

AGENDA

Eau Claire County
Committee on Finance and Budget

Date: Monday, August 12, 2019

Time: 4:30 pm

Location: Room LEC 1301; Eau Claire County Courthouse

1. Call to Order and Confirmation of Compliance with Open Meetings Law
2. Public Comment
3. 2018 Audit Results with Brock Geyen from CliftonLarsonAllen / Discussion
4. Proposed Resolution 19-20/047 “Disallowing the Claim of Mill Ridge Estates Condominium Owner’s Association, Inc....” / Discussion – Action
5. Department Budget Review / Discussion – Action
 - a. Treasurer
 - b. County Clerk
 - c. Finance
6. Quarter 2 Financial Review / Discussion
 - a. Q2 Department and Fund Financials
 - b. Q2 Investment Income Report
7. 2019 DHS Budget Review / Discussion
8. Capital Project Funding Transfer / Discussion – Action
9. Veteran’s Foundation Memorial Funding / Discussion – Action
10. Financial Activity Updates / Discussion - Action
 - a. County Sales Tax Report – May earnings received in July
 - b. Vehicle Registration Fee Report
 - c. County Board Chair Vouchers – None
 - d. Line Item Transfers – None
11. 2020 Budget Survey / Discussion – Action
12. Review / Approval of Meeting Minutes:
 - a. July 8, 2019: regular meeting
 - b. July 11, 2019: public input session
 - c. August 8, 2019: public input session
13. Schedule next meeting and agenda items
14. Adjourn

EAU CLAIRE COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
DECEMBER 31, 2018

DEPARTMENT OF FINANCE

**EAU CLAIRE COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet-Governmental Funds	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position - Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26
Statement of Net Position - Fiduciary Funds	27
Notes to the Basic Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	68
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Human Services Fund	69
Schedule of the County's Proportionate Share of Wisconsin Retirement System Net Pension Plan Liability (Asset)	70
Schedule of the County's Contributions to Wisconsin Retirement System Net Pension Plan	71
Schedule of the County's Proportionate Share of Net Other Post-Employment Benefit Liability (Asset)	72
Schedule of the County's Contributions to Net Other Post-Employment Benefit Liability (Asset)	73
Notes to Required Supplementary Information	74

**EAU CLAIRE COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Fund	76
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects Fund	77
---	----

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	78
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	79
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Aging & Disability Resource Center Special Revenue Fund	80
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Watershed Special Revenue Fund	81
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Anti-Drug Program Special Revenue Fund	82
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Recycling Special Revenue Fund	83
---	----

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Land Records Special Revenue Fund	84
--	----

Agency Fund:

Combining Statement of Net Position	85
-------------------------------------	----



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, 2018, 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, 2018, 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 Matter

Change in Accounting Principle

As discussed in Note 3.G to the financial statements, the County restated beginning net position of the governmental activities and business-type activities for the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our auditors' opinion was not modified with respect to the restatement.

Prior Period Adjustment

As discussed in Note 3.G to the financial statements, the County restated beginning net position of the governmental activities to record loans receivable. Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, and the pension and other post-employment benefit schedules, 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.

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.

Board of Directors
Eau Claire County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2019 on our consideration of the County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 26, 2019

This page intentionally left blank.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

As management of Eau Claire County, Wisconsin (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Eau Claire County for the year ended December 31, 2018. This section should be read in conjunction with the County's financial statements and the accompanying notes, which begin on page 16 following this narrative. It should also be noted that the information contained herein will provide information on both the governmental activities and the business-type activities of the County.

FINANCIAL HIGHLIGHTS

Highlights for Government-Wide Financial Statements

The government-wide financial statements report information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$131.2 million on a government-wide basis as of December 31, 2018 (net position). Of this amount, \$111.0 million represented the County's net investment in capital assets, \$10.3 million was held for restricted purposes, and \$9.9 million was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position decreased by approximately \$2.5 million. Net position related to the governmental activities decreased by \$2.6 million and business-type activities of the County increased \$.1 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the County's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$15.1 million, a decrease of \$1.9 million in comparison to the prior year. This decrease was driven by \$1.6 million deficit in the general fund and a \$1.2 million deficit in the human services fund. These deficits were offset by an increase in the capital projects fund of \$1.6 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10.1 million, or 28.9% of total general fund expenditures.
- The County's primary government issued General Obligation Promissory Notes, Series 2018A, in the amount of \$10.0 million. The increase in debt was offset by scheduled debt service payments of \$7.2 million.
- The Highway Department finished 2018 with an increase in net position of \$250,000, indicating a stable year. Implementation of state-of-the-art technology has allowed the county to construct more lane miles of road at a lower price than in previous years.
- The Airport Department finished 2018 with a decrease in net position of \$99,000, which was primarily due to depreciation on capital assets at the airport, which was offset by a capital contribution of \$705,000.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements, which consist of two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The first government-wide statement, *the statement of net position*, presents information on all of Eau Claire County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, resulting in the net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the County is improving or deteriorating.

The second government-wide statement, *the statement of activities*, presents information showing how the County's net position changed during 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid leave benefits).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Eau Claire County include general government; public safety; public works; health and human services; culture, recreation and education; and conservation and development. The business-type activities of Eau Claire County include the Highway Department and Airport.

The government-wide financial statements can be found beginning on page 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Eau Claire County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Eau Claire County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Human Services, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The fund level financial statements can be found beginning on page 21 of this report.

Proprietary Funds – Proprietary funds are used to report ongoing business type activities of the government. Eau Claire County maintains two different types of proprietary funds: enterprise funds and internal services funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities of the Highway Department and Airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Eau Claire County uses an internal service fund to account for its risk management activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Highway Department and Airport, both considered major funds of the County.

The internal service fund is included within the presentation of the proprietary fund financial statements. The basic proprietary fund financial statements can be found beginning on page 24 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government or are custodial in nature. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds: the economic resources measurement focus and the accrual basis of accounting.

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

The notes can be found beginning on page 29 of this report.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the pension schedules. Required supplementary information can be found beginning on page 68 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds and an agency fund combining statement of net position. This other supplementary information section begins on page 76.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position over time is a useful indicator of a government's financial position. In the case of Eau Claire County, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$131.2 million at the close of the fiscal year. The largest portion of Eau Claire County's net position (84.5%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), net of depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the County's statement of net position:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 67,749,604	\$ 60,269,944	\$ 8,314,705	\$ 8,113,229	\$ 76,064,309	\$ 68,383,173
Capital Assets	160,375,292	157,538,627	37,533,497	37,642,511	197,908,789	195,181,138
Internal Balances	(173,086)	(188,697)	173,086	188,697	-	-
Total Assets	<u>227,951,810</u>	<u>217,619,874</u>	<u>46,021,288</u>	<u>45,944,437</u>	<u>273,973,098</u>	<u>263,564,311</u>
Deferred Outflow of Resources	9,932,854	11,277,193	1,164,408	1,320,425	11,097,262	12,597,618
Current Liabilities	11,924,808	10,449,473	865,117	953,062	12,789,925	11,402,535
Net Pension & OPEB Liability	1,329,853	1,423,481	165,096	171,989	1,494,949	1,595,470
Long-Term Liabilities Due Within One Year	10,924,162	10,003,383	791,952	783,800	11,716,114	10,787,183
Long-Term Liabilities	80,400,178	78,511,458	1,859,248	2,400,160	82,259,426	80,911,618
Total Liabilities	<u>104,579,001</u>	<u>100,387,795</u>	<u>3,681,413</u>	<u>4,309,011</u>	<u>108,260,414</u>	<u>104,696,806</u>
Deferred Inflows of Resources	42,218,753	34,518,089	3,377,825	2,829,172	45,596,578	37,347,261
Net Position:						
Net Investment in Capital Assets	75,690,187	74,386,250	35,305,443	34,888,814	110,995,630	109,275,064
Restricted	9,668,565	4,388,315	628,753	-	10,297,317	4,388,315
Unrestricted	5,728,158	15,216,618	4,192,262	5,237,865	9,920,421	20,454,483
Total Net Position	<u>\$ 91,086,910</u>	<u>\$ 93,991,183</u>	<u>\$ 40,126,458</u>	<u>\$ 40,126,679</u>	<u>\$ 131,213,368</u>	<u>\$ 134,117,862</u>

An additional portion of Eau Claire County's net position (7.8%) represents resources that are subject to other restrictions on how they may be used. The remaining \$9.9 million of total net position (7.6%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2018, the County reported positive balances in all three categories of net position, for the government as a whole and for the governmental activities and business-type activities.

The condensed statement of changes in net position as follows shows that the County's total net

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

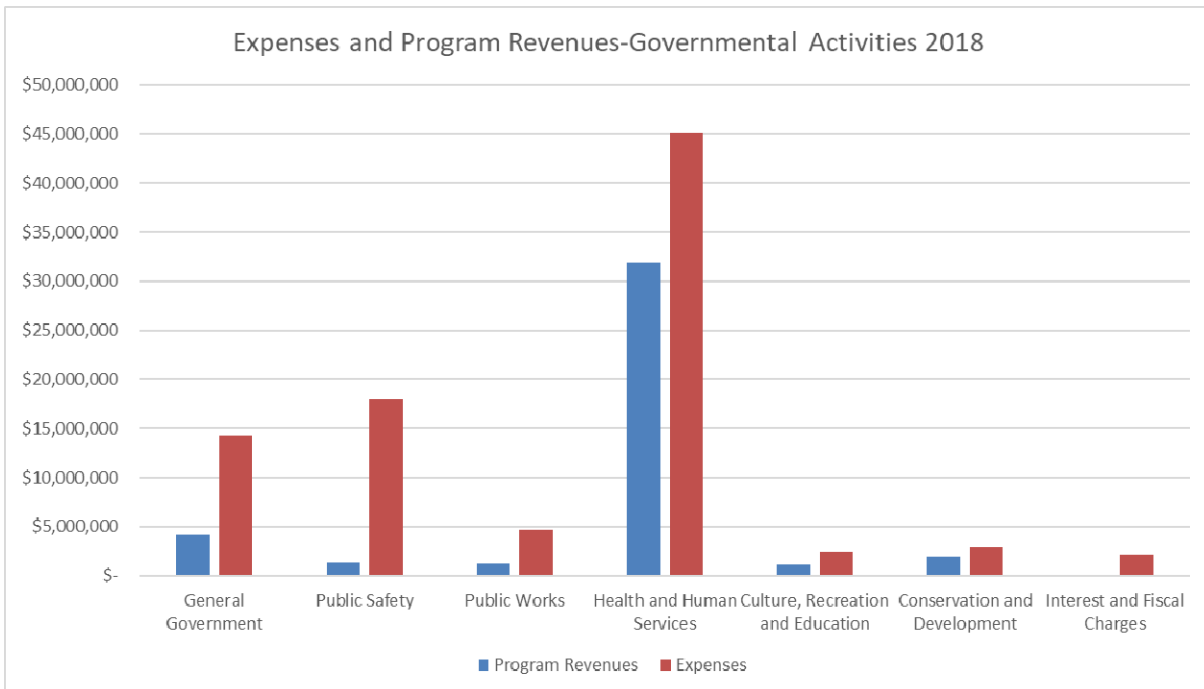
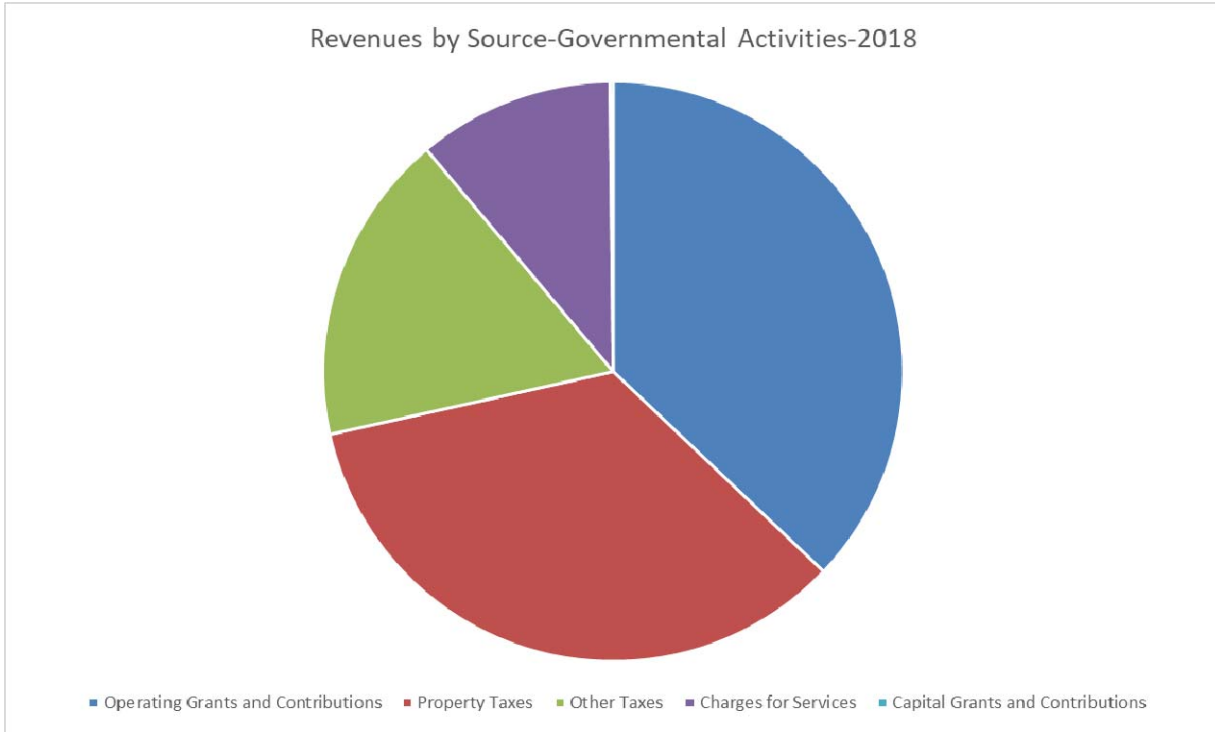
position decreased by \$2.5 million during the current fiscal year. The decrease consisted of a decrease in net position related to governmental activities in the amount of \$2.6 million and an increase in net position related to business-type activities in the amount of \$.1 million.

The following is a summary of the changes in the County's net position:

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 9,522,583	\$ 7,591,142	\$9,724,598	\$8,379,872	\$19,247,181	\$15,971,014
Operating Grants and Contributions	32,282,628	30,560,879	3,754,772	3,270,073	36,037,400	33,830,952
Capital Grants and Contributions	153,764	366,334	704,492	-	858,256	366,334
General Revenues:						
Property Taxes	29,955,097	28,554,921	2,278,187	2,159,784	32,233,284	30,714,705
Other Taxes	12,002,788	11,565,831	26,320	-	12,029,108	11,565,831
State and Federal Aids Not Restricted to Specific Programs	3,062,486	2,610,955	-	-	3,062,486	2,610,955
Other	33,500	251,082	102,464	218,226	135,964	469,308
Total Revenues	87,012,846	81,501,144	16,590,833	14,027,955	103,603,679	95,529,099
Expenses:						
General Government	14,269,828	15,057,916	-	-	14,269,828	15,057,916
Public Safety	18,004,394	16,482,174	-	-	18,004,394	16,482,174
Public Works	4,655,931	4,570,945	-	-	4,655,931	4,570,945
Health and Human Services	45,166,507	40,584,274	-	-	45,166,507	40,584,274
Culture, Recreation and Education	2,411,882	6,105,199	-	-	2,411,882	6,105,199
Conservation and Development	2,940,895	2,322,365	-	-	2,940,895	2,322,365
Debt Service	2,158,264	2,117,330	-	-	2,158,264	2,117,330
Airport	-	-	2,460,533	2,364,636	2,460,533	2,364,636
Highway	-	-	14,012,884	13,291,162	14,012,884	13,291,162
Total Expenses	89,607,701	87,240,203	16,473,417	15,655,798	106,081,118	102,896,001
Change in Net Position Before Transfers	(2,594,855)	(5,739,059)	117,416	(1,627,843)	(2,477,439)	(7,366,902)
Transfers	(18,369)	(869,371)	18,369	869,371	-	-
Change in Net Position	\$(2,613,224)	\$(6,608,430)	\$ 135,785	\$ (758,472)	\$ (2,477,439)	\$ (7,366,902)

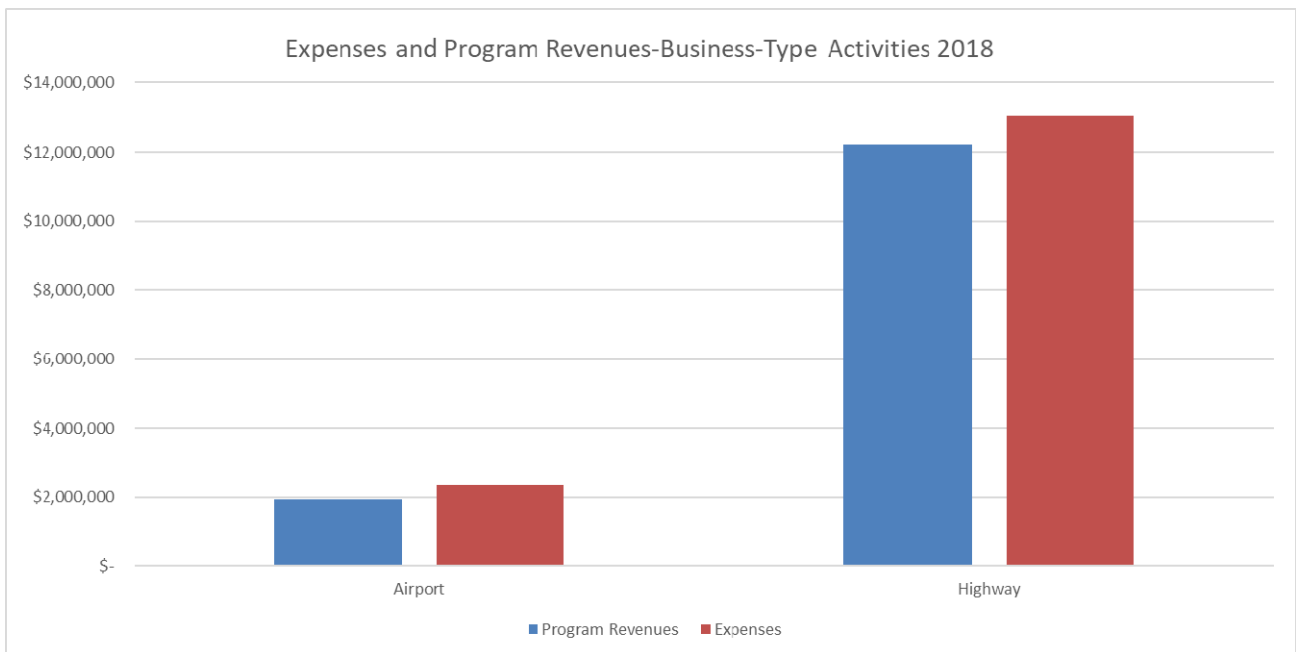
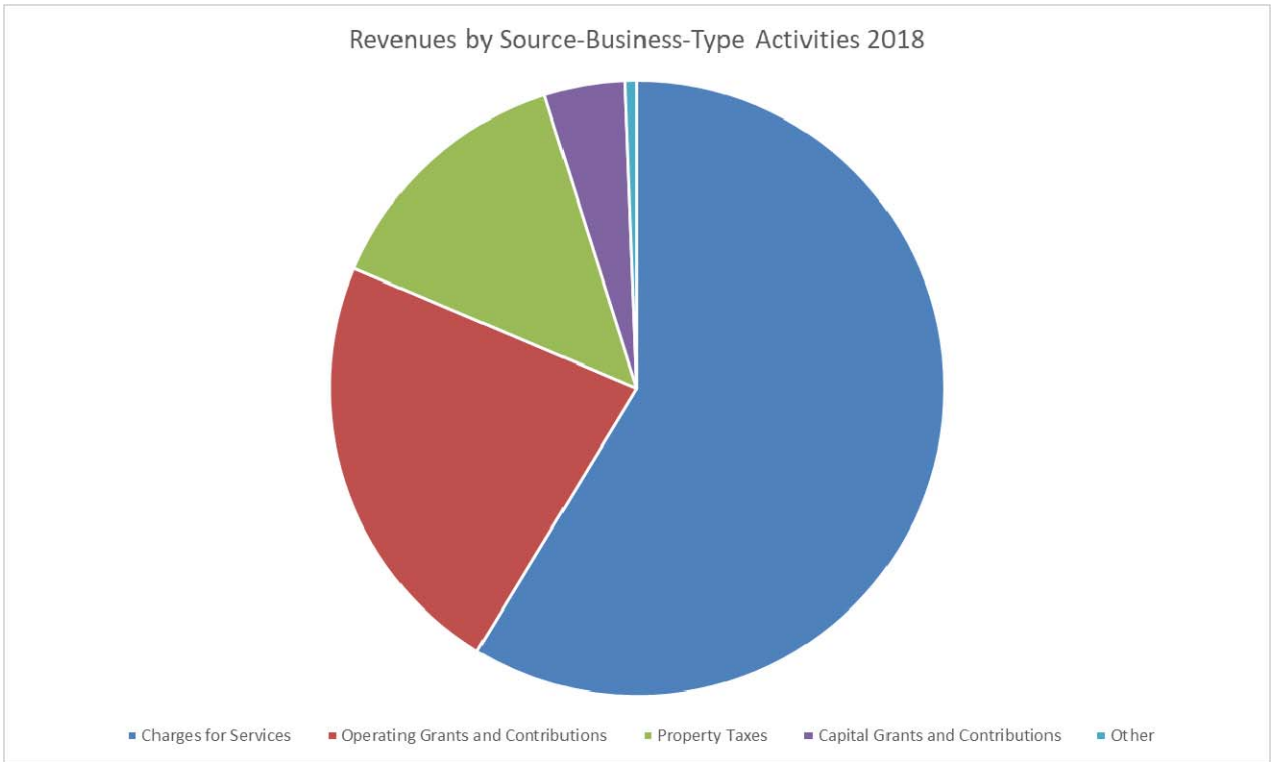
**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

A review of the statement of activities can provide a concise picture of how the various functions/programs of the County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are operating grants/contributions (37.1%), property taxes (34.4%), and charges for services (10.9%).



