



# City of Eau Claire

Eau Claire, Wisconsin

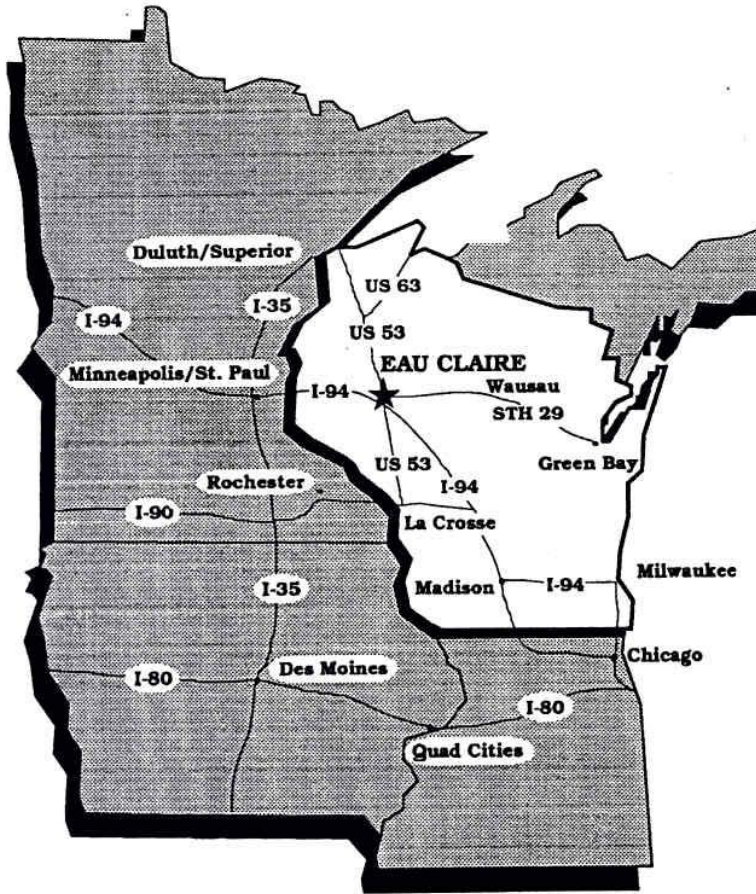
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
INCLUDING INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED

DECEMBER 31, 2010

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 acting sustainable through incorporating renewable energy and efficient use of resources.

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

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS

---

	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>	
Elected and Appointed Officials	1
Organizational Chart	2
Letter of Transmittal	3
Certificate of Achievement	12
<b>II. FINANCIAL SECTION</b>	
<b><i>INDEPENDENT AUDITORS' REPORT</i></b>	13
<b><i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i></b>	15
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
Government-Wide Financial Statements	
Statement of Net Assets	27
Statement of Activities	28
Fund Financial Statements	
<b><i>Governmental Funds</i></b>	
Balance Sheet – Governmental Funds	30
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS (cont.)

---

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<b><i>Proprietary Funds</i></b>	
Statement of Net Assets	35
Statement of Revenues, Expenses, and Changes in Fund Net Assets	39
Statement of Cash Flows	41
<b><i>Fiduciary Funds</i></b>	
Statement of Net Assets	45
<b><i>Component Units</i></b>	
Statement of Net Assets	46
Statement of Activities	47
Notes to Financial Statements	48
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund (Unaudited)	109
Other Post-Employment Benefits Plan Schedule of Funding Progress and Schedule of Employer Contributions (Unaudited)	110
Notes to Required Supplementary Information	111
<b><i>SUPPLEMENTARY INFORMATION</i></b>	
<b><i>Combining Statements and Individual Fund Statements and Schedules</i></b>	
<b><i>Major Governmental Funds</i></b>	
Comparative Balance Sheet – General Fund	112
Detailed Schedule of Revenues and Other Financing Sources Budget and Actual – General Fund	114
Detailed Schedule of Expenditures and Other Financing Uses Budget and Actual – General Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service – General	120

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS (cont.)

---

#### II. FINANCIAL SECTION (cont.)

	<u>Page</u>
<b><i>SUPPLEMENTARY INFORMATION</i></b> (cont.)	
<b><i>Nonmajor Governmental Funds</i></b>	
Combining Balance Sheet	121
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	122
Combining Balance Sheet – Nonmajor Special Revenue Funds	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	126
Combining Balance Sheet – Nonmajor Debt Service Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	129
Combining Balance Sheet – Nonmajor Capital Projects Funds	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	132
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds with Annual Budgets	
Cemetery Maintenance	134
Hazardous Materials Response	135
Economic Development	136
Community Enhancement	137
Public Library	138
City-County Health	139
Downtown Partners	140
Former Landfill Escrow	141
Debt Service – TIF No. 6	142
Debt Service – TIF No. 7	143
<b><i>Nonmajor Enterprise Funds</i></b>	
Combining Statement of Net Assets	144
Combining Statement of Revenues, Expenses, and Changes in Net Assets	145
Combining Statement of Cash Flows	146

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS (cont.)

---

<b>II. FINANCIAL SECTION (cont.)</b>	<u>Page</u>
<b><i>SUPPLEMENTARY INFORMATION (cont.)</i></b>	
<b><i>Internal Service Funds</i></b>	
Combining Statement of Net Assets	147
Combining Statement of Revenues, Expenses and and Changes in Net Assets	148
Combining Statement of Cash Flows	149
<b><i>Agency Funds</i></b>	
Statement of Changes in Assets and Liabilities	151
<b><i>Major Governmental Component Unit</i></b>	
Balance Sheet – Major Governmental Component Unit	152
Statement of Revenues, Expenditures, and Changes in Fund Balance – Major Governmental Component Unit	153
<b><i>Nonmajor Component Units</i></b>	
Combining Statement of Net Assets	154
Combining Statement of Activities	155
Combining Balance Sheet – Nonmajor Governmental Component Units	156
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Component Units	157
<b>III. STATISTICAL SECTION</b>	
Table 1 – Net Assets by Component – Last Eight Fiscal Years	158
Table 2 – Changes in Net Assets – Last Eight Fiscal Years	159
Table 3 – Fund Balances – Governmental Funds – Last Ten Fiscal Years	162

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS (cont.)

---

<b>III. STATISTICAL SECTION (cont.)</b>	<u>Page</u>
Table 4 – Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	163
Table 5 – Assessed and Estimated Actual Value of All Taxable Property – Last Ten Fiscal Years	164
Table 6 – Assessed and Estimated Actual Value of Residential Property – Last Ten Fiscal Years	165
Table 7 – Assessed and Estimated Actual Value of Commercial Property – Last Ten Fiscal Years	166
Table 8 – Assessed and Estimated Actual Value of Industrial Property – Last Ten Fiscal Years	167
Table 9 – Assessed and Estimated Actual Value of Taxable Property By County – Last Ten Fiscal Years	168
Table 10 – Equalized Value of Tax Increment Districts – Last Ten Fiscal Years	169
Table 11 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	170
Table 12 – Principal Taxpayers – Current Year and Nine Years Ago	172
Table 13 – Gross Tax Levy by Taxing Entity – Last Ten Fiscal Years	173
Table 14 – Real and Personal Property Tax Levies and Collections – Last Ten Fiscal Years	174
Table 15 – Special Assessment Collections – Last Ten Fiscal Years	175
Table 16 – Water Utility Customer Summary – Last Ten Fiscal Years	176
Table 17 – Water Utility Customer Rates – Last Ten Fiscal Years	177
Table 18 – Water Utility – Ten Largest Customers – Current Year and Nine Years Ago	178
Table 19 – Sewer Utility Customer Summary – Last Ten Fiscal Years	179

# CITY OF EAU CLAIRE

## COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2010

### TABLE OF CONTENTS (cont.)

---

<b>III. STATISTICAL SECTION (cont.)</b>	<u>Page</u>
Table 20 – Sewer Utility Customer Rates – Last Ten Fiscal Years	180
Table 21 – Sewer Utility – Ten Largest Customers – Current Year and Nine Years Ago	181
Table 22 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	182
Table 23 – Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	183
Table 24 – Schedule of Direct and Indirect Governmental Activities General Obligation Debt	184
Table 25 – Schedule of Direct and Indirect General Obligation Debt – Last Ten Fiscal Years	185
Table 26 – Computation of Legal Debt Margin – Last Ten Fiscal Years	186
Table 27 – Pledged Revenue Coverage – Last Ten Fiscal Years	187
Table 28 – Ratio of Annual General Fund Debt Payments to Total General Fund Expenditures and Other Financing Uses – Last Ten Fiscal Years	188
Table 29 – Demographic and Economic Statistics – Last Ten Fiscal Years	189
Table 30 – Principal Employers – Current Year and Nine Years Ago	191
Table 31 – Employee Summary – Number of Municipal Employees – Last Ten Fiscal Years	192
Table 32 – Employee Summary – Schedule of Compensated Absences – Last Ten Fiscal Years	193
Table 33 – Operating Indicators by Function/Program – Last Ten Fiscal Years	194
Table 34 – Water Utility Production Statistics – Last Ten Fiscal Years	195
Table 35 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	196
Table 36 – Property Value and Construction – Last Ten Fiscal Years	197
Table 37 – Insurance Coverages	198



## **INTRODUCTORY SECTION**

This section contains the following information:

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

CITY OF EAU CLAIRE, WISCONSIN  
ELECTED AND APPOINTED OFFICIALS

Elected Officials

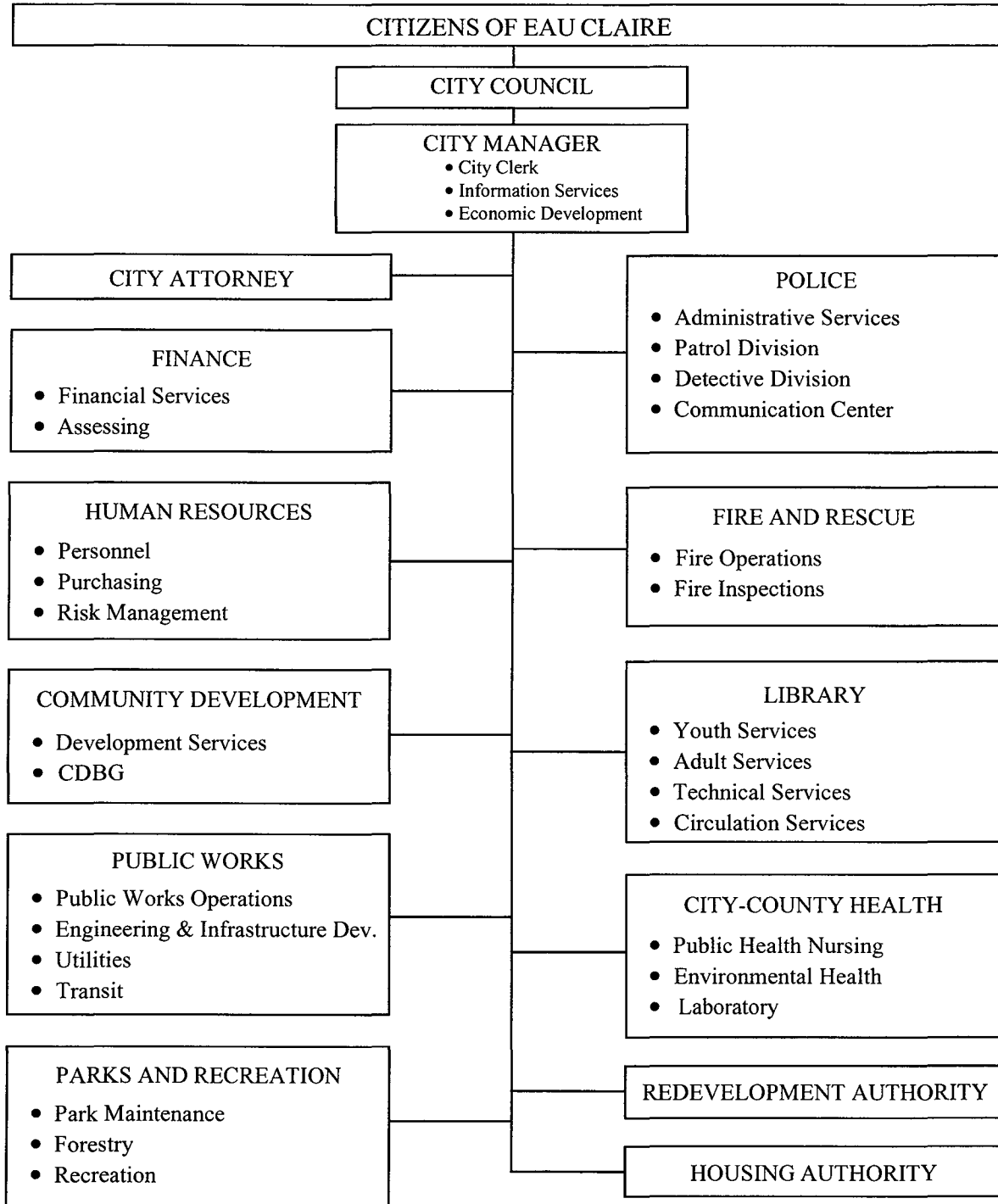
	<u>Term Commenced</u>	<u>Term Expires</u>
Kerry J. S. Kincaid ..... Council President	April 2009	April 2012
David L. Duax ..... District One	April 2009	April 2012
David Klinkhammer ..... District Two	April 2009	April 2012
Thomas Kemp ..... District Three	April 2009	April 2012
Bob Von Haden ..... District Four	April 2009	April 2012
Andrew Werthmann ..... District Five	April 2009	April 2012
Larry Balow ..... Council at Large	April 2010	April 2013
Mark Olson..... Council at Large	April 2010	April 2013
Jackie Pavelski ..... Council at Large	April 2010	April 2013
Thomas T. Vue ..... Council at Large	April 2010	April 2013
Dana Wachs ..... Council at Large	April 2010	April 2013

Appointed Officials

Michael W. Huggins ..... City Manager  
 Rebecca K. Noland, CPA..... Director of Finance - Comptroller/Treasurer  
 J. Dale Peters ..... Director of Human Resources/Assistant City  
 Manager  
 John LeBrun ..... Information Services  
 Darryl Tufte ..... Director of Community Development  
 Phillip C. Fieber ..... Director of Parks and Recreation  
 Brian G. Amundson, P.E..... Director of Public Works  
 Edward Kassing ..... Fire Chief  
 Jerome S. Matysik..... Police Chief  
 Stephen C. Nick..... City Attorney  
 John Stoneberg..... Public Library Director  
 Richard J. Thoune ..... City-County Health Director  
 Donna A. Austad ..... City Clerk  
 Mike Schatz, EDFP ..... Economic Development Administrator

# ORGANIZATIONAL CHART

## City of Eau Claire, Wisconsin





June 29, 2011

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, 2010 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.

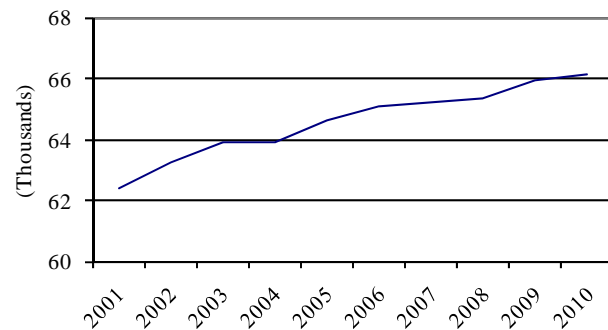
Since the Housing Authority, the Redevelopment Authority and four business improvement districts are component units of the City, this report includes discrete presentation of their financial data. The Housing Authority was formed to engage in the development and operation of low-income housing. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) and the Wisconsin Housing and Economic Development Authority (WHEDA). The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated, slum and blighted areas or properties and encouraging urban renewal. The 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 66,149 and the population of the Greater Eau Claire Metropolitan Area is approximately 161,100.

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 and the City Council President were elected to three-year terms in April 2009. At-Large Council members were elected to three-year terms in April 2010.

POPULATION - CITY OF EAU CLAIRE



### 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. 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. The City has continued to experience growth through new construction, even through the national recession. The 2009 construction season had a record total building valuation of \$193.6 million, capping

twelve consecutive years of new building valuation in excess of \$100 million. In 2010 the building permit valuations only reached \$78.4 million, in part due to the number of 2009 projects still underway. For 2010, the top industrial and commercial building valuations based on new permits included \$10.8 million for a medical facility, \$6.5 million for 2 mixed-use buildings, \$3.5 million for the expansion of airport facilities, and \$3.0 million for a manufacturing plant renovation. Residential development totaled \$22.5 million.

Two regional medical facilities are located in the City. The Luther/Midelfort Mayo Health System employs over 3,100 and has had a pivotal effect on development in the downtown area. In 2010 the Luther/Midelfort Hospital opened a five-story, 385,000 square foot extension to the existing hospital. The new building features a cancer center, a family birthing center, and an outpatient surgery center. At a cost of \$118 million, the two-year project has been described as perhaps the most expensive building in the City's history.

Sacred Heart Hospital is the other major medical facility in the City and it employs over 1,300. The local medical industry also includes the United Health Care Group with 1,400 employees and the Marshfield Clinic with 700 jobs.

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, Best Buy, Office Max, T.J. Maxx, Macy's, Younkers, Eddie Bauer, Sears, JC Penney, Charlotte Russe and Christopher and Banks. Eau Claire is the headquarters of Menards, the nation's third-largest home improvement chain, with sales of \$6.95 billion.

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. Valuations in the TIF boundaries have increased 250%, from \$10.4 million to \$25.8 million.

Tourism is another vital component of Eau Claire's economy. People from all over the country enjoy Eau Claire's natural and cultural resources. A new \$7 million Metropolis Resort with a 30,000 square foot water park was completed in 2009. Area tourism generates over \$322 million in revenue and creates approximately 4,600 jobs in the Chippewa Valley. Room tax revenues exceeded \$1.3 million in 2010.

Eau Claire's economy is strengthened by several noteworthy manufacturers. National Presto Industries is home-based here. In 2010 it announced record sales of \$479 million. Silver Spring Foods, the world's largest horseradish grower and processor, announced in 2010 that it was expanding its private label division. Hutchinson Technology. (HTI) designs and manufactures suspension assemblies for hard disk drives. Nestle USA has two infant cereal plants in Eau Claire and is engaged in both renovation and expansion of its facilities.

In addition to the trade, manufacturing, and services industries, Eau Claire's employment base is enhanced by the area's post secondary education institutions including the University of Wisconsin-Eau Claire, Chippewa Valley Technical College, Immanuel Lutheran College and Globe University, a division of the Minnesota School of Business. Besides providing a significant number of jobs, these institutions ensure that the area's workforce is well educated for the technical and professional jobs that the Eau Claire area attracts.

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

- *CNN Money* ranked Eau Claire as 69<sup>th</sup> in a listing of “**Best Places to Live 2010**”, citing the City's natural resources and music scene among its attributes.
- The *Milken Institute* found Eau Claire to be in the top 100 nationally and in the top five in the state as one of the “**Best Performing Small Cities 2010**”.
- *Forbes* magazine declared the Eau Claire metropolitan area to be 48<sup>th</sup> out of 184 “**Best Small Places for Business and Careers 2010**”.
- *CQ Press*' “**Lowest Crime Ranking**” puts Eau Claire MSA as number 6 nationwide, with a score 63.86 points below the national average.
- According to *Business Week*'s “**Best Places to Raise Your Kids 2010**”, Eau Claire ranks as one of the best places in Wisconsin to raise kids.
- UW Institute for Population Health ranked Eau Claire County first in “**Quality of Physical Environment,**” and fourth in “**Health Factors,**” when compared to all other Wisconsin Counties.

## MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2010 and into 2011.

### Clear Vision Eau Claire

A consortium of local governments and community organizations worked with the National Civic League to continue a community-visioning and strategic-planning process for the greater Eau Claire area. Major projects in 2010 included a National League of Cities webinar presentation and participation in the Annual Congress of Cities Showcase Exhibition of innovative local government programs.

## **Joint Commission on Shared Services Initiatives**

A group composed of City, County and School District representatives completed another year of review of shared services opportunities. Key areas of focus in 2010 included the Broadband Technology Opportunities Program (BTOP), Information Services, employee health care/wellness, building code inspections, and transportation.

## **Focus Teams**

In 2010 an interdepartmental team of 12 employees began to incorporate performance measurement process practices throughout the organization. The team worked on ten initially selected projects, several of which identified time and costs savings for the organization.

## **Social Media**

The City has identified social media like Facebook, BlogSpot, YouTube and Twitter as effective tools for communicating and connecting with citizens. The Facebook page acts as a platform for community communications and hosts news updates, project stories, links to articles, and status updates on emergency situations. The YouTube account has interesting and informative videos about City operations. The Twitter account has been designed to inform and interact with residents. The City Manager has a blog where he posts his thoughts and perspectives about local government and community activities twice a week.

## **Healthy Communities**

Under the public health nurse division, three teams focused on Healthy Community projects. The BRAIN team (Brain Research Awareness and Integration Network Team) offered a conference entitled, "Poverty, Stress and the Brain." The Infant and Child Health Action Team collected input on community needs, prioritized a focus area and developed a strategic plan for 2010-2011. The Oral Health Promotion Action Team established mission, vision and goal statements and held a kick-off meeting to begin action planning.

## **American Recovery and Reinvestment Act**

The City of Eau Claire was awarded \$3.3 million in funding through the American Recovery and Reinvestment Act for such projects as public housing, handicapped curb cuts, five buses, city hall HVAC and lighting upgrades, a mug shot system, and an energy outreach and education plan. The projects were underway in 2010 and completion is expected in 2011.

## **Hastings Way (Hwy 53) Reconstruction**

In April of 2010 the City began the design and construction process for Hastings Way, from Clairemont Avenue to the Eau Claire River Bridge. A series of public informational meetings were held and a dedicated web page with public information was made available. Three



alternatives were presented to the public and the Council endorsed the preferred alternative in November. Construction is planned for 2011.

### **S. Barstow Street**

Barstow Street is a major downtown arterial. It serves the heart of the commercial district. In 2010 the City initiated a study for the reconstruction of the South Barstow section. The study included a traffic analysis, transportation and land use planning, public participation, and design concept plans. Part of the study focused on the possibility of converting from a one-way street to a two-way street system. Public information meetings have been held. A concept plan is expected in early 2011.

### **TIF #8 North Barstow Redevelopment**

The City's TIF investment in streets, utilities, and park amenities over the past years resulted in significant private investment in commercial spaces and residential housing. Valuations in the TIF had increased by \$25.8 million for 2010 taxes. Negotiations for the sale of property owned by the Redevelopment Authority continued in 2010.

### **Sewer Utility Plant Improvements**

The engineering and design services were initiated in 2010 for the \$37 million improvements to the City's sewer treatment plant. This major project will enable the City to install an activated sludge process to meet the Wisconsin Department of Natural Resources' standards for wastewater treatment.

## **FOR THE FUTURE**

The national recession of the past few years has affected Eau Claire and presented challenges to maintaining the City's level of services, quality of life and financial stability. Legislatively, it is likely that levy limits and reductions in state funding will require the prioritizing of city services with the probability that some services will no longer be provided. Strategic planning sessions with the City Council have been set for 2011. It is anticipated that key action areas will be identified with specific and measurable action plans assigned for each priority.

Recognizing that new growth is essential for generating a larger tax base, the City plans to continue allocating resources to foster economic development. Through programs like the Regional Business Fund Loan Program, the Revolving Loan Program, the Code Compliance Program, the Infill Development Program, and the Façade Program, the City can offer over \$1 million in future loans for businesses in Eau Claire.

By engaging citizens in community collaborations like Clear Vision Eau Claire and through social media outlets, the City will be in a better position to resolve future fiscal challenges through engaged and participative residents.

## **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 Council established a Fiscal Policy Advisory Committee in 2009 to facilitate a review of fiscal matters. In 2010 the committee examined in depth the issues of tax-exempt properties and car allowances. The committee also hosted community forums to gather public input on potential revenues or service reductions. These efforts to raise public awareness of the difficult budget issues helped develop a process of “informed consent.”

## **INDEPENDENT AUDIT**

Included in the financial section is the independent auditor's report which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Baker Tilly Virchow Krause, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unqualified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for the year ending December 31, 2010 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, 2009. The City has received this award each year since 1984. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

We would like to thank the City Council for their support in planning and conducting the financial operations of the City in a responsible manner. In addition, we would also like to express our appreciation to Tom Hoff, Financial Services Manager, Kathy Ludack, Accounting Supervisor, Brian Wiese, Senior Accountant, Rose Adams, Accountant, Vicki Franson, Accountant, and the remainder of the Finance Department Staff for their dedication in preparing this report.

Respectfully Submitted,

A handwritten signature in black ink that reads "Rebecca K. Noland". The signature is written in a cursive style.

Rebecca K. Noland, CPA

Finance Director

A handwritten signature in blue ink that reads "Mike Huggins". The signature is written in a cursive style.

Mike Huggins

City Manager

The Government Finance Officers Association of United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Eau Claire, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the twenty-fourth consecutive year that the government has achieved this prestigious award.

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

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## City of Eau Claire Wisconsin

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



President

Executive Director

## **FINANCIAL SECTION**

This section contains the following subsections:

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

## **Auditors' Report**

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

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire (City), Wisconsin, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the City's 2009 financial statements and, in our report dated July 21, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



City Council  
Eau Claire, Wisconsin

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2010 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2010 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2009, which are not presented with the accompanying financial statements. In our report dated July 21, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the 2009 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2009, taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

*Baker Tilly Vuchow Krume, LLP*

June 29, 2011

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

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

## **CITY OF EAU CLAIRE, WISCONSIN**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the financial performance of the City of Eau Claire is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2010. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements, which begin on page 27.

#### **FINANCIAL HIGHLIGHTS**

- The City of Eau Claire has total assets of \$477.1 million and liabilities of \$159.8 million, resulting in net assets of \$317.3 million at the end of 2010. Of the net assets, \$231.7 million represents the City's investment in capital assets, net of related debt, \$16.7 million is held for restricted purposes, and \$68.9 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2010, the City of Eau Claire's total net assets increased by \$1.9 million from 2009, or approximately 0.6%. The net asset increase was primarily attributable to the increase in capital assets in the business-type activities.
- At the close of 2010, the City of Eau Claire's governmental funds reported ending fund balances of \$60.8 million, a net increase of \$1.3 million from 2009. This increase is attributable to transactions in the General Fund. While the other governmental funds had a net reduction of \$0.1 million, the General Fund increased \$1.4 million. The General Fund increase is largely reflective of positive expenditure variances in 2010 operations. Major variances include labor settlements and health insurance costs that were significantly lower than projected, saving \$.6 million. General Fund subsidies to other funds were also \$.4 million less than projected. For example, the Public Transit Fund underspent wages, benefits and fuel costs, resulting in a reduced need for General Fund support. Electricity and other utilities were \$.4 million under budget as consumption and rates were not as high as predicted.
- During 2010, the City of Eau Claire continued a proactive plan for the replacement of aging infrastructure, the upgrade of technology used in operations, and the improvement of utility services. The City invested \$27.5 million in upgrading infrastructure systems and other capital assets.
- Wisconsin statute restricts municipality general obligation debt to less than 5% of equalized property value. The City of Eau Claire maintained a level of remaining debt capacity of approximately 62%. In 2010, \$7.2 million in new general obligation debt (excluding \$3.6 million in refunding debt) was issued, which included \$3.2 million in taxable Build America Bonds.

## **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, and
- notes to the financial statements.

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

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

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Assets* presents information on all of the City of Eau Claire's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The City's overall financial position improved from 2009 to 2010, as the City's net assets increased by \$1.9 million, reflecting the City's investment in Water, Sewer and Storm Water utilities. The government-wide financial statements can be found on pages 27 through 29 of this report.

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all, or a significant portion, of their costs through user fees and services charges, called business-type activities. The governmental activities of the City 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, Public Transit, and Parking Utilities, 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 Housing Authority, 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 Housing Authority and the Redevelopment Authority may be obtained

from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Eau Claire, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the City 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 Fund are shown as major funds and are presented in separate columns. Data from the other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Reconciliations follow the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net Assets and Statement of Activities*.

### **Proprietary Funds**

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer, and Storm Water Utilities and 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 35 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 147.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Eau Claire uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collection fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The fiduciary fund financial statement can be found on page 45 of this report.

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

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 48 of this report.

### **Additional Supplementary Information**

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

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Assets* for the City of Eau Claire is summarized in the table below. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$317 million at the close of 2010. The majority of these net assets, \$232 million, reflect 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.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 136,324,822	\$ 132,115,399	\$ 22,272,699	\$ 21,681,628	\$ 158,597,521	\$ 153,797,027
Capital Assets (net)	148,521,369	146,919,539	169,981,830	166,651,773	318,503,199	313,571,312
Total Assets	<u>\$ 284,846,191</u>	<u>\$ 279,034,938</u>	<u>\$ 192,254,529</u>	<u>\$ 188,333,401</u>	<u>\$ 477,100,720</u>	<u>\$ 467,368,339</u>
Current Liabilities	\$ 43,453,268	\$ 39,319,226	\$ 3,384,296	\$ 2,345,849	\$ 46,837,564	\$ 41,665,075
Noncurrent Liabilities	85,198,652	82,898,721	27,762,393	27,367,281	112,961,045	110,266,002
Total Liabilities	<u>\$ 128,651,920</u>	<u>\$ 122,217,947</u>	<u>\$ 31,146,689</u>	<u>\$ 29,713,130</u>	<u>\$ 159,798,609</u>	<u>\$ 151,931,077</u>
Invested in capital assets, net of related debt	\$ 90,572,719	\$ 88,485,022	\$ 144,754,595	\$ 142,147,587	\$ 235,327,314	\$ 230,632,609
Debt reclassification	-	-	-	-	(3,612,686)	(3,838,035)
Total invested in capital	<u>90,572,719</u>	<u>88,485,022</u>	<u>144,754,595</u>	<u>142,147,587</u>	<u>231,714,628</u>	<u>226,794,574</u>
Restricted	14,905,845	17,257,799	1,756,280	1,720,280	16,662,125	18,978,079
Unrestricted	50,715,707	51,074,170	14,596,965	14,752,404	65,312,672	65,826,574
Debt reclassification	-	-	-	-	3,612,686	3,838,035
Total unrestricted	<u>50,715,707</u>	<u>51,074,170</u>	<u>14,596,965</u>	<u>14,752,404</u>	<u>68,925,358</u>	<u>69,664,609</u>
Total Net Assets	<u>\$ 156,194,271</u>	<u>\$ 156,816,991</u>	<u>\$ 161,107,840</u>	<u>\$ 158,620,271</u>	<u>\$ 317,302,111</u>	<u>\$ 315,437,262</u>
Total Net Assets as a % of Total Liabilities	121%	128%	517%	534%	199%	208%
Unrestricted Net Assets as a % of Total Liabilities	39%	42%	47%	50%	43%	46%

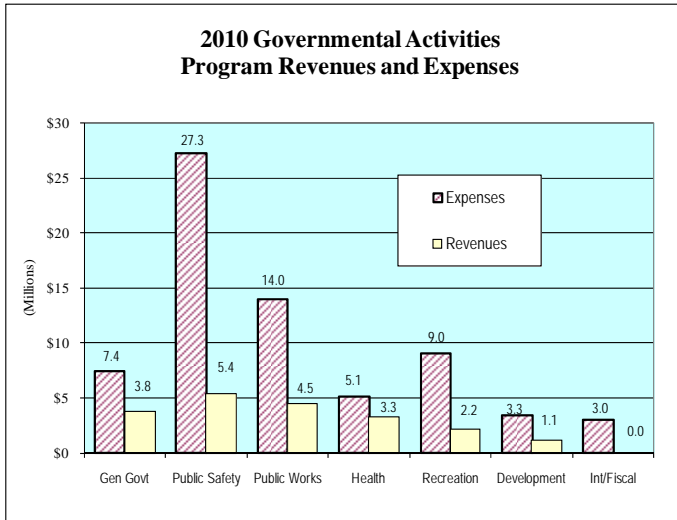
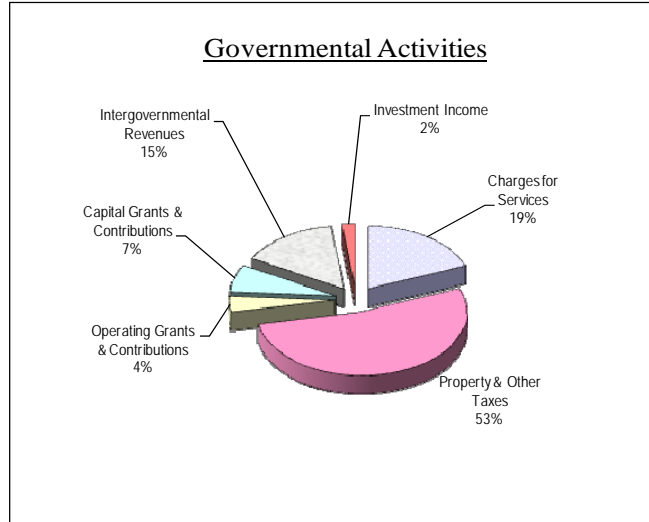
A relatively small portion of the City's net assets, \$16.7 million or 5%, represents resources that are subject to other restrictions as to how they may be used. The remaining \$68.9 million of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$14.6 million, or about 21%, of these unrestricted net assets are related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2010, the City is able to report positive balances in net assets for the governmental activities as well as business-type activities.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,984,272	\$ 12,569,218	\$ 20,514,920	\$ 19,843,253	\$ 33,499,192	\$ 32,412,471
Operating grants & contributions	2,552,852	4,484,730	3,139,414	2,907,050	5,692,266	7,391,780
Capital grants & contributions	4,714,742	5,961,377	1,558,471	456,431	6,273,213	6,417,808
General revenues:						
Property taxes	33,848,000	32,077,747	-	-	33,848,000	32,077,747
Other taxes	1,718,702	1,477,296	-	-	1,718,702	1,477,296
Intergovernmental revenues	9,695,627	10,069,736	-	-	9,695,627	10,069,736
Investment income	1,429,077	1,045,243	136,594	208,680	1,565,671	1,253,923
Miscellaneous	274,145	219,300	674,971	864,303	949,116	1,083,603
<b>Total revenues</b>	<b>67,217,417</b>	<b>67,904,647</b>	<b>26,024,370</b>	<b>24,279,717</b>	<b>93,241,787</b>	<b>92,184,364</b>
<b>Expenses</b>						
Program expenses:						
General government	7,413,879	6,914,248	-	-	7,413,879	6,914,248
Public safety	27,320,440	25,574,799	-	-	27,320,440	25,574,799
Public works	14,006,148	14,203,614	-	-	14,006,148	14,203,614
Health services	5,128,740	5,079,081	-	-	5,128,740	5,079,081
Culture and recreation	8,993,462	8,745,604	-	-	8,993,462	8,745,604
Development	3,329,286	3,111,437	-	-	3,329,286	3,111,437
Interest & fiscal charges	2,985,972	2,814,770	-	-	2,985,972	2,814,770
Water utility	-	-	6,561,935	6,403,962	6,561,935	6,403,962
Sewer utility	-	-	6,451,288	5,987,480	6,451,288	5,987,480
Storm water utility	-	-	2,153,306	2,117,002	2,153,306	2,117,002
Public transit	-	-	5,194,260	4,795,731	5,194,260	4,795,731
Parking utility	-	-	496,319	484,008	496,319	484,008
Hobbs ice center	-	-	991,013	703,386	991,013	703,386
Outdoor pool	-	-	350,890	369,257	350,890	369,257
<b>Total expenses</b>	<b>69,177,927</b>	<b>66,443,553</b>	<b>22,199,011</b>	<b>20,860,826</b>	<b>91,376,938</b>	<b>87,304,379</b>
Increase in net assets before transfers	(1,960,510)	1,461,094	3,825,359	3,418,891	1,864,849	4,879,985
Transfers	1,337,790	298,000	(1,337,790)	(298,000)	-	-
<b>Change in net assets</b>	<b>(622,720)</b>	<b>1,759,094</b>	<b>2,487,569</b>	<b>3,120,891</b>	<b>1,864,849</b>	<b>4,879,985</b>
Net assets at January 1	156,816,991	155,057,897	158,620,271	155,499,380	315,437,262	310,557,277
<b>Net assets at December 31</b>	<b>\$156,194,271</b>	<b>\$156,816,991</b>	<b>\$161,107,840</b>	<b>\$158,620,271</b>	<b>\$317,302,111</b>	<b>\$315,437,262</b>

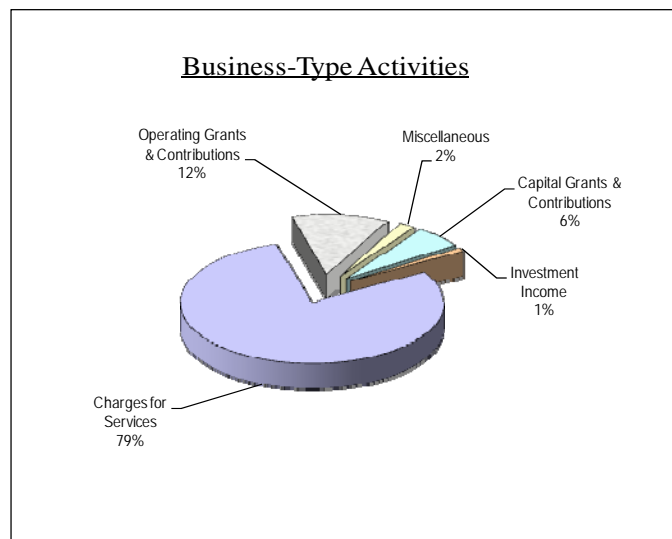


The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 53% of the revenue for governmental activities. State aids and other grants comprise another 26% while charges for services and all other sources are equal to 21% 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 2010 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 79% 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, 2010, the City of Eau Claire's *Balance Sheet - Governmental Funds* on page 30 reported combined ending fund balances of \$60.8 million, an increase of \$1.3 million over the previous year's ending balances. The increase is related to transactions in the General Fund as discussed on page 15. Of the ending fund balances total, \$22.3 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$38.5 million available for meeting future budget requirements. Of these unreserved balances, \$30.4 million has been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$8.1 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 79.4% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General Fund. Of the \$52.6 million General Fund expenditures and other financing uses, 47.8% or \$25.2 million is allocated to the public safety sector. Another 24.5% or \$12.9 million is allocated to the operations of public works and culture and recreation.

