBT

### Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported investment in capital assets for governmental and business-type activities as of December 31, 2008 totaled \$453 million. These assets include the street network in the governmental activities and the water, sewer, and storm systems in the business-type activities.

Total accumulated depreciation was calculated to be just over \$147 million, or approximately 33% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$305 million. The net increase over 2007 is approximately \$13 million.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
December 31, 2008						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2008	2007 Restated	2008	2007	2008	2007 Restated
Land	\$ 15,447,504	\$ 15,556,998	\$ 15,755,446	\$ 15,755,446	\$ 31,202,950	\$ 31,312,444
Land Improvements	9,342,492	9,033,439	-	-	9,342,492	9,033,439
Building and Improvements	20,704,160	19,836,824	6,661,444	6,661,444	27,365,604	26,498,268
Infrastructure	148,344,869	140,785,341	3,476,898	3,426,897	151,821,767	144,212,238
Machinery and Equipment	29,735,853	25,933,632	5,802,707	5,802,707	35,538,560	31,736,339
Water Utility	-	-	73,986,018	71,258,763	73,986,018	71,258,763
Sewer Utility	-	-	70,714,940	69,470,967	70,714,940	69,470,967
Stormwater Utility	-	-	40,271,413	38,883,742	40,271,413	38,883,742
Work in Progress	5,523,465	6,598,017	7,018,705	3,601,388	12,542,170	10,199,405
Subtotal	229,098,344	217,744,251	223,687,571	214,861,354	452,785,915	432,605,605
Less Accumulated Dep.	(83,110,509)	(79,918,822)	(64,294,453)	(60,254,287)	(147,404,962)	(140,173,109)
Total	\$ 145,987,835	\$ 137,825,429	\$ 159,393,118	\$ 154,607,067	\$ 305,380,953	\$ 292,432,496

Some of the most significant additions to the City's capital assets during 2008 included the following:

<b><u>Significant Additions to Capital Assets in 2008</u></b>	
Stormwater Mains	\$1,400,000
Infrastructure	11,600,000
Water Mains and Services	2,700,000
Sewer Mains	1,300,000

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

### **Long-Term Debt**

On December 31, 2008, the City of Eau Claire had \$89,551,490 of bond and long-term note principal outstanding, as summarized in the following table:

#### **City of Eau Claire, Wisconsin Notes and Bonds Outstanding**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Obligation Bonds & Notes	\$ 64,893,634	\$ 54,550,773	\$ 15,642,857	\$ 15,387,441	\$ 80,536,490	\$ 69,938,214
Revenue Bonds	-	-	9,015,000	10,285,000	9,015,000	10,285,000
<b>Total</b>	<b>\$ 64,893,634</b>	<b>\$ 54,550,773</b>	<b>\$ 24,657,857</b>	<b>\$ 25,672,441</b>	<b>\$ 89,551,490</b>	<b>\$ 80,223,214</b>

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 2008 totaled \$80,536,490, which, with amounts available for payment of principal, is less than 34% of the maximum legal limit. During 2008, the City issued new debt for the following amounts and purposes:

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

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
07/01/08	General Obligation Corporate Purpose Bonds for streets and stormwater improvements	\$6,240,000
07/01/08	General Obligation Notes for land, building & equipment, Hobbs Ice Rink, Public Safety, bridges and park improvements	\$2,015,000
07/01/08	Taxable General Obligation Refunding Bonds	\$8,145,000

The General Obligation Corporate Purpose and Refunding Bonds were rated AA+ by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service. The Water Revenue Bonds issued in prior years are rated AA+ by Standard & Poor's Rating Services and Aa3 by Moody's Investors Service.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City of Eau Claire provides the Comprehensive Annual Financial Report on our web page ([www.eauclairewi.gov](http://www.eauclairewi.gov)). 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, 2008

(With Comparative Reporting Entity Totals for December 31, 2007)

	Primary Government				Component Units	Totals Reporting Entity	
	Governmental Activities	Business- type Activities	Debt Reclassifications	Totals		2008	2007 (Restated)
<b>ASSETS</b>							
Cash and investments	\$ 74,271,400	\$ 16,879,934	\$ -	\$ 91,151,334	\$ 3,405,561	\$ 94,556,895	\$ 78,598,839
Taxes receivable	33,851,643	851,062	-	34,702,705	151,500	34,854,205	32,836,421
Special assessments receivable	5,881,438	1,458,701	-	7,340,139	-	7,340,139	7,502,730
Notes receivable, net	6,609,769	-	-	6,609,769	593,994	7,203,763	7,349,371
Accounts receivable, net	1,783,621	3,414,244	-	5,197,865	20,899	5,218,764	5,489,440
Interest receivable	623,260	-	-	623,260	-	623,260	574,779
Due from other governments	595,701	249,598	-	845,299	-	845,299	1,660,587
Due from primary government	-	-	-	-	59,957	59,957	38,249
Internal balances	4,857,043	(4,857,043)	-	-	-	-	-
Prepaid items and inventories	548,032	169,947	-	717,979	71,478	789,457	841,660
Restricted cash and investments	1,966,940	4,818,237	-	6,785,177	1,118,534	7,903,711	10,779,353
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Debt issuance costs	476,589	150,918	-	627,507	-	627,507	474,271
Property held for resale	-	-	-	-	2,252,454	2,252,454	1,931,274
Capital assets							
Construction in progress	5,523,465	7,018,705	-	12,542,170	105,694	12,647,864	10,419,988
Land	15,447,504	15,755,446	-	31,202,950	1,415,799	32,618,749	32,646,343
Other capital assets, net of depreciation	125,016,867	136,618,966	-	261,635,833	10,615,195	272,251,028	260,724,578
Total Assets	278,219,768	182,528,715	-	460,748,483	19,811,065	480,559,548	452,634,379
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	2,769,024	1,053,834	-	3,822,858	116,313	3,939,171	3,645,499
Accrued liabilities	2,598,845	565,487	-	3,164,332	29,724	3,194,056	2,850,940
Customer deposits	193,399	32,539	-	225,938	-	225,938	345,107
Due to other governments	9,598,173	29,819	-	9,627,992	-	9,627,992	86,149
Due to component unit	59,957	-	-	59,957	-	59,957	38,249
Unearned revenues	32,032,169	-	-	32,032,169	165,251	32,197,420	30,063,160
Deferred amount on refunding	(186,167)	(141,739)	-	(327,906)	-	(327,906)	(361,095)
Unamortized premium	476,103	99,382	-	575,485	-	575,485	561,233
Noncurrent liabilities							
Due within one year	7,820,293	2,055,825	-	9,876,118	440,926	10,317,044	10,548,482
Due in more than one year	67,800,075	23,334,188	-	91,134,263	1,119,923	92,254,186	89,900,297
Total Liabilities	123,161,871	27,029,335	-	150,191,206	1,872,137	152,063,343	137,678,021
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	94,701,258	136,900,275	(4,030,260)	227,571,273	10,647,018	238,218,291	230,003,551
Restricted for:							
Deposits	1,055,422	-	-	1,055,422	-	1,055,422	1,043,267
Unspent grant proceeds	387,514	-	-	387,514	-	387,514	335,574
New loans	1,683,719	-	-	1,683,719	-	1,683,719	1,760,261
RCU agreement	360,940	-	-	360,940	-	360,940	346,392
Debt service payments	15,237,452	1,450,580	-	16,688,032	-	16,688,032	18,398,286
Equipment replacement	-	887,000	-	887,000	809,615	1,696,615	1,726,975
Development costs	-	-	-	-	112,858	112,858	114,234
Taxes	-	-	-	-	183	183	1,364
Grant requirements	-	-	-	-	195,878	195,878	-
Unrestricted	41,631,592	16,261,525	4,030,260	61,923,377	6,173,376	68,096,753	61,226,454
<b>TOTAL NET ASSETS</b>	<b>\$ 155,057,897</b>	<b>\$ 155,499,380</b>	<b>\$ -</b>	<b>\$ 310,557,277</b>	<b>\$ 17,938,928</b>	<b>\$ 328,496,205</b>	<b>\$ 314,956,358</b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2008

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2007)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 8,357,900	\$ 3,112,881	\$ 12,877	\$ 2,678,484
Public safety	25,983,790	4,151,824	344,610	329,736
Public works	13,574,402	250,219	6,371,107	7,097,399
Health services	4,836,338	1,849,982	1,049,388	9,109
Culture and recreation	8,701,253	1,619,949	14,235	94,390
Development	3,426,710	468,614	1,103,856	-
Interest and fiscal charges	2,664,817	-	-	-
<b>Total Governmental Activities</b>	<b>67,545,210</b>	<b>11,453,469</b>	<b>8,896,073</b>	<b>10,209,118</b>
<b>Business-type Activities</b>				
Water Utility	6,313,831	7,822,825	-	937,844
Sewer Utility	6,018,079	6,492,660	-	690,951
Storm Water Utility	2,289,679	2,944,799	-	147,010
Public Transit	5,130,887	645,823	2,948,598	-
Parking Utility	473,048	240,605	-	-
Hobbs Ice Center	622,235	503,710	-	50,000
Outdoor Pool	402,603	217,613	-	-
<b>Total Business-type Activities</b>	<b>21,250,362</b>	<b>18,868,035</b>	<b>2,948,598</b>	<b>1,825,805</b>
<b>Total Primary Government</b>	<b>\$ 88,795,572</b>	<b>\$ 30,321,504</b>	<b>\$ 11,844,671</b>	<b>\$ 12,034,923</b>
<b>Component Units</b>				
Housing Authority	\$ 3,550,124	\$ 901,124	\$ 2,411,048	\$ 825,852
Redevelopment Authority	141,483	-	-	-
Downtown Business Improvement District	66,070	-	-	-
West Grand Business Improvement District	10,455	-	-	-
Water Street Business Improvement District	13,287	-	-	-
North Barstow Business Improvement District	5,100	-	-	-
<b>Total Component Units</b>	<b>\$ 3,786,519</b>	<b>\$ 901,124</b>	<b>\$ 2,411,048</b>	<b>\$ 825,852</b>
<b>General Revenues</b>				
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				
Contributions from city				
Miscellaneous				
<b>Total General Revenues</b>				
<b>Transfers</b>				
<b>Change in Net Assets</b>				
<b>NET ASSETS - Beginning of Year (As Restated)</b>				
<b>NET ASSETS - END OF YEAR</b>				

Net (Expenses) Revenues and Changes in Net Assets				Totals	
Governmental Activities	Business-type Activities	Totals		Reporting Entity	
		Primary Government	Component Units	2008	2007 (Restated)
\$ (2,553,658)	\$ -	\$ (2,553,658)	\$ -	\$ (2,553,658)	\$ (1,817,011)
(21,157,620)	-	(21,157,620)	-	(21,157,620)	(18,743,632)
144,323	-	144,323	-	144,323	(6,456,262)
(1,927,859)	-	(1,927,859)	-	(1,927,859)	(1,874,843)
(6,972,679)	-	(6,972,679)	-	(6,972,679)	(6,803,369)
(1,854,240)	-	(1,854,240)	-	(1,854,240)	(806,929)
(2,664,817)	-	(2,664,817)	-	(2,664,817)	(2,046,007)
<u>(36,986,550)</u>	<u>-</u>	<u>(36,986,550)</u>	<u>-</u>	<u>(36,986,550)</u>	<u>(38,548,053)</u>
-	2,446,838	2,446,838	-	2,446,838	2,804,966
-	1,165,532	1,165,532	-	1,165,532	1,147,579
-	802,130	802,130	-	802,130	701,284
-	(1,536,466)	(1,536,466)	-	(1,536,466)	(1,472,551)
-	(232,443)	(232,443)	-	(232,443)	(240,747)
-	(68,525)	(68,525)	-	(68,525)	(137,122)
-	(184,990)	(184,990)	-	(184,990)	(159,882)
-	<u>2,392,076</u>	<u>2,392,076</u>	-	<u>2,392,076</u>	<u>2,643,527</u>
<u>(36,986,550)</u>	<u>2,392,076</u>	<u>(34,594,474)</u>	-	<u>(34,594,474)</u>	<u>(35,904,526)</u>
-	-	-	587,900	587,900	212,489
-	-	-	(141,483)	(141,483)	(1,418,210)
-	-	-	(66,070)	(66,070)	(64,006)
-	-	-	(10,455)	(10,455)	(9,768)
-	-	-	(13,287)	(13,287)	(6,340)
-	-	-	(5,100)	(5,100)	(5,091)
-	-	-	<u>351,505</u>	<u>351,505</u>	<u>(1,290,926)</u>
26,918,621	-	26,918,621	151,500	27,070,121	25,464,039
4,637,931	-	4,637,931	-	4,637,931	3,056,981
1,348,226	-	1,348,226	-	1,348,226	1,556,858
9,603,015	-	9,603,015	-	9,603,015	9,463,185
3,692,849	737,649	4,430,498	144,673	4,575,171	5,822,781
33,868	-	33,868	-	33,868	141,735
-	-	-	208,120	208,120	200,000
<u>16,075</u>	<u>286,189</u>	<u>302,264</u>	<u>4,100</u>	<u>306,364</u>	<u>275,855</u>
<u>46,250,585</u>	<u>1,023,838</u>	<u>47,274,423</u>	<u>508,393</u>	<u>47,782,816</u>	<u>45,981,434</u>
<u>406,040</u>	<u>(406,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,670,075	3,009,874	12,679,949	859,898	13,539,847	8,785,982
<u>145,387,822</u>	<u>152,489,506</u>	<u>297,877,328</u>	<u>17,079,030</u>	<u>314,956,358</u>	<u>306,170,376</u>
<u>\$ 155,057,897</u>	<u>\$ 155,499,380</u>	<u>\$ 310,557,277</u>	<u>\$ 17,938,928</u>	<u>\$ 328,496,205</u>	<u>\$ 314,956,358</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2008

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 13,711,540	\$ 17,060,564	\$ 28,800,072	\$ 59,572,176
Receivables				
Taxes	26,421,028	1,534,771	5,751,735	33,707,534
Delinquent personal property taxes	144,109	-	-	144,109
Accounts, net	1,234,251	41,717	620,217	1,896,185
Notes, net	25,000	-	6,584,769	6,609,769
Special assessments	3,721	5,877,717	-	5,881,438
Interest	623,260	-	-	623,260
Prepaid items and inventories	40,481	-	64,821	105,302
Due from other funds	194,030	5,070	-	199,100
Due from other governments	60,981	-	516,131	577,112
Restricted assets - cash and investments	-	-	1,719,316	1,719,316
Advances to other funds	4,689,676	-	-	4,689,676
<b>TOTAL ASSETS</b>	<b>\$ 47,148,077</b>	<b>\$ 24,519,839</b>	<b>\$ 44,057,061</b>	<b>\$ 115,724,977</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 311,274	\$ 14,500	\$ 2,145,179	\$ 2,470,953
Accrued liabilities	1,461,323	-	274,175	1,735,498
Deposits	160,288	-	33,111	193,399
Due to other governments	122,818	9,405,507	69,848	9,598,173
Due to other funds	-	-	59,941	59,941
Due to component unit	42,050	-	17,907	59,957
Deferred revenues	27,606,189	7,452,205	12,768,203	47,826,597
Total Liabilities	<u>29,703,942</u>	<u>16,872,212</u>	<u>15,368,364</u>	<u>61,944,518</u>
Fund Balances				
Reserved				
Notes receivable	25,000	-	-	25,000
Prepaid items and inventories	40,481	-	64,821	105,302
Advances to other funds (noncurrent portion)	4,138,490	-	-	4,138,490
Grant proceeds	-	-	407,504	407,504
Debt service	-	7,647,627	1,087,110	8,734,737
Capital contracts	-	-	1,302,839	1,302,839
Environmental remediation	-	-	360,940	360,940
Bond construction	-	-	1,719,316	1,719,316
Unreserved, designated reported in:				
General fund	6,985,838	-	-	6,985,838
Special revenue funds	-	-	5,400,191	5,400,191
Capital project funds	-	-	18,346,976	18,346,976
Unreserved, undesignated (deficit)	6,254,326	-	(1,000)	6,253,326
Total Fund Balances	<u>17,444,135</u>	<u>7,647,627</u>	<u>28,688,697</u>	<u>53,780,459</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 47,148,077</b>	<b>\$ 24,519,839</b>	<b>\$ 44,057,061</b>	<b>\$ 115,724,977</b>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES December 31, 2008

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Total fund balance - governmental funds	\$	53,780,459
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital assets	\$ 229,098,345	
Accumulated depreciation	(83,110,509)	
Less: Internal service fund included below	<u>(10,474,419)</u>	135,513,417

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		(476,103)
Debt issuance costs on debt		476,589
Deferred loss on refunding of debt		186,167

Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.

(316,417)

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 personal property taxes receivable	144,109	
Accounts receivable	1,074,464	
Loan receivable	6,589,675	
Interest receivable	545,728	
Special assessments receivable	7,241,065	
Grants receivable	<u>199,387</u>	15,794,428

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.

24,413,154

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

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

General obligation debt	(64,893,633)	
Vested compensated absences	(2,114,984)	
Police and fire pension liability	(390,262)	
Duty disability liability	(3,778,342)	
Other post-employment benefits	(2,302,846)	
Accrued interest on general obligation debt	<u>(833,730)</u>	<u>(74,313,797)</u>

**TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES**

**\$ 155,057,897**

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, 2008

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 24,696,610	\$ -	\$ 6,599,128	\$ 31,295,738
Special assessments	110,542	1,909,950	32,046	2,052,538
Intergovernmental	12,701,186	-	9,408,241	22,109,427
Licenses and permits	1,648,101	-	320,907	1,969,008
Fines, forfeitures and penalties	809,754	-	130,962	940,716
Charges for services	4,545,213	48,500	392,786	4,986,499
Charges for services - intergovernmental	2,706,619	-	1,882,971	4,589,590
Investment income	1,872,021	489,237	993,998	3,355,256
Miscellaneous	41,698	15,991	1,223,236	1,280,925
Total Revenues	49,131,744	2,463,678	20,984,275	72,579,697
<b>EXPENDITURES</b>				
Current				
General government	5,958,561	5,035	205,859	6,169,455
Public safety	24,057,936	-	194,007	24,251,943
Public works	8,029,308	-	79,641	8,108,949
Health services	-	-	4,813,770	4,813,770
Culture and recreation	4,338,163	-	3,570,162	7,908,325
Development	-	-	2,838,529	2,838,529
Miscellaneous	464,943	-	-	464,943
Capital Outlay	-	-	11,898,900	11,898,900
Debt Service				
Principal retirement	-	3,527,140	1,530,000	5,057,140
Interest and fiscal charges	-	1,832,144	801,980	2,634,124
Total Expenditures	42,848,911	5,364,319	25,932,848	74,146,078
Excess (deficiency) of revenues over expenditures	6,282,833	(2,900,641)	(4,948,573)	(1,566,381)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	400,000	8,145,000	6,855,000	15,400,000
Discount on long-term debt issued	-	-	(60,159)	(60,159)
Pay-off of unfunded retirement liability	-	(9,391,841)	-	(9,391,841)
Transfers from other funds	2,069,335	4,418,266	1,422,481	7,910,082
Transfers to other funds	(6,116,690)	-	(982,181)	(7,098,871)
Sale of capital assets	36,115	-	-	36,115
Total Other Financing Sources (Uses)	(3,611,240)	3,171,425	7,235,141	6,795,326
<b>Net change in fund balances</b>	2,671,593	270,784	2,286,568	5,228,945
FUND BALANCES - Beginning of Year	14,772,542	7,376,843	26,402,129	48,551,514
<b>FUND BALANCES - END OF YEAR</b>	\$ 17,444,135	\$ 7,647,627	\$ 28,688,697	\$ 53,780,459

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, 2008**

Net change in fund balances - total governmental funds	\$ 5,228,945
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Capital outlay is capitalized in the government-wide statements	11,898,900
Some functional expenditures are capitalized	707,826
Some capital outlay is not capitalized in the government-wide statements	(1,299,221)
Depreciation is reported in the government-wide statements	(6,279,471)
Capital assets transferred to business-type activities	(275,000)
Developer contributed assets are reported in the government-wide statements.	4,906,349
In the statement of activities, only the gain or loss (\$1,380,469) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets (\$36,115) are reported because the proceeds increase financial resources.	(1,416,584)
<p>Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following deferred revenue categories.</p>	
Delinquent personal property taxes receivable	(5,721)
Accounts receivable	(297,153)
Loan receivable	(133,585)
Interest receivable	64,853
Special assessments receivable	(210,690)
Grants receivable	(485,485)
Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.	186,764
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.	5,057,140
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.	(15,400,000)
<p>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.</p>	
Compensated absences	(73,833)
Police and fire pension liability	92,054
Unfunded pension liability	9,736,790
Duty disability liability	55,097
Other post-employment benefits	(2,302,846)

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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.	\$ (111,985)
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	(51,603)
Debt issuance costs on new debt	203,449
Amortization of premium	29,053
Amortization of debt issuance costs	(24,585)
Amortization of deferred loss on refunding	(15,734)
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	<u>(113,649)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 9,670,075</u>

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2008

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 4,992,060	\$ 8,439,826	\$ 2,009,575
Taxes receivable	419,893	334,373	96,796
Accounts receivable, net	1,331,834	1,311,840	609,266
Due from other governments	67,960	-	-
Due from other funds	-	-	-
Inventories	161,918	-	-
Prepaid items	8,029	-	-
Restricted cash and investments	310,317	-	-
<b>Total Current Assets</b>	<b>7,292,011</b>	<b>10,086,039</b>	<b>2,715,637</b>
<b>Noncurrent Assets</b>			
Restricted cash and investments	1,636,080	494,000	2,122,658
Deposit in insurance pools	-	-	-
Unamortized issuance costs	81,112	-	69,406
Special assessment receivable	708,389	747,059	3,253
<b>Capital assets:</b>			
Construction in progress	1,283,248	3,979,823	1,266,680
Land	284,274	109,339	14,711,637
Capital assets	73,986,018	70,714,940	40,271,413
Less: Accumulated depreciation	(20,781,684)	(24,209,300)	(9,698,295)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<b>54,771,856</b>	<b>50,594,802</b>	<b>46,551,435</b>
<b>Total Noncurrent Assets</b>	<b>57,197,437</b>	<b>51,835,861</b>	<b>48,746,752</b>
<b>Total Assets</b>	<b>64,489,448</b>	<b>61,921,900</b>	<b>51,462,389</b>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 299,388	\$ 1,139,085	\$ 16,879,934	\$ 14,699,224
-	-	851,062	-
33,583	127,721	3,414,244	203,853
131,638	50,000	249,598	18,589
-	-	-	228
-	-	161,918	401,428
-	-	8,029	41,302
-	-	310,317	-
<u>464,609</u>	<u>1,316,806</u>	<u>21,875,102</u>	<u>15,364,624</u>
-	255,182	4,507,920	247,624
-	-	-	766,496
-	400	150,918	-
-	-	1,458,701	-
-	488,954	7,018,705	342,078
-	650,196	15,755,446	235,899
5,892,594	10,048,454	200,913,419	19,883,024
<u>(4,445,815)</u>	<u>(5,159,359)</u>	<u>(64,294,453)</u>	<u>(9,986,582)</u>
<u>1,446,779</u>	<u>6,028,245</u>	<u>159,393,117</u>	<u>10,474,419</u>
<u>1,446,779</u>	<u>6,283,827</u>	<u>165,510,656</u>	<u>11,488,539</u>
<u>1,911,388</u>	<u>7,600,633</u>	<u>187,385,758</u>	<u>26,853,163</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS (cont.)  
 PROPRIETARY FUNDS  
 December 31, 2008

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 383,623	\$ 267,905	\$ 218,619
Accrued payroll and payroll taxes	80,725	76,295	10,581
Accrued compensated absences	121,272	113,946	16,193
Accrued interest	-	-	173,545
Deposits	-	-	-
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Current portion of advances	358,381	42,805	-
Current portion of general obligation debt	-	-	800,000
Current portion of revenue bonds	622,500	-	-
Current portion of unpaid claims	-	-	-
Liabilities payable from restricted assets:			
Current portion revenue bonds	207,500	-	-
Accrued interest	102,817	-	-
<b>Total Current Liabilities</b>	<b>1,876,818</b>	<b>500,951</b>	<b>1,218,938</b>
<b>Noncurrent Liabilities</b>			
Advances from other funds	3,004,214	734,276	-
Revenue bonds payable	8,185,000	-	-
General obligation debt	-	-	14,645,000
Other post-employment benefits	125,900	90,900	-
Unpaid claims	-	-	-
Deferred amount on refunding	(43,445)	-	(98,294)
Unamortized premium on debt	31,473	-	67,909
<b>Total Noncurrent Liabilities</b>	<b>11,303,142</b>	<b>825,176</b>	<b>14,614,615</b>
<b>Total Liabilities</b>	<b>13,179,960</b>	<b>1,326,127</b>	<b>15,833,553</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	45,768,828	50,594,802	33,259,478
Restricted for:			
Restricted deposits	-	-	-
Debt service	1,450,580	-	-
Equipment replacement	393,000	494,000	-
Unrestricted	3,697,080	9,506,971	2,369,358
<b>TOTAL NET ASSETS</b>	<b>\$ 51,309,488</b>	<b>\$ 60,595,773</b>	<b>\$ 35,628,836</b>

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

**NET ASSETS OF BUSINESS-TYPE ACTIVITIES**

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 44,503	\$ 139,184	\$ 1,053,834	\$ 298,071
97,315	17,531	282,447	29,617
123,112	15,133	389,656	33,285
6,678	-	180,223	-
32,539	-	32,539	-
26,885	2,934	29,819	-
73,679	65,708	139,387	-
-	150,000	551,186	-
36,169	-	836,169	-
-	-	622,500	-
-	-	-	220,000
-	-	207,500	-
-	-	102,817	-
<u>440,880</u>	<u>390,490</u>	<u>4,428,077</u>	<u>580,973</u>
-	400,000	4,138,490	-
-	-	8,185,000	-
161,688	-	14,806,688	-
113,000	12,700	342,500	15,600
-	-	-	1,871,416
-	-	(141,739)	-
-	-	99,382	-
<u>274,688</u>	<u>412,700</u>	<u>27,430,321</u>	<u>1,887,016</u>
<u>715,568</u>	<u>803,190</u>	<u>31,858,398</u>	<u>2,467,989</u>
1,248,922	6,028,245	136,900,275	10,474,419
-	-	-	1,055,422
-	-	1,450,580	-
-	-	887,000	-
<u>(53,102)</u>	<u>769,198</u>	<u>16,289,505</u>	<u>12,855,333</u>
<u>\$ 1,195,820</u>	<u>\$ 6,797,443</u>	155,527,360	<u>\$ 24,385,174</u>
		<u>(27,980)</u>	
		<u>\$ 155,499,380</u>	

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, 2008

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,822,825	\$ 6,492,660	\$ 2,944,799
Rental of equipment	-	-	-
Other	-	21,816	-
Total Operating Revenues	<u>7,822,825</u>	<u>6,514,476</u>	<u>2,944,799</u>
<b>OPERATING EXPENSES</b>			
Personal services	2,240,294	2,233,061	333,814
Contractual services	534,102	799,426	244,021
Supplies and materials	426,142	470,888	19,435
Utilities	512,725	499,560	65,122
Depreciation	1,483,683	1,356,947	616,799
Administrative	397,500	483,000	337,342
Claims	-	-	-
Total Operating Expenses	<u>5,594,446</u>	<u>5,842,882</u>	<u>1,616,533</u>
Operating income (loss)	<u>2,228,379</u>	<u>671,594</u>	<u>1,328,266</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Investment income	261,571	354,639	119,064
Net gain (loss) on disposal of capital assets	-	(46,888)	(16,636)
Interest expense	(688,889)	(69,894)	(647,862)
Amortization	(8,500)	(20,620)	(4,175)
Total Non-Operating Revenues (Expenses)	<u>(435,818)</u>	<u>217,237</u>	<u>(549,609)</u>
Income (loss) before transfers	1,792,561	888,831	778,657
Transfers from other funds	-	-	-
Transfers to other funds	(1,185,959)	(197,598)	(700,200)
Total Transfers	<u>(1,185,959)</u>	<u>(197,598)</u>	<u>(700,200)</u>
Income (loss) before contributions	606,602	691,233	78,457
Capital contributions	<u>1,017,844</u>	<u>765,951</u>	<u>267,010</u>
Change in net assets	1,624,446	1,457,184	345,467
NET ASSETS - Beginning of Year	<u>49,685,042</u>	<u>59,138,589</u>	<u>35,283,369</u>
NET ASSETS - END OF YEAR	<u>\$ 51,309,488</u>	<u>\$ 60,595,773</u>	<u>\$ 35,628,836</u>

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

**CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES**

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Public</u>	<u>Other</u>		<u>Activities -</u>
<u>Transit</u>	<u>Enterprise</u>	<u>Totals</u>	<u>Internal</u>
	<u>Funds</u>		<u>Service Funds</u>
\$ 645,823	\$ 961,928	\$ 18,868,035	\$ 2,879,705
-	-	-	2,038,805
<u>237,427</u>	<u>26,946</u>	<u>286,189</u>	<u>271,456</u>
<u>883,250</u>	<u>988,874</u>	<u>19,154,224</u>	<u>5,189,966</u>
2,532,190	601,429	7,940,788	801,899
1,469,908	142,494	3,189,951	346,732
608,369	91,931	1,616,765	1,164,172
7,892	295,444	1,380,743	165,453
327,702	301,217	4,086,348	1,177,606
151,068	42,956	1,411,866	112,906
-	-	-	<u>1,709,046</u>
<u>5,097,129</u>	<u>1,475,471</u>	<u>19,626,461</u>	<u>5,477,814</u>
<u>(4,213,879)</u>	<u>(486,597)</u>	<u>(472,237)</u>	<u>(287,848)</u>
2,948,598	-	2,948,598	4,999
-	2,375	737,649	275,082
-	(8,000)	(71,524)	(69,973)
(9,300)	(7,275)	(1,423,220)	-
-	(1,600)	(34,895)	-
<u>2,939,298</u>	<u>(14,500)</u>	<u>2,156,608</u>	<u>210,108</u>
(1,274,581)	(501,097)	1,684,371	(77,740)
875,462	527,255	1,402,717	164,829
-	-	(2,083,757)	(295,000)
<u>875,462</u>	<u>527,255</u>	<u>(681,040)</u>	<u>(130,171)</u>
(399,119)	26,158	1,003,331	(207,911)
-	50,000	2,100,805	-
(399,119)	76,158	3,104,136	(207,911)
<u>1,594,939</u>	<u>6,721,285</u>		<u>24,593,085</u>
<u>\$ 1,195,820</u>	<u>\$ 6,797,443</u>		<u>\$ 24,385,174</u>
		<u>(94,262)</u>	
		<u>\$ 3,009,874</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 8,001,384	\$ 6,520,903	\$ 2,874,150
Cash paid to suppliers for goods and services	(1,530,521)	(1,836,329)	(442,701)
Cash paid to employees for services	(2,112,765)	(2,109,489)	(328,152)
Claims paid	-	-	-
Repayment of insurance claims	-	-	-
Administrative charges	(324,228)	(405,300)	(332,484)
Net Cash Flows From (Used By) Operating Activities	<u>4,033,870</u>	<u>2,169,785</u>	<u>1,770,813</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Principal paid on advances from other funds	(333,931)	(39,913)	-
Interest paid on advances from other funds	(271,869)	(59,232)	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,185,959)	(197,598)	(700,200)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,791,759)</u>	<u>(296,743)</u>	<u>(700,200)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	261,571	354,639	119,064
Net Cash Flows From Investing Activities	<u>261,571</u>	<u>354,639</u>	<u>119,064</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	-	-	1,000,000
Debt issuance costs	-	-	(9,268)
Debt retired	(765,000)	(505,000)	(710,000)
Special assessments received	100,639	107,574	-
Interest paid	(454,767)	(15,151)	(724,330)
Capital contributions	39,870	70,826	3,479
Acquisition and construction of capital assets	(1,863,297)	(3,881,085)	(961,440)
Capital related advance from other funds	-	-	-
Proceeds from sale of capital assets	-	-	-
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(2,942,555)</u>	<u>(4,222,836)</u>	<u>(1,401,559)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(438,873)</b>	<b>(1,995,155)</b>	<b>(211,882)</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,377,330</u>	<u>10,928,981</u>	<u>4,344,115</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 6,938,457</b>	<b>\$ 8,933,826</b>	<b>\$ 4,132,233</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 4,992,060	\$ 8,439,826	\$ 2,009,575
Restricted Cash and Investments			
Current	310,317	-	-
Noncurrent	<u>1,636,080</u>	<u>494,000</u>	<u>2,122,658</u>
<b>CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS</b>	<b>\$ 6,938,457</b>	<b>\$ 8,933,826</b>	<b>\$ 4,132,233</b>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 921,445	\$ 971,004	\$ 19,288,886	\$ 5,120,322
(2,207,476)	(552,405)	(6,569,432)	(1,745,166)
(2,391,826)	(594,657)	(7,536,889)	(784,561)
-	-	-	(1,457,701)
-	-	-	61,376
-	-	(1,062,012)	-
<u>(3,677,857)</u>	<u>(176,058)</u>	<u>4,120,553</u>	<u>1,194,270</u>
3,029,087	-	3,029,087	4,999
-	(150,000)	(523,844)	-
-	(7,275)	(338,376)	-
875,462	527,255	1,402,717	164,829
-	-	(2,083,757)	(295,000)
<u>3,904,549</u>	<u>369,980</u>	<u>1,485,827</u>	<u>(125,172)</u>
-	2,375	737,649	275,082
-	2,375	737,649	275,082
-	-	1,000,000	-
-	-	(9,268)	-
(34,584)	-	(2,014,584)	-
-	-	208,213	-
(10,488)	-	(1,204,736)	-
-	-	114,175	-
-	(263,935)	(6,969,757)	(1,628,944)
-	400,000	400,000	-
-	-	-	63,906
<u>(45,072)</u>	<u>136,065</u>	<u>(8,475,957)</u>	<u>(1,565,038)</u>
181,620	332,362	(2,131,928)	(220,858)
<u>117,768</u>	<u>1,061,905</u>	<u>23,830,099</u>	<u>15,167,706</u>
<u>\$ 299,388</u>	<u>\$ 1,394,267</u>	<u>\$ 21,698,171</u>	<u>\$ 14,946,848</u>
\$ 299,388	\$ 1,139,085	\$ 16,879,934	\$ 14,699,224
-	-	310,317	-
-	255,182	4,507,920	247,624
<u>\$ 299,388</u>	<u>\$ 1,394,267</u>	<u>\$ 21,698,171</u>	<u>\$ 14,946,848</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS (cont.)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2008

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 2,228,379	\$ 671,594	\$ 1,328,266
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	1,483,683	1,356,947	616,799
Depreciation charged to other accounts	108,419	893	-
Change in assets and liabilities			
Accounts receivable	53,520	39,188	(53,429)
Due from other funds	16,620	(33,654)	(17,220)
Inventories	(19,468)	-	-
Prepaid items	161	-	-
Accounts payable	35,027	11,245	(109,267)
Due to other funds	-	-	-
Deposits	-	-	-
Accrued liabilities	1,629	32,672	5,664
Other post-employment benefits	125,900	90,900	-
Unpaid claims	-	-	-
	\$ 4,033,870	\$ 2,169,785	\$ 1,770,813
<b>NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

During 2008, developers contributed capital assets of \$893,752 to the water utility, \$619,712 to the sewer utility, and \$138,443 to the storm water utility. Also during 2008, the TIF districts contributed capital assets of \$84,222 to the water utility, \$75,413 to the sewer utility and \$125,088 to the storm water utility.

