



Eau Claire

C O U N T Y

Financial Statements and
Supplementary Information

For the Year Ended
December 31, 2020

EAU CLAIRE COUNTY, WISCONSIN
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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, 2020, 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 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 from 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During the year ended December 31, 2020, the County adopted GASB Statement No. 84, Fiduciary Activities. As a result of implementation of this standard, Eau Claire County reported a restatement for the change in accounting principle (See Note 4). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Board of Directors
Eau Claire County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021 on our consideration of the County's internal control over financial reporting and on our tests of 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 28, 2021

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EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

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, 2020. 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 \$152.3 million on a government-wide basis as of December 31, 2020 (net position). Of this amount, \$129.8 million represented the County's net investment in capital assets, \$8.3 million was held for restricted purposes, and \$14.2 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 \$9.8 million. Net position related to the governmental activities increased by \$6.0 million and business-type activities of the County increased \$3.8 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 \$18.8 million, an increase of \$4.2 million in comparison to the prior year. This increase was primarily driven by reduced expenditures in response to the Covid-19 pandemic. The county implemented mandatory and voluntary furloughs, and saw a reduction in expenditures related to travel and office supplies. In addition, permitting fees were strong throughout the year, and sales tax did not experience the decline originally expected at the beginning of the pandemic.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13.4 million, or 38.4% of total general fund expenditures, compared to \$9.8 million (27.8%) at the end of 2019.
- The County's primary government issued \$17.1 million in general obligation notes (Series 2020A). Proceeds from this issue were used to perform a current refunding of Series 2010B general obligation bonds (\$7.5 million), as well as for current year capital projects (\$9.6 million). The County reported debt service payments of \$18.7 million, of which \$9.2 million was to refund Series 2010B and \$9.5 million was for all other current outstanding general obligation debt.
- The Highway Department finished 2020 with an increase in net position of \$ 3.2 million, which was primarily due to a year-over-year decrease in operating expenses relating to more roadway infrastructure projects funded by the state, less state and county winter highway maintenance due to a light 2020 winter (as compared to 2019), and significantly less contracted projects for summer county highway maintenance work. The Highway Department also had greater miscellaneous revenues because a one-time sale of a land easement for a cell tower that was previously leased.

EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

- The Airport Department finished 2020 with an increase in net position of \$.6 million, which was primarily due to federal Coronavirus Aid, Relief, and Economic Security Act (CARES) funding for Covid-19 pandemic relief.

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 2020. 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, 2020

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 supplementary information included 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 worker's compensation 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 funds are 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, 2020

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 individual and combining statements for the nonmajor governmental funds, combining statements for the internal service funds, and combining statements for the fiduciary funds. This other supplementary information section begins on page 69.

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 \$152.3 million at the close of the fiscal year. The largest portion of Eau Claire County's net position (85.2%) 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 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 73,858,470	\$ 63,459,320	\$ 11,310,436	\$ 8,079,336	\$ 85,168,906	\$ 71,538,656
Capital Assets	167,342,044	165,784,531	46,905,444	46,886,308	214,247,488	212,670,839
Internal Balances	(183,705)	(148,380)	183,705	148,380	-	-
Total Assets	241,016,809	229,095,471	58,399,585	55,114,024	299,416,394	284,209,495
Deferred Outflow of Resources	14,769,366	17,707,399	1,722,413	2,099,194	16,491,779	19,806,593
Current Liabilities	9,006,217	10,773,717	850,811	1,103,334	9,857,028	11,877,051
Net Pension & OPEB Liability	1,798,052	7,527,843	251,144	909,955	2,049,196	8,437,798
Long-Term Liabilities Due Within One Year	12,518,117	12,177,932	675,593	743,457	13,193,710	12,921,389
Long-Term Liabilities	80,208,507	80,713,786	562,645	1,267,681	80,771,152	81,981,467
Total Liabilities	103,530,893	111,193,278	2,340,193	4,024,427	105,871,086	115,217,705
Deferred Inflows of Resources	53,534,552	42,840,425	4,172,014	3,431,253	57,706,566	46,271,678
Net Position:						
Net Investment in Capital Assets	83,883,497	80,199,120	45,892,759	45,115,533	129,776,256	125,314,653
Restricted	7,602,993	4,693,375	697,061	-	8,300,054	4,693,375
Unrestricted	7,234,240	7,876,672	7,019,971	4,642,005	14,254,211	12,518,677
Total Net Position	\$ 98,720,730	\$ 92,769,167	\$ 53,609,791	\$ 49,757,538	\$ 152,330,521	\$ 142,526,705

An additional portion of Eau Claire County's net position (5.5%) represents resources that are subject to other restrictions on how they may be used. The remaining \$14.2 million of total net position (9.4%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2020, the County reported positive balances in all three categories of net position, for the government as a whole, for the governmental activities, and business-type activities.

EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

The condensed statement of changes in net position as follows shows that the County's total net position increased by \$9.8 million during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$6.0 million and an increase in net position related to business-type activities in the amount of \$3.8 million.

The following is a summary of the changes in the County's net position for 2020 and 2019:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$15,733,775	\$ 8,092,460	\$ 8,938,809	\$10,730,466	\$24,672,584	\$18,822,926
Operating Grants and Contributions	29,939,826	37,745,658	5,021,976	4,209,383	34,961,802	41,955,041
Capital Grants and Contributions	-	-	825,927	11,721,303	825,927	11,721,303
General Revenues:						
Property Taxes	33,674,709	31,889,525	2,328,187	2,128,187	36,002,896	34,017,712
Other Taxes	12,069,624	12,121,799	2,424,099	2,452,040	14,493,723	14,573,839
State and Federal Aids Not Restricted to Specific Programs	2,863,207	2,849,650	-	-	2,863,207	2,849,650
Other	181,193	1,780,680	877,165	73,581	1,058,358	1,854,261
Total Revenues	94,462,334	94,479,773	20,416,163	31,314,960	114,878,497	125,794,733
Expenses:						
General Government	12,437,848	13,940,795	-	-	12,437,848	13,940,795
Public Safety	18,710,763	19,275,980	-	-	18,710,763	19,275,980
Public Works	6,362,192	4,766,398	-	-	6,362,192	4,766,398
Health and Human Services	44,981,730	50,381,017	-	-	44,981,730	50,381,017
Culture, Recreation and Education	2,936,852	2,696,083	-	-	2,936,852	2,696,083
Conservation and Development	2,000,879	2,639,692	-	-	2,000,879	2,639,692
Debt Service	2,468,387	2,334,753	-	-	2,468,387	2,334,753
Airport	-	-	2,833,756	2,844,562	2,833,756	2,844,562
Highway	-	-	12,342,273	15,602,116	12,342,273	15,602,116
Total Expenses	89,898,652	96,034,718	15,176,029	18,446,678	105,074,681	114,481,396
Change in Net Position Before Transfers	4,563,682	(1,554,945)	5,240,134	12,868,282	9,803,816	11,313,337
Transfers	1,387,881	3,237,202	(1,387,881)	(3,237,202)	-	-
Change in Net Position	\$ 5,951,563	\$ 1,682,257	\$ 3,852,253	\$ 9,631,080	\$ 9,803,816	\$11,313,337

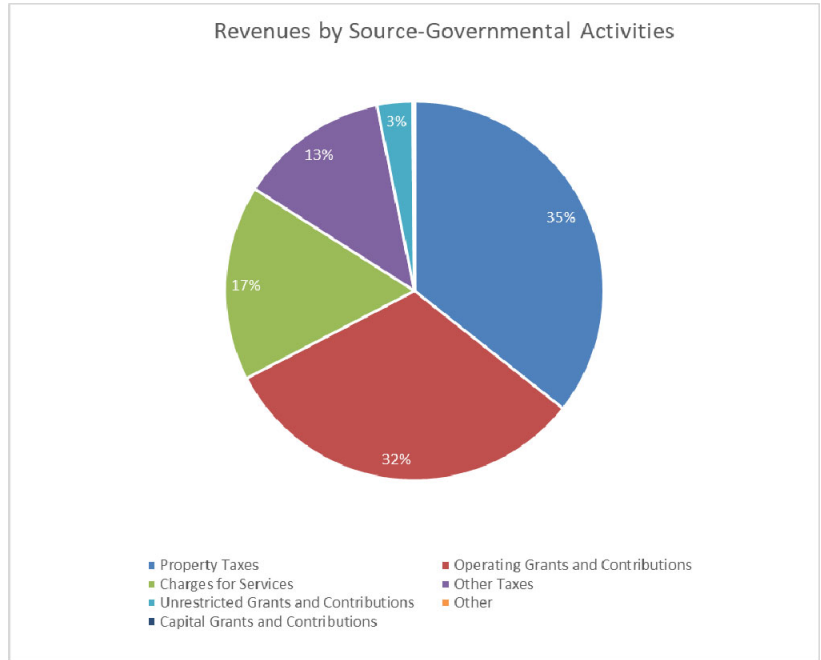
EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

Statement of Activities

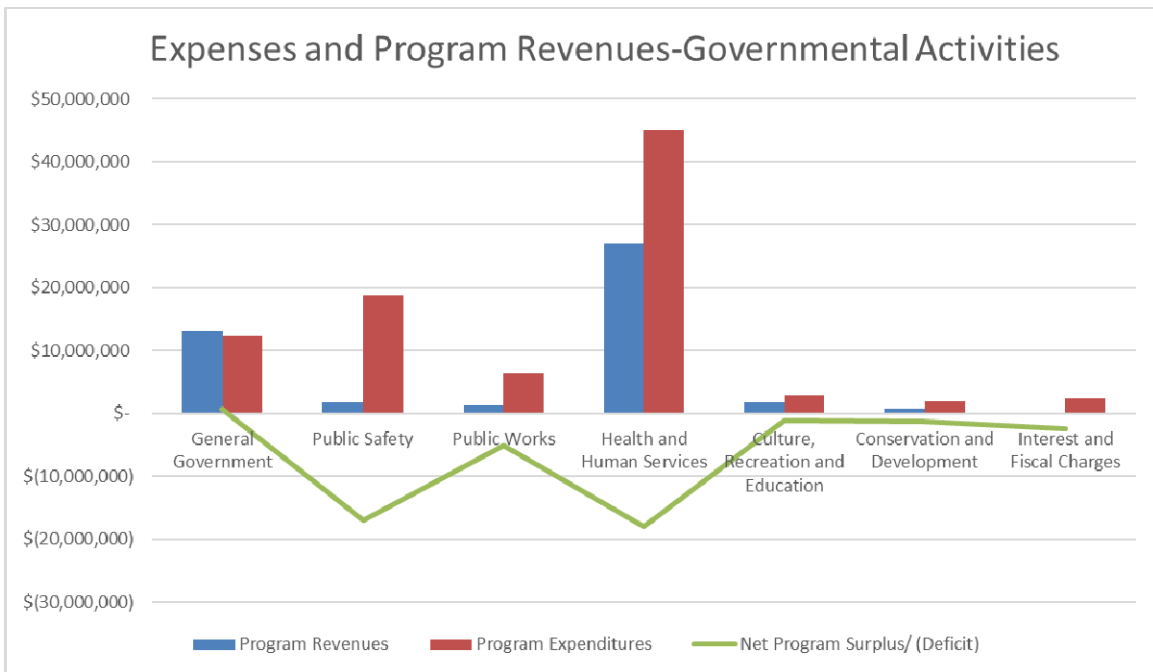
A review of the statement of activities can provide a concise picture of how the various functions/programs of the County are funded. The following charts draw data from the statement of activities.

