

EAU CLAIRE COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
DECEMBER 31, 2019

DEPARTMENT OF FINANCE

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YEAR ENDED DECEMBER 31, 2019**

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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, 2019, 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, 2019, 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.

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.

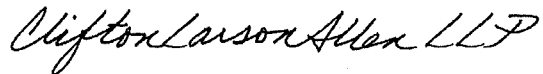
Supplementary Information

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 24, 2020 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 24, 2020

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**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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, 2019. This section should be read in conjunction with the County's financial statements and the accompanying notes, which begin on page 17 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 \$142.5 million on a government-wide basis as of December 31, 2019 (net position). Of this amount, \$125.3 million represented the County's net investment in capital assets, \$4.7 million was held for restricted purposes, and \$12.5 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 increased by approximately \$11.3 million. Net position related to the governmental activities increased by \$1.7 million and business-type activities of the County increased \$9.6 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 \$14.6 million, a decrease of \$.5 million in comparison to the prior year. This decrease was driven by a \$3.8 million operating deficit in the human services fund. This deficit was primarily offset by an increase in the general fund of \$2.1 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9.8 million, or 27.8% of total general fund expenditures.
- The County's primary government issued General Obligation Promissory Notes, Series 2019A, in the amount of \$9.9 million. The increase in debt was offset by scheduled debt service payments of \$8.3 million.
- The Highway Department finished 2019 with a decrease in net position of \$.7 million, which was primarily due to capital investments in infrastructure.
- The Airport Department finished 2019 with an increase in net position of \$10.4 million, which was primarily due to capital grants for airport improvement projects.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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 2019. 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.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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 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 internal service funds to account for its risk management and self insurance, health insurance, and shared service 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, 2019**

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 61 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, combining statements for the internal service funds, and an agency fund combining statement of net position. This other supplementary information section begins on page 71.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

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 \$142.5 million at the close of the fiscal year. The largest portion of Eau Claire County's net position (87.9%) 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 for 2019 and 2018:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 63,459,320	\$ 67,749,604	\$ 8,079,336	\$ 8,314,705	\$ 71,538,656	\$ 76,064,309
Capital Assets	165,784,531	160,375,292	46,886,308	37,533,497	212,670,839	197,908,789
Internal Balances	(148,380)	(173,086)	148,380	173,086	-	-
Total Assets	229,095,471	227,951,810	55,114,024	46,021,288	284,209,495	273,973,098
Deferred Outflow of Resources	17,707,399	9,932,854	2,099,194	1,164,408	19,806,593	11,097,262
Current Liabilities	10,773,717	11,924,808	1,103,334	865,117	11,877,051	12,789,925
Net Pension & OPEB Liability	7,527,843	1,329,853	909,955	165,096	8,437,798	1,494,949
Long-Term Liabilities Due Within One Year	12,177,932	10,924,162	743,457	791,952	12,921,389	11,716,114
Long-Term Liabilities	80,713,786	80,400,178	1,267,681	1,859,248	81,981,467	82,259,426
Total Liabilities	111,193,278	104,579,001	4,024,427	3,681,413	115,217,705	108,260,414
Deferred Inflows of Resources	42,840,425	42,218,753	3,431,253	3,377,825	46,271,678	45,596,578
Net Position:						
Net Investment in Capital Assets	80,199,120	75,690,187	45,115,533	35,305,443	125,314,653	110,995,630
Restricted	4,693,375	9,668,565	-	628,753	4,693,375	10,297,318
Unrestricted	7,876,672	5,728,158	4,642,005	4,192,262	12,518,677	9,920,420
Total Net Position	\$ 92,769,167	\$ 91,086,910	\$ 49,757,538	\$ 40,126,458	\$ 142,526,705	\$ 131,213,368

An additional portion of Eau Claire County's net position (3.3%) represents resources that are subject to other restrictions on how they may be used. The remaining \$12.5 million of total net position (8.8%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2019, 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.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

The condensed statement of changes in net position as follows shows that the County's total net position increased by \$11.3 million during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$1.7 million and an increase in net position related to business-type activities in the amount of \$9.6 million.

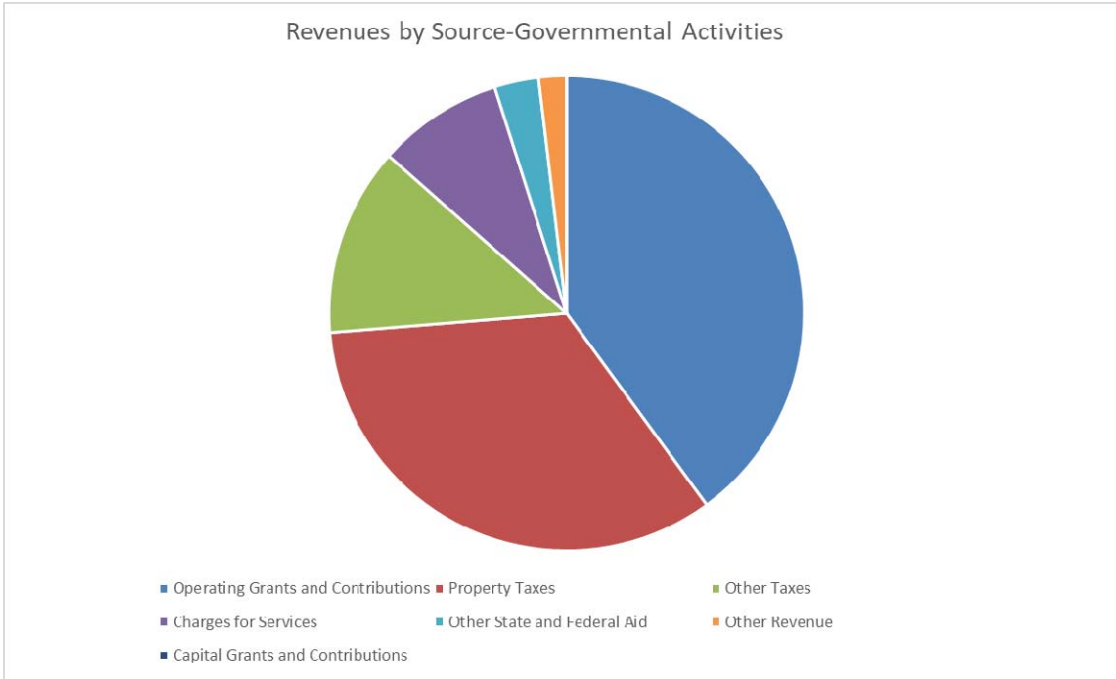
The following is a summary of the changes in the County's net position for 2019 and 2018:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,092,460	\$ 9,522,583	\$ 10,730,466	\$ 9,724,598	\$ 18,822,926	\$ 19,247,181
Operating Grants and Contributions	37,745,658	32,282,628	4,209,383	3,754,772	41,955,041	36,037,400
Capital Grants and Contributions	-	153,764	11,721,303	704,492	11,721,303	858,256
General Revenues:						
Property Taxes	31,889,525	29,955,097	2,128,187	2,278,187	34,017,712	32,233,284
Other Taxes	12,121,799	12,002,788	2,452,040	26,320	14,573,839	12,029,108
State and Federal Aids Not Restricted to Specific Programs	2,849,650	2,623,081	-	-	2,849,650	2,623,081
Other	1,780,680	472,905	73,581	102,464	1,854,261	575,369
Total Revenues	<u>94,479,773</u>	<u>87,012,846</u>	<u>31,314,960</u>	<u>16,590,833</u>	<u>125,794,733</u>	<u>103,603,679</u>
Expenses:						
General Government	13,940,795	14,269,828	-	-	13,940,795	14,269,828
Public Safety	19,275,980	18,004,394	-	-	19,275,980	18,004,394
Public Works	4,766,398	4,655,931	-	-	4,766,398	4,655,931
Health and Human Services	50,381,017	45,166,507	-	-	50,381,017	45,166,507
Culture, Recreation and Education	2,696,083	2,411,882	-	-	2,696,083	2,411,882
Conservation and Development	2,639,692	2,940,895	-	-	2,639,692	2,940,895
Debt Service	2,334,753	2,158,264	-	-	2,334,753	2,158,264
Airport	-	-	2,844,562	2,460,533	2,844,562	2,460,533
Highway	-	-	15,602,116	14,012,884	15,602,116	14,012,884
Total Expenses	<u>96,034,718</u>	<u>89,607,701</u>	<u>18,446,678</u>	<u>16,473,417</u>	<u>114,481,396</u>	<u>106,081,118</u>
Change in Net Position Before Transfers	(1,554,945)	(2,594,855)	12,868,282	117,416	11,313,337	(2,477,439)
Transfers	3,237,202	(18,369)	(3,237,202)	18,369	-	-
Change in Net Position	<u>\$ 1,682,257</u>	<u>\$ (2,613,224)</u>	<u>\$ 9,631,080</u>	<u>\$ 135,785</u>	<u>\$ 11,313,337</u>	<u>\$ (2,477,439)</u>

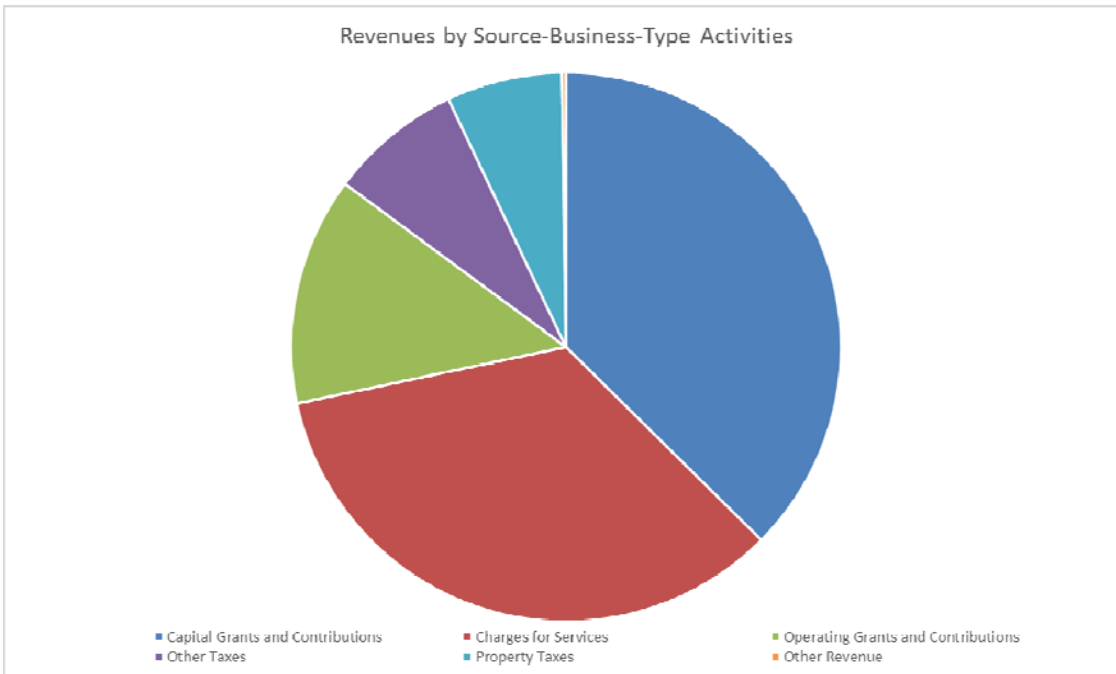
**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

Statement of Activities

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, excluding transfers, are operating grants/contributions (40.0%), property taxes (33.6%), and charges for services (8.6%).