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ (4,213,879)	\$ (486,597)	\$ (472,237)	\$ (287,848)
327,702	301,217	4,086,348	1,177,606
-	-	109,312	-
36,857	(17,870)	58,266	(8,268)
-	-	(34,254)	-
-	-	(19,468)	34,977
-	-	161	(14,531)
2,879	10,293	(49,823)	9,120
-	4,322	4,322	-
1,338	-	1,338	-
54,246	(123)	94,088	1,738
113,000	12,700	342,500	15,600
-	-	-	265,876
<u>\$ (3,677,857)</u>	<u>\$ (176,058)</u>	<u>\$ 4,120,553</u>	<u>\$ 1,194,270</u>

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2008**

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	Tax Collection Agency Fund
<b>ASSETS</b>	
Cash and investments	\$ 9,263,270
Taxes receivable	<u>50,051,890</u>
<b>TOTAL ASSETS</b>	<u>\$ 59,315,160</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 59,315,160</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 59,315,160</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
COMPONENT UNITS  
December 31, 2008

	Housing Authority	Redevelopment Authority	Other Component Units	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 2,292,537	\$ 840,338	\$ 272,686	\$ 3,405,561
Receivables				
Taxes	-	-	151,500	151,500
Notes receivable	-	53,994	-	53,994
Accounts, net	20,899	-	-	20,899
Due from primary government	59,957	-	-	59,957
Prepaid items	71,478	-	-	71,478
Total Current Assets	<u>2,444,871</u>	<u>894,332</u>	<u>424,186</u>	<u>3,763,389</u>
<b>NONCURRENT ASSETS</b>				
Restricted assets - cash and investments	1,118,534	-	-	1,118,534
Notes receivable	-	540,000	-	540,000
Property held for resale	-	2,252,454	-	2,252,454
Construction in progress	105,694	-	-	105,694
Land	1,415,799	-	-	1,415,799
Capital assets	17,430,607	-	-	17,430,607
Less: accumulated depreciation	<u>(6,815,412)</u>	<u>-</u>	<u>-</u>	<u>(6,815,412)</u>
Total Noncurrent Assets	<u>13,255,222</u>	<u>2,792,454</u>	<u>-</u>	<u>16,047,676</u>
Total Assets	<u>15,700,093</u>	<u>3,686,786</u>	<u>424,186</u>	<u>19,811,065</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	13,159	5,002	10,092	28,253
Accrued liabilities	29,724	-	-	29,724
Accrued compensated absences	51,699	-	-	51,699
Other liabilities	88,060	-	-	88,060
Unearned revenue	13,751	-	151,500	165,251
Current portion of long-term debt	389,227	-	-	389,227
Total Current Liabilities	<u>585,620</u>	<u>5,002</u>	<u>161,592</u>	<u>752,214</u>
<b>NONCURRENT LIABILITIES</b>				
Housing projects notes and bonds	351,588	-	-	351,588
Revenue bonds payable	25,000	-	-	25,000
Other loans payable	723,855	-	-	723,855
Other noncurrent liabilities	13,303	-	-	13,303
Other post-employment benefits	6,177	-	-	6,177
Total Noncurrent Liabilities	<u>1,119,923</u>	<u>-</u>	<u>-</u>	<u>1,119,923</u>
Total Liabilities	<u>1,705,543</u>	<u>5,002</u>	<u>161,592</u>	<u>1,872,137</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	10,647,018	-	-	10,647,018
Restricted for:				
Replacement	809,615	-	-	809,615
Development costs	112,858	-	-	112,858
Taxes	183	-	-	183
Grant requirements	195,878	-	-	195,878
Unrestricted	<u>2,228,998</u>	<u>3,681,784</u>	<u>262,594</u>	<u>6,173,376</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 13,994,550</u>	<u>\$ 3,681,784</u>	<u>\$ 262,594</u>	<u>\$ 17,938,928</u>

See accompanying notes to financial statements.



## **Notes to Financial Statements**

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

# CITY OF EAU CLAIRE

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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the City of Eau Claire (City), Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

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

This report includes all of the funds of the City. The reporting entity for the City consists of (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 descriptions) 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 its will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note III.K. As a major component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2008. 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 1186, Eau Claire, WI 54702-1186.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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#### 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 its will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.K. As a major component unit, the RDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2008. 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, Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.K. As nonmajor component units, the BIDs financial statements have been combined and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2008. Separate financial statements are not issued by the Business Improvement Districts.

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

In June 2004, the GASB issued statement No. 45 – *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*. This statement establishes standards for the measurement, regulation, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The City made the decision to implement this standard effective January 1, 2008.

##### *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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

### 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 TIF 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

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 No. 4

- Debt Service – TIF No. 6

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

---

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

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

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

TIF No. 5 Gateway Northwest Business Park

TIF No. 7 Soo Line Development

TIF No. 8 Downtown Development

TIF No. 9 Gateway Northwest Business Park Overlay

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

### 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.

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.

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.

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 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

---

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

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

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.

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. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Current rates in the Water Utility were approved by the Public Service Commission of Wisconsin and effective on October 1, 2006. Current Sewer and Storm Water Utility rates were approved by the City council on November 15, 2007.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

---

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

##### **All Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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.
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.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments:

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

---

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

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

###### ***Custodial Credit Risk***

Collateralization shall be required on all demand deposit accounts, non-negotiable certificates of deposit, and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be a minimum of 106% of the market value of principal and accrued interest. The level of collateralization is negotiated and a part of the City's Bank Services contract. Collateral shall be pledged in the name of the City of Eau Claire, subject to release by the City's finance director.

###### ***Credit Risk***

The City will only invest in the type of investments allowable by state statutes as listed above. In addition, any securities the City invests in must have a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors' Service or other similar nationally recognized ranking agency, or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

###### ***Concentration of Credit Risk***

The City will diversify investments by security type, institution and terms of maturity to reduce portfolio risk. With the exception of U.S. agency securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Investments shall be diversified by:

1. Limiting investments to avoid concentration in securities from a specific issuer or business sector (excluding U.S. agency securities and authorized pools).
2. Limiting investment in securities that have higher credit risks.
3. Investing in securities with varying maturities.
4. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

---

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

---

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

##### *Interest Rate Risk*

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. However, the City may collateralize its investments using longer-dated securities. The City will maintain at least 10% of its total investment portfolio in instruments maturing in 30 days or less.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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, 2008, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

#### 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 – 2008 tax roll:

Lien date and levy date	December 2008
Tax bills mailed	December 2008
Payment in full, or	January 31, 2009
First installment due	January 31, 2009
Second installment due	July 31, 2009
Personal property taxes in full	January 31, 2009
Tax sale – 2008 delinquent real estate taxes	October 2011

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water and Sewer utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant. The Storm Water Utility has recorded an allowance of \$1,050.

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 loans receivable has been reduced by an allowance for uncollectible accounts of \$139,000.

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 or operation and maintenance expense when used.

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### **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 \$247,624. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

##### **5. Capital Assets**

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

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. During the current year, \$24,500 of net interest was capitalized. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital 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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### **5. Capital Assets (cont.)**

###### ***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.

##### **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, 2008 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 and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### **8. Long-Term Obligations/Conduit Debt (cont.)**

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 \$4,787,791, made up of one issue.

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

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

##### **10. Equity Classifications**

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

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- 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."

The net asset section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column.

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### *10. Equity Classifications (cont.)*

###### *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. Prior Period Information*

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2007, from which the summarized information was derived. Please refer to Note III.J. for information about restatement of 2007 governmental activities net assets. The restatement is reflected in the 2007 comparative information.

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

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

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#### *A. BUDGETARY INFORMATION*

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

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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

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

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

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

The City council approved proposed 2008 budgets for governmental and proprietary funds on November 15, 2007.

During 2008 and 2009, additional appropriations were approved in the General, General Debt Service, Economic Development, Community Enhancement, Downtown Partners, Public Library, City-County Health Department and TIF No. 4 Debt Service Funds. A summary of these council actions follows:

Fund	Original Appropriation	Carryover of Appropriations	Grants and Donations	Debt Service	Other	Final Appropriation
General Fund	\$ 51,322,300	\$ 129,400	\$ 205,600	\$ -	\$ (52,000)	\$ 51,605,300
General Debt Service	5,246,000	-	-	17,675,300	-	22,921,300
Economic Development	667,600	135,000	-	-	133,000	935,600
Community Enhancement	1,075,275	-	-	-	20,000	1,095,275
Downtown Partners	143,000	5,000	-	-	-	148,000
Public Library	3,875,400	(25,000)	-	-	-	3,850,400
City-County Health	4,448,500	59,135	104,500	-	-	4,612,135
TIF No. 4 Debt Service	246,800	-	-	1,026,900	-	1,273,700

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

#### **B. LIMITATIONS ON THE CITY TAX LEVY**

As part of Wisconsin's Act 20 (2007), legislation was passed that limits the City's future tax levies. Generally, for operating purposes, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 2%. For the 2007 levy collectible in 2008, the City's limit was 2.296%. For the 2008 levy collectible in 2009, the limit is 2.00%. Changes in debt service from one year to the next are generally exempt from this limit.

#### **C. DEFICIT BALANCES**

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

As of December 31, 2008, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF No. 9 Gateway NW Business Park Overlay	\$ 1,000	Expenditures in excess of revenues

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

### NOTE III – DETAILED NOTES ON ALL FUNDS

#### **A. DEPOSITS AND INVESTMENTS**

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

Per statement of net assets	
Cash and investments	\$ 94,556,895
Restricted cash and investments	7,903,711
Per statement of net assets – fiduciary funds	9,263,270
Subtotal	111,723,876
Less: Housing Authority cash and investments	(2,292,537)
Housing Authority restricted assets – cash and investments	(1,118,534)
Total	\$ 108,312,805

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

Total cash and investments consist of the following:

Petty cash and cash on hand	\$	5,333
Deposits with financial institutions		33,308,323
Investments		<u>74,999,149</u>
<b>Total Cash and Investments</b>	<b>\$</b>	<b><u>108,312,805</u></b>

See Note III.K. for component unit information.

#### **Deposits**

The City's deposits at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 33,308,323	\$ 32,687,152	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

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

The City maintains collateral agreements with its bank. At December 31, 2008, the bank had pledged various government securities in the amount of \$44,275,956 to secure the City's deposits.

#### **Investments**

The City's investments at year end were comprised of the following:

	Carrying Value	Associated Risks
U.S. agencies	\$ 59,161,272	Concentration of credit risk, credit risk, interest rate risk
Escrow account	247,624	Credit risk, interest rate risk
LGIP	<u>15,590,253</u>	Credit risk, interest rate risk
<b>Total Cash and Investments</b>	<b>\$ <u>74,999,149</u></b>	

**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2008

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

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

**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. This coverage expired on February 15, 2009.

**Custodial Credit Risk**

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2008, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's Investor Service</u>
U.S. agencies – implicitly guaranteed	AAA	Aaa

The City also had investments in the following external pools which are not rated:

- Local Government Investment Pool
- WMMIC Escrow Pool

**Concentration of Credit Risk**

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**Concentration of Credit Risk (cont.)**

At December 31, 2008, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. agencies – implicitly guaranteed	33%
FFCB	U.S. agencies – implicitly guaranteed	18%
FHLMC	U.S. agencies – implicitly guaranteed	17%
FNMA	U.S. agencies – implicitly guaranteed	11%

**Interest Rate Risk**

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

As of December 31, 2008, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Bullet	01/16/09	N/A	\$ 7,664,382
FHLB Bullet	01/25/10	N/A	2,058,760
FNMA One-Time Call	02/19/10	02/19/09	3,008,430
FHLMC Callable	04/28/10	01/28/09	2,002,880
FHLMC Callable	05/12/10	02/12/09	3,007,860
FHLB One-Time Call	06/15/10	06/15/09	2,042,500
FFCB One-Time Call	09/29/10	09/29/09	3,054,390
FHLB One-Time Call	11/29/10	05/29/09	2,021,880
FHLB One-Time Call	01/21/11	01/21/09	3,003,750
FHLMC Callable	02/04/11	02/04/09	3,007,530
FHLB One-Time Call	02/04/11	02/04/09	3,006,570
FNMA Callable	03/04/11	03/04/09	2,992,500
FFCB	03/22/11	01/02/09	2,000,000
FNMA One-Time Call	04/01/11	04/01/09	2,011,260
FFCB Callable	04/11/11	01/29/09	2,000,620
FHLB Bullet	05/12/11	N/A	3,150,000
FHLMC Callable	06/03/11	03/03/09	3,013,620
FHLB One-Time Call	08/04/11	02/04/09	2,005,000
FFCB Callable	10/14/11	10/14/09	2,035,620
FFCB One-Time Call	11/18/11	11/18/09	2,034,380
FFCB Callable	09/17/12	09/17/09	2,031,260
FHLMC Callable	02/27/13	02/27/09	2,008,080
Total			<u>\$ 59,161,272</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**Interest Rate Risk (cont.)**

Investment	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pool	\$ 15,590,253	82
WMMIC Escrow Pool	247,624	N/A

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

**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	\$ 28,512,350	\$ -	\$ 28,512,350	\$ 332,632
Debt Service - General	7,454,205	-	7,454,205	3,882,504
Nonmajor Funds	13,648,686	175,834	13,472,852	6,411,373
Internal Service Funds	222,442	-	222,442	61,728

**Business-type Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,528,076	\$ -	\$ 2,528,076	\$ 678,107
Sewer Utility	2,393,272	-	2,393,272	712,350
Storm Water Utility	710,365	1,050	709,315	3,253
Public Transit	165,221	-	165,221	2,429
Nonmajor Funds	177,721	-	177,721	258

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

### 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	\$ -	\$ 32,032,169	\$ 32,032,169
Delinquent property taxes receivable	144,109	-	144,109
Investment interest receivable	190,273	-	190,273
Accounts receivable	1,074,464	-	1,074,464
Loans receivable	6,589,675	-	6,589,675
Interest on special assessments	355,455	-	355,455
Special assessments not yet due	7,241,065	-	7,241,065
Grants receivable	199,387	-	199,387
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 15,794,428	 \$ 32,032,169	 \$ 47,826,597

#### Notes Receivable

At December 31, 2008 the General fund has 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 \$2,782,125 at December 31, 2008, with maturities to the year 2020. These loans include \$833,079 for five small industry and economic development loans and \$1,949,046 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 172 loans which are all required to be secured by a lien on the property. Some loans can be deferred until the property is sold. Interest on these loans is either lower than market or zero. The City discontinued the small industry loan program in 1989.

The Home Grant Special Revenue fund has notes receivable of \$1,663,729 at December 31, 2008. This balance is comprised of 11 loans for transitional and affordable housing totaling \$1,523,797 and down payment and closing cost loans totaling \$139,932.

The Economic Development Special Revenue fund has notes receivable of \$2,124,332 at December 31, 2008. This balance is comprised of 21 different loans to a variety of businesses.

The Community Enhancement Special Revenue fund also has one note receivable at the end of the year. The total outstanding on the loan is \$14,583 and will be paid by the Eau Claire Regional Arts Center.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

### 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 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, 2008:

	Governmental Activities	Business-type Activities
Restricted Assets		
Redemption account	\$ -	\$ 1,553,397
Replacement account	-	887,000
TIF No. 5 construction account	640,152	-
Buildings and Equipment construction account	1,079,164	-
Storm Water construction account	-	2,122,658
Hobbs Ice Center construction account	-	255,182
Insurance claims account	247,624	-
Total Restricted Assets	\$ 1,966,940	\$ 4,818,237

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 6,598,017	\$ 8,271,898	\$ 9,346,450	\$ 5,523,465
Land	15,556,998	160,760	270,254	15,447,504
Total Capital Assets Not Being Depreciated	\$ 22,155,015	\$ 8,432,658	\$ 9,616,704	\$ 20,970,969
Capital assets being depreciated				
Land improvements	\$ 9,033,439	\$ 309,053	\$ -	\$ 9,342,492
Buildings	19,836,824	867,336	-	20,704,160
Machinery and equipment	25,933,632	5,236,220	1,433,997	29,735,855
Infrastructure	140,785,341	11,660,566	4,101,038	148,344,869
Total Capital Assets Being Depreciated	195,589,236	18,073,175	5,535,035	208,127,376
Less: Accumulated depreciation for				
Land improvements	(1,588,853)	(272,075)	-	(1,860,928)
Buildings	(10,059,022)	(457,719)	-	(10,516,741)
Machinery and equipment	(13,769,155)	(2,231,868)	1,297,871	(14,703,152)
Infrastructure	(54,501,792)	(4,495,415)	2,967,519	(56,029,688)
Total Accumulated Depreciation	(79,918,822)	(7,457,077)	4,265,390	(83,110,509)
Capital Assets, Being Depreciated, Net	\$ 115,670,414	\$ 10,616,098	\$ 1,269,645	\$ 125,016,867

\* Note: Beginning balances have been adjusted to reflect a restatement in net assets related to infrastructure. See Note III.J. for additional information.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 163,528
Public safety	808,795
Public works, which includes the depreciation of infrastructure	5,044,687
Health services	12,290
Culture and recreation	1,424,976
Development	<u>2,801</u>

Total Governmental Activities Depreciation Expense \$ 7,457,077

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 3,601,388	\$ 4,201,927	\$ 784,610	\$ 7,018,705
Land	<u>15,755,446</u>	<u>-</u>	<u>-</u>	<u>15,755,446</u>
 Total Capital Assets Not Being Depreciated	 <u>\$ 19,356,834</u>	 <u>\$ 4,201,927</u>	 <u>\$ 784,610</u>	 <u>\$ 22,774,151</u>
 Other Capital Assets				
Improvements	\$ 3,389,712	\$ 50,000	\$ -	\$ 3,439,712
Buildings	30,441,063	55,990	31,802	30,465,251
Distribution and collection systems	146,688,242	5,462,515	164,432	151,986,325
Source of supply system	889,335	3,920	-	893,255
Machinery and equipment	<u>14,096,168</u>	<u>58,611</u>	<u>25,903</u>	<u>14,128,876</u>
Total Capital Assets Being Depreciated	 <u>195,504,520</u>	 <u>5,631,036</u>	 <u>222,137</u>	 <u>200,913,419</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Improvements	\$ (1,544,616)	\$ (118,000)	\$ -	\$ 1,662,616
Buildings	(15,165,435)	(712,402)	17,809	15,860,028
Distribution and collection systems	(33,073,722)	(2,681,448)	138,407	35,616,763
Source of supply system	(649,917)	(20,684)	-	670,601
Machinery and equipment	(9,820,597)	(666,346)	2,498	10,484,445
Total Accumulated Depreciation	(60,254,287)	(4,198,880)	158,714	64,294,453
Total Capital Assets, Being Depreciated, Net	\$ 135,250,233	\$ 1,432,156	\$ 63,423	\$ 136,618,966

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,483,683
Sewer	1,356,947
Storm Water	616,799
Public Transit	327,702
Parking Utility	181,848
Hobbs Ice Center	67,137
Outdoor Pool	52,232
Other	108,419
Total Business-type Activities Depreciation Expense	\$ 4,194,767

The amount of depreciation expense charged to "other" above is the amount charged for joint metering in 2008. Depreciation expense does not agree to increases in accumulated depreciation due to salvage on retired assets.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue – Community Enhancement	\$ 33,824
General Fund	Special Revenue – Public Library	8,199
General Fund	Special Revenue – City-County Health	11,620
General Fund	Capital Projects – TIF No. 9	1,000
General Fund	Enterprise – Public Transit	73,679
General Fund	Enterprise – Hobbs Ice Center	65,708
Debt Service - General	Special Revenue – City-County Health	5,070
Central Equipment	Special Revenue – Public Library	<u>228</u>
Subtotal – Fund Financial Statements		199,328
Less: Fund eliminations		<u>(59,941)</u>
Total interfunds		139,387
Interfund advances		4,689,676
Adjustment to reflect internal service fund activities related to enterprise funds		<u>27,980</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 4,857,043</u>

The principal purpose of these interfunds is to cover an overdraft of pooled cash. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

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, Hobbs, 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 advance is 7.25%. The rate being charged on the Hobbs advance is 3.625 – 3.875%. The rate being charged to the outdoor pool is 2.875% – 3.35%.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Water Utility	\$ 3,362,595	\$ 3,004,214
General Fund	Sewer Utility	777,081	734,276
General Fund	Hobbs Ice Center – non major	400,000	400,000
General Fund	Outdoor Pool – non-major	<u>150,000</u>	<u>-</u>
Total – Government-Wide Statement of Net Assets and Financial Statements		<u>\$ 4,689,676</u>	<u>\$ 4,138,490</u>

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:

<u>Years</u>	<u>Advances</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2009	\$ 551,186	\$ 324,709	\$ 875,895
2010	430,530	289,166	719,696
2011	512,018	256,771	768,789
2012	545,810	221,165	766,975
2013	490,277	183,087	673,364
2014 – 2018	1,981,220	436,733	2,417,953
2019 – 2020	<u>178,635</u>	<u>19,653</u>	<u>198,288</u>
Totals	<u>\$ 4,689,676</u>	<u>\$ 1,731,284</u>	<u>\$ 6,420,960</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

Following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>General Fund</b>	Community Development	\$ 33,176	To fund coalition for youth
	Community Enhancement	100,000	To fund general fund special events
	Water Utility	1,185,959	Payment in lieu of tax
	Sewer Utility	50,000	To pay back contributed capital
	Storm Water Utility	700,200	Fund street cleaning costs
<b>Special Revenue</b>			
Cemetery Maintenance	General Fund	232,432	Operating subsidy
Economic Development	General Fund	100,000	Fund personnel costs
Economic Development	Debt Service – TIF No. 4	101,365	Close out fund
Community Enhancement	General Fund	11,675	Increase in outside organization funding
City-County Health	Community Development	62,207	Fund code enforcement project
Downtown Partners	Economic Development	85,000	Operating subsidy
<b>Debt Service</b>			
Debt Service - General	General Fund	4,418,266	Debt service payments
<b>Capital Projects</b>			
TIF No. 8	Risk Management	200,000	Debt service payments
Downtown Development			
Street Projects	Community Development	85,000	Fund street construction
Buildings and Equipment	General Fund	200	Fund various projects
Buildings and Equipment	Cemetery Maintenance	24,000	Forest Hill & Lakeview remodel
Buildings and Equipment	Community Development	173,511	Fund comprehensive plan/home ownership program
Parks and Recreation	Community Development	46,191	Fund park development projects
Parks and Recreation	Community Enhancement	150,000	Fund park development projects
Environmental Improvement	Risk Management	95,000	Fund environmental projects
Library Buildings and Equipment	Public Library	55,900	Fund facility improvements
<b>Enterprise</b>			
Public Transit	General Fund	875,462	Operating subsidy
Parking Utility	General Fund	117,255	Subsidize parking ramp renovations
Hobbs Ice Center	General Fund	81,448	Subsidize facilities improvements
Hobbs Ice Center	Community Enhancement	48,600	Subsidize facilities improvements
Outdoor Pool	General Fund	279,952	Debt service
Central Equipment	Sewer Utility	147,598	Remainder after sludge vehicle paid
Central Equipment	Buildings and Equipment	<u>17,231</u>	Excess funds from fire truck
Subtotal – Fund Financial Statements		9,477,628	
Less: Fund eliminations		(8,796,588)	
Capital assets transferred to business-type activities		<u>(275,000)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 406,040</u>	

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

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.

#### F. SHORT-TERM DEBT ACTIVITY

The City issued short-term debt to payoff its unfunded pension liability.

Short-term debt activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Taxable general obligation promissory note	\$ -	\$ 7,982,000	\$ 7,982,000	\$ -

#### G. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Bonds and Notes Payable</b>					
General obligation bonds	\$ 54,475,000	\$ 15,400,000	\$ 5,020,000	\$ 64,855,000	\$ 4,945,000
State trust fund notes	75,773	-	37,140	38,633	38,633
Sub-totals	<u>54,550,773</u>	<u>15,400,000</u>	<u>5,057,140</u>	<u>64,893,633</u>	<u>4,983,633</u>
<b>Other Liabilities</b>					
Vested compensated absences	2,073,326	2,369,483	2,294,540	2,148,269	2,148,269
Police and fire pensions	482,316	-	92,054	390,262	72,021
State retirement fund	9,736,790	-	9,736,790	-	-
Duty disability	3,833,439	317,582	372,679	3,778,342	396,370
Other post-employment benefits	-	2,318,446	-	2,318,446	-
Unpaid self-insurance claims	1,825,540	1,223,375	957,499	2,091,416	220,000
Total Other Liabilities	<u>17,951,411</u>	<u>6,228,886</u>	<u>13,453,562</u>	<u>10,726,735</u>	<u>2,836,660</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 72,502,184</u>	<u>\$ 21,628,886</u>	<u>\$ 18,510,702</u>	<u>\$ 75,620,368</u>	<u>\$ 7,820,293</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Bonds and Notes Payable</b>					
General obligation bonds	\$ 15,155,000	\$ 1,000,000	\$ 710,000	\$ 15,445,000	\$ 800,000
State trust fund notes	232,441	-	34,584	197,857	36,169
Revenue bonds	<u>10,285,000</u>	<u>-</u>	<u>1,270,000</u>	<u>9,015,000</u>	<u>830,000</u>
Sub-totals	<u>25,672,441</u>	<u>1,000,000</u>	<u>2,014,584</u>	<u>24,657,857</u>	<u>1,666,169</u>
<b>Other Liabilities</b>					
Vested compensated absences	383,168	545,404	538,916	389,656	389,656
Other post-employment benefits	<u>-</u>	<u>342,500</u>	<u>-</u>	<u>342,500</u>	<u>-</u>
Total Other Liabilities	<u>383,168</u>	<u>887,904</u>	<u>538,916</u>	<u>732,156</u>	<u>389,656</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 26,055,609</u>	<u>\$ 1,887,904</u>	<u>\$ 2,553,500</u>	<u>\$ 25,390,013</u>	<u>\$ 2,055,825</u>

**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 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2008, was \$212,746,735. Total general obligation debt outstanding at year end was \$80,536,490.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**General Obligation Debt (cont.)**

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-08
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Corporate purpose	09/15/98	04/01/10	4.45-4.5%	\$ 6,650,000	\$ 465,000
Corporate purpose	09/01/99	04/01/10	4.65-5.5%	6,450,000	560,000
Tax incremental bonds	09/01/99	04/01/10	4.65-5.5%	395,000	50,000
Corporate purpose	08/01/00	04/01/10	5.0-5.5%	4,730,000	510,000
Tax incremental bonds	08/01/00	04/01/10	5.0-5.5%	1,780,000	180,000
Corporate purpose	08/15/01	04/01/21	4.13-5.0%	8,700,000	5,830,000
Corporate purpose	08/27/02	04/01/15	2.85-3.875%	4,120,000	1,410,000
Corporate purpose	08/27/02	04/01/22	3.7-4.7%	3,700,000	2,190,000
Tax incremental bonds	09/15/03	04/01/09	2.75-4.0%	900,000	250,000
Corporate purpose	09/15/03	04/01/23	3.625-4.8%	9,870,000	8,230,000
Corporate purpose	09/15/03	04/01/23	3.5-4.6%	4,405,000	3,395,000
Corporate purpose	09/01/04	04/01/24	3.5-4.5%	6,270,000	4,885,000
Tax incremental bonds	09/09/04	04/01/14	6.28%	570,000	570,000
Corporate purpose	06/01/05	04/01/25	3.5-4.25%	5,850,000	4,985,000
Tax incremental bonds	06/01/05	04/01/22	3.7-4.1%	200,000	200,000
Tax incremental bonds	12/01/05	04/01/19	3.7-4.125%	3,000,000	3,000,000
Corporate purpose	08/01/06	04/01/26	4.125-5.0%	5,125,000	4,590,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	9,035,000
Tax incremental bonds	05/01/07	04/01/27	4.0-5.0%	1,440,000	1,440,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	12,125,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	6,240,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	2,015,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	8,145,000
Subtotal					80,300,000
Less: Enterprise portion of G.O. Bonds					(15,445,000)
Total – Governmental Activities – G.O. Bonds					64,855,000

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**General Obligation Debt (cont.)**

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-08
<b>Governmental Activities</b>					
General Obligation Debt					
State trust fund note	05/18/04	03/15/09	4.0%	\$ 180,000	\$ <u>38,633</u>
Total Governmental Activities – General Obligation Debt					<u>64,893,633</u>
<b>Business-type Activities</b>					
General Obligation Debt					
State trust fund note	08/27/03	3/15/13	4.5%	320,000	197,857
Plus: Enterprise portion of G.O. Bonds					<u>15,445,000</u>
Total Business-type Activities General Obligation Debt					<u>15,642,857</u>
Total General Obligation Debt					<u>\$ 80,536,490</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 4,983,633	\$ 2,860,148	\$ 836,169	\$ 657,620
2010	4,605,000	2,487,158	892,796	611,930
2011	4,965,000	2,295,838	924,497	574,712
2012	5,045,000	2,096,334	976,264	536,528
2013	4,815,000	1,899,019	1,003,131	496,492
2014 – 2018	22,205,000	6,540,456	5,415,000	1,822,687
2019 – 2023	11,930,000	2,917,376	4,180,000	710,768
2024 – 2028	6,345,000	758,894	1,415,000	108,701
Totals	<u>\$ 64,893,633</u>	<u>\$ 21,855,223</u>	<u>\$ 15,642,857</u>	<u>\$ 5,519,438</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**Revenue Debt**

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

The Water Utility has pledged future water revenues, net of specified operating expenses to repay \$13,425,000 in water revenue bonds issued from 1996 to 2007. Proceeds from the bonds provided financing for utility system improvements and for refinancing previous revenue bonds. The bonds are payable solely from water revenues and are payable through 2023. The bonds require net revenues of 1.25 times annual principal and interest payments on outstanding bonds. The total principal and interest remaining to be paid on the bonds are \$11,352,091. Principal and interest paid for the current year and total customer net revenues were \$1,244,269 and \$3,712,062, respectively. Annual principal and interest payments are expected to require 8% of Water Utility revenues through 2023.

Revenue debt payable at December 31, 2008 consists of the following:

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-08</u>
<u>Water Utility</u>					
Revenue bonds	09/01/96	10/01/10	5.0-5.5%	\$ 1,000,000	\$ 225,000
Revenue bonds	08/01/97	10/01/16	5.15-5.4%	3,500,000	2,025,000
Revenue bonds	08/15/01	10/01/16	4.0-4.8%	4,615,000	3,505,000
Revenue bonds	09/15/03	10/01/17	2.5-4.3%	2,310,000	1,320,000
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	2,000,000	<u>1,940,000</u>
 Total Water Utility					 <u>\$ 9,015,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2009	\$ 830,000	\$ 411,269	\$ 1,241,269
2010	865,000	375,026	1,240,026
2011	905,000	336,420	1,241,420
2012	945,000	296,588	1,241,588
2013	985,000	254,094	1,239,094
2014 – 2018	3,735,000	568,069	4,303,069
2019 – 2023	<u>750,000</u>	<u>95,625</u>	<u>845,625</u>
 Totals	 <u>\$ 9,015,000</u>	 <u>\$ 2,337,091</u>	 <u>\$ 11,352,091</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### ***Other Debt Information***

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

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

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

The City issues debt to fund its capital projects. In 2008 a portion of the new debt issued was used to retire the City's state retirement unfunded liability. The City has never defaulted on any of its prior outstanding indebtedness. Short-term debt is not issued for operational purposes.

##### ***Prior-Year Defeasance of Debt***

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2008, \$7,840,000 of bonds outstanding are considered defeased. The bonds are callable on April 1, 2010.

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

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2008 was \$15,734 for the governmental activities, \$9,146 for the Water Utility, and \$8,308 for the Storm Water Utility.

