

**EAU CLAIRE COUNTY**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2015**

EAU CLAIRE COUNTY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	4
STATEMENT OF ACTIVITIES	5
BALANCE SHEET – GOVERNMENTAL FUNDS	6
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES	7
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	8
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	9
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	10
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	11
STATEMENT OF CASH FLOWS	12
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	14
NOTES TO BASIC FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULES	
1 – BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	54
2 – BUDGETARY COMPARISON SCHEDULE – HEALTH AND HUMAN SERVICES FUND	55
3 – SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET – LAST TEN FISCAL YEARS	56
4 – SCHEDULE OF COUNTY'S CONTRIBUTIONS TO WISCONSIN RETIREMENT SYSTEM PENSION PLAN – LAST TEN FISCAL YEARS	57
5 – SCHEDULE OF FUNDING PROGRESS	58
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	59

**EAU CLAIRE COUNTY  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2015**

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**NONMAJOR GOVERNMENTAL FUNDS**

**A-1 – COMBINING BALANCE SHEET 60**

**A-2 – COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES 61**

**GENERAL FUND**

**B-2 – BUDGETARY COMPARISON SCHEDULE OF REVENUES  
BY DEPARTMENT 62**

**B-2 – BUDGETARY COMPARISON SCHEDULE OF  
EXPENDITURES BY DEPARTMENT 63**

**INTERNAL SERVICE FUND**

**C-1 – STATEMENT OF NET POSITION 64**

**C-2 – DETAILED STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION 65**

**C-3 – STATEMENT OF CASH FLOWS 66**

**AGENCY FUND**

**D-1 – COMBINING STATEMENT OF NET POSITION 67**



CliftonLarsonAllen LLP  
CLAAconnect.com

## INDEPENDENT AUDITORS' REPORT

The County Board  
Eau Claire, Wisconsin

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin as of December 31, 2015, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

***Change in Accounting Principle***

During the year ended December 31, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of GASB Statement No. 68, the County reported a restatement for the change in accounting principle (see Note 3.G). Our auditors' opinion was not modified with respect to the restatement.

***Prior Period Adjustment***

As described in Note 3.G to the financial statements, the beginning net position of the business-type activities and the highway fund have been restated to correct a misstatement. Our auditors' opinion is not modified with respect to this matter.

**Other Matters**

***Required Supplementary Information***

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

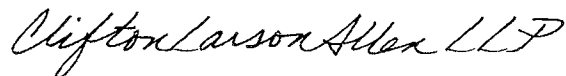
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying detailed budgetary comparison schedules and combining financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2016 on our consideration of County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 28, 2016

**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
<b>ASSETS</b>				
Cash and Investments	\$ 14,313,557	\$ 1,595,950	\$ 15,909,507	\$ 1,767,414
Taxes Receivable	28,515,612	2,182,974	30,698,586	-
Accounts Receivable	1,979,853	145,052	2,124,905	97,544
Due from Other Governments	5,526,715	1,391,227	6,917,942	-
Prepaid Items	652,459	1,579	654,038	165
Inventories	143,542	797,598	941,140	12,183
Deposit in Insurance Pool	999,731	-	999,731	-
Internal Balances	(185,711)	185,711	-	-
Other Assets	-	-	-	31,603
Restricted Assets:				
Cash and Investments	233,629	-	233,629	-
Wisconsin Retirement System Pension Plan Asset	4,301,342	414,347	4,715,689	-
Capital Assets:				
Capital Assets Not Being Depreciated	9,555,811	3,151,074	12,706,885	800,000
Capital Assets Being Depreciated	208,619,796	60,129,240	268,749,036	51,475
Accumulated Depreciation	(66,151,710)	(26,748,161)	(92,899,871)	(15,237)
Total Assets	<u>208,504,626</u>	<u>43,246,591</u>	<u>251,751,217</u>	<u>2,745,147</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	4,464,414	430,055	4,894,469	-
<b>LIABILITIES</b>				
Vouchers and Accounts Payable	2,459,402	486,522	2,945,924	42,576
Accrued Interest Payable	762,394	23,318	785,712	-
Accrued Payroll	2,336,545	267,781	2,604,326	19,971
Due to Other Governments	2,829,731	-	2,829,731	-
Unearned Revenues	-	-	-	1,427
Special Deposits	417,271	-	417,271	-
Long-Term Liabilities:				
Amounts Due Within One Year	6,745,679	483,760	7,229,439	-
Amounts Due in More than One Year	68,577,133	691,065	69,268,198	-
Total Liabilities	<u>84,128,155</u>	<u>1,952,446</u>	<u>86,080,601</u>	<u>63,974</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding Years Property Taxes	27,095,793	2,182,974	29,278,767	-
Wisconsin Retirement System Pension Related	95,460	9,195	104,655	-
Total Deferred Inflows of Resources	<u>27,191,253</u>	<u>2,192,169</u>	<u>29,383,422</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	81,383,755	35,746,694	117,130,449	836,238
Restricted for:				
Insurance Escrow	233,629	-	233,629	-
ADRC Programs	60,198	-	60,198	-
Debt Service	2,770,171	-	2,770,171	-
Recycling	340,329	-	340,329	-
Friends of Beaver Creek Reserve, Inc.	-	-	-	920,630
Restricted for Wisconsin Retirement System Asset	4,301,342	414,347	4,715,689	-
Unrestricted	12,560,208	3,370,990	15,931,198	924,305
Total Net Position	<u>\$ 101,649,632</u>	<u>\$ 39,532,031</u>	<u>\$ 141,181,663</u>	<u>\$ 2,681,173</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 13,561,101	\$ 3,113,200	\$ 520,257	\$ -	\$ (9,927,644)	\$ -	\$ (9,927,644)	\$ -
Public Safety	14,246,306	1,770,771	143,426	-	(12,332,109)	-	(12,332,109)	-
Public Works	6,110,691	1,186,492	423,614	304,868	(4,195,717)	-	(4,195,717)	-
Health and Human Services	33,082,330	3,084,892	20,927,670	-	(9,069,768)	-	(9,069,768)	-
Culture, Recreation and Education	2,003,183	1,782,985	106,942	-	(113,256)	-	(113,256)	-
Conservation and Development	1,206,000	629,314	872,982	-	296,296	-	296,296	-
Interest and Fiscal Charges	2,298,365	-	-	-	(2,298,365)	-	(2,298,365)	-
Total Governmental Activities	72,507,976	11,567,654	22,994,891	304,868	(37,640,563)	-	(37,640,563)	-
Business-Type Activities:								
Highway Department	12,646,720	7,951,463	2,921,249	-	-	(1,774,008)	(1,774,008)	-
Airport	2,468,708	936,969	187,497	-	-	(1,344,242)	(1,344,242)	-
Total Business-Type Activities	15,115,428	8,888,432	3,108,746	-	-	(3,118,250)	(3,118,250)	-
Total Primary Government	\$ 87,623,404	\$ 20,456,086	\$ 26,103,637	\$ 304,868	(37,640,563)	(3,118,250)	(40,758,813)	-
<b>Component Unit:</b>								
Friends of Beaver Creek Reserve, Inc	\$ 842,100	\$ 189,901	\$ 1,701,775	\$ -	-	-	-	1,049,576
General Revenues:								
Taxes:								
Property Taxes					27,858,179	2,179,062	30,037,241	-
Other Taxes					10,653,140	-	10,653,140	-
State and Federal Aids Not Restricted to Specific Programs								
Interest and Investment Earnings					487,393	-	487,393	-
Gain on Sale of County Property					50,071	-	50,071	(36,988)
Miscellaneous					85,000	-	85,000	-
Total General Revenues and Transfers					514,354	22,639	536,993	12,566
Change in Net Position					39,648,137	2,201,701	41,849,838	(24,422)
Net Position - Beginning of Year					2,007,574	(916,549)	1,091,025	1,025,154
Change in Accounting Principle					91,145,328	39,431,293	130,576,621	1,656,019
Prior Period Adjustment					8,496,730	827,438	9,324,168	-
Net Position - Beginning of Year - As Restated					-	189,849	189,849	-
Net Position - End of Year					99,642,058	40,448,580	140,090,638	1,656,019
					\$ 101,649,632	\$ 39,532,031	\$ 141,181,663	\$ 2,681,173

See accompanying Notes to Financial Statements.