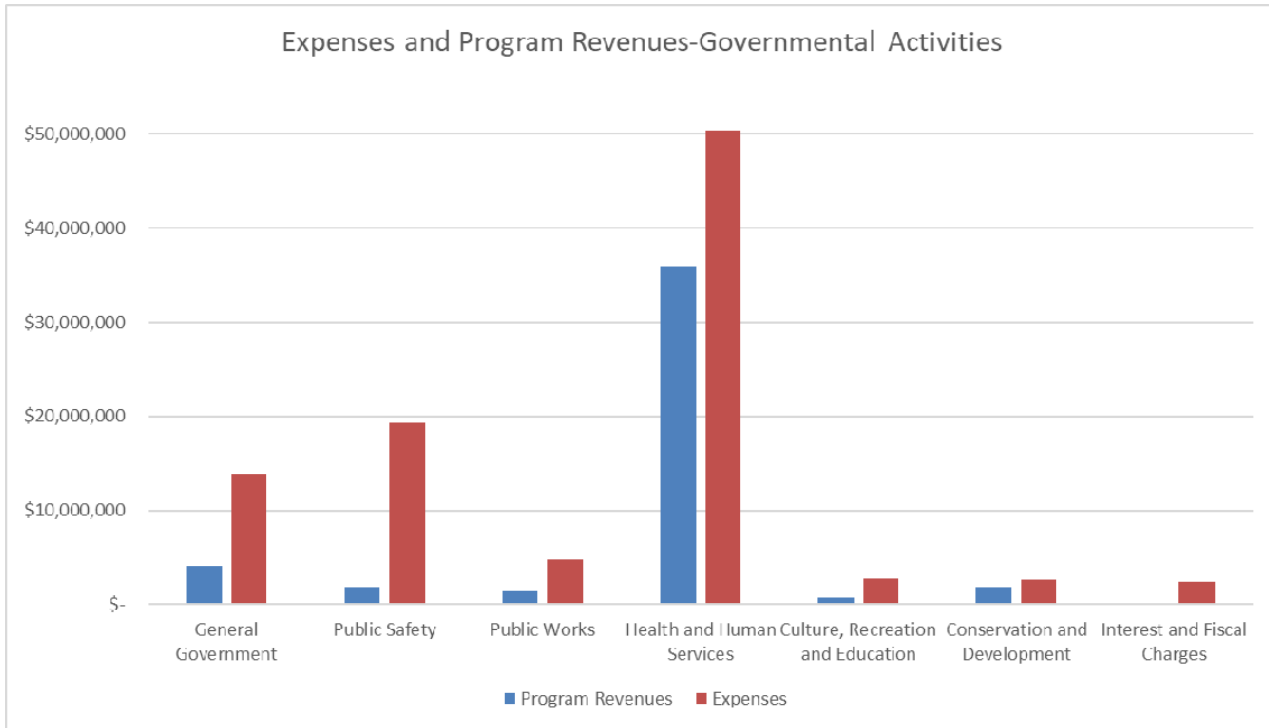


In the case of the business-type activities, the data shows a considerably different picture. Capital grants (37.4%) and charges for services (34.3%) replace property taxes as a primary revenue.

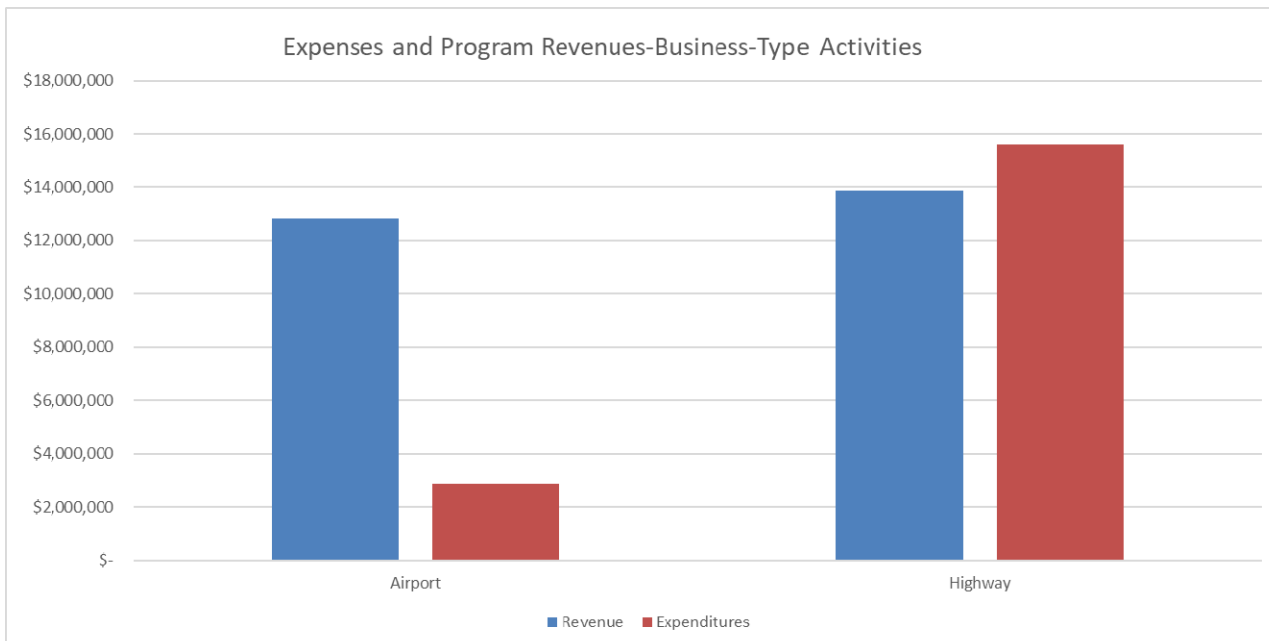


**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

A further review of the Statement of Activities will show that governmental activities expenditures totaled \$96.0 million, which exceeds program revenue by \$50.2 million, as the following graph displays. Program revenues include charges for services and operating grants and contributions. Governmental activities expenditures increased by \$6.4 million from the prior year. This increase is primarily in the Health and Human Services program area.



Business-type activities program revenues totaled \$26.7 million, which exceeds program expenditures by \$8.2 million, as the following graph displays.



**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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, 2019, the County's governmental funds reported combined ending fund balances of \$14.6 million, a decrease of \$.5 million in comparison to the prior year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2019					Change During Year
	Nonspendable	Restricted	Assigned	Unassigned	Total	
Major Funds						
General Fund	\$ 1,376,437	\$ 74,046	\$ 676,066	\$ 9,792,689	\$ 11,919,238	\$(1,045,135)
Human Services Fund	13,533	-	-	(2,160,775)	(2,147,242)	(861,268)
Debt Service Fund	-	3,901,563	-	-	3,901,563	473,265
Capital Projects Fund	-	-	-	(63,307)	(63,307)	594,127
Nonmajor Funds						
Special Revenue Funds	6,600	607,657	392,205	-	1,006,462	385,841
Total Fund Balances	<u>\$ 1,396,570</u>	<u>\$ 4,583,266</u>	<u>\$ 1,068,271</u>	<u>\$ 7,568,607</u>	<u>\$ 14,616,714</u>	<u>\$ (453,170)</u>

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, 2019, the unassigned fund balance of the general fund was \$9.8 million, while total fund balance was \$11.9 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 27.8% of total general fund expenditures, while the total fund balance represented 33.8% of total general fund expenditures.

The general fund's total fund balance decreased \$1.0 million during the year and the unassigned portion of the fund decreased \$.3 million.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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 2019 produced an operational loss of \$3.8 million which was offset by transfers in from the general fund of \$2.9 million. The result of this activity leaves the fund balance carried by the human services fund to a deficit of \$2.1 million as of December 31, 2019. 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 2020.

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, 2019, the County's debt service fund had a balance of \$3.9 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, 2019, the County's capital projects fund had a deficit balance of \$63,000 which is an increase of \$.6 million from the prior year deficit of \$.7 million. During 2019, the County issued \$9.9 million of debt to pay for capital related projects. Remaining to be paid from those proceeds, as of December 31, 2019, included \$2.3 million related to various courthouse construction projects and technology upgrades. These projects are expected to be completed in 2020.

Other Governmental Funds: The aggregated other governmental funds column includes various special revenue funds. As of December 31, 2019, the accumulated balance of these funds was \$1.0 million, an increase of \$.4 million 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 2019 totaled \$49.6 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 \$2.6 million, while total net position reached \$9.5 million. Total net position is a decrease from the prior year of \$.7 million.

Airport: The airport fund contains the operations of the County's airport. In 2019, the net position for the airport increased \$10.4 million to \$40.2 million. The increase was primarily due to capital grants for improvement projects.

Internal Service Funds

Internal Service Funds: In 2019, the aggregate net position for the internal service funds increased \$.5 million to \$2.3 million. The County added two new internal service funds in 2019, one to track health insurance related activities, and one for shared service activities.

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

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 \$37.4 million, which were \$1.2 million greater than the final budgeted revenue while the final actual expenditures were \$35.2 million, which was \$1.6 million lower than the final budgeted expenditures. There were unbudgeted transfers out to the human services fund of \$2.9 million and \$.2 million to the Anti-Drug Program fund. These resulted in a net negative variance of \$.2 million between the budgeted use of fund balance of \$.8 million and the actual decrease in fund balance of \$1.0 million. The most significant items contributing to the variances include:

Revenues:

- County Sales Tax \$.3 million over
- Public Charges for Services \$.5 million over

Expenditures:

- General Government \$.9 million under
- Public Safety \$.5 million under

A full presentation of the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund begins on page 63.

Capital Assets

The County's net investment in capital assets for its governmental activities and business-type activities as of December 31, 2019 amounted to \$165.8 million and \$46.9 million, respectively, as shown below:

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Not Subject to Depreciation:						
Land and Land Rights	\$ 6,340,978	\$ 6,338,199	\$ 2,495,979	\$ 2,140,502	\$ 8,836,957	\$ 8,478,701
Construction Work in Progress	5,874,922	2,164,589	3,513,193	1,416,195	9,388,115	3,580,784
Subject to Depreciation:						
Land Improvements	3,295,981	3,336,327	15,321,519	7,242,761	18,617,500	10,579,088
Intangibles	1,884,880	2,086,924	-	-	1,884,880	2,086,924
Buildings and Improvements	58,989,649	60,314,347	17,403,040	18,079,016	76,392,689	78,393,363
Machinery and Equipment	4,677,091	3,618,258	8,152,577	8,655,023	12,829,668	12,273,281
Highway Infrastructure	84,721,030	82,516,648	-	-	84,721,030	82,516,648
Total	<u>\$ 165,784,531</u>	<u>\$ 160,375,292</u>	<u>\$ 46,886,308</u>	<u>\$ 37,533,497</u>	<u>\$ 212,670,839</u>	<u>\$ 197,908,789</u>

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

**EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019**

Long-Term Obligations

The County had \$94.9 million in general obligation bonds and notes and other long-term obligations outstanding as of December 31, 2019, \$92.9 million of this amount is for governmental activities. The remaining \$2.0 million relates primarily to a capital lease for highway operations.

