

EAU CLAIRE COUNTY, WISCONSIN
EXECUTIVE AUDIT SUMMARY (EAS)
DECEMBER 31, 2015

**EAU CLAIRE COUNTY, WISCONSIN
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DECEMBER 31, 2015**

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AUDIT FINDINGS AND RESULTS

Audit Report Summary

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the County's financial records for the year ended December 31, 2015. The following is a summary of reports we have issued:

Audit Opinion

- The financial statements are fairly stated. We issued what is known as an "unmodified" audit opinion.
- *New*: Implementation of pension reporting standards.

Internal Controls

Our report on internal control included the following deficiencies in internal controls over financial reporting. Please refer to the schedule of findings and questioned costs included in the *Federal and State Single Audit Report* for full details regarding these control deficiencies.

Material Weaknesses:

- 2015-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)
- 2015-002 Material Audit Adjustments/Prior Period Adjustment
- 2015-003 Limited Segregation of Duties

Compliance

As part of our audit, we tested the County's compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs as well as the County's internal controls over compliance. We reported that the County complied with these requirements and that we did not identify any deficiencies in the related internal controls.

Other Items

Other items as summarized below were noted during the audit that do not rise to the level of an internal control deficiency as defined by audit standards or that we feel will help improve County operations. These items are provided for your consideration.

Cash Variance

- During testing it was noted that a variance of \$1,029 in cash balance between the bank and the County's books could not be reconciled. While this amount is considered immaterial to the County's financial statements, we consider cash and investments to be an area that should reconcile without a difference. We recommend that reconciliation procedures be reviewed to ensure balances tie-out without discrepancies.

Bank Reconciliation

- During testing of cash and investments we noted that while separate individuals prepare reconciliations between the bank and the County's books for accounts they are responsible to maintain, a schedule is not prepared which pulls all County balances together into a single all-inclusive reconciliation. In order to account for and test all cash and investment activity during the audit, we had to compile this schedule. We recommend that a schedule of this nature be prepared every month within a pre-determined length of time (generally 5 business days) after receiving the statements from the banks and brokers. We have noted problems at other counties when this control is not implemented such as system generated reports providing misleading information due to unreconciled errors. The result of which could lead management and governance to make misinformed decisions.

Account Coding

- During our process of grouping general ledger accounts for financial reporting purposes, we noted that in certain cases, the account numbering and/or description for similar activity is not consistently applied across departments. We recommend a review of the chart of accounts to enhance uniformity and reduce the risk of miscoding.

Receivable Listings and Reconciliations

- The County's trial balance includes numerous receivable accounts. In order to audit a receivable balance, we require a detail listing which totals the amounts reported in the trial balance. We found that these detail listings were not prepared at year-end. Rather, reliance is placed on the system and processing of receivables. Based on experience with other clients we know that producing a detail listing of outstanding receivables at a point in time out of the Alio finance system is an issue. Therefore, these clients have implemented a process to compile these listings on a periodic basis to ensure accuracy of interim and annual financial reporting. We recommend the County assess the capabilities of the system and at least annually allocate sufficient resources to prepare detail receivable listings.

Payable and Accrued Liability Listings and Reconciliations

- The County's trial balance includes numerous payable and accrued liability accounts. In order to audit a payable or accrued liability balance, we require a detail listing which totals the amounts reported in the trial balance. We found that these detail listings were not prepared at year-end. Rather, reliance is placed on the system and processing of payables. Based on experience with other clients we know that producing a detail listing of outstanding liabilities at a point in time out of the Alio finance system is an issue. Therefore, these clients have implemented a process to compile these listings on a periodic basis to ensure accuracy of interim and annual financial reporting. We recommend the County assess the capabilities of the system and at least annually allocate sufficient resources to prepare detail liability listings.

Receivable and Payable Account Classification

- Financial reporting standards require that different material balances of receivables and payables be presented separately (i.e. accounts payable and due to other governments shown separately in the financial statements). The County's general ledger includes separate accounts for purposes of separating the balances but all activity is recorded in the general receivable and payable accounts. We recommend that at year-end, receivable and payable listings be analyzed to identify and separate different classifications.