The General Fund has a fund balance of \$25.4 million, an increase of \$1.4 million from 2009. Of the fund balance, \$7.5 million is reserved for loans made to other funds, prepayments and notes receivable, a decrease of \$0.6 million from 2009. Another \$7.5 million is designated for subsequent year expenditures and working capital. The undesignated General Fund balance is \$10.4 million. The undesignated fund balance is available to be applied in a future year's budget to one-time capital projects or to reduce outstanding debt.

The Debt Service Fund had a total fund balance of \$7.5 million, a slight decrease of \$0.1 million from 2009. This balance primarily reflects the amounts reserved to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The 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 legally restricted to expenditures for specific purposes. The fund balance of the Nonmajor Governmental Funds decreased from 2009 by \$40,000. The capital project funds of Streets, Bridges, Parks, Library, and Environmental Improvements had increases in fund balances totaling \$1.2 million due to transfers in for projects not yet complete. The Tax Incremental Financing Districts' and Buildings and Equipment's fund balances were reduced by \$1.5 million, primarily due to the

expenditures for infrastructure improvements and the initial work on the public safety building renovations.

### **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 35 to 44. The net assets of the enterprise-type proprietary funds at the end of 2010 totaled \$161.1 million, an increase of \$2.5 million from the previous year.

Some highlights:

- The Water, Sewer, and Storm Water funds transferred \$2.4 million to the General Fund, and the General Fund and other funds transferred \$1.0 million to the Parking, Public Transit, Hobbs Ice Arena, and Fairfax Pool funds. After transfers, the enterprise funds had collective net income of \$.9 million, primarily generated by the Water, Sewer, and Storm Water funds.
- In 2010, \$1.6 million of the increase in the enterprise funds net assets resulted from developer infrastructure and other contributions to the Water, Sewer, Storm Water, and Hobbs Ice Arena funds.
- The Public Transit fund is subsidized by federal and state operating assistance. The balance is covered by local fares and General Fund transfers to the service. The Public Transit Fund shows a loss of \$.4 million since depreciation expenses are not covered by General Fund subsidies.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on page 109, the original 2010 General Fund budget authorized expenditures and other financing uses of \$54.3 million, funded by anticipated revenues and other financing sources of \$53.4 million and the application of \$1 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 Budget column.

The City ended the year with net favorable variances. Although revenues and other financing sources were under budget by \$.08 million, expenditures and other financing uses were under spent by \$2.5 million. Since the budget anticipated a draw down of \$1.0 million, the net increase in the General Fund's fund balance is \$1.4 million as discussed on page 15. The more significant variances in the revenue lines were the receipts of \$.4 million over budget in state aids and special assessments. These were offset by the revenue shortfall of \$.5 million for interest and charges for services.

Several factors contributed to the favorable expenditure variances. As mentioned earlier the major variances were wages and benefits at \$.6 million, General Fund subsidies at \$.4 million, and utility costs at \$.4 million. These variances reflect mid-year labor settlements and health insurance costs significantly lower than the budget projections eight months

earlier. The General Fund support for the Public Transit Fund was less than anticipated due to under spent wages, benefits, and fuel costs in Transit. General Fund utility costs were under budget due to lower consumption and rates. Making up the balance of the \$2.5 million expenditures variance are the unspent contingency amount of \$.2 million, the materials and supply amount of \$.2 million, and multiple other budget amounts in many programs, totaling \$.7 million, about 1% of the \$55 million final budget.

## 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, 2010 totaled \$484 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 \$165 million, or approximately 34% of the historical asset cost. Net of accumulated depreciation, the City's investment in capital assets is more than \$318 million. The net increase over 2009 is approximately \$4.9 million. The \$3 million increase in Work in Progress for Governmental activities reflects the high volume of street work underway, along with improvements in Tax Incremental Financing Districts. The \$4.5 million decrease in Work in Progress in the Business-Type Activities is primarily due to the completion of renovations to the Hobbs Ice Arena. The ice arena improvements are now shown as an increase in Business-Type building and improvements.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
December 31, 2010						
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 15,208,001	\$ 15,236,043	\$ 16,801,555	\$ 15,755,446	\$ 32,009,556	\$ 30,991,489
Land Improvements	9,445,019	9,371,892	-	-	9,445,019	9,371,892
Building and Improvements	20,113,657	20,110,160	12,406,533	6,699,583	32,520,190	26,809,743
Infrastructure	157,671,800	154,794,606	3,743,214	3,743,214	161,415,014	158,537,820
Machinery and Equipment	30,752,239	29,316,472	5,945,313	5,832,975	36,697,552	35,149,447
Intangibles	87,745	-	-	-	87,745	-
Water Utility	-	-	77,619,474	75,213,719	77,619,474	75,213,719
Sewer Utility	-	-	72,092,728	71,347,645	72,092,728	71,347,645
Stormwater Utility	-	-	42,974,140	40,838,327	42,974,140	40,838,327
Work in Progress	8,031,775	4,977,021	11,127,660	15,602,158	19,159,435	20,579,179
Subtotal	241,310,236	233,806,194	242,710,617	235,033,067	484,020,853	468,839,261
Less Accumulated Dep.	(92,788,867)	(86,886,655)	(72,728,787)	(68,381,294)	(165,517,654)	(155,267,949)
Total	\$ 148,521,369	\$ 146,919,539	\$ 169,981,830	\$ 166,651,773	\$ 318,503,199	\$ 313,571,312

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 2010 included the following:

<b><u>Significant Additions to Capital Assets in 2010</u></b>		
	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
Land and Buildings	\$.2 M	\$7.2 M
Machinery and Equipment	2.8 M	.2 M
Intangible	.1 M	-
Infrastructure	4.6 M	-
Distribution and Collection Systems	-	5.0 M

### **Long-Term Debt**

At December 31, 2010, the City of Eau Claire had approximately \$99 million of bond and long-term note principal outstanding, as summarized in the following table:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2010	2009	2010	2009	2010	2009
Obligation Bonds & Notes	\$ 72,114,500	\$ 71,528,000	\$ 17,377,392	\$ 16,566,688	\$ 89,491,892	\$ 88,094,688
Revenue Bonds	-	-	9,445,000	10,070,000	9,445,000	10,070,000
<b>Total</b>	<b>\$ 72,114,500</b>	<b>\$ 71,528,000</b>	<b>\$ 26,822,392</b>	<b>\$ 26,636,688</b>	<b>\$ 98,936,892</b>	<b>\$ 98,164,688</b>

Under Wisconsin State Statute Section 67.03(1), the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Applicable debt of the City at the close of 2010 totaled \$89.5 million, which, with amounts available for payment of principal, is less than 38% of the maximum legal limit. During 2010, 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>
08/17/10	General Obligation Corporate Purpose Bonds for streets, and storm water improvements (Taxable Build America Bonds)	\$3,210,000
08/17/10	General Obligation Promissory Notes for streets and storm water improvements	\$3,975,000
08/17/10	General Obligation Refunding Bonds (refund of 2001 streets and storm water bonds)	\$4,585,000

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, 54703. Finance Department staff can also be reached at (715) 839-6044.

## **Basic Financial Statements**

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

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS

December 31, 2010

(With Comparative Reporting Entity Totals for December 31, 2009)

	Primary Government				Component Units	Totals Reporting Entity	
	Governmental Activities	Business- type Activities	Debt Reclassifications	Totals		2010	2009
<b>ASSETS</b>							
Cash and investments	\$ 72,135,035	\$ 18,721,465	\$ -	\$ 90,856,500	\$ 5,761,205	\$ 96,617,705	\$ 91,062,797
Taxes receivable	37,206,894	961,086	-	38,167,980	145,000	38,312,980	36,771,692
Special assessments receivable	5,411,279	1,337,476	-	6,748,755	-	6,748,755	7,183,257
Notes receivable, net	5,406,462	-	-	5,406,462	486,464	5,892,926	7,236,447
Accounts receivable, net	2,126,695	4,683,798	-	6,810,493	16,646	6,827,139	6,860,763
Interest receivable	120,744	-	-	120,744	-	120,744	182,342
Due from other governments	560,940	73,988	-	634,928	-	634,928	517,485
Due from primary government	-	-	-	-	-	-	32,708
Due from component unit	30,929	-	-	30,929	-	30,929	-
Internal balances	7,324,532	(7,324,532)	-	-	-	-	-
Prepaid items and inventories	1,263,421	199,206	-	1,462,627	75,197	1,537,824	1,538,549
Restricted cash and investments	3,459,612	3,371,752	-	6,831,364	219,438	7,050,802	6,801,430
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Debt issuance costs	511,783	248,460	-	760,243	-	760,243	736,552
Property held for resale	-	-	-	-	711,144	711,144	2,438,098
Capital assets							
Construction in progress	8,031,775	11,127,660	-	19,159,435	-	19,159,435	20,737,231
Land	15,208,001	16,801,555	-	32,009,556	1,441,032	33,450,588	32,399,788
Other capital assets, net of depreciation/amortization	125,281,593	142,052,615	-	267,334,208	10,444,756	277,778,964	272,236,991
Total Assets	284,846,191	192,254,529	-	477,100,720	19,300,882	496,401,602	487,502,626
<b>LIABILITIES</b>							
Accounts payable and accrued expenses	4,908,835	2,593,750	-	7,502,585	129,050	7,631,635	4,124,447
Accrued liabilities	2,733,802	642,466	-	3,376,268	22,752	3,399,020	3,156,503
Customer deposits	310,637	43,896	-	354,533	-	354,533	501,327
Due to other governments	76,361	104,184	-	180,545	-	180,545	263,016
Due to primary government	-	-	-	-	30,929	30,929	-
Due to component unit	-	-	-	-	-	-	32,708
Unearned revenues	35,423,633	-	-	35,423,633	155,353	35,578,986	34,070,594
Noncurrent liabilities							
Due within one year	8,449,614	2,221,506	-	10,671,120	252,544	10,923,664	9,956,810
Due in more than one year	76,749,038	25,540,887	-	102,289,925	69,177	102,359,102	101,488,334
Total Liabilities	128,651,920	31,146,689	-	159,798,609	659,805	160,458,414	153,593,739
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	90,572,719	144,754,595	(3,612,686)	231,714,628	11,627,326	243,341,954	237,496,506
Restricted for:							
Deposits	1,003,264	-	-	1,003,264	-	1,003,264	991,672
Unspent grant proceeds	580,448	-	-	580,448	-	580,448	460,418
New loans	1,215,302	-	-	1,215,302	-	1,215,302	1,986,444
RCU agreement	368,159	-	-	368,159	-	368,159	360,940
Debt service payments	11,738,672	1,349,280	-	13,087,952	-	13,087,952	14,777,605
Equipment replacement	-	407,000	-	407,000	-	407,000	1,036,220
Development costs	-	-	-	-	-	-	110,953
Grant requirements	-	-	-	-	219,438	219,438	175,002
Unrestricted	50,715,707	14,596,965	3,612,686	68,925,358	6,794,313	75,719,671	76,513,127
<b>TOTAL NET ASSETS</b>	<b>\$ 156,194,271</b>	<b>\$ 161,107,840</b>	<b>\$ -</b>	<b>\$ 317,302,111</b>	<b>\$ 18,641,077</b>	<b>\$ 335,943,188</b>	<b>\$ 333,908,887</b>

See accompanying notes to financial statements.



**CITY OF EAU CLAIRE**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2010

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2009)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 7,413,879	\$ 3,750,638	\$ 34,331	\$ -
Public safety	27,320,440	4,779,379	525,055	97,089
Public works	14,006,148	391,199	-	4,060,881
Health services	5,128,740	2,088,397	1,231,045	-
Culture and recreation	8,993,462	1,599,091	50,888	503,022
Development	3,329,286	375,568	711,533	53,750
Interest and fiscal charges	2,985,972	-	-	-
<b>Total Governmental Activities</b>	<u>69,177,927</u>	<u>12,984,272</u>	<u>2,552,852</u>	<u>4,714,742</u>
<b>Business-type Activities</b>				
Water Utility	6,561,935	8,388,766	-	870,815
Sewer Utility	6,451,288	6,955,547	-	247,327
Storm Water Utility	2,153,306	3,522,074	-	96,737
Public Transit	5,194,260	655,056	3,139,414	-
Parking Utility	496,319	201,233	-	-
Hobbs Ice Center	991,013	574,986	-	343,592
Outdoor Pool	350,890	217,258	-	-
<b>Total Business-type Activities</b>	<u>22,199,011</u>	<u>20,514,920</u>	<u>3,139,414</u>	<u>1,558,471</u>
<b>Total Primary Government</b>	<u>\$ 91,376,938</u>	<u>\$ 33,499,192</u>	<u>\$ 5,692,266</u>	<u>\$ 6,273,213</u>
<b>Component Units</b>				
Housing Authority	\$ 3,975,569	\$ 937,185	\$ 3,312,883	\$ 1,447,749
Redevelopment Authority	1,835,422	-	-	19,958
South Barstow Business Improvement District	67,989	-	-	-
West Grand Business Improvement District	17,273	5,000	-	-
Water Street Business Improvement District	9,951	-	-	-
North Barstow/Medical Business Improvement District	10,255	1,900	-	-
<b>Total Component Units</b>	<u>\$ 5,916,459</u>	<u>\$ 944,085</u>	<u>\$ 3,312,883</u>	<u>\$ 1,467,707</u>

General Revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Gain on sale of capital assets

Contributions from city

Miscellaneous

Total General Revenues

Transfers

**Change in Net Assets**

NET ASSETS - Beginning of Year

**NET ASSETS - END OF YEAR**

Net (Expenses) Revenues and Changes in Net Assets				Totals	
Governmental Activities	Business-type Activities	Totals	Component Units	Reporting Entity	
		Primary Government		2010	2009
\$ (3,628,910)	\$ -	\$ (3,628,910)	\$ -	\$ (3,628,910)	\$ (2,725,948)
(21,918,917)	-	(21,918,917)	-	(21,918,917)	(20,181,745)
(9,554,068)	-	(9,554,068)	-	(9,554,068)	(8,147,859)
(1,809,298)	-	(1,809,298)	-	(1,809,298)	(1,982,286)
(6,840,461)	-	(6,840,461)	-	(6,840,461)	(6,305,148)
(2,188,435)	-	(2,188,435)	-	(2,188,435)	(1,270,472)
(2,985,972)	-	(2,985,972)	-	(2,985,972)	(2,814,770)
(48,926,061)	-	(48,926,061)	-	(48,926,061)	(43,428,228)
-	2,697,646	2,697,646	-	2,697,646	2,354,016
-	751,586	751,586	-	751,586	688,095
-	1,465,505	1,465,505	-	1,465,505	1,148,288
-	(1,399,790)	(1,399,790)	-	(1,399,790)	(1,199,086)
-	(295,086)	(295,086)	-	(295,086)	(264,616)
-	(72,435)	(72,435)	-	(72,435)	(217,430)
-	(133,632)	(133,632)	-	(133,632)	(163,359)
-	3,013,794	3,013,794	-	3,013,794	2,345,908
(48,926,061)	3,013,794	(45,912,267)	-	(45,912,267)	(41,082,320)
-	-	-	1,722,248	1,722,248	250,665
-	-	-	(1,815,464)	(1,815,464)	(34,626)
-	-	-	(67,989)	(67,989)	(79,088)
-	-	-	(12,273)	(12,273)	(10,806)
-	-	-	(9,951)	(9,951)	(14,946)
-	-	-	(8,355)	(8,355)	(6,880)
-	-	-	(191,784)	(191,784)	104,319
27,353,174	-	27,353,174	145,000	27,498,174	26,722,288
5,035,172	-	5,035,172	-	5,035,172	4,256,013
1,459,654	-	1,459,654	-	1,459,654	1,250,946
1,718,702	-	1,718,702	-	1,718,702	1,477,296
9,695,627	-	9,695,627	-	9,695,627	10,069,736
1,429,077	136,594	1,565,671	14,696	1,580,367	1,325,951
-	-	-	-	-	34,589
-	-	-	200,000	200,000	200,000
274,145	674,971	949,116	1,540	950,656	1,053,864
46,965,551	811,565	47,777,116	361,236	48,138,352	46,390,683
1,337,790	(1,337,790)	-	-	-	-
(622,720)	2,487,569	1,864,849	169,452	2,034,301	5,412,682
156,816,991	158,620,271	315,437,262	18,471,625	333,908,887	328,496,205
<u>\$ 156,194,271</u>	<u>\$ 161,107,840</u>	<u>\$ 317,302,111</u>	<u>\$ 18,641,077</u>	<u>\$ 335,943,188</u>	<u>\$ 333,908,887</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 18,947,386	\$ 7,498,810	\$ 30,281,631	\$ 56,727,827
Receivables				
Taxes	29,686,670	1,125,590	6,121,293	36,933,553
Delinquent personal property taxes	273,341	-	-	273,341
Accounts, net	1,694,645	26,279	565,658	2,286,582
Notes, net	25,000	-	5,381,462	5,406,462
Special assessments	1,910,362	3,500,917	-	5,411,279
Interest	120,744	-	-	120,744
Prepaid items and inventories	780,338	-	65,071	845,409
Due from other funds	172,966	-	-	172,966
Due from component unit	42,826	-	-	42,826
Due from other governments	63,555	-	479,529	543,084
Advances to other funds	7,357,960	-	1,400,000	8,757,960
Restricted assets - cash and investments	-	-	3,222,844	3,222,844
<b>TOTAL ASSETS</b>	<b>\$ 61,075,793</b>	<b>\$ 12,151,596</b>	<b>\$ 47,517,488</b>	<b>\$ 120,744,877</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 359,433	\$ -	\$ 3,934,637	\$ 4,294,070
Accrued liabilities	1,792,931	-	213,162	2,006,093
Deposits	282,002	-	28,635	310,637
Due to other governments	64,666	-	11,695	76,361
Due to other funds	-	-	60,608	60,608
Due to component unit	-	-	13,653	13,653
Deferred revenues	33,210,796	4,652,786	12,074,381	49,937,963
Advances from other funds	-	-	3,248,700	3,248,700
Total Liabilities	<u>35,709,828</u>	<u>4,652,786</u>	<u>19,585,471</u>	<u>59,948,085</u>
Fund Balances				
Reserved				
Notes receivable	25,000	-	-	25,000
Prepaid items and inventories	780,338	-	65,071	845,409
Advances to other funds (noncurrent portion)	6,705,942	-	1,400,000	8,105,942
Grant proceeds	-	-	580,448	580,448
Debt service	-	7,498,810	1,410,401	8,909,211
Capital contracts	-	-	540,993	540,993
Environmental remediation	-	-	368,159	368,159
Bond construction	-	-	2,894,828	2,894,828
Unreserved, designated reported in:				
General fund	7,467,065	-	-	7,467,065
Special revenue funds	-	-	4,667,101	4,667,101
Capital project funds	-	-	18,241,848	18,241,848
Unreserved, undesignated (deficit)	10,387,620	-	(2,236,832)	8,150,788
Total Fund Balances	<u>25,365,965</u>	<u>7,498,810</u>	<u>27,932,017</u>	<u>60,796,792</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 61,075,793</b>	<b>\$ 12,151,596</b>	<b>\$ 47,517,488</b>	<b>\$ 120,744,877</b>

See accompanying notes to financial statements.

## CITY OF EAU CLAIRE

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES December 31, 2010

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Total fund balance - governmental funds		\$ 60,796,792
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital assets	\$ 241,310,236	
Accumulated depreciation	(92,788,867)	
Less: Internal service fund included below	<u>(10,207,473)</u>	138,313,896

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

Premium/(discount) on debt		(365,849)
Debt issuance costs on debt		511,783
Deferred loss on refunding of debt		254,185

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

(370,308)

Special assessments, loans receivable, and various other receivables are reported as deferred revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements.

These types of deferred revenues at year end consist of:

Delinquent personal property taxes receivable	273,341	
Accounts receivable	1,741,042	
Loan receivable	5,381,462	
Interest receivable	370,498	
Special assessments receivable	6,620,623	
Grants receivable	<u>127,364</u>	14,514,330

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

26,764,741

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	(72,114,500)	
Vested compensated absences	(2,245,156)	
Police and fire pension liability	(350,393)	
Duty disability liability	(3,919,387)	
Other post-employment benefits	(4,898,128)	
Accrued interest on general obligation debt	<u>(697,735)</u>	<u>(84,225,299)</u>

<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>		<b>\$ <u>156,194,271</u></b>
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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, 2010

	General Fund	Debt Service - General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 28,207,135	\$ -	\$ 7,269,702	\$ 35,476,837
Special assessments	665,464	1,187,286	-	1,852,750
Intergovernmental	12,768,682	-	3,264,255	16,032,937
Licenses and permits	1,601,506	-	334,585	1,936,091
Fines, forfeitures and penalties	743,187	-	123,459	866,646
Charges for services - public	3,081,820	42,500	471,482	3,595,802
Charges for services - intergovernmental	3,531,179	-	1,922,022	5,453,201
Investment income	668,234	337,932	289,603	1,295,769
Miscellaneous	363,504	5	1,515,505	1,879,014
Total Revenues	<u>51,630,711</u>	<u>1,567,723</u>	<u>15,190,613</u>	<u>68,389,047</u>
<b>EXPENDITURES</b>				
Current				
General government	6,125,886	3,113	7,408	6,136,407
Public safety	25,157,717	-	204,067	25,361,784
Public works	8,531,758	-	191,699	8,723,457
Health services	-	-	5,025,675	5,025,675
Culture and recreation	4,375,508	-	3,686,489	8,061,997
Development	-	-	2,737,758	2,737,758
Miscellaneous	612,065	-	-	612,065
Capital Outlay	-	-	9,179,109	9,179,109
Debt Service				
Principal retirement	-	4,155,000	775,000	4,930,000
Interest and fiscal charges	-	2,501,573	632,006	3,133,579
Total Expenditures	<u>44,802,934</u>	<u>6,659,686</u>	<u>22,439,211</u>	<u>73,901,831</u>
Excess (deficiency) of revenues over expenditures	<u>6,827,777</u>	<u>(5,091,963)</u>	<u>(7,248,598)</u>	<u>(5,512,784)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	5,485,000	5,485,000
Refunding long-term debt issued	-	2,221,500	-	2,221,500
Premium/(discount) on long-term debt issued	-	29,956	(3,014)	26,942
Payment to escrow agent	-	(2,292,985)	-	(2,292,985)
Transfers from other funds	2,368,072	5,035,172	2,738,107	10,141,351
Transfers to other funds	(7,820,361)	-	(1,011,800)	(8,832,161)
Sale of capital assets	65,592	-	-	65,592
Total Other Financing Sources (Uses)	<u>(5,386,697)</u>	<u>4,993,643</u>	<u>7,208,293</u>	<u>6,815,239</u>
<b>Net change in fund balances</b>	1,441,080	(98,320)	(40,305)	1,302,455
FUND BALANCES - Beginning of Year	<u>23,924,885</u>	<u>7,597,130</u>	<u>27,972,322</u>	<u>59,494,337</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 25,365,965</u>	<u>\$ 7,498,810</u>	<u>\$ 27,932,017</u>	<u>\$ 60,796,792</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, 2010

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Net change in fund balances - total governmental funds	\$ 1,302,455
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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	9,179,109
Some functional expenditures are capitalized	1,169,430
Some capital outlay is not capitalized in the government-wide statements.	(1,080,139)
Depreciation is reported in the government-wide statements	(6,884,613)

In the statement of activities, only the gain or loss (\$763,791) on the disposal of capital assets is reported. In the fund financial statements, proceeds from the sale of capital assets (\$65,592) are reported because the proceeds increase financial resources.	(829,383)
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Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following deferred revenue categories.

Delinquent personal property taxes receivable	73,116
Accounts receivable	364,444
Loan receivable	(1,261,053)
Interest receivable	9,501
Special assessments receivable	(503,640)
Grants receivable	10,965

Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.	(17,032)
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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 assets. This is the amount of principal payments paid.	7,120,000
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Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of debt issued during the year.	(7,706,500)
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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	(48,425)
Police and fire pension liability	12,897
Duty disability liability	(45,449)
Other post-employment benefits	(2,099,254)

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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.	\$ 125,076
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:	
Premium on new debt	(26,941)
Debt issuance costs on new debt	52,074
Deferred loss on refunding of debt	102,985
Amortization of premium/(discount)	26,895
Amortization of debt issuance costs	(35,310)
Amortization of deferred loss on refunding	(19,233)
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>385,305</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (622,720)</u></b>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2010

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 5,972,163	\$ 9,177,314	\$ 2,352,137
Taxes receivable	467,634	370,732	122,720
Accounts receivable, net	1,701,962	1,926,809	838,919
Due from other governments	67,960	-	-
Due from component unit	-	-	-
Due from other funds	-	-	-
Inventories	190,627	-	-
Prepaid items	8,579	-	-
Restricted cash and investments	288,942	-	-
<b>Total Current Assets</b>	<u>8,697,867</u>	<u>11,474,855</u>	<u>3,313,776</u>
<b>Noncurrent Assets</b>			
Restricted cash and investments	1,570,030	-	1,512,780
Deposit in insurance pools	-	-	-
Unamortized issuance costs	144,308	-	104,152
Special assessment receivable	677,300	657,368	2,808
Advances to other funds	-	-	-
Capital assets:			
Construction in progress	1,868,618	6,501,060	2,265,967
Land	317,174	169,171	15,665,014
Capital assets	77,619,475	72,092,728	42,974,140
Less: Accumulated depreciation	(23,994,305)	(26,738,568)	(10,925,757)
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	<u>55,810,962</u>	<u>52,024,391</u>	<u>49,979,364</u>
<b>Total Noncurrent Assets</b>	<u>58,202,600</u>	<u>52,681,759</u>	<u>51,599,104</u>
<b>Total Assets</b>	<u>66,900,467</u>	<u>64,156,614</u>	<u>54,912,880</u>



<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Public</u>	<u>Nonmajor</u>		<u>Activities -</u>
<u>Transit</u>	<u>Enterprise</u>	<u>Totals</u>	<u>Internal</u>
	<u>Funds</u>		<u>Service Funds</u>
\$ 517,320	\$ 702,531	\$ 18,721,465	\$ 15,407,208
-	-	961,086	-
39,662	176,446	4,683,798	210,421
6,028	-	73,988	17,856
-	-	-	1,756
-	-	-	1,548
-	-	190,627	418,012
-	-	8,579	-
-	-	288,942	-
<u>563,010</u>	<u>878,977</u>	<u>24,928,485</u>	<u>16,056,801</u>
-	-	3,082,810	236,768
-	-	-	766,496
-	-	248,460	-
-	-	1,337,476	-
-	-	-	1,838,700
-	492,015	11,127,660	466,156
-	650,196	16,801,555	235,899
5,887,226	16,207,833	214,781,402	20,737,020
<u>(5,095,851)</u>	<u>(5,974,306)</u>	<u>(72,728,787)</u>	<u>(11,231,602)</u>
<u>791,375</u>	<u>11,375,738</u>	<u>169,981,830</u>	<u>10,207,473</u>
<u>791,375</u>	<u>11,375,738</u>	<u>174,650,576</u>	<u>13,049,437</u>
<u>1,354,385</u>	<u>12,254,715</u>	<u>199,579,061</u>	<u>29,106,238</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS (cont.)  
 PROPRIETARY FUNDS  
 December 31, 2010

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 511,257	\$ 1,131,948	\$ 721,853
Accrued payroll and payroll taxes	91,569	103,404	11,580
Accrued compensated absences	136,428	112,270	17,552
Accrued interest	-	-	187,062
Deposits	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Current portion of advances	412,781	49,237	-
Current portion of general obligation debt	-	-	1,030,600
Current portion of revenue bonds	558,750	-	-
Current portion of unpaid claims	-	-	-
Liabilities payable from restricted assets:			
Current portion revenue bonds	186,250	-	-
Accrued interest	102,692	-	-
Total Current Liabilities	<u>1,999,727</u>	<u>1,396,859</u>	<u>1,968,647</u>
Noncurrent Liabilities			
Advances from other funds	2,206,812	639,130	-
Revenue bonds payable	8,700,000	-	-
General obligation debt	-	-	16,222,900
Other post-employment benefits	249,853	160,420	-
Unpaid claims	-	-	-
Deferred amount on refunding	(25,153)	-	(187,564)
Unamortized premium on debt	45,126	-	85,214
Total Noncurrent Liabilities	<u>11,176,638</u>	<u>799,550</u>	<u>16,120,550</u>
Total Liabilities	<u>13,176,365</u>	<u>2,196,409</u>	<u>18,089,197</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	46,345,989	52,024,391	34,340,994
Restricted for:			
Restricted deposits	-	-	-
Debt service	1,349,280	-	-
Equipment replacement	407,000	-	-
Unrestricted (deficit)	<u>5,621,833</u>	<u>9,935,814</u>	<u>2,482,689</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 53,724,102</u>	<u>\$ 61,960,205</u>	<u>\$ 36,823,683</u>

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

**NET ASSETS OF BUSINESS-TYPE ACTIVITIES**

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 86,291	\$ 142,401	\$ 2,593,750	\$ 614,765
124,205	17,773	348,531	29,974
123,154	17,005	406,409	29,338
4,181	-	191,243	-
39,760	4,136	43,896	-
101,029	3,155	104,184	-
-	113,906	113,906	-
-	190,000	652,018	-
39,497	-	1,070,097	-
-	-	558,750	-
-	-	-	220,000
-	-	186,250	-
-	-	102,692	-
<u>518,117</u>	<u>488,376</u>	<u>6,371,726</u>	<u>894,077</u>
-	3,850,000	6,695,942	-
-	-	8,700,000	-
84,395	-	16,307,295	-
192,840	12,856	615,969	62,044
-	-	-	1,248,042
-	-	(212,717)	-
-	-	130,340	-
<u>277,235</u>	<u>3,862,856</u>	<u>32,236,829</u>	<u>1,310,086</u>
<u>795,352</u>	<u>4,351,232</u>	<u>38,608,555</u>	<u>2,204,163</u>
667,483	11,375,738	144,754,595	10,207,473
-	-	-	1,003,264
-	-	1,349,280	-
-	-	407,000	-
<u>(108,450)</u>	<u>(3,472,255)</u>	<u>14,459,631</u>	<u>15,691,338</u>
<u>\$ 559,033</u>	<u>\$ 7,903,483</u>	160,970,506	<u>\$ 26,902,075</u>
		<u>137,334</u>	
		<u>\$ 161,107,840</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>OPERATING REVENUES</b>			
Charges for services	\$ 8,388,766	\$ 6,955,547	\$ 3,522,074
Rental of equipment	-	-	-
Other	969	23,899	402
Total Operating Revenues	<u>8,389,735</u>	<u>6,979,446</u>	<u>3,522,476</u>
<b>OPERATING EXPENSES</b>			
Personal services	2,115,850	2,427,690	261,741
Contractual services	897,595	1,103,326	164,663
Supplies and materials	406,630	619,267	14,368
Utilities	448,223	447,015	73,758
Depreciation	1,641,389	1,348,294	652,780
Administrative	412,074	471,684	328,858
Claims	-	-	-
Total Operating Expenses	<u>5,921,761</u>	<u>6,417,276</u>	<u>1,496,168</u>
Operating income (loss)	<u>2,467,974</u>	<u>562,170</u>	<u>2,026,308</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants	-	-	-
Investment income	56,163	62,643	17,788
Net gain (loss) on disposal of capital assets	-	(6,153)	(18,338)
Interest expense	(639,468)	(53,235)	(635,650)
Amortization	(13,510)	-	(6,145)
Total Nonoperating Revenues (Expenses)	<u>(596,815)</u>	<u>3,255</u>	<u>(642,345)</u>
Income (loss) before transfers and contributions	1,871,159	565,425	1,383,963
Transfers from other funds	-	-	-
Transfers to other funds	(1,431,499)	(173,600)	(752,408)
Total Transfers	<u>(1,431,499)</u>	<u>(173,600)</u>	<u>(752,408)</u>
Income (loss) before contributions	439,660	391,825	631,555
Capital contributions	870,815	247,327	96,737
<b>Change in net assets</b>	1,310,475	639,152	728,292
NET ASSETS - Beginning of Year	<u>52,413,627</u>	<u>61,321,053</u>	<u>36,095,391</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 53,724,102</u>	<u>\$ 61,960,205</u>	<u>\$ 36,823,683</u>

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

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

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 655,056	\$ 993,477	\$ 20,514,920	\$ 2,469,327
-	-	-	2,695,131
278,979	370,722	674,971	251,341
<u>934,035</u>	<u>1,364,199</u>	<u>21,189,891</u>	<u>5,415,799</u>
2,594,192	574,934	7,974,407	857,897
1,586,368	195,939	3,947,891	301,542
527,739	110,084	1,678,088	1,111,209
6,553	304,481	1,280,030	154,195
327,702	481,575	4,451,740	1,215,634
157,762	25,207	1,395,585	119,188
-	-	-	1,309,025
<u>5,200,316</u>	<u>1,692,220</u>	<u>20,727,741</u>	<u>5,068,690</u>
<u>(4,266,281)</u>	<u>(328,021)</u>	<u>462,150</u>	<u>347,109</u>
3,139,414	-	3,139,414	-
-	-	136,594	56,011
-	-	(24,491)	(20,595)
(6,000)	(149,667)	(1,484,020)	-
-	-	(19,655)	-
<u>3,133,414</u>	<u>(149,667)</u>	<u>1,747,842</u>	<u>35,416</u>
(1,132,867)	(477,688)	2,209,992	382,525
774,806	244,911	1,019,717	123,600
-	-	(2,357,507)	(95,000)
<u>774,806</u>	<u>244,911</u>	<u>(1,337,790)</u>	<u>28,600</u>
(358,061)	(232,777)	872,202	411,125
-	343,592	1,558,471	31,076
(358,061)	110,815	2,430,673	442,201
<u>917,094</u>	<u>7,792,668</u>		<u>26,459,874</u>
<u>\$ 559,033</u>	<u>\$ 7,903,483</u>		<u>\$ 26,902,075</u>
		<u>56,896</u>	
		<u>\$ 2,487,569</u>	

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 8,447,789	\$ 6,612,103	\$ 3,423,050
Cash paid to suppliers for goods and services	(1,800,856)	(2,253,633)	(244,311)
Cash paid to employees for services	(1,995,467)	(2,334,222)	(260,786)
Claims paid	-	-	-
Repayment of insurance claims	-	-	-
Administrative charges	(330,204)	(393,984)	(324,000)
Net Cash Flows From (Used By) Operating Activities	<u>4,321,262</u>	<u>1,630,264</u>	<u>2,593,953</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Operating grants received	-	-	-
Principal paid on advances from other funds	(384,621)	(45,909)	-
Interest paid on advances from other funds	(221,181)	(53,235)	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,431,499)	(173,600)	(752,408)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(2,037,301)</u>	<u>(272,744)</u>	<u>(752,408)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>56,163</u>	<u>62,643</u>	<u>17,788</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt issued	-	-	1,700,000
Refunding debt issued	-	-	2,363,500
Debt issuance costs	-	-	(109,144)
Debt retired	(625,000)	-	(851,500)
Payment to escrow agent	-	-	(2,363,500)
Special assessments received	162,484	135,773	530
Interest paid	(451,345)	-	(637,986)
Capital contributions	-	-	-
Acquisition and construction of capital assets	(1,331,922)	(1,084,878)	(2,281,982)
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>(2,245,783)</u>	<u>(949,105)</u>	<u>(2,180,082)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>94,341</b>	<b>471,058</b>	<b>(320,749)</b>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,736,794</u>	<u>8,706,256</u>	<u>4,185,666</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 7,831,135</b>	<b>\$ 9,177,314</b>	<b>\$ 3,864,917</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 5,972,163	\$ 9,177,314	\$ 2,352,137
Restricted Cash and Investments			
Current	288,942	-	-
Noncurrent	<u>1,570,030</u>	<u>-</u>	<u>1,512,780</u>
<b>CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS</b>	<b>\$ 7,831,135</b>	<b>\$ 9,177,314</b>	<b>\$ 3,864,917</b>

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>
\$ 993,704	\$ 1,356,759	\$ 20,833,405	\$ 5,385,235
(2,280,581)	(568,998)	(7,148,379)	(1,674,171)
(2,477,383)	(563,748)	(7,631,606)	(830,138)
-	-	-	(1,713,531)
-	-	-	51,624
(57,361)	-	(1,105,549)	-
<u>(3,821,621)</u>	<u>224,013</u>	<u>4,947,871</u>	<u>1,219,019</u>
3,232,516	-	3,232,516	-
-	-	(430,530)	-
-	-	(274,416)	-
774,806	244,911	1,019,717	123,600
-	-	(2,357,507)	(95,000)
<u>4,007,322</u>	<u>244,911</u>	<u>1,189,780</u>	<u>28,600</u>
-	-	136,594	56,011
-	-	1,700,000	-
-	-	2,363,500	-
-	-	(109,144)	-
(37,796)	-	(1,514,296)	-
-	-	(2,363,500)	-
-	-	298,787	-
(7,276)	-	(1,096,607)	-
-	343,592	343,592	31,076
-	(1,062,292)	(5,761,074)	(1,044,659)
-	(110,000)	(110,000)	-
-	(149,667)	(149,667)	-
-	-	-	98,738
<u>(45,072)</u>	<u>(978,367)</u>	<u>(6,398,409)</u>	<u>(914,845)</u>
140,629	(509,443)	(124,164)	388,785
<u>376,691</u>	<u>1,211,974</u>	<u>22,217,381</u>	<u>15,255,191</u>
<u>\$ 517,320</u>	<u>\$ 702,531</u>	<u>\$ 22,093,217</u>	<u>\$ 15,643,976</u>
\$ 517,320	\$ 702,531	\$ 18,721,465	\$ 15,407,208
-	-	288,942	-
-	-	3,082,810	236,768
<u>\$ 517,320</u>	<u>\$ 702,531</u>	<u>\$ 22,093,217</u>	<u>\$ 15,643,976</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF CASH FLOWS (cont.)  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2010

	<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)	\$ 2,467,974	\$ 562,170	\$ 2,026,308
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	1,641,389	1,348,294	652,780
Depreciation charged to other accounts	112,688	893	-
Change in assets and liabilities			
Accounts receivable	(40,751)	(261,062)	(92,882)
Due from other funds	13,117	21,826	(6,544)
Inventories	39,000	-	-
Prepaid items	(1,164)	-	-
Accounts payable	(4,374)	(6,325)	13,336
Due to other funds	-	-	-
Deposits	(27,000)	(129,000)	-
Accrued liabilities	13,300	24,715	955
Other post-employment benefits	107,083	68,753	-
Unpaid claims	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>	<b>\$ 4,321,262</b>	<b>\$ 1,630,264</b>	<b>\$ 2,593,953</b>

**NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

Developers and customers contributed capital assets of \$870,815 to the Water Utility, \$247,327 to the Sewer Utility, and \$96,737 to the Storm Water Utility. The following funds had accrued accounts payable for capital assets acquired prior to December 31, 2010:

Water Utility	\$ 414,740
Sewer Utility	1,047,969
Storm Water Utility	706,925
Nonmajor Enterprise Funds	99,468
Internal Service Funds	382,450

See accompanying notes to financial statements.