**EAU CLAIRE COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	General Fund	Human Services	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Treasurer's Cash and Investments	\$ 8,769,594	\$ -	\$ 3,532,565	\$ -	\$ 450,211	\$ 12,752,370
Taxes Receivable	13,406,416	8,033,538	6,696,165	42,500	336,993	28,515,612
Accounts Receivable, Net	1,039,435	437,543	-	237,309	164,824	1,879,111
Due from Other Funds	4,244,007	-	-	-	-	4,244,007
Due from Other Governments	2,501,814	2,215,146	-	105,000	704,755	5,526,715
Prepaid Items	596,819	1,980	-	53,660	-	652,459
Inventories	48,104	95,438	-	-	-	143,542
<b>Total Assets</b>	<b>\$ 30,606,189</b>	<b>\$ 10,783,645</b>	<b>\$ 10,228,730</b>	<b>\$ 438,469</b>	<b>\$ 1,656,783</b>	<b>\$ 53,713,816</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Vouchers and Accounts Payable	\$ 596,271	\$ 1,040,692	\$ -	\$ 429,843	\$ 383,813	\$ 2,450,619
Accrued Liabilities	1,692,121	535,760	-	-	104,340	2,332,221
Due to Other Governmental Units	850,303	1,979,428	-	-	-	2,829,731
Due to Other Funds	-	1,364,486	-	2,668,050	211,471	4,244,007
Special Deposits	417,271	-	-	-	-	417,271
<b>Total Liabilities</b>	<b>3,555,966</b>	<b>4,920,366</b>	<b>-</b>	<b>3,097,893</b>	<b>699,624</b>	<b>12,273,849</b>
<b>Deferred Inflows of Resources:</b>						
Succeeding Years Property Taxes	11,986,597	8,033,538	6,696,165	42,500	336,993	27,095,793
Unavailable Revenue	-	-	-	-	87,367	87,367
<b>Total Deferred Inflows of Resources</b>	<b>11,986,597</b>	<b>8,033,538</b>	<b>6,696,165</b>	<b>42,500</b>	<b>424,360</b>	<b>27,183,160</b>
<b>Fund Balances:</b>						
Nonspendable	2,332,160	97,418	-	-	-	2,429,578
Restricted	-	-	3,532,565	-	400,527	3,933,092
Assigned	668,900	-	-	-	79,100	748,000
Unassigned	12,062,566	(2,267,677)	-	(2,701,924)	53,172	7,146,137
<b>Total Fund Balances</b>	<b>15,063,626</b>	<b>(2,170,259)</b>	<b>3,532,565</b>	<b>(2,701,924)</b>	<b>532,799</b>	<b>14,256,807</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 30,606,189</b>	<b>\$ 10,783,645</b>	<b>\$ 10,228,730</b>	<b>\$ 438,469</b>	<b>\$ 1,656,783</b>	<b>\$ 53,713,816</b>

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2015**

**Total Fund Balances - Governmental Funds** \$ 14,256,807

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. These assets consist of:

Land and Right of Way	\$ 6,131,879	
Land Improvements	3,406,220	
Intangibles	2,059,999	
Buildings and Improvements	78,922,339	
Machinery and Equipment	5,344,192	
Infrastructure	118,887,046	
Construction Work in Progress	3,423,932	
Accumulated Depreciation	<u>(66,151,710)</u>	152,023,897

Net pension plan asset and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:

Wisconsin Retirement System Pension Plan:

Net Pension Plan Asset	4,270,277	
Deferred Outflows of Resources - Pension Related	4,464,414	
Deferred Inflows of Resources - Pension Related	<u>(95,460)</u>	8,639,231

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue in the government-wide statements because they are unavailable 87,367

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Bonds Payable	69,830,000	
Accrued Interest Payable on Long-Term Debt	762,394	
Compensated Absences Payable	3,493,555	
Long-term Payable to the City of Eau Claire	<u>104,115</u>	(74,190,064)

Discounts and premiums are deferred in the statement of net position and amortized over the lives of the related debt.

In the governmental funds these costs are considered expenditures/other financing uses when incurred

Unamortized Debt Premiums	810,142	(810,142)
---------------------------	---------	-----------

An internal service fund is used by County management to account for highway department operations. The assets and liabilities of the internal service fund are reported in governmental activities net of pension plan related items. 1,642,536

**Net Position of Governmental Activities** **\$ 101,649,632**

**EAU CLAIRE COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	General Fund	Human Services	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 22,367,452	\$ 7,749,738	\$ 5,884,536	\$ 112,500	\$ 319,952	\$ 36,434,178
Intergovernmental	5,632,043	18,498,709	-	304,868	3,016,773	27,452,393
Licenses and Permits	426,754	-	-	-	-	426,754
Fines and Forfeits	363,105	-	-	-	-	363,105
Public Charges for Services	5,139,440	1,208,992	-	-	1,008,828	7,357,260
Intergovernmental Charges for Services	579,445	752,576	-	167,053	51,631	1,550,705
Miscellaneous	807,611	37,167	-	9,527	276,689	1,130,994
Total Revenues	<u>35,315,850</u>	<u>28,247,182</u>	<u>5,884,536</u>	<u>593,948</u>	<u>4,673,873</u>	<u>74,715,389</u>
<b>EXPENDITURES</b>						
General Government	14,135,774	-	-	101,393	-	14,237,167
Public Safety	13,930,748	-	-	-	344,181	14,274,929
Public Works	-	-	-	-	1,253,038	1,253,038
Health and Human Services	2,740,204	28,933,811	-	-	2,587,871	34,261,886
Culture, Recreation and Education	1,852,394	-	-	-	-	1,852,394
Conservation and Development	1,253,507	-	-	-	350,601	1,604,108
Capital Outlay	-	-	-	2,748,607	-	2,748,607
Debt Service:						
Principal Retirement	-	-	3,975,679	-	-	3,975,679
Interest and Fiscal Charges	-	-	2,236,744	89,790	-	2,326,534
Total Expenditures	<u>33,912,627</u>	<u>28,933,811</u>	<u>6,212,423</u>	<u>2,939,790</u>	<u>4,535,691</u>	<u>76,534,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,403,223	(686,629)	(327,887)	(2,345,842)	138,182	(1,818,953)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	-	-	9,500,000	-	9,500,000
Sale of County Property	-	-	-	85,000	-	85,000
Premium on Debt Issued	-	-	103,488	89,790	-	193,278
Transfers In	24,302	-	-	-	-	24,302
Transfers Out	(165,610)	-	-	(6,660,000)	-	(6,825,610)
Total Other Financing Sources (Uses)	<u>(141,308)</u>	<u>-</u>	<u>103,488</u>	<u>3,014,790</u>	<u>-</u>	<u>2,976,970</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,261,915	(686,629)	(224,399)	668,948	138,182	1,158,017
Fund Balances, January 1	13,801,711	(1,483,630)	3,756,964	(3,370,872)	394,617	13,098,790
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 15,063,626</u>	<u>\$ (2,170,259)</u>	<u>\$ 3,532,565</u>	<u>\$ (2,701,924)</u>	<u>\$ 532,799</u>	<u>\$ 14,256,807</u>

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,158,017

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 2,845,691	
Contribution from Business-Type Activity - Highway Infrastructure	6,825,610	
Depreciation Expense Reported in the Statement of Activities	(4,807,297)	4,864,004

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the depreciated cost of the capital assets sold. (2,307,804)

Wisconsin Retirement System Pension Plan:

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset and the related deferred inflows and outflows of resources. 164,807

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements (284,839)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in long-term liabilities in the statement of net position and does not affect the statement of activities. The amount of long-term debt incurred in the current year is (9,500,000)

Debt issuance and refinancing costs, discounts, and premiums are reported as an other financing use in governmental funds but are deferred in the government wide statements and amortized over the lives of the related debt. (193,278)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Bond Principal Retirement	3,970,000	
Long-term Payable to the City of Eau Claire	5,679	3,975,679

An internal service fund is used by County management to account for highway department operations. The change in net position of this internal service fund is allocated to governmental activities 163,683

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Amortization of Debt Premium	63,271	
Net Change in Accrued Interest Payable	(35,102)	
Net Change in Compensated Absences Payable	22,733	
Net Change in Other Postemployment Benefits Payable	3,916,403	3,967,305

**Change in Net Position of Governmental Activities** \$ 2,007,574

**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Highway Department	Airport	Totals	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Investments	\$ 1,044,068	\$ 551,882	\$ 1,595,950	\$ 1,561,187
Taxes Receivable	1,787,895	395,079	2,182,974	-
Accounts Receivable	-	145,052	145,052	100,742
Due from Other Governmental Units	1,367,830	23,397	1,391,227	-
Prepaid Items	1,579	-	1,579	-
Inventories	797,598	-	797,598	-
Total Current Assets	<u>4,998,970</u>	<u>1,115,410</u>	<u>6,114,380</u>	<u>1,661,929</u>
<b>Restricted Assets:</b>				
Escrow accounts	-	-	-	233,629
Wisconsin Retirement System Pension Plan Asset	377,746	36,601	414,347	15,411
Total Restricted Assets	<u>377,746</u>	<u>36,601</u>	<u>414,347</u>	<u>249,040</u>
<b>Noncurrent Assets:</b>				
Capital Assets	13,804,670	48,370,244	62,174,914	-
Less Accumulated Depreciation	<u>(8,955,839)</u>	<u>(17,792,322)</u>	<u>(26,748,161)</u>	-
Net Capital Assets in Service	4,848,831	30,577,922	35,426,753	-
Construction Work in Progress	-	1,105,400	1,105,400	-
Total Capital Assets	<u>4,848,831</u>	<u>31,683,322</u>	<u>36,532,153</u>	-
Deposit in Insurance Pool	-	-	-	999,731
Total Noncurrent Assets	<u>4,848,831</u>	<u>31,683,322</u>	<u>36,532,153</u>	<u>999,731</u>
Total Assets	<u>10,225,547</u>	<u>32,835,333</u>	<u>43,060,880</u>	<u>2,910,700</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	<u>392,067</u>	<u>37,988</u>	<u>430,055</u>	<u>15,996</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	407,035	79,487	486,522	8,783
Accrued Liabilities	246,684	21,097	267,781	4,324
Accrued Interest Payable	-	23,318	23,318	-
<b>Current Portion of Long-Term Liabilities:</b>				
General Obligation Notes	-	94,394	94,394	-
Accrued Employee Leave	373,918	15,448	389,366	-
Total Current Liabilities	<u>1,027,637</u>	<u>233,744</u>	<u>1,261,381</u>	<u>13,107</u>
<b>Long-Term Liabilities (Net of Current Portion):</b>				
General Obligation Notes	-	691,065	691,065	-
Claims payable	-	-	-	1,085,000
Total Long-Term Liabilities	<u>-</u>	<u>691,065</u>	<u>691,065</u>	<u>1,085,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Succeeding Year's Property Taxes	1,787,895	395,079	2,182,974	-
Wisconsin Retirement System Pension Related	8,383	812	9,195	342
Total Deferred Inflows of Resources	<u>1,796,278</u>	<u>395,891</u>	<u>2,192,169</u>	<u>342</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,848,831	30,897,863	35,746,694	-
<b>Restricted:</b>				
Insurance Escrow	-	-	-	233,629
Restricted for Retirement System Pension Related	377,746	36,601	414,347	15,411
Unrestricted	<u>2,567,122</u>	<u>618,157</u>	<u>3,185,279</u>	<u>1,579,207</u>
Total Net Position	<u>\$ 7,793,699</u>	<u>\$ 31,552,621</u>	<u>39,346,320</u>	<u>\$ 1,828,247</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>185,711</u>	
Total Net Position of Business-Type Activities			<u>\$ 39,532,031</u>	

