

**EAU CLAIRE COUNTY, WISCONSIN**

**AUDIT SUMMARY**

**DECEMBER 31, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**EAU CLAIRE COUNTY, WISCONSIN  
TABLE OF CONTENTS  
DECEMBER 31, 2023**

<b>AUDIT FINDINGS AND RESULTS</b>	<b>1</b>
<b>APPENDIX A</b>	
FORMAL REQUIRED COMMUNICATIONS	2
<b>APPENDIX B</b>	
NEW ACCOUNTING AND REPORTING STANDARDS	6
<b>APPENDIX C</b>	
FINANCIAL STATEMENT NOTATIONS	7

## AUDIT FINDINGS AND RESