



# City of Eau Claire

Eau Claire, Wisconsin

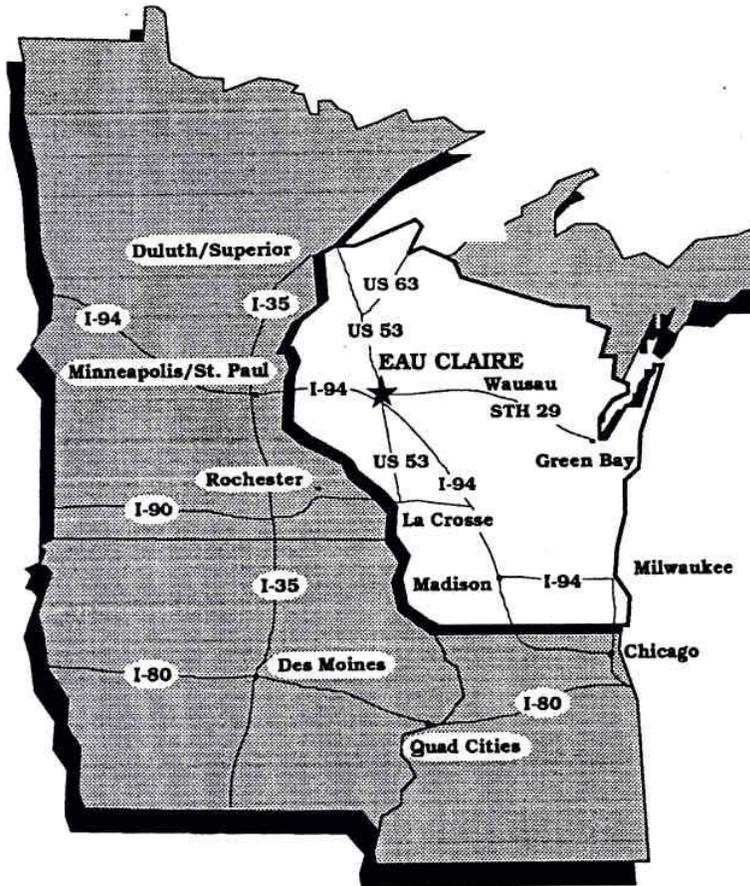
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
INCLUDING INDEPENDENT AUDITORS' REPORT  
AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2013

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 Chicago O'Hare International Airport.

Eau Claire's quality of life is no secret. Several national surveys have ranked Eau Claire toward the top of all U.S. metropolitan areas. Eau Claire's picturesque setting on the banks of the Eau Claire and Chippewa Rivers is one of its greatest assets. The City has made excellent use of its natural features with many

beautiful urban and rural parks and parkways. Well-preserved historic neighborhoods add to the City's charm. The City's residents enjoy a wide variety of year-round sporting events, thanks to the four distinct seasons. Swimming, biking, boating, golfing, hunting, fishing, skating, and cross-country skiing are just a few of the activities which attract visitors to the area. Eau Claire is also a cultural center with a strongly supported arts and entertainment calendar. Eau Claire is committed to incorporating green and sustainable energy, technology, and products into its operations.

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

# CITY OF EAU CLAIRE

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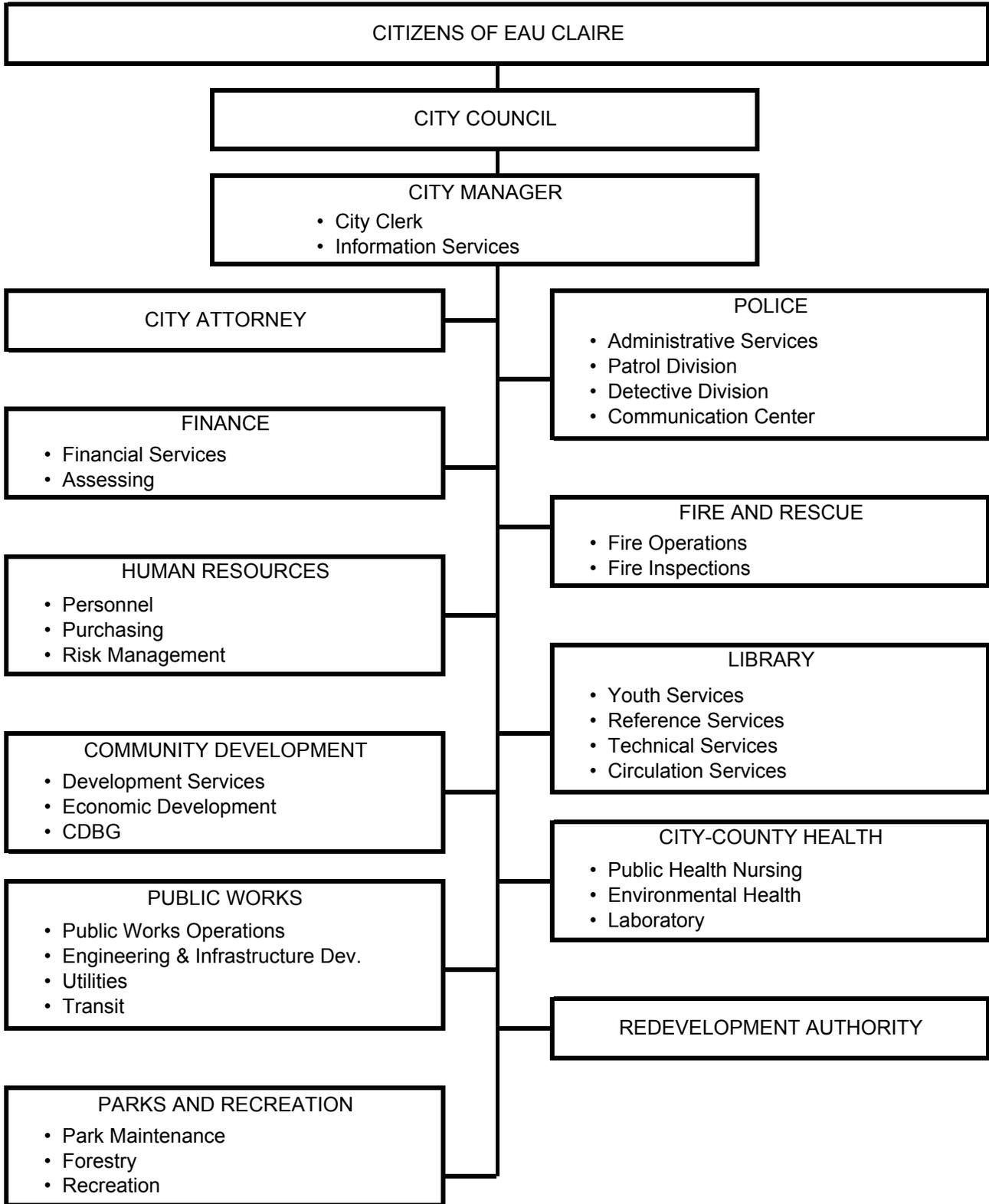
## **INTRODUCTORY SECTION**

This section contains the following information:

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



# Organizational Chart City of Eau Claire, Wisconsin





June 27, 2014

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, 2013 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.

### **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 Partners, Cemetery Maintenance, the Hazardous Materials Response, 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, and Parking Utilities, Public Transit, 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.

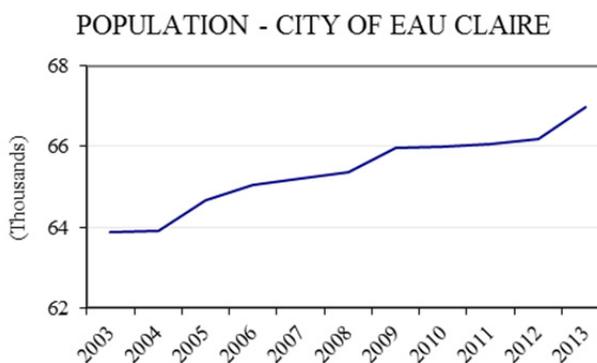
Since the Redevelopment Authority and four business improvement districts are component units of the City, this report includes a discrete presentation of their financial data. The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated, slum and blighted areas or properties and encouraging urban renewal. The South Barstow, West Grand, Water Street and North Barstow/Medical Business Improvement Districts account for the collection of special assessments from their members for business promotion within each district.

### 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 66,480 and the population of the Greater Eau Claire Metropolitan Area is approximately 162,700.

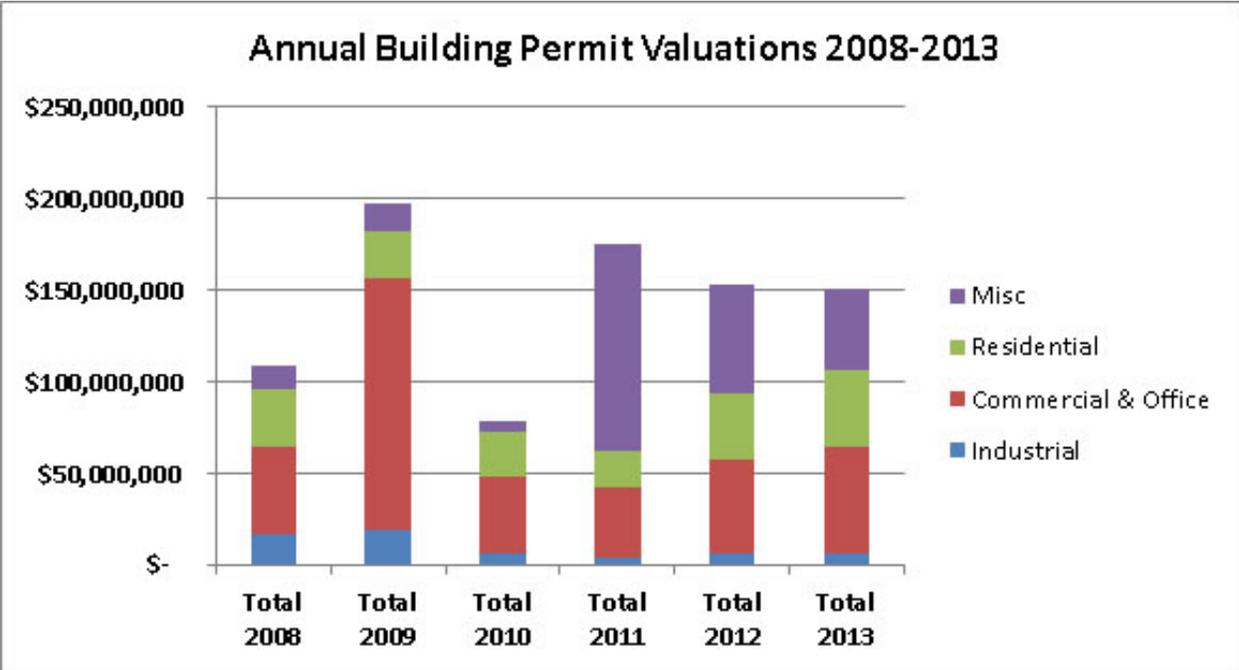
The City of Eau Claire has a council/manager form of government. There are eleven members on the Eau Claire City Council. Five of the members are elected from aldermanic districts. Five members and the Council President are elected at large.

District Council members were elected to three-year terms in April 2012. At-Large Council members were elected to three-year terms in April 2013. The City Council President was elected to a three year term in April 2014.



### ECONOMIC CONDITIONS AND OUTLOOK

Strong retail outlets, regional medical facilities, manufacturing operations, tourism and educational institutions anchor Eau Claire's economy and establish the City as the regional economic center in western Wisconsin. The City of Eau Claire's population is well-educated, with 67% of its workforce having some college experience, 34% having a bachelor's degree or higher and 94% having a high school degree. Eau Claire's diverse employment base has been cited by bond rating agencies as a significant factor in the City's solid Aa1 and AA ratings.



In 2013, Eau Claire reached its fifth best year for new building permit valuation. Permit valuations totaled \$150.6 million and included a City Wastewater Plant upgrade at \$39,000,000, Sacred Heart Hospital remodeling at \$14,000,000, the JAMF Software office at \$9,000,000, Metro Crossing apartments \$8,000,000, and a new Kwik Trip gas/convenience store at \$6,700,000. Residential construction totaled \$41.4 million, which is a 15% increase over residential construction in 2012.

Education and health occupations provide the greatest share of employment in the City. Post-secondary education institutions in the City include 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 technical and professional jobs that the Eau Claire area attracts.

Eau Claire is served by the Mayo Clinic Health System and the Marshfield Clinic, both of which are in the top ten property taxpayers. The Mayo Clinic Health System employs over 3,500. Its location in the downtown area has contributed to the growth and vitality of the central business district. The Marshfield Clinic is closely associated with Sacred Heart Hospital and the United Health Care Group. Together they employ over 3,700.

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. Eau Claire is served by many national retailers, including Kohl’s, Walmart, Sam’s Club, Target, K-Mart, Best Buy, Office Max, T.J. Maxx, Macy’s, Younkers, Scheels, Sears, and JC Penney. Eau Claire is the headquarters of Menards, the nation’s third-largest home improvement chain.

The City's downtown has also experienced retail and commercial growth. A redevelopment Tax Incremental Financing District (TIF) has fostered interest in an urban lifestyle. Through infrastructure and park amenities, the City has created a downtown vibe that is attracting stores and restaurants to mixed-use buildings. A national software firm, JAMF Software, is building a new four story \$10 million, 65,000 square foot office building in the heart of the TIF. Riverfront Terrace LLC is constructing a \$5 million, 56 unit loft apartment building next to JAMF. Valuations in the TIF boundaries have increased over 250%, from \$10.4 million to \$36.3 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. Area tourism generates over \$300 million in revenue and creates approximately 6,100 jobs in the Chippewa Valley. Room tax revenues exceeded \$1.5 million in 2013. Recently a new Holiday Inn opened and two downtown hotels are under new ownership and in the renovation process. A new performing arts center, anticipated to cost \$55 million, is under consideration for the downtown area. Such a facility will significantly increase tourism in Eau Claire.

Eau Claire's economy is strengthened by several noteworthy manufacturers. National Presto Industries is home-based here. Hutchinson Technology (HTI) designs and manufactures suspension assemblies for hard disk drives. Nestle USA has two infant cereal and nutritional plants in Eau Claire and is engaged in both renovation and expansion of its facilities.

Eau Claire and the Eau Claire Metropolitan Statistical Area (MSA) received notable recognition from a variety of nationally recognized sources.

- *Area Development*, an executive publication covering site-selection, facility planning and relocation, ranked Eau Claire 61st out of 365 Metropolitan Statistical Areas (MSA) in the United States for economic and job growth.
- *Forbes* recently released its annual Best Places for Business and Careers, naming Eau Claire 60<sup>th</sup> out of 184 "Small Places" with a population under 250,000. In the "Small Place" category, Eau Claire ranked 107<sup>th</sup> in Cost of Business, 69<sup>th</sup> in Job Growth, and 62<sup>nd</sup> in Education.
- In an article by *Yahoo Finance*, Eau Claire was named in the top ten cities to retire on \$100 a day. The list compiled by AARP Magazine, focused on areas where retirees could live comfortably and affordably on a budget. Eau Claire's low cost of living, easy access to high-quality healthcare, recreational opportunities and cultural events make Eau Claire one of the Best Places to retire.
- *Kiplinger.com* named Eau Claire the 7<sup>th</sup> best city for cheapskates. These cities are metropolitan areas where the cost of living is low, but income levels are high relative to those costs. Kiplinger also considered the amount of free (or almost free) things to do that the area has to offer, citing the Chippewa River Trail System and Lake Wissota specifically.

- *TheAtlanticCities.com* reported that Lumos Labs conducted a study based upon brain performance and cognitive capacity to measure the smartest cities. Scientists tracked over a million individuals and rated them in five areas: memory, processing speed, flexibility, attention and problem solving. The information was then linked with education attainment, knowledge and creative work. Eau Claire was ranked 23<sup>rd</sup> out of 169 metro areas.
- *US News and World Report* ranked UW-Eau Claire among Top Five Public Universities in the Midwest. The 2014 edition of “America’s Best Colleges” ranked UW-Eau Claire #5 among the top regional public universities in the Midwest and 30<sup>th</sup> among all private and public institutions in the Midwest. The *U.S. News and World Report* has ranked UW-Eau Claire among the top public institutions in the Midwest every year since 1995.
- *CQ Press*, in its 2012 Metropolitan Crime Rate Rankings, scored the Eau Claire MSA 11<sup>th</sup> out of 358 U.S. metropolitan areas for its low crime rates.
- The *ACCRA* cost of living index showed that Eau Claire had the lowest cost-of-living index compared to other Wisconsin cities in 2013. Eau Claire’s index of 91.7 ranked significantly lower than Milwaukee (102.0) and Madison (105.6). The national average was 100 and the state average was 96.5.
- The *University of Wisconsin Population Health Institute* and the *Robert Wood Johnson Foundation* ranked Eau Claire County 10<sup>th</sup> overall in a comparison of clinical care and 16<sup>th</sup> in socioeconomic factors out of 72 counties.
- *Walkscore.com* ranked downtown Eau Claire as a Walkers’ Paradise for its shops, art galleries, restaurants and other activities all within walking distance.
- The *Princeton Review* has named UW-Eau Claire among top best value colleges.

## **MAJOR INITIATIVES**

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2013 and into 2014.

JAMF building, currently under construction, will be located in the downtown redevelopment TIF. The infusion of high-paying technology jobs will stimulate additional residential and commercial development. JAMF has demonstrated its community involvement by pledging \$500,000 to the Confluence Project’s performing arts center.

### **Confluence Project**

In 2012, Commonwealth Development, a private development company, and UW-Eau Claire officials announced a partnership to build the “Confluence Project,” a \$20 million housing project that would include commercial/retail space on the first floor along with an adjacent \$55

million performing arts center along Graham Avenue. The City has been asked to participate in various aspects of the project, including site preparation, street and utility improvements, a public plaza, parking and an operating subsidy for the performing arts center.

### **Parks and Recreation National Accreditation**

The Parks and Recreation Department was awarded national accreditation for excellence by the Commission for Accreditation of Park and Recreation Agencies. The accreditation process involved meeting standards for planning, community involvement, facilities management, personnel policies, risk management, financial management, recreational programming and safety. The department was complimented for specific strengths involving quality of planning, collaboration and partnerships, professionalism and motivation.

### **Sewer Utility Plan Improvements**

The City submitted an application to the Clean Water Fund Program (CWFP) for \$41 million for the Sewer Utility's Phase II Activated Sludge Process. The improvements to the treatment process will reduce odor production, extend automation and increase biogas-to-energy capacity. In addition, the Sewer Utility completed a rate study to meet the revenue requirements for debt service and equipment replacement reserves in conjunction with the CWFP financing. The new rate structure included a flat fee component to recover administrative charges in addition to the volume rate.

### **Narrowbanding Upgrades**

The City joined with Eau Claire County to comply with the Federal Communications Commission's requirement that radio users move to 12.5 kHz narrowband voice channels. This project involved a major investment in new transmission towers and related equipment. The City's share of the project is \$2.2 million.

## **FOR THE FUTURE**

The City plans to construct a parking structure within the downtown area. Additional development is projected to occur in the North Barstow area.

## **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.

### **Fiscal Policies**

The City's fiscal policies are detailed in the City's annual budget document, *The Program of Services*. The policies provide directives for the City's financial operations including budgeting, investing, revenues, reserves, special assessments, purchasing, pension, special events and risk management. In 2009, the City Council established a Fiscal Policy Advisory Committee to facilitate a review of fiscal matters. In 2013, the committee studied the city's special assessment policies, defined discussions with local legislators, and discussed impacts of the three-inch snow plowing policy. The committee also hosted online community forums to gather public input on the budget process, and put a value on the priorities they think are most important. The City aims to empower citizens by providing them information on each issue to enrich online comment and to provide more opportunities for citizen interaction and engagement. These efforts to raise public awareness of the difficult budget issues helped develop a process of "informed consent." City Council has reviewed the Fund Balance and Debt policies over the course of multiple work sessions.

## **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 unmodified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for the year ended December 31, 2013 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**

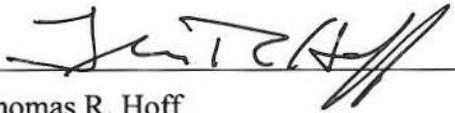
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eau Claire for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. The City has received this 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 Kathy Ludack, Accounting Supervisor, Justin Kennedy, Senior Accountant, Rose Adams, Accountant, Vicki Franson, Accountant, Julie Lau, Accountant, and the remainder of the Finance Department staff for their dedication in preparing this report.

Respectfully Submitted,



Thomas R. Hoff

Interim Finance Director



Russell Van Gompel, ICMA-CM

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, 2012. This was the twenty-seventh consecutive year that the government has achieved this prestigious award.

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

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



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Eau Claire  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

## **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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Eau Claire's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Eau Claire's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Eau Claire's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council  
City of Eau Claire

### **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, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note I, the City of Eau Claire adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

As discussed in Note I, the City of Eau Claire adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective January 1, 2013. Our opinions are not modified with respect to this matter.

As discussed in Note III.H to the financial statements, net position as of December 31, 2012 has been restated due to the implementation of these two standards.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison information, and other post-employment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the City Council  
City of Eau Claire

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eau Claire's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eau Claire's basic financial statements. The "Introductory Section" and "Statistical Section" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Prior-Year Comparative Information*

We have previously audited the City of Eau Claire's 2012 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated June 27, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the City of Eau Claire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eau Claire's internal control over financial reporting and compliance.

*Baker Tilly Vinchow Krume, LLP*

June 27, 2014

## **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 (UNAUDITED)**

This discussion and analysis of the financial performance of the City of Eau Claire is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2013. 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 28.

#### **FINANCIAL HIGHLIGHTS**

- The City of Eau Claire has total assets of \$525.1 million, total deferred outflows of \$.3 million, total liabilities of \$157.9 million and total deferred inflows of \$39.3 million, resulting in a net position of \$328.2 million at the end of 2013. Of the net position, \$254.5 million represents the City's net investment in capital assets, \$27.8 million is held for restricted purposes and \$45.9 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2013, the City of Eau Claire's total net position increased by \$1.3 million from 2012, or approximately 0.4%.
- At the close of 2013, the City of Eau Claire's governmental funds reported ending fund balances of \$53.9 million, a net increase of \$1.7 million from 2012. The City budgeted for a \$3.3 million decrease in fund balance in the General Fund. The actual decrease was \$1.5 million, due to the net effect of small variances in revenues and expenditures, which are discussed in more detail on page 24. The fund balance in Debt Service decreased by \$.4 million, while the other governmental fund balances increased by \$3.6 million.
- During 2013, 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's additions to capital assets totaled \$23.9 million, net of construction in progress, as shown in Note III-D of this report.
- 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 56.7%. In 2013, \$23.5 million in new general obligation debt was issued, of which \$6.8 million was refunded debt.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

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

### **Government-wide Financial Statements**

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Position* presents information on all of the City of Eau Claire's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the total of the assets and deferred outflows of resources less the total of the liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The City's overall financial position improved from 2012 to 2013, as the City's net position increased by \$1.3 million, or about 0.4%. The government-wide financial statements can be found on pages 28 through 30 of this report.

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all, or a significant portion, of their costs through user fees and services charges, called business-type activities. The governmental activities of the City include general government, public safety, public works, health services, culture and recreation, development and other miscellaneous activities. The business-type activities of the City include the Water, Sewer, Storm Water and Parking Utilities, Public Transit, the Hobbs Ice Center and the Outdoor Pool.

In addition to these various direct operations of the City, or primary government, the government-wide financial statements also include financial information related to legally distinct entities for which the City has financial responsibility and accountability, known as component units. These component units are the Redevelopment Authority, the South Barstow Business Improvement District, the West Grand Business Improvement District, the Water Street Business Improvement District and the North Barstow/Medical Business Improvement District. These entities are described in Note III-I following the financial statements. Separately issued financial statements of the Redevelopment Authority may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Eau Claire, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while

others are established internally to maintain control over a particular activity. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### **Governmental Funds**

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

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

### **Proprietary Funds**

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer and Storm Water Utilities and Public Transit; 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 36 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been allocated primarily to the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 136.

## **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 one type of fiduciary fund called an agency fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collection agency fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The agency fund financial statement can be found on page 46 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 49 of this report.

## **Additional Supplementary Information**

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

## **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The *Statement of Net Position* for the City of Eau Claire is summarized in the table below. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$328.2 million at the close of 2013. The majority of the net position, \$254.5 million, reflects the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress, net of related debt. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Eau Claire, Wisconsin  
Summary of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2013	2012 (As Restated)*	2013	2012 (As Restated)*	2013	2012 (As Restated)*
Current and Other Assets	\$ 130,434,079	\$ 126,549,124	\$ 27,602,027	\$ 24,214,384	\$ 158,036,106	\$ 150,763,508
Capital Assets (Net)	165,627,533	159,130,199	201,402,700	180,510,451	367,030,233	339,640,650
<b>Total Assets</b>	<b>296,061,612</b>	<b>285,679,323</b>	<b>229,004,727</b>	<b>204,724,835</b>	<b>525,066,339</b>	<b>490,404,158</b>
Deferred Outflows of Resources	179,209	204,201	133,098	158,113	312,307	362,314
Current Liabilities	7,752,939	6,812,165	6,054,289	2,750,268	13,807,228	9,562,433
Noncurrent Liabilities	101,659,209	88,032,963	42,428,876	28,925,335	144,088,085	116,958,298
<b>Total Liabilities</b>	<b>109,412,148</b>	<b>94,845,128</b>	<b>48,483,165</b>	<b>31,675,603</b>	<b>157,895,313</b>	<b>126,520,731</b>
Deferred Inflows of Resources	39,262,386	37,304,009	-	-	39,262,386	37,304,009
Net Investment in Capital Assets	95,534,363	97,125,034	161,838,061	154,554,974	257,372,424	251,680,008
Debt Reclassification	-	-	-	-	(2,909,297)	(3,022,674)
<b>Total Net Investment in Capital Assets</b>	<b>95,534,363</b>	<b>97,125,034</b>	<b>161,838,061</b>	<b>154,554,974</b>	<b>254,463,127</b>	<b>248,657,334</b>
Restricted	24,351,108	24,967,847	3,457,280	1,734,280	27,808,388	26,702,127
Unrestricted	27,680,816	31,641,506	15,359,319	16,918,091	43,040,135	48,559,597
Debt Reclassification	-	-	-	-	2,909,297	3,022,674
<b>Total Unrestricted</b>	<b>27,680,816</b>	<b>31,641,506</b>	<b>15,359,319</b>	<b>16,918,091</b>	<b>45,949,432</b>	<b>51,582,271</b>
<b>Total Net Position</b>	<b>\$ 147,566,287</b>	<b>\$ 153,734,387</b>	<b>\$ 180,654,660</b>	<b>\$ 173,207,345</b>	<b>\$ 328,220,947</b>	<b>\$ 326,941,732</b>
Total Net Position as a % of Total Liabilities/Deferred Inflows	99%	116%	373%	547%	166%	200%
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	19%	24%	32%	53%	23%	31%

\*See Note III-H for detailed information of 2012 restatements

A relatively small portion of the City's net position, \$27.8 million or 8%, represents resources that are subject to other restrictions as to how they may be used. The remaining \$45.9 million of total net position may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$15.4 million, or about 33%, of the unrestricted net position is related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2013, the City is able to report positive balances in net position for the governmental activities as well as business-type activities.

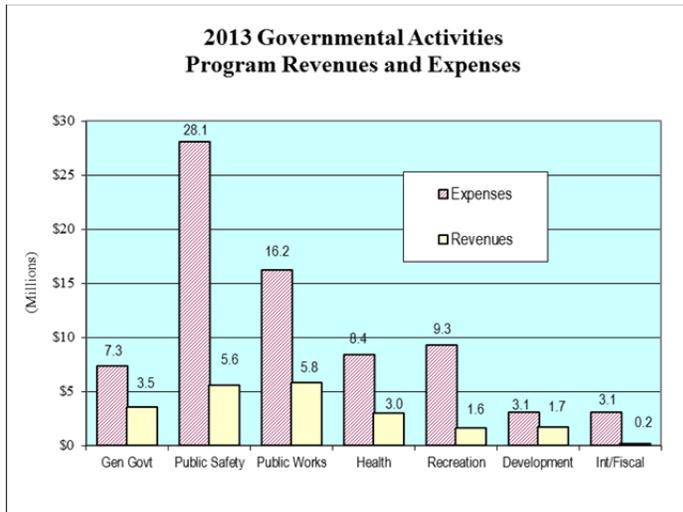
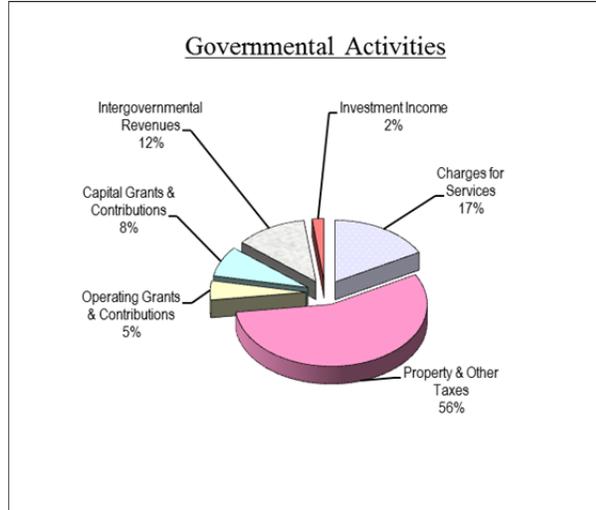
An examination of the *Statement of Activities* provides a concise picture of how the various activities of the City are funded. The following table summarizes the City's governmental and business-type activities.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2013	2012 (As Restated)*	2013	2012 (As Restated)*	2013	2012 (As Restated)*
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,200,547	\$ 12,775,680	\$ 24,983,656	\$ 23,598,364	\$ 37,184,203	\$ 36,374,044
Operating grants & contributions	3,618,217	4,334,502	3,543,831	3,126,903	7,162,048	7,461,405
Capital grants & contributions	5,635,014	5,149,208	2,098,867	422,579	7,733,881	5,571,787
General revenues:						
Property taxes	37,145,640	36,517,672	-	-	37,145,640	36,517,672
Other taxes	2,240,563	1,889,166	-	-	2,240,563	1,889,166
Intergovernmental revenues	8,476,861	8,410,416	-	-	8,476,861	8,410,416
Investment income	518,206	1,032,748	81,087	80,733	599,293	1,113,481
Miscellaneous	177,419	64,586	457,752	510,005	635,171	574,591
<b>Total revenues</b>	<b>70,012,467</b>	<b>70,173,978</b>	<b>31,165,193</b>	<b>27,738,584</b>	<b>101,177,660</b>	<b>97,912,562</b>
<b>Expenses</b>						
Program expenses:						
General government	7,304,201	7,784,358	-	-	7,304,201	7,784,358
Public safety	28,084,089	28,215,577	-	-	28,084,089	28,215,577
Public works	16,208,836	14,777,016	-	-	16,208,836	14,777,016
Health services	8,376,282	5,177,080	-	-	8,376,282	5,177,080
Culture and recreation	9,277,789	10,957,742	-	-	9,277,789	10,957,742
Development	3,082,492	3,598,455	-	-	3,082,492	3,598,455
Interest & fiscal charges	3,096,357	3,037,201	-	-	3,096,357	3,037,201
Water Utility	-	-	6,148,766	6,217,579	6,148,766	6,217,579
Sewer Utility	-	-	6,994,271	6,832,166	6,994,271	6,832,166
Storm Water Utility	-	-	3,752,368	2,907,017	3,752,368	2,907,017
Public Transit	-	-	5,545,632	5,531,514	5,545,632	5,531,514
Parking Utility	-	-	483,670	429,501	483,670	429,501
Hobbs Ice Center	-	-	1,193,577	1,128,084	1,193,577	1,128,084
Outdoor Pool	-	-	350,115	344,940	350,115	344,940
<b>Total expenses</b>	<b>75,430,046</b>	<b>73,547,429</b>	<b>24,468,399</b>	<b>23,390,801</b>	<b>99,898,445</b>	<b>96,938,230</b>
Increase in net position before transfers	(5,417,579)	(3,373,451)	6,696,794	4,347,783	1,279,215	974,332
Transfers	(750,521)	(1,408,574)	750,521	1,408,574	-	-
Change in net position	(6,168,100)	(4,782,025)	7,447,315	5,756,357	1,279,215	974,332
Net position at January 1	\$153,734,387	158,516,412	\$173,207,345	167,450,988	326,941,732	325,967,400
Net position at December 31	\$147,566,287	\$153,734,387	\$180,654,660	\$173,207,345	\$328,220,947	\$326,941,732

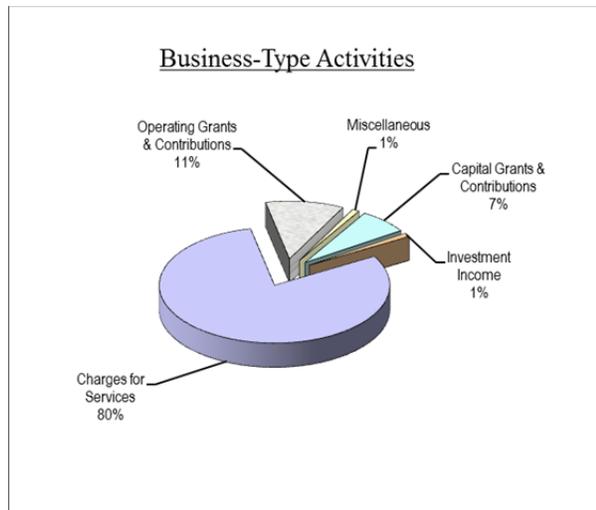
\*See Note III-H for detailed information of 2012 restatements

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 56% of the revenue for governmental activities. State aids and other grants comprise another 25% while charges for services and all other sources are equal to 19% 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 2013 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 80% 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, 2013, the City of Eau Claire's *Balance Sheet - Governmental Funds* on page 31 reported combined ending fund balances of \$53.9 million, an increase of \$1.7 million over the previous year's ending balances. The increase is due to an increase of \$3.6 million in the nonmajor governmental funds, as the General Fund had a decrease of \$1.5 million in fund balance and the Debt Service Fund had a decrease of \$.4 million.

The General Fund is the primary operating fund used to account for the governmental operations of the City. The largest revenue sources for the General Fund are taxes and intergovernmental aids, together accounting for 79.7% of revenues. Public safety, public works and culture and recreation were the primary operations of the General Fund. Of the \$56.6 million General Fund expenditures and other financing uses, 46.5% or \$26.3 million was allocated to the public safety sector. Another 23.5% or \$13.3 million was expended by the operations of public works and culture and recreation.

The General Fund has a fund balance of \$24.2 million, a decrease of \$1.5 million from 2012. Of the fund balance, \$4.9 million is nonspendable, reflecting loans made to other funds and organizations and inventories. Assigned amounts include \$2.5 million for capital projects, \$2.3 million for maintenance on a major arterial and \$.8 million for carryovers, a potential reimbursement and employee retiree reinvestment funds. The unassigned total is \$13.7 million.

The Debt Service Fund had a total fund balance of \$6.1 million, a decrease of \$.4 million from 2012. This balance primarily reflects the amounts restricted to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The Nonmajor Governmental Funds column in the balance sheet includes various special revenue, debt service and capital projects funds used to account for proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The fund balance of the Nonmajor Governmental Funds increased from 2012 by \$3.6 million.

## **Proprietary Funds**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from pages 36 to 45. The net position of the enterprise-type proprietary funds at the end of 2013 totaled \$180.7 million, an increase of \$7.4 million from the previous year.

Some highlights:

- The Water fund transferred \$1.6 million to the General Fund and the General Fund and other funds transferred \$1.5 million to the Parking Utility, Public Transit, Hobbs Ice Center and Outdoor Pool funds. After transfers, the enterprise funds had collective net income of \$4.6 million, primarily generated by the Water, Sewer and Storm Water funds.
- Additionally, in 2013, developer infrastructure and other contributions resulted in \$2.9 million of the \$7.4 million net position increase.

## **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 98, the original 2013 General Fund budget authorized expenditures and other financing uses of \$58.3 million, funded by anticipated revenues and other financing sources of \$55.3 million and the application of \$3 million in available reserves. From time to time during the year, the City Council approved adjustments to the budget, primarily for grants and donations. These changes are reflected in the Final Budgeted Amounts column.

The City ended the year with net favorable variances. Revenues and other financing sources were under budget by \$.4 million, but the revenue shortfall was made up for with expenditures and other financing uses being under spent by \$2.2 million. Since the budget anticipated a drawdown of \$3.3 million, the net decrease in the General Fund's fund balance is \$1.5 million as discussed on page 16. The more significant variances in the revenue lines were the receipts of \$.8 million over budget in charges for special assessments and intergovernmental revenue. The significant revenue shortfalls were \$.2 million for fines, forfeitures and penalties, \$.4 million for charges for services-intergovernmental and \$.6 million for investment income.

Several factors contributed to the favorable expenditure variances, with the major variances of wages and benefits at \$.8 million, General Fund subsidies at \$.3 million and contractual services costs at \$.7 million. The General Fund support for Public Transit and the Outdoor Pool was less than anticipated due to under spent wages, benefits and contractual services costs. Making up the balance of the \$2.2 million expenditures variance are the unspent contingency amount of \$.2 million and multiple other budget amounts in many programs, totaling \$.2 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, 2013 totaled \$562 million. These assets include the street network in the governmental activities and the water, sewer and storm systems in the business-type activities.