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Highway Department	Airport	Totals	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 7,951,463	\$ 936,969	\$ 8,888,432	\$ 1,110,476
Miscellaneous	-	22,639	22,639	-
Total Operating Revenues	<u>7,951,463</u>	<u>959,608</u>	<u>8,911,071</u>	<u>1,110,476</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	11,216,988	1,059,572	12,276,560	558,931
Depreciation	503,367	1,385,240	1,888,607	-
Claims	-	-	-	458,838
Total Operating Expenses	<u>11,720,355</u>	<u>2,444,812</u>	<u>14,165,167</u>	<u>1,017,769</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(3,768,892)</u>	<u>(1,485,204)</u>	<u>(5,254,096)</u>	<u>92,707</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General Property Taxes	1,787,895	391,167	2,179,062	-
Intergovernmental Grants	2,921,249	187,497	3,108,746	31,852
Investment Income	-	-	-	45,734
Miscellaneous Nonoperating Revenues	-	-	-	75,113
Interest Expense	-	(30,094)	(30,094)	-
Infrastructure Construction Expense for Governmental Activities	(7,803,198)	-	(7,803,198)	-
Total Nonoperating Revenues (Expenses)	<u>(3,094,054)</u>	<u>548,570</u>	<u>(2,545,484)</u>	<u>152,699</u>
<b>INCOME (LOSS) BEFORE OTHER FINANCING SOURCES</b>	<u>(6,862,946)</u>	<u>(936,634)</u>	<u>(7,799,580)</u>	<u>245,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	6,825,610	-	6,825,610	-
Transfer Out	-	-	-	(24,302)
Total Other Financing Sources (Uses)	<u>6,825,610</u>	<u>-</u>	<u>6,825,610</u>	<u>(24,302)</u>
<b>CHANGE IN NET POSITION</b>	<u>(37,336)</u>	<u>(936,634)</u>	<u>(973,970)</u>	<u>221,104</u>
Net Position, January 1	6,894,282	32,416,886	39,311,168	1,576,672
Change in Accounting Principle	746,904	72,369	819,273	30,471
Prior Period Adjustment	189,849	-	189,849	-
Net Position, January 1	<u>7,831,035</u>	<u>32,489,255</u>	<u>40,320,290</u>	<u>1,607,143</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 7,793,699</u>	<u>\$ 31,552,621</u>	<u>\$ 39,346,320</u>	<u>\$ 1,828,247</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>57,421</u>	
Change in Net Position of Business-Type Activities			<u>\$ (916,549)</u>	

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds			Governmental
	Highway Department	Airport	Totals	Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 8,342,035	\$ 860,753	\$ 9,202,788	\$ 1,081,514
Cash Paid to Suppliers for Goods and Services	(5,946,557)	(596,755)	(6,543,312)	(415,303)
Claims Paid	-	-	-	(192,521)
Cash Paid for Employee Services	(6,059,754)	(426,217)	(6,485,971)	(141,421)
Net Cash Provided by (Used for) Operating Activities	(3,664,276)	(162,219)	(3,826,495)	332,269
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General Property Taxes	1,787,895	384,892	2,172,787	-
Repayment to Other Funds	-	-	-	(6,564)
Transfer to the General Fund -fund close out	-	-	-	(24,302)
Cash Received as Transfer from General Fund	165,610	-	165,610	-
Operating Grants and Miscellaneous Revenue Received	2,921,249	187,497	3,108,746	75,900
Net Cash Provided by (Used for) Noncapital Financing Activities	4,874,754	572,389	5,447,143	45,034
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash Received from Sale/Loss of Capital Assets	-	-	-	31,065
Transfers from other funds for construction	6,660,000	-	6,660,000	-
Cash Payments for Capital Assets	(449,906)	(401,005)	(850,911)	-
Cash Payments for Principal on Debt	-	(87,343)	(87,343)	-
Cash Payments for Interest on Debt	-	(36,586)	(36,586)	-
Infrastructure Construction Expense for Governmental Activities	(7,803,198)	-	(7,803,198)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,593,104)	(524,934)	(2,118,038)	31,065
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	-	-	-	45,734
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(382,626)	(114,764)	(497,390)	454,102
Cash and Cash Equivalents, January 1	1,426,694	666,646	2,093,340	1,340,714
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 1,044,068</u>	<u>\$ 551,882</u>	<u>\$ 1,595,950</u>	<u>\$ 1,794,816</u>

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Highway Department	Airport	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (3,768,892)	\$ (1,485,204)	\$ (5,254,096)	\$ 92,707
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	503,367	1,385,240	1,888,607	-
Change in WRS Asset and WRS Deferred Outflow	(14,526)	(1,408)	(15,934)	(594)
(Increase) Decrease in Assets:				
Accounts Receivable	-	(98,855)	(98,855)	(28,368)
Due from Other Governments	390,572	(3,196)	387,376	-
Prepayments	(1,579)	-	(1,579)	-
Inventories	(81,504)	-	(81,504)	-
Increase (Decrease) in Liabilities:				
Accounts Payable	(53,218)	39,127	(14,091)	2,306
Claims Payable	-	-	-	266,317
Accrued Liabilities	42,047	2,077	44,124	(99)
Accrued Employee Leave	(60,292)	-	(60,292)	-
Other Postemployment Benefits Payable	(620,251)	-	(620,251)	-
 Net Cash Provided by (Used for) Operating Activities	 <u>\$ (3,664,276)</u>	 <u>\$ (162,219)</u>	 <u>\$ (3,826,495)</u>	 <u>\$ 332,269</u>

See accompanying Notes to Financial Statements.



**EAU CLAIRE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2015**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Treasurer's Cash and Investments	\$ 9,562,501
Taxes Receivable	<u>1,460,285</u>
Total Assets	<u>\$ 11,022,786</u>
<b>LIABILITIES</b>	
Due Other Governmental Units	<u>9,942,561</u>
Special Deposits	<u>1,080,225</u>
Total Liabilities	<u>\$ 11,022,786</u>

See accompanying Notes to Financial Statements.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The financial statements of Eau Claire County (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

**A. Reporting Entity**

Eau Claire County is governed by a board of supervisors consisting of twenty-nine elected members.

The financial reporting of the County is defined by the GASB to consist 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 the 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 officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a 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. This report includes the following component unit:

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Discretely Presented Component Unit**

The government-wide financial statements include the Friends of Beaver Creek Reserve, Inc. (Beaver Creek) as a component unit. Beaver Creek is a legally separate organization. Beaver Creek is led by an elected board of directors. The County is not legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to Beaver Creek. As a component unit, Beaver Creek's financial statements have been presented as a discrete column in the financial statements. It is reported in a separate column to emphasize that it is legally separate from the County. The information presented is for the fiscal year ended December 31, 2015. Separately issued financial statements of Beaver Creek may be obtained from the Beaver Creek's office at S1 County Road K, Fall Creek, Wisconsin. See Note 2 G. for additional Beaver Creek disclosures.

**B. Government-Wide and Fund Financial Statements**

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described below:

**Government-Wide Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements**

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

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.

The County reports the following major governmental funds:

**General Fund** – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

**Health and Human Services Fund** – The Health and Human Services Fund, a special revenue fund, is used to account for various County health and human services programs funded by restricted and committed sources. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds. For report purposes, the County's individual debt service funds are combined into one fund.

**Capital Projects Fund** – The Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets

The County reports the following major enterprise funds:

**Highway Department** – The Highway Department accounts for operations of the county road network.

**Airport** – The airport accounts for operations of the airport.

The county reports the following nonmajor governmental funds:

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Watershed  
Recycling  
Anti-drug  
Aging and Disability Resource Center

In addition, the county reports the following fund types:

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

Risk Management  
Car Fleet

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

Sunshine  
Sheriff  
District Attorney  
Human Services Representative Payee  
Clerk of Courts  
West Central Drug  
Lower Chippewa River Basin  
Tax agency

**C. Measurement Focus and Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. 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 inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency funds do not have a measurement focus.

**EAU CLAIRE COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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 government's utility functions 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.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity**

**1. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**1. Deposits and Investments (Continued)**

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

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

The county has adopted an investment policy. That policy states that authorized investments shall conform to Wisconsin Statutes. It further states that deposits with banking institutions in excess of \$500,000 must be collateralized with pledged bank securities or secured by insurance or a deposit guarantee bond up to the total deposit in excess of the \$500,000. The County was not in compliance with this portion of its investment policy as of year-end. See note 2.A.

The investment policy does not address concentration of credit risk, or interest rate risk.

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 increase or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

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 Statutes Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**2. Receivables and Payables**

**Property Taxes.** Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the State. Taxes billed for the State are recorded as receivables and due other governmental units in the agency fund balance sheet. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows in the funds budgeted therefore.

The County also collects taxes for the City of Eau Claire, the City of Altoona and the Town of Ludington at which time unpaid taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility of the County and taxes receivable include unpaid taxes for all taxing entities within the county. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

**Accounts Receivable.** Accounts receivable are shown at net of an allowance for uncollectible accounts.

**Interfund Balances.** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the average cost method for the highway department. Inventories of governmental funds, if material, are recorded at cost as expenditures when consumed rather than when purchased.