**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

In the case of the business-type activities, the data shows a considerably different picture. Charges for services (58.7%) replace property taxes as the primary revenue.



**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

Eau Claire County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2018, the County's governmental funds reported combined ending fund balances of \$15.1 million, a decrease of \$1.9 million in comparison to the prior year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2018				Total	Change During Year
	Nonspendable	Restricted	Assigned	Unassigned		
Major Funds						
General Fund	\$ 1,992,458	\$ 82,740	\$ 755,582	\$ 10,133,593	\$ 12,964,373	\$ (1,647,502)
Human Services Fund	138,729	-	32,211	(1,456,914)	(1,285,974)	(1,285,974)
Debt Service Fund	-	3,428,298	-	-	3,428,298	(235,698)
Capital Projects Fund	-	-	-	(657,434)	(657,434)	1,576,688
Nonmajor Funds						
Special Revenue Funds	6,600	614,008	220,074	(220,061)	620,621	(275,432)
Total Fund Balances	\$ 2,137,787	\$ 4,125,046	\$ 1,007,867	\$ 7,799,184	\$ 15,069,884	\$ (1,867,918)

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.

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 County 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.

General Fund: The general fund is the primary operating fund used to account for the governmental operations of Eau Claire County. As of December 31, 2018, the unassigned fund balance of the general fund was \$10.1 million, while total fund balance was \$13.0 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to measures of operating volume such as fund expenditures or fund revenues. Unassigned fund balance represented 28.9% of total general fund expenditures, while the total fund balance represented 36.9% of total general fund expenditures.

The general fund's total fund balance decreased \$1.6 million during the year and the unassigned portion of the fund decreased \$.5 million.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Human Services Fund: The human services fund is a special revenue fund used to account for various health and human services programs provided by the County. This fund provides services in the area of mental health; developmental disabilities; alcoholism; 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. Fiscal year 2018 produced an operational loss of \$3.8 million which was offset by transfers in from the general fund of \$2.5 million. The result of this activity leaves the fund balance carried by the human services fund to a deficit of \$1.3 million as of December 31, 2018. This deficit is expected to be funded upon receipt of the Wisconsin Medicaid Cost Reporting (WIMCR) reimbursement from the State of Wisconsin. This reimbursement is expected to be received in December 2019.

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. As of December 31, 2018, the County's debt service fund had a balance of \$3.4 million.

Capital Projects Fund: The capital projects 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. As of December 31, 2018, the County's capital projects fund had a deficit balance of \$.7 million which is an increase of \$1.6 million from the prior year deficit of \$2.2 million. During 2018, the County issued \$10.0 million of debt to pay for capital related projects. Remaining to be paid from those proceeds, as of December 31, 2018, included \$1.4 million related to various courthouse construction projects and technology upgrades. These projects are expected to be completed in 2019.

Other Governmental Funds: The aggregated other governmental funds column includes various special revenue funds. As of December 31, 2018, the accumulated balance of these funds was \$621,000, a decrease of \$275,000 in comparison to the prior year.

Business-Type Activities - Enterprise Funds

Eau Claire County's proprietary funds provide the same type of information found in the government-wide financial statements. As shown earlier, the total net position of the enterprise-type proprietary funds at the end of 2018 totaled \$39.9 million.

Highway Department: The County uses the highway department fund to account for road maintenance and construction and related services provided to the County, the State of Wisconsin, and local governmental units. At the end of the current fiscal year, unrestricted net position of the highway was \$3.0 million, while total net position reached \$10.2 million. Total net position is an increase from the prior year of \$.25 million.

Airport: The airport fund contains the operations of the County's airport. In 2018, the net position for the airport decreased \$.1 million to \$29.8 million. The decrease was primarily due to depreciation on capital assets at the airport, which was offset by a capital contribution of \$.7 million.

Internal Service Funds

Internal Service Funds: In 2018, the aggregate net position for the internal service fund decreased \$.06 million to \$1.78 million.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

The County adopts a budget for all funds at the functional level of expenditure. Throughout the year, as additional information becomes available, such as the receipt of funds not originally budgeted or not receiving funds that were anticipated in the original budget, budget amendments can be made.

General Fund: The final actual revenues and other financing sources amounted to \$36.3 million, which were \$1.6 million greater than the final budgeted revenue while the final actual expenditures were \$35.1 million, which was \$.4 million lower than the final budgeted expenditures. There were unbudgeted transfers out to the human services fund of \$2.1 million. This resulted in a net negative variance of \$.08 million between the budgeted use of fund balance of \$1.57 and the actual decrease in fund balance of \$1.65 million. The most significant items contributing to the variances include:

Revenues:

- County Sales Tax \$934,000 over

Expenditures:

- General Government \$1.0 million under
- Conservation & Development \$550,000 over

A full presentation of the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund begins on page 68.

Capital Assets

The County's net investment in capital assets for its governmental activities and business-type activities as of December 31, 2018 amounted to \$160.4 million and \$37.5 million, respectively, as shown below:

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Not Subject to Depreciation:						
Land and Land Rights	\$ 6,338,199	\$ 6,136,779	\$ 2,140,502	\$ 2,140,502	\$ 8,478,701	\$ 8,277,281
Construction Work in Progress	2,164,589	1,216,356	1,416,195	1,596,385	3,580,784	2,812,741
Subject to Depreciation:						
Land Improvements	3,336,327	3,281,660	7,242,761	7,781,737	10,579,088	11,063,397
Intangibles	2,086,924	2,288,967	-	-	2,086,924	2,288,967
Buildings and Improvements	60,314,347	61,272,065	18,079,016	18,000,623	78,393,363	79,272,688
Machinery and Equipment	3,618,258	2,488,928	8,655,023	8,123,264	12,273,281	10,612,192
Highway Infrastructure	82,516,648	80,853,872	-	-	82,516,648	80,853,872
Total	\$ 160,375,292	\$ 157,538,627	\$ 37,533,497	\$ 37,642,511	\$ 197,908,789	\$ 195,181,138

Additional information related to the County's capital assets is reported in Note 2.C. of the financial statements.

Long-Term Obligations

The County had \$94.0 million in general obligation bonds and notes and other long-term obligations outstanding as of December 31, 2018, \$91.3 million of this amount is for governmental activities. The remaining \$2.7 million relates primarily to a capital lease for highway operations.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

In accordance with Wisconsin State Statutes, total outstanding general obligation indebtedness of the County may not exceed 5% of the equalized value of all taxable property within the County's jurisdiction. The debt limit as of December 31, 2018 amounted to \$437,740,090 and indebtedness subject to the limitation totaled \$85,321,360.

More detailed debt information can be found in Note 2.E. Long-Term Obligations of the financial statements.

CURRENTLY KNOWN FACTS

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids.

The State of Wisconsin has imposed further limits on the County's property tax levy beginning with the 2008 budget year levy. Essentially, the legislation restricts the growth in the County's property taxes (except for debt service, libraries, road and bridge aid, and tax increments) to the percentage increase in the County's equalized value due to new construction. The County approved a levy of \$34,019,076 for its 2019 budget, an increase of \$1.8 million (5.55%) from the 2018 budget levy of \$32,229,271.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be directed to:

Eau Claire County
Finance Department
721 Oxford Avenue
Eau Claire, WI 54703

This page intentionally left blank.

EAU CLAIRE COUNTY, WISCONSIN

Statement of Net Position

December 31, 2018

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 15,252,303	\$ 3,892,650	\$ 19,144,953	\$ 1,748,915
Taxes Receivable	33,352,151	2,128,187	35,480,338	-
Other Receivables	1,289,772	70,815	1,360,587	139,003
Due from Other Governments	10,574,206	1,113,046	11,687,252	-
Internal Balances	(173,086)	173,086	-	-
Inventory, at cost	22,863	478,293	501,156	25,493
Prepaid Items	653,662	2,961	656,623	-
Deposit in Insurance Pool	999,731	-	999,731	-
Other Assets	-	-	-	95,165
Restricted Assets				
Cash	408,005	-	408,005	-
Net Pension Asset	5,196,911	628,753	5,825,664	-
Capital Assets, not being depreciated				
Land	6,338,198	2,140,502	8,478,700	800,000
Construction Work in Progress	2,164,589	1,416,195	3,580,784	-
Capital Assets, net of accumulated depreciation				
Land Improvements	3,336,328	7,242,761	10,579,089	-
Intangibles	2,086,924	-	2,086,924	-
Buildings and Improvements	60,314,347	18,079,016	78,393,363	-
Machinery and Equipment	3,618,258	8,655,023	12,273,281	-
Infrastructure	82,516,648	-	82,516,648	-
Total Assets	<u>227,951,810</u>	<u>46,021,288</u>	<u>273,973,098</u>	<u>2,808,576</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	9,469,661	1,145,695	10,615,356	-
State Life Insurance Other Post Employment Benefit Related	150,733	18,713	169,446	-
Deferred Charge on Refunding	312,460	-	312,460	-
Total Deferred Outflows of Resources	<u>9,932,854</u>	<u>1,164,408</u>	<u>11,097,262</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	5,295,107	495,814	5,790,921	17,987
Other Current Liabilities	72,002	-	72,002	-
Accrued Compensation	2,497,755	255,520	2,753,275	38,233
Accrued Interest	735,328	26,217	761,545	-
Due to Other Governments	2,894,518	50,227	2,944,745	-
Unearned Revenue	-	37,339	37,339	1,572
Special Deposits	430,098	-	430,098	-
Noncurrent Liabilities				
Amounts Due Within One Year	10,924,162	791,952	11,716,114	-
Amounts Due in More than One Year	80,400,178	1,859,248	82,259,426	-
Net Other Post Employment Benefits Liability	1,329,853	165,096	1,494,949	-
Total Liabilities	<u>104,579,001</u>	<u>3,681,413</u>	<u>108,260,414</u>	<u>57,792</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	10,292,903	1,245,297	11,538,200	-
State Life Insurance Other Post Employment Benefit Related	34,961	4,341	39,302	-
Succeeding Years Property Taxes	31,890,889	2,128,187	34,019,076	-
Total Deferred Inflows of Resources	<u>42,218,753</u>	<u>3,377,825</u>	<u>45,596,578</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	75,690,187	35,305,443	110,995,630	800,000
Restricted for Pension Asset	5,196,911	628,753	5,825,664	-
Restricted for Debt Service	2,692,970	-	2,692,970	-
Restricted for Revolving Loan Funds	839,410	-	839,410	-
Restricted for Recycling	523,061	-	523,061	-
Restricted - Other	416,212	-	416,212	-
Restricted for Friends of Beaver Creek Reserve, Inc.	-	-	-	1,237,942
Unassigned	5,728,158	4,192,262	9,920,421	712,842
Total Net Position	<u>\$ 91,086,910</u>	<u>\$ 40,126,458</u>	<u>\$ 131,213,368</u>	<u>\$ 2,750,784</u>

The notes to the financial statements are an integral part of this statement

This page intentionally left blank.

EAU CLAIRE COUNTY, WISCONSIN

Statement of Activities

For the Year Ended December 31, 2018

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
Primary Government:								
Governmental activities:								
General Government	\$ 14,269,828	\$ 2,523,846	\$ 1,699,943		\$ (10,046,039)	\$ -	\$ (10,046,039)	\$ -
Public Safety	18,004,394	935,393	455,592		(16,613,409)	-	(16,613,409)	-
Public Works	4,655,932	827,163	498,150		(3,330,619)	-	(3,330,619)	-
Health and Human Services	45,166,507	3,326,748	28,587,233		(13,252,526)	-	(13,252,526)	-
Culture, Recreation and Education	2,411,882	482,607	573,727	153,764	(1,201,784)	-	(1,201,784)	-
Conservation and Development	2,940,894	1,426,826	467,983		(1,046,085)	-	(1,046,085)	-
Debt Service	2,158,264	-	-		(2,158,264)	-	(2,158,264)	-
Total Governmental Activities	89,607,701	9,522,583	32,282,628	153,764	(47,648,726)	-	(47,648,726)	-
Business-Type Activities:								
Highway	14,012,884	8,613,784	3,618,629	-	-	(1,780,471)	(1,780,471)	-
Airport	2,460,533	1,110,814	136,143	704,492	-	(509,084)	(509,084)	-
Total Business-Type Activities	16,473,417	9,724,598	3,754,772	704,492	-	(2,289,555)	(2,289,555)	-
Total Primary Government	\$ 106,081,118	\$ 19,247,181	\$ 36,037,400	\$ 858,256	(47,648,726)	(2,289,555)	(49,938,281)	-
Component Unit:								
Friends of Beaver Creek Reserve, Inc.	\$ 899,924	\$ 219,004	\$ 792,788	\$ -				111,868
General Revenues:								
Property Taxes					29,955,097	2,278,187	32,233,284	-
County Sales Tax					11,033,511	-	11,033,511	-
Other Taxes					969,277	26,320	995,597	-
Grants and Contributions Not Restricted to Specific Programs					2,623,081	-	2,623,081	-
Interest and Investment Earnings					439,405	-	439,405	(117,163)
Other Revenues					-	102,464	102,464	27,396
Gain on Sale of Capital Assets					33,500	-	33,500	-
Transfers					(18,369)	18,369	-	-
Total general Revenues and Transfers					45,035,502	2,425,340	47,460,842	(89,767)
Change in Net Position					(2,613,224)	135,785	(2,477,439)	22,101
Net Position - Beginning of Year					93,991,183	40,126,679	134,117,862	2,728,683
Change in Accounting Principle					(1,091,422)	(136,006)	(1,227,428)	-
Prior Period Adjustment					800,373	-	800,373	-
Net Position - Beginning of Year, as Restated					93,700,134	39,990,673	133,690,807	2,728,683
Net Position - December 31					\$ 91,086,910	\$ 40,126,458	\$ 131,213,368	\$ 2,750,784

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank.

EAU CLAIRE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds

December 31, 2018

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and Temporary Investments	\$ 9,056,803	\$ 1,500	\$ 3,428,298	\$ 114,808	\$ 634,478	\$ 13,235,887
Receivables						
Delinquent property taxes	1,461,262	-	-	-	-	1,461,262
Current property tax	12,537,080	8,852,473	10,233,019	20,000	248,317	31,890,889
Accounts Receivable	1,185,081	79,648	-	-	16,870	1,281,599
Due from Other Governments	3,571,151	6,157,006	-	96,058	739,927	10,564,142
Due from Other funds	2,210,957	-	-	-	-	2,210,957
Inventory, at cost	6,278	16,585	-	-	-	22,863
Prepaid Expenses	524,918	122,144	-	-	6,600	653,662
Total Assets	<u>\$ 30,553,530</u>	<u>\$ 15,229,356</u>	<u>\$ 13,661,317</u>	<u>\$ 230,866</u>	<u>\$ 1,646,192</u>	<u>\$ 61,321,261</u>
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 1,340,993	\$ 2,844,478	\$ -	\$ 863,730	\$ 220,992	\$ 5,270,193
Other Current Liabilities	71,294	708	-	-	-	72,002
Accrued Compensation	1,629,743	739,008	-	-	120,669	2,489,420
Special Deposits	430,098	-	-	-	-	430,098
Due to Other Governments	666,433	2,205,302	-	4,570	18,213	2,894,518
Due to Other Funds	-	1,873,361	-	-	337,596	2,210,957
Total Liabilities	<u>4,138,561</u>	<u>7,662,857</u>	<u>-</u>	<u>868,300</u>	<u>697,470</u>	<u>13,367,188</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	12,537,080	8,852,473	10,233,019	20,000	248,317	31,890,889
Unavailable Revenue	913,516	-	-	-	79,784	993,300
Total Deferred Inflows of Resources	<u>13,450,596</u>	<u>8,852,473</u>	<u>10,233,019</u>	<u>20,000</u>	<u>328,101</u>	<u>32,884,189</u>
FUND BALANCE (DEFICITS)						
Nonspendable	1,992,458	138,729	-	-	6,600	2,137,787
Restricted	82,740	-	3,428,298	-	614,008	4,125,046
Assigned	755,582	32,211	-	-	220,074	1,007,867
Unassigned	10,133,593	(1,456,914)	-	(657,434)	(220,061)	7,799,184
Total Fund Balances (deficit)	<u>12,964,373</u>	<u>(1,285,974)</u>	<u>3,428,298</u>	<u>(657,434)</u>	<u>620,621</u>	<u>15,069,884</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 30,553,530</u>	<u>\$ 15,229,356</u>	<u>\$ 13,661,317</u>	<u>\$ 230,866</u>	<u>\$ 1,646,192</u>	<u>\$ 61,321,261</u>

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

Fund balance from above	\$ 15,069,884
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	160,375,292
Wisconsin Retirement Pension - net deferred inflows/outflow of resources over the pension liability	4,357,744
State Life Insurance Other Post Employment Benefits -net deferred inflows/outflow of resources over the OPEB liability	(1,212,079)
The internal service fund is used by management to charge the costs of risk management to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	\$ 1,779,889
Less Internal Service Fund equity allocated to enterprise funds	<u>(173,086)</u>
Unavailable revenue recognized as revenue on the entity-wide	993,300
Unamortized difference in the carrying amount of refunded debt and it's reacquisition price	312,460
Long-term liabilities, including notes payable, capital leases, compensated absences as well as accrued interest and unamortized discounts are not due and payable in the current period and therefore are not reported in the funds.	<u>(90,416,495)</u>
Net Position of Governmental Activities	<u>\$ 91,086,910</u>

The notes to the financial statements are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 24,046,080	\$ 8,630,170	\$ 8,895,290	\$ 139,674	\$ 228,075	\$ 41,939,289
Intergovernmental Grants & Aids	5,800,640	24,900,149	-	106,273	3,147,734	33,954,796
Licenses & Permits	455,895	-	-	-	-	455,895
Fines & Forfeitures	295,878	-	-	-	-	295,878
Public Charges for Services	4,193,512	910,179	-	-	1,019,413	6,123,104
Intergovernmental Charges for Services	303,010	2,180,170	-	165,226	-	2,648,406
Investment Income	437,015	-	-	50	2,340	439,405
Other Revenues	771,965	33,020	-	57,760	191,842	1,054,587
Total Revenues	36,303,995	36,653,688	8,895,290	468,983	4,589,404	86,911,360
EXPENDITURES						
General Government	12,310,296	-	-	68,240	115,000	12,493,536
Public Safety	14,913,038	1,239,276	-	-	382,874	16,535,188
Public Works	-	-	-	-	1,340,463	1,340,463
Health and Human Services	2,881,479	39,192,799	-	-	2,879,801	44,954,079
Culture, Recreation and Education	2,439,391	-	-	-	-	2,439,391
Conservation and Development	2,564,127	-	-	-	146,698	2,710,825
Capital Outlay						
General Government	-	-	-	2,015,904	-	2,015,904
Public Safety	-	-	-	242,829	-	242,829
Health and Human Services	-	-	-	161,156	-	161,156
Culture, Recreation and Education	-	-	-	389,702	-	389,702
Conservation and Development	-	-	-	276,127	-	276,127
Debt Service						
Principal Retirement	-	-	7,175,679	-	-	7,175,679
Interest and Fiscal Charges	-	-	2,136,006	125,295	-	2,261,301
Total Expenditures	35,108,331	40,432,075	9,311,685	3,279,253	4,864,836	92,996,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,195,664	(3,778,387)	(416,395)	(2,810,270)	(275,432)	(6,084,820)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	10,000,000	-	10,000,000
Premium on Bonds	-	-	180,697	59,205	-	239,902
Transfers In	-	2,492,413	-	350,753	-	2,843,166
Transfers Out	(2,843,166)	-	-	(6,023,000)	-	(8,866,166)
Total Other Financing Sources (Uses)	(2,843,166)	2,492,413	180,697	4,386,958	-	4,216,902
Net Change in Fund Balance	(1,647,502)	(1,285,974)	(235,698)	1,576,688	(275,432)	(1,867,918)
Fund Balance (Deficit) - January 1	14,611,875	-	3,663,996	(2,234,122)	896,053	16,937,802
Fund Balance (Deficit) - December 31	\$ 12,964,373	\$ (1,285,974)	\$ 3,428,298	\$ (657,434)	\$ 620,621	\$ 15,069,884