Total accumulated depreciation was calculated to be over \$195 million, or approximately 35% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$367 million. The net increase over 2012 is approximately \$27.4 million. The largest increases were in work in progress, streets infrastructure, water, sewer and storm water assets, reflecting work on the waste water treatment plant and the City's share of construction on major arterial streets.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
December 31, 2013						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 16,419,810	\$ 16,005,940	\$ 16,815,061	\$ 16,798,461	\$ 33,234,871	\$ 32,804,401
Land Improvements	10,911,775	10,099,548	-	-	10,911,775	10,099,548
Building and Improvements	23,094,365	22,527,003	13,954,861	12,704,673	37,049,226	35,231,676
Infrastructure	176,668,891	172,330,142	3,824,237	3,909,003	180,493,128	176,239,145
Machinery and Equipment	32,914,109	31,989,988	8,029,888	7,053,733	40,943,997	39,043,721
Intangibles	632,765	570,395	-	-	632,765	570,395
Water Utility	-	-	86,591,035	83,463,092	86,591,035	83,463,092
Sewer Utility	-	-	82,531,610	78,936,802	82,531,610	78,936,802
Storm Water Utility	-	-	51,393,905	48,142,717	51,393,905	48,142,717
Work in Progress	14,867,791	9,852,695	23,451,748	10,553,437	38,319,539	20,406,132
Subtotal	275,509,506	263,375,711	286,592,345	261,561,918	562,101,851	524,937,629
Less Accumulated Dep.	(109,881,973)	(104,245,512)	(85,189,645)	(81,051,467)	(195,071,618)	(185,296,979)
Total	<u>\$ 165,627,533</u>	<u>\$ 159,130,199</u>	<u>\$ 201,402,700</u>	<u>\$ 180,510,451</u>	<u>\$ 367,030,233</u>	<u>\$ 339,640,650</u>

Additional information about the City’s capital assets can be found in Note III-D of this report. As shown in Note III-D, some of the most significant additions to the City’s capital assets during 2013 included the following:

<b><u>Significant Additions to Capital Assets in 2013</u></b>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Land and Buildings	\$1.8 M	\$1.7 M
Infrastructure	5.8 M	.1 M
Machinery and Equipment	2.8 M	2.0 M
Distribution and Collection System	-	9.6 M

### **Long-Term Debt**

At December 31, 2013, the City of Eau Claire had approximately \$122 million of bond and long-term note principal outstanding, as summarized in the following table:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General Obligation						
Bonds & Notes	\$ 81,918,889	\$ 72,915,680	\$ 18,616,111	\$ 19,002,451	\$ 100,535,000	\$ 91,918,131
Revenue Bonds	-	-	22,037,448	7,925,000	22,037,448	7,925,000
Total	<u>\$ 81,918,889</u>	<u>\$ 72,915,680</u>	<u>\$ 40,653,559</u>	<u>\$ 26,927,451</u>	<u>\$ 122,572,448</u>	<u>\$ 99,843,131</u>

Under Wisconsin State Statute Section 67.03(1), the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Applicable general obligation debt of the City at the close of 2013 totaled \$100.5 million, which, with amounts available for payment of principal, is less than 44% of the maximum legal limit. During 2013, 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>
06/12/13	Sewerage System Revenue Bonds, Series 2013 via State of Wisconsin Department of Natural Resources Clean Water Fund Project No. 4176-05 for the construction of improvements to the sewerage treatment plant	\$14,917,448
08/15/13	General Obligation Corporate Purpose Bonds for streets, public safety facility, storm water improvements and TIF 8	\$14,145,000
08/15/13	General Obligation Promissory Notes for streets, communications system and refunding of 2003 Series A and B	\$9,380,000

The General Obligation Corporate Purpose and Refunding Bonds were rated AA+ by Standard & Poor's Ratings Services and Aa1 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-F of this report.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City provides the Comprehensive Annual Financial Report on our web page ([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, 54701. 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 four governmental type component units, in order to provide an overview of the financial position and results of operations for the City as a whole.

**CITY OF EAU CLAIRE**

STATEMENT OF NET POSITION  
As of December 31, 2013  
(With Comparative Reporting Entity Totals for December 31, 2012)

	Primary Government				Totals Reporting Entity		
	Governmental Activities	Business-type Activities	Debt Reclassifications	Totals	Component Units	2013	2012 (As Restated)
<b>ASSETS</b>							
Cash and investments	\$ 64,972,279	\$ 19,563,745	\$ -	\$ 84,536,024	\$ 858,682	\$ 85,394,706	\$ 84,003,545
Taxes receivable, net	40,994,880	887,634	-	41,882,514	-	41,882,514	39,709,900
Special assessments receivable	5,357,470	1,265,874	-	6,623,344	150,000	6,773,344	7,050,963
Notes receivable, net	2,728,783	-	-	2,728,783	390,878	3,119,661	3,453,210
Accounts receivable, net	2,517,242	4,608,728	-	7,125,970	21,706	7,147,676	8,717,831
Interest receivable	87,925	-	-	87,925	-	87,925	44,879
Due from other governments	2,749,556	2,807,714	-	5,557,270	-	5,557,270	3,186,022
Internal balances	6,536,425	(6,536,425)	-	-	-	-	-
Prepaid items and inventories	598,497	302,042	-	900,539	-	900,539	1,689,985
Restricted cash and investments	3,124,526	4,702,715	-	7,827,241	-	7,827,241	4,289,911
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Property held for resale	-	-	-	-	2,039,070	2,039,070	1,033,495
Capital assets							
Construction in progress	14,867,791	23,451,748	-	38,319,539	-	38,319,539	20,406,132
Land	16,419,810	16,815,061	-	33,234,871	-	33,234,871	32,804,401
Other capital assets, net of depreciation/amortization	134,339,932	161,135,891	-	295,475,823	-	295,475,823	286,430,117
Total Assets	296,061,612	229,004,727	-	525,066,339	3,460,336	528,526,675	493,586,887
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding	179,209	133,098	-	312,307	-	312,307	362,314
Total Deferred Outflows of Resources	179,209	133,098	-	312,307	-	312,307	362,314
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	3,757,073	4,914,986	-	8,672,059	80,684	8,752,743	4,360,990
Accrued liabilities	3,472,130	766,976	-	4,239,106	-	4,239,106	3,987,893
Customer deposits	200,226	64,010	-	264,236	6,100	270,336	310,493
Due to other governments	323,510	308,317	-	631,827	-	631,827	915,658
Noncurrent liabilities							
Due within one year	9,031,491	2,691,122	-	11,722,613	-	11,722,613	11,219,048
Due in more than one year	92,627,718	39,737,754	-	132,365,472	-	132,365,472	105,739,250
Total Liabilities	109,412,148	48,483,165	-	157,895,313	86,784	157,982,097	126,533,332
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unearned revenues	39,262,386	-	-	39,262,386	150,000	39,412,386	37,451,009
Total Deferred Inflows of Resources	39,262,386	-	-	39,262,386	150,000	39,412,386	37,451,009
<b>NET POSITION</b>							
Net investment in capital assets	95,534,363	161,838,061	(2,909,297)	254,463,127	-	254,463,127	248,657,334
Restricted for:							
Debt service payments	8,136,881	1,374,280	-	9,511,161	-	9,511,161	10,282,260
Cemetery maintenance	261,020	-	-	261,020	-	261,020	317,745
Hazmat	100,729	-	-	100,729	-	100,729	92,847
Community development	1,949,072	-	-	1,949,072	-	1,949,072	1,861,206
Home grant	9,015	-	-	9,015	-	9,015	5,756
Economic development	4,627,788	-	-	4,627,788	-	4,627,788	4,966,380
Community enhancement	79,081	-	-	79,081	-	79,081	105,951
Library	1,254,430	-	-	1,254,430	-	1,254,430	1,318,954
Health	979,785	-	-	979,785	-	979,785	1,062,038
Downtown partners	112,875	-	-	112,875	-	112,875	99,234
TIF projects	3,620,786	-	-	3,620,786	-	3,620,786	2,921,186
Capital contracts	2,073,823	-	-	2,073,823	-	2,073,823	1,867,959
RCU agreement	87,897	-	-	87,897	-	87,897	387,897
Insurance deposits	1,057,926	-	-	1,057,926	-	1,057,926	1,042,714
Equipment replacement	-	2,083,000	-	2,083,000	-	2,083,000	370,000
Business improvement	-	-	-	-	260,847	260,847	310,987
Unrestricted	27,680,816	15,359,319	2,909,297	45,949,432	2,962,705	48,912,137	54,294,412
<b>TOTAL NET POSITION</b>	<b>\$ 147,566,287</b>	<b>\$ 180,654,660</b>	<b>\$ -</b>	<b>\$ 328,220,947</b>	<b>\$ 3,223,552</b>	<b>\$ 331,444,499</b>	<b>\$ 329,964,860</b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2013

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2012)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 7,304,201	\$ 3,329,885	\$ 28,862	\$ 166,000
Public safety	28,084,089	4,882,213	687,735	-
Public works	16,208,836	336,719	163,569	5,291,184
Health services	8,376,282	1,844,279	1,164,409	-
Culture and recreation	9,277,789	1,444,807	70,304	103,330
Development	3,082,492	362,644	1,294,798	74,500
Interest and fiscal charges	3,096,357	-	208,540	-
<b>Total Governmental Activities</b>	<b>75,430,046</b>	<b>12,200,547</b>	<b>3,618,217</b>	<b>5,635,014</b>
<b>Business-type Activities</b>				
Water Utility	6,148,766	9,369,910	-	261,659
Sewer Utility	6,994,271	9,721,206	-	332,833
Storm Water Utility	3,752,368	4,084,504	44,078	192,513
Public Transit	5,545,632	709,843	3,499,753	1,311,862
Parking Utility	483,670	163,655	-	-
Hobbs Ice Center	1,193,577	703,816	-	-
Outdoor Pool	350,115	230,722	-	-
<b>Total Business-type Activities</b>	<b>24,468,399</b>	<b>24,983,656</b>	<b>3,543,831</b>	<b>2,098,867</b>
<b>Total Primary Government</b>	<b>\$ 99,898,445</b>	<b>\$ 37,184,203</b>	<b>\$ 7,162,048</b>	<b>\$ 7,733,881</b>
<b>Component Units</b>				
Redevelopment Authority	\$ 127,788	\$ 13,033	\$ -	\$ -
South Barstow Business Improvement District	136,903	-	-	-
North Barstow/Medical Business Improvement District	34,159	-	-	-
West Grand Business Improvement District	15,561	-	-	-
Water Street Business Improvement District	14,251	-	-	-
<b>Total Component Units</b>	<b>\$ 328,662</b>	<b>\$ 13,033</b>	<b>\$ -</b>	<b>\$ -</b>

**General Revenues**

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Special assessments

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on disposal of capital assets

Contributions from city

Miscellaneous

Total General Revenues

Transfers

**Change in Net Position**

NET POSITION - Beginning of Year (As Restated)

**NET POSITION - END OF YEAR**

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position				Totals Reporting Entity	
Governmental Activities	Business-type Activities	Totals		2013	2012 (As Restated)
		Primary Government	Component Units		
\$ (3,779,454)	\$ -	\$ (3,779,454)	\$ -	\$ (3,779,454)	\$ (4,480,546)
(22,514,141)	-	(22,514,141)	-	(22,514,141)	(22,292,291)
(10,417,364)	-	(10,417,364)	-	(10,417,364)	(9,519,785)
(5,367,594)	-	(5,367,594)	-	(5,367,594)	(1,745,397)
(7,659,348)	-	(7,659,348)	-	(7,659,348)	(8,878,630)
(1,350,550)	-	(1,350,550)	-	(1,350,550)	(1,557,000)
(2,887,817)	-	(2,887,817)	-	(2,887,817)	(2,814,390)
<u>(53,976,268)</u>	<u>-</u>	<u>(53,976,268)</u>	<u>-</u>	<u>(53,976,268)</u>	<u>(51,288,039)</u>
-	3,482,803	3,482,803	-	3,482,803	3,302,681
-	3,059,768	3,059,768	-	3,059,768	1,795,263
-	568,727	568,727	-	568,727	1,194,498
-	(24,174)	(24,174)	-	(24,174)	(1,765,076)
-	(320,015)	(320,015)	-	(320,015)	(235,243)
-	(489,761)	(489,761)	-	(489,761)	(432,461)
-	(119,393)	(119,393)	-	(119,393)	(102,617)
<u>-</u>	<u>6,157,955</u>	<u>6,157,955</u>	<u>-</u>	<u>6,157,955</u>	<u>3,757,045</u>
<u>(53,976,268)</u>	<u>6,157,955</u>	<u>(47,818,313)</u>	<u>-</u>	<u>(47,818,313)</u>	<u>(47,530,994)</u>
-	-	-	(114,755)	(114,755)	(219,886)
-	-	-	(136,903)	(136,903)	(77,491)
-	-	-	(34,159)	(34,159)	(22,850)
-	-	-	(15,561)	(15,561)	(12,091)
-	-	-	(14,251)	(14,251)	(13,127)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(315,629)</u>	<u>(315,629)</u>	<u>(345,445)</u>
29,060,394	-	29,060,394	-	29,060,394	28,815,377
6,258,694	-	6,258,694	-	6,258,694	6,164,017
1,826,552	-	1,826,552	-	1,826,552	1,538,278
2,240,563	-	2,240,563	-	2,240,563	1,889,166
-	-	-	147,000	147,000	146,500
8,476,861	-	8,476,861	-	8,476,861	8,410,416
518,206	81,087	599,293	5,749	605,042	1,119,122
18,066	12,360	30,426	-	30,426	34,699
-	-	-	360,670	360,670	646,342
<u>159,353</u>	<u>445,392</u>	<u>604,745</u>	<u>2,634</u>	<u>607,379</u>	<u>547,667</u>
48,558,689	538,839	49,097,528	516,053	49,613,581	49,311,584
<u>(750,521)</u>	<u>750,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(6,168,100)	7,447,315	1,279,215	200,424	1,479,639	1,435,145
<u>153,734,387</u>	<u>173,207,345</u>	<u>326,941,732</u>	<u>3,023,128</u>	<u>329,964,860</u>	<u>328,529,715</u>
<u>\$ 147,566,287</u>	<u>\$ 180,654,660</u>	<u>\$ 328,220,947</u>	<u>\$ 3,223,552</u>	<u>\$ 331,444,499</u>	<u>\$ 329,964,860</u>

# CITY OF EAU CLAIRE

## BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2013

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 19,584,491	\$ 5,952,081	\$ 24,822,350	\$ 50,358,922
Receivables				
Taxes	33,783,371	467,733	6,729,529	40,980,633
Delinquent personal property taxes	14,247	-	-	14,247
Accounts, net	2,125,660	20,878	320,604	2,467,142
Notes, net	25,000	-	2,703,783	2,728,783
Special assessments	3,959,275	1,398,195	-	5,357,470
Interest	87,925	-	-	87,925
Due from other governments	889,299	28,000	1,767,143	2,684,442
Due from other funds	1,202,110	-	103	1,202,213
Prepaid items and inventories	20,583	-	126,907	147,490
Advances to other funds	5,486,000	90,000	1,400,000	6,976,000
Restricted assets - cash and investments	-	-	2,833,096	2,833,096
	<b>\$ 67,177,961</b>	<b>\$ 7,956,887</b>	<b>\$ 40,703,515</b>	<b>\$ 115,838,363</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 323,901	\$ -	\$ 3,067,546	\$ 3,391,447
Accrued liabilities	2,316,346	-	266,247	2,582,593
Deposits	188,372	-	8,187	196,559
Due to other governments	15,228	-	308,282	323,510
Due to other funds	-	-	23,928	23,928
Advances from other funds	-	-	3,439,845	3,439,845
Total Liabilities	2,843,847	-	7,114,035	9,957,882
Deferred Inflows of Resources				
Unearned revenues	32,502,526	-	6,759,860	39,262,386
Unavailable revenues	7,641,084	1,884,808	3,213,744	12,739,636
Total Deferred Inflows of Resources	40,143,610	1,884,808	9,973,604	52,002,022
Fund Balances				
Nonspendable	4,859,049	-	126,907	4,985,956
Restricted	-	6,072,079	15,160,742	21,232,821
Assigned	5,596,353	-	11,446,114	17,042,467
Unassigned (deficit)	13,735,102	-	(3,117,887)	10,617,215
Total Fund Balances	24,190,504	6,072,079	23,615,876	53,878,459
	<b>\$ 67,177,961</b>	<b>\$ 7,956,887</b>	<b>\$ 40,703,515</b>	<b>\$ 115,838,363</b>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES As of December 31, 2013

Total fund balance - governmental funds		\$ 53,878,459
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end (excluding internal service funds) consist of:		
Construction in progress	\$ 14,867,791	
Land	16,419,810	
Other capital assets, net of depreciation/amortization	134,339,932	
Less: Internal service fund included below	(10,767,740)	154,859,793
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:		
Premium/(discount) on debt		(640,435)
Deferred loss on refunding of debt		179,209
Receivables that may be uncollectible are recorded in unavailable revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.		
		(160,758)
Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of unavailable revenues at year end consist of:		
Delinquent personal property taxes receivable	321,953	
Accounts receivable	2,136,978	
Loan receivable	2,703,782	
Interest receivable	119,149	
Special assessments receivable	7,054,620	
Grants receivable	403,154	12,739,636
Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		26,714,932
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	(81,918,889)	
Vested compensated absences	(2,335,071)	
Police and fire pension liability	(189,654)	
Permanent disability liability	(275,890)	
Other post-employment benefits	(14,451,361)	
Accrued interest on general obligation debt	(833,684)	(100,004,549)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 147,566,287</b>

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, 2013

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 31,128,539	\$ -	\$ 7,964,238	\$ 39,092,777
Special assessments	1,628,090	685,363	-	2,313,453
Intergovernmental	11,408,474	-	2,881,333	14,289,807
Licenses and permits	1,562,643	-	403,178	1,965,821
Fines, forfeitures and penalties	642,685	-	106,360	749,045
Charges for services - public	3,508,783	42,500	353,645	3,904,928
Charges for services - intergovernmental	2,802,111	-	1,971,134	4,773,245
Investment income	341,312	7,250	83,192	431,754
Miscellaneous	337,156	-	1,465,480	1,802,636
Total Revenues	<u>53,359,793</u>	<u>735,113</u>	<u>15,228,560</u>	<u>69,323,466</u>
<b>EXPENDITURES</b>				
Current				
General government	6,234,735	3,591	100	6,238,426
Public safety	26,312,308	-	154,791	26,467,099
Public works	8,615,025	-	386,867	9,001,892
Health services	-	-	4,913,256	4,913,256
Culture and recreation	4,664,618	-	3,603,175	8,267,793
Development	-	-	3,106,167	3,106,167
Miscellaneous	434,654	-	-	434,654
Capital Outlay	-	-	15,729,625	15,729,625
Debt Service				
Principal retirement	-	6,836,791	5,740,000	12,576,791
Interest and fiscal charges	-	2,341,592	660,431	3,002,023
Total Expenditures	<u>46,261,340</u>	<u>9,181,974</u>	<u>34,294,412</u>	<u>89,737,726</u>
Excess (deficiency) of revenues over expenditures	<u>7,098,453</u>	<u>(8,446,861)</u>	<u>(19,065,852)</u>	<u>(20,414,260)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	15,745,000	15,745,000
Refunding long-term debt issued	-	1,715,000	4,120,000	5,835,000
Premium on long-term debt issued	-	29,708	264,853	294,561
Transfers from other funds	1,715,174	6,258,693	3,428,220	11,402,087
Transfers to other funds	(10,308,442)	-	(880,856)	(11,189,298)
Sale of capital assets	18,242	-	-	18,242
Total Other Financing Sources (Uses)	<u>(8,575,026)</u>	<u>8,003,401</u>	<u>22,677,217</u>	<u>22,105,592</u>
<b>Net change in fund balances</b>	(1,476,573)	(443,460)	3,611,365	1,691,332
FUND BALANCES - Beginning of Year	<u>25,667,077</u>	<u>6,515,539</u>	<u>20,004,511</u>	<u>52,187,127</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 24,190,504</u>	<u>\$ 6,072,079</u>	<u>\$ 23,615,876</u>	<u>\$ 53,878,459</u>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

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Net change in fund balances - total governmental funds	\$ 1,691,332
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay is capitalized in the government-wide statements	15,729,625
Some functional expenditures are capitalized	332,091
Some capital outlay is not capitalized in the government-wide statements	(1,987,747)
Depreciation is reported in the government-wide statements	(7,198,405)
Capital assets transferred to business-type activities	(868,310)

Contributed assets are reported in the government-wide statements.	531,435
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In the statement of activities, the gain or loss (\$344,732) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets (\$18,242) are reported because the proceeds increase financial resources.	(362,974)
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Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following unavailable revenue categories.

Delinquent personal property taxes receivable	39,402
Accounts receivable	285,274
Loan receivable	(275,144)
Interest receivable	(32,770)
Special assessments receivable	(39,003)
Grants receivable	(170,807)

Receivables that may be uncollectible are recorded in unavailable revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.	210,649
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of principal payments paid.	12,576,791
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Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. This is the amount of debt issued during the year.	(21,580,000)
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following liabilities.

Compensated absences	(5,333)
Police and fire pension liability	27,215
Permanent disability liability	9,490
Other post-employment benefits	(4,531,182)

See accompanying notes to financial statements.

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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.	\$ (111,520)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:	
Premium on new debt	(294,561)
Amortization of premium/(discount)	41,381
Amortization of deferred loss on refunding	(24,992)
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>(160,037)</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (6,168,100)</u></b>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 5,418,225	\$ 9,755,501	\$ 3,700,247
Taxes receivable	402,970	353,869	130,795
Accounts receivable, net	1,874,186	1,742,338	890,770
Due from other governments	67,960	596,562	132,933
Inventories	237,681	-	-
Prepaid items	9,514	-	-
Restricted cash and investments	289,934	60,330	-
Total Current Assets	8,300,470	12,508,600	4,854,745
Noncurrent Assets			
Restricted cash and investments	1,555,030	1,691,000	1,106,421
Deposit in insurance pools	-	-	-
Special assessment receivable	647,013	617,034	1,827
Advances to other funds	-	-	-
Capital assets:			
Construction in progress	691,975	22,301,892	440,401
Land	317,174	169,171	15,678,520
Capital assets	86,591,035	82,531,610	51,393,905
Less: Accumulated depreciation	(29,120,708)	(30,907,489)	(13,048,855)
Total Capital Assets (Net of Accumulated Depreciation)	58,479,476	74,095,184	54,463,971
Total Noncurrent Assets	60,681,519	76,403,218	55,572,219
Total Assets	68,981,989	88,911,818	60,426,964
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	-	133,098
Total Deferred Outflows of Resources	-	-	133,098

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 111,524	\$ 578,248	\$ 19,563,745	\$ 14,613,357
-	-	887,634	-
10,205	91,229	4,608,728	210,858
1,977,118	33,141	2,807,714	65,114
49,318	-	286,999	445,547
5,529	-	15,043	5,460
-	-	350,264	-
<u>2,153,694</u>	<u>702,618</u>	<u>28,520,127</u>	<u>15,340,336</u>
-	-	4,352,451	291,430
-	-	-	766,496
-	-	1,265,874	-
-	-	-	1,838,700
-	17,480	23,451,748	15,831
-	650,196	16,815,061	235,899
7,624,779	18,184,207	246,325,536	22,954,878
(4,414,245)	(7,698,348)	(85,189,645)	(12,438,868)
<u>3,210,534</u>	<u>11,153,535</u>	<u>201,402,700</u>	<u>10,767,740</u>
<u>3,210,534</u>	<u>11,153,535</u>	<u>207,021,025</u>	<u>13,664,366</u>
<u>5,364,228</u>	<u>11,856,153</u>	<u>235,541,152</u>	<u>29,004,702</u>
-	-	133,098	-
-	-	133,098	-

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### STATEMENT OF NET POSITION (cont.) PROPRIETARY FUNDS As of December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 389,452	\$ 3,989,629	\$ 202,919
Accrued payroll and payroll taxes	137,693	132,156	16,371
Accrued compensated absences	129,755	128,234	22,867
Accrued interest	-	-	174,065
Deposits	-	-	-
Due to other governments	12	-	-
Due to other funds	-	-	-
Current portion of advances	411,793	60,741	-
Current portion of general obligation debt	-	-	1,419,886
Current portion of revenue bonds	633,750	-	-
Current portion of unpaid claims	-	-	-
Liabilities payable from restricted assets:			
Current portion revenue bonds	211,250	-	-
Accrued interest	78,684	60,330	-
Total Current Liabilities	1,992,389	4,371,090	1,836,108
Noncurrent Liabilities			
Advances from other funds	968,374	468,947	-
Revenue bonds payable	6,275,000	14,917,448	-
General obligation debt	-	-	17,196,225
Other post-employment benefits	491,726	327,290	-
Unpaid claims	-	-	-
Unamortized premium on debt	31,516	-	119,083
Total Noncurrent Liabilities	7,766,616	15,713,685	17,315,308
Total Liabilities	9,759,005	20,084,775	19,151,416
<b>NET POSITION</b>			
Net investment in capital assets	51,327,960	59,177,736	36,968,296
Restricted for:			
Restricted deposits	-	-	-
Debt service	1,374,280	-	-
Equipment replacement	392,000	1,691,000	-
Unrestricted (deficit)	6,128,744	7,958,307	4,440,350
<b>TOTAL NET POSITION</b>	<b>\$ 59,222,984</b>	<b>\$ 68,827,043</b>	<b>\$ 41,408,646</b>

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

### NET POSITION OF BUSINESS-TYPE ACTIVITIES

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 284,284	\$ 48,702	\$ 4,914,986	\$ 365,626
151,807	15,870	453,897	55,853
139,155	6,225	426,236	42,358
-	-	174,065	-
47,968	16,042	64,010	3,667
305,520	2,785	308,317	-
1,117,937	60,348	1,178,285	-
-	200,000	672,534	-
-	-	1,419,886	-
-	-	633,750	-
-	-	-	220,000
-	-	211,250	-
-	-	139,014	-
<u>2,046,671</u>	<u>349,972</u>	<u>10,596,230</u>	<u>687,504</u>
-	3,265,000	4,702,321	-
-	-	21,192,448	-
-	-	17,196,225	-
371,561	7,905	1,198,482	96,448
-	-	-	1,489,103
-	-	150,599	-
<u>371,561</u>	<u>3,272,905</u>	<u>44,440,075</u>	<u>1,585,551</u>
<u>2,418,232</u>	<u>3,622,877</u>	<u>55,036,305</u>	<u>2,273,055</u>
3,210,534	11,153,535	161,838,061	10,767,740
-	-	-	1,057,926
-	-	1,374,280	-
-	-	2,083,000	-
<u>(264,538)</u>	<u>(2,920,259)</u>	<u>15,342,604</u>	<u>14,905,981</u>
<u>\$ 2,945,996</u>	<u>\$ 8,233,276</u>	180,637,945	<u>\$ 26,731,647</u>
		<u>16,715</u>	
		<u>\$ 180,654,660</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>OPERATING REVENUES</b>			
Charges for services	\$ 9,369,910	\$ 9,721,206	\$ 4,084,504
Rental of equipment	-	-	-
Other	1,554	21,130	128,688
Total Operating Revenues	<u>9,371,464</u>	<u>9,742,336</u>	<u>4,213,192</u>
<b>OPERATING EXPENSES</b>			
Personal services	1,851,658	2,434,044	546,341
Contractual services	578,427	899,185	1,224,521
Supplies and materials	509,679	861,044	9,007
Utilities	558,479	626,044	101,643
Depreciation	1,713,808	1,550,136	779,184
Administrative	458,094	515,220	373,750
Claims	-	-	-
Total Operating Expenses	<u>5,670,145</u>	<u>6,885,673</u>	<u>3,034,446</u>
Operating income (loss)	<u>3,701,319</u>	<u>2,856,663</u>	<u>1,178,746</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Grants to other organizations	-	-	-
Investment income	32,184	39,194	9,709
Net gain (loss) on disposal of capital assets	226	(73,070)	(32,442)
Interest and fiscal charges	(473,219)	(148,701)	(700,458)
IRS Build America Bond interest subsidy	-	-	44,078
Interest charged to construction	18,000	130,197	6,938
Total Nonoperating Revenues (Expenses)	<u>(422,809)</u>	<u>(52,380)</u>	<u>(672,175)</u>
Income (loss) before transfers and contributions	<u>3,278,510</u>	<u>2,804,283</u>	<u>506,571</u>
Transfers from other funds	-	-	-
Transfers to other funds	(1,592,561)	-	-
Total Transfers	<u>(1,592,561)</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions	1,685,949	2,804,283	506,571
Capital contributions	<u>261,659</u>	<u>332,833</u>	<u>1,060,823</u>
<b>Change in net position</b>	<b>1,947,608</b>	<b>3,137,116</b>	<b>1,567,394</b>
NET POSITION - Beginning of Year (As Restated)	<u>57,275,376</u>	<u>65,689,927</u>	<u>39,841,252</u>
<b>NET POSITION - END OF YEAR</b>	<b>\$ <u>59,222,984</u></b>	<b>\$ <u>68,827,043</u></b>	<b>\$ <u>41,408,646</u></b>

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

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

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 709,843	\$ 1,098,193	\$ 24,983,656	\$ 3,085,864
-	-	-	3,232,368
<u>260,695</u>	<u>33,325</u>	<u>445,392</u>	<u>457,379</u>
<u>970,538</u>	<u>1,131,518</u>	<u>25,429,048</u>	<u>6,775,611</u>
2,506,964	460,259	7,799,266	892,473
1,645,025	219,275	4,566,433	469,421
691,559	129,856	2,201,145	1,758,584
9,395	409,457	1,705,018	191,231
345,332	662,020	5,050,480	1,286,881
161,414	26,189	1,534,667	134,908
-	-	-	2,182,019
<u>5,359,689</u>	<u>1,907,056</u>	<u>22,857,009</u>	<u>6,915,517</u>
<u>(4,389,151)</u>	<u>(775,538)</u>	<u>2,572,039</u>	<u>(139,906)</u>
3,499,753	-	3,499,753	-
(122,386)	-	(122,386)	-
-	-	81,087	28,047
(26,450)	12,134	(119,602)	(27,398)
(485)	(115,094)	(1,437,957)	-
-	-	44,078	-
-	-	155,135	-
<u>3,350,432</u>	<u>(102,960)</u>	<u>2,100,108</u>	<u>649</u>
<u>(1,038,719)</u>	<u>(878,498)</u>	<u>4,672,147</u>	<u>(139,257)</u>
880,555	594,217	1,474,772	-
-	-	(1,592,561)	(95,000)
<u>880,555</u>	<u>594,217</u>	<u>(117,789)</u>	<u>(95,000)</u>
(158,164)	(284,281)	4,554,358	(234,257)
<u>1,311,862</u>	<u>-</u>	<u>2,967,177</u>	<u>-</u>
1,153,698	(284,281)	7,521,535	(234,257)
<u>1,792,298</u>	<u>8,517,557</u>		<u>26,965,904</u>
<u>\$ 2,945,996</u>	<u>\$ 8,233,276</u>		<u>\$ 26,731,647</u>
		<u>(74,220)</u>	
		<u>\$ 7,447,315</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 9,646,070	\$ 10,016,449	\$ 4,339,063
Cash paid to suppliers for goods and services	(1,745,707)	(2,453,990)	(562,166)
Cash paid to employees for services	(1,969,384)	(2,400,189)	(541,691)
Claims paid	-	-	-
Repayment of insurance claims	-	-	-
Administrative charges	(381,552)	(437,520)	(368,892)
Net Cash Flows From (Used By) Operating Activities	<u>5,549,427</u>	<u>4,724,750</u>	<u>2,866,314</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Payments to subrecipients	-	-	-
Negative cash implicitly financed	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,592,561)	-	-
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,592,561)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	32,184	39,194	9,709
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	-	14,917,448	1,945,000
Premium on debt issued	-	-	27,638
Debt issuance costs	-	-	(20,720)
Debt retired	(805,000)	-	(2,288,209)
Principal paid on advances from other funds	(383,642)	(56,635)	-
Interest paid on advances from other funds	(130,360)	(42,508)	-
Special assessments received	112,998	88,485	1,564
Interest paid	(349,136)	(45,863)	(672,111)
Interest subsidy received	-	-	45,113
Capital contributions	-	-	-
Acquisition and construction of capital assets	(1,790,304)	(16,832,011)	(1,028,236)
Principal paid on capital advances from other funds	-	-	-
Interest paid on capital advances from other funds	-	-	-
Proceeds from sale of capital assets	-	-	-
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(3,345,444)</u>	<u>(1,971,084)</u>	<u>(1,989,961)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	643,606	2,792,860	886,062
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>6,619,583</u>	<u>8,713,971</u>	<u>3,920,606</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 7,263,189</u>	<u>\$ 11,506,831</u>	<u>\$ 4,806,668</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Position	\$ 5,418,225	\$ 9,755,501	\$ 3,700,247
Restricted Cash and Investments			
Current	289,934	60,330	-
Noncurrent	<u>1,555,030</u>	<u>1,691,000</u>	<u>1,106,421</u>
<b>CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS</b>	<u>\$ 7,263,189</u>	<u>\$ 11,506,831</u>	<u>\$ 4,806,668</u>

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 1,046,426	\$ 1,234,952	\$ 26,282,960	\$ 6,511,482
(2,362,472)	(885,044)	(8,009,379)	(2,430,773)
(2,570,362)	(468,999)	(7,950,625)	(879,752)
-	-	-	(2,301,207)
-	-	-	261,370
<u>(51,396)</u>	<u>-</u>	<u>(1,239,360)</u>	<u>-</u>
<u>(3,937,804)</u>	<u>(119,091)</u>	<u>9,083,596</u>	<u>1,161,120</u>
3,205,519	-	3,205,519	22,490
(122,386)	-	(122,386)	-
96,496	-	96,496	-
880,555	594,217	1,474,772	-
<u>-</u>	<u>-</u>	<u>(1,592,561)</u>	<u>(95,000)</u>
<u>4,060,184</u>	<u>594,217</u>	<u>3,061,840</u>	<u>(72,510)</u>
-	-	81,087	28,047
-	-	16,862,448	-
-	-	27,638	-
-	-	(20,720)	-
(43,131)	-	(3,136,340)	-
-	-	(440,277)	-
-	-	(172,868)	-
-	-	203,047	-
(1,941)	-	(1,069,051)	-
-	-	45,113	-
1,311,862	-	1,311,862	-
(1,615,382)	(978,194)	(22,244,127)	(1,869,682)
-	(195,000)	(195,000)	-
-	(115,094)	(115,094)	-
<u>8,226</u>	<u>44,167</u>	<u>52,393</u>	<u>157,456</u>
<u>(340,366)</u>	<u>(1,244,121)</u>	<u>(8,890,976)</u>	<u>(1,712,226)</u>
(217,986)	(768,995)	3,335,547	(595,569)
<u>329,510</u>	<u>1,347,243</u>	<u>20,930,913</u>	<u>15,500,356</u>
<u>\$ 111,524</u>	<u>\$ 578,248</u>	<u>\$ 24,266,460</u>	<u>\$ 14,904,787</u>
\$ 111,524	\$ 578,248	\$ 19,563,745	\$ 14,613,357
-	-	350,264	-
<u>-</u>	<u>-</u>	<u>4,352,451</u>	<u>291,430</u>
<u>\$ 111,524</u>	<u>\$ 578,248</u>	<u>\$ 24,266,460</u>	<u>\$ 14,904,787</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS (cont.)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 3,701,319	\$ 2,856,663	\$ 1,178,746
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	1,713,808	1,550,136	779,184
Depreciation charged to other accounts	133,038	1,705	-
Prior year construction in progress expensed	-	-	798,655
Change in assets and liabilities			
Taxes receivable	4,625	(10,142)	2,807
Accounts receivable	136,943	282,550	123,064
Inventories	(2,971)	-	-
Prepaid items	(708)	-	-
Accounts payable	(18,913)	9,983	(20,790)
Due to other funds	-	-	-
Accrued liabilities	25,791	43,134	4,648
Other post-employment benefits	(143,505)	(9,279)	-
Unpaid claims	-	-	-
Customer deposits	-	-	-
<b>NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>	<u>\$ 5,549,427</u>	<u>\$ 4,724,750</u>	<u>\$ 2,866,314</u>

**NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

Developers, customers and other funds contributed capital assets of \$261,659 to the Water Utility, \$332,833 to the Sewer Utility, and \$1,060,823 to the Storm Water Utility; included in these contributions is \$853,390 of capital assets transferred from the governmental activities to the business-type activities. The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2013:

Water Utility	\$ 343,752
Sewer Utility	3,907,268
Storm Water Utility	193,791
Public Transit	42,200
Nonmajor Enterprise Funds	15,680
Internal Service Funds	10,094

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<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ (4,389,151)	\$ (775,538)	\$ 2,572,039	\$ (139,906)
345,332	662,020	5,050,480	1,286,881
-	-	134,743	-
-	-	798,655	-
-	-	(2,710)	-
71,778	88,435	702,770	(6,426)
(8,773)	-	(11,744)	(18,034)
-	-	(708)	(1,185)
102,298	20,890	93,468	142,590
-	(121,072)	(121,072)	-
26,819	(5,243)	95,149	29,995
(90,217)	(3,582)	(246,583)	(17,274)
-	-	-	(119,188)
<u>4,110</u>	<u>14,999</u>	<u>19,109</u>	<u>3,667</u>
\$ <u>(3,937,804)</u>	\$ <u>(119,091)</u>	\$ <u>9,083,596</u>	\$ <u>1,161,120</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND  
As of December 31, 2013

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	Tax Collection Agency Fund
<b>ASSETS</b>	
Cash and investments	\$ 15,141,401
Taxes receivable	<u>49,076,367</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 64,217,768</u></b>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 64,217,768</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 64,217,768</u></b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET POSITION  
COMPONENT UNITS  
As of December 31, 2013

	<u>Redevelopment Authority</u>	<u>South Barstow Business Improvement District</u>	<u>North Barstow/ Medical Business Improvement District</u>	<u>Nonmajor Component Units</u>	<u>Totals</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 593,941	\$ 21,107	\$ 190,589	\$ 53,045	\$ 858,682
Receivables					
Special assessments	-	80,000	44,000	26,000	150,000
Notes	60,000	-	-	3,194	63,194
Accounts, net	21,706	-	-	-	21,706
Total Current Assets	<u>675,647</u>	<u>101,107</u>	<u>234,589</u>	<u>82,239</u>	<u>1,093,582</u>
<b>NONCURRENT ASSETS</b>					
Notes receivable	327,684	-	-	-	327,684
Property held for resale	2,039,070	-	-	-	2,039,070
Total Noncurrent Assets	<u>2,366,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,366,754</u>
Total Assets	<u>3,042,401</u>	<u>101,107</u>	<u>234,589</u>	<u>82,239</u>	<u>3,460,336</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	73,596	1,055	4,464	1,569	80,684
Deposits	6,100	-	-	-	6,100
Total Current Liabilities	<u>79,696</u>	<u>1,055</u>	<u>4,464</u>	<u>1,569</u>	<u>86,784</u>
Total Liabilities	<u>79,696</u>	<u>1,055</u>	<u>4,464</u>	<u>1,569</u>	<u>86,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned revenues	-	80,000	44,000	26,000	150,000
Total Deferred Inflows of Resources	<u>-</u>	<u>80,000</u>	<u>44,000</u>	<u>26,000</u>	<u>150,000</u>
<b>NET POSITION</b>					
Restricted for:					
Business improvement	-	20,052	186,125	54,670	260,847
Unrestricted	2,962,705	-	-	-	2,962,705
<b>TOTAL NET POSITION</b>	<u>\$ 2,962,705</u>	<u>\$ 20,052</u>	<u>\$ 186,125</u>	<u>\$ 54,670</u>	<u>\$ 3,223,552</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

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

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

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

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

The government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the RDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2013. Separately issued financial statements of the RDA of the City of Eau Claire may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

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

The government-wide financial statements include the South Barstow Business Improvement District, North Barstow/Medical Business Improvement District, West Grand Business Improvement District, and the Water Street Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.I. As major component units, the financial statements of the South Barstow Business Improvement District and the North Barstow/Medical Business Improvement District have been presented as discrete columns in the financial statements. As nonmajor component units, the remaining BIDs financial statements have been combined and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2013. Separate financial statements are not issued by the BIDs.