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.



**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**4. Restricted Assets**

Mandatory segregations of assets, if any, are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Funds on deposit with Wisconsin Municipal Mutual Insurance Company for payment of insurance claims are combined with other participating governments. The county's deposit at year end was \$233,629. This amount is recorded as restricted assets in the government-wide financial statements and the internal service fund.

**5. Capital Assets**

**Government-Wide Statements.** Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current year.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-line	15 Years
Buildings and Improvements	5,000	Straight-line	50 Years
Machinery and Equipment	5,000	Straight-line	3-20 Years
Infrastructure	25,000	Straight-line	25-50 Years
Intangibles	5,000	Straight-line	10 Years

Capital assets not being depreciated include land and construction in progress.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**5. Capital Assets (Continued)**

**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 in the same manner as in the government-wide statements.

**6. Deferred Outflows of Resources**

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. During the current year the County reports deferred outflows of resources in its government-wide and proprietary fund financial statements for the Wisconsin Retirement System Pension Plan related items.

**7. Deferred Inflows of Resources**

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available under the modified accrual basis of accounting. The County also reports a deferred inflow of resources in its government-wide and proprietary fund financial statements for the Wisconsin Retirement System Pension Plan related items in the current year.

**8. Compensated Absences**

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 3.A.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**9. Wisconsin Retirement System Pension Plan Benefits**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**11. Defining Operating Revenues and Expenses**

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 highway department and airport are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)**

**12. Use of Restricted Resources**

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

**13. Equity Classifications**

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the County's financial statements:

**Government-Wide Statements.** Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Any changes to the constraints imposed require the same formal action of the county board that originally created the commitment. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2015 as shown in the financial statements are as follows:

Governmental Activities	\$ 14,547,186
Business-Type Activities	1,595,950
Fiduciary Funds	9,562,501
Total	\$ 25,705,637

The cash and investments balances on the previous page consisted of the following:

Treasurer's Cash and Investments:		
Deposits in Financial Institutions	\$ 20,612,894	
Deposits in State Local-Government Pooled-Investment Fund	2,448,567	
Investment in Money Market Fund	85,314	
Investment in Federal Obligations	1,823,078	
Mutual funds other than bonds	498,486	\$ 25,468,339
Cash held by Fiscal Agent		
Deposits with WMMIC		233,628
Petty Cash Funds		3,670
Total Cash and Investments at December 31, 2015		\$ 25,705,637

**Deposits at Financial Institutions**

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions (Continued)**

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the County's deposits may not be returned.

The County's deposits at financial institutions at December 31, 2015 were exposed to custodial credit risk in the amount of \$731,612 due to uncollateralized deposits. Custodial credit risk for deposits is the risk that, in the event of bank failure, the County's deposits may not be returned.

**Investments**

The County's investments at December 31, 2015 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), US government agencies and instrumentalities, obligations, and a mutual fund other than bonds.

**Deposits in State Local Government Pooled-Investment Fund.** The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2015 was 76 days.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**U.S. Government Agencies and Instrumentalities Obligations.** The County's investments in these obligations at December 31, 2015 are summarized as follows:

Description	Investment Maturities (in years)			
	Totals	<1	1 to 5	6 to 28
Debt Instrument				
Freddie Mac	\$ 537,476	\$ -	\$ 537,476	\$ -
FHLMC	428,694	-	-	428,694
FNMA	315,010	-	-	315,010
Small Business Administration	541,898	-	-	541,898
Total	<u>\$ 1,823,078</u>	<u>\$ -</u>	<u>\$ 537,476</u>	<u>\$ 1,285,602</u>

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the County.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,756,659	\$ 131,011	\$ -	\$ 3,887,670
Right of way	1,674,689	569,520	-	2,244,209
Construction Work in Progress	853,608	2,829,304	258,980	3,423,932
Total Capital Assets				
Not Being Depreciated	6,284,956	3,529,835	258,980	9,555,811
Capital Assets Being Depreciated:				
Land Improvements	3,358,947	47,273	-	3,406,220
Intangibles	2,059,999	-	-	2,059,999
Buildings	78,841,632	80,707	-	78,922,339
Machinery and equipment	4,998,100	639,104	293,012	5,344,192
Roads	114,024,959	4,192,743	6,353,400	111,864,302
Culverts	1,244,812	887,774	19,600	2,112,986
Traffic signals	85,300	-	-	85,300
Bridges	4,544,293	293,865	13,700	4,824,458
Total Capital Assets				
Being Depreciated	209,158,042	6,141,466	6,679,712	208,619,796
Accumulated Depreciation:				
Land Improvements	667,514	79,907	-	747,421
Intangibles	141,885	123,885	-	265,770
Buildings	13,621,127	1,628,719	-	15,249,846
Machinery and equipment	4,122,375	346,686	290,188	4,178,873
Roads	44,632,900	2,529,700	4,307,400	42,855,200
Culverts	400,500	22,300	19,600	403,200
Traffic signals	64,600	3,400	-	68,000
Bridges	2,324,400	72,700	13,700	2,383,400
Total Accumulated Depreciation	65,975,301	4,807,297	4,630,888	66,151,710
Capital Assets Net of Depreciation	\$ 149,467,697	\$ 4,864,004	\$ 2,307,804	\$ 152,023,897

Depreciation was charged to governmental functions as follows:

	Depreciation Expense
General County Assets:	
General Government	\$ 726,433
Public Safety	1,128,021
Public Works	2,628,100
Health and Human Services	88,946
Culture, Recreation and Education	210,154
Conservation and Development	25,643
	<u>\$ 4,807,297</u>



**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,045,674	\$ -	\$ -	\$ 2,045,674
Construction Work in Progress	1,368,388	350,661	613,649	1,105,400
Total Capital Assets Not Being Depreciated	3,414,062	350,661	613,649	3,151,074
Capital Assets Being Depreciated:				
Land Improvements	17,970,869	-	-	17,970,869
Buildings and Improvements	28,245,145	-	-	28,245,145
Machinery and Equipment	12,970,784	1,164,709	222,267	13,913,226
Total Capital Assets Being Depreciated	59,186,798	1,164,709	222,267	60,129,240
Accumulated Depreciation:				
Land Improvements	8,316,475	789,630	-	9,106,105
Buildings and Improvements	8,865,007	570,749	-	9,435,756
Machinery and Equipment	7,826,791	528,228	148,719	8,206,300
Total Accumulated Depreciation	25,008,273	1,888,607	148,719	26,748,161
Net Capital Assets - Business type Activities	\$ 37,592,587	\$ (373,237)	\$ 687,197	\$ 36,532,153

Depreciation was charged to business-type activities as follows:

Highway Department	\$ 503,367
Airport	1,385,240

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2015 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services	\$ 1,364,486
General Fund	Capital Projects	2,668,050
General Fund	Watershed	38,512
General Fund	Anti-Drug	172,959
		<u>\$ 4,244,007</u>

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2016. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Within the government-wide statement of net position the County reports an internal balance of \$185,711 which reflects the interfund receivable/payable created with the internal service fund elimination for the statement.

**Interfund Transfers**

Interfund transfers during the year consisted of the following:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Highway Department	General Fund	\$ 165,610
Highway Department	Capital Projects	6,660,000
General Fund	Internal Service-Car Fleet	24,302
		<u>\$ 6,849,912</u>

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations**

**Changes in Long-Term Obligations**

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2015:

	Balances 1/1/15	Additions	Reductions	Balances 12/31/15	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 64,300,000	\$ 9,500,000	\$ 3,970,000	\$ 69,830,000	\$ 4,640,000
Premiums	680,135	193,278	63,271	810,142	-
Subtotal	<u>64,980,135</u>	<u>9,693,278</u>	<u>4,033,271</u>	<u>70,640,142</u>	<u>4,640,000</u>
Other Liabilities					
Vested Compensated Absences	3,516,288	-	22,733	3,493,555	2,100,000
Post Retirement Benefits	3,916,403	-	3,916,403	-	-
Unpaid Self-Insurance Claims	818,683	266,317	-	1,085,000	-
Long-Term Payable to City of Eau Claire	109,794	-	5,679	104,115	5,679
Total Other Liabilities	<u>\$ 8,361,168</u>	<u>\$ 266,317</u>	<u>\$ 3,944,815</u>	<u>\$ 4,682,670</u>	<u>\$ 2,105,679</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 73,341,303</u>	<u>\$ 9,959,595</u>	<u>\$ 7,978,086</u>	<u>\$ 75,322,812</u>	<u>\$ 6,745,679</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 872,802	-	\$ 87,343	\$ 785,459	\$ 94,394
Other Liabilities					
Vested Compensated Absences	449,658	-	60,292	389,366	389,366
Post Retirement Benefits	620,251	-	620,251	-	-
Total Other Liabilities	<u>\$ 1,069,909</u>	<u>\$ -</u>	<u>\$ 680,543</u>	<u>\$ 389,366</u>	<u>\$ 389,366</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,942,711</u>	<u>\$ -</u>	<u>\$ 767,886</u>	<u>\$ 1,174,825</u>	<u>\$ 483,760</u>

The County's estimated liability for vested compensation absences is discussed in Note 3.A.