EAU CLAIRE COUNTY, WISCONSIN
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities

For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$	(1,867,918)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay	\$ 8,854,897	
Depreciation	<u>(5,792,308)</u>	3,062,589
Increase(Decrease) in the net Pension Asset (Liability)	(632,710)	
Less amount allocated to Business-type activities	<u>68,298</u>	(564,412)
Increase(Decrease) in the net Life Insurance Asset (Liability)	(137,175)	
Less amount allocated to Business-type activities	<u>15,172</u>	(122,003)
Unavailable revenue in the governmental funds is reported as revenue on the entity-wide financial statements		(33,390)
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 the long-term debt incurred in current year is		(10,000,000)
Premiums are reported as other financing sources in governmental funds but are amortized over the life of the related debt in the government wide statements. The premium on debt issued is		(239,902)
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 consisted of:		
Principal Retirement on Bonds and Notes	7,170,000	
Principal on Long-Term payable to City of Eau Claire	<u>5,679</u>	7,175,679
Some expenses 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		
Amortization of Debt Premium	178,904	
Amortization of Deferred Charge on Refunding	(36,074)	
Net Change in Accrued Interest Payable	(39,794)	
Net Change in Compensated Absences	<u>143,994</u>	247,031
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations)		(225,929)
Internal service funds are used by management to account for risk management operations. The change in net position of this internal services fund is allocated to governmental activities.	(60,126)	
Less amount allocated to Enterprise Funds	<u>15,157</u>	(44,969)
Change in Net Position of Governmental Activities		<u><u>\$ (2,613,224)</u></u>

The notes to the financial statements are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN

Statement of Net Position
Proprietary Funds

December 31, 2018

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Highway Department	Airport	Totals	Internal Service Funds
ASSETS				
Current Assets				
Cash and Temporary Cash Investments	\$ 2,726,880	\$ 1,165,770	\$ 3,892,650	\$ 2,099,156
Restricted Cash	-	-	-	325,265
Taxes Receivable	1,729,157	399,030	2,128,187	-
Accounts Receivable	29,299	41,516	70,815	8,173
Due from Other Governments	1,113,046	-	1,113,046	10,064
Inventory, at cost	478,293	-	478,293	-
Prepaid Items	1,975	986	2,961	-
Total Current Assets	6,078,650	1,607,302	7,685,952	2,442,658
Noncurrent Assets:				
Capital Assets:				
Land	126,804	2,013,698	2,140,502	-
Land Improvements	-	17,965,869	17,965,869	-
Buildings	2,779,050	27,288,376	30,067,426	-
Machinery and Equipment	14,245,133	2,866,177	17,111,310	-
Construction Work in Progress	374,622	1,041,573	1,416,195	-
Accumulated Depreciation	(9,213,782)	(21,954,023)	(31,167,805)	-
Total Capital Assets	8,311,827	29,221,670	37,533,497	-
Deposit in Insurance Pool	-	-	-	999,731
Wisconsin Retirement System Pension Asset	577,018	51,735	628,753	18,921
Total Noncurrent Assets	8,888,845	29,273,405	38,162,250	1,018,652
Total Assets	14,967,495	30,880,707	45,848,202	3,461,310
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Related	1,051,425	94,270	1,145,695	34,479
State Life Insurance Other Post Employment Benefit Related	17,266	1,447	18,713	248
Total Deferred Outflows of Resources	1,068,691	95,717	1,164,408	34,727
Total Assets and Deferred Outflows of Resources	\$ 16,036,186	\$ 30,976,424	\$ 47,012,610	\$ 3,496,038
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 435,751	\$ 60,063	\$ 495,814	\$ 24,914
Accrued Interest Payable	11,629	14,588	26,217	-
Accrued Compensation	230,698	24,822	255,520	8,335
Due to Other Governments	5,036	45,191	50,227	-
Unearned Revenue	11,589	25,750	37,339	-
Current Portion of Long-Term Liabilities:				
General Obligation Debt	-	105,503	105,503	-
Accrued Employee Leave	228,613	25,274	253,887	-
Claims Payable	-	-	-	737,175
Capital Leases Payable	432,562	-	432,562	-
Total Current Liabilities	1,355,878	301,191	1,657,069	770,424
Long-Term Liabilities (Net of Current Portion)				
General Obligation Notes	-	385,857	385,857	-
Capital Leases Payable	1,304,132	-	1,304,132	-
State Life Insurance Other Post Employment Benefit Related	152,329	12,767	165,096	2,192
Claims Payable	-	-	-	906,000
Accrued Employee Leave	152,409	16,850	169,259	-
Total Noncurrent Liabilities	1,608,870	415,474	2,024,344	908,192
Total Liabilities	2,964,748	716,665	3,681,413	1,678,616
DEFERRED INFLOWS OF RESOURCES				
Succeeding Year's Property Taxes	1,729,157	399,030	2,128,187	-
Wisconsin Retirement System Pension Related	1,142,831	102,466	1,245,297	37,475
State Life Insurance Other Post Employment Benefit Related	4,005	336	4,341	58
Total Deferred Inflows of Resources	2,875,993	501,832	3,377,825	37,533
NET POSITION				
Investment in Capital Assets	6,575,133	28,730,310	35,305,443	-
Restricted	-	-	-	-
Wisconsin Retirement System Pension Asset	577,018	51,735	628,753	18,921
Insurance Escrow	-	-	-	325,265
Unrestricted	3,043,294	975,882	4,019,176	1,435,703
Total Net Position	10,195,445	29,757,927	39,953,372	1,779,889
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 16,036,186	\$ 30,976,424	\$ 47,012,610	\$ 3,496,038
Net Position of Proprietary Funds			\$ 39,953,372	
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			173,086	
Total Net Position of Business-Type Activities			\$ 40,126,458	

The notes to the financial statements are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds

For the Year Ended December 31, 2018

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Highway Department	Airport	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 8,613,784	\$ 1,110,814	\$ 9,724,598	\$ 2,422,424
Total Operating Revenues	<u>8,613,784</u>	<u>1,110,814</u>	<u>9,724,598</u>	<u>2,422,424</u>
OPERATING EXPENSES				
Operation and Maintenance	13,084,958	1,012,167	14,097,125	712,658
Depreciation and Amortization	883,525	1,417,892	2,301,417	-
Claims	-	-	-	1,808,045
Total Operating Expenses	<u>13,968,483</u>	<u>2,430,059</u>	<u>16,398,542</u>	<u>2,520,703</u>
Operating Income (Loss)	(5,354,699)	(1,319,245)	(6,673,944)	(98,279)
NONOPERATING REVENUES (EXPENSES)				
General Property Taxes	1,879,157	399,030	2,278,187	-
Other Taxes	26,320	-	26,320	-
Intergovernmental Grants	3,618,629	136,143	3,754,772	-
Investment Income	-	-	-	38,153
Miscellaneous Revenues	102,464	-	102,464	-
Interest Expense	(40,497)	(19,221)	(59,718)	-
Total Nonoperating Revenues (Expenses)	<u>5,586,073</u>	<u>515,952</u>	<u>6,102,025</u>	<u>38,153</u>
Income (Loss) Before Contributions and Transfers	231,374	(803,293)	(571,919)	(60,126)
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers In (Out)	6,023,000	-	6,023,000	-
Capital Contributions	-	704,492	704,492	-
Capital Contributions to Governmental Activities	(6,004,631)	-	(6,004,631)	-
Change in Net Position	<u>249,743</u>	<u>(98,801)</u>	<u>150,942</u>	<u>(60,126)</u>
Net Position - Beginning of Year	10,070,771	29,867,211	39,937,982	1,841,814
Change in Accounting Principle	(125,069)	(10,483)	(135,552)	(1,799)
Net Position - Beginning of Year, as Restated	<u>9,945,702</u>	<u>29,856,728</u>	<u>39,802,430</u>	<u>1,840,015</u>
Net Position - December 31	<u>\$ 10,195,445</u>	<u>\$ 29,757,927</u>	<u>\$ 39,953,372</u>	<u>\$ 1,779,889</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(15,157)	
Change in Net Position of Business-Type Activities			<u>\$ 135,785</u>	
Reconciliation of Change Due to Change in Accounting Principle				
Total Enterprise Fund Change in Accounting Principle			\$ (135,552)	
Allocation of Internal Service Fund Change in Accounting Principle			(454)	
Total Change in Accounting Principle - Business Type Activities			<u>\$ (136,006)</u>	
Net Position Business-Type - January 1			\$ 40,126,679	
Total Enterprise Fund Change in Accounting Principle			(135,552)	
Allocation of Internal Service Fund Change in Accounting Principle			(454)	
Change in Net Position - Business Type Activities			135,785	
Net Position Business Type - December 31			<u>\$ 40,126,458</u>	

The notes to the financial statements are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2018

	Business-Type Activities			Governmental
	Highway Department	Airport	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 8,240,543	\$ 1,133,788	\$ 9,374,331	\$ 2,411,905
Cash Paid to Suppliers for Goods and Services	(6,774,645)	(521,069)	(7,295,714)	(581,587)
Claims Paid	-	-	-	(1,739,870)
Payments on Behalf of Employees	(5,938,194)	(472,265)	(6,410,459)	(114,158)
Net Cash Provided by (Used for) Operating Activities	<u>(4,472,296)</u>	<u>140,454</u>	<u>(4,331,842)</u>	<u>(23,710)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General Property Tax	1,879,157	399,030	2,278,187	-
Other Taxes	26,320	-	26,320	-
Operating Grants and Miscellaneous Revenue Received	3,721,093	136,143	3,857,236	38,153
Net Cash Provided by Noncapital Financing Activities	<u>5,626,570</u>	<u>535,173</u>	<u>6,161,743</u>	<u>38,153</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer from Other Funds for Construction	6,023,000	-	6,023,000	-
Cash Payments for Capital Assets	(1,032,482)	(455,429)	(1,487,911)	-
Cash Payments for Principal on Debt	(423,953)	(101,690)	(525,643)	-
Cash Payments for Interest on Debt	(43,447)	(22,239)	(65,686)	-
Infrastructure Construction Expense for Governmental Activities	(6,004,631)	-	(6,004,631)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(1,481,513)</u>	<u>(579,358)</u>	<u>(2,060,871)</u>	<u>-</u>
Net Increase (Decrease) in Cash	(327,239)	96,269	(230,970)	14,443
Cash Balance at Beginning of Year	3,054,119	1,069,501	4,123,620	2,409,978
Cash Balance at End of Year	<u>\$ 2,726,880</u>	<u>\$ 1,165,770</u>	<u>\$ 3,892,650</u>	<u>\$ 2,424,421</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (5,354,699)	\$ (1,319,245)	\$ (6,673,944)	\$ (98,279)
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Depreciation and Amortization	883,525	1,417,892	2,301,417	-
Change in WRS Asset/Liability	(734,282)	(66,460)	(800,742)	(25,465)
Change in WRS Deferred Outflow	155,954	18,776	174,730	15,265
Change in WRS Deferred Inflow	639,018	55,294	694,312	16,511
Change in OPEB Liability	27,259	2,285	29,544	393
Change in OPEB Deferred Outflow	(17,266)	(1,447)	(18,713)	248
Change in OPEB Deferred Inflow	4,005	336	4,341	58
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Other Accounts Receivable	11,907	8,790	20,697	(8,173)
Due from Other Governments	(197,463)	5,295	(192,168)	(2,345)
Inventories	220,739	-	220,739	-
Prepaid Items	(1,974)	(986)	(2,960)	38,772
Increase (Decrease) in:				
Accounts Payable	83,000	(26,246)	56,754	(28,227)
Due to Other Governments	2,416	32,928	35,344	-
Accrued Compensation	1,897	2,826	4,723	(643)
Accrued Employee Leave	(8,647)	1,529	(7,118)	-
Claims Payable	-	-	-	68,175
Unearned Revenue	(187,685)	8,887	(178,798)	-
Total Adjustments	<u>882,403</u>	<u>1,459,699</u>	<u>2,342,102</u>	<u>74,569</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (4,472,296)</u>	<u>\$ 140,454</u>	<u>\$ (4,331,842)</u>	<u>\$ (23,710)</u>
Noncash capital, investing, and financing activities:				
Capital asset addition through capital contributions	\$ -	\$ 704,492	\$ 704,492	\$ -

The notes to the financial statements are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
Statement of Net Position
Fiduciary Funds

December 31, 2018

	Agency Funds
ASSETS	
Cash and Temporary Cash Investments	\$ 16,211,111
Taxes Receivable	209,031
Total Assets	\$ 16,420,142
 LIABILITIES	
Accounts Payable	\$ 27,338
Special Deposits	1,206,847
Due to Other Governments	15,185,957
Total Liabilities	\$ 16,420,142

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 29 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, 2018**

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 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, 2018. Separately issued financial statements of Beaver Creek may be obtained from the Beaver Creek's office at S1 County Road K, Fall Creek, Wisconsin.

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, 2018**

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 accounted for in another fund.

Human Services Fund – The Human Services Fund, a special revenue fund, is used to account for various County 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. The Juvenile Detention Center is also accounted for through the human services fund.

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.

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

The county reports the following nonmajor governmental funds:

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.

- Aging and Disability Resource Center
- Watershed
- Anti-drug
- Recycling
- Land Records

In addition, the county reports the following fund types:

Internal Service Fund – The Internal Service Fund is 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. The County reports risk management and self-insured activity in an internal service fund.

Agency Fund – the Agency Fund is 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. The following are components of the County’s agency fund:

- Tax agency
- Sunshine
- District Attorney
- Clerk of Courts
- West Central Drug
- Lower Chippewa Valley River Basin
- Sheriff

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, 2018**

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. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days after the end of the current fiscal period except for aging and disability resource center and human services, for which availability is defined as 180 days. State and federal aids under cost reimbursement programs are generally recognized when earned, if expected to be collected in the subsequent year. Client billings for the human services programs are recognized when received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, 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 one year 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, 2018**

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

Investments are stated at amortized cost or fair value. Fair value 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. 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 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, 2018, the 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, 2018**

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 gross amounts. No allowance for uncollectible accounts has been provided since County administration believes such allowance would not be material.

Loans Receivable. The County has received federal and state grant funds for housing rehabilitation loans. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's practice to record, in the fund financial statements, deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 (continued)

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 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.

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 (WMMIC) for payment of insurance claims are combined with other participating governments. The county’s deposit at year end was \$325,265. This amount is recorded as a restricted asset in the internal service fund. Funds on hand at year end that have been segregated for use in the housing rehabilitation loan program totaled \$82,740. These funds have been set aside to facilitate additional revolving loans, as per Note 2.B. This amount has been recorded as a restricted asset in the general fund. Both amounts are recorded as restricted assets in the government-wide financial statements.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

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 acquisition 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:

Asset Type	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-Line	15-50 years
Buildings and Improvements	5,000	Straight-Line	20-50 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.

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 and the State Life Insurance Other Post Employment Benefits. The County also reports a deferred charge on refunding which reflects the difference in the carrying value of refunded debt and its reacquisition price on the government-wide financial statement.

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 (generally collected no later than 60 days after the end of the County's year) 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 related items and the State Life Insurance Other Post Employment Benefits 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.

due and payable in accordance with the benefit terms. Investments are reported at fair value.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**A. 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 (asset,) liability, 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

10. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

11. 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.

12. 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Use of Restricted Resources

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

14. 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. It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 20% and 30% of the ensuing year's budgeted general fund expenditures, or the County's projected annual general debt service payment, whichever is greater.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2018 as shown in the financial statements are as follows:

Governmental Activities	\$ 15,252,303
Governmental Activities - Restricted	408,005
Business-Type Activities	3,892,650
Fiduciary Funds	16,211,111
Total	\$ 35,764,069

The cash and investment balances consisted of the following:

Treasurer's Cash and investments:			
Deposits in financial institutions	\$ 21,478,318		
Deposits in State Local-Government			
Pooled-Investment Fund	4,897,057		
Repurchase agreements	9,060,278	\$ 35,435,653	
Cash held by fiscal agent			
Deposits with WMMIC		325,265	
Petty cash funds		3,151	
Total cash and investments at December 31, 2018		\$ 35,764,069	

Deposits at Financial Institutions

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions (Continued)

Custodial credit risk for deposits is the risk that in event of bank failure, the County's deposits may not be returned. At December 31, 2018 the deposits were fully collateralized.

Investments

The County's investments at December 31, 2018 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), and repurchase agreements.

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. The average monthly weighted average maturity of the State Investment Fund's investments for 2018 was 27 days.

The County's investments in these obligations at December 31, 2018 are summarized as follows:

Type	Credit Quality Rating
	Not Rated
LGIP	\$ 4,897,057
Repurchase Agreements	9,060,278
Total	\$ 13,957,335

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The County has no investments measured at fair value as of December 31, 2018. All other investments are measured at amortized cost.

B. RECEIVABLES

Housing Rehabilitation Loans. The County has been awarded federal Community Development Block Grant (CDBG) Program grants through the Wisconsin Department of Administration for the purpose of financing housing rehabilitation loans. Repayments received on the original loans are to be recorded in a separate housing revolving loan account and are to be used to finance similar loans eligible under the program. At December 31, 2018, the County had 65 loans outstanding totaling \$756,670. The County has delegated the administration of this program to the Eau Claire County Housing Authority, and performs annual oversight activities over the management of the program.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>December 31</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,887,670	\$ 201,420	\$ -	\$ 4,089,090
Land-Right of Ways	2,249,109	-	-	2,249,109
Infrastructure Construction in Progress	861,379	983,294	(67,339)	1,777,334
Other Work in Progress	354,977	394,270	(361,992)	387,255
Total Capital Assets, Not Being Depreciated	<u>7,353,135</u>	<u>1,578,984</u>	<u>(429,331)</u>	<u>8,502,788</u>
Capital Assets, Being Depreciated				
Land improvements	4,169,940	151,250	-	4,321,190
Intangibles	2,841,585	-	-	2,841,585
Buildings and Improvements	79,793,830	713,278	-	80,507,108
Machinery and Equipment	6,667,878	1,886,916	(72,650)	8,482,144
Infrastructure	125,476,572	5,088,676	(3,364,800)	127,200,448
Total Capital Assets, Being Depreciated	<u>218,949,805</u>	<u>7,840,120</u>	<u>(3,437,450)</u>	<u>223,352,475</u>
Less accumulated depreciation for:				
Land Improvements	888,280	96,583	-	984,863
Intangibles	552,618	202,043	-	754,661
Buildings and Improvements	18,521,765	1,670,996	-	20,192,761
Machinery and Equipment	4,178,950	757,586	(72,650)	4,863,886
Infrastructure	44,622,700	3,065,100	(3,004,000)	44,683,800
Total Accumulated Depreciation	<u>68,764,313</u>	<u>5,792,308</u>	<u>(3,076,650)</u>	<u>71,479,971</u>
Capital Assets, Net of Depreciation	<u>\$ 157,538,627</u>	<u>\$ 3,626,796</u>	<u>\$ (790,131)</u>	<u>\$ 160,375,292</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 968,382
Public safety	1,311,110
Public works	3,079,323
Health and social services	129,723
Culture, recreation and education	291,670
Conservation and development	12,100
Total governmental activities depreciation expense	<u>\$ 5,792,308</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

	Balance <u>January 1</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>December 31</u>
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,140,502	\$ -	\$ -	\$ 2,140,502
Construction work in progress	1,596,385	427,460	(607,650)	1,416,195
Total capital assets, not being depreciated	<u>3,736,887</u>	<u>427,460</u>	<u>(607,650)</u>	<u>3,556,697</u>
Capital assets, being depreciated:				
Land improvements	17,965,869	-	-	17,965,869
Buildings and Improvements	29,110,464	956,962	-	30,067,426
Machinery and Equipment	16,337,777	1,670,971	(897,438)	17,111,310
Total Capital Assets, Being Depreciated	<u>63,414,110</u>	<u>2,627,933</u>	<u>(897,438)</u>	<u>65,144,605</u>
Less accumulated depreciation for:				
Land Improvements	10,184,132	538,976	-	10,723,108
Buildings and Other Improvements	11,118,294	870,116	-	11,988,410
Machinery and Equipment	8,206,060	892,325	(642,098)	8,456,287
Total Accumulated Depreciation	<u>29,508,486</u>	<u>2,301,417</u>	<u>(642,098)</u>	<u>31,167,805</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,642,511</u>	<u>\$ 753,976</u>	<u>\$ (862,990)</u>	<u>\$ 37,533,497</u>
Depreciation was charged to business-type activities as follows:				
Airport		\$ 1,417,892		
Highway		883,525		
		<u>\$ 2,301,417</u>		