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

In November 2010, the GASB issued statement No. 61 - *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This standard was implemented effective January 1, 2013.

In March 2012, the GASB issued statement No. 65 - *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was implemented effective January 1, 2013.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

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

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

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

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

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

Financial statements of the 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

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

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

The City reports the following major governmental funds:

- General Fund – accounts for the City’s primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- General Debt Service Fund – accounts for and reports resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs, other than TIF or enterprise debt.

The City reports the following major enterprise funds:

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

The City reports the following nonmajor governmental and enterprise funds:

- Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).
  - Cemetery Maintenance
  - Hazardous Materials Response
  - Community Development
  - Home Grant
  - Economic Development
  - Community Enhancement
  - Public Library
  - City-County Health Department
  - Downtown Partners
  - Former Landfill Escrow
- Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.
  - Debt Service – TIF No. 6
  - Debt Service – TIF No. 7

# CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

---

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

---

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

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

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

- TIF No. 5 Gateway Northwest Business Park
- TIF No. 8 Downtown Development
- TIF No. 9 Gateway Northwest Business Park Overlay
- Bridge Projects
- Street 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 As of and for the Year Ended December 31, 2013

---

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

---

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

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

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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility, and 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.

##### ***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, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

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

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

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

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

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

Collateralization shall be required on all demand deposit accounts, 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. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Investments shall be diversified by:

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY*** (cont.)

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

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

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

##### ***Interest Rate Risk***

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

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on 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 one day's notice. At December 31, 2013, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables***

Property taxes are levied in December on the assessed value as of the prior January 1. 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 statement of assets and liabilities – agency fund.

Property tax calendar – 2013 tax roll:

Lien date and levy date	December 2013
Tax bills mailed	December 2013
Payment in full, or	January 31, 2014
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property taxes in full	January 31, 2014
Tax sale – 2013 delinquent real estate taxes	October 2016

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water and Sewer Utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant. The General Fund, Community Enhancement Fund, and Public Library Fund have recorded allowances of \$2,428,428, \$21,147 and \$110,034, respectively.

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

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has been reduced by an allowance for uncollectible accounts of \$35,000.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

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

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

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

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

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

##### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. 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 position.

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 \$291,430. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

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

###### **Government-Wide Statements (cont.)**

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. During the current year, \$155,135 of net interest was capitalized. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

Buildings	40-50 Years
Land Improvements	30-55 Years
Machinery and Equipment	3-25 Years
Utility System	40-100 Years
Intangibles	3-7 Years
Infrastructure	10-30 Years

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

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

##### **6. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund statements.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

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

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. Only benefits considered to be vested are disclosed in these statements.

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

Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2013 are determined on the basis of current salary rates and include salary related payments.

##### ***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, other post-employment benefits 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.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. 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 premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

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 \$2,371,676, made up of one issue.

##### ***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

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#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

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

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

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

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

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

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

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

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

---

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

---

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

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

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

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the City Manager and Finance Director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

Generally, the City spends down fund balance by using unassigned fund balance for any purpose for which fund balance was not otherwise restricted, committed, or assigned.

##### **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, 2012, from which the summarized information was derived.

In addition, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

##### **12. Basis for Existing Rates**

###### **Water Utility**

Current rates in the Water Utility were approved by the Public Service Commission of Wisconsin and effective on February 1, 2013.

###### **Sewer Utility**

Current rates in the Sewer Utility were approved by the City Council on November 7, 2012 and effective January 1, 2013.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

---

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**12. Basis for Existing Rates (cont.)**

***Storm Water Utility***

Current rates in the Storm Water Utility were approved by the City Council on November 7, 2012 and effective January 1, 2013.

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

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**A. LIMITATIONS ON THE CITY TAX LEVY**

Wisconsin law limits the City's future tax levies. Generally, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

**B. DEFICIT BALANCES**

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

As of December 31, 2013, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF No. 8 Downtown Development	\$ 2,943,258	Expenditures in excess of revenues
Debt Service – TIF No. 7	174,629	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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE III – DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool for all funds and component units which is recorded on the statement of net position as follows:

Per statement of net position	
Cash and investments	\$ 85,394,706
Restricted cash and investments	7,827,241
Per statement of assets and liabilities – agency fund	<u>15,141,401</u>
Total	<u>\$ 108,363,348</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 6,010
Deposits with financial institutions	40,999,331
Investments	<u>67,358,007</u>
Total Cash and Investments	<u>\$ 108,363,348</u>

See Note III.I. for component unit information.

#### Deposits

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 40,999,331	\$ 41,472,856	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in determining custodial credit risk.

The City maintains collateral agreements with its bank. At December 31, 2013, the bank had obtained a letter of credit in the amount of \$60,000,000 to secure the City's deposits.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Investments**

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

	Carrying Value	Associated Risks
U.S. agencies	\$ 49,029,545	Custodial credit risk, concentration of credit risk, credit risk, interest rate risk
WMMIC escrow pool	291,430	Credit risk, interest rate risk
LGIP	18,037,032	Credit risk
Total Cash and Investments	\$ 67,358,007	

**Custodial Credit Risk**

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

The City does not have any deposits 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, 2013, the City's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investor Service
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 As of and for the Year Ended December 31, 2013

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

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

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

At December 31, 2013, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FFCB	U.S. agencies – implicitly guaranteed	12%
FHLBB	U.S. agencies – implicitly guaranteed	7%

##### **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, 2013, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FFCB Callable	08/13/15	01/17/14	\$ 2,000,040
FFCB Callable	02/25/16	02/25/14	2,000,500
FHLMC Callable	09/27/16	03/27/14	1,993,380
FNMA Callable	08/28/17	02/28/14	1,987,460
FNMA Callable	11/08/17	02/08/14	1,967,460
FNMA Callable	11/28/17	02/28/14	1,976,540
FNMA Callable	09/25/17	09/25/14	2,992,500
FFCB Callable	05/09/17	05/09/14	1,971,020
FFCB Callable	05/09/17	01/17/14	1,971,660
FHLB Callable	05/22/18	02/22/14	2,445,475
FNMA Callable	10/30/17	10/30/14	1,959,860
FNMA Callable	01/30/18	01/30/14	1,962,880
FNMA Callable	01/30/18	01/30/14	3,957,040
FNMA Callable	02/21/18	02/21/14	1,966,300
FHLMC One-time Call	06/27/14	06/27/14	2,932,950
FNMA Callable	08/15/16	02/15/14	2,985,240
FHLB Callable	01/30/18	01/30/14	1,981,440
FNMA One-time Call	08/25/16	02/25/15	1,993,780
FNMA Callable	08/28/18	02/28/14	2,990,430
FNMA Callable	11/13/17	02/13/14	1,987,320
FNMA Callable	09/27/16	03/27/14	3,006,270
Total			\$ 49,029,545

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Interest Rate Risk (cont.)**

Investment	Fair Value	Weighted Average Maturity (Days)
WMMIC Escrow Pool	\$ 291,430	N/A

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

**B. RECEIVABLES**

Receivables (including due from other governments) as of year end for the government’s individual major funds and nonmajor funds, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
General	\$ 43,313,205	\$ 2,428,428	\$ 40,884,777	\$ 3,835,232
Debt Service - General	1,914,806	-	1,914,806	1,327,575
Nonmajor Funds	11,687,240	166,181	11,521,059	2,489,422
Internal Service Funds	275,972	-	275,972	73,726

**Business-type Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,992,129	-	\$ 2,992,129	\$ 615,018
Sewer Utility	3,309,803	-	3,309,803	600,034
Storm Water Utility	1,156,325	-	1,156,325	1,827
Public Transit	1,987,323	-	1,987,323	2,084
Nonmajor Funds	124,370	-	124,370	484

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

**B. RECEIVABLES (cont.)**

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

	Unearned	Unavailable
Property taxes receivable	\$ 39,190,588	\$ -
Delinquent property taxes receivable	-	321,953
Accounts receivable	-	2,136,978
Loans receivable	-	2,703,782
Interest receivable	-	119,149
Special assessments not yet due	-	7,054,620
Grants receivable	71,798	403,154
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 39,262,386	\$ 12,739,636

**Notes Receivable**

At December 31, 2013, the General Fund has one note receivable for \$25,000. The note will be paid by the Chippewa Valley Innovation Center which used the proceeds to partially fund a loan pool that is designed to provide beginning businesses with loans to purchase machinery and equipment.

The Community Development Special Revenue Fund has notes receivable of \$1,819,127 at December 31, 2013, with maturities to the year 2033. The balance includes 176 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 Economic Development Special Revenue Fund has notes receivable of \$884,656 at December 31, 2013. This balance is comprised of 10 different loans to a variety of businesses and not-for-profits.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long-Term Debt Accounts***

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Depreciation – Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction – Used to report proceeds of bond issuances that are restricted for use in construction.

***Equipment Replacement Account***

The Sewer Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2013:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Restricted Assets		
Redemption account	\$ -	\$ 350,264
Reserve account	-	1,163,030
Depreciation account	-	1,283,000
Equipment replacement account	-	800,000
Revolving loan sequestered funds	410,447	-
Buildings and equipment construction account	2,422,649	-
Construction account	-	1,106,421
Insurance claims account	<u>291,430</u>	<u>-</u>
Total Restricted Assets	<u>\$ 3,124,526</u>	<u>\$ 4,702,715</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated/ Amortized				
Construction in progress	\$ 9,852,695	\$ 11,211,016	\$ 6,195,920	\$ 14,867,791
Land	16,005,940	429,715	15,845	16,419,810
Total Capital Assets Not Being Depreciated/Amortized	\$ 25,858,635	\$ 11,640,731	\$ 6,211,765	\$ 31,287,601
Capital Assets Being Depreciated/ Amortized				
Land improvements	\$ 10,099,548	\$ 812,227	\$ -	\$ 10,911,775
Buildings	22,527,003	567,362	-	23,094,365
Machinery and equipment	31,989,988	2,823,746	1,899,625	32,914,109
Intangibles	570,395	62,370	-	632,765
Infrastructure	172,330,142	5,820,049	1,481,300	176,668,891
Total Capital Assets Being Depreciated/Amortized	237,517,076	10,085,754	3,380,925	244,221,905
Less: Accumulated Depreciation/ Amortization for				
Land improvements	(3,766,005)	(493,505)	-	(4,259,510)
Buildings	(12,360,468)	(491,182)	-	(12,851,650)
Machinery and equipment	(18,317,626)	(2,216,248)	1,714,357	(18,819,517)
Intangibles	(87,184)	(92,361)	-	(179,545)
Infrastructure	(69,714,229)	(5,202,938)	1,145,416	(73,771,751)
Total Accumulated Depreciation/Amortization	(104,245,512)	(8,496,234)	2,859,773	(109,881,973)
Capital Assets, Being Depreciated/Amortized, Net	\$ 133,271,564	\$ 1,589,520	\$ 521,152	\$ 134,339,932

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

#### D. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 216,440
Public safety	805,072
Public works, which includes the depreciation of infrastructure	6,029,077
Health services	9,534
Culture and recreation	1,423,631
Development	<u>1,532</u>
Total Governmental Activities Depreciation/Amortization Expense	<u><u>\$ 8,485,286</u></u>

Expense is different from additions because of accumulated depreciation on assets transferred from business-type activities.

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Construction in progress	\$ 10,553,437	\$ 20,997,590	\$ 8,099,279	\$ 23,451,748
Land	<u>16,798,461</u>	<u>16,600</u>	<u>-</u>	<u>16,815,061</u>
Total Capital Assets Not Being Depreciated	<u><u>\$ 27,351,898</u></u>	<u><u>\$ 21,014,190</u></u>	<u><u>\$ 8,099,279</u></u>	<u><u>\$ 40,266,809</u></u>
<b>Other Capital Assets</b>				
Improvements	\$ 3,909,003	\$ 20,949	\$ 105,715	\$ 3,824,237
Buildings	40,338,371	1,674,554	187,356	41,825,569
Distribution and collection systems	173,271,672	9,635,060	175,344	182,731,388
Source of supply system	893,255	-	-	893,255
Machinery and equipment	<u>15,797,719</u>	<u>2,014,051</u>	<u>760,683</u>	<u>17,051,087</u>
Total Capital Assets Being Depreciated	<u>234,210,020</u>	<u>13,344,614</u>	<u>1,229,098</u>	<u>246,325,536</u>
Less: Accumulated Depreciation for				
Improvements	(2,258,441)	(143,831)	79,156	(2,323,116)
Buildings	(19,667,540)	(1,168,069)	118,527	(20,717,082)
Distribution and collection systems	(46,325,735)	(3,159,417)	142,904	(49,342,248)
Source of supply system	(753,565)	(20,741)	-	(774,306)
Machinery and equipment	<u>(12,046,186)</u>	<u>(702,999)</u>	<u>716,292</u>	<u>(12,032,893)</u>
Total Accumulated Depreciation	<u>(81,051,467)</u>	<u>(5,195,057)</u>	<u>1,056,879</u>	<u>(85,189,645)</u>
Total Capital Assets, Being Depreciated, Net	<u><u>\$ 153,158,553</u></u>	<u><u>\$ 8,149,557</u></u>	<u><u>\$ 172,219</u></u>	<u><u>\$ 161,135,891</u></u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,713,808
Sewer	1,550,136
Storm Water	779,184
Public Transit	345,332
Parking Utility	230,941
Hobbs Ice Center	379,355
Outdoor Pool	51,724
Other – joint metering	<u>134,743</u>
 Total Business-type Activities Depreciation Expense	 <u><u>\$ 5,185,223</u></u>

Expense is different from additions due to joint metering, salvage and cost of removal.

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

***Interfund Receivables/Payables***

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue – HOME Grant	\$ 23,825
General Fund	Enterprise – Public Transit	1,117,937
General Fund	Enterprise – Hobbs Ice Center	60,348
Special Revenue – City-County Health Department	Special Revenue – Community Development	<u>103</u>
Sub-total – Fund Financial Statements		1,202,213
Less: Fund eliminations		<u>(23,928)</u>
Total interfunds		1,178,285
Government-wide net interfund advances		5,374,855
Adjustment to reflect internal service fund activities related to enterprise funds		<u>(16,715)</u>
Total Internal Balances – Government-Wide Statement of Net Position		<u><u>\$ 6,536,425</u></u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

##### **Interfund Receivables/Payables (cont.)**

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 position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

##### **Advances**

The General Fund is advancing funds to the Water Utility, Sewer Utility, Hobbs Ice Center and TIF No. 7. The General Fund is charging the 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 5.80% – 7.70%. The rate being charged on the Sewer Utility advance is 7.25%. The rate being charged on the Hobbs advances is 1.60% – 5.10%. The rate being charged on the TIF No. 7 advances is 2.20-5.10%.

The Economic Development, Streets Capital Projects and Risk Management Funds are advancing funds to TIF No. 8. Principal and interest payments on these advances have not yet started. These funds will be charging TIF No. 8 interest on the advances based on the balance outstanding before the principal payment, retroactive to the year 2004. The rate to be charged is 3.72% – 4.41%.

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	\$ 1,380,167	\$ 968,374
General Fund	Sewer Utility	529,688	468,947
General Fund	Enterprise – Hobbs Ice Center	3,465,000	3,265,000
General Fund	Debt Service – TIF No. 7	111,145	111,145
General Debt Service	Debt Service – TIF No. 7	90,000	90,000
Special Revenue – Economic Development	Capital Projects – TIF No. 8	400,000	400,000
Capital Projects – Streets Projects	Capital Projects – TIF No. 8	1,000,000	1,000,000
Internal Service – Risk Management	Capital Projects – TIF No. 8	<u>1,838,700</u>	1,838,700
Sub-total – Fund Financial Statements		8,814,700	
Less: Fund eliminations		<u>(3,439,845)</u>	
Total Net Government-Wide Advances		<u>\$ 5,374,855</u>	

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Advances (cont.)**

The principal purpose of the advances is to advance funds for capital construction projects, collateral on a letter of credit and repayment of transfers from prior years.

No repayment schedule has been established for the advances to TIF No. 7 and TIF No. 8. Annual repayment of principal and interest on the other advances are made according to the following schedule:

Years	Advances		
	Principal	Interest	Totals
2014	\$ 672,534	\$ 250,501	\$ 923,035
2015	553,808	210,044	763,852
2016	584,497	178,008	762,505
2017	473,105	143,617	616,722
2018	492,276	117,365	609,641
2019 – 2020	<u>2,598,635</u>	<u>59,765</u>	<u>2,658,400</u>
Totals	<u>\$ 5,374,855</u>	<u>\$ 959,300</u>	<u>\$ 6,334,155</u>

**Transfers**

Following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>General Fund</b>	Community Development	\$ 7,613	To fund coalition for youth
	Community Enhancement	115,000	To fund general fund special events
	Water Utility	1,592,561	Payment in lieu of tax
<b>Special Revenue</b>			
Cemetery Maintenance	General Fund	191,271	Operating subsidy
Economic Development	General Fund	100,000	General support
City-County Health Department	Community Development	62,101	Fund code enforcement project
Downtown Partners	Economic Development	80,000	Operating subsidy
<b>Debt Service</b>			
Debt Service – General	General Fund	6,186,499	Debt service payments
Debt Service – General	Public Library	39,682	Debt service payments
Debt Service – General	City-County Health Department	32,512	Debt service payments

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Transfers (cont.)**

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>Capital Projects</b>			
Streets Projects	General Fund	\$ 873,500	Fund various projects
Buildings and Equipment	General Fund	1,503,100	Fund various projects
Buildings and Equipment	Cemetery Maintenance	56,500	Cemetery projects in CIP
Parks and Recreation	General Fund	159,300	Fund park development projects
Parks and Recreation	Community Development	1,448	Tree planting
Parks and Recreation	Community Enhancement	200,000	Fund park development projects
Environmental Improvement	Risk Management	95,000	Fund environmental projects
Library Buildings & Equipment	Public Library	106,000	Fund facility improvements
<b>Enterprise</b>			
Public Transit	General Fund	753,555	Operating subsidy
Public Transit	General Fund	127,000	Fund various projects
Parking Utility	General Fund	80,000	Forest Street parking area
Parking Utility	General Fund	37,177	Operating subsidy
Hobbs Ice Center	General Fund	209,111	Operating subsidy
Hobbs Ice Center	Community Enhancement	70,000	Facility improvements
Hobbs Ice Center	Community Enhancement	65,000	Subsidize facility improvements
Outdoor Pool	General Fund	42,929	Operating subsidy
Outdoor Pool	General Fund	45,000	Subsidize facility improvements
Outdoor Pool	Community Enhancement	<u>45,000</u>	Subsidize facilities improvements
Sub-total – Fund Financial Statements		12,876,859	
Less: Fund eliminations		(12,759,070)	
Less: Capital assets transferred to business-type activities		<u>(868,310)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (750,521)</u>	

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 72,915,680	\$ 21,580,000	\$ 12,576,791	\$ 81,918,889	\$ 7,250,114
Add/(Subtract):					
Premiums/(discounts)	387,255	294,561	41,381	640,435	-
Sub-totals	73,302,935	21,874,561	12,618,172	82,559,324	7,250,114
Other Liabilities					
Vested compensated absences	2,365,587	1,806,816	1,794,974	2,377,429	1,496,345
Police and fire pensions	216,869	-	27,215	189,654	37,052
Permanent disability	285,380	-	9,490	275,890	27,980
Other post-employment benefits	10,033,901	4,513,908	-	14,547,809	-
Unpaid self-insurance claims	1,828,291	1,448,756	1,567,944	1,709,103	220,000
Total Other Liabilities	14,730,028	7,769,480	3,399,623	19,099,885	1,781,377
Total Governmental Activities Long-Term Liabilities	\$ 88,032,963	\$ 29,644,041	\$ 16,017,795	\$ 101,659,209	\$ 9,031,491
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 18,959,320	\$ 1,945,000	\$ 2,288,209	\$ 18,616,111	\$ 1,419,886
State trust fund notes	43,131	-	43,131	-	-
Revenue bonds	7,925,000	14,917,448	805,000	22,037,448	845,000
Add/(Subtract):					
Premiums/(discounts)	136,926	27,639	13,966	150,599	-
Sub-totals	27,064,377	16,890,087	3,150,306	40,804,158	2,264,886
Other Liabilities					
Vested compensated absences	415,893	365,803	355,460	426,236	426,236
Other post-employment benefits	1,445,065	-	246,583	1,198,482	-
Total Other Liabilities	1,860,958	365,803	602,043	1,624,718	426,236
Total Business-type Activities Long-Term Liabilities	\$ 28,925,335	\$ 17,255,890	\$ 3,752,349	\$ 42,428,876	\$ 2,691,122

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

##### General Obligation Debt

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

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2013, was \$216,283,240. Total general obligation debt outstanding at year end was \$100,535,000 and resources on hand for payment of debt were \$6,910,329.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-13
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Corporate purpose	09/15/03	04/01/23	3.5-4.6%	\$ 4,405,000	\$ 250,000
Corporate purpose	09/01/04	04/01/24	3.5-4.5%	6,270,000	2,330,000
Corporate purpose	06/01/05	04/01/25	3.5-4.25%	5,850,000	3,325,000
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	3,095,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	5,915,000
Tax incremental bonds	05/01/07	04/01/25	4.0-5.0%	1,440,000	1,150,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	7,530,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	4,605,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	1,065,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	6,955,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	7,465,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	3,605,000
Corporate purpose	08/17/10	04/01/30	4.25-5.5%	3,210,000	3,210,000
Corporate purpose	08/17/10	04/01/20	1.0-2.85%	3,975,000	2,840,000
Corporate purpose	08/17/10	04/01/21	1.5-3.0%	4,585,000	3,715,000
Corporate purpose	08/01/11	04/01/31	2.0-4.0%	6,350,000	5,775,000
Corporate purpose	08/01/11	04/01/21	2.0-2.75%	2,160,000	1,730,000
Corporate purpose	08/28/12	04/01/32	2.0-2.625%	5,640,000	5,425,000
Corporate purpose	08/28/12	04/01/22	0.35-1.65%	4,335,000	3,825,000
Corporate purpose	08/15/13	04/01/33	2.0-4.25%	14,145,000	14,145,000
Corporate purpose	08/15/13	04/01/23	2.0-3.0%	9,380,000	9,380,000
Total General Obligation Debt					100,535,000
Less: Enterprise portion of G.O. Bonds					(18,616,111)
Total – Governmental Activities – G.O. Bonds					<u>\$ 81,918,889</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**General Obligation Debt**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2014	\$ 7,250,114	\$ 3,014,969	\$ 1,419,886	\$ 650,997
2015	7,078,238	2,703,006	1,446,762	602,285
2016	6,945,792	2,475,894	1,469,208	558,125
2017	6,883,573	2,246,752	1,526,427	510,652
2018	6,083,919	2,029,344	1,446,081	461,988
2019 – 2023	25,247,253	7,021,680	5,937,747	1,637,620
2024 – 2028	15,350,000	3,240,491	3,845,000	690,597
2029 – 2033	7,080,000	606,214	1,525,000	98,688
Totals	<u>\$ 81,918,889</u>	<u>\$ 23,338,350</u>	<u>\$ 18,616,111</u>	<u>\$ 5,210,952</u>

**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 \$12,750,000 in water revenue bonds issued from 2001 to 2009. Proceeds from the bonds provided financing for utility system improvements and for refinancing previous revenue bonds. The bonds are payable solely from water revenues and are payable through 2028. 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 \$9,191,042. Principal and interest paid for the current year and total customer net revenues were \$1,154,136 and \$5,447,537, respectively. Annual principal and interest payments are expected to require 7% of Water Utility revenues through 2028.

The Sewer Utility has pledged future sewer revenues, net of specified operating expenses to repay \$14,917,448 in sewer revenue bonds issued in 2013. Proceeds from the bonds provided financing for treatment plant upgrades. The bonds are payable solely from sewer revenues and are payable through 2033. The bonds require net revenues of 1.10 times annual principal and interest payments on outstanding bonds. The total principal and interest remaining to be paid on the bonds are \$19,468,010. Principal and interest paid for the current year and total customer net revenues were \$45,863 and \$4,445,993, respectively. Annual principal and interest payments are expected to require 10% of Sewer Utility revenues through 2033.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Revenue Debt (cont.)**

Revenue debt payable at December 31, 2013 consists of the following:

<b>Business-type Activities Revenue Debt</b>					
	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-13</u>
<u>Water Utility</u>					
Revenue bonds	08/15/01	10/01/16	4.0-4.8%	\$ 4,615,000	\$ 1,845,000
Revenue bonds	09/15/03	10/01/17	2.5-4.3%	2,310,000	335,000
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	2,000,000	1,425,000
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	3,825,000	<u>3,515,000</u>
Total Water Utility					7,120,000
<u>Sewer Utility</u>					
Revenue bonds*	06/12/13	05/01/33	2.617%	\$ 14,917,448	<u>14,917,448</u>
Total – Business-type Activities – Revenue Debt					<u>\$ 22,037,448</u>

\* During 2013 the Sewer Utility was authorized to issue \$41,395,988 of sewer system Clean Water Fund revenue bonds. The original amount reported above has been issued as of December 31, 2013. The repayment schedule is for the amount issued.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 845,000	\$ 690,920	\$ 1,535,920
2015	885,000	668,382	1,553,382
2016	1,584,423	619,791	2,204,214
2017	1,126,680	559,838	1,686,518
2018	1,074,389	523,479	1,597,868
2019 – 2023	5,794,227	2,081,600	7,875,827
2024 – 2028	5,866,861	1,153,000	7,019,861
2029 – 2033	<u>4,860,868</u>	<u>324,593</u>	<u>5,185,461</u>
Totals	<u>\$ 22,037,448</u>	<u>\$ 6,621,603</u>	<u>\$ 28,659,051</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

Estimated payments of compensated absences and other post-employment benefits are not included in the debt service requirement schedules. The compensated absences and post-employment benefits liabilities attributable to governmental activities will be liquidated primarily by the General Fund.

A statutory mortgage lien upon the City's water system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issues. The City's water system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

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

##### **Current Refunding**

On August 15, 2013, the City issued \$6,780,000 in general obligation bonds with an interest rate of 2.0-3.0% to current refund \$6,895,000 of outstanding general obligation bonds and notes with an interest rate of 3.75-4.80%. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$8,589,050 from 2014 through 2023. The cash flow requirements on the refunding bonds are \$7,721,623 from 2014 through 2023. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$712,220.

#### **G. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2013 includes the following:

##### **Governmental Activities**

Net Investment in Capital Assets	
Construction in progress	\$ 14,867,791
Land	16,419,810
Other capital assets, net of accumulated depreciation/amortization	134,339,932
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(70,093,170)</u>
Total Net Investment in Capital Assets	<u>\$ 95,534,363</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

**G. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2013 include the following:

	General Fund	Debt Service - General	Nonmajor Funds	Totals
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Long-term notes receivable	\$ 25,000	\$ -	\$ -	\$ 25,000
Long-term advances to other funds	4,813,466	-	-	4,813,466
Prepaid items and inventories	20,583	-	126,907	147,490
<b>Restricted for:</b>				
Debt service	-	6,072,079	1,012,879	7,084,958
Capital contracts	-	-	2,073,824	2,073,824
Cemetery maintenance	-	-	251,723	251,723
Hazardous materials	-	-	70,546	70,546
Community development	-	-	128,270	128,270
Home program	-	-	8,190	8,190
Economic development	-	-	3,743,132	3,743,132
Community enhancement	-	-	79,081	79,081
Public library	-	-	796,173	796,173
City-county health	-	-	713,543	713,543
Downtown partners	-	-	112,875	112,875
TIF #5 projects	-	-	3,042,547	3,042,547
TIF #9 projects	-	-	278,239	278,239
Bond construction	-	-	2,422,648	2,422,648
RCU agreement	-	-	87,897	87,897
Library capital projects	-	-	339,175	339,175
<b>Assigned for:</b>				
Capital projects	2,454,600	-	11,446,114	13,900,714
Carryover – 2014 budget	169,100	-	-	169,100
Highway 53 maintenance	2,343,312	-	-	2,343,312
YMCA land sale	429,341	-	-	429,341
ERRP funds	200,000	-	-	200,000
<b>Unassigned (deficit):</b>	13,735,102	-	(3,117,887)	10,617,215
<b>Total Fund Balances</b>	<b>\$ 24,190,504</b>	<b>\$ 6,072,079</b>	<b>\$ 23,615,876</b>	<b>\$ 53,878,459</b>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

**G. NET POSITION/FUND BALANCES (cont.)**

***Business-type Activities***

Net Investment in Capital Assets	
Construction in progress	\$ 23,451,748
Land	16,815,061
Other capital assets, net of accumulated depreciation	161,135,891
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(39,564,639)</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 161,838,061</u></u>

**H. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, which modifies certain requirements for the inclusion of component units in the reporting entity. The Housing Authority of the City of Eau Claire was previously included as a component unit but removed with the implementation of this standard. Net position has also been restated as a result of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires debt issuance costs to be expensed in the period incurred. These costs were previously required to be capitalized. The details of these restatements are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>	<u>Water Utility</u>	<u>Storm Water Utility</u>
Net Position – December 31, 2012 (as reported)	\$ 154,302,018	\$ 173,452,592	\$ 18,720,672	\$ 57,392,664	\$ 39,969,211
Less: Housing Authority	-	-	(15,697,544)	-	-
Less: Unamortized debt issuance costs	<u>(567,631)</u>	<u>(245,247)</u>	<u>-</u>	<u>(117,288)</u>	<u>(127,959)</u>
 Net Position – December 31, 2012 (as restated)	 <u><u>\$ 153,734,387</u></u>	 <u><u>\$ 173,207,345</u></u>	 <u><u>\$ 3,023,128</u></u>	 <u><u>\$ 57,275,376</u></u>	 <u><u>\$ 39,841,252</u></u>

**I. COMPONENT UNITS**

***Redevelopment Authority***

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

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

#### a. Basis of Accounting

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

#### b. Deposits and Investments

The RDA is part of the City of Eau Claire's cash 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 \$593,941. 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. Notes Receivable

The RDA sold property in exchange for a note receivable of \$600,000 in 2007. On December 31, 2013, the remaining balance on the note was \$240,000. The note is subject to an annual land credit calculation.

In 2011, the RDA sold property in exchange for a note receivable of \$161,700. Principal and interest on the note are due in one lump sum payment in 2016; interest is added annually. On December 31, 2013 the outstanding balance including accrued interest was \$147,684.

No allowance for uncollectible notes is considered necessary. The amount of notes receivable not expected to be collected within one year was \$327,684 as of December 31, 2013.

#### d. Property Held for Resale

To further its objectives, the RDA purchases and holds property for resale. As such, this property is presented as an asset at the lower of cost or market.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

#### d. Property Held for Resale (cont.)

Property held for resale activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Property held for resale	<u>\$ 1,033,495</u>	<u>\$ 1,041,979</u>	<u>\$ (36,404)</u>	<u>\$ 2,039,070</u>

#### 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.

#### 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 beginning in 2009. The RDA shall grant PPL a Redevelopment Land Credit of up to \$600,000 towards the purchase price of the land subject to an increase in the assessed valuation of the property. As of January 1, 2010, PPL had met the property valuation required for the full annual land credit on the note receivable. No further payments are expected to be collected. The credit awarded in 2013 was \$60,000.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

#### h. Development and Purchase Agreement (cont.)

In addition, PPL shall receive from the City 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 up to \$1.5 million. In calculating the amount due to PPL, the incremental increased fair market value of the Phase I property excludes the \$600,000 purchase price 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 (paid by TIF #8) 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 unavailable revenue or nonspendable fund balance.

#### b. Deposits and Investments

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

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

South Barstow	<u>\$ 21,107</u>
North Barstow/Medical	<u>\$ 190,589</u>
West Grand	<u>\$ 6,696</u>
Water Street	<u>\$ 46,349</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

#### **J. 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.

	<u>Effective Date</u>	<u>Amended Date</u>	<u>Expenditure Deadline</u>	<u>Termination Year</u>
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

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, 2013.

<u>Project Costs</u>	<u>TIF No. 5</u>	<u>TIF No. 6</u>	<u>TIF No. 7</u>	<u>TIF No. 8</u>	<u>TIF No. 9</u>
Capital expenditures	\$ 6,087,765	\$ 1,130,256	\$ 1,557,146	\$ 10,847,304	\$ -
Interest and fiscal charges	2,941,581	706,756	1,144,836	3,281,696	600
Development, marketing, bond issuance costs	-	-	-	103,001	1,000
<b>Total Project Costs</b>	<b>9,029,346</b>	<b>1,837,012</b>	<b>2,701,982</b>	<b>14,232,001</b>	<b>1,600</b>
<u>Project Revenues</u>					
Tax increments	6,715,704	1,966,693	1,430,712	3,899,907	277,910
Interest income and misc. revenue	1,091,187	239,683	371,642	1,230,830	1,929
Grants and donations	-	-	-	503,008	-
Special assessments revenue	-	227,679	-	-	-
<b>Total Project Revenues</b>	<b>7,806,891</b>	<b>2,434,055</b>	<b>1,802,354</b>	<b>5,633,745</b>	<b>279,839</b>
<b>Net Recoverable Costs (Refundable)</b>	<b>\$ 1,222,455</b>	<b>\$ (597,043)</b>	<b>\$ 899,628</b>	<b>\$ 8,598,256</b>	<b>\$ (278,239)</b>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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### NOTE IV – OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year, and expected to be employed for at least one year from the employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year, and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives and Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for City employees covered by WRS for the year ended December 31, 2013 was \$33,856,390; the employer's total payroll was \$35,838,369. The total required contribution for the year ended December 31, 2013 was \$5,919,942 or 17.49 percent of covered payroll. Of this amount, 64 percent was contributed by the employer and 36 percent was contributed by the employees. Total contributions for the years ending December 31, 2012 and 2011 were \$5,209,202 and \$5,126,888, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 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. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application 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 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

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.