**General Obligation Debt Limitation.** Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the county. At December 31, 2015, the County's debt limit amounted to \$374,997,095 and indebtedness subject to the limitation totaled \$70,615,459.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt**

**Annual Requirements for Retirement.** Long-term general obligation debt issues outstanding at December 31, 2015 and annual requirements for their retirement were as follows:

<u>Governmental Activities</u> <u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation				
Bonds Series 2008A, \$2,700,000 dated 4/8/2008, due 9/1/2016 interest rate 3.00% to 3.75%	2016	\$ 380,000	\$ 14,250	\$ 394,250
		380,000	14,250	394,250
General Obligation				
Bonds Series 2008B, \$25,000,000 dated 4/8/2008, due 9/01/2027 interest rate 3.25% to 5.00%	2016	690,000	718,725	1,408,725
	2017	1,100,000	692,850	1,792,850
	2018	1,145,000	648,850	1,793,850
	2019	1,190,000	603,050	1,793,050
	2020	1,240,000	552,475	1,792,475
	2021-2027	10,195,000	2,104,525	12,299,525
		15,560,000	5,320,475	20,880,475
General Obligation				
Bond Series 2010A, \$5,080,000 dated 9/21/2010, due 9/01/2020 interest rate 2.00% to 3.00%	2016	375,000	49,650	424,650
	2017	385,000	42,150	427,150
	2018	395,000	33,488	428,488
	2019	405,000	24,600	429,600
	2020	415,000	12,450	427,450
		1,975,000	162,338	2,137,338
General Obligation				
Bond Series 2010B, \$9,190,000 dated 11/9/2010, due 9/1/2030 interest rate 3.70% to 5.10%	2016	-	441,128	441,128
	2017	-	441,128	441,128
	2018	-	441,128	441,128
	2019	-	441,128	441,128
	2020	245,000	441,128	686,128
	2021-2030	8,945,000	3,509,775	12,454,775
		9,190,000	5,715,413	14,905,413
General Obligation				
Bond Series 2011B, \$18,000,000 dated 12/22/2011, due 9/1/2031 interest rate 3.00% to 4.00%	2016	640,000	608,163	1,248,163
	2017	660,000	588,963	1,248,963
	2018	675,000	569,163	1,244,163
	2019	690,000	548,913	1,238,913
	2020	710,000	528,213	1,238,213
	2021-2031	14,625,000	3,814,900	18,439,900
		18,000,000	6,658,313	24,658,313

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

<u>Governmental Activities</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>General Obligation</u>				
Bond Series 2013A, \$7,600,000	2016	\$ 720,000	\$ 129,438	\$ 849,438
dated 10/22/2013, due 9/1/2023	2017	730,000	115,038	845,038
interest rate 2.00% to 2.50%	2018	740,000	100,438	840,438
	2019	755,000	85,638	840,638
	2020	770,000	70,538	840,538
	2021-2023	<u>2,445,000</u>	<u>115,475</u>	<u>2,560,475</u>
		6,160,000	616,563	6,776,563
<u>General Obligation</u>				
Bond Series 2014A, \$10,000,000	2016	930,000	184,025	1,114,025
dated 10/02/2014, due 9/1/2024	2017	950,000	165,425	1,115,425
interest rate 1.00% to 2.25%	2018	965,000	146,425	1,111,425
	2019	985,000	127,125	1,112,125
	2020	1,005,000	105,425	
	2021-2024	<u>4,230,000</u>	<u>224,600</u>	<u>4,454,600</u>
		9,065,000	953,025	8,907,600
<u>General Obligation</u>				
Bond Series 2015A, \$9,500,000	2016	905,000	173,318	1,078,318
dated 10/17/2015, due 9/1/2025	2017	900,000	174,475	1,074,475
interest rate 2.00% to 2.25%	2018	905,000	156,475	1,061,475
	2019	920,000	138,375	1,058,375
	2020	935,000	119,975	1,054,975
	2021-2025	<u>4,935,000</u>	<u>312,975</u>	<u>5,247,975</u>
		9,500,000	1,075,593	10,575,593
Total Governmental Activities		<u>\$ 69,830,000</u>	<u>\$ 20,515,968</u>	<u>\$ 89,235,543</u>

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt (Continued)**

**Annual Requirements for Retirement (Continued)**

<u>Business-Type Activities</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>General Obligation</b>				
State Trust Fund, \$522,802	2016	\$ 59,607	\$ 17,580	\$ 77,188
dated 1/31/2014, due 3/15/2022	2017	61,890	15,297	77,188
interest rate 3.75%	2018	64,211	12,976	77,188
	2019	66,619	10,568	77,188
	2020	69,095	8,092	77,188
	2021-2022	146,106	8,269	154,375
		<u>467,530</u>	<u>72,783</u>	<u>540,313</u>
<b>General Obligation</b>				
State Trust Fund, \$350,000	2016	34,787	11,955	46,742
dated 1/31/2014, due 3/15/2023	2017	36,124	10,618	46,742
interest rate 3.75%	2018	37,479	9,263	46,742
	2019	38,884	7,858	46,742
	2020	40,325	6,417	46,742
	2021-2022	130,330	9,895	140,225
		<u>317,929</u>	<u>56,006</u>	<u>373,935</u>
<b>Total Business-type Activities</b>		<u>\$ 785,459</u>	<u>\$ 128,789</u>	<u>\$ 914,247</u>

**E. Lease Disclosures**

The County has entered into a 20 year lease commencing January 1, 2014 and continuing through December 31, 2033 to allow the City of Eau Claire to operate a Joint Law Enforcement Center within the Eau Claire Courthouse. The lease may be extended for up to two additional ten-year terms at the option of the city. The monthly rental rate is adjusted annually based on actual operational costs. The total rental payments received by the county were \$273,798. The cost and accumulated depreciation of the leased portion of the courthouse has not been determined.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2015 consisted of the following:

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor Funds	Total
<b>FUND BALANCES</b>						
Nonspendable						
Delinquent Taxes	\$ 1,656,826	\$ -	\$ -	\$ -	\$ -	\$ 1,656,826
Tax Deeds	30,411	-	-	-	-	30,411
Inventories	48,104	1,980	-	-	-	50,084
Prepaid Items	596,819	95,438	-	-	-	692,257
Restricted for						
Future Debt Service Payments	-	-	3,532,565	-	-	3,532,565
Recycling	-	-	-	-	340,329	340,329
Specialized transportation program	-	-	-	-	60,198	60,198
Assigned to						
Subsequent year budget	668,900	-	-	-	-	668,900
Future Watershed expenditures	-	-	-	-	79,100	79,100
Unassigned (deficit)	<u>12,062,566</u>	<u>(2,267,677)</u>	<u>-</u>	<u>(2,701,924)</u>	<u>53,172</u>	<u>7,146,137</u>
Total Fund Balances	<u>\$ 15,063,626</u>	<u>\$ (2,170,259)</u>	<u>\$ 3,532,565</u>	<u>\$ (2,701,924)</u>	<u>\$ 532,799</u>	<u>\$ 14,256,807</u>

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc.**

This report contains the Friends of Beaver Creek Reserve, Inc. (Beaver Creek), which is included as a component unit. Financial information is presented in the component unit column in the statement of net position 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. Organization**

The Friends of Beaver Creek Reserve, Inc., (Beaver Creek), is a nonprofit corporation organized to support the Beaver Creek Reserve, a county-owned nature center. Beaver Creek's purpose is to encourage, perpetuate and promote the work of conservation and natural resource education.

**b. Revenue Recognition**

Contributions are recorded as revenue when received or promised (pledged) unconditionally, at their fair value. Gifts received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. The Organization recognizes income from legacies and bequests when an unassailable right to the gift has been established by the court and the proceeds are measurable in amount. When a donor restriction expires, that is, when a time restriction ends or purpose restricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Program revenues are recorded when the program begins. The unearned program revenues are reported as unearned revenue on the statement of net position.

Sales revenue and cost of sales from the gift store are reported net of discounts, estimated returns, and sales taxes.

**c. Cash Equivalents**

For purposes of the statements of cash flows, Beaver Creek considers all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.



**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**d. Net Assets**

The net assets of Beaver Creek and changes therein are classified and reported as follows:

**Unrestricted** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Beaver Creek and/or by the passage of time.

**Permanently Restricted** – Net assets subject to donor-imposed stipulations that they be maintained permanently by Beaver Creek. Generally, the donor of these assets permits Beaver Creek to use all or part of the income earned on any related investments for general or specific purposes.

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or when specific actions are undertaken by Beaver Creek. At December 31, 2014, temporarily restricted net assets are available for the following specific purposes or time restrictions have been placed on the use of the funds as noted in the following schedule:

Temporarily Restricted Net Assets:	
Endowment Fund Earnings	\$ 25,986
Scholarships	-
Discovery Center Improvements	220,546
Property, Purchase, and Upkeep	-
Restricted Grants	60,844
Total	<u>\$ 307,376</u>
Fund Released from Restrictions:	
Capital Improvements and Maintenance	\$ 26,597
Discovery Center Improvements	57,300
Property Purchas and Upkeep	1,398
Scholarships	4,216
Grant Restrictions	68,383
Endowment Earnings Released	65,554
Total	<u>\$ 223,448</u>

**e. Investments**

Beaver Creek carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**e. Investments (Continued)**

Long-term investments are stated at fair value and consist of mutual funds. Fair values and unrealized appreciation (depreciation) at December 31, 2015 are summarized below:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Domestic Equities Funds	\$ 525,828	\$ 453,041	\$ 72,787
International Equities Funds	227,317	240,029	(12,712)
Fixed Income Funds	510,048	520,587	(10,539)
Total	<u>\$ 1,263,193</u>	<u>\$ 1,213,657</u>	<u>\$ 49,536</u>

The following schedule summarizes the investment return and its classification in the statement of activities:

Interest and Dividend Income	\$ 97,632
Net Realized Gain (Loss) on Investments	35,667
Net Unrealized Gain on Investments	(158,691)
Trust and Investment Fees	(10,328)
Net Investment Income	<u>\$ (35,720)</u>

**f. Fair Value Measurements**

Beaver Creek measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Beaver Creek may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**f. Fair Value Measurements (Continued)**

The inputs used to measure fair value are categorized into the following three categories:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that Beaver Creek has the ability to access as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect Beaver Creek's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Beaver Creek uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of Beaver Creek measured at fair value on a recurring basis as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Domestic Equities Funds	\$ 525,828	\$ -	\$ -	\$ 525,828
International Equities Funds	227,317	-	-	227,317
Fixed Income Funds	510,048	-	-	510,048
Other Assets:				
Funds Held at Eau Claire				
Community Foundation	-	-	31,603	31,603
Totals	<u>\$ 1,263,193</u>	<u>\$ -</u>	<u>\$ 31,603</u>	<u>\$ 1,294,796</u>

The change in Level 3 assets during the year is as follows:

Beginning of Year	\$ 27,581
Contributions	5,290
Change in Fair Value of Funds Held at Eau Claire Community Foundation	<u>(1,268)</u>
End of Year	<u>\$ 31,603</u>

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**g. Income Tax Status**

Beaver Creek has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Wisconsin Statute. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

Beaver Creek evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2015.