For governmental activities, the County's main sources for funding governmental services, excluding transfers, are:

1. Property Taxes (35.7%),
2. Operating Grants/Contributions (31.7%)
3. Charges for Services (16.7%).

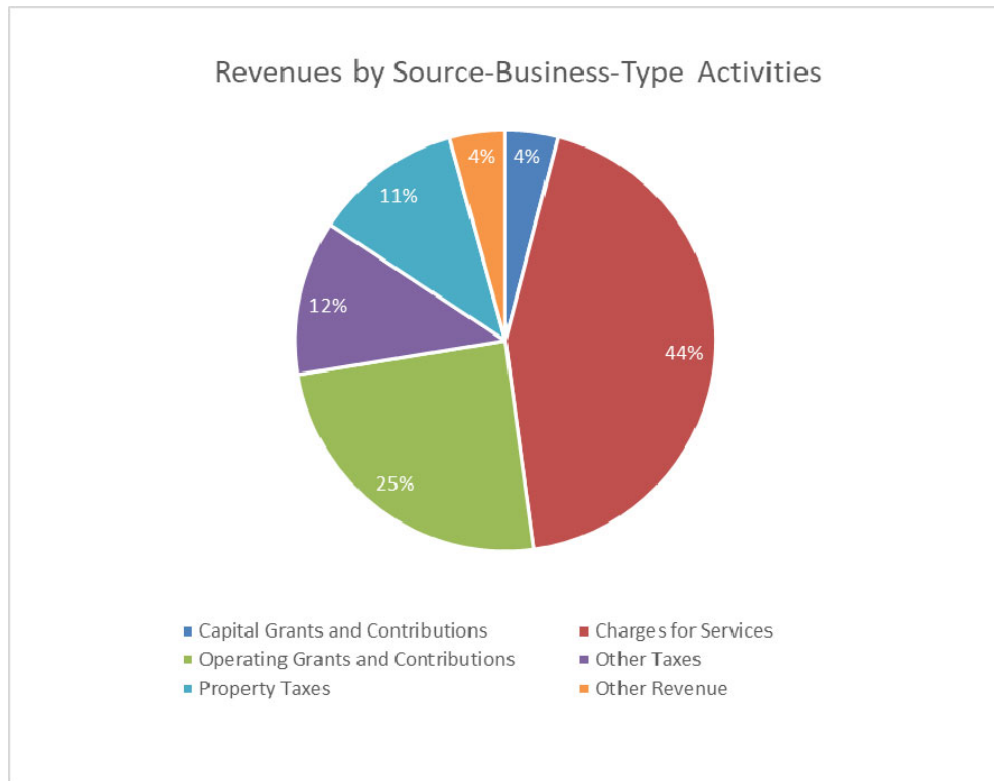


A further review of the Statement of Activities will show that governmental activities expenses totaled \$89.9 million, which exceeds program revenue by \$44.2 million. The graph below shows the relationship between program revenues and program expenses. Program revenues include charges for services and operating grants and contributions. Governmental activities expenses decreased by \$6.2 million from the prior year. Expenses were less than in 2019 due to reduced spending related to the effects of the Covid-19 pandemic. Deficits between program expenses and program revenues are funded through the property tax levy, sales tax, and other revenue and financing sources.

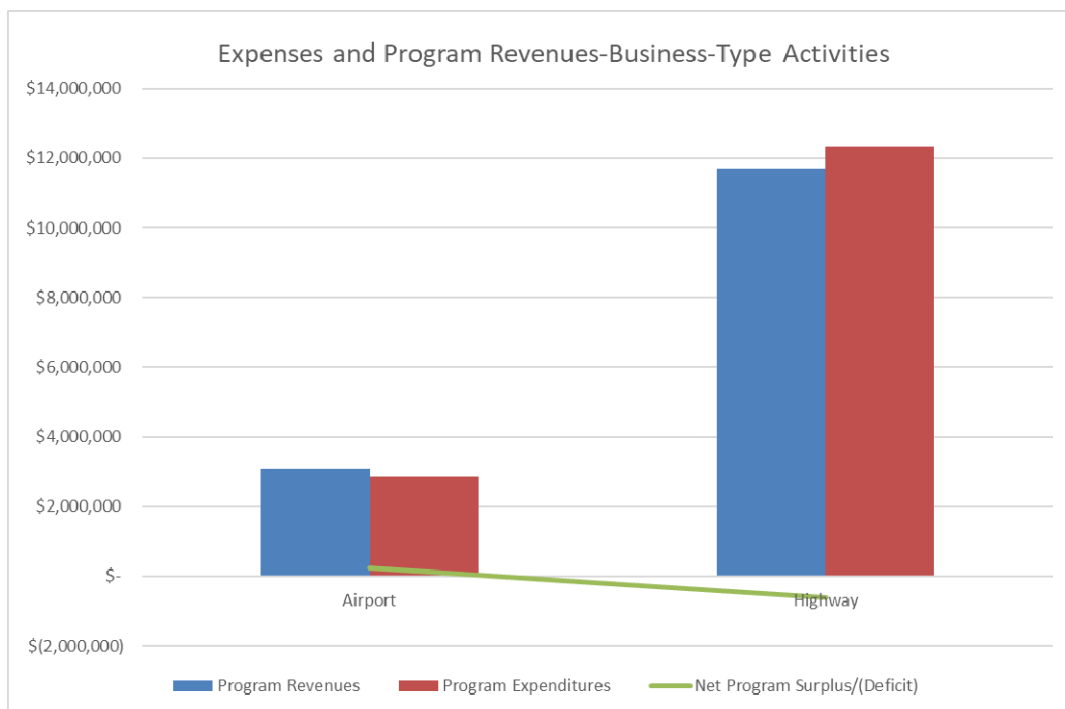


EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

In the case of the business-type activities, the data shows a considerably different picture. Charges for services (43.8%) replace property taxes as a primary revenue.



Total business-type activities program expenses totaled \$15.2 million, which exceeds program revenue by \$.4 million, as the following graph displays. As with the governmental funds, deficits between program revenues and program expenses are funded through the property tax levy, sales tax, other taxes, and other revenues.



EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

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, 2020, the County's governmental funds reported combined ending fund balances of \$18.8 million, an increase of \$4.2 million in comparison to the prior year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2020				Total	Change During Year
	Nonspendable	Restricted	Assigned	Unassigned		
Major Funds						
General Fund	\$ 1,315,937	\$ 10,757	\$ 776,648	\$ 13,364,748	\$ 15,468,090	\$ 3,548,852
Human Services Fund	39,204	34,341	-	(2,393,313)	(2,319,768)	(172,526)
Debt Service Fund	-	987,570	-	-	987,570	(2,913,993)
Capital Projects Fund	-	-	3,565,477	-	3,565,477	3,628,784
Nonmajor Funds						
Special Revenue Funds	8,385	649,943	489,525	-	1,147,853	141,391
Total Fund Balances	<u>\$ 1,363,526</u>	<u>\$ 1,682,611</u>	<u>\$ 4,831,650</u>	<u>\$ 10,971,435</u>	<u>\$ 18,849,222</u>	<u>\$ 4,232,508</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, 2020, the unassigned fund balance of the general fund was \$13.4 million, while total fund balance was \$15.5 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. The unassigned fund balance represented 38.3% of total general fund expenditures, while the total fund balance represented 44.4% of total general fund expenditures. This compares to total fund balance of 33.8% of general fund expenditures at the end of the prior year.

The general fund's total fund balance increased \$3.5 million during the year and the unassigned portion of the fund increased \$3.6 million. Assigned fund balance also increased \$100,500 from the year before.

EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

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. The human services fund also operates the Northwest Regional Juvenile Detention Center. The fund balance carried by the human services fund is a deficit of \$2.3 million as of December 31, 2020. 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 2021.

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, 2020, the County's debt service fund had a balance of \$1.0 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, 2020, the County's capital projects fund had a balance of \$3.6 million which is an increase of \$3.6 million from the prior year deficit of \$63,000. During 2020, the County issued \$9.6 million of debt to pay for capital related projects. Remaining to be paid from those proceeds, as of December 31, 2020, included \$3.1 million related to various courthouse construction projects and technology upgrades. These projects are expected to be completed in 2021.

Other Governmental Funds: The aggregated other governmental funds column includes various special revenue funds. As of December 31, 2020, the accumulated balance of these funds was \$1.1 million, an increase of \$.1 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 2020 totaled \$53.6 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 \$4.4 million, while total net position reached \$12.7 million. Total net position is an increase from the prior year of \$3.2 million.

Airport: The airport fund reflects the operations of the County's airport. In 2020, the net position for the airport increased \$.6 million to \$40.8 million.

Internal Service Funds

Internal Service Funds: The county uses internal service funds to account for services that are shared by all departments in the county. Internal service funds are not expected to carry large fund balances, instead they are expected to be in a neutral or slight surplus position to aid in smoothing operating costs year over year, or to provide funding for certain operating equipment replacements. In 2020, the aggregate net position for the internal service funds increased \$.2 million to \$2.5 million. Details for each of the three internal service funds is as follows:

EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

- Risk Management: fund balance of \$1.4 million. This balance is to be used to fund worker's compensation and liability claims of the county.
- Health Insurance: fund balance of \$.5 million. This is intended to be used primarily to fund employee health insurance claims.
- Shared Services: fund balance of \$.6 million. This fund balance is available for future technology, communication hardware, and software upgrades.

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 \$38.4 million, which was \$1.4 million greater than the final budgeted revenue. The final actual expenditures were \$34.8 million, which was \$2.8 million lower than the final budgeted expenditures. There were unbudgeted transfers in from the human services fund of \$.1 million and \$.2 million from the shared services internal service fund. This activity resulted in a net positive increase in fund balance of \$3.5 million, which is a positive variance to budgeted use of fund balance of \$4.2 million. The most significant items contributing to the variances include:

Revenues:

- Intergovernmental Grants & Aids \$ 1.0 million over
- County Sales Tax \$.1 million over

Expenditures:

- General Government \$ 1.7 million under
- Public Safety \$ 1.1 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 62.

Capital Assets

The County's net investment in capital assets for its governmental activities and business-type activities as of December 31, 2020 amounted to \$167.3 million and \$46.9 million, respectively, as shown below:

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Not Subject to Depreciation:						
Land and Land Rights	\$ 6,548,388	\$ 6,340,978	\$ 2,495,979	\$ 2,495,979	\$ 9,044,367	\$ 8,836,957
Construction Work in Progress	1,389,086	5,874,922	4,719,957	3,513,193	6,109,043	9,388,115
Subject to Depreciation:						
Land Improvements	3,239,870	3,295,981	14,520,074	15,321,519	17,759,944	18,617,500
Intangibles	1,988,402	1,884,880	-	-	1,988,402	1,884,880
Buildings and Improvements	59,050,166	58,989,649	16,661,170	17,403,040	75,711,336	76,392,689
Machinery and Equipment	5,641,595	4,677,091	8,508,264	8,152,577	14,149,859	12,829,668
Highway Infrastructure	89,484,537	84,721,030	-	-	89,484,537	84,721,030
Total	<u>\$ 167,342,044</u>	<u>\$ 165,784,531</u>	<u>\$ 46,905,444</u>	<u>\$ 46,886,308</u>	<u>\$ 214,247,488</u>	<u>\$ 212,670,839</u>

EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020

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

Long-Term Obligations

The County had \$94.0 million in general obligation bonds and notes and other long-term obligations outstanding as of December 31, 2020, \$92.7 million of this amount is for governmental activities. The remaining \$1.2 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, 2020 amounted to \$494,988,340 and general obligation indebtedness subject to the limitation totaled \$84,805,000.