#### **H. LEASE DISCLOSURES**

The City has no material leases as lessee or lessor.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

Net assets reported on the government wide statement of net assets at December 31, 2008 includes the following:

#### ***Governmental Activities***

Invested in capital assets, net of related debt	
Construction in progress	\$ 5,523,465
Land	15,447,504
Other capital assets, net of accumulated depreciation	125,016,867
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(51,286,578)</u>
Total Invested in Capital Assets	<u>94,701,258</u>
Restricted	
Deposits	1,055,422
Unspent grant proceeds	387,514
New loans	1,683,719
RCU agreement	360,940
Debt service payments	<u>15,237,452</u>
Total Restricted	<u>18,725,047</u>
Unrestricted	<u>41,631,592</u>
Total Governmental Activities Net Assets	<u>\$ 155,057,897</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

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

Governmental fund balances reported on the fund financial statements at December 31, 2008 include the following:

<b>Reserved</b>	
Major Funds	
General Fund	
Notes receivable	\$ 25,000
Prepaid items and inventories	40,481
Advances to other funds (noncurrent portion)	<u>4,138,490</u>
Total	<u>\$ 4,203,971</u>
General Debt Service Fund	
Reserved for debt service	<u>\$ 7,647,627</u>
Non-Major Funds	
Special Revenue – Home Grant	
Reserved for grant proceeds	<u>\$ 19,990</u>
Special Revenue – Economic Development	
Reserved for grant proceeds	<u>334,888</u>
Special Revenue – City-County Health Department	
Reserved for prepaid items	64,821
Reserved for grant proceeds	<u>52,626</u>
Total	<u>117,447</u>
Debt Service – TIF No. 6	
Reserved for TIF No. 6 debt service	<u>1,087,110</u>
Capital Projects – TIF No. 5 Gateway NW Business Park	
Reserved for bond construction	<u>640,152</u>
Capital Projects – TIF No. 8 Downtown Development	
Reserved for capital contracts	<u>4,517</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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I. NET ASSETS/FUND BALANCES (cont.)

**Governmental Activities (cont.)**

<b>Reserved (cont.)</b>	
Non-Major Funds (cont.)	
Capital Projects - Street Projects	
Reserved for capital contracts	\$ 926,143
Capital Projects – Bridge Projects	
Reserved for capital contracts	<u>16,166</u>
Capital Projects – Buildings and Equipment	
Reserved for capital contracts	349,802
Reserved for bond construction	<u>1,079,164</u>
Total	<u>1,428,966</u>
Capital Projects – Parks and Recreation Projects	
Reserved for capital contracts	<u>2,796</u>
Capital Projects – Environmental Improvements – Landfill	
Reserved for capital contracts	3,415
Reserved for environmental remediation	<u>360,940</u>
Total	<u>364,355</u>
Total Reserved Fund Balance – Nonmajor Funds	<u>\$ 4,942,530</u>
<b>Unreserved, undesignated</b>	
Major Funds	
General Fund	<u>\$ 6,254,326</u>
<b>Unreserved, designated</b>	
Major Funds	
General fund designated for	
Highway 53 maintenance	\$ 1,933,919
Working capital	3,700,000
Subsequent year expenditures	<u>1,351,919</u>
Total	<u>\$ 6,985,838</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

b. Deposits and Investments

Total cash and investments at year end consist of the following:

Petty cash and cash on hand	\$ 1,760
Deposits with financial institutions	387,099
Investments	2,099,556
Cash with escrow agent (pooled funds)	<u>922,656</u>
Total Cash and Investments	<u>\$ 3,411,071</u>

Reconciliation to financial statements:

Per statement of net assets	
Unrestricted cash and investments	\$ 2,292,537
Restricted cash and investments	<u>1,118,534</u>
Total	<u>\$ 3,411,071</u>

The Housing Authority has adopted an investment policy. That policy states that the Housing Authority must invest its funds in securities that are approved by the U.S. Department of Housing and Urban Development. As of December 31, 2008, the Housing Authority is in compliance with this policy. The policy does not address the interest rate risk and custodial credit risk that the Housing Authority has with its deposits and investments.

**Deposits**

The Housing Authority's deposits at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 387,099	\$ 450,490	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

b. Deposits and Investments (cont.)

**Investments**

The Housing Authority's investments at year end were comprised of the following:

	Carrying Value	Associated Risks
Negotiable certificates of deposit	\$ 2,099,556	Interest rate risk, custodial credit risk, credit risk

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). US Bancorp's SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. US Bancorp has purchased SIPC-like protection for supplemental protection of up to \$150,000,000.

**Custodial Credit Risk**

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Housing Authority's deposits may not be returned to the Housing Authority.

The Housing Authority does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Housing Authority does not have any investments exposed to custodial credit risk.

**Credit Risk**

As of December 31, 2008, the Housing Authority had negotiable certificates of deposit that were not rated.

**Interest Rate Risk**

As of December 31, 2008, the Housing Authority's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Negotiable certificates of deposit	\$ 2,099,556	.027

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

c. Receivables

Accounts Receivable - tenants	\$	13,054
Less: Allowance for Uncollectibles		(3,783)
Other receivables		<u>11,628</u>
Net Total Receivables	\$	<u><u>20,899</u></u>

All receivables are expected to be collected within one year.

d. Restricted Escrow Funds

In accordance with its regulatory agreement with the Wisconsin Housing and Economic Development Authority (WHEDA), the Housing Authority has established certain cash escrow funds which are controlled by WHEDA and used for the following purposes:

***Escrow for Replacement***

The escrow for replacement, along with interest earned on the fund, can be used to pay the cost of replacing structural elements or equipment of the project and to pay any other expense of operating the project. Any use of the fund is subject to the prior approval of WHEDA.

Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund. Interest earned on the fund becomes a part of the fund. Upon termination of the project, any balance remaining in the escrow for replacement will be distributed to WHEDA.

***Escrow for Development Cost***

With approval of WHEDA, amounts held in this fund may be utilized if cash provided from operations is not sufficient to meet capital and operating requirements of the project. Interest earned on the fund becomes a part of the fund. Upon termination of the project, the development cost escrow fund will be returned to the Housing Authority.

***Escrow for Residual Receipts***

With approval of WHEDA, amounts held in this fund may be utilized if cash provided from operations is not sufficient to meet capital and operating requirements of the project. Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund. Interest earned on the fund becomes a part of the fund. Upon termination of the project, the residual receipts escrow fund will be returned to the Housing Authority.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### d. Restricted Escrow Funds (cont.)

###### **Escrow for Taxes**

The escrow for taxes, along with interest earned on the fund, can be used to pay payment in lieu of taxes. Each month, WHEDA withholds certain amounts from the project's housing assistance payments and deposits them into the fund.

The balances as of December 31, 2008 for the reserve for replacements escrow, development cost escrow, tax escrow and residual receipts escrow are \$809,615, \$112,858, \$183 and \$0, respectively.

##### e. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Construction work in progress	\$ 220,583	\$ 105,694	\$ 220,583	\$ 105,694
Land	1,333,899	81,900	-	1,415,799
Total Capital Assets Not Being Depreciated	\$ 1,554,482	\$ 187,594	\$ 220,583	\$ 1,521,493
Other Capital Assets				
Land improvements	\$ 814,468	\$ 18,090	\$ -	\$ 832,558
Buildings	14,833,472	912,830	37,674	15,708,628
Machinery and equipment	906,701	49,187	66,467	889,421
Total Capital Assets Being Depreciated	16,554,641	980,107	104,141	17,430,607
Less: Accumulated depreciation for				
Land improvements	(338,465)	(27,025)	-	(365,490)
Buildings	(5,562,851)	(414,615)	38,910	(5,938,556)
Machinery and equipment	(457,255)	(113,629)	59,518	(511,366)
Total Accumulated Depreciation	(6,358,571)	(555,269)	98,428	(6,815,412)
Net Other Capital Assets	\$ 10,196,070			\$ 10,615,195

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

f. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Bonds and Notes Payable</b>					
Revenue bonds	\$ 70,000	\$ -	\$ 20,000	\$ 50,000	\$ 25,000
Mortgage notes	778,461	-	329,812	448,649	355,523
Other loans/notes	<u>1,000,326</u>	-	<u>9,305</u>	<u>991,021</u>	<u>8,704</u>
Subtotals	<u>1,848,787</u>	-	<u>359,117</u>	<u>1,489,670</u>	<u>389,227</u>
<b>Other Liabilities</b>					
Vested compensated absences	42,199	49,263	39,763	51,699	51,699
Other post-employment benefits	-	<u>6,177</u>	-	<u>6,177</u>	-
Subtotals	<u>42,199</u>	<u>55,440</u>	<u>39,763</u>	<u>57,876</u>	<u>51,699</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 1,890,986</u>	<u>\$ 55,440</u>	<u>\$ 398,880</u>	<u>\$ 1,547,546</u>	<u>\$ 440,926</u>

Revenue bonds are payable only from revenues derived from the operation of the Housing Authority. The Housing Authority has pledged future revenues, net of specified operating expenses, to repay the Owen Rust Memorial Apartments 1993 revenue bonds listed below issued to finance housing projects. Annual principal and interest payments on the bonds required to be paid from net revenues are listed below. Principal and interest paid for the current year were \$23,675 and total net revenues for the current year were \$38,429. Annual principal and interest payments are expected to require 38% of operating revenues through 2010.

Revenue debt payable at December 31, 2008 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.

	<u>\$ 50,000</u>
Total Revenue Debt	<u>\$ 50,000</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

f. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 25,000	\$ 2,625
2010	<u>25,000</u>	<u>1,313</u>
Totals	<u>\$ 50,000</u>	<u>\$ 3,938</u>

**MORTGAGE NOTES**

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

Mortgage notes payable at December 31, 2008 consists of the following:

**Park Towers Apartments**

Mortgage note payable to WHEDA in monthly installments of \$31,434 including interest at 7.53%, through March, 2010. Secured by the project's real estate.	<u>\$ 448,649</u>
Total Mortgage Notes	<u>\$ 448,649</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 355,523	\$ 21,680
2010	<u>93,126</u>	<u>1,170</u>
Totals	<u>\$ 448,649</u>	<u>\$ 22,850</u>

**OTHER LOANS/NOTES PAYABLE**

Other loans and notes payable at December 31, 2008 consist of the following:

**Substantial Rehabilitation**

1982 note payable to the City of Eau Claire Community Development Block Grant Program, requires monthly installment of \$777, which includes principal and interest at a rate of 5%, with a balloon payment in 2009.	\$ 8,704
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**CITY OF EAU CLAIRE**

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2008

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

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

f. Long-Term Obligations (cont.)

**OTHER LOANS/NOTES PAYABLE (cont.)**

***Park Towers Apartments***

1992 note payable from the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met. \$ 195,462

1991 note payable to the City of Eau Claire, Community Development Block Grant Program. Unsecured, non-interest bearing, and due on demand. 63,000

***Affordable Housing***

2005 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met. 213,237

2004 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on January 13, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met. 150,000

2001 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on March 1, 2021, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met. 120,618

1997 note payable to the City of Eau Claire Community Development Block Grant Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met. 150,000

1996 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met. 90,000

Total Notes Payable \$ 991,021

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

f. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 8,704	\$ 40
Demand notes with no set payment schedule	<u>982,317</u>	<u>-</u>
Totals	<u>\$ 991,021</u>	<u>\$ 40</u>

**OTHER DEBT INFORMATION**

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

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

g. Net Assets

Net assets reported on the statement of net assets at December 31, 2008 include the following:

Invested in capital assets, net of related debt	
Construction in progress	\$ 105,694
Land	1,415,799
Other capital assets, net of accumulated depreciation	10,615,195
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(1,489,670)</u>
Total Invested in Capital Assets	<u>10,647,018</u>
Restricted	
Escrow for replacement	809,615
Escrow for development costs	112,858
Escrow for taxes	183
Grant requirements	<u>195,878</u>
Total Restricted	<u>1,118,534</u>
Unrestricted	<u>2,228,998</u>
Total Net Assets	<u>\$ 13,994,550</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### h. Employee Retirement System

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

All eligible City and Housing Authority employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 3.4% for Protective Occupations with Social Security, and 5.1% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Housing Authority employees covered by the WRS for the year ended December 31, 2008 was \$503,439; the employer's total payroll was \$514,148. The total required contribution for the year ended December 31, 2008 was \$53,364 or 10.6% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2007 and 2006 were \$48,671 and \$44,641, respectively, equal to the required contributions for each year. The City of Eau Claire employees who work for the Housing Authority are covered under the City's plan.

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) 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. 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS 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.

As of December 31, 2008, the Housing Authority has no pension related debt.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### **i. 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, except for workers compensation, 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 \$300,000 of each occurrence. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. 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. See note IV.B. for further details.

##### **j. Commitments and Contingencies**

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 \$661,894 during 2008.

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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

---

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

##### k. 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.

##### l. 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.

##### m. Other Post-Employment Benefits

In June 2004, the GASB issued statement No. 45 – *Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions*. The Housing Authority implemented this standard effective January 1, 2008.

While there are no postemployment benefits provided to Housing Authority employees, the City of Eau Claire provides some staffing for the Housing Authority operations. Upon retirement, these City employees receive benefits according to the City of Eau Claire's policies. See the other postemployment benefits note and required supplementary information in these financial statements for further details.

##### n. Subsequent Event

On February 26, 2009, the Housing Authority transferred a property to a not-for-profit organization. The net book value of the property as of December 31, 2008 was \$55,459.

#### **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.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

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

**Redevelopment Authority (cont.)**

b. Deposits and Investments

The RDA is part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the RDA's resources at these institutions cannot be determined individually for those accounts. At year end, the RDA's deposits were \$840,338. The City's investment policy is applied to the custody of the RDA's deposits (see Note III.A.).

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

c. Note Receivable

The amount of note receivable not expected to be collected within one year was \$540,000 as of December 31, 2008.

d. Property Held for Resale

Property held for resale activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Property held for resale	\$ 1,931,274	\$ 321,180	\$ -	\$ 2,252,454
Property held for resale	\$ 1,931,274	\$ 321,180	\$ -	\$ 2,252,454

e. Risk Management

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### **Redevelopment Authority** (cont.)

###### f. Commitments and Contingencies

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

###### g. Related Parties

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

###### h. Development and Purchase Agreement

The RDA has entered into a development and purchase agreement with Phoenix Parkside, LLC (PPL). The agreement sets the purchase price for Phase I property at \$600,000, payable by PPL to the RDA in ten equal annual payments of \$60,000 each beginning in 2009. The RDA shall grant PPL a Redevelopment Land Credit of up to \$600,000 towards the purchase price of the land subject to an increase in the assessed valuation of the property.

In addition, PPL shall receive from the City of Eau Claire an annual payment equal to 50% of the property taxes received by the City each year on the incremental increased assessed value of the Phase I property and improvements. In calculating the amount due to PPL, the incremental increased fair market value of the Phase I property shall be reduced by the \$600,000 purchase price discussed above. Also, the 50% of the tax increments due to PPL shall be reduced each year by the amount corresponding to the Redevelopment Land Credit discussed above. PPL shall receive 50% of the tax increments on the Phase I property until they have received a maximum \$900,000 payment, or until the termination of the District, whichever occurs first.

#### **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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

##### *Business Improvement Districts (cont.)*

#### b. Deposits and Investments

The BIDs are part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the BIDs' resources at these institutions cannot be determined individually for those accounts. The City's investment policy is applied to the custody of the BIDs' deposits (see Note III.A.).

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

Downtown	\$	<u>70,633</u>
West Grand	\$	<u>14,109</u>
Water Street	\$	<u>49,785</u>
North Barstow/Medical	\$	<u>138,159</u>

#### L. TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for five Tax Incremental Financing Districts (TIF) created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Eau Claire.

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. TIF No. 4 was terminated during 2003. The City maintained a debt service fund for TIF No. 4 until 2008 when the fund was closed out and excess funds were distributed to the underlying districts.

	Effective Date	Amended Date	Expenditure Deadline	Termination Year
TIF No. 4	1992	N/A	2002	03/25/2003
TIF No. 5	1997	09/23/2003	09/23/2015	10/08/2020
TIF No. 6	1997	N/A	01/28/2015	01/28/2020
TIF No. 7	1997	02/24/2004	02/24/2015	03/17/2020
TIF No. 8	2003	04/10/2007	09/24/2020	09/24/2025
TIF No. 9	2008	N/A	09/09/2023	09/09/2028

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

#### L. TAX INCREMENTAL FINANCING DISTRICTS (cont.)

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

The following table summarizes the project and expenditures from creation of the districts through December 31, 2008.

Project Costs	TIF No. 4	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8	TIF No. 9
Capital expenditures	\$ 7,060,286	\$ 5,201,003	\$ 1,130,256	\$ 1,557,040	\$ 8,812,054	\$ -
Interest and fiscal charges	2,881,903	1,918,305	570,836	920,342	1,686,310	-
Tax refund	449,321	-	-	-	-	-
Development, Marketing, Bond issuance costs	62,670	-	-	-	-	1,000
<b>Total Project Costs</b>	<b>10,454,180</b>	<b>7,119,308</b>	<b>1,701,092</b>	<b>2,477,382</b>	<b>10,498,364</b>	<b>1,000</b>
<b>Project Revenues</b>						
Tax increments	8,809,213	3,361,285	1,482,438	755,505	1,062,844	-
Interest income and misc. revenue	1,644,967	920,403	234,064	354,911	785,229	-
Grants and donations	-	-	-	-	433,070	-
Special assessments revenue	-	-	216,698	-	-	-
<b>Total Project Revenues</b>	<b>10,454,180</b>	<b>4,281,688</b>	<b>1,933,200</b>	<b>1,110,416</b>	<b>2,281,143</b>	<b>-</b>
Net Recoverable Costs (Refundable)	\$ -	\$ 2,837,620	\$ (232,108)	\$ 1,366,966	\$ 8,217,221	\$ 1,000

### NOTE IV – OTHER INFORMATION

#### A. EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers may 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 WRS for the year ended December 31, 2008 was \$31,746,919; the employer's total payroll was \$33,122,775. The total required contribution for the year ended December 31, 2008 was \$4,874,226 or 15.4% of covered payroll. Of this amount, 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2007 and 2006 were \$4,805,124 and \$4,567,459, respectively, equal to the required contributions for each year.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) 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. 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 WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS 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.

During 2008, the City borrowed to pay off its unfunded liability; the amount to be paid to the WRS is included in due to other governments in the Debt Service – General fund. Therefore, the pension related debt for the City as of December 31, 2008, is considered to be \$0.

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers 15 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 2008 was approximately \$74,832. Total estimated unfunded pension-related debt of this plan is approximately \$390,262 as of December 31, 2008, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2007 and 2006 was \$99,434 and \$119,451, 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 16 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 percentage of current police and fire wages. In 2008, 15 former employees participated in the program at a cost of \$793,418. The estimated present value of future costs for this program is \$3,531,624.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2008, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$246,718.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

**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. However, workers compensation risks are accounted for and financed by an internal service fund – the Risk Management fund.

***Self Insurance***

For workers' compensation claims, the uninsured risk of loss is \$400,000 per incident. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the excess coverage in any of the past three years.

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

The unpaid claims liability of \$2,091,416 at December 31, 2008 is based on GASB Statement No. 10 which requires that a liability for claims be established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The liability is based on actuarial estimates of the present value of unpaid losses and includes both current claims payable and an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The liability at year end includes \$1,184,971 of potential workers compensation claims and \$906,445 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	\$ 1,295,806	\$ 1,825,540
Current year claims and changes in estimates	1,376,422	1,223,375
Claim payments	(846,688)	(957,499)
Unpaid Claims – End of Year	\$ 1,825,540	\$ 2,091,416

***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 2008, 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, 2008 through December 31, 2008. TMICOW provides \$7,000,000 in first dollar liability coverage.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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

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

##### **Transit Mutual Insurance Corporation of Wisconsin (TMICOW)** (cont.)

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 operations is 2.77% for auto liability and 6.58% for physical damage. 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 1772, Appleton, WI 54912-1772.

##### **Wisconsin Municipal Mutual Insurance Company (WMMIC)**

The Wisconsin Municipal Mutual Insurance Company (WMMIC) is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes, which has provided risk management and liability insurance services since January 1, 1988. Each member municipality appoints one policy holder to serve as a representative. The policy holders elect a seven member board of directors who are responsible for financing and budget control. The City does not exercise any control over the activities of the agencies beyond the election of officers and board. The City's initial capitalization of \$766,496 is recorded as an asset in the Risk Management internal service fund.

Insurance coverage provided through WMMIC includes auto and public liability for claims over \$100,000 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 2006, 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 3.53%.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

#### 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.

At December 31, 2008, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
TIF No. 8 Downtown Development	\$ 4,517
Street Projects	926,143
Bridge Projects	16,166
Buildings and Equipment	349,802
Parks and Recreation Projects	2,796
Environmental Improvements - Landfill	<u>3,415</u>
Total Committed Construction	<u>\$ 1,302,839</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 319,816
Sewer Utility	473,306
Storm Water Utility	85,334
Central Equipment	<u>425,651</u>
Total Committed Construction and Equipment	<u>\$ 1,304,107</u>

During 2008, the City was approved for a \$500,000 State Trust Fund Loan for energy audit improvements and upgrades. As of December 31, 2008, no draws have been made on this loan.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2008

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

***D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***

The City administers a single-employer defined benefit healthcare plan. The plan provides medical benefits for eligible retirees and their spouses through the City's health insurance plan which covers both active and retired members. Benefit provisions are established through collective bargaining agreements; generally, the City will pay 100% of the lowest-priced single health policy between the age established by the Wisconsin Retirement System as normal retirement age and age sixty-five.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. For fiscal year 2008, the City contributed \$1,342,877 to the plan for eligible retirees and their spouses. Administrative costs of the plan are financed through investment earnings.

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

Annual required contribution	\$	4,010,000
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		-
Annual OPEB cost		4,010,000
Contributions made		(1,342,877)
Increase in Net OPEB Obligation (Asset)		2,667,123
Net OPEB Obligation (Asset) – Beginning of Year		-
Net OPEB Obligation (Asset) – End of Year	\$	2,667,123

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/08	\$ 4,010,000	33.49%	\$ 2,667,123

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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#### *D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)*

The funded status of the plans as of January 1, 2008, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 42,084,000
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 42,084,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 31,746,919
UAAL as a percentage of covered payroll	132.6%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 4% after 8 years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was 29 years.

#### *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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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#### *E. CONTINGENT LIABILITIES (cont.)*

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, 2008, 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 \$45,375 for the year ended December 31, 2008.

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 primarily by memberships and festival revenue. The City of Eau Claire has contributed \$85,000, the Downtown Business Improvement District contributed \$26,000, the Water Street Business Improvement District contributed \$2,000, and the North Barstow/Medical Business Improvement District contributed \$5,000 in 2008 for a budget of \$118,000.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2008

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

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#### **G. SUBSEQUENT EVENTS**

The City Council has approved various bonds for issuance in 2009. As of the date of these financial statements, none of these have been issued; however, the City has the following bonds in process and scheduled to close on July 15, 2009:

- Series 2009A for \$8,560,000 to fund various City projects (to be issued as Build America Bonds)
- Series 2009B for \$4,450,000 to fund improvements to the Hobbs Ice Center (to be issued as Build America Bonds)
- Series 2009C for \$3,825,000 to fund Water Utility projects and refund certain outstanding obligations of the City

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. Application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF EAU CLAIRE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND For the Year Ended December 31, 2008

	2008			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 24,733,300	\$ 24,733,300	\$ 24,696,610	\$ (36,690)
Special assessments	109,000	109,000	110,542	1,542
Intergovernmental	12,385,000	12,547,700	12,701,186	153,486
Licenses and permits	1,579,600	1,579,600	1,648,101	68,501
Fines, forfeitures and penalties	758,000	758,000	809,754	51,754
Charges for services	2,397,600	2,405,900	4,545,213	2,139,313
Charges for services - intergovernmental	2,856,100	2,812,100	2,706,619	(105,481)
Investment income	1,978,900	1,978,900	1,872,021	(106,879)
Miscellaneous	56,200	65,200	41,698	(23,502)
Total Revenues	<u>46,853,700</u>	<u>46,989,700</u>	<u>49,131,744</u>	<u>2,142,044</u>
<b>EXPENDITURES</b>				
Current				
City council	129,800	129,800	110,318	19,482
Administrative services	1,490,500	1,595,900	1,595,825	75
Legal	471,300	471,300	427,167	44,133
Finance	2,158,000	2,194,000	2,018,515	175,485
Human resources	813,100	813,100	734,690	78,410
Planning and development	1,208,300	1,239,400	1,072,046	167,354
Police	13,651,000	14,146,000	14,039,867	106,133
Fire	9,473,600	10,018,100	10,018,069	31
Public works	8,590,900	8,838,800	8,029,308	809,492
Parks and recreation	4,396,100	4,477,100	4,338,163	138,937
Miscellaneous	2,199,525	941,625	464,943	476,682
Total Expenditures	<u>44,582,125</u>	<u>44,865,125</u>	<u>42,848,911</u>	<u>2,016,214</u>
Excess of revenues over expenditures	<u>2,271,575</u>	<u>2,124,575</u>	<u>6,282,833</u>	<u>4,158,258</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	-	-	400,000	400,000
Transfers from other funds	2,030,200	2,063,600	2,069,335	5,735
Transfers to other funds	(6,740,175)	(6,740,175)	(6,116,690)	623,485
Sale of capital assets	15,000	15,000	36,115	21,115
Total Other Financing Sources (Uses)	<u>(4,694,975)</u>	<u>(4,661,575)</u>	<u>(3,611,240)</u>	<u>1,050,335</u>
Net change in fund balances	(2,423,400)	(2,537,000)	2,671,593	5,208,593
FUND BALANCE - Beginning of Year	<u>12,425,442</u>	<u>12,202,342</u>	<u>14,772,542</u>	<u>2,570,200</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,002,042</u>	<u>\$ 9,665,342</u>	<u>\$ 17,444,135</u>	<u>\$ 7,778,793</u>

See auditors' report and accompanying notes to required supplementary information.

**CITY OF EAU CLAIRE**

OTHER POSTEMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE  
 OF EMPLOYER CONTRIBUTIONS (UNAUDITED)  
 For the Year Ended December 31, 2008

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age Normal Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2008	\$ -	\$ 42,084,000	\$ 42,084,000	0%	\$ 31,746,919	132.6%

The City of Eau Claire provides some staffing for the Housing Authority component unit operations, therefore, the Housing Authority amounts are included above. The Housing Authority's share of the AAL and UAAL is \$114,000.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Actuarial Valuation Date</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
1/1/2008	\$ 4,010,000	\$ 1,342,877	33.49%	\$ 2,667,123

See auditors' report and accompanying notes to required supplementary information.

# CITY OF EAU CLAIRE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2008

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### ***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.

See auditors' report.

**SUPPLEMENTARY INFORMATION**

## **Major Funds - Governmental**

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

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

**CITY OF EAU CLAIRE**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**December 31, 2008 and 2007**

<i><b>ASSETS</b></i>	<u>2008</u>	<u>2007</u>
Cash and short term investments	\$ 13,711,540	\$ 10,353,264
Receivables		
Taxes		
Current	26,421,028	24,488,703
Delinquent personal property	<u>144,109</u>	<u>133,072</u>
Total Taxes	<u>26,565,137</u>	<u>24,621,775</u>
Accounts receivable	1,234,251	1,774,556
Notes receivable	25,000	25,000
Special assessments:		
Installment	3,721	8,991
Interest	<u>623,260</u>	<u>574,779</u>
Total Receivables	28,451,369	27,005,101
Inventories and prepaid items	40,481	97,431
Due from other funds	194,030	209,086
Due from other governments	60,981	274,738
Advance to other funds	<u>4,689,676</u>	<u>4,813,519</u>
 TOTAL ASSETS	 <u>\$ 47,148,077</u>	 <u>\$ 42,753,139</u>

	<u>2008</u>	<u>2007</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 311,274	\$ 484,926
Accrued liabilities	1,461,323	1,176,422
Deposits	160,288	308,133
Due to other governments	122,818	10,722
Due to component unit	42,050	10,405
Deferred revenue	<u>27,606,189</u>	<u>25,989,989</u>
<b>Total Liabilities</b>	<u>29,703,942</u>	<u>27,980,597</u>
<b>Fund Balance</b>		
<b>Reserved</b>		
For notes receivable	25,000	25,000
For prepaid items and inventories	40,481	97,431
For advances to other funds	<u>4,138,490</u>	<u>4,289,676</u>
<b>Total Reserved</b>	<u>4,203,971</u>	<u>4,412,107</u>
<b>Unreserved</b>		
<b>Designated</b>		
For Highway 53 maintenance	1,933,919	246,863
For working capital	3,700,000	3,700,000
For subsequent year expenditures	<u>1,351,919</u>	<u>1,774,769</u>
<b>Total Designated</b>	<u>6,985,838</u>	<u>5,721,632</u>
<b>Undesignated</b>	<u>6,254,326</u>	<u>4,638,803</u>
<b>Total Unreserved</b>	<u>13,240,164</u>	<u>10,360,435</u>
<b>Total Fund Balance</b>	<u>17,444,135</u>	<u>14,772,542</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 47,148,077</u>	<u>\$ 42,753,139</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
<b>TAXES</b>					
Real and personal property	\$ 24,405,000	\$ 24,405,000	\$ 24,382,081	\$ (22,919)	\$ 22,724,808
Mobile home fees	80,000	80,000	68,522	(11,478)	65,720
Payment in lieu of taxes:					
Other	245,300	245,300	242,491	(2,809)	240,869
Interest on delinquent taxes	3,000	3,000	3,516	516	3,223
Total Taxes	<u>24,733,300</u>	<u>24,733,300</u>	<u>24,696,610</u>	<u>(36,690)</u>	<u>23,034,620</u>
<b>SPECIAL ASSESSMENTS</b>					
Current	109,000	109,000	108,212	(788)	99,263
Installment	-	-	2,330	2,330	804
Total Special Assessments	<u>109,000</u>	<u>109,000</u>	<u>110,542</u>	<u>1,542</u>	<u>100,067</u>
<b>INTERGOVERNMENTAL</b>					
Federal aid	-	127,400	215,096	87,696	223,608
State aid					
Shared taxes	7,550,000	7,550,000	7,483,260	(66,740)	7,483,260
Municipal services	650,000	650,000	689,973	39,973	648,063
Utility tax	221,000	221,000	209,047	(11,953)	215,499
Local streets	2,690,000	2,690,000	2,703,207	13,207	2,713,809
Expenditure restraint program	935,000	935,000	984,766	49,766	937,573
Fire insurance	120,000	120,000	120,172	172	121,248
Underground tank inspections	10,000	10,000	11,905	1,905	11,568
Police training	19,000	19,000	18,800	(200)	23,200
Other	190,000	225,300	264,960	39,660	223,915
Other local governments	-	-	-	-	400
Total Intergovernmental	<u>12,385,000</u>	<u>12,547,700</u>	<u>12,701,186</u>	<u>153,486</u>	<u>12,602,143</u>
<b>LICENSES AND PERMITS</b>					
Television franchise	760,000	760,000	776,148	16,148	781,170
Licenses	291,600	291,600	342,477	50,877	325,199
Permits	528,000	528,000	529,476	1,476	490,125
Total Licenses and Permits	<u>1,579,600</u>	<u>1,579,600</u>	<u>1,648,101</u>	<u>68,501</u>	<u>1,596,494</u>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Parking violation fines	400,000	400,000	432,776	32,776	504,073
County court fines	350,000	350,000	366,562	16,562	374,024
Other fines or forfeitures	8,000	8,000	10,416	2,416	8,088
Total Fines and Forfeitures	<u>758,000</u>	<u>758,000</u>	<u>809,754</u>	<u>51,754</u>	<u>886,185</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	\$ 55,800	\$ 55,800	\$ 59,887	\$ 4,087	\$ 58,050
Police and fire	1,647,000	1,650,500	2,125,383	474,883	1,227,819
Public works	271,000	271,000	1,830,562	1,559,562	425,781
Parks and recreation	423,800	428,600	529,381	100,781	518,539
Total Charges for Services	<u>2,397,600</u>	<u>2,405,900</u>	<u>4,545,213</u>	<u>2,139,313</u>	<u>2,230,189</u>
<b>CHARGES FOR SERVICES - INTERGOVERNMENTAL</b>					
Communication center reimbursement	1,245,600	1,201,600	1,084,965	(116,635)	1,052,860
Ambulance charge	20,000	20,000	31,250	11,250	-
Storm water management charge	332,500	332,500	332,484	(16)	313,788
Sewer utility charge	405,300	405,300	405,300	-	381,312
Water utility service charge	525,600	525,600	525,612	12	494,112
Other service charges	327,100	327,100	327,008	(92)	283,556
Total Charges for Services - Intergovernmental	<u>2,856,100</u>	<u>2,812,100</u>	<u>2,706,619</u>	<u>(105,481)</u>	<u>2,525,628</u>
<b>INVESTMENT INCOME</b>					
Investment interest	1,640,000	1,640,000	1,532,570	(107,430)	1,954,868
Interest on advance to other funds	338,300	338,300	338,376	76	368,135
Interest on special assessments	-	-	484	484	406
Other interest	600	600	591	(9)	572
Total Investment Income	<u>1,978,900</u>	<u>1,978,900</u>	<u>1,872,021</u>	<u>(106,879)</u>	<u>2,323,981</u>
<b>MISCELLANEOUS</b>					
Rental					
Rental of land and buildings	44,200	44,200	11,780	(32,420)	80,760
Total Rental	<u>44,200</u>	<u>44,200</u>	<u>11,780</u>	<u>(32,420)</u>	<u>80,760</u>
Other					
Donations	-	6,500	9,377	2,877	8,166
Other miscellaneous	12,000	14,500	20,541	6,041	92,154
Total Other	<u>12,000</u>	<u>21,000</u>	<u>29,918</u>	<u>8,918</u>	<u>100,320</u>
Total Miscellaneous	<u>56,200</u>	<u>65,200</u>	<u>41,698</u>	<u>(23,502)</u>	<u>181,080</u>
Total Revenues	<u>46,853,700</u>	<u>46,989,700</u>	<u>49,131,744</u>	<u>2,142,044</u>	<u>45,480,387</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	\$ 850,200	\$ 883,600	\$ 883,376	\$ (224)	\$ 657,376
Transfer from water utility - PILOT	1,180,000	1,180,000	1,185,959	5,959	1,130,478
Long term debt issued	-	-	400,000	400,000	-
Sale of capital assets	15,000	15,000	36,115	21,115	21,249
Total Other Financing Sources	<u>2,045,200</u>	<u>2,078,600</u>	<u>2,505,450</u>	<u>426,850</u>	<u>1,809,103</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 48,898,900</u>	<u>\$ 49,068,300</u>	<u>\$ 51,637,194</u>	<u>\$ 2,568,894</u>	<u>\$ 47,289,490</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>EXPENDITURES</b>					
General government					
City council	\$ 129,800	\$ 129,800	\$ 110,318	\$ 19,482	\$ 109,285
City manager	368,900	441,700	443,733	(2,033)	454,690
City clerk/elections	374,900	407,500	413,460	(5,960)	120,781
Information services	746,700	746,700	738,632	8,068	736,401
Legal	471,300	471,300	427,167	44,133	434,902
Finance					
Administration	290,400	326,400	326,466	(66)	269,620
Accounting	605,200	605,200	520,009	85,191	514,117
Assessing	570,600	570,600	575,288	(4,688)	611,727
Customer services	691,800	691,800	596,752	95,048	618,155
Total Finance	<u>2,158,000</u>	<u>2,194,000</u>	<u>2,018,515</u>	<u>175,485</u>	<u>2,134,400</u>
Human resources					
Purchasing	224,700	224,700	198,066	26,634	196,485
Personnel administration	588,400	588,400	536,624	51,776	573,126
Total Human Resources	<u>813,100</u>	<u>813,100</u>	<u>734,690</u>	<u>78,410</u>	<u>769,611</u>
Planning and development					
Community planning	508,900	540,000	503,577	36,423	451,775
Inspection and zoning	699,400	699,400	568,469	130,931	606,228
Total Planning and Development	<u>1,208,300</u>	<u>1,239,400</u>	<u>1,072,046</u>	<u>167,354</u>	<u>1,058,003</u>
Insurance and retirement					
Disability settlement	28,000	-	-	-	-
Total Insurance and Retirement	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government	<u>6,299,000</u>	<u>6,443,500</u>	<u>5,958,561</u>	<u>484,939</u>	<u>5,697,292</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC SAFETY</b>					
Police					
Administration	\$ 548,700	\$ 944,800	\$ 925,750	\$ 19,050	\$ 923,862
Administrative services	1,429,300	1,478,300	1,465,478	12,822	1,429,044
Patrol services	7,834,900	7,929,000	7,989,248	(60,248)	7,766,136
Investigative services	2,069,700	2,087,900	2,120,484	(32,584)	2,104,685
Central communications	1,768,400	1,706,000	1,538,907	167,093	1,476,946
Total Police	<u>13,651,000</u>	<u>14,146,000</u>	<u>14,039,867</u>	<u>106,133</u>	<u>13,700,673</u>
Fire					
Administration	529,000	886,900	748,558	138,342	754,757
Suppression and rescue	8,580,900	8,767,300	8,809,460	(42,160)	8,539,641
Prevention and inspection	363,700	363,900	460,051	(96,151)	355,867
Total Fire	<u>9,473,600</u>	<u>10,018,100</u>	<u>10,018,069</u>	<u>31</u>	<u>9,650,265</u>
Total Public Safety	<u>23,124,600</u>	<u>24,164,100</u>	<u>24,057,936</u>	<u>106,164</u>	<u>23,350,938</u>
<b>PUBLIC WORKS</b>					
Administration	240,400	364,200	348,909	15,291	331,278
Operations	6,731,600	6,864,600	6,320,041	544,559	5,985,436
Engineering	1,618,900	1,610,000	1,360,358	249,642	1,294,606
Total Public Works	<u>8,590,900</u>	<u>8,838,800</u>	<u>8,029,308</u>	<u>809,492</u>	<u>7,611,320</u>
<b>CULTURE AND RECREATION</b>					
Administration	353,100	427,400	392,623	34,777	375,329
Park maintenance	2,669,600	2,672,400	2,656,468	15,932	2,746,623
Forestry	470,800	472,100	474,570	(2,470)	434,756
Recreation and playgrounds	902,600	905,200	814,502	90,698	799,578
Total Culture and Recreation	<u>4,396,100</u>	<u>4,477,100</u>	<u>4,338,163</u>	<u>138,937</u>	<u>4,356,286</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2008