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers eight 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 2013 was approximately \$37,971. Total estimated unfunded pension-related debt of this plan is approximately \$189,654 as of December 31, 2013, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2012 and 2011 was \$43,434 and \$65,471, respectively, equal to required contributions for each year. The rate of investment return is presently assumed to be 4%. The estimated remaining period of amortization is 14 years. This information is included in the above pension plan. The report can be obtained from the same address above.

Under an earlier provision of the law, employers were directly responsible for the administration of permanent disability payments. During 2013, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$275,890.

#### **B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; including damage, theft or destruction of assets, errors and omissions; worker's compensation, health care of its employees and natural disasters. The City purchases commercial insurance to provide coverage for employee health, auto and general liability, property damage and boiler and machinery loss. Excess insurance for worker's compensation is also purchased; however, worker's compensation risks are accounted for and financed by an internal service fund – the Risk Management Fund.

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

For workers' compensation claims, the uninsured risk of loss is \$500,000 per incident. The City has purchased excess insurance from Safety National Insurance Company for claims in excess of those amounts. Settled claims have not exceeded the excess coverage in any of the past three years.

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2013

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

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

**Self-Insurance (cont.)**

The unpaid claims liability of \$1,709,103 at December 31, 2013 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 \$1,201,453 of potential workers compensation claims and \$507,650 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	\$ 1,589,795	\$ 1,828,291
Current year claims and changes in estimates	1,633,489	1,448,756
Claim payments	(1,394,993)	(1,567,944)
Unpaid Claims – End of Year	\$ 1,828,291	\$ 1,709,103

**Public Entity Risk Pool**

**Transit Mutual Insurance Corporation of Wisconsin (TMI)**

Transit Mutual Insurance Corporation of Wisconsin (TMI) is a municipal mutual insurance corporation, which insures auto liability and vehicle physical damage for municipally-owned transit systems in Wisconsin. Each insured property is an owner of the mutual insurance corporation. The City insures its transit systems' auto liability and physical damage with TMI and is an owner of the corporation.

In 2013, TMI issued to the City an auto liability insurance policy with a \$250,000 per person policy limit and a \$7,000,000 per accident policy limit. Of the per accident policy limit, TMI insures \$2,000,000 and reinsures \$5,000,000 with Genesis Insurance. In addition, the City's policy provides \$25,000 per person and \$50,000 per accident in uninsured motorist insurance.

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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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 (TMI) (cont.)***

Premiums are determined in advance of each premium year, which begins on January 1. TMI is an assessable mutual; accordingly, the board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the premium year. Members are required by Wisconsin statute and TMI bylaws to fund any deficit attributable to a premium year during which they were a member. TMI was incorporated in 1985 and began issuing insurance policies in 1986; there has never been a member assessment beyond the annual premiums.

The City's share of this corporation is 2.62% for auto liability and 4.00% of physical damage liability. A list of the other members and their share of participation is available in the TMI report which is available from TMI, 400 N. Richmond Street, Suite J, Appleton, WI 54915-1483 or by email from [tmi@new.rr.com](mailto:tmi@new.rr.com).

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

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

Insurance coverage provided through WMMIC includes auto and public liability for claims over \$100,000 per occurrence or \$300,000 aggregate for years 1988-94 and \$200,000 per occurrence or \$500,000 aggregate for years 1995-97, and \$200,000 per occurrence or \$400,000 aggregate in 1999 through 2013, with an annual cap of \$10,000,000. The policy is nonassessable, thereby limiting the City's commitment to a proportional share of a \$13,935,000 revenue bond issue sold by WMMIC to provide for the initial capitalization. The share of participation is determined on a basis of prior claim history and can be affected by acceptance of new members. The City's current share of participation is 3.28%.

#### **C. COMMITMENTS AND CONTINGENCIES**

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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

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

The City has active construction projects as of December 31, 2013. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

At December 31, 2013, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No restrictions of net position have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
Street Projects	\$ 1,462,592
Bridge Projects	66,189
Buildings and Equipment	435,871
Parks and Recreation Projects	96,685
Environmental Improvements – Landfill	11,487
Library Buildings & Equipment	<u>1,000</u>
Total Committed Construction	<u>\$ 2,073,824</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 232,282
Sewer Utility	22,998,284
Storm Water Utility	43,842
Public Transit	37,200
Parking Utility	15,882
Outdoor Pool	3,693
Central Equipment	<u>20,587</u>
Total Committed Construction and Equipment	<u>\$ 23,351,770</u>

#### **D. POST-EMPLOYMENT 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 65. The plan does not issue a publicly available financial report.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

#### ***D. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS*** (cont.)

Contribution requirements for represented employees are established through collective bargaining agreements with the Police, Fire and Transit unions and may be amended only through negotiations between the City and the union. Non-represented employees hired through December 31, 2013 also receive retiree health insurance benefits as established in the employee handbook. Under these agreements and handbook, the City and its plan members are required to contribute to the plan at a variety of different rates. For fiscal year 2013, the actuarial contribution by the City, including the implicit rate subsidy, was estimated as \$2,739,000. Of that amount, \$1,589,605 was for payments of retiree health insurance premiums. Retiree contributions were \$493,880.

The City's annual other post-employment 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	\$	7,287,490
Interest on net OPEB obligation		344,610
Adjustment to annual required contribution		<u>(568,988)</u>
Annual OPEB cost		7,063,112
Contributions made		<u>(2,739,000)</u>
Increase in Net OPEB Obligation		4,324,112
Net OPEB Obligation – Beginning of Year		<u>11,487,005</u>
Net OPEB Obligation – End of Year	\$	<u><u>15,811,117</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/11	\$ 4,968,031	42.35%	\$ 8,453,587
12/31/12	5,137,418	40.95%	11,487,005
12/31/13	7,063,112	38.78%	15,811,117

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### ***D. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS*** (cont.)

The funded status of the plans as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 69,237,469
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 69,237,469</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 33,856,390
UAAL as a percentage of covered payroll	204.50%

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 projected unit credit actuarial cost method was used. The actuarial assumptions include a 3% investment rate of return, a 2.5% inflation rate and an annual healthcare cost trend rate of 6.6% initially for pre-65 members and 6.2% initially for post-65 members, reduced by decrements to an ultimate rate of 4.4% after 76 years. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period is 30 years.

#### ***E. CONTINGENT RECEIVABLES***

The City has unrecorded loans which are not recorded as receivables because collection is subject to certain events occurring in the future. Each loan is fully forgivable if none of these triggering events have occurred by the end of the loan's term. At December 31, 2013, the Community Development Special Revenue Fund has \$739,300 and the Home Grant Special Revenue Fund has \$2,289,886 of unrecorded contingent loans receivable.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### ***F. CONTINGENT LIABILITIES***

The City owned and operated a landfill in the Town of Union which closed in 1978. A treatment system operation began in 1997. This system is designed to contain VOCs (volatile organic compounds) from migration from the landfill to the Blue Valley subdivision. The City currently works with Potentially Responsible Parties (PRPs) and the Wisconsin Department of Natural Resources on a long term monitoring plan for groundwater containment and treatment system. Ultimate final cleanup costs are unknown.

#### ***G. RELATED PARTIES***

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

In April 1991, the City, Xcel Energy, the Industrial Development Corporation, and Gateway signed an agreement to provide Gateway with loans up to \$960,000 (increased to \$3,000,000 in 1995) for the acquisition and development of industrial property. As of December 31, 2013, 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 \$17,875 for the year ended December 31, 2013.

Downtown Eau Claire, Incorporated (DECI), a Wisconsin nonstock, nonprofit corporation was organized in 2002 for the purpose of promoting the development of business, housing and cultural resources and activities with downtown Eau Claire. The Board of Directors of the corporation consists of 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 nonbusiness 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, South Barstow 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.

#### ***H. RELATED ORGANIZATIONS***

##### ***Housing Authority***

The City's officials are responsible for appointing the board members of the Housing Authority of the City of Eau Claire, but the City's accountability for this organization does not extend beyond making the appointments.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2013

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

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#### ***I. SUBSEQUENT EVENTS***

In 2014, the City has made additional draws of \$14,029,671 on its 2013 sewerage system Clean Water Fund revenue bonds.

The City Council has approved various bonds for issuance in 2014. 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 September 3, 2014:

- > \$3,720,000 of General Obligation Bonds for street improvement purposes
- > \$1,000,000 of General Obligation Bonds for storm water purposes
- > \$4,225,000 of General Obligation Notes for street improvements, city hall complex updates and refunding of the 2004 Series A bonds

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

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

- > GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*
- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 69, *Government Combinations and Disposals of Government Operations*
- > Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2013

	2013			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 31,178,500	\$ 31,178,500	\$ 31,128,539	\$ (49,961)
Special assessments	1,012,500	1,012,500	1,628,090	615,590
Intergovernmental	11,214,500	11,263,600	11,408,474	144,874
Licenses and permits	1,550,300	1,550,300	1,562,643	12,343
Fines, forfeitures and penalties	794,000	794,000	642,685	(151,315)
Charges for services - public	3,548,300	3,548,300	3,508,783	(39,517)
Charges for services - intergovernmental	3,172,500	3,192,500	2,802,111	(390,389)
Investment income	920,800	920,800	341,312	(579,488)
Miscellaneous	284,200	297,400	337,156	39,756
Total Revenues	<u>53,675,600</u>	<u>53,757,900</u>	<u>53,359,793</u>	<u>(398,107)</u>
<b>EXPENDITURES</b>				
Current				
City council	129,600	129,600	98,422	31,178
Administrative services	1,586,500	1,690,500	1,572,364	118,136
Legal	479,800	479,800	448,808	30,992
Finance	2,295,700	2,295,700	2,104,800	190,900
Human resources	902,900	902,900	822,316	80,584
Planning and development	1,208,500	1,208,500	1,188,025	20,475
Police	15,904,600	16,015,100	15,679,011	336,089
Fire	10,723,600	10,736,300	10,633,297	103,003
Public works	8,747,800	8,963,900	8,615,025	348,875
Culture and recreation	4,953,800	4,964,900	4,664,618	300,282
Miscellaneous	838,500	853,500	434,654	418,846
Total Expenditures	<u>47,771,300</u>	<u>48,240,700</u>	<u>46,261,340</u>	<u>1,979,360</u>
Excess of revenues over expenditures	<u>5,904,300</u>	<u>5,517,200</u>	<u>7,098,453</u>	<u>1,581,253</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,693,000	1,701,400	1,715,174	13,774
Transfers to other funds	(10,566,300)	(10,575,600)	(10,308,442)	267,158
Sale of capital assets	10,000	10,000	18,242	8,242
Total Other Financing Sources (Uses)	<u>(8,863,300)</u>	<u>(8,864,200)</u>	<u>(8,575,026)</u>	<u>289,174</u>
Net change in fund balances	(2,959,000)	(3,347,000)	(1,476,573)	1,870,427
FUND BALANCE - Beginning of Year	<u>25,667,077</u>	<u>25,667,077</u>	<u>25,667,077</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,708,077</u>	<u>\$ 22,320,077</u>	<u>\$ 24,190,504</u>	<u>\$ 1,870,427</u>

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

**CITY OF EAU CLAIRE**

OTHER POST-EMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF FUNDING PROGRESS AND SCHEDULE  
 OF EMPLOYER CONTRIBUTIONS  
 For the Year Ended December 31, 2013

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2010	\$ -	\$ 43,935,923	\$ 43,935,923	0%	\$ 32,584,361	150.2%
1/1/2012	-	48,826,648	48,826,648	0%	32,920,027	148.3%
1/1/2014	-	69,237,469	69,237,469	0%	33,856,390	204.5%

The City of Eau Claire provides some staffing for the Housing Authority operations, therefore, the Housing Authority amounts are included above. The Housing Authority's approximate share of the AAL and UAAL is as follows:

Actuarial Valuation Date	Share of AAL and UAAL
1/1/2010	\$ 116,000
1/1/2012	34,000
1/1/2014	287,000

Data in the schedule of funding progress was taken from the reports issued by the actuary.

See independent auditors' report.

## CITY OF EAU CLAIRE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

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#### ***BUDGETARY INFORMATION***

Formal budgets are prepared for governmental and proprietary funds. Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C. The City adopts the budget at the department level.

An annual budget has been adopted for the General Fund, Debt Service, and all Special Revenue funds, except for the Community Development Block Grant and Home Grant funds, which have nonlapsing budgets. Flexible, annual budgets are approved for proprietary funds to provide for financial management. Project length budgets are adopted for capital project funds. Although these appropriations are specific for each project, they are reviewed and may be adjusted annually by the City Council. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. All annual appropriations lapse at year end.

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

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

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

The City Council approved proposed 2013 budgets for governmental and proprietary funds on November 7, 2012.

See independent auditors' report.

## CITY OF EAU CLAIRE

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2013

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

During 2012 and 2013, additional appropriations were approved in several funds. A summary of these council actions follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Carryover of Appropriations</u>	<u>Grants and Donations</u>	<u>Other</u>	<u>Final Appropriation</u>
General Fund	\$ 58,337,600	\$ 424,800	\$ 52,400	\$ 1,500	\$ 58,816,300
Debt Service Fund	7,552,100	-	-	1,745,000	9,297,100
Economic Development	593,600	57,500	-	-	651,100
Community Enhancement	1,522,900	-	-	59,400	1,582,300
Cemetery Maintenance	460,900	-	-	4,000	464,900
Hazardous Materials Response	183,900	-	(22,000)	-	161,900
Public Library	3,919,100	(17,500)	44,100	-	3,945,700
City-County Health	4,856,300	(22,900)	139,400	-	4,972,800

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

## **Major Funds - Governmental**

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

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

# CITY OF EAU CLAIRE

## GENERAL FUND COMPARATIVE BALANCE SHEET As of December 31, 2013 and 2012

	2013	2012
<b>ASSETS</b>		
Cash and investments	\$ 19,584,491	\$ 19,553,291
Receivables		
Taxes		
Current	33,783,371	31,777,523
Delinquent personal property	14,247	14,958
Total Taxes	33,797,618	31,792,481
Accounts receivable	2,125,660	2,420,317
Notes receivable	25,000	25,000
Special assessments:		
Installment	3,959,275	3,626,183
Interest	87,925	44,879
Total Receivables	39,995,478	37,908,860
Due from other funds	1,202,110	1,211,810
Due from other governments	889,299	277,022
Inventories and prepaid items	20,583	857,186
Advance to other funds	5,486,000	6,121,277
 TOTAL ASSETS	 \$ 67,177,961	 \$ 65,929,446

	<u>2013</u>	<u>2012</u>
<b><i>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</i></b>		
Liabilities		
Accounts payable	\$ 323,901	\$ 519,457
Accrued liabilities	2,316,346	2,303,384
Deposits	188,372	226,224
Due to other governments	<u>15,228</u>	<u>6,704</u>
Total Liabilities	<u>2,843,847</u>	<u>3,055,769</u>
Deferred Inflows of Resources		
Unearned revenues	32,502,526	30,741,802
Unavailable revenues	<u>7,641,084</u>	<u>6,464,798</u>
Total Deferred Inflows of Resources	<u>40,143,610</u>	<u>37,206,600</u>
Fund Balance		
Nonspendable	4,859,049	6,368,186
Assigned	5,596,353	6,774,678
Unassigned	<u>13,735,102</u>	<u>12,524,213</u>
Total Fund Balance	<u>24,190,504</u>	<u>25,667,077</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b><u>\$ 67,177,961</u></b>	<b><u>\$ 65,929,446</u></b>

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	2013			2012	
	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Actual
<b>REVENUES</b>					
<b>TAXES</b>					
Real and personal property	\$ 30,766,800	\$ 30,766,800	\$ 30,715,859	\$ (50,941)	\$ 30,339,195
Mobile home fees	73,000	73,000	79,117	6,117	79,593
Payment in lieu of taxes:					
Other	335,700	335,700	330,969	(4,731)	331,876
Interest on delinquent taxes	3,000	3,000	2,594	(406)	1,304
Total Taxes	<u>31,178,500</u>	<u>31,178,500</u>	<u>31,128,539</u>	<u>(49,961)</u>	<u>30,751,968</u>
<b>SPECIAL ASSESSMENTS</b>					
Current	922,500	922,500	1,289,234	366,734	922,138
Installment	90,000	90,000	338,856	248,856	185,445
Total Special Assessments	<u>1,012,500</u>	<u>1,012,500</u>	<u>1,628,090</u>	<u>615,590</u>	<u>1,107,583</u>
<b>INTERGOVERNMENTAL</b>					
Federal aid	170,600	207,800	93,880	(113,920)	560,170
State aid					
Shared taxes	6,081,100	6,081,100	6,081,136	36	6,081,136
Municipal services	520,000	520,000	509,246	(10,754)	524,830
Utility tax	424,900	424,900	445,610	20,710	434,435
Local streets	2,486,300	2,486,300	2,651,249	164,949	2,486,321
Expenditure restraint program	1,140,600	1,140,600	1,140,605	5	1,168,317
Fire insurance	150,000	150,000	152,233	2,233	148,162
Underground tank inspections	7,000	7,000	6,666	(334)	7,034
Police training	14,000	14,000	15,200	1,200	13,760
Other	220,000	231,900	312,649	80,749	253,272
Total Intergovernmental	<u>11,214,500</u>	<u>11,263,600</u>	<u>11,408,474</u>	<u>144,874</u>	<u>11,677,437</u>
<b>LICENSES AND PERMITS</b>					
Television franchise	640,000	640,000	678,940	38,940	681,287
Licenses	349,300	349,300	342,691	(6,609)	350,723
Permits	561,000	561,000	541,012	(19,988)	584,382
Total Licenses and Permits	<u>1,550,300</u>	<u>1,550,300</u>	<u>1,562,643</u>	<u>12,343</u>	<u>1,616,392</u>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Parking violation fines	440,000	440,000	370,907	(69,093)	390,569
County court fines	350,000	350,000	270,880	(79,120)	251,705
Other fines or forfeitures	4,000	4,000	898	(3,102)	3,882
Total Fines, Forfeitures and Penalties	<u>794,000</u>	<u>794,000</u>	<u>642,685</u>	<u>(151,315)</u>	<u>646,156</u>

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	2013			2012	
	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Actual
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	\$ 58,200	\$ 58,200	\$ 63,419	\$ 5,219	\$ 56,482
Public safety	2,632,300	2,632,300	2,674,283	41,983	2,477,870
Public works	175,000	175,000	149,335	(25,665)	160,312
Parks and recreation	680,800	680,800	618,240	(62,560)	650,127
Development	2,000	2,000	1,809	(191)	-
Other	-	-	1,697	1,697	-
Total Charges for Services	3,548,300	3,548,300	3,508,783	(39,517)	3,344,791
<b>CHARGES FOR SERVICES - INTERGOVERNMENTAL</b>					
Communication center reimbursement	1,319,800	1,319,800	922,286	(397,514)	1,241,449
Police liaison	198,500	198,500	198,004	(496)	193,787
Departmental unfunded pension charge	145,000	145,000	145,000	-	145,500
Storm water management charge	368,900	368,900	368,892	(8)	354,156
Sewer utility charge	437,500	437,500	437,520	20	418,932
Water utility service charge	575,300	575,300	575,268	(32)	550,644
Other service charges	127,500	147,500	155,141	7,641	137,963
Total Charges for Services - Intergovernmental	3,172,500	3,192,500	2,802,111	(390,389)	3,042,431
<b>INVESTMENT INCOME</b>					
Investment interest and gains (losses)	335,000	335,000	(251,685)	(586,685)	266,261
Interest on advance to other funds	287,900	287,900	287,962	62	328,798
Interest on special assessments	297,900	297,900	305,035	7,135	291,444
Total Investment Income	920,800	920,800	341,312	(579,488)	886,503
<b>MISCELLANEOUS</b>					
Rental					
Rental of land and buildings	53,100	53,100	59,007	5,907	48,073
Total Rental	53,100	53,100	59,007	5,907	48,073
Other					
Donations	-	10,900	28,921	18,021	14,405
Insurance recoveries	-	-	-	-	61,923
Other miscellaneous	231,100	233,400	249,228	15,828	235,365
Total Other	231,100	244,300	278,149	33,849	311,693
Total Miscellaneous	284,200	297,400	337,156	39,756	359,766
Total Revenues	53,675,600	53,757,900	53,359,793	(398,107)	53,433,027

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	\$ 115,000	\$ 123,400	\$ 122,613	\$ (787)	\$ 163,320
Transfer from water utility - PILOT	1,578,000	1,578,000	1,592,561	14,561	1,568,601
Sale of capital assets	10,000	10,000	18,242	8,242	25,760
Total Other Financing Sources	<u>1,703,000</u>	<u>1,711,400</u>	<u>1,733,416</u>	<u>22,016</u>	<u>1,757,591</u>
 TOTAL REVENUES AND OTHER FINANCING SOURCES	 <u>\$ 55,378,600</u>	 <u>\$ 55,469,300</u>	 <u>\$ 55,093,209</u>	 <u>\$ (376,091)</u>	 <u>\$ 55,190,618</u>

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

EXPENDITURES	2013				2012
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>GENERAL GOVERNMENT</b>					
City council	\$ 129,600	\$ 129,600	\$ 98,422	\$ 31,178	\$ 107,089
Administrative services					
City manager	434,700	469,700	410,632	59,068	313,754
City clerk/elections	347,400	347,400	331,429	15,971	632,057
Information services	804,400	873,400	830,303	43,097	763,552
Total Administrative Services	<u>1,586,500</u>	<u>1,690,500</u>	<u>1,572,364</u>	<u>118,136</u>	<u>1,709,363</u>
Legal	479,800	479,800	448,808	30,992	469,716
Finance					
Administration	351,700	351,700	330,209	21,491	331,128
Accounting	647,000	647,000	580,722	66,278	594,396
Assessing	529,800	529,800	502,235	27,565	489,452
Customer services	767,200	767,200	691,634	75,566	673,843
Total Finance	<u>2,295,700</u>	<u>2,295,700</u>	<u>2,104,800</u>	<u>190,900</u>	<u>2,088,819</u>
Human resources					
Purchasing	245,100	245,100	234,284	10,816	230,839
Personnel administration	657,800	657,800	588,032	69,768	575,591
Total Human Resources	<u>902,900</u>	<u>902,900</u>	<u>822,316</u>	<u>80,584</u>	<u>806,430</u>
Planning and development					
Community planning	587,500	587,500	578,526	8,974	569,479
Inspection and zoning	621,000	621,000	609,499	11,501	588,265
Total Planning and Development	<u>1,208,500</u>	<u>1,208,500</u>	<u>1,188,025</u>	<u>20,475</u>	<u>1,157,744</u>
Total General Government	<u>6,603,000</u>	<u>6,707,000</u>	<u>6,234,735</u>	<u>472,265</u>	<u>6,339,161</u>
<b>PUBLIC SAFETY</b>					
Police					
Administration	1,152,400	1,151,600	1,129,731	21,869	1,089,673
Administrative services	1,503,700	1,518,900	1,415,732	103,168	1,444,016
Patrol services	8,885,300	9,010,700	8,798,557	212,143	8,279,759
Investigative services	2,477,800	2,463,000	2,521,797	(58,797)	2,472,533
Central communications	1,885,400	1,870,900	1,813,194	57,706	1,770,271
Total Police	<u>15,904,600</u>	<u>16,015,100</u>	<u>15,679,011</u>	<u>336,089</u>	<u>15,056,252</u>
Fire					
Administration	738,000	738,400	695,522	42,878	672,874
Suppression and rescue	9,485,200	9,496,700	9,442,152	54,548	9,238,421
Prevention and inspection	500,400	501,200	495,623	5,577	515,520
Total Fire	<u>10,723,600</u>	<u>10,736,300</u>	<u>10,633,297</u>	<u>103,003</u>	<u>10,426,815</u>
Total Public Safety	<u>26,628,200</u>	<u>26,751,400</u>	<u>26,312,308</u>	<u>439,092</u>	<u>25,483,067</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC WORKS</b>					
Administration	\$ 364,600	\$ 366,500	\$ 312,867	\$ 53,633	\$ 360,757
Operations	6,847,700	7,062,900	6,870,744	192,156	6,186,124
Engineering	1,535,500	1,534,500	1,431,414	103,086	1,378,107
Total Public Works	<u>8,747,800</u>	<u>8,963,900</u>	<u>8,615,025</u>	<u>348,875</u>	<u>7,924,988</u>
<b>CULTURE AND RECREATION</b>					
Administration	501,000	506,800	489,627	17,173	448,291
Park maintenance	2,936,900	2,941,600	2,876,801	64,799	2,916,131
Forestry	594,100	594,100	524,310	69,790	603,692
Recreation and playgrounds	921,800	922,400	773,880	148,520	811,006
Total Culture and Recreation	<u>4,953,800</u>	<u>4,964,900</u>	<u>4,664,618</u>	<u>300,282</u>	<u>4,779,120</u>
<b>MISCELLANEOUS</b>					
Payments to other organizations	127,500	127,500	126,574	926	126,846
Contractual services	127,900	30,200	30,145	55	59,282
Insurance and retirement	209,300	209,300	88,432	120,868	115,840
Special assessments	125,000	125,000	49,384	75,616	18,833
Illegal taxes and refunds	-	122,900	122,848	52	38,613
Annexation rebates	17,300	17,300	17,271	29	22,230
Contingency	231,500	221,300	-	221,300	-
Total Miscellaneous	<u>838,500</u>	<u>853,500</u>	<u>434,654</u>	<u>418,846</u>	<u>381,644</u>
Total Expenditures	<u>47,771,300</u>	<u>48,240,700</u>	<u>46,261,340</u>	<u>1,979,360</u>	<u>44,975,382</u>
<b>OTHER FINANCING USES</b>					
Transfers to other funds:					
Special revenue fund	298,200	298,200	291,271	6,929	787,206
Debt service fund	6,186,500	6,186,500	6,186,500	-	6,096,000
Capital project funds	2,526,600	2,535,900	2,535,900	-	2,337,900
Proprietary funds	1,555,000	1,555,000	1,294,771	260,229	2,133,967
Total Other Financing Uses	<u>10,566,300</u>	<u>10,575,600</u>	<u>10,308,442</u>	<u>267,158</u>	<u>11,355,073</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 58,337,600</u>	<u>\$ 58,816,300</u>	<u>\$ 56,569,782</u>	<u>\$ 2,246,518</u>	<u>\$ 56,330,455</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Special assessments	\$ 681,400	\$ 681,400	\$ 685,363	\$ 3,963	\$ 822,669
Charges for services - public	36,800	36,800	42,500	5,700	42,500
Investment income	10,000	10,000	7,250	(2,750)	10,529
Total Revenues	<u>728,200</u>	<u>728,200</u>	<u>735,113</u>	<u>6,913</u>	<u>875,698</u>
<b>EXPENDITURES</b>					
Current					
General government	3,600	3,600	3,591	9	3,400
Debt Service					
Principal retirement	5,091,800	6,836,800	6,836,791	9	6,096,445
Interest and fiscal charges	2,366,700	2,366,700	2,341,592	25,108	2,431,598
Total Expenditures	<u>7,462,100</u>	<u>9,207,100</u>	<u>9,181,974</u>	<u>25,126</u>	<u>8,531,443</u>
Deficiency of revenues over expenditures	<u>(6,733,900)</u>	<u>(8,478,900)</u>	<u>(8,446,861)</u>	<u>32,039</u>	<u>(7,655,745)</u>
<b>OTHER FINANCING SOURCES</b>					
Refunding long-term debt issued	-	1,715,000	1,715,000	-	1,017,230
Premium on long-term debt issued	-	30,000	29,708	(292)	-
Transfers from other funds	6,258,800	6,258,800	6,258,693	(107)	6,164,018
Transfers to other funds	(90,000)	(90,000)	-	90,000	-
Total Other Financing Sources	<u>6,168,800</u>	<u>7,913,800</u>	<u>8,003,401</u>	<u>89,601</u>	<u>7,181,248</u>
Net change in fund balances	(565,100)	(565,100)	(443,460)	121,640	(474,497)
FUND BALANCE - Beginning of Year	<u>6,515,539</u>	<u>6,515,539</u>	<u>6,515,539</u>	<u>-</u>	<u>6,990,036</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,950,439</u>	<u>\$ 5,950,439</u>	<u>\$ 6,072,079</u>	<u>\$ 121,640</u>	<u>\$ 6,515,539</u>

## Nonmajor Funds - Governmental

### Special Revenue Funds

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

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response for incidents involving hazardous materials to a statewide area – primarily northern and west central Wisconsin.

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

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

The **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 #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.

The **Debt Service – TIF #7** fund accounts for debt funded by taxes resulting from the incremental property values in the downtown area on the site of the former Soo Line depot, as well as City-owned property on Railroad Street, part of Doty Street, and the L.E. Phillips Memorial Public Library. This district was created in 1997.

### **Capital Projects Funds**

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

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

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 As of December 31, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,535,179	\$ 1,039,395	\$ 18,247,776	\$ 24,822,350
Receivables				
Taxes	4,611,940	141,514	1,976,075	6,729,529
Accounts	306,735	-	13,869	320,604
Notes	2,703,783	-	-	2,703,783
Due from other governments	657,284	-	1,109,859	1,767,143
Due from other funds	103	-	-	103
Prepaid items and inventories	126,907	-	-	126,907
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted Assets				
Revolving loan sequestered funds	410,447	-	-	410,447
Construction account	-	-	2,422,649	2,422,649
<b>TOTAL ASSETS</b>	<b><u>\$ 14,752,378</u></b>	<b><u>\$ 1,180,909</u></b>	<b><u>\$ 24,770,228</u></b>	<b><u>\$ 40,703,515</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 341,935	\$ -	\$ 2,725,611	\$ 3,067,546
Accrued liabilities	266,247	-	-	266,247
Deposits	8,187	-	-	8,187
Due to other governments	308,282	-	-	308,282
Due to other funds	23,928	-	-	23,928
Advances from other funds	-	201,145	3,238,700	3,439,845
Total Liabilities	<u>948,579</u>	<u>201,145</u>	<u>5,964,311</u>	<u>7,114,035</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	4,642,271	141,514	1,976,075	6,759,860
Unavailable revenues	3,131,087	-	82,657	3,213,744
Total Deferred Inflows of Resources	<u>7,773,358</u>	<u>141,514</u>	<u>2,058,732</u>	<u>9,973,604</u>
<b>FUND BALANCES</b>				
Nonspendable	126,907	-	-	126,907
Restricted	5,903,534	1,012,879	8,244,329	15,160,742
Assigned	-	-	11,446,114	11,446,114
Unassigned (deficit)	-	(174,629)	(2,943,258)	(3,117,887)
Total Fund Balances	<u>6,030,441</u>	<u>838,250</u>	<u>16,747,185</u>	<u>23,615,876</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 14,752,378</u></b>	<b><u>\$ 1,180,909</u></b>	<b><u>\$ 24,770,228</u></b>	<b><u>\$ 40,703,515</u></b>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 6,137,685	\$ 132,282	\$ 1,694,271	\$ 7,964,238
Intergovernmental	2,202,400	1,592	677,341	2,881,333
Licenses and permits	403,178	-	-	403,178
Fines, forfeitures and penalties	106,360	-	-	106,360
Charges for services - public	353,645	-	-	353,645
Charges for services - intergovernmental	1,971,014	-	120	1,971,134
Investment income	34,083	757	48,352	83,192
Miscellaneous				
Loan repayments	609,797	-	-	609,797
Building rental	44,400	-	-	44,400
Gifts and donations	127,853	-	190,241	318,094
Insurance recoveries	-	-	126,299	126,299
Other	303,226	-	63,664	366,890
Total Revenues	<u>12,293,641</u>	<u>134,631</u>	<u>2,800,288</u>	<u>15,228,560</u>
<b>EXPENDITURES</b>				
Current				
General government	-	100	-	100
Public safety	124,019	-	30,772	154,791
Public works	59,868	-	326,999	386,867
Health services	4,913,256	-	-	4,913,256
Culture and recreation	3,602,869	-	306	3,603,175
Development	3,013,230	150	92,787	3,106,167
Capital Outlay	6,180	-	15,723,445	15,729,625
Debt Service				
Principal retirement	-	285,000	5,455,000	5,740,000
Interest and fiscal charges	-	50,516	609,915	660,431
Total Expenditures	<u>11,719,422</u>	<u>335,766</u>	<u>22,239,224</u>	<u>34,294,412</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ 574,219	\$ (201,135)	\$ (19,438,936)	\$ (19,065,852)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	15,745,000	15,745,000
Refunding long-term debt issued	-	-	4,120,000	4,120,000
Premium on long-term debt issued	-	-	264,853	264,853
Transfers from other funds	433,372	-	2,994,848	3,428,220
Transfers to other funds	(880,856)	-	-	(880,856)
Total Other Financing Sources (Uses)	(447,484)	-	23,124,701	22,677,217
Net changes in fund balances	126,735	(201,135)	3,685,765	3,611,365
FUND BALANCES - Beginning of Year	5,903,706	1,039,385	13,061,420	20,004,511
FUND BALANCES - END OF YEAR	<u>\$ 6,030,441</u>	<u>\$ 838,250</u>	<u>\$ 16,747,185</u>	<u>\$ 23,615,876</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
As of December 31, 2013

	<u>Cemetery Maintenance</u>	<u>Hazardous Materials Response</u>	<u>Community Development</u>	<u>Home Grant</u>
<b>ASSETS</b>				
Cash and investments	\$ 260,911	\$ 96,083	\$ 79,225	\$ 125
Receivables				
Taxes	-	-	-	-
Accounts	15,799	1,696	22,808	-
Notes	-	-	1,819,127	-
Due from other governments	-	28,487	56,923	65,471
Due from other funds	-	-	-	-
Prepaid items and inventories	-	-	24	12
Advances to other funds	-	-	-	-
Restricted Assets				
Revolving loan sequestered funds	-	-	-	-
 TOTAL ASSETS	 <u>\$ 276,710</u>	 <u>\$ 126,266</u>	 <u>\$ 1,978,107</u>	 <u>\$ 65,608</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,069	\$ 25,537	\$ 16,019	\$ 29,799
Accrued liabilities	14,611	-	1,105	225
Deposits	-	-	-	-
Due to other governments	9	-	11,785	2,731
Due to other funds	-	-	103	23,825
Total Liabilities	<u>15,689</u>	<u>25,537</u>	<u>29,012</u>	<u>56,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	-	-	-	-
Unavailable revenues	9,298	30,183	1,820,801	826
Total Deferred Inflows of Resources	<u>9,298</u>	<u>30,183</u>	<u>1,820,801</u>	<u>826</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	24	12
Restricted	251,723	70,546	128,270	8,190
Total Fund Balances	<u>251,723</u>	<u>70,546</u>	<u>128,294</u>	<u>8,202</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 276,710</u>	 <u>\$ 126,266</u>	 <u>\$ 1,978,107</u>	 <u>\$ 65,608</u>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 2,940,509	\$ 1,294	\$ 970,935	\$ 1,052,316	\$ 118,769	\$ 15,012	\$ 5,535,179
-	-	2,900,700	1,711,240	-	-	4,611,940
-	137,090	120,392	8,950	-	-	306,735
884,656	-	-	-	-	-	2,703,783
-	-	-	506,403	-	-	657,284
-	-	-	103	-	-	103
-	-	35,296	91,575	-	-	126,907
400,000	-	-	-	-	-	400,000
410,447	-	-	-	-	-	410,447
<u>\$ 4,635,612</u>	<u>\$ 138,384</u>	<u>\$ 4,027,323</u>	<u>\$ 3,370,587</u>	<u>\$ 118,769</u>	<u>\$ 15,012</u>	<u>\$ 14,752,378</u>
\$ 144	\$ 59,303	\$ 77,648	\$ 125,436	\$ 155	\$ 6,825	\$ 341,935
7,680	-	98,403	138,484	5,739	-	266,247
-	-	-	-	-	8,187	8,187
-	-	21	293,736	-	-	308,282
-	-	-	-	-	-	23,928
<u>7,824</u>	<u>59,303</u>	<u>176,072</u>	<u>557,656</u>	<u>5,894</u>	<u>15,012</u>	<u>948,579</u>
-	-	2,900,700	1,741,571	-	-	4,642,271
884,656	-	119,082	266,241	-	-	3,131,087
<u>884,656</u>	<u>-</u>	<u>3,019,782</u>	<u>2,007,812</u>	<u>-</u>	<u>-</u>	<u>7,773,358</u>
-	-	35,296	91,575	-	-	126,907
<u>3,743,132</u>	<u>79,081</u>	<u>796,173</u>	<u>713,544</u>	<u>112,875</u>	<u>-</u>	<u>5,903,534</u>
<u>3,743,132</u>	<u>79,081</u>	<u>831,469</u>	<u>805,119</u>	<u>112,875</u>	<u>-</u>	<u>6,030,441</u>
<u>\$ 4,635,612</u>	<u>\$ 138,384</u>	<u>\$ 4,027,323</u>	<u>\$ 3,370,587</u>	<u>\$ 118,769</u>	<u>\$ 15,012</u>	<u>\$ 14,752,378</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, 2013