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 \$37,470,095 for its 2021 budget, an increase of \$1.5 million (4.0%) from the 2020 budget levy of \$36,015,560.

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, 2020

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 18,841,270	\$ 6,391,447	\$ 25,232,717	\$ 1,864,892
Taxes Receivable	36,728,951	2,038,219	38,767,170	-
Other Receivables	1,423,079	346,681	1,769,760	61,446
Due from Other Governments	8,968,958	1,172,700	10,141,658	-
Internal Balances	(183,705)	183,705	-	-
Inventory, at cost	13,336	-	13,336	26,104
Prepaid Items & Other Assets	623,234	664,328	1,287,562	121
Deposit in Insurance Pool	999,731	-	999,731	-
Other Assets	-	-	-	121,739
Restricted Assets				
Cash	326,199	-	326,199	-
Net Pension Asset	5,933,712	697,061	6,630,773	-
Capital Assets, not being depreciated				
Land	6,548,388	2,495,979	9,044,367	849,583
Construction Work in Progress	1,389,086	4,719,957	6,109,043	-
Capital Assets, net of accumulated depreciation				
Land Improvements	3,239,870	14,520,074	17,759,944	-
Intangibles	1,988,402	-	1,988,402	-
Buildings and Improvements	59,050,166	16,661,170	75,711,336	289,458
Machinery and Equipment	5,641,595	8,508,264	14,149,859	-
Infrastructure	89,484,537	-	89,484,537	-
Total Assets	<u>241,016,809</u>	<u>58,399,585</u>	<u>299,416,394</u>	<u>3,213,343</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	13,825,681	1,624,169	15,449,850	-
State Life Insurance Other Post Employment Benefit Related	703,372	98,244	801,616	-
Deferred Charge on Refunding	240,313	-	240,313	-
Total Deferred Outflows of Resources	<u>14,769,366</u>	<u>1,722,413</u>	<u>16,491,779</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	2,439,810	325,973	2,765,783	20,602
Other Current Liabilities	110,917	-	110,917	-
Accrued Compensation	1,799,141	167,375	1,966,516	46,971
Accrued Interest	863,016	5,625	868,641	-
Due to Other Governments	3,321,504	331,757	3,653,261	-
Unearned Revenue	-	20,081	20,081	2,834
Special Deposits	471,829	-	471,829	-
Noncurrent Liabilities				
Amounts Due Within One Year	12,518,117	675,593	13,193,710	-
Amounts Due in More than One Year	80,208,507	562,645	80,771,152	-
Other Post Employment Benefit Liability	1,798,052	251,144	2,049,196	-
Total Liabilities	<u>103,530,893</u>	<u>2,340,193</u>	<u>105,871,086</u>	<u>70,407</u>
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	17,779,021	2,088,588	19,867,609	-
State Life Insurance Other Post Employment Benefit Related	323,655	45,207	368,862	-
Succeeding Years Property Taxes	35,431,876	2,038,219	37,470,095	-
Total Deferred Inflows of Resources	<u>53,534,552</u>	<u>4,172,014</u>	<u>57,706,566</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	83,883,497	45,892,759	129,776,256	1,139,041
Restricted for Pension Asset	5,933,712	697,061	6,630,773	-
Restricted for Debt Service	124,554	-	124,554	-
Restricted for Revolving Loan Funds	808,843	-	808,843	-
Restricted for Recycling	450,748	-	450,748	-
Restricted - Other	285,136	-	285,136	-
Restricted for Friends of Beaver Creek Reserve, Inc.	-	-	-	1,286,656
Unassigned	7,234,240	7,019,971	14,254,211	717,239
Total Net Position	<u>\$ 98,720,730</u>	<u>\$ 53,609,791</u>	<u>\$ 152,330,521</u>	<u>\$ 3,142,936</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, 2020

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	\$ 12,437,848	\$ 2,353,309	\$ 10,762,556	\$ -	\$ 678,017	\$ -	\$ 678,017	\$ -
Public Safety	18,710,763	865,591	828,638	-	(17,016,534)	-	(17,016,534)	-
Public Works	6,362,192	824,969	514,735	-	(5,022,488)	-	(5,022,488)	-
Health and Human Services	44,981,730	9,756,413	17,241,679	-	(17,983,639)	-	(17,983,639)	-
Culture, Recreation and Education	2,936,852	1,516,856	226,021	-	(1,193,975)	-	(1,193,975)	-
Conservation and Development	2,000,879	416,637	366,197	-	(1,218,045)	-	(1,218,045)	-
Debt Service	2,468,387	-	-	-	(2,468,387)	-	(2,468,387)	-
Total Governmental Activities	89,898,652	15,733,775	29,939,826	-	(44,225,051)	-	(44,225,051)	-
Business-Type Activities:								
Highway	12,342,273	8,081,165	3,596,567	41,620	-	(622,921)	(622,921)	-
Airport	2,833,756	857,644	1,425,409	784,307	-	233,604	233,604	-
Total Business-Type Activities	15,176,029	8,938,809	5,021,976	825,927	-	(389,317)	(389,317)	-
Total Primary Government	\$ 105,074,681	\$ 24,672,584	\$ 34,961,802	\$ 825,927	\$ (44,225,051)	\$ (389,317)	\$ (44,614,368)	\$ -
Component Unit:								
Friends of Beaver Creek Reserve, Inc.	\$ 785,697	\$ 95,194	\$ 742,193	\$ -				\$ 51,690
General Revenues:								
Property Taxes					33,674,709	2,328,187	36,002,896	-
County Sales Tax					10,982,263	-	10,982,263	-
Other Taxes					1,087,361	2,424,099	3,511,460	-
Grants and Contributions Not Restricted to Specific Programs					2,863,207	-	2,863,207	-
Interest and Investment Earnings					169,978	-	169,978	173,223
Other Revenues					-	877,165	877,165	8,776
Gain on Sale of Capital Assets					11,215	-	11,215	-
Transfers					1,387,881	(1,387,881)	-	-
Total general Revenues and Transfers					50,176,614	4,241,570	54,418,184	181,999
Change in Net Position					5,951,563	3,852,253	9,803,816	233,689
Net Position - Beginning of Year					92,769,167	49,757,538	142,526,705	2,909,247
Net Position - December 31					\$ 98,720,730	\$ 53,609,791	\$ 152,330,521	\$ 3,142,936

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, 2020

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and Temporary Investments	\$ 9,563,734	\$ 1,079,441	\$ 987,570	\$ 3,631,452	\$ 815,838	\$ 16,078,035
Receivables						
Delinquent property taxes	1,297,075	-	-	-	-	1,297,075
Current property tax	14,156,113	8,592,506	12,446,856	-	236,401	35,431,876
Accounts Receivable	1,215,634	114,159	-	-	93,286	1,423,079
Due from Other Governments	2,841,794	5,400,491	-	182,932	541,766	8,966,983
Due from Other funds	4,636,826	-	-	-	-	4,636,826
Inventory, at cost	6,040	7,296	-	-	-	13,336
Prepaid Expenses	12,822	31,908	-	-	8,385	53,115
Total Assets	<u>\$ 33,730,038</u>	<u>\$ 15,225,801</u>	<u>\$ 13,434,426</u>	<u>\$ 3,814,384</u>	<u>\$ 1,695,676</u>	<u>\$ 67,900,325</u>
LIABILITIES AND FUND BALANCES						
Accounts Payable	\$ 448,156	\$ 1,381,668	\$ -	\$ 248,907	\$ 185,289	\$ 2,264,020
Other Current Liabilities	110,659	258	-	-	-	110,917
Accrued Compensation	1,281,792	456,616	-	-	57,940	1,796,348
Special Deposits	471,829	-	-	-	-	471,829
Due to Other Governments	803,847	2,501,064	-	-	16,593	3,321,504
Due to Other Funds	-	4,613,457	-	-	-	4,613,457
Total Liabilities	<u>3,116,283</u>	<u>8,953,063</u>	<u>-</u>	<u>248,907</u>	<u>259,822</u>	<u>12,578,075</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Year's Property Taxes	14,156,113	8,592,506	12,446,856	-	236,401	35,431,876
Unavailable Revenue	989,552	-	-	-	51,600	1,041,152
Total Deferred Inflows of Resources	<u>15,145,665</u>	<u>8,592,506</u>	<u>12,446,856</u>	<u>-</u>	<u>288,001</u>	<u>36,473,028</u>
FUND BALANCE (DEFICITS)						
Nonspendable	1,315,937	39,204	-	-	8,385	1,363,526
Restricted	10,757	34,341	987,570	-	649,943	1,682,611
Assigned	776,648	-	-	3,565,477	489,525	4,831,650
Unassigned	13,364,748	(2,393,313)	-	-	-	10,971,435
Total Fund Balances (deficit)	<u>15,468,090</u>	<u>(2,319,768)</u>	<u>987,570</u>	<u>3,565,477</u>	<u>1,147,853</u>	<u>18,849,222</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 33,730,038</u>	<u>\$ 15,225,801</u>	<u>\$ 13,434,426</u>	<u>\$ 3,814,384</u>	<u>\$ 1,695,676</u>	<u>\$ 67,900,325</u>

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

Fund balance from above	\$ 18,849,222
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	167,342,044
Wisconsin Retirement Pension - net deferred inflows/outflow of resources over the pension liability	1,992,843
State Life Insurance Other Post Employment Benefits -net deferred inflows/outflow of resources over the OPEB liability	(1,420,361)
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.	\$ 2,523,944
Less Internal Service Fund equity allocated to enterprise funds	<u>(183,705)</u>
Unavailable revenue recognized as revenue on the entity-wide	1,041,152
Unamortized difference in the carrying amount of refunded debt and it's reacquisition price	240,313
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>(91,664,722)</u>
Net Position of Governmental Activities	<u>\$ 98,720,730</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, 2020