Capital Asset Policy

- Capital asset activity is reported and separately tracked in multiple departments throughout the County. During our testing, we were unable to locate policy documentation regarding capital assets other than as disclosed in prior year financial statements. To ensure a consistent methodology for identification and compilation of capital asset activity, we recommend adopting a policy for County staff to follow.

Capital Asset Reconciliation and Compilation Errors

- While tying out beginning capital asset balances, we noted that either the County was not provided all of the 2014 capital asset detail or did not retain the information. As a result, we concluded that the County does not have an organized repository for this data. Additionally, we found errors in the compiled data such as over-depreciating items that were already fully depreciated and missing items. Capital asset balances are very material to the County's financial statements and at times, can be cumbersome to maintain. We recommend that the County provide the necessary resources to maintain the capital asset records ensuring timely and accurate interim and annual financial reporting.

Fund Balance Policy

- The Governmental Accounting Standards Board (GASB) is the organization that establishes accounting and reporting standards for U.S. state and local governments that follow Generally Accepted Accounting Principles. GASB Statement Number 54 provides guidance over fund balance reporting. Many of our clients adopted or amended related policies upon implementation of this standard. We were unable to identify policy action taken by the county. We recommend that the County consider adopting a fund balance policy and we can provide examples upon request. Policy considerations examples include but are not limited to:
 - o Establish minimum fund balance levels
 - o Spending priority when multiple classifications of fund balance are available
 - o Identification of body or official authorized to assign fund balance
 - o Define the formal action required to commit fund balance

Allowance for Doubtful Account Assessment

- An allowance for doubtful accounts is required to be recorded when the collectability of a receivable is uncertain. While the appropriate level of allowance to maintain is subjective, consideration should be given to the aging and nature (i.e. collection source and history) of individual accounts within a receivable listing. We considered the unadjusted balance of an allowance associated with a material juvenile detention receivable to be insufficient primarily based on how old many of the individual accounts were that made up the year-end balance. As a result, we proposed an entry to increase the allowance which was recorded by the County. We encourage the County to continue collection efforts but recommend that staff assess collectability on an account by account basis to ensure accurate financial reporting.

• collections

Approval of Disbursements

- The County's disbursements process involves various levels of review and approvals. One aspect of this process involves approval at the committee and board level. We understand that there are questions regarding the timing and purpose of these reviews. Based on our experience with other governmental entities, we offer the following recommendations:
 - o We understand that the current practice is for the Board to receive a listing of all disbursements processed since the last Board meeting which are individually greater than \$10,000. Providing a manually compiled and/or only a partial disbursements list for this purpose provides opportunity for fraud or abuse since items can be intentionally or unintentionally excluded from the listing and not be noticed. If an individual perpetrated a fraud scheme of this nature and was involved in the process of compiling or distributing this listing, they could manipulate the data. A more effective control would require a full listing of all disbursements and to require that it is provided on a system generated report. Further, all sequence information (i.e. check numbers or electronic transfer ID) should be fully accounted for from the previous review through the last disbursement on the listing.
 - o The ability to process payments in a timely fashion can be impaired if a control is implemented which restricts distribution of payments only after a once per month meeting. For instance, the County may not be able to take advantage of timing related discounts due to scheduling of Board meetings. Further, the County should avoid incurring interest or penalties for late payment. We recommend reviewing general municipality law and county specific State Statutes for further guidance.
 - o The level of involvement by a governing board can be different from organization to organization. Generally, the larger an organization becomes, the less involved a board is in the operational details. As a result, some consider a board's involvement at the transactional level necessary while others do not. The decision as to what is most appropriate for Eau Claire County lies solely with the County's Board.
 - o We encourage the practice of incorporating some level of governance oversight into an organization's controls. Tone at the top is a critical component of an internal control structure.

Cash Handling and Receipting Controls

- Please refer to separate cash handling internal control and process assessment results reports issued for the Treasurer's Office, Planning and Development Department, Clerk of Courts, Parks Department, Aging and Disability Resource Center, Register of Deeds, Human Services Department and the Sheriff's Department.

Purchase to Pay Controls

- Please refer to separate purchase to pay internal control and process assessment results report.

Information Technology Controls

- Please refer to separate information technology internal control and process assessment results report.

APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Members of the Board of Supervisors
Eau Claire County, Wisconsin

We have audited the 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) for the year ended December 31, 2015, and have issued our report thereon dated July 28, 2016. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Eau Claire County are described in Note 1 to the financial statements.

For the year ended December 31, 2015, the financial statements include the impact of adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*, impacted the Village by recognizing its net pension asset related to its pension plan. Accordingly, the cumulative effect of the accounting change is recorded at the beginning of the year in the financial statements of the governmental activities.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Estimated Useful Lives of Depreciable Capital Assets – Management's estimate of depreciation and the useful lives of capital assets is based on authoritative guidance and past experience.

Estimated Allowance for Doubtful Accounts – Management's estimate of allowance for doubtful accounts is based on known and expected uncollectible amounts.

Actuarial Assumptions – The actuarial assumptions used for the Wisconsin Retirement System pension related items are outlined in the notes to the basic financial statements.

Insurance Incurred but not Reported Claims (IBNR) – Management's estimate of claims payable accrued in the risk management fund is based on outside authoritative guidance and information provided by the third-party administrator.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of the attached uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management: coding reclassifications, adjust long-term liability and related accounts, record WRS activity, record agency fund activity, grant recognition, increase allowance for uncollectible receivables, record capital asset transactions, accrual adjustments, and fund activity reclassifications.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated July 28, 2016.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising from the audit that were discussed, or the subject of correspondence, with management:

- Annual Financial Reporting, lack of segregation of duties and material audit adjustments.

Other audit findings or issues

We have provided a separate letter to you dated July 28, 2016, communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA and SSFA to determine that the SEFA and SSFA comply with the requirements of the Uniform Guidance and the State Single Audit Guide, the

Board of Supervisors
Eau Claire County

method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA and SSFA are appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA and SSFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 28, 2016.

With respect to the combining and individual fund statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 28, 2016.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Supervisors and management of the Eau Claire County and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 28, 2016

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

Eau Claire County
General Fund

Year Ended December 31, 2015

UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance	
					Amount (If Applicable)
Overaccrual of HIRA Payable	\$ -	\$ 39,333	\$ (39,333)	\$ (39,333)	
Net current year misstatements (Iron Curtain Method)	-	39,333	(39,333)	(39,333)	
Net prior year misstatements	-	-	-	-	
Combined current and prior year misstatements (Rollover Method)	-	-	-	-	
Financial statement totals	\$ -	\$ 39,333	\$ (39,333)	\$ (39,333)	
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	-	\$ 3,555,966	\$ 15,063,626	\$ 1,261,915	-3%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		1%	0%		-3%
INADEQUATE DISCLOSURES					
None Noted					

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Eau Claire County
Highway
Year Ended December 31, 2015

UNCORRECTED ADJUSTMENTS	Effect of misstatements on:				Net
Description	Assets	Liabilities	Fund Balance / Net Assets	Expense/Revenue and Change in Net Assets / Fund Balance	
Unearned revenue related to cost pools has not been recorded	-	(36,493)	\$ 36,494	\$ 36,494	36,494
Overaccrual of HRA Payable	-	10,210	(10,210)	(10,210)	(10,210)
Net current year misstatements (Iron Curtain Method)	-	(26,283)	26,284	26,284	26,284
Net prior year misstatements	-	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	-	(26,283)	26,284	26,284	26,284
Financial statement totals	\$ -	\$ (26,283)	\$ 26,284	\$ 26,284	\$ 26,284
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		\$ 10,225,547	\$ 7,793,699	\$ (37,336)	-
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		0%	0%	0%	-70%
		0%	0%	0%	-70%

INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None Noted	

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

Eau Claire County

Governmental Activities

Year Ended December 31, 2015

UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance / Net Assets	Net	
				Expense/Revenue and Change in Net Assets / Fund Balance	Fund Balance
Missed posting of construction in progress in prior year				\$	(486,463)
Net current year misstatements (Iron Curtain Method)	-	-	-		(486,463)
Net prior year misstatements	-	-			-
Combined current and prior year misstatements (Rollover Method)				\$	(486,463)
Financial statement totals				\$	2,007,574
Current year misstatement as a % of financial statement totals (Iron Curtain Method)					-24%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)					-24%

INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None Noted	



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APPENDIX B

NEW ACCOUNTING AND REPORTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and a short summary of the standard's objective.