With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>MISCELLANEOUS</b>					
Payments to other organizations	\$ 792,925	\$ 655,025	\$ 310,984	\$ 344,041	\$ 314,943
Contractual services	80,000	87,500	71,406	16,094	49,730
Insurance	1,187,100	87,600	29,118	58,482	-
Special assessments	100,000	100,000	41,960	58,040	260,068
Annexation rebates	11,500	11,500	11,475	25	5,720
Total Miscellaneous	<u>2,171,525</u>	<u>941,625</u>	<u>464,943</u>	<u>476,682</u>	<u>630,461</u>
 Total Expenditures	<u>44,582,125</u>	<u>44,865,125</u>	<u>42,848,911</u>	<u>2,016,214</u>	<u>41,646,297</u>
 <b>OTHER FINANCING USES</b>					
Transfers to other funds:					
Special revenue fund	337,675	337,675	344,107	(6,432)	199,168
Debt service fund	3,526,700	4,874,400	4,418,266	456,134	2,852,877
Capital project funds	1,365,200	200	200	-	1,847,500
Proprietary funds	<u>1,510,600</u>	<u>1,527,900</u>	<u>1,354,117</u>	<u>173,783</u>	<u>1,244,148</u>
Total Other Financing Uses	<u>6,740,175</u>	<u>6,740,175</u>	<u>6,116,690</u>	<u>623,485</u>	<u>6,143,693</u>
 <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 51,322,300</u>	<u>\$ 51,605,300</u>	<u>\$ 48,965,601</u>	<u>\$ 2,639,699</u>	<u>\$ 47,789,990</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE - GENERAL  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Special assessments	\$ 1,333,000	\$ 1,333,000	\$ 1,909,950	\$ 576,950	\$ 1,786,581
Charges for services	48,500	48,500	48,500	-	48,500
Investment income	484,700	484,700	489,237	4,537	662,493
Other	-	-	15,991	15,991	-
Total Revenues	<u>1,866,200</u>	<u>1,866,200</u>	<u>2,463,678</u>	<u>597,478</u>	<u>2,497,574</u>
<b>EXPENDITURES</b>					
Current					
General government	2,600	5,100	5,035	65	2,269
Debt Service					
Principal retirement	3,527,200	3,527,200	3,527,140	60	3,560,719
Interest and fiscal charges	1,716,200	1,847,000	1,832,144	14,856	1,240,738
Total Expenditures	<u>5,246,000</u>	<u>5,379,300</u>	<u>5,364,319</u>	<u>14,981</u>	<u>4,803,726</u>
Excess (deficiency) of revenues over expenditures	<u>(3,379,800)</u>	<u>(3,513,100)</u>	<u>(2,900,641)</u>	<u>612,459</u>	<u>(2,306,152)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long term debt issued	-	8,145,000	8,145,000	-	-
Refunding long term debt issued	-	-	-	-	4,870,000
Premium on long term debt issued	-	-	-	-	23,394
Payment to escrow agent	-	-	-	-	(4,848,560)
Pay-off of unfunded retirement liability	-	(9,560,000)	(9,391,841)	168,159	-
Transfers from other funds	3,526,700	4,941,700	4,418,266	(523,434)	2,852,877
Total Other Financing Sources	<u>3,526,700</u>	<u>3,526,700</u>	<u>3,171,425</u>	<u>(355,275)</u>	<u>2,897,711</u>
Net change in fund balances	<u>146,900</u>	<u>13,600</u>	<u>270,784</u>	<u>257,184</u>	<u>591,559</u>
FUND BALANCE - Beginning of Year	<u>6,670,884</u>	<u>6,670,884</u>	<u>7,376,843</u>	<u>705,959</u>	<u>6,785,284</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,817,784</u>	<u>\$ 6,684,484</u>	<u>\$ 7,647,627</u>	<u>\$ 963,143</u>	<u>\$ 7,376,843</u>

## Nonmajor Funds - Governmental

### Special Revenue Funds

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

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response 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 of 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 **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 **TIF #9 Gateway Northwest Business Park Overlay** fund accounts for improvements to the industrial development area on the city's west side, including undeveloped sections of TIF #5.

The **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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 6,045,340	\$ 1,087,110	\$ 21,667,622	\$ 28,800,072
Receivables				
Taxes	4,489,150	247,814	1,014,771	5,751,735
Accounts	607,920	-	12,297	620,217
Notes	6,584,769	-	-	6,584,769
Prepaid items	64,821	-	-	64,821
Due from other governments	211,633	-	304,498	516,131
Restricted assets				
Construction account	-	-	1,719,316	1,719,316
<b>TOTAL ASSETS</b>	<b>\$ 18,003,633</b>	<b>\$ 1,334,924</b>	<b>\$ 24,718,504</b>	<b>\$ 44,057,061</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 402,877	\$ -	\$ 1,742,302	\$ 2,145,179
Accrued liabilities	274,175	-	-	274,175
Deposits	33,111	-	-	33,111
Due to other governments	23,276	-	46,572	69,848
Due to other funds	58,941	-	1,000	59,941
Due to component unit	17,907	-	-	17,907
Deferred revenues	11,320,830	247,814	1,199,559	12,768,203
Total Liabilities	<u>12,131,117</u>	<u>247,814</u>	<u>2,989,433</u>	<u>15,368,364</u>
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	64,821	-	-	64,821
Grant proceeds	407,504	-	-	407,504
Debt service	-	1,087,110	-	1,087,110
Capital contracts	-	-	1,302,839	1,302,839
Environmental remediation	-	-	360,940	360,940
Bond construction	-	-	1,719,316	1,719,316
Unreserved, designated				
Economic development	950,000	-	-	950,000
Capital projects	204,000	-	-	204,000
Library funds	79,648	-	-	79,648
Subsequent year expenditures	4,045,543	-	18,346,976	22,392,519
Loft matching program	11,000	-	-	11,000
Downtown facade loans	10,000	-	-	10,000
Code compliance loans	100,000	-	-	100,000
Unreserved, undesignated (deficit)	-	-	(1,000)	(1,000)
Total Fund Balances	<u>5,872,516</u>	<u>1,087,110</u>	<u>21,729,071</u>	<u>28,688,697</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,003,633</b>	<b>\$ 1,334,924</b>	<b>\$ 24,718,504</b>	<b>\$ 44,057,061</b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 5,448,252	\$ 219,665	\$ 931,211	\$ 6,599,128
Special assessments	21,065	10,981	-	32,046
Intergovernmental	2,279,249	9,077	7,119,915	9,408,241
Licenses and permits	320,907	-	-	320,907
Fines and forfeitures	130,962	-	-	130,962
Charges for services	392,786	-	-	392,786
Charges for services - intergovernmental	1,882,971	-	-	1,882,971
Investment income	205,089	34,421	754,488	993,998
Miscellaneous				
Loan repayments	606,816	-	-	606,816
Building rental	83,366	-	-	83,366
Gifts and donations	57,287	-	198,127	255,414
Other	233,378	-	44,262	277,640
Total Revenues	<u>11,662,128</u>	<u>274,144</u>	<u>9,048,003</u>	<u>20,984,275</u>
<b>EXPENDITURES</b>				
Current				
General government	-	205,859	-	205,859
Public safety	194,007	-	-	194,007
Public works	79,641	-	-	79,641
Health services	4,813,770	-	-	4,813,770
Culture and recreation	3,570,162	-	-	3,570,162
Development	2,838,529	-	-	2,838,529
Capital Outlay	6,020	-	11,892,880	11,898,900
Debt Service				
Principal retirement	-	935,000	595,000	1,530,000
Interest and fiscal charges	-	71,712	730,268	801,980
Total Expenditures	<u>11,502,129</u>	<u>1,212,571</u>	<u>13,218,148</u>	<u>25,932,848</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ 159,999	\$ (938,427)	\$ (4,170,145)	\$ (4,948,573)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	-	-	6,855,000	6,855,000
Discount on long-term debt issued	-	-	(60,159)	(60,159)
Transfers from other funds	592,679	-	829,802	1,422,481
Transfers to other funds	<u>(863,585)</u>	<u>(101,365)</u>	<u>(17,231)</u>	<u>(982,181)</u>
Total Other Financing Sources (Uses)	<u>(270,906)</u>	<u>(101,365)</u>	<u>7,607,412</u>	<u>7,235,141</u>
Net changes in fund balances	(110,907)	(1,039,792)	3,437,267	2,286,568
FUND BALANCES - Beginning of Year	<u>5,983,423</u>	<u>2,126,902</u>	<u>18,291,804</u>	<u>26,402,129</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,872,516</u>	<u>\$ 1,087,110</u>	<u>\$ 21,729,071</u>	<u>\$ 28,688,697</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2008

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
<b>ASSETS</b>				
Cash and investments	\$ 130,692	\$ 212,600	\$ 202,969	\$ 3,052
Receivables				
Taxes	-	-	-	-
Accounts	6,676	12,506	-	-
Notes	-	-	2,782,125	1,663,729
Prepaid items	-	-	-	-
Due from other governments	-	-	87,812	26,119
<b>TOTAL ASSETS</b>	<b>\$ 137,368</b>	<b>\$ 225,106</b>	<b>\$ 3,072,906</b>	<b>\$ 1,692,900</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,303	\$ 131	\$ 33,079	\$ 6,605
Accrued liabilities	7,947	-	686	171
Deposits	-	-	-	-
Due to other governments	-	-	6,730	-
Due to other funds	-	-	-	-
Due to component unit	-	-	15,502	2,405
Deferred revenues	6,676	12,506	2,782,125	1,663,729
Total Liabilities	<u>18,926</u>	<u>12,637</u>	<u>2,838,122</u>	<u>1,672,910</u>
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	-	-	-	-
Grant proceeds	-	-	-	19,990
Unreserved, designated				
Economic development	-	-	-	-
Capital projects	-	-	-	-
Library funds	-	-	-	-
Subsequent year expenditures	118,442	212,469	234,784	-
Loft matching program	-	-	-	-
Downtown facade loans	-	-	-	-
Code compliance loans	-	-	-	-
Total Fund Balances	<u>118,442</u>	<u>212,469</u>	<u>234,784</u>	<u>19,990</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 137,368</b>	<b>\$ 225,106</b>	<b>\$ 3,072,906</b>	<b>\$ 1,692,900</b>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 3,824,120	\$ -	\$ 856,903	\$ 701,641	\$ 67,634	\$ 45,729	\$ 6,045,340
-	-	2,825,000	1,664,150	-	-	4,489,150
-	81,826	323,476	183,436	-	-	607,920
2,124,332	14,583	-	-	-	-	6,584,769
-	-	-	64,821	-	-	64,821
-	-	-	97,702	-	-	211,633
<u>\$ 5,948,452</u>	<u>\$ 96,409</u>	<u>\$ 4,005,379</u>	<u>\$ 2,711,750</u>	<u>\$ 67,634</u>	<u>\$ 45,729</u>	<u>\$ 18,003,633</u>
\$ 7,953	\$ 19,974	\$ 112,851	\$ 193,897	\$ 2,601	\$ 21,483	\$ 402,877
6,387	-	90,767	165,160	3,057	-	274,175
-	-	-	8,865	-	24,246	33,111
-	-	22	16,524	-	-	23,276
-	33,824	8,427	16,690	-	-	58,941
-	-	-	-	-	-	17,907
2,124,332	19,489	3,047,823	1,664,150	-	-	11,320,830
<u>2,138,672</u>	<u>73,287</u>	<u>3,259,890</u>	<u>2,065,286</u>	<u>5,658</u>	<u>45,729</u>	<u>12,131,117</u>
-	-	-	64,821	-	-	64,821
334,888	-	-	52,626	-	-	407,504
950,000	-	-	-	-	-	950,000
-	-	204,000	-	-	-	204,000
-	-	79,648	-	-	-	79,648
2,414,892	23,122	461,841	529,017	50,976	-	4,045,543
-	-	-	-	11,000	-	11,000
10,000	-	-	-	-	-	10,000
100,000	-	-	-	-	-	100,000
<u>3,809,780</u>	<u>23,122</u>	<u>745,489</u>	<u>646,464</u>	<u>61,976</u>	<u>-</u>	<u>5,872,516</u>
<u>\$ 5,948,452</u>	<u>\$ 96,409</u>	<u>\$ 4,005,379</u>	<u>\$ 2,711,750</u>	<u>\$ 67,634</u>	<u>\$ 45,729</u>	<u>\$ 18,003,633</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended December 31, 2008

	<u>Cemetery Maintenance</u>	<u>Hazardous Materials Response</u>	<u>Community Development</u>	<u>Home Grant</u>	<u>Economic Development</u>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	180,069	629,460	441,396	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services	162,408	-	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	6,550	-	-	195,829
Miscellaneous					
Loan repayments	-	-	289,023	10,108	305,602
Building rental	-	-	-	-	83,366
Gifts and donations	25	-	-	-	-
Other	-	-	-	-	234
Total Revenues	<u>162,433</u>	<u>186,619</u>	<u>918,483</u>	<u>451,504</u>	<u>585,031</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	194,007	-	-	-
Public works	-	-	-	-	-
Health services	394,865	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	629,425	449,160	834,814
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>394,865</u>	<u>194,007</u>	<u>629,425</u>	<u>449,160</u>	<u>834,814</u>
Excess (deficiency) of revenues over expenditures	(232,432)	(7,388)	289,058	2,344	(249,783)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	232,432	-	-	-	201,365
Transfers to other funds	<u>(24,000)</u>	-	<u>(400,085)</u>	-	<u>(85,000)</u>
Total Other Financing Sources (Uses)	<u>208,432</u>	-	<u>(400,085)</u>	-	<u>116,365</u>
Net change in fund balances	(24,000)	(7,388)	(111,027)	2,344	(133,418)
FUND BALANCES - Beginning of Year	<u>142,442</u>	<u>219,857</u>	<u>345,811</u>	<u>17,646</u>	<u>3,943,198</u>
FUND BALANCES - END OF YEAR	<u>\$ 118,442</u>	<u>\$ 212,469</u>	<u>\$ 234,784</u>	<u>\$ 19,990</u>	<u>\$ 3,809,780</u>

<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 1,081,752	\$ 2,757,900	\$ 1,608,600	\$ -	\$ -	\$ 5,448,252
-	-	21,065	-	-	21,065
-	-	1,028,324	-	-	2,279,249
-	-	320,907	-	-	320,907
-	130,962	-	-	-	130,962
-	5,558	145,179	-	79,641	392,786
-	663,588	1,219,383	-	-	1,882,971
-	2,710	-	-	-	205,089
2,083	-	-	-	-	606,816
-	-	-	-	-	83,366
-	24,262	-	33,000	-	57,287
-	233,144	-	-	-	233,378
<u>1,083,835</u>	<u>3,818,124</u>	<u>4,343,458</u>	<u>33,000</u>	<u>79,641</u>	<u>11,662,128</u>
-	-	-	-	-	194,007
-	-	-	-	79,641	79,641
-	-	4,418,905	-	-	4,813,770
-	3,570,162	-	-	-	3,570,162
796,343	-	-	128,787	-	2,838,529
-	6,020	-	-	-	6,020
<u>796,343</u>	<u>3,576,182</u>	<u>4,418,905</u>	<u>128,787</u>	<u>79,641</u>	<u>11,502,129</u>
287,492	241,942	(75,447)	(95,787)	-	159,999
11,675	-	62,207	85,000	-	592,679
(298,600)	(55,900)	-	-	-	(863,585)
<u>(286,925)</u>	<u>(55,900)</u>	<u>62,207</u>	<u>85,000</u>	<u>-</u>	<u>(270,906)</u>
567	186,042	(13,240)	(10,787)	-	(110,907)
<u>22,555</u>	<u>559,447</u>	<u>659,704</u>	<u>72,763</u>	<u>-</u>	<u>5,983,423</u>
<u>\$ 23,122</u>	<u>\$ 745,489</u>	<u>\$ 646,464</u>	<u>\$ 61,976</u>	<u>\$ -</u>	<u>\$ 5,872,516</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS

December 31, 2008

	Debt Service - TIF No. 4	Debt Service - TIF No. 6	Totals
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 1,087,110	\$ 1,087,110
Receivables			
Taxes	-	247,814	247,814
TOTAL ASSETS	\$ -	\$ 1,334,924	\$ 1,334,924
<b>LIABILITIES</b>			
Deferred revenues	\$ -	\$ 247,814	\$ 247,814
Total Liabilities	-	247,814	247,814
<b>FUND BALANCES</b>			
Reserved			
Debt service	-	1,087,110	1,087,110
Total Fund Balances	-	1,087,110	1,087,110
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 1,334,924	\$ 1,334,924

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS  
For the Year Ended December 31, 2008

	Debt Service - TIF No. 4	Debt Service - TIF No. 6	Totals
<b>REVENUES</b>			
Taxes	\$ -	\$ 219,665	\$ 219,665
Special assessments	-	10,981	10,981
Intergovernmental	-	9,077	9,077
Miscellaneous			
Investment income	<u>12,131</u>	<u>22,290</u>	<u>34,421</u>
Total Revenues	<u>12,131</u>	<u>262,013</u>	<u>274,144</u>
<b>EXPENDITURES</b>			
Current			
General government	205,759	100	205,859
Debt Service			
Principal retirement	875,000	60,000	935,000
Interest and fiscal charges	<u>22,247</u>	<u>49,465</u>	<u>71,712</u>
Total Expenditures	<u>1,103,006</u>	<u>109,565</u>	<u>1,212,571</u>
Excess (deficiency) of revenues over expenditures	(1,090,875)	152,448	(938,427)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(101,365)</u>	-	<u>(101,365)</u>
Total Other Financing Sources (Uses)	<u>(101,365)</u>	-	<u>(101,365)</u>
Net change in fund balances	(1,192,240)	152,448	(1,039,792)
FUND BALANCES - Beginning of Year	<u>1,192,240</u>	<u>934,662</u>	<u>2,126,902</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 1,087,110</u>	<u>\$ 1,087,110</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2008

	TIF No. 5 Gateway NW Business Park	TIF No. 7 Soo Line Development	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay
<b>ASSETS</b>				
Cash and investments	\$ 2,578,800	\$ 90,933	\$ 999,710	\$ -
Receivables				
Taxes	488,053	131,980	394,738	-
Accounts	-	-	9,770	-
Due from other governments	-	-	-	-
Restricted assets				
Construction account	640,152	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,707,005</b>	<b>\$ 222,913</b>	<b>\$ 1,404,218</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 7,900	\$ 24,999	\$ -
Due to other governments	46,572	-	-	-
Due to other funds	-	-	-	1,000
Deferred revenues	488,053	131,980	404,508	-
Total Liabilities	534,625	139,880	429,507	1,000
<b>FUND BALANCES</b>				
Reserved				
Capital contracts	-	-	4,517	-
Environmental remediation	-	-	-	-
Bond construction	640,152	-	-	-
Unreserved, designated				
Subsequent year expenditures	2,532,228	83,033	970,194	-
Unreserved, undesignated (deficit)	-	-	-	(1,000)
Total Fund Balances	3,172,380	83,033	974,711	(1,000)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,707,005</b>	<b>\$ 222,913</b>	<b>\$ 1,404,218</b>	<b>\$ -</b>

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ 9,592,017	\$ 735,071	\$ 3,476,063	\$ 910,057	\$ 2,181,185	\$ 1,103,786	\$ 21,667,622
-	-	-	-	-	-	1,014,771
-	-	2,500	27	-	-	12,297
-	-	164,880	130,509	9,109	-	304,498
-	-	1,079,164	-	-	-	1,719,316
<u>\$ 9,592,017</u>	<u>\$ 735,071</u>	<u>\$ 4,722,607</u>	<u>\$ 1,040,593</u>	<u>\$ 2,190,294</u>	<u>\$ 1,103,786</u>	<u>\$ 24,718,504</u>
\$ 1,536,653	\$ 20,609	\$ 97,820	\$ 44,016	\$ 506	\$ 9,799	\$ 1,742,302
-	-	-	-	-	-	46,572
-	-	-	-	-	-	1,000
-	-	44,482	130,536	-	-	1,199,559
<u>1,536,653</u>	<u>20,609</u>	<u>142,302</u>	<u>174,552</u>	<u>506</u>	<u>9,799</u>	<u>2,989,433</u>
926,143	16,166	349,802	2,796	3,415	-	1,302,839
-	-	-	-	360,940	-	360,940
-	-	1,079,164	-	-	-	1,719,316
7,129,221	698,296	3,151,339	863,245	1,825,433	1,093,987	18,346,976
-	-	-	-	-	-	(1,000)
<u>8,055,364</u>	<u>714,462</u>	<u>4,580,305</u>	<u>866,041</u>	<u>2,189,788</u>	<u>1,093,987</u>	<u>21,729,071</u>
<u>\$ 9,592,017</u>	<u>\$ 735,071</u>	<u>\$ 4,722,607</u>	<u>\$ 1,040,593</u>	<u>\$ 2,190,294</u>	<u>\$ 1,103,786</u>	<u>\$ 24,718,504</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2008

	TIF No. 5 Gateway NW Business Park	TIF No. 7 Soo Line Development	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay
<b>REVENUES</b>				
Taxes	\$ 448,634	\$ 124,745	\$ 357,832	\$ -
Intergovernmental	8,436	7,791	69,706	-
Investment income	95,568	4,040	38,097	-
Miscellaneous:				
Gifts and donations	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>552,638</u>	<u>136,576</u>	<u>465,635</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Outlay	(4,182)	27,900	395,988	-
Debt Service				
Principal retirement	240,000	105,000	250,000	-
Interest and fiscal charges	<u>261,754</u>	<u>78,268</u>	<u>389,246</u>	<u>1,000</u>
Total Expenditures	<u>497,572</u>	<u>211,168</u>	<u>1,035,234</u>	<u>1,000</u>
Excess (deficiency) of revenues over expenditures	55,066	(74,592)	(569,599)	(1,000)
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	-	-	-
Discount on long-term debt issued	-	-	-	-
Transfers from other funds	-	-	200,000	-
Transfer to other funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	55,066	(74,592)	(369,599)	(1,000)
FUND BALANCES - Beginning of Year	<u>3,117,314</u>	<u>157,625</u>	<u>1,344,310</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,172,380</u>	<u>\$ 83,033</u>	<u>\$ 974,711</u>	<u>\$ (1,000)</u>

Street Projects	Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 931,211
6,371,107	-	653,766	-	9,109	-	7,119,915
321,708	28,762	136,163	27,470	65,750	36,930	754,488
-	-	123,015	75,112	-	-	198,127
6,756	-	27,360	10,146	-	-	44,262
<u>6,699,571</u>	<u>28,762</u>	<u>940,304</u>	<u>112,728</u>	<u>74,859</u>	<u>36,930</u>	<u>9,048,003</u>
6,675,262	407,898	3,691,185	490,955	65,137	142,737	11,892,880
-	-	-	-	-	-	595,000
-	-	-	-	-	-	730,268
<u>6,675,262</u>	<u>407,898</u>	<u>3,691,185</u>	<u>490,955</u>	<u>65,137</u>	<u>142,737</u>	<u>13,218,148</u>
24,309	(379,136)	(2,750,881)	(378,227)	9,722	(105,807)	(4,170,145)
5,240,000	200,000	1,265,000	150,000	-	-	6,855,000
(48,628)	-	(11,531)	-	-	-	(60,159)
85,000	-	197,711	196,191	95,000	55,900	829,802
-	-	(17,231)	-	-	-	(17,231)
<u>5,276,372</u>	<u>200,000</u>	<u>1,433,949</u>	<u>346,191</u>	<u>95,000</u>	<u>55,900</u>	<u>7,607,412</u>
5,300,681	(179,136)	(1,316,932)	(32,036)	104,722	(49,907)	3,437,267
<u>2,754,683</u>	<u>893,598</u>	<u>5,897,237</u>	<u>898,077</u>	<u>2,085,066</u>	<u>1,143,894</u>	<u>18,291,804</u>
<u>\$ 8,055,364</u>	<u>\$ 714,462</u>	<u>\$ 4,580,305</u>	<u>\$ 866,041</u>	<u>\$ 2,189,788</u>	<u>\$ 1,093,987</u>	<u>\$ 21,729,071</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Cemetery Maintenance				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 26
Charges for services	182,200	182,200	162,408	(19,792)	189,620
Gifts and donations	-	-	25	25	-
Total Revenues	<u>182,200</u>	<u>182,200</u>	<u>162,433</u>	<u>(19,767)</u>	<u>189,646</u>
<b>EXPENDITURES</b>					
Current					
Health services	<u>408,800</u>	<u>408,800</u>	<u>394,865</u>	<u>13,935</u>	<u>388,814</u>
Excess (deficiency) of revenues over expenditures	(226,600)	(226,600)	(232,432)	(5,832)	(199,168)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	226,600	226,600	232,432	5,832	199,168
Transfers to other funds	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>202,600</u>	<u>202,600</u>	<u>208,432</u>	<u>5,832</u>	<u>199,168</u>
Net change in fund balances	(24,000)	(24,000)	(24,000)	-	-
FUND BALANCES - Beginning of Year	<u>142,442</u>	<u>142,442</u>	<u>142,442</u>	<u>-</u>	<u>142,442</u>
FUND BALANCES - END OF YEAR	<u>\$ 118,442</u>	<u>\$ 118,442</u>	<u>\$ 118,442</u>	<u>\$ -</u>	<u>\$ 142,442</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Hazardous Materials Response				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Intergovernmental	\$ 180,100	\$ 180,100	\$ 180,069	\$ (31)	\$ 209,521
Charges for services	3,000	3,000	-	(3,000)	6,307
Miscellaneous:					
Investment income	1,000	1,000	6,550	5,550	9,090
Total Revenues	<u>184,100</u>	<u>184,100</u>	<u>186,619</u>	<u>2,519</u>	<u>224,918</u>
<b>EXPENDITURES</b>					
Current					
Public safety	<u>226,100</u>	<u>226,100</u>	<u>194,007</u>	<u>32,093</u>	<u>211,718</u>
Net change in fund balances	(42,000)	(42,000)	(7,388)	34,612	13,200
FUND BALANCES - Beginning of Year	<u>219,857</u>	<u>219,857</u>	<u>219,857</u>	-	<u>206,657</u>
FUND BALANCES - END OF YEAR	<u>\$ 177,857</u>	<u>\$ 177,857</u>	<u>\$ 212,469</u>	<u>\$ 34,612</u>	<u>\$ 219,857</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Economic Development				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Miscellaneous					
Investment income	\$ 205,500	\$ 205,500	\$ 195,829	\$ (9,671)	\$ 265,501
Loan repayments	140,200	140,200	305,602	165,402	130,744
Building rental	78,600	78,600	83,366	4,766	78,085
Other	-	-	234	234	80
Total Miscellaneous	<u>424,300</u>	<u>424,300</u>	<u>585,031</u>	<u>160,731</u>	<u>474,410</u>
Total Revenues	<u>424,300</u>	<u>424,300</u>	<u>585,031</u>	<u>160,731</u>	<u>474,410</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>582,600</u>	<u>850,600</u>	<u>834,814</u>	<u>15,786</u>	<u>1,584,269</u>
Total Expenditures	<u>582,600</u>	<u>850,600</u>	<u>834,814</u>	<u>15,786</u>	<u>1,584,269</u>
Excess (deficiency) of revenues over expenditures	<u>(158,300)</u>	<u>(426,300)</u>	<u>(249,783)</u>	<u>176,517</u>	<u>(1,109,859)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	100,000	100,000	201,365	101,365	-
Transfers to other funds	(85,000)	(85,000)	(85,000)	-	(85,000)
Sale of capital assets	-	-	-	-	65,050
Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>116,365</u>	<u>101,365</u>	<u>(19,950)</u>
Net change in fund balances	(143,300)	(411,300)	(133,418)	277,882	(1,129,809)
FUND BALANCES - Beginning of Year	<u>3,943,198</u>	<u>3,943,198</u>	<u>3,943,198</u>	<u>-</u>	<u>5,073,007</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,799,898</u>	<u>\$ 3,531,898</u>	<u>\$ 3,809,780</u>	<u>\$ 277,882</u>	<u>\$ 3,943,198</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Community Enhancement				
	2008			2007	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 1,045,000	\$ 1,065,000	\$ 1,081,752	\$ 16,752	\$ 1,048,892
Miscellaneous:					
Loan repayments	5,000	5,000	2,083	(2,917)	5,000
Other	-	-	-	-	1,200
Total Revenues	<u>1,050,000</u>	<u>1,070,000</u>	<u>1,083,835</u>	<u>13,835</u>	<u>1,055,092</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>776,675</u>	<u>796,675</u>	<u>796,343</u>	<u>332</u>	<u>767,536</u>
Excess of revenues over expenditures	273,325	273,325	287,492	14,167	287,556
<b>OTHER FINANCING USES</b>					
Transfers from other funds	11,675	11,675	11,675	-	-
Transfers to other funds	<u>(298,600)</u>	<u>(298,600)</u>	<u>(298,600)</u>	<u>-</u>	<u>(279,800)</u>
Total Other Financing Uses	<u>(286,925)</u>	<u>(286,925)</u>	<u>(286,925)</u>	<u>-</u>	<u>(279,800)</u>
Net change in fund balances	(13,600)	(13,600)	567	14,167	7,756
FUND BALANCES - Beginning of Year	<u>22,555</u>	<u>22,555</u>	<u>22,555</u>	<u>-</u>	<u>14,799</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,955</u>	<u>\$ 8,955</u>	<u>\$ 23,122</u>	<u>\$ 14,167</u>	<u>\$ 22,555</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Public Library				
	2008			2007	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 2,757,900	\$ 2,757,900	\$ 2,757,900	\$ -	\$ 2,711,500
Intergovernmental	-	-	-	-	3,220
Fines and forfeitures	130,700	130,700	130,962	262	131,972
Charges for services	4,800	4,800	5,558	758	5,185
Charges for services - intergovernmental	657,200	657,200	663,588	6,388	645,525
Miscellaneous:					
Investment income	-	-	2,710	2,710	3,470
Gifts and donations	16,000	16,000	24,262	8,262	28,247
Other	244,100	244,100	233,144	(10,956)	189,313
Total Miscellaneous	260,100	260,100	260,116	16	221,030
Total Revenues	3,810,700	3,810,700	3,818,124	7,424	3,718,432
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,813,500	3,788,500	3,570,162	218,338	3,455,452
Capital Outlay	6,000	6,000	6,020	(20)	5,900
Total expenditures	3,819,500	3,794,500	3,576,182	218,318	3,461,352
Excess of revenues over expenditures	(8,800)	16,200	241,942	225,742	257,080
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(55,900)	(55,900)	(55,900)	-	(105,900)
Sale of capital assets	200	200	-	(200)	-
Total Other Financing Sources (Uses)	(55,700)	(55,700)	(55,900)	(200)	(105,900)
Net change in fund balances	(64,500)	(39,500)	186,042	225,542	151,180
FUND BALANCES - Beginning of Year	559,447	559,447	559,447	-	408,267
FUND BALANCES - END OF YEAR	\$ 494,947	\$ 519,947	\$ 745,489	\$ 225,542	\$ 559,447