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 24,893,446	\$ 8,907,473	\$ 8,778,292	\$ 2,777,552	\$ 399,957	\$ 45,756,720
Intergovernmental Grants & Aids	6,869,016	21,265,712	-	283,355	2,970,070	31,388,153
Licenses & Permits	460,615	-	-	-	-	460,615
Fines & Forfeitures	261,146	-	-	-	-	261,146
Public Charges for Services	4,292,014	965,444	-	-	1,036,658	6,294,116
Intergovernmental Charges for Services	123,532	8,574,548	-	-	-	8,698,080
Investment Income	170,490	-	-	11	116	170,617
Other Revenues	973,422	136,619	-	44,569	300,635	1,455,245
Total Revenues	38,043,681	39,849,796	8,778,292	3,105,487	4,707,436	94,484,692
EXPENDITURES						
General Government	11,505,046	-	-	-	100,000	11,605,046
Public Safety	15,757,716	1,400,834	-	-	97,523	17,256,073
Public Works	-	-	-	-	1,380,652	1,380,652
Health and Human Services	3,559,569	38,487,769	-	-	2,859,839	44,907,177
Culture, Recreation and Education	2,138,528	-	-	-	-	2,138,528
Conservation and Development	1,873,476	-	-	-	128,031	2,001,507
Capital Outlay						
General Government	-	-	-	2,204,081	-	2,204,081
Public Safety	-	-	-	622,458	-	622,458
Culture, Recreation and Education	-	-	-	781,071	-	781,071
Conservation and Development	-	-	-	176,207	-	176,207
Debt Service						
Principal Retirement	-	-	9,497,572	-	-	9,497,572
Interest and Fiscal Charges	-	-	2,254,839	77,651	-	2,332,490
Total Expenditures	34,834,335	39,888,603	11,752,411	3,861,468	4,566,045	94,902,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,209,346	(38,807)	(2,974,119)	(755,981)	141,391	(418,170)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	9,615,000	-	9,615,000
Refunding Bonds Issued	-	-	7,445,000	-	-	7,445,000
Premium on Bonds	-	-	1,805,126	32,052	-	1,837,178
Payments to Refunded Bond Agent	-	-	(9,190,000)	-	-	(9,190,000)
Transfers In	339,506	-	-	-	-	339,506
Transfers Out	-	(133,719)	-	(5,262,287)	-	(5,396,006)
Total Other Financing Sources (Uses)	339,506	(133,719)	60,126	4,384,765	-	4,650,678
Net Change in Fund Balance	3,548,852	(172,526)	(2,913,993)	3,628,784	141,391	4,232,508
Fund Balance (Deficit) - January 1	11,919,238	(2,147,242)	3,901,563	(63,307)	1,006,462	14,616,714
Fund Balance (Deficit) - December 31	\$ 15,468,090	\$ (2,319,768)	\$ 987,570	\$ 3,565,477	\$ 1,147,853	\$ 18,849,222

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	4,232,508
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay	\$ 9,837,263	
Depreciation	<u>(6,462,703)</u>	3,374,560
Increase(Decrease) in the net Pension Asset (Liability)	(103,033)	
Less amount allocated to Business-type activities	<u>21,486</u>	(81,547)
Increase(Decrease) in the net Life Insurance Asset (Liability)	(136,684)	
Less amount allocated to Business-type activities	<u>33,288</u>	(103,396)
Unavailable revenue in the governmental funds is reported as revenue on the entity-wide financial statements		10,999
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		(17,060,000)
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		(1,837,178)
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	18,680,000	
Principal on Long-Term payable to City of Eau Claire	<u>7,572</u>	18,687,572
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	312,989	
Amortization of Deferred Charge on Refunding	(36,074)	
Net Change in Accrued Interest Payable	(99,827)	
Net Change in Compensated Absences	<u>227,772</u>	404,860
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations)		(1,817,047)
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	175,557	
	<u>(35,325)</u>	140,232
Change in Net Position of Governmental Activities		<u><u>\$ 5,951,563</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, 2020

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Highway Department	Airport	Totals	Internal Service Funds
ASSETS				
Current Assets:				
Cash and Temporary Cash Investments	\$ 4,066,197	\$ 2,325,250	\$ 6,391,447	\$ 2,773,992
Taxes Receivable	1,635,199	403,020	2,038,219	-
Accounts Receivable	281,623	65,058	346,681	-
Due from Other Governments	980,185	192,515	1,172,700	1,975
Prepaid Items & Other Assets	664,328	-	664,328	570,120
Restricted Assets				
Cash	-	-	-	315,442
Total Current Assets	<u>7,627,532</u>	<u>2,985,843</u>	<u>10,613,375</u>	<u>3,661,529</u>
Noncurrent Assets:				
Capital Assets, not being depreciated				
Land	482,281	2,013,698	2,495,979	-
Construction Work in Progress	23,767	4,696,190	4,719,957	-
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	14,551,347	2,972,264	17,523,611	-
Less: Accumulated Depreciation	(9,595,945)	(25,236,697)	(34,832,642)	-
Total Capital Assets	<u>8,456,775</u>	<u>38,448,669</u>	<u>46,905,444</u>	<u>-</u>
Deposit in Insurance Pool	-	-	-	999,731
Wisconsin Retirement System Net Pension Asset	631,491	65,570	697,061	18,717
Total Noncurrent Assets	<u>9,088,266</u>	<u>38,514,239</u>	<u>47,602,505</u>	<u>1,018,448</u>
Total Assets	16,715,798	41,500,082	58,215,880	4,679,977
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	1,471,389	152,780	1,624,169	43,612
State Life Insurance Other Post Employment Benefit Related	87,560	10,684	98,244	8,278
Total Deferred Outflows of Resources	<u>1,558,949</u>	<u>163,464</u>	<u>1,722,413</u>	<u>51,890</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	174,017	151,956	325,973	175,791
Accrued Interest Payable	5,625	-	5,625	-
Accrued Compensation	152,567	14,808	167,375	2,793
Due to Other Governments	277,094	54,663	331,757	-
Due to Other Funds	-	-	-	23,369
Unearned Revenue	-	20,081	20,081	-
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	205,845	19,428	225,273	-
Claims Payable	-	-	-	564,171
Capital Leases Payable	450,320	-	450,320	-
Total Current Liabilities	<u>1,265,468</u>	<u>260,936</u>	<u>1,526,404</u>	<u>766,124</u>
Long-Term Liabilities (Net of Current Portion)				
Capital Leases Payable	412,463	-	412,463	-
State Life Insurance Other Post Employment Benefit Related	223,832	27,312	251,144	21,160
Claims Payable	-	-	-	1,360,747
Accrued Employee Leave	137,230	12,952	150,182	-
Total Noncurrent Liabilities	<u>773,525</u>	<u>40,264</u>	<u>813,789</u>	<u>1,381,907</u>
Total Liabilities	<u>2,038,993</u>	<u>301,200</u>	<u>2,340,193</u>	<u>2,148,031</u>
DEFERRED INFLOWS OF RESOURCES				
Succeeding Year's Property Taxes	1,635,199	403,020	2,038,219	-
Wisconsin Retirement System Pension Related	1,892,121	196,467	2,088,588	56,083
State Life Insurance Other Post Employment Benefit Related	40,291	4,916	45,207	3,809
Total Deferred Inflows of Resources	<u>3,567,611</u>	<u>604,403</u>	<u>4,172,014</u>	<u>59,892</u>
NET POSITION				
Net Investment in Capital Assets	7,593,992	38,298,767	45,892,759	-
Restricted	-	-	-	-
Wisconsin Retirement System Pension Asset	631,491	65,570	697,061	18,717
Unrestricted	4,442,660	2,393,606	6,836,266	2,505,227
Total Net Position	<u>\$ 12,668,143</u>	<u>\$ 40,757,943</u>	<u>53,426,086</u>	<u>\$ 2,523,944</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds			183,705	
Total Net Position of Business-Type Activities			<u>\$ 53,609,791</u>	

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, 2020

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Highway Department	Airport	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 8,081,165	\$ 857,644	\$ 8,938,809	\$ 10,183,264
Total Operating Revenues	<u>8,081,165</u>	<u>857,644</u>	<u>8,938,809</u>	<u>10,183,264</u>
OPERATING EXPENSES				
Operation and Maintenance	11,408,754	1,152,147	12,560,901	8,345,204
Depreciation and Amortization	912,754	1,707,750	2,620,504	-
Claims	-	-	-	1,501,361
Total Operating Expenses	<u>12,321,508</u>	<u>2,859,897</u>	<u>15,181,405</u>	<u>9,846,565</u>
Operating Income (Loss)	(4,240,343)	(2,002,253)	(6,242,596)	336,699
NONOPERATING REVENUES (EXPENSES)				
General Property Taxes	1,929,157	399,030	2,328,187	-
Other Taxes	2,424,099	-	2,424,099	-
Intergovernmental Grants	3,596,567	1,425,409	5,021,976	-
Investment Income	-	-	-	44,645
Miscellaneous Revenues	877,165	-	877,165	-
Interest Expense	(22,921)	(7,028)	(29,949)	-
Total Nonoperating Revenues (Expenses)	<u>8,804,067</u>	<u>1,817,411</u>	<u>10,621,478</u>	<u>44,645</u>
Income (Loss) Before Contributions and Transfers	4,563,724	(184,842)	4,378,882	381,344
CONTRIBUTIONS AND TRANSFERS				
Transfers In (Out)	5,262,287	-	5,262,287	(205,787)
Capital Contributions	41,620	784,307	825,927	-
Capital Contributions to Governmental Activities	(6,650,168)	-	(6,650,168)	-
Change in Net Position	<u>3,217,463</u>	<u>599,465</u>	<u>3,816,928</u>	<u>175,557</u>
Net Position - Beginning of Year	9,450,680	40,158,478	49,609,158	2,348,387
Net Position - December 31	<u>\$ 12,668,143</u>	<u>\$ 40,757,943</u>	<u>\$ 53,426,086</u>	<u>\$ 2,523,944</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			35,325	
Change in Net Position of Business-Type Activities			<u>\$ 3,852,253</u>	
Net Position Business-Type - January 1			\$ 49,757,538	
Change in Net Position - Business Type Activities			<u>3,852,253</u>	
Net Position Business Type - December 31			<u>\$ 53,609,791</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, 2020

	Business-Type Activities			Governmental
	Highway Department	Airport	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 8,928,673	\$ 974,799	\$ 9,903,472	\$ 10,181,287
Cash Paid to Suppliers for Goods and Services	(5,304,020)	(549,866)	(5,853,886)	(8,174,071)
Claims Paid	-	-	-	(1,312,142)
Payments on Behalf of Employees	(6,398,142)	(521,914)	(6,920,056)	(165,350)
Net Cash Provided by (Used for) Operating Activities	<u>(2,773,489)</u>	<u>(96,981)</u>	<u>(2,870,470)</u>	<u>529,724</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General Property Tax	1,929,157	399,030	2,328,187	-
Other Taxes	2,424,099	-	2,424,099	-
Operating Grants and Miscellaneous Revenue Received	4,473,732	1,425,409	5,899,141	-
Repayment of Due to Other Funds	-	-	-	(292,635)
Transfer from/(to) Other Funds for Operating Activities	-	-	-	(205,787)
Net Cash Provided by Noncapital Financing Activities	<u>8,826,988</u>	<u>1,824,439</u>	<u>10,651,427</u>	<u>(498,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	-	-	-	44,645
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,645</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer from Other Funds for Construction	5,262,287	-	5,262,287	-
Capital Contributions thru Grants	41,620	37,786	79,406	-
Cash Payments for Capital Assets	(1,271,733)	(621,386)	(1,893,119)	-
Cash Payments for Principal on Debt	(441,349)	(385,857)	(827,206)	-
Cash Payments for Interest on Debt	(26,051)	(18,514)	(44,565)	-
Infrastructure Construction Expense for Governmental Activities	(6,650,168)	-	(6,650,168)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(3,085,394)</u>	<u>(987,971)</u>	<u>(4,073,365)</u>	<u>-</u>
Net Increase (Decrease) in Cash	2,968,105	739,487	3,707,592	75,947
Cash Balance at Beginning of Year	1,098,092	1,585,763	2,683,855	3,013,487
Cash Balance at End of Year	<u>\$ 4,066,197</u>	<u>\$ 2,325,250</u>	<u>\$ 6,391,447</u>	<u>\$ 3,089,434</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (4,240,343)	\$ (2,002,253)	\$ (6,242,596)	\$ 336,699
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Depreciation and Amortization	912,754	1,707,750	2,620,504	-
Change in WRS Asset/Liability	(1,330,490)	(135,945)	(1,466,435)	(54,219)
Change in WRS Deferred Outflow	419,861	37,628	457,489	52,444
Change in WRS Deferred Inflow	934,544	101,720	1,036,264	7,014
Change in OPEB Liability	96,203	14,358	110,561	4,925
Change in OPEB Deferred Outflow	(71,640)	(9,068)	(80,708)	(6,253)
Change in OPEB Deferred Inflow	(4,274)	(1,261)	(5,535)	(773)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Other Accounts Receivable	(60,468)	15,410	(45,058)	-
Due from Other Governments	920,444	91,044	1,011,488	(1,975)
Inventories	(81,343)	-	(81,343)	-
Prepaid Items	(1,498)	-	(1,498)	(53,417)
Increase (Decrease) in:				
Accounts Payable	(428,382)	125,506	(302,876)	85,043
Due to Other Governments	258,767	(40,864)	217,903	-
Accrued Compensation	(135,188)	(15,979)	(151,167)	(5,824)
Accrued Employee Leave	50,034	4,271	54,305	(23,159)
Claims Payable	-	-	-	189,219
Unearned Revenue	(12,470)	10,702	(1,768)	-
Total Adjustments	<u>1,466,854</u>	<u>1,905,272</u>	<u>3,372,126</u>	<u>193,025</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,773,489)</u>	<u>\$ (96,981)</u>	<u>\$ (2,870,470)</u>	<u>\$ 529,724</u>
Noncash capital, investing, and financing activities:				
Capital asset addition through capital contributions	\$ -	\$ 784,307	\$ 784,307	\$ -