New accounting standards effective for the December 31, 2016 financial statements include:

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015. This statement addresses accounting and financial reporting issues related to fair value measurements.

New accounting standards effective for the December 31, 2017 financial statements include:

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. This statement sets forth requirements for blending a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

New accounting standards effective for the December 31, 2018 financial statements include:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement replaces the requirements of GASB 45 and establishes new standards for recognizing and measuring OPEB liabilities, along with deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB plans.

APPENDIX C

The following information has been derived from management's financial statements. These tables are not intended to present all of the information and disclosures required by accounting principles generally accepted in the United States of America. Rather, the tables presented below are offered for the purpose of providing a multi-year trend analysis for discussion purposes. We were not engaged nor do we provide an opinion on the tables presented below. Please contact the Office of Administration for copies of management's financial statements and refer to the independent auditors' report included therein for the opinions issued in connection with those financial statements.

FINANCIAL STATEMENT NOTATIONS

Item
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- 1 **General Fund:** The General fund is the general operating fund of the County. It is used to account for all financial resources which are not required to be accounted for in another fund.

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Combined Funds 100 and 209				
Cash and Investments	\$ 8,769,594	\$ 8,849,044	\$ 5,527,814	\$ 5,236,765
Taxes Receivable	13,406,416	13,324,964	13,313,318	13,331,106
Accounts Receivable/Due from Other Gov't	3,541,249	4,040,646	4,338,922	4,193,744
Due from Other Funds	4,244,007	4,352,294	3,700,966	4,371,823
Other Assets	644,923	47,738	785,182	54,600
	<u>\$ 30,606,189</u>	<u>\$ 30,614,686</u>	<u>\$ 27,666,202</u>	<u>\$ 27,188,038</u>
Accounts Payable/Due to Other Gov't	\$ 1,446,574	\$ 3,634,546	\$ 2,355,670	\$ 1,330,046
Accrued Liabilities	1,692,121	1,587,120	1,501,877	1,224,679
Special Deposits	417,271	475,160	267,377	224,069
Deferred Inflows:	11,986,597	11,116,149	11,262,494	12,080,580
Fund Balance:				
• Nonspendable:				
Delinquent Taxes and Tax Deeds	1,687,237	1,314,889	1,627,347	2,291,243
Long-Term Advances to Other Funds	-	-	581,437	594,054
Inventories and Prepaid Items	644,923	47,738	785,182	54,600
• Committed	-	-	-	-
• Assigned:				
Subsequent Year's Budget	668,900	815,318	738,200	912,700
• Unassigned	12,062,566	11,623,766	8,546,618	8,476,067
Total Fund Balance	<u>15,063,626</u>	<u>13,801,711</u>	<u>12,278,784</u>	<u>12,328,664</u>
Total Liabilities and Fund Balance	<u>\$ 30,606,189</u>	<u>\$ 30,614,686</u>	<u>\$ 27,666,202</u>	<u>\$ 27,188,038</u>
Revenues	\$ 35,315,850	\$ 33,897,052	\$ 31,068,892	\$ 30,175,301
Expenditures	(33,912,627)	(32,208,183)	(30,964,999)	(29,311,700)
Net Other Financing Sources (Uses)	(141,308)	(165,942)	(153,773)	(17,699)
Change in Fund Balance	<u>\$ 1,261,915</u>	<u>\$ 1,522,927</u>	<u>\$ (49,880)</u>	<u>\$ 845,902</u>
% of Unassigned Fund Balance to General Fund Expenditures	35.6%	36.1%	27.6%	28.9%

FINANCIAL STATEMENT NOTATIONS

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2 Special Revenue Funds: Special Revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, ,

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Special Revenue Fund Balances:				
Fund 205 - Health and Human Services	\$ (2,170,259)	\$ (1,488,601)	\$ 488,180	\$ 457,282
Fund 207 - Watershed Fund	79,100	55,022	38,338	31,901
Fund 211 - Recycling Fund	340,329	251,998	212,570	84,693
Fund 212 - Anti-Drug Program	(115,749)	(122,260)	(129,974)	(129,950)
Fund 215 - Aging and Disability Resource Center	229,119	209,857	223,894	249,381
	<u>\$ (1,637,460)</u>	<u>\$ (1,093,984)</u>	<u>\$ 833,008</u>	<u>\$ 693,307</u>

3 Debt Service Funds: Debt Service Funds are used to account for the accumulation of resources for, and the payment of certain general long-term debt principal, interest and related charges.