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2018 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services	\$ 1,873,361
General Fund	Anti-Drug Program	214,306
General Fund	Aging & Disability Resource Center	123,290
		<u>\$ 2,210,957</u>

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2019. 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 \$173,086 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	Capital Projects	\$ 6,023,000
Human Services Fund	General Fund	2,492,413
Capital Projects Fund	General Fund	350,753
		<u>\$ 8,866,166</u>

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, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

The following is a summary of changes in long term obligations of the County for the year ended December 31, 2018:

	Balance, January 1	Additions	Removals	Balance, December 31	Due Within One Year
Governmental Activities					
General Obligation Bonds/Notes	\$ 82,000,000	\$ 10,000,000	\$ (7,170,000)	\$ 84,830,000	\$ 8,260,000
Premium on Bonds/Notes	1,500,909	239,902	(178,904)	1,561,907	-
Subtotal	<u>83,500,909</u>	<u>10,239,902</u>	<u>(7,348,904)</u>	<u>86,391,907</u>	<u>8,260,000</u>
Other Liabilities					
Vested Compensated Absences	3,346,174	-	(143,994)	3,202,180	1,921,308
Unpaid Self-Insurance Claims	1,575,000	402,175	(334,000)	1,643,175	737,175
Long-Term Payable to City of Eau Claire	92,757	-	(5,679)	87,078	5,679
Total Other Liabilities	<u>5,013,931</u>	<u>402,175</u>	<u>(483,673)</u>	<u>4,932,433</u>	<u>2,664,162</u>
Total Governmental Activities					
Long-Term Obligations	<u>88,514,840</u>	<u>10,642,077</u>	<u>(7,832,577)</u>	<u>91,324,340</u>	<u>10,924,162</u>
Business Type Activities					
Bonds and Notes Payable					
General Obligation Debt	593,050	-	(101,690)	491,360	105,503
Other Liabilities					
Capital Leases Payable	2,160,647	-	(423,953)	1,736,694	432,562
Vested Compensated Absences	430,263	-	(7,117)	423,146	253,887
Total Other Liabilities	<u>2,590,910</u>	<u>-</u>	<u>(431,070)</u>	<u>2,159,840</u>	<u>686,449</u>
Total Business Type Activities					
Long-Term Obligations	<u>3,183,960</u>	<u>-</u>	<u>(532,760)</u>	<u>2,651,200</u>	<u>791,952</u>
Total - All Activities	<u>\$ 91,698,800</u>	<u>\$ 10,642,077</u>	<u>\$ (8,365,337)</u>	<u>\$ 93,975,540</u>	<u>\$ 11,716,114</u>

Aggregate cash flow requirements for the retirement of general obligation long-term principal and interest on December 31, 2018 are as follows:

	Year	Principal	Interest	Total
Governmental Activities				
	2019	\$ 8,260,000	\$ 2,303,632	\$ 10,563,632
	2020	8,205,000	2,160,232	10,365,232
	2021	8,415,000	1,957,082	10,372,082
	2022	8,630,000	1,744,416	10,374,416
	2023	8,940,000	1,523,194	10,463,194
	2024-2028	31,535,000	4,839,301	36,374,301
	2029-2032	10,845,000	944,426	11,789,426
		<u>\$ 84,830,000</u>	<u>\$ 15,472,283</u>	<u>\$ 100,302,283</u>
Business-Type Activities				
	2019	\$ 105,503	\$ 18,426	\$ 123,929
	2020	109,420	14,509	123,929
	2021	113,563	10,366	123,929
	2022	117,822	6,108	123,930
	2023	45,052	1,689	46,741
		<u>\$ 491,360</u>	<u>\$ 51,098</u>	<u>\$ 542,458</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (continued)

Detail of the general obligations of the County as of December 31, 2018 is as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Total Payable 12/31/18	Current Portion 12/31/18
Governmental Activities:						
General Obligation Bonds/Notes:						
2010A	9/21/2010	9/01/2020	2.00 - 3.00	\$ 5,080,000	\$ 820,000	\$ 405,000
2010B	11/9/2010	9/1/2030	3.70 - 5.10	9,190,000	9,190,000	-
2011B	12/22/2011	9/1/2031	3.00 - 4.00	18,000,000	16,025,000	690,000
2013A	10/22/2013	9/1/2023	2.00 - 2.50	7,600,000	3,970,000	755,000
2014A	10/02/2014	9/1/2024	1.00 - 2.25	10,000,000	6,220,000	985,000
2015A	10/17/2015	9/1/2025	2.00 - 2.25	9,500,000	6,790,000	920,000
2016A	9/7/2016	9/1/2026	2.00 - 3.00	12,630,000	10,340,000	1,180,000
2016B	9/7/2016	9/1/2027	1.25 - 2.00	14,235,000	12,745,000	1,345,000
2017A	10/24/2017	9/1/2027	1.25 - 2.00	9,750,000	8,730,000	895,000
2018A	11/1/2018	9/1/2028	3.00 - 4.00	10,000,000	10,000,000	1,085,000
Total General Obligation Bonds/Notes				\$ 105,985,000	\$ 84,830,000	\$ 8,260,000
Total Governmental Activities				\$ 105,985,000	\$ 84,830,000	\$ 8,260,000
Business-Type Activities						
General Obligation Notes						
State Trust Fund	1/31/2014	3/15/2022	3.75	\$ 522,802	\$ 281,821	\$ 66,619
State Trust Fund	1/31/2014	3/15/2023	3.75	350,000	209,539	38,884
Total General Obligation Bonds				\$ 872,802	\$ 491,360	\$ 105,503
Total Business Type Activities				\$ 872,802	\$ 491,360	\$ 105,503
Total General Obligation Debt				\$ 106,857,802	\$ 85,321,360	\$ 8,365,503

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

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, 2018, the County's debt limit amounted to \$437,740,090 and indebtedness subject to the limitation totaled \$85,321,360.

Capital leases

The County has entered into leases for the purchase of vehicles and equipment within the Highway fund. The assets acquired through capital leases included in the previous capital asset schedule (Note 2 C) total \$3,066,421 in cost and have accumulated depreciation totaling \$552,539 for a net book value of \$2,513,882 as of December 31, 2018.

Minimum lease payments over the term of the lease are as follows:

Year	Business-Type Funds
2019	\$ 467,401
2020	467,400
2021	467,399
2022	420,382
Subtotal	<u>1,822,582</u>
Less: Interest	(85,888)
Total	<u>\$ 1,736,694</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Lease Disclosures

The County has a 20 year lease, which began January 1, 2014 and continues 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 \$313,860.

In addition, the County has a 10 year lease, which began January 1, 2013 and continues through December 31, 2022, to allow the City-County Health Department to use space on the ground floor of the Eau Claire Courthouse. The lease may be extended for up to two additional five-year terms at the option of the County. The monthly rental rate is adjusted annually based on actual operational costs. The total rental payments received by the county were \$122,800.

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2018 consisted of the following:

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor Funds	Total
Nonspendable for:						
Delinquent Taxes	\$ 1,438,428	\$ -	\$ -	\$ -	\$ -	\$ 1,438,428
Tax Deeds	22,834	-	-	-	-	22,834
Inventory	6,278	16,585	-	-	-	22,863
Prepaid Items	524,918	122,144	-	-	6,600	653,662
Restricted for						
Debt Service	-	-	3,428,298	-	-	3,428,298
Housing Rehabilitation Loans	82,740	-	-	-	-	82,740
Recycling	-	-	-	-	523,061	523,061
Specialized Transportation Program	-	-	-	-	90,947	90,947
Assigned to:						
Subsequent Year's Budget Deficit	755,582	32,211	-	-	13,160	800,953
Future Watershed Expenditures	-	-	-	-	111,742	111,742
Future ADRC Expenditures	-	-	-	-	73,428	73,428
Future Land Record Expenditures	-	-	-	-	21,744	21,744
Unassigned	10,133,593	(1,456,914)	-	(657,434)	(220,061)	7,799,184
	<u>\$ 12,964,373</u>	<u>\$ (1,285,974)</u>	<u>\$ 3,428,298</u>	<u>\$ (657,434)</u>	<u>\$ 620,621</u>	<u>\$ 15,069,884</u>

Unassigned fund balance in the Capital Projects fund includes bond proceeds received in 2018, but not spent until 2019 when the related projects are expected to be completed.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, vested PTO earned and not taken was approximately \$3,202,180 in the governmental funds and \$423,146 in the business- type activities determined on the basis of current wage and salary rates.

B. Wisconsin Retirement System (WRS) 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 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Comprehensive Annual Financial Report which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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>
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
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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, 2018 through December 31, 2018, the WRS recognized \$2,058,945 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

	Employee	Employer	Duty Disability
General	6.70%	6.70%	0.00%
Executives and Elected Officials	6.70%	6.70%	0.00%
Protective with Social Security	6.70%	10.70%	2.53%
Protective without Social Security	6.70%	14.90%	2.53%

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset, Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the County reported an asset of \$5,825,664 for its proportionate share of the net pension asset. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. The County's proportion of the net pension asset was based on a projection of the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.19620854%, which was an increase of 0.00263968% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$2,489,817. At December 31, 2018, 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 experiences	\$ 7,401,650	\$ 3,462,247
Changes of actuarial assumptions	1,151,037	-
Net difference between projected and actual earnings on pension plan investments	-	8,006,835
Difference between actual and proportionate share of contributions	3,724	69,118
County contributions subsequent to the measurement date	2,058,945	-
Total	<u>\$ 10,615,356</u>	<u>\$ 11,538,200</u>

Deferred outflows of resources of \$2,058,945 related to pensions, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction to the net pension asset in the year ended December 31, 2019. 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:	Deferred Outflows of Resources	Deferred Inflows of Resources	Expense
2019	\$ 5,915,401	\$ (5,322,287)	\$ 593,114
2020	5,233,917	(5,307,641)	(73,724)
2021	1,878,211	(3,879,126)	(2,000,915)
2022	1,750,056	(3,264,275)	(1,514,219)
2023	13,977	(22)	13,955

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset, Liability, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.20%
Discount Rate:	7.20%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.10%

* 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 2015 using experience from 2012 – 2014.

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 geometric real rates of return for each major asset class are summarized in the table on the following table:

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Asset Allocation Targets and Expected Returns

As of December 31, 2017

<u>Core Fund Asset Class</u>	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50.0	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110.0	7.3	4.4
 <u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (inflation) Forecast 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. 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 3.31%. 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 liability.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset, Liability, 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 to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,072,982	\$ (5,825,664)	\$ (21,709,282)

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://etf.wi.gov/publications/cafr.htm>.

C. Other Post-Employment Benefits – Multiple Employer Plan

General Information about the Other Post-Employment Benefits Plan

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Other Post-Employment Benefits – Multiple Employer Plan (Continued)

General Information about the Other Post-Employment Benefits Plan (continued)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$7,772 in contributions from the County.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Post-Employment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

At December 31, 2018, the County reported a liability of \$1,494,949 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.49689500%, which was a decrease of 0.0086975% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized OPEB expense of \$155,399. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 21,063
Changes of actuarial assumptions	144,460	-
Net difference between projected and actual earnings on OPEB plan investments	17,214	18,239
Difference between actual and proportionate share of contributions	-	-
County contributions subsequent to the measurement date	7,772	-
Total	<u>\$ 169,446</u>	<u>\$ 39,302</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Post-Employment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Deferred outflows of resources of \$7,772 related to OPEB, resulting from the County's contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Expense
2019	\$ 26,425	\$ (6,018)	\$ 20,407
2020	26,425	(6,018)	20,407
2021	26,425	(6,018)	20,407
2022	26,425	(6,018)	20,407
2023	22,122	(6,018)	16,104
Thereafter	33,846	(9,206)	24,640

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Post-Employment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
20 Year Tax Exempt Municipal Bond Yield	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2%-5.6%
Mortality:	Wisconsin 2012 Mortality Table

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Asset Allocation Targets and Expected Returns

As of December 31, 2017

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Rate of Return</u>
US Government Bonds	Barclays Government	1.0%	1.13%
US Credit Bonds	Barclays Credit	65.0%	2.61%
US Long Term Credit Bonds	Barclays Long Credit	3.0%	3.08%
US Mortgages	Barclays MBS	31.0%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Post-Employment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Single Discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 3.63 percent, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease to Discount Rate (2.63%)	Current Discount Rate (3.63%)	1% Increase To Discount Rate (4.63%)
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 2,112,930	\$ 1,494,949	\$ 1,020,712

D. 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. Management believes the current coverage is sufficient to preclude any significant uninsured losses to the County.

The County is self-insured for workers' compensation coverage. Claims are paid through Wisconsin Municipal Mutual Insurance Company.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. RISK MANAGEMENT (CONTINUED)

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 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.

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.

WMMIC had a general, automobile and other liability reinsurance contract in force for the year ended December 31, 2018. 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 \$30,000,000 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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. RISK MANAGEMENT (CONTINUED)

Self-Insured Health Insurance

The County contracted with a third-party administrator (TPA) beginning with 2018 to self-insure a portion of employee health insurance deductibles. The County uses a TPA to manage a medical reimbursement program that works to offset health insurance copays and deductibles that an employee may incur through the county health insurance plan. The program is designed to save the County money on fully insured health insurance plans.

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 pay-outs and other economic and social factors.

All funds of the County participate in the risk management programs and make payments to the risk management internal service fund. Charges for general liability are based primarily on exposure and claim experience. Workers' compensation premium charges are based primarily on payroll, worker classification, and claims experience. Charges for the self-insured portion of health insurance are based on actual employee health insurance enrollment and related claims.

Changes in the claims liability balances for workers' compensation, liability, and self-insured health insurance during the past two years are as follows:

	2018	2017
Estimated Claims Outstanding January 1	\$ 1,575,000	\$ 1,192,000
Current Year Claims and Changes	1,808,045	784,770
Claim Payments	(1,739,870)	(401,770)
Estimated Claims Outstanding December 31	<u>\$ 1,643,175</u>	<u>\$ 1,575,000</u>

E. 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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018 the following individual funds held a deficit balance:

Human Services Fund	\$1,285,974
Capital Projects Fund	657,434
Anti-Drug Program Fund	220,061

The Human Services fund deficit will be funded upon receipt of the Wisconsin Medicaid Cost Reporting (WIMCR) reimbursement from the State of Wisconsin. This reimbursement is expected to be received in December 2019. The Capital Projects Fund deficit will be funded through future tax levies. The Anti-Drug fund deficit is anticipated to be funded by a general fund balance transfer in 2019.

G. Prior Period Adjustment and Change in Accounting Principle

The beginning net position of the governmental activities has been restated to record Community Development Block Grant housing rehabilitation loans receivable. This adjustment resulted in an increase to beginning net position of \$800,373.

During the year ended December 31, 2018, the County adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This pronouncement requires the restatement of the December 31, 2017 net position of the governmental and proprietary activities as follows:

	Governmental Activities	Business-Type Activities	Total
Net Position, December 31, 2017, as Previously Reported	\$ 93,991,183	\$ 40,126,679	\$ 134,117,862
OPEB Related Items:			
Cumulative Affect of Application of GASB 75, Net OPEB Liability	(1,091,422)	(136,006)	(1,227,428)
Year Ending December 31, 2017 Net Position, as Restated, Before Prior Period Adjustment	<u>92,899,761</u>	<u>39,990,673</u>	<u>132,890,434</u>
Prior Period Adjustment	800,373	-	800,373
Net Position, December 31, 2017, as Restated	<u><u>\$ 93,700,134</u></u>	<u><u>\$ 39,990,673</u></u>	<u><u>\$ 133,690,807</u></u>

This page intentionally left blank.

Required Supplementary Information

EAU CLAIRE COUNTY, WISCONSIN

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 23,335,603	\$ 23,285,604	\$ 24,046,080	\$ 760,476
Intergovernmental Grants/Aids	5,621,749	5,655,929	5,800,640	144,711
Licenses and Permits	402,885	402,885	455,895	53,010
Fines, Forfeits and Penalties	298,430	298,430	295,878	(2,552)
Public Charges for Services	4,084,241	4,084,241	4,193,512	109,271
Intergovernmental Charges for Services	345,703	345,703	303,010	(42,693)
Investment Income	100,000	100,000	437,015	337,015
Other Revenues	542,779	542,779	771,965	229,186
Total Revenues	34,731,390	34,715,571	36,303,995	1,588,424
EXPENDITURES				
General Government	13,261,391	13,323,562	12,310,296	1,013,266
Public Safety	14,621,854	14,680,331	14,913,038	(232,707)
Health and Human Services	2,968,962	2,976,962	2,881,479	95,483
Culture, Recreation and Education	2,499,471	2,519,471	2,439,391	80,080
Conservation and Development	1,964,172	2,014,172	2,564,127	(549,955)
Total Expenditures	35,315,850	35,514,498	35,108,331	406,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(584,460)	(798,927)	1,195,664	1,994,591
OTHER FINANCING SOURCES (USES)				
Transfers Out	(774,983)	(774,983)	(2,843,166)	(2,068,183)
Net Change in Fund Balance	\$ (1,359,443)	\$ (1,573,910)	(1,647,502)	\$ (73,592)
Fund Balance (Deficit) - January 1			14,611,875	
Fund Balance (Deficit)- December 31			\$ 12,964,373	

The notes to the required supplemental information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,630,170	\$ 8,630,170	\$ 8,630,170	\$ -
Intergovernmental Grants/Aids	17,451,499	17,451,499	24,900,149	7,448,650
Public Charges for Services	976,815	976,815	910,179	(66,636)
Intergovernmental Charges for Services	2,047,023	2,047,023	2,180,170	133,147
Other Revenues	30,000	30,000	33,020	3,020
Total Revenues	<u>29,135,507</u>	<u>29,135,507</u>	<u>36,653,688</u>	<u>7,518,181</u>
EXPENDITURES				
Public Safety	1,174,827	1,174,827	1,239,276	(64,449)
Health and Human Services	27,960,680	27,960,680	39,192,799	(11,232,119)
Total Health and Human Services	<u>29,135,507</u>	<u>29,135,507</u>	<u>40,432,075</u>	<u>(11,296,568)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,778,387)	(3,778,387)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,492,413	2,492,413
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,285,974)</u>	<u>\$ (1,285,974)</u>
Fund Balance (Deficit) - January 1			-	
Fund Balance (Deficit) - December 31			<u>\$ (1,285,974)</u>	

The notes to the required supplemental information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST FOUR FISCAL YEARS

Measurement Date: December 31,	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County's Proportion of the Net Pension Liability (Asset)	0.19198544%	0.19319466%	0.19356886%	0.19620854%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,715,689)	\$ 3,139,376	\$ 1,595,470	\$ (5,825,664)
County's Covered Employee Payroll	\$ 25,767,642	\$ 26,161,108	\$ 27,080,193	\$ 28,162,983
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-18.30%	12.00%	5.89%	-20.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%

The notes to the required supplementary information are an integral part of this statement.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,927,277	\$ 1,864,429	\$ 2,026,634	\$ 2,058,945
Contributions in Relation to the Contractually Required Contributions	<u>(1,927,277)</u>	<u>(1,864,429)</u>	<u>(2,026,634)</u>	<u>(2,058,945)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 26,154,793	\$ 27,080,193	\$ 28,162,983	\$ 30,080,843
Contributions as a Percentage of Covered Employee Payroll	7.37%	6.88%	7.20%	6.84%

This schedule is presented prospectively from
year of implementation

The notes to the required supplementary information are an integral part of this statement.

**EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2018**

Measurement Date: December 31,	<u>2017</u>
County's Proportion of the Net OPEB Liability (Asset)	0.00496895%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,494,948
County's Covered Employee Payroll	\$ 20,895,856
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	44.81%

The notes to the required supplementary information are an integral part of this statement.

**EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY (ASSET)
LAST ONE FISCAL YEAR**

	2018
Contractually Required Contribution	\$ 7,772
Contributions in Relation to the Contractually Required Contributions	(7,772)
Contribution Deficiency (Excess)	\$ -
 County's Covered-Employee Payroll	\$ 30,080,843
 Contributions as a Percentage of Covered Employee Payroll	0.03%

This schedule is presented prospectively from
year of implementation

The notes to the required supplementary information are an integral part of this statement.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

NOTE 1 BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general and human services funds are derived from the County's annual operating budget.

The County's legal budget is adopted at the functional level of expenditures. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts, and appropriations of revenues and other sources for specified expenditure/uses. 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. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

The County had some overdrawn appropriations for the year ended December 31, 2018. It is recognized that overdrawn appropriations are contrary to Section 66.0607 of the Wisconsin Statutes.

NOTE 2 WISCONSIN RETIREMENT SYSTEM PENSION PLAN

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.

NOTE 3 WISCONSIN RETIREMENT SYSTEM – OTHER POST EMPLOYMENT BENEFITS

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.