<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
<u>Public Transit</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	
\$ (4,266,281)	\$ (328,021)	\$ 462,150	\$ 347,109
327,702	481,575	4,451,740	1,215,634
-	-	113,581	-
53,995	(11,577)	(352,277)	21,060
-	-	28,399	-
-	-	39,000	(3,296)
-	-	(1,164)	1,043
21,656	(47,721)	(23,428)	15,259
-	113,906	113,906	-
5,674	4,136	(146,190)	-
(47,015)	6,206	(1,839)	1,169
82,648	5,509	263,993	26,590
-	-	-	(405,549)
<u>\$ (3,821,621)</u>	<u>\$ 224,013</u>	<u>\$ 4,947,871</u>	<u>\$ 1,219,019</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

**STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2010**

---

	Tax Collection Agency Fund
<b>ASSETS</b>	
Cash and investments	\$ 8,601,570
Taxes receivable	<u>55,876,971</u>
<b>TOTAL ASSETS</b>	<u>\$ 64,478,541</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 64,478,541</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 64,478,541</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF NET ASSETS  
COMPONENT UNITS  
December 31, 2010

	Housing Authority	Redevelopment Authority	South Barstow Business Improvement District	Nonmajor Component Units	Totals
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 4,302,689	\$ 1,101,375	\$ 85,672	\$ 271,469	\$ 5,761,205
Receivables					
Taxes	-	-	80,000	65,000	145,000
Notes receivable	-	-	-	6,464	6,464
Accounts, net	16,646	-	-	-	16,646
Prepaid items	75,197	-	-	-	75,197
Total Current Assets	<u>4,394,532</u>	<u>1,101,375</u>	<u>165,672</u>	<u>342,933</u>	<u>6,004,512</u>
<b>NONCURRENT ASSETS</b>					
Restricted assets - cash and investments	219,438	-	-	-	219,438
Notes receivable	60,000	420,000	-	-	480,000
Property held for resale	-	711,144	-	-	711,144
Land	1,441,032	-	-	-	1,441,032
Capital assets	18,130,224	-	-	-	18,130,224
Less: accumulated depreciation	<u>(7,685,468)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,685,468)</u>
Total Noncurrent Assets	<u>12,165,226</u>	<u>1,131,144</u>	<u>-</u>	<u>-</u>	<u>13,296,370</u>
Total Assets	<u>16,559,758</u>	<u>2,232,519</u>	<u>165,672</u>	<u>342,933</u>	<u>19,300,882</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	41,939	-	2,714	1,250	45,903
Accrued liabilities	22,752	-	-	-	22,752
Due from primary government	30,929	-	-	-	30,929
Accrued compensated absences	57,082	-	-	-	57,082
Other liabilities	83,147	-	-	-	83,147
Unearned revenue	10,353	-	80,000	65,000	155,353
Current portion of long-term debt	195,462	-	-	-	195,462
Total Current Liabilities	<u>441,664</u>	<u>-</u>	<u>82,714</u>	<u>66,250</u>	<u>590,628</u>
<b>NONCURRENT LIABILITIES</b>					
Housing projects notes and bonds	63,000	-	-	-	63,000
Other post-employment benefits	6,177	-	-	-	6,177
Total Noncurrent Liabilities	<u>69,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,177</u>
Total Liabilities	<u>510,841</u>	<u>-</u>	<u>82,714</u>	<u>66,250</u>	<u>659,805</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	11,627,326	-	-	-	11,627,326
Restricted for:					
Grant requirements	219,438	-	-	-	219,438
Unrestricted	4,202,153	2,232,519	82,958	276,683	6,794,313
<b>TOTAL NET ASSETS</b>	<u>\$ 16,048,917</u>	<u>\$ 2,232,519</u>	<u>\$ 82,958</u>	<u>\$ 276,683</u>	<u>\$ 18,641,077</u>

See accompanying notes to financial statements.

**CITY OF EAU CLAIRE**

STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
For the Year Ended December 31, 2010

					Net (Expenses) Revenues and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Housing Authority	Redevelopment Authority	South Barstow Business Improvement District	Nonmajor Component Units	Totals
Housing Authority									
Housing projects	\$ 3,975,569	\$ 937,185	\$ 3,312,883	\$ 1,447,749	\$ 1,722,248	\$ -	\$ -	\$ -	\$ 1,722,248
Redevelopment Authority									
Contractual services	12,629	-	-	-	-	(12,629)	-	-	(12,629)
Developer incentives	60,000	-	-	-	-	(60,000)	-	-	(60,000)
Write-down of property held for resale	1,762,793	-	-	-	-	(1,762,793)	-	-	(1,762,793)
Property transfer	-	-	-	19,958	-	19,958	-	-	19,958
Total Redevelopment Authority	1,835,422	-	-	19,958	-	-	-	-	-
South Barstow Business Improvement District									
Contractual services	52,526	-	-	-	-	(52,526)	-	-	(52,526)
Supplies and materials	15,463	-	-	-	-	(15,463)	-	-	(15,463)
Total South Barstow Business Improvement District	67,989	-	-	-	-	-	-	-	-
Nonmajor Component Units	37,479	6,900	-	-	-	-	-	(30,579)	(30,579)
<b>Total Component Units</b>	<b>\$ 5,848,470</b>	<b>\$ 944,085</b>	<b>\$ 3,312,883</b>	<b>\$ 1,467,707</b>	<b>1,722,248</b>	<b>(1,815,464)</b>	<b>(67,989)</b>	<b>(30,579)</b>	<b>(191,784)</b>
General revenues:									
Property taxes					-	-	80,000	65,000	145,000
Investment income					12,576	-	590	1,530	14,696
Contributions from City					-	200,000	-	-	200,000
Miscellaneous					-	-	350	1,190	1,540
Total General Revenues					12,576	200,000	80,940	67,720	361,236
<b>Change in net assets</b>					1,734,824	(1,615,464)	12,951	37,141	169,452
NET ASSETS - Beginning of Year					14,314,093	3,847,983	70,007	239,542	18,471,625
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 16,048,917</b>	<b>\$ 2,232,519</b>	<b>\$ 82,958</b>	<b>\$ 276,683</b>	<b>\$ 18,641,077</b>				

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 December 31, 2010

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NOTE	<u>Page</u>
I. Summary of Significant Accounting Policies	49
A. Reporting Entity	49
B. Government-Wide and Fund Financial Statements	50
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	54
D. Assets, Liabilities, and Net Assets or Equity	56
1. Deposits and Investments	56
2. Receivables	58
3. Inventories and Prepaid Items	59
4. Restricted Assets	60
5. Capital Assets	60
6. Other Assets	61
7. Compensated Absences	61
8. Long-Term Obligations/Conduit Debt	61
9. Claims and Judgments	62
10. Equity Classifications	62
11. Prior Period Information	63
II. Stewardship, Compliance, and Accountability	63
A. Budgetary Information	63
B. Limitations on the City Tax Levy	65
C. Deficit Balances	65
III. Detailed Notes on All Funds	65
A. Deposits and Investments	65
B. Receivables	69
C. Restricted Assets	71
D. Capital Assets	72
E. Interfund Receivables/Payables, Advances and Transfers	74
F. Long-Term Obligations	78
G. Lease Disclosures	83
H. Net Assets/Fund Balances	83
I. Component Units	87
J. Tax Incremental Financing Districts	100
IV. Other Information	101
A. Employees' Retirement System	101
B. Risk Management	103
C. Commitments and Contingencies	105
D. Post-Employment Benefits Other Than Pensions	106
E. Contingent Liabilities	107
F. Related Parties	108
G. Subsequent Events	108
H. Effect of New Accounting Standards on Current- Period Financial Statements	108

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. All discretely presented component units have been combined and reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that they are legally separate from the government.

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

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

The government-wide financial statements include the Housing Authority of the City of Eau Claire (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2010. Separately issued financial statements of the Housing Authority of the City of Eau Claire may be obtained from the Housing Authority's office, which is located at 203 South Farwell Street, P.O. Box 1186, Eau Claire, WI 54702-1186.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

---

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

##### ***Discretely Presented Component Units (cont.)***

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

The government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose 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, 2010. 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, West Grand Business Improvement District, Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the South Barstow Business Improvement District's financial statements have been presented as a discrete column 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, 2010. Separate financial statements are not issued by the BIDs.

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

In June 2007, the GASB issued statement *No. 51 - Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and reporting requirements for intangible assets to reduce inconsistencies among governments, thereby enhancing the comparability of such assets among state and local governments.

The City made the decision to implement this standard effective January 1, 2010.

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

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



# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

The City reports the following major governmental funds:

General Fund – accounts for the City’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TIF or enterprise fund debt.

The City reports the following major enterprise funds:

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

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

Storm Water Utility – accounts for the construction and operation of the City’s storm sewer system. It also accounts for the acquisition and maintenance of storm water detention areas.

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

The City reports the following nonmajor governmental and enterprise funds:

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

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

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

- Debt Service – TIF No. 6
- Debt Service – TIF No. 7

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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

- TIF No. 5 Gateway Northwest Business Park
- TIF No. 8 Downtown Development
- TIF No. 9 Gateway Northwest Business Park Overlay
- Street Projects
- Bridge Projects
- Buildings and Equipment
- Parks and Recreation Projects
- Environmental Improvements – Landfill
- Library Buildings and Equipment

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

- Parking Utility
- Hobbs Ice Center
- Outdoor Pool

In addition, the City reports the following fund types:

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

- Risk Management
- Central Equipment

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

- Tax Collection Fund

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewer 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.

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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

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

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

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

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

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility, and Public Transit are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Current rates in the Water Utility were approved by the Public Service Commission of Wisconsin and effective on May 1, 2009. Current Sewer Utility and Storm Water Utility rates were approved by the City council on November 5, 2009.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

---

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

---

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

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

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

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

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

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

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

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

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

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on the same day if prior to 11:00 a.m. CST. At December 31, 2010, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

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

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

Property tax calendar – 2010 tax roll:

Lien date and levy date	December 2010
Tax bills mailed	December 2010
Payment in full, or	January 31, 2011
First installment due	January 31, 2011
Second installment due	July 31, 2011
Personal property taxes in full	January 31, 2011
Tax sale – 2010 delinquent real estate taxes	October 2013



# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water and Sewer Utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant. The General Fund, Storm Water Utility and Community Enhancement Fund have recorded allowances of \$1,443,900, \$1,050, and \$25,655, 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 assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

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

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development loans receivable has been reduced by an allowance for uncollectible accounts of \$72,000.

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

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

Proprietary fund inventories, if material, are recorded at cost based on the 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

Funds on deposit with Wisconsin Municipal Insurance Company for payment of insurance claims are combined with twelve other participating governments. The City's deposit at year end was \$236,768. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

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

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

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

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. During the current year, \$38,100 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 assets. 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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

---

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

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

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

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

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

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

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

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2010 are determined on the basis of current salary rates and include salary related payments.

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is \$3,869,580, made up of one issue.

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

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditures for claims and judgments is 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. There were no significant claims or judgments at year end.

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

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

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

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

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

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

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

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

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

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

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

An annual budget has been adopted for the General Fund, Debt Service, and 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

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

The City Council approved proposed 2010 budgets for governmental and proprietary funds on November 5, 2009.

During 2010 and 2011, additional appropriations were approved in the General, General Debt Service, Debt Service - TIF No. 7, Economic Development, Community Enhancement, Cemetery Maintenance, Public Library, and City-County Health Department Funds. A summary of these council actions follows:

Fund	Original Appropriation	Carryover of Appropriations	Grants and Donations	Other	Final Appropriation
General Fund	\$ 54,340,400	\$ 3,100	\$ 258,300	\$ 586,000	\$ 55,187,800
General Debt Service	6,913,700	-	-	2,221,500	9,135,200
Debt Service – TIF No. 7	180,500	-	-	3,600	184,100
Economic Development	659,200	50,000	-	-	709,200
Community Enhancement	1,160,000	-	-	82,300	1,242,300
Cemetery Maintenance	416,800	-	1,200	-	418,000
Public Library	3,968,600	22,500	-	-	3,991,100
City-County Health	4,667,000	31,900	434,133	-	5,133,033

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

As part of Wisconsin’s Act 28 (2009), legislation was passed that 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 3% for the 2009 levy collected in 2010 and 3% for the 2010 levy collected in 2011. Changes in debt service from one year to the next are generally exempt from this limit. The levy limit is set to expire after the 2010 levy.

**C. DEFICIT BALANCES**

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

As of December 31, 2010, the following individual funds held a deficit balance:

Fund	Amount	Reason
Home Grant	\$ 1,709	Expenditures in excess of revenues
TIF No. 8 Downtown Development	2,235,123	Expenditures in excess of revenues

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

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

**A. DEPOSITS AND INVESTMENTS**

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

Per statement of net assets	
Cash and investments	\$ 96,617,705
Restricted cash and investments	7,050,802
Per statement of net assets – fiduciary funds	8,601,570
Sub-total	112,270,077
Less: Housing Authority cash and investments	(4,302,689)
Housing Authority restricted assets – cash and investments	(219,438)
Total	<u>\$ 107,747,950</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 6,313
Deposits with financial institutions	28,588,737
Investments	<u>79,152,900</u>
Total Cash and Investments	<u>\$ 107,747,950</u>

See Note III.I. for component unit information.

**Deposits**

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 28,588,737	\$ 29,042,374	Custodial credit risk

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

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

The City maintains collateral agreements with its bank. At December 31, 2010, the bank had pledged various government securities in the amount of \$32,577,226 to secure the City's deposits.

**Investments**

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

	Carrying Value	Associated Risks
U.S. agencies	\$ 39,036,730	Concentration of credit risk, credit risk, interest rate risk
Escrow account	236,768	Credit risk, interest rate risk
LGIP	<u>39,879,402</u>	Credit risk, interest rate risk
Total Cash and Investments	<u>\$ 79,152,900</u>	



# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

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

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

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

##### **Credit Risk**

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

As of December 31, 2010, the City's investments were rated as follows:

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

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

Local Government Investment Pool  
WMMIC Escrow Pool

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

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

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

At December 31, 2010, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. agencies – implicitly guaranteed	23%
FFCB	U.S. agencies – implicitly guaranteed	8%

**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, 2010, the City’s investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Bullet	05/12/11	N/A	\$ 3,034,680
FHLB One-Time Call	05/24/12	02/24/11	3,003,780
FHLB One-Time Call	06/15/12	03/15/11	2,003,800
FHLB One-Time Call	08/10/12	08/10/11	3,028,170
FHLB Callable	08/23/12	02/23/11	2,003,240
FFCB Callable	09/10/12	01/26/11	2,000,060
FHLB One-Time Call	09/26/12	09/26/11	2,014,960
FHLB Callable	01/14/13	01/14/11	2,000,880
FHLMC Bullet	03/28/13	03/28/11	2,994,030
FHLMC One-Time Call	04/08/13	04/08/11	2,011,020
FFCB Callable	04/25/13	01/26/11	1,987,660
FFCB Callable	09/20/13	01/26/11	1,997,440
FNMA One-Time Call	09/20/13	09/20/12	1,992,740
FNMA Callable	09/30/13	03/30/11	1,994,940
FHLB One-Time Call	02/28/14	02/28/11	1,002,750
FHLMC Callable	04/15/14	04/15/11	1,993,640
FNMA One-Time Call	04/25/14	10/25/11	1,972,880
FNMA Callable	07/07/15	01/07/11	2,000,060
Total			<u>\$ 39,036,730</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Interest Rate Risk (cont.)**

Investment	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pool	\$ 39,879,402	73
WMMIC Escrow Pool	236,768	N/A

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

**B. RECEIVABLES**

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

**Governmental Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
General	\$ 35,261,043	\$ 1,443,900	\$ 33,817,143	\$ 2,545,648
Debt Service - General	4,652,786	-	4,652,786	3,150,917
Nonmajor Funds	12,645,597	97,655	12,547,942	5,737,429
Internal Service Funds	230,033	-	230,033	75,861

**Business-type Activities**

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,914,856	-	\$ 2,914,856	\$ 668,080
Sewer Utility	2,954,909	-	2,954,909	650,717
Storm Water Utility	965,497	1,050	964,447	1,758
Public Transit	45,690	-	45,690	4,129
Nonmajor Funds	176,446	-	176,446	1,145

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**B. RECEIVABLES (cont.)**

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

	Unavailable	Unearned	Totals
Property taxes receivable	\$ -	\$ 35,418,633	\$ 35,418,633
Delinquent property taxes receivable	273,341	-	273,341
Investment interest receivable	64,922	-	64,922
Accounts receivable	1,741,042	-	1,741,042
Loans receivable	5,381,462	-	5,381,462
Interest on special assessments	305,576	-	305,576
Special assessments not yet due	6,620,623	-	6,620,623
Grants receivable	127,364	5,000	132,364
 Total Deferred/Unearned Revenue for Governmental Funds	 \$ 14,514,330	 \$ 35,423,633	 \$ 49,937,963

**Notes Receivable**

At December 31, 2010, the General Fund has one note receivable for \$25,000. The note will be paid by the Chippewa Valley Incubation Center which used the proceeds to partially fund a loan pool that is designed to provide beginning businesses with loans to purchase machinery and equipment.

The Community Development Block Grant Special Revenue Fund has notes receivable of \$2,627,827 at December 31, 2010, with maturities to the year 2020. These loans include \$683,079 for four small industry and economic development loans and \$1,944,748 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 164 loans which are all required to be secured by a lien on the property. Some loans can be deferred until the property is sold. Interest on these loans is either lower than market or zero. The City discontinued the small industry loan program in 1989.

The Home Grant Special Revenue Fund has notes receivable of \$1,217,011 at December 31, 2010. This balance is comprised of eight loans for transitional and affordable housing totaling \$1,092,263 and down payment and closing cost loans totaling \$124,748.

The Economic Development Special Revenue Fund has notes receivable of \$1,522,041 at December 31, 2010. This balance is comprised of 13 different loans to a variety of businesses and not-for-profits.

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

***Long Term Debt Accounts***

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

***Equipment Replacement Account***

The Water 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, 2010:

	Governmental Activities	Business-type Activities
Restricted Assets		
Redemption account	\$ -	\$ 1,451,972
Replacement account	-	407,000
Revolving loan sequestered funds	328,016	-
Street Projects construction account	1,819,407	-
Buildings and Equipment construction account	1,075,421	-
Storm Water construction account	-	1,512,780
Insurance claims account	236,768	-
Total Restricted Assets	\$ 3,459,612	\$ 3,371,752

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated/ Amortized				
Construction in progress	\$ 4,977,021	\$ 4,300,312	\$ 1,245,558	\$ 8,031,775
Land	<u>15,236,043</u>	<u>33,037</u>	<u>61,079</u>	<u>15,208,001</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>\$ 20,213,064</u>	<u>\$ 4,333,349</u>	<u>\$ 1,306,637</u>	<u>\$ 23,239,776</u>
Capital Assets Being Depreciated/ Amortized				
Land improvements	\$ 9,371,892	\$ 73,127	\$ -	\$ 9,445,019
Buildings	20,110,160	14,997	11,500	20,113,657
Machinery and equipment	29,316,472	2,766,339	1,330,572	30,752,239
Intangibles	-	87,745	-	87,745
Infrastructure	<u>154,794,606</u>	<u>4,620,794</u>	<u>1,743,600</u>	<u>157,671,800</u>
Total Capital Assets Being Depreciated/Amortized	<u>213,593,130</u>	<u>7,563,002</u>	<u>3,085,672</u>	<u>218,070,460</u>
Less: Accumulated Depreciation/ Amortization for				
Land improvements	(2,349,400)	(490,213)	-	(2,839,613)
Buildings	(10,979,589)	(450,589)	10,924	(11,419,254)
Machinery and equipment	(14,576,043)	(2,373,259)	1,076,127	(15,873,175)
Intangibles	-	(4,593)	-	(4,593)
Infrastructure	<u>(58,981,623)</u>	<u>(4,781,593)</u>	<u>1,110,984</u>	<u>(62,652,232)</u>
Total Accumulated Depreciation/Amortization	<u>(86,886,655)</u>	<u>(8,100,247)</u>	<u>2,198,035</u>	<u>(92,788,867)</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>\$ 126,706,475</u>	<u>\$ (537,245)</u>	<u>\$ 887,637</u>	<u>\$ 125,281,593</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 203,456
Public safety	854,542
Public works, which includes the depreciation of infrastructure	5,400,452
Health services	11,470
Culture and recreation	1,628,877
Development	<u>1,450</u>
 Total Governmental Activities Depreciation Expense	 <u><u>\$ 8,100,247</u></u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated				
Construction in progress	\$ 15,602,158	\$ 3,158,544	\$ 7,633,042	\$ 11,127,660
Land	<u>15,755,446</u>	<u>1,046,109</u>	<u>-</u>	<u>16,801,555</u>
 Total Capital Assets Not Being Depreciated	 <u><u>\$ 31,357,604</u></u>	 <u><u>\$ 4,204,653</u></u>	 <u><u>\$ 7,633,042</u></u>	 <u><u>\$ 27,929,215</u></u>
 Other Capital Assets				
Improvements	\$ 3,743,213	\$ -	\$ -	\$ 3,743,213
Buildings	30,466,206	6,172,155	-	36,638,361
Distribution and collection systems	154,413,645	4,959,183	204,344	159,168,484
Source of supply system	893,255	-	-	893,255
Machinery and equipment	<u>14,159,144</u>	<u>242,487</u>	<u>63,542</u>	<u>14,338,089</u>
Total Capital Assets Being Depreciated	 <u>203,675,463</u>	 <u>11,373,825</u>	 <u>267,886</u>	 <u>214,781,402</u>
 Less: Accumulated Depreciation for				
Improvements	(1,808,967)	(155,541)	-	(1,964,508)
Buildings	(16,573,295)	(933,268)	-	(17,506,563)
Distribution and collection systems	(38,163,733)	(2,772,317)	164,505	(40,771,545)
Source of supply system	(691,342)	(20,741)	-	(712,083)
Machinery and equipment	<u>(11,143,957)</u>	<u>(683,454)</u>	<u>53,323</u>	<u>(11,774,088)</u>
Total Accumulated Depreciation	 <u>(68,381,294)</u>	 <u>(4,565,321)</u>	 <u>217,828</u>	 <u>(72,728,787)</u>
 Total Capital Assets, Being Depreciated, Net	 <u><u>\$ 135,294,169</u></u>	 <u><u>\$ 6,808,504</u></u>	 <u><u>\$ 50,058</u></u>	 <u><u>\$ 142,052,615</u></u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,641,389
Sewer	1,348,294
Storm Water	652,780
Public Transit	327,702
Parking Utility	217,540
Hobbs Ice Center	208,039
Outdoor Pool	55,996
Other	<u>113,581</u>
 Total Business-type Activities Depreciation Expense	 <u><u>\$ 4,565,321</u></u>

**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 – Public Library	\$ 11,737
General Fund	Special Revenue – City-County Health	11,254
General Fund	Special Revenue – HOME Grant	36,069
General Fund	Enterprise – Hobbs Ice Center	113,906
Internal Service – Central Equipment	Special Revenue – Public Library	<u>1,548</u>
 Sub-total – Fund Financial Statements		 174,514
 Less: Fund eliminations		 <u>(60,608)</u>
 Total interfunds		 113,906
Government-wide net interfund advances		7,347,960
Adjustment to reflect internal service fund activities related to enterprise funds		<u>(137,334)</u>
 Total Internal Balances – Government-Wide Statement of Net Assets		 <u><u>\$ 7,324,532</u></u>



**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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 assets, 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 advance is 5.10%.

The Economic Development, Street 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	\$ 2,619,593	\$ 2,206,812
General Fund	Sewer Utility	688,367	639,130
General Fund	Enterprise – Hobbs Ice Center	4,040,000	3,850,000
General Fund	Debt Service – TIF No. 7	10,000	10,000
Special Revenue – Economic Development	Capital Projects – TIF No. 8	400,000	400,000
Capital Projects – Street 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>	<u>1,838,700</u>
Sub-total – Fund Financial Statements		10,596,660	
Less: Fund eliminations		<u>(3,248,700)</u>	
Total Net Government-Wide Advances		<u><u>\$ 7,347,960</u></u>	

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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		Totals
	Principal	Interest	
2011	\$ 652,018	\$ 366,588	\$ 1,018,606
2012	685,810	328,798	1,014,608
2013	635,277	287,962	923,239
2014	672,534	250,501	923,035
2015	553,808	210,044	763,852
2016 – 2020	4,148,513	498,755	4,647,268
Totals	\$ 7,347,960	\$ 1,942,648	\$ 9,290,608

**Transfers**

Following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>General Fund</b>	Community Development	\$ 34,165	To fund coalition for youth
	Community Enhancement	100,000	To fund general fund special events
	Water Utility	1,431,499	Payment in lieu of tax
	Sewer Utility	50,000	To pay back contributed capital
	Storm Water Utility	752,408	Fund street cleaning costs
<b>Special Revenue</b>	General Fund	182,995	Operating subsidy
	General Fund	100,000	General support
	Buildings and Equipment	3,779	IFERN Grant match returned
	Community Development	73,026	Fund code enforcement project
	Economic Development	80,000	Operating subsidy
<b>Debt Service</b>	General Fund	4,965,849	Debt service payments
	Public Library	40,185	Debt service payments
	City-County Health Department	29,138	Debt service payments
	Department		

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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>			
Street Projects	General Fund	\$ 340,000	Fund various projects
Street Projects	Community Development	169,795	Fund street construction
Buildings and Equipment	General Fund	956,800	Fund various projects
Buildings and Equipment	Cemetery Maintenance	33,000	Forest Hill and Lakeview remodel
Buildings and Equipment	Community Development	137,212	Fund comprehensive plan/home ownership program
Bridges	General Fund	150,000	Fund bridge renovations
Parks and Recreation	General Fund	180,000	Fund park development projects
Parks and Recreation	Community Enhancement	130,500	Fund park development projects
Environmental Improvement	Risk Management	95,000	Fund environmental projects
Library Buildings and Equipment	Public Library	106,000	Fund facility improvements
<b>Enterprise</b>			
Public Transit	General Fund	774,806	Operating subsidy
Parking Utility	General Fund	7,750	Operating subsidy
Hobbs Ice Center	General Fund	60,037	Operating subsidy
Hobbs Ice Center	Community Enhancement	75,000	Subsidize facilities improvements
Outdoor Pool	General Fund	102,124	Operating subsidy
<b>Internal Service</b>			
Central Equipment	Sewer Utility	<u>123,600</u>	Replacement of sewer rodder
Sub-total – Fund Financial Statements		11,284,668	
Less: Fund eliminations		<u>(9,946,878)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 1,337,790</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 December 31, 2010

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2010 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	\$ 71,060,000	\$ 7,706,500	\$ 7,120,000	\$ 71,646,500	\$ 5,704,400
State trust fund notes	468,000	-	-	468,000	35,205
Add/(Subtract) Deferred Amounts For:					
Refundings – gains/(losses)	(170,433)	(102,985)	(19,233)	(254,185)	-
Premiums/(discounts)	365,803	26,941	26,895	365,849	-
Sub-totals	71,723,370	7,630,456	7,127,662	72,226,164	5,739,605
Other Liabilities					
Vested compensated absences	2,230,204	2,425,992	2,381,702	2,274,494	2,018,166
Police and fire pensions	363,290	-	12,897	350,393	69,542
Duty disability	3,873,938	421,771	376,322	3,919,387	402,301
Other post-employment benefits	2,834,328	2,125,844	-	4,960,172	-
Unpaid self-insurance claims	1,873,591	688,990	1,094,539	1,468,042	220,000
Total Other Liabilities	11,175,351	5,662,597	3,865,460	12,972,488	2,710,009
Total Governmental Activities Long-Term Liabilities	\$ 82,898,721	\$ 13,293,053	\$ 10,993,122	\$ 85,198,652	\$ 8,449,614
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable					
General obligation bonds	\$ 16,405,000	\$ 4,063,500	\$ 3,215,000	\$ 17,253,500	\$ 1,030,600
State trust fund notes	161,688	-	37,796	123,892	39,497
Revenue bonds	10,070,000	-	625,000	9,445,000	745,000
Add/(Subtract) Deferred Amounts For:					
Refundings – gains/(losses)	(124,286)	(109,555)	(21,124)	(212,717)	-
Premiums/(discounts)	113,249	26,993	9,902	130,340	-
Sub-totals	26,625,651	3,980,938	3,866,574	26,740,015	1,815,097
Other Liabilities					
Vested compensated absences	389,654	538,821	522,066	406,409	406,409
Other post-employment benefits	351,976	263,993	-	615,969	-
Total Other Liabilities	741,630	802,814	522,066	1,022,378	406,409
Total Business-type Activities Long-Term Liabilities	\$ 27,367,281	\$ 4,783,752	\$ 4,388,640	\$ 27,762,393	\$ 2,221,506

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**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, 2010, was \$211,231,190. Total general obligation debt outstanding at year end was \$89,491,892.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-10</u>
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
Corporate purpose	08/15/01	04/01/11	4.25%	\$ 8,700,000	\$ 455,000
Corporate purpose	08/15/02	04/01/15	3.5-3.875%	4,120,000	775,000
Corporate purpose	08/15/02	04/01/22	4.0-4.7%	3,700,000	1,655,000
Corporate purpose	09/15/03	04/01/23	4.0-4.8%	9,870,000	7,155,000
Corporate purpose	09/15/03	04/01/23	3.5-4.6%	4,405,000	2,760,000
Corporate purpose	09/01/04	04/01/24	3.5-4.5%	6,270,000	4,050,000
Tax incremental bonds	09/01/04	04/01/14	6.28%	570,000	570,000
Corporate purpose	06/01/05	04/01/25	3.5-4.25%	5,850,000	4,340,000
Tax incremental bonds	06/01/05	04/01/22	3.7-4.1%	200,000	200,000
Tax incremental bonds	12/01/05	04/01/19	3.7-4.125%	3,000,000	3,000,000
Corporate purpose	08/01/06	04/01/26	4.125-5.0%	5,125,000	4,010,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	7,810,000
Tax incremental bonds	05/01/07	04/01/25	4.0-5.0%	1,440,000	1,440,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	11,260,000
Corporate purpose	07/01/08	04/01/28	3.5-4.2%	6,240,000	5,630,000
Corporate purpose	07/01/08	04/01/18	3.625-3.875%	2,015,000	1,695,000
Corporate purpose	07/01/08	04/01/28	5.0-6.125%	8,145,000	7,770,000
Corporate purpose	07/15/09	04/01/29	1.85-6.15%	8,560,000	8,360,000
Corporate purpose	07/15/09	04/01/19	1.6-5.1%	4,350,000	4,195,000
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	3,975,000
Corporate purpose	08/17/10	04/01/21	1.5-3.0%	4,585,000	4,585,000
Sub-total					<u>88,900,000</u>
Less: Enterprise portion of G.O. Bonds					<u>(17,253,500)</u>
Total – Governmental Activities – G.O. Bonds					<u>71,646,500</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**General Obligation Debt (cont.)**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-10</u>
<b>Governmental Activities</b>					
General Obligation Debt					
State trust fund note	09/15/09	03/15/19	4.25%	\$ 468,000	\$ <u>468,000</u>
Total Governmental Activities – General Obligation Debt					<u>72,114,500</u>
<b>Business-type Activities</b>					
General Obligation Debt					
State trust fund note	08/27/03	3/15/13	4.5%	320,000	123,892
Plus: Enterprise portion of G.O. Bonds					<u>17,253,500</u>
Total Business-type Activities General Obligation Debt					<u>17,377,392</u>
Total General Obligation Debt					<u>\$ 89,491,892</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 5,739,605	\$ 3,006,773	\$ 1,070,097	\$ 683,888
2012	5,860,164	2,757,054	1,137,614	631,309
2013	5,642,031	2,546,043	1,159,641	593,745
2014	6,036,554	2,323,667	1,159,050	553,867
2015	5,513,555	2,097,043	1,194,200	512,980
2016 – 2020	24,342,941	7,283,869	6,126,440	1,870,909
2021 – 2025	12,429,650	3,262,936	3,935,350	815,939
2026 – 2030	6,550,000	673,581	1,595,000	165,871
Totals	<u>\$ 72,114,500</u>	<u>\$ 23,950,966</u>	<u>\$ 17,377,392</u>	<u>\$ 5,828,508</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Revenue Debt**

Business-type activities revenue bonds are payable only from revenues derived from the operation of the Water 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 \$12,656,851. Principal and interest paid for the current year and total customer net revenues were \$1,094,244 and \$4,165,526, respectively. Annual principal and interest payments are expected to require 8% of Water Utility revenues through 2028.

Revenue debt payable at December 31, 2010 consists of the following:

**Business-type Activities Revenue Debt**

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-10
<u>Water Utility</u>					
Revenue bonds	08/15/01	10/01/16	4.0-4.8%	\$ 4,615,000	\$ 3,075,000
Revenue bonds	09/15/03	10/01/17	2.5-4.3%	2,310,000	880,000
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	2,000,000	1,740,000
Revenue bonds	07/15/09	10/01/28	3.0-4.8%	3,825,000	<u>3,750,000</u>
 Total Water Utility					 <u>\$ 9,445,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 745,000	\$ 410,768	\$ 1,155,768
2012	775,000	380,905	1,155,905
2013	805,000	349,136	1,154,136
2014	845,000	314,736	1,159,736
2015	885,000	277,993	1,162,993
2016 – 2020	2,540,000	916,160	3,456,160
2021 – 2025	1,850,000	465,523	2,315,523
2026 – 2028	<u>1,000,000</u>	<u>96,630</u>	<u>1,096,630</u>
 Totals	 <u>\$ 9,445,000</u>	 <u>\$ 3,211,851</u>	 <u>\$ 12,656,851</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

The City issues debt to fund its capital projects. In 2008, a portion of the 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.

##### ***Advance Refunding***

On August 17, 2010, the City issued \$4,585,000 in general obligation refunding bonds with an average interest rate of 2.58% to advance refund \$4,520,000 of outstanding bonds with an average interest rate of 4.91%. The net proceeds of \$4,623,034 (after payment of underwriting fees, insurance and other issuance costs) plus an additional \$109,055 of sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds prior to the advance refunding was \$5,942,212 from 2010 through 2021. The cash flow requirements on the refunding bonds are \$5,326,622 from 2011 through 2021. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$541,062.

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

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2010 was \$19,233 for the governmental activities, \$9,146 for the Water Utility, and \$11,978 for the Storm Water Utility.



**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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**G. LEASE DISCLOSURES**

The City has no material leases as lessee or lessor.

**H. NET ASSETS/FUND BALANCES**

Net assets reported on the government wide statement of net assets at December 31, 2010 includes the following:

**Governmental Activities**

Invested in capital assets, net of related debt	
Construction in progress	\$ 8,031,775
Land	15,208,001
Other capital assets, net of accumulated depreciation	125,281,593
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(57,948,650)</u>
Total Invested in Capital Assets	<u>90,572,719</u>
Restricted	
Deposits	1,003,264
Unspent grant proceeds	580,448
New loans	1,215,302
RCU agreement	368,159
Debt service payments	<u>11,738,672</u>
Total Restricted	<u>14,905,845</u>
Unrestricted	<u>50,715,707</u>
Total Governmental Activities Net Assets	<u>\$ 156,194,271</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Governmental Activities (cont.)**

Governmental fund balances reported on the fund financial statements at December 31, 2010 include the following:

<b>Reserved</b>	
Major Funds	
General Fund	
Notes receivable	\$ 25,000
Prepaid items and inventories	780,338
Advances to other funds (noncurrent portion)	<u>6,705,942</u>
Total	<u>\$ 7,511,280</u>
General Debt Service Fund	
Reserved for debt service	<u>\$ 7,498,810</u>
Nonmajor Funds	
Special Revenue – Economic Development	
Reserved for advances to other funds (noncurrent portion)	\$ 400,000
Reserved for grant proceeds	<u>512,187</u>
Sub-total	<u>912,187</u>
Special Revenue – City-County Health Department	
Reserved for prepaid items	65,071
Reserved for grant proceeds	<u>68,261</u>
Sub-total	<u>133,332</u>
Debt Service – TIF No. 6	
Reserved for TIF No. 6 debt service	<u>1,392,442</u>
Debt Service – TIF No. 7	
Reserved for TIF No. 7 debt service	<u>17,959</u>
Capital Projects – TIF No. 5 Gateway NW Business Park	
Reserved for capital contracts	<u>12,803</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Governmental Activities (cont.)**

**Reserved (cont.)**

Nonmajor Funds (cont.)