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Debt Service Funds Balances:				
Fund 300 - Debt Service Fund	\$ 3,532,565	\$ 3,756,964	\$ 4,052,679	\$ 3,968,103

4 Capital Project Funds: Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Capital Project Fund Balance:				
Fund 405 - Capital Projects Fund	\$ (2,701,924)	\$ (3,370,872)	\$ (3,962,831)	\$ (5,499,802)

FINANCIAL STATEMENT NOTATIONS

Item #

5 Enterprise Funds: Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise--where the intent of the governing body is that the costs of providing the services is to be recovered from those using the services.

	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Fund 701 - Highway Department				
Cash and Investments	\$ 1,044,068	\$ 1,426,694	\$ 1,084,714	\$ 1,072,895
Taxes Receivable	1,787,895	1,787,895	1,827,895	1,827,895
Accounts Receivable/Due from Other Gov't	1,367,830	1,568,553	1,043,638	1,144,575
Due from Other Funds	-	-	169,310	-
Inventory and Prepaid Items	799,177	716,094	775,667	710,254
WRS Pension Asset and Deferred Outflows	769,813	-	-	-
Capital Assets - Net	4,848,831	4,902,292	3,979,606	3,844,153
	<u>\$ 10,617,614</u>	<u>\$ 10,401,528</u>	<u>\$ 8,880,830</u>	<u>\$ 8,599,772</u>
Accounts Payable	\$ 407,035	\$ 460,253	\$ 278,124	\$ 248,572
Accrued Liabilities	246,684	204,637	245,333	239,154
Long-Term Liabilities	373,918	1,054,461	951,158	780,999
Deferred Inflows	1,796,278	1,787,895	1,827,895	1,827,895
Net Position:				
Net Investment in Capital Assets	4,848,831	4,902,292	3,979,606	3,844,153
Restricted - CTHS Road and Bridge Construction	-	483,128	-	-
Restricted - WRS Pension Asset	377,746	-	-	-
Unrestricted	2,567,122	1,508,862	1,598,714	1,658,999
	<u>\$ 10,617,614</u>	<u>\$ 10,401,528</u>	<u>\$ 8,880,830</u>	<u>\$ 8,599,772</u>
Changes to Net Position:				
Operating Income (Loss) + Transfers	\$ (37,336)	\$ 1,315,962	\$ 75,168	\$ 444,894
Change in Accounting Principle	746,904	-	-	-
Prior Period Adjustment	189,849	-	-	-
Operating Income (Loss)	<u>\$ 899,417</u>	<u>\$ 1,315,962</u>	<u>\$ 75,168</u>	<u>\$ 444,894</u>
Current Ratio (1+ desired)	1.60	2.15	2.07	2.20
	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
Fund 602 - Airport Fund				
Cash and Investments	\$ 551,882	\$ 666,646	\$ 687,563	\$ 948,321
Taxes Receivable	395,079	391,167	391,167	387,294
Accounts Receivable/Due from Other Gov't	168,449	66,398	76,649	129,525
WRS Pension Asset and Deferred Outflows	74,589	-	-	-
Capital Assets - Net	31,683,322	32,690,297	33,847,156	29,951,730
	<u>\$ 32,873,321</u>	<u>\$ 33,814,508</u>	<u>\$ 35,002,535</u>	<u>\$ 31,416,870</u>
Accounts Payable/Due to Other Gov't	\$ 79,487	\$ 63,100	\$ 68,076	\$ 63,788
Accrued Liabilities	44,415	48,830	52,985	53,701
Long-Term Liabilities	800,907	888,250	1,124,311	1,175,280
Deferred Inflows	395,891	397,442	395,022	387,294
Net Position:				
Net Investment in Capital Assets	30,897,863	31,817,495	33,324,586	29,384,016
Restricted - WRS Pension Asset	36,601	-	-	-
Unrestricted	618,157	599,391	37,555	352,791
	<u>\$ 32,873,321</u>	<u>\$ 33,814,508</u>	<u>\$ 35,002,535</u>	<u>\$ 31,416,870</u>
Changes to Net Position:				
Operating Income (Loss) + Transfers	\$ (936,634)	\$ (945,255)	\$ 3,625,334	\$ 2,907,594
Change in Accounting Principle	72,369	-	-	-
Operating Income (Loss)	<u>\$ (864,265)</u>	<u>\$ (945,255)</u>	<u>\$ 3,625,334</u>	<u>\$ 2,907,594</u>
Current Ratio (1+ desired)	4.45	5.96	5.68	8.07