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Economic Development
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	107,502	735,914	457,145	-
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	36	-	-	-	-
Charges for services - public	160,365	3,648	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	350	-	-	32,893
Miscellaneous					
Loan repayments	-	-	205,248	7,798	382,168
Building rental	-	-	-	-	44,400
Gifts and donations	-	-	-	-	-
Other	5	-	-	-	14
Total Revenues	<u>160,406</u>	<u>111,500</u>	<u>941,162</u>	<u>464,943</u>	<u>459,475</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	124,019	-	-	-
Public works	-	-	-	-	-
Health services	355,677	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	822,180	462,509	519,137
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>355,677</u>	<u>124,019</u>	<u>822,180</u>	<u>462,509</u>	<u>519,137</u>
Excess (deficiency) of revenues over expenditures	<u>(195,271)</u>	<u>(12,519)</u>	<u>118,982</u>	<u>2,434</u>	<u>(59,662)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	191,271	-	-	-	100,000
Transfers to other funds	<u>(56,500)</u>	<u>-</u>	<u>(71,162)</u>	<u>-</u>	<u>(80,000)</u>
Total Other Financing Sources (Uses)	<u>134,771</u>	<u>-</u>	<u>(71,162)</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	(60,500)	(12,519)	47,820	2,434	(39,662)
FUND BALANCES - Beginning of Year	<u>312,223</u>	<u>83,065</u>	<u>80,474</u>	<u>5,768</u>	<u>3,782,794</u>
FUND BALANCES - END OF YEAR	<u>\$ 251,723</u>	<u>\$ 70,546</u>	<u>\$ 128,294</u>	<u>\$ 8,202</u>	<u>\$ 3,743,132</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>
\$ 1,555,285	\$ 2,891,000	\$ 1,691,400	\$ -	\$ -	\$ 6,137,685
-	-	901,839	-	-	2,202,400
-	-	403,178	-	-	403,178
-	106,324	-	-	-	106,360
-	5,758	124,006	-	59,868	353,645
-	575,331	1,395,683	-	-	1,971,014
490	350	-	-	-	34,083
14,583	-	-	-	-	609,797
-	-	-	-	-	44,400
-	70,304	2,149	55,400	-	127,853
-	268,126	35,081	-	-	303,226
<u>1,570,358</u>	<u>3,917,193</u>	<u>4,553,336</u>	<u>55,400</u>	<u>59,868</u>	<u>12,293,641</u>
-	-	-	-	-	124,019
-	-	-	-	59,868	59,868
-	-	4,557,579	-	-	4,913,256
-	3,602,869	-	-	-	3,602,869
1,087,645	-	-	121,759	-	3,013,230
-	6,180	-	-	-	6,180
<u>1,087,645</u>	<u>3,609,049</u>	<u>4,557,579</u>	<u>121,759</u>	<u>59,868</u>	<u>11,719,422</u>
<u>482,713</u>	<u>308,144</u>	<u>(4,243)</u>	<u>(66,359)</u>	<u>-</u>	<u>574,219</u>
-	-	62,101	80,000	-	433,372
<u>(495,000)</u>	<u>(145,682)</u>	<u>(32,512)</u>	<u>-</u>	<u>-</u>	<u>(880,856)</u>
<u>(495,000)</u>	<u>(145,682)</u>	<u>29,589</u>	<u>80,000</u>	<u>-</u>	<u>(447,484)</u>
(12,287)	162,462	25,346	13,641	-	126,735
<u>91,368</u>	<u>669,007</u>	<u>779,773</u>	<u>99,234</u>	<u>-</u>	<u>5,903,706</u>
<u>\$ 79,081</u>	<u>\$ 831,469</u>	<u>\$ 805,119</u>	<u>\$ 112,875</u>	<u>\$ -</u>	<u>\$ 6,030,441</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS  
As of December 31, 2013

	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>ASSETS</b>			
Cash and investments	\$ 1,012,879	\$ 26,516	\$ 1,039,395
Receivables			
Taxes	-	141,514	141,514
 TOTAL ASSETS	 <u>\$ 1,012,879</u>	 <u>\$ 168,030</u>	 <u>\$ 1,180,909</u>
<b>LIABILITIES</b>			
Advances from other funds	\$ -	\$ 201,145	\$ 201,145
Total Liabilities	-	201,145	201,145
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	-	141,514	141,514
Total Deferred Inflows of Resources	-	141,514	141,514
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	1,012,879	-	1,012,879
Unassigned (deficit)	-	(174,629)	(174,629)
Total Fund Balances (Deficit)	<u>1,012,879</u>	<u>(174,629)</u>	<u>838,250</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 1,012,879</u>	 <u>\$ 168,030</u>	 <u>\$ 1,180,909</u>

# CITY OF EAU CLAIRE

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS For the Year Ended December 31, 2013

	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>REVENUES</b>			
Taxes	\$ -	\$ 132,282	\$ 132,282
Intergovernmental	-	1,592	1,592
Investment income	757	-	757
Total Revenues	757	133,874	134,631
<b>EXPENDITURES</b>			
Current			
General government	-	100	100
Development	-	150	150
Debt Service			
Principal retirement	105,000	180,000	285,000
Interest and fiscal charges	18,500	32,016	50,516
Total Expenditures	123,500	212,266	335,766
Net change in fund balances	(122,743)	(78,392)	(201,135)
FUND BALANCES (DEFICIT) - Beginning of Year	1,135,622	(96,237)	1,039,385
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,012,879	\$ (174,629)	\$ 838,250

# CITY OF EAU CLAIRE

## COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS As of December 31, 2013

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	Bridge Projects
<b>ASSETS</b>				
Cash and investments	\$ 3,042,547	\$ 327,365	\$ 278,239	\$ 1,088,676
Receivables				
Taxes	1,104,954	862,689	8,432	-
Accounts	-	-	-	-
Due from other governments	-	-	-	117
Advances to other funds	-	-	-	-
Restricted assets				
Construction account	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 4,147,501</u></b>	<b><u>\$ 1,190,054</u></b>	<b><u>\$ 286,671</u></b>	<b><u>\$ 1,088,793</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 31,923	\$ -	\$ -
Advances from other funds	-	3,238,700	-	-
Total Liabilities	<u>-</u>	<u>3,270,623</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	1,104,954	862,689	8,432	-
Unavailable revenues	-	-	-	117
Total Deferred Inflows of Resources	<u>1,104,954</u>	<u>862,689</u>	<u>8,432</u>	<u>117</u>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	3,042,547	-	278,239	66,189
Assigned	-	-	-	1,022,487
Unassigned (deficit)	-	(2,943,258)	-	-
Total Fund Balances (Deficit)	<u>3,042,547</u>	<u>(2,943,258)</u>	<u>278,239</u>	<u>1,088,676</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 4,147,501</u></b>	<b><u>\$ 1,190,054</u></b>	<b><u>\$ 286,671</u></b>	<b><u>\$ 1,088,793</u></b>

<u>Street Projects</u>	<u>Buildings and Equipment</u>	<u>Parks and Recreation Projects</u>	<u>Environmental Improvements- Landfill</u>	<u>Library Buildings &amp; Equipment</u>	<u>Totals</u>
\$ 5,638,851	\$ 4,172,130	\$ 1,326,849	\$ 2,023,557	\$ 349,562	\$ 18,247,776
-	-	-	-	-	1,976,075
13,841	24	4	-	-	13,869
28	1,068,123	41,591	-	-	1,109,859
1,000,000	-	-	-	-	1,000,000
<u>562,561</u>	<u>1,860,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,422,649</u>
<u>\$ 7,215,281</u>	<u>\$ 7,100,365</u>	<u>\$ 1,368,444</u>	<u>\$ 2,023,557</u>	<u>\$ 349,562</u>	<u>\$ 24,770,228</u>
\$ 1,104,890	\$ 1,485,699	\$ 90,104	\$ 3,608	\$ 9,387	\$ 2,725,611
-	-	-	-	-	3,238,700
<u>1,104,890</u>	<u>1,485,699</u>	<u>90,104</u>	<u>3,608</u>	<u>9,387</u>	<u>5,964,311</u>
-	-	-	-	-	1,976,075
<u>13,869</u>	<u>27,076</u>	<u>41,595</u>	<u>-</u>	<u>-</u>	<u>82,657</u>
<u>13,869</u>	<u>27,076</u>	<u>41,595</u>	<u>-</u>	<u>-</u>	<u>2,058,732</u>
2,025,151	2,295,959	96,685	99,384	340,175	8,244,329
4,071,371	3,291,631	1,140,060	1,920,565	-	11,446,114
-	-	-	-	-	(2,943,258)
<u>6,096,522</u>	<u>5,587,590</u>	<u>1,236,745</u>	<u>2,019,949</u>	<u>340,175</u>	<u>16,747,185</u>
<u>\$ 7,215,281</u>	<u>\$ 7,100,365</u>	<u>\$ 1,368,444</u>	<u>\$ 2,023,557</u>	<u>\$ 349,562</u>	<u>\$ 24,770,228</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, 2013

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	Bridge Projects
<b>REVENUES</b>				
Taxes	\$ 943,551	\$ 697,864	\$ 52,856	\$ -
Intergovernmental	34,578	56,411	122	-
Charges for services - intergovernmental	-	-	-	-
Investment income	8,670	3,540	770	3,170
Miscellaneous				
Gifts and donations	-	-	-	-
Insurance recoveries	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>986,799</u>	<u>757,815</u>	<u>53,748</u>	<u>3,170</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Development	150	92,487	150	-
Capital Outlay	-	242,740	-	12,735
Debt Service				
Principal retirement	465,000	4,990,000	-	-
Interest and fiscal charges	175,647	268,535	-	-
Total Expenditures	<u>640,797</u>	<u>5,593,762</u>	<u>150</u>	<u>12,735</u>
Excess (deficiency) of revenues over expenditures	<u>346,002</u>	<u>(4,835,947)</u>	<u>53,598</u>	<u>(9,565)</u>
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	185,000	-	-
Refunding long-term debt issued	-	4,120,000	-	-
Premium on long-term debt issued	-	73,456	-	-
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>4,378,456</u>	<u>-</u>	<u>-</u>
Net change in fund balances	346,002	(457,491)	53,598	(9,565)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>2,696,545</u>	<u>(2,485,767)</u>	<u>224,641</u>	<u>1,098,241</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 3,042,547</u>	<u>\$ (2,943,258)</u>	<u>\$ 278,239</u>	<u>\$ 1,088,676</u>

Street Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,694,271
155,053	395,202	35,975	-	-	677,341
-	120	-	-	-	120
10,195	10,287	3,840	6,390	1,490	48,352
168,540	150	21,551	-	-	190,241
-	126,299	-	-	-	126,299
-	30,658	33,006	-	-	63,664
<u>333,788</u>	<u>562,716</u>	<u>94,372</u>	<u>6,390</u>	<u>1,490</u>	<u>2,800,288</u>
-	30,772	-	-	-	30,772
-	-	-	326,999	-	326,999
-	-	306	-	-	306
-	-	-	-	-	92,787
7,641,538	6,777,935	722,850	14,739	310,908	15,723,445
-	-	-	-	-	5,455,000
99,347	66,386	-	-	-	609,915
<u>7,740,885</u>	<u>6,875,093</u>	<u>723,156</u>	<u>341,738</u>	<u>310,908</u>	<u>22,239,224</u>
<u>(7,407,097)</u>	<u>(6,312,377)</u>	<u>(628,784)</u>	<u>(335,348)</u>	<u>(309,418)</u>	<u>(19,438,936)</u>
9,310,000	6,250,000	-	-	-	15,745,000
-	-	-	-	-	4,120,000
114,969	76,428	-	-	-	264,853
873,500	1,559,600	360,748	95,000	106,000	2,994,848
<u>10,298,469</u>	<u>7,886,028</u>	<u>360,748</u>	<u>95,000</u>	<u>106,000</u>	<u>23,124,701</u>
2,891,372	1,573,651	(268,036)	(240,348)	(203,418)	3,685,765
<u>3,205,150</u>	<u>4,013,939</u>	<u>1,504,781</u>	<u>2,260,297</u>	<u>543,593</u>	<u>13,061,420</u>
<u>\$ 6,096,522</u>	<u>\$ 5,587,590</u>	<u>\$ 1,236,745</u>	<u>\$ 2,019,949</u>	<u>\$ 340,175</u>	<u>\$ 16,747,185</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Cemetery Maintenance				
	2013			2012	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Fines, forfeitures and penalties	\$ -	\$ -	\$ 36	\$ 36	\$ -
Charges for services - public	206,200	206,200	160,365	(45,835)	158,812
Miscellaneous					
Other	-	-	5	5	278,976
Total Revenues	<u>206,200</u>	<u>206,200</u>	<u>160,406</u>	<u>(45,794)</u>	<u>437,788</u>
<b>EXPENDITURES</b>					
Current					
Health services	<u>404,400</u>	<u>408,400</u>	<u>355,677</u>	<u>52,723</u>	<u>366,913</u>
Excess (deficiency) of revenues over expenditures	<u>(198,200)</u>	<u>(202,200)</u>	<u>(195,271)</u>	<u>6,929</u>	<u>70,875</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	198,200	198,200	191,271	(6,929)	187,206
Transfers to other funds	<u>(56,500)</u>	<u>(56,500)</u>	<u>(56,500)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>141,700</u>	<u>141,700</u>	<u>134,771</u>	<u>(6,929)</u>	<u>187,206</u>
Net change in fund balances	(56,500)	(60,500)	(60,500)	-	258,081
FUND BALANCES - Beginning of Year	<u>312,223</u>	<u>312,223</u>	<u>312,223</u>	<u>-</u>	<u>54,142</u>
FUND BALANCES - END OF YEAR	<u>\$ 255,723</u>	<u>\$ 251,723</u>	<u>\$ 251,723</u>	<u>\$ -</u>	<u>\$ 312,223</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Hazardous Materials Response				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Intergovernmental	\$ 158,000	\$ 136,000	\$ 107,502	\$ (28,498)	\$ 158,030
Charges for services - public	3,000	3,000	3,648	648	353
Investment income	400	400	350	(50)	500
Total Revenues	<u>161,400</u>	<u>139,400</u>	<u>111,500</u>	<u>(27,900)</u>	<u>158,883</u>
<b>EXPENDITURES</b>					
Current					
Public safety	<u>183,900</u>	<u>161,900</u>	<u>124,019</u>	<u>37,881</u>	<u>169,961</u>
Net change in fund balances	(22,500)	(22,500)	(12,519)	9,981	(11,078)
FUND BALANCES - Beginning of Year	<u>83,065</u>	<u>83,065</u>	<u>83,065</u>	<u>-</u>	<u>94,143</u>
FUND BALANCES - END OF YEAR	<u>\$ 60,565</u>	<u>\$ 60,565</u>	<u>\$ 70,546</u>	<u>\$ 9,981</u>	<u>\$ 83,065</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Economic Development				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Investment income	\$ 31,400	\$ 31,400	\$ 32,893	\$ 1,493	\$ 32,121
Miscellaneous					
Loan repayments	8,800	8,800	382,168	373,368	92,730
Building rental	44,400	44,400	44,400	-	44,000
Other	100	100	14	(86)	1,806
Total Revenues	84,700	84,700	459,475	374,775	170,657
<b>EXPENDITURES</b>					
Current					
Development	513,600	571,100	519,137	51,963	661,370
Excess (deficiency) of revenues over expenditures	(428,900)	(486,400)	(59,662)	426,738	(490,713)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	100,000	100,000	100,000	-	600,000
Transfers to other funds	(80,000)	(80,000)	(80,000)	-	(80,000)
Other Financing Sources (Uses)	20,000	20,000	20,000	-	520,000
Net change in fund balances	(408,900)	(466,400)	(39,662)	426,738	29,287
FUND BALANCES - Beginning of Year	3,782,794	3,782,794	3,782,794	-	3,753,507
FUND BALANCES - END OF YEAR	\$ 3,373,894	\$ 3,316,394	\$ 3,743,132	\$ 426,738	\$ 3,782,794

**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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Community Enhancement				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 1,450,000	\$ 1,509,400	\$ 1,555,285	\$ 45,885	\$ 1,491,413
Investment income	-	-	490	490	500
Miscellaneous					
Loan repayments	-	-	14,583	14,583	-
Total Revenues	<u>1,450,000</u>	<u>1,509,400</u>	<u>1,570,358</u>	<u>60,958</u>	<u>1,491,913</u>
<b>EXPENDITURES</b>					
Current					
Development	<u>1,027,900</u>	<u>1,087,300</u>	<u>1,087,645</u>	<u>(345)</u>	<u>1,048,755</u>
Excess of revenues over expenditures	422,100	422,100	482,713	60,613	443,158
<b>OTHER FINANCING USES</b>					
Transfers to other funds	<u>(495,000)</u>	<u>(495,000)</u>	<u>(495,000)</u>	<u>-</u>	<u>(471,400)</u>
Net change in fund balances	(72,900)	(72,900)	(12,287)	60,613	(28,242)
FUND BALANCES - Beginning of Year	<u>91,368</u>	<u>91,368</u>	<u>91,368</u>	<u>-</u>	<u>119,610</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,468</u>	<u>\$ 18,468</u>	<u>\$ 79,081</u>	<u>\$ 60,613</u>	<u>\$ 91,368</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Public Library				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 2,891,000	\$ 2,891,000	\$ 2,891,000	\$ -	\$ 2,891,300
Fines and forfeitures	111,900	111,900	106,324	(5,576)	112,301
Charges for services - public	5,500	5,500	5,758	258	5,743
Charges for services - intergovernmental	561,500	561,500	575,331	13,831	592,650
Investment income	-	-	350	350	350
Miscellaneous					
Gifts and donations	18,000	62,100	70,304	8,204	36,417
Other	266,600	266,600	268,126	1,526	265,775
Total Revenues	<u>3,854,500</u>	<u>3,898,600</u>	<u>3,917,193</u>	<u>18,593</u>	<u>3,904,536</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,765,400	3,792,000	3,602,869	189,131	3,548,492
Capital Outlay	8,000	8,000	6,180	1,820	6,548
Total Expenditures	<u>3,773,400</u>	<u>3,800,000</u>	<u>3,609,049</u>	<u>190,951</u>	<u>3,555,040</u>
Excess of revenues over expenditures	<u>81,100</u>	<u>98,600</u>	<u>308,144</u>	<u>209,544</u>	<u>349,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(145,700)	(145,700)	(145,682)	18	(370,880)
Sale of capital assets	100	100	-	(100)	50
Total Other Financing Sources (Uses)	<u>(145,600)</u>	<u>(145,600)</u>	<u>(145,682)</u>	<u>(82)</u>	<u>(370,830)</u>
Net change in fund balances	(64,500)	(47,000)	162,462	209,462	(21,334)
FUND BALANCES - Beginning of Year	<u>669,007</u>	<u>669,007</u>	<u>669,007</u>	<u>-</u>	<u>690,341</u>
FUND BALANCES - END OF YEAR	<u>\$ 604,507</u>	<u>\$ 622,007</u>	<u>\$ 831,469</u>	<u>\$ 209,462</u>	<u>\$ 669,007</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	City-County Health Department				
	2013			2012	
	Budgeted Amounts		Actual	Variance with	Actual
Original	Final	Final Budget			
<b>REVENUES</b>					
Taxes	\$ 1,691,400	\$ 1,691,400	\$ 1,691,400	\$ -	\$ 1,694,700
Intergovernmental	862,200	938,300	901,839	(36,461)	793,598
Licenses and permits	357,400	357,400	403,178	45,778	379,531
Charges for services - public	130,500	140,400	124,006	(16,394)	162,480
Charges for services - intergovernmental	1,458,100	1,467,400	1,395,683	(71,717)	1,566,715
Miscellaneous					
Gifts and donations	-	2,000	2,149	149	392
Other	10,000	24,900	35,081	10,181	12,766
Total Revenues	4,509,600	4,621,800	4,553,336	(68,464)	4,610,182
<b>EXPENDITURES</b>					
Current					
Health services	4,823,800	4,940,300	4,557,579	382,721	4,615,789
Excess (deficiency) of revenues over expenditures	(314,200)	(318,500)	(4,243)	314,257	(5,607)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	57,200	62,100	62,101	1	62,615
Transfers to other funds	(32,500)	(32,500)	(32,512)	(12)	(28,138)
Total Other Financing Sources (Uses)	24,700	29,600	29,589	(11)	34,477
Net change in fund balances	(289,500)	(288,900)	25,346	314,246	28,870
FUND BALANCES - Beginning of Year	779,773	779,773	779,773	-	750,903
FUND BALANCES - END OF YEAR	\$ 490,273	\$ 490,873	\$ 805,119	\$ 314,246	\$ 779,773

**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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Downtown Partners				
	2013			2012	
	Budgeted Amounts		Actual	Variance with	Actual
Original	Final	Final Budget			
<b>REVENUES</b>					
Miscellaneous					
Gifts and donations	\$ 55,400	\$ 55,400	\$ 55,400	\$ -	\$ 54,000
<b>EXPENDITURES</b>					
Current					
Development	146,200	146,200	121,759	24,441	103,420
Deficiency of revenues over expenditures	(90,800)	(90,800)	(66,359)	24,441	(49,420)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	80,000	80,000	80,000	-	80,000
Net change in fund balances	(10,800)	(10,800)	13,641	24,441	30,580
FUND BALANCES - Beginning of Year	99,234	99,234	99,234	-	68,654
FUND BALANCES - END OF YEAR	<u>\$ 88,434</u>	<u>\$ 88,434</u>	<u>\$ 112,875</u>	<u>\$ 24,441</u>	<u>\$ 99,234</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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Former Landfill Escrow				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 59,868	\$ (90,132)	\$ 73,168
<b>EXPENDITURES</b>					
Current					
Public works	150,000	150,000	59,868	90,132	73,168
Net change in fund balances	-	-	-	-	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Debt Service - TIF No. 6				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Investment income	\$ 1,000	\$ 1,000	\$ 757	\$ (243)	\$ 1,378
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	105,000	105,000	105,000	-	105,000
Interest and fiscal charges	18,500	18,500	18,500	-	22,700
Total Expenditures	123,500	123,500	123,500	-	127,700
Net change in fund balances	(122,500)	(122,500)	(122,743)	(243)	(126,322)
FUND BALANCES - Beginning of Year	1,135,622	1,135,622	1,135,622	-	1,261,944
FUND BALANCES - END OF YEAR	\$ 1,013,122	\$ 1,013,122	\$ 1,012,879	\$ (243)	\$ 1,135,622

**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, 2013  
With Comparative Actual Totals for the Year Ended December 31, 2012

	Debt Service - TIF No. 7				
	2013			2012	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 119,700	\$ 119,700	\$ 132,282	\$ 12,582	\$ 125,573
Intergovernmental	2,700	2,700	1,592	(1,108)	3,205
Total Revenues	<u>122,400</u>	<u>122,400</u>	<u>133,874</u>	<u>11,474</u>	<u>128,778</u>
<b>EXPENDITURES</b>					
Current					
General government	100	100	100	-	100
Development	200	200	150	50	150
Debt Service					
Principal retirement	180,000	180,000	180,000	-	160,000
Interest and fiscal charges	32,100	32,100	32,016	84	38,620
Total Expenditures	<u>212,400</u>	<u>212,400</u>	<u>212,266</u>	<u>134</u>	<u>198,870</u>
Deficiency of revenues over expenditures	(90,000)	(90,000)	(78,392)	11,608	(70,092)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	<u>90,000</u>	<u>90,000</u>	-	<u>(90,000)</u>	-
Net change in fund balances	-	-	(78,392)	(78,392)	(70,092)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(96,237)</u>	<u>(96,237)</u>	<u>(96,237)</u>	-	<u>(26,145)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (96,237)</u>	<u>\$ (96,237)</u>	<u>\$ (174,629)</u>	<u>\$ (78,392)</u>	<u>\$ (96,237)</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 POSITION - NONMAJOR ENTERPRISE FUNDS As of December 31, 2013

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 425,650	\$ 31,087	\$ 121,511	\$ 578,248
Accounts receivable, net	908	87,536	2,785	91,229
Due from other governments	-	33,141	-	33,141
Total Current Assets	<u>426,558</u>	<u>151,764</u>	<u>124,296</u>	<u>702,618</u>
Noncurrent Assets				
Capital assets				
Construction in progress	-	-	17,480	17,480
Land	645,196	5,000	-	650,196
Capital assets	6,604,268	8,491,327	3,088,612	18,184,207
Less accumulated depreciation	(4,410,631)	(2,361,052)	(926,665)	(7,698,348)
Total Capital Assets (Net of Accumulated depreciation)	<u>2,838,833</u>	<u>6,135,275</u>	<u>2,179,427</u>	<u>11,153,535</u>
Total Noncurrent Assets	<u>2,838,833</u>	<u>6,135,275</u>	<u>2,179,427</u>	<u>11,153,535</u>
Total Assets	<u>3,265,391</u>	<u>6,287,039</u>	<u>2,303,723</u>	<u>11,856,153</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	10,755	30,025	7,922	48,702
Accrued payroll and payroll taxes	2,569	12,399	902	15,870
Accrued compensated absences	3,581	1,913	731	6,225
Deposits	8	15,878	156	16,042
Due to other governments	1,429	1,289	67	2,785
Due to other funds	-	60,348	-	60,348
Current portion of advances	-	200,000	-	200,000
Total Current Liabilities	<u>18,342</u>	<u>321,852</u>	<u>9,778</u>	<u>349,972</u>
Noncurrent Liabilities				
Advances from other funds	-	3,265,000	-	3,265,000
Other post-employment benefits	3,162	4,743	-	7,905
Total Noncurrent Liabilities	<u>3,162</u>	<u>3,269,743</u>	<u>-</u>	<u>3,272,905</u>
Total Liabilities	<u>21,504</u>	<u>3,591,595</u>	<u>9,778</u>	<u>3,622,877</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,838,833	6,135,275	2,179,427	11,153,535
Unrestricted (deficit)	405,054	(3,439,831)	114,518	(2,920,259)
TOTAL NET POSITION	<u>\$ 3,243,887</u>	<u>\$ 2,695,444</u>	<u>\$ 2,293,945</u>	<u>\$ 8,233,276</u>

## CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2013

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 163,655	\$ 703,816	\$ 230,722	\$ 1,098,193
Other	144	14,006	19,175	33,325
Total Operating Revenues	<u>163,799</u>	<u>717,822</u>	<u>249,897</u>	<u>1,131,518</u>
<b>OPERATING EXPENSES</b>				
Personal services	70,391	219,348	170,520	460,259
Contractual services	92,594	102,501	24,180	219,275
Supplies and materials	17,107	56,640	56,109	129,856
Utilities	60,842	308,757	39,858	409,457
Depreciation	230,941	379,355	51,724	662,020
Administrative	9,651	9,952	6,586	26,189
Total Operating Expenses	<u>481,526</u>	<u>1,076,553</u>	<u>348,977</u>	<u>1,907,056</u>
Operating income (loss)	<u>(317,727)</u>	<u>(358,731)</u>	<u>(99,080)</u>	<u>(775,538)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Net gain (loss) on disposal of capital assets	-	40,044	(27,910)	12,134
Interest and fiscal charges	-	(115,094)	-	(115,094)
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(75,050)</u>	<u>(27,910)</u>	<u>(102,960)</u>
Loss before operating transfers	(317,727)	(433,781)	(126,990)	(878,498)
<b>TRANSFERS</b>				
Transfers from other funds	117,177	344,111	132,929	594,217
Total Transfers	<u>117,177</u>	<u>344,111</u>	<u>132,929</u>	<u>594,217</u>
Change in net position	(200,550)	(89,670)	5,939	(284,281)
NET POSITION - Beginning of Year	<u>3,444,437</u>	<u>2,785,114</u>	<u>2,288,006</u>	<u>8,517,557</u>
NET POSITION - END OF YEAR	<u>\$ 3,243,887</u>	<u>\$ 2,695,444</u>	<u>\$ 2,293,945</u>	<u>\$ 8,233,276</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2013

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 164,190	\$ 821,526	\$ 249,236	\$ 1,234,952
Cash paid to suppliers for goods and services	(184,088)	(575,080)	(125,876)	(885,044)
Cash paid to employees for services	(66,045)	(232,567)	(170,387)	(468,999)
Net Cash Flows From (Used By) Operating Activities	<u>(85,943)</u>	<u>13,879</u>	<u>(47,027)</u>	<u>(119,091)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	<u>117,177</u>	<u>344,111</u>	<u>132,929</u>	<u>594,217</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(30,049)	(218,735)	(729,410)	(978,194)
Principal paid on capital advances from other funds	-	(195,000)	-	(195,000)
Interest paid on capital advances from other funds	-	(115,094)	-	(115,094)
Proceeds from sale of capital assets	-	41,521	2,646	44,167
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(30,049)</u>	<u>(487,308)</u>	<u>(726,764)</u>	<u>(1,244,121)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,185	(129,318)	(640,862)	(768,995)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>424,465</u>	<u>160,405</u>	<u>762,373</u>	<u>1,347,243</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 425,650</u>	<u>\$ 31,087</u>	<u>\$ 121,511</u>	<u>\$ 578,248</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (317,727)	\$ (358,731)	\$ (99,080)	\$ (775,538)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	230,941	379,355	51,724	662,020
Change in assets and liabilities				
Accounts receivable	391	88,229	(185)	88,435
Accounts payable	(3,804)	23,873	821	20,890
Due to other funds	-	(121,072)	-	(121,072)
Other liabilities	1,094	(6,506)	169	(5,243)
Other post-employment benefits	3,162	(6,744)	-	(3,582)
Customer deposits	-	15,475	(476)	14,999
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (85,943)</u>	<u>\$ 13,879</u>	<u>\$ (47,027)</u>	<u>\$ (119,091)</u>

**NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2013:

Parking Utility	\$ 8,579
Outdoor Pool	7,101

## **Internal Service Funds**

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

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET POSITION -  
INTERNAL SERVICE FUNDS  
As of December 31, 2013

	Risk Management	Central Equipment	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 7,589,819	\$ 7,023,538	\$ 14,613,357
Accounts receivable, net	210,858	-	210,858
Due from other governments	25,000	40,114	65,114
Inventories	-	445,547	445,547
Prepaid items	-	5,460	5,460
Total Current Assets	<u>7,825,677</u>	<u>7,514,659</u>	<u>15,340,336</u>
Noncurrent Assets			
Escrow account	291,430	-	291,430
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	15,831	15,831
Land	-	235,899	235,899
Land improvements	-	16,677	16,677
Intangible assets	-	217,528	217,528
Buildings	-	5,749,801	5,749,801
Equipment	-	331,310	331,310
Rental equipment	-	16,639,562	16,639,562
Less: Accumulated depreciation	-	<u>(12,438,868)</u>	<u>(12,438,868)</u>
Total Capital Assets (Net of Accumulated Depreciation)	-	<u>10,767,740</u>	<u>10,767,740</u>
Total Noncurrent Assets	<u>2,896,626</u>	<u>10,767,740</u>	<u>13,664,366</u>
Total Assets	<u>10,722,303</u>	<u>18,282,399</u>	<u>29,004,702</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	188,935	176,691	365,626
Accrued payroll and payroll taxes	7,002	48,851	55,853
Accrued compensated absences	8,284	34,074	42,358
Deposits	3,667	-	3,667
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>427,888</u>	<u>259,616</u>	<u>687,504</u>
Noncurrent Liabilities			
Other post-employment benefits	26,879	69,569	96,448
Unpaid claims	1,489,103	-	1,489,103
Total Noncurrent Liabilities	<u>1,515,982</u>	<u>69,569</u>	<u>1,585,551</u>
Total Liabilities	<u>1,943,870</u>	<u>329,185</u>	<u>2,273,055</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	10,767,740	10,767,740
Restricted for deposits	1,057,926	-	1,057,926
Unrestricted	<u>7,720,507</u>	<u>7,185,474</u>	<u>14,905,981</u>
TOTAL NET POSITION	<u>\$ 8,778,433</u>	<u>\$ 17,953,214</u>	<u>\$ 26,731,647</u>

# CITY OF EAU CLAIRE

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2013

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,879,513	\$ 1,206,351	\$ 3,085,864
Rental of equipment	-	3,232,368	3,232,368
Total Charges for Services	<u>1,879,513</u>	<u>4,438,719</u>	<u>6,318,232</u>
Other			
Repayment of insurance claims	261,370	-	261,370
Building rental	-	191,503	191,503
Miscellaneous	-	4,506	4,506
Total Operating Revenues	<u>2,140,883</u>	<u>4,634,728</u>	<u>6,775,611</u>
<b>OPERATING EXPENSES</b>			
Personal services	180,918	711,555	892,473
Contractual services	94,726	374,695	469,421
Supplies and materials	2,781	1,755,803	1,758,584
Utilities	494	190,737	191,231
Depreciation	-	1,286,881	1,286,881
Administrative	-	134,908	134,908
Claims	2,182,019	-	2,182,019
Total Operating Expenses	<u>2,460,938</u>	<u>4,454,579</u>	<u>6,915,517</u>
Operating income (loss)	<u>(320,055)</u>	<u>180,149</u>	<u>(139,906)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	28,047	-	28,047
Net loss on disposal of capital assets	-	(27,398)	(27,398)
Total Nonoperating Revenues (Expenses)	<u>28,047</u>	<u>(27,398)</u>	<u>649</u>
Income (loss) before transfers	<u>(292,008)</u>	<u>152,751</u>	<u>(139,257)</u>
<b>TRANSFERS</b>			
Transfers to other funds	(95,000)	-	(95,000)
Total Transfers	<u>(95,000)</u>	<u>-</u>	<u>(95,000)</u>
Change in net position	(387,008)	152,751	(234,257)
NET POSITION - Beginning of Year	<u>9,165,441</u>	<u>17,800,463</u>	<u>26,965,904</u>
NET POSITION - END OF YEAR	<u>\$ 8,778,433</u>	<u>\$ 17,953,214</u>	<u>\$ 26,731,647</u>

# CITY OF EAU CLAIRE

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2013

	Risk Management	Central Equipment	Totals
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,882,629	\$ 4,628,853	\$ 6,511,482
Cash payments to suppliers for goods and services	(35,119)	(2,395,654)	(2,430,773)
Cash payments to employees for services	(159,099)	(720,653)	(879,752)
Claims paid	(2,301,207)	-	(2,301,207)
Repayment of insurance claims	261,370	-	261,370
Net Cash Flows from (Used By) Operating Activities	(351,426)	1,512,546	1,161,120
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	22,490	-	22,490
Transfers to other funds	(95,000)	-	(95,000)
Net Cash Flows from (Used By) Noncapital Financing Activities	(72,510)	-	(72,510)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	28,047	-	28,047
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(1,869,682)	(1,869,682)
Proceeds from sale of capital assets	-	157,456	157,456
Net Cash Flows from (Used By) Capital and Related Financing Activities	-	(1,712,226)	(1,712,226)
Net increase (decrease) in cash and cash equivalents	(395,889)	(199,680)	(595,569)
CASH AND CASH EQUIVALENTS - Beginning of Year	8,277,138	7,223,218	15,500,356
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,881,249	\$ 7,023,538	\$ 14,904,787
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Position	\$ 7,589,819	\$ 7,023,538	\$ 14,613,357
Restricted Cash and Investments	291,430	-	291,430
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	\$ 7,881,249	\$ 7,023,538	\$ 14,904,787

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	<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)	\$ (320,055)	\$ 180,149	\$ (139,906)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	1,286,881	1,286,881
Change in assets and liabilities:			
Accounts receivable	(551)	(5,875)	(6,426)
Inventories	-	(18,034)	(18,034)
Prepays	-	(1,185)	(1,185)
Accounts payable	62,882	79,708	142,590
Accrued liabilities	(465)	30,460	29,995
Other post-employment benefits	22,284	(39,558)	(17,274)
Unpaid claims	(119,188)	-	(119,188)
Deposits	3,667	-	3,667
	<u>3,667</u>	<u>-</u>	<u>3,667</u>
 NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	 <u>\$ (351,426)</u>	 <u>\$ 1,512,546</u>	 <u>\$ 1,161,120</u>

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

Central Equipment had accrued \$10,094 of accounts payable for capital assets acquired prior to December 31, 2013.