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, 2019 amounted to \$461,024,615 and indebtedness subject to the limitation totaled \$86,810,857.

More detailed debt information can be found in Note 2.F. 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 \$36,015,560 for its 2020 budget, an increase of \$1.9 million (5.9%) from the 2019 budget levy of \$34,019,076.

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

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EAU CLAIRE COUNTY, WISCONSIN

Statement of Net Position

December 31, 2019

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 15,661,214	\$ 2,683,855	\$ 18,345,069	\$ 1,606,094
Taxes Receivable	35,053,187	2,328,187	37,381,374	-
Other Receivables	2,720,243	313,090	3,033,333	77,208
Due from Other Governments	8,056,297	2,172,719	10,229,016	-
Internal Balances	(148,380)	148,380	-	-
Inventory, at cost	16,250	581,485	597,735	27,633
Prepaid Items	531,208	-	531,208	-
Deposit in Insurance Pool	999,731	-	999,731	-
Other Assets	-	-	-	111,466
Restricted Assets				
Cash	421,190	-	421,190	-
Capital Assets, not being depreciated				
Land	6,340,978	2,495,979	8,836,957	849,583
Construction Work in Progress	5,874,922	3,513,193	9,388,115	-
Capital Assets, net of accumulated depreciation				
Land Improvements	3,295,981	15,321,519	18,617,500	-
Intangibles	1,884,880	-	1,884,880	-
Buildings and Improvements	58,989,649	17,403,040	76,392,689	295,416
Machinery and Equipment	4,677,091	8,152,577	12,829,668	-
Infrastructure	84,721,030	-	84,721,030	-
Total Assets	<u>229,095,471</u>	<u>55,114,024</u>	<u>284,209,495</u>	<u>2,967,400</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	17,291,101	2,079,633	19,370,734	-
Other Post Employment Benefit Related	139,911	19,561	159,472	-
Deferred Charge on Refunding	276,387	-	276,387	-
Total Deferred Outflows of Resources	<u>17,707,399</u>	<u>2,099,194</u>	<u>19,806,593</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	3,128,465	628,848	3,757,313	18,940
Other Current Liabilities	11,358	-	11,358	-
Accrued Compensation	2,714,373	318,542	3,032,915	37,737
Accrued Interest	763,189	20,241	783,430	-
Due to Other Governments	3,862,935	113,854	3,976,789	-
Unearned Revenue	-	21,849	21,849	1,476
Special Deposits	293,397	-	293,397	-
Noncurrent Liabilities				
Amounts Due Within One Year	12,177,932	743,457	12,921,389	-
Amounts Due in More than One Year	80,713,786	1,267,681	81,981,467	-
Net Pension Liability	6,389,975	769,372	7,159,347	-
Other Post Employment Benefit Related	1,137,868	140,583	1,278,451	-
Total Liabilities	<u>111,193,278</u>	<u>4,024,427</u>	<u>115,217,705</u>	<u>58,153</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	8,836,524	1,058,812	9,895,336	-
Other Post Employment Benefit Related	316,528	44,254	360,782	-
Succeeding Years Property Taxes	33,687,373	2,328,187	36,015,560	-
Total Deferred Inflows of Resources	<u>42,840,425</u>	<u>3,431,253</u>	<u>46,271,678</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	80,199,120	45,115,533	125,314,653	1,144,999
Restricted for Debt Service	3,138,374	-	3,138,374	-
Restricted for Revolving Loan Funds	847,541	-	847,541	-
Restricted for Recycling	491,695	-	491,695	-
Restricted - Other	215,765	-	215,765	-
Restricted for Friends of Beaver Creek Reserve, Inc.	-	-	-	1,076,844
Unassigned	7,876,672	4,642,005	12,518,677	687,404
Total Net Position	<u>\$ 92,769,167</u>	<u>\$ 49,757,538</u>	<u>\$ 142,526,705</u>	<u>\$ 2,909,247</u>

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

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EAU CLAIRE COUNTY, WISCONSIN
Statement of Activities

For the Year Ended December 31, 2019

Functions/Programs: Primary Government:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government	
Governmental activities:								
General Government	\$ 13,940,795	\$ 2,585,125	\$ 1,515,389	\$ -	\$ (9,840,282)	\$ -	\$ (9,840,282)	\$ -
Public Safety	19,275,980	1,105,701	750,213	-	(17,420,066)	-	(17,420,066)	-
Public Works	4,766,398	848,528	526,249	-	(3,391,621)	-	(3,391,621)	-
Health and Human Services	50,381,017	1,749,114	34,207,211	-	(14,424,692)	-	(14,424,692)	-
Culture, Recreation and Education	2,696,083	455,542	259,660	-	(1,980,881)	-	(1,980,881)	-
Conservation and Development	2,639,692	1,348,450	486,937	-	(804,306)	-	(804,306)	-
Debt Service	2,334,753	-	-	-	(2,334,753)	-	(2,334,753)	-
Total Governmental Activities	96,034,718	8,092,460	37,745,658	-	(50,196,600)	-	(50,196,600)	-
Business-Type Activities:								
Highway	15,602,116	9,535,225	4,079,112	250,000	-	(1,737,779)	(1,737,779)	-
Airport	2,844,562	1,195,241	130,271	11,471,303	-	9,952,253	9,952,253	-
Total Business-Type Activities	18,446,678	10,730,466	4,209,383	11,721,303	-	8,214,474	8,214,474	-
Total Primary Government	\$ 114,481,396	\$ 18,822,926	\$ 41,955,041	\$ 11,721,303	\$ (50,196,600)	\$ 8,214,474	\$ (41,982,126)	\$ -
Component Unit:								
Friends of Beaver Creek Reserve, Inc.	\$ 905,134	\$ 220,393	\$ 564,950	\$ -	-	-	-	(119,791)
General Revenues:								
Property Taxes					31,889,525	2,128,187	34,017,712	-
County Sales Tax					11,109,693	-	11,109,693	-
Other Taxes					1,012,106	2,452,040	3,464,146	-
Grants and Contributions Not Restricted to Specific Programs					2,849,650	-	2,849,650	-
Interest and Investment Earnings					618,948	-	618,948	260,976
Other Revenues					834,154	73,581	907,735	17,278
Gain on Sale of Capital Assets					327,578	-	327,578	-
Transfers					3,237,202	(3,237,202)	-	-
Total general Revenues and Transfers					51,878,857	1,416,606	53,295,462	278,254
Change in Net Position					1,682,257	9,631,080	11,313,337	158,463
Net Position - Beginning of Year					91,086,910	40,126,458	131,213,368	2,750,784
Net Position - December 31					\$ 92,769,167	\$ 49,757,538	\$ 142,526,705	\$ 2,909,247

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

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EAU CLAIRE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds

December 31, 2019

	<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	\$ 6,308,273	\$ 1,597,381	\$ 3,901,563	\$ 436,639	\$ 825,061	\$ 13,068,917
Receivables						
Delinquent property taxes	1,365,814	-	-	-	-	1,365,814
Current property tax	12,975,739	8,907,473	8,778,292	2,777,552	248,317	33,687,373
Accounts Receivable	1,422,121	24,392	-	3,967	131,294	1,581,774
Due from Other Governments	3,176,839	5,537,499	-	-	480,428	9,194,766
Due from Other funds	3,830,572	-	-	-	-	3,830,572
Inventory, at cost	6,641	9,609	-	-	-	16,250
Prepaid Expenses	3,982	3,924	-	-	6,600	14,506
Total Assets	<u>\$ 29,089,981</u>	<u>\$ 16,080,278</u>	<u>\$ 12,679,855</u>	<u>\$ 3,218,158</u>	<u>\$ 1,691,700</u>	<u>\$ 62,759,972</u>
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 574,540	\$ 1,771,977	\$ -	\$ 503,913	\$ 187,289	\$ 3,037,719
Other Current Liabilities	11,100	258	-	-	-	11,358
Accrued Compensation	1,731,286	860,025	-	-	114,445	2,705,756
Special Deposits	293,397	-	-	-	-	293,397
Due to Other Governments	654,331	3,174,320	-	-	34,284	3,862,935
Due to Other Funds	-	3,513,467	-	-	1,100	3,514,567
Total Liabilities	<u>3,264,654</u>	<u>9,320,047</u>	<u>-</u>	<u>503,913</u>	<u>337,118</u>	<u>13,425,732</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	12,975,739	8,907,473	8,778,292	2,777,552	248,317	33,687,373
Unavailable Revenue	930,350	-	-	-	99,803	1,030,153
Total Deferred Inflows of Resources	<u>13,906,089</u>	<u>8,907,473</u>	<u>8,778,292</u>	<u>2,777,552</u>	<u>348,120</u>	<u>34,717,526</u>
FUND BALANCE (DEFICITS)						
Nonspendable	1,376,437	13,533	-	-	6,600	1,396,570
Restricted	74,046	-	3,901,563	-	607,657	4,583,266
Assigned	676,066	-	-	-	392,205	1,068,271
Unassigned	9,792,689	(2,160,775)	-	(63,307)	-	7,568,607
Total Fund Balances (deficit)	<u>11,919,238</u>	<u>(2,147,242)</u>	<u>3,901,563</u>	<u>(63,307)</u>	<u>1,006,462</u>	<u>14,616,714</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 29,089,981</u>	<u>\$ 16,080,278</u>	<u>\$ 12,679,855</u>	<u>\$ 3,218,158</u>	<u>\$ 1,691,700</u>	<u>\$ 62,759,972</u>

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

Fund balance from above	\$ 14,616,714
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	165,784,531
Wisconsin Retirement Pension - net deferred inflows/outflow of resources over the pension liability	2,053,117
State Life Insurance Other Post Employment Benefits -net deferred inflows/outflow of resources over the OPEB liability	(1,295,693)
The internal service fund is used by management to charge the costs of risk management, health insurance, and shared communication services to individual funds. The assets and liabilities are included in governmental activities in the statement of net position. Less Internal Service Fund equity allocated to enterprise funds	\$ 2,348,387 <u>(148,380)</u> 2,200,008
Unavailable revenue recognized as revenue on the entity-wide	1,030,153
Unamortized difference in the carrying amount of refunded debt and it's reacquisition price	276,387
Long-term liabilities, including notes payable, capital leases, compensated absences as well as accrued interest and unamortized premiums and discounts are not due and payable in the current period and therefore are not reported in the funds.	<u>(91,896,050)</u>
Net Position of Governmental Activities	<u>\$ 92,769,167</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, 2019