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	City-County Health Department				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Taxes	\$ 1,608,600	\$ 1,608,600	\$ 1,608,600	\$ -	\$ 1,556,900
Special assessments	28,000	28,000	21,065	(6,935)	-
Intergovernmental	938,200	1,089,051	1,028,324	(60,727)	984,965
Licenses and permits	323,400	323,400	320,907	(2,493)	325,572
Charges for services	148,200	148,200	145,179	(3,021)	132,815
Charges for services - intergovernmental	1,178,700	1,182,784	1,219,383	36,599	1,173,221
Miscellaneous:					
Investment income	1,000	1,000	-	(1,000)	3,170
Other	12,300	12,300	-	(12,300)	-
Total Miscellaneous	13,300	13,300	-	(13,300)	3,170
Total Revenues	4,238,400	4,393,335	4,343,458	(49,877)	4,176,643
<b>EXPENDITURES</b>					
Current:					
Health services	4,448,500	4,612,135	4,418,905	193,230	4,277,105
Excess of revenues over expenditures	(210,100)	(218,800)	(75,447)	143,353	(100,462)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	53,300	62,000	62,207	207	54,187
Net change in fund balances	(156,800)	(156,800)	(13,240)	143,560	(46,275)
FUND BALANCES - Beginning of Year	659,704	659,704	659,704	-	705,979
FUND BALANCES - END OF YEAR	\$ 502,904	\$ 502,904	\$ 646,464	\$ 143,560	\$ 659,704

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Downtown Partners				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Miscellaneous					
Gifts and donations	\$ 33,000	\$ 33,000	\$ 33,000	\$ -	\$ 31,781
Total Revenues	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>	<u>31,781</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>143,000</u>	<u>148,000</u>	<u>128,787</u>	<u>19,213</u>	<u>119,308</u>
Excess (deficiency) of revenues over expenditures	(110,000)	(115,000)	(95,787)	19,213	(87,527)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>85,000</u>
Net change in fund balances	(25,000)	(30,000)	(10,787)	19,213	(2,527)
FUND BALANCES - Beginning of Year	<u>72,763</u>	<u>72,763</u>	<u>72,763</u>	<u>-</u>	<u>75,290</u>
FUND BALANCES - END OF YEAR	<u>\$ 47,763</u>	<u>\$ 42,763</u>	<u>\$ 61,976</u>	<u>\$ 19,213</u>	<u>\$ 72,763</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Former Landfill Escrow				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Miscellaneous					
Charges for services	\$ 150,000	\$ 150,000	\$ 79,641	\$ (70,359)	\$ 81,782
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>79,641</u>	<u>(70,359)</u>	<u>81,782</u>
<b>EXPENDITURES</b>					
Current					
Public works	<u>150,000</u>	<u>150,000</u>	<u>79,641</u>	<u>70,359</u>	<u>81,782</u>
Net change in fund balances	-	-	-	-	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Debt Service - TIF No. 4				
	2008			2007	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Miscellaneous:					
Investment income	\$ 13,000	\$ 13,000	\$ 12,131	\$ (869)	\$ 63,146
Total Revenues	13,000	13,000	12,131	(869)	63,146
<b>EXPENDITURES</b>					
Current					
General government	1,100	206,600	205,759	841	91
Debt Service					
Principal retirement	155,000	875,000	875,000	-	150,000
Interest and fiscal charges	90,700	90,700	22,247	68,453	48,245
Total Expenditures	246,800	1,172,300	1,103,006	69,294	198,336
<b>OTHER FINANCING USES</b>					
Transfers to other funds	-	(101,400)	(101,365)	35	-
Net change in fund balances	(233,800)	(1,260,700)	(1,192,240)	68,460	(135,190)
FUND BALANCES - Beginning of Year	1,192,240	1,192,240	1,192,240	-	1,327,430
FUND BALANCES - END OF YEAR	\$ 958,440	\$ (68,460)	\$ -	\$ 68,460	\$ 1,192,240

**CITY OF EAU CLAIRE**

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS)  
For the Year Ended December 31, 2008  
With Comparative Actual Totals for the Year Ended December 31, 2007

	Debt Service - TIF No. 6				
	2008			2007	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 219,700	\$ 219,700	\$ 219,665	\$ (35)	\$ 204,104
Special assessments	11,000	11,000	10,981	(19)	10,981
Intergovernmental	2,200	2,200	9,077	6,877	2,533
Miscellaneous					
Investment income	40,000	40,000	22,290	(17,710)	46,840
Total Revenues	<u>272,900</u>	<u>272,900</u>	<u>262,013</u>	<u>(10,887)</u>	<u>264,458</u>
<b>EXPENDITURES</b>					
Current					
General government	100	100	100	-	91
Development	900	900	-	900	3,219
Debt Service					
Principal retirement	60,000	60,000	60,000	-	55,000
Interest and fiscal charges	74,500	74,500	49,465	25,035	28,060
Total Expenditures	<u>135,500</u>	<u>135,500</u>	<u>109,565</u>	<u>25,935</u>	<u>86,370</u>
Excess (deficiency) of revenues over expenditures	137,400	137,400	152,448	15,048	178,088
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding long-term debt issued	-	-	-	-	780,000
Premium on long-term debt issued	-	-	-	-	7,119
Transfers to other funds	(137,400)	(137,400)	-	137,400	-
Payment to escrow agent	-	-	-	-	(779,956)
Total Other Financing Sources (Uses)	<u>(137,400)</u>	<u>(137,400)</u>	<u>-</u>	<u>137,400</u>	<u>7,163</u>
Net change in fund balances	-	-	152,448	152,448	185,251
FUND BALANCES - Beginning of Year	<u>934,662</u>	<u>934,662</u>	<u>934,662</u>	<u>-</u>	<u>749,411</u>
FUND BALANCES - END OF YEAR	<u>\$ 934,662</u>	<u>\$ 934,662</u>	<u>\$ 1,087,110</u>	<u>\$ 152,448</u>	<u>\$ 934,662</u>

## **Nonmajor Enterprise Funds**

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

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

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

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS December 31, 2008

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 691,118	\$ 301,301	\$ 146,666	\$ 1,139,085
Accounts receivable, net	17,942	109,386	393	127,721
Due from other governments	-	50,000	-	50,000
<b>Total Current Assets</b>	<u>709,060</u>	<u>460,687</u>	<u>147,059</u>	<u>1,316,806</u>
<b>Noncurrent Assets</b>				
Restricted cash and investments	-	255,182	-	255,182
Unamortized issuance cost	-	-	400	400
<b>Capital assets</b>				
Construction in progress	242,577	246,377	-	488,954
Land	645,196	5,000	-	650,196
Capital assets	5,835,852	2,222,530	1,990,072	10,048,454
Less accumulated depreciation	<u>(3,297,091)</u>	<u>(1,076,705)</u>	<u>(785,563)</u>	<u>(5,159,359)</u>
<b>Total Capital Assets (Net of Accumulated depreciation)</b>	<u>3,426,534</u>	<u>1,397,202</u>	<u>1,204,509</u>	<u>6,028,245</u>
<b>Total Noncurrent Assets</b>	<u>3,426,534</u>	<u>1,652,384</u>	<u>1,204,909</u>	<u>6,283,827</u>
<b>Total Assets</b>	<u>4,135,594</u>	<u>2,113,071</u>	<u>1,351,968</u>	<u>7,600,633</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	20,609	110,382	8,193	139,184
Accrued payroll and payroll taxes	4,783	12,248	500	17,531
Accrued compensated absences	6,893	7,788	452	15,133
Due to other governments	2,074	860	-	2,934
Due to other funds	-	65,708	-	65,708
Current portion of advances	-	-	150,000	150,000
<b>Total Current Liabilities</b>	<u>34,359</u>	<u>196,986</u>	<u>159,145</u>	<u>390,490</u>
<b>Noncurrent Liabilities</b>				
Advances from other funds	-	400,000	-	400,000
Other post-employment benefits	6,000	6,700	-	12,700
<b>Total Noncurrent Liabilities</b>	<u>6,000</u>	<u>406,700</u>	<u>-</u>	<u>412,700</u>
<b>Total Liabilities</b>	<u>40,359</u>	<u>603,686</u>	<u>159,145</u>	<u>803,190</u>
<b>NET ASSETS</b>				
Invested in capital assets	3,426,534	1,397,202	1,204,509	6,028,245
Unrestricted (deficit)	<u>668,701</u>	<u>112,183</u>	<u>(11,686)</u>	<u>769,198</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 4,095,235</u>	<u>\$ 1,509,385</u>	<u>\$ 1,192,823</u>	<u>\$ 6,797,443</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2008

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 240,605	\$ 503,710	\$ 217,613	\$ 961,928
Other	-	7,238	19,708	26,946
Total Operating Revenues	<u>240,605</u>	<u>510,948</u>	<u>237,321</u>	<u>988,874</u>
<b>OPERATING EXPENSES</b>				
Personal services	144,229	268,998	188,202	601,429
Contractual services	48,187	50,649	43,658	142,494
Supplies and materials	4,497	38,553	48,881	91,931
Utilities	52,808	187,039	55,597	295,444
Depreciation	181,848	67,137	52,232	301,217
Administrative	31,140	7,356	4,460	42,956
Total Operating Expenses	<u>462,709</u>	<u>619,732</u>	<u>393,030</u>	<u>1,475,471</u>
Operating loss	<u>(222,104)</u>	<u>(108,784)</u>	<u>(155,709)</u>	<u>(486,597)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	-	2,375	-	2,375
Net gain (loss) on disposal of capital assets	(8,000)	-	-	(8,000)
Interest expense	-	-	(7,275)	(7,275)
Amortization	-	-	(1,600)	(1,600)
Total Non-Operating Revenues (Expenses)	<u>(8,000)</u>	<u>2,375</u>	<u>(8,875)</u>	<u>(14,500)</u>
Loss before operating transfers	(230,104)	(106,409)	(164,584)	(501,097)
Transfers from other funds	<u>117,255</u>	<u>130,048</u>	<u>279,952</u>	<u>527,255</u>
Income (loss) before contributions	(112,849)	23,639	115,368	26,158
Capital Contributions	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Change in net assets	(112,849)	73,639	115,368	76,158
NET ASSETS - Beginning of Year	<u>4,208,084</u>	<u>1,435,746</u>	<u>1,077,455</u>	<u>6,721,285</u>
NET ASSETS - END OF YEAR	<u>\$ 4,095,235</u>	<u>\$ 1,509,385</u>	<u>\$ 1,192,823</u>	<u>\$ 6,797,443</u>

**CITY OF EAU CLAIRE**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2008**

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 232,663	\$ 501,185	\$ 237,156	\$ 971,004
Cash paid to suppliers for goods and services	(136,531)	(269,252)	(146,622)	(552,405)
Cash paid to employees for services	(139,574)	(266,705)	(188,378)	(594,657)
Net Cash Flows From Operating Activities	<u>(43,442)</u>	<u>(34,772)</u>	<u>(97,844)</u>	<u>(176,058)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Principal paid on advances from other funds	-	-	(150,000)	(150,000)
Interest paid on advances from other funds	-	-	(7,275)	(7,275)
Transfers from other funds	117,255	130,048	279,952	527,255
Net Cash Flows From Noncapital Financing Activities	<u>117,255</u>	<u>130,048</u>	<u>122,677</u>	<u>369,980</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	-	2,375	-	2,375
Net Cash Flows From Investing Activities	<u>-</u>	<u>2,375</u>	<u>-</u>	<u>2,375</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(120,214)	(143,721)	-	(263,935)
Capital related advance received from other funds	-	400,000	-	400,000
Net Cash Flows From Capital and Related Financing Activities	<u>(120,214)</u>	<u>256,279</u>	<u>-</u>	<u>136,065</u>
Net Increase in Cash and Cash Equivalents	(46,401)	353,930	24,833	332,362
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>737,519</u>	<u>202,553</u>	<u>121,833</u>	<u>1,061,905</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 691,118</u>	<u>\$ 556,483</u>	<u>\$ 146,666</u>	<u>\$ 1,394,267</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating loss	\$ (222,104)	\$ (108,784)	\$ (155,709)	\$ (486,597)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	181,848	67,137	52,232	301,217
Change in assets and liabilities				
Accounts receivable	(7,942)	(9,763)	(165)	(17,870)
Accounts payable	102	4,217	5,974	10,293
Due to other funds	-	4,322	-	4,322
Other liabilities	(1,346)	1,399	(176)	(123)
Other post-employment benefits	6,000	6,700	-	12,700
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (43,442)</u>	<u>\$ (34,772)</u>	<u>\$ (97,844)</u>	<u>\$ (176,058)</u>

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

None.

## **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, 2008

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 8,764,358	\$ 5,934,866	\$ 14,699,224
Accounts receivable, net	198,109	5,744	203,853
Due from other governments	-	18,589	18,589
Due from other funds	-	228	228
Inventories	-	401,428	401,428
Prepaid items	41,302	-	41,302
<b>Total Current Assets</b>	<u>9,003,769</u>	<u>6,360,855</u>	<u>15,364,624</u>
<b>Noncurrent Assets</b>			
Escrow account	247,624	-	247,624
Deposit in insurance pools	766,496	-	766,496
<b>Capital assets</b>			
Construction in progress	-	342,078	342,078
Land	-	235,899	235,899
Land improvements	-	16,677	16,677
Buildings	-	5,710,107	5,710,107
Equipment	-	133,057	133,057
Rental equipment	-	14,023,183	14,023,183
Less: Accumulated depreciation	-	(9,986,582)	(9,986,582)
<b>Total Capital Assets (Net of     Accumulated Depreciation)</b>	<u>-</u>	<u>10,474,419</u>	<u>10,474,419</u>
<b>Total Noncurrent Assets</b>	<u>1,014,120</u>	<u>10,474,419</u>	<u>11,488,539</u>
<b>Total Assets</b>	<u>10,017,889</u>	<u>16,835,274</u>	<u>26,853,163</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	97,557	200,514	298,071
Accrued payroll and payroll taxes	5,083	24,534	29,617
Accrued compensated absences	5,819	27,466	33,285
Current portion of unpaid claims	220,000	-	220,000
<b>Total Current Liabilities</b>	<u>328,459</u>	<u>252,514</u>	<u>580,973</u>
<b>Noncurrent Liabilities</b>			
Other post-employment benefits	2,000	13,600	15,600
Unpaid claims	1,871,416	-	1,871,416
<b>Total Noncurrent Liabilities</b>	<u>1,873,416</u>	<u>13,600</u>	<u>1,887,016</u>
<b>Total Liabilities</b>	<u>2,201,875</u>	<u>266,114</u>	<u>2,467,989</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	10,474,419	10,474,419
Restricted for deposits	1,055,422	-	1,055,422
Unrestricted	6,760,592	6,094,741	12,855,333
<b>TOTAL NET ASSETS</b>	<u>\$ 7,816,014</u>	<u>\$ 16,569,160</u>	<u>\$ 24,385,174</u>

**CITY OF EAU CLAIRE**

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2008

	Risk Management	Central Equipment	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,279,188	\$ 600,517	\$ 2,879,705
Rental of equipment	-	2,038,805	2,038,805
Total Charges for Services	<u>2,279,188</u>	<u>2,639,322</u>	<u>4,918,510</u>
Other			
Repayment of insurance claims	61,376	-	61,376
Building rental	-	200,544	200,544
Miscellaneous	-	9,536	9,536
Total Operating Revenues	<u>2,340,564</u>	<u>2,849,402</u>	<u>5,189,966</u>
<b>OPERATING EXPENSES</b>			
Personal services	137,960	663,939	801,899
Contractual services	8,084	338,648	346,732
Supplies and materials	2,493	1,161,679	1,164,172
Utilities	503	164,950	165,453
Depreciation	-	1,177,606	1,177,606
Administrative	-	112,906	112,906
Claims	1,709,046	-	1,709,046
Total Operating Expenses	<u>1,858,086</u>	<u>3,619,728</u>	<u>5,477,814</u>
Operating income (loss)	<u>482,478</u>	<u>(770,326)</u>	<u>(287,848)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Operating grant	-	4,999	4,999
Investment income	275,082	-	275,082
Net gain (loss) on disposal of capital assets	-	(69,973)	(69,973)
Total Non-Operating Revenues (Expenses)	<u>275,082</u>	<u>(64,974)</u>	<u>210,108</u>
Income (loss) before transfers	757,560	(835,300)	(77,740)
<b>TRANSFERS</b>			
Transfers from other funds	-	164,829	164,829
Transfers to other funds	(295,000)	-	(295,000)
Total Transfers	<u>(295,000)</u>	<u>164,829</u>	<u>(130,171)</u>
Change in net assets	462,560	(670,471)	(207,911)
TOTAL NET ASSETS - Beginning of Year	<u>7,353,454</u>	<u>17,239,631</u>	<u>24,593,085</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 7,816,014</u>	<u>\$ 16,569,160</u>	<u>\$ 24,385,174</u>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2008

	Risk Management	Central Equipment	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 2,284,970	\$ 2,835,352	\$ 5,120,322
Cash payments to suppliers for goods and services	40,330	(1,785,496)	(1,745,166)
Cash payments to employees for services	(138,556)	(646,005)	(784,561)
Claims paid	(1,457,701)	-	(1,457,701)
Repayment of insurance claims	61,376	-	61,376
Net Cash Provided by Operating Activities	<u>790,419</u>	<u>403,851</u>	<u>1,194,270</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	4,999	4,999
Transfers from other funds	-	164,829	164,829
Transfers to other funds	(295,000)	-	(295,000)
Net Cash Flows from (Used By) Noncapital Financing Activities	<u>(295,000)</u>	<u>169,828</u>	<u>(125,172)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>275,082</u>	<u>-</u>	<u>275,082</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(1,628,944)	(1,628,944)
Proceeds from sale of equipment	-	63,906	63,906
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(1,565,038)</u>	<u>(1,565,038)</u>
Net increase in cash and cash equivalents	770,501	(991,359)	(220,858)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>8,241,481</u>	<u>6,926,225</u>	<u>15,167,706</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,011,982</u>	<u>\$ 5,934,866</u>	<u>\$ 14,946,848</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 8,764,358	\$ 5,934,866	\$ 14,699,224
Restricted Cash and Investments	<u>247,624</u>	<u>-</u>	<u>247,624</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 9,011,982</u>	<u>\$ 5,934,866</u>	<u>\$ 14,946,848</u>

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 482,478	\$ (770,326)	\$ (287,848)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	1,177,606	1,177,606
Change in assets and liabilities:			
Accounts receivable	5,782	(14,050)	(8,268)
Inventories	-	34,977	34,977
Prepays	(14,531)	-	(14,531)
Accounts payable	51,410	(42,290)	9,120
Accrued liabilities	(2,596)	4,334	1,738
Other post-employment benefits	2,000	13,600	15,600
Unpaid claims	265,876	-	265,876
Total Adjustments	<u>307,941</u>	<u>1,174,177</u>	<u>1,482,118</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 790,419</u>	 <u>\$ 403,851</u>	 <u>\$ 1,194,270</u>

**NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:** None

## **Agency Funds**

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

**CITY OF EAU CLAIRE**

**STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
AGENCY FUND**

For the Year Ended December 31, 2008

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<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2008</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,873,110	\$ 76,259,767	\$ 77,869,607	\$ 9,263,270
Taxes receivable	<u>47,388,408</u>	<u>70,188,270</u>	<u>67,524,788</u>	<u>50,051,890</u>
 TOTAL ASSETS	 <u>\$ 58,261,518</u>	 <u>\$ 146,448,037</u>	 <u>\$ 145,394,395</u>	 <u>\$ 59,315,160</u>
 <b>LIABILITIES</b>				
Due to other governments	<u>\$ 58,261,518</u>	<u>\$ 59,315,160</u>	<u>\$ 58,261,518</u>	<u>\$ 59,315,160</u>

## **Nonmajor Component Units**

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.

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR COMPONENT UNITS  
December 31, 2008

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>					
Cash and short term investments	\$ 70,633	\$ 14,109	\$ 49,785	\$ 138,159	\$ 272,686
Receivables:					
Taxes	81,000	13,000	9,500	48,000	151,500
Notes receivable	-	-	-	-	-
Total Assets	<u>151,633</u>	<u>27,109</u>	<u>59,285</u>	<u>186,159</u>	<u>424,186</u>
<b>LIABILITIES</b>					
Accounts payable	3,608	1,705	4,779	-	10,092
Unearned revenue	81,000	13,000	9,500	48,000	151,500
Total Liabilities	<u>84,608</u>	<u>14,705</u>	<u>14,279</u>	<u>48,000</u>	<u>161,592</u>
<b>NET ASSETS</b>					
Unrestricted	<u>67,025</u>	<u>12,404</u>	<u>45,006</u>	<u>138,159</u>	<u>262,594</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 67,025</u>	<u>\$ 12,404</u>	<u>\$ 45,006</u>	<u>\$ 138,159</u>	<u>\$ 262,594</u>

**CITY OF EAU CLAIRE**

**COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
For the Year Ended December 31, 2008**

	Net (Expense) Revenue and Changes in Net Assets							
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District
<b>Downtown Business Improvement District</b>								
Contractual services	\$ 50,652	\$ -	\$ -	\$ -	\$ (50,652)	\$ -	\$ -	\$ (50,652)
Supplies and materials	14,718	-	-	-	(14,718)	-	-	(14,718)
Miscellaneous	700	-	-	-	(700)	-	-	(700)
Total Downtown Business Improvement District	66,070	-	-	-	-	-	-	-
<b>West Grand Business Improvement District</b>								
Contractual services	10,455	-	-	-	-	(10,455)	-	(10,455)
<b>Water Street Business Improvement District</b>								
Contractual services	12,972	-	-	-	-	(12,972)	-	(12,972)
Supplies and materials	315	-	-	-	-	(315)	-	(315)
Total Water Street Business Improvement District	13,287	-	-	-	-	-	-	-
<b>North Barstow/Medical Business Improvement District</b>								
Contractual services	5,100	-	-	-	-	-	(5,100)	(5,100)
Total Component Units	\$ 94,912	\$ -	\$ -	\$ -	(66,070)	(10,455)	(13,287)	(94,912)
			General Revenues					
			Property taxes	81,000	13,000	9,500	48,000	151,500
			Investment income	2,970	530	1,540	4,230	9,270
			Miscellaneous	250	-	3,850	-	4,100
			Total General Revenues	84,220	13,530	14,890	52,230	164,870
			Change in net assets	18,150	3,075	1,603	47,130	69,958
			NET ASSETS - Beginning of Year	48,875	9,329	43,403	91,029	192,636
			NET ASSETS - END OF YEAR	\$ 67,025	\$ 12,404	\$ 45,006	\$ 138,159	\$ 262,594

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET  
 COMPONENT UNITS - GOVERNMENTAL  
 December 31, 2008

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>					
Cash and short term investments	\$ 70,633	\$ 14,109	\$ 49,785	\$ 138,159	\$ 272,686
Receivables					
Taxes	<u>81,000</u>	<u>13,000</u>	<u>9,500</u>	<u>48,000</u>	<u>151,500</u>
<b>TOTAL ASSETS</b>	<u>\$ 151,633</u>	<u>\$ 27,109</u>	<u>\$ 59,285</u>	<u>\$ 186,159</u>	<u>\$ 424,186</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable	\$ 3,608	\$ 1,705	\$ 4,779	\$ -	\$ 10,092
Deferred revenue	<u>81,000</u>	<u>13,000</u>	<u>9,500</u>	<u>48,000</u>	<u>151,500</u>
<b>Total Liabilities</b>	<u>84,608</u>	<u>14,705</u>	<u>14,279</u>	<u>48,000</u>	<u>161,592</u>
<b>Fund Balances</b>					
Designated for subsequent years expenditures	<u>67,025</u>	<u>12,404</u>	<u>45,006</u>	<u>138,159</u>	<u>262,594</u>
<b>Total Fund Balances</b>	<u>67,025</u>	<u>12,404</u>	<u>45,006</u>	<u>138,159</u>	<u>262,594</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 151,633</u>	<u>\$ 27,109</u>	<u>\$ 59,285</u>	<u>\$ 186,159</u>	<u>\$ 424,186</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
COMPONENT UNITS - GOVERNMENTAL  
For the Year Ended December 31, 2008

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>REVENUES</b>					
Taxes					
Special assessments	\$ 81,000	\$ 13,000	\$ 9,500	\$ 48,000	\$ 151,500
Miscellaneous					
Investment income	2,970	530	1,540	4,230	9,270
Other	250	1,111	3,850	-	5,211
Total Revenues	<u>84,220</u>	<u>14,641</u>	<u>14,890</u>	<u>52,230</u>	<u>165,981</u>
<b>EXPENDITURES</b>					
Current					
Contractual services	50,652	10,455	12,972	5,100	79,179
Supplies and materials	14,718	-	315	-	15,033
Miscellaneous	700	-	-	-	700
Total Expenditures	<u>66,070</u>	<u>10,455</u>	<u>13,287</u>	<u>5,100</u>	<u>94,912</u>
Net change in fund balances	18,150	4,186	1,603	47,130	71,069
FUND BALANCES - Beginning of Year	<u>48,875</u>	<u>8,218</u>	<u>43,403</u>	<u>91,029</u>	<u>191,525</u>
FUND BALANCES - END OF YEAR	<u>\$ 67,025</u>	<u>\$ 12,404</u>	<u>\$ 45,006</u>	<u>\$ 138,159</u>	<u>\$ 262,594</u>
<b>RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET ASSETS</b>					
Net change in fund balances	\$ 18,150	\$ 4,186	\$ 1,603	\$ 47,130	\$ 71,069
Governmental funds report repayments of loans receivable as revenue and issuing of new loans as expenditures. However, in the statement of activities, these amounts are not reported as revenues and expenses.					
Repayment of principal on loans recognized as revenue on fund statements	-	(1,111)	-	-	(1,111)
CHANGE IN NET ASSETS	<u>\$ 18,150</u>	<u>\$ 3,075</u>	<u>\$ 1,603</u>	<u>\$ 47,130</u>	<u>\$ 69,958</u>

## **STATISTICAL SECTION (Unaudited)**

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This part of the City of Eau Claire's comprehensive annual financial report presents detailed information as a context for understanding what the information is the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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### **FINANCIAL TRENDS - TABLES 1-4**

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

### **REVENUE CAPACITY - TABLES 5-21**

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax, as well as other significant revenue sources which include the water and sewer utility charges for services.

### **DEBT CAPACITY - TABLES 22-28**

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION - TABLES 29-30**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

### **OPERATING INFORMATION - TABLES 31-37**

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF EAU CLAIRE**

TABLE 1  
NET ASSETS BY COMPONENT  
LAST SIX FISCAL YEARS  
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 77,072,420	\$ 80,885,102	\$ 84,287,120	\$ 92,019,758	\$ 91,774,543	\$ 94,701,258
Restricted	14,619,800	16,788,904	18,133,306	19,613,325	19,993,642	18,725,047
Unrestricted	<u>38,307,037</u>	<u>34,715,716</u>	<u>30,056,232</u>	<u>32,529,957</u>	<u>33,619,637</u>	<u>41,631,592</u>
<b>Total governmental activities net assets</b>	<u>129,999,257</u>	<u>132,389,722</u>	<u>132,476,658</u>	<u>144,163,040</u>	<u>145,387,822</u>	<u>155,057,897</u>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	105,722,026	118,330,734	123,247,987	127,757,415	131,320,732	136,900,275
Restricted	3,332,207	1,496,244	2,366,744	2,379,744	2,683,138	2,337,580
Unrestricted	<u>13,332,743</u>	<u>14,853,887</u>	<u>14,878,421</u>	<u>14,066,385</u>	<u>18,485,636</u>	<u>16,261,525</u>
<b>Total business-type activities net assets</b>	<u>122,386,976</u>	<u>134,680,865</u>	<u>140,493,152</u>	<u>144,203,544</u>	<u>152,489,506</u>	<u>155,499,380</u>
<b>Primary government</b>						
Invested in capital assets, net of related debt (1)	182,794,446	199,215,836	206,184,638	218,562,857	218,170,512	227,571,273
Restricted	17,952,007	18,285,148	20,500,050	21,993,069	22,676,780	21,062,627
Unrestricted (1)	<u>51,639,780</u>	<u>49,569,603</u>	<u>46,285,122</u>	<u>47,810,658</u>	<u>57,030,036</u>	<u>61,923,377</u>
<b>Total primary government net assets</b>	<u>\$ 252,386,233</u>	<u>\$ 267,070,587</u>	<u>\$ 272,969,810</u>	<u>\$ 288,366,584</u>	<u>\$ 297,877,328</u>	<u>\$ 310,557,277</u>

(1) Primary government totals may not match the combined totals for governmental and business-type activities due to a reclassification of debt.