Supplementary Information

EAU CLAIRE COUNTY, WISCONSIN

DEBT SERVICE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,895,290	\$ 8,895,290	\$ 8,895,290	\$ -
EXPENDITURES				
Debt Service:				
Principal Retirement	7,150,000	7,150,000	7,175,679	(25,679)
Interest and Fiscal Charges	2,287,742	2,287,742	2,136,006	151,736
Total Debt Service	<u>9,437,742</u>	<u>9,437,742</u>	<u>9,311,685</u>	<u>126,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(542,452)</u>	<u>(542,452)</u>	<u>(416,395)</u>	<u>126,057</u>
OTHER FINANCING SOURCES (USES)				
Premium on Bonds	144,205	144,205	180,697	36,492
Net Change in Fund Balance	<u>\$ (398,247)</u>	<u>\$ (398,247)</u>	<u>(235,698)</u>	<u>\$ 162,549</u>
Fund Balance (Deficit) - January 1			<u>3,663,996</u>	
Fund Balance (Deficit) - December 31			<u>\$ 3,428,298</u>	

EAU CLAIRE COUNTY, WISCONSIN

CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 89,675	\$ 139,674	\$ 139,674	\$ -
Intergovernmental Grants/Aids	-	-	106,273	106,273
Intergovernmental Charges for Services	-	-	165,226	165,226
Investment Income	-	-	50	50
Other Revenues	-	-	57,760	57,760
Total Revenues	89,675	139,674	468,983	329,310
EXPENDITURES				
General Government	20,000	20,000	68,240	(48,240)
Capital Outlay				
General Government	3,733,485	3,783,484	2,015,904	1,767,580
Public Safety	142,300	142,300	242,829	(100,529)
Health and Human Services	256,915	256,915	161,156	95,759
Culture, Recreation and Education	720,638	720,638	389,702	330,936
Conservation and Development	374,615	374,615	276,127	98,488
Debt Service	-	-	125,295	(125,295)
Total Expenditures	5,247,953	5,297,952	3,279,253	2,018,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,158,278)</u>	<u>(5,158,278)</u>	<u>(2,810,270)</u>	<u>2,348,008</u>
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	4,418,278	4,418,278	10,000,000	5,581,722
Premium on Bonds/Notes	-	-	59,205	59,205
Transfers In	740,000	740,000	350,753	(389,247)
Transfers Out	-	-	(6,023,000)	(6,023,000)
Total Other Financing Sources (Uses)	5,158,278	5,158,278	4,386,958	(771,320)
Net Change in Fund Balance	\$ -	\$ -	1,576,688	\$ 1,576,688
Fund Balance (Deficit) - January 1			<u>(2,234,122)</u>	
Fund Balance (Deficit) - December 31			<u>\$ (657,434)</u>	

EAU CLAIRE COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet

December 31, 2018

	Special Revenue Funds					Total
	Aging & Disability Resource Center	Watershed Fund	Anti-Drug Program	Recycling Fund	Land Records	
ASSETS						
Cash and Temporary Cash Investments	\$ 621	\$ 25,702	\$ -	\$ 572,475	\$ 35,680	\$ 634,478
Taxes Receivable	238,317	10,000	-	-	-	248,317
Accounts Receivable	8,093	-	-	7,713	1,064	16,870
Due from Other Governments	517,862	151,133	21,795	49,137	-	739,927
Prepaid Expenses	6,600	-	-	-	-	6,600
Total Assets	<u>\$ 771,493</u>	<u>\$ 186,835</u>	<u>\$ 21,795</u>	<u>\$ 629,325</u>	<u>\$ 36,744</u>	<u>\$ 1,646,192</u>
LIABILITIES						
Accounts payable	\$ 56,858	\$ 51,933	\$ 2,013	\$ 95,188	\$ 15,000	\$ 220,992
Accrued compensation	102,269	-	13,339	5,061	-	120,669
Due to Other Governments	-	-	12,198	6,015	-	18,213
Due to Other Funds	123,290	-	214,306	-	-	337,596
Total Liabilities	<u>282,417</u>	<u>51,933</u>	<u>241,856</u>	<u>106,264</u>	<u>15,000</u>	<u>697,470</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Years Property Tax	238,317	10,000	-	-	-	248,317
Unavailable Revenue	79,784	-	-	-	-	79,784
Total Deferred Inflows of Resources	<u>318,101</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,101</u>
FUND BALANCE (DEFICIT)						
Nonspendable	6,600	-	-	-	-	6,600
Restricted	90,947	-	-	523,061	-	614,008
Assigned	73,428	124,902	-	-	21,744	220,074
Unassigned	-	-	(220,061)	-	-	(220,061)
Total Fund Balances (Deficit)	<u>170,975</u>	<u>124,902</u>	<u>(220,061)</u>	<u>523,061</u>	<u>21,744</u>	<u>620,621</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	<u>\$ 771,493</u>	<u>\$ 186,835</u>	<u>\$ 21,795</u>	<u>\$ 629,325</u>	<u>\$ 36,744</u>	<u>\$ 1,646,192</u>

EAU CLAIRE COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Year Ended December 31, 2018

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Aging & Disability Resource Center	Watershed Fund	Anti-Drug Program Fund	Recycling Fund	Land Records	
REVENUES						
Taxes	\$ 110,539	\$ -	\$ -	\$ -	\$ 117,536	\$ 228,075
Intergovernmental Grants & Aids	2,288,714	152,772	208,098	498,150	-	3,147,734
Public Charges for Services	192,250	-	-	827,163	-	1,019,413
Investment Income	2,340	-	-	-	-	2,340
Other Revenues	188,916	-	2,926	-	-	191,842
Total Revenues	<u>2,782,759</u>	<u>152,772</u>	<u>211,024</u>	<u>1,325,313</u>	<u>117,536</u>	<u>4,589,404</u>
EXPENDITURES						
General Government	-	-	-	-	115,000	115,000
Public Safety	-	-	382,874	-	-	382,874
Public Works	-	-	-	1,340,463	-	1,340,463
Health and Human Services	2,879,801	-	-	-	-	2,879,801
Conservation and Development	-	146,698	-	-	-	146,698
Total Expenditures	<u>2,879,801</u>	<u>146,698</u>	<u>382,874</u>	<u>1,340,463</u>	<u>115,000</u>	<u>4,864,836</u>
Net Change in Fund Balance	(97,042)	6,074	(171,850)	(15,150)	2,536	(275,432)
Fund Balance (Deficit) - January 1	<u>268,017</u>	<u>118,828</u>	<u>(48,211)</u>	<u>538,211</u>	<u>19,208</u>	<u>896,053</u>
Fund Balance (Deficit) - December 31	<u>\$ 170,975</u>	<u>\$ 124,902</u>	<u>\$ (220,061)</u>	<u>\$ 523,061</u>	<u>\$ 21,744</u>	<u>\$ 620,621</u>

EAU CLAIRE COUNTY, WISCONSIN
AGING & DISABILITY RESOURCE CENTER SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 110,539	\$ 110,539	\$ 110,539	\$ -
Intergovernmental Grants/Aids	2,222,062	2,280,822	2,288,714	7,892
Public Charges for Services	192,338	192,338	192,250	(88)
Investment Income	70	70	2,340	2,270
Other Revenue	193,474	193,474	188,916	(4,558)
Total Revenues	<u>2,718,483</u>	<u>2,777,243</u>	<u>2,782,759</u>	<u>5,516</u>
EXPENDITURES				
Health and Human Services	2,718,483	2,777,243	2,879,801	(102,558)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(97,042)</u>	<u>\$ (97,042)</u>
Fund Balance (Deficit) - January 1			<u>268,017</u>	
Fund Balance (Deficit) - December 31			<u>\$ 170,975</u>	

EAU CLAIRE COUNTY, WISCONSIN
WATERSHED SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Intergovernmental Grants/Aids	\$ 208,082	\$ 208,082	\$ 152,772	\$ (55,310)
EXPENDITURES				
Conservation and Development	208,082	208,082	146,698	61,384
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,074</u>	<u>\$ 6,074</u>
Fund Balance - January 1			<u>118,828</u>	
Fund Balance - December 31			<u>\$ 124,902</u>	

EAU CLAIRE COUNTY, WISCONSIN
ANTI-DRUG PROGRAM SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Intergovernmental Grants/Aids	\$ 230,787	\$ 230,787	\$ 208,098	\$ (22,689)
Other Revenues	2,150	2,150	2,926	776
Total Revenues	<u>232,937</u>	<u>232,937</u>	<u>211,024</u>	<u>(21,913)</u>
EXPENDITURES				
Public Safety	232,937	232,937	382,874	(149,937)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(171,850)</u>	<u>\$ (171,850)</u>
Fund Balance (Deficit) - January 1			<u>(48,211)</u>	
Fund Balance (Deficit) - December 31			<u>\$ (220,061)</u>	

**EAU CLAIRE COUNTY, WISCONSIN
 RECYCLING SPECIAL REVENUE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
REVENUES				
Intergovernmental Grants/Aids	\$ 487,000	\$ 487,000	\$ 498,150	\$ 11,150
Public Charges for Services	854,000	854,000	827,163	(26,837)
Total Revenues	<u>1,341,000</u>	<u>1,341,000</u>	<u>1,325,313</u>	<u>(15,687)</u>
EXPENDITURES				
Public Works	1,341,000	1,341,000	1,340,463	537
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(15,150)</u>	<u>\$ (15,150)</u>
Fund Balance - January 1			<u>538,211</u>	
Fund Balance - December 31			<u>\$ 523,061</u>	

EAU CLAIRE COUNTY, WISCONSIN
LAND RECORD SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 117,536	\$ 117,536
EXPENDITURES				
General Government	-	-	115,000	115,000
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,536</u>	<u>\$ 2,536</u>
Fund Balance - January 1			<u>19,208</u>	
Fund Balance - December 31			<u>\$ 21,744</u>	

EAU CLAIRE COUNTY, WISCONSIN
FIDUCIARY FUNDS
 Combining Statement of Net Position

December 31, 2018

	Tax Agency	Sunshine	District Attorney	Clerk of Court	West Central Drug	Lower Chippewa Valley River Basin	Sheriff	Total Agency Funds
ASSETS								
Cash and Temporary Cash Investments	\$ 14,976,926	\$ 2,677	\$ 20,786	\$ 706,003	\$ 167,544	\$ 27,338	\$ 309,837	\$ 16,211,111
Taxes Receivable	209,031	-	-	-	-	-	-	209,031
Total Assets	<u>\$ 15,185,957</u>	<u>\$ 2,677</u>	<u>\$ 20,786</u>	<u>\$ 706,003</u>	<u>\$ 167,544</u>	<u>\$ 27,338</u>	<u>\$ 309,837</u>	<u>\$ 16,420,142</u>
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,338	\$ -	\$ 27,338
Special Deposits	-	2,677	20,786	706,003	167,544	-	309,837	1,206,847
Due to Other Governments	15,185,957	-	-	-	-	-	-	15,185,957
Total Liabilities	<u>\$ 15,185,957</u>	<u>\$ 2,677</u>	<u>\$ 20,786</u>	<u>\$ 706,003</u>	<u>\$ 167,544</u>	<u>\$ 27,338</u>	<u>\$ 309,837</u>	<u>\$ 16,420,142</u>

FACT SHEET

TO FILE NO. 19-20/047

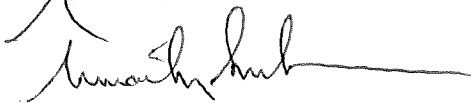
This resolution denies the claim filed on June 5, 2019 by the Mill Ridge Estates Condominium Owner's Association Inc. in the amount of \$20,676.20.

The Mill Ridge Estates Condominium Owner's Association Inc. has filed a claim against Eau Claire County as the result of damage that was caused to condominium units 4206 and 4204 Mill Ridge Circle, Eau Claire, WI. The damage occurred to these units as the result of melting snow in the ditch adjacent to County Highway TT, which is located west of and adjacent to these units. As the snow melted water it entered the lower levels of these units causing damage. Due to the heavy snowfall in February and March 2019 a larger than normal amount of snow was present in the ditch.

This matter has been reviewed by the Highway Department who reports that while the subdivision is located adjacent to CTH TT, it is located within the City of Eau Claire. The approval of the design of this subdivision was by the City of Eau Claire, including the design of the drainage ditches. Other than routine maintenance that was done to the ditch two years ago the county did not participate in the design or installation of the drainage ditches for the subdivision. The location does not appear to have been designed appropriately to meet the drainage needs of the subdivision. The only approval that the county has granted for the subdivision is to allow access to CTH TT.

Fiscal Impact: 0.00.

Respectfully Submitted,



Timothy J. Sullivan
Corporation Counsel

TJS/yk

Ordinance/19-20.047 Fact

4 - DISALLOWING THE CLAIM OF MILL RIDGE ESTATES CONDOMINIUM OWNER'S
5 ASSOCIATION INC. FILED ON JUNE 5, 2019 AGAINST EAU CLAIRE COUNTY;
6 DIRECTING THE COUNTY CLERK TO NOTIFY THE CLAIMANT OF SAID
7 DISALLOWANCE -

8 WHEREAS, on June 5, 2019 Marv Lansing on behalf of Mill Ridge Estates Condominium
9 Owner's Association Inc. filed a Notice of Claim in the amount of \$20,676.20 with the Eau Claire
10 County Clerk; and

11
12 WHEREAS, Mill Ridge Estates Condominium Owner's Association Inc. claims that the
13 Eau Claire County Highway Department through the course of normal snow removal from County
14 Highway TT during the months of February and March, 2019 caused substantial damage to
15 condominiums 4206 and 4204 Mill Ridge Circle, Eau Claire, WI 54703 as the result of the snow
16 melting and causing water damage to the units; and

17
18 WHEREAS, Mill Ridge Estates is a subdivision located adjacent to County Highway TT
19 but is within the boundary of the City of Eau Claire. Approval of the design of the subdivision,
20 including the ditches and drainage areas, was completed by the City of Eau Claire. The County
21 did not participate in the design or installation of the ditch but did provide routine maintenance to
22 the ditch two years ago.

23
24 WHEREAS, after review of the claim by WMMIC, our insurance liability carrier, it was
25 determined that Eau Claire County has no liability for this claim.

26
27 NOW THEREFORE BE IT RESOLVED. that the Eau Claire County Board of
28 Supervisors hereby formally disallows the claim of Mill Ridge Estates Condominium Owner's
29 Association Inc. filed against the County of Eau Claire.

30
31 BE IT FURTHER RESOLVED that the county clerk is hereby directed to notify Mill
32 Ridge Estates Condominium Owner's Association Inc. of the disallowance.

33 _____
34 _____
35 _____
36 _____
37 _____
38 _____
39 _____
40 _____
41 _____
42 _____
43 _____
44 _____

45 Committee on Finance and Budget

46 TJS/yk

47 Dated this _____ day of _____, 2019.

48 ORDINANC/19-20/047



WISCONSIN MUNICIPAL MUTUAL INSURANCE COMPANY
4781 Hayes Road, Suite 201 | Madison, WI 53704 • www.wmmic.com
Telephone: 608.246.3336 | Toll Free: 866.823.4217 | Facsimile: 608.852.8647

July 31, 2019

Tim Sullivan
721 Oxford Drive
Eau Claire, Wisconsin 54703

RE: Claimant: Mill Ridge Estates Condominium Owner's Association Inc.
 Claim number: GLECO0000467
 Our Insured: Eau Claire County
 Date of Loss: 3/13/2019

Dear Tim Sullivan,

The above referenced claim was filed on 6/5/2019. Following a review of the information and an investigation of the facts, it has been determined that Eau Claire County has no liability for this claim. Please issue a formal disallowance and provide a copy of this disallowance to WMMIC.

This claim will be closed on the date of receipt of the disallowance.

A copy of this letter has been placed in the claim file for reference. If you should have any further questions, please contact me.

Sincerely,

Sandi Linquist
Liability Claim Representative
Wisconsin Municipal Mutual Insurance Company
(608) 245-6892
slinquist@wmmic.com

Treasurer

Department Mission

Our mission is to provide the most effective, efficient and accountable administration of all treasury and tax collection activities for the County taxpayers.

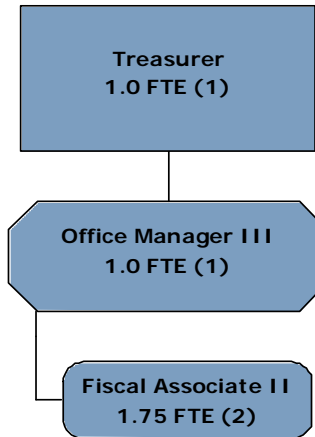
Strategic Direction and Priority Issues

Software replacement of the ACS program. My department uses it for tax bill preparation and collections.

Trends and Issues on the Horizon

Investment income expected to be steady in 2020 as well as delinquent tax payments of interest and penalties.

Organizational Chart



Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTE	4.00	4.00	4.00	4.00	3.75	3.75	3.75	3.75	3.75	3.75

**Overview of Revenues and Expenditures
Treasurer**

		2018	2019	2019	2020	%	2020	2020
Fund	Revenue:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Tax Levy	-456,056	-660,704	-718,255	-661,705	0%		
100	03-Other Taxes	508,068	457,500	457,500	457,500	0%		
100	06-Public Charges for Services	75,720	74,500	74,500	75,500	1%		
100	09-Other Revenue	435,089	450,000	500,000	450,000	0%		
	Total Revenues:	\$562,821	\$321,296	\$313,745	\$321,295	0%	\$0	\$0

		2018	2019	2019	2020	%	2020	2020
Fund	Expenditures:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Regular Wages	192,254	199,982	195,500	208,336	4%		
100	02-OT Wages	911	1,000	1,100	1,000	0%		
100	03-Payroll Benefits	75,486	81,749	78,582	73,228	-10%		
100	04-Contracted Services	2,252	1,750	1,750	2,181	25%		
100	05-Supplies & Expenses	33,361	34,300	34,300	33,500	-2%		
100	07-Fixed Charges	291	500	500	300	-40%		
100	09-Equipment	1,215	825	825	1,000	21%		
100	09-Grants, Contributions, Other	3,185	1,000	1,000	1,500	50%		
100	10-Other	105	188	188	250	33%		
	Total Expenditures:	\$309,060	\$321,294	\$313,745	\$321,295	0%	\$0	\$0

Net Surplus/(-Deficit) - Treasurer	\$253,761	\$2	\$0	\$0		\$0	\$0
---	------------------	------------	------------	------------	--	------------	------------

Treasury Management

Duties of the County Treasurer:

- * Daily receipting and balancing of the general funds
- * Short term investing of funds and having sufficient daily cash balances in bank
- * Supply all forms and flash drives with tax reports for the 18 municipalities
- * Collect first installment taxes for City of Eau Claire, Altoona and Town of
- * Collect second installment for the entire county from February - August
- * Calculate January, February and August settlements for all taxing jurisdictions
- * Create and publish the legal notice for properties entering the tax deed process
- * Certify and sign off that there are no delinquent taxes for timber cutting permits
- * Certify and sign off that there are no unpaid taxes on properties for the purpose of recording plats
- * Maintain records and collect delinquent taxes year round & advanced tax payments prior to the new bills being created
- * Calculate mill rates; enter municipal special charges; county special charges; file associated tax reports with the State of WI
- * Create & produce 18 municipal tax rolls, reports and the 50,000 tax statements. Maintain these records for 15 years
- * Filing and remitting monthly/quarterly/yearly state reports for Register of Deeds; Probate; County Clerk; and Clerk of Courts
- * Daily provide taxpayers, realtors, title companies, attorneys and lending information the most reliable and efficient service possible.
- * Report and pay managed forest land and private forest crop settlements to the Dept of Natural
- * Disburse County Payroll and Accounts Payable. Assist in ACH payments both incoming and outgoing.
- * Assist municipal Clerks and Treasurers and provide yearly training for our tax software and key dates for the DOR
- * Prepare a yearly budget; annual report and performance management report.

- * File personal property chargebacks with the State
- * Issue tax certificates and create/maintain the sale book
- * Bill and collect the Agricultural Use Value charges
- * Report and publish unclaimed funds for the County
- * Maintain the Lottery Credit list and complete a yearly
- * Reconcile our Alio accounts and prepare journal entries
- * Keep online tax portal current and maintain accuracy

<i>(YTD column = Jan-July results)</i>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>YTD2019</u>
#1 Treasury Management				
Total # of real estate tax statements produced (during December):	45,784	45,914	46,205	n/a
- # of real estate tax stmts produced for the City of Eau Claire only	21,650	21,701	21,859	n/a
- # of real estate tax stmts produced outside the City of Eau Claire	24,134	24,213	24,346	n/a
# of personal property tax statements produced (during December):	3,071	3,118	2,911	n/a
# of municipalities supported by Treasurer's Office:	18	18	18	18
# of municipalities contracting with Eau Claire Co for tax collection:	3	4	3	3
# of general transactions processed per year:	3,413	4,146	4,378	2,619
# of tax transactions processed during the year:	46,318	59,015	44,906	29,334
Dollar amount of tax transactions collected during the year:	\$114,393,134	\$131,461,564	\$120,904,264	\$78,144,442
Dollar amount of delinquent taxes collected during the year:	\$2,467,786	\$2,552,465	\$1,915,237	\$798,251
# of Seasonal Employees	4	3	2	3
Year to date total overage (shortage) of daily cash receipts:	\$45	-\$21	-\$66	\$19
Total tax receipt dollars collected & processed through Treasurer's office:	\$116,860,920	\$134,014,029	\$122,819,501	\$78,942,693
# of Tax Certificates mailed out in September - new measure for 2019	1,290	1,170	1,049	n/a
# of Letters mailed out "1st installment missed" in February - new measure for 2019	unknown	1,225	1,160	1,105

<u>Performance Goal</u>	<u>Outcome Measures</u>	<u>Benchmark</u>	<u>2017</u>	<u>2018</u>	<u>YTD2019</u>
Provide tax statements and rolls per WI Statute 74.03	100% of tax rolls and statements will be available to the municipal treasurers by December 7, 2018	100%	100%	100%	100%
To give municipal clerks and treasurers all the help that they need to properly process tax information	There will be no fines assessed against Eau Claire Co. due to delay in issuing settlement payments to municipalities, school districts, or the State of WI.	\$0	\$0	\$0	\$0
Receipts are written properly for general receipts & taxes	Cash balancing shortage or overage will be less than .0005% of the total	0.00004%	-0.00002%	-0.00005%	0.00002%
Timely bank deposits	100% of receipts issued by 4:00 p.m. are deposited in the bank each day. Checks held are deposited next business day.	100%	100%	100%	100%

EAU CLAIRE COUNTY, WISCONSIN
 2020 BUDGET
 HIGHLIGHTS

Changes and Highlights to the Department's Budget:

Change 1 -
Change 2 -
Change 3 -
Change 4 -
Change 5 -

	2019 Revised Budget	Cost to Continue Operations in 2020	Change 1	Change 2	Change 3	2020 Request
Description of Change						
01-Tax Levy	\$ (660,704)	(1,001)				\$ (661,705)
03-Other Taxes	\$ 457,500	-				\$ 457,500
06-Public Charges for Services	\$ 74,500	1,000				\$ 75,500
09-Other Revenue	\$ 450,000	-				\$ 450,000
0	\$ -	-				\$ -
0	\$ -	-				\$ -
Total Revenues	\$ 321,296	\$ (1)	\$ -	\$ -	\$ -	\$ 321,295
01-Regular Wages	\$ 199,982	\$ 8,354				\$ 208,336
02-OT Wages	\$ 1,000	\$ -				\$ 1,000
03-Payroll Benefits	\$ 81,749	\$ (8,521)				\$ 73,228
04-Contracted Services	\$ 1,750	\$ 431				\$ 2,181
05-Supplies & Expenses	\$ 34,300	\$ (800)				\$ 33,500
07-Fixed Charges	\$ 500	\$ (200)				\$ 300
09-Equipment	\$ 825	\$ 175				\$ 1,000
09-Grants, Contributions, Other	\$ 1,000	\$ 500				\$ 1,500
10-Other	\$ 188	\$ 62				\$ 250
0	\$ -	\$ -				\$ -
Total Expenditures	\$ 321,294	\$ 1	\$ -	\$ -	\$ -	\$ 321,295

**EAU CLAIRE COUNTY, WISCONSIN
2020 BUDGET
ADJUSTMENTS**

Implications of adjustments

Adjustment 1 -
Adjustment 2 -
Adjustment 3 -
Adjustment 4 -
Adjustment 5 -

	2020 Department Requested Budget	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	2020 Dept Adj Budget Request
Description of Change						
01-Tax Levy	\$ (661,705)					\$ (661,705)
03-Other Taxes	\$ 457,500					\$ 457,500
06-Public Charges for Service	\$ 75,500					\$ 75,500
09-Other Revenue	\$ 450,000					\$ 450,000
0	\$ -					\$ -
0	\$ -					\$ -
Total Revenues	\$ 321,295	\$ -	\$ -	\$ -	\$ -	\$ 321,295
01-Regular Wages	\$ 208,336					\$ 208,336
02-OT Wages	\$ 1,000					\$ 1,000
03-Payroll Benefits	\$ 73,228					\$ 73,228
04-Contracted Services	\$ 2,181					\$ 2,181
05-Supplies & Expenses	\$ 33,500					\$ 33,500
07-Fixed Charges	\$ 300					\$ 300
09-Equipment	\$ 1,000					\$ 1,000
09-Grants, Contributions, Oth	\$ 1,500					\$ 1,500
10-Other	\$ 250					\$ 250
0	\$ -					\$ -
Total Expenditures	\$ 321,295	\$ -	\$ -	\$ -	\$ -	\$ 321,295

County Clerk

Administers elections within Eau Claire County, including the preparation of ballots, programming of election equipment, preparation of required publications, and updating of voter records in the Statewide Voter Registration System for 15 of the 18 municipalities. In 2020 there will be two primaries and two elections and there will be the highest voter turnout in a four-year cycle. We research and notice all tax parcels that are three years delinquent and then conduct a public sale on properties that have been taken. We issue marriage licenses per State Statutes. The County Clerk is the clerk to the County Board; we record minutes, enroll legislation, and follow through on any directives as well as compile the Journal of Proceedings each session year.

Strategic Direction and Priority Issues

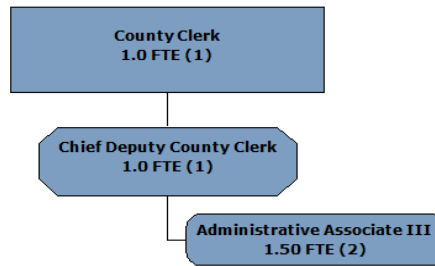
*Increase expertise in programming the new election equipment and software that results in efficiencies and cost savings. We now have the option to print more ballots if necessary, sometimes there can be a last minute change in voter turnout. The new election equipment's ability to modern the election results on election night results in unofficial election results to be posted to the website earlier than before and the municipal clerks do not have to drive to the courthouse on election night and our staff has not had to work late on election night.

Trends and Issues on the Horizon

*voting machine audits may be ordered in the future for each election, therefore budgeting for these audits should be considered (currently the Wisconsin Elections Board orders a sampling of audits after a general election, so once every two years)

Staffing/Organizational Chart

County Clerk - 2019



Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
FTE	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50

**Overview of Revenues and Expenditures
County Clerk**

		2018	2019	2019	2020	%	2020	2020
Fund	Revenue:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Tax Levy	208,646	232,096	232,096	279,124	20%		
100	06-Public Charges for Services	5,606	5,700	7,075	5,700	0%		
100	07-Licenses & Permits	33,165	42,300	42,000	42,000	-1%		
100	09-Other Revenue	42,096	10,000	10,000	10,000	0%		
	Total Revenues:	\$289,513	\$290,096	\$291,171	\$336,824	16%	\$0	\$0

		2018	2019	2019	2020	%	2020	2020
Fund	Expenditures:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Regular Wages	164,891	169,294	169,294	174,191	3%		
100	02-OT Wages	18	0	2	0			
100	03-Payroll Benefits	72,888	76,997	76,487	83,793	9%		
100	04-Contracted Services	2,975	10,100	10,100	6,600	-35%		
	05-Supplies & Expenses	61,657	32,505	26,505	71,940	121%		
	09-Equipment	250	1,200	1,200	300	-75%		
	Total Expenditures:	\$302,680	\$290,096	\$283,588	\$336,824	16%	\$0	\$0

Net Surplus/(-Deficit) - County Clerk		(\$13,166)	\$0	\$7,583	\$0		\$0	\$0
--	--	-------------------	------------	----------------	------------	--	------------	------------

Elections

Administer elections within Eau Claire County, including the preparation of ballots, programming of election equipment, insuring all required publications are made in a timely manner and updating the Statewide Voter Registration System. 2020 has two primaries and two elections and has the highest voter turnout in a four year election cycle.

OUTPUTS

(YTD column = Jan-June results)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>YTD 2019</u>
Number of paper ballots styles created for jurisdiction combinations:	58	144	58	166	61
Election equipment programmed:	72	153	72	144	72
Number of elections night results and reports:	1	4	2	4	2
Provide WisVote services for number of municipalities:	16	15	15	15	15

Tax Deeds

Administer the tax deed program, from research to determining ownership, through having a tax deed sale.

OUTPUTS

(YTD column = Jan-June results)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>YTD 2019</u>
Tax deed notices:	210	153	144	150	\$163,579
Quit claim deeds if sold:	10	7	5	14	11
Taxes, interest, and penalties collected:	\$317,519	\$302,979	\$278,844	\$261,698	\$163,579

County Clerk other services

A couple wishing to marry in Wisconsin must obtain a license from the County Clerk in which one of them lives. The required information that each applicant needs to supply is stated in the State Statutes.

Act as records custodian for and liaison to the county board, its committees, boards and councils, including publication of meeting notices, verifying attendance sheets and compilation and publication of the Journal of Proceedings.

OUTPUTS

(YTD column = Jan-June results)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>YTD2019</u>
Number of marriage applications and licenses	680	667	651	603	240
Number of County Board meeting minutes produced	17	17	17	17	\$9
Number of enrolled legislation:	138	102	103	108	41
Journal of Proceeding publicaton:	1	1	1	1	1
Dog licenses and tags distributed to the municipality and reconciled	7507	7531	6997	6847	3,978
Tax deed notices:	850	830	750	750	800
Official Directory books printed:	1000	950	925	925	750

**EAU CLAIRE COUNTY, WISCONSIN
2020 BUDGET
HIGHLIGHTS**

Changes and Highlights to the Department's Budget:

Change 1: The 2020 budget has increased costs for the printing of ballots and election publications. 2020 has the Presidential Preference in April which has a higher voter turnout than a normal April and the November Presidential Election will have the highest voter turnout in a four-year election cycle.

Change 2:

Change 3:

	2019 Revised Budget	Cost to Continue Operations in 2020	Change 1	Change 2	Change 3	2020 Request
Description of Change						
01-Tax Levy	\$ 232,096	47,028				\$ 279,124
06-Public Charges for Services	\$ 5,700	-				\$ 5,700
07-Licenses & Permits	\$ 42,300	(300)				\$ 42,000
09-Other Revenue	\$ 10,000	-				\$ 10,000
Total Revenues	\$ 290,096	\$ 46,728	\$ -	\$ -	\$ -	\$ 336,824
01-Regular Wages	\$ 169,294	\$ 4,897				\$ 174,191
02-OT Wages	\$ -	\$ -				\$ -
03-Payroll Benefits	\$ 76,997	\$ 6,796				\$ 83,793
04-Contracted Services	\$ 10,100	\$ (3,500)				\$ 6,600
05-Supplies & Expenses	\$ 32,505	\$ 39,435				\$ 71,940
09-Equipment	\$ 1,200	\$ (900)				\$ 300
Total Expenditures	\$ 290,096	\$ 46,728	\$ -	\$ -	\$ -	\$ 336,824

**EAU CLAIRE COUNTY, WISCONSIN
2020 BUDGET
ADJUSTMENTS**

Implications of adjustments

Adjustment 1:
Adjustment 2:
Adjustment 3:
Adjustment 4:

	2020 Department Requested Budget	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	2020 Dept Adj Budget Request
Description of Change						
01-Tax Levy	\$ 279,124					\$ 279,124
06-Public Charges for Service	\$ 5,700					\$ 5,700
07-Licenses & Permits	\$ 42,000					\$ 42,000
09-Other Revenue	\$ 10,000					\$ 10,000
Total Revenues	\$ 336,824	\$ -	\$ -	\$ -	\$ -	\$ 336,824
01-Regular Wages	\$ 174,191					\$ 174,191
02-OT Wages	\$ -					\$ -
03-Payroll Benefits	\$ 83,793					\$ 83,793
04-Contracted Services	\$ 6,600					\$ 6,600
05-Supplies & Expenses	\$ 71,940					\$ 71,940
09-Equipment	\$ 300					\$ 300
Total Expenditures	\$ 336,824	\$ -	\$ -	\$ -	\$ -	\$ 336,824

Finance Department

Department Mission

The purpose of the Finance Department is to facilitate the effective and efficient use of County resources and to provide a record and accountability for those resources. The Finance Department maintains financial records according to established accounting principles; coordinates budget preparation and implementation; and provides financial information to the County Board and County departments as well as provide County Purchasing support. The goal of the department is to provide insight and contribute to the overall fiscal management of Eau Claire County.

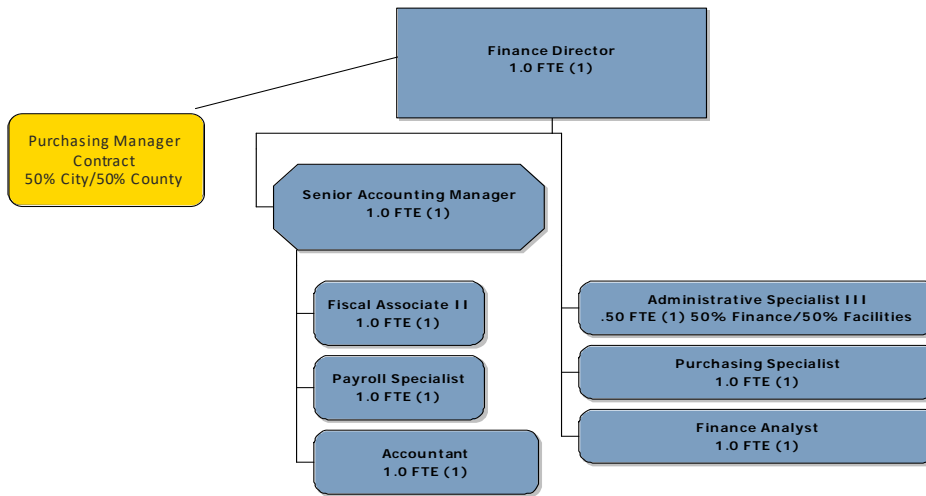
Strategic Direction and Priority Issues

- * Support the required fiduciary responsibilities of the Finance function for the County.
- * Continue to evolve and improve financial reporting to County departments, committees and the Board to provide consistent and meaningful reporting
- * Continue the transition of the department from less transactional support to more analysis and departmental business support.
- * Build on the partnership created through the Finance User Group (FUG) to provide continued financial education and support and provide a forum for finance related topics.
- * Establish forecasting processes to assist in the fiscal management of the annual budget.
- * Partner with IS to develop electronic workflow for employee expense reporting.
- * Create and/or update financial policy documents for the County.
- * Enhance the partnership between Finance and the departments through the implementation of Finance mentors assigned to each department to provide a financial focal point for each department.
- * Provide training opportunities for new staff.

Trends and Issues on the Horizon

- * The movement in Finance is to eliminate paper transaction workflows and replace them with electronic workflows.
- * Finance systems for the future will need to evolve to handle more automation and the introduction of new technology.
- * Future financial reporting will be moving towards more real-time financial reporting and less emphasis on structured time reporting such as monthly/quarterly reporting.
- * The skills required for financial support personnel will be more analytical and require the ability to transition from scorekeeper to business partner.

Staffing/Organizational Chart



Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTE	10.00	10.00	9.73	9.73	9.73	9.73	8.73	6.00	8.00	7.50

**Overview of Revenues and Expenditures
Finance**

		2018	2019	2019	2020	%	2020	2020
Fund	Revenue:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Tax Levy	605,103	803,944	803,944	808,234	1%		
100	02-Sales Tax	(44)	-	102	-			
100	09-Other Revenue	23,541	22,000	30,000	24,000	9%		
	Total Revenues:	\$628,600	\$825,944	\$834,046	\$832,234	1%	\$0	\$0

		2018	2019	2019	2020	%	2020	2020
Fund	Expenditures:	Actuals	Budget	Estimate	Request	Change	Recommend	Adopted
100	01-Regular Wages	368,238	498,257	499,341	514,178	3%		
100	02-OT Wages	1,839	3,000	4,000	4,000	33%		
100	03-Payroll Benefits	139,428	186,564	166,992	169,689	-9%		
100	04-Contracted Services	75,138	123,423	121,400	123,267	0%		
100	05-Supplies & Expenses	11,093	14,200	18,375	20,100	42%		
100	09-Equipment	-	500	750	1,000	100%		
100	10-Other	2	-	-	-			
	Total Expenditures:	\$595,739	\$825,944	\$810,858	\$832,234	1%	\$0	\$0

Net Surplus/(-Deficit) - Finance		\$32,861	\$0	\$23,188	\$0		\$0	\$0
---	--	-----------------	------------	-----------------	------------	--	------------	------------

2020 Budget Performance Management - Finance

Finance Performance Metrics			
Provide financial information and insight, budgetary assistance/training and purchasing support to all county departments, employees, elected officials, outside agencies, and other customers. Produce the annual financial statements and support the annual external audit and single audit reports as well as file the appropriate state and federal documentation as required. Support the financial internal controls for the County as well as financial policies and County code requirements.			
OUTPUTS			
General Finance	2017	2018	YTD Q2 2019
Total number of audit adjustments and value of income statement impact. (new measure)	53	38	N/A
Number of PBC (prepared by County staff/client) audit adjustments and value of income statement impact. (new measure)	20/\$366,000	18/\$240,000	N/A
Number of non-PBC audit adjustments and value of income statement impact. (new measure)	33/\$138,000	20/\$52,000	N/A
Number of policies drafted/adopted.	n/a	1	0
Percent of cash and accounts receivable accounts reconciled on a quarterly basis.	n/a	99.2%	100.0%
Number of journal entries posted during the year (new measure)	1,610	1,400	400
Number of active Alio accounts (new measure)	184	-1,372	-4,136
Number of vendor payments processed during the year. (new measure)	13,834	21,865	6,905
Number of 1099's issued during the year:	447	350	N/A
Payroll			
Number of paychecks processed	15,391	17,061	TBD
Number of payroll adjustments required (new measure)			TBD
Number of employee changes processed-new hires/terminations/changes (new measure)			TBD
Number of reports prepared and provided to other county departments, outside agencies, and other customers.		238	TBD
Purchasing			
Number & dollar amount of procurement bids processed during the year (new measure)			14/\$TBD
Number & dollar amount of RFPs processed during the year (new measure)			7/\$1.05M
Number & Dollar amount of POs issued during the year (new measure)			319/\$15.9M
Number of transactions and dollar amount of procurement card spending (new measure)		7,054/\$1.15M	2,974/\$.49M
Number of new vendors added (jurors) during the year (new measure)			556
Number of new vendors added (non-jurors) during the year (new measure)			266
Number of vendor change requests processed during the year (new measure)			316

EAU CLAIRE COUNTY, WISCONSIN
 2020BUDGET
 HIGHLIGHTS

Changes and Highlights to the Department's Budget:

Costs to Continue -
Change 1 -
Change 2 -
Change 3 -
Change 4 -

	2019 Revised Budget	Cost to Continue Operations in 2020	Change 1	Change 2	Change 3	2020 Request
Description of Change						
01-Tax Levy	\$ 803,944	4,290				\$ 808,234
02-Sales Tax	\$ -	-				\$ -
09-Other Revenue	\$ 22,000	2,000				\$ 24,000
Total Revenues	\$ 825,944	\$ 6,290	\$ -	\$ -	\$ -	\$ 832,234
01-Regular Wages	\$ 498,257	\$ 15,920				\$ 514,178
02-OT Wages	\$ 3,000	\$ 1,000				\$ 4,000
03-Payroll Benefits	\$ 186,564	\$ (16,875)				\$ 169,689
04-Contracted Services	\$ 123,423	\$ (156)				\$ 123,267
05-Supplies & Expenses	\$ 14,200	\$ 5,900				\$ 20,100
09-Equipment	\$ 500	\$ 500				\$ 1,000
10-Other	\$ -	\$ -				\$ -
0	\$ -	\$ -				\$ -
Total Expenditures	\$ 825,944	\$ 6,290	\$ -	\$ -	\$ -	\$ 832,234

**EAU CLAIRE COUNTY, WISCONSIN
2020 BUDGET
ADJUSTMENTS**

Implications of adjustments

Adjustment 1 - The current structure of the department includes four non-exempt employees and the workload and deadlines are such that OT is necessary at times. Not increasing the OT budget could impact meeting the deadlines for Payroll and Accounts Payable.

Change 2 - Reducing the supplies and expenses would be through a reduction of printing and duplicating which would require cutting back on printed materials, particularly budget materials, and moving towards more electronic distribution of materials.

Change 3 -

Change 4 -

Change 5 -

	2020 Department Requested Budget	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	2020 Budget Adopted
Description of Change						
01-Tax Levy	\$ 808,234	\$ (1,000)	\$ (1,000)			\$ 806,234
02-Sales Tax	\$ -					\$ -
09-Other Revenue	\$ 24,000					\$ 24,000
Total Revenues	\$ 832,234	\$ (1,000)	\$ (1,000)	\$ -	\$ -	\$ 830,234
01-Regular Wages	\$ 514,178					\$ 514,178
02-OT Wages	\$ 4,000	\$ (1,000)				\$ 3,000
03-Payroll Benefits	\$ 169,689					\$ 169,689
04-Contracted Services	\$ 123,267					\$ 123,267
05-Supplies & Expenses	\$ 20,100		\$ (1,000)			\$ 19,100
09-Equipment	\$ 1,000					\$ 1,000
10-Other	\$ -					\$ -
Total Expenditures	\$ 832,234	\$ (1,000)	\$ (1,000)	\$ -	\$ -	\$ 830,234



Finance Department

Norb Kirk, CPA, CMA
 Finance Director
 721 Oxford Avenue, Eau Claire, WI 54703

Phone: 715.839.2827
 E-Mail: norb.kirk@co.eau-claire.wi.us

To: Finance & Budget Committee and Eau Claire County Board of Supervisors
 Date: August 12, 2019
 Re: June 2019 – 2nd Quarter 2019 Financial Report

Revenues

Revenues tend to be more cyclical in nature than expenses, but by the second quarter of the fiscal year some directional inferences can be drawn. While many of Eau Claire County's (the "County") grants and aids, the second largest revenue source for the County, are paid on a reimbursement basis and follow the expenditure, other revenues such as those from public charges for services are more linear in nature.

Overall, excluding Bond Proceeds, and Fund Balance Applied/Transfers, 39.6% of the 2019 budgeted revenues have been recognized through June, which is ~5% (~\$3M) higher than compared to Q2'18. The increase year-to-year (YTY) is primarily driven by revenues from Highway that are \$1.9M higher YTY due to collections from the Vehicle Registration fee and higher State aid resulting from higher contracted winter maintenance work. Sales tax collections YTD as a percent of the budget are expected to be lower based on the timing and collection process and Intergovernmental Grants & Aids are traditionally lower through the first half of the year as well. Public Charges for Services through Q2 is running behind at 46% of budget, primarily due to lower revenues YTD from inmate fees, park entrance fees, timber sales, and Register of Deeds fees. We will continue to monitor these areas during Q3 for any indications of potential shortfalls from the budget, although early indications are that these areas will rebound in the second half of 2019.

Revenue:	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Actual YTD	Percent of Budget
01-Tax Levy	\$ 34,019,075	\$ 8,504,818	\$ 8,504,877	\$ 17,009,696	50.00%
02-Sales Tax	10,849,216	64	3,188,001	3,188,065	29.39%
03-Other Taxes	5,996,580	591,884	1,129,043	1,720,928	28.70%
04-Intergovernment Grants and Aid	31,112,711	3,486,346	4,290,850	7,777,196	25.00%
05-Intergovernmental Charges for Services	9,547,628	3,591,329	1,831,031	5,422,360	56.79%
06-Public Charges for Services	7,208,011	1,403,574	1,912,035	3,315,610	46.00%
07-Licenses & Permits	416,680	80,277	145,231	225,509	54.12%
08-Fines & Forfeitures	290,000	87,240	204,057	291,297	100.45%
09-Other Revenue	1,775,716	508,431	600,096	1,108,528	62.43%
10-Bond Proceeds	5,190,809			0	0.00%
11-Fund Balance Applied	2,776,587			0	0.00%
12-Fund Transfers	4,600,000			0	0.00%
Total Revenues:	\$113,783,013	\$18,253,965	\$ 21,805,223	\$ 40,059,188	35.21%
Excluding Bond Proceeds, Fund Balance Applied and Fund Transfers	\$101,215,617			\$ 40,059,188	39.58%
				\$ 36,877,484	34.12%

Property Taxes

Property taxes are due on January 31 and are collected by local treasurers through that date. After January 31, all collections become the responsibility of Eau Claire County (the County). By August 20, the County must make full payment to all the other taxing jurisdictions without regard to what has been collected. Outstanding taxes as of June 30, 2019 are presented below.

Levy Year	Collection Year	County Tax Rate	County Levy	County-Wide Levy	Uncollected Taxes as of	Percent of County-Wide Levy Collected
					30-Jun-19	
2018	2019	\$ 4.06	\$ 34,228,107	173,460,506	32,518,351	76.93%
2017	2018	\$ 4.09	\$ 32,444,886	172,992,808	622,897	99.64%
2016	2017	\$ 4.09	\$ 30,595,302	169,167,068	231,046	99.86%
2015	2016	\$ 4.02	\$ 29,015,350	159,300,022	57,912	99.96%
2014	2015	\$ 3.92	\$ 27,690,123	155,168,476	5,043	100.00%
2013	2014	\$ 3.88	\$ 26,178,192	151,529,795	1,195	100.00%
2012	2013	\$ 3.87	\$ 25,397,935	149,660,627	301	100.00%
2011	2012	\$ 3.71	\$ 24,493,206	148,648,642	268	100.00%
2010	2011	\$ 3.69	\$ 24,284,714	145,603,806	257	100.00%
2009	2010	\$ 3.63	\$ 23,500,160	140,446,458	246	100.00%
2008	2009	\$ 3.55	\$ 23,102,839	133,600,584	236	100.00%
2007	2008	\$ 3.62	\$ 19,385,823	129,494,337	250	100.00%
<i>Uncollected Taxes as of June 30, 2019</i>					33,438,002	
<i>Uncollected Taxes as of June 30, 2018</i>					32,247,185	

Sales Tax

As a reminder, sales tax receipts lag the month of sale by two months. Sales tax collections for the first five months of 2019 are essentially flat to collections for the same period one year ago, \$4.2M. The monthly average through the same period is down from what has been experienced in 2017-2018 and more in line with the monthly average experienced in 2016. That being said, the second half of the year has historically been stronger than the first half and collections for the month of May were the highest historically for that month. For further information and details please see the report “Eau Claire County Sales Tax Collection” found as part of the County wide reports under the Report Central website.

Vehicle Registration Fee (VRF)

This fee is collected by the State as part of the annual vehicle registration renewal process. The chart below outlines the activity through June of 2019. Assuming the collection activity continues to follow that of the past four months we are on track to meet the budgeted amount.

Collection Month	2019	
January	\$	69,579
February		148,262
March		170,323
April		225,742
May		238,091
June		221,855
Total	\$	1,073,852
Budget	\$	2,300,000
Excess (Short)	\$	(1,226,149)

Expenditures

Expenditures by Program

A summary of the expenditures by program, which excludes the impact of Internal Service Funds, is shown below and provides a functional perspective of the expenditures in relationship to the adopted budget. All the County departments fall into one or more of the program areas listed below. Analysis of the program expenditures may provide some insight into the demands of the community and the resulting expenditures incurred.

Internal Service funds provide services to other departments. The County has three internal service funds: Risk Management, Health Insurance, and Shared Services. Departments budget for their share of these expenditures as part of their annual budget.

Overall expenditures by program through Q2'19 were 40% of the 2019 budgeted amount. From a more operational perspective, excluding Debt Service and Capital Projects, expenditures through Q2'19 amounted to \$43.7M (45.3%) of the budget which is ~1% lower than the relative percentage through Q2'18.

Expenditure:	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Actual YTD	Percent of Budget
01-General Government	\$ 8,904,707	\$ 1,644,616	\$ 1,964,218	\$ 3,608,833	40.53%
02-Judicial	5,003,802	1,089,077	1,103,999	2,193,076	43.83%
03-Public Safety	16,712,630	3,519,800	3,902,970	7,422,770	44.41%
04-Health	37,335,830	8,409,587	9,760,400	18,169,988	48.67%
05-Transportation & Public Works	23,749,580	4,935,394	5,172,541	10,107,935	42.56%
06-Leisure	2,476,180	769,090	392,233	1,161,322	46.90%
07-Conservation & Economic Development	2,401,013	523,844	527,394	1,051,238	43.78%
08-Debt Service	10,413,716	-566,854	1,010,690	443,836	4.26%
09-Capital Projects (General)	6,808,555	451,744	1,144,508	1,596,252	23.44%
Total Expenditures:	\$113,806,013	\$20,776,299	\$ 24,978,952	\$ 45,755,252	40.20%
Excluding Debt Service & Capital Projects	\$96,583,742			\$43,715,163	45.26%
			Q2'18	\$44,211,706	46.59%

Expenditures by Category

Expenditures by category are represented below and provide a greater understanding of the source of the expenditure. Through Q2'19 overall total expenditures, including Internal Service Funds, amounted to 44.2% of the adopted budget, which from a percentage perspective is essentially flat to that experienced through Q2'18. The largest expenditure category, Personnel costs, are primarily driven by the amount of vacant FTE positions, which at the end of Q2'19 amounted to ~40 open positions. This is fairly consistent with the number in Q2'18. Personnel costs impact all programs across the county and is a main factor in overall program expenditure variances to budget. For additional information on Personnel costs please see the Trended Personnel Report found under the County wide reports in Report Central.

Increased Comprehensive Community Services (CCS) activity experienced by the Department of Human Services (DHS) through Q2'19 resulted in increased spending in both Contracted Services and Supplies and Services above the 2019 budgeted amounts halfway through 2019, although CCS expenditures are 100% reimbursed. The number of CCS participants through Q2'19 has already exceeded the number seen for all of 2018. In addition, DHS has seen an increase in the expenditures in Contracted Services for Alternate Care and Adult Protective Services.

Supplies & Services expenditures are typically more linear and through Q2'19 are running lower than expected, despite an increase seen by DHS in that category.

Fixed charges are above expectations through Q2. The primary driver for the increase in fixed charges is related to higher equipment rental by the Highway department to support the Winter season, which is covered by additional State aid.

Debt service is paid in March (interest only) and September (principal and interest). Capital outlay is typically more weighted to the second half of the year, and thus expenditures through Q2 are not a good indicator of the expected annual capital spending.

Expenditures	Budget	Actual	Variance u/(o)	% of Budget	YTD Comment
Personnel	\$ 50,476,476	\$ 21,094,036	\$ 29,382,440	41.8%	Primarily driven by vacancies (40), ~\$1M salary impact for half of a year
Contracted Services	22,726,069	13,338,113	9,387,956	58.7%	Driven by DHS at 69% YTD due to higher CCS activity than expected, resulting in an increase in contracted services, along with increased costs for Alternate Care and Adult Protective services
Supplies & Services	15,722,376	5,463,867	10,258,509	34.8%	Primarily driven by DHS at 58% YTD due to the increased activity in CCS
Fixed Charges	4,958,747	2,946,998	2,011,749	59.4%	Due to higher Highway equipment rental expense (80% YTD) due to additional Winter equipment needs
Internal Service Funds, Other	2,995,581	5,661,930	(2,666,349)	189.0%	Includes new health insurance Internal Service fund which had no budget. Preliminary analysis appears we may have a surplus in that fund in 2019. Community Agencies also are paid their annual amount in Q1.
Debt Service	10,613,645	507,931	10,105,714	4.8%	Lower due to offset of the Build America Bond interest rebates received (~\$500K) from filing for previous years credits
Capital Outlay & Equipment	8,152,821	2,114,329	6,038,492	25.9%	Driven by lower Highway capital spending YTD. Expecting the second half of the year will increase
Total	\$ 115,645,714	\$ 51,127,203	\$ 64,518,511	44.2%	

Economic Indicators

The state of the economy is an important leading indicator of potential impact to the County and is monitored through key metrics which include; property tax collections, key planning and zoning permits, register of deeds collections, and interest earned on invested funds. At this point none of the metrics through Q2'19 provide any reason for concern. The key metrics being monitored are summarized below.

Economic Indicator Line Items	2016 Total	2017 Total	2018 Total	2019 Annual Budget	Actual through 06/30/19	2019 % of Budget
Interest Collected on Delinquent Taxes	\$ 395,823	\$ 379,713	\$ 328,150	\$ 300,000	\$ 122,147	40.72%
Penalties Collected on Delinquent Taxes	197,265	186,973	168,129	150,000	60,829	40.55%
Zoning and Permits	388,431	301,573	366,915	315,000	178,496	56.67%
Real Estate Transfer Tax	281,283	312,030	303,241	285,000	144,525	50.71%
Register of Deeds Filing Fees	338,228	395,908	306,455	320,000	138,464	43.27%
Interest Earned on Investments	117,419	203,451	435,089	450,000	238,426	52.98%

In Conclusion

The YTD fiscal performance through the second quarter of 2019 is slightly ahead of what was experienced in 2018 with regards to revenue and flat YTY with regards to expenditures. Public Charges for Services is slightly behind through the first half of 2019, which will require closer monitoring during Q3'19 for any indications of a potential shortfall in that area. In addition, sales tax collections on a monthly average are behind what we have seen the past two years, but the month of May produced the highest historical collections for that month, so there is reason for cautious optimism. Sales tax certainly is impacted by the economic conditions and we will need a strong second half of 2019 to meet the budget amount.

While overall expenditures are relatively flat YTY as a percentage of the budget, we do need to monitor the spending for Contractual Services, which was above 50% of budget through Q2. Continued increased spending in Contracted Services, particularly resulting from Alternate Care and Adult Protective Services, could have an impact on the overall 2019 results.

Overall, it is not unusual for expenditures to exceed revenues through the first half of the year, and 2019 is proving to not be an exception. While the revenue based on percentage through Q2 is above that seen in 2018, it does have a couple areas that we will need to monitor. This along with the potential for increased Contracted Services costs provide a basis for close financial monitoring during Q3.

The Finance department is continuing to introduce and refine financial reporting in 2019 which should assist in providing additional information and context. These reports will be available on the County website under "Report Central" via the URL: <https://www.co.eau-claire.wi.us/government/financial-information>.

I encourage you to contact me with any questions you may have.

Respectfully Submitted,

Norbert Kirk
 Finance Director

EAU CLAIRE COUNTY FINANCIAL REPORT (Unaudited)
June 30, 2019 - at 07/26/19
Percent of Year Complete: 50%

Department	Variance to Budget	2019 Budget Expenses	2019 Actual Expenses	% of Budget	2018 % of Budget	2019 Budget Revenues	2019 Actual Revenues	% of Budget	2018 % of Budget
GENERAL FUND									
Administration	22,875	409,749	158,159	38.60%	32.21%	409,749	181,035	44.18%	44.95%
CJCC	100,265	995,717	377,899	37.95%	NA	995,717	478,164	48.02%	NA
Corporation Counsel / Child Support	(261,585)	1,964,890	929,654	47.31%	44.84%	1,964,890	668,069	34.00%	45.54%
County Board	24,713	141,511	46,042	32.54%	43.98%	141,511	70,756	50.00%	50.00%
County Clerk	29,464	290,096	125,950	43.42%	45.00%	290,096	155,415	53.57%	50.67%
Courts	272,322	2,417,982	1,100,971	45.53%	47.01%	2,417,982	1,373,293	56.80%	48.10%
District Attorney	(48,782)	1,147,660	491,369	42.81%	47.01%	1,147,660	442,587	38.56%	40.65%
Extension Office	19,196	303,351	132,190	43.58%	46.47%	303,351	151,386	49.90%	49.67%
Facilities	208,010	2,357,691	987,574	41.89%	41.60%	2,357,691	1,195,584	50.71%	50.28%
Finance	81,128	825,944	342,592	41.48%	53.86%	825,944	423,719	51.30%	49.72%
Human Resources	64,418	710,046	290,606	40.93%	44.65%	710,045	355,023	50.00%	50.00%
Information Services	133,180	2,246,094	934,963	41.63%	30.67%	2,246,094	1,068,143	47.56%	45.36%
Nondepartmental*	(3,709,575)	5,233,978	2,694,087	51.47%	73.01%	5,233,976	(1,015,490)	-19.40%	-45.51%
Parks and Forest	91,776	1,582,317	560,499	35.42%	33.82%	1,582,317	652,275	41.22%	28.94%
Planning and Development	(115,625)	1,692,645	785,450	46.40%	53.25%	1,692,645	669,825	39.57%	37.65%
Register in Probate	14,473	270,156	117,360	43.44%	42.49%	270,156	131,833	48.80%	47.58%
Register of Deeds	(14,717)	331,958	112,504	33.89%	50.88%	331,959	97,788	29.46%	47.05%
Sheriff	538,276	13,098,494	5,819,362	44.43%	47.56%	13,098,494	6,357,638	48.54%	48.65%
Treasurer	42,044	321,294	125,612	39.10%	43.01%	321,296	167,658	52.18%	59.54%
Veterans Office	29,783	305,240	107,503	35.22%	40.58%	305,240	137,286	44.98%	53.59%
TOTAL GENERAL FUND	(2,478,360)	36,646,812	16,240,345	44.32%	46.81%	36,646,812	13,761,985	37.55%	36.06%

*Nondepartmental expenditures include, but are not limited to, the following: Community Agencies, Medical Examiner, Communciation Center, Health Department, Library, Beaver Creek

*Nondepartmental revenues include county sales tax, forest crop taxes, other shared taxes, allocated property taxes, Medical Examiner fees, and other general government grants

EAU CLAIRE COUNTY FINANCIAL REPORT (Unaudited)
 June 30, 2019 - at 07/26/19
 Percent of Year Complete: 50%

Department	Variance to Budget	2019 Budget Expenses	2019 Actual Expenses	% of Budget	2018 % of Budget	2019 Budget Revenues	2019 Actual Revenues	% of Budget	2018 % of Budget
HEALTH AND HUMAN SERVICES FUND	(6,029,722)	32,464,583	15,988,539	49.25%	55.71%	32,464,583	9,958,817	30.68%	35.48%
DEBT SERVICE FUND	4,672,673	10,413,716	443,836	4.26%	10.45%	10,413,716	5,116,510	49.13%	47.13%
CAPITAL PROJECTS FUND	(1,501,432)	6,808,555	1,638,555	24.07%	19.21%	6,808,555	137,123	2.01%	0.97%
ENTERPRISE FUNDS									
Airport	210,623	1,459,853	578,679	39.64%	55.28%	1,459,853	789,302	54.07%	52.25%
Highway	(839,798)	20,929,627	8,956,086	42.79%	31.90%	20,929,627	8,116,289	38.78%	28.43%
TOTAL ENTERPRISE FUNDS	(629,175)	22,389,480	9,534,765	42.59%	33.35%	22,389,480	8,905,590	39.78%	29.91%
SPECIAL REVENUE FUNDS									
Land Records Retained Fees	50,384	100,000	-	0.00%	0.00%	100,000	50,384	50.38%	55.08%
Watershed	(64,507)	322,734	77,824	24.11%	6.21%	322,734	13,317	4.13%	0.00%
Recycling	379,807	1,360,100	573,170	42.14%	41.12%	1,360,100	952,978	70.07%	68.90%
West Central Drug Task Force (Forfeiture Funds)	118,769	96,944	18,561	19.15%	71.51%	96,944	137,330	141.66%	57.65%
Aging and Disability Resource Center	(214,501)	3,203,088	1,239,656	38.70%	46.16%	3,203,088	1,025,155	32.01%	0.32%
TOTAL SPECIAL REVENUE FUNDS	269,952	5,082,866	1,909,211	37.56%	43.16%	5,082,866	2,179,163	42.87%	42.83%
SUBTOTAL BEFORE INTERNAL SERVICE FUNDS	(5,696,064)	113,806,013	45,755,252			113,806,013	40,059,188		
INTERNAL SERVICE FUNDS									
Risk Management	(223,550)	1,839,701	818,795	44.51%	81.18%	1,839,701	595,245	32.36%	131.95%
Health Insurance	(339,337)	-	4,553,156	NA	NA	-	4,213,819	NA	NA
TOTAL INTERNAL SERVICE FUNDS	(562,887)	1,839,701	5,371,951	292.00%	81.18%	1,839,701	4,809,064	261.40%	131.95%
TOTAL COUNTY	(6,258,951)	115,645,714	51,127,203	44.21%	42.16%	115,645,714	44,868,252	38.80%	35.46%
Original Adopted Budget		113,657,654							
Additional Grants	Res 18-19/118	212,514							
Carryforward Funds from 2018	Res 19-20/016	1,775,546							
Adjusted Budget		115,645,714							

Eau Claire County - Quarterly Financial

Budget to Actual Summary

For Period Ending: Q2, 2019

Revenue:	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
01-Tax Levy	34,019,075	8,504,818	8,504,877	0	0	17,009,696	50.00%
02-Sales Tax	10,849,216	64	3,188,001	0	0	3,188,065	29.39%
03-Other Taxes	5,996,580	591,884	1,129,043	0	0	1,720,928	28.70%
04-Intergovernment Grants and Aid	31,112,711	3,486,346	4,290,850	0	0	7,777,196	25.00%
05-Intergovernmental Charges for Services	9,547,628	3,591,329	1,831,031	0	0	5,422,360	56.79%
06-Public Charges for Services	7,208,011	1,403,574	1,912,035	0	0	3,315,610	46.00%
07-Licenses & Permits	416,680	80,277	145,231	0	0	225,509	54.12%
08-Fines & Forfeitures	290,000	87,240	204,057	0	0	291,297	100.45%
09-Other Revenue	1,775,716	508,431	600,096	0	0	1,108,528	62.43%
10-Bond Proceeds	5,190,809			0	0	0	0.00%
11-Fund Balance Applied	2,776,587		0	0	0	0	0.00%
12-Fund Transfers	4,600,000			0	0	0	0.00%
Total Revenues:	\$113,783,013	\$18,253,965	21,805,223	0	0	40,059,188	35.21%