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, 2020

	Custodial Funds
ASSETS	
Cash and Temporary Cash Investments	\$ 21,218,389
Taxes Receivable	262,996
Total Assets	21,481,385
LIABILITIES	
Accounts Payable and Other Liabilities	134,944
Due to Other Governments	20,550,868
Total Liabilities	20,685,812
DEFERRED INFLOWS OF RESOURCES	
Succeeding Year's Property Taxes	262,996
NET POSITION	
Restricted	
Individuals, Organizations, and Other Governments	532,577
Total Net Position	\$ 532,577

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

EAU CLAIRE COUNTY, WISCONSIN
Statement of Changes in Net Position
Fiduciary Funds

For the Year Ended December 31, 2020

	Custodial Funds
ADDITIONS	
Fee Collections on Behalf of Others	\$ 5,530,655
Tax Collections for Other Governments	85,348,706
State Forfeiture Funds Collected	114,294
Unclaimed Funds Additions	19,927
Total Additions	\$ 91,013,582
DEDUCTIONS	
Beneficiary Payments	\$ 5,624,385
Payments of Taxes to Other Governments	85,348,706
Payments on Behalf of Agency Board	44,566
Total Deductions	\$ 91,017,657
Change in Net Position	(4,075)
Net Position - Beginning of Year	-
Change in Accounting Principle	536,652
Net Position - December 31	\$ 532,577

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020. 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, 2020

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, 2020

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, 2020

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 Custodial Funds
2. Unclaimed Custodial Funds
3. District Attorney
4. Clerk of Courts
5. West Central Drug Task Force
6. Sheriff Inmate Funds

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, 2020

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, 2020, 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, 2020

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. Sales tax revenue is distributed to all departments in the county through the tax levy allocation. 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.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Prepaid Items and Other Assets.

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets.

Mandatory segregations of assets, if any, are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Funds on deposit with Wisconsin Municipal Mutual Insurance Company (WMMIC) for payment of insurance claims are combined with other participating governments. The county's deposit at year end was \$315,442. 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 \$10,757. 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

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (WRS) 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. Accrued Compensation

In both the fund financial statements, the proprietary statements, and the government-wide financial statements, Accrued Compensation includes salaries and wages payable to employees at year end, as well as the related payroll taxes and retirement contributions.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. 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 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.

11. 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.

12. 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.

13. Use of Restricted Resources

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

14. Equity Classifications

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

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

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2020

NOTE 2: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments.

The County's cash and investments balances at December 31, 2020 as shown in the financial statements are as follows:

Governmental Activities		\$ 18,841,270
Governmental Activities - Restricted		326,199
Business-Type Activities		6,391,447
Fiduciary Funds		21,218,389
Total		\$ 46,777,305

The cash and investment balances consisted of the following:

Treasurer's Cash and investments:		
Deposits in financial institutions	\$ 29,744,415	
Deposits in State Local-Government		
Pooled-Investment Fund	16,601,444	
Repurchase agreements	114,166	\$ 46,460,025
Cash held by fiscal agent		
Deposits with WMMIC		315,442
Petty cash funds		1,838
Total cash and investments at		
December 31, 2020		\$ 46,777,305

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 Negotiable Order of Withdrawal (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, 2020

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, 2020 the deposits were fully collateralized.

Investments. The County's investments at December 31, 2020 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 2020 was 31 days.

The County's investments at December 31, 2020 are summarized as follows:

Type	Credit Quality Rating
	Not Rated
LGIP	\$ 16,601,444
Repurchase Agreements	114,166
Total	\$ 16,715,610

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, 2020, 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, 2020. Investments are measured at amortized cost.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the County had 63 loans outstanding totaling \$798,086. 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, 2020 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	2,251,888	207,410	-	2,459,298
Infrastructure Construction in Progress	4,076,673	541,554	(3,831,396)	786,831
Other Work in Progress	1,798,249	1,116,078	(2,312,072)	602,255
Total Capital Assets, Not Being Depreciated	<u>12,215,900</u>	<u>1,865,042</u>	<u>(6,143,468)</u>	<u>7,937,474</u>
Capital Assets, Being Depreciated				
Land improvements	4,382,440	47,995	-	4,430,435
Intangibles	2,841,585	359,542	(180,000)	3,021,127
Buildings and Improvements	80,866,283	1,801,555	-	82,667,838
Machinery and Equipment	10,308,554	2,173,997	(162,163)	12,320,388
Infrastructure	130,361,330	9,732,600	(4,575,693)	135,518,237
Total Capital Assets, Being Depreciated	<u>228,760,192</u>	<u>14,115,689</u>	<u>(4,917,856)</u>	<u>237,958,025</u>
Less accumulated depreciation for:				
Land Improvements	1,086,459	104,106	-	1,190,565
Intangibles	956,705	220,020	(144,000)	1,032,725
Buildings and Improvements	21,876,634	1,741,038	-	23,617,672
Machinery and Equipment	5,631,463	1,176,139	(128,809)	6,678,793
Infrastructure	45,640,300	3,221,400	(2,828,000)	46,033,700
Total Accumulated Depreciation	<u>75,191,561</u>	<u>6,462,703</u>	<u>(3,100,809)</u>	<u>78,553,455</u>
Capital Assets, Net of Depreciation	<u>\$ 165,784,531</u>	<u>\$ 9,518,028</u>	<u>\$ (7,960,515)</u>	<u>\$ 167,342,044</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,408,215
Public safety	1,315,452
Public works	3,233,998
Health and social services	155,463
Culture, recreation and education	331,143
Conservation and development	18,432
Total governmental activities depreciation expense	<u>\$ 6,462,703</u>

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

Capital asset activity in the business-type funds for the year ended December 31, 2020 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	\$ 2,495,979	\$ -	\$ -	\$ 2,495,979
Construction work in progress	3,513,193	1,323,282	(116,518)	4,719,957
Total capital assets, not being depreciated	<u>6,009,172</u>	<u>1,323,282</u>	<u>(116,518)</u>	<u>7,215,936</u>
Capital assets, being depreciated:				
Land improvements	26,714,838	-	-	26,714,838
Buildings and Improvements	30,283,701	-	-	30,283,701
Machinery and Equipment	16,505,591	1,297,737	(279,717)	17,523,611
Total Capital Assets, Being Depreciated	<u>73,504,130</u>	<u>1,297,737</u>	<u>(279,717)</u>	<u>74,522,150</u>
Less accumulated depreciation for:				
Land Improvements	11,393,319	801,445	-	12,194,764
Buildings and Other Improvements	12,880,661	890,426	(148,556)	13,622,531
Machinery and Equipment	8,353,014	928,633	(266,300)	9,015,347
Total Accumulated Depreciation	<u>32,626,994</u>	<u>2,620,504</u>	<u>(414,856)</u>	<u>34,832,642</u>
Business-Type Activities Capital Assets, Net	<u>\$ 46,886,308</u>	<u>\$ 515</u>	<u>\$ 18,621</u>	<u>\$ 46,905,444</u>
Depreciation was charged to business-type activities as follows:				
Airport		\$ 1,707,750		
Highway		912,754		
		<u>\$ 2,620,504</u>		

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

D. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2020 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Fund	\$ 4,613,457
General Fund	Health Insurance Fund	23,369
		\$ 4,636,826

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2021. 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 \$183,705, 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:

Fund Transferred To	Fund Transferred From	Amount
Highway Department	Capital Projects	\$ 5,262,287
General Fund	Human Services Fund	133,719
General Fund	Shared Services Fund	205,787
		\$ 5,601,793

Transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020:

	Balance, January 1	Additions	Removals	Balance, December 31	Due Within One Year
Governmental Activities					
General Obligation Bonds/Notes	\$ 86,425,000	\$ 17,060,000	\$(18,680,000)	84,805,000	\$ 10,255,000
Premium on Bonds/Notes	1,581,626	1,837,178	(312,989)	3,105,815	-
Subtotal	<u>88,006,626</u>	<u>18,897,178</u>	<u>(18,992,989)</u>	<u>87,910,815</u>	<u>10,255,000</u>
Other Liabilities					
Vested Compensated Absences	3,069,887	-	(250,930)	2,818,957	1,691,374
Unpaid Self-Insurance Claims	1,735,699	382,647	(193,428)	1,924,918	564,171
Direct Placement/Payable to City of Eau Claire	79,506	-	(7,572)	71,934	7,572
Total Other Liabilities	<u>4,885,092</u>	<u>382,647</u>	<u>(451,930)</u>	<u>4,815,809</u>	<u>2,263,117</u>
Total Governmental Activities					
Long-Term Obligations	<u>92,891,718</u>	<u>19,279,825</u>	<u>(19,444,919)</u>	<u>92,726,624</u>	<u>12,518,117</u>
Business Type Activities					
Bonds and Notes Payable					
General Obligation Debt	385,857	-	(385,857)	-	-
Other Liabilities					
Capital Leases Payable	1,304,132	-	(441,349)	862,783	450,320
Vested Compensated Absences	321,149	54,306	-	375,455	225,273
Total Other Liabilities	<u>1,625,281</u>	<u>54,306</u>	<u>(441,349)</u>	<u>1,238,238</u>	<u>675,593</u>
Total Business Type Activities					
Long-Term Obligations	<u>2,011,138</u>	<u>54,306</u>	<u>(827,206)</u>	<u>1,238,238</u>	<u>675,593</u>
Total - All Activities	<u>\$ 94,902,856</u>	<u>\$ 19,334,131</u>	<u>\$(20,272,125)</u>	<u>\$ 93,964,862</u>	<u>\$ 13,193,710</u>

The full faith, credit, and resources of the County are irrevocably pledged to secure payment of principal and interest on general obligation bonds and notes. Aggregate cash flow requirements for the retirement of general obligation long-term principal and interest on December 31, 2020 are as follows:

	Year	Principal	Interest	Total
Governmental Activities				
	2021	\$ 10,255,000	\$ 2,382,020	\$ 12,637,020
	2022	10,650,000	2,000,703	12,650,703
	2023	11,035,000	1,698,866	12,733,866
	2024	10,390,000	1,414,491	11,804,491
	2025	9,045,000	1,154,226	10,199,226
	2026-2030	29,690,000	2,764,153	32,454,153
	2031-2032	3,740,000	149,600	3,889,600
		<u>\$ 84,805,000</u>	<u>\$ 11,564,059</u>	<u>\$ 96,369,059</u>