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

**CITY OF EAU CLAIRE**

TABLE 2  
CHANGES IN NET ASSETS  
LAST SIX FISCAL YEARS  
(Accrual Basis of Accounting)

<b>Expenses</b>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Governmental activities:</b>						
General government	\$ 8,520,660	\$ 7,643,250	\$ 7,857,938	\$ 6,493,902	\$ 6,464,010	\$ 8,357,900
Public safety	20,070,417	20,202,687	21,546,332	23,034,101	23,743,952	25,983,790
Public works	10,183,902	11,236,713	12,411,408	11,533,035	12,080,012	13,574,402
Health services	4,023,159	4,175,651	4,409,322	4,436,211	4,677,429	4,836,338
Culture and recreation	9,283,774	7,522,475	7,406,964	8,105,219	8,646,899	8,701,253
Development	2,931,989	2,267,591	3,653,040	2,359,672	3,281,340	3,426,710
Interest and fiscal charges	1,791,084	2,054,281	2,053,323	2,106,598	2,046,007	2,664,817
<b>Total governmental activities expense</b>	<u>56,804,985</u>	<u>55,102,648</u>	<u>59,338,327</u>	<u>58,068,738</u>	<u>60,939,649</u>	<u>67,545,210</u>
<b>Business-type activities</b>						
Water Utility	5,010,412	5,143,065	5,424,169	5,439,753	5,787,761	6,313,831
Sewer Utility	5,089,211	5,158,959	5,349,773	5,558,045	5,476,435	6,018,079
Storm Water Utility	1,628,456	1,482,635	1,823,011	2,064,283	2,066,896	2,289,679
Public Transit	3,982,644	4,103,773	4,427,330	4,770,055	4,864,830	5,130,887
Parking Utility	408,357	391,267	419,801	445,732	454,931	473,048
Hobbs Ice Center	503,345	519,838	564,079	621,290	589,633	622,235
Outdoor Pool	367,367	319,825	343,552	354,369	373,385	402,603
<b>Total business-type activities expenses</b>	<u>16,989,792</u>	<u>17,119,362</u>	<u>18,351,715</u>	<u>19,253,527</u>	<u>19,613,871</u>	<u>21,250,362</u>
<b>Total primary government expenses</b>	<u>\$ 73,794,777</u>	<u>\$ 72,222,010</u>	<u>\$ 77,690,042</u>	<u>\$ 77,322,265</u>	<u>\$ 80,553,520</u>	<u>\$ 88,795,572</u>

**CITY OF EAU CLAIRE**

TABLE 2 (cont.)  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
 (Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008
<b>Program Revenues</b>						
<b>Governmental activities:</b>						
Charges for services						
General government	\$ 2,944,928	\$ 2,799,799	\$ 2,971,400	\$ 3,131,097	\$ 3,014,682	\$ 3,112,881
Public safety	3,582,224	3,083,516	2,813,376	3,460,345	3,777,133	4,151,824
Public works	85,827	118,378	177,977	396,987	258,474	250,219
Health services	1,388,975	1,602,248	1,748,238	1,769,891	1,817,621	1,849,982
Culture and recreation	1,564,306	1,449,973	1,325,314	1,360,404	1,595,776	1,619,949
Development	153,510	157,355	89,976	746,569	1,232,950	468,614
Operating grants and contributions						
General government	45,361	41,955	6,392	22,444	12,416	12,877
Public safety	928,224	750,303	579,467	670,279	1,091,291	344,610
Public works	-	-	-	-	-	6,371,107
Health services	820,384	966,021	965,115	895,312	984,965	1,049,388
Culture and recreation	34,994	24,091	33,060	12,205	31,370	14,235
Development	1,578,390	1,556,887	1,366,682	802,334	1,241,461	1,103,856
Capital grants and contributions						
General government	2,251,173	1,750,962	1,534,745	2,122,452	1,619,901	2,678,484
Public safety	68,470	57,458	-	-	131,896	329,736
Public works	4,331,168	3,948,101	6,309,250	10,799,856	5,365,276	7,097,399
Health services	-	-	-	-	-	9,109
Culture and recreation	309,737	749,940	731,287	1,005,338	216,384	94,390
<b>Total governmental activities program revenues</b>	<b>20,087,671</b>	<b>19,056,987</b>	<b>20,652,279</b>	<b>27,195,513</b>	<b>22,391,596</b>	<b>30,558,660</b>
<b>Business-type activities</b>						
Charges for services						
Water Utility	6,984,333	6,831,621	7,150,409	7,600,310	8,100,296	7,822,825
Sewer Utility	5,999,089	5,811,267	6,123,231	6,267,035	6,266,314	6,492,660
Storm Water Utility	1,725,264	1,935,282	2,098,370	2,460,532	2,677,207	2,944,799
Public Transit	471,698	470,600	503,024	527,466	552,510	645,823
Parking Utility	229,664	218,569	215,356	227,065	214,184	240,605
Hobbs Ice Center	340,292	379,206	423,376	443,141	452,511	503,710
Outdoor Pool	200,252	173,359	214,616	210,756	213,503	217,613
Operating grants and contributions						
Public Transit	2,360,794	2,400,631	2,466,457	2,711,846	2,839,769	2,948,598
Capital grants and contributions						
Water Utility	143,673	2,921,683	1,051,304	542,390	492,431	937,844
Sewer Utility	204,277	2,370,025	609,332	540,063	357,700	690,951
Storm Water Utility	27,381	5,187,007	1,975,066	505,753	90,973	147,010
Hobbs Ice Center	-	-	-	-	-	50,000
<b>Total business-type activities program revenues</b>	<b>18,686,717</b>	<b>28,699,250</b>	<b>22,830,541</b>	<b>22,036,357</b>	<b>22,257,398</b>	<b>23,642,438</b>
<b>Total primary government program revenues</b>	<b>38,774,388</b>	<b>47,756,237</b>	<b>43,482,820</b>	<b>49,231,870</b>	<b>44,648,994</b>	<b>54,201,098</b>
<b>Net (Expense) Revenue</b>						
Governmental activities	(36,717,314)	(36,045,661)	(38,686,048)	(30,873,225)	(38,548,053)	(36,986,550)
Business-type activities	1,696,925	11,579,888	4,478,826	2,782,830	2,643,527	2,392,076
<b>Total primary government net expense</b>	<b>\$ (35,020,389)</b>	<b>\$ (24,465,773)</b>	<b>\$ (34,207,222)</b>	<b>\$ (28,090,395)</b>	<b>\$ (35,904,526)</b>	<b>\$ (34,594,474)</b>

**CITY OF EAU CLAIRE**

TABLE 2 (cont.)  
**CHANGES IN NET ASSETS**  
**LAST SIX FISCAL YEARS**  
 (Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Revenues and Other Changes</b>						
<b>in Net Assets</b>						
<b>Governmental activities</b>						
Property taxes	\$ 25,854,470	\$ 26,155,386	\$ 27,478,504	\$ 28,709,747	\$ 29,927,378	\$ 32,904,778
Intergovernmental revenues	10,392,649	9,388,956	9,378,496	9,390,895	9,463,185	9,603,015
Investment income	1,697,609	2,057,061	2,703,261	4,167,233	4,639,329	3,692,849
Gain on sale of capital assets	-	-	-	38,033	65,420	33,868
Miscellaneous	-	-	45,493	107,281	14,373	16,075
Transfers	<u>132,732</u>	<u>454,863</u>	<u>20,295</u>	<u>146,418</u>	<u>(4,336,850)</u>	<u>406,040</u>
<b>Total governmental activities</b>	<u>38,077,460</u>	<u>38,056,266</u>	<u>39,626,049</u>	<u>42,559,607</u>	<u>39,772,835</u>	<u>46,656,625</u>
<b>Business-type activities</b>						
Investment income	365,909	308,078	616,911	806,542	1,046,523	737,649
Miscellaneous	93,558	292,347	236,053	267,438	259,062	286,189
Transfers	<u>(132,732)</u>	<u>(454,863)</u>	<u>(20,295)</u>	<u>(146,418)</u>	<u>4,336,850</u>	<u>(406,040)</u>
<b>Total business-type activities</b>	<u>326,735</u>	<u>145,562</u>	<u>832,669</u>	<u>927,562</u>	<u>5,642,435</u>	<u>617,798</u>
<b>Total primary government</b>	<u>38,404,195</u>	<u>38,201,828</u>	<u>40,458,718</u>	<u>43,487,169</u>	<u>45,415,270</u>	<u>47,274,423</u>
<b>Change in Net Assets</b>						
Governmental activities	1,360,146	2,010,605	940,001	11,686,382	1,224,782	9,670,075
Business-type activities	<u>2,023,660</u>	<u>11,725,450</u>	<u>5,311,495</u>	<u>3,710,392</u>	<u>8,285,962</u>	<u>3,009,874</u>
<b>Total primary government</b>	<u>\$ 3,383,806</u>	<u>\$ 13,736,055</u>	<u>\$ 6,251,496</u>	<u>\$ 15,396,774</u>	<u>\$ 9,510,744</u>	<u>\$ 12,679,949</u>

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF EAU CLAIRE

TABLE 3  
 FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 7,995,975	\$ 7,545,087	\$ 7,356,078	\$ 7,012,649	\$ 6,367,325	\$ 6,384,041	\$ 5,848,920	\$ 4,881,267	\$ 4,412,107	\$ 4,203,971
Unreserved										
Designated	5,715,176	5,803,373	5,647,871	4,714,450	6,709,720	6,323,236	6,059,964	6,723,752	5,721,632	6,985,838
Undesignated	2,283,597	2,275,016	1,490,100	2,478,426	2,896,215	2,978,369	2,821,438	3,668,023	4,638,803	6,254,326
Total General Fund	15,994,748	15,623,476	14,494,049	14,205,525	15,973,260	15,685,646	14,730,322	15,273,042	14,772,542	17,444,135
All Other Governmental Funds										
Reserved	8,443,833	8,075,525	12,031,043	13,144,563	16,775,820	16,720,328	15,295,775	12,560,342	15,823,768	12,590,157
Unreserved										
Designated										
Special revenue funds	7,773,716	2,621,225	2,291,594	2,315,500	7,350,482	7,362,168	7,197,264	6,404,601	5,562,633	5,400,191
Debt service funds	624,600	624,600	550,800	588,992	-	623,900	255,700	273,300	233,800	-
Capital projects funds	5,764,998	-	61,700	54,800	10,012,054	7,445,000	9,213,998	8,876,216	12,158,771	18,346,976
Undesignated (deficit)	1,818,023	15,551,302	17,156,627	16,558,038	-	-	-	-	-	(1,000)
Total All Other Governmental Funds	24,425,170	26,872,652	32,091,764	32,661,893	34,138,356	32,151,396	31,962,737	28,114,459	33,778,972	36,336,324
Total All Funds	\$40,419,918	\$42,496,128	\$46,585,813	\$46,867,418	\$50,111,616	\$47,837,042	\$46,693,059	\$43,387,501	\$48,551,514	\$53,780,459

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

**TABLE 4  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Dollars in Thousands)**

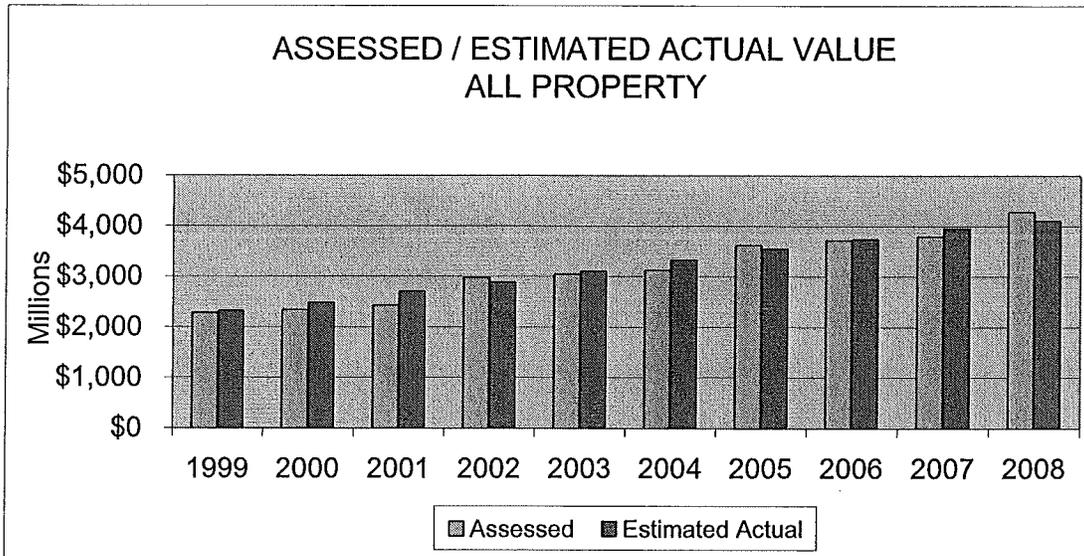
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Property taxes	\$ 21,910	\$ 23,591	\$ 23,468	\$ 25,920	\$ 25,841	\$ 26,164	\$ 27,600	\$ 28,667	\$ 29,462	\$ 31,296
Special assessments	515	-	2,214	2,249	2,339	2,341	2,164	1,988	1,898	2,053
Intergovernmental	16,494	16,012	16,351	16,474	17,163	15,903	16,303	15,546	15,957	22,109
Licenses and permits	1,272	1,906	1,598	1,712	1,788	1,827	1,829	1,938	1,922	1,969
Fines and forfeitures	618	610	644	787	850	980	917	900	1,018	941
Charges for services	5,525	5,660	6,532	6,787	6,007	6,136	6,607	7,169	7,005	9,576
Investment income	2,319	3,232	2,733	385	1,573	1,578	2,548	3,682	4,328	3,355
Miscellaneous	2,044	2,542	3,336	3,192	1,230	1,960	1,465	1,509	1,726	1,281
<b>Total revenues</b>	<b>50,697</b>	<b>53,553</b>	<b>56,876</b>	<b>57,506</b>	<b>56,791</b>	<b>56,889</b>	<b>59,433</b>	<b>61,399</b>	<b>63,316</b>	<b>72,580</b>
<b>Expenditures</b>										
General government	4,729	5,106	5,301	5,559	5,760	5,877	6,263	5,696	5,700	6,169
Public safety	16,048	16,487	17,635	18,724	19,536	19,933	20,912	22,412	23,563	24,252
Public works	6,781	8,362	7,531	7,684	7,003	7,210	7,350	7,137	7,693	8,109
Health services	3,285	3,383	3,510	3,668	3,918	4,172	4,388	4,402	4,666	4,814
Culture and recreation	5,699	6,140	6,566	6,841	7,211	7,117	7,164	7,493	7,830	7,908
Development	2,351	2,218	2,844	2,773	2,374	3,022	4,162	2,772	3,614	2,839
Miscellaneous	401	503	441	418	421	428	497	462	630	465
Capital outlay	11,886	11,043	11,976	9,127	8,293	12,622	9,458	13,408	8,119	11,899
Debt service										
Principal	2,414	2,599	3,029	8,724	5,070	3,509	5,882	3,789	4,311	5,057
Interest	1,727	1,927	2,154	2,387	1,752	1,992	1,991	2,073	1,957	2,634
<b>Total expenditures</b>	<b>55,321</b>	<b>57,768</b>	<b>60,987</b>	<b>65,905</b>	<b>61,338</b>	<b>65,882</b>	<b>68,067</b>	<b>69,644</b>	<b>68,083</b>	<b>74,146</b>
<b>Other financing sources (uses)</b>										
Debt issued	6,845	6,510	8,700	9,861	13,585	5,460	7,290	4,365	17,785	15,400
Premium on debt issued	-	-	-	-	-	-	-	55	166	-
Discount on debt issued	-	-	-	-	-	-	-	-	-	(60)
Payment to refunding agent	-	-	-	-	(2,469)	-	-	-	(8,812)	-
Pay-off of unfunded retirement liability	-	-	-	-	-	-	-	-	-	(9,392)
Transfers in	6,051	5,808	6,346	6,814	7,176	8,111	7,761	7,931	7,841	7,910
Transfers out	(6,634)	(6,498)	(7,368)	(7,548)	(6,818)	(7,261)	(7,630)	(7,450)	(7,135)	(7,099)
Transfers from Component Unit	-	35	-	25	-	-	-	-	-	-
Transfers to Component Unit	(461)	(222)	(411)	(1,735)	-	-	-	-	-	-
Sale of capital assets	118	242	258	147	1,239	408	69	38	86	36
<b>Total other financing sources (uses)</b>	<b>5,919</b>	<b>5,875</b>	<b>7,525</b>	<b>7,564</b>	<b>12,713</b>	<b>6,718</b>	<b>7,490</b>	<b>4,939</b>	<b>9,931</b>	<b>6,795</b>
<b>Net change in fund balances</b>	<b>\$ 1,295</b>	<b>\$ 1,660</b>	<b>\$ 3,414</b>	<b>\$ (835)</b>	<b>\$ 8,166</b>	<b>\$ (2,275)</b>	<b>\$ (1,144)</b>	<b>\$ (3,306)</b>	<b>\$ 5,164</b>	<b>\$ 5,229</b>
Debt service as a percentage of noncapital expenditures	9.5%	9.7%	10.6%	19.6%	12.2%	10.3%	13.4%	10.4%	10.6%	12.2%

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>ALL PROPERTY</b>										
<b>Real property:</b>										
Assessed value	\$2,146,317	\$2,224,512	\$2,309,955	\$2,841,850	\$2,913,967	\$2,997,305	\$3,480,302	\$3,589,140	\$3,663,397	\$4,132,625
Estimated actual value (1)	2,187,062	2,361,217	2,574,728	2,750,365	2,966,933	3,192,523	3,405,414	3,614,093	3,812,428	3,960,377
<b>Personal property:</b>										
Assessed value	\$131,294	\$110,929	\$119,618	\$139,844	\$134,989	\$131,225	\$135,230	\$129,985	\$132,425	\$150,560
Estimated actual value	133,993	119,040	133,993	138,930	138,430	138,038	140,683	126,950	139,214	149,802
<b>Total:</b>										
Assessed value	\$2,277,611	\$2,335,442	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185
Estimated actual value	2,321,055	2,480,574	2,706,974	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179
Ratio of total assessed to total estimated actual value	98.13%	94.15%	89.75%	103.20%	98.18%	93.93%	101.95%	99.41%	96.06%	104.21%
<b>Direct tax rate:</b>										
Eau Claire County	\$7.53	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.22	\$6.80
Chippewa County	\$7.53	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.12	\$6.86



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties. Tax incremental districts have been included. Tax rates are per \$1,000 of assessed value.

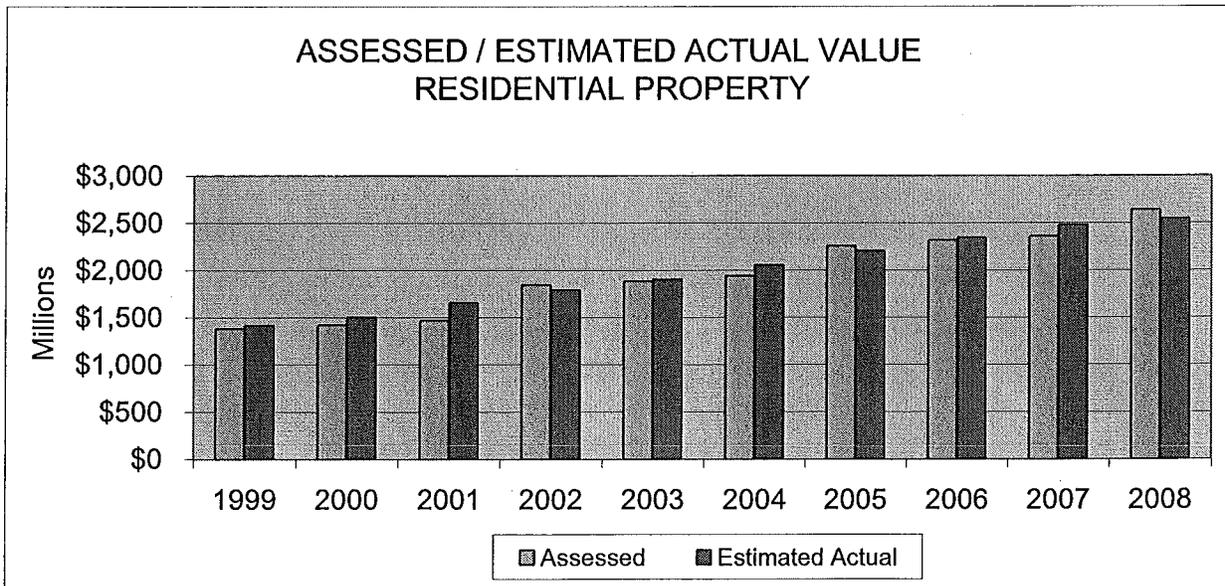
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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

**CITY OF EAU CLAIRE**

TABLE 6  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF RESIDENTIAL PROPERTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>RESIDENTIAL</b>										
<b>Real property:</b>										
Assessed value	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009
Estimated actual value	1,415,248	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296
<b>Personal property: (1)</b>										
Assessed value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated actual value	0	0	0	0	0	0	0	0	0	0
<b>Total residential:</b>										
Assessed value	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009
Estimated actual value	1,415,248	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296
<b>Total all classes:</b>										
Assessed value	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,695	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185
Estimated actual value	2,140,250	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179
<b>Residential property as a percentage of total:</b>										
Assessed value	62.56%	60.74%	60.45%	61.99%	61.81%	61.90%	62.33%	62.34%	62.17%	61.64%
Estimated actual value	66.13%	60.66%	61.23%	61.98%	61.25%	61.60%	62.19%	62.67%	62.71%	61.95%
Number of parcels	18,217	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766
Number of parcels with improvements	16,193	16,413	16,729	17,034	17,219	17,513	17,745	17,993	18,114	18,358



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

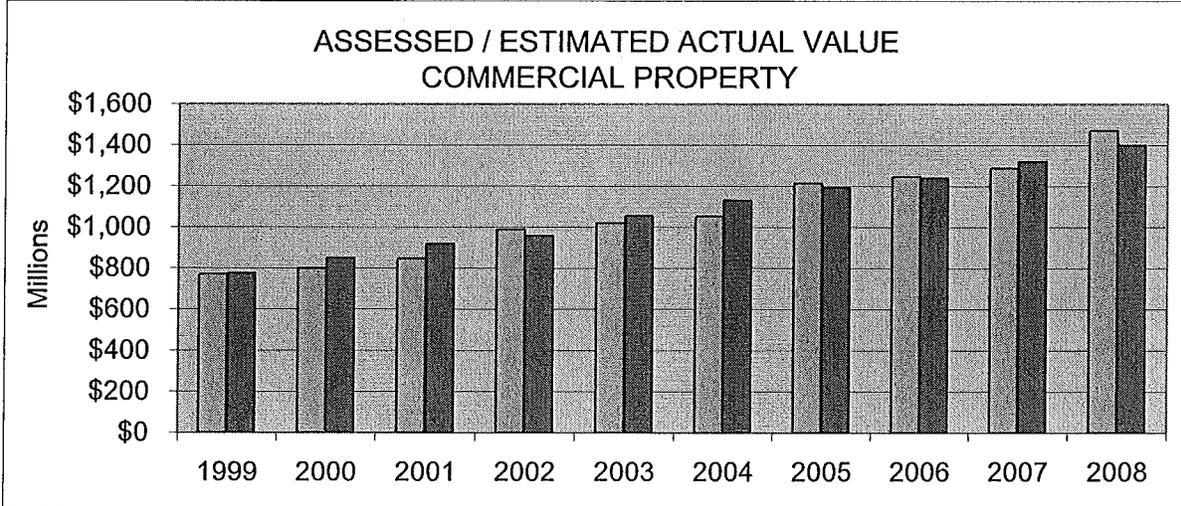
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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

**CITY OF EAU CLAIRE**

**TABLE 7  
ASSESSED AND ESTIMATED ACTUAL VALUE  
OF COMMERCIAL PROPERTY  
Last Ten Fiscal Years  
(Dollars in Thousands)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>COMMERCIAL</b>										
<b>Real property:</b>										
Assessed value	\$665,623	\$707,721	\$746,582	\$872,022	\$903,427	\$939,329	\$1,095,829	\$1,132,143	\$1,170,613	\$1,344,227
Estimated actual value	668,550	752,655	810,573	841,406	936,814	1,011,523	1,071,374	1,128,558	1,197,480	1,271,451
<b>Personal property:</b>										
Assessed value	\$104,514	\$90,341	\$99,819	\$117,363	\$115,716	\$113,637	\$117,645	\$113,661	\$116,173	\$126,739
Estimated actual value	106,647	96,120	106,647	117,100	118,345	119,796	123,600	110,476	122,319	126,823
<b>Total commercial:</b>										
Assessed value	\$770,137	\$798,062	\$846,401	\$989,385	\$1,019,143	\$1,052,966	\$1,213,474	\$1,245,804	\$1,286,786	\$1,470,966
Estimated actual value	775,197	848,775	917,220	958,506	1,055,159	1,131,319	1,194,974	1,239,034	1,319,799	1,398,274
<b>Total all classes:</b>										
Assessed value	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185
Estimated actual value	2,140,250	2,480,573	2,706,974	2,889,294	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179
<b>Commercial property as a percentage of total:</b>										
Assessed value	34.92%	34.18%	34.84%	33.18%	33.43%	33.66%	33.56%	33.50%	33.90%	34.34%
Estimated actual value	36.22%	34.22%	33.88%	33.17%	33.98%	33.97%	33.70%	33.12%	33.40%	34.02%
<b>Number of parcels</b>										
Number of parcels	2,559	2,601	2,635	2,634	2,669	2,692	2,719	2,739	2,755	3,253
Number of parcels with improvements	1,552	1,592	1,642	1,652	1,683	1,721	1,737	1,751	1,786	1,847



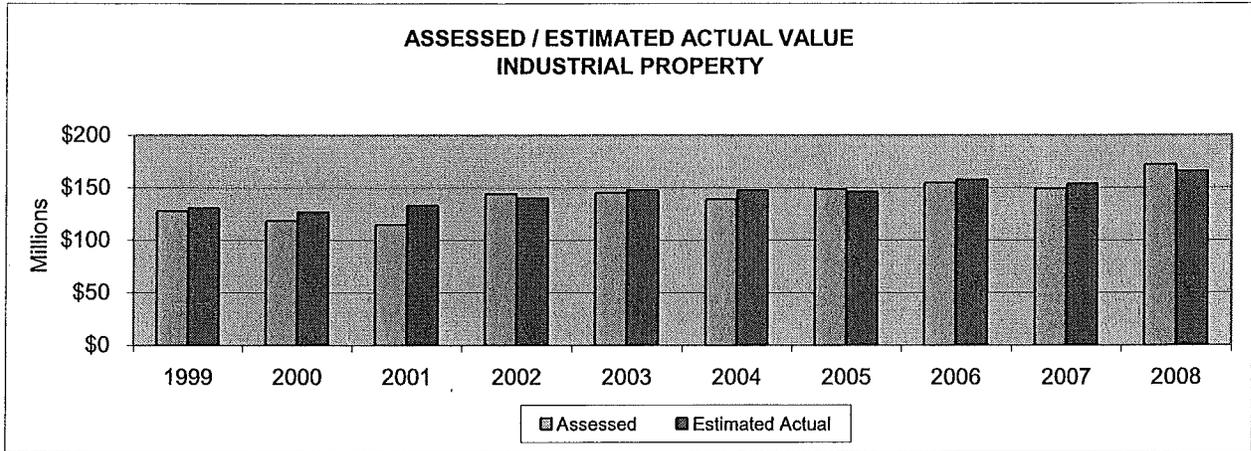
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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 8  
 ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF INDUSTRIAL PROPERTY  
 Last Ten Fiscal Years  
 (Dollars in Thousands)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>INDUSTRIAL</b>										
<b>Real property:</b>										
Assessed value	\$100,928	\$98,016	\$94,681	\$121,417	\$125,809	\$121,311	\$130,984	\$138,617	\$132,852	\$148,389
Estimated actual value	103,264	103,868	105,668	118,173	127,937	129,389	128,756	141,086	136,850	142,630
<b>Personal property:</b>										
Assessed value	\$26,780	\$20,588	\$19,799	\$22,481	\$19,272	\$17,588	\$17,585	\$16,324	\$16,252	\$23,821
Estimated actual value	27,346	22,920	27,346	21,830	20,085	18,242	17,263	16,474	16,894	22,979
<b>Total industrial:</b>										
Assessed value	\$127,708	\$118,604	\$114,480	\$143,898	\$145,081	\$138,899	\$148,569	\$154,941	\$149,104	\$172,210
Estimated actual value	130,610	126,788	133,014	140,003	148,022	147,631	146,019	157,560	153,744	165,609
<b>Total all classes:</b>										
Assessed value	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185
Estimated actual value	2,140,250	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179
<b>Industrial property as a percentage of total:</b>										
Assessed value	5.79%	5.08%	4.71%	4.83%	4.76%	4.44%	4.11%	4.17%	3.93%	4.02%
Estimated actual value	6.10%	5.11%	4.91%	4.85%	4.77%	4.43%	4.12%	4.21%	3.89%	4.03%
Number of parcels	99	100	107	107	103	96	95	97	93	95
Number of parcels with improvements	84	84	92	92	92	89	88	89	85	84



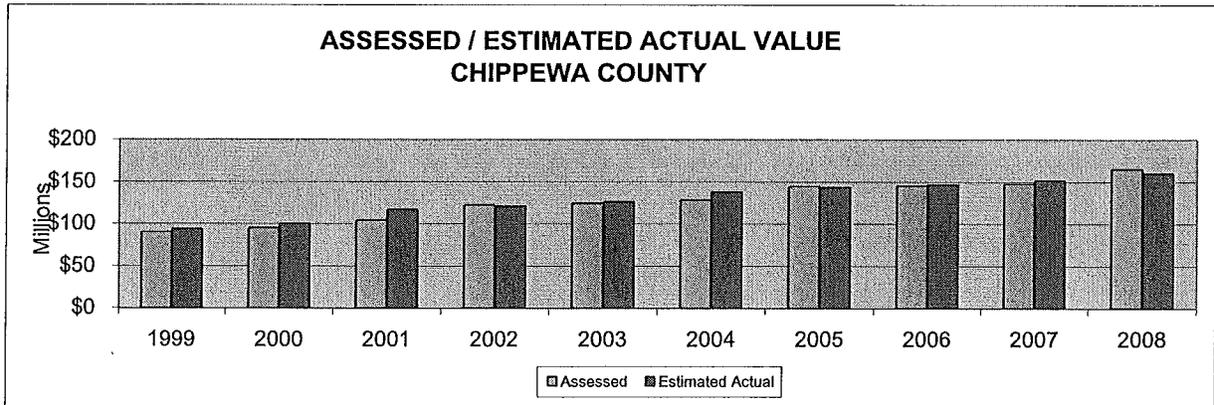
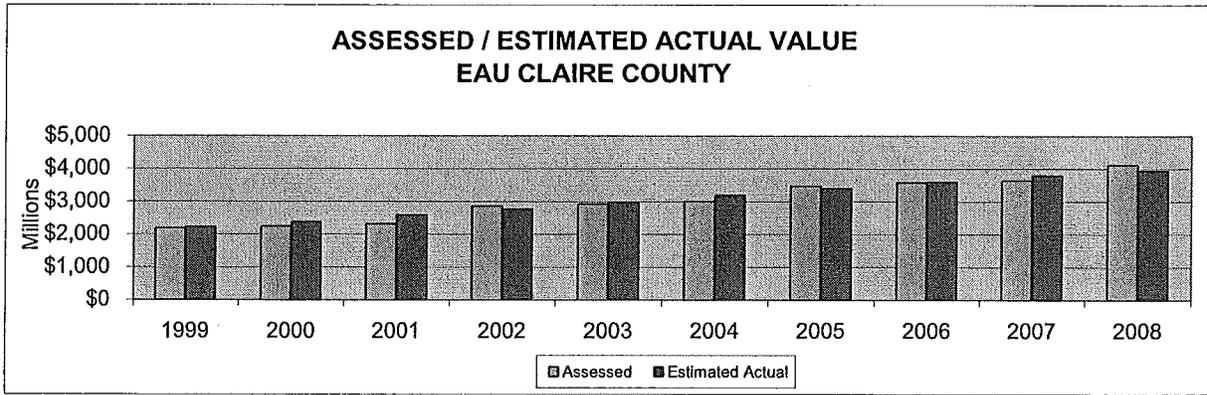
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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

**CITY OF EAU CLAIRE**

**TABLE 9  
ASSESSSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY BY COUNTY  
Last Ten Fiscal Years  
(Dollars in Thousands)**

PORTION OF CITY IN:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>EAU CLAIRE COUNTY</b>										
Assessed value	\$2,187,453	\$2,240,430	\$2,325,108	\$2,859,598	\$2,924,407	\$3,000,387	\$3,471,029	\$3,573,733	\$3,648,184	\$4,118,082
Estimated actual value	2,227,487	2,380,504	2,590,133	2,768,468	2,978,826	3,192,926	3,402,896	3,594,685	3,799,993	3,950,363
Ratio of assessment	98.20%	94.12%	89.77%	103.29%	98.17%	93.97%	102.00%	99.42%	96.01%	104.25%
<b>CHIPPEWA COUNTY</b>										
Assessed value	\$90,157	\$95,012	\$104,200	\$122,097	\$124,549	\$128,143	\$144,504	\$145,392	\$147,637	\$165,102
Estimated actual value	93,568	100,069	116,841	120,827	126,537	137,635	143,381	146,358	151,649	159,815
Ratio of assessment	96.35%	94.95%	89.18%	101.05%	98.43%	93.10%	100.78%	99.34%	97.35%	103.31%



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

**CITY OF EAU CLAIRE**

**TABLE 10  
EQUALIZED VALUE OF  
TAX INCREMENT DISTRICTS  
Last Ten Fiscal Years  
(Dollars in Thousands)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>TID #4 equalized valuation:</b>										
Base	\$256	\$256	\$256	\$256	\$256	\$0	\$0	\$0	\$0	\$0
Increment	59,058	60,240	62,127	69,529	74,346	0	0	0	0	0
<b>Total TID #4</b>	<b>\$59,314</b>	<b>\$60,496</b>	<b>\$62,383</b>	<b>\$69,785</b>	<b>\$74,602</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TID #5 equalized valuation:</b>										
Base	\$130	\$130	\$130	\$130	\$130	\$130	\$1,000	\$1,000	\$1,000	\$1,000
Increment	1,190	1,425	2,821	15,589	21,755	21,395	22,058	20,703	21,661	21,074
<b>Total TID #5</b>	<b>\$1,320</b>	<b>\$1,555</b>	<b>\$2,951</b>	<b>\$15,719</b>	<b>\$21,885</b>	<b>\$21,525</b>	<b>\$23,058</b>	<b>\$21,703</b>	<b>\$22,661</b>	<b>\$22,074</b>
<b>TID #6 equalized valuation:</b>										
Base	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Increment	2,221	2,308	2,871	5,301	6,932	8,503	9,072	9,254	9,907	10,663
<b>Total TID #6</b>	<b>\$3,207</b>	<b>\$3,294</b>	<b>\$3,857</b>	<b>\$6,287</b>	<b>\$7,918</b>	<b>\$9,489</b>	<b>\$10,058</b>	<b>\$10,240</b>	<b>\$10,893</b>	<b>\$11,649</b>
<b>TID #7 equalized valuation:</b>										
Base	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$329	\$329	\$329
Increment	0	875	3,174	3,333	3,508	3,634	3,713	3,894	5,675	5,859
<b>Total TID #7</b>	<b>\$115</b>	<b>\$990</b>	<b>\$3,289</b>	<b>\$3,448</b>	<b>\$3,623</b>	<b>\$3,749</b>	<b>\$3,828</b>	<b>\$4,223</b>	<b>\$6,004</b>	<b>\$6,188</b>
<b>TID #8 equalized valuation:</b>										
Base	\$0	\$0	\$0	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441
Increment	0	0	0	0	0	236	3,683	12,661	16,288	16,805
<b>Total TID #8</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,441</b>	<b>\$10,441</b>	<b>\$10,677</b>	<b>\$14,124</b>	<b>\$23,102</b>	<b>\$26,729</b>	<b>\$27,246</b>
<b>ALL PROPERTY</b>										
All property - w/o TIDs	\$2,257,099	\$2,414,238	\$2,634,494	\$2,783,614	\$2,986,894	\$3,285,121	\$3,495,209	\$3,681,775	\$3,885,355	\$4,043,022
Base valuation - TIDs	1,487	1,487	1,487	11,928	11,928	11,672	12,542	12,756	12,756	12,756
All property - w/o TID increment	2,258,586	2,415,725	2,635,981	2,795,542	2,998,822	3,296,793	3,507,751	3,694,531	3,898,111	4,055,778
Increment valuation - TIDs	62,469	64,848	70,993	93,752	106,541	33,768	38,526	46,512	53,530	54,401
<b>Equalized valuation - all property</b>	<b>\$2,321,055</b>	<b>\$2,480,573</b>	<b>\$2,706,974</b>	<b>\$2,889,294</b>	<b>\$3,105,363</b>	<b>\$3,330,561</b>	<b>\$3,546,277</b>	<b>\$3,741,043</b>	<b>\$3,951,641</b>	<b>\$4,110,179</b>

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

NOTE: The base equalized value for TIF #5 was redetermined by the Department of Revenue for 2005.