Capital Projects - Street Projects	
Reserved for advances to other funds (noncurrent portion)	\$ 1,000,000
Reserved for bond construction	<u>1,819,407</u>
Sub-total	<u>2,819,407</u>
Capital Projects – Bridge Projects	
Reserved for capital contracts	<u>57,451</u>
Capital Projects – Buildings and Equipment	
Reserved for capital contracts	173,355
Reserved for bond construction	<u>1,075,421</u>
Sub-total	<u>1,248,776</u>
Capital Projects – Parks and Recreation Projects	
Reserved for capital contracts	<u>3,025</u>
Capital Projects – Environmental Improvements – Landfill	
Reserved for capital contracts	4,030
Reserved for environmental remediation	<u>368,159</u>
Sub-total	<u>372,189</u>
Capital Projects – Library Buildings and Equipment	
Reserved for capital contracts	<u>290,329</u>
Total Reserved Fund Balance – Nonmajor Funds	<u>\$ 7,259,900</u>

**Unreserved, designated**

Major Funds

General Fund designated for	
Highway 53 maintenance	\$ 2,684,962
Working capital	3,700,000
Subsequent year expenditures	652,762
YMCA land sale	<u>429,341</u>
Total	<u>\$ 7,467,065</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Governmental Activities (cont.)**

**Unreserved, designated (cont.)**

Nonmajor Funds

Special Revenue Funds designated for  
Cemetery Maintenance

- Subsequent year expenditures \$ 54,142

Hazardous Materials Response

- Subsequent year expenditures 188,185

Community Development

- Subsequent year expenditures 90,414

Economic Development

- Economic development 950,000  
- Subsequent year expenditures 1,681,984  
- Downtown facade loans 10,000  
- Code compliance loans 100,000

Community Enhancement

- Subsequent year expenditures 64,088

Public Library

- Library funds 100,615  
- Capital projects 220,000  
- Subsequent year expenditures 496,509

City-County Health Department

- Subsequent year expenditures 661,737

Downtown Partners

- Subsequent year expenditures 38,427  
- Loft matching program 11,000

Sub-total – Special Revenue Funds

4,667,101

Capital Projects Funds designated for  
TIF No. 5 Gateway NW Business Park  
TIF No. 9 Gateway NW Business Park  
Overlay

- Subsequent year expenditures 2,383,946

- Subsequent year expenditures 48,567

Street Projects

- Subsequent year expenditures 7,772,259

Bridge Projects

- Subsequent year expenditures 897,675

Buildings and Equipment

- Subsequent year expenditures 3,205,362

Parks and Recreation Projects

- Subsequent year expenditures 1,405,766

Environmental Improvements-Landfill

- Subsequent year expenditures 1,896,032

Library Buildings and Equipment

- Subsequent year expenditures 632,241

Sub-total – Capital Projects Funds

18,241,848

Total Designations – Nonmajor Funds

\$ 22,908,949

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### **H. NET ASSETS/FUND BALANCES** (cont.)

##### ***Business-type Activities***

Invested in capital assets, net of related debt	
Construction in progress	\$ 11,127,660
Land	16,801,555
Other capital assets, net of accumulated depreciation	142,052,615
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(25,227,235)</u>
Total Invested in Capital Assets	<u>144,754,595</u>
Restricted	
Debt service payments	1,349,280
Equipment replacement	<u>407,000</u>
Total Restricted	<u>1,756,280</u>
Unrestricted	<u>14,596,965</u>
Total Business-type Activities Net Assets	<u>\$ 161,107,840</u>

#### **I. COMPONENT UNITS**

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

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

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

##### a. Basis of Accounting/Measurement Focus

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

***Housing Authority* (cont.)**

b. Deposits and Investments

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

Petty cash and cash on hand	\$ 1,760
Deposits with financial institutions	1,121,193
Investments	<u>3,399,174</u>
Total Cash and Investments	<u><u>\$ 4,522,127</u></u>

Reconciliation to financial statements:

Per statement of net assets	
Unrestricted cash and investments	\$ 4,302,689
Restricted cash and investments	<u>219,438</u>
Total	<u><u>\$ 4,522,127</u></u>

The Housing Authority has adopted an investment policy. That policy states that the Housing Authority must invest its funds in securities that are approved by the U.S. Department of Housing and Urban Development. As of December 31, 2010, the Housing Authority is in compliance with this policy. The policy does not address the interest rate risk and custodial credit risk that the Housing Authority has with its deposits and investments.

*Deposits*

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 1,121,193	\$ 1,138,762	Custodial credit risk

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

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

##### *Housing Authority* (cont.)

#### b. Deposits and Investments (cont.)

##### *Investments*

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

	Carrying Value	Associated Risks
Negotiable certificates of deposit	\$ 3,399,174	Interest rate risk, custodial credit risk, credit risk

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

##### *Custodial Credit Risk*

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

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

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

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

##### *Credit Risk*

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

As of December 31, 2010, the Housing Authority had negotiable certificates of deposit which were not rated.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Housing Authority (cont.)**

b. Deposits and Investments (cont.)

*Interest Rate Risk*

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

As of December 31, 2010, the Housing Authority's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Negotiable certificates of deposit	\$ 3,399,174	1.97

c. Receivables

Accounts Receivable - tenants	\$ 14,788
Less: Allowance for Uncollectibles	(1,001)
Other receivables	2,859
Net Total Receivables	\$ 16,646

All receivables are expected to be collected within one year.

d. Restricted Assets

*Voucher Program – Grant Requirements*

The Housing Authority maintains restricted cash in the amount of housing assistance payments equity as required by the grantor.



**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Housing Authority (cont.)**

e. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Construction work in progress	\$ 158,052	\$ -	\$ 158,052	\$ -
Land	1,408,299	89,900	57,167	1,441,032
Total Capital Assets Not Being Depreciated	\$ 1,566,351	\$ 89,900	\$ 215,219	\$ 1,441,032
Other Capital Assets				
Land improvements	\$ 841,052	\$ 48,734	\$ 7,095	\$ 882,691
Buildings	15,751,374	863,742	420,651	16,194,465
Machinery and equipment	925,364	248,528	120,824	1,053,068
Total Capital Assets Being Depreciated	17,517,790	1,161,004	548,570	18,130,224
Less: Accumulated depreciation for				
Land improvements	(396,222)	(31,694)	197	(427,719)
Buildings	(6,372,444)	(509,239)	90,700	(6,790,983)
Machinery and equipment	(512,777)	(60,273)	106,284	(466,766)
Total Accumulated Depreciation	(7,281,443)	(601,206)	197,181	(7,685,468)
Net Other Capital Assets	\$ 10,236,347			\$ 10,444,756

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Housing Authority (cont.)**

f. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds and Notes Payable					
Revenue bonds	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ -
Mortgage notes	93,126	-	93,126	-	-
Other loans/notes	<u>982,640</u>	-	<u>724,178</u>	<u>258,462</u>	<u>195,462</u>
Sub-totals	<u>1,100,766</u>	-	<u>842,304</u>	<u>258,462</u>	<u>195,462</u>
Other Liabilities					
Vested compensated absences	52,107	61,033	56,058	57,082	57,082
Other post-employment benefits	6,177	-	-	6,177	-
Other noncurrent liabilities	<u>20,092</u>	-	<u>20,092</u>	-	-
Sub-totals	<u>78,376</u>	<u>61,033</u>	<u>76,150</u>	<u>63,259</u>	<u>57,082</u>
Total Long-Term Liabilities	<u>\$ 1,179,142</u>	<u>\$ 61,033</u>	<u>\$ 918,454</u>	<u>\$ 321,721</u>	<u>\$ 252,544</u>

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Housing Authority (cont.)**

f. Long-Term Obligations (cont.)

*Other Loans/Notes Payable*

Other loans and notes payable at December 31, 2010 consist of the following:

**Park Towers Apartments**

1992 note payable to the City of Eau Claire Community Development Block Grant Program. The unsecured note is non-interest bearing and was due upon repayment of the Wisconsin Housing Economic Development Authority mortgage in 2010.	\$ 195,462
1991 note payable to the City of Eau Claire Community Development Block Grant Program. The unsecured note is non-interest bearing and is due March 20, 2021. If the Housing Authority transfers ownership to another party or no longer occupies the property, The note shall become immediately payable.	<u>63,000</u>
Total Notes Payable	<u>\$ 258,462</u>

Debt service payments to maturity are as follows: 2011 – principal of \$195,462; 2021 – principal of \$63,000. All notes payable are non-interest bearing.

*Other Debt Information*

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

**Housing Authority (cont.)**

g. Net Assets

Net assets reported on the statement of net assets at December 31, 2010 include the following:

Invested in capital assets, net of related debt	
Land	\$ 1,441,032
Other capital assets, net of accumulated depreciation	10,444,756
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(258,462)</u>
Total Invested in Capital Assets	<u>11,627,326</u>
Restricted	
Grant requirements	<u>219,438</u>
Unrestricted	<u>4,202,153</u>
Total Net Assets	<u>\$ 16,048,917</u>

h. Employee Retirement System

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

All eligible City and Housing Authority employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Housing Authority employees covered by the WRS for the year ended December 31, 2010 was \$524,567; the employer's total payroll was \$539,788. The total required contribution for the year ended December 31, 2010 was \$57,702 or 11% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ending December 31, 2009 and 2008 were \$53,136 and \$53,364, respectively, equal to the required contributions for each year. The City of Eau Claire employees who work for Housing Authority are covered under the City's plan. Detailed information can be found in Note IV.A.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

##### **Housing Authority** (cont.)

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

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

###### i. Risk Management

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

##### *Self-Insurance*

The Housing Authority is insured for workers' compensation through the City of Eau Claire. The City of Eau Claire self-insures its workers' compensation exposure for the first \$300,000 of each occurrence. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years. Payments to the City's self-insurance program are based on historical cost estimates of amounts needed to pay prior and current year claims. See note IV.B. for further details.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

##### **Housing Authority** (cont.)

#### j. Commitments and Contingencies

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

The Housing Authority provides housing for the Park Tower Apartments Fund pursuant to Section 8 of the United States Housing Act of 1974. Rentals are subsidized by the federal government through a housing assistance payments contract between WHEDA and the Housing Authority. Total assistance payments received from WHEDA were \$670,009 during 2010.

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

There is no project debt outstanding at year-end.

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

#### k. Related Parties

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

##### **Housing Authority** (cont.)

###### I. Economic Dependency

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

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

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

##### **Redevelopment Authority**

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

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

###### a. Basis of Accounting

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

###### b. Deposits and Investments

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 \$1,101,375. 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.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

#### c. Note Receivable

The amount of note receivable not expected to be collected within one year was \$420,000 as of December 31, 2010.

#### d. Property Held for Resale

Property held for resale activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Property held for resale	<u>\$ 2,438,098</u>	<u>\$ 35,839</u>	<u>\$ -</u>	<u>\$ (1,762,793)</u>	<u>\$ 711,144</u>

Adjustments were due to the write-down of property held for resale to lower of cost or market.

#### 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.



# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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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

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. The credits awarded in 2010 were in the amount of \$60,000. As of January 1, 2010, PPL had met the property valuation required for the full annual land credit on the note receivable. No further installments are expected to be collected in 2011 and years thereafter.

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

##### **Business Improvement Districts**

###### a. Basis of Accounting and Measurement Focus

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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

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

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

b. Deposits and Investments

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

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

South Barstow	\$	<u>85,672</u>
West Grand	\$	<u>10,788</u>
Water Street	\$	<u>44,749</u>
North Barstow/Medical	\$	<u>215,932</u>

**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

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**J. TAX INCREMENTAL FINANCING DISTRICTS (cont.)**

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

The following table summarizes the project and expenditures from creation of the districts through December 31, 2010.

Project Costs	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8	TIF No. 9
Capital expenditures	\$ 6,087,765	\$ 1,130,256	\$ 1,557,146	\$ 8,874,564	\$ -
Interest and fiscal charges	2,367,081	638,656	1,028,872	2,367,562	150
Development, Marketing, Bond issuance costs	-	-	-	-	1,000
Total Project Costs	<u>8,454,846</u>	<u>1,768,912</u>	<u>2,586,018</u>	<u>11,242,126</u>	<u>1,150</u>
<b>Project Revenues</b>					
Tax increments	4,368,205	1,966,693	1,031,748	1,956,445	49,579
Interest income and misc. revenue	1,008,388	239,683	362,230	957,487	138
Grants and donations	-	-	-	433,070	-
Special assessments revenue	-	227,679	-	-	-
Total Project Revenues	<u>5,376,593</u>	<u>2,434,055</u>	<u>1,393,978</u>	<u>3,347,002</u>	<u>49,717</u>
Net Recoverable Costs (Refundable)	<u>\$ 3,078,253</u>	<u>\$ (665,143)</u>	<u>\$ 1,192,040</u>	<u>\$ 7,895,124</u>	<u>\$ (48,567)</u>

**NOTE IV – OTHER INFORMATION**

**A. EMPLOYEES' RETIREMENT SYSTEM**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 6.2% of their salary (3.2% for Executives and Elected Officials, 5.5% for Protective Occupations with Social Security, and 3.9% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2010 was \$32,689,083; the employer's total payroll was \$33,854,951. The total required contribution for the year ended December 31, 2010 was \$4,697,855 or 14.4% of covered payroll. Of this amount, nearly 100% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2009 and 2008 were \$4,414,455 and \$4,874,226, respectively, equal to the required contributions for each year.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service, and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers 14 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 2010 was approximately \$69,335. Total estimated unfunded pension-related debt of this plan is approximately \$350,393 as of December 31, 2010, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2009 and 2008 was \$69,176 and \$74,832, respectively, equal to required contributions for each year. The rate of investment return is presently assumed to be 8%. The estimated remaining period of amortization is 15 years. This information is included in the above pension plan. The report can be obtained from the same address above.

The Wisconsin Retirement System also manages a duty disability plan under Section 40.65 of the Wisconsin Statutes. This plan pays lifetime disability benefits to police and fire employees who sustain on-the-job injuries that prevent them from continuing employment. The costs of this program are charged to the City as a percentage of current police and fire wages. In 2010, 16 former employees participated in the program at a cost of \$660,256. The estimated present value of future costs for this program is \$3,683,104.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2010, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$236,283.

**CITY OF EAU CLAIRE**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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

**B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; health care of its employees, and natural disaster. The City purchases commercial insurance to provide coverage for employee health, property damage, and boiler insurance. However, workers compensation risks are accounted for and financed by an internal service fund – the Risk Management Fund.

**Self Insurance**

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

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

The unpaid claims liability of \$1,468,042 at December 31, 2010 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 \$793,800 of potential workers compensation claims and \$674,242 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	\$ 2,091,416	\$ 1,873,591
Current year claims and changes in estimates	909,227	688,990
Claim payments	(1,127,052)	(1,094,539)
Unpaid Claims – End of Year	\$ 1,873,591	\$ 1,468,042

**Public Entity Risk Pool**

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

The Transit Mutual Insurance Corporation of Wisconsin is an organization of Wisconsin municipalities which have joined together for the managing and funding of the first party property losses, vehicle physical damage and third party liability claims of its member municipalities' mass transit funds.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

In 2010, TMICOW issued a Motor Vehicle Insurance Policy to its members with the following available coverages:

- > Liability - \$250,000 per person, \$7,000,000 per accident, no deductible
- > Uninsured and Underinsured Motorists - \$100,000 per person, \$300,000 per accident, no deductible
- > Physical Damage – Collision and Comprehensive - Agreed value, or Cost of Repairs, whichever is less; minus \$500 flat deductible per accident for all private passenger and service units, \$1,000 flat deductible per accident for all bus units

TMICOW retains \$2,000,000 per occurrence (accident) of the liability limit and cedes \$5,000,000 to General Reinsurance Corporation. TMICOW retains \$500,000 per occurrence (accident) of the physical damage limits and cedes the balance up to \$9,500,000 to General Reinsurance Corporation.

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

Initial contributions are determined in advance of each membership year. The board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit attributable to a membership year during which they were a member. The City's share of the insurance pool is 2.91% for auto liability and 4.32% for physical damage. A list of the other members is available in the TMICOW report.

##### **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 2010, with an annual cap of \$5 million. 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 3.46%.

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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

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

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

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

At December 31, 2010, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
TIF No. 5 Gateway NW Business Park	\$ 12,803
Bridge Projects	57,451
Buildings and Equipment	173,355
Parks and Recreation Projects	3,025
Environmental Improvements – Landfill	4,030
Library Buildings and Equipment	<u>290,329</u>
Total Committed Construction	<u>\$ 540,993</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 363,700
Sewer Utility	167,410
Storm Water Utility	166,298
Public Transit	1,889,785
Parking Utility	4,034
Hobbs Ice Center	38,771
Central Equipment	<u>208,050</u>
Total Committed Construction and Equipment	<u>\$ 2,838,048</u>

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

#### ***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.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. For fiscal year 2010, the City contributed approximately \$2,378,000 to the plan for eligible retirees and their spouses. Administrative costs of the plan are financed through investment earnings.

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	\$	4,823,432
Interest on net OPEB obligation		127,759
Adjustment to annual required contribution		<u>(177,603)</u>
Annual OPEB cost		4,773,588
Contributions made		<u>(2,378,000)</u>
Increase in Net OPEB Obligation		2,395,588
Net OPEB Obligation – Beginning of Year		<u>3,193,968</u>
Net OPEB Obligation – End of Year	\$	<u><u>5,589,556</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/08	\$ 4,010,000	33.49%	\$ 2,667,123
12/31/09	2,926,845	82.00%	3,193,968
12/31/10	4,773,588	49.80%	5,589,556



# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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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, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 48,935,923
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 48,935,923</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 32,584,361
UAAL as a percentage of covered payroll	150.2%

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 4% investment rate of return and an annual healthcare cost trend rate of 9.3% initially, reduced by decrements to an ultimate rate of 4.4% after 55 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 at December 31, 2010 was 30 years.

#### **E. CONTINGENT LIABILITIES**

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

# CITY OF EAU CLAIRE

## NOTES TO FINANCIAL STATEMENTS December 31, 2010

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

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#### **F. 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, 2010, 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, 2010.

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.

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

On March 4, 2011 the Housing Authority purchased a property for \$105,000 for use in the Low Rent Fund.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. 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 (UNAUDITED)  
For the Year Ended December 31, 2010

	2010			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 28,164,300	\$ 28,164,300	\$ 28,207,135	\$ 42,835
Special assessments	460,000	460,000	665,464	205,464
Intergovernmental	12,398,900	12,563,400	12,768,682	205,282
Licenses and permits	1,643,300	1,643,300	1,601,506	(41,794)
Fines, forfeitures and penalties	793,000	793,000	743,187	(49,813)
Charges for services - public	3,340,400	3,340,900	3,081,820	(259,080)
Charges for services - intergovernmental	3,062,100	3,598,000	3,531,179	(66,821)
Investment income	924,500	924,500	668,234	(256,266)
Miscellaneous	294,100	312,000	363,504	51,504
Total Revenues	<u>51,080,600</u>	<u>51,799,400</u>	<u>51,630,711</u>	<u>(168,689)</u>
<b>EXPENDITURES</b>				
Current				
City council	127,300	127,300	112,684	14,616
Administrative services	1,604,700	1,604,700	1,522,598	82,102
Legal	492,300	487,300	468,866	18,434
Finance	2,222,100	2,222,100	2,065,695	156,405
Human resources	813,500	813,500	767,713	45,787
Planning and development	1,113,800	1,188,700	1,188,330	370
Police	14,955,200	15,130,600	14,828,182	302,418
Fire	10,311,300	10,349,300	10,329,535	19,765
Public works	9,270,800	9,274,800	8,531,758	743,042
Parks and recreation	4,628,900	4,645,700	4,375,508	270,192
Miscellaneous	598,100	1,061,300	612,065	449,235
Total Expenditures	<u>46,138,000</u>	<u>46,905,300</u>	<u>44,802,934</u>	<u>2,102,366</u>
Excess of revenues over expenditures	<u>4,942,600</u>	<u>4,894,100</u>	<u>6,827,777</u>	<u>1,933,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	180,000	180,000	-	(180,000)
Transfers from other funds	2,116,600	2,150,900	2,368,072	217,172
Transfers to other funds	(8,202,400)	(8,282,500)	(7,820,361)	462,139
Sale of capital assets	10,000	10,000	65,592	55,592
Total Other Financing Sources (Uses)	<u>(5,895,800)</u>	<u>(5,941,600)</u>	<u>(5,386,697)</u>	<u>554,903</u>
Net change in fund balances	(953,200)	(1,047,500)	1,441,080	2,488,580
FUND BALANCE - Beginning of Year	<u>23,924,885</u>	<u>23,924,885</u>	<u>23,924,885</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,971,685</u>	<u>\$ 22,877,385</u>	<u>\$ 25,365,965</u>	<u>\$ 2,488,580</u>

See 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 (UNAUDITED)  
 For the Year Ended December 31, 2010

**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
1/1/2008	\$	- \$ 42,084,000	\$ 42,084,000	0%	\$ 31,301,014	134.4%
1/1/2009		- 43,973,049	43,973,049	0%	31,746,919	138.5%
1/1/2010		- 48,935,923	48,935,923	0%	32,584,361	150.2%

The City of Eau Claire provides some staffing for the Housing Authority component unit operations, therefore, the Housing Authority amounts are included above. The Housing Authority's share of the AAL and UAAL at January 1, 2008 and 2009 is approximately \$114,000; at January 1, 2010 it is approximately \$116,000.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Annual Required Contribution (ARC)	Contribution	Percentage of ARC Contributed	Net OPEB Obligation
12/31/08	\$ 4,010,000	\$ 1,342,877	33.49%	\$ 2,667,123
12/31/09	4,009,543	2,400,000	59.86%	3,193,968
12/31/10	4,823,432	2,378,000	49.30%	5,589,556

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

# CITY OF EAU CLAIRE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2010

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### *BUDGETARY INFORMATION*

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

### *FUNDING PROGRESS DATA*

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

See auditors' report.

**SUPPLEMENTARY INFORMATION**

## Major Funds - Governmental

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

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



**CITY OF EAU CLAIRE**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
December 31, 2010 and 2009

	2010	2009
<b>ASSETS</b>		
Cash and investments	\$ 18,947,386	\$ 16,554,073
Receivables		
Taxes		
Current	29,686,670	28,086,211
Delinquent personal property	273,341	200,225
Total Taxes	29,960,011	28,286,436
Accounts receivable	1,694,645	1,570,311
Notes receivable	25,000	25,000
Special assessments:		
Installment	1,910,362	1,342,919
Interest	120,744	182,342
Total Receivables	33,710,762	31,407,008
Inventories and prepaid items	780,338	751,918
Due from other funds	172,966	208,154
Due from component unit	42,826	-
Due from other governments	63,555	96,130
Advance to other funds	7,357,960	7,888,490
<b>TOTAL ASSETS</b>	<b>\$ 61,075,793</b>	<b>\$ 56,905,773</b>

	<u>2010</u>	<u>2009</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 359,433	\$ 375,096
Accrued liabilities	1,792,931	1,508,632
Deposits	282,002	184,037
Due to other governments	64,666	111,902
Due to component unit	-	16,906
Deferred revenue	<u>33,210,796</u>	<u>30,784,315</u>
Total Liabilities	<u>35,709,828</u>	<u>32,980,888</u>
Fund Balance		
Reserved		
For notes receivable	25,000	25,000
For prepaid items and inventories	780,338	751,918
For advances to other funds (noncurrent portion)	<u>6,705,942</u>	<u>7,347,960</u>
Total Reserved	<u>7,511,280</u>	<u>8,124,878</u>
Unreserved		
Designated		
For Highway 53 maintenance	2,684,962	2,670,632
For working capital	3,700,000	3,700,000
For subsequent year expenditures	652,762	150,200
For YMCA land sale	<u>429,341</u>	<u>429,341</u>
Total Designated	<u>7,467,065</u>	<u>6,950,173</u>
Undesignated	<u>10,387,620</u>	<u>8,849,834</u>
Total Unreserved	<u>17,854,685</u>	<u>15,800,007</u>
Total Fund Balance	<u>25,365,965</u>	<u>23,924,885</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 61,075,793</u>	<u>\$ 56,905,773</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2010

With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
<b>TAXES</b>					
Real and personal property	\$ 27,840,400	\$ 27,840,400	\$ 27,828,067	\$ (12,333)	\$ 26,254,177
Mobile home fees	68,500	68,500	73,638	5,138	67,794
Payment in lieu of taxes:					
Other	252,400	252,400	300,090	47,690	284,576
Interest on delinquent taxes	3,000	3,000	5,340	2,340	2,928
Total Taxes	<u>28,164,300</u>	<u>28,164,300</u>	<u>28,207,135</u>	<u>42,835</u>	<u>26,609,475</u>
<b>SPECIAL ASSESSMENTS</b>					
Current	300,000	300,000	509,795	209,795	378,263
Installment	160,000	160,000	155,669	(4,331)	-
Total Special Assessments	<u>460,000</u>	<u>460,000</u>	<u>665,464</u>	<u>205,464</u>	<u>378,263</u>
<b>INTERGOVERNMENTAL</b>					
Federal aid	-	149,400	151,471	2,071	77,934
State aid					
Shared taxes	7,154,300	7,154,300	7,154,278	(22)	7,483,260
Municipal services	700,000	700,000	803,818	103,818	729,671
Utility tax	377,700	377,700	351,981	(25,719)	294,816
Local streets	2,690,000	2,690,000	2,746,638	56,638	2,692,962
Expenditure restraint program	1,086,900	1,086,900	1,109,801	22,901	1,058,005
Fire insurance	120,000	120,000	126,437	6,437	120,715
Underground tank inspections	11,000	11,000	7,990	(3,010)	11,220
Police training	19,000	19,000	16,740	(2,260)	19,200
Conservation and development	-	6,700	6,646	(54)	10,000
Other	240,000	248,400	292,882	44,482	292,632
Total Intergovernmental	<u>12,398,900</u>	<u>12,563,400</u>	<u>12,768,682</u>	<u>205,282</u>	<u>12,790,415</u>
<b>LICENSES AND PERMITS</b>					
Television franchise	772,000	772,000	823,370	51,370	768,263
Licenses	328,300	328,300	333,702	5,402	343,985
Permits	543,000	543,000	444,434	(98,566)	528,622
Total Licenses and Permits	<u>1,643,300</u>	<u>1,643,300</u>	<u>1,601,506</u>	<u>(41,794)</u>	<u>1,640,870</u>
<b>FINES, FORFEITURES AND PENALTIES</b>					
Parking violation fines	410,000	410,000	403,458	(6,542)	400,658
County court fines	375,000	375,000	335,753	(39,247)	371,731
Other fines or forfeitures	8,000	8,000	3,976	(4,024)	3,515
Total Fines and Forfeitures	<u>793,000</u>	<u>793,000</u>	<u>743,187</u>	<u>(49,813)</u>	<u>775,904</u>

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2010

With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	\$ 63,200	\$ 63,200	\$ 58,891	\$ (4,309)	\$ 51,475
Police and fire	2,464,000	2,464,500	2,342,050	(122,450)	2,245,185
Public works	299,000	299,000	153,513	(145,487)	1,165,424
Parks and recreation	509,200	509,200	527,366	18,166	529,296
Conservation and development	5,000	5,000	-	(5,000)	-
Total Charges for Services	3,340,400	3,340,900	3,081,820	(259,080)	3,991,380
<b>CHARGES FOR SERVICES - INTERGOVERNMENTAL</b>					
Communication center reimbursement	1,281,700	1,281,700	1,224,020	(57,680)	1,132,882
Police liaison	190,800	190,800	189,170	(1,630)	185,327
Departmental unfunded pension charge	146,500	682,400	680,926	(1,474)	677,820
Storm water management charge	324,000	324,000	324,000	-	340,212
Sewer utility charge	394,000	394,000	393,984	(16)	415,488
Water utility service charge	532,000	532,000	532,092	92	539,016
Other service charges	193,100	193,100	186,987	(6,113)	179,332
Total Charges for Services - Intergovernmental	3,062,100	3,598,000	3,531,179	(66,821)	3,470,077
<b>INVESTMENT INCOME</b>					
Investment interest	500,000	500,000	243,950	(256,050)	382,842
Interest on advance to other funds	423,900	423,900	424,083	183	324,709
Interest on special assessments	-	-	201	201	389
Other interest	600	600	-	(600)	1,187
Total Investment Income	924,500	924,500	668,234	(256,266)	709,127
<b>MISCELLANEOUS</b>					
Rental					
Rental of land and buildings	52,000	52,000	52,837	837	50,299
Total Rental	52,000	52,000	52,837	837	50,299
Other					
Donations	-	10,200	21,893	11,693	10,661
Other miscellaneous	242,100	249,800	288,774	38,974	43,617
Total Other	242,100	260,000	310,667	50,667	54,278
Total Miscellaneous	294,100	312,000	363,504	51,504	104,577
Total Revenues	51,080,600	51,799,400	51,630,711	(168,689)	50,470,088

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2010

With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	\$ 926,600	\$ 960,900	\$ 936,573	\$ (24,327)	\$ 883,389
Transfer from water utility - PILOT	1,190,000	1,190,000	1,431,499	241,499	1,307,653
Long term debt issued	180,000	180,000	-	(180,000)	4,350,000
Sale of capital assets	10,000	10,000	65,592	55,592	577,456
Total Other Financing Sources	<u>2,306,600</u>	<u>2,340,900</u>	<u>2,433,664</u>	<u>92,764</u>	<u>7,118,498</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 53,387,200</u>	<u>\$ 54,140,300</u>	<u>\$ 54,064,375</u>	<u>\$ (75,925)</u>	<u>\$ 57,588,586</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>EXPENDITURES</b>					
General government					
City council	\$ 127,300	\$ 127,300	\$ 112,684	\$ 14,616	\$ 101,622
City manager	395,000	395,000	384,822	10,178	391,137
City clerk/elections	424,600	424,600	358,752	65,848	235,108
Information services	785,100	785,100	779,024	6,076	755,882
Legal	492,300	487,300	468,866	18,434	464,663
Finance					
Administration	373,000	375,000	378,335	(3,335)	352,314
Accounting	603,800	603,800	549,885	53,915	544,574
Assessing	512,300	511,300	497,004	14,296	483,004
Customer services	733,000	732,000	640,471	91,529	650,294
Total Finance	<u>2,222,100</u>	<u>2,222,100</u>	<u>2,065,695</u>	<u>156,405</u>	<u>2,030,186</u>
Human resources					
Purchasing	216,200	216,200	226,929	(10,729)	215,887
Personnel administration	597,300	597,300	540,784	56,516	552,744
Total Human Resources	<u>813,500</u>	<u>813,500</u>	<u>767,713</u>	<u>45,787</u>	<u>768,631</u>
Planning and development					
Community planning	554,200	610,100	613,793	(3,693)	550,725
Inspection and zoning	559,600	578,600	574,537	4,063	586,832
Total Planning and Development	<u>1,113,800</u>	<u>1,188,700</u>	<u>1,188,330</u>	<u>370</u>	<u>1,137,557</u>
Total General Government	<u>6,373,700</u>	<u>6,443,600</u>	<u>6,125,886</u>	<u>317,714</u>	<u>5,884,786</u>

**CITY OF EAU CLAIRE**

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

For the Year Ended December 31, 2010

With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>PUBLIC SAFETY</b>					
Police					
Administration	\$ 1,188,900	\$ 1,188,900	\$ 1,166,962	\$ 21,938	\$ 1,175,896
Administrative services	1,445,800	1,484,500	1,415,177	69,323	1,529,661
Patrol services	8,284,600	8,413,900	8,317,515	96,385	7,978,067
Investigative services	2,212,800	2,220,200	2,187,757	32,443	2,188,653
Central communications	1,823,100	1,823,100	1,740,771	82,329	1,612,931
Total Police	<u>14,955,200</u>	<u>15,130,600</u>	<u>14,828,182</u>	<u>302,418</u>	<u>14,485,208</u>
Fire					
Administration	896,200	896,300	841,729	54,571	845,559
Suppression and rescue	8,911,600	8,949,500	8,999,068	(49,568)	8,752,404
Prevention and inspection	503,500	503,500	488,738	14,762	472,149
Total Fire	<u>10,311,300</u>	<u>10,349,300</u>	<u>10,329,535</u>	<u>19,765</u>	<u>10,070,112</u>
Total Public Safety	<u>25,266,500</u>	<u>25,479,900</u>	<u>25,157,717</u>	<u>322,183</u>	<u>24,555,320</u>
<b>PUBLIC WORKS</b>					
Administration	416,100	416,100	396,328	19,772	454,618
Operations	7,343,800	7,347,800	6,724,202	623,598	6,491,222
Engineering	1,510,900	1,510,900	1,411,228	99,672	1,408,719
Total Public Works	<u>9,270,800</u>	<u>9,274,800</u>	<u>8,531,758</u>	<u>743,042</u>	<u>8,354,559</u>
<b>CULTURE AND RECREATION</b>					
Administration	518,600	518,600	500,020	18,580	476,370
Park maintenance	2,749,100	2,754,900	2,711,466	43,434	2,717,356
Forestry	520,400	531,100	497,628	33,472	507,681
Recreation and playgrounds	840,800	841,100	666,394	174,706	668,029
Total Culture and Recreation	<u>4,628,900</u>	<u>4,645,700</u>	<u>4,375,508</u>	<u>270,192</u>	<u>4,369,436</u>

## CITY OF EAU CLAIRE

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

For the Year Ended December 31, 2010

With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>MISCELLANEOUS</b>					
Payments to other organizations	\$ 299,400	\$ 299,400	\$ 297,333	\$ 2,067	\$ 295,441
Contractual services	110,000	114,300	73,080	41,220	55,770
Insurance and retirement	(300,800)	207,100	110,285	96,815	29,965
Special assessments	125,000	125,000	103,617	21,383	35,926
Illegal taxes and refunds	-	-	1,806	(1,806)	21,703
Annexation rebates	25,600	25,600	25,944	(344)	11,977
Contingency	338,900	289,900	-	289,900	-
Total Miscellaneous	<u>598,100</u>	<u>1,061,300</u>	<u>612,065</u>	<u>449,235</u>	<u>450,782</u>
 Total Expenditures	<u>46,138,000</u>	<u>46,905,300</u>	<u>44,802,934</u>	<u>2,102,366</u>	<u>43,614,883</u>
 <b>OTHER FINANCING USES</b>					
Transfers to other funds:					
Special revenue fund	301,600	301,600	282,995	18,605	250,351
Debt service fund	4,971,600	4,961,600	4,965,849	(4,249)	4,186,608
Capital project funds	1,596,800	1,626,800	1,626,800	-	1,212,700
Proprietary funds	1,332,400	1,392,500	944,717	447,783	1,843,294
Total Other Financing Uses	<u>8,202,400</u>	<u>8,282,500</u>	<u>7,820,361</u>	<u>462,139</u>	<u>7,492,953</u>
 TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 54,340,400</u>	<u>\$ 55,187,800</u>	<u>\$ 52,623,295</u>	<u>\$ 2,564,505</u>	<u>\$ 51,107,836</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
<b>REVENUES</b>					
Special assessments	\$ 1,102,800	\$ 1,102,800	\$ 1,187,286	\$ 84,486	\$ 1,557,350
Charges for services - public	40,700	40,700	42,500	1,800	42,500
Charges for services - intergovernmental	15,000	15,000	-	(15,000)	50,250
Investment income	305,200	305,200	337,932	32,732	352,690
Other	-	-	5	5	-
Total Revenues	<u>1,463,700</u>	<u>1,463,700</u>	<u>1,567,723</u>	<u>104,023</u>	<u>2,002,790</u>
<b>EXPENDITURES</b>					
Current					
General government	6,000	6,000	3,113	2,887	3,400
Debt Service					
Principal retirement	4,290,400	4,290,400	4,155,000	135,400	4,033,633
Interest and fiscal charges	<u>2,617,300</u>	<u>2,617,300</u>	<u>2,501,573</u>	<u>115,727</u>	<u>2,240,334</u>
Total Expenditures	<u>6,913,700</u>	<u>6,913,700</u>	<u>6,659,686</u>	<u>254,014</u>	<u>6,277,367</u>
Excess (deficiency) of revenues over expenditures	<u>(5,450,000)</u>	<u>(5,450,000)</u>	<u>(5,091,963)</u>	<u>358,037</u>	<u>(4,274,577)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long term debt issued	-	-	-	-	-
Refunding long term debt issued	-	2,221,500	2,221,500	-	-
Premium/(discount) on long term debt issued	-	-	29,956	29,956	(31,933)
Payment to escrow agent	-	(2,221,500)	(2,292,985)	(71,485)	-
Transfers from other funds	<u>5,030,900</u>	<u>5,030,900</u>	<u>5,035,172</u>	<u>4,272</u>	<u>4,256,013</u>
Total Other Financing Sources	<u>5,030,900</u>	<u>5,030,900</u>	<u>4,993,643</u>	<u>(37,257)</u>	<u>4,224,080</u>
Net change in fund balances	<u>(419,100)</u>	<u>(419,100)</u>	<u>(98,320)</u>	<u>320,780</u>	<u>(50,497)</u>
FUND BALANCE - Beginning of Year	<u>7,597,130</u>	<u>7,597,130</u>	<u>7,597,130</u>	<u>-</u>	<u>7,647,627</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,178,030</u>	<u>\$ 7,178,030</u>	<u>\$ 7,498,810</u>	<u>\$ 320,780</u>	<u>\$ 7,597,130</u>

## Nonmajor Funds - Governmental

### Special Revenue Funds

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

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response to incidents involving hazardous materials within a 16 county area of Northwestern Wisconsin.

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

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

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

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

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

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

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

The **Former Landfill Escrow** fund accounts for funds contributed by potential responsible parties (PRP) for an investigation, feasibility study, and possible cleanup operation of the former Blue Valley Landfill site and surrounding area.

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

### **Debt Service Funds**

The **Debt Service – TIF #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. Philips 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 **Street Projects** fund accounts for construction and rebuilding of city streets and purchase of land for future street right-of-way.

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

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

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

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

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

## CITY OF EAU CLAIRE

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 5,102,588	\$ 1,420,401	\$ 23,758,642	\$ 30,281,631
Receivables				
Taxes	4,568,065	141,109	1,412,119	6,121,293
Accounts	476,086	-	89,572	565,658
Notes	5,381,462	-	-	5,381,462
Prepaid items	65,071	-	-	65,071
Due from other governments	365,726	-	113,803	479,529
Advances to other funds	400,000	-	1,000,000	1,400,000
Restricted assets				
Revolving loan sequestered funds	328,016	-	-	328,016
Construction account	-	-	2,894,828	2,894,828
<b>TOTAL ASSETS</b>	<b>\$ 16,687,014</b>	<b>\$ 1,561,510</b>	<b>\$ 29,268,964</b>	<b>\$ 47,517,488</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 310,420	\$ -	\$ 3,624,217	\$ 3,934,637
Accrued liabilities	213,115	-	47	213,162
Deposits	28,303	-	332	28,635
Due to other governments	11,695	-	-	11,695
Due to other funds	60,608	-	-	60,608
Due to component unit	13,653	-	-	13,653
Deferred revenues	10,338,309	141,109	1,594,963	12,074,381
Advances from other funds	-	10,000	3,238,700	3,248,700
<b>Total Liabilities</b>	<b>10,976,103</b>	<b>151,109</b>	<b>8,458,259</b>	<b>19,585,471</b>
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	65,071	-	-	65,071
Advances to other funds (noncurrent portion)	400,000	-	1,000,000	1,400,000
Grant proceeds	580,448	-	-	580,448
Debt service	-	1,410,401	-	1,410,401
Capital contracts	-	-	540,993	540,993
Environmental remediation	-	-	368,159	368,159
Bond construction	-	-	2,894,828	2,894,828
Unreserved, designated				
Economic development	950,000	-	-	950,000
Library funds	100,615	-	-	100,615
Capital projects	220,000	-	-	220,000
Subsequent year expenditures	3,275,486	-	18,241,848	21,517,334
Loft matching program	11,000	-	-	11,000
Downtown facade loans	10,000	-	-	10,000
Code compliance loans	100,000	-	-	100,000
Unreserved, undesignated (deficit)	(1,709)	-	(2,235,123)	(2,236,832)
<b>Total Fund Balances</b>	<b>5,710,911</b>	<b>1,410,401</b>	<b>20,810,705</b>	<b>27,932,017</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 16,687,014</b>	<b>\$ 1,561,510</b>	<b>\$ 29,268,964</b>	<b>\$ 47,517,488</b>

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 5,810,049	\$ 392,344	\$ 1,067,309	\$ 7,269,702
Intergovernmental	2,891,128	7,848	365,279	3,264,255
Licenses and permits	334,585	-	-	334,585
Fines and forfeitures	123,459	-	-	123,459
Charges for services - public	471,482	-	-	471,482
Charges for services - intergovernmental	1,922,022	-	-	1,922,022
Investment income	74,893	2,366	212,344	289,603
Miscellaneous				
Loan repayments	656,221	-	-	656,221
Building rental	69,671	-	-	69,671
Gifts and donations	79,638	-	401,623	481,261
Other	273,719	-	34,633	308,352
Total Revenues	12,706,867	402,558	2,081,188	15,190,613
<b>EXPENDITURES</b>				
Current				
General government	-	7,408	-	7,408
Public safety	204,067	-	-	204,067
Public works	97,376	-	94,323	191,699
Health services	5,025,675	-	-	5,025,675
Culture and recreation	3,685,424	-	1,065	3,686,489
Development	2,737,158	150	450	2,737,758
Capital Outlay	223,207	-	8,955,902	9,179,109
Debt Service				
Principal retirement	-	195,000	580,000	775,000
Interest and fiscal charges	-	80,481	551,525	632,006
Total Expenditures	11,972,907	283,039	10,183,265	22,439,211

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ 733,960	\$ 119,519	\$ (8,102,077)	\$ (7,248,598)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long term debt issued	-	-	5,485,000	5,485,000
Discount on long term debt issued	-	-	(3,014)	(3,014)
Transfers from other funds	439,800	-	2,298,307	2,738,107
Transfers to other funds	(1,008,021)	-	(3,779)	(1,011,800)
Total Other Financing Sources (Uses)	<u>(568,221)</u>	<u>-</u>	<u>7,776,514</u>	<u>7,208,293</u>
Net changes in fund balances	165,739	119,519	(325,563)	(40,305)
FUND BALANCES - Beginning of Year	<u>5,545,172</u>	<u>1,290,882</u>	<u>21,136,268</u>	<u>27,972,322</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,710,911</u>	<u>\$ 1,410,401</u>	<u>\$ 20,810,705</u>	<u>\$ 27,932,017</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2010

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
<b>ASSETS</b>				
Cash and investments	\$ 67,735	\$ 228,088	\$ 20,290	\$ 125
Receivables				
Taxes	-	-	-	-
Accounts	9,054	12,095	-	-
Notes	-	-	2,627,827	1,217,011
Prepaid items	-	-	-	-
Due from other governments	-	-	90,234	36,968
Advances to other funds	-	-	-	-
Restricted Assets				
Revolving loan sequestered funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 76,789</b>	<b>\$ 240,183</b>	<b>\$ 2,738,351</b>	<b>\$ 1,254,104</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,104	\$ 39,903	\$ 7,843	\$ 173
Accrued liabilities	5,489	-	739	245
Deposits	-	-	-	-
Due to other governments	-	-	190	-
Due to other funds	-	-	-	36,069
Due to component unit	-	-	11,338	2,315
Deferred revenues	9,054	12,095	2,627,827	1,217,011
Total Liabilities	<u>22,647</u>	<u>51,998</u>	<u>2,647,937</u>	<u>1,255,813</u>
<b>FUND BALANCES</b>				
Reserved				
Prepaid items	-	-	-	-
Advances to other funds (noncurrent portion)	-	-	-	-
Grant proceeds	-	-	-	-
Unreserved, designated				
Economic development	-	-	-	-
Library funds	-	-	-	-
Capital projects	-	-	-	-
Subsequent year expenditures	54,142	188,185	90,414	-
Loft matching program	-	-	-	-
Downtown facade loans	-	-	-	-
Code compliance loans	-	-	-	-
Unreserved, undesignated (deficit)	-	-	-	(1,709)
Total Fund Balances	<u>54,142</u>	<u>188,185</u>	<u>90,414</u>	<u>(1,709)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 76,789</b>	<b>\$ 240,183</b>	<b>\$ 2,738,351</b>	<b>\$ 1,254,104</b>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 2,940,407	\$ 29,204	\$ 947,222	\$ 789,849	\$ 51,875	\$ 27,793	\$ 5,102,588
-	-	2,866,700	1,701,365	-	-	4,568,065
-	117,143	276,102	61,692	-	-	476,086
1,522,041	14,583	-	-	-	-	5,381,462
-	-	-	65,071	-	-	65,071
-	-	1,027	237,497	-	-	365,726
400,000	-	-	-	-	-	400,000
328,016	-	-	-	-	-	328,016
<u>\$ 5,190,464</u>	<u>\$ 160,930</u>	<u>\$ 4,091,051</u>	<u>\$ 2,855,474</u>	<u>\$ 51,875</u>	<u>\$ 27,793</u>	<u>\$ 16,687,014</u>
\$ 5,659	\$ 82,259	\$ 82,244	\$ 65,308	\$ 328	\$ 18,599	\$ 310,420
8,593	-	72,757	123,172	2,120	-	213,115
-	-	-	19,109	-	9,194	28,303
-	-	32	11,473	-	-	11,695
-	-	13,285	11,254	-	-	60,608
-	-	-	-	-	-	13,653
1,522,041	14,583	3,105,609	1,830,089	-	-	10,338,309
<u>1,536,293</u>	<u>96,842</u>	<u>3,273,927</u>	<u>2,060,405</u>	<u>2,448</u>	<u>27,793</u>	<u>10,976,103</u>
-	-	-	65,071	-	-	65,071
400,000	-	-	-	-	-	400,000
512,187	-	-	68,261	-	-	580,448
950,000	-	-	-	-	-	950,000
-	-	100,615	-	-	-	100,615
-	-	220,000	-	-	-	220,000
1,681,984	64,088	496,509	661,737	38,427	-	3,275,486
-	-	-	-	11,000	-	11,000
10,000	-	-	-	-	-	10,000
100,000	-	-	-	-	-	100,000
-	-	-	-	-	-	(1,709)
<u>3,654,171</u>	<u>64,088</u>	<u>817,124</u>	<u>795,069</u>	<u>49,427</u>	<u>-</u>	<u>5,710,911</u>
<u>\$ 5,190,464</u>	<u>\$ 160,930</u>	<u>\$ 4,091,051</u>	<u>\$ 2,855,474</u>	<u>\$ 51,875</u>	<u>\$ 27,793</u>	<u>\$ 16,687,014</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, 2010

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Economic Development
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	178,263	1,029,971	451,849	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Charges for services - public	174,049	1,967	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Investment income	-	1,060	-	-	73,303
Miscellaneous					
Loan repayments	-	-	187,570	9,900	458,751
Building rental	-	-	-	-	69,671
Gifts and donations	1,200	-	-	-	-
Other	-	-	-	-	191
Total Revenues	<u>175,249</u>	<u>181,290</u>	<u>1,217,541</u>	<u>461,749</u>	<u>601,916</u>
<b>EXPENDITURES</b>					
Current					
Public safety	-	204,067	-	-	-
Public works	-	-	-	-	-
Health services	358,244	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	647,766	474,878	563,163
Capital Outlay	-	-	218,471	-	-
Total Expenditures	<u>358,244</u>	<u>204,067</u>	<u>866,237</u>	<u>474,878</u>	<u>563,163</u>
Excess (deficiency) of revenues over expenditures	<u>(182,995)</u>	<u>(22,777)</u>	<u>351,304</u>	<u>(13,129)</u>	<u>38,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	182,995	3,779	-	-	100,000
Transfers to other funds	<u>(33,000)</u>	<u>-</u>	<u>(414,198)</u>	<u>-</u>	<u>(80,000)</u>
Total Other Financing Sources (Uses)	<u>149,995</u>	<u>3,779</u>	<u>(414,198)</u>	<u>-</u>	<u>20,000</u>
Net change in fund balances	(33,000)	(18,998)	(62,894)	(13,129)	58,753
FUND BALANCES - Beginning of Year	<u>87,142</u>	<u>207,183</u>	<u>153,308</u>	<u>11,420</u>	<u>3,595,418</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 54,142</u>	<u>\$ 188,185</u>	<u>\$ 90,414</u>	<u>\$ (1,709)</u>	<u>\$ 3,654,171</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>
\$ 1,306,049	\$ 2,833,500	\$ 1,670,500	\$ -	\$ -	\$ 5,810,049
-	-	1,231,045	-	-	2,891,128
-	-	334,585	-	-	334,585
-	123,459	-	-	-	123,459
-	5,673	192,417	-	97,376	471,482
-	652,625	1,269,397	-	-	1,922,022
-	530	-	-	-	74,893
-	-	-	-	-	656,221
-	-	-	-	-	69,671
-	36,038	-	42,400	-	79,638
-	272,436	1,092	-	-	273,719
<u>1,306,049</u>	<u>3,924,261</u>	<u>4,699,036</u>	<u>42,400</u>	<u>97,376</u>	<u>12,706,867</u>
-	-	-	-	-	204,067
-	-	-	-	97,376	97,376
-	-	4,667,431	-	-	5,025,675
-	3,685,424	-	-	-	3,685,424
936,672	-	-	114,679	-	2,737,158
-	4,736	-	-	-	223,207
<u>936,672</u>	<u>3,690,160</u>	<u>4,667,431</u>	<u>114,679</u>	<u>97,376</u>	<u>11,972,907</u>
<u>369,377</u>	<u>234,101</u>	<u>31,605</u>	<u>(72,279)</u>	<u>-</u>	<u>733,960</u>
-	-	73,026	80,000	-	439,800
<u>(305,500)</u>	<u>(146,185)</u>	<u>(29,138)</u>	<u>-</u>	<u>-</u>	<u>(1,008,021)</u>
<u>(305,500)</u>	<u>(146,185)</u>	<u>43,888</u>	<u>80,000</u>	<u>-</u>	<u>(568,221)</u>
63,877	87,916	75,493	7,721	-	165,739
<u>211</u>	<u>729,208</u>	<u>719,576</u>	<u>41,706</u>	<u>-</u>	<u>5,545,172</u>
<u>\$ 64,088</u>	<u>\$ 817,124</u>	<u>\$ 795,069</u>	<u>\$ 49,427</u>	<u>\$ -</u>	<u>\$ 5,710,911</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR DEBT SERVICE FUNDS  
December 31, 2010

	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>ASSETS</b>			
Cash and investments	\$ 1,392,442	\$ 27,959	\$ 1,420,401
Receivables			
Taxes	<u>-</u>	<u>141,109</u>	<u>141,109</u>
 TOTAL ASSETS	 <u>\$ 1,392,442</u>	 <u>\$ 169,068</u>	 <u>\$ 1,561,510</u>
<b>LIABILITIES</b>			
Deferred revenues	\$ -	\$ 141,109	\$ 141,109
Advances from other funds	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total Liabilities	<u>-</u>	<u>151,109</u>	<u>151,109</u>
<b>FUND BALANCES</b>			
Reserved			
Debt service	<u>1,392,442</u>	<u>17,959</u>	<u>1,410,401</u>
Total Fund Balances	<u>1,392,442</u>	<u>17,959</u>	<u>1,410,401</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,392,442</u>	 <u>\$ 169,068</u>	 <u>\$ 1,561,510</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, 2010

	Debt Service - TIF No. 6	Debt Service - TIF No. 7	Totals
<b>REVENUES</b>			
Taxes	\$ 248,081	\$ 144,263	\$ 392,344
Intergovernmental	1,221	6,627	7,848
Miscellaneous			
Investment income	<u>2,297</u>	<u>69</u>	<u>2,366</u>
Total Revenues	<u>251,599</u>	<u>150,959</u>	<u>402,558</u>
<b>EXPENDITURES</b>			
Current			
General government	3,704	3,704	7,408
Development	-	150	150
Debt Service			
Principal retirement	65,000	130,000	195,000
Interest and fiscal charges	<u>30,508</u>	<u>49,973</u>	<u>80,481</u>
Total Expenditures	<u>99,212</u>	<u>183,827</u>	<u>283,039</u>
Net change in fund balances	152,387	(32,868)	119,519
FUND BALANCES - Beginning of Year	<u>1,240,055</u>	<u>50,827</u>	<u>1,290,882</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,392,442</u>	<u>\$ 17,959</u>	<u>\$ 1,410,401</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET -  
NONMAJOR CAPITAL PROJECTS FUNDS  
December 31, 2010

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	Street Projects
<b>ASSETS</b>				
Cash and investments	\$ 2,468,647	\$ 1,031,256	\$ 48,567	\$ 9,930,014
Receivables				
Taxes	685,583	606,341	120,195	-
Accounts	-	57,154	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	1,000,000
Restricted assets				
Construction account	-	-	-	1,819,407
<b>TOTAL ASSETS</b>	<b>\$ 3,154,230</b>	<b>\$ 1,694,751</b>	<b>\$ 168,762</b>	<b>\$ 12,749,421</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 71,898	\$ 27,679	\$ -	\$ 2,157,755
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Deferred revenues	685,583	663,495	120,195	-
Advances from other funds	-	3,238,700	-	-
Total Liabilities	<u>757,481</u>	<u>3,929,874</u>	<u>120,195</u>	<u>2,157,755</u>
<b>FUND BALANCES</b>				
Reserved				
Advances to other funds (noncurrent portion)	-	-	-	1,000,000
Capital contracts	12,803	-	-	-
Environmental remediation	-	-	-	-
Bond construction	-	-	-	1,819,407
Unreserved, designated				
Subsequent year expenditures	2,383,946	-	48,567	7,772,259
Unreserved, undesignated (deficit)	-	(2,235,123)	-	-
Total Fund Balances	<u>2,396,749</u>	<u>(2,235,123)</u>	<u>48,567</u>	<u>10,591,666</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,154,230</b>	<b>\$ 1,694,751</b>	<b>\$ 168,762</b>	<b>\$ 12,749,421</b>

Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ 955,126	\$ 4,653,225	\$ 1,462,535	\$ 2,269,010	\$ 940,262	\$ 23,758,642
-	-	-	-	-	1,412,119
-	13,939	18,479	-	-	89,572
-	102,434	11,369	-	-	113,803
-	-	-	-	-	1,000,000
-	1,075,421	-	-	-	2,894,828
<u>\$ 955,126</u>	<u>\$ 5,845,019</u>	<u>\$ 1,492,383</u>	<u>\$ 2,269,010</u>	<u>\$ 940,262</u>	<u>\$ 29,268,964</u>
\$ -	\$ 1,276,258	\$ 72,193	\$ 789	\$ 17,645	\$ 3,624,217
-	-	-	-	47	47
-	332	-	-	-	332
-	114,291	11,399	-	-	1,594,963
-	-	-	-	-	3,238,700
-	1,390,881	83,592	789	17,692	8,458,259
-	-	-	-	-	1,000,000
57,451	173,355	3,025	4,030	290,329	540,993
-	-	-	368,159	-	368,159
-	1,075,421	-	-	-	2,894,828
897,675	3,205,362	1,405,766	1,896,032	632,241	18,241,848
-	-	-	-	-	(2,235,123)
<u>955,126</u>	<u>4,454,138</u>	<u>1,408,791</u>	<u>2,268,221</u>	<u>922,570</u>	<u>20,810,705</u>
<u>\$ 955,126</u>	<u>\$ 5,845,019</u>	<u>\$ 1,492,383</u>	<u>\$ 2,269,010</u>	<u>\$ 940,262</u>	<u>\$ 29,268,964</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, 2010

	TIF No. 5 Gateway NW Business Park	TIF No. 8 Downtown Development	TIF No. 9 Gateway NW Business Park Overlay	Street Projects
<b>REVENUES</b>				
Taxes	\$ 518,867	\$ 498,863	\$ 49,579	\$ -
Intergovernmental	6,049	72,097	138	-
Investment income	25,852	5,940	-	81,330
Miscellaneous				
Gifts and donations	-	-	-	74,500
Other	-	-	-	-
Total Revenues	<u>550,768</u>	<u>576,900</u>	<u>49,717</u>	<u>155,830</u>
<b>EXPENDITURES</b>				
Current				
Public works	-	-	-	38,563
Culture and recreation	-	-	-	-
Development	150	150	150	-
Capital Outlay	535,784	55,733	-	5,422,478
Debt Service				
Principal retirement	290,000	290,000	-	-
Interest and fiscal charges	218,811	332,714	-	-
Total Expenditures	<u>1,044,745</u>	<u>678,597</u>	<u>150</u>	<u>5,461,041</u>
Excess (deficiency) of revenues over expenditures	<u>(493,977)</u>	<u>(101,697)</u>	<u>49,567</u>	<u>(5,305,211)</u>
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	-	-	5,485,000
Discount on long-term debt issued	-	-	-	(3,014)
Transfers from other funds	-	-	-	509,795
Transfer to other funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,991,781</u>
Net change in fund balances	(493,977)	(101,697)	49,567	686,570
FUND BALANCES - Beginning of Year	<u>2,890,726</u>	<u>(2,133,426)</u>	<u>(1,000)</u>	<u>9,905,096</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,396,749</u>	<u>\$ (2,235,123)</u>	<u>\$ 48,567</u>	<u>\$ 10,591,666</u>

Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,067,309
-	99,100	62,895	-	125,000	365,279
4,390	24,345	6,510	11,850	52,127	212,344
-	2,970	99,050	-	225,103	401,623
-	19,300	15,333	-	-	34,633
<u>4,390</u>	<u>145,715</u>	<u>183,788</u>	<u>11,850</u>	<u>402,230</u>	<u>2,081,188</u>
-	1,010	-	54,750	-	94,323
-	-	-	-	1,065	1,065
-	-	-	-	-	450
5,624	2,239,430	312,071	23,480	361,302	8,955,902
-	-	-	-	-	580,000
-	-	-	-	-	551,525
<u>5,624</u>	<u>2,240,440</u>	<u>312,071</u>	<u>78,230</u>	<u>362,367</u>	<u>10,183,265</u>
<u>(1,234)</u>	<u>(2,094,725)</u>	<u>(128,283)</u>	<u>(66,380)</u>	<u>39,863</u>	<u>(8,102,077)</u>
-	-	-	-	-	5,485,000
-	-	-	-	-	(3,014)
150,000	1,127,012	310,500	95,000	106,000	2,298,307
-	(3,779)	-	-	-	(3,779)
<u>150,000</u>	<u>1,123,233</u>	<u>310,500</u>	<u>95,000</u>	<u>106,000</u>	<u>7,776,514</u>
148,766	(971,492)	182,217	28,620	145,863	(325,563)
<u>806,360</u>	<u>5,425,630</u>	<u>1,226,574</u>	<u>2,239,601</u>	<u>776,707</u>	<u>21,136,268</u>
<u>\$ 955,126</u>	<u>\$ 4,454,138</u>	<u>\$ 1,408,791</u>	<u>\$ 2,268,221</u>	<u>\$ 922,570</u>	<u>\$ 20,810,705</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Cemetery Maintenance				
	2010			2009	
	Budgeted Amounts		Actual	Variance with	
Original	Final	Final Budget		Actual	
<b>REVENUES</b>					
Charges for services - public	\$ 182,200	\$ 182,200	\$ 174,049	\$ (8,151)	\$ 156,346
Miscellaneous					
Gifts and donations	-	1,200	1,200	-	-
Total Revenues	<u>182,200</u>	<u>183,400</u>	<u>175,249</u>	<u>(8,151)</u>	<u>156,346</u>
<b>EXPENDITURES</b>					
Current					
Health services	<u>383,800</u>	<u>385,000</u>	<u>358,244</u>	<u>26,756</u>	<u>402,297</u>
Excess (deficiency) of revenues over expenditures	<u>(201,600)</u>	<u>(201,600)</u>	<u>(182,995)</u>	<u>18,605</u>	<u>(245,951)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	201,600	201,600	182,995	(18,605)	245,951
Transfers to other funds	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>	<u>(31,300)</u>
Total Other Financing Sources (Uses)	<u>168,600</u>	<u>168,600</u>	<u>149,995</u>	<u>(18,605)</u>	<u>214,651</u>
Net change in fund balances	(33,000)	(33,000)	(33,000)	-	(31,300)
FUND BALANCES - Beginning of Year	<u>87,142</u>	<u>87,142</u>	<u>87,142</u>	<u>-</u>	<u>118,442</u>
FUND BALANCES - END OF YEAR	<u>\$ 54,142</u>	<u>\$ 54,142</u>	<u>\$ 54,142</u>	<u>\$ -</u>	<u>\$ 87,142</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Hazardous Materials Response				
	2010			2009	
	Budgeted Amounts Original	Final	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>					
Intergovernmental	\$ 178,200	\$ 178,200	\$ 178,263	\$ 63	\$ 178,263
Charges for services - public	3,000	3,000	1,967	(1,033)	2,117
Investment income	1,000	1,000	1,060	60	1,760
Total Revenues	182,200	182,200	181,290	(910)	182,140
<b>EXPENDITURES</b>					
Current					
Public safety	259,800	259,800	204,067	55,733	183,647
Excess (deficiency) of revenues over expenditures	(77,600)	(77,600)	(22,777)	54,823	(1,507)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	-	3,779	3,779	-
Transfers to other funds	-	-	-	-	(3,779)
Total Other Financing Sources (Uses)	-	-	3,779	3,779	(3,779)
Net change in fund balances	(77,600)	(77,600)	(18,998)	58,602	(5,286)
FUND BALANCES - Beginning of Year	207,183	207,183	207,183	-	212,469
FUND BALANCES - END OF YEAR	\$ 129,583	\$ 129,583	\$ 188,185	\$ 58,602	\$ 207,183

**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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Economic Development				
	2010			2009	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Investment income	\$ 73,300	\$ 73,300	\$ 73,303	\$ 3	\$ 93,741
Miscellaneous					
Loan repayments	130,700	130,700	458,751	328,051	236,183
Building rental	68,000	68,000	69,671	1,671	65,863
Other	300	300	191	(109)	230
Total Miscellaneous	<u>272,300</u>	<u>272,300</u>	<u>601,916</u>	<u>329,616</u>	<u>396,017</u>
Total Revenues	272,300	272,300	601,916	329,616	396,017
<b>EXPENDITURES</b>					
Current					
Development	<u>579,200</u>	<u>629,200</u>	<u>563,163</u>	<u>66,037</u>	<u>929,779</u>
Excess (deficiency) of revenues over expenditures	<u>(306,900)</u>	<u>(356,900)</u>	<u>38,753</u>	<u>395,653</u>	<u>(533,762)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	100,000	100,000	100,000	-	404,400
Transfers to other funds	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>(85,000)</u>
Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>319,400</u>
Net change in fund balances	(286,900)	(336,900)	58,753	395,653	(214,362)
FUND BALANCES - Beginning of Year	<u>3,595,418</u>	<u>3,595,418</u>	<u>3,595,418</u>	<u>-</u>	<u>3,809,780</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,308,518</u>	<u>\$ 3,258,518</u>	<u>\$ 3,654,171</u>	<u>\$ 395,653</u>	<u>\$ 3,595,418</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Community Enhancement				
	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Taxes	\$ 1,160,000	\$ 1,242,300	\$ 1,306,049	\$ 63,749	\$ 1,174,077
Miscellaneous					
Other	-	-	-	-	15
Total Revenues	1,160,000	1,242,300	1,306,049	63,749	1,174,092
<b>EXPENDITURES</b>					
Current					
Development	854,500	936,800	936,672	128	868,403
Excess of revenues over expenditures	305,500	305,500	369,377	63,877	305,689
<b>OTHER FINANCING USES</b>					
Transfers to other funds	(305,500)	(305,500)	(305,500)	-	(328,600)
Net change in fund balances	-	-	63,877	63,877	(22,911)
FUND BALANCES - Beginning of Year	211	211	211	-	23,122
FUND BALANCES - END OF YEAR	\$ 211	\$ 211	\$ 64,088	\$ 63,877	\$ 211

**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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Public Library				
	2010			2009	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 2,833,500	\$ 2,833,500	\$ 2,833,500	\$ -	\$ 2,825,000
Intergovernmental	2,000	2,000	-	(2,000)	1,189
Fines and forfeitures	122,200	122,200	123,459	1,259	121,296
Charges for services - public	5,200	5,200	5,673	473	5,119
Charges for services - intergovernmental	654,400	654,400	652,625	(1,775)	671,239
Investment income	-	-	530	530	800
Miscellaneous					
Gifts and donations	16,000	16,000	36,038	20,038	30,578
Other	270,600	270,600	272,436	1,836	247,928
Total Miscellaneous	286,600	286,600	308,474	21,874	278,506
Total Revenues	3,903,900	3,903,900	3,924,261	20,361	3,903,149
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,814,500	3,837,000	3,685,424	151,576	3,563,854
Capital Outlay	8,000	8,000	4,736	3,264	6,121
Total expenditures	3,822,500	3,845,000	3,690,160	154,840	3,569,975
Excess of revenues over expenditures	81,400	58,900	234,101	175,201	333,174
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(146,100)	(146,100)	(146,185)	(85)	(349,983)
Sale of capital assets	200	200	-	(200)	528
Total Other Financing Sources (Uses)	(145,900)	(145,900)	(146,185)	(285)	(349,455)
Net change in fund balances	(64,500)	(87,000)	87,916	174,916	(16,281)
FUND BALANCES - Beginning of Year	729,208	729,208	729,208	-	745,489
FUND BALANCES - END OF YEAR	\$ 664,708	\$ 642,208	\$ 817,124	\$ 174,916	\$ 729,208

**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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	City-County Health Department				
	2010			2009	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes	\$ 1,670,500	\$ 1,670,500	\$ 1,670,500	\$ -	\$ 1,656,500
Special assessments	55,200	55,200	-	(55,200)	42,484
Intergovernmental	948,600	1,401,533	1,231,045	(170,488)	1,167,253
Licenses and permits	324,200	324,200	334,585	10,385	352,299
Charges for services - public	174,200	152,700	192,417	39,717	140,091
Charges for services - intergovernmental	1,234,000	1,258,300	1,269,397	11,097	1,241,437
Investment income	1,000	1,000	-	(1,000)	-
Miscellaneous					
Other	-	-	1,092	1,092	-
Total Revenues	4,407,700	4,863,433	4,699,036	(164,397)	4,600,064
<b>EXPENDITURES</b>					
Current					
Health services	4,637,800	5,103,833	4,667,431	436,402	4,556,408
Excess of revenues over expenditures	(230,100)	(240,400)	31,605	272,005	43,656
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	72,300	82,600	73,026	(9,574)	58,878
Transfers to other funds	(29,200)	(29,200)	(29,138)	62	(29,422)
Total Other Financing Sources	43,100	53,400	43,888	(9,512)	29,456
Net change in fund balances	(187,000)	(187,000)	75,493	262,493	73,112
FUND BALANCES - Beginning of Year	719,576	719,576	719,576	-	646,464
FUND BALANCES - END OF YEAR	\$ 532,576	\$ 532,576	\$ 795,069	\$ 262,493	\$ 719,576

## 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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Downtown Partners				
	2010			2009	
	Budgeted Amounts Original	Final	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Gifts and donations	\$ 54,000	\$ 54,000	\$ 42,400	\$ (11,600)	\$ 38,200
<b>EXPENDITURES</b>					
Current					
Development	<u>153,600</u>	<u>153,600</u>	<u>114,679</u>	<u>38,921</u>	<u>143,470</u>
Excess (deficiency) of revenues over expenditures	(99,600)	(99,600)	(72,279)	27,321	(105,270)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>85,000</u>
Net change in fund balances	(19,600)	(19,600)	7,721	27,321	(20,270)
FUND BALANCES - Beginning of Year	<u>41,706</u>	<u>41,706</u>	<u>41,706</u>	<u>-</u>	<u>61,976</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,106</u>	<u>\$ 22,106</u>	<u>\$ 49,427</u>	<u>\$ 27,321</u>	<u>\$ 41,706</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Former Landfill Escrow				
	2010			2009	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
Original	Final				
<b>REVENUES</b>					
Charges for services - public	\$ 150,000	\$ 150,000	\$ 97,376	\$ (52,624)	\$ 107,734
<b>EXPENDITURES</b>					
Current					
Public works	150,000	150,000	97,376	52,624	107,734
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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Debt Service - TIF No. 6				
	2010			2009	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 243,500	\$ 243,500	\$ 248,081	\$ 4,581	\$ 236,174
Special assessments	-	-	-	-	10,981
Intergovernmental	800	800	1,221	421	1,120
Investment income	17,700	17,700	2,297	(15,403)	3,278
Total Revenues	<u>262,000</u>	<u>262,000</u>	<u>251,599</u>	<u>(10,401)</u>	<u>251,553</u>
<b>EXPENDITURES</b>					
Current					
General government	100	100	3,704	(3,604)	100
Development	900	900	-	900	-
Debt Service					
Principal retirement	65,000	65,000	65,000	-	65,000
Interest and fiscal charges	55,600	55,600	30,508	25,092	33,508
Total Expenditures	<u>121,600</u>	<u>121,600</u>	<u>99,212</u>	<u>22,388</u>	<u>98,608</u>
Net change in fund balances	140,400	140,400	152,387	11,987	152,945
FUND BALANCES - Beginning of Year	<u>1,240,055</u>	<u>1,240,055</u>	<u>1,240,055</u>	-	<u>1,087,110</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,380,455</u>	<u>\$ 1,380,455</u>	<u>\$ 1,392,442</u>	<u>\$ 11,987</u>	<u>\$ 1,240,055</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, 2010  
With Comparative Actual Totals for the Year Ended December 31, 2009

	Debt Service - TIF No. 7				
	2010			2009	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Real and personal property	\$ 137,300	\$ 137,300	\$ 144,263	\$ 6,963	\$ 131,980
Intergovernmental	500	500	6,627	6,127	546
Investment income	200	200	69	(131)	78
Total Revenues	<u>138,000</u>	<u>138,000</u>	<u>150,959</u>	<u>12,959</u>	<u>132,604</u>
<b>EXPENDITURES</b>					
Current					
General government	500	3,900	3,704	196	100
Development	-	200	150	50	-
Debt Service					
Principal retirement	130,000	130,000	130,000	-	110,000
Interest and fiscal charges	50,000	50,000	49,973	27	54,710
Total Expenditures	<u>180,500</u>	<u>184,100</u>	<u>183,827</u>	<u>273</u>	<u>164,810</u>
Excess (deficiency) of revenues over expenditures	(42,500)	(46,100)	(32,868)	13,232	(32,206)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	10,000	-	-	-	83,033
Net change in fund balances	(32,500)	(46,100)	(32,868)	13,232	50,827
FUND BALANCES - Beginning of Year	<u>50,827</u>	<u>50,827</u>	<u>50,827</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,327</u>	<u>\$ 4,727</u>	<u>\$ 17,959</u>	<u>\$ 13,232</u>	<u>\$ 50,827</u>

## **Nonmajor Enterprise Funds**

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

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

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

## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS December 31, 2010

	<u>Parking Utility</u>	<u>Hobbs Ice Center</u>	<u>Outdoor Pool</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 438,308	\$ 113,870	\$ 150,353	\$ 702,531
Accounts receivable, net	<u>6,756</u>	<u>168,577</u>	<u>1,113</u>	<u>176,446</u>
Total Current Assets	<u>445,064</u>	<u>282,447</u>	<u>151,466</u>	<u>878,977</u>
Noncurrent Assets				
Capital assets				
Construction in progress	261,928	230,087	-	492,015
Land	645,196	5,000	-	650,196
Capital assets	6,145,375	7,998,492	2,063,966	16,207,833
Less accumulated depreciation	<u>(3,726,898)</u>	<u>(1,353,331)</u>	<u>(894,077)</u>	<u>(5,974,306)</u>
Total Capital Assets (Net of Accumulated depreciation)	<u>3,325,601</u>	<u>6,880,248</u>	<u>1,169,889</u>	<u>11,375,738</u>
Total Noncurrent Assets	<u>3,325,601</u>	<u>6,880,248</u>	<u>1,169,889</u>	<u>11,375,738</u>
Total Assets	<u>3,770,665</u>	<u>7,162,695</u>	<u>1,321,355</u>	<u>12,254,715</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	108,600	33,359	442	142,401
Accrued payroll and payroll taxes	4,309	12,967	497	17,773
Accrued compensated absences	8,026	8,525	454	17,005
Deposits	1,208	-	2,928	4,136
Due to other governments	1,434	1,560	161	3,155
Due to other funds	-	113,906	-	113,906
Current portion of advances	-	190,000	-	190,000
Total Current Liabilities	<u>123,577</u>	<u>360,317</u>	<u>4,482</u>	<u>488,376</u>
Noncurrent Liabilities				
Advances from other funds	-	3,850,000	-	3,850,000
Other post-employment benefits	<u>5,031</u>	<u>7,825</u>	<u>-</u>	<u>12,856</u>
Total Noncurrent Liabilities	<u>5,031</u>	<u>3,857,825</u>	<u>-</u>	<u>3,862,856</u>
Total Liabilities	<u>128,608</u>	<u>4,218,142</u>	<u>4,482</u>	<u>4,351,232</u>
<b>NET ASSETS</b>				
Invested in capital assets	3,325,601	6,880,248	1,169,889	11,375,738
Unrestricted (deficit)	<u>316,456</u>	<u>(3,935,695)</u>	<u>146,984</u>	<u>(3,472,255)</u>
TOTAL NET ASSETS	<u>\$ 3,642,057</u>	<u>\$ 2,944,553</u>	<u>\$ 1,316,873</u>	<u>\$ 7,903,483</u>

## CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2010

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 201,233	\$ 574,986	\$ 217,258	\$ 993,477
Other	-	349,720	21,002	370,722
Total Operating Revenues	<u>201,233</u>	<u>924,706</u>	<u>238,260</u>	<u>1,364,199</u>
<b>OPERATING EXPENSES</b>				
Personal services	102,053	284,342	188,539	574,934
Contractual services	109,273	65,307	21,359	195,939
Supplies and materials	3,399	58,755	47,930	110,084
Utilities	55,873	217,018	31,590	304,481
Depreciation	217,540	208,039	55,996	481,575
Administrative	9,652	9,589	5,966	25,207
Total Operating Expenses	<u>497,790</u>	<u>843,050</u>	<u>351,380</u>	<u>1,692,220</u>
Operating income (loss)	<u>(296,557)</u>	<u>81,656</u>	<u>(113,120)</u>	<u>(328,021)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense	-	(149,667)	-	(149,667)
Income (loss) before operating transfers	(296,557)	(68,011)	(113,120)	(477,688)
Transfers from other funds	<u>7,750</u>	<u>135,037</u>	<u>102,124</u>	<u>244,911</u>
Income (loss) before contributions	(288,807)	67,026	(10,996)	(232,777)
Capital Contributions	-	343,592	-	343,592
Change in net assets	(288,807)	410,618	(10,996)	110,815
NET ASSETS - Beginning of Year	<u>3,930,864</u>	<u>2,533,935</u>	<u>1,327,869</u>	<u>7,792,668</u>
NET ASSETS - END OF YEAR	<u>\$ 3,642,057</u>	<u>\$ 2,944,553</u>	<u>\$ 1,316,873</u>	<u>\$ 7,903,483</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
For the Year Ended December 31, 2010

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 199,930	\$ 916,327	\$ 240,502	\$ 1,356,759
Cash paid to suppliers for goods and services	(177,977)	(260,025)	(130,996)	(568,998)
Cash paid to employees for services	(97,363)	(277,715)	(188,670)	(563,748)
Net Cash Flows From (Used By) Operating Activities	<u>(75,410)</u>	<u>378,587</u>	<u>(79,164)</u>	<u>224,013</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	<u>7,750</u>	<u>135,037</u>	<u>102,124</u>	<u>244,911</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	343,592	-	343,592
Acquisition and construction of capital assets	(274,876)	(782,166)	(5,250)	(1,062,292)
Principal paid on capital advances from other funds	-	(110,000)	-	(110,000)
Interest paid on capital advances from other funds	-	(149,667)	-	(149,667)
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(274,876)</u>	<u>(698,241)</u>	<u>(5,250)</u>	<u>(978,367)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(342,536)	(184,617)	17,710	(509,443)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>780,844</u>	<u>298,487</u>	<u>132,643</u>	<u>1,211,974</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 438,308</u>	<u>\$ 113,870</u>	<u>\$ 150,353</u>	<u>\$ 702,531</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (296,557)	\$ 81,656	\$ (113,120)	\$ (328,021)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	217,540	208,039	55,996	481,575
Change in assets and liabilities				
Accounts receivable	(2,511)	(8,379)	(687)	(11,577)
Accounts payable	180	(23,595)	(24,306)	(47,721)
Due to other funds	-	113,906	-	113,906
Deposits	1,208	-	2,928	4,136
Other liabilities	2,574	3,607	25	6,206
Other post-employment benefits	2,156	3,353	-	5,509
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	<u>\$ (75,410)</u>	<u>\$ 378,587</u>	<u>\$ (79,164)</u>	<u>\$ 224,013</u>

**NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES**

The Parking Utility and Hobbs Ice Center accrued accounts payable for \$98,903 and \$565 of capital assets, respectively, that were acquired prior to December 31, 2010.

## **Internal Service Funds**

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

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

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF NET ASSETS -  
INTERNAL SERVICE FUNDS  
December 31, 2010

	Risk Management	Central Equipment	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 8,474,208	\$ 6,933,000	\$ 15,407,208
Accounts receivable, net	210,421	-	210,421
Due from other governments	-	17,856	17,856
Due from component unit	-	1,756	1,756
Due from other funds	-	1,548	1,548
Inventories	-	418,012	418,012
Total Current Assets	<u>8,684,629</u>	<u>7,372,172</u>	<u>16,056,801</u>
Noncurrent Assets			
Escrow account	236,768	-	236,768
Deposit in insurance pools	766,496	-	766,496
Advances to other funds	1,838,700	-	1,838,700
Capital assets			
Construction in progress	-	466,156	466,156
Land	-	235,899	235,899
Land improvements	-	16,677	16,677
Buildings	-	5,710,107	5,710,107
Equipment	-	281,633	281,633
Rental equipment	-	14,728,603	14,728,603
Less: Accumulated depreciation	-	(11,231,602)	(11,231,602)
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>10,207,473</u>	<u>10,207,473</u>
Total Noncurrent Assets	<u>2,841,964</u>	<u>10,207,473</u>	<u>13,049,437</u>
Total Assets	<u>11,526,593</u>	<u>17,579,645</u>	<u>29,106,238</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	107,288	507,477	614,765
Accrued payroll and payroll taxes	6,365	23,609	29,974
Accrued compensated absences	5,815	23,523	29,338
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>339,468</u>	<u>554,609</u>	<u>894,077</u>
Noncurrent Liabilities			
Other post-employment benefits	16,210	45,834	62,044
Unpaid claims	1,248,042	-	1,248,042
Total Noncurrent Liabilities	<u>1,264,252</u>	<u>45,834</u>	<u>1,310,086</u>
Total Liabilities	<u>1,603,720</u>	<u>600,443</u>	<u>2,204,163</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	10,207,473	10,207,473
Restricted for deposits	1,003,264	-	1,003,264
Unrestricted	8,919,609	6,771,729	15,691,338
TOTAL NET ASSETS	<u>\$ 9,922,873</u>	<u>\$ 16,979,202</u>	<u>\$ 26,902,075</u>



## CITY OF EAU CLAIRE

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2010

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,747,626	\$ 721,701	\$ 2,469,327
Rental of equipment	-	2,695,131	2,695,131
Total Charges for Services	<u>1,747,626</u>	<u>3,416,832</u>	<u>5,164,458</u>
<b>Other</b>			
Repayment of insurance claims	51,624	-	51,624
Building rental	-	192,102	192,102
Miscellaneous	-	7,615	7,615
Total Operating Revenues	<u>1,799,250</u>	<u>3,616,549</u>	<u>5,415,799</u>
<b>OPERATING EXPENSES</b>			
Personal services	164,092	693,805	857,897
Contractual services	27,522	274,020	301,542
Supplies and materials	3,870	1,107,339	1,111,209
Utilities	263	153,932	154,195
Depreciation	-	1,215,634	1,215,634
Administrative	-	119,188	119,188
Claims	1,309,025	-	1,309,025
Total Operating Expenses	<u>1,504,772</u>	<u>3,563,918</u>	<u>5,068,690</u>
Operating income	<u>294,478</u>	<u>52,631</u>	<u>347,109</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	56,011	-	56,011
Net gain (loss) on disposal of capital assets	-	(20,595)	(20,595)
Total Non-Operating Revenues (Expenses)	<u>56,011</u>	<u>(20,595)</u>	<u>35,416</u>
Income before transfers	<u>350,489</u>	<u>32,036</u>	<u>382,525</u>
<b>TRANSFERS</b>			
Transfers from other funds	-	123,600	123,600
Transfers to other funds	(95,000)	-	(95,000)
Total Transfers	<u>(95,000)</u>	<u>123,600</u>	<u>28,600</u>
Income before contributions	255,489	155,636	411,125
Capital contributions	<u>-</u>	<u>31,076</u>	<u>31,076</u>
Change in net assets	255,489	186,712	442,201
NET ASSETS - Beginning of Year	<u>9,667,384</u>	<u>16,792,490</u>	<u>26,459,874</u>
NET ASSETS - END OF YEAR	<u>\$ 9,922,873</u>	<u>\$ 16,979,202</u>	<u>\$ 26,902,075</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2010

	Risk Management	Central Equipment	Totals
<b>CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,775,926	\$ 3,609,309	\$ 5,385,235
Cash payments to suppliers for goods and services	(53,542)	(1,620,629)	(1,674,171)
Cash payments to employees for services	(157,115)	(673,023)	(830,138)
Claims paid	(1,713,531)	-	(1,713,531)
Repayment of insurance claims	51,624	-	51,624
Net Cash Flows from (Used By) Operating Activities	<u>(96,638)</u>	<u>1,315,657</u>	<u>1,219,019</u>
<b>CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-	123,600	123,600
Transfers to other funds	(95,000)	-	(95,000)
Net Cash Flows from (Used By) Noncapital Financing Activities	<u>(95,000)</u>	<u>123,600</u>	<u>28,600</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>56,011</u>	-	<u>56,011</u>
<b>CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions	-	31,076	31,076
Acquisition and construction of capital assets	-	(1,044,659)	(1,044,659)
Proceeds from sale of equipment	-	98,738	98,738
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>-</u>	<u>(914,845)</u>	<u>(914,845)</u>
Net increase (decrease) in cash and cash equivalents	(135,627)	524,412	388,785
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>8,846,603</u>	<u>6,408,588</u>	<u>15,255,191</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,710,976</u>	<u>\$ 6,933,000</u>	<u>\$ 15,643,976</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash and Cash Equivalents per Statement of Net Assets	\$ 8,474,208	\$ 6,933,000	\$ 15,407,208
Restricted Cash and Investments	<u>236,768</u>	-	<u>236,768</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 8,710,976</u>	<u>\$ 6,933,000</u>	<u>\$ 15,643,976</u>

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 294,478	\$ 52,631	\$ 347,109
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	1,215,634	1,215,634
Change in assets and liabilities:			
Accounts receivable	28,300	(7,240)	21,060
Inventories	-	(3,296)	(3,296)
Prepays	1,043	-	1,043
Accounts payable	(21,887)	37,146	15,259
Accrued liabilities	30	1,139	1,169
Other post-employment benefits	6,947	19,643	26,590
Unpaid claims	<u>(405,549)</u>	<u>-</u>	<u>(405,549)</u>
 NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	 <u>\$ (96,638)</u>	 <u>\$ 1,315,657</u>	 <u>\$ 1,219,019</u>

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

Central Equipment accrued accounts payable for \$382,450 of capital assets acquired prior to December 31, 2010.

## **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, 2010

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<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2010</u>
<b>ASSETS</b>				
Cash and investments	\$ 13,154,564	\$ 81,039,509	\$ 85,592,503	\$ 8,601,570
Taxes receivable	<u>50,036,718</u>	<u>77,633,105</u>	<u>71,792,852</u>	<u>55,876,971</u>
<b>TOTAL ASSETS</b>	<u>\$ 63,191,282</u>	<u>\$ 158,672,614</u>	<u>\$ 157,385,355</u>	<u>\$ 64,478,541</u>
<b>LIABILITIES</b>				
Due to other taxing units	<u>\$ 63,191,282</u>	<u>\$ 64,478,541</u>	<u>\$ 63,191,282</u>	<u>\$ 64,478,541</u>

### **Major Governmental Component Unit**

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.

**CITY OF EAU CLAIRE**

BALANCE SHEET  
MAJOR GOVERNMENTAL COMPONENT UNIT  
December 31, 2010

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	South Barstow Business Improvement District
<b>ASSETS</b>	
Cash and short term investments	\$ 85,672
Receivables	
Taxes	<u>80,000</u>
 TOTAL ASSETS	 <u>\$ 165,672</u>
 <b>LIABILITIES AND FUND BALANCES</b>	
Accounts payable	\$ 2,714
Deferred revenue	<u>80,000</u>
Total Liabilities	<u>82,714</u>
 Fund Balances	
Designated for subsequent years expenditures	<u>82,958</u>
Total Fund Balances	<u>82,958</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 165,672</u>

# CITY OF EAU CLAIRE

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE MAJOR GOVERNMENTAL COMPONENT UNIT For the Year Ended December 31, 2010

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	South Barstow Business Improvement District
<b>REVENUES</b>	
Taxes	
Special assessments	\$ 80,000
Investment income	590
Miscellaneous	
Other	350
Total Revenues	<u>80,940</u>
<b>EXPENDITURES</b>	
Current	
Contractual services	52,526
Supplies and materials	<u>15,463</u>
Total Expenditures	<u>67,989</u>
Net change in fund balances	12,951
FUND BALANCES - Beginning of Year	<u>70,007</u>
FUND BALANCES - END OF YEAR	<u>\$ 82,958</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.

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

### COMBINING STATEMENT OF NET ASSETS NONMAJOR COMPONENT UNITS December 31, 2010

	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>				
Cash and short term investments	\$ 10,788	\$ 44,749	\$ 215,932	\$ 271,469
Receivables				
Taxes	11,500	9,500	44,000	65,000
Notes receivable	4,722	-	1,742	6,464
Total Assets	<u>27,010</u>	<u>54,249</u>	<u>261,674</u>	<u>342,933</u>
<b>LIABILITIES</b>				
Accounts payable	1,125	125	-	1,250
Unearned revenue	11,500	9,500	44,000	65,000
Total Liabilities	<u>12,625</u>	<u>9,625</u>	<u>44,000</u>	<u>66,250</u>
<b>NET ASSETS</b>				
Unrestricted	<u>14,385</u>	<u>44,624</u>	<u>217,674</u>	<u>276,683</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 14,385</u>	<u>\$ 44,624</u>	<u>\$ 217,674</u>	<u>\$ 276,683</u>

**CITY OF EAU CLAIRE**

COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
For the Year Ended December 31, 2010

	Net (Expense) Revenue and Changes in Net Assets							Totals
	Expenses	Program Revenues			West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
<b>West Grand Business Improvement District</b>								
Contractual services	\$ 17,273	\$ 5,000	\$ -	\$ -	\$ (12,273)	\$ -	\$ -	\$ (12,273)
<b>Water Street Business Improvement District</b>								
Contractual services	9,706	-	-	-	-	(9,706)	-	(9,706)
Supplies and materials	245	-	-	-	-	(245)	-	(245)
Total Water Street Business Improvement District	9,951	-	-	-	-	-	-	-
<b>North Barstow/Medical Business Improvement District</b>								
Contractual services	10,255	1,900	-	-	-	-	(8,355)	(8,355)
Total Nonmajor Component Units	<u>\$ 37,479</u>	<u>\$ 6,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(12,273)</u>	<u>(9,951)</u>	<u>(8,355)</u>	<u>(30,579)</u>
				General Revenues				
				Property taxes	11,500	9,500	44,000	65,000
				Investment income	110	260	1,160	1,530
				Miscellaneous	-	1,190	-	1,190
				Total General Revenues	11,610	10,950	45,160	67,720
				Change in net assets	(663)	999	36,805	37,141
				NET ASSETS - Beginning of Year	15,048	43,625	180,869	239,542
				NET ASSETS - END OF YEAR	<u>\$ 14,385</u>	<u>\$ 44,624</u>	<u>\$ 217,674</u>	<u>\$ 276,683</u>

**CITY OF EAU CLAIRE**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL COMPONENT UNITS  
December 31, 2010

	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>ASSETS</b>				
Cash and short term investments	\$ 10,788	\$ 44,749	\$ 215,932	\$ 271,469
Receivables				
Taxes	11,500	9,500	44,000	65,000
Notes receivable	<u>4,722</u>	<u>-</u>	<u>1,742</u>	<u>6,464</u>
 TOTAL ASSETS	 <u>\$ 27,010</u>	 <u>\$ 54,249</u>	 <u>\$ 261,674</u>	 <u>\$ 342,933</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 1,125	\$ 125	\$ -	\$ 1,250
Deferred revenue	<u>16,222</u>	<u>9,500</u>	<u>45,742</u>	<u>71,464</u>
Total Liabilities	<u>17,347</u>	<u>9,625</u>	<u>45,742</u>	<u>72,714</u>
 Fund Balances				
Designated for subsequent years expenditures	<u>9,663</u>	<u>44,624</u>	<u>215,932</u>	<u>270,219</u>
Total Fund Balances	<u>9,663</u>	<u>44,624</u>	<u>215,932</u>	<u>270,219</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 27,010</u>	 <u>\$ 54,249</u>	 <u>\$ 261,674</u>	 <u>\$ 342,933</u>
 <b>AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE</b>				
Fund balance at year end	\$ 9,663	\$ 44,624	\$ 215,932	\$ 270,219
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	<u>4,722</u>	<u>-</u>	<u>1,742</u>	<u>6,464</u>
 NET ASSETS AT YEAR END	 <u>\$ 14,385</u>	 <u>\$ 44,624</u>	 <u>\$ 217,674</u>	 <u>\$ 276,683</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, 2010

	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
<b>REVENUES</b>				
Taxes				
Special assessments	\$ 11,500	\$ 9,500	\$ 44,000	\$ 65,000
Investment income	110	260	1,160	1,530
Miscellaneous				
Other	<u>278</u>	<u>1,190</u>	<u>158</u>	<u>1,626</u>
Total Revenues	<u>11,888</u>	<u>10,950</u>	<u>45,318</u>	<u>68,156</u>
<b>EXPENDITURES</b>				
Current				
Contractual services	17,273	9,706	10,255	37,234
Supplies and materials	<u>-</u>	<u>245</u>	<u>-</u>	<u>245</u>
Total Expenditures	<u>17,273</u>	<u>9,951</u>	<u>10,255</u>	<u>37,479</u>
Net change in fund balances	(5,385)	999	35,063	30,677
FUND BALANCES - Beginning of Year	<u>15,048</u>	<u>43,625</u>	<u>180,869</u>	<u>239,542</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,663</u>	<u>\$ 44,624</u>	<u>\$ 215,932</u>	<u>\$ 270,219</u>
<b>RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET ASSETS</b>				
Net change in fund balances	\$ (5,385)	\$ 999	\$ 35,063	\$ 30,677
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.				
New loans recognized as expenditures on fund statements	5,000	-	1,900	6,900
Repayment of principal on loans recognized as revenue on fund statements	<u>(278)</u>	<u>-</u>	<u>(158)</u>	<u>(436)</u>
CHANGE IN NET ASSETS	<u>\$ (663)</u>	<u>\$ 999</u>	<u>\$ 36,805</u>	<u>\$ 37,141</u>

## **STATISTICAL SECTION (Unaudited)**

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

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

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

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

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, as well as other significant revenue sources which include the Water and Sewer Utility charges for services.

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

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

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

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

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

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

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

CITY OF EAU CLAIRE

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 77,072,420	\$ 80,885,102	\$ 84,287,120	\$ 92,019,758	\$ 91,774,543	\$ 94,701,258	\$ 88,485,022	\$ 90,572,719
Restricted	14,619,800	16,788,904	18,133,306	19,613,325	19,993,642	18,725,047	17,257,799	14,905,845
Unrestricted	38,307,037	34,715,716	30,056,232	32,529,957	33,619,637	41,631,592	51,074,170	50,715,707
<b>Total governmental activities net assets</b>	<b>129,999,257</b>	<b>132,389,722</b>	<b>132,476,658</b>	<b>144,163,040</b>	<b>145,387,822</b>	<b>155,057,897</b>	<b>156,816,991</b>	<b>156,194,271</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	105,722,026	118,330,734	123,247,987	127,757,415	131,320,732	136,900,275	142,147,587	144,754,595
Restricted	3,332,207	1,496,244	2,366,744	2,379,744	2,683,138	2,337,580	1,720,280	1,756,280
Unrestricted	13,332,743	14,853,887	14,878,421	14,066,385	18,485,636	16,261,525	14,752,404	14,596,965
<b>Total business-type activities net assets</b>	<b>122,386,976</b>	<b>134,680,865</b>	<b>140,493,152</b>	<b>144,203,544</b>	<b>152,489,506</b>	<b>155,499,380</b>	<b>158,620,271</b>	<b>161,107,840</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt (1)	182,794,446	199,215,836	206,184,638	218,562,857	218,170,512	227,571,273	226,794,574	231,714,628
Restricted	17,952,007	18,285,148	20,500,050	21,993,069	22,676,780	21,062,627	18,978,079	16,662,125
Unrestricted (1)	51,639,780	49,569,603	46,285,122	47,810,658	57,030,036	61,923,377	69,664,609	68,925,358
<b>Total primary government net assets</b>	<b>\$ 252,386,233</b>	<b>\$ 267,070,587</b>	<b>\$ 272,969,810</b>	<b>\$ 288,366,584</b>	<b>\$ 297,877,328</b>	<b>\$ 310,557,277</b>	<b>\$ 315,437,262</b>	<b>\$ 317,302,111</b>

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

Source: City of Eau Claire Comprehensive Annual Financial Reports

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

CITY OF EAU CLAIRE

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

Expenses	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>								
General government	\$ 8,520,660	\$ 7,643,250	\$ 7,857,938	\$ 6,493,902	\$ 6,464,010	\$ 8,357,900	\$ 6,914,248	\$ 7,413,879
Public safety	20,070,417	20,202,687	21,546,332	23,034,101	23,743,952	25,983,790	25,574,799	27,320,440
Public works	10,183,902	11,236,713	12,411,408	11,533,035	12,080,012	13,574,402	14,203,614	14,006,148
Health services	4,023,159	4,175,651	4,409,322	4,436,211	4,677,429	4,836,338	5,079,081	5,128,740
Culture and recreation	9,283,774	7,522,475	7,406,964	8,105,219	8,646,899	8,701,253	8,745,604	8,993,462
Development	2,931,989	2,267,591	3,653,040	2,359,672	3,281,340	3,426,710	3,111,437	3,329,286
Interest and fiscal charges	1,791,084	2,054,281	2,053,323	2,106,598	2,046,007	2,664,817	2,814,770	2,985,972
Total governmental activities expense	56,804,985	55,102,648	59,338,327	58,068,738	60,939,649	67,545,210	66,443,553	69,177,927
<b>Business-type activities</b>								
Water Utility	5,010,412	5,143,065	5,424,169	5,439,753	5,787,761	6,313,831	6,403,962	6,561,935
Sewer Utility	5,089,211	5,158,959	5,349,773	5,558,045	5,476,435	6,018,079	5,987,480	6,451,288
Storm Water Utility	1,628,456	1,482,635	1,823,011	2,064,283	2,066,896	2,289,679	2,117,002	2,153,306
Public Transit	3,982,644	4,103,773	4,427,330	4,770,055	4,864,830	5,130,887	4,795,731	5,194,260
Parking Utility	408,357	391,267	419,801	445,732	454,931	473,048	484,008	496,319
Hobbs Ice Center	503,345	519,838	564,079	621,290	589,633	622,235	703,386	991,013
Outdoor Pool	367,367	319,825	343,552	354,369	373,385	402,603	369,257	350,890
Total business-type activities expenses	16,989,792	17,119,362	18,351,715	19,253,527	19,613,871	21,250,362	20,860,826	22,199,011
<b>Total primary government expenses</b>	<b>\$ 73,794,777</b>	<b>\$ 72,222,010</b>	<b>\$ 77,690,042</b>	<b>\$ 77,322,265</b>	<b>\$ 80,553,520</b>	<b>\$ 88,795,572</b>	<b>\$ 87,304,379</b>	<b>\$ 91,376,938</b>



CITY OF EAU CLAIRE

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues</b>								
Governmental activities:								
Charges for services								
General government	\$ 2,944,928	\$ 2,799,799	\$ 2,971,400	\$ 3,131,097	\$ 3,014,682	\$ 3,112,881	\$ 3,873,184	\$ 3,750,638
Public safety	3,582,224	3,083,516	2,813,376	3,460,345	3,777,133	4,151,824	4,807,007	4,779,379
Public works	85,827	118,378	177,977	396,987	258,474	250,219	299,656	391,199
Health services	1,388,975	1,602,248	1,748,238	1,769,891	1,817,621	1,849,982	1,887,058	2,088,397
Culture and recreation	1,564,306	1,449,973	1,325,314	1,360,404	1,595,776	1,619,949	1,603,176	1,599,091
Development	153,510	157,355	89,976	746,569	1,232,950	468,614	99,137	375,568
Operating grants and contributions								
General government	45,361	41,955	6,392	22,444	12,416	12,877	13,723	34,331
Public safety	928,224	750,303	579,467	670,279	1,091,291	344,610	475,948	525,055
Public works	-	-	-	-	-	6,371,107	1,011,157	-
Health services	820,384	966,021	965,115	895,312	984,965	1,049,388	1,209,737	1,231,045
Culture and recreation	34,994	24,091	33,060	12,205	31,370	14,235	32,337	50,888
Development	1,578,390	1,556,887	1,366,682	802,334	1,241,461	1,103,856	1,741,828	711,533
Capital grants and contributions								
General government	2,251,173	1,750,962	1,534,745	2,122,452	1,619,901	2,678,484	301,393	-
Public safety	68,470	57,458	-	-	131,896	329,736	110,099	97,089
Public works	4,331,168	3,948,101	6,309,250	10,799,856	5,365,276	7,097,399	4,744,942	4,060,881
Health services	-	-	-	-	-	9,109	-	-
Culture and recreation	309,737	749,940	731,287	1,005,338	216,384	94,390	804,943	503,022
Development	-	-	-	-	-	-	-	53,750
Total governmental activities program revenues	20,087,671	19,056,987	20,652,279	27,195,513	22,391,596	30,558,660	23,015,325	20,251,866
Business-type activities								
Charges for services								
Water Utility	6,984,333	6,831,621	7,150,409	7,600,310	8,100,296	7,822,825	8,379,381	8,388,766
Sewer Utility	5,999,089	5,811,267	6,123,231	6,267,035	6,266,314	6,492,660	6,617,211	6,955,547
Storm Water Utility	1,725,264	1,935,282	2,098,370	2,460,532	2,677,207	2,944,799	3,245,820	3,522,074
Public Transit	471,698	470,600	503,024	527,466	552,510	645,823	689,595	655,056
Parking Utility	229,664	218,569	215,356	227,065	214,184	240,605	219,392	201,233
Hobbs Ice Center	340,292	379,206	423,376	443,141	452,511	503,710	485,956	574,986
Outdoor Pool	200,252	173,359	214,616	210,756	213,503	217,613	205,898	217,258
Operating grants and contributions								
Public Transit	2,360,794	2,400,631	2,466,457	2,711,846	2,839,769	2,948,598	2,907,050	3,139,414
Capital grants and contributions								
Water Utility	143,673	2,921,683	1,051,304	542,390	492,431	937,844	378,597	870,815
Sewer Utility	204,277	2,370,025	609,332	540,063	357,700	690,951	58,364	247,327
Storm Water Utility	27,381	5,187,007	1,975,066	505,753	90,973	147,010	19,470	96,737
Hobbs Ice Center	-	-	-	-	-	50,000	-	343,592
Total business-type activities program revenues	18,686,717	28,699,250	22,830,541	22,036,357	22,257,398	23,642,438	23,206,734	25,212,805
Total primary government program revenues	38,774,388	47,756,237	43,482,820	49,231,870	44,648,994	54,201,098	46,222,059	45,464,671
<b>Net (Expense) Revenue</b>								
Governmental activities	(36,717,314)	(36,045,661)	(38,686,048)	(30,873,225)	(38,548,053)	(36,986,550)	(43,428,228)	(48,926,061)
Business-type activities	1,696,925	11,579,888	4,478,826	2,782,830	2,643,527	2,392,076	2,345,908	3,013,794
Total primary government net expense	\$ (35,020,389)	\$ (24,465,773)	\$ (34,207,222)	\$ (28,090,395)	\$ (35,904,526)	\$ (34,594,474)	\$ (41,082,320)	\$ (45,912,267)

CITY OF EAU CLAIRE

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

	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities								
Property taxes	\$ 25,854,470	\$ 26,155,386	\$ 27,478,504	\$ 28,709,747	\$ 29,927,378	\$ 32,904,778	\$ 33,555,043	\$ 35,566,702
Intergovernmental revenues	10,392,649	9,388,956	9,378,496	9,390,895	9,463,185	9,603,015	10,069,736	9,695,627
Investment income	1,697,609	2,057,061	2,703,261	4,167,233	4,639,329	3,692,849	1,045,243	1,429,077
Gain on sale of capital assets	-	-	-	38,033	65,420	33,868	34,589	-
Miscellaneous	-	-	45,493	107,281	14,373	16,075	184,711	274,145
Transfers	132,732	454,863	20,295	146,418	(4,336,850)	406,040	298,000	1,337,790
Total governmental activities	38,077,460	38,056,266	39,626,049	42,559,607	39,772,835	46,656,625	45,187,322	48,303,341
Business-type activities								
Investment income	365,909	308,078	616,911	806,542	1,046,523	737,649	208,680	136,594
Miscellaneous	93,558	292,347	236,053	267,438	259,062	286,189	864,303	674,971
Transfers	(132,732)	(454,863)	(20,295)	(146,418)	4,336,850	(406,040)	(298,000)	(1,337,790)
Total business-type activities	326,735	145,562	832,669	927,562	5,642,435	617,798	774,983	(526,225)
Total primary government	38,404,195	38,201,828	40,458,718	43,487,169	45,415,270	47,274,423	45,962,305	47,777,116
<b>Change in Net Assets</b>								
Governmental activities	1,360,146	2,010,605	940,001	11,686,382	1,224,782	9,670,075	1,759,094	(622,720)
Business-type activities	2,023,660	11,725,450	5,311,495	3,710,392	8,285,962	3,009,874	3,120,891	2,487,569
Total primary government	\$ 3,383,806	\$ 13,736,055	\$ 6,251,496	\$ 15,396,774	\$ 9,510,744	\$ 12,679,949	\$ 4,879,985	\$ 1,864,849

Source: City of Eau Claire Comprehensive Annual Financial Reports

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

CITY OF EAU CLAIRE

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 7,356,078	\$ 7,012,649	\$ 6,367,325	\$ 6,384,041	\$ 5,848,920	\$ 4,881,267	\$ 4,412,107	\$ 4,203,971	\$ 8,124,878	\$ 7,511,280
Unreserved										
Designated	5,647,871	4,714,450	6,709,720	6,323,236	6,059,964	6,723,752	5,721,632	6,985,838	6,950,173	7,467,065
Undesignated	1,490,100	2,478,426	2,896,215	2,978,369	2,821,438	3,668,023	4,638,803	6,254,326	8,849,834	10,387,620
Total General Fund	<u>14,494,049</u>	<u>14,205,525</u>	<u>15,973,260</u>	<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>
All Other Governmental Funds										
Reserved	12,031,043	13,144,563	16,775,820	16,720,328	15,295,775	12,560,342	15,823,768	12,590,157	13,677,666	14,758,710
Unreserved										
Designated										
Special revenue funds	2,291,594	2,315,500	7,350,482	7,362,168	7,197,264	6,404,601	5,562,633	5,400,191	4,607,568	4,667,101
Debt service funds	550,800	588,992	-	623,900	255,700	273,300	233,800	-	-	-
Capital projects funds	61,700	54,800	10,012,054	7,445,000	9,213,998	8,876,216	12,158,771	18,346,976	19,418,644	18,241,848
Undesignated (deficit)	<u>17,156,627</u>	<u>16,558,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(2,134,426)</u>	<u>(2,236,832)</u>
Total All Other Governmental Funds	<u>32,091,764</u>	<u>32,661,893</u>	<u>34,138,356</u>	<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>
Total All Funds	<u>\$46,585,813</u>	<u>\$46,867,418</u>	<u>\$50,111,616</u>	<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>

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Property taxes	\$ 23,468	\$ 25,920	\$ 25,841	\$ 26,164	\$ 27,600	\$ 28,667	\$ 29,462	\$ 31,296	\$ 33,526	\$ 35,477
Special assessments	2,214	2,249	2,339	2,341	2,164	1,988	1,898	2,053	1,989	1,853
Intergovernmental	16,351	16,474	17,163	15,903	16,303	15,546	15,957	22,109	15,958	16,033
Licenses and permits	1,598	1,712	1,788	1,827	1,829	1,938	1,922	1,969	1,993	1,936
Fines and forfeitures	644	787	850	980	917	900	1,018	941	897	866
Charges for services	6,532	6,787	6,007	6,136	6,607	7,169	7,005	9,576	9,878	9,049
Investment income	2,733	385	1,573	1,578	2,548	3,682	4,328	3,355	1,430	1,296
Miscellaneous	3,336	3,192	1,230	1,960	1,465	1,509	1,726	1,281	2,218	1,879
<b>Total revenues</b>	<b>56,876</b>	<b>57,506</b>	<b>56,791</b>	<b>56,889</b>	<b>59,433</b>	<b>61,399</b>	<b>63,316</b>	<b>72,580</b>	<b>67,889</b>	<b>68,389</b>
<b>Expenditures</b>										
General government	5,301	5,559	5,760	5,877	6,263	5,696	5,700	6,169	5,888	6,136
Public safety	17,635	18,724	19,536	19,933	20,912	22,412	23,563	24,252	24,739	25,362
Public works	7,531	7,684	7,003	7,210	7,350	7,137	7,693	8,109	8,545	8,723
Health services	3,510	3,668	3,918	4,172	4,388	4,402	4,666	4,814	4,959	5,026
Culture and recreation	6,566	6,841	7,211	7,117	7,164	7,493	7,830	7,908	7,935	8,062
Development	2,844	2,773	2,374	3,022	4,162	2,772	3,614	2,839	3,096	2,738
Miscellaneous	441	418	421	428	497	462	630	465	451	612
Capital outlay	11,976	9,127	8,293	12,622	9,458	13,408	8,119	11,899	9,685	9,179
Debt service										
Principal	3,029	8,724	5,070	3,509	5,882	3,789	4,311	5,057	4,983	4,930
Interest	2,154	2,387	1,752	1,992	1,991	2,073	1,957	2,634	2,907	3,134
<b>Total expenditures</b>	<b>60,987</b>	<b>65,905</b>	<b>61,338</b>	<b>65,882</b>	<b>68,067</b>	<b>69,644</b>	<b>68,083</b>	<b>74,146</b>	<b>73,188</b>	<b>73,902</b>
<b>Other financing sources (uses)</b>										
Debt issued	8,700	9,861	13,585	5,460	7,290	4,365	17,785	15,400	11,618	7,707
Premium on debt issued	-	-	-	-	-	55	166	-	-	27
Discount on debt issued	-	-	-	-	-	-	-	(60)	(79)	-
Payment to refunding agent	-	-	(2,469)	-	-	-	(8,812)	-	-	(2,293)
Pay-off of unfunded retirement liability	-	-	-	-	-	-	-	(9,392)	-	-
Transfers in	6,346	6,814	7,176	8,111	7,761	7,931	7,841	7,910	10,390	10,141
Transfers out	(7,368)	(7,548)	(6,818)	(7,261)	(7,630)	(7,450)	(7,135)	(7,099)	(11,494)	(8,832)
Transfers from Component Unit	-	25	-	-	-	-	-	-	-	-
Transfers to Component Unit	(411)	(1,735)	-	-	-	-	-	-	-	-
Sale of capital assets	258	147	1,239	408	69	38	86	36	578	65
<b>Total other financing sources (uses)</b>	<b>7,525</b>	<b>7,564</b>	<b>12,713</b>	<b>6,718</b>	<b>7,490</b>	<b>4,939</b>	<b>9,931</b>	<b>6,795</b>	<b>11,013</b>	<b>6,815</b>
<b>Net change in fund balances</b>	<b>\$ 3,414</b>	<b>\$ (835)</b>	<b>\$ 8,166</b>	<b>\$ (2,275)</b>	<b>\$ (1,144)</b>	<b>\$ (3,306)</b>	<b>\$ 5,164</b>	<b>\$ 5,229</b>	<b>\$ 5,714</b>	<b>\$ 1,302</b>
Debt service as a percentage of noncapital expenditures	10.6%	19.6%	12.9%	10.3%	13.4%	10.4%	10.6%	12.2%	12.4%	12.5%

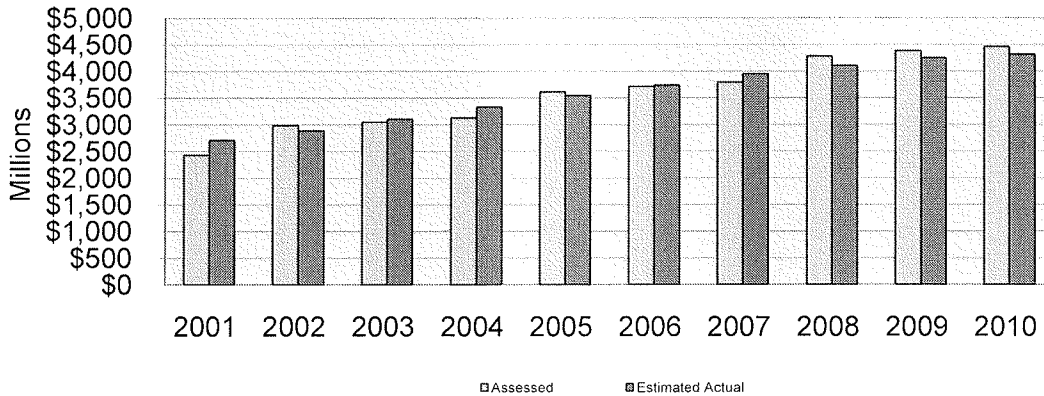
Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ALL PROPERTY										
Real property:										
Assessed value	\$2,309,955	\$2,841,850	\$2,913,967	\$2,997,305	\$3,480,302	\$3,589,140	\$3,663,397	\$4,132,625	\$4,229,806	\$4,298,042
Estimated actual value (1)	2,574,728	2,750,365	2,966,933	3,192,523	3,405,414	3,614,093	3,812,428	3,960,377	4,100,813	4,154,706
Personal property:										
Assessed value	\$119,618	\$139,844	\$134,989	\$131,225	\$135,230	\$129,985	\$132,425	\$150,560	\$152,927	\$167,057
Estimated actual value	133,993	138,930	138,430	138,038	140,683	126,950	139,214	149,802	154,122	161,241
Total:										
Assessed value	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099
Estimated actual value	2,706,974	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947
Ratio of total assessed to total estimated actual value	89.75%	103.20%	98.18%	93.93%	101.95%	99.41%	96.06%	104.21%	103.00%	103.46%
Direct tax rate:										
Eau Claire County	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.22	\$6.80	\$7.12	\$7.34
Chippewa County	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.12	\$6.86	\$7.18	\$7.51

ASSESSED / ESTIMATED ACTUAL VALUE  
 ALL PROPERTY



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.

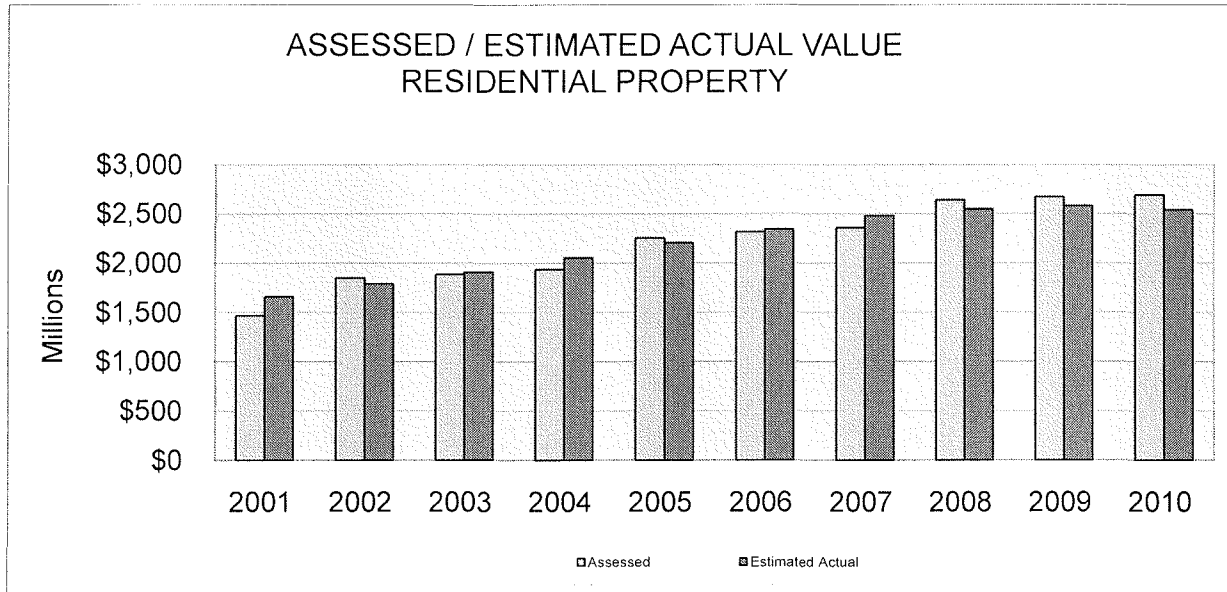
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>RESIDENTIAL</b>										
Real property:										
Assessed value	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408
Estimated actual value	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048
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	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932	\$2,640,009	\$2,670,924	\$2,692,408
Estimated actual value	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098	2,546,296	2,579,753	2,542,048
Total all classes:										
Assessed value	\$2,429,573	\$2,981,695	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099
Estimated actual value	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947
Residential property as a percentage of total:										
Assessed value	60.45%	61.99%	61.81%	61.90%	62.33%	62.34%	62.17%	61.64%	60.94%	60.30%
Estimated actual value	61.23%	61.98%	61.25%	61.60%	62.19%	62.67%	62.71%	61.95%	60.63%	58.90%
Number of parcels	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766	19,829	19,922
Number of parcels with improvements	16,729	17,034	17,219	17,513	17,745	17,993	18,114	18,358	18,445	18,590



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.