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

Detail of the general obligations of the County as of December 31, 2020 is as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Total Payable 12/31/2020	Current Portion 12/31/2020
Governmental Activities:						
General Obligation Bonds/Notes:						
2011B	12/22/2011	9/1/2031	3.00 - 4.00	18,000,000	14,625,000	925,000
2013A	10/22/2013	9/1/2023	2.00 - 2.50	7,600,000	2,445,000	790,000
2014A	10/02/2014	9/1/2024	1.00 - 2.25	10,000,000	4,230,000	1,025,000
2015A	10/17/2015	9/1/2025	2.00 - 2.25	9,500,000	4,935,000	950,000
2016A	9/7/2016	9/1/2026	2.00 - 3.00	12,630,000	7,960,000	1,235,000
2016B	9/7/2016	9/1/2027	1.25 - 2.00	14,235,000	10,030,000	1,385,000
2017A	10/24/2017	9/1/2027	1.25 - 2.00	9,750,000	6,925,000	930,000
2018A	11/1/2018	9/1/2028	3.00 - 4.00	10,000,000	8,025,000	930,000
2019A	10/30/2019	9/1/2028	2.00 - 3.00	9,855,000	8,570,000	1,125,000
2020A	7/1/2020	3/1/2030	2.00 - 5.00	17,060,000	17,060,000	960,000
Total General Obligation Bonds/Notes				\$ 118,630,000	\$ 84,805,000	\$ 10,255,000
Total Governmental Activities				\$ 118,630,000	\$ 84,805,000	\$ 10,255,000

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, 2020, the County's debt limit amounted to \$494,988,340 and indebtedness subject to the limitation totaled \$84,805,000.

Current Refunding. On July 1, 2020, the County issued \$17,060,000 in general obligation notes (Series 2020A) with interest rates of 2.00%-5.00% of which \$7,445,000 was used to refund \$9,190,000 of outstanding general obligation bonds (Series 2010B) with interest rates 3.70%-5.10%. The net proceeds, along with the premium from the bond, were used to prepay the outstanding debt. The true interest cost on this issue is 1.1934%.

The cash flow requirements on the refunded bonds prior to the current refunding was \$11,543,831 for 2021-2030. The cash flow requirements for 2021-2030 were reduced to \$8,849,813 after the current refunding. The current refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,694,018 and resulted in an economic gain (difference between present value of old and new debt service payments) of \$2,549,639.

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, 2020, vested PTO earned and not taken was approximately \$2,818,957 in the governmental funds and \$375,455 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 \$1,096,012 for a net book value of \$1,970,409 as of December 31, 2020.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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

Year	Business-Type Funds
2021	\$ 467,399
2022	420,383
Subtotal	\$ 887,782
Less: Interest	(24,999)
Total	<u>\$ 862,783</u>

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 \$325,925 for the year ended December 31, 2020.

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 \$127,700 for the year ended December 31, 2020.

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2020 consisted of the following:

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor Funds	Total
Nonspendable for:						
Delinquent Taxes	\$ 1,288,778	\$ -	\$ -	\$ -	\$ -	\$ 1,288,778
Tax Deeds	8,297	-	-	-	-	8,297
Inventory	6,040	7,296	-	-	-	13,336
Prepaid Items	12,822	31,908	-	-	8,385	53,115
Restricted for:						
Debt Service	-	-	987,570	-	-	987,570
Housing Rehabilitation Loans	10,757	-	-	-	-	10,757
Recycling	-	-	-	-	450,748	450,748
Donations	-	34,341	-	-	-	34,341
Specialized Transportation Program	-	-	-	-	199,195	199,195
Assigned to:						
Subsequent Year's Budget Carryforward	776,648	-	-	-	-	776,648
Subsequent Year's Capital Projects	-	-	-	3,565,477	-	3,565,477
Future ADRC Expenditures	-	-	-	-	288,106	288,106
Future Watershed Expenditures	-	-	-	-	74,435	74,435
Future Anti-Drug Expenditures	-	-	-	-	33,552	33,552
Future Land Record Expenditures	-	-	-	-	93,432	93,432
Unassigned	13,364,748	(2,393,313)	-	-	-	10,971,435
	<u>\$ 15,468,090</u>	<u>\$ (2,319,768)</u>	<u>\$ 987,570</u>	<u>\$ 3,565,477</u>	<u>\$ 1,147,853</u>	<u>\$ 18,849,222</u>

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

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, 2020

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 (%)
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
2019	0.0	(10)

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.

WRS recognized the 2019 contributions from the employer in the amount of \$2,190,816 in the calculations of total pension liability.

Contribution rates as of December 31, 2020 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the County reported a liability (asset) of (\$6,630,773) for its proportionate share of the Net Pension Liability (Asset). The Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 (Asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was 0.20564007% , which was an increase of 0.00440399% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$2,484,276.

At December 31, 2020, 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	\$12,586,726	(\$6,298,814)
Net differences between projected and actual earnings on pension plan investments	0	(13,555,662)
Changes in assumptions	516,712	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,462	(13,133)
Employer contributions subsequent to the measurement date	2,315,950	0
Total	\$15,449,850	(\$19,867,609)

Deferred outflows of resources of \$2,315,950 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in the table on the following page:

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Expense/(Benefit)
2021	\$9,240,313	(\$11,241,791)	(\$2,001,478)
2022	9,106,054	(10,597,459)	(1,491,405)
2023	7,276,292	(7,035,634)	240,658
2024	1,621,366	(5,102,847)	(3,481,481)

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, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Long-term expected Return on Plan Assets. 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 following table on the following page:

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

Asset Allocation Targets and Expected Returns			
As of December 31, 2019			
<u>Core Fund Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term</u> <u>Expected</u> <u>Nominal</u> <u>Rate of Return %</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return %</u>
	%		
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%			
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			

Single Discount rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). 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 expected long-term 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, 2020

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 (asset) 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)	\$17,075,429	(\$6,630,773)	(\$24,353,888)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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

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 member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan description. The 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 members.

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> Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

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

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2019		
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 \$7,002 in contributions from the County.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

At December 31, 2020, the County reported a liability of \$2,049,196 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2019, the County's proportion was 0.48123600%, which was a decrease of 0.014223% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized OPEB expense of \$207,743. At December 31, 2020, 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	(\$91,802)
Net differences between projected and investment earnings on plan investments	38,655	0
Changes in actuarial assumptions	755,959	(225,396)
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	(51,664)
Employer contributions subsequent to the measurement date	7,002	0
Total	\$801,616	(\$368,862)

Deferred outflows of resources of \$7,002 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows in the table on the following page:

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

Year ended December 31:	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Expense/(Benefit)
2021	\$142,440	(\$70,071)	\$72,369
2022	142,440	(70,071)	72,369
2023	138,272	(70,071)	68,201
2024	133,979	(70,071)	63,908
2025	119,549	(67,289)	52,260
2026	117,937	(21,289)	96,642

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, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.87%
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. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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, 2019 are as follows in the table on the following page:

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	Long-Term Expected Geometric <u>Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single Discount rate. . A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate. The following table presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 2.87%, 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 (1.87%) or 1-percentage-point higher (3.87%) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
County's proportionate share of the Net OPEB Liability (Asset)	\$2,829,597	\$2,049,196	\$1,455,464

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

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 \$10,000 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. 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, 2020. This is a quota share reinsurance agreement with General Reinsurance Corporation (60%) and Governmental Entities Mutual (GEM) Insurance Company (40%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,500,000 per occurrence up to the maximum loss of \$12,000,000 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 \$12,000,000 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 \$575,000 for all but one member that has a retention of \$650,000.

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

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

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.

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:

	2020	2019
Estimated Claims Outstanding January 1	\$ 1,735,699	\$ 1,643,175
Current Year Claims and Changes	1,501,361	1,670,612
Claim Payments	(1,312,143)	(1,578,088)
Estimated Claims Outstanding December 31	\$ 1,924,918	\$ 1,735,699

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 28, 2021, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2020, but prior to July 28, 2021 that provided additional evidence about conditions that existed at December 31, 2020, have been recognized in the financial statements for the year ended December 31, 2020. Events or transactions that provided evidence about conditions that did not exist at December 31, 2020, 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, 2020.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3: OTHER INFORMATION (continued)

General Obligation Promissory Bonds Issued

On April 5, 2021, the County Board approved the sale of \$24,350,000 in general obligation highway facility bonds, Series 2021B. These bonds were issued for 2021 approved capital borrowing for the construction of a new highway facility. The initial installment of interest for Series 2021B is due March 1, 2022. Principal and the second installment of interest are for Series 2021B is due September 1, 2022. The interest rate for Series 2021B is 1.30% - 3.0%.

General Obligation Promissory Notes Issued

On April 5, 2021, the County Board approved the sale of \$7,405,000 in general obligation promissory notes, Series 2021C. These bonds were issued for 2021 approved capital borrowing for highway improvement projects and other general government projects. The initial installment of interest for Series 2021C is due March 1, 2022. Principal and the second installment of interest are for Series 2021C is due September 1, 2022. The interest rate for Series 2021C is 1.00% - 3.00%.

General Obligation Promissory Notes Issued

On June 15, 2021, the County executed the Forward Delivery Bond Purchase Agreement, signed October 2, 2020. This resulted in the issue of \$11,540,000 in general obligation refunding bonds, Series 2021A. These bonds were issued for a current refunding of general obligation promissory notes Series 2011B. The initial installment of interest for Series 2021A is due March 1, 2022. Principal and the second installment of interest are for Series 2021A is due September 1, 2022. The interest rate for Series 2021A is 4.00% - 5.00%.

EAU CLAIRE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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	Comments
General Fund	Health & Human Services	\$ 506,319	Covid-19 pandemic mitigation expenditures
Human Services Fund	Public Safety	\$ 42,410	Juvenile Detention Center

B. Deficit Balances

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

At December 31, 2020, the Human Services fund held a deficit balance of \$2,319,768. This 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 2021.

C. Change in Accounting Principle

During the year ended December 31, 2020, the County adopted GASB Statement No. 84 Fiduciary Activities. The implementation of this statement has resulted in changing the presentation of the financial statements by including accruals and net position of custodial funds not previously required. This pronouncement requires the restatement of the December 31, 2019 net position of the County's fiduciary activities.