	<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	\$ 27,391,782	\$ 8,852,473	\$ 10,233,019	\$ 20,000	\$ 368,365	\$ 46,865,639
Intergovernmental Grants & Aids	2,994,416	30,349,453	-	-	2,892,263	36,236,132
Licenses & Permits	493,743	-	-	-	-	493,743
Fines & Forfeitures	374,573	-	-	-	-	374,573
Public Charges for Services	4,475,686	859,255	-	-	1,050,587	6,385,528
Intergovernmental Charges for Services	151,873	681,602	-	466	-	833,941
Investment Income	621,277	-	-	60	1,482	622,819
Other Revenues	858,603	177,638	-	36,133	396,435	1,468,809
Total Revenues	<u>37,361,953</u>	<u>40,920,421</u>	<u>10,233,019</u>	<u>56,659</u>	<u>4,709,132</u>	<u>93,281,184</u>
EXPENDITURES						
General Government	12,441,725	-	-	-	100,000	12,541,725
Public Safety	15,593,510	1,258,753	-	-	42,202	16,894,465
Public Works	-	-	-	-	1,406,145	1,406,145
Health and Human Services	2,976,610	43,430,470	-	-	2,845,599	49,252,679
Culture, Recreation and Education	2,350,149	-	-	-	-	2,350,149
Conservation and Development	1,902,169	-	-	-	164,736	2,066,905
Capital Outlay						
General Government	-	-	-	3,300,000	-	3,300,000
Public Safety	-	-	-	484,046	-	484,046
Health and Human Services	-	-	-	24,889	-	24,889
Culture, Recreation and Education	-	-	-	327,810	-	327,810
Conservation and Development	-	-	-	169,902	-	169,902
Debt Service						
Principal Retirement	-	-	8,267,572	-	-	8,267,572
Interest and Fiscal Charges	-	-	2,169,716	128,671	-	2,298,387
Total Expenditures	<u>35,264,163</u>	<u>44,689,223</u>	<u>10,437,288</u>	<u>4,435,318</u>	<u>4,558,682</u>	<u>99,384,674</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,097,790</u>	<u>(3,768,802)</u>	<u>(204,269)</u>	<u>(4,378,659)</u>	<u>150,450</u>	<u>(6,103,490)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	9,855,000	-	9,855,000
Premium on Bonds	-	-	154,935	67,384	-	222,319
Bond Interest Rebates	-	-	522,599	-	-	522,599
Insurance Proceeds	-	-	-	339,124	-	339,124
Transfers In	-	2,907,534	-	-	235,391	3,142,925
Transfers Out	(3,142,925)	-	-	(5,288,722)	-	(8,431,647)
Total Other Financing Sources (Uses)	<u>(3,142,925)</u>	<u>2,907,534</u>	<u>677,534</u>	<u>4,972,786</u>	<u>235,391</u>	<u>5,650,320</u>
Net Change in Fund Balance	<u>(1,045,135)</u>	<u>(861,268)</u>	<u>473,265</u>	<u>594,127</u>	<u>385,841</u>	<u>(453,170)</u>
Fund Balance (Deficit) - January 1	<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>
Fund Balance (Deficit) - December 31	<u>\$ 11,919,238</u>	<u>\$ (2,147,242)</u>	<u>\$ 3,901,563</u>	<u>\$ (63,307)</u>	<u>\$ 1,006,462</u>	<u>\$ 14,616,714</u>

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, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ (453,170)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of 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.		
Capital outlay	\$ 11,785,428	
Depreciation	<u>(6,087,443)</u>	5,697,985
Increase(Decrease) in the net Pension Asset (Liability)	(2,586,770)	
Less amount allocated to Business-type activities	<u>284,698</u>	(2,302,072)
Increase(Decrease) in the net Life Insurance Asset (Liability)	(114,958)	
Less amount allocated to Business-type activities	<u>28,787</u>	(86,171)
Unavailable revenue in the governmental funds is reported as revenue on the entity-wide financial statements		36,857
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		(9,855,000)
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		(222,319)
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	8,260,000	
Principal on Long-Term payable to City of Eau Claire	<u>7,572</u>	8,267,572
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	202,600	
Amortization of Deferred Charge on Refunding	(36,074)	
Net Change in Accrued Interest Payable	(27,859)	
Net Change in Compensated Absences	<u>155,452</u>	294,119
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations)		(288,749)
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.		
Amount allocated to Enterprise Funds	568,498	
	<u>24,706</u>	593,205
Change in Net Position of Governmental Activities		<u><u>\$ 1,682,257</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, 2019

	Business-Type Activities-Enterprise Funds			Governmental
				Activities
	Highway Department	Airport	Totals	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Temporary Cash Investments	\$ 1,098,092	\$ 1,585,763	\$ 2,683,855	\$ 2,666,343
Taxes Receivable	1,929,157	399,030	2,328,187	-
Accounts Receivable	232,627	80,463	313,090	-
Due from Other Governments	1,889,159	283,560	2,172,719	-
Inventory, at cost	581,485	-	581,485	-
Prepaid Items	-	-	-	516,703
Restricted Assets				
Cash	-	-	-	347,144
Total Current Assets	5,730,520	2,348,816	8,079,336	3,530,190
Noncurrent Assets:				
Capital Assets, not being depreciated				
Land	482,281	2,013,698	2,495,979	-
Construction Work in Progress	83,948	3,429,245	3,513,193	-
Capital Assets, being depreciated				
Land Improvements	-	26,714,838	26,714,838	-
Buildings	2,995,325	27,288,376	30,283,701	-
Machinery and Equipment	13,634,289	2,871,302	16,505,591	-
Less: Accumulated Depreciation	(9,098,047)	(23,528,947)	(32,626,994)	-
Total Capital Assets	8,097,796	38,788,512	46,886,308	-
Deposit in Insurance Pool	-	-	-	999,731
Total Noncurrent Assets	8,097,796	38,788,512	46,886,308	999,731
Total Assets	13,828,316	41,137,328	54,965,644	4,529,921
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	1,891,250	190,408	2,081,658	96,056
Other Post Employment Benefit Related	15,920	1,616	17,536	2,025
Total Deferred Outflows of Resources	1,907,170	192,024	2,099,194	98,081
LIABILITIES				
Current Liabilities:				
Accounts Payable	602,400	26,448	628,848	90,747
Accrued Interest Payable	8,755	11,486	20,241	-
Accrued Compensation	287,755	30,787	318,542	8,617
Due to Other Governments	18,327	95,527	113,854	-
Due to Other Funds	-	-	-	316,005
Unearned Revenue	12,470	9,379	21,849	-
Current Portion of Long-Term Liabilities:				
General Obligation Debt	-	109,420	109,420	-
Accrued Employee Leave	175,824	16,865	192,689	13,895
Claims Payable	-	-	-	838,428
Capital Leases Payable	441,349	-	441,349	-
Total Current Liabilities	1,546,880	299,912	1,846,792	1,267,692
Long-Term Liabilities (Net of Current Portion)				
General Obligation Notes	-	276,437	276,437	-
Capital Leases Payable	862,783	-	862,783	-
Net Pension Liability	698,998	70,374	769,372	35,502
Other Post Employment Benefit Related	127,629	12,954	140,583	16,235
Claims Payable	-	-	-	897,271
Accrued Employee Leave	117,217	11,243	128,460	9,264
Total Noncurrent Liabilities	1,806,627	371,008	2,177,635	958,272
Total Liabilities	3,353,507	670,920	4,024,427	2,225,964
DEFERRED INFLOWS OF RESOURCES				
Succeeding Year's Property Taxes	1,929,157	399,030	2,328,187	-
Pension Related	966,125	97,268	1,063,393	49,069
Other Post Employment Benefit Related	36,017	3,656	39,673	4,582
Total Deferred Inflows of Resources	2,931,299	499,954	3,431,253	53,651
NET POSITION				
Net Investment in Capital Assets	6,793,664	38,321,869	45,115,533	-
Unrestricted	2,657,016	1,836,609	4,493,625	2,348,387
Total Net Position	\$ 9,450,680	\$ 40,158,478	49,609,158	\$ 2,348,387
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			148,380	
Total Net Position of Business-Type Activities			\$ 49,757,538	

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, 2019

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Highway Department	Airport	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 9,535,225	\$ 1,195,241	\$ 10,730,466	\$ 9,671,133
Total Operating Revenues	<u>9,535,225</u>	<u>1,195,241</u>	<u>10,730,466</u>	<u>9,671,133</u>
OPERATING EXPENSES				
Operation and Maintenance	14,649,024	1,205,047	15,854,071	8,184,460
Depreciation and Amortization	914,724	1,574,923	2,489,647	-
Claims	-	-	-	1,670,612
Total Operating Expenses	<u>15,563,748</u>	<u>2,779,970</u>	<u>18,343,718</u>	<u>9,855,073</u>
Operating Income (Loss)	(6,028,523)	(1,584,729)	(7,613,252)	(183,940)
NONOPERATING REVENUES (EXPENSES)				
General Property Taxes	1,729,157	399,030	2,128,187	-
Other Taxes	2,452,040	-	2,452,040	-
Intergovernmental Grants	4,079,112	130,271	4,209,383	-
Investment Income	-	-	-	43,716
Miscellaneous Revenues	73,581	-	73,581	20,000
Interest Expense	(31,965)	(15,324)	(47,289)	-
Total Nonoperating Revenues (Expenses)	<u>8,301,925</u>	<u>513,977</u>	<u>8,815,902</u>	<u>63,716</u>
Income (Loss) Before Contributions and Transfers	2,273,402	(1,070,752)	1,202,650	(120,224)
CONTRIBUTIONS AND TRANSFERS				
Transfers In	4,600,000	-	4,600,000	688,722
Capital Contributions	250,000	11,471,303	11,721,303	-
Capital Contributions to Governmental Activities	(7,868,167)	-	(7,868,167)	-
Change in Net Position	<u>(744,765)</u>	<u>10,400,551</u>	<u>9,655,786</u>	<u>568,498</u>
Net Position - Beginning of Year	10,195,445	29,757,927	39,953,372	1,779,889
Net Position - December 31	<u>\$ 9,450,680</u>	<u>\$ 40,158,478</u>	<u>\$ 49,609,158</u>	<u>\$ 2,348,387</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(24,706)	
Change in Net Position of Business-Type Activities			<u>\$ 9,631,080</u>	
Net Position Business-Type - January 1			\$ 40,126,458	
Change in Net Position - Business Type Activities			9,631,080	
Net Position Business Type - December 31			<u>\$ 49,757,538</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, 2019