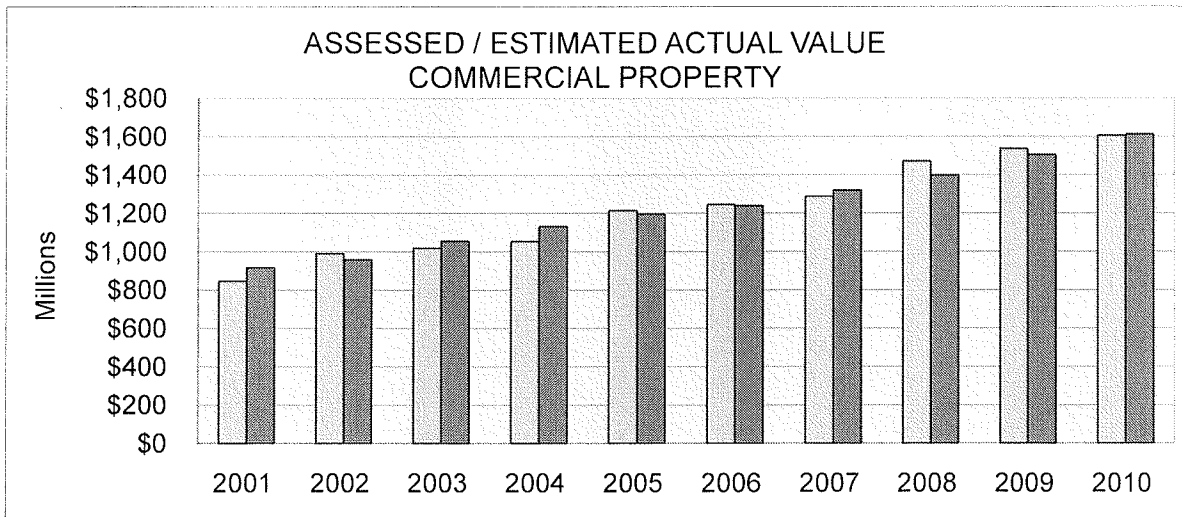
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>COMMERCIAL</b>										
Real property:										
Assessed value	\$746,582	\$872,022	\$903,427	\$939,329	\$1,095,829	\$1,132,143	\$1,170,613	\$1,344,227	\$1,406,379	\$1,459,862
Estimated actual value	810,573	841,406	936,814	1,011,523	1,071,374	1,128,558	1,197,480	1,271,451	1,372,777	1,471,159
Personal property:										
Assessed value	\$99,819	\$117,363	\$115,716	\$113,637	\$117,645	\$113,661	\$116,173	\$126,739	\$130,769	\$145,125
Estimated actual value	106,647	117,100	118,345	119,796	123,600	110,476	122,319	126,823	132,663	139,976
Total commercial:										
Assessed value	\$846,401	\$989,385	\$1,019,143	\$1,052,966	\$1,213,474	\$1,245,804	\$1,286,786	\$1,470,966	\$1,537,148	\$1,604,987
Estimated actual value	917,220	958,506	1,055,159	1,131,319	1,194,974	1,239,034	1,319,799	1,398,274	1,505,440	1,611,135
Total all classes:										
Assessed value	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822	\$4,283,185	\$4,382,733	\$4,465,099
Estimated actual value	2,706,974	2,889,294	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642	4,110,179	4,254,935	4,315,947
Commercial property as a percentage of total:										
Assessed value	34.84%	33.18%	33.43%	33.66%	33.56%	33.50%	33.90%	34.34%	35.07%	35.95%
Estimated actual value	33.88%	33.17%	33.98%	33.97%	33.70%	33.12%	33.40%	34.02%	35.38%	37.33%
Number of parcels	2,635	2,634	2,669	2,692	2,719	2,739	2,755	3,253	3,200	3,224
Number of parcels with improvements	1,642	1,652	1,683	1,721	1,737	1,751	1,786	1,847	1,881	1,904



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.

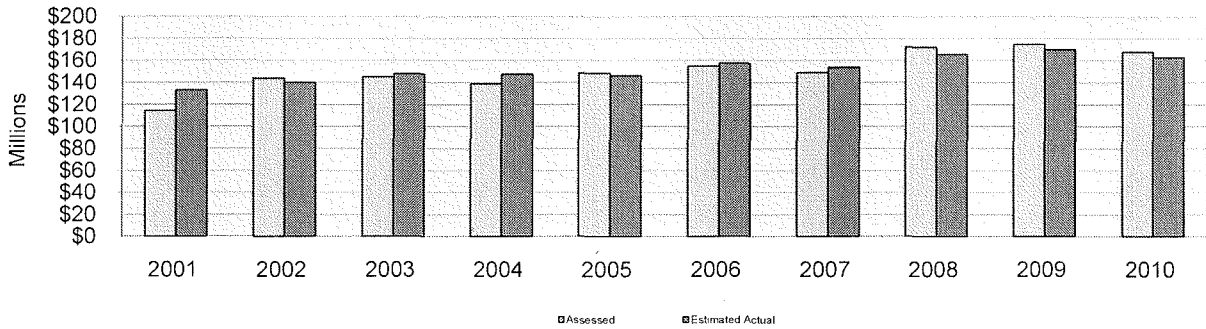
Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

**CITY OF EAU CLAIRE**

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>INDUSTRIAL</b>										
Real property:										
Assessed value	\$94,681	\$121,417	\$125,809	\$121,311	\$130,984	\$138,617	\$132,852	\$148,389	\$152,504	\$145,773
Estimated actual value	105,668	118,173	127,937	129,389	128,756	141,086	136,850	142,630	148,282	141,499
Personal property:										
Assessed value	\$19,799	\$22,481	\$19,272	\$17,588	\$17,585	\$16,324	\$16,252	\$23,821	\$22,159	\$21,932
Estimated actual value	27,346	21,830	20,085	18,242	17,263	16,474	16,894	22,979	21,459	21,264
Total industrial:										
Assessed value	\$114,480	\$143,898	\$145,081	\$138,899	\$148,569	\$154,941	\$149,104	\$172,210	\$174,663	\$167,705
Estimated actual value	133,014	140,003	148,022	147,631	146,019	157,560	153,744	165,609	169,741	162,763
Total all classes:										
Assessed value	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$4,283,185	\$4,382,733	\$4,382,733	\$4,465,099
Estimated actual value	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	4,110,179	4,254,935	4,254,935	4,315,947
Industrial property as a percentage of total:										
Assessed value	4.71%	4.83%	4.76%	4.44%	4.11%	4.17%	3.48%	3.93%	3.99%	3.76%
Estimated actual value	4.91%	4.85%	4.77%	4.43%	4.12%	4.21%	3.74%	3.89%	3.99%	3.77%
Number of parcels										
Number of parcels	107	107	103	96	95	97	93	95	97	95
Number of parcels with improvements										
Number of parcels with improvements	92	92	92	89	88	89	85	84	82	80

**ASSESSED / ESTIMATED ACTUAL VALUE  
 INDUSTRIAL PROPERTY**



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.

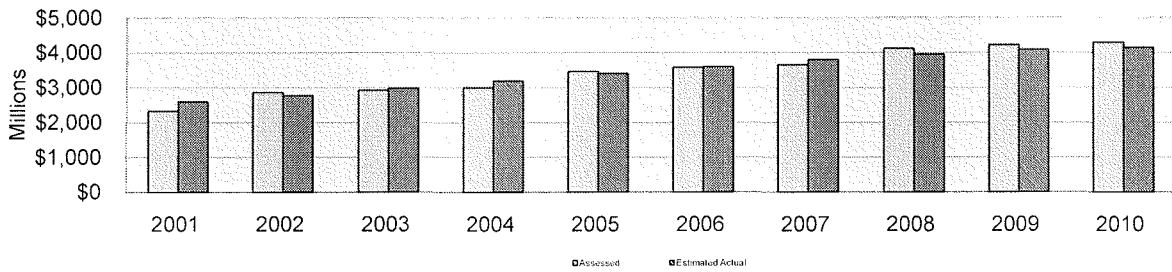


**CITY OF EAU CLAIRE**

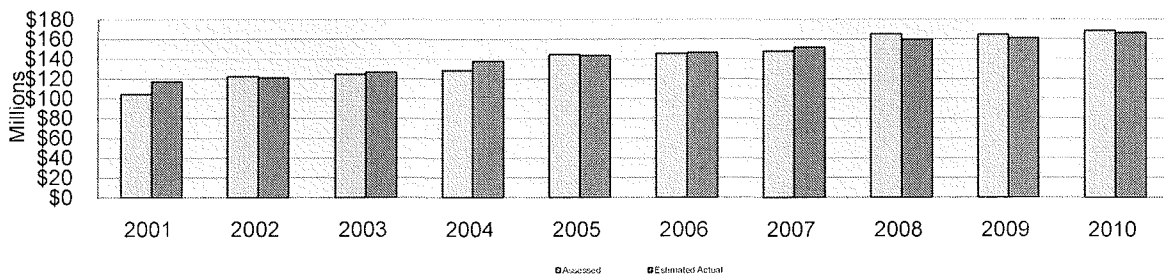
TABLE 9  
**ASSESSED AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY BY COUNTY**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

PORTION OF CITY IN:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>EAU CLAIRE COUNTY</b>										
Assessed value	\$2,325,108	\$2,859,598	\$2,924,407	\$3,000,387	\$3,471,029	\$3,573,733	\$3,648,184	\$4,118,082	\$4,218,200	\$4,296,383
Estimated actual value	2,590,133	2,768,468	2,978,826	3,192,926	3,402,896	3,594,685	3,799,993	3,950,363	4,093,908	4,149,314
Ratio of assessment	89.77%	103.29%	98.17%	93.97%	102.00%	99.42%	96.01%	104.25%	103.04%	103.54%
<b>CHIPPEWA COUNTY</b>										
Assessed value	\$104,200	\$122,097	\$124,549	\$128,143	\$144,504	\$145,392	\$147,637	\$165,102	\$164,533	\$168,716
Estimated actual value	116,841	120,827	126,537	137,635	143,381	146,358	151,649	159,815	161,027	166,633
Ratio of assessment	89.18%	101.05%	98.43%	93.10%	100.78%	99.34%	97.35%	103.31%	102.18%	101.25%

**ASSESSED / ESTIMATED ACTUAL VALUE  
 EAU CLAIRE COUNTY**



**ASSESSED / ESTIMATED ACTUAL VALUE  
 CHIPPEWA COUNTY**



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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TID #4 equalized valuation:										
Base	\$256	\$256	\$256	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	62,127	69,529	74,346	0	0	0	0	0	0	0
Total TID #4	\$62,383	\$69,785	\$74,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TID #5 equalized valuation:										
Base	\$130	\$130	\$130	\$130	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Increment	2,821	15,589	21,755	21,395	22,058	20,703	21,661	21,074	22,901	23,258
Total TID #5	\$2,951	\$15,719	\$21,885	\$21,525	\$23,058	\$21,703	\$22,661	\$22,074	\$23,901	\$24,258
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Increment	2,871	5,301	6,932	8,503	9,072	9,254	9,907	10,663	11,404	11,383
Total TID #6	\$3,857	\$6,287	\$7,918	\$9,489	\$10,058	\$10,240	\$10,893	\$11,649	\$12,390	\$12,369
TID #7 equalized valuation:										
Base	\$115	\$115	\$115	\$115	\$115	\$329	\$329	\$329	\$329	\$329
Increment	3,174	3,333	3,508	3,634	3,713	3,894	5,675	5,859	6,193	6,467
Total TID #7	\$3,289	\$3,448	\$3,623	\$3,749	\$3,828	\$4,223	\$6,004	\$6,188	\$6,522	\$6,796
TID #8 equalized valuation:										
Base	\$0	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441
Increment	0	0	0	236	3,683	12,661	16,288	16,805	18,523	22,362
Total TID #8	\$0	\$10,441	\$10,441	\$10,677	\$14,124	\$23,102	\$26,729	\$27,246	\$28,964	\$32,803
TID #9 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,239
Increment	0	0	0	0	0	0	0	0	0	2,222
Total TID #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,461
ALL PROPERTY										
All property - w/o TIDs	\$2,634,494	\$2,783,614	\$2,986,894	\$3,285,121	\$3,495,209	\$3,681,775	\$3,885,355	\$4,043,022	\$4,183,157	\$4,226,260
Base valuation - TIDs	1,487	11,928	11,928	11,672	12,542	12,756	12,756	12,756	12,756	23,995
All property - w/o TID increment	2,635,981	2,795,542	2,998,822	3,296,793	3,507,751	3,694,531	3,898,111	4,055,778	4,195,913	4,250,255
Increment valuation - TIDs	70,993	93,752	106,541	33,768	38,526	46,512	53,530	54,401	59,022	65,692
Equalized valuation - all property	\$2,706,974	\$2,889,294	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321
Library	0.974	0.854	0.880	0.851	0.753	0.724	0.725	0.652	0.653	0.644
Health	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380	0.383	0.379
Total Direct Rate	8.168	7.372	7.773	7.742	7.070	7.148	7.216	6.799	7.120	7.344
Eau Claire School Dist.	13.376	11.111	11.311	10.694	11.391	9.954	9.624	8.774	8.714	9.219
Vocational District	1.950	1.762	1.838	1.817	1.593	1.620	1.634	1.511	1.535	1.606
Eau Claire County	3.268	3.095	3.154	3.298	3.078	3.095	3.159	3.338	3.316	3.379
State Forestry	0.223	0.194	0.204	0.213	0.196	0.189	0.183	0.163	0.165	0.164
Gross Tax Rate	26.985	23.534	24.280	23.764	23.328	22.006	21.816	20.585	20.850	21.712
Less State Credit	(1.853)	(1.600)	(1.616)	(1.577)	(1.323)	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)
Net Tax Rate	\$ 25.132	\$ 21.934	\$ 22.664	\$ 22.187	\$ 22.005	\$ 20.681	\$ 20.189	\$ 18.970	\$ 19.220	\$ 20.185
City Property Located in Eau Claire County (Altoona School District)										
City	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075	\$5.767	\$6.084	\$6.321
Library	0.988	0.854	0.880	0.851	0.753	0.724	0.725	0.652	0.653	0.644
Health	0.536	0.448	0.469	0.469	0.422	0.418	0.416	0.380	0.383	0.379
Total Direct Rate	7.810	7.372	7.773	7.742	7.070	7.148	7.216	6.799	7.120	7.344
Altoona School Dist.	11.598	10.184	11.190	11.650	9.791	9.718	10.034	10.025	8.533	8.931
Vocational District	1.858	1.762	1.838	1.817	1.593	1.620	1.634	1.511	1.535	1.605
Eau Claire County	2.977	3.095	3.154	3.298	3.078	3.095	3.159	3.338	3.316	3.379
State Forestry	0.212	0.194	0.204	0.213	0.196	0.189	0.183	0.163	0.165	0.164
Gross Tax Rate	24.455	22.607	24.159	24.720	21.728	21.770	22.226	21.836	20.669	21.423
Less State Credit	(1.805)	(1.600)	(1.616)	(1.577)	(1.323)	(1.325)	(1.627)	(1.615)	(1.630)	(1.527)
Net Tax Rate	\$ 22.650	\$ 21.007	\$ 22.543	\$ 23.143	\$ 20.405	\$ 20.445	\$ 20.599	\$ 20.221	\$ 19.039	\$ 19.896

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464
Library	0.974	0.854	0.880	0.851	0.753	0.724	0.714	0.658	0.659	0.658
Health	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384	0.386	0.388
Total Direct Rate	8.168	7.372	7.773	7.742	7.070	7.148	7.115	6.861	7.180	7.510
Eau Claire School Dist.	13.466	11.258	11.282	10.793	11.528	9.961	9.491	8.870	8.787	9.428
Vocational District	1.963	1.801	1.833	1.834	1.612	1.621	1.611	1.524	1.549	1.642
Chippewa County	4.197	3.673	3.652	3.840	3.438	3.408	3.270	3.080	3.044	3.166
State Forestry	0.224	0.198	0.203	0.215	0.198	0.189	0.181	0.164	0.166	0.168
Gross Tax Rate	28.018	24.302	24.743	24.424	23.846	22.327	21.668	20.499	20.726	21.914
Less State Credit	(1.759)	(1.606)	(1.631)	(1.578)	(1.318)	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)
Net Tax Rate	<u>\$ 26.259</u>	<u>\$ 22.696</u>	<u>\$ 23.112</u>	<u>\$ 22.846</u>	<u>\$ 22.528</u>	<u>\$ 21.014</u>	<u>\$ 20.085</u>	<u>\$ 18.952</u>	<u>\$ 19.140</u>	<u>\$ 20.459</u>
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991	\$5.819	\$6.135	\$6.464
Library	0.988	0.854	0.880	0.851	0.753	0.724	0.714	0.658	0.659	0.658
Health	0.536	0.448	0.469	0.469	0.422	0.418	0.410	0.384	0.386	0.388
Total Direct Rate	7.810	7.372	7.773	7.742	7.070	7.148	7.115	6.861	7.180	7.510
Chippewa Falls School Dist.	10.430	9.849	9.445	9.693	8.463	8.240	8.085	6.914	7.403	8.335
Vocational District	1.841	1.801	1.833	1.834	1.612	1.621	1.611	1.524	1.548	1.642
Chippewa County	3.773	3.673	3.652	3.840	3.438	3.408	3.270	3.080	3.044	3.166
State Forestry	0.211	0.198	0.203	0.215	0.198	0.189	0.181	0.164	0.166	0.168
Gross Tax Rate	24.065	22.893	22.906	23.324	20.781	20.606	20.262	18.543	19.341	20.821
Less State Credit	(1.825)	(1.606)	(1.631)	(1.578)	(1.318)	(1.313)	(1.583)	(1.547)	(1.586)	(1.455)
Net Tax Rate	<u>\$ 22.240</u>	<u>\$ 21.287</u>	<u>\$ 21.275</u>	<u>\$ 21.746</u>	<u>\$ 19.463</u>	<u>\$ 19.293</u>	<u>\$ 18.679</u>	<u>\$ 16.996</u>	<u>\$ 17.755</u>	<u>\$ 19.366</u>

Source: City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

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

Taxpayer	2010 Equalized Value	2010 Rank	2010 Percentage of Total Equalized Value	2001 Equalized Value	2001 Rank	2001 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 71,364	1	1.69%	\$ 47,123	1	1.90%
Hutchinson Technology, Inc.	39,376	2	0.93%	26,673	4	1.08%
Keystone Corporation	37,063	3	0.88%	35,526	2	1.43%
Luther Hospital	34,411	4	0.81%	-		
Marshfield Clinic	33,443	5	0.79%	16,745	8	0.68%
Nestle Foods	33,117	6	0.78%	20,672	5	0.83%
Midelfort Clinic	23,490	7	0.56%	33,279	3	1.34%
Royal Credit Union	21,850	8	0.52%	-		
Menard Inc.	20,207	9	0.48%	-		
Phillips Properties (1)	16,665	10	0.39%	13,866	9	0.56%
Sam's Club - Walmart	-			18,901	6	0.76%
Dayton Hudson Corporation	-			18,394	7	0.74%
Cascades Tissue Group	-			11,948	10	0.48%
Principal Taxpayers total	<u>\$ 330,986</u>			<u>\$ 243,127</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,224,624</u>			<u>\$ 2,480,574</u>		

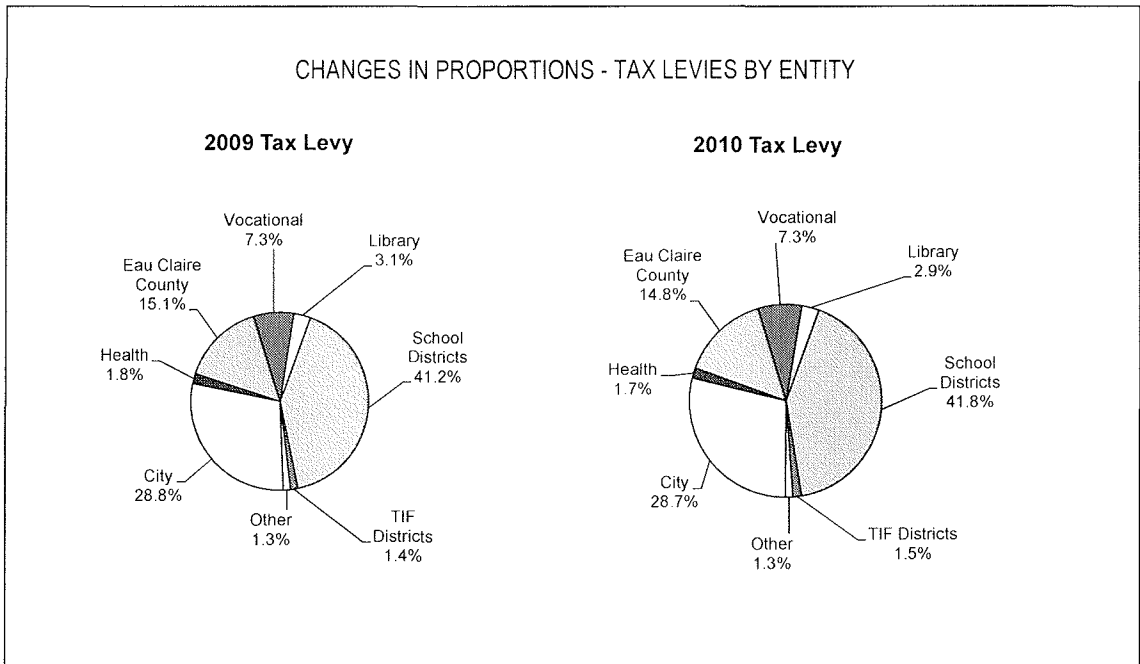
(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties as of January 1 of the fiscal year listed.

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

**CITY OF EAU CLAIRE**

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City	\$15,750	\$17,512	\$18,915	\$19,887	\$21,081	\$22,058	\$22,734	\$24,380	\$26,301	\$27,815
TIF Districts	1,703	2,259	2,518	749	905	1,008	1,110	1,151	1,251	1,460
Library	2,305	2,464	2,592	2,637	2,694	2,658	2,712	2,758	2,825	2,834
Health	1,268	1,291	1,379	1,453	1,508	1,537	1,557	1,609	1,656	1,671
Eau Claire School District	31,391	31,828	33,130	32,959	40,550	36,385	35,847	36,934	37,511	40,408
Chippewa Falls School District	111	115	34	34	32	31	31	30	33	31
Altoona School District	117	113	129	145	139	137	140	142	121	126
Vocational District	4,615	5,088	5,410	5,629	5,699	5,951	6,113	6,387	6,639	7,065
Eau Claire County	7,401	8,569	8,917	9,818	10,595	10,947	11,395	13,596	13,824	14,330
Chippewa County	427	429	430	462	462	464	451	474	465	498
State Forestry- Eau Claire County	518	554	596	638	681	674	667	670	695	704
State Forestry- Chippewa County	23	24	25	28	29	27	27	27	27	28
<b>Total tax levy</b>	<b>\$65,629</b>	<b>\$70,246</b>	<b>\$74,075</b>	<b>\$74,439</b>	<b>\$84,375</b>	<b>\$81,877</b>	<b>\$82,784</b>	<b>\$88,158</b>	<b>\$91,348</b>	<b>\$96,970</b>
<b>City percent of total levy</b>	<b>24.00%</b>	<b>24.93%</b>	<b>25.53%</b>	<b>26.72%</b>	<b>24.98%</b>	<b>26.94%</b>	<b>27.46%</b>	<b>27.65%</b>	<b>28.79%</b>	<b>28.68%</b>



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

**CITY OF EAU CLAIRE**

TABLE 14  
**REAL AND PERSONAL PROPERTY TAX  
 LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Dollars in Thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total tax levy	\$15,750	\$17,512	\$18,915	\$19,888	\$21,081	\$22,058	\$22,734	\$24,380	\$26,301	\$27,815
Current tax collections	15,579	17,329	18,741	19,565	20,781	21,917	22,623	24,314	26,170	27,704
Collection of delinquent personal property taxes from prior years	141	134	157	295	265	116	78	42	60	56
Total tax collections (1)	<u>\$15,720</u>	<u>\$17,463</u>	<u>\$18,898</u>	<u>\$19,860</u>	<u>\$21,046</u>	<u>\$22,033</u>	<u>\$22,701</u>	<u>\$24,356</u>	<u>\$26,230</u>	<u>\$27,760</u>
Percent of current collections to tax levy	98.9%	99.0%	99.1%	98.4%	98.6%	99.4%	99.5%	99.7%	99.5%	99.6%
Percent of total tax collections to tax levy	99.8%	99.7%	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%	99.7%	99.8%
Total delinquent taxes outstanding	\$61	\$95	\$114	\$83	\$101	\$113	\$133	\$144	\$200	\$273

(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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total assessments levied each fiscal period: (1)										
General fund	\$365	\$130	\$137	\$157	\$75	\$89	\$100	\$109	\$120	\$271
Business Improvement Districts	74	74	75	91	92	141	151	152	152	145
Debt Service	1,289	1,525	1,566	1,663	1,657	1,516	1,547	1,721	1,546	1,373
Water Utility	101	142	193	191	105	90	99	90	87	83
Sewer Utility	120	183	242	238	122	104	105	91	90	82
Health	0	0	0	0	0	0	0	0	8	8
Delinquent utility bills	450	587	526	581	521	561	548	617	656	809
 Total assessments levied	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<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>
 Current collections	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<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>
 Total collections	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<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>

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

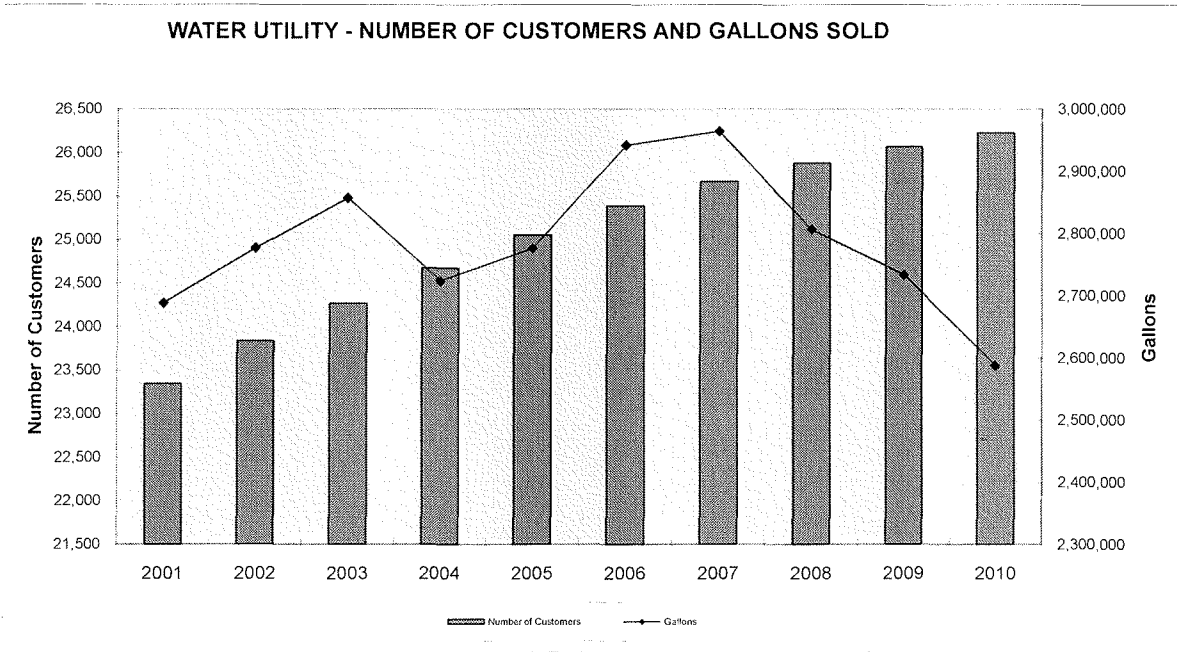
Sources: City of Eau Claire Comprehensive Annual Financial Report; Statement of Taxes



**CITY OF EAU CLAIRE**

TABLE 16  
WATER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Number of customers</b>										
Residential	20,650	21,115	21,535	21,921	22,264	22,560	22,805	22,992	23,152	23,293
Commercial	2,407	2,424	2,436	2,453	2,484	2,519	2,551	2,574	2,593	2,612
Industrial	108	110	110	110	110	111	111	110	109	109
Public	184	187	189	191	194	199	202	208	212	216
<b>Total</b>	<b>23,349</b>	<b>23,836</b>	<b>24,270</b>	<b>24,675</b>	<b>25,052</b>	<b>25,389</b>	<b>25,669</b>	<b>25,884</b>	<b>26,066</b>	<b>26,230</b>
<b>Gallons (thousands)</b>										
Residential	1,204,880	1,149,851	1,342,086	1,213,839	1,257,567	1,371,987	1,385,600	1,244,970	1,288,528	1,182,343
Commercial	704,283	710,863	703,999	688,356	706,237	694,466	715,582	694,815	667,586	656,846
Industrial	572,885	693,336	581,087	594,416	555,940	616,834	606,778	612,579	517,711	505,853
Public	206,609	222,951	230,292	227,438	256,643	259,278	256,705	254,553	259,869	242,820
<b>Total</b>	<b>2,688,657</b>	<b>2,777,001</b>	<b>2,857,464</b>	<b>2,724,049</b>	<b>2,776,387</b>	<b>2,942,565</b>	<b>2,964,665</b>	<b>2,806,917</b>	<b>2,733,694</b>	<b>2,587,862</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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Metered Service</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 13.95	\$ 13.95	\$ 14.37	\$ 14.37	\$ 14.37	\$ 15.60	\$ 15.60	\$ 15.60	\$ 17.10	\$ 17.10
3/4 inch meter	13.95	13.95	14.37	14.37	14.37	15.60	15.60	15.60	17.10	17.10
1 inch meter	21.00	21.00	21.63	21.63	21.63	22.80	22.80	22.80	26.70	26.70
1 1/4 inch meter	27.00	27.00	27.81	27.81	27.81	30.00	30.00	30.00	35.40	35.40
1 1/2 inch meter	33.00	33.00	33.99	33.99	33.99	36.60	36.00	36.00	43.80	43.80
2 inch meter	54.00	54.00	55.62	55.62	55.62	55.80	55.80	55.80	65.40	65.40
3 inch meter	96.00	96.00	98.88	98.88	98.88	99.00	99.00	99.00	105.00	105.00
4 inch meter	120.00	120.00	123.60	123.60	123.60	129.00	129.00	129.00	156.00	156.00
6 inch meter	207.00	207.00	213.21	213.21	213.21	225.00	225.00	225.00	273.00	273.00
8 inch meter	309.00	309.00	318.27	318.27	318.27	339.00	339.00	339.00	411.00	411.00
10 inch meter	450.00	450.00	463.50	463.50	463.50	489.00	489.00	489.00	591.00	591.00
12 inch meter	582.00	582.00	599.46	599.46	599.46	639.00	639.00	639.00	771.00	771.00
Volume rate (per 100 cubic feet)										
First 7,500 cubic feet	\$ 1.17	\$ 1.17	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.31	\$ 1.31	\$ 1.31	\$ 1.49	\$ 1.49
Next 742,500 cubic feet	1.01	1.01	1.04	1.04	1.04	1.13	1.13	1.13	1.28	1.28
Over 750,000 cubic feet	0.67	0.67	0.69	0.69	0.69	0.79	0.79	0.79	0.89	0.89
<b>Public Fire Protection</b>										
Quarterly Service Charge										
5/8 inch meter	\$ 9.18	\$ 9.18	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.60	\$ 9.60
3/4 inch meter	9.18	9.18	9.46	9.46	9.46	9.46	9.46	9.46	9.60	9.60
1 inch meter	22.80	22.80	23.48	23.48	23.48	23.48	23.48	23.48	24.00	24.00
1 1/4 inch meter	33.90	33.90	34.92	34.92	34.92	34.92	34.92	34.92	35.40	35.40
1 1/2 inch meter	45.90	45.90	47.28	47.28	47.28	47.28	47.28	47.28	48.00	48.00
2 inch meter	73.50	73.50	75.71	75.71	75.71	75.71	75.71	75.71	76.80	76.80
3 inch meter	138.00	138.00	142.14	142.14	142.14	142.14	142.14	142.14	144.00	144.00
4 inch meter	228.00	228.00	234.84	234.84	234.84	234.84	234.84	234.84	240.00	240.00
6 inch meter	459.00	459.00	472.77	472.77	472.77	472.77	472.77	472.77	480.00	480.00
8 inch meter	732.00	732.00	753.96	753.96	753.96	753.96	753.96	753.96	768.00	768.00
10 inch meter	1,101.00	1,101.00	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03	1,152.00	1,152.00
12 inch meter	1,467.00	1,467.00	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01	1,536.00	1,536.00

Source: Customer Services - City of Eau Claire

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

## CITY OF EAU CLAIRE

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

2010			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	179,443,704	\$ 249,677	6.9%
Nestles Food Company	144,909,292	217,353	5.6%
Cascade Tissue	107,650,664	147,403	4.1%
University of Wisconsin-Eau Claire	64,051,988	123,022	2.5%
Sacred Heart Hospital	50,313,472	65,039	1.9%
American Phoenix	42,110,904	62,492	1.6%
Eau Claire Area School District	39,700,848	81,221	1.5%
Luther Midelfort-Mayo Health	30,859,488	62,477	1.2%
Silver Springs Gardens	15,654,892	27,272	0.6%
Oak Ridge Village	12,953,116	23,321	0.5%
Subtotal (ten largest)	687,648,368	1,059,277	26.4%
All other customers	1,913,166,748	5,621,230	73.6%
Grand Totals	2,600,815,116	\$ 6,680,507	100.0%
2001			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Plainwell Tissue	164,072,304	\$ 149,160	6.1%
Nestles Food Company	152,396,024	170,238	5.7%
University of Wisconsin-Eau Claire	76,278,048	109,223	2.8%
Luther Midelfort-Mayo Health	55,167,992	79,113	2.1%
Hutchinson Technology	46,308,680	48,867	1.7%
American Phoenix	41,745,132	45,719	1.6%
3M	36,205,444	42,921	1.3%
Sacred Heart Hospital	34,379,576	51,627	1.3%
Eau Claire School District	30,204,240	49,981	1.1%
Oakwood Mall	15,899,488	22,770	0.6%
Huebsch Laundry Co.	14,436,400	20,344	0.5%
Subtotal (ten largest)	667,093,328	789,963	24.8%
All other customers	2,021,563,672	5,467,508	75.2%
Grand Totals	2,688,657,000	\$ 6,257,471	100.0%

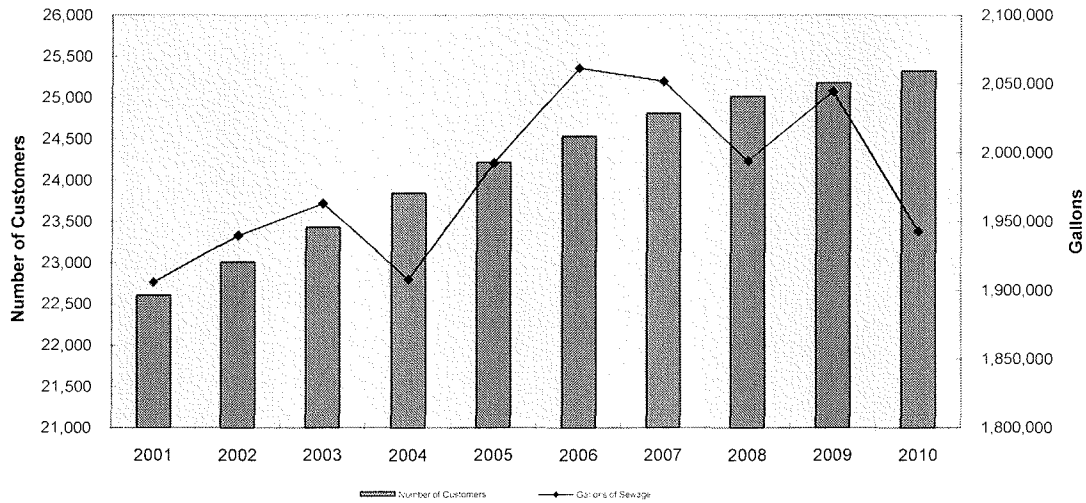
Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 19  
SEWER UTILITY CUSTOMER SUMMARY  
LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Number of customers</b>										
Residential	20,078	20,479	20,891	21,279	21,616	21,911	22,157	22,345	22,495	22,626
Commercial	2,280	2,282	2,289	2,315	2,341	2,365	2,391	2,411	2,424	2,435
Industrial	93	93	92	92	93	94	95	94	93	94
Public	156	158	159	161	164	166	167	167	168	168
<b>Total</b>	<b>22,607</b>	<b>23,012</b>	<b>23,431</b>	<b>23,847</b>	<b>24,214</b>	<b>24,536</b>	<b>24,810</b>	<b>25,017</b>	<b>25,180</b>	<b>25,323</b>
<b>Gallons (thousands)</b>										
Residential	957,711	954,338	985,693	983,564	982,929	989,805	1,005,253	990,279	1,082,255	1,035,729
Commercial	628,365	620,180	642,469	590,527	613,281	609,161	602,989	600,342	599,731	566,088
Industrial	204,831	244,237	209,427	221,503	275,062	348,936	334,562	303,806	252,218	235,880
Public	115,112	121,267	125,447	112,455	121,395	113,783	109,208	99,735	110,403	105,089
<b>Total</b>	<b>1,906,019</b>	<b>1,940,022</b>	<b>1,963,036</b>	<b>1,908,049</b>	<b>1,992,667</b>	<b>2,061,685</b>	<b>2,052,012</b>	<b>1,994,162</b>	<b>2,044,607</b>	<b>1,942,786</b>