	Custodial Funds
Net Position, December 31, 2019, as Previously Reported	\$ -
Cumulative Effect of Application of GASB 84, Fiduciary Activity	536,652
Net Position, December 31, 2019 as Restated	<u>\$ 536,652</u>

Required Supplementary Information

EAU CLAIRE COUNTY, WISCONSIN

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

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 24,614,200	\$ 24,614,200	\$ 24,893,446	\$ 279,246
Intergovernmental Grants/Aids	5,744,493	5,913,665	6,869,016	955,351
Licenses and Permits	421,290	421,290	460,615	39,325
Fines, Forfeits and Penalties	500,000	500,000	261,146	(238,854)
Public Charges for Services	4,455,718	4,455,718	4,292,014	(163,704)
Intergovernmental Charges for Services	157,814	157,814	123,532	(34,282)
Investment Income	276,200	276,200	170,490	(105,710)
Other Revenues	625,264	625,264	973,422	348,158
Total Revenues	<u>36,794,979</u>	<u>36,964,151</u>	<u>38,043,681</u>	<u>1,079,530</u>
EXPENDITURES				
General Government	13,160,988	13,179,480	11,505,046	1,674,434
Public Safety	16,533,677	16,849,836	15,757,716	1,092,120
Health and Human Services	3,053,250	3,053,250	3,559,569	(506,319)
Culture, Recreation and Education	2,477,058	2,504,655	2,138,528	366,127
Conservation and Development	1,981,706	2,018,613	1,873,476	145,137
Total Expenditures	<u>37,206,679</u>	<u>37,605,834</u>	<u>34,834,335</u>	<u>2,771,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(411,700)	(641,683)	3,209,346	3,851,029
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	339,506	339,506
Net Change in Fund Balance	<u>\$ (411,700)</u>	<u>\$ (641,683)</u>	<u>3,548,852</u>	<u>\$ 4,190,535</u>
Fund Balance (Deficit) - January 1			<u>11,919,238</u>	
Fund Balance (Deficit)- December 31			<u>\$ 15,468,090</u>	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,907,473	\$ 8,907,473	\$ 8,907,473	\$ -
Intergovernmental Grants/Aids	18,939,752	18,939,752	21,265,712	2,325,960
Public Charges for Services	975,095	975,095	965,444	(9,651)
Intergovernmental Charges for Services	10,241,370	10,241,370	8,574,548	(1,666,822)
Other Revenues	183,368	183,368	136,619	(46,749)
Total Revenues	<u>39,247,058</u>	<u>39,247,058</u>	<u>39,849,796</u>	<u>602,738</u>
EXPENDITURES				
Public Safety	1,358,424	1,358,424	1,400,834	(42,410)
Health and Human Services	40,282,896	40,312,168	38,487,769	1,824,399
Total Expenditures	<u>41,641,320</u>	<u>41,670,592</u>	<u>39,888,603</u>	<u>1,781,989</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,394,262)	(2,423,534)	(38,807)	2,384,727
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(133,719)	(133,719)
Net Change in Fund Balance	<u>\$ (2,394,262)</u>	<u>\$ (2,423,534)</u>	<u>(172,526)</u>	<u>\$ 2,251,008</u>
Fund Balance (Deficit) - January 1			<u>(2,147,242)</u>	
Fund Balance (Deficit) - December 31			<u>\$ (2,319,768)</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 Liability (Asset)
Last Six Measurement Periods

Measurement Date: December 31,	2014	2015	2016	2017	2018	2019
County's Proportion of the Net Pension Liability (Asset)	0.19198544%	0.19319466%	0.19356886%	0.19620854%	0.20123608%	0.20564007%
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	\$ (6,630,774)
County's Covered Employee Payroll	\$ 25,767,642	\$ 26,161,108	\$ 27,080,193	\$ 28,162,983	\$ 30,080,843	\$ 31,606,970
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%	-20.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%

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 Net Pension Plan
Last Six Fiscal Years

	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 1,927,277	\$ 1,864,429	\$ 2,026,634	\$ 2,133,589	\$ 2,190,816	\$ 2,315,950
Contributions in Relation to the Contractually Required Contributions	(1,927,277)	(1,864,429)	(2,026,634)	(2,133,589)	(2,190,816)	(2,315,950)
Contribution Deficiency (Excess)	<u>\$ -</u>	<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	\$ 31,606,970	\$ 32,379,732
Contributions as a Percentage of Covered Employee Payroll	7.37%	6.88%	7.20%	7.09%	6.93%	7.15%
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 Three Measurement Periods

Measurement Date: December 31,	2017	2018	2019
County's Proportion of the Net OPEB Liability (Asset)	0.00496895%	0.00495459%	0.48123600%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,494,948	\$ 1,278,451	\$ 2,049,197
County's Covered Employee Payroll	\$ 20,895,856	\$ 23,835,000	\$ 24,510,000
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	7.15%	5.36%	8.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	44.81%	48.69%	37.58%

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 Three Fiscal Years

	2018	2019	2020
Contractually Required Contribution	\$ 9,545	\$ 6,935	\$ 7,002
Contributions in Relation to the Contractually Required Contributions	(9,545)	(6,935)	(7,002)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
County's Covered-Employee Payroll	\$ 20,895,856	\$ 23,835,000	\$ 24,510,000
Contributions as a Percentage of Covered Employee Payroll	0.05%	0.03%	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, 2020

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, 2020. 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 – No significant change in assumptions were noted from the prior year.

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 – Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 8,778,292	\$ 8,778,292	\$ 8,778,292	\$ -
EXPENDITURES				
Debt Service:				
Principal Retirement	9,497,572	9,497,572	9,497,572	-
Interest and Fiscal Charges	2,213,207	2,213,207	2,254,839	(41,632)
Total Debt Service	<u>11,710,779</u>	<u>11,710,779</u>	<u>11,752,411</u>	<u>(41,632)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,932,487)	(2,932,487)	(2,974,119)	(41,632)
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	-	-	7,445,000	7,445,000
Premium on Bonds	-	-	1,805,126	1,805,126
Payments to Refunded Bond Agent	-	-	(9,190,000)	(9,190,000)
Net Change in Fund Balance	<u>\$ (2,932,487)</u>	<u>\$ (2,932,487)</u>	<u>(2,913,993)</u>	<u>\$ 9,208,494</u>
Fund Balance (Deficit) - January 1			<u>3,901,563</u>	
Fund Balance (Deficit) - December 31			<u>\$ 987,570</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,777,552	\$ 2,777,552	\$ 2,777,552	\$ -
Intergovernmental Grants/Aids	-	-	283,355	283,355
Investment Income	-	-	11	11
Other Revenues	-	-	44,569	44,569
Total Revenues	<u>2,777,552</u>	<u>2,777,552</u>	<u>3,105,487</u>	<u>327,936</u>
EXPENDITURES				
Capital Outlay				
General Government	3,032,836	4,562,610	2,204,081	2,358,529
Public Safety	301,292	819,572	622,458	197,114
Culture, Recreation and Education	315,740	847,967	781,071	66,896
Conservation and Development	170,340	178,424	176,207	2,217
Debt Service				
Interest and Fiscal Charges	-	-	77,651	(77,651)
Total Expenditures	<u>3,820,208</u>	<u>6,408,573</u>	<u>3,861,468</u>	<u>2,547,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,042,656)</u>	<u>(3,631,021)</u>	<u>(755,981)</u>	<u>2,875,040</u>
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	9,480,209	9,480,209	9,615,000	134,791
Premium on Bonds/Notes	-	-	32,052	32,052
Transfers Out	(5,660,000)	(5,660,000)	(5,262,287)	397,713
Total Other Financing Sources (Uses)	<u>3,820,209</u>	<u>3,820,209</u>	<u>4,384,765</u>	<u>564,556</u>
Net Change in Fund Balance	<u>\$ 2,777,553</u>	<u>\$ 189,188</u>	<u>3,628,784</u>	<u>\$ 3,439,596</u>
Fund Balance (Deficit) - January 1			<u>(63,307)</u>	
Fund Balance - December 31			<u>\$ 3,565,477</u>	

EAU CLAIRE COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet

December 31, 2020

	Special Revenue Funds					
	Aging & Disability Resource Center	Watershed Fund	Anti-Drug Program	Recycling Fund	Land Records	Total
ASSETS						
Cash and Temporary Cash Investments	\$ 181,670	\$ 40,565	\$ 34,370	\$ 466,193	\$ 93,040	\$ 815,838
Taxes Receivable	226,401	10,000	-	-	-	236,401
Accounts Receivable	8,759	1,596	-	82,539	392	93,286
Due from Other Governments	461,962	71,804	-	8,000	-	541,766
Prepaid Expenses	6,600	-	1,785	-	-	8,385
Total Assets	<u>\$ 885,392</u>	<u>\$ 123,965</u>	<u>\$ 36,155</u>	<u>\$ 556,732</u>	<u>\$ 93,432</u>	<u>\$ 1,695,676</u>
LIABILITIES						
Accounts payable	\$ 40,915	\$ 39,530	\$ 818	\$ 104,026	-	\$ 185,289
Accrued compensation	56,313	-	-	1,627	-	57,940
Due to Other Governments	16,262	-	-	331	-	16,593
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>113,490</u>	<u>39,530</u>	<u>818</u>	<u>105,984</u>	<u>-</u>	<u>259,822</u>
DEFERRED INFLOWS OF RESOURCES						
Succeeding Years Property Tax	226,401	10,000	-	-	-	236,401
Unavailable Revenue	51,600	-	-	-	-	51,600
Total Deferred Inflows of Resources	<u>278,001</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,001</u>
FUND BALANCE						
Nonspendable	6,600	-	1,785	-	-	8,385
Restricted	199,195	-	-	450,748	-	649,943
Assigned	288,106	74,435	33,552	-	93,432	489,525
Total Fund Balances	<u>493,901</u>	<u>74,435</u>	<u>35,337</u>	<u>450,748</u>	<u>93,432</u>	<u>1,147,853</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 885,392</u>	<u>\$ 123,965</u>	<u>\$ 36,155</u>	<u>\$ 556,732</u>	<u>\$ 93,432</u>	<u>\$ 1,695,676</u>

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

For the Year Ended December 31, 2020

	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	\$ -	\$ -	\$ 151,640	\$ 399,957
Intergovernmental Grants & Aids	2,383,462	91,865	-	494,743	-	2,970,070
Public Charges for Services	208,532	3,157	-	824,969	-	1,036,658
Investment Income	116	-	-	-	-	116
Other Revenues	250,180	27,690	2,772	19,993	-	300,635
Total Revenues	<u>3,080,607</u>	<u>132,712</u>	<u>2,772</u>	<u>1,339,705</u>	<u>151,640</u>	<u>4,707,436</u>
EXPENDITURES						
General Government	-	-	-	-	100,000	100,000
Public Safety	-	-	97,523	-	-	97,523
Public Works	-	-	-	1,380,652	-	1,380,652
Health and Human Services	2,859,839	-	-	-	-	2,859,839
Conservation and Development	-	128,031	-	-	-	128,031
Total Expenditures	<u>2,859,839</u>	<u>128,031</u>	<u>97,523</u>	<u>1,380,652</u>	<u>100,000</u>	<u>4,566,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>220,768</u>	<u>4,681</u>	<u>(94,751)</u>	<u>(40,947)</u>	<u>51,640</u>	<u>141,391</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Net Change in Fund Balance	<u>220,768</u>	<u>4,681</u>	<u>(94,751)</u>	<u>(40,947)</u>	<u>51,640</u>	<u>141,391</u>
Fund Balance - January 1	273,133	69,754	130,088	491,695	41,792	1,006,462
Fund Balance - December 31	<u>\$ 493,901</u>	<u>\$ 74,435</u>	<u>\$ 35,337</u>	<u>\$ 450,748</u>	<u>\$ 93,432</u>	<u>\$ 1,147,853</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 238,317	\$ 238,317	\$ 238,317	\$ -
Intergovernmental Grants/Aids	2,398,273	2,703,907	2,383,462	(320,445)
Public Charges for Services	414,249	414,249	208,532	(205,717)
Investment Income	-	-	116	116
Other Revenue	178,202	178,202	250,180	71,978
Total Revenues	<u>3,229,041</u>	<u>3,534,675</u>	<u>3,080,607</u>	<u>(454,068)</u>
EXPENDITURES				
Health and Human Services	3,229,041	3,534,675	2,859,839	674,836
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>220,768</u>	<u>\$ 220,768</u>
Fund Balance - January 1			<u>273,133</u>	
Fund Balance - December 31			<u>\$ 493,901</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Intergovernmental Grants/Aids	298,079	298,079	91,865	(206,214)
Public Charges for Services	-	-	3,157	3,157
Other Revenues	-	36,095	27,690	(8,405)
Total Revenues	<u>308,079</u>	<u>344,174</u>	<u>132,712</u>	<u>(211,462)</u>
EXPENDITURES				
Conservation and Development	330,291	366,386	128,031	238,355
Net Change in Fund Balance	<u>\$ (22,212)</u>	<u>\$ (22,212)</u>	<u>4,681</u>	<u>\$ 26,893</u>
Fund Balance - January 1			<u>69,754</u>	
Fund Balance - December 31			<u>\$ 74,435</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Other Revenues	\$ 93,130	\$ 106,924	\$ 2,772	\$ (104,152)
EXPENDITURES				
Public Safety	93,130	106,924	97,523	9,401
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(94,751)</u>	<u>\$ (94,751)</u>
Fund Balance - January 1			<u>130,088</u>	
Fund Balance - December 31			<u>\$ 35,337</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
REVENUES				
Intergovernmental Grants/Aids	\$ 487,000	\$ 487,000	\$ 494,743	\$ 7,743
Public Charges for Services	859,009	859,009	824,969	(34,040)
Other Revenues	52,250	52,250	19,993	(32,257)
Total Revenues	<u>1,398,259</u>	<u>1,398,259</u>	<u>1,339,705</u>	<u>(58,554)</u>
EXPENDITURES				
Public Works	1,398,259	1,398,259	1,380,652	17,607
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(40,947)</u>	<u>\$ (40,947)</u>
Fund Balance - January 1			<u>491,695</u>	
Fund Balance - December 31			<u>\$ 450,748</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 100,000	\$ 100,000	\$ 151,640	\$ 51,640
EXPENDITURES				
General Government	100,000	100,000	100,000	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	51,640	<u>\$ 51,640</u>
Fund Balance - January 1			41,792	
Fund Balance - December 31			<u>\$ 93,432</u>	