	Business-Type Activities			Governmental Activities
	Highway Department	Airport	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 8,556,665	\$ 856,362	\$ 9,413,027	\$ 9,689,370
Cash Paid to Suppliers for Goods and Services	(8,240,501)	(666,379)	(8,906,880)	(8,427,888)
Claims Paid	-	-	-	(1,578,088)
Payments on Behalf of Employees	(6,092,581)	(504,899)	(6,597,480)	(162,770)
Net Cash Provided by (Used for) Operating Activities	<u>(5,776,417)</u>	<u>(314,916)</u>	<u>(6,091,333)</u>	<u>(479,377)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General Property Tax	1,729,157	399,030	2,128,187	-
Other Taxes	2,452,040	-	2,452,040	-
Operating Grants and Miscellaneous Revenue Received	4,152,693	130,271	4,282,964	20,000
Transfer from/(to) Other Funds for Operating Activities	-	-	-	1,004,727
Net Cash Provided by Noncapital Financing Activities	<u>8,333,890</u>	<u>529,301</u>	<u>8,863,191</u>	<u>1,024,727</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	-	-	-	43,716
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,716</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer from Other Funds for Construction	4,600,000	-	4,600,000	-
Cash Capital Contributions	250,000	-	250,000	-
Cash Payments for Capital Assets	(700,693)	329,538	(371,155)	-
Cash Payments for Principal on Debt	(432,562)	(105,503)	(538,065)	-
Cash Payments for Interest on Debt	(34,839)	(18,427)	(53,266)	-
Infrastructure Construction Expense for Governmental Activities	(7,868,167)	-	(7,868,167)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,186,261)</u>	<u>205,608</u>	<u>(3,980,653)</u>	<u>-</u>
Net Increase (Decrease) in Cash	(1,628,788)	419,993	(1,208,795)	589,066
Cash Balance at Beginning of Year	2,726,880	1,165,770	3,892,650	2,424,421
Cash Balance at End of Year	<u>\$ 1,098,092</u>	<u>\$ 1,585,763</u>	<u>\$ 2,683,855</u>	<u>\$ 3,013,487</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (6,028,523)	\$ (1,584,729)	\$ (7,613,252)	\$ (183,940)
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Depreciation and Amortization	914,724	1,574,923	2,489,647	-
Change in WRS Asset/Liability	1,276,016	122,109	1,398,125	54,423
Change in WRS Deferred Outflow	(839,825)	(96,476)	(936,301)	(65,131)
Change in WRS Deferred Inflow	(176,706)	(5,198)	(181,904)	11,594
Change in OPEB Liability	(24,700)	187	(24,513)	14,043
Change in OPEB Deferred Outflow	1,346	169	1,515	1,777
Change in OPEB Deferred Inflow	32,012	3,320	35,332	4,524
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Other Accounts Receivable	(203,328)	(38,947)	(242,275)	8,173
Due from Other Governments	(776,113)	(283,561)	(1,059,674)	10,064
Inventories	(103,192)	-	(103,192)	-
Prepaid Items	1,975	986	2,961	(516,703)
Increase (Decrease) in:				
Accounts Payable	166,649	(33,614)	133,035	65,834
Due to Other Governments	13,291	50,336	63,627	-
Accrued Compensation	57,057	5,965	63,022	282
Accrued Employee Leave	(87,981)	(14,015)	(101,996)	23,159
Claims Payable	-	-	-	92,524
Unearned Revenue	881	(16,371)	(15,490)	-
Total Adjustments	<u>252,106</u>	<u>1,269,813</u>	<u>1,521,919</u>	<u>(295,437)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,776,417)</u>	<u>\$ (314,916)</u>	<u>\$ (6,091,333)</u>	<u>\$ (479,377)</u>
Noncash capital, investing, and financing activities:				
Capital asset addition through capital contributions	\$ -	\$ 11,471,303	\$ 11,471,303	\$ -

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, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and Temporary Cash Investments	\$ 6,654,086
Taxes Receivable	229,685
 Total Assets	 <u>\$ 6,883,771</u>
 LIABILITIES	
Special Deposits	\$ 1,246,266
Due to Other Governments	5,637,505
 Total Liabilities	 <u>\$ 6,883,771</u>

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

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**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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:

B. 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, 2019. Separately issued financial statements of Beaver Creek may be obtained from the Beaver Creek's office at S1 County Road K, Fall Creek, Wisconsin.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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:

1. 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 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.

2. 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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Enterprise Funds

Enterprise 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.

The County reports the following major enterprise funds:

1. Highway Department – The Highway Department accounts for operations of the county road network.
2. Airport – The Airport accounts for operations of the airport.

Special Revenue 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.

The County reports the following nonmajor governmental funds:

1. Aging and Disability Resource Center
2. Watershed
3. West Central Drug Task Force
4. Recycling
5. Land Records

In addition, the County reports the following fund types:

Internal Service Funds – The Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis. The County reports risk management and self-insurance, health insurance, and shared service activities in internal service funds. Internal service fund activity and net position are allocated to governmental and enterprise activities through a calculated ratio of charges for services at a functional category level.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund – the Fiduciary 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 fiduciary fund:

1. Tax agency
2. Sunshine
3. District Attorney
4. Clerk of Courts
5. West Central Drug Task Force
6. Sheriff

D. 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.

As a 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. The County considers general revenues to be available if they are collected within 60 days after the end of the current fiscal period. Certain intergovernmental grant and aid revenue under cost reimbursement programs are recognized when collected within 90 days after the end of the current fiscal period. This period is extended through 180 days for the Aging and Disability Resource Center and the Department of Human Services. 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 available 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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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.

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

1. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. 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.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. The local government investment pool.
7. 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.

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, 2019, 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, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Receivables

The County has several types of receivables, as described below.

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. 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.

Sales Tax Receivable. The County has a 0.5% sales tax which is collected by the State of Wisconsin. Total revenues from this tax for the are recorded in the general fund. The county has accrued two months of the subsequent year's collections as receivable.

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.

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Restricted Assets.

Mandatory segregations of assets, if any, are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Funds on deposit with Wisconsin Municipal Mutual Insurance Company (WMMIC) for payment of insurance claims are combined with other participating governments. The county's deposit at year end was \$347,144. 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 \$74,046. 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.

5. Capital Assets

Capital asset activity is reported differently in the Government-Wide Statements and the Fund Financial Statements, as described below.

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, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 2.F.

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

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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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.

13. Equity Classifications

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

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

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation.

1. 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.
2. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties.
3. 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.
4. 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.
5. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments.

The County's cash and investments balances at December 31, 2019 as shown in the financial statements are as follows:

Governmental Activities		\$	15,661,214
Governmental Activities - Restricted			421,190
Business-Type Activities			2,683,855
Fiduciary Funds			6,654,086
Total			\$ 25,420,345

The cash and investment balances consisted of the following:

Treasurer's Cash and investments:			
Deposits in financial institutions	\$	15,226,704	
Deposits in State Local-Government Pooled-Investment Fund		9,734,285	
Repurchase agreements		110,061	\$ 25,071,050
Cash held by fiscal agent			
Deposits with WMMIC			347,144
Petty cash funds			2,151
Total cash and investments at December 31, 2019			\$ 25,420,345

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

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.)

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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.

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, 2019 the deposits were fully collateralized.

Investments. The County's investments at December 31, 2019 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 2019 was 22 days.

The County's investments at December 31, 2019 are summarized as follows:

Type	<u>Credit Quality Rating</u>
	Not Rated
LGIP	\$ 9,734,285
Repurchase Agreements	110,061
Total	\$ 9,844,346

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.

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. At December 31, 2019, the County carries no investments with maturity dates in excess of a year.

The County has no investments measured at fair value as of December 31, 2019. Investments are measured at amortized cost.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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, 2019, the County had 64 loans outstanding totaling \$773,495. 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.

C. Capital Assets

Capital asset activity in the governmental funds for the year ended December 31, 2019 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	\$ 4,089,090	\$ -	\$ -	\$ 4,089,090
Land-Right of Ways	2,249,109	2,779	-	2,251,888
Infrastructure Construction in Progress	1,777,334	3,274,105	(974,766)	4,076,673
Other Work in Progress	387,255	1,774,269	(363,275)	1,798,249
Total Capital Assets, Not Being Depreciated	<u>8,502,788</u>	<u>5,051,153</u>	<u>(1,338,041)</u>	<u>12,215,900</u>
Capital Assets, Being Depreciated				
Land improvements	4,321,190	61,250	-	4,382,440
Intangibles	2,841,585	-	-	2,841,585
Buildings and Improvements	80,507,108	359,175	-	80,866,283
Machinery and Equipment	8,482,144	2,085,842	(259,432)	10,308,554
Infrastructure	127,200,448	5,547,830	(2,386,948)	130,361,330
Total Capital Assets, Being Depreciated	<u>223,352,475</u>	<u>8,054,097</u>	<u>(2,646,380)</u>	<u>228,760,192</u>
Less accumulated depreciation for:				
Land Improvements	984,863	101,596	-	1,086,459
Intangibles	754,661	202,044	-	956,705
Buildings and Improvements	20,192,761	1,683,873	-	21,876,634
Machinery and Equipment	4,863,886	979,330	(211,753)	5,631,463
Infrastructure	44,683,800	3,120,600	(2,164,100)	45,640,300
Total Accumulated Depreciation	<u>71,479,971</u>	<u>6,087,443</u>	<u>(2,375,853)</u>	<u>75,191,561</u>
Capital Assets, Net of Depreciation	<u><u>\$ 160,375,292</u></u>	<u><u>\$ 7,017,807</u></u>	<u><u>\$ (1,608,568)</u></u>	<u><u>\$ 165,784,531</u></u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,150,886
Public safety	1,315,437
Public works	3,137,137
Health and social services	142,110
Culture, recreation and education	324,705
Conservation and development	17,168
Total governmental activities depreciation expense	<u><u>\$ 6,087,443</u></u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

Capital asset activity in the business-type funds for the year ended December 31, 2019 was as follows:

	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	\$ 355,477	\$ -	\$ 2,495,979
Construction work in progress	1,416,195	3,209,615	(1,112,617)	3,513,193
Total capital assets, not being depreciated	<u>3,556,697</u>	<u>3,565,092</u>	<u>(1,112,617)</u>	<u>6,009,172</u>
Capital assets, being depreciated:				
Land improvements	17,965,869	8,748,969	-	26,714,838
Buildings and Improvements	30,067,426	216,275	-	30,283,701
Machinery and Equipment	17,111,310	626,030	(1,231,749)	16,505,591
Total Capital Assets, Being Depreciated	<u>65,144,605</u>	<u>9,591,274</u>	<u>(1,231,749)</u>	<u>73,504,130</u>
Less accumulated depreciation for:				
Land Improvements	10,723,108	670,211	-	11,393,319
Buildings and Other Improvements	11,988,410	892,251	-	12,880,661
Machinery and Equipment	8,456,287	927,185	(1,030,458)	8,353,014
Total Accumulated Depreciation	<u>31,167,805</u>	<u>2,489,647</u>	<u>(1,030,458)</u>	<u>32,626,994</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 37,533,497</u></u>	<u><u>\$ 10,666,719</u></u>	<u><u>\$(1,313,908)</u></u>	<u><u>\$ 46,886,308</u></u>

Depreciation was charged to business-type activities as follows:

Airport	\$ 1,574,923
Highway	914,724
	<u>\$ 2,489,647</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2019 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services Fund	\$ 3,513,467
General Fund	Watershed Fund	1,100
General Fund	Health Insurance Fund	316,005
		<u>\$ 3,830,572</u>

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2020. 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 \$148,380, which reflects the interfund receivable/payable created with the internal service funds elimination for the statement.