## **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, 2013

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<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2013</u>
<b>ASSETS</b>				
Cash and investments	\$ 9,918,445	\$ 96,705,134	\$ 91,482,178	\$ 15,141,401
Taxes receivable	<u>55,079,394</u>	<u>74,136,213</u>	<u>80,139,240</u>	<u>49,076,367</u>
TOTAL ASSETS	<u>\$ 64,997,839</u>	<u>\$ 170,841,347</u>	<u>\$ 171,621,418</u>	<u>\$ 64,217,768</u>
<b>LIABILITIES</b>				
Due to other taxing units	<u>\$ 64,997,839</u>	<u>\$ 64,217,768</u>	<u>\$ 64,997,839</u>	<u>\$ 64,217,768</u>

## **Major Governmental Component Units**

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

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

**CITY OF EAU CLAIRE**

BALANCE SHEET  
 MAJOR GOVERNMENTAL COMPONENT UNITS  
 As of December 31, 2013

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>			
Cash and investments	\$ 21,107	\$ 190,589	\$ 211,696
Receivables			
Special assessments	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 101,107</u></b>	<b><u>\$ 234,589</u></b>	<b><u>\$ 335,696</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 1,055	\$ 4,464	\$ 5,519
Total Liabilities	<u>1,055</u>	<u>4,464</u>	<u>5,519</u>
Deferred Inflows of Resources			
Unearned revenue	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
Total Deferred Inflows of Resources	<u>80,000</u>	<u>44,000</u>	<u>124,000</u>
Fund Balances			
Restricted	<u>20,052</u>	<u>186,125</u>	<u>206,177</u>
Total Fund Balances	<u>20,052</u>	<u>186,125</u>	<u>206,177</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 101,107</u></b>	<b><u>\$ 234,589</u></b>	<b><u>\$ 335,696</u></b>

**CITY OF EAU CLAIRE**

STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
MAJOR GOVERNMENTAL COMPONENT UNITS  
For the Year Ended December 31, 2013

	South Barstow Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>REVENUES</b>			
Special assessments	\$ 80,000	\$ 44,000	\$ 124,000
Investment income	330	590	920
Miscellaneous			
Other	34	-	34
Total Revenues	<u>80,364</u>	<u>44,590</u>	<u>124,954</u>
<b>EXPENDITURES</b>			
Current			
Contractual services	127,958	34,159	162,117
Supplies and materials	8,945	-	8,945
Total Expenditures	<u>136,903</u>	<u>34,159</u>	<u>171,062</u>
Net change in fund balances	(56,539)	10,431	(46,108)
FUND BALANCES - Beginning of Year	<u>76,591</u>	<u>175,694</u>	<u>252,285</u>
FUND BALANCES - END OF YEAR	<u>\$ 20,052</u>	<u>\$ 186,125</u>	<u>\$ 206,177</u>

## **Nonmajor Component Units**

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

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR COMPONENT UNITS  
As of December 31, 2013

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
<b>ASSETS</b>			
Cash and investments	\$ 6,696	\$ 46,349	\$ 53,045
Receivables			
Special assessments	15,000	11,000	26,000
Notes	<u>3,194</u>	<u>-</u>	<u>3,194</u>
Total Assets	<u>24,890</u>	<u>57,349</u>	<u>82,239</u>
<b>LIABILITIES</b>			
Accounts payable	<u>-</u>	<u>1,569</u>	<u>1,569</u>
Total Liabilities	<u>-</u>	<u>1,569</u>	<u>1,569</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenues	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
Total Deferred Inflows of Resources	<u>15,000</u>	<u>11,000</u>	<u>26,000</u>
<b>NET POSITION</b>			
Restricted	<u>9,890</u>	<u>44,780</u>	<u>54,670</u>
<b>TOTAL NET POSITION</b>	<u>\$ 9,890</u>	<u>\$ 44,780</u>	<u>\$ 54,670</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
For the Year Ended December 31, 2013

				Net (Expense) Revenue and Changes in Net Position		
	Program Revenues			West Grand Business Improvement District	Water Street Business Improvement District	Totals
	Expenses	Charges for Services	Operating Grants and Contributions			
<b>West Grand Business Improvement District</b>						
Contractual services	\$ 15,561	\$ -	\$ -	\$ -	\$ -	\$ (15,561)
<b>Water Street Business Improvement District</b>						
Contractual services	12,026	-	-	-	(12,026)	(12,026)
Supplies and materials	2,225	-	-	-	(2,225)	(2,225)
Total Water Street Business Improvement District	<u>14,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,251)</u>	<u>(14,251)</u>
Total Nonmajor Component Units	<u>\$ 29,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(15,561)</u>	<u>(29,812)</u>
			General Revenues			
			Special assessments	13,000	10,000	23,000
			Investment income	30	150	180
			Miscellaneous	-	2,600	2,600
			Total General Revenues	13,030	12,750	25,780
			Change in net position	(2,531)	(1,501)	(4,032)
			NET POSITION - Beginning of Year	12,421	46,281	58,702
			NET POSITION - END OF YEAR	<u>\$ 9,890</u>	<u>\$ 44,780</u>	<u>\$ 54,670</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL COMPONENT UNITS  
As of December 31, 2013

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
<b>ASSETS</b>			
Cash and investments	\$ 6,696	\$ 46,349	\$ 53,045
Receivables			
Special assessments	15,000	11,000	26,000
Notes	<u>3,194</u>	<u>-</u>	<u>3,194</u>
 TOTAL ASSETS	 <u>\$ 24,890</u>	 <u>\$ 57,349</u>	 <u>\$ 82,239</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ 1,569	\$ 1,569
Total Liabilities	<u>-</u>	<u>1,569</u>	<u>1,569</u>
 Deferred Inflows of Resources			
Unearned revenues	15,000	11,000	26,000
Unavailable revenues	<u>3,194</u>	<u>-</u>	<u>3,194</u>
Total Deferred Inflows of Resources	<u>18,194</u>	<u>11,000</u>	<u>29,194</u>
 Fund Balances			
Restricted	<u>6,696</u>	<u>44,780</u>	<u>51,476</u>
Total Fund Balances	<u>6,696</u>	<u>44,780</u>	<u>51,476</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 24,890</u>	 <u>\$ 57,349</u>	 <u>\$ 82,239</u>
 <b>AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE</b>			
Fund balance at year end	\$ 6,696	\$ 44,780	\$ 51,476
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds.	<u>3,194</u>	<u>-</u>	<u>3,194</u>
 NET POSITION AT YEAR END	 <u>\$ 9,890</u>	 <u>\$ 44,780</u>	 <u>\$ 54,670</u>

# CITY OF EAU CLAIRE

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL COMPONENT UNITS For the Year Ended December 31, 2013

	West Grand Business Improvement District	Water Street Business Improvement District	Totals
<b>REVENUES</b>			
Special assessments	\$ 13,000	\$ 10,000	\$ 23,000
Investment income	30	150	180
Miscellaneous			
Gifts and donations	-	2,600	2,600
Other	3,055	-	3,055
Total Revenues	16,085	12,750	28,835
<b>EXPENDITURES</b>			
Current			
Contractual services	15,561	12,026	27,587
Supplies and materials	-	2,225	2,225
Total Expenditures	15,561	14,251	29,812
Net change in fund balances	524	(1,501)	(977)
FUND BALANCES - Beginning of Year	6,172	46,281	52,453
FUND BALANCES - END OF YEAR	\$ 6,696	\$ 44,780	\$ 51,476
<b>RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET POSITION</b>			
Net change in fund balances	\$ 524	\$ (1,501)	\$ (977)
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	(3,055)	-	(3,055)
CHANGE IN NET POSITION	\$ (2,531)	\$ (1,501)	\$ (4,032)

## **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 in 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.

**CITY OF EAU CLAIRE**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 80,885,102	\$ 84,287,120	\$ 92,019,758	\$ 91,774,543	\$ 94,701,258	\$ 88,485,022	\$ 90,572,719	\$ 98,427,662	\$ 97,125,034	\$ 95,534,363
Restricted	16,788,904	18,133,306	19,613,325	19,993,642	18,725,047	17,257,799	14,905,845	26,402,223	24,967,847	24,351,108
Unrestricted	<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>	<u>51,074,170</u>	<u>50,715,707</u>	<u>34,201,343</u>	<u>32,209,137</u>	<u>27,680,816</u>
Total governmental activities net position	<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>	<u>156,816,991</u>	<u>156,194,271</u>	<u>159,031,228</u>	<u>154,302,018</u>	<u>147,566,287</u>
<b>Business-type activities</b>										
Net investment in capital assets	118,330,734	123,247,987	127,757,415	131,320,732	136,900,275	142,147,587	144,754,595	149,683,001	154,554,974	161,838,061
Restricted	1,496,244	2,366,744	2,379,744	2,683,138	2,337,580	1,720,280	1,756,280	1,738,780	1,734,280	3,457,280
Unrestricted	<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>	<u>14,752,404</u>	<u>14,596,965</u>	<u>16,269,324</u>	<u>17,163,338</u>	<u>15,359,319</u>
Total business-type activities net position	<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>	<u>158,620,271</u>	<u>161,107,840</u>	<u>167,691,105</u>	<u>173,452,592</u>	<u>180,654,660</u>
<b>Primary government</b>										
Net investment in capital assets (1)	199,215,836	206,184,638	218,562,857	218,170,512	227,571,273	226,794,574	231,714,628	244,774,021	248,657,334	254,463,127
Restricted	18,285,148	20,500,050	21,993,069	22,676,780	21,062,627	18,978,079	16,662,125	28,141,003	26,702,127	27,808,388
Unrestricted (1)	<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>	<u>69,664,609</u>	<u>68,925,358</u>	<u>53,807,309</u>	<u>52,395,149</u>	<u>45,949,432</u>
Total primary government net position	<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>	<u>\$315,437,262</u>	<u>\$317,302,111</u>	<u>\$326,722,333</u>	<u>\$327,754,610</u>	<u>\$328,220,947</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

**CITY OF EAU CLAIRE**

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

<b>Expenses</b>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental activities:</b>										
General government	\$ 7,643,250	\$ 7,857,938	\$ 6,493,902	\$ 6,464,010	\$ 8,357,900	\$ 6,914,248	\$ 7,413,879	\$ 7,688,891	\$ 7,784,358	\$ 7,304,201
Public safety	20,202,687	21,546,332	23,034,101	23,743,952	25,983,790	25,574,799	27,320,440	28,078,889	28,215,577	28,084,089
Public works	11,236,713	12,411,408	11,533,035	12,080,012	13,574,402	14,203,614	14,006,148	12,092,862	14,777,016	16,208,836
Health services	4,175,651	4,409,322	4,436,211	4,677,429	4,836,338	5,079,081	5,128,740	5,296,571	5,177,080	8,376,282
Culture and recreation	7,522,475	7,406,964	8,105,219	8,646,899	8,701,253	8,745,604	8,993,462	9,990,949	10,957,742	9,277,789
Development	2,267,591	3,653,040	2,359,672	3,281,340	3,426,710	3,111,437	3,329,286	5,347,354	3,598,455	3,082,492
Interest and fiscal charges	<u>2,054,281</u>	<u>2,053,323</u>	<u>2,106,598</u>	<u>2,046,007</u>	<u>2,664,817</u>	<u>2,814,770</u>	<u>2,985,972</u>	<u>3,070,331</u>	<u>2,984,386</u>	<u>3,096,357</u>
Total governmental activities expense	<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>	<u>66,443,553</u>	<u>69,177,927</u>	<u>71,565,847</u>	<u>73,494,614</u>	<u>75,430,046</u>
<b>Business-type activities</b>										
Water Utility	5,143,065	5,424,169	5,439,753	5,787,761	6,313,831	6,403,962	6,561,935	6,336,311	6,231,089	6,148,766
Sewer Utility	5,158,959	5,349,773	5,558,045	5,476,435	6,018,079	5,987,480	6,451,288	6,328,716	6,832,166	6,994,271
Storm Water Utility	1,482,635	1,823,011	2,064,283	2,066,896	2,289,679	2,117,002	2,153,306	2,944,824	2,888,377	3,752,368
Public Transit	4,103,773	4,427,330	4,770,055	4,864,830	5,130,887	4,795,731	5,194,260	5,745,719	5,531,514	5,545,632
Parking Utility	391,267	419,801	445,732	454,931	473,048	484,008	496,319	408,272	429,501	483,670
Hobbs Ice Center	519,838	564,079	621,290	589,633	622,235	703,386	991,013	1,116,011	1,128,084	1,193,577
Outdoor Pool	<u>319,825</u>	<u>343,552</u>	<u>354,369</u>	<u>373,385</u>	<u>402,603</u>	<u>369,257</u>	<u>350,890</u>	<u>346,058</u>	<u>344,940</u>	<u>350,115</u>
Total business-type activities expenses	<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>	<u>20,860,826</u>	<u>22,199,011</u>	<u>23,225,911</u>	<u>23,385,671</u>	<u>24,468,399</u>
<b>Total primary government expenses</b>	<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>	<u>\$ 87,304,379</u>	<u>\$ 91,376,938</u>	<u>\$ 94,791,758</u>	<u>\$ 96,880,285</u>	<u>\$ 99,898,445</u>

**CITY OF EAU CLAIRE**

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

<b>Program Revenues</b>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 2,799,799	\$ 2,971,400	\$ 3,131,097	\$ 3,014,682	\$ 3,112,881	\$ 3,873,184	\$ 3,750,638	\$ 3,665,540	\$ 3,289,407	\$ 3,329,885
Public safety	3,083,516	2,813,376	3,460,345	3,777,133	4,151,824	4,807,007	4,779,379	4,945,608	4,874,142	4,882,213
Public works	118,378	177,977	396,987	258,474	250,219	299,656	391,199	368,467	355,763	336,719
Health services	1,602,248	1,748,238	1,769,891	1,817,621	1,849,982	1,887,058	2,088,397	2,073,356	2,095,515	1,844,279
Culture and recreation	1,449,973	1,325,314	1,360,404	1,595,776	1,619,949	1,603,176	1,599,091	1,641,235	1,635,845	1,444,807
Development	157,355	89,976	746,569	1,232,950	468,614	99,137	375,568	726,293	525,008	362,644
Operating grants and contributions										
General government	41,955	6,392	22,444	12,416	12,877	13,723	34,331	43,279	14,405	28,862
Public safety	750,303	579,467	670,279	1,091,291	344,610	475,948	525,055	585,005	1,049,144	687,735
Public works	-	-	-	-	6,371,107	1,011,157	-	6,658	162,106	163,569
Health services	966,021	965,115	895,312	984,965	1,049,388	1,209,737	1,231,045	1,028,604	1,336,168	1,164,409
Culture and recreation	24,091	33,060	12,205	31,370	14,235	32,337	50,888	100,489	36,528	70,304
Development	1,556,887	1,366,682	802,334	1,241,461	1,103,856	1,741,828	711,533	1,497,532	1,513,340	1,294,798
Interest and fiscal charges	-	-	-	-	-	-	-	230,884	222,811	208,540
Capital grants and contributions										
General government	1,750,962	1,534,745	2,122,452	1,619,901	2,678,484	301,393	-	-	-	166,000
Public safety	57,458	-	-	131,896	329,736	110,099	97,089	102,038	-	-
Public works	3,948,101	6,309,250	10,799,856	5,365,276	7,097,399	4,744,942	4,060,881	5,633,183	4,739,362	5,291,184
Health services	-	-	-	-	9,109	-	-	-	-	-
Culture and recreation	749,940	731,287	1,005,338	216,384	94,390	804,943	503,022	521,094	406,739	103,330
Development	-	-	-	-	-	-	53,750	17,144	3,107	74,500
<b>Total governmental activities program revenues</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>23,015,325</b>	<b>20,251,866</b>	<b>23,186,409</b>	<b>22,259,390</b>	<b>21,453,778</b>
<b>Business-type activities</b>										
Charges for services										
Water Utility	6,831,621	7,150,409	7,600,310	8,100,296	7,822,825	8,379,381	8,388,766	8,649,397	9,347,490	9,369,910
Sewer Utility	5,811,267	6,123,231	6,267,035	6,266,314	6,492,660	6,617,211	6,955,547	7,659,365	8,520,852	9,721,206
Storm Water Utility	1,935,282	2,098,370	2,460,532	2,677,207	2,944,799	3,245,820	3,522,074	3,739,357	3,915,685	4,084,504
Public Transit	470,600	503,024	527,466	552,510	645,823	689,595	655,056	705,102	682,133	709,843
Parking Utility	218,569	215,356	227,065	214,184	240,605	219,392	201,233	217,547	194,258	163,655
Hobbs Ice Center	379,206	423,376	443,141	452,511	503,710	485,956	574,986	620,916	695,623	703,816
Outdoor Pool	173,359	214,616	210,756	213,503	217,613	205,898	217,258	231,326	242,323	230,722
Operating grants and contributions										
Storm Water Utility	-	-	-	-	-	-	-	62,447	47,836	44,078
Public Transit	2,400,631	2,466,457	2,711,846	2,839,769	2,948,598	2,907,050	3,139,414	3,269,479	3,079,067	3,499,753
Capital grants and contributions										
Water Utility	2,921,683	1,051,304	542,390	492,431	937,844	378,597	870,815	927,308	172,770	261,659
Sewer Utility	2,370,025	609,332	540,063	357,700	690,951	58,364	247,327	409,621	106,577	332,833
Storm Water Utility	5,187,007	1,975,066	505,753	90,973	147,010	19,470	96,737	379,626	137,994	192,513
Public Transit	-	-	-	-	-	-	-	1,928,001	5,238	1,311,862
Parking Utility	-	-	-	-	-	-	-	50,000	-	-
Hobbs Ice Center	-	-	-	-	50,000	-	343,592	8,437	-	-
<b>Total business-type activities program revenues</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>23,206,734</b>	<b>25,212,805</b>	<b>28,857,929</b>	<b>27,147,846</b>	<b>30,626,354</b>
<b>Total primary government program revenues</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>46,222,059</b>	<b>45,464,671</b>	<b>52,044,338</b>	<b>49,407,236</b>	<b>52,080,132</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	(36,045,661)	(38,686,048)	(30,873,225)	(38,548,053)	(36,986,550)	(43,428,228)	(48,926,061)	(48,379,438)	(51,235,224)	(53,976,268)
Business-type activities	11,579,888	4,478,826	2,782,830	2,643,527	2,392,076	2,345,908	3,013,794	5,632,018	3,762,175	6,157,955
<b>Total primary government net expense</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>	<b>\$(41,082,320)</b>	<b>\$(45,912,267)</b>	<b>\$(42,747,420)</b>	<b>\$(47,473,049)</b>	<b>\$(47,818,313)</b>

**CITY OF EAU CLAIRE**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities										
Property taxes	\$ 26,155,386	\$ 27,478,504	\$ 28,709,747	\$ 29,927,378	\$ 32,904,778	\$ 33,555,043	\$ 35,566,702	\$ 36,973,482	\$ 38,406,838	\$ 39,386,203
Intergovernmental revenues	9,388,956	9,378,496	9,390,895	9,463,185	9,603,015	10,069,736	9,695,627	9,457,785	8,410,416	8,476,861
Investment income	2,057,061	2,703,261	4,167,233	4,639,329	3,692,849	1,045,243	1,429,077	1,381,465	1,032,748	518,206
Gain on sale of capital assets	-	-	38,033	65,420	33,868	34,589	-	-	-	18,066
Miscellaneous	-	45,493	107,281	14,373	16,075	184,711	274,145	29,585	64,586	159,353
Transfers	454,863	20,295	146,418	(4,336,850)	406,040	298,000	1,337,790	(309,026)	(1,408,574)	(750,521)
Total governmental activities	<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>	<u>45,187,322</u>	<u>48,303,341</u>	<u>47,533,291</u>	<u>46,506,014</u>	<u>47,808,168</u>
Business-type activities										
Investment income	308,078	616,911	806,542	1,046,523	737,649	208,680	136,594	160,168	80,733	81,087
Gain on sale of capital assets	-	-	-	-	-	-	-	-	34,699	12,134
Miscellaneous	292,347	236,053	267,438	259,062	286,189	864,303	674,971	482,053	475,306	445,618
Transfers	(454,863)	(20,295)	(146,418)	4,336,850	(406,040)	(298,000)	(1,337,790)	309,026	1,408,574	750,521
Total business-type activities	<u>145,562</u>	<u>832,669</u>	<u>927,562</u>	<u>5,642,435</u>	<u>617,798</u>	<u>774,983</u>	<u>(526,225)</u>	<u>951,247</u>	<u>1,999,312</u>	<u>1,289,360</u>
Total primary government	<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>	<u>45,962,305</u>	<u>47,777,116</u>	<u>48,484,538</u>	<u>48,505,326</u>	<u>49,097,528</u>
<b>Change in Net Position</b>										
Governmental activities	2,010,605	940,001	11,686,382	1,224,782	9,670,075	1,759,094	(622,720)	(846,147)	(4,729,210)	(6,168,100)
Business-type activities	11,725,450	5,311,495	3,710,392	8,285,962	3,009,874	3,120,891	2,487,569	6,583,265	5,761,487	7,447,315
Total primary government	<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>	<u>\$ 4,879,985</u>	<u>\$ 1,864,849</u>	<u>\$ 5,737,118</u>	<u>\$ 1,032,277</u>	<u>\$ 1,279,215</u>

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>										
Nonspendable	\$ 6,384,041	\$ 5,848,920	\$ 4,881,267	\$ 4,412,107	\$ 4,203,971	\$ 8,124,878	\$ 7,511,280	\$ 6,833,801	\$ 6,368,186	\$ 4,859,049
Assigned	2,623,236	2,359,964	3,023,752	2,021,632	3,285,838	3,250,173	3,767,065	6,873,403	6,774,678	5,596,353
Unassigned	<u>6,678,369</u>	<u>6,521,438</u>	<u>7,368,023</u>	<u>8,338,803</u>	<u>9,954,326</u>	<u>12,549,834</u>	<u>14,087,620</u>	<u>13,099,710</u>	<u>12,524,213</u>	<u>13,735,102</u>
<b>Total General Fund</b>	<u>15,685,646</u>	<u>14,730,322</u>	<u>15,273,042</u>	<u>14,772,542</u>	<u>17,444,135</u>	<u>23,924,885</u>	<u>25,365,965</u>	<u>26,806,914</u>	<u>25,667,077</u>	<u>24,190,504</u>
<b>All Other Governmental Funds</b>										
Nonspendable										
Special revenue funds	-	-	-	-	64,821	65,766	65,071	81,089	111,421	126,907
Capital projects funds	-	-	-	-	-	-	-	31,654	-	-
Restricted										
Special revenue funds	7,767,590	7,605,330	6,878,678	5,983,423	5,807,695	5,479,406	5,647,550	5,571,228	5,792,285	5,903,534
Debt service funds	9,565,976	8,039,107	8,862,125	9,503,745	8,734,738	8,888,011	8,909,211	8,251,980	7,651,161	7,084,958
Capital projects funds	9,374,706	10,354,757	6,738,191	10,423,566	8,062,537	6,003,611	6,868,734	6,902,429	5,615,218	8,244,329
Assigned										
Capital projects funds	5,545,698	5,963,544	5,635,465	8,006,460	13,667,533	17,267,084	16,177,093	8,733,925	9,931,969	11,446,114
Unassigned (deficit)										
Special revenue funds	-	-	-	-	-	-	(1,709)	-	-	-
Debt service funds	-	-	-	-	-	-	-	(26,145)	(96,237)	(174,629)
Capital projects funds	<u>(102,574)</u>	<u>-</u>	<u>-</u>	<u>(138,222)</u>	<u>(1,000)</u>	<u>(2,134,426)</u>	<u>(2,235,123)</u>	<u>(2,385,867)</u>	<u>(2,485,767)</u>	<u>(2,943,258)</u>
<b>Total All Other Governmental Funds</b>	<u>32,151,396</u>	<u>31,962,737</u>	<u>28,114,459</u>	<u>33,778,972</u>	<u>36,336,324</u>	<u>35,569,452</u>	<u>35,430,827</u>	<u>27,160,293</u>	<u>26,520,050</u>	<u>29,687,955</u>
<b>Total All Governmental Funds</b>	<u>\$47,837,042</u>	<u>\$46,693,059</u>	<u>\$43,387,501</u>	<u>\$48,551,514</u>	<u>\$53,780,459</u>	<u>\$59,494,337</u>	<u>\$60,796,792</u>	<u>\$53,967,207</u>	<u>\$52,187,127</u>	<u>\$53,878,459</u>

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)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>										
Property taxes	\$ 26,164	\$ 27,600	\$ 28,667	\$ 29,462	\$ 31,296	\$ 33,526	\$ 35,477	\$ 37,319	\$ 38,374	\$ 39,093
Special assessments	2,341	2,164	1,988	1,898	2,053	1,989	1,853	1,888	1,930	2,313
Intergovernmental	15,903	16,303	15,546	15,957	22,109	15,958	16,033	15,287	14,507	14,290
Licenses and permits	1,827	1,829	1,938	1,922	1,969	1,993	1,936	1,821	1,996	1,966
Fines and forfeitures	980	917	900	1,018	941	897	866	865	758	749
Charges for services	6,136	6,607	7,169	7,005	9,576	9,878	9,049	9,316	8,990	8,678
Investment income	1,578	2,548	3,682	4,328	3,355	1,430	1,296	1,249	977	432
Miscellaneous	1,960	1,465	1,509	1,726	1,281	2,218	1,879	2,282	1,675	1,803
<b>Total revenues</b>	<b>56,889</b>	<b>59,433</b>	<b>61,399</b>	<b>63,316</b>	<b>72,580</b>	<b>67,889</b>	<b>68,389</b>	<b>70,027</b>	<b>69,207</b>	<b>69,324</b>
<b>Expenditures</b>										
General government	5,877	6,263	5,696	5,700	6,169	5,888	6,136	6,135	6,343	6,238
Public safety	19,933	20,912	22,412	23,563	24,252	24,739	25,362	25,909	25,653	26,467
Public works	7,210	7,350	7,137	7,693	8,109	8,545	8,723	8,106	8,112	9,002
Health services	4,172	4,388	4,402	4,666	4,814	4,959	5,026	5,026	4,983	4,913
Culture and recreation	7,117	7,164	7,493	7,830	7,908	7,935	8,062	8,220	8,328	8,268
Development	3,022	4,162	2,772	3,614	2,839	3,096	2,738	2,701	3,369	3,106
Miscellaneous	428	497	462	630	465	451	612	474	382	435
Capital outlay	12,622	9,458	13,408	8,119	11,899	9,685	9,179	17,593	10,689	15,730
Debt service										
Principal	3,509	5,882	3,789	4,311	5,057	4,983	4,930	5,740	7,276	12,577
Interest	1,992	1,991	2,073	1,957	2,634	2,907	3,134	3,034	3,063	3,002
<b>Total expenditures</b>	<b>65,882</b>	<b>68,067</b>	<b>69,644</b>	<b>68,083</b>	<b>74,146</b>	<b>73,188</b>	<b>73,902</b>	<b>82,938</b>	<b>78,198</b>	<b>89,738</b>
<b>Other financing sources (uses)</b>										
Debt issued	5,460	7,290	4,365	17,785	15,400	11,618	7,707	6,060	7,757	21,580
Premium on debt issued	-	-	55	166	-	-	27	30	52	295
Discount on debt issued	-	-	-	-	(60)	(79)	-	-	-	-
Payment to refunding agent	-	-	-	(8,812)	-	-	(2,293)	-	-	-
Pay-off of unfunded retirement liability	-	-	-	-	(9,392)	-	-	-	-	-
Transfers in	8,111	7,761	7,931	7,841	7,910	10,390	10,141	10,318	11,906	11,402
Transfers out	(7,261)	(7,630)	(7,450)	(7,135)	(7,099)	(11,494)	(8,832)	(10,398)	(12,531)	(11,189)
Sale of capital assets	408	69	38	86	36	578	65	72	26	18
<b>Total other financing sources (uses)</b>	<b>6,718</b>	<b>7,490</b>	<b>4,939</b>	<b>9,931</b>	<b>6,795</b>	<b>11,013</b>	<b>6,815</b>	<b>6,082</b>	<b>7,210</b>	<b>22,106</b>
<b>Net change in fund balances</b>	<b>\$ (2,275)</b>	<b>\$ (1,144)</b>	<b>\$ (3,306)</b>	<b>\$ 5,164</b>	<b>\$ 5,229</b>	<b>\$ 5,714</b>	<b>\$ 1,302</b>	<b>\$ (6,829)</b>	<b>\$ (1,781)</b>	<b>\$ 1,692</b>
Debt service as a percentage of noncapital expenditures	10.3%	13.4%	10.4%	10.6%	12.2%	12.4%	12.4%	13.5%	15.2%	20.6%

Source: City of Eau Claire Comprehensive Annual Financial Reports

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>ALL PROPERTY</b>										
<b>Real property:</b>										
Assessed value	\$2,997,305	\$3,480,302	\$3,589,140	\$3,663,397	\$4,132,625	\$4,229,806	\$4,298,042	\$4,129,685	\$4,164,172	\$4,205,728
Estimated actual value (1)	3,192,523	3,405,414	3,614,093	3,812,428	3,960,377	4,100,813	4,154,706	4,062,866	4,098,830	4,065,232
<b>Personal property:</b>										
Assessed value	\$131,225	\$135,230	\$129,985	\$132,425	\$150,560	\$152,927	\$167,057	\$160,043	\$151,299	\$162,039
Estimated actual value	138,038	140,683	126,950	139,214	149,802	154,122	161,241	161,758	148,638	158,492
<b>Total:</b>										
Assessed value	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767
Estimated actual value	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724
Ratio of total assessed to total estimated actual value	93.93%	101.95%	99.41%	96.06%	104.21%	103.00%	103.46%	101.54%	101.60%	103.41%
<b>Direct tax rate:</b>										
Eau Claire County	\$7.74	\$7.07	\$7.15	\$7.22	\$6.80	\$7.12	\$7.34	\$8.01	\$8.22	\$8.24
Chippewa County	\$7.74	\$7.07	\$7.15	\$7.12	\$6.86	\$7.18	\$7.51	\$8.19	\$8.30	\$8.24



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

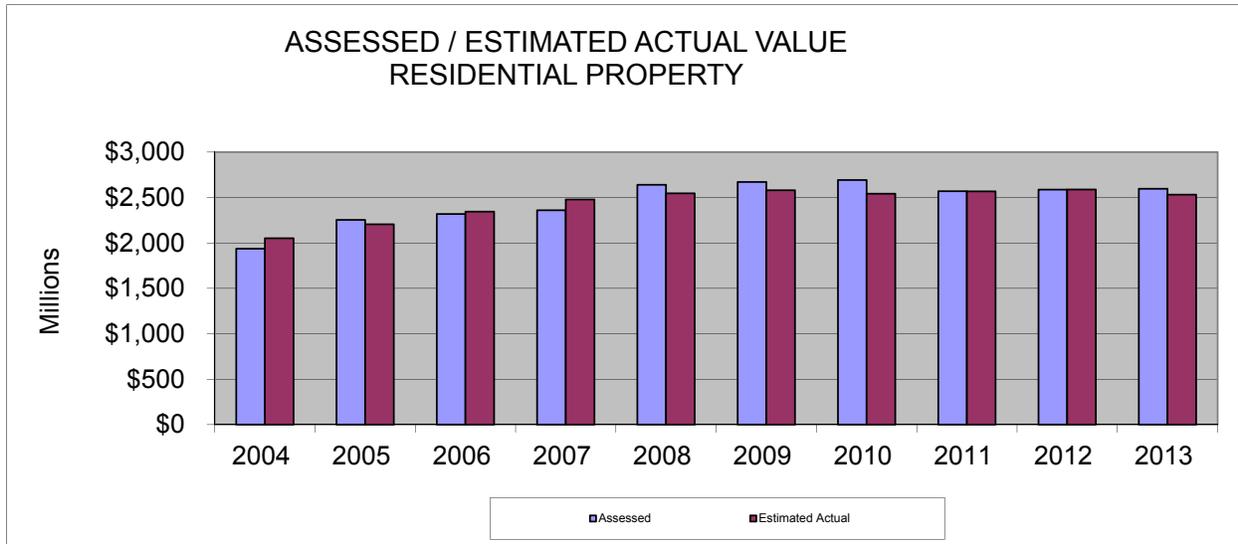
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>RESIDENTIAL</b>										
Real property:										
Assessed value	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948
Estimated actual value	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048	2,567,621	2,587,946	2,531,431
Personal property: (1)										
Assessed value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated actual value	0	0	0	0	0	0	0	0	0	0
Total residential:										
Assessed value	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408	\$2,569,325	\$2,586,846	\$2,595,948
Estimated actual value	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048	2,567,621	2,587,946	2,531,431
Total all classes:										
Assessed value	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767
Estimated actual value	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724
Residential property as a percentage of total:										
Assessed value	61.90%	62.33%	62.34%	62.17%	61.64%	60.94%	60.30%	59.89%	59.94%	59.43%
Estimated actual value	61.60%	62.19%	62.67%	62.71%	61.95%	60.63%	58.90%	60.78%	60.93%	59.93%
Number of parcels	19,313	19,678	19,838	20,072	19,766	19,829	19,922	19,941	19,960	19,974
Number of parcels with improvements	17,513	17,745	17,993	18,114	18,358	18,445	18,590	18,668	18,737	18,752



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.