FINANCIAL STATEMENT NOTATIONS

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6 Internal Service Funds: Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other government units, on a cost reimbursement basis.

	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Fund 703 - Risk Management				
Cash and Investments	\$ 1,561,187	\$ 1,100,390	\$ 625,978	\$ 111,135
Other Assets and Deferred Outflows	1,365,509	1,312,429	1,309,685	1,318,373
	\$ 2,926,696	\$ 2,412,819	\$ 1,935,663	\$ 1,429,508
Current Liabilities and Deferred Inflows	\$ 13,449	\$ 10,656	\$ 17,250	\$ 12,003
Claims Payable	1,085,000	818,683	898,198	904,657
Net Position:				
Restricted for Insurance Escrow	233,629	240,324	1,240,421	1,262,821
Restricted for WRS Pension Asset	15,411	-	-	-
Unrestricted	1,579,207	1,343,156	(220,206)	(749,973)
	\$ 2,926,696	\$ 2,412,819	\$ 1,935,663	\$ 1,429,508
Income (Loss) Before Contributions & Transfers	\$ 214,296	\$ 563,265	\$ 507,367	\$ 170,244
Net Transfers	-	-	-	-
Change in Accounting Principle	30,471	-	-	-
Change in Net Position	\$ 244,767	\$ 563,265	\$ 507,367	\$ 170,244

	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Fund 702 - Car Fleet				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Other Assets and Deferred Outflows	-	-	-	-
Capital Assets - Net	-	-	10,442	23,505
	\$ -	\$ -	\$ 10,442	\$ 23,505
Current Liabilities and Deferred Inflows	\$ -	\$ 6,808	\$ 13,770	\$ 8,709
Net Position:				
Net Investment in Capital Assets	-	-	10,442	23,505
Unrestricted	-	(6,808)	(13,770)	(8,709)
	\$ -	\$ -	\$ 10,442	\$ 23,505
Income (Loss) Before Contributions & Transfers	\$ 31,110	\$ (3,480)	\$ (18,124)	\$ (10,026)
Net Transfers	(24,302)	-	-	-
Change in Net Position	\$ 6,808	\$ (3,480)	\$ (18,124)	\$ (10,026)

FINANCIAL STATEMENT NOTATIONS

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7 Long-Term Obligations	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2012</u>
General Obligation Bonds and Notes	\$ 70,615,459	\$ 65,172,802	\$ 57,822,570	\$ 52,487,714
Unamortized Premiums	810,142	680,135	484,207	391,290
General Obligation Debt	<u>71,425,601</u>	<u>65,852,937</u>	<u>58,306,777</u>	<u>52,879,004</u>
Vested Compensated Absences	3,882,921	3,965,946	3,883,559	3,111,081
Post Employment Benefits 	-	4,536,654	3,890,098	3,284,019
Unpaid Self-Insurance Claims	1,085,000	818,683	898,198	904,657
Long-Term Payable to the City of Eau Claire	<u>104,115</u>	<u>109,794</u>	<u>115,473</u>	<u>121,152</u>
	<u>\$ 76,497,637</u>	<u>\$ 75,284,014</u>	<u>\$ 67,094,105</u>	<u>\$ 60,299,913</u>
 Equalized Valuation	 \$ 7,499,941,900	 \$ 7,173,688,100	 \$ 4,163,778,400	  722,050,200
General Obligation Debt Limit	\$ 374,997,095	\$ 358,684,405	\$ 208,188,920	\$ 336,102,510
 General Obligation Debt as Percent of Debt Limitation	 18.8%	 18.2%	 27.8%	 15.6%