E. 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	\$ 4,600,000
Human Services Fund	General Fund	2,907,534
Anti-Drug Program Fund	General Fund	235,391
Shared Communications Fund	Capital Projects	688,722
		<u>\$ 8,431,647</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, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Obligations

The following is a summary of changes in long term obligations of the County for the year ended December 31, 2019:

	Balance, January 1	Additions	Removals	Balance, December 31	Due Within One Year
Governmental Activities					
General Obligation Bonds/Notes	\$ 84,830,000	\$ 9,855,000	\$ (8,260,000)	\$ 86,425,000	\$ 9,490,000
Premium on Bonds/Notes	1,561,907	222,319	(202,600)	1,581,626	-
Subtotal	<u>86,391,907</u>	<u>10,077,319</u>	<u>(8,462,600)</u>	<u>88,006,626</u>	<u>9,490,000</u>
Other Liabilities					
Vested Compensated Absences	3,202,180	-	(132,293)	3,069,887	1,841,932
Unpaid Self-Insurance Claims	1,643,175	367,910	(275,386)	1,735,699	838,428
Long-Term Payable to City of Eau Claire	87,078	-	(7,572)	79,506	7,572
Total Other Liabilities	<u>4,932,433</u>	<u>367,910</u>	<u>(415,251)</u>	<u>4,885,092</u>	<u>2,687,932</u>
Total Governmental Activities					
Long-Term Obligations	91,324,340	10,445,229	(8,877,851)	92,891,718	12,177,932
Business Type Activities					
Bonds and Notes Payable					
General Obligation Debt	491,360	-	(105,503)	385,857	109,420
Other Liabilities					
Capital Leases Payable	1,736,694	-	(432,562)	1,304,132	441,349
Vested Compensated Absences	423,146	-	(101,997)	321,149	192,688
Total Other Liabilities	<u>2,159,840</u>	<u>-</u>	<u>(534,559)</u>	<u>1,625,281</u>	<u>634,037</u>
Total Business Type Activities					
Long-Term Obligations	2,651,200	-	(640,062)	2,011,138	743,457
Total - All Activities	<u>\$ 93,975,540</u>	<u>\$ 10,445,229</u>	<u>\$ (9,517,913)</u>	<u>\$ 94,902,856</u>	<u>\$ 12,921,389</u>

Aggregate cash flow requirements for the retirement of general obligation long-term principal and interest on December 31, 2019 are as follows:

	Year	Principal	Interest	Total
Governmental Activities				
	2020	\$ 9,490,000	\$ 2,356,920	\$ 11,846,920
	2021	9,540,000	2,151,381	11,691,381
	2022	9,795,000	1,904,966	11,699,966
	2023	10,140,000	1,648,793	11,788,793
	2024	9,440,000	1,412,273	10,852,273
	2025-2029	30,670,000	4,238,653	34,908,653
	2030-2031	7,350,000	468,900	7,818,900
		<u>\$ 86,425,000</u>	<u>\$ 14,181,886</u>	<u>\$ 100,606,886</u>
Business-Type Activities				
	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>\$ 385,857</u>	<u>\$ 32,672</u>	<u>\$ 418,529</u>

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

Detail of the general obligations of the County as of December 31, 2019 is as follows:

	Issue Date	Final Maturity Date	Interest Rate	Debt Detail		
				Original Issue	Total Payable 12/31/19	Current Portion 12/31/19
Governmental Activities:						
General Obligation Bonds/Notes:						
2010A	9/21/2010	9/01/2020	2.00 - 3.00	\$ 5,080,000	\$ 415,000	\$ 415,000
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	15,335,000	710,000
2013A	10/22/2013	9/1/2023	2.00 - 2.50	7,600,000	3,215,000	770,000
2014A	10/02/2014	9/1/2024	1.00 - 2.25	10,000,000	5,235,000	1,005,000
2015A	10/17/2015	9/1/2025	2.00 - 2.25	9,500,000	5,870,000	935,000
2016A	9/7/2016	9/1/2026	2.00 - 3.00	12,630,000	9,160,000	1,200,000
2016B	9/7/2016	9/1/2027	1.25 - 2.00	14,235,000	11,400,000	1,370,000
2017A	10/24/2017	9/1/2027	1.25 - 2.00	9,750,000	7,835,000	910,000
2018A	11/1/2018	9/1/2028	3.00 - 4.00	10,000,000	8,915,000	890,000
2019A	10/30/2019	9/1/2028	2.00 - 3.00	9,855,000	9,855,000	1,285,000
Total General Obligation Bonds/Notes				\$ 115,840,000	\$ 86,425,000	\$ 9,490,000
Total Governmental Activities				\$ 115,840,000	\$ 86,425,000	\$ 9,490,000
Business-Type Activities						
General Obligation Notes						
State Trust Fund	1/31/2014	3/15/2022	3.75	\$ 522,802	\$ 215,202	\$ 69,095
State Trust Fund	1/31/2014	3/15/2023	3.75	350,000	170,655	40,325
Total General Obligation Bonds				\$ 872,802	\$ 385,857	\$ 109,420
Total Business Type Activities				\$ 872,802	\$ 385,857	\$ 109,420
Total General Obligation Debt				\$ 116,712,802	\$ 86,810,857	\$ 9,599,420

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, 2019, the County's debt limit amounted to \$461,024,615 and indebtedness subject to the limitation totaled \$86,810,857.

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, 2019, vested PTO earned and not taken was approximately \$3,069,887 in the governmental funds and \$321,149 in the business-type activities determined on the basis of current wage and salary rates.

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 total \$3,066,421 in cost and have accumulated depreciation totaling \$824,726 for a net book value of \$2,242,145 as of December 31, 2019.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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

Year	Business-Type Funds
2020	467,400
2021	467,399
2022	420,382
Subtotal	1,355,181
Less: Interest	(51,049)
Total	\$ 1,304,132

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 for the year ended December 31, 2019.

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 for the year ended December 31, 2019.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2019 consisted of the following:

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor Funds	Total
Nonspendable for:						
Delinquent Taxes	\$ 1,364,690	\$ -	\$ -	\$ -	\$ -	\$ 1,364,690
Tax Deeds	1,124	-	-	-	-	1,124
Inventory	6,641	9,609	-	-	-	16,250
Prepaid Items	3,982	3,924	-	-	6,600	14,506
Restricted for:						
Debt Service	-	-	3,901,563	-	-	3,901,563
Housing Rehabilitation Loans	74,046	-	-	-	-	74,046
Recycling	-	-	-	-	491,695	491,695
Specialized Transportation Program	-	-	-	-	115,962	115,962
Assigned to:						
Subsequent Year's Budget Deficit	676,066	-	-	-	-	676,066
Subsequent Year's Capital Projects	-	-	-	-	-	-
Future ADRC Expenditures	-	-	-	-	150,571	150,571
Future Watershed Expenditures	-	-	-	-	69,754	69,754
Future Anti-Drug Expenditures	-	-	-	-	130,088	130,088
Future Land Record Expenditures	-	-	-	-	41,792	41,792
Unassigned	9,792,689	(2,160,775)	-	(63,307)	-	7,568,607
	<u>\$ 11,919,238</u>	<u>\$ (2,147,242)</u>	<u>\$ 3,901,563</u>	<u>\$ (63,307)</u>	<u>\$ 1,006,462</u>	<u>\$ 14,616,714</u>

Unassigned fund balance in the Capital Projects fund includes bond proceeds received in 2019, but not spent until 2020 when the related projects are expected to be completed.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION

A. Wisconsin Retirement System (WRS) Pension Plan Benefits

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the Net Pension Liability (Asset), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2019**

NOTE 3: OTHER INFORMATION (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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1) %	(42) %
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

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, 2019 through December 31, 2019, the WRS recognized \$2,129,644 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

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

At December 31, 2019, the County reported a liability of \$7,159,347 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.20123608%, which was an increase of 0.005027540% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized pension expense of \$4,834,777.

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$5,576,048	(\$9,856,446)
Net differences between projected and actual earnings on pension plan investments	10,455,739	0
Changes in assumptions	1,206,802	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,501	(38,890)
Employer contributions subsequent to the measurement date	2,129,644	0
Total	\$19,370,734	(\$9,895,336)

Deferred outflows of resources of \$2,129,644 related to pensions, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the year ended December 31, 2020. 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 June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Expense/(Benefit)
2020	\$10,118,133	(\$7,472,230)	\$2,645,903
2021	6,676,442	(6,007,608)	668,834
2022	6,545,034	(5,377,041)	1,167,993
2023	4,754,457	(1,891,435)	2,863,022

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (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, 2017
Measurement Date of Net Pension Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality, and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

Asset Allocation Targets and Expected Returns As of December 31, 2018			
<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond 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, 2019**

NOTE 3: OTHER INFORMATION (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 calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County’s proportionate share of the Net Pension Liability (Asset)	\$28,452,002	\$7,159,347	(\$8,673,390)

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>.

B. Wisconsin Retirement System (WRS) Other Post-Employment Benefits – Multiple Employer Plan

Summary of Significant Accounting Policies

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.

General Information about the Other Post-Employment Benefits

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, 2019**

NOTE 3: OTHER INFORMATION (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 to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

Coverage Type	Employer Contribution
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, 2018 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2018		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$6,935 in contributions from the County.

At December 31, 2019, the County reported a liability of \$1,278,451 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the County's proportion was 0.49545900%, which was a decrease of 0.001436% from its proportion measured as of December 31, 2017.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

For the year ended December 31, 2019, the County recognized OPEB expense of \$123,669. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$0	(\$64,854)
Net differences between projected and investment earnings on plan investments	30,553	0
Changes in actuarial assumptions	121,984	(277,118)
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	(18,810)
Employer contributions subsequent to the measurement date	6,935	0
Total	\$159,472	(\$360,782)

Deferred outflows of resources of \$6,935 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, 2020. 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 Outflow of Resources	Deferred Inflows of Resources	Net Expense/(Benefit)
2020	\$30,770	(\$59,270)	(\$28,500)
2021	30,770	(59,270)	(28,500)
2022	30,770	(59,270)	(28,500)
2023	26,479	(59,270)	(32,791)
2024	22,059	(59,270)	(37,211)
Thereafter	11,689	(64,432)	(52,743)

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality, and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

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, 2018 are as follows:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

Single Discount rate. A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. 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. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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 4.22%, 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 (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

	1% Decrease to Discount Rate (3.22%)	Current Discount Rate (4.22%)	1% Increase to Discount Rate (5.22%)
County's proportionate share of the Net OPEB Liability (Asset)	\$1,818,682	\$1,278,451	\$861,786

C. Risk Management

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

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

Public Entity Risk Pool- Wisconsin Municipal Mutual Insurance Company

The County is self-insured for workers' compensation coverage. Claims are paid through 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.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

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, 2019. 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 status as an unauthorized reinsurer in Wisconsin.

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

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

All funds of the County participate in the risk management 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.

Self-Insured Health Insurance

The County contracted with a third-party administrator (TPA) to self-insure a portion of employee health insurance deductibles. The County uses this 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. Claim liabilities are based on information received prior to the issue of the financial statements that indicate a claim has been incurred as of the date of the financial statements. The County does not allocate overhead costs or other non-incremental costs to the claims liability.

Charges for the self-insured portion of health insurance are based on actual employee health insurance enrollment and related claims.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3: OTHER INFORMATION (continued)

Claims Summary

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

	2019	2018
Estimated Claims Outstanding January 1	\$ 1,643,175	\$ 1,575,000
Current Year Claims and Changes	1,670,612	1,808,045
Claim Payments	(1,578,088)	(1,739,870)
Estimated Claims Outstanding December 31	\$ 1,735,699	\$ 1,643,175

D. Contingencies

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

E. Subsequent Events

Management evaluated subsequent events through July 24, 2020, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2019, but prior to July 24, 2020 that provided additional evidence about conditions that existed at December 31, 2019, have been recognized in the financial statements for the year ended December 31, 2019. Events or transactions that provided evidence about conditions that did not exist at December 31, 2019, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2019.

General Obligation Promissory Notes Issued

On June 16, 2020, the County Board approved the sale of \$17,060,000 in general obligation promissory notes, Series 2020A. These bonds were issued for a current refunding of general obligation promissory notes Series 2010B and for 2020 approved capital borrowing for highway improvement projects and other general government projects. The initial installment of interest for Series 2020A is due March 1, 2021. Principal and the second installment of interest are for Series 2020A is due September 1, 2021. The interest rate for Series 2020A is 2.00% – 5.00%.