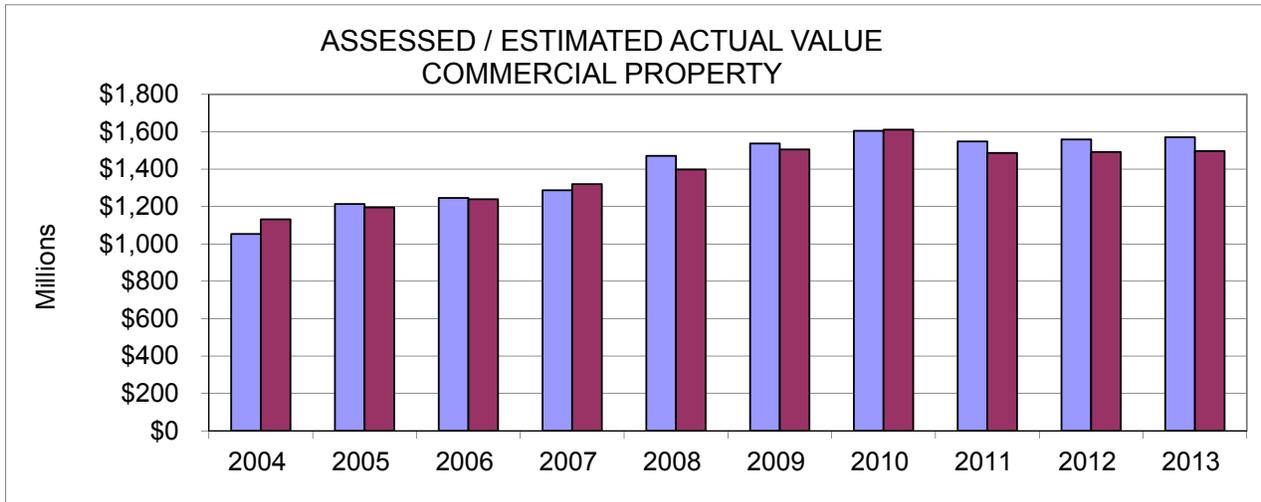
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>COMMERCIAL</b>										
Real property:										
Assessed value	\$939,329	\$1,095,829	\$1,132,143	\$1,170,613	\$1,344,227	\$1,406,379	\$1,459,862	\$1,409,526	\$1,427,191	\$1,442,120
Estimated actual value	1,011,523	1,071,374	1,128,558	1,197,480	1,271,451	1,372,777	1,471,159	1,346,057	1,362,726	1,370,911
Personal property:										
Assessed value	\$113,637	\$117,645	\$113,661	\$116,173	\$126,739	\$130,769	\$145,125	\$138,680	\$131,570	\$128,431
Estimated actual value	119,796	123,600	110,476	122,319	126,823	132,663	139,976	140,642	129,175	126,004
Total commercial:										
Assessed value	\$1,052,966	\$1,213,474	\$1,245,804	\$1,286,786	\$1,470,966	\$1,537,148	\$1,604,987	\$1,548,206	\$1,558,761	\$1,570,551
Estimated actual value	1,131,319	1,194,974	1,239,034	1,319,799	1,398,274	1,505,440	1,611,135	1,486,699	1,491,901	1,496,915
Total all classes:										
Assessed value	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767
Estimated actual value	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724
Commercial property as a percentage of total:										
Assessed value	33.66%	33.56%	33.50%	33.90%	34.34%	35.07%	35.95%	36.09%	36.12%	35.96%
Estimated actual value	33.97%	33.70%	33.12%	33.40%	34.02%	35.38%	37.33%	35.19%	35.12%	35.44%
Number of parcels	2,692	2,719	2,739	2,755	3,253	3,200	3,224	3,236	3,174	3,139
Number of parcels with improvements	1,721	1,737	1,751	1,786	1,847	1,881	1,904	1,913	1,918	1,933



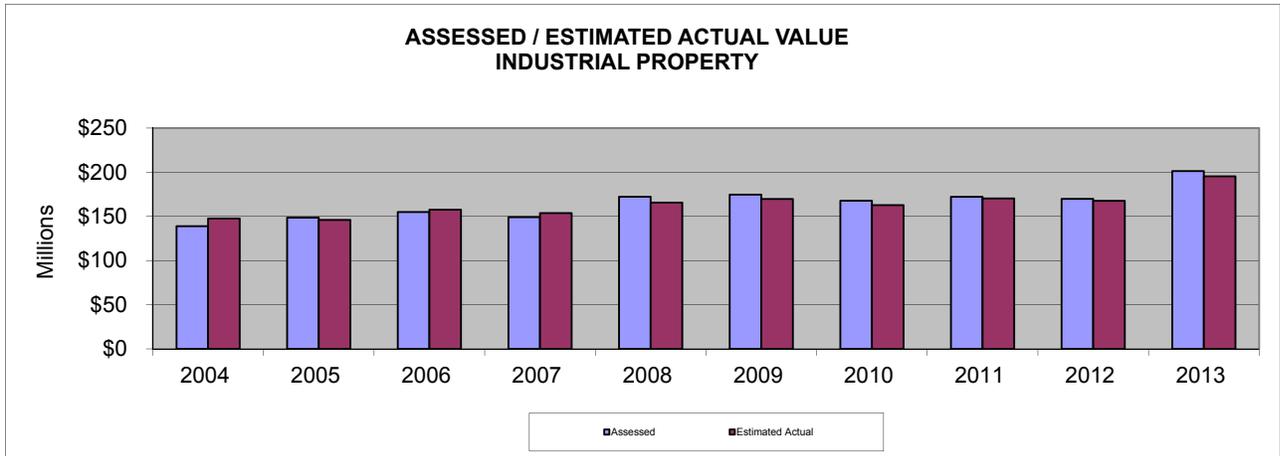
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>INDUSTRIAL</b>										
Real property:										
Assessed value	\$121,311	\$130,984	\$138,617	\$132,852	\$148,389	\$152,504	\$145,773	\$150,835	\$150,135	\$167,661
Estimated actual value	129,389	128,756	141,086	136,850	142,630	148,282	141,499	149,188	148,158	162,891
Personal property:										
Assessed value	\$17,588	\$17,585	\$16,324	\$16,252	\$23,821	\$22,159	\$21,932	\$21,363	\$19,729	\$33,608
Estimated actual value	18,242	17,263	16,474	16,894	22,979	21,459	21,264	21,116	19,463	32,488
Total industrial:										
Assessed value	\$138,899	\$148,569	\$154,941	\$149,104	\$172,210	\$174,663	\$167,705	\$172,198	\$169,864	\$201,269
Estimated actual value	147,631	146,019	157,560	153,744	165,609	169,741	162,763	170,304	167,621	195,379
Total all classes:										
Assessed value	\$3,128,530	\$3,615,532	\$3,719,125	\$4,283,185	\$4,382,733	\$4,382,733	\$4,465,099	\$4,289,728	\$4,315,471	\$4,367,767
Estimated actual value	3,330,561	3,546,277	3,741,043	4,110,179	4,254,935	4,254,935	4,315,947	4,224,624	4,247,468	4,223,724
Industrial property as a percentage of total:										
Assessed value	4.44%	4.11%	4.17%	3.48%	3.93%	3.99%	3.76%	4.01%	3.94%	4.61%
Estimated actual value	4.43%	4.12%	4.21%	3.74%	3.89%	3.99%	3.77%	4.03%	3.95%	4.63%
Number of parcels	96	95	97	93	95	97	95	94	96	93
Number of parcels with improvements	89	88	89	85	84	82	80	79	80	78



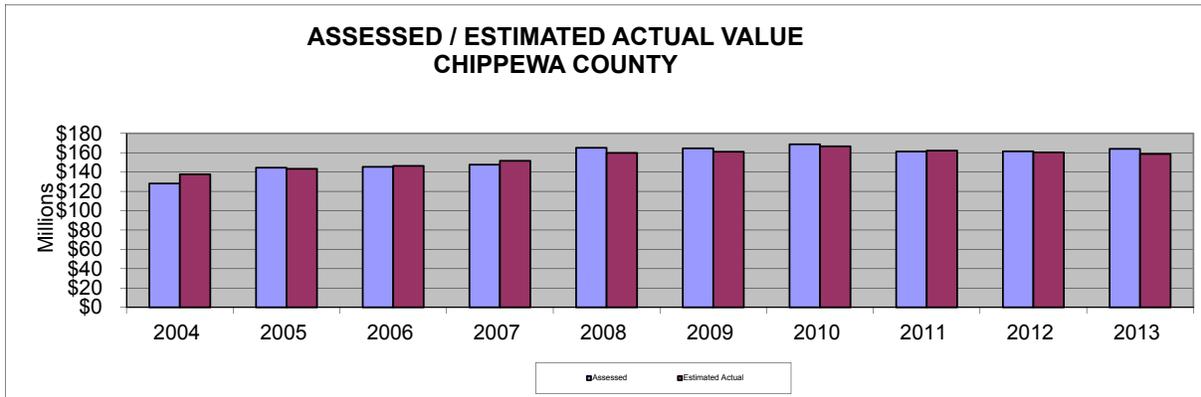
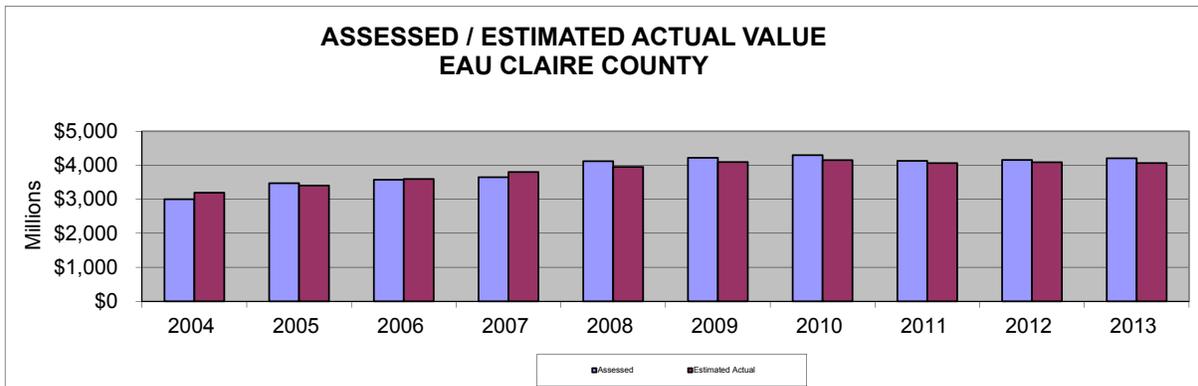
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

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

**CITY OF EAU CLAIRE**

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

PORTION OF CITY IN:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>EAU CLAIRE COUNTY</b>										
Assessed value	\$3,000,387	\$3,471,029	\$3,573,733	\$3,648,184	\$4,118,082	\$4,218,200	\$4,296,383	\$4,128,456	\$4,154,056	\$4,203,777
Estimated actual value	3,192,926	3,402,896	3,594,685	3,799,993	3,950,363	4,093,908	4,149,314	4,062,445	4,087,133	4,064,974
Ratio of assessment	93.97%	102.00%	99.42%	96.01%	104.25%	103.04%	103.54%	101.62%	101.64%	103.41%
<b>CHIPPEWA COUNTY</b>										
Assessed value	\$128,143	\$144,504	\$145,392	\$147,637	\$165,102	\$164,533	\$168,716	\$161,273	\$161,415	\$163,990
Estimated actual value	137,635	143,381	146,358	151,649	159,815	161,027	166,633	162,179	160,335	158,750
Ratio of assessment	93.10%	100.78%	99.34%	97.35%	103.31%	102.18%	101.25%	99.44%	100.67%	103.30%



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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TID #4 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	0	0	0	0	0	0	0	0	0	0
Total TID #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TID #5 equalized valuation:										
Base	\$130	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Increment	21,395	22,058	20,703	21,661	21,074	22,901	23,258	29,187	30,122	39,284
Total TID #5	\$21,525	\$23,058	\$21,703	\$22,661	\$22,074	\$23,901	\$24,258	\$30,187	\$31,122	\$40,284
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$0	\$0	\$0
Increment	8,503	9,072	9,254	9,907	10,663	11,404	11,383	0	0	0
Total TID #6	\$9,489	\$10,058	\$10,240	\$10,893	\$11,649	\$12,390	\$12,369	\$0	\$0	\$0
TID #7 equalized valuation:										
Base	\$115	\$115	\$329	\$329	\$329	\$329	\$329	\$329	\$329	\$329
Increment	3,634	3,713	3,894	5,675	5,859	6,193	6,467	6,007	5,265	5,507
Total TID #7	\$3,749	\$3,828	\$4,223	\$6,004	\$6,188	\$6,522	\$6,796	\$6,336	\$5,594	\$5,836
TID #8 equalized valuation:										
Base	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441
Increment	236	3,683	12,661	16,288	16,805	18,523	22,362	25,813	26,805	29,055
Total TID #8	\$10,677	\$14,124	\$23,102	\$26,729	\$27,246	\$28,964	\$32,803	\$36,254	\$37,246	\$39,496
TID #9 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$11,239	\$11,239	\$11,239	\$11,239
Increment	0	0	0	0	0	0	2,222	5,117	2,310	2,201
Total TID #9	\$0	\$0	\$0	\$0	\$0	\$0	\$13,461	\$16,356	\$13,549	\$13,440
ALL PROPERTY										
All property - w/o TIDs	\$3,285,121	\$3,495,209	\$3,681,775	\$3,885,355	\$4,043,022	\$4,183,157	\$4,226,260	\$4,135,491	\$4,159,957	\$4,124,668
Base valuation - TIDs	11,672	12,542	12,756	12,756	12,756	12,756	23,995	23,009	23,009	23,009
All property - w/o TID increment	3,296,793	3,507,751	3,694,531	3,898,111	4,055,778	4,195,913	4,250,255	4,158,500	4,182,966	4,147,677
Increment valuation - TIDs	33,768	38,526	46,512	53,530	54,401	59,022	65,692	66,124	64,502	76,047
Equalized valuation - all property	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168
Library	0.851	0.753	0.724	0.725	0.652	0.653	0.644	0.679	0.680	0.674
Health	0.469	0.422	0.418	0.416	0.380	0.383	0.379	0.401	0.399	0.394
Total Direct Rate	7.742	7.070	7.148	7.216	6.799	7.120	7.344	8.014	8.220	8.236
Eau Claire School Dist.	10.694	11.391	9.954	9.624	8.774	8.714	9.219	9.876	10.012	9.772
Vocational District	1.817	1.593	1.620	1.634	1.511	1.535	1.606	1.728	1.714	1.707
Eau Claire County	3.298	3.078	3.095	3.159	3.338	3.316	3.379	3.499	3.518	3.511
State Forestry	0.213	0.196	0.189	0.183	0.163	0.165	0.164	0.167	0.167	0.164
Gross Tax Rate	23.764	23.328	22.006	21.816	20.585	20.850	21.712	23.284	23.631	23.390
Less State Credit	(1.577)	(1.323)	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)
Net Tax Rate	\$ 22.187	\$ 22.005	\$ 20.681	\$ 20.189	\$ 18.970	\$ 19.220	\$ 20.185	\$ 21.726	\$ 22.097	\$ 21.855
City Property Located in Eau Claire County (Altoona School District)										
City	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321	\$6.934	\$7.141	\$7.168
Library	0.851	0.753	0.724	0.725	0.652	0.653	0.644	0.679	0.680	0.674
Health	0.469	0.422	0.418	0.416	0.380	0.383	0.379	0.401	0.399	0.394
Total Direct Rate	7.742	7.070	7.148	7.216	6.799	7.120	7.344	8.014	8.220	8.236
Altoona School Dist.	11.650	9.791	9.718	10.034	10.025	8.533	8.931	8.859	9.271	9.344
Vocational District	1.817	1.593	1.620	1.634	1.511	1.535	1.605	1.728	1.714	1.707
Eau Claire County	3.298	3.078	3.095	3.159	3.338	3.316	3.379	3.499	3.518	3.511
State Forestry	0.213	0.196	0.189	0.183	0.163	0.165	0.164	0.167	0.167	0.164
Gross Tax Rate	24.720	21.728	21.770	22.226	21.836	20.669	21.423	22.267	22.890	22.962
Less State Credit	(1.577)	(1.323)	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)	(1.558)	(1.534)	(1.535)
Net Tax Rate	\$ 23.143	\$ 20.405	\$ 20.445	\$ 20.599	\$ 20.221	\$ 19.039	\$ 19.896	\$ 20.709	\$ 21.356	\$ 21.427

Source: City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175
Library	0.851	0.753	0.724	0.714	0.658	0.659	0.658	0.693	0.687	0.675
Health	0.469	0.422	0.418	0.410	0.384	0.386	0.388	0.410	0.402	0.395
Total Direct Rate	7.742	7.070	7.148	7.115	6.861	7.180	7.510	8.189	8.299	8.245
Eau Claire School Dist.	10.793	11.528	9.961	9.491	8.870	8.787	9.428	10.081	10.108	9.749
Vocational District	1.834	1.612	1.621	1.611	1.524	1.549	1.642	1.765	1.730	1.709
Chippewa County	3.840	3.438	3.408	3.270	3.080	3.044	3.166	3.307	3.357	3.461
State Forestry	0.215	0.198	0.189	0.181	0.164	0.166	0.168	0.171	0.168	0.164
Gross Tax Rate	24.424	23.846	22.327	21.668	20.499	20.726	21.914	23.513	23.662	23.328
Less State Credit	(1.578)	(1.318)	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)
Net Tax Rate	\$ 22.846	\$ 22.528	\$ 21.014	\$ 20.085	\$ 18.952	\$ 19.140	\$ 20.459	\$ 22.017	\$ 22.146	\$ 21.781
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464	\$7.086	\$7.210	\$7.175
Library	0.851	0.753	0.724	0.714	0.658	0.659	0.658	0.693	0.687	0.675
Health	0.469	0.422	0.418	0.410	0.384	0.386	0.388	0.410	0.402	0.395
Total Direct Rate	7.742	7.070	7.148	7.115	6.861	7.180	7.510	8.189	8.299	8.245
Chippewa Falls School Dist.	9.693	8.463	8.240	8.085	6.914	7.403	8.335	8.957	9.079	10.285
Vocational District	1.834	1.612	1.621	1.611	1.524	1.548	1.642	1.765	1.730	1.709
Chippewa County	3.840	3.438	3.408	3.270	3.080	3.044	3.166	3.307	3.357	3.461
State Forestry	0.215	0.198	0.189	0.181	0.164	0.166	0.168	0.171	0.168	0.164
Gross Tax Rate	23.324	20.781	20.606	20.262	18.543	19.341	20.821	22.389	22.633	23.864
Less State Credit	(1.578)	(1.318)	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)	(1.496)	(1.516)	(1.547)
Net Tax Rate	\$ 21.746	\$ 19.463	\$ 19.293	\$ 18.679	\$ 16.996	\$ 17.755	\$ 19.366	\$ 20.893	\$ 21.117	\$ 22.317

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	2013 Equalized Value	2013 Rank	2013 Percentage of Total Equalized Value	2004 Equalized Value	2004 Rank	2004 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 72,028	1	1.71%	\$ 65,495	1	1.97%
Mayo Clinic Health Systems	63,867	2	1.51%	-		
Nestle Foods	63,041	3	1.49%	30,255	3	0.91%
Keystone Corporation	38,603	4	0.91%	32,873	2	0.99%
Hutchinson Technology, Inc.	36,627	5	0.87%	17,528	6	0.53%
Marshfield Clinic	32,591	6	0.77%	20,343	5	0.61%
Royal Credit Union	21,636	7	0.51%	-		
Menard Inc.	19,442	8	0.46%	16,642	8	0.50%
Phillips Properties	17,214	9	0.41%	15,828	9	0.48%
Sam's Club - Walmart	14,089	10	0.33%	-		
Luther Hospital	-			22,128	4	0.66%
Midelfort Clinic	-			17,492	7	0.53%
F&L II & JHP Eau Claire	-			11,974	10	0.36%
Principal Taxpayers total	<u>\$ 379,138</u>			<u>\$ 250,558</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,223,724</u>			<u>\$ 3,330,561</u>		

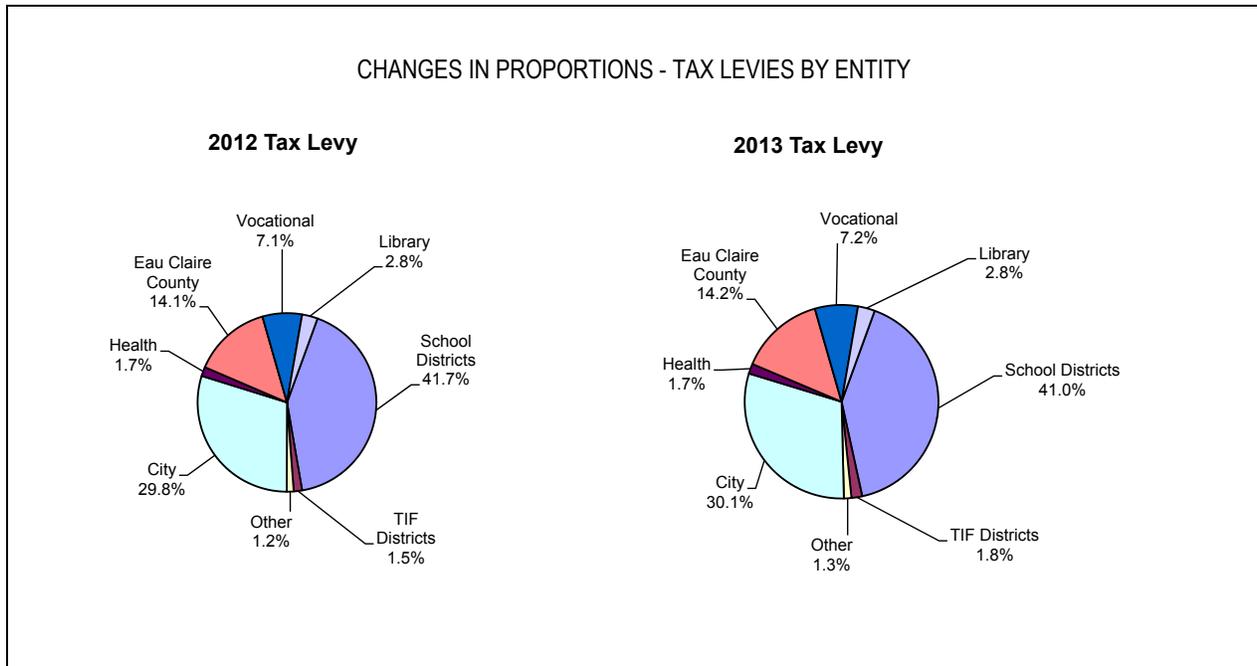
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties.

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

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City	\$ 19,887	\$ 21,081	\$ 22,058	\$ 22,734	\$ 24,380	\$ 26,301	\$ 27,815	\$ 29,303	\$ 30,360	\$ 30,742
TIF Districts	749	905	1,008	1,110	1,151	1,251	1,460	1,553	1,538	1,827
Library	2,637	2,694	2,658	2,712	2,758	2,825	2,834	2,867	2,892	2,891
Health	1,453	1,508	1,537	1,557	1,609	1,656	1,671	1,696	1,695	1,691
Eau Claire School District	32,959	40,550	36,385	35,847	36,934	37,511	40,408	41,545	42,373	41,723
Chippewa Falls School District	34	32	31	31	30	33	31	49	51	51
Altoona School District	145	139	137	140	142	121	126	121	127	130
Vocational District	5,629	5,699	5,951	6,113	6,387	6,639	7,065	7,300	7,285	7,323
Eau Claire County	9,818	10,595	10,947	11,395	13,596	13,824	14,330	14,213	14,386	14,486
Chippewa County	462	462	464	451	474	465	498	533	542	567
State Forestry- Eau Claire County	638	681	674	667	670	695	704	689	694	690
State Forestry- Chippewa County	28	29	27	27	27	27	28	28	27	27
<b>Total tax levy</b>	<b>\$74,439</b>	<b>\$84,375</b>	<b>\$81,877</b>	<b>\$82,784</b>	<b>\$88,158</b>	<b>\$ 91,348</b>	<b>\$ 96,970</b>	<b>\$ 99,897</b>	<b>\$ 101,970</b>	<b>\$ 102,148</b>
<b>City percent of total levy</b>	<b>26.72%</b>	<b>24.98%</b>	<b>26.94%</b>	<b>27.46%</b>	<b>27.65%</b>	<b>28.79%</b>	<b>28.68%</b>	<b>29.33%</b>	<b>29.77%</b>	<b>30.10%</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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Tax Levy	\$ 23,977	\$ 25,283	\$ 26,253	\$ 27,003	\$ 28,747	\$ 30,782	\$ 32,319	\$ 33,865	\$ 34,946	\$ 35,324
Current tax collections	\$ 23,647	\$ 24,983	\$ 26,086	\$ 26,877	\$ 28,654	\$ 30,633	\$ 32,142	\$ 33,612	\$ 34,801	\$ 35,177
Percentage of Levy	98.6%	98.8%	99.4%	99.5%	99.7%	99.5%	99.5%	99.3%	99.6%	99.6%
Collection of delinquent personal property taxes	\$ 302	\$ 265	\$ 142	\$ 111	\$ 71	\$ 97	\$ 129	\$ 217	\$ 101	\$ 106
Total tax collections (1)	<u>\$ 23,949</u>	<u>\$ 25,248</u>	<u>\$ 26,228</u>	<u>\$ 26,988</u>	<u>\$ 28,725</u>	<u>\$ 30,730</u>	<u>\$ 32,271</u>	<u>\$ 33,829</u>	<u>\$ 34,902</u>	<u>\$ 35,283</u>
Percentage of Levy	99.9%	99.9%	99.9%	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%

(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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total assessments levied each fiscal period: (1)										
General fund	\$ 157	\$ 75	\$ 89	\$ 100	\$ 109	\$ 120	\$ 271	\$ 383	\$ 808	\$ 1,036
Business Improvement Districts	91	92	141	151	152	152	145	145	147	147
Debt Service	1,663	1,657	1,516	1,547	1,721	1,546	1,373	1,126	711	596
Water Utility	191	105	90	99	90	87	83	82	70	64
Sewer Utility	238	122	104	105	91	90	82	77	51	51
Health	0	0	0	0	0	8	8	6	5	6
Delinquent utility bills	581	521	561	548	617	656	809	774	776	774
 Total assessments levied	<u>\$ 2,921</u>	<u>\$ 2,572</u>	<u>\$ 2,501</u>	<u>\$ 2,550</u>	<u>\$ 2,780</u>	<u>\$ 2,659</u>	<u>\$ 2,771</u>	<u>\$ 2,593</u>	<u>\$ 2,568</u>	<u>\$ 2,674</u>
 Current collections	<u>\$ 2,921</u>	<u>\$ 2,572</u>	<u>\$ 2,501</u>	<u>\$ 2,550</u>	<u>\$ 2,780</u>	<u>\$ 2,659</u>	<u>\$ 2,771</u>	<u>\$ 2,593</u>	<u>\$ 2,568</u>	<u>\$ 2,674</u>
 Total collections	<u>\$ 2,921</u>	<u>\$ 2,572</u>	<u>\$ 2,501</u>	<u>\$ 2,550</u>	<u>\$ 2,780</u>	<u>\$ 2,659</u>	<u>\$ 2,771</u>	<u>\$ 2,593</u>	<u>\$ 2,568</u>	<u>\$ 2,674</u>

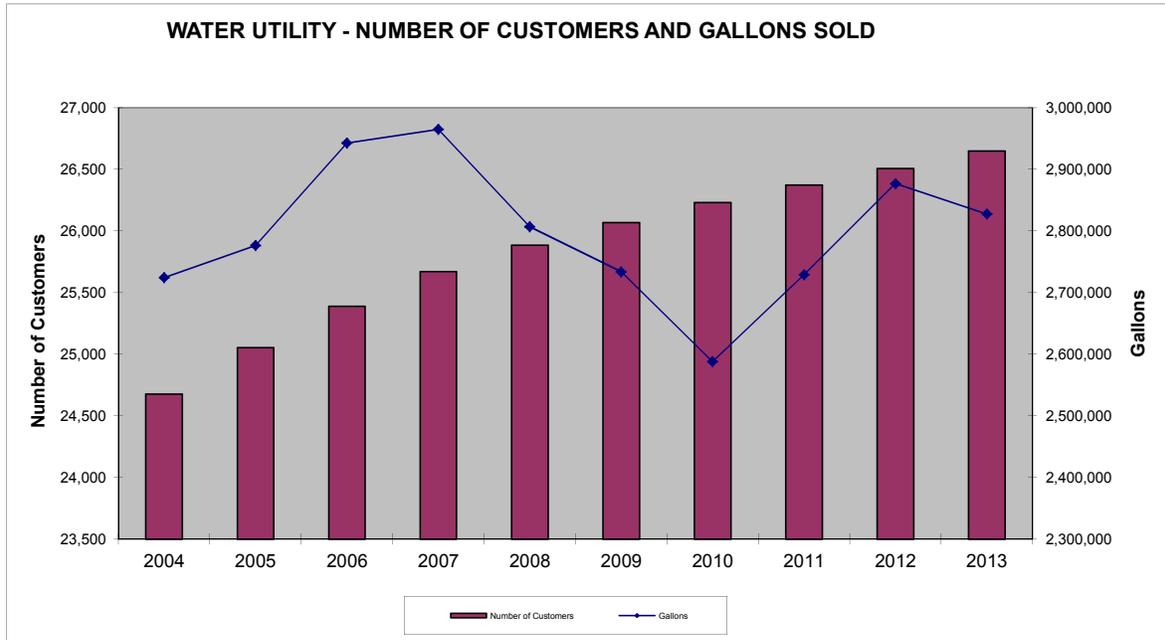
(1) NOTE: Includes current interest due on installment special assessments.

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Number of customers</b>										
Residential	21,921	22,264	22,560	22,805	22,992	23,152	23,293	23,417	23,556	23,931
Commercial	2,453	2,484	2,519	2,551	2,574	2,593	2,612	2,628	2,625	2,390
Industrial	110	110	111	111	110	109	109	109	109	109
Public	191	194	199	202	208	212	216	217	216	217
<b>Total</b>	<b>24,675</b>	<b>25,052</b>	<b>25,389</b>	<b>25,669</b>	<b>25,884</b>	<b>26,066</b>	<b>26,230</b>	<b>26,371</b>	<b>26,506</b>	<b>26,647</b>
<b>Gallons (thousands)</b>										
Residential	1,213,839	1,257,567	1,371,987	1,385,600	1,244,970	1,288,528	1,182,343	1,210,111	1,297,806	1,350,816
Commercial	688,356	706,237	694,466	715,582	694,815	667,586	656,846	673,138	701,560	650,697
Industrial	594,416	555,940	616,834	606,778	612,579	517,711	505,853	604,273	612,696	571,655
Public	227,438	256,643	259,278	256,705	254,553	259,869	242,820	241,090	264,612	254,054
<b>Total</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>	<b>2,733,694</b>	<b>2,587,862</b>	<b>2,728,612</b>	<b>2,876,674</b>	<b>2,827,222</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Metered Service</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 14.37	\$ 14.37	\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.10	\$ 17.10	\$ 17.61	\$ 17.61	\$ 18.17
3/4 inch meter	14.37	14.37	15.60	15.60	15.60	17.10	17.10	17.61	17.61	18.17
1 inch meter	21.63	21.63	22.80	22.80	22.80	26.70	26.70	27.50	27.50	28.38
1 1/4 inch meter	27.81	27.81	30.00	30.00	30.00	35.40	35.40	36.46	36.46	37.63
1 1/2 inch meter	33.99	33.99	36.60	36.00	36.00	43.80	43.80	45.11	45.11	46.55
2 inch meter	55.62	55.62	55.80	55.80	55.80	65.40	65.40	67.36	67.36	69.52
3 inch meter	98.88	98.88	99.00	99.00	99.00	105.00	105.00	108.15	108.15	111.61
4 inch meter	123.60	123.60	129.00	129.00	129.00	156.00	156.00	160.68	160.68	165.82
6 inch meter	213.21	213.21	225.00	225.00	225.00	273.00	273.00	281.19	281.19	290.19
8 inch meter	318.27	318.27	339.00	339.00	339.00	411.00	411.00	423.33	423.33	436.88
10 inch meter	463.50	463.50	489.00	489.00	489.00	591.00	591.00	608.73	608.73	628.21
12 inch meter	599.46	599.46	639.00	639.00	639.00	771.00	771.00	794.13	794.13	819.54
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 1.21	\$ 1.21	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.49	\$ 1.49	\$ 1.53	\$ 1.53	\$ 1.58
Next 742,500 cubic feet	1.04	1.04	1.13	1.13	1.13	1.28	1.28	1.32	1.32	1.36
Over 750,000 cubic feet	0.69	0.69	0.79	0.79	0.79	0.89	0.89	0.92	0.92	0.95
<b>Public Fire Protection</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.60	\$ 9.60	\$ 9.89	\$ 9.89	\$ 10.21
3/4 inch meter	9.46	9.46	9.46	9.46	9.46	9.60	9.60	9.89	9.89	10.21
1 inch meter	23.48	23.48	23.48	23.48	23.48	24.00	24.00	24.72	24.72	25.51
1 1/4 inch meter	34.92	34.92	34.92	34.92	34.92	35.40	35.40	36.46	36.46	37.63
1 1/2 inch meter	47.28	47.28	47.28	47.28	47.28	48.00	48.00	49.44	49.44	51.02
2 inch meter	75.71	75.71	75.71	75.71	75.71	76.80	76.80	79.10	79.10	81.63
3 inch meter	142.14	142.14	142.14	142.14	142.14	144.00	144.00	148.32	148.32	153.07
4 inch meter	234.84	234.84	234.84	234.84	234.84	240.00	240.00	247.20	247.20	255.11
6 inch meter	472.77	472.77	472.77	472.77	472.77	480.00	480.00	494.40	494.40	510.22
8 inch meter	753.96	753.96	753.96	753.96	753.96	768.00	768.00	791.04	791.04	816.35
10 inch meter	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,152.00	1,152.00	1,186.56	1,186.56	1,224.53
12 inch meter	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,536.00	1,536.00	1,582.08	1,582.08	1,632.71

Source: Customer Services - City of Eau Claire

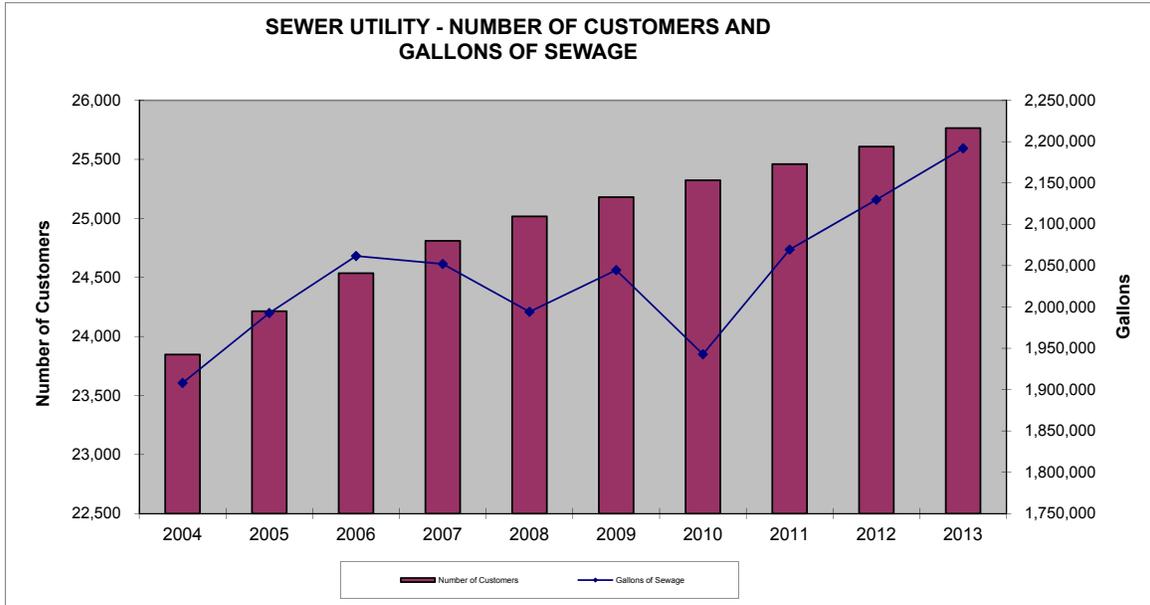
Note: Increases in water rates must be approved by the Public Service Commission of Wisconsin.



**CITY OF EAU CLAIRE**

TABLE 19  
SEWER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Number of customers</b>										
Residential	21,279	21,616	21,911	22,157	22,345	22,495	22,626	22,753	22,895	23,272
Commercial	2,315	2,341	2,365	2,391	2,411	2,424	2,435	2,445	2,451	2,231
Industrial	92	93	94	95	94	93	94	95	95	95
Public	161	164	166	167	167	168	168	167	167	167
<b>Total</b>	<b>23,847</b>	<b>24,214</b>	<b>24,536</b>	<b>24,810</b>	<b>25,017</b>	<b>25,180</b>	<b>25,323</b>	<b>25,460</b>	<b>25,608</b>	<b>25,765</b>
<b>Gallons (thousands)</b>										
Residential	983,564	982,929	989,805	1,005,253	990,279	1,082,255	1,035,729	1,080,152	1,087,106	1,184,590
Commercial	590,527	613,281	609,161	602,989	600,342	599,731	566,088	600,681	632,874	615,338
Industrial	221,503	275,062	348,936	334,562	303,806	252,218	235,880	285,293	302,251	274,097
Public	112,455	121,395	113,783	109,208	99,735	110,403	105,089	103,340	107,545	117,949
<b>Total</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>	<b>2,044,607</b>	<b>1,942,786</b>	<b>2,069,466</b>	<b>2,129,776</b>	<b>2,191,974</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Metered Service</b>										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 17.28	\$ 18.48	\$ 19.76	\$ 21.12	\$ 22.56	\$ 5.19 *
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.16	\$ 2.31	\$ 2.47	\$ 2.64	\$ 2.82	\$ 2.89

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

Sources: Customer Services - City of Eau Claire

## CITY OF EAU CLAIRE

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

<u>Customer</u>	2013		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestle USA	155,410,464	\$ 600,450	7.1%
Hutchinson Technology	83,134,216	321,200	3.8%
University of Wisconsin - Eau Claire	49,873,648	192,694	2.3%
Mayo Clinic Health System	35,289,892	136,347	1.6%
Sacred Heart Hospital	30,947,004	119,568	1.4%
Eau Claire Area School District	24,823,876	95,910	1.1%
Oak Ridge Village	18,742,636	72,415	0.9%
Silver Spring Foods	14,413,960	55,690	0.7%
YMCA	13,753,476	53,138	0.6%
Chippewa Valley Technical College	12,511,048	48,338	0.6%
Subtotal (ten largest)	438,900,220	1,695,750	20.1%
All other customers	1,753,074,780	\$ 6,380,712	79.9%
Grand Totals	2,191,975,000	\$ 8,076,462	100.0%

<u>Customer</u>	2004		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	117,141,200	\$ 319,476	6.1%
Hutchinson Technology	64,409,033	175,661	3.4%
University of Wisconsin-Eau Claire	63,128,267	172,168	3.3%
Sacred Heart Hospital	41,178,133	112,304	2.2%
Luther Midelfort-Mayo Health	39,770,867	108,466	2.1%
3-M Companies	20,368,700	55,551	1.1%
Eau Claire School District	17,512,733	47,762	0.9%
Huebsch Laundry Co.	11,448,800	31,224	0.6%
Oakwood Village Mobile Home Park	11,246,033	30,671	0.6%
Villa Diane Mobile Home Park	8,631,700	23,541	0.5%
Subtotal (ten largest)	394,835,466	1,076,824	20.8%
All other customers	1,513,213,533	\$ 4,126,946	79.2%
Grand Totals	1,908,048,999	\$ 5,203,770	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			
2004	\$ 47,465	\$ -	\$ 227	\$ 12,140	\$ 320	\$ 11,685	\$ 71,837	3.93%	\$ 1,124
2005	48,955	-	146	13,415	297	10,595	73,408	3.82%	1,136
2006	49,565	-	111	13,635	266	9,460	73,037	3.57%	1,123
2007	54,475	-	76	15,155	232	10,285	80,223	3.76%	1,230
2008	64,855	-	39	15,445	198	9,015	89,552	4.06%	1,370
2009	71,060	-	468	16,405	162	10,070	98,165	4.42%	1,488
2010	71,647	-	468	17,253	124	9,445	98,937	4.46%	1,502
2011	72,002	-	433	18,673	84	8,700	99,892	4.28%	1,512
2012	72,916	-	-	18,959	43	7,925	99,843	4.27%	1,509
2013	81,919	-	-	18,616	-	22,037	122,572	5.22%	1,844

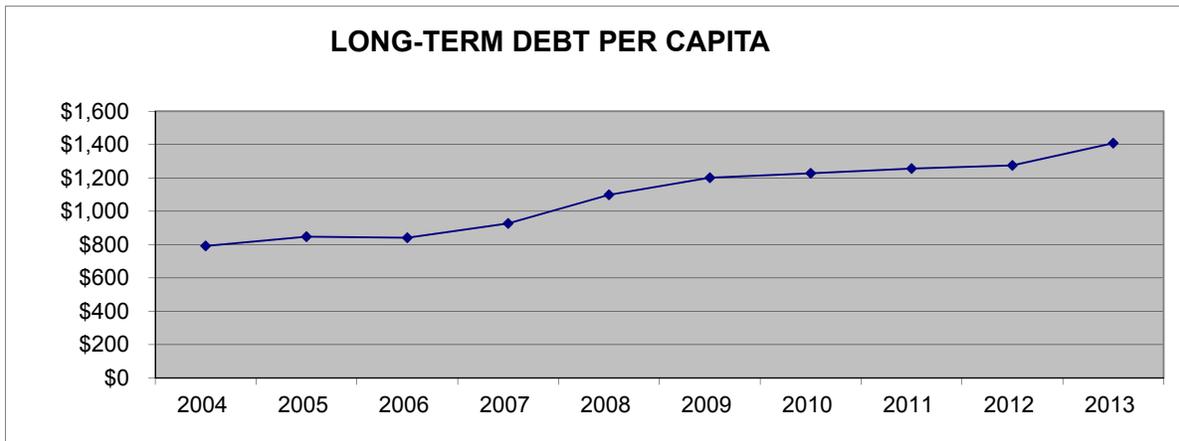
Source: City of Eau Claire Comprehensive Annual Financial Reports