Expenditure:	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
01-General Government	8,904,707	1,644,616	1,964,218	0	0	3,608,833	40.53%
02-Judicial	5,003,802	1,089,077	1,103,999	0	0	2,193,076	43.83%
03-Public Safety	16,712,630	3,519,800	3,902,970	0	0	7,422,770	44.41%
04-Health	37,335,830	8,409,587	9,760,400	0	0	18,169,988	48.67%
05-Transportation & Public Works	23,749,580	4,935,394	5,172,541	0	0	10,107,935	42.56%
06-Leisure	2,476,180	769,090	392,233	0	0	1,161,322	46.90%
07-Conservation & Economic Development	2,401,013	523,844	527,394	0	0	1,051,238	43.78%
08-Debt Service	10,413,716	-566,854	1,010,690	0	0	443,836	4.26%
09-Capital Projects (General)	6,808,555	451,744	1,144,508	0	0	1,596,252	23.44%
Total Expenditures:	\$113,806,013	\$20,776,299	24,978,952.44	0	0	\$45,755,252	40.20%

	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD
Net Surplus/(-Deficit)	(\$23,000)	(\$2,522,334)	(\$3,173,730)	\$0	\$0	(\$5,696,064)

Eau Claire County - Quarterly Financial General Government

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
CA-Community TV	16,444	16,444		0	0	16,444	100.00%
Central Duplicating/Mail	0	14,357	17,519	0	0	31,876	0.00%
Contingency/Risk Pool	290,000		0	0	0	0	0.00%
Corp Counsel	713,716	146,899	226,761	0	0	373,660	52.35%
County Administrator	409,749	109,197	48,962	0	0	158,159	38.60%
County Board	141,511	20,700	25,343	0	0	46,042	32.54%
County Clerk	290,096	57,272	68,678	0	0	125,950	43.42%
County Treasurer	321,294	59,066	66,546	0	0	125,612	39.10%
Courthouse Facilities/Ag Center	2,357,691	455,562	532,012	0	0	987,574	41.89%
Finance	825,944	156,184	186,407	0	0	342,592	41.48%
Human Resources	710,046	150,948	139,658	0	0	290,606	40.93%
Information Systems	2,246,094	372,069	573,320	0	0	945,390	42.09%
Nondepartmental Overhead	150,164	26,283	26,143	0	0	52,425	34.91%
Register of Deeds	331,958	59,636	52,868	0	0	112,504	33.89%
Risk Mgmt/Workers Comp	0					0	0.00%
Total General Government:	\$8,804,707	\$1,644,616	\$1,964,218			\$3,608,833	40.99%

Eau Claire County - Quarterly Financial

Judicial

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
Circuit Court	659,262	160,170	181,461	0	0	341,631	51.82%
Clerk of Courts	1,488,320	308,345	335,575	0	0	643,920	43.26%
Court Attorney Fees	270,400	46,556	68,864	0	0	115,420	42.68%
Criminal Justice Collaborating Council	995,717	199,182	178,717	0	0	377,899	37.95%
District Attorney	1,147,660	248,067	243,302	0	0	491,369	42.81%
Register in Probate	270,156	54,685	62,676	0	0	117,360	43.44%
Restorative Justice	38,668	38,668		0	0	38,668	100.00%
Try Mediation	133,619	33,405	33,405	0	0	66,810	50.00%
Total Judicial	\$5,003,802	\$1,089,077	1,103,998.88	0	0	\$2,193,076	43.83%

Eau Claire County - Quarterly Financial

Public Safety

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
CA-Water Rescue	6,000	6,000		0	0	6,000	100.00%
Communication Center	1,729,560	429,362	429,362	0	0	858,725	49.65%
Emergency Management	129,932	51,362	31,184	0	0	82,546	63.53%
Juvenile Detention	1,293,675	239,602	292,701	0	0	532,302	41.15%
Medical Examiner	358,025	28,091	77,183	0	0	105,274	29.40%
Sheriff-Admin Services	1,039,871	275,963	212,354	0	0	488,318	46.96%
Sheriff-Field Services	4,565,061	882,666	1,069,392	0	0	1,952,057	42.76%
Sheriff-Security Services	7,590,505	1,606,754	1,790,794	0	0	3,397,548	44.76%
Total Public Safety:	\$16,712,630	\$3,519,800	3,902,970	0	0	\$7,422,770	44.41%

Eau Claire County - Quarterly Financial Health & Social Services

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
ADRC	3,203,088	571,294	668,362	0	0	1,239,656	38.70%
CA-Bolton Refuge House	0	22,500		0	0	22,500	0.00%
CA-Children's SVC Society	32,211	20,000	1,251	0	0	21,251	65.97%
CA-Family Promise	0	15,500		0	0	15,500	0.00%
CA-Family Resource	0	16,600		0	0	16,600	0.00%
CA-Humane Assoc	43,620	43,698		0	0	43,698	100.18%
CA-Other	74,600	0		0	0	0	0.00%
CA-Senior Centers	60,000	60,000		0	0	60,000	100.00%
CA-Soujourner House	13,000	13,000		0	0	13,000	100.00%
Child Support Program	1,251,174	258,805	297,189	0	0	555,993	44.44%
Health Department	1,214,200	315,750	303,550	0	0	619,300	51.00%
HS-Behavior Health & DD	15,491,288	3,194,100	4,534,909	0	0	7,729,009	49.89%
HS-Income Maintenance	3,194,403	634,492	643,129	0	0	1,277,621	40.00%
HS-Other	3,962,345	712,202	678,897	0	0	1,391,099	35.11%
HS-Social Services	8,490,661	2,486,378	2,570,879	0	0	5,057,256	59.56%
Veterans Services	305,240	45,268	62,235	0	0	107,503	35.22%
Total Health & Social Services	\$37,335,830	\$8,409,587	9,760,400.1	0	0	\$18,169,988	48.67%

Eau Claire County - Quarterly Financial Transportation & Public Works

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
Airport	1,459,853	343,198	235,480	0	0	578,679	39.64%
Highway	20,929,627	4,374,856	4,581,231	0	0	8,956,086	42.79%
Recycling	1,360,100	217,340	355,830	0	0	573,170	42.14%
Total Transportation & Public Works:	\$23,749,580	\$4,935,394	5,172,541	0	0	\$10,107,935	42.56%

Eau Claire County - Quarterly Financial Leisure and Education

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
Beaver Creek Reserve	180,000	45,000	45,000	0	0	90,000	50.00%
CA-Chippewa Valley Museum	25,000	25,000		0	0	25,000	100.00%
CA-Paul Bunyan	4,000	4,000		0	0	4,000	100.00%
County Parks	1,035,642	154,544	219,234	0	0	373,778	36.09%
County Snowmobile/ATV Trails	144,287	2,827	26,562	0	0	29,389	20.37%
Library Charges	783,900	506,965		0	0	506,965	64.67%
University Extension Programs	303,351	30,754	101,436	0	0	132,190	43.58%
Total Leisure and Education	\$2,476,180	\$769,090	392,232.73	0	0	\$1,161,322	46.90%

Eau Claire County - Quarterly Financial Conservation & Economic Development

For Period Ending: Q2, 2019

Department/Program	2019 Budget	2019 Q1 Actual	2019 Q2 Actual	2019 Q3 Actual	2019 Q4 Actual	2019 Actual YTD	Percent of Budget
CA-Economic Develop	44,318	50,000		0	0	50,000	112.82%
CA-Innovation Center	5,682			0	0	0	0.00%
CA-Momentum Chippewa Valley	2,500	2,500		0	0	2,500	100.00%
County Forest	402,388	85,248	72,083	0	0	157,332	39.10%
P&D	995,186	196,074	258,709	0	0	454,783	45.70%
P&D-Land Conservation	445,889	103,489	92,078	0	0	195,568	43.86%
P&D-Land Records	211,637	25,830	26,724	0	0	52,553	24.83%
P&D-Water Shed	322,734	24	77,800	0	0	77,824	24.11%
Regional PLanning Comm	60,678	60,678		0	0	60,678	100.00%
Total Conservation & Economic Development	\$2,491,013	\$523,844	527,394	0	0	\$1,051,238	42.20%

Eau Claire County Treasurer's Office Investment Analysis 2019 (Excluding CDBG, Clerk of Courts Accts and Jail)	2019 Budget benchmark 2.25% Interest on investments	\$450,000.00
	Net Gain (Loss)	\$238,390.74
	Interest Earned	\$238,426.14
	Fees	(\$35.40)

Month	Beginning Bal	Service Fees	Interest	Deposits	Withdrawals	End of Month	
						Balance	Gain/Loss (\$)
January	\$ 36,346,794.97	\$ (5.90)	\$ 13,730.23	\$ 84,820,555.50	\$ (83,407,399.29)	\$ 37,773,675.51	↑ \$ 13,724.33
February	\$ 37,773,675.51	\$ (5.90)	\$ 28,955.88	\$ 45,526,633.54	\$ (44,140,182.19)	\$ 39,189,076.84	↑ \$ 28,949.98
March	\$ 39,189,076.84	\$ (5.84)	\$ 50,952.71	\$ 15,239,655.11	\$ (17,277,832.05)	\$ 37,201,846.77	↑ \$ 50,946.87
April	\$ 37,201,846.77	\$ (5.87)	\$ 50,048.97	\$ 13,784,817.76	\$ (17,312,859.95)	\$ 33,723,847.68	↑ \$ 50,043.10
May	\$ 33,723,847.68	\$ (5.96)	\$ 39,322.76	\$ 15,027,925.61	\$ (16,712,289.87)	\$ 32,078,800.22	↑ \$ 39,316.80
June	\$ 32,078,800.22	\$ (5.93)	\$ 55,415.59	\$ 11,617,401.28	\$ (15,802,321.39)	\$ 27,949,289.77	↑ \$ 55,409.66
July	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
August	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
September	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
October	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
November	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
December	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	→ \$ -
Total		\$ (35.40)	\$ 238,426.14	\$ 186,016,988.80	\$ (194,652,884.74)		↑ \$ 238,390.74

Totals by Quarter:

1st Quarter	\$ (17.64)	\$ 93,638.82	\$ 93,621.18
2nd Quarter	\$ (17.76)	\$ 144,787.32	\$ 144,769.56
3rd Quarter	\$ -	\$ -	\$ -
4th Quarter	\$ -	\$ -	\$ -
	\$ (35.40)	\$ 238,426.14	\$ 238,390.74
	Srvc Fees	Interest Earned	Net Gain(Loss)

Month	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	\$ 605,382	\$ 649,869	\$ 613,413	\$ 637,758	\$ 633,370	\$ 655,343	\$ 696,710	\$ 755,910	\$ 746,338	\$ 704,798
February	638,455	602,909	563,535	532,904	689,925	843,563	882,113	628,528	601,096	669,281
March	538,909	561,038	783,032	834,428	852,142	864,937	659,845	914,348	957,986	959,733
April	711,305	797,429	741,448	606,312	641,812	719,623	933,154	883,529	900,497	854,152
May	663,464	567,787	549,895	783,189	856,800	854,993	880,459	803,003	946,279	1,020,614
June	476,205	707,990	872,811	924,281	935,972	835,827	819,172	893,219	1,249,533	
July	741,830	751,169	783,644	655,631	764,686	1,031,180	946,348	1,108,995	748,195	
August	663,893	616,376	785,490	823,653	1,004,488	957,996	817,003	829,756	987,184	
September	631,589	804,241	788,958	805,689	725,272	753,988	906,726	984,452	1,086,193	
October	642,499	705,976	669,856	655,379	830,917	968,167	901,132	933,541	789,472	
November	728,502	630,916	799,401	872,360	934,158	868,976	662,535	652,721	950,828	
December	692,239	844,605	817,298	774,289	707,471	708,777	996,080	1,137,837	1,069,954	
Total	\$ 7,734,272	\$ 8,240,305	\$ 8,768,781	\$ 8,905,873	\$ 9,577,013	\$ 10,063,370	\$ 10,101,277	\$ 10,525,839	\$ 11,033,555	\$ 4,208,578
Budgeted	\$ 7,675,000	\$ 7,675,000	\$ 7,800,000	\$ 8,060,000	\$ 8,586,000	\$ 8,950,000	\$ 9,280,000	\$ 9,600,000	\$ 10,100,000	\$ 10,849,216
Excess (Short)	\$ 59,272	\$ 565,305	\$ 968,781	\$ 845,873	\$ 991,013	\$ 1,113,370	\$ 821,277	\$ 925,839	\$ 933,555	\$ (6,640,638)
	2010 Surplus	2011 Surplus	2012 Surplus	2013 Surplus	2014 Surplus	2015 Surplus	2016 Surplus	2017 Surplus	2018 Surplus	
Total County Taxable Sales	\$ 1,546,854,400	\$ 1,648,061,000	\$ 1,753,756,200	\$ 1,781,174,600	\$ 1,915,402,600	\$ 2,012,674,000	\$ 2,020,255,414	\$ 2,105,167,718	\$ 2,206,710,922	\$ 841,715,528
Yearly Average	\$ 644,523	\$ 686,692	\$ 730,732	\$ 742,156	\$ 798,084	\$ 838,614	\$ 841,773	\$ 877,153	\$ 919,463	\$ 841,716

Month	Monthly Avg	Median
January	\$ 669,889	\$ 652,606
February	\$ 665,231	\$ 633,491
March	\$ 792,640	\$ 843,285
April	\$ 778,926	\$ 769,439
May	\$ 792,648	\$ 828,998
June	\$ 857,223	\$ 872,811
July	\$ 836,853	\$ 764,686
August	\$ 831,760	\$ 823,653
September	\$ 831,901	\$ 804,241
October	\$ 788,549	\$ 789,472
November	\$ 788,933	\$ 799,401
December	\$ 860,950	\$ 817,298

Monthly amounts reflect sales tax earned. Payments received approx two months later.

**Eau Claire County
Annual Vehicle Registration Fee Collections**

Month	2019
January	\$ 69,579
February	148,262
March	170,323
April	225,742
May	238,091
June	221,855
July	219,188
August	
September	
October	
November	
December	
Total	\$ 1,293,039
Budget	\$ 2,300,000
Excess (Short)	\$ (1,006,961)
Yearly Average	\$ 184,720

Month	Monthly Avg	Median
January	\$ 69,579	\$ 69,579
February	\$ 148,262	\$ 148,262
March	\$ 170,323	\$ 170,323
April	\$ 225,742	\$ 225,742
May	\$ 238,091	\$ 238,091
June	\$ 221,855	\$ 221,855
July	\$ 219,188	\$ 219,188
August	NA	NA
September	NA	NA
October	NA	NA
November	NA	NA
December	NA	NA

Monthly amounts reflect vehicle registration fees received.
Payment is for collections made by state in prior month.

MINUTES

Eau Claire County
Committee on Finance and Budget

Monday, July 8, 2019 / 4:30 pm
Eau Claire County Courthouse – **Room 3312**
Eau Claire, WI 54703

Members Present: Supervisors Jim Dunning, Robin Leary, Stella Pagonis, Gerald Wilkie

Members Absent: Supervisor Steve Chilson

Staff Present: Norb Kirk, Finance Director; Janet Loomis, County Clerk; Glenda Lyons, Treasurer; Kathryn Schauf, County Administrator (5:10 pm); Amy Weiss, Senior Accounting Manager

Others Present: Supervisor Connie Russell

Chair Stella Pagonis called the meeting to order at 4:36 pm and confirmed compliance with Open Meetings Law.

Supervisor Stella Pagonis gave a TID update.

Proposed Resolution 19-20/030 “Awarding Bids for the Summer 2019 Tax Deed Sale of Tax Deed Property...”

Discussion: Other expenses of the county could include mowing, certified mail, and Leader Telegram postings.

Motion: Leary moved approval.

No further discussion; motion passed unanimously, 4-0.

Glenda Lyons gave a status update on CLA Cash Handling Internal Control and Process Assessment Audit. There is a desire to have a regular workgroup that meets to review progress and supply updates.

The committee would like to review Beaver Creek Reserve’s cash handling policy, even though the county does not manage the operations. Norb Kirk will work to develop a cash handling policy for Eau Claire County.

Glenda Lyons handed out an updated Performance Management metrics for the 2020 budget. Discussion will be held during her budget presentation.

Village of Fairchild & Town of Fairchild Library Exemption Requests

Motion: Dunning moved to honor request.

Motion passed 3-1.

The committee discussed the county’s commitment to the Veteran’s Tribute Foundation (approved by Resolution 18-19/079). The county’s commitment is to the Foundation, not to the City of Eau Claire.

There is no action that this committee can take at this point.

Proposed Resolution 19-20/034 “Approving a Budget Transfer of \$768,000 from the 6th Courtroom Capital Projects Account...”

Motion: Wilkie moved approval as a resolution or a line item transfer, dependent upon guidance from corporation counsel.

Motion passed unanimously, 4-0.

Norb Kirk reviewed the updated 2018 general fund unassigned balance as of the end of June. This estimate was prepared after audit field work; nothing is expected to change between this estimate and the final release of the audit report.

The committee discussed mitigation plans for 2019 fiscal overages. Possible plans to include delaying filling vacant positions.

Motion: Wilkie made a motion to refer to the Committee on Human Resources the ability to authorize the county administrator to delay the filling of any position based on her discretion, through 2019.

Motion passes unanimously, 4-0.

Norb Kirk reviewed the structure of the quarterly reports. Departments will be presenting these reports to their oversight committees quarterly.

The committee reviewed the following financial activity reports:

- a. Quarter 2 Personnel Report
- b. County Sales Tax Report – April earnings received in June
- c. Vehicle Registration Fee Report

Supervisor Dunning made a motion to approve the regular meeting minutes from June 10, 2019. Motion passes unanimously, 4-0.

Schedule next meeting and agenda items: August 8, 4:30 pm regular meeting, public input to start at 6:00 pm

1. Brock Geyen from CLA to review the 2018 audit

The meeting was adjourned at 7:09 pm.

Amy Weiss
Committee Clerk

MINUTES

Eau Claire County
Committee on Finance and Budget
Public Input Session

Thursday, July 11, 2019 / 6:00 pm
Fall Creek Village Hall
122 E. Lincoln Ave
Fall Creek, WI 54742

Members present: Supervisors Steve Chilson, Jim Dunning, and Stella Pagonis

Members absent: Supervisors Gerald Wilkie and Robin Leary

Staff members present: Norb Kirk, Finance Director

The meeting was called to order at 6:08 pm by Chair Stella Pagonis. Supervisors were introduced.

There were six members of the public present.

- Fred Poss: Friends of Lake Eau Claire Association, provided updates on fund raising activity and financial support provided by the association and improvements made to the lake as a result, also discussed plans for future sediment traps.
- Dane Zook: Trustee - Fall Creek Village, stressed the importance of working together and collaboration given the limited funding available, provided suggestions for enhancements for the eastern part of the County, particularly regarding bike trails.
- Marlo Orth: Lake Eau Claire Protection and Rehabilitation District, discussed watershed and land conservation partnerships with the County and the need for more and larger sediment traps.
- Richard Ziemann: Thanked the committee for having the session.

With no others wanting to speak, the meeting was adjourned at 6:47 pm.

Respectfully submitted,

Norb Kirk, Finance Director

MINUTES

Eau Claire County
Committee on Finance and Budget

Date: Thursday, August 8, 2019

Time: 6:00 pm

Location: LE Phillips Memorial Public Library; Eau Claire Room
400 Eau Claire St
Eau Claire, WI 54703

Members present: Supervisors Robin Leary, Stella Pagonis, Gerald Wilkie

Members absent: Supervisors Steve Chilson and Jim Dunning

Staff present: Norb Kirk, Finance Director; Amy Weiss, Senior Accounting Manager

Chair Stella Pagonis called the meeting to order at 6:00 pm and introduced the members of the Committee on Finance & Budget.

Supervisor Pagonis gave a brief overview of the county budget process and priorities.

Public Input Session:

1. Ann Kaiser, Family Resource Center: valuable resource for families needing help and support
2. Pat Stein, Bolton Refuge House: dollars provided by county offset operational costs at emergency shelter
3. Barb Pritzl and Mary Pica-Anderson, Augusta and LE Phillips Senior Centers: Senior centers are not just for socializing, they are a necessity to prevent and combat social isolation and loneliness
4. Carol Lendle, member of Senior Center: there will be a ripple effect on the community if we do not help our aging seniors
5. Eleanor Wolf: concerned on resolution county passed regarding renewable energy, concerned about county's action plan and budget
6. Gerald Wilkie received communication from Kathy Chermak; in interest of full disclosure, she is a close family friend; made it very clear to Gerald Wilkie that the committee should not "dare cut" funding to the Senior Center
7. Ron Bohl, member of Senior Center: center is more valuable than you can imagine, has become a daily part of retired lives
8. Shirley Stein, Senior Center: senior center provides support for all different parts of their bodies, at an affordable rate for seniors on a fixed income
9. Sharon Jaenke, member of Senior Center: loves the senior center
10. Susan Thompson, member of Senior Center: senior center exercise classes are so important and helpful
11. Members of the public present appreciate the annual budget survey.

With no further members of the public wishing to speak, the public input session was adjourned at 6:54 pm.

The meeting was adjourned at 6:54 pm.

Amy Weiss
Committee Clerk