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

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767
Library	0.995	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.725	0.652
Health	0.540	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380
Eau Claire School Dist.	11.588	12.760	13.376	11.111	11.311	10.694	11.391	9.954	9.624	8.774
Vocational District	1.754	1.858	1.950	1.762	1.838	1.817	1.593	1.620	1.634	1.511
Eau Claire County	3.517	2.977	3.268	3.095	3.154	3.298	3.078	3.095	3.159	3.338
State Forestry	0.204	0.212	0.223	0.194	0.204	0.213	0.196	0.189	0.183	0.163
Gross Tax Rate	24.592	25.617	26.985	23.534	24.280	23.764	23.328	22.006	21.816	20.585
Less State Credit	1.833	1.805	1.853	1.600	1.616	1.577	1.323	1.325	1.627	1.615
Net Tax Rate	\$ 22.759	\$ 23.812	\$ 25.132	\$ 21.934	\$ 22.664	\$ 22.187	\$ 22.005	\$ 20.681	\$ 20.189	\$ 18.970
City Property Located in Eau Claire County (Altoona School District)										
City	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767
Library	0.812	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.725	0.652
Health	0.531	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380
Altoona School Dist.	10.203	11.782	11.598	10.184	11.190	11.650	9.791	9.718	10.034	10.025
Vocational District	1.685	1.754	1.858	1.762	1.838	1.817	1.593	1.620	1.634	1.511
Eau Claire County	4.400	3.517	2.977	3.095	3.154	3.298	3.078	3.095	3.159	3.338
State Forestry	0.194	0.204	0.212	0.194	0.204	0.213	0.196	0.189	0.183	0.163
Gross Tax Rate	23.401	24.786	24.455	22.607	24.159	24.720	21.728	21.770	22.226	21.836
Less State Credit	1.921	1.833	1.805	1.600	1.616	1.577	1.323	1.325	1.627	1.615
Net Tax Rate	\$ 21.480	\$ 22.953	\$ 22.650	\$ 21.007	\$ 22.543	\$ 23.143	\$ 20.405	\$ 20.445	\$ 20.599	\$ 20.221

Source: City of Eau Claire Annual Program of Services

(Continued)

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819
Library	0.995	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.714	0.658
Health	0.540	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384
Eau Claire School Dist.	11.811	12.648	13.466	11.258	11.282	10.793	11.528	9.961	9.491	8.870
Vocational District	1.787	1.841	1.963	1.801	1.833	1.834	1.612	1.621	1.611	1.524
Chippewa County	3.816	3.773	4.197	3.673	3.652	3.840	3.438	3.408	3.270	3.080
State Forestry	0.208	0.211	0.224	0.198	0.203	0.215	0.198	0.189	0.181	0.164
Gross Tax Rate	25.151	26.283	28.018	24.302	24.743	24.424	23.846	22.327	21.668	20.499
Less State Credit	1.957	1.825	1.759	1.606	1.631	1.578	1.318	1.313	1.583	1.547
Net Tax Rate	<u>\$ 23.194</u>	<u>\$ 24.458</u>	<u>\$ 26.259</u>	<u>\$ 22.696</u>	<u>\$ 23.112</u>	<u>\$ 22.846</u>	<u>\$ 22.528</u>	<u>\$ 21.014</u>	<u>\$ 20.085</u>	<u>\$ 18.952</u>

City Property Located in  
Chippewa County (Chippewa Falls Area School District)

City	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819
Library	0.812	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.714	0.658
Health	0.531	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384
Chippewa Falls School Dist.	10.132	9.994	10.430	9.849	9.445	9.693	8.463	8.240	8.085	6.914
Vocational District	1.709	1.787	1.841	1.801	1.833	1.834	1.612	1.621	1.611	1.524
Chippewa County	3.808	3.816	3.773	3.673	3.652	3.840	3.438	3.408	3.270	3.080
State Forestry	0.197	0.208	0.211	0.198	0.203	0.215	0.198	0.189	0.181	0.164
Gross Tax Rate	22.765	23.334	24.065	22.893	22.906	23.324	20.781	20.606	20.262	18.543
Less State Credit	2.075	1.957	1.825	1.606	1.631	1.578	1.318	1.313	1.583	1.547
Net Tax Rate	<u>\$ 20.690</u>	<u>\$ 21.377</u>	<u>\$ 22.240</u>	<u>\$ 21.287</u>	<u>\$ 21.275</u>	<u>\$ 21.746</u>	<u>\$ 19.463</u>	<u>\$ 19.293</u>	<u>\$ 18.679</u>	<u>\$ 16.996</u>

Source: City of Eau Claire Annual Program of Services

## CITY OF EAU CLAIRE

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

Taxpayer	2008 Equalized Value	2008 Rank	2008 Percentage of Total Equalized Value	1999 Equalized Value	1999 Rank	1999 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 71,533	1	1.68%	\$ 39,054	1	1.57%
Keystone Corporation	37,628	2	0.88%	26,124	4	1.05%
Hutchinson Technology, Inc.	33,581	3	0.79%	32,118	2	1.29%
Marshfield Clinic	32,200	4	0.76%	12,417	9	0.50%
Nestle Foods	26,120	5	0.61%	15,655	5	0.63%
Luther Hospital	25,421	6	0.60%	-		
Royal Credit Union	22,781	7	0.54%	-		
Midelfort Clinic	21,159	8	0.50%	30,854	3	1.24%
Menard Inc.	19,458	9	0.46%	-		
Phillips Properties (1)	17,162	10	0.40%	12,527	8	0.51%
Sam's Club - Walmart	-			15,264	6	0.62%
Dayton Hudson Corporation	-			12,658	7	0.51%
Plainwell, Inc	-			10,918	10	0.44%
Principal Taxpayers total	<u>\$ 307,043</u>			<u>\$ 207,589</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,254,935</u>			<u>\$ 2,480,574</u>		

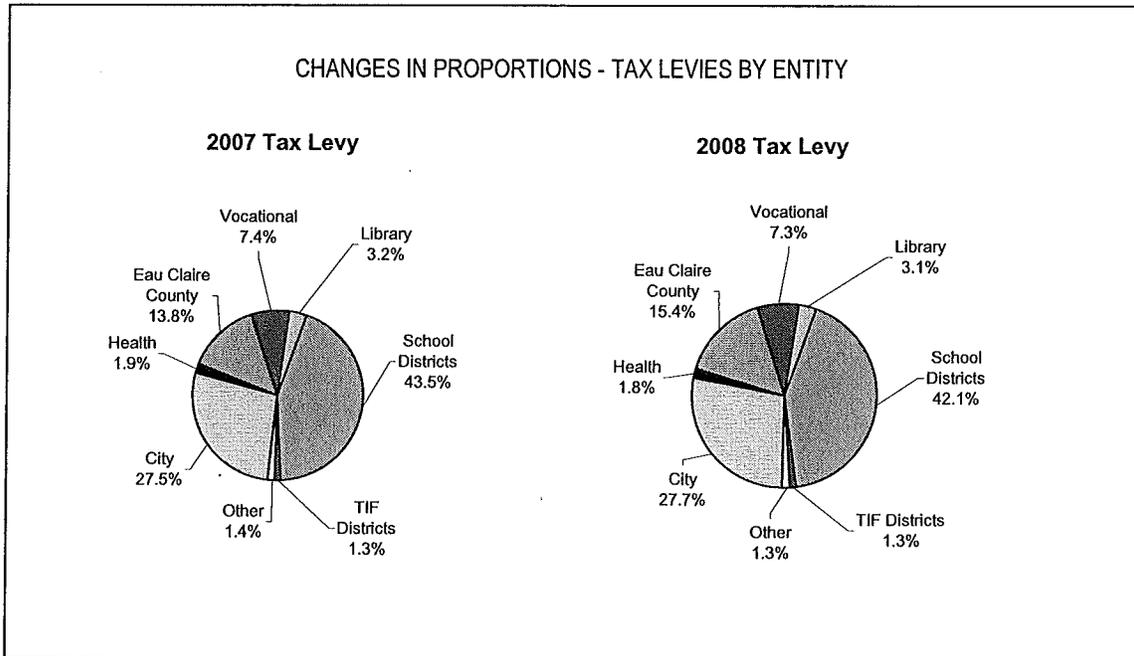
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties as of January 1 of the fiscal year listed.

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

**CITY OF EAU CLAIRE**

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City	\$13,284	\$14,296	\$15,750	\$17,512	\$18,915	\$19,887	\$21,081	\$22,058	\$22,734	\$24,380
TIF Districts	1,492	1,548	1,703	2,259	2,518	749	905	1,008	1,110	1,151
Library	2,206	2,247	2,305	2,464	2,592	2,637	2,694	2,658	2,712	2,758
Health	1,196	1,219	1,268	1,291	1,379	1,453	1,508	1,537	1,557	1,609
Eau Claire School District	25,595	28,857	31,391	31,828	33,130	32,959	40,550	36,385	35,847	36,934
Chippewa Falls School District	30	31	111	115	34	34	32	31	31	30
Altoona School District	74	105	117	113	129	145	139	137	140	142
Vocational District	3,890	4,223	4,615	5,088	5,410	5,629	5,699	5,951	6,113	6,387
Eau Claire County	7,486	6,495	7,401	8,569	8,917	9,818	10,595	10,947	11,395	13,596
Chippewa County	336	350	427	429	430	462	462	464	451	474
State Forestry- Eau Claire County	445	476	518	554	596	638	681	674	667	670
State Forestry- Chippewa County	19	20	23	24	25	28	29	27	27	27
<b>Total tax levy</b>	<b>\$56,053</b>	<b>\$59,867</b>	<b>\$65,629</b>	<b>\$70,246</b>	<b>\$74,075</b>	<b>\$74,439</b>	<b>\$84,375</b>	<b>\$81,877</b>	<b>\$82,784</b>	<b>\$88,158</b>
<b>City percent of total levy</b>	<b>23.70%</b>	<b>23.88%</b>	<b>24.00%</b>	<b>24.93%</b>	<b>25.53%</b>	<b>26.72%</b>	<b>24.98%</b>	<b>26.94%</b>	<b>27.46%</b>	<b>27.65%</b>



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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total tax levy	\$13,284	\$14,296	\$15,750	\$17,512	\$18,915	\$19,888	\$21,081	\$22,058	\$22,734	\$24,380
Current tax collections	13,180	14,206	15,579	17,329	19,186	19,565	20,781	21,917	22,623	24,314
Collection of delinquent personal property taxes from prior years	102	102	141	153	228	331	286	162	102	68
Total tax collections (1)	<u>\$13,282</u>	<u>\$14,308</u>	<u>\$15,720</u>	<u>\$17,482</u>	<u>\$19,414</u>	<u>\$19,896</u>	<u>\$21,067</u>	<u>\$22,079</u>	<u>\$22,725</u>	<u>\$24,382</u>
Percent of current collections to tax levy	99.2%	99.4%	98.9%	99.0%	101.4%	98.4%	98.6%	99.4%	99.5%	99.7%
Percent of total tax collections to tax levy	100.0%	100.1%	99.8%	99.8%	102.6%	100.0%	99.9%	100.1%	100.0%	100.0%
Total delinquent taxes outstanding	\$43	\$57	\$61	\$95	\$114	\$83	\$101	\$113	\$133	\$144

(1) NOTE: Does not include mobile home fees or payment in lieu of taxes.

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total assessments levied each fiscal period: (1)										
General fund	\$563	\$457	\$365	\$130	\$137	\$157	\$75	\$89	\$100	\$109
Business Improvement Districts	74	74	74	74	75	91	92	141	151	152
Debt Service	1,017	1,160	1,289	1,525	1,566	1,663	1,657	1,516	1,547	1,709
Water Utility	87	86	101	142	193	191	105	90	99	90
Sewer Utility	95	104	120	183	242	238	122	104	105	91
Delinquent utility bills	442	420	450	587	526	581	521	561	548	617
<b>Total assessments levied</b>	<b>\$2,278</b>	<b>\$2,301</b>	<b>\$2,399</b>	<b>\$2,641</b>	<b>\$2,739</b>	<b>\$2,921</b>	<b>\$2,572</b>	<b>\$2,501</b>	<b>\$2,550</b>	<b>\$2,768</b>
Current collections	\$2,278	\$2,301	\$2,399	\$2,641	\$2,739	\$2,921	\$2,572	\$2,501	\$2,550	\$2,768
Delinquent collections	0	0	0	0	0	0	0	0	0	0
<b>Total collections</b>	<b>\$2,278</b>	<b>\$2,301</b>	<b>\$2,399</b>	<b>\$2,641</b>	<b>\$2,739</b>	<b>\$2,921</b>	<b>\$2,572</b>	<b>\$2,501</b>	<b>\$2,550</b>	<b>\$2,768</b>
 Delinquent S/A outstanding	 \$56	 \$0								

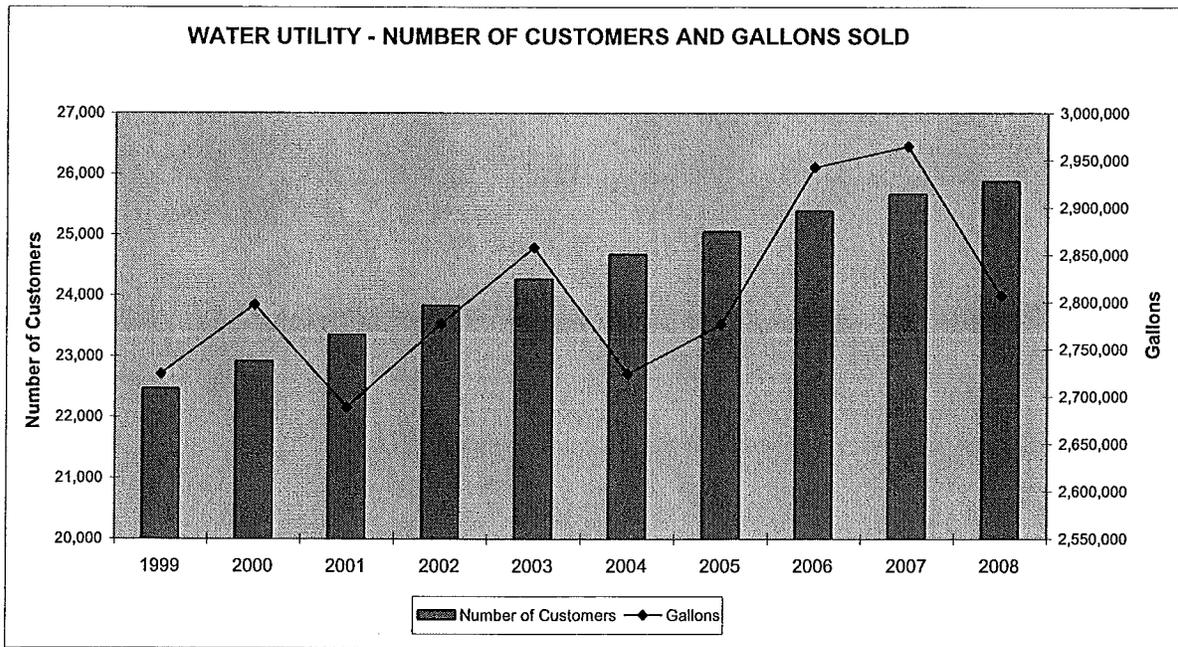
(1) NOTE: Includes current interest due on installment special assessments.

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

**CITY OF EAU CLAIRE**

**TABLE 16  
WATER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Number of customers</b>										
Residential	19,851	20,254	20,650	21,115	21,535	21,921	22,264	22,560	22,805	22,992
Commercial	2,342	2,373	2,407	2,424	2,436	2,453	2,484	2,519	2,551	2,574
Industrial	102	105	108	110	110	110	110	111	111	110
Public	173	181	184	187	189	191	194	199	202	208
<b>Total</b>	<b>22,468</b>	<b>22,913</b>	<b>23,349</b>	<b>23,836</b>	<b>24,270</b>	<b>24,675</b>	<b>25,052</b>	<b>25,389</b>	<b>25,669</b>	<b>25,884</b>
<b>Gallons (thousands)</b>										
Residential	1,148,110	1,198,843	1,204,880	1,149,851	1,342,086	1,213,839	1,257,567	1,371,987	1,385,600	1,244,970
Commercial	709,245	681,275	704,283	710,863	703,999	688,356	706,237	694,466	715,582	694,815
Industrial	655,984	700,216	572,885	693,336	581,087	594,416	555,940	616,834	606,778	612,579
Public	210,948	216,808	206,609	222,951	230,292	227,438	256,643	259,278	256,705	254,553
<b>Total</b>	<b>2,724,287</b>	<b>2,797,142</b>	<b>2,688,657</b>	<b>2,777,001</b>	<b>2,857,464</b>	<b>2,724,049</b>	<b>2,776,387</b>	<b>2,942,565</b>	<b>2,964,665</b>	<b>2,806,917</b>



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

**CITY OF EAU CLAIRE**

TABLE 17  
WATER UTILITY CUSTOMER RATES  
LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Metered Service</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 12.30	\$ 12.30	\$ 13.95	\$ 13.95	\$ 14.37	\$ 14.37	\$ 14.37	\$ 15.60	\$ 15.60	\$ 15.60
3/4 inch meter	12.30	12.30	13.95	13.95	14.37	14.37	14.37	15.60	15.60	15.60
1 inch meter	18.00	18.00	21.00	21.00	21.63	21.63	21.63	22.80	22.80	22.80
1 1/4 inch meter	24.00	24.00	27.00	27.00	27.81	27.81	27.81	30.00	30.00	30.00
1 1/2 inch meter	30.00	30.00	33.00	33.00	33.99	33.99	33.99	36.60	36.00	36.00
2 inch meter	52.00	52.00	54.00	54.00	55.62	55.62	55.62	55.80	55.80	55.80
3 inch meter	90.00	90.00	96.00	96.00	98.88	98.88	98.88	99.00	99.00	99.00
4 inch meter	105.00	105.00	120.00	120.00	123.60	123.60	123.60	129.00	129.00	129.00
6 inch meter	189.00	189.00	207.00	207.00	213.21	213.21	213.21	225.00	225.00	225.00
8 inch meter	300.00	300.00	309.00	309.00	318.27	318.27	318.27	339.00	339.00	339.00
10 inch meter	450.00	450.00	450.00	450.00	463.50	463.50	463.50	489.00	489.00	489.00
12 inch meter	576.00	576.00	582.00	582.00	599.46	599.46	599.46	639.00	639.00	639.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 0.97	\$ 0.97	\$ 1.17	\$ 1.17	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.31	\$ 1.31	\$ 1.31
Next 742,500 cubic feet	0.86	0.86	1.01	1.01	1.04	1.04	1.04	1.13	1.13	1.13
Over 750,000 cubic feet	0.53	0.53	0.67	0.67	0.69	0.69	0.69	0.79	0.79	0.79
<b>Public Fire Protection</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 8.20	\$ 8.20	\$ 9.18	\$ 9.18	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46
3/4 inch meter	8.20	8.20	9.18	9.18	9.46	9.46	9.46	9.46	9.46	9.46
1 inch meter	20.50	20.50	22.80	22.80	23.48	23.48	23.48	23.48	23.48	23.48
1 1/4 inch meter	30.75	30.75	33.90	33.90	34.92	34.92	34.92	34.92	34.92	34.92
1 1/2 inch meter	41.00	41.00	45.90	45.90	47.28	47.28	47.28	47.28	47.28	47.28
2 inch meter	66.00	66.00	73.50	73.50	75.71	75.71	75.71	75.71	75.71	75.71
3 inch meter	123.00	123.00	138.00	138.00	142.14	142.14	142.14	142.14	142.14	142.14
4 inch meter	205.00	205.00	228.00	228.00	234.84	234.84	234.84	234.84	234.84	234.84
6 inch meter	408.00	408.00	459.00	459.00	472.77	472.77	472.77	472.77	472.77	472.77
8 inch meter	653.00	653.00	732.00	732.00	753.96	753.96	753.96	753.96	753.96	753.96
10 inch meter	980.00	980.00	1,101.00	1,101.00	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03
12 inch meter	1,306.00	1,306.00	1,467.00	1,467.00	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01

Source: Customer Services - City of Eau Claire

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

## CITY OF EAU CLAIRE

TABLE 18  
WATER UTILITY - TEN LARGEST CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO

2008			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	229,172,988	\$ 279,077	8.2%
Nestles Food Company	160,457,220	213,128	5.7%
Cascade Tissue	134,378,200	167,308	4.8%
University of Wisconsin-Eau Claire	70,588,760	120,635	2.5%
Sacred Heart Hospital	43,131,924	60,632	1.5%
American Phoenix	39,750,964	52,753	1.4%
Eau Claire School District	36,847,976	67,959	1.3%
Luther Midelfort-Mayo Health	27,795,680	49,993	1.0%
Huebsch Laundry Co.	12,941,896	20,001	0.5%
Silver Springs Gardens	9,501,096	14,803	0.3%
Subtotal (ten largest)	764,566,704	1,046,289	27.2%
All other customers	2,042,350,296	5,119,149	72.8%
Grand Totals	2,806,917,000	\$ 6,165,438	100.0%

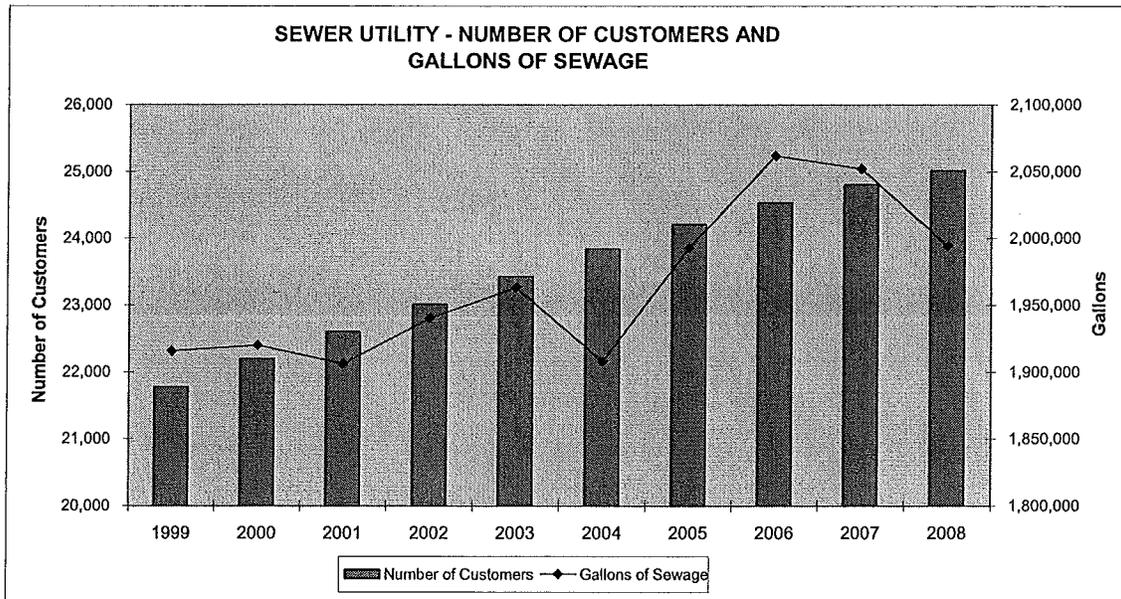
1999			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Plainwell Tissue/Cascade Tissue	185,161,416	\$ 172,544	6.8%
Nestles Food Company	183,732,736	170,634	6.7%
American Phoenix	122,437,876	104,494	4.5%
University of Wisconsin-Eau Claire	85,968,388	120,238	3.2%
Hutchinson Technology	75,978,100	79,946	2.8%
Luther Midelfort-Mayo Health	60,020,268	61,350	2.2%
Sacred Heart Hospital	35,179,936	32,706	1.3%
Eau Claire School District	32,662,916	50,086	1.2%
W.L. Gore	25,587,584	30,767	0.9%
Oakwood Mall	21,039,744	26,702	0.8%
Subtotal (ten largest)	827,768,964	849,467	30.4%
All other customers	1,896,518,036	3,827,007	69.6%
Grand Totals	2,724,287,000	\$ 4,676,474	100.0%

Source: Customer Services - City of Eau Claire

**CITY OF EAU CLAIRE**

**TABLE 19  
SEWER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Number of customers</b>										
Residential	19,316	19,697	20,078	20,479	20,891	21,279	21,616	21,911	22,157	22,345
Commercial	2,222	2,255	2,280	2,282	2,289	2,315	2,341	2,365	2,391	2,411
Industrial	89	91	93	93	92	92	93	94	95	94
Public	147	153	156	158	159	161	164	166	167	167
<b>Total</b>	<b>21,774</b>	<b>22,196</b>	<b>22,607</b>	<b>23,012</b>	<b>23,431</b>	<b>23,847</b>	<b>24,214</b>	<b>24,536</b>	<b>24,810</b>	<b>25,017</b>
<b>Gallons (thousands)</b>										
Residential	910,597	935,340	957,711	954,338	985,693	983,564	982,929	989,805	1,005,253	990,279
Commercial	634,185	617,395	628,365	620,180	642,469	590,527	613,281	609,161	602,989	600,342
Industrial	237,705	240,671	204,831	244,237	209,427	221,503	275,062	348,936	334,562	303,806
Public	133,152	126,492	115,112	121,267	125,447	112,455	121,395	113,783	109,208	99,735
<b>Total</b>	<b>1,915,639</b>	<b>1,919,898</b>	<b>1,906,019</b>	<b>1,940,022</b>	<b>1,963,036</b>	<b>1,908,049</b>	<b>1,992,667</b>	<b>2,061,685</b>	<b>2,052,012</b>	<b>1,994,162</b>



Sources: Customer Services - City of Eau Claire

**CITY OF EAU CLAIRE**

**TABLE 20  
SEWER UTILITY CUSTOMER RATES  
LAST TEN FISCAL YEARS**

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	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Metered Service</b>										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 17.28
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.16

Sources: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

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

<u>Customer</u>	2008		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	152,419,212	\$ 436,065	7.6%
Nestles Food Company	104,050,418	299,075	5.2%
University of Wisconsin-Eau Claire	55,619,036	159,867	2.8%
Sacred Heart Hospital	35,733,456	102,709	1.8%
Luther Midelfort-Mayo Health	27,110,512	77,924	1.4%
American Phoenix Inc	18,542,920	53,546	0.9%
Eau Claire School District	16,470,212	47,341	0.8%
Huebsch Laundry Co.	12,941,896	37,372	0.6%
Oakwood Village Mobile Home Park	12,865,400	36,988	0.6%
Silver Springs Gardens	7,177,060	20,724	0.4%
Subtotal (ten largest)	442,930,122	1,271,613	22.1%
All other customers	1,551,231,878	4,460,269	77.9%
Grand Totals	1,994,162,000	\$ 5,731,882	100.0%

<u>Customer</u>	1999		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	92,322,648	\$ 251,789	4.8%
Hutchinson Technology	74,105,108	202,105	3.9%
University of Wisconsin-Eau Claire	71,618,818	195,324	3.7%
Luther Midelfort-Mayo Health	44,841,852	122,296	2.3%
Eau Claire School District	23,402,676	63,825	1.2%
Sacred Heart Hospital	20,954,472	57,149	1.1%
Oakwood Mall	19,335,052	52,732	1.0%
Huebsch Laundry Co.	16,691,620	45,523	0.9%
W.L. Gore	15,751,384	42,958	0.8%
Oakwood Village Mobile Home Park	9,616,288	26,226	0.5%
Subtotal (ten largest)	388,639,918	1,059,927	20.2%
All other customers	1,526,999,082	4,239,072	79.8%
Grand Totals	1,915,639,000	\$ 5,298,999	100.0%

Source: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Promissory Notes	State Trust Fund Loans	General Obligation Bonds	State Trust Fund Loans	Revenue Bonds			
1999	38,600	-	166	-	-	14,250	53,016	3.58%	867
2000	42,535	-	142	-	-	13,480	56,157	3.56%	910
2001	39,365	-	118	8,865	-	14,345	62,693	3.88%	1,005
2002	37,600	2,000	95	9,750	-	12,655	62,100	3.71%	982
2003	45,670	-	71	10,990	320	12,740	69,791	4.05%	1,092
2004	47,465	-	227	12,140	320	11,685	71,837	4.01%	1,124
2005	48,955	-	146	13,415	297	10,595	73,408	4.06%	1,136
2006	49,565	-	111	13,635	266	9,460	73,037	3.87%	1,123
2007	54,475	-	76	15,155	232	10,285	80,223	4.10%	1,230
2008	64,855	-	39	15,445	198	9,015	89,552	4.42%	1,370

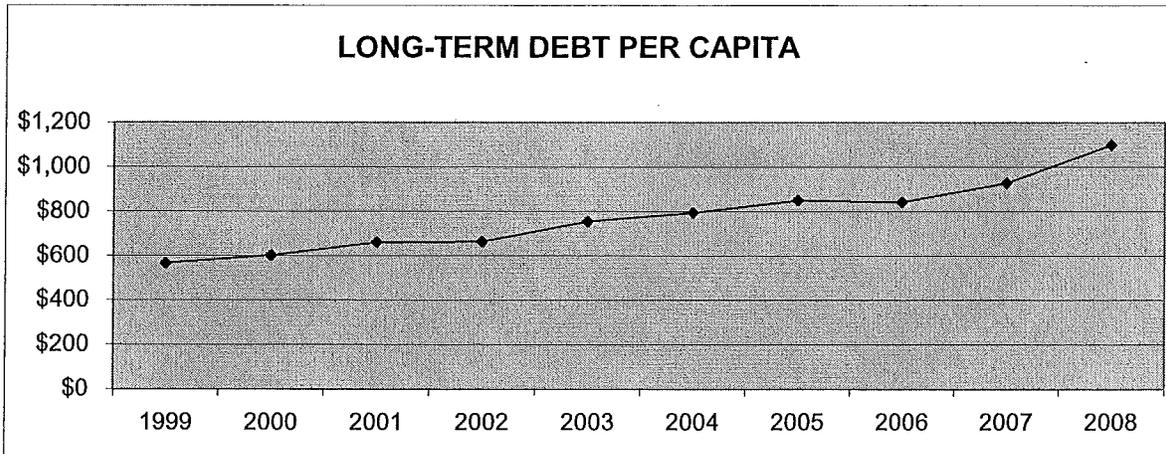
Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: Personal income data and population data can be found on Table 29.