**h. Endowment**

Beaver Creek's Board of Directors has designated certain investments and the income earned thereon to accumulate in an Endowment Fund until the balance reaches \$500,000, at which time 5% of the value, not to exceed the amount over \$500,000, can be withdrawn with approval of the board of directors.

Beaver Creek has an endowment fund established for the purposes of providing income to support the Beaver Creek Reserve. As required by generally accepted accounting principles (GAAP), net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of Beaver Creek has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Beaver Creek classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Beaver Creek in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with the UPMIFA, Beaver Creek considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of Beaver Creek and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of Beaver Creek; and
- (7) The investment policies of Beaver Creek.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**h. Endowment (Continued)**

***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Beaver Creek to retain as a fund of perpetual duration. There were no funds with deficiencies at December 31, 2015.

***Investment Objectives and Strategies***

Beaver Creek has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy.

To achieve these objectives, Beaver Creek follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds.

***Spending Policy***

Beaver Creek has a policy of appropriating endowment earnings for distribution each year. In establishing this policy, Beaver Creek considered the long-term expected return on its endowment. The board of directors has approved a policy to allow withdrawal of 5% of the value of the Endowment Fund, not to exceed the amount over \$500,000, with approval of the board of directors. At no time will the distributions reduce the value of the endowment below donor contributions, unless approved by the donor.

The following is a summary of endowment funds subject to Uniform Prudent Management of Institutional Funds Act of (UPMIFA) for the year ended December 31, 2015.

	Net Assets			Total
	Board Designated	Temporarily Restricted	Permanently Restricted	
Endowment Fund Balance as of December 31, 2014	\$ 737,078	\$ 109,390	\$ 551,225	\$ 1,397,693
Contributions	4,611	-	62,029	66,640
Board Approved Appropriations	(12,682)	(65,553)	-	(78,235)
Return on Investments	(19,507)	(17,851)	-	(37,358)
Endowment Fund Balance as of December 31, 2015	<u>\$ 709,500</u>	<u>\$ 25,986</u>	<u>\$ 613,254</u>	<u>\$ 1,348,740</u>

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Component Unit – Friends of Beaver Creek Reserve, Inc. (Continued)**

**i. Property and Equipment**

Equipment is recorded at cost when purchased or fair value as of the date gifted and then depreciated over its useful life. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets as follows:

Equipment 5-7 Years  
Total cost and accumulated depreciation at December 31, 2015 are as follows:

Equipment	\$	51,475
Less: Accumulated Depreciation		(15,237)
Total Equipment		\$ 36,238

**NOTE 3 OTHER INFORMATION**

**A. Employee Leave Liability**

Employees earn paid time off (PTO) at varying rates based on length of service which includes maximum accrual hours as stated in the County’s policy. Upon separation of service from the County based on years of service and date hired the County will notify the separated employee of the method of pay out. The payout is based on the current rate of pay. At December 31, 2015, vested PTO earned and not taken was approximately \$3,493,555 in the governmental funds and \$389,366 in the business- type activities determined on the basis of current wage and salary rates.

**B. Wisconsin Retirement System Pension Plan Benefits**

**General Information about the Pension Plan**

*Plan Description.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS. 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.

*Vesting.* For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

*Benefits Provided.* Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. 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 participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2015 through December 31, 2015, the WRS recognized \$1,927,277 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	6.80%	6.80%	-
Executives and Elected Officials	7.70%	7.70%	-
Protective with Social Security	6.80%	9.50%	2.63%
Protective without Social Security	6.80%	13.10%	2.63%

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

*Post-Retirement Adjustments.* The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions**

At December 31, 2015, the County reported an asset of \$4,715,688 for its proportionate share of the net pension asset. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2014, the County's proportion was 0.1919854%, which was an increase of 0.0036456 from its proportion measured as of December 31, 2013.



**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended December 31, 2015, the County recognized pension expense of \$1,831,101. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual	\$ 683,628	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,283,564	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	(104,656)
County Contributions Subsequent to the Measurement Date	1,927,277	-
Total	<u>\$ 4,894,469</u>	<u>\$ (104,656)</u>

\$1,927,277 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2015	\$ 564,205
2016	564,205
2017	564,205
2018	564,205
2019	564,205
Thereafter	41,511

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions (Continued)**

*Actuarial assumptions.* The total pension asset in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	5.0%

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the following page:

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions (Continued)**

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21 %	5.3 %	70 %	5.3 %
International Equity	23	5.7	30	5.7
Fixed Income	36	1.7	N/A	N/A
Inflation Sensitive Assets	20	2.3	N/A	N/A
Real Estate	7	4.2	N/A	N/A
Private Equity/Debt	7	6.9	N/A	N/A
Multi-Asset	6	3.9	N/A	N/A
Cash	(20)	9.0	N/A	N/A
Totals	<u>100 %</u>		<u>100 %</u>	

*Discount rate.* A single discount rate of 7.20% was used to measure the total pension asset. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions (Continued)**

*Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,303,767	\$ (4,715,688)	\$ (18,946,724)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

**C. Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For theft and property damage claims, the uninsured risk of loss is \$5,000 per incident and unlimited in the aggregate for a policy year. The County purchases commercial insurance to provide coverage for losses for theft and property damage. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage limits in any of the past three years.

***Public Entity Risk Pool- Wisconsin Municipal Mutual Insurance Company***

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal insurance company. WMMIC writes general, auto and other liability insurance, and workers compensation insurance for participating members in the State of Wisconsin on terms calling for recognition of premium upon the effective date of the policy. Responsibility for the operations and the management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2015 WMMIC was owed by 18 members.

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels or risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

***Public Entity Risk Pool- Wisconsin Municipal Mutual Insurance Company  
(Continued)***

WMMIC had a general, automobile and other liability reinsurance contract in force for the year ended December 31, 2015. This is a quota share reinsurance agreement with General Reinsurance Corporation (66.7%) and Governmental Entities Mutual (GEM) Insurance Company (33.3%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to the maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$10,000,000 per occurrence or greater than \$15,000,000 of aggregate losses for public officials' liability only. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

WMMIC has contracted with Safety National Casualty Corporation to provide 100% reinsurance coverage for workers compensation insurance in excess of the members' self-insured retention limits, which are \$550,000 for all but one member that has a retention of \$650,000.

The County's investment in WMMIC is reported on the County's risk management internal service fund statement of net position. The amount reported is \$999,731 (the original capitalization of \$937,000 plus an additional capital deposit of \$62,731). Payments to WMMIC for current year insurance coverage are also reflected in the internal service fund.

All funds of the County participate in the risk management program and make payments to the risk management internal service fund. Workers' compensation charges are based primarily on payroll, worker classification, and claims experience. Charges for general liability are based primarily on exposure and claim experience.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The County does not allocate overhead costs or other non-incremental costs to the claims liability. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of oy-outs and other economic and social factors. Changes in the claims liability balances during the past two years are as follows:

	2015	2014
Estimated Claims Outstanding January 1	\$ 818,683	\$ 898,198
Current Year Claims and Changes	458,838	(48,381)
Claims Payments	(192,521)	(31,134)
Estimated Claims Outstanding December 31	\$ 1,085,000	\$ 818,683

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Contingencies**

**State and Federal Grant Programs**

The County 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 reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

**E. Other Post Employment Benefits**

Up until December 31, 2015 the County's group health insurance plan (medical and dental) provided coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This provision resulted in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy. Effective January 1, 2016 the County changed health insurance plans which no longer will use a blended rate.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members are required to pay 100% of the premium. Administrative costs of the plan are financed by the County.

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). 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 County's annual OPEB cost for the year based on the subsequent event that after December 31, 2015 the County would not be liable for future obligations.

Annual Required Contribution	\$ -
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Gain on ARC	(4,536,654)
Annual OPEB Cost (Expense)	<u>(4,536,654)</u>
Contributions Made	-
Decrease in Net OPEB Obligation	<u>(4,536,654)</u>
Net OPEB Obligation- Beginning of Year	4,536,654
Net OPEB Obligation- End of Year	<u><u>\$ -</u></u>

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits (Continued)**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2014 and 2015 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ (4,536,654)	- %	\$ -
12/31/2014	1,042,365	38.0 %	4,536,654
12/31/2013	1,009,842	40.0 %	3,890,098

The funded status of the plans as of December 31, 2012, the most recent actuarial valuation date, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ -	\$ 9,366,413	\$ 9,366,413	- %	\$25,154,652	37.2 %

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**F. Deficit Balances**

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

At December 31, 2015 the following individual funds held a deficit balance:

Funds with deficits	
Human services	\$ 2,170,259
Capital projects	2,701,924
Anti-drug	113,749

The Capital projects fund deficit is expected to be funded with future borrowing. The human service fund deficit is expected to be funded with future transfers from the general fund or general tax revenues. The anti-drug deficit is anticipated to be funded with future contributions or general tax revenues.