EAU CLAIRE COUNTY, WISCONSIN

Combining Statement of Net Position
Internal Service Funds

December 31, 2020

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and Temporary Cash Investments	\$ 2,021,540	\$ -	\$ 752,452	\$ 2,773,992
Accounts Receivable	-	-	-	-
Due from Other Governments	1,975	-	-	1,975
Prepaid Items	656	569,464	-	570,120
Restricted Assets				
Cash	315,442	-	-	315,442
Total Current Assets	<u>2,339,613</u>	<u>569,464</u>	<u>752,452</u>	<u>3,661,529</u>
Noncurrent Assets:				
Deposit in Insurance Pool	999,731	-	-	999,731
Wisconsin Retirement System Net Pension Asset	18,717	-	-	18,717
Total Assets	<u>3,358,061</u>	<u>569,464</u>	<u>752,452</u>	<u>4,679,977</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	43,612	-	-	43,612
State Life Insurance Other Post Employment Benefit Related	8,278	-	-	8,278
Total Deferred Outflows of Resources	<u>51,890</u>	<u>-</u>	<u>-</u>	<u>51,890</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	43,201	-	132,590	175,791
Accrued Compensation	2,793	-	-	2,793
Due to Other Funds	-	23,369	-	23,369
Current Portion of Long-Term Liabilities:				
Claims Payable	481,204	82,967	-	564,171
Total Current Liabilities	<u>527,198</u>	<u>106,336</u>	<u>132,590</u>	<u>766,124</u>
Long-Term Liabilities (Net of Current Portion)				
State Life Insurance Other Post Employment Benefit Related	21,160	-	-	21,160
Claims Payable	1,360,747	-	-	1,360,747
Total Noncurrent Liabilities	<u>1,381,907</u>	<u>-</u>	<u>-</u>	<u>1,381,907</u>
Total Liabilities	<u>1,909,105</u>	<u>106,336</u>	<u>132,590</u>	<u>2,148,031</u>
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	56,083	-	-	56,083
State Life Insurance Other Post Employment Benefit Related	3,809	-	-	3,809
Total Deferred Inflows of Resources	<u>59,892</u>	<u>-</u>	<u>-</u>	<u>59,892</u>
NET POSITION				
Restricted				
Wisconsin Retirement System Pension Asset	18,717	-	-	18,717
Unrestricted	1,422,237	463,128	619,862	2,505,227
Total Net Position	<u>\$ 1,440,954</u>	<u>\$ 463,128</u>	<u>\$ 619,862</u>	<u>\$ 2,523,944</u>

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

For the Year Ended December 31, 2020

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
OPERATING REVENUES				
Charges for Services	\$ 1,217,629	\$ 8,746,166	\$ 219,469	\$ 10,183,264
OPERATING EXPENSES				
Operation and Maintenance	737,986	7,403,167	204,051	8,345,204
Claims	588,054	913,307	-	1,501,361
Total Operating Expenses	<u>1,326,040</u>	<u>8,316,474</u>	<u>204,051</u>	<u>9,846,565</u>
Operating Income (Loss)	(108,411)	429,692	15,418	336,699
NONOPERATING REVENUES				
Investment Income	44,645	-	-	44,645
Income (Loss) Before Transfers	<u>(63,766)</u>	<u>429,692</u>	<u>15,418</u>	<u>381,344</u>
TRANSFERS				
Transfers Out	<u>-</u>	<u>-</u>	<u>(205,787)</u>	<u>(205,787)</u>
Change in Net Position	(63,766)	429,692	(190,369)	175,557
Net Position - Beginning of Year	1,504,720	33,436	810,231	2,348,387
Net Position - December 31	<u>\$ 1,440,954</u>	<u>\$ 463,128</u>	<u>\$ 619,862</u>	<u>\$ 2,523,944</u>

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

For the Year Ended December 31, 2020

	<u>Risk Management</u>	<u>Health Insurance</u>	<u>Shared Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,215,654	\$ 8,746,165	\$ 219,468	\$ 10,181,287
Cash Paid to Suppliers for Goods and Services	(602,267)	(7,485,475)	(86,329)	(8,174,071)
Claims Paid	(344,103)	(968,039)	-	(1,312,142)
Payments on Behalf of Employees	(165,334)	(16)	-	(165,350)
Net Cash Provided by (Used for) Operating Activities	<u>103,950</u>	<u>292,635</u>	<u>133,139</u>	<u>529,724</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of Due to Other Funds	-	(292,635)	-	(292,635)
Transfer from/(to) Other Funds for Operating Activities	-	-	(205,787)	(205,787)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>(292,635)</u>	<u>(205,787)</u>	<u>(498,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	44,645	-	-	44,645
Net Cash Provided by (Used for) Investing Activities	<u>44,645</u>	<u>-</u>	<u>-</u>	<u>44,645</u>
Net Increase (Decrease) in Cash	148,595	-	(72,648)	75,947
Cash Balance at Beginning of Year	<u>2,188,387</u>	<u>-</u>	<u>825,100</u>	<u>3,013,487</u>
Cash Balance at End of Year	<u>\$ 2,336,982</u>	<u>\$ -</u>	<u>\$ 752,452</u>	<u>\$ 3,089,434</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ (108,411)	\$ 429,692	\$ 15,418	\$ 336,699
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Change in WRS Asset/Liability	(54,219)	-	-	(54,219)
Change in WRS Deferred Outflow	52,444	-	-	52,444
Change in WRS Deferred Inflow	7,014	-	-	7,014
Change in OPEB Liability	4,925	-	-	4,925
Change in OPEB Deferred Outflow	(6,253)	-	-	(6,253)
Change in OPEB Deferred Inflow	(773)	-	-	(773)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Other Accounts Receivable	-	-	-	-
Due from Other Governments	(1,975)	-	-	(1,975)
Prepaid Items	(656)	(52,761)	-	(53,417)
Increase (Decrease) in:				
Accounts Payable	(3,114)	(29,564)	117,721	85,043
Accrued Compensation	(5,824)	-	-	(5,824)
Accrued Employee Leave	(23,159)	-	-	(23,159)
Claims Payable	243,951	(54,732)	-	189,219
Total Adjustments	<u>212,361</u>	<u>(137,057)</u>	<u>117,721</u>	<u>193,025</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 103,950</u>	<u>\$ 292,635</u>	<u>\$ 133,139</u>	<u>\$ 529,724</u>

EAU CLAIRE COUNTY, WISCONSIN
 Combining Statement of Net Position
 Fiduciary Funds

December 31, 2020

	Tax Custodial	Unclaimed Custodial Funds	District Attorney	Clerk of Court	West Central Drug Task Force	Sheriff Inmate Funds	Total Custodial Funds
ASSETS							
Cash and Temporary Cash Investments	\$ 20,530,117	\$ 21,100	\$ 15,955	\$ 277,361	\$ 211,850	\$ 162,006	\$ 21,218,389
Taxes Receivable	262,996	-	-	-	-	-	262,996
Total Assets	20,793,113	21,100	15,955	277,361	211,850	162,006	21,481,385
LIABILITIES							
Accounts Payable and Other Payables Due to Other Governments	-	-	-	-	-	134,944	134,944
Total Liabilities	20,530,117	-	-	20,751	-	134,944	20,685,812
DEFERRED INFLOWS OF RESOURCES							
Succeeding Year's Property Taxes	262,996	-	-	-	-	-	262,996
NET POSITION							
Restricted Individuals, Organizations, and Other Governments	-	21,100	15,955	256,610	211,850	27,062	532,577
Total Net Position	\$ -	\$ 21,100	\$ 15,955	\$ 256,610	\$ 211,850	\$ 27,062	\$ 532,577

EAU CLAIRE COUNTY, WISCONSIN
Combining Statement of Changes in Net Position
Fiduciary Funds

For the Year Ended December 31, 2020

	Tax Custodial	Unclaimed Custodial Funds	District Attorney	Clerk of Court	West Central Drug Task Force	Sheriff	Total Custodial Funds
ADDITIONS							
Fee Collections on Behalf of Others	\$ -	\$ -	\$ 223,812	\$ 4,357,731	\$ -	\$ 949,112	\$ 5,530,655
Tax Collections for Other Governments	85,348,706	-	-	-	-	-	85,348,706
State Forfeiture Funds Collected	-	-	-	-	114,294	-	114,294
Unclaimed Funds Additions	-	19,927	-	-	-	-	19,927
Total Additions	85,348,706	19,927	223,812	4,357,731	114,294	949,112	91,013,582
DEDUCTIONS							
Beneficiary Payments	-	-	222,440	4,437,032	-	964,913	5,624,385
Payments of Taxes to Other Governments	85,348,706	-	-	-	-	-	85,348,706
Payments on Behalf of Agency Board	-	-	-	-	44,566	-	44,566
Total Deductions	85,348,706	-	222,440	4,437,032	44,566	964,913	91,017,657
Change in Net Position	-	19,927	1,372	(79,301)	69,728	(15,801)	(4,075)
Net Position - Beginning of Year	-	-	-	-	-	-	-
Change in Accounting Principle	-	1,173	14,583	335,911	142,122	42,863	536,652
Net Position - Beginning of Year, as Restated	-	1,173	14,583	335,911	142,122	42,863	536,652
Net Position - December 31	\$ -	\$ 21,100	\$ 15,955	\$ 256,610	\$ 211,850	\$ 27,062	\$ 532,577