**CITY OF EAU CLAIRE**

TABLE 23  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Population	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362
Equalized valuation	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935
General obligation bonds	38,600	42,535	48,230	47,350	56,660	59,605	62,370	63,200	69,630	80,300
Promissory Notes	-	-	-	2,000	-	-	-	-	-	-
State trust fund loans	<u>166</u>	<u>142</u>	<u>118</u>	<u>95</u>	<u>71</u>	<u>547</u>	<u>443</u>	<u>377</u>	<u>308</u>	<u>236</u>
Total long-term debt (1)	38,766	42,677	48,348	49,445	56,731	60,152	62,813	63,577	69,938	80,536
Resources on hand for payment of debt	<u>(4,232)</u>	<u>(5,571)</u>	<u>(7,208)</u>	<u>(7,590)</u>	<u>(8,560)</u>	<u>(9,566)</u>	<u>(8,039)</u>	<u>(8,862)</u>	<u>(9,504)</u>	<u>(8,735)</u>
Net long-term debt	<u>\$ 34,534</u>	<u>\$ 37,106</u>	<u>\$ 41,140</u>	<u>\$ 41,855</u>	<u>\$ 48,171</u>	<u>\$ 50,586</u>	<u>\$ 54,774</u>	<u>\$ 54,715</u>	<u>\$ 60,434</u>	<u>\$ 71,801</u>
Percent of net long-term debt to equalized value	1.39%	1.37%	1.42%	1.35%	1.45%	1.43%	1.46%	1.38%	1.47%	1.69%
Net long-term debt per capita (not in thousands)	\$565	\$601	\$660	\$662	\$754	\$792	\$847	\$841	\$927	\$1,099



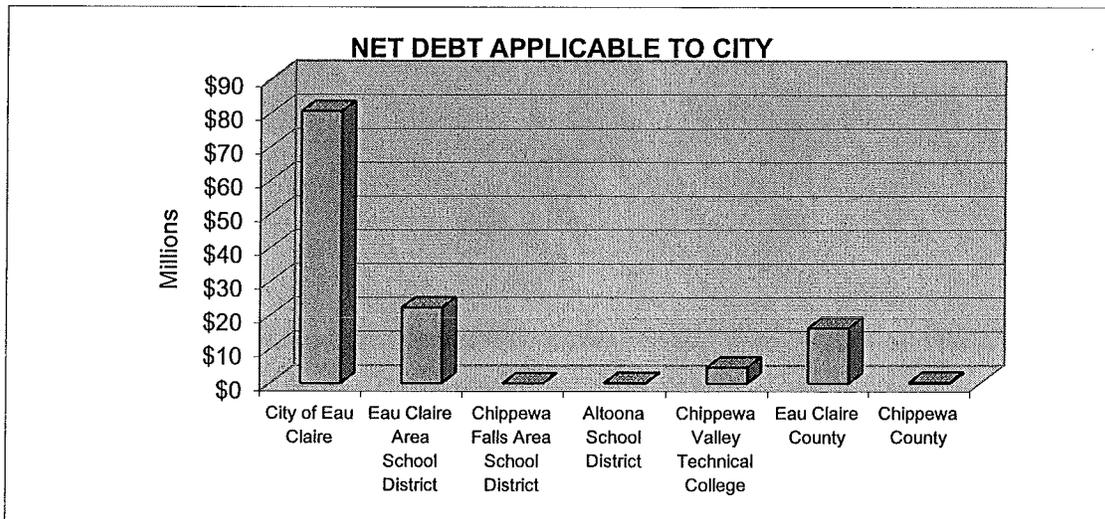
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

Sources: State of Wisconsin, Department of Administration, Demographic Services Center (population)  
City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

## CITY OF EAU CLAIRE

TABLE 24  
SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
December 31, 2008

Governmental Unit	<u>Total Debt</u>	<u>Estimated Percentage Applicable To City (1)</u>	<u>Net Debt Applicable To City</u>
<b>Direct debt:</b>			
City of Eau Claire	\$ 80,536,490	100.00%	\$ 80,536,490
<b>Indirect debt:</b>			
Eau Claire Area School District	30,080,746	74.60%	22,440,237
Chippewa Falls Area School District	850,000	0.18%	1,530
Altoona School District	6,942,403	2.64%	183,279
Chippewa Valley Technical College	24,025,000	19.83%	4,764,158
Eau Claire County	26,879,239	61.10%	16,423,215
Chippewa County	<u>10,791,829</u>	3.37%	<u>363,685</u>
<b>Total indirect debt</b>	<u>99,569,217</u>		<u>44,176,104</u>
<b>Total direct and indirect debt</b>	<u>\$ 180,105,707</u>		<u>\$ 124,712,594</u>
Indirect debt per capita			\$ 676
Indirect debt as a % of equalized value			1.04%
Total direct and indirect debt per capita			\$ 1,908
Total direct and indirect debt as a % of equalized value			2.93%



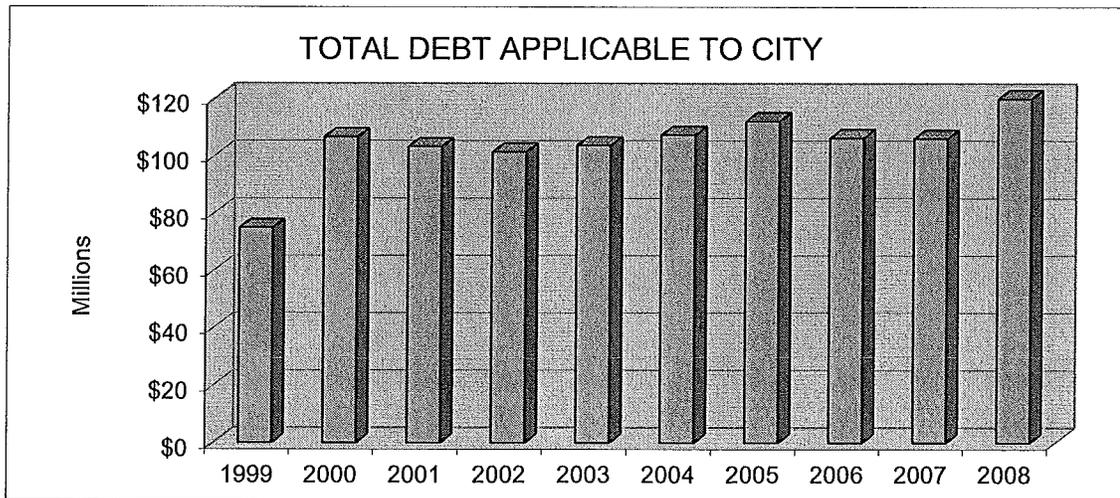
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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

**CITY OF EAU CLAIRE**

TABLE 25  
SCHEDULE OF DIRECT AND INDIRECT  
GENERAL OBLIGATION DEBT  
Last Ten Fiscal Years  
(Dollars in Thousands)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total debt applicable to City	\$74,929	\$106,623	\$103,233	\$101,371	\$103,629	\$107,321	\$112,127	\$106,253	\$106,074	\$124,713
Direct debt:										
General City	\$38,766	\$42,677	\$48,348	\$49,445	\$57,051	\$60,152	\$62,813	\$63,577	\$69,938	\$80,536
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	\$24,992	\$52,325	\$44,755	\$41,859	\$35,544	\$36,605	\$39,569	\$34,154	\$28,451	\$22,440
Percent	75.81%	75.98%	74.79%	74.93%	75.74%	75.01%	74.69%	74.77%	74.66%	74.60%
Chippewa Falls Area School District	\$48	\$165	\$132	\$31	\$23	\$15	\$10	\$6	\$3	\$2
Percent	0.25%	0.82%	0.76%	0.22%	0.22%	0.20%	0.19%	0.18%	18.00%	0.18%
Altoona School District	\$316	\$309	\$300	\$269	\$271	\$256	\$248	\$221	\$221	\$183
Percent	3.27%	3.34%	3.24%	3.02%	3.19%	3.10%	3.02%	2.93%	2.95%	2.64%
C.V. Technical College	\$3,732	\$3,977	\$3,959	\$4,438	\$5,834	\$5,939	\$5,901	\$5,606	\$5,208	\$4,764
Percent	22.04%	21.78%	20.85%	20.95%	21.07%	20.57%	20.48%	20.04%	19.94%	19.83%
Eau Claire County	\$6,637	\$6,550	\$5,177	\$4,752	\$4,355	\$3,848	\$3,083	\$2,242	\$1,837	\$16,425
Percent	62.05%	62.06%	60.78%	61.13%	61.64%	61.42%	61.27%	61.39%	61.16%	61.10%
Chippewa County	\$438	\$619	\$563	\$577	\$551	\$506	\$503	\$447	\$416	\$364
Percent	4.38%	4.49%	4.08%	4.03%	4.04%	3.90%	3.74%	3.54%	3.55%	3.37%



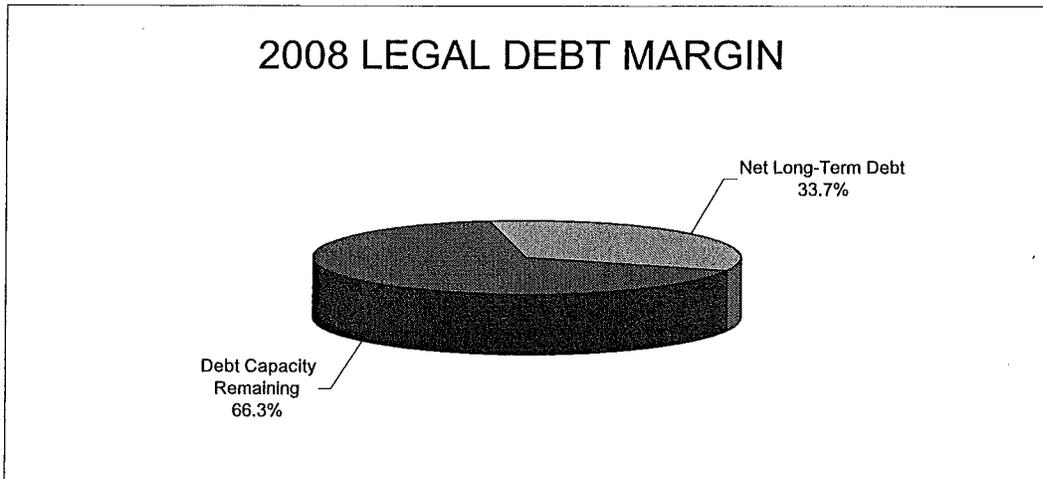
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

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

**CITY OF EAU CLAIRE**

TABLE 26  
COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
(Dollars in Thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Equalized valuation	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$116,053	\$135,349	\$144,465	\$155,268	\$166,528	\$177,314	\$187,052	\$197,582	\$205,509	\$212,747
Resources on hand for payment of debt	(\$4,232)	(\$5,571)	(\$7,208)	(\$7,590)	(\$8,560)	(\$9,566)	(\$8,039)	(\$8,862)	(\$9,504)	(\$8,735)
Net long-term debt	\$34,534	\$37,106	\$41,140	\$41,855	\$48,171	\$50,586	\$54,774	\$54,715	\$60,434	\$71,801
Legal debt margin	\$81,518	\$98,243	\$103,325	\$113,413	\$118,357	\$126,728	\$132,278	\$142,867	\$145,075	\$140,946
Legal debt margin as a percentage of the debt limit	70%	73%	72%	73%	71%	71%	71%	72%	71%	66%



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

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>WATER UTILITY</u></b>										
Operating revenue	\$5,911	\$6,105	\$6,460	\$6,519	\$6,986	\$6,846	\$7,150	\$7,600	\$8,100	\$7,822
Operating expense (1)	\$2,359	\$2,678	\$2,900	\$2,743	\$2,984	\$3,012	\$3,337	\$3,295	\$3,609	\$4,110
Income available for debt service	\$3,552	\$3,427	\$3,560	\$3,776	\$4,002	\$3,834	\$3,813	\$4,305	\$4,491	\$3,712
Debt service current year (2)	\$989	\$987	\$944	\$1,003	\$978	\$1,065	\$1,058	\$1,063	\$1,062	\$1,244
Coverage	3.59	3.47	3.77	3.76	4.09	3.60	3.60	4.05	4.23	2.98
Debt service for highest principal and interest year in retirement schedule	\$988	\$988	\$1,034	\$1,034	\$1,077	\$1,078	\$1,078	\$1,078	\$1,244	\$1,243
Coverage on highest year	3.60	3.47	3.44	3.65	3.72	3.56	3.54	3.99	3.61	2.99
<b><u>SEWER UTILITY</u></b>										
Operating revenue	\$5,869	\$5,906	\$5,721	\$5,814	\$6,025	\$5,833	\$6,156	\$6,295	\$6,291	\$6,514
Operating expense (1)	\$3,551	\$3,488	\$3,718	\$3,628	\$3,804	\$3,817	\$3,887	\$4,184	\$4,100	\$4,485
Income available for debt service	\$2,318	\$2,418	\$2,003	\$2,186	\$2,221	\$2,016	\$2,269	\$2,111	\$2,191	\$2,029
Debt service current year (2)	\$535	\$531	\$533	\$533	\$513	\$518	\$522	\$525	\$528	\$520
Coverage	4.33	4.55	3.76	4.10	4.33	3.89	4.35	4.02	4.15	3.90
Debt service for highest principal and interest year in retirement schedule	\$544	\$544	\$544	\$528	\$528	\$528	\$528	\$528	\$520	\$0
Coverage on highest year	4.26	4.44	3.68	4.14	4.21	3.82	4.30	4.00	4.21	N/A

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

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

Sources: City of Eau Claire Comprehensive Annual Financial Report  
 City of Eau Claire Schedule of Long Term Debt annual report

**CITY OF EAU CLAIRE**

TABLE 28  
 RATIO OF ANNUAL GENERAL FUND DEBT PAYMENTS  
 TO TOTAL GENERAL FUND EXPENDITURES AND  
 OTHER FINANCING USES  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

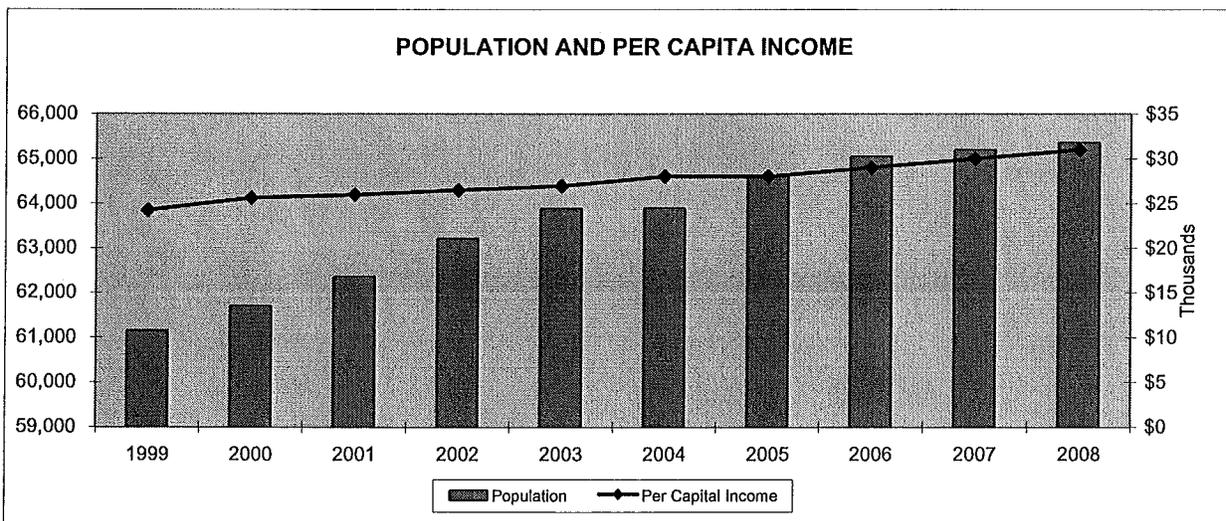
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Transfers to Debt Service fund	\$1,463	\$1,588	\$1,751	\$1,985	\$2,147	\$2,334	\$2,735	\$2,731	\$2,853	\$4,418
Total expenditures and other financing uses	\$35,478	\$38,381	\$39,538	\$40,592	\$41,359	\$42,666	\$44,721	\$45,839	\$47,775	\$48,966
Percent of debt transfers to expenditures and other financing uses	4.1%	4.1%	4.4%	4.9%	5.2%	5.5%	6.1%	6.0%	6.0%	9.0%

Source: City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Population	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362
Consumer price index (1)	166.6	172.2	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3
Per capita income (2)	\$24	\$26	\$26	\$26	\$27	\$28	\$28	\$29	\$30	\$31
Personal income	\$1,481,420	\$1,579,190	\$1,617,826	\$1,673,970	\$1,721,173	\$1,789,372	\$1,809,696	\$1,886,624	\$1,956,060	\$2,026,222
Area in square miles	32.23	32.59	32.33	33.00	33.29	33.32	33.59	33.85	33.87	33.77
Number of business properties	1,425	1,445	1,455	1,460	1,480	1,495	1,494	1,507	1,520	1,525
Acres devoted to business	3,080	3,110	3,135	3,139	3,180	3,190	3,192	3,209	3,271	3,281
Miles of street	346.0	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7



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

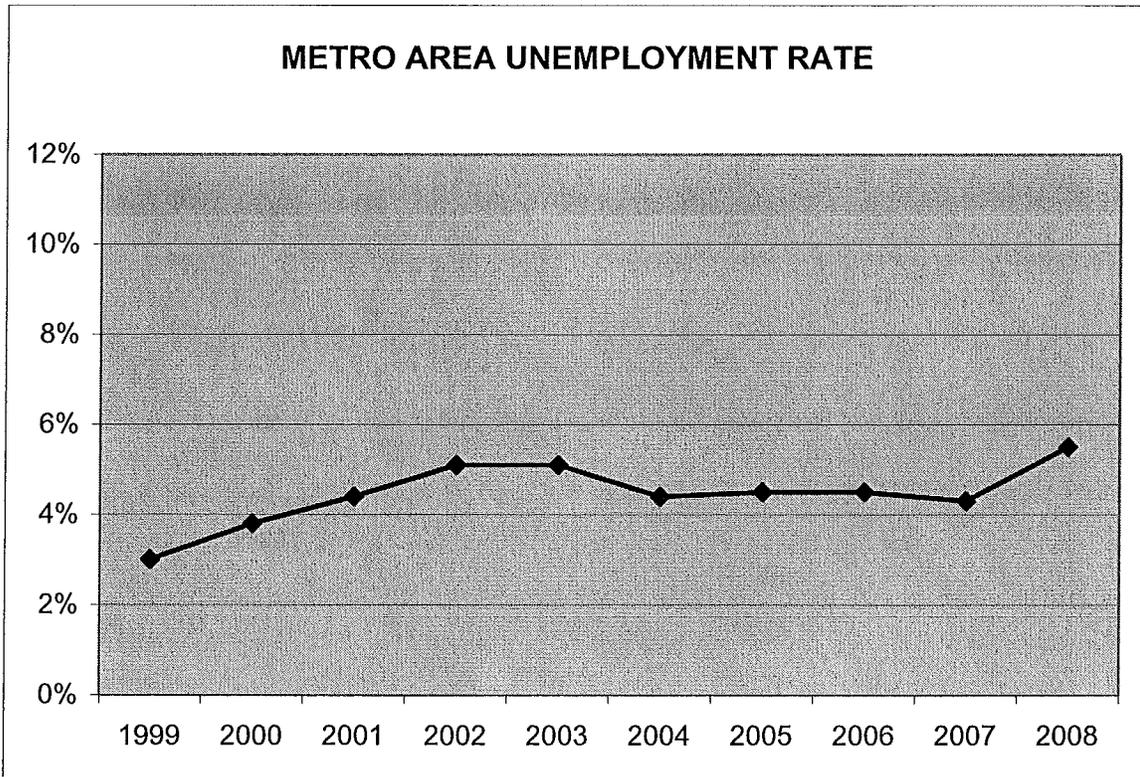
(2) Through 2007, U.S. Bureau of Economic Analysis; 2008 is estimated.

Sources: City of Eau Claire Department of Community Development  
City of Eau Claire Public Works Department

## CITY OF EAU CLAIRE

TABLE 29 (cont.)  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Number of residential parcels	18,217	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766
Vacancy rates (per cent):										
Residential	3.00	3.00	3.50	3.75	3.75	4.25	4.75	4.80	4.70	5.00
Commercial	7.00	7.00	8.80	8.00	7.75	9.60	5.60	5.50	4.75	9.00
Industrial	2.00	2.00	6.50	8.50	8.00	13.80	20.80	17.70	7.50	7.50
Unemployment rate E.C. Metro Area	3.0%	3.8%	4.4%	5.1%	5.1%	4.4%	4.5%	4.5%	4.3%	5.5%



Sources: Department of Community Development  
WI Dept. of Labor, Bureau of Workforce Information  
Statistical Report of Property Values - Eau Claire and Chippewa Counties

## CITY OF EAU CLAIRE

TABLE 30  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2008			1999		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Menard's Inc.	4,500	1	12%	2,000	3	6%
Luther Midelfort, Mayo Health System	3,145	2	9%	2,390	2	7%
Hutchinson Technology	1,766	3	5%	2,450	1	7%
Eau Claire Area School District	1,733	4	5%	1,348	4	4%
University of Wisconsin - Eau Claire	1,450	5	4%	1,182	5	3%
Sacred Heart Hospital	1,350	6	4%	960	6	
CVTC	1,303	7	4%	-		0%
United Health Group	1,191	8	3%	-		
Marshfield Clinic	744	9	2%	-		
City of Eau Claire	570	10	2%	505	10	1%
State of Wisconsin	-			620	7	2%
Eau Claire County	-			557	8	2%
Northern States Power	-			600	9	2%
<b>Total Principal Employers</b>	<b>17,752</b>		<b>50%</b>	<b>12,612</b>		<b>34%</b>
<b>TOTAL EMPLOYEES</b>	<b>36,702</b>			<b>33,997</b>		

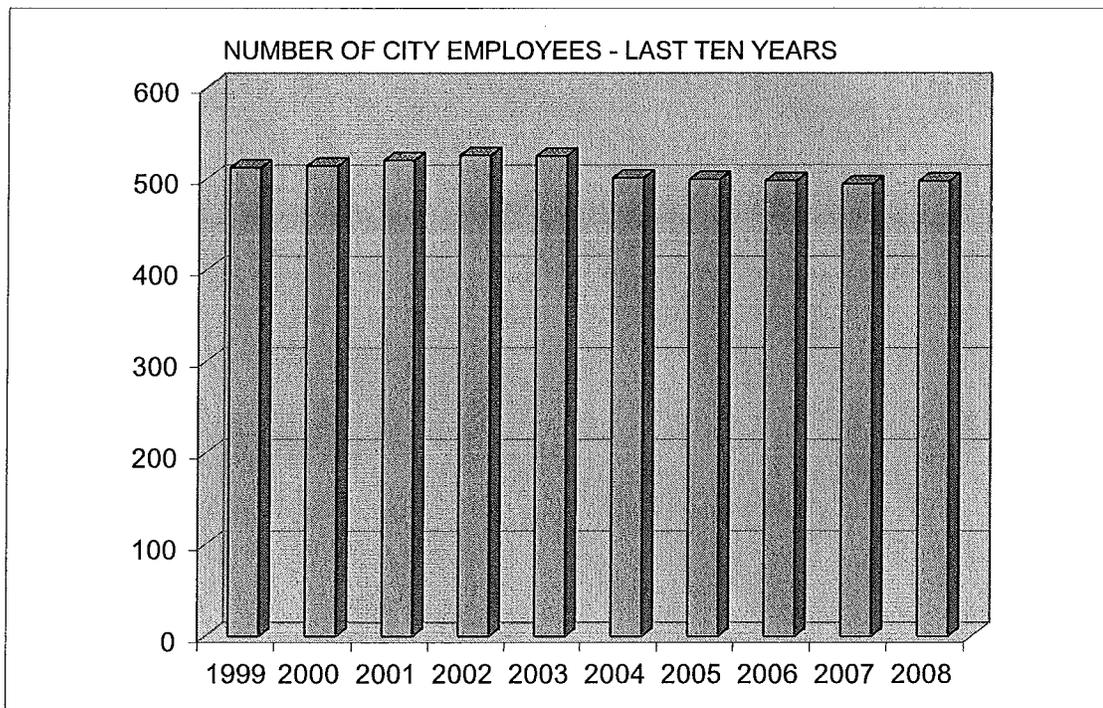
Sources : Greater Eau Claire Area Chamber of Commerce  
Wisconsin Department of Workforce Development, Office of Economic Advisors

Note : 2008 numbers are preliminary

## CITY OF EAU CLAIRE

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government	65.8	66.8	69.9	71.9	71.4	66.9	66.3	66.0	64.5	64.8
Public Works	72.0	73.5	73.0	74.0	71.0	64.0	62.0	62.0	61.0	61.0
Parks & Recreation	40.8	40.8	40.8	40.8	40.8	37.8	38.8	37.8	37.8	37.0
Public Safety	222.0	224.0	227.0	228.0	228.0	222.0	222.0	222.0	223.0	227.0
Enterprise Funds	101.3	100.8	101.3	102.8	105.8	102.0	101.8	101.7	100.0	99.5
Internal Service Funds	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>Total Employees</b>	<b>511.9</b>	<b>513.9</b>	<b>519.9</b>	<b>525.4</b>	<b>524.9</b>	<b>500.7</b>	<b>498.9</b>	<b>497.5</b>	<b>494.3</b>	<b>497.3</b>



NOTES: Public Library and City-County Health employees are not included.  
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).  
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City of Eau Claire Program of Services

**CITY OF EAU CLAIRE**

TABLE 32  
EMPLOYEE SUMMARY  
SCHEDULE OF COMPENSATED ABSENCES  
Last Ten Fiscal Years  
(Total Unused Time In Days)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Compensatory leave	666	736	630	543	456	541	688	561	411	501
Vacation leave	5,792	5,574	5,992	5,729	12,534	12,607	5,448	7,180	5,303	5,316
	6,458	6,310	6,622	6,272	12,990	13,148	6,136	7,741	5,714	5,817
Sick leave	37,261	37,241	36,917	37,227	36,240	38,024	35,764	43,214	33,295	34,094
Total compensatory, vacation, and sick leave	43,719	43,551	43,539	43,499	49,230	51,172	41,900	50,955	39,009	39,911

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 33  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

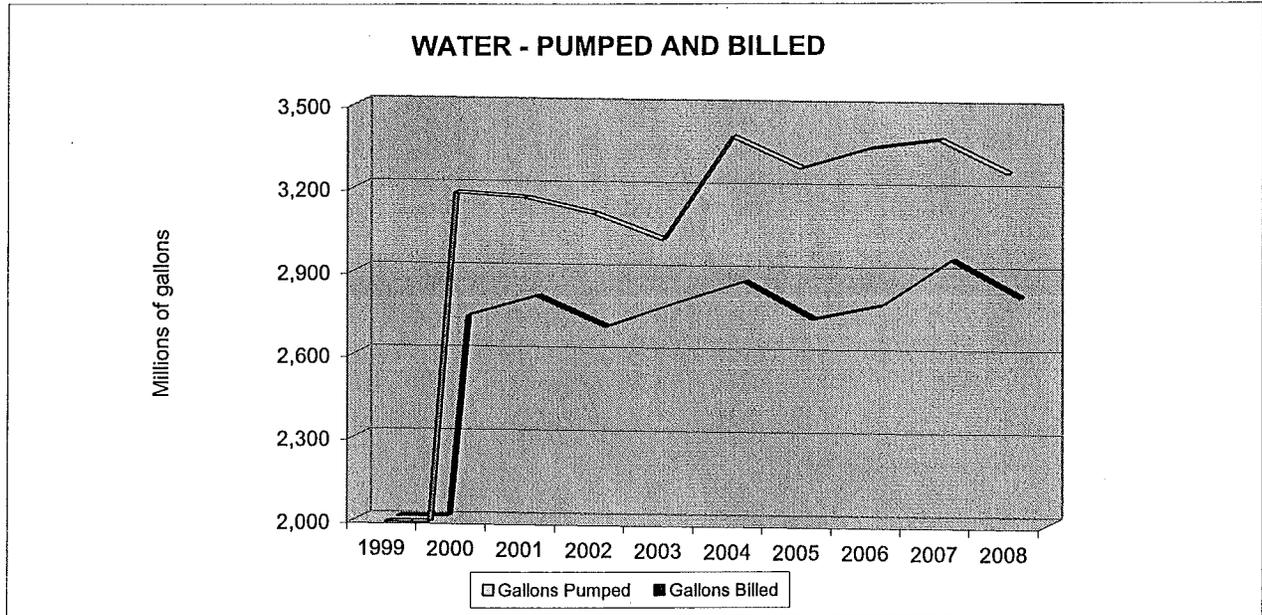
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Size of the City in square miles	32.23	32.59	32.33	33.00	33.29	33.32	33.59	33.85	33.87	33.77
Population	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362
Number of City employees	511.9	513.9	519.9	525.4	524.9	500.7	498.9	497.5	494.3	497.3
Community Development										
Building permits issued	1,431	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064
Police										
Calls for service	33,006	33,071	33,371	32,490	31,545	31,717	31,048	30,750	30,006	29,628
Adult arrests	4,601	3,610	4,311	5,039	4,589	5,309	5,697	6,171	5,891	6,465
Fire										
EMS responses	3,151	3,251	3,471	3,774	3,908	4,191	4,559	4,741	4,622	6,060
Fire responses	207	170	160	144	211	182	204	201	166	157
Fire inspections	4,736	5,526	5,752	5,840	5,910	5,950	6,071	6,148	5,893	6,005
Public Works										
Miles of street plowed/maintained	310	307	319	319	319	323	326	333	335	337
Vehicles in fleet	250	252	252	258	262	282	284	284	284	291
Parks & Recreation										
Neighborhood playground program attendance	15,559	15,582	14,353	13,141	11,904	12,774	13,063	11,625	10,368	9,148
Hobbs Ice Arena - rented hours	3,338	4,825	3,206	4,631	3,794	3,952	3,425	3,554	3,321	3,683
Outdoor Pool attendance	69,227	60,442	71,192	62,101	60,141	45,961	62,151	58,025	51,560	57,151
Library										
Volumes in collection	273,034	270,931	267,617	292,957	297,877	292,957	294,077	297,799	304,261	298,458
Circulation	826,937	843,187	969,344	1,084,708	1,314,267	1,354,595	1,387,388	1,367,066	1,345,609	1,371,203
Health Department										
Environmental Health Inspections	5,907	5,575	5,269	5,700	5,383	5,120	5,145	5,387	5,470	4,647
Number of lab analyses	23,454	24,383	21,590	21,415	21,151	24,002	23,351	24,507	21,858	19,308
Public Health Nurse visits	6,679	7,206	7,259	6,129	4,719	5,396	5,507	5,022	4,751	3,741
Water										
Meters in service	23,303	23,004	24,500	24,110	24,467	24,783	25,176	25,424	25,660	25,982
Average daily consumption (1,000 gallons)	7,993	7,663	7,366	7,608	7,828	7,463	7,606	8,067	8,122	7,690
Sewer										
Sewer customers	21,774	22,196	22,607	23,012	23,431	23,847	24,214	24,536	24,810	25,017
Stormwater										
ERU rate	\$ 27.00	\$ 29.00	\$ 33.00	\$ 36.00	\$ 41.00	\$ 43.00	\$ 47.00	\$ 53.00	\$ 59.00	\$ 62.00
Transit										
Total route miles	726,843	966,306	1,055,167	1,023,548	1,113,066	1,010,582	1,045,132	1,066,727	900,099	960,910
Passengers	877,984	896,873	938,718	927,129	971,414	956,610	1,010,644	1,030,374	1,067,303	1,090,203

Source: Various City Department records and Program of Services

**CITY OF EAU CLAIRE**

**TABLE 34  
WATER UTILITY - PRODUCTION STATISTICS  
Last Ten Fiscal Years**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Average number of water customers	22,468	22,913	23,349	23,836	24,270	24,675	25,052	25,389	25,664	25,884
Total gallons pumped (in thousands)	3,191,406	3,175,349	3,120,404	3,028,641	3,404,126	3,292,365	3,367,293	3,399,614	3,487,015	3,279,529
Total gallons billed (in thousands)	2,724,287	2,797,142	2,688,657	2,777,001	2,857,464	2,724,099	2,776,387	2,942,565	2,964,665	2,806,917
Percent of water billed	85.36%	88.09%	86.16%	91.69%	83.94%	82.74%	82.45%	86.56%	85.02%	85.59%
Miles of main	330	335	336	340	341	350	351	357	366	368
Number of fire hydrants	3,060	3,136	3,230	3,277	3,337	3,395	3,445	3,530	3,671	3,703
Residential customer 's average quarterly water bill	\$37.74	\$37.74	\$40.86	\$40.86	\$41.50	\$42.20	\$42.20	\$45.73	\$45.73	\$45.73



Source: Public Service Commission Reports

**CITY OF EAU CLAIRE**

TABLE 35  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Police</b>										
Patrol units	24	24	21	21	21	21	21	21	21	21
Unmarked vehicles	16	16	14	14	14	14	14	14	14	18
<b>Fire</b>										
Number of fire stations	6	6	6	6	6	6	6	6	6	6
Firefighting vehicles	10	10	10	10	10	10	10	10	10	10
Ambulances	5	5	5	5	5	5	5	5	6	6
<b>Public Works</b>										
Miles of streets	346.0	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7
Number of traffic signs installed/straightened	1389	1372	1103	1426	1089	915	688	673	489	524
Vehicles in fleet	250	252	252	258	262	282	284	284	284	291
<b>Parks &amp; Recreation</b>										
Number of parks	26	26	29	31	32	33	36	36	32	32
Number of playgrounds	23	19	19	19	17	17	18	20	18	18
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	2	2	2	2	2	2	2
<b>Water</b>										
Water hydrants	3060	3136	3230	3277	3337	3395	3445	3530	3671	3609
Storage capacity (1)	13.7	15	15	15	15.5	15.5	15.5	15.5	15.5	16.1
<b>Sewer</b>										
Miles of sewers	285	290	285	290	290	297	306	316	319	335
Treatment capacity (1)	12	12	12	12	12	12	12	12	12	12
<b>Parking Utility</b>										
Parking structures	2	2	2	2	2	2	2	2	2	2
Surface lots	13	12	12	12	12	12	11	11	11	11
<b>Transit</b>										
Number of buses	24	24	24	22	22	22	22	22	22	22

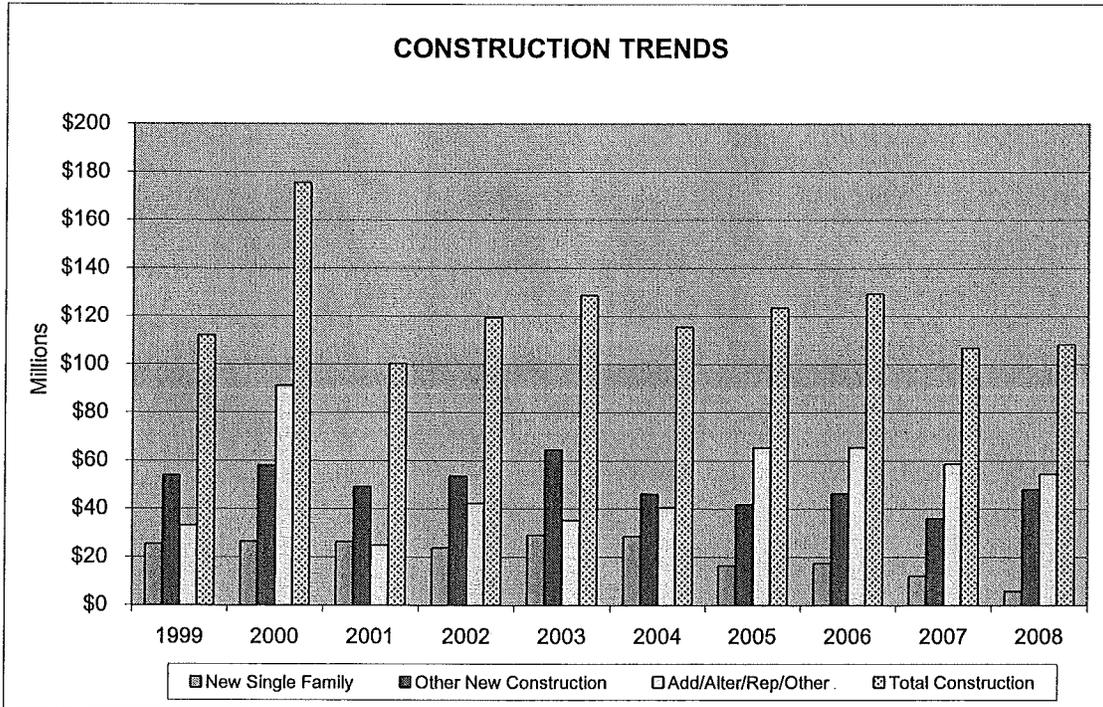
NOTES (1) - Numbers are in millions of gallons.

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

**CITY OF EAU CLAIRE**

**TABLE 36  
PROPERTY VALUE AND CONSTRUCTION  
Last Ten Fiscal Years  
(Dollars in Thousands)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
New single family dwellings: # of units	188	189	170	156	192	188	102	104	66	37
Value	\$25,294	\$26,432	\$26,303	\$23,757	\$29,076	\$28,697	\$16,396	\$17,451	\$12,203	\$5,780
Other new construction	\$53,827	\$57,946	\$49,208	\$53,440	\$64,368	\$46,270	\$41,809	\$46,399	\$36,100	\$47,992
Additions/alterations/repairs & all other types of const.	\$33,003	\$91,173	\$24,864	\$42,237	\$35,292	\$40,488	\$65,363	\$65,484	\$58,675	\$54,538
Total construction valuation	\$112,124	\$175,551	\$100,375	\$119,434	\$128,736	\$115,455	\$123,568	\$129,334	\$106,978	\$108,310
Number of permits	1,431	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064



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

**CITY OF EAU CLAIRE**

TABLE 37  
INSURANCE COVERAGES  
December 31, 2008

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$400,000 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	\$190,047,089	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,703,880	\$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	\$5,632,835	\$5,000
Collision	\$5,632,835	\$5,000
Transit		
Bodily injury and property damage liability	\$7,000,000	\$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