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Population	63,897	64,632	65,056	65,202	65,362	65,950	65,883	66,060	66,170	66,480
Equalized valuation	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724	\$4,325,665
General obligation bonds	59,605	62,370	63,200	69,630	80,300	87,465	88,900	90,675	91,918	100,535
State trust fund loans	<u>547</u>	<u>443</u>	<u>377</u>	<u>308</u>	<u>236</u>	<u>630</u>	<u>592</u>	<u>517</u>	<u>-</u>	<u>-</u>
Total long-term debt (1)	60,152	62,813	63,577	69,938	80,536	88,095	89,492	91,192	91,918	100,535
Resources on hand for payment of debt	<u>(9,566)</u>	<u>(8,039)</u>	<u>(8,862)</u>	<u>(9,504)</u>	<u>(8,735)</u>	<u>(8,888)</u>	<u>(8,609)</u>	<u>(8,226)</u>	<u>(7,555)</u>	<u>(6,910)</u>
Net long-term debt	<u>\$ 50,586</u>	<u>\$ 54,774</u>	<u>\$ 54,715</u>	<u>\$ 60,434</u>	<u>\$ 71,801</u>	<u>\$ 79,207</u>	<u>\$ 80,883</u>	<u>\$ 82,966</u>	<u>\$ 84,363</u>	<u>\$ 93,625</u>
Percent of net long-term debt to equalized value	1.43%	1.46%	1.38%	1.47%	1.69%	1.84%	1.91%	1.95%	2.00%	2.16%
Net long-term debt per capita (not in thousands)	\$792	\$847	\$841	\$927	\$1,099	\$1,201	\$1,228	\$1,256	\$1,275	\$1,408



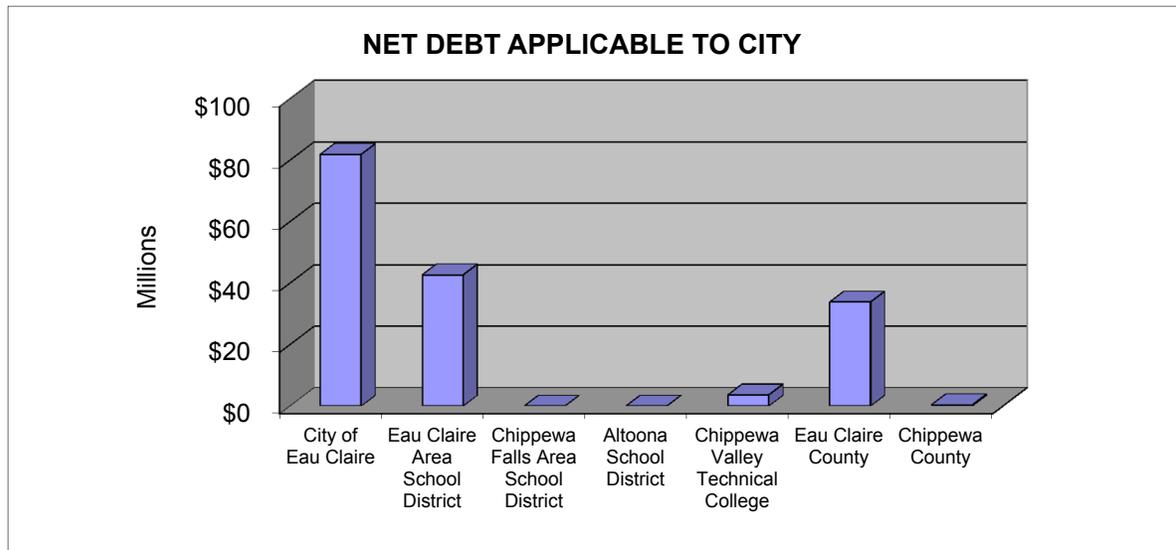
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

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

## CITY OF EAU CLAIRE

TABLE 24  
SCHEDULE OF DIRECT AND INDIRECT  
GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION DEBT  
December 31, 2013

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	\$ 81,918,889	100.00%	\$ 81,918,889
<b>Indirect debt:</b>			
Eau Claire Area School District	58,945,000	72.46%	42,712,928
Chippewa Falls Area School District	-	0.00%	-
Altoona School District	1,600,000	2.61%	41,699
Chippewa Valley Technical College	17,675,000	20.69%	3,656,645
Eau Claire County	57,300,000	59.14%	33,889,249
Chippewa County	<u>11,380,000</u>	3.57%	<u>406,111</u>
<b>Total indirect debt</b>	<u>146,900,000</u>		<u>80,706,632</u>
<b>Total direct and indirect debt</b>	<u>\$ 228,818,889</u>		<u>\$ 162,625,521</u>
Indirect debt per capita			\$ 1,214
Indirect debt as a % of equalized value			1.87%
Total direct and indirect debt per capita			\$ 2,446
Total direct and indirect debt as a % of equalized value			3.76%



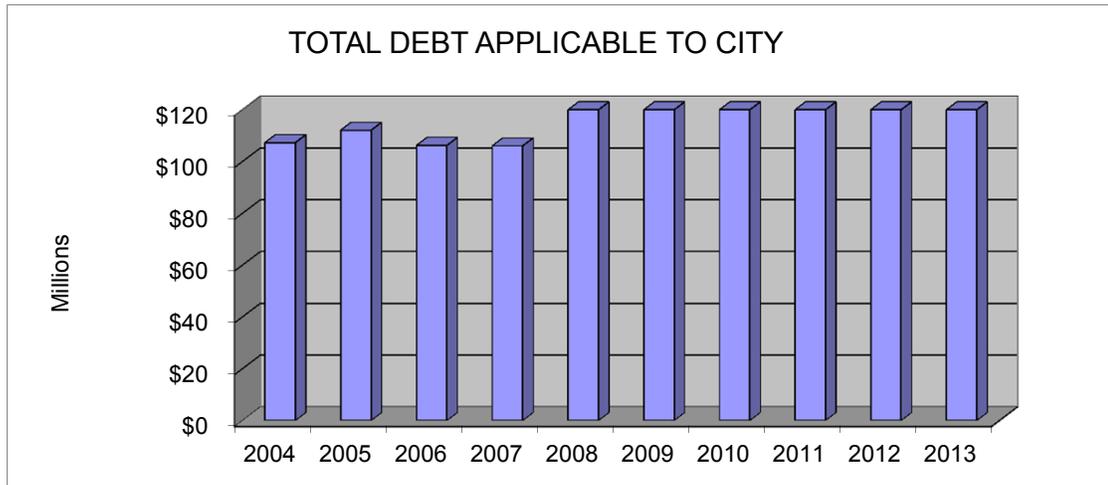
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total debt applicable to City	\$107,321	\$112,127	\$106,253	\$106,074	\$124,713	\$129,213	\$129,133	\$162,524	\$172,390	\$181,242
Direct debt:										
General City	\$60,152	\$62,813	\$63,577	\$69,938	\$80,536	\$88,095	\$89,492	\$91,192	\$91,918	\$100,535
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	\$36,605	\$39,569	\$34,154	\$28,451	\$22,440	\$20,512	\$13,703	\$32,777	\$44,164	\$42,713
Percent	75.01%	74.69%	74.77%	74.66%	74.60%	75.12%	74.09%	74.27%	74.03%	72.46%
Chippewa Falls Area										
School District	\$15	\$10	\$6	\$3	\$2	\$0	\$0	\$0	\$0	\$0
Percent	0.20%	0.19%	0.18%	0.18%	0.18%	0.16%	0.24%	0.24%	0.23%	0.00%
Altoona School District	\$256	\$248	\$221	\$221	\$183	\$176	\$156	\$142	\$118	\$42
Percent	3.10%	3.02%	2.93%	2.95%	2.64%	2.65%	2.65%	2.68%	2.65%	2.61%
C.V. Technical College	\$5,939	\$5,901	\$5,606	\$5,208	\$4,764	\$4,643	\$4,116	\$4,272	\$4,349	\$3,657
Percent	20.57%	20.48%	20.04%	19.94%	19.83%	20.33%	20.22%	20.58%	20.69%	20.69%
Eau Claire County	\$3,848	\$3,083	\$2,242	\$1,837	\$16,425	\$15,444	\$21,345	\$33,517	\$31,487	\$33,889
Percent	61.42%	61.27%	61.39%	61.16%	61.10%	61.62%	60.72%	60.89%	60.65%	59.14%
Chippewa County	\$506	\$503	\$447	\$416	\$364	\$343	\$320	\$624	\$354	\$406
Percent	3.90%	3.74%	3.54%	3.55%	3.37%	3.50%	3.64%	3.64%	3.63%	3.57%



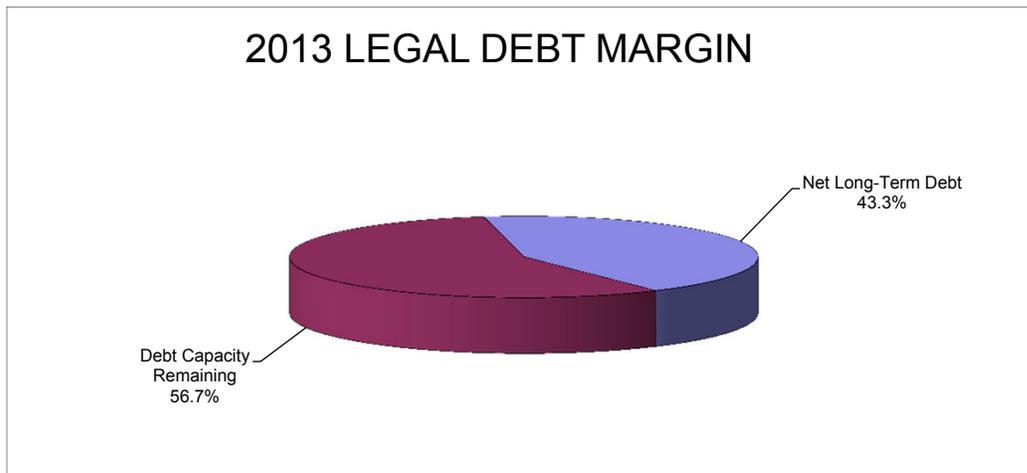
Source: City of Eau Claire Schedule of Long-Term Debt

Note: The information on this table differs from Table 24 as all general obligation debt is reported, including debt from business-type activities.

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Equalized valuation	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624	\$4,247,468	\$4,223,724	\$4,325,665
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$177,314	\$187,052	\$197,582	\$205,509	\$212,747	\$215,797	\$211,231	\$212,373	\$211,186	\$216,283
Resources on hand for payment of debt	(\$9,566)	(\$8,039)	(\$8,862)	(\$9,504)	(\$8,735)	(\$8,888)	(\$8,609)	(\$8,226)	(\$7,555)	(\$6,910)
Net long-term debt	\$50,586	\$54,774	\$54,715	\$60,434	\$71,801	\$79,207	\$80,883	\$82,966	\$84,363	\$93,625
Legal debt margin	\$126,728	\$132,278	\$142,867	\$145,075	\$140,946	\$136,590	\$130,348	\$129,407	\$126,823	\$122,658
Legal debt margin as a percentage of the debt limit	71%	71%	72%	71%	66%	63%	62%	61%	60%	57%



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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>WATER UTILITY</u>										
Operating revenue	\$6,846	\$7,150	\$7,600	\$8,100	\$7,822	\$8,379	\$8,390	\$8,649	\$9,349	\$9,372
Operating expense (1)	\$3,012	\$3,337	\$3,295	\$3,609	\$4,110	\$4,230	\$4,280	\$4,120	\$4,006	\$5,670
Income available for debt service	\$3,834	\$3,813	\$4,305	\$4,491	\$3,712	\$4,149	\$4,110	\$4,529	\$5,343	\$3,702
Debt service current year (2)	\$1,065	\$1,058	\$1,063	\$1,062	\$1,244	\$3,176	\$1,094	\$1,156	\$1,154	\$1,160
Coverage	3.60	3.60	4.05	4.23	2.98	1.31	3.76	3.92	4.63	3.19
Debt service for highest principal and interest year in retirement schedule	\$1,078	\$1,078	\$1,078	\$1,244	\$1,243	\$1,163	\$1,163	\$1,163	\$1,163	\$1,163
Coverage on highest year	3.56	3.54	3.99	3.61	2.99	3.57	3.53	3.89	4.59	3.18
<u>SEWER UTILITY</u>										
Operating revenue	\$5,833	\$6,156	\$6,295	\$6,291	\$6,514	\$6,653	\$6,979	\$7,692	\$8,591	\$9,742
Operating expense (1)	\$3,817	\$3,887	\$4,184	\$4,100	\$4,485	\$4,639	\$5,069	\$4,975	\$5,277	\$6,886
Income available for debt service	\$2,016	\$2,269	\$2,111	\$2,191	\$2,029	\$2,014	\$1,910	\$2,717	\$3,314	\$2,856
Debt service current year (2)	\$518	\$522	\$525	\$528	\$520	\$0	\$0	\$0	\$0	\$376
Coverage	3.89	4.35	4.02	4.15	3.90	N/A	N/A	N/A	N/A	7.60
Debt service for highest principal and interest year in retirement schedule	\$528	\$528	\$528	\$520	\$0	\$0	\$0	\$0	\$0	\$1,041
Coverage on highest year	3.82	4.30	4.00	4.21	N/A	N/A	N/A	N/A	N/A	2.74

(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)

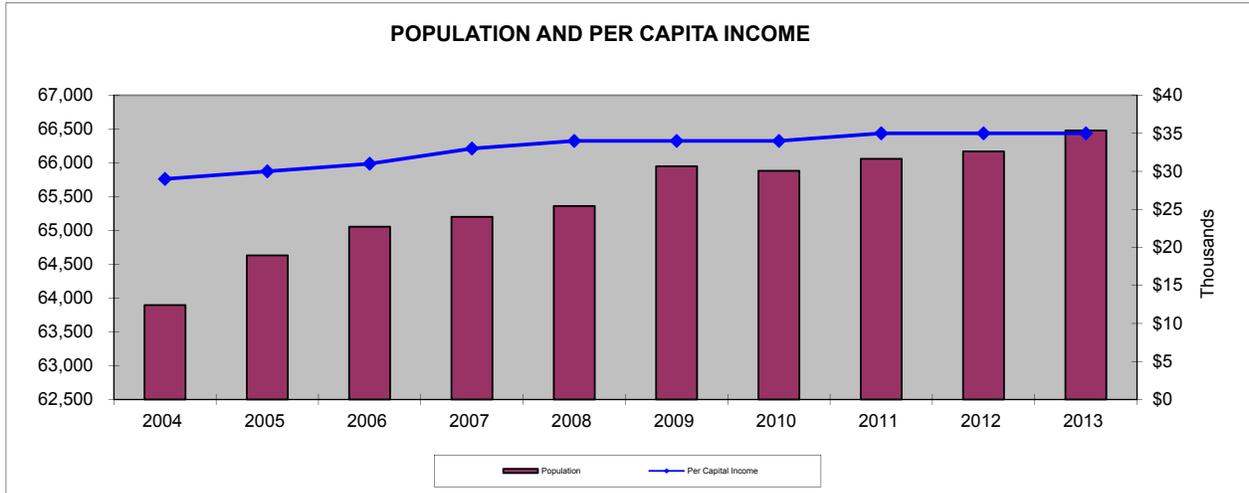
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Transfers to Debt Service fund	\$2,334	\$2,735	\$2,731	\$2,853	\$4,418	\$4,187	\$4,966	\$5,534	\$6,096	\$6,187
Total expenditures and other financing uses	\$42,666	\$44,721	\$45,839	\$47,775	\$48,966	\$51,108	\$52,623	\$54,065	\$56,330	\$56,570
Percent of debt transfers to expenditures and other financing uses	5.5%	6.1%	6.0%	6.0%	9.0%	8.2%	9.4%	10.2%	10.8%	10.9%

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Population	63,897	64,632	65,056	65,202	65,362	65,950	65,883	66,060	66,170	66,480
Consumer price index (1)	188.9	195.3	201.6	207.3	215.3	214.5	218.1	224.9	229.6	233.0
Per capita income (2)	\$29	\$30	\$31	\$33	\$34	\$34	\$34	\$35	\$35	\$35
Personal income	\$1,830,074	\$1,919,441	\$2,047,377	\$2,133,083	\$2,206,490	\$2,219,811	\$2,249,066	\$2,331,918	\$2,335,801	\$2,346,744
Area in square miles	33.32	33.59	33.85	33.47	33.77	33.88	33.90	33.91	33.99	34.26
Number of business properties	1,495	1,494	1,507	1,520	1,525	1,524	1,527	1,527	1,530	1,534
Acres devoted to business	3,190	3,192	3,209	3,271	3,281	3,282	3,287	3,287	3,290	3,318
Miles of street	358.5	361.5	366.0	341.4	341.7	341.9	343.4	343.3	344.5	344.6



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

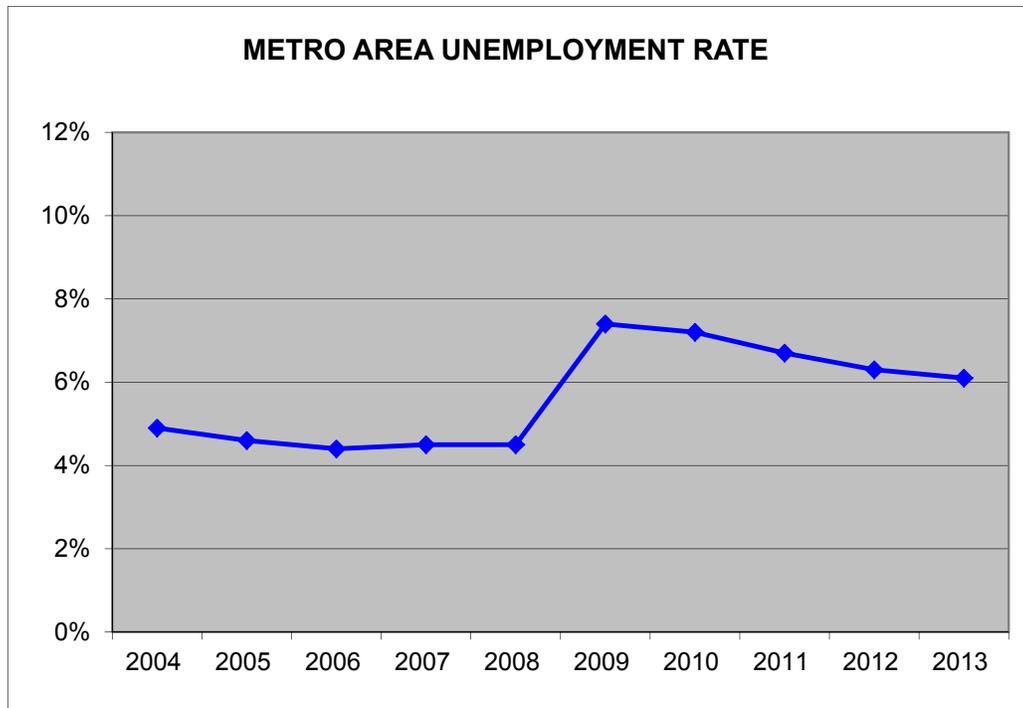
(2) Through 2009, U.S. Bureau of Economic Analysis; 2010 is estimated.

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

## CITY OF EAU CLAIRE

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Number of residential parcels	19,313	19,678	19,838	20,072	19,766	19,829	19,922	19,941	19,960	19,974
Vacancy rates (percent):										
Residential	4.25	4.75	4.80	4.70	5.00	3.50	4.25	4.25	4.50	4.50
Commercial	9.60	5.60	5.50	4.75	5.90	7.09	8.18	7.60	8.00	9.11
Industrial	13.80	20.80	17.70	7.50	7.50	7.50	8.78	8.70	8.70	8.70
Unemployment rate E.C. Metro Area	4.9%	4.6%	4.4%	4.5%	4.5%	7.4%	7.2%	6.7%	6.3%	6.1%



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

## CITY OF EAU CLAIRE

TABLE 30  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

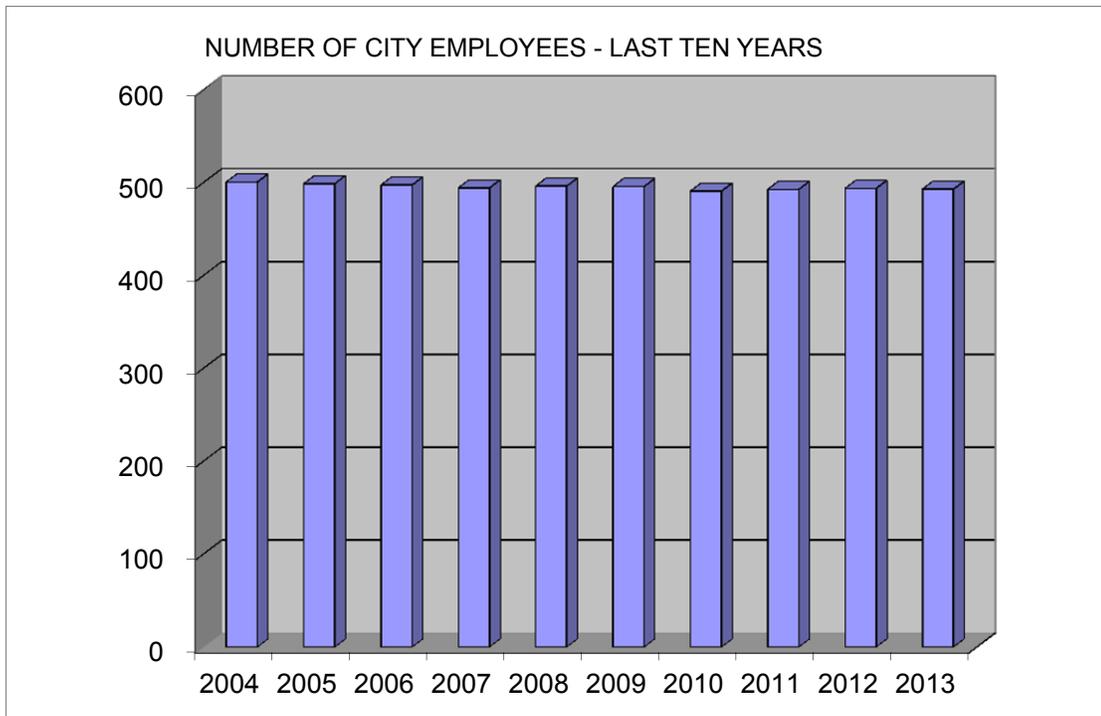
Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mayo Clinic Health System	3,540	1	9%	2,900	3	8%
Menard's Inc.	2,500	2	7%	3,000	2	8%
United Health Group	1,590	3	4%	600	10	2%
Sacred Heart Hospital	1,415	4	4%	1,300	4	4%
Eau Claire Area School District	1,407	5	4%	1,288	5	4%
University of Wisconsin - Eau Claire	1,387	6	4%	1,250	6	3%
Marshfield Clinic - Eau Claire	727	7	2%	600	10	2%
Hutchinson Technology	726	8	2%	979	7	3%
Nestle Foods	668	9	2%			
City of Eau Claire	522	10	1%			
Oakwood Mall	-			3,200	1	9%
CVTC	-			893	8	2%
State of Wisconsin	-			680	9	2%
Total Principal Employers	<u>14,482</u>		39%	<u>16,690</u>		47%
TOTAL EMPLOYEES	38,382			36,709		

Sources : Wisconsin Department of Workforce Development, Office of Economic Advisors  
Community Development - City of Eau Claire  
Phone Survey

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government	66.9	66.3	66.0	64.5	64.8	64.3	62.8	59.8	59.8	62.8
Public Works	64.0	62.0	62.0	61.0	61.0	61.0	59.0	60.0	60.0	60.0
Parks & Recreation	37.8	38.8	37.8	37.8	37.0	36.0	35.0	35.0	34.0	33.0
Public Safety	222.0	222.0	222.0	223.0	226.0	227.0	228.0	229.0	231.0	230.7
Enterprise Funds	102.0	101.8	101.7	100.0	99.5	99.5	98.0	101.0	101.0	97.5
Internal Service Funds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
<b>Total Employees</b>	<b>500.7</b>	<b>498.9</b>	<b>497.5</b>	<b>494.3</b>	<b>496.3</b>	<b>495.8</b>	<b>490.8</b>	<b>492.8</b>	<b>493.8</b>	<b>493.0</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Compensatory leave	541	688	561	411	501	461	479	543	612	933
Vacation leave	12,607	5,448	7,180	5,303	5,316	5,547	5,305	5,475	5,281	10,788
	13,148	6,136	7,741	5,714	5,817	6,008	5,784	6,018	5,893	11,721
Sick leave	38,024	35,764	43,214	33,295	34,094	33,112	32,704	33,130	31,756	38,261
Total compensatory, vacation, and sick leave	51,172	41,900	50,955	39,009	39,911	39,120	38,488	39,148	37,649	49,982

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 Position.

Sick leave is paid only as used during employment.

**CITY OF EAU CLAIRE**

TABLE 33  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

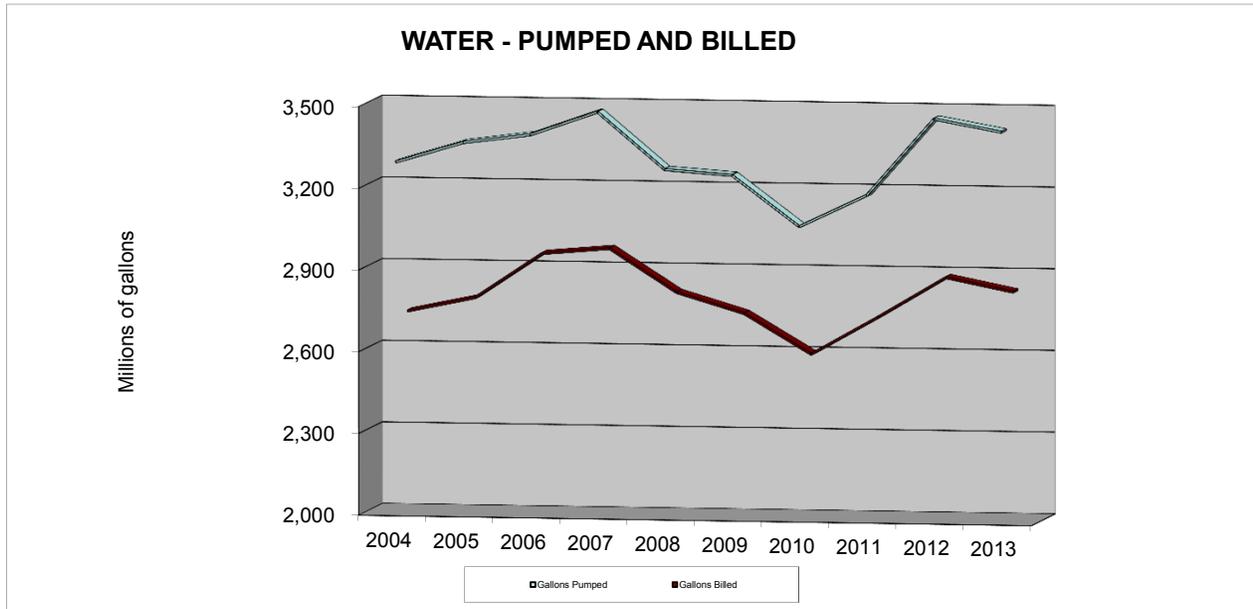
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Size of the City in square miles	33.32	33.59	33.85	33.47	33.77	33.88	33.90	33.90	33.99	34.26
Population	63,897	64,632	65,056	65,202	65,362	65,950	66,149	66,060	66,170	66,480
Number of City employees	500.7	498.9	497.5	494.3	496.3	495.8	490.8	492.8	493.8	493.0
Community Development										
Building permits issued	1,375	1,175	1,255	1,159	1,064	1,102	1,179	1,197	1,389	1,091
Police										
Calls for service	31,717	31,048	30,750	30,006	29,628	27,309	27,591	26,173	26,748	26,107
Adult arrests	5,309	5,697	6,171	5,891	6,465	5,604	5,388	4,202	4,217	4,025
Fire										
EMS responses	4,191	4,559	4,741	4,622	6,060	5,819	6,056	6,294	6,420	6,480
Fire responses	182	204	201	166	157	183	157	183	156	152
Fire inspections	5,950	6,071	6,148	5,893	6,005	3,962	3,925	3,865	4,000	4,268
Public Works										
Miles of street plowed/maintained	323	326	333	335	337	349	343	343	343	344
Vehicles and equipment in fleet	282	284	284	284	291	293	299	298	295	302
Parks & Recreation										
Neighborhood playground program attendance	12,774	13,063	11,625	10,368	9,148	6,549	4,741	4,450	1,870	752
Hobbs Ice Arena - rented hours	3,952	3,425	3,554	3,321	3,683	3,199	4,336	4,539	4,264	5,308
Outdoor Pool attendance	45,961	62,151	58,025	51,560	57,151	47,027	60,070	64,189	67,051	60,345
Library										
Volumes in collection	292,957	294,077	297,799	304,261	298,458	291,003	279,260	282,018	277,022	271,678
Circulation	1,354,595	1,387,388	1,367,066	1,345,609	1,371,203	1,324,094	1,389,733	1,386,018	1,291,468	1,189,608
Health Department										
Environmental Health Inspections	5,120	5,145	5,387	5,470	4,647	5,117	5,301	5,740	4,444	3,585
Number of lab analyses	24,002	23,351	24,507	21,858	19,308	18,817	17,152	21,223	21,595	18,226
Public Health Nurse visits	5,396	5,507	5,022	4,751	3,741	4,928	3,893	4,635	4,246	2,706
Water										
Meters in service	24,783	25,176	25,424	25,660	25,982	26,146	26,291	26,136	27,469	27,801
Average daily consumption (1,000 gallons)	7,463	7,606	8,067	8,122	7,690	7,490	7,096	7,476	7,881	7,746
Sewer										
Sewer customers	23,847	24,214	24,536	24,810	25,017	25,180	25,323	25,460	25,608	25,765
Stormwater										
ERU rate	\$ 43.00	\$ 47.00	\$ 53.00	\$ 59.00	\$ 62.00	\$ 68.00	\$ 73.00	\$ 77.00	\$ 80.00	\$ 83.00
Transit										
Total route miles	1,010,582	1,045,132	1,066,727	900,099	960,910	1,008,425	1,040,069	996,349	1,078,552	694,863
Passengers	956,610	1,010,644	1,030,374	1,067,303	1,090,203	1,001,790	971,491	1,091,958	1,039,921	1,000,816

Source: Various City Department records and Program of Services

**CITY OF EAU CLAIRE**

TABLE 34  
WATER UTILITY - PRODUCTION STATISTICS  
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Average number of water customers	24,675	25,052	25,389	25,664	25,884	26,066	26,230	26,371	26,504	26,647
Total gallons pumped (in thousands)	3,292,365	3,367,293	3,399,614	3,487,015	3,279,529	3,262,360	3,077,606	3,195,910	3,480,099	3,435,954
Total gallons billed (in thousands)	2,724,099	2,776,387	2,942,565	2,964,665	2,806,917	2,733,694	2,587,862	2,728,612	2,876,674	2,827,222
Percent of water billed	82.74%	82.45%	86.56%	85.02%	85.59%	83.79%	84.09%	85.38%	82.66%	82.28%
Miles of main	350	351	357	366	368	368	369	375	374	392
Number of fire hydrants	3,395	3,445	3,530	3,671	3,703	3,696	3,747	3,831	3,893	3,948
Residential customer's average quarterly water bill	\$41.50	\$42.20	\$42.20	\$45.73	\$45.73	\$51.37	\$51.37	\$52.80	\$54.51	\$55.24



Source: Public Service Commission Reports

**CITY OF EAU CLAIRE**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Patrol units	21	21	21	21	21	21	23	23	23	25
Unmarked vehicles	14	14	14	14	18	18	16	16	16	19
Fire										
Number of fire stations	6	6	6	6	6	6	6	6	6	6
Firefighting vehicles	10	10	10	10	10	10	10	10	10	10
Ambulances	5	5	5	6	6	6	6	6	6	6
Public Works										
Miles of streets	358.5	361.5	366.0	341.4	341.7	341.9	343.4	343.3	344.5	344.6
Number of traffic signs installed/straightened	915	746	673	459	671	601	1249	684	973	1185
Vehicles and equipment in fleet	282	284	284	284	291	293	299	298	295	302
Parks & Recreation										
Number of parks	33	36	36	32	32	32	35	35	35	35
Number of playgrounds	17	18	20	18	18	18	18	18	18	18
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	2	2	2	3	3	3	3
Water										
Water hydrants	3395	3445	3530	3671	3703	3696	3747	3831	3893	3558
Storage capacity (1)	15.5	15.5	15.5	15.5	16.1	16.1	16.1	16.1	16.1	16.1
Sewer										
Miles of sewers	297	306	316	319	320	321	322	326	327	339
Treatment capacity (1)	12	12	12	12	12	12	12	12	12	12
Parking Utility										
Parking structures	2	2	2	2	2	2	2	2	2	2
Surface lots	12	11	11	11	11	11	11	11	11	12
Transit										
Number of buses	22	22	22	22	22	22	22	22	22	22

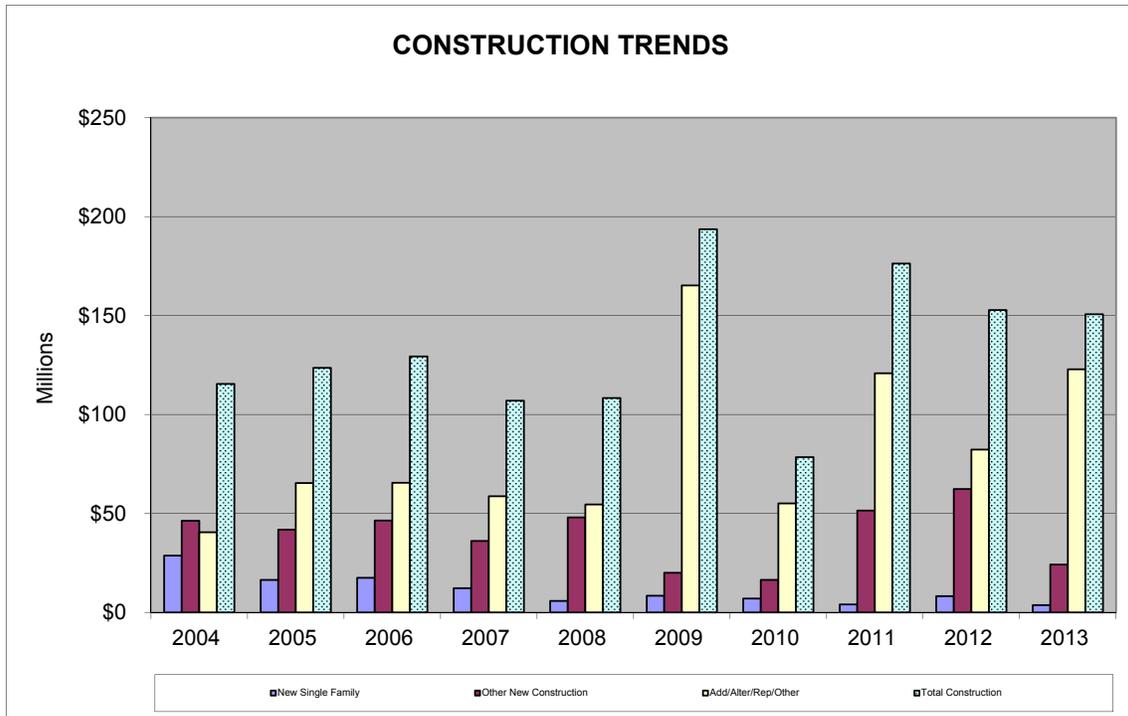
NOTES (1) - Numbers are in millions of gallons.

Sources: City department records  
City of Eau Claire 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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
New single family dwellings: # of units	188	102	104	66	37	47	41	25	55	59
Value	\$28,697	\$16,396	\$17,451	\$12,203	\$5,780	\$8,407	\$6,971	\$4,002	\$8,181	\$3,665
Other new construction	\$46,270	\$41,809	\$46,399	\$36,100	\$47,992	\$20,002	\$16,417	\$51,448	\$62,332	\$24,158
Additions/alterations/repairs & all other types of const.	\$40,488	\$65,363	\$65,484	\$58,675	\$54,531	\$165,200	\$55,054	\$120,830	\$82,268	\$122,830
Total construction valuation	\$115,455	\$123,568	\$129,334	\$106,978	\$108,303	\$193,609	\$78,442	\$176,280	\$152,781	\$150,653
Number of permits	1,375	1,175	1,255	1,159	1,064	1,102	1,151	1,197	1,389	1,091



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

**CITY OF EAU CLAIRE**

TABLE 37  
INSURANCE COVERAGES  
December 31, 2013

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$500,000 per occurrence
Commercial general liability:		
Bodily injury and property damage liability	\$10,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Boiler and machinery	\$50,000,000	\$5,000
Fire and extended coverage	\$205,476,605	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,825,269	\$500
Money and securities - broad form coverage	\$10,000	\$1,000
Public official liability insurance (includes police)	\$10,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Automobile and truck insurance (excluding Transit):		
Bodily injury and property damage liability	\$10,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Uninsured motorists	\$50,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Comprehensive	\$12,604,300	\$5,000
Collision	\$12,604,300	\$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