SEWER UTILITY - NUMBER OF CUSTOMERS AND  
GALLONS OF SEWAGE



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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Metered Service</b>										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 17.28	\$ 18.48	\$ 19.76
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.16	\$ 2.31	\$ 2.47

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>	2010		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	111,461,597	\$ 368,062	5.7%
Nestles Food Company	98,849,575	326,415	5.1%
University of Wisconsin-Eau Claire	47,584,396	157,130	2.4%
Sacred Heart Hospital	35,480,341	117,161	1.8%
Luther Midelfort-Mayo Health	31,354,186	103,536	1.6%
Eau Claire Area School District	15,217,797	50,251	0.8%
Oak Ridge Village	12,878,940	42,528	0.7%
Silver Springs Gardens	12,595,527	41,592	0.6%
Huebsch Laundry	11,395,780	37,630	0.6%
Cascade Tissue	4,998,884	16,507	0.3%
Subtotal (ten largest)	381,817,023	1,260,812	19.6%
All other customers	1,560,968,977	4,943,993	80.4%
Grand Totals	1,942,786,000	\$ 6,204,805	100.0%

<u>Customer</u>	2001		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	64,150,900	\$ 174,957	3.4%
University of Wisconsin-Eau Claire	56,806,622	154,927	3.0%
Luther Midelfort-Mayo Health	50,169,900	136,827	2.6%
Sacred Heart Hospital	31,442,033	85,751	1.6%
3M	29,704,767	81,013	1.6%
Hutchinson Technology	29,193,633	79,619	1.5%
Eau Claire School District	20,514,633	55,949	1.1%
Oakwood Mall	14,539,433	39,653	0.8%
Huebsch Laundry Co.	14,436,033	39,371	0.8%
Oakwood Village Mobile Home Park	11,822,433	32,243	0.6%
Subtotal (ten largest)	322,780,387	880,310	17.0%
All other customers	1,583,238,613	4,317,926	83.0%
Grand Totals	1,906,019,000	\$ 5,198,236	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			
2001	39,365	-	118	8,865	-	14,345	62,693	3.72%	1,005
2002	37,600	2,000	95	9,750	-	12,655	62,100	3.57%	982
2003	45,670	-	71	10,990	320	12,740	69,791	3.89%	1,092
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	4.40%	1,496

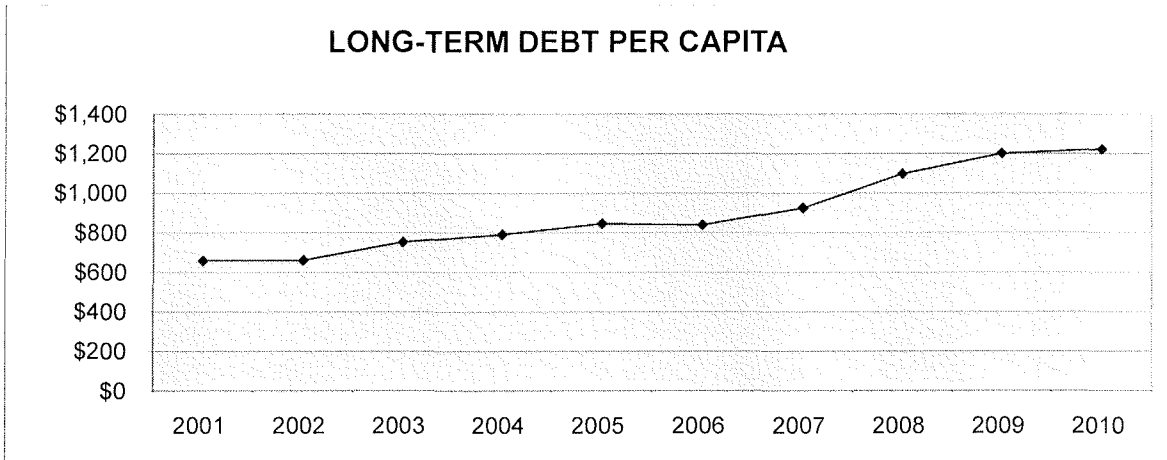
Source: City of Eau Claire Comprehensive Annual Financial Reports

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950	66,149
Equalized valuation	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,224,624
General obligation bonds	48,230	47,350	56,660	59,605	62,370	63,200	69,630	80,300	87,465	88,900
Promissory Notes	-	2,000	-	-	-	-	-	-	-	-
State trust fund loans	118	95	71	547	443	377	308	236	630	592
Total long-term debt (1)	48,348	49,445	56,731	60,152	62,813	63,577	69,938	80,536	88,095	89,492
Resources on hand for payment of debt	(7,208)	(7,590)	(8,560)	(9,566)	(8,039)	(8,862)	(9,504)	(8,735)	(8,888)	(8,609)
Net long-term debt	\$ 41,140	\$ 41,855	\$ 48,171	\$ 50,586	\$ 54,774	\$ 54,715	\$ 60,434	\$ 71,801	\$ 79,207	\$ 80,883
Percent of net long-term debt to equalized value	1.42%	1.35%	1.45%	1.43%	1.46%	1.38%	1.47%	1.69%	1.84%	1.91%
Net long-term debt per capita (not in thousands)	\$660	\$662	\$754	\$792	\$847	\$841	\$927	\$1,099	\$1,201	\$1,223



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

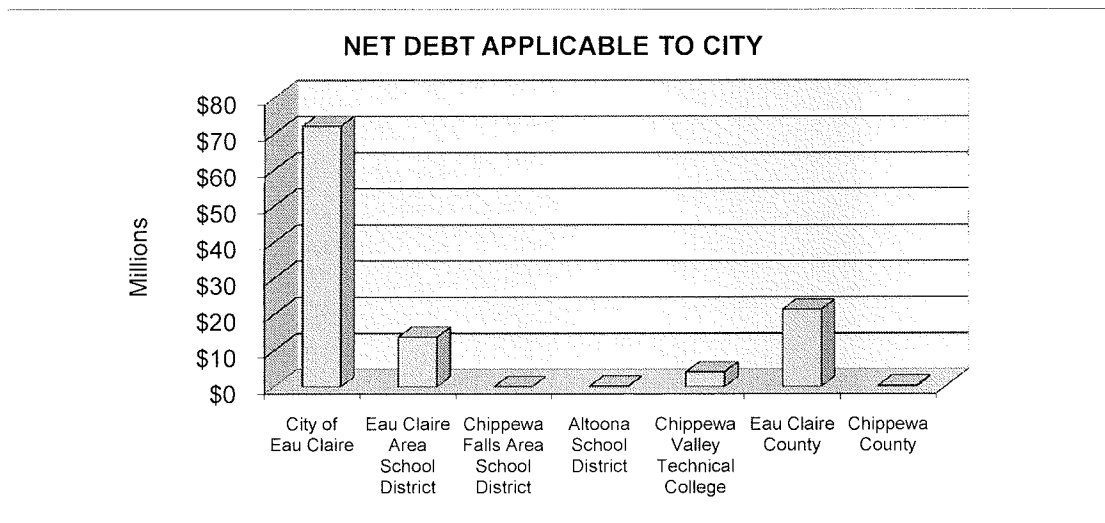
Sources: State of Wisconsin, Department of Administration, Demographic Services Center (population)  
City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.



## CITY OF EAU CLAIRE

TABLE 24  
SCHEDULE OF DIRECT AND INDIRECT  
GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION DEBT  
December 31, 2010

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	\$ 72,114,500	100.00%	\$ 72,114,500
<b>Indirect debt:</b>			
Eau Claire Area School District	18,495,000	74.09%	13,703,296
Chippewa Falls Area School District	-	0.24%	-
Altoona School District	5,903,262	2.65%	156,369
Chippewa Valley Technical College	20,355,000	20.22%	4,116,371
Eau Claire County	35,155,000	60.72%	21,344,968
Chippewa County	<u>8,772,537</u>	3.64%	<u>319,630</u>
<b>Total indirect debt</b>	<u>88,680,799</u>		<u>39,640,634</u>
<b>Total direct and indirect debt</b>	<u>\$ 160,795,299</u>		<u>\$ 111,755,134</u>
Indirect debt per capita			\$ 599
Indirect debt as a % of equalized value			0.94%
Total direct and indirect debt per capita			\$ 1,689
Total direct and indirect debt as a % of equalized value			2.65%



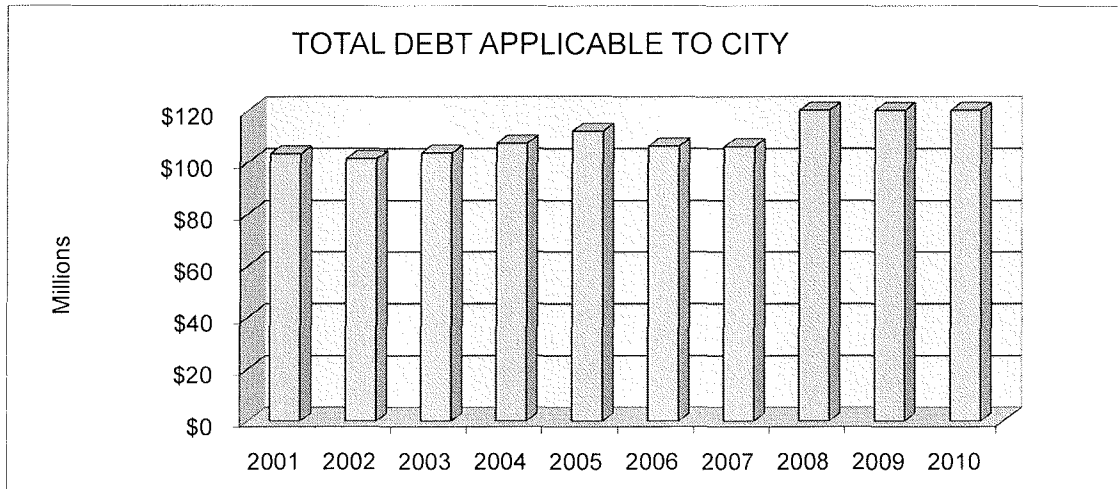
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total debt applicable to City	\$103,233	\$101,371	\$103,629	\$107,321	\$112,127	\$106,253	\$106,074	\$124,713	\$129,213	\$129,133
Direct debt:										
General City	\$48,348	\$49,445	\$57,051	\$60,152	\$62,813	\$63,577	\$69,938	\$80,536	\$88,095	\$89,492
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	\$44,755	\$41,859	\$35,544	\$36,605	\$39,569	\$34,154	\$28,451	\$22,440	\$20,512	\$13,703
Percent	74.79%	74.93%	75.74%	75.01%	74.69%	74.77%	74.66%	74.60%	75.12%	74.09%
Chippewa Falls Area School District	\$132	\$31	\$23	\$15	\$10	\$6	\$3	\$2	\$0	\$0
Percent	0.76%	0.22%	0.22%	0.20%	0.19%	0.18%	18.00%	0.18%	0.16%	0.24%
Altoona School District	\$300	\$269	\$271	\$256	\$248	\$221	\$221	\$183	\$176	\$156
Percent	3.24%	3.02%	3.19%	3.10%	3.02%	2.93%	2.95%	2.64%	2.65%	2.65%
C.V. Technical College	\$3,959	\$4,438	\$5,834	\$5,939	\$5,901	\$5,606	\$5,208	\$4,764	\$4,643	\$4,116
Percent	20.85%	20.95%	21.07%	20.57%	20.48%	20.04%	19.94%	19.83%	20.33%	20.22%
Eau Claire County	\$5,177	\$4,752	\$4,355	\$3,848	\$3,083	\$2,242	\$1,837	\$16,425	\$15,444	\$21,345
Percent	60.78%	61.13%	61.64%	61.42%	61.27%	61.39%	61.16%	61.10%	61.62%	60.72%
Chippewa County	\$563	\$577	\$551	\$506	\$503	\$447	\$416	\$364	\$343	\$320
Percent	4.08%	4.03%	4.04%	3.90%	3.74%	3.54%	3.55%	3.37%	3.50%	3.64%



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

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

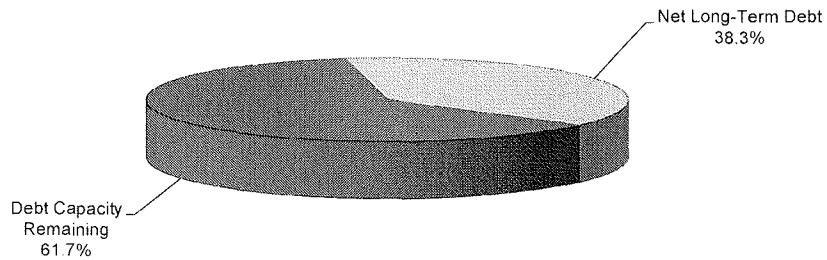
Note: The information on this table differs from Table 24 as all general obligation debt is reported, including debt from business-type activities.

CITY OF EAU CLAIRE

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Equalized valuation	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179	\$4,254,935	\$4,315,947	\$4,315,947	\$4,224,624
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$155,268	\$166,528	\$177,314	\$187,052	\$197,582	\$205,509	\$212,747	\$215,797	\$215,797	\$211,231
Resources on hand for payment of debt	(\$7,590)	(\$8,560)	(\$9,566)	(\$8,039)	(\$8,862)	(\$9,504)	(\$8,735)	(\$8,888)	(\$8,888)	(\$8,609)
Net long-term debt	\$41,855	\$48,171	\$50,586	\$54,774	\$54,715	\$60,434	\$71,801	\$79,207	\$79,207	\$80,883
Legal debt margin	\$113,413	\$118,357	\$126,728	\$132,278	\$142,867	\$145,075	\$140,946	\$136,590	\$136,590	\$130,348
Legal debt margin as a percentage of the debt limit	73%	71%	71%	71%	72%	71%	66%	63%	63%	62%

2010 LEGAL DEBT MARGIN



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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>WATER UTILITY</u>										
Operating revenue	\$6,460	\$6,519	\$6,986	\$6,846	\$7,150	\$7,600	\$8,100	\$7,822	\$8,379	\$8,390
Operating expense (1)	\$2,900	\$2,743	\$2,984	\$3,012	\$3,337	\$3,295	\$3,609	\$4,110	\$4,230	\$4,280
Income available for debt service	\$3,560	\$3,776	\$4,002	\$3,834	\$3,813	\$4,305	\$4,491	\$3,712	\$4,149	\$4,110
Debt service current year (2)	\$944	\$1,003	\$978	\$1,065	\$1,058	\$1,063	\$1,062	\$1,244	\$3,176	\$1,094
Coverage	3.77	3.76	4.09	3.60	3.60	4.05	4.23	2.98	1.31	3.76
Debt service for highest principal and interest year in retirement schedule	\$1,034	\$1,034	\$1,077	\$1,078	\$1,078	\$1,078	\$1,244	\$1,243	\$1,163	\$1,163
Coverage on highest year	3.44	3.65	3.72	3.56	3.54	3.99	3.61	2.99	3.57	3.53
<u>SEWER UTILITY</u>										
Operating revenue	\$5,721	\$5,814	\$6,025	\$5,833	\$6,156	\$6,295	\$6,291	\$6,514	\$6,653	\$6,979
Operating expense (1)	\$3,718	\$3,628	\$3,804	\$3,817	\$3,887	\$4,184	\$4,100	\$4,485	\$4,639	\$5,069
Income available for debt service	\$2,003	\$2,186	\$2,221	\$2,016	\$2,269	\$2,111	\$2,191	\$2,029	\$2,014	\$1,910
Debt service current year (2)	\$533	\$533	\$513	\$518	\$522	\$525	\$528	\$520	\$0	\$0
Coverage	3.76	4.10	4.33	3.89	4.35	4.02	4.15	3.90	N/A	N/A
Debt service for highest principal and interest year in retirement schedule	\$544	\$528	\$528	\$528	\$528	\$528	\$520	\$0	\$0	\$0
Coverage on highest year	3.68	4.14	4.21	3.82	4.30	4.00	4.21	N/A	N/A	N/A

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

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

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

**CITY OF EAU CLAIRE**

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

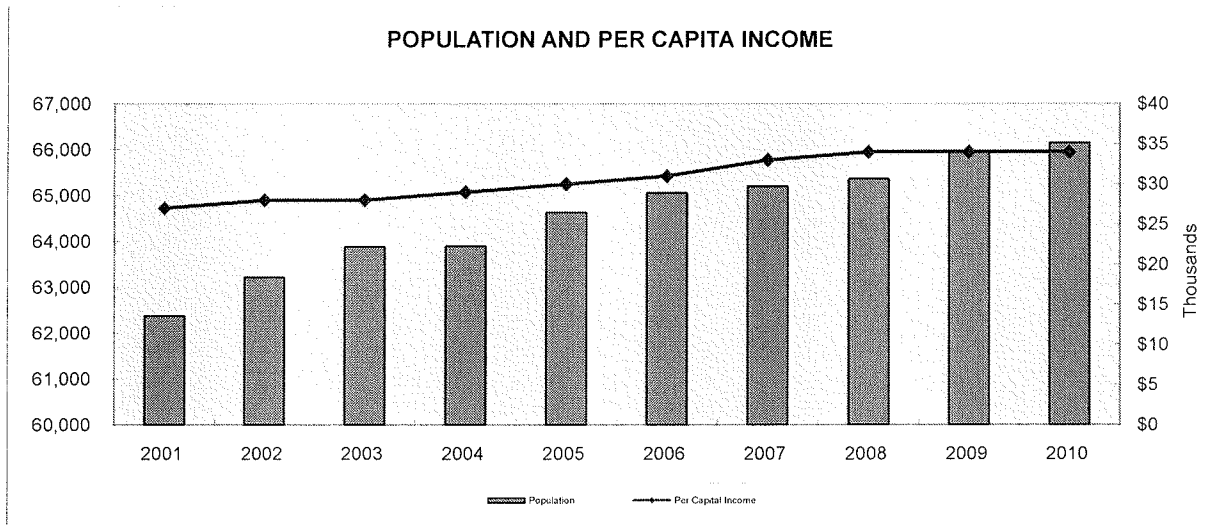
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Transfers to Debt Service fund	\$1,751	\$1,985	\$2,147	\$2,334	\$2,735	\$2,731	\$2,853	\$4,418	\$4,187	\$4,966
Total expenditures and other financing uses	\$39,538	\$40,592	\$41,359	\$42,666	\$44,721	\$45,839	\$47,775	\$48,966	\$51,108	\$52,623
Percent of debt transfers to expenditures and other financing uses	4.4%	4.9%	5.2%	5.5%	6.1%	6.0%	6.0%	9.0%	8.2%	9.4%

Source: City of Eau Claire Annual Program of Services

**CITY OF EAU CLAIRE**

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Population	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950	66,149
Consumer price index (1)	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3	214.5	218.1
Per capita income (2)	\$27	\$28	\$28	\$29	\$30	\$31	\$33	\$34	\$34	\$34
Personal income	\$1,685,495	\$1,739,460	\$1,795,723	\$1,830,074	\$1,919,441	\$2,047,377	\$2,133,083	\$2,206,490	\$2,219,811	\$2,249,066
Area in square miles	32.33	33.00	33.29	33.32	33.59	33.85	33.47	33.77	33.88	33.90
Number of business properties	1,455	1,460	1,480	1,495	1,494	1,507	1,520	1,525	1,524	1,527
Acres devoted to business	3,135	3,139	3,180	3,190	3,192	3,209	3,271	3,281	3,282	3,287
Miles of street	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7	341.9	343.4



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

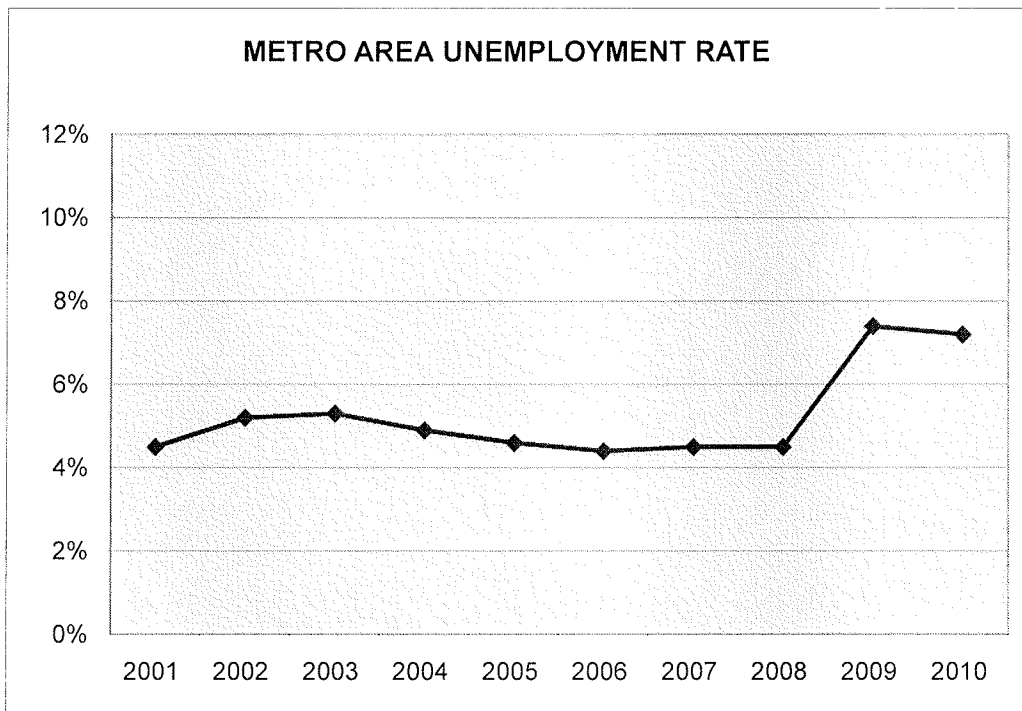
(2) Through 2009, U.S. Bureau of Economic Analysis; 2010 is estimated.

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Number of residential parcels	18,814	19,004	19,087	19,313	19,678	19,838	20,072	19,766	19,829	19,922
Vacancy rates (percent):										
Residential	3.50	3.75	3.75	4.25	4.75	4.80	4.70	5.00	3.50	4.25
Commercial	8.80	8.00	7.75	9.60	5.60	5.50	4.75	5.90	7.09	8.18
Industrial	6.50	8.50	8.00	13.80	20.80	17.70	7.50	7.50	7.50	8.78
Unemployment rate E.C. Metro Area	4.5%	5.2%	5.3%	4.9%	4.6%	4.4%	4.5%	4.5%	7.4%	7.2%



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	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Menard's Inc.	4,500	1	12%	2,500	2	7%
Luther Midelfort, Mayo Health System	3,158	2	9%	2,490	3	7%
United Health Group	1,415	3	4%	-		
University of Wisconsin - Eau Claire	1,400	4	4%	1,219	6	3%
Sacred Heart Hospital	1,355	5	4%	963	7	3%
Eau Claire Area School District	1,339	6	4%	1,700	4	5%
CVTC	1,300	7	4%	800	8	2%
Hutchinson Technology	823	8	2%	1,450	5	4%
Marshfield Clinic	719	9	2%	-		
City of Eau Claire	564	10	2%	-		
Oakwood Mall	-			3,000	1	9%
Uniprise	-			760	9	2%
Northern States Power	-			680	10	2%
Total Principal Employers	<u>16,573</u>		47%	<u>15,562</u>		44%
TOTAL EMPLOYEES	36,207			35,180		

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

Note : 2010 numbers are preliminary

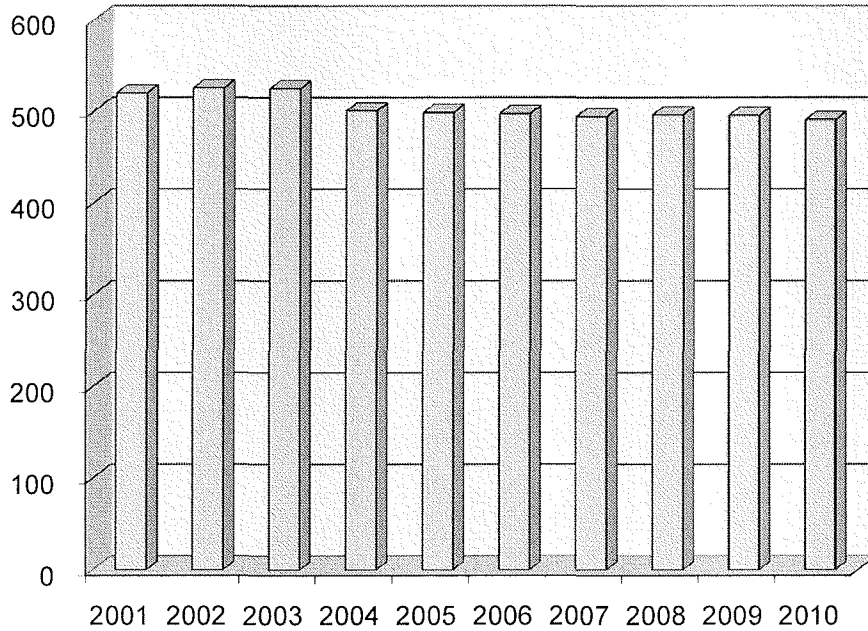


**CITY OF EAU CLAIRE**

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	69.9	71.9	71.4	66.9	66.3	66.0	64.5	64.8	64.3	62.8
Public Works	73.0	74.0	71.0	64.0	62.0	62.0	61.0	61.0	61.0	59.0
Parks & Recreation	40.8	40.8	40.8	37.8	38.8	37.8	37.8	37.0	36.0	35.0
Public Safety	227.0	228.0	228.0	222.0	222.0	222.0	223.0	226.0	227.0	228.0
Enterprise Funds	101.3	102.8	105.8	102.0	101.8	101.7	100.0	99.5	99.5	98.0
Internal Service Funds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>Total Employees</b>	<b>519.9</b>	<b>525.4</b>	<b>524.9</b>	<b>500.7</b>	<b>498.9</b>	<b>497.5</b>	<b>494.3</b>	<b>496.3</b>	<b>495.8</b>	<b>490.8</b>

**NUMBER OF CITY EMPLOYEES - LAST TEN YEARS**



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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Compensatory leave	630	543	456	541	688	561	411	501	461	479
Vacation leave	5,992	5,729	12,534	12,607	5,448	7,180	5,303	5,316	5,547	5,305
	6,622	6,272	12,990	13,148	6,136	7,741	5,714	5,817	6,008	5,784
Sick leave	36,917	37,227	36,240	38,024	35,764	43,214	33,295	34,094	33,112	32,704
Total compensatory, vacation, and sick leave	43,539	43,499	49,230	51,172	41,900	50,955	39,009	39,911	39,120	38,488

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

Sick leave is paid only as used during employment.

CITY OF EAU CLAIRE

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Size of the City in square miles	32.33	33.00	33.29	33.32	33.59	33.85	33.47	33.77	33.88	33.90
Population	62,368	63,214	63,882	63,897	64,632	65,056	65,202	65,362	65,950	66,149
Number of City employees	519.9	525.4	524.9	500.7	498.9	497.5	494.3	496.3	495.8	490.8
Community Development										
Building permits issued	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064	1,102	1,179
Police										
Calls for service	33,371	32,490	31,545	31,717	31,048	30,750	30,006	29,628	27,309	27,591
Adult arrests	4,311	5,039	4,589	5,309	5,697	6,171	5,891	6,465	5,604	5,388
Fire										
EMS responses	3,471	3,774	3,908	4,191	4,559	4,741	4,622	6,060	5,819	6,056
Fire responses	160	144	211	182	204	201	166	157	183	157
Fire inspections	5,752	5,840	5,910	5,950	6,071	6,148	5,893	6,005	3,962	3,925
Public Works										
Miles of street plowed/maintained	319	319	319	323	326	333	335	337	349	343
Vehicles and equipment in fleet	252	258	262	282	284	284	284	291	293	299
Parks & Recreation										
Neighborhood playground program attendance	14,353	13,141	11,904	12,774	13,063	11,625	10,368	9,148	6,549	4,741
Hobbs Ice Arena - rented hours	3,206	4,631	3,794	3,952	3,425	3,554	3,321	3,683	3,199	4,336
Outdoor Pool attendance	71,192	62,101	60,141	45,961	62,151	58,025	51,560	57,151	47,027	60,070
Library										
Volumes in collection	267,617	292,957	297,877	292,957	294,077	297,799	304,261	298,458	291,003	279,260
Circulation	969,344	1,084,708	1,314,267	1,354,595	1,387,388	1,367,066	1,345,609	1,371,203	1,324,094	1,389,733
Health Department										
Environmental Health Inspections	5,269	5,700	5,383	5,120	5,145	5,387	5,470	4,647	5,117	5,301
Number of lab analyses	21,590	21,415	21,151	24,002	23,351	24,507	21,858	19,308	18,817	17,152
Public Health Nurse visits	7,259	6,129	4,719	5,396	5,507	5,022	4,751	3,741	4,928	3,893
Water										
Meters in service	24,500	24,110	24,467	24,783	25,176	25,424	25,660	25,982	26,146	26,291
Average daily consumption (1,000 gallons)	7,366	7,608	7,828	7,463	7,606	8,067	8,122	7,690	7,490	7,096
Sewer										
Sewer customers	22,607	23,012	23,431	23,847	24,214	24,536	24,810	25,017	25,180	25,323
Stormwater										
ERU rate	\$ 33.00	\$ 36.00	\$ 41.00	\$ 43.00	\$ 47.00	\$ 53.00	\$ 59.00	\$ 62.00	\$ 68.00	\$ 73.00
Transit										
Total route miles	1,055,167	1,023,548	1,113,066	1,010,582	1,045,132	1,066,727	900,099	960,910	1,008,425	1,040,069
Passengers	938,718	927,129	971,414	956,610	1,010,644	1,030,374	1,067,303	1,090,203	1,001,790	971,491

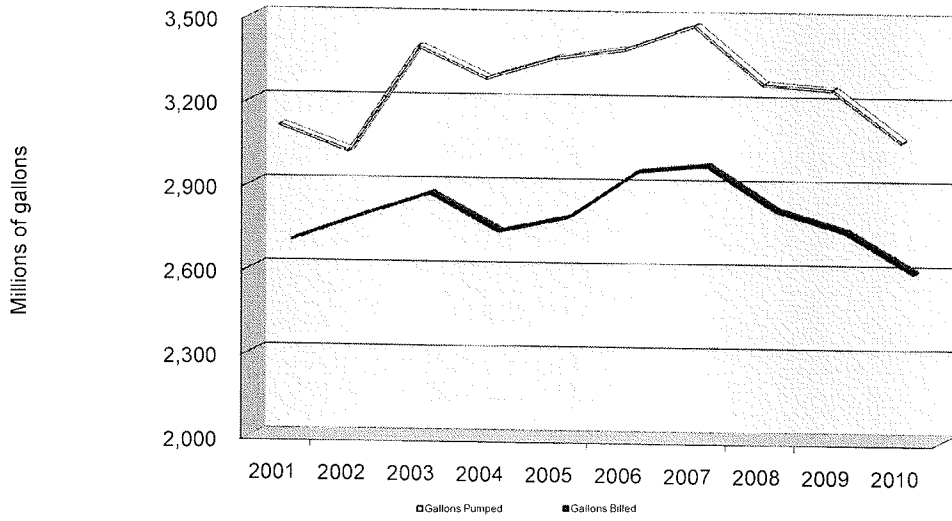
Source: Various City Department records and Program of Services

CITY OF EAU CLAIRE

TABLE 34  
 WATER UTILITY - PRODUCTION STATISTICS  
 Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average number of water customers	23,349	23,836	24,270	24,675	25,052	25,389	25,664	25,884	26,066	26,230
Total gallons pumped (in thousands)	3,120,404	3,028,641	3,404,126	3,292,365	3,367,293	3,399,614	3,487,015	3,279,529	3,262,360	3,077,606
Total gallons billed (in thousands)	2,688,657	2,777,001	2,857,464	2,724,099	2,776,387	2,942,565	2,964,665	2,806,917	2,733,694	2,587,862
Percent of water billed	86.16%	91.69%	83.94%	82.74%	82.45%	86.56%	85.02%	85.59%	83.79%	84.09%
Miles of main	336	340	341	350	351	357	366	368	368	369
Number of fire hydrants	3,230	3,277	3,337	3,395	3,445	3,530	3,671	3,703	3,696	3,747
Residential customer's average quarterly water bill	\$37.74	\$40.86	\$40.86	\$41.50	\$42.20	\$42.20	\$45.73	\$45.73	\$51.37	\$51.37

WATER - PUMPED AND BILLED



Source: Public Service Commission Reports

CITY OF EAU CLAIRE

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Patrol units	21	21	21	21	21	21	21	21	21	23
Unmarked vehicles	14	14	14	14	14	14	14	18	18	16
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	5	5	5	6	6	6	6
Public Works										
Miles of streets	350.2	352.2	355.0	358.5	361.5	366.0	341.4	341.7	341.9	343.4
Number of traffic signs installed/straightened	1103	1426	1089	915	746	673	459	671	601	1249
Vehicles and equipment in fleet	252	258	262	282	284	284	284	291	293	299
Parks & Recreation										
Number of parks	29	31	32	33	36	36	32	32	32	35
Number of playgrounds	19	19	17	17	18	20	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	2	2	2	3
Water										
Water hydrants	3230	3277	3337	3395	3445	3530	3671	3609	3696	3539
Storage capacity (1)	15	15	15.5	15.5	15.5	15.5	15.5	16.1	16.1	16.1
Sewer										
Miles of sewers	285	290	290	297	306	316	319	320	321	322
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	12	12	12	11	11	11	11	11	11
Transit										
Number of buses	24	22	22	22	22	22	22	22	22	22

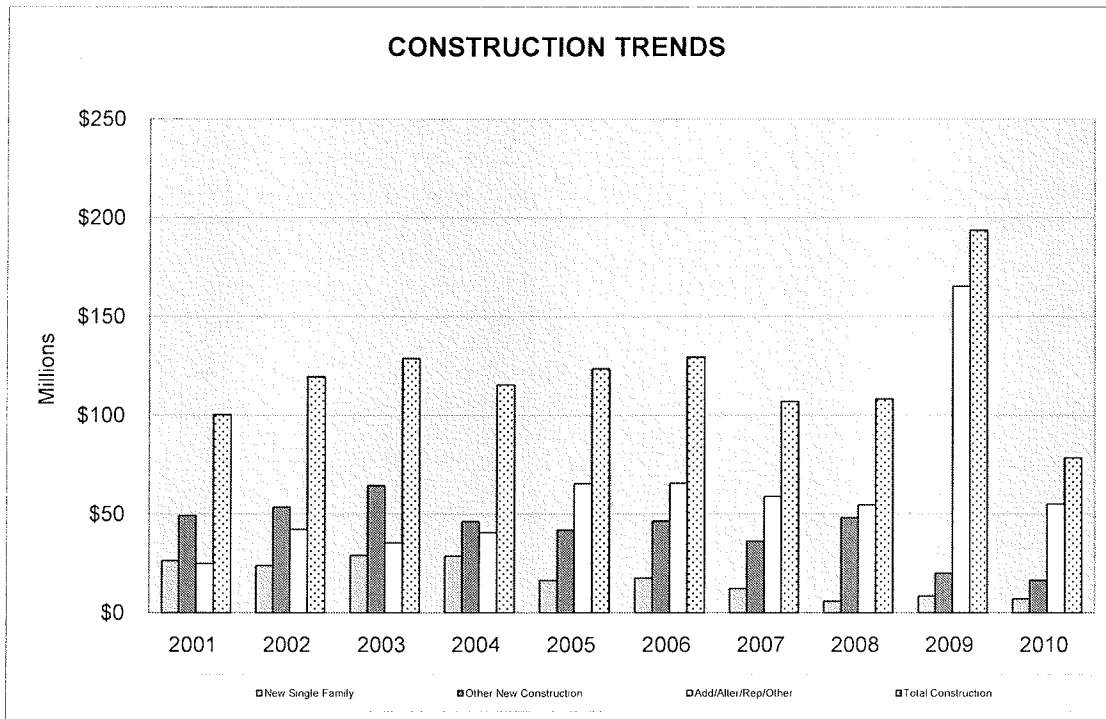
NOTES (1) - Numbers are in millions of gallons.

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
New single family dwellings: # of units	170	156	192	188	102	104	66	37	47	41
Value	\$26,303	\$23,757	\$29,076	\$28,697	\$16,396	\$17,451	\$12,203	\$5,780	\$8,407	\$6,971
Other new construction	\$49,208	\$53,440	\$64,368	\$46,270	\$41,809	\$46,399	\$36,100	\$47,992	\$20,002	\$16,417
Additions/alterations/repairs & all other types of const.	\$24,864	\$42,237	\$35,292	\$40,488	\$65,363	\$65,484	\$58,675	\$54,531	\$165,200	\$55,054
Total construction valuation	\$100,375	\$119,434	\$128,736	\$115,455	\$123,568	\$129,334	\$106,978	\$108,303	\$193,609	\$78,442
Number of permits	1,443	1,340	1,452	1,375	1,175	1,255	1,159	1,064	1,102	1,151



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

**CITY OF EAU CLAIRE**

TABLE 37  
INSURANCE COVERAGES  
December 31, 2010

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$400,000 per occurrence
Commercial general liability:		
Bodily injury and property damage liability	\$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	\$7,905,045	\$5,000
Collision	\$7,905,045	\$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