Pandemic

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and local communities. Specific to Eau Claire County, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, lost revenues from sales tax and charges for services. Management believes Eau Claire County is taking appropriate actions to mitigate the potential negative financial impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Expenditures in Excess of Budget

The County adopts annual budgets at the functional level for all governmental and business-type funds. Some functional levels experienced expenditures which exceeded appropriations, as shown below.

Fund	Functional Level	Excess Expenditures
General Fund	Conservation & Development	\$ 35,527
Human Services Fund	Health & Human Services	\$ 12,149,592

B. Deficit Balances

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

At December 31, 2019, the following individual funds held a deficit balance:

Fund	Deficit Balance
Human Services Fund	\$ 2,147,242
Capital Projects Fund	\$ 63,307

The Human Services fund deficit will be primarily 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 2020. The Capital Projects Fund deficit will be funded through the 2020 tax levy.

Required Supplementary Information

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EAU CLAIRE COUNTY, WISCONSIN

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

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 26,982,875	\$ 26,982,875	\$ 27,391,782	\$ 408,907
Intergovernmental Grants/Aids	2,907,106	3,150,632	2,994,416	(156,216)
Licenses and Permits	416,680	416,680	493,743	77,063
Fines, Forfeits and Penalties	290,000	290,000	374,573	84,573
Public Charges for Services	4,021,287	4,021,287	4,475,686	454,399
Intergovernmental Charges for Services	233,058	233,058	151,873	(81,185)
Investment Income	450,000	450,000	621,277	171,277
Other Revenues	590,224	590,224	858,603	268,379
Total Revenues	35,891,230	36,134,756	37,361,953	1,227,197
EXPENDITURES				
General Government	13,248,599	13,343,786	12,441,725	902,061
Public Safety	15,822,962	16,078,328	15,593,510	484,818
Health and Human Services	2,969,071	3,000,502	2,976,610	23,892
Culture, Recreation and Education	2,456,680	2,601,081	2,350,149	250,932
Conservation and Development	1,841,376	1,866,642	1,902,169	(35,527)
Total Expenditures	36,338,688	36,890,339	35,264,163	1,626,176
Excess (Deficiency) of Revenues Over (Under) Expenditures	(447,458)	(755,583)	2,097,790	2,853,373
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(3,142,925)	(3,142,925)
Net Change in Fund Balance	\$ (447,458)	\$ (755,583)	(1,045,135)	\$ (289,552)
Fund Balance (Deficit) - January 1			12,964,373	
Fund Balance (Deficit)- December 31			\$ 11,919,238	

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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,852,473	\$ 8,852,473	\$ 8,852,473	\$ -
Intergovernmental Grants/Aids	21,414,432	21,494,402	30,349,453	8,855,051
Public Charges for Services	799,437	829,437	859,255	29,818
Intergovernmental Charges for Services	1,149,500	1,149,500	681,602	(467,898)
Other Revenues	216,530	216,530	177,638	(38,892)
Total Revenues	<u>32,432,372</u>	<u>32,542,342</u>	<u>40,920,421</u>	<u>8,378,079</u>
EXPENDITURES				
Public Safety	1,293,675	1,293,675	1,258,753	34,922
Health and Human Services	31,138,697	31,280,878	43,430,470	(12,149,592)
Total Expenditures	<u>32,432,372</u>	<u>32,574,553</u>	<u>44,689,223</u>	<u>(12,114,670)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(32,211)	(3,768,802)	(3,736,591)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,907,534	2,907,534
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (32,211)</u>	<u>(861,268)</u>	<u>\$ (829,057)</u>
Fund Balance (Deficit) - January 1			<u>(1,285,974)</u>	
Fund Balance (Deficit) - December 31			<u>\$ (2,147,242)</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 FIVE FISCAL YEARS**

Measurement Date: December 31,	2014	2015	2016	2017	2018
County's Proportion of the Net Pension Liability (Asset)	0.19198544%	0.19319466%	0.19356886%	0.19620854%	0.20123608%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,715,689)	\$ 3,139,376	\$ 1,595,470	\$ (5,825,664)	\$ 7,159,347
County's Covered Employee Payroll	\$ 25,767,642	\$ 26,161,108	\$ 27,080,193	\$ 28,162,983	\$ 30,080,843
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%	23.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%

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 FIVE FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually Required Contribution	\$ 1,927,277	\$ 1,864,429	\$ 2,026,634	\$ 2,133,589	\$ 2,129,644
Contributions in Relation to the Contractually Required Contributions	<u>(1,927,277)</u>	<u>(1,864,429)</u>	<u>(2,026,634)</u>	<u>(2,133,589)</u>	<u>(2,129,644)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 26,161,108	\$ 27,080,193	\$ 28,162,983	\$ 30,080,843	\$ 31,524,708
Contributions as a Percentage of Covered Employee Payroll	7.37%	6.88%	7.20%	7.09%	6.76%

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)
LAST TWO FISCAL YEARS

Measurement Date: December 31,	2017	2018
County's Proportion of the Net OPEB Liability (Asset)	0.00496895%	0.00495459%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,494,948	\$ 1,278,451
County's Covered Employee Payroll	\$ 20,895,856	\$ 23,835,000
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%	5.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	44.81%	48.69%

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 TWO FISCAL YEARS**

	<u>2018</u>	<u>2019</u>
Contractually Required Contribution	\$ 9,545	\$ 6,935
Contributions in Relation to the Contractually Required Contributions	<u>(9,545)</u>	<u>(6,935)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 County's Covered-Employee Payroll	 \$ 20,895,856	 \$ 23,835,000
 Contributions as a Percentage of Covered Employee Payroll	 0.05%	 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, 2019**

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. Transfers of budgeted amounts 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, 2019. It is recognized that overdrawn appropriations are contrary to Section 66.0607 of the Wisconsin Statutes.

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 – Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

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 – Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

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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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,233,019	\$ 10,233,019	\$ 10,233,019	\$ -
EXPENDITURES				
Debt Service:				
Principal Retirement	8,260,000	8,260,000	8,267,572	(7,572)
Interest and Fiscal Charges	2,153,716	2,153,716	2,142,147	11,569
Total Debt Service	<u>10,413,716</u>	<u>10,413,716</u>	<u>10,409,719</u>	<u>3,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,697)	(180,697)	(176,700)	3,997
OTHER FINANCING SOURCES (USES)				
Premium on Bonds	-	-	154,935	154,935
Bond Interest Rebates	-	-	495,030	495,030
Net Change in Fund Balance	<u>\$ (180,697)</u>	<u>\$ (180,697)</u>	<u>473,265</u>	<u>\$ 653,962</u>
Fund Balance (Deficit) - January 1			<u>3,428,298</u>	
Fund Balance (Deficit) - December 31			<u>\$ 3,901,563</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Intergovernmental Grants/Aids	166,350	166,350	-	(166,350)
Intergovernmental Charges for Services	-	-	466	466
Investment Income	-	-	60	60
Other Revenues	-	-	36,133	36,133
Total Revenues	186,350	186,350	56,659	(129,690)
EXPENDITURES				
Capital Outlay				
General Government	4,178,309	5,120,652	3,300,000	1,820,652
Public Safety	409,000	834,000	484,046	349,954
Health and Human Services	65,000	65,000	24,889	40,111
Culture, Recreation and Education	457,500	521,552	327,810	193,742
Conservation and Development	267,350	267,350	169,902	97,448
Debt Service				
Interest and Fiscal Charges	-	-	128,671	(128,671)
Total Expenditures	5,377,159	6,808,554	4,435,318	2,373,236
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,190,809)	(6,622,204)	(4,378,659)	2,243,545
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	5,190,809	5,190,809	9,855,000	4,664,191
Premium on Bonds/Notes	-	-	67,384	67,384
Insurance Proceeds	-	-	339,124	339,124
Transfers Out	-	-	(5,288,722)	(5,288,722)
Total Other Financing Sources (Uses)	5,190,809	5,190,809	4,972,786	(218,023)
Net Change in Fund Balance	\$ -	\$ (1,431,395)	594,127	\$ 2,025,522
Fund Balance (Deficit) - January 1			(657,434)	
Fund Balance (Deficit) - December 31			\$ (63,307)	

EAU CLAIRE COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet

December 31, 2019

	Special Revenue Funds						
	Aging & Disability Resource Center	Watershed Fund	Anti-Drug Program	Recycling Fund	Land Records	Total	
ASSETS							
Cash and Temporary Cash Investments	\$ 35,160	\$ -	\$ 161,760	\$ 587,045	\$ 41,096	\$ 825,061	
Taxes Receivable	238,317	10,000	-	-	-	248,317	
Accounts Receivable	72,393	-	221	57,984	696	131,294	
Due from Other Governments	389,926	90,502	-	-	-	480,428	
Prepaid Expenses	6,600	-	-	-	-	6,600	
Total Assets	<u>\$ 742,396</u>	<u>\$ 100,502</u>	<u>\$ 161,981</u>	<u>\$ 645,029</u>	<u>\$ 41,792</u>	<u>\$ 1,691,700</u>	
LIABILITIES							
Accounts payable	\$ 24,269	\$ 19,648	\$ 849	\$ 142,523	\$ -	\$ 187,289	
Accrued compensation	108,893	-	-	5,552	-	114,445	
Due to Other Governments	28,212	-	813	5,259	-	34,284	
Due to Other Funds	-	1,100	-	-	-	1,100	
Total Liabilities	<u>161,374</u>	<u>20,748</u>	<u>1,662</u>	<u>153,334</u>	<u>-</u>	<u>337,118</u>	
DEFERRED INFLOWS OF RESOURCES							
Succeeding Years Property Tax	238,317	10,000	-	-	-	248,317	
Unavailable Revenue	69,572	-	30,231	-	-	99,803	
Total Deferred Inflows of Resources	<u>307,889</u>	<u>10,000</u>	<u>30,231</u>	<u>-</u>	<u>-</u>	<u>348,120</u>	
FUND BALANCE							
Nonspendable	6,600	-	-	-	-	6,600	
Restricted	115,962	-	-	491,695	-	607,657	
Assigned	150,571	69,754	130,088	-	41,792	392,205	
Total Fund Balances	<u>273,133</u>	<u>69,754</u>	<u>130,088</u>	<u>491,695</u>	<u>41,792</u>	<u>1,006,462</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 742,396</u>	<u>\$ 100,502</u>	<u>\$ 161,981</u>	<u>\$ 645,029</u>	<u>\$ 41,792</u>	<u>\$ 1,691,700</u>	