**G. Prior Period Adjustment and Change in Accounting Principle**

The beginning net position of the business-type activities and the highway fund were restated to record storage rental due from the State of Wisconsin. This adjustment resulted in an increase to beginning net position of \$189,849.

During the year ended December 31, 2015, the County adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. These pronouncements require the restatement of the December 31, 2014, net position of the governmental activities as follows:

	Governmental Activities	Business-Type Activities	Highway Department	Airport Fund	Risk Management Fund
Net Position, December 31, 2014, as Previously Reported	\$ 91,145,328	\$ 39,431,293	\$ 6,894,282	\$ 32,416,886	\$ 1,583,480
Pension Related Items:					
Cumulative Affect of Application of GASB 68, Net Pension Liability (Asset)	6,770,907	660,592	594,796	57,631	24,265
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for County Contributions Made to the Plan During Fiscal Year Ending December 31, 2014	<u>1,725,823</u>	<u>166,846</u>	<u>152,108</u>	<u>14,738</u>	<u>6,206</u>
Net Position, December 31, 2014, as Restated Before Prior Period Adjustment	99,642,058	40,258,731	7,641,186	32,489,255	1,613,951
Prior Period Adjustment	<u>-</u>	<u>189,849</u>	<u>189,849</u>	<u>-</u>	<u>-</u>
Net Position, December 31, 2014, as Restated	<u>\$ 99,642,058</u>	<u>\$ 40,448,580</u>	<u>\$ 7,831,035</u>	<u>\$ 32,489,255</u>	<u>\$ 1,613,951</u>



**REQUIRED SUPPLEMENTARY INFORMATION**

**EAU CLAIRE COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 21,292,353	\$ 21,222,353	\$ 22,223,470	\$ 1,001,117
Intergovernmental	5,325,594	5,404,355	5,592,411	188,056
Licenses and Permits	312,873	312,873	426,754	113,881
Fines and Forfeits	488,000	488,000	363,105	(124,895)
Public Charges for Services	3,315,640	3,315,640	4,383,560	1,067,920
Intergovernmental Charge for Services	569,572	569,572	579,445	9,873
Miscellaneous	787,516	787,516	807,611	20,095
Total Revenues	<u>32,091,548</u>	<u>32,100,309</u>	<u>34,376,356</u>	<u>2,276,047</u>
<b>EXPENDITURES</b>				
General Government	14,521,674	14,454,724	14,135,774	318,950
Public Safety	12,687,631	12,780,692	12,849,835	(69,143)
Health and Human Services	2,731,445	2,731,445	2,740,204	(8,759)
Culture, Recreation and Education	1,827,844	1,829,879	1,852,394	(22,515)
Conservation and Development	1,150,077	1,150,077	1,253,507	(103,430)
Total Expenditures	<u>32,918,671</u>	<u>32,946,817</u>	<u>32,831,714</u>	<u>115,103</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(827,123)	(846,508)	1,544,642	2,391,150
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	24,302	24,302
Transfers Out	-	-	(165,610)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(141,308)</u>	<u>24,302</u>
<b>NET CHANGE IN FUND BALANCE-</b>				
<b>Budgetary Basis</b>	<u>\$ (827,123)</u>	<u>\$ (846,508)</u>	1,403,334	<u>\$ 2,415,452</u>
Perspective Differences-Juvenile Jail Change in Fund Balance			<u>(141,419)</u>	
<b>NET CHANGE IN FUND BALANCE-GAAP</b>			<u>\$ 1,261,915</u>	

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HEALTH AND HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 7,749,738	\$ 7,749,738	\$ 7,749,738	\$ -
Intergovernmental	14,211,618	14,496,450	18,498,709	4,002,259
Public Charges for Services	744,853	754,025	1,208,992	454,967
Intergovernmental Charges for Services	718,200	718,200	752,576	34,376
Miscellaneous				
Other	51,750	51,750	37,167	(14,583)
Total Revenues	<u>23,476,159</u>	<u>23,770,163</u>	<u>28,247,182</u>	<u>4,477,019</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Health and Human Services	23,501,159	23,795,163	28,933,811	(5,138,648)
Total Expenditures	<u>23,501,159</u>	<u>23,795,163</u>	<u>28,933,811</u>	<u>(5,138,648)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(25,000)	(25,000)	(686,629)	(661,629)
<b>NET CHANGE IN FUND BALANCE</b>				
	(25,000)	(25,000)	(686,629)	(661,629)
Fund Balance, January 1	<u>(1,483,630)</u>	<u>(1,483,630)</u>	<u>(1,483,630)</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u><u>\$ (1,508,630)</u></u>	<u><u>\$ (1,508,630)</u></u>	<u><u>\$ (2,170,259)</u></u>	<u><u>\$ (661,629)</u></u>

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE COUNTY, WISCONSIN  
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF  
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET  
LAST TEN FISCAL YEARS**

	2015
County's Proportion of the Net Pension Liability (Asset)	0.19198544%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,715,688)
County's Covered-Employee Payroll	\$ 25,767,642
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-18.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%

\*The amounts presented for each fiscal year were determined as of 12/31 that occurred within the fiscal year.

**EAU CLAIRE COUNTY, WISCONSIN  
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO  
WISCONSIN RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

	2015
Contractually Required Contribution	\$ 1,891,050
Contributions in Relation to the Contractually Required Contributions	(1,891,050)
Contribution Deficiency (Excess)	\$ -
 County's Covered-Employee Payroll	\$ 25,767,642
 Contributions as a Percentage of Covered Employee Payroll	7.34%

*Changes of Benefit Terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of Assumptions.* There were no changes in the assumptions.

**EAU CLAIRE COUNTY, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ -	\$ 9,366,413	\$ 9,366,413	- %	\$25,154,652	37.2 %
12/31/2010	-	9,466,241	9,466,241	-	23,108,111	41.0 %
1/1/2008	-	7,641,007	7,641,007	-	22,640,571	33.7 %

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE COUNTY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2015**

**BUDGETARY INFORMATION**

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund and the human services fund is derived from the County's annual operating budget.

The County's 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 1. C except the general fund budget does not include the Juvenile Jail fund which creates the perspective difference shown on page 54

The budget amounts presented include any amendments made during the year. The finance committee may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a vote of two-thirds of the entire membership of the governing body.

Appropriations lapse at year end unless specifically carried over. Budgets are adopted at the department level of expenditures.

The County had some overdrawn appropriations for the year ended December 31, 2015. It is recognized that overdrawn appropriations are contrary to Section 66.0607 of the Wisconsin Statutes.

**SUPPLEMENTARY INFORMATION**



**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**EAU CLAIRE COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2015**

	Watershed Fund	Recycling Fund	Anti-Drug Program	Aging and Disability Resource Center	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ -	\$ 362,643	\$ -	\$ 87,568	\$ 450,211
Taxes Receivable	10,000	-	222,599	104,394	336,993
Accounts Receivable	-	79,188	21,991	63,645	164,824
Due from Other Governmental Units	310,537	-	50,139	344,079	704,755
<b>Total Assets</b>	<b>\$ 320,537</b>	<b>\$ 441,831</b>	<b>\$ 294,729</b>	<b>\$ 599,686</b>	<b>\$ 1,656,783</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Vouchers Payable	\$ 192,925	\$ 98,764	\$ 2,620	\$ 89,504	\$ 383,813
Accrued Liabilities	-	2,738	12,300	89,302	104,340
Due to General Fund	38,512	-	172,959	-	211,471
<b>Total Liabilities</b>	<b>231,437</b>	<b>101,502</b>	<b>187,879</b>	<b>178,806</b>	<b>699,624</b>
<b>Deferred Inflows of Resources:</b>					
Succeeding Years Property Taxes	10,000	-	222,599	104,394	336,993
Unavailable Revenue	-	-	-	87,367	87,367
<b>Total Deferred Inflows of Resources</b>	<b>10,000</b>	<b>-</b>	<b>222,599</b>	<b>191,761</b>	<b>424,360</b>
<b>Fund Balances:</b>					
Restricted	-	340,329	-	60,198	400,527
Assigned	79,100	-	-	-	79,100
Unassigned	-	-	(115,749)	168,921	53,172
<b>Total Fund Balances</b>	<b>79,100</b>	<b>340,329</b>	<b>(115,749)</b>	<b>229,119</b>	<b>532,799</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 320,537</b>	<b>\$ 441,831</b>	<b>\$ 294,729</b>	<b>\$ 599,686</b>	<b>\$ 1,656,783</b>

**EAU CLAIRE COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2015**

	Watershed Fund	Recycling Fund	Anti-Drug Fund	Aging and Disability Resource Center	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 10,000	\$ -	\$ 205,558	\$ 104,394	\$ 319,952
Intergovernmental	364,679	500,804	70,657	2,080,633	3,016,773
Public Charges for Services	-	840,565	-	168,263	1,008,828
Intergovernmental Charges for Services	-	-	-	51,631	51,631
Miscellaneous	-	-	74,477	202,212	276,689
Total Revenues	<u>374,679</u>	<u>1,341,369</u>	<u>350,692</u>	<u>2,607,133</u>	<u>4,673,873</u>
<b>EXPENDITURES:</b>					
Public Safety	-	-	344,181	-	344,181
Public Works	-	1,253,038	-	-	1,253,038
Health and Human Services	-	-	-	2,587,871	2,587,871
Conservation and Development	350,601	-	-	-	350,601
Total Expenditures	<u>350,601</u>	<u>1,253,038</u>	<u>344,181</u>	<u>2,587,871</u>	<u>4,535,691</u>
<b>NET CHANGE IN FUND BALANCES</b>	24,078	88,331	6,511	19,262	138,182
Fund Balances, January 1	<u>55,022</u>	<u>251,998</u>	<u>(122,260)</u>	<u>209,857</u>	<u>394,617</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 79,100</u>	<u>\$ 340,329</u>	<u>\$ (115,749)</u>	<u>\$ 229,119</u>	<u>\$ 532,799</u>

**EAU CLAIRE COUNTY, WISCONSIN  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE OF REVENUES BY DEPARTMENT  
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General	\$ 23,822,838	\$ 23,752,838	\$ 24,780,867	\$ 1,028,029
Courts	1,347,852	1,347,852	1,316,398	(31,454)
Register of probate	45,000	45,000	32,303	(12,697)
Juvenile Office	18,922	18,922	10,611	(8,311)
County Administration	513,293	513,293	499,117	(14,176)
County Clerk	50,000	50,000	241,793	191,793
Data Processing	138,348	138,348	126,660	(11,688)
Purchasing	182,910	182,910	178,499	(4,411)
Finance Department	561,241	561,241	627,441	66,200
Treasurer	74,000	74,000	75,741	1,741
District Attorney	350,000	350,000	350,800	800
Corporation Counsel	35,100	35,100	43,756	8,656
Register of Deeds	642,000	642,000	762,794	120,794
Planning and Development	761,540	761,540	906,784	145,244
Maintenance	-	-	14,421	14,421
Sheriff	801,598	880,359	1,004,325	123,966
Child Support	1,147,534	1,147,534	1,264,143	116,609
Veteran's Service	13,000	13,000	27,310	14,310
Extension Office	119,577	119,577	142,586	23,009
Parks and Forests	1,466,795	1,466,795	1,994,307	527,512
<b>Total Revenues</b>	<b>\$ 32,091,548</b>	<b>\$ 32,100,309</b>	<b>\$ 34,400,656</b>	<b>\$ 2,300,347</b>

EAU CLAIRE COUNTY, WISCONSIN  
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES BY DEPARTMENT (CONTINUED)  
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
County Board	\$ 163,461	\$ 163,461	\$ 135,182	\$ 28,279
Courts	2,353,023	2,353,023	2,463,267	(110,244)
Register of probate	273,127	273,127	280,564	(7,437)
Juvenile Office	512,363	512,363	433,812	78,551
County Administration	1,663,613	1,579,313	1,518,253	61,060
County Clerk	237,667	237,667	242,237	(4,570)
Personnel	458,321	458,321	473,353	(15,032)
Data Processing	1,505,757	1,505,757	1,464,783	40,974
Purchasing	360,683	360,683	365,329	(4,646)
Finance Department	3,006,575	3,006,575	3,298,252	(291,677)
Treasurer	355,628	355,628	319,676	35,952
District Attorney	874,138	874,138	872,590	1,548
Corporation Counsel	679,606	696,956	702,821	(5,865)
Register of Deeds	304,768	304,768	269,537	35,231
Planning and Development	2,060,721	2,060,721	2,087,102	(26,381)
Maintenance	2,451,626	2,451,626	2,178,030	273,596
Sheriff	12,322,914	12,415,975	12,456,585	(40,610)
Child Support	1,200,501	1,200,501	1,187,525	12,976
Veterans Office	213,212	213,212	223,758	(10,546)
Extension Office	449,793	451,828	451,972	(144)
Parks and Forest	1,471,174	1,471,174	1,572,691	(101,517)
<b>Total Expenditures</b>	<b>\$ 32,918,671</b>	<b>\$ 32,946,817</b>	<b>\$ 32,997,319</b>	<b>\$ 51,159</b>

**EAU CLAIRE COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUND**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014)

	Risk Management	Car Fleet	Totals
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Investments	\$ 1,561,187	\$ -	\$ 1,561,187
Accounts Receivable	100,742	-	100,742
Total Current Assets	1,661,929	-	1,661,929
<b>Restricted Assets:</b>			
Escrow Account	233,629	-	233,629
Wisconsin Retirement System Pension Asset	15,411	-	15,411
	249,040	-	249,040
<b>Noncurrent Assets:</b>			
Deposit in Insurance Pool	999,731	-	999,731
	999,731	-	999,731
Total Assets	2,910,700	-	2,910,700
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	15,996	-	15,996
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Vouchers and Accounts Payable	8,783	-	8,783
Accrued Payroll	4,324	-	4,324
Total Current Liabilities	13,107	-	13,107
<b>Long-Term Liabilities (Less Current Portion):</b>			
Claims Payable	1,085,000	-	1,085,000
Total Liabilities	1,098,107	-	1,098,107
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	342	-	342
<b>NET POSITION</b>			
Restricted:			
Insurance Escrow	233,629	-	233,629
Wisconsin Retirement System Pension Asset	15,411	-	15,411
Unrestricted	1,579,207	-	1,579,207
Total Net Position	\$ 1,828,247	\$ -	\$ 1,828,247

**EAU CLAIRE COUNTY, WISCONSIN  
INTERNAL SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	Risk Management	Car Fleet	Totals
<b>OPERATING REVENUES</b>			
Charges For Services	\$ 1,110,255	\$ 221	\$ 1,110,476
<b>OPERATING EXPENSES</b>			
Operations	558,755	176	558,931
Claims	458,838	-	458,838
Total Operating Expenses	<u>1,017,593</u>	<u>176</u>	<u>1,017,769</u>
<b>OPERATING INCOME (LOSS)</b>	92,662	45	92,707
<b>NONOPERATING REVENUES</b>			
Intergovernmental Grants	31,852	-	31,852
Investment Income	45,734	-	45,734
Miscellaneous Nonoperating Revenue	44,048	31,065	75,113
Total Other Financing Sources	<u>121,634</u>	<u>31,065</u>	<u>152,699</u>
<b>OPERATING INCOME BEFORE TRANSFERS</b>	214,296	31,110	245,406
<b>TRANSFER OUT</b>	<u>-</u>	<u>(24,302)</u>	<u>(24,302)</u>
<b>CHANGE IN NET POSITION</b>	214,296	6,808	221,104
Net Position, January 1, As Previously Stated	1,583,480	(6,808)	1,576,672
Change in Accounting Principle	30,471	-	30,471
Net Position, January 1, As Restated	<u>1,613,951</u>	<u>(6,808)</u>	<u>1,607,143</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 1,828,247</u>	<u>\$ -</u>	<u>\$ 1,828,247</u>

**EAU CLAIRE COUNTY, WISCONSIN  
INTERNAL SERVICE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2015  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	Risk Management	Car Fleet	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customer	\$ 1,081,293	\$ 221	\$ 1,081,514
Cash Payments for Goods and Services	(415,200)	(103)	(415,303)
Claims Paid	(192,521)	-	(192,521)
Cash Payments for Employee Services	(141,104)	(317)	(141,421)
Net Cash Provided by (Used for) Operating Activities	<u>332,468</u>	<u>(199)</u>	<u>332,269</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Repayment to Other Funds	-	(6,564)	(6,564)
Cash Transfer to Other Funds-Fund Closeout	-	(24,302)	(24,302)
Grants and miscellaneous revenue received	75,900	-	75,900
Net Cash Paid for Noncapital Financing Activities	<u>75,900</u>	<u>(30,866)</u>	<u>45,034</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash Received from Sale of Capital Assets	-	31,065	31,065
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	<u>45,734</u>	<u>-</u>	<u>45,734</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			
	454,102	-	454,102
Cash and Cash Equivalents, January 1	<u>1,340,714</u>	<u>-</u>	<u>1,340,714</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><u>\$ 1,794,816</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,794,816</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Per Statement of Net Position:			
Current Assets-Cash and Investments	\$ 1,561,187	\$ -	\$ 1,561,187
Restricted Assets- Escrow Account	233,629	-	233,629
Per Statement of Net Position:	<u><u>\$ 1,794,816</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,794,816</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ 92,662	\$ 45	\$ 92,707
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Change in WRS Asset and WRS Deferred Outflow	(594)	-	(594)
Provided by Operating Activities:			
Accounts Receivable	(28,368)	-	(28,368)
Increase (Decrease) in Liabilities:			
Accounts Payable	2,369	(63)	2,306
Accrued Liabilities	82	(181)	(99)
Claims Payable	266,317	-	266,317
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 332,468</u></u>	<u><u>\$ (199)</u></u>	<u><u>\$ 332,269</u></u>



**EAU CLAIRE COUNTY, WISCONSIN  
AGENCY FUND  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

	Tax Agency	Sunshine	District Attorney	Clerk of Court	Human Services Rep. Payee	West Central Drug	Lower Chippewa River Basin	Sheriff	Totals
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$ 8,482,276	\$ 2,949	\$ 14,879	\$ 503,289	\$ 38,040	\$ 184,449	\$ 24,350	\$ 312,269	\$ 9,562,501
Taxes Receivable	1,460,285	-	-	-	-	-	-	-	1,460,285
Total Assets	<u>\$ 9,942,561</u>	<u>\$ 2,949</u>	<u>\$ 14,879</u>	<u>\$ 503,289</u>	<u>\$ 38,040</u>	<u>\$ 184,449</u>	<u>\$ 24,350</u>	<u>\$ 312,269</u>	<u>\$ 11,022,786</u>
<b>LIABILITIES</b>									
Due to Other Governmental Units:	\$ 9,942,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,942,561
Special Deposits	-	2,949	14,879	503,289	38,040	184,449	24,350	312,269	1,080,225
Total Liabilities	<u>\$ 9,942,561</u>	<u>\$ 2,949</u>	<u>\$ 14,879</u>	<u>\$ 503,289</u>	<u>\$ 38,040</u>	<u>\$ 184,449</u>	<u>\$ 24,350</u>	<u>\$ 312,269</u>	<u>\$ 11,022,786</u>