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

For the Year Ended December 31, 2019

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Aging & Disability Resource Center	Watershed Fund	Anti-Drug Program Fund	Recycling Fund	Land Records	
REVENUES						
Taxes	\$ 238,317	\$ 10,000	\$ -	\$ -	\$ 120,048	\$ 368,365
Intergovernmental Grants & Aids	2,297,445	99,588	-	495,230	-	2,892,263
Public Charges for Services	202,059	-	-	848,528	-	1,050,587
Investment Income	1,482	-	-	-	-	1,482
Other Revenues	208,454	-	156,960	31,021	-	396,435
Total Revenues	<u>2,947,757</u>	<u>109,588</u>	<u>156,960</u>	<u>1,374,779</u>	<u>120,048</u>	<u>4,709,132</u>
EXPENDITURES						
General Government	-	-	-	-	100,000	100,000
Public Safety	-	-	42,202	-	-	42,202
Public Works	-	-	-	1,406,145	-	1,406,145
Health and Human Services	2,845,599	-	-	-	-	2,845,599
Conservation and Development	-	164,736	-	-	-	164,736
Total Expenditures	<u>2,845,599</u>	<u>164,736</u>	<u>42,202</u>	<u>1,406,145</u>	<u>100,000</u>	<u>4,558,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>102,158</u>	<u>(55,148)</u>	<u>114,758</u>	<u>(31,366)</u>	<u>20,048</u>	<u>150,450</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	235,391	-	-	235,391
Net Change in Fund Balance	<u>102,158</u>	<u>(55,148)</u>	<u>350,149</u>	<u>(31,366)</u>	<u>20,048</u>	<u>385,841</u>
Fund Balance (Deficit) - January 1	170,975	124,902	(220,061)	523,061	21,744	620,621
Fund Balance (Deficit) - December 31	<u>\$ 273,133</u>	<u>\$ 69,754</u>	<u>\$ 130,088</u>	<u>\$ 491,695</u>	<u>\$ 41,792</u>	<u>\$ 1,006,462</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 238,317	\$ 238,317	\$ 238,317	\$ -
Intergovernmental Grants/Aids	2,257,538	2,303,328	2,297,445	(5,883)
Public Charges for Services	483,111	483,111	202,059	(281,052)
Investment Income	-	-	1,482	1,482
Other Revenue	178,332	178,332	208,454	30,122
Total Revenues	<u>3,157,298</u>	<u>3,203,088</u>	<u>2,947,757</u>	<u>(255,331)</u>
EXPENDITURES				
Health and Human Services	3,157,298	3,203,088	2,845,599	357,489
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>102,158</u>	<u>\$ 102,158</u>
Fund Balance (Deficit) - January 1			<u>170,975</u>	
Fund Balance (Deficit) - December 31			<u>\$ 273,133</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Intergovernmental Grants/Aids	132,850	299,574	99,588	(199,986)
Total Revenues	<u>142,850</u>	<u>309,574</u>	<u>109,588</u>	<u>(199,986)</u>
EXPENDITURES				
Conservation and Development	156,010	322,734	164,736	157,998
Net Change in Fund Balance	<u><u>\$ (13,160)</u></u>	<u><u>\$ (13,160)</u></u>	<u>(55,148)</u>	<u><u>\$ (41,988)</u></u>
Fund Balance - January 1			<u>124,902</u>	
Fund Balance - December 31			<u><u>\$ 69,754</u></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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Other Revenues	\$ 93,130	\$ 93,130	\$ 156,960	\$ 63,830
EXPENDITURES				
Public Safety	93,130	96,944	42,202	54,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,814)	114,758	118,572
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	235,391	235,391
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,814)</u>	<u>350,149</u>	<u>\$ 353,963</u>
Fund Balance (Deficit) - January 1			<u>(220,061)</u>	
Fund Balance (Deficit) - December 31			<u>\$ 130,088</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
REVENUES				
Intergovernmental Grants/Aids	\$ 487,750	\$ 487,750	\$ 495,230	\$ 7,480
Public Charges for Services	833,350	833,350	848,528	15,178
Other Revenues	39,000	39,000	31,021	(7,979)
Total Revenues	<u>1,360,100</u>	<u>1,360,100</u>	<u>1,374,779</u>	<u>14,679</u>
EXPENDITURES				
Public Works	1,360,100	1,360,100	1,406,145	(46,045)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(31,366)</u>	<u>\$ (31,366)</u>
Fund Balance - January 1			<u>523,061</u>	
Fund Balance - December 31			<u>\$ 491,695</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 100,000	\$ 100,000	\$ 120,048	\$ 20,048
EXPENDITURES				
General Government	100,000	100,000	100,000	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>20,048</u>	<u>\$ 20,048</u>
Fund Balance - January 1			<u>21,744</u>	
Fund Balance - December 31			<u>\$ 41,792</u>	

EAU CLAIRE COUNTY, WISCONSIN

Combining Statement of Net Position
Internal Service Funds

December 31, 2019

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Temporary Cash Investments	\$ 1,841,243	\$ -	\$ 825,100	\$ 2,666,343
Prepaid Items	-	516,703	-	516,703
Restricted Assets				
Cash	347,144	-	-	347,144
Total Current Assets	<u>2,188,387</u>	<u>516,703</u>	<u>825,100</u>	<u>3,530,190</u>
Noncurrent Assets:				
Deposit in Insurance Pool	999,731	-	-	999,731
Total Assets	<u>3,188,118</u>	<u>516,703</u>	<u>825,100</u>	<u>4,529,921</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	96,056	-	-	96,056
State Life Insurance Other Post Employment Benefit Related	2,025	-	-	2,025
Total Deferred Outflows of Resources	<u>98,081</u>	<u>-</u>	<u>-</u>	<u>98,081</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	46,315	29,563	14,869	90,747
Accrued Compensation	8,617	-	-	8,617
Due to Other Funds	-	316,005	-	316,005
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	13,895	-	-	13,895
Claims Payable	700,729	137,699	-	838,428
Total Current Liabilities	<u>769,556</u>	<u>483,267</u>	<u>14,869</u>	<u>1,267,692</u>
Long-Term Liabilities (Net of Current Portion)				
Wisconsin Retirement System Pension Related	35,502	-	-	35,502
State Life Insurance Other Post Employment Benefit Related	16,235	-	-	16,235
Claims Payable	897,271	-	-	897,271
Accrued Employee Leave	9,264	-	-	9,264
Total Noncurrent Liabilities	<u>958,272</u>	<u>-</u>	<u>-</u>	<u>958,272</u>
Total Liabilities	<u>1,727,828</u>	<u>483,267</u>	<u>14,869</u>	<u>2,225,964</u>
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	49,069	-	-	49,069
State Life Insurance Other Post Employment Benefit Related	4,582	-	-	4,582
Total Deferred Inflows of Resources	<u>53,651</u>	<u>-</u>	<u>-</u>	<u>53,651</u>
NET POSITION				
Unrestricted	1,504,720	33,436	810,231	2,348,387
Total Net Position	<u>\$ 1,504,720</u>	<u>\$ 33,436</u>	<u>\$ 810,231</u>	<u>\$ 2,348,387</u>

EAU CLAIRE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds

For the Year Ended December 31, 2019

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ 1,138,869	\$ 8,287,508	\$ 244,756	\$ 9,671,133
Total Operating Revenues	<u>1,138,869</u>	<u>8,287,508</u>	<u>244,756</u>	<u>9,671,133</u>
OPERATING EXPENSES				
Operation and Maintenance	798,013	7,263,201	123,247	8,184,460
Claims	610,510	1,060,102	-	1,670,612
Total Operating Expenses	<u>1,408,523</u>	<u>8,323,303</u>	<u>123,247</u>	<u>9,855,073</u>
Operating Income (Loss)	(269,654)	(35,795)	121,509	(183,940)
NONOPERATING REVENUES				
Investment Income	43,716	-	-	43,716
Miscellaneous Revenues	-	20,000	-	20,000
Total Nonoperating Revenues (Expenses)	<u>43,716</u>	<u>20,000</u>	<u>-</u>	<u>63,716</u>
Income (Loss) Before Transfers	(225,938)	(15,795)	121,509	(120,224)
TRANSFERS				
Transfers In (Out)	<u>(49,231)</u>	<u>49,231</u>	<u>688,722</u>	<u>688,722</u>
Change in Net Position	(275,169)	33,436	810,231	568,498
Net Position - Beginning of Year	1,779,889	-	-	1,779,889
Net Position - December 31	<u>\$ 1,504,720</u>	<u>\$ 33,436</u>	<u>\$ 810,231</u>	<u>\$ 2,348,387</u>

EAU CLAIRE COUNTY, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds

For the Year Ended December 31, 2019

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,157,106	\$ 8,287,508	\$ 244,756	\$ 9,689,370
Cash Paid to Suppliers for Goods and Services	(569,170)	(7,750,341)	(108,378)	(8,427,888)
Claims Paid	(655,685)	(922,403)	-	(1,578,088)
Payments on Behalf of Employees	(162,770)	-	-	(162,770)
Net Cash Provided by (Used for) Operating Activities	<u>(230,519)</u>	<u>(385,236)</u>	<u>136,378</u>	<u>(479,377)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous Revenue Received	-	20,000	-	20,000
Transfer from/(to) Other Funds for Operating Activities	(49,231)	365,236	688,722	1,004,727
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(49,231)</u>	<u>385,236</u>	<u>688,722</u>	<u>1,024,727</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	43,716	-	-	43,716
Net Cash Provided by (Used for) Investing Activities	<u>43,716</u>	<u>-</u>	<u>-</u>	<u>43,716</u>
Net Increase (Decrease) in Cash	(236,034)	-	825,100	589,066
Cash Balance at Beginning of Year	2,424,421	-	-	2,424,421
Cash Balance at End of Year	<u>\$ 2,188,387</u>	<u>\$ -</u>	<u>\$ 825,100</u>	<u>\$ 3,013,487</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (269,654)	\$ (35,795)	\$ 121,509	\$ (183,940)
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Change in WRS Asset/Liability	54,423	-	-	54,423
Change in WRS Deferred Outflow	(65,131)	-	-	(65,131)
Change in WRS Deferred Inflow	11,594	-	-	11,594
Change in OPEB Liability	14,043	-	-	14,043
Change in OPEB Deferred Outflow	1,777	-	-	1,777
Change in OPEB Deferred Inflow	4,524	-	-	4,524
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Other Accounts Receivable	8,173	-	-	8,173
Due from Other Governments	10,064	-	-	10,064
Prepaid Items	-	(516,703)	-	(516,703)
Increase (Decrease) in:				
Accounts Payable	21,402	29,563	14,869	65,834
Accrued Compensation	282	-	-	282
Accrued Employee Leave	23,159	-	-	23,159
Claims Payable	(45,175)	137,699	-	92,524
Total Adjustments	<u>39,135</u>	<u>(349,441)</u>	<u>14,869</u>	<u>(295,437)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (230,519)</u>	<u>\$ (385,236)</u>	<u>\$ 136,378</u>	<u>\$ (479,377)</u>

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

December 31, 2019

	Tax Agency	Sunshine	District Attorney	Clerk of Court	West Central Drug Task Force	Sheriff	Total Agency Funds
ASSETS							
Cash and Temporary Cash Investments	\$ 5,408,993	\$ 2,615	\$ 14,583	\$ 736,492	\$ 142,122	\$ 349,281	\$ 6,654,086
Taxes Receivable	229,685	-	-	-	-	-	229,685
Total Assets	\$ 5,638,678	\$ 2,615	\$ 14,583	\$ 736,492	\$ 142,122	\$ 349,281	\$ 6,883,771
LIABILITIES							
Special Deposits	\$ 1,173	\$ 2,615	\$ 14,583	\$ 736,492	\$ 142,122	\$ 349,281	\$ 1,246,266
Due to Other Governments	5,637,505	-	-	-	-	-	5,637,505
Total Liabilities	\$ 5,638,678	\$ 2,615	\$ 14,583	\$ 736,492	\$ 142,122	\$ 349,281	\$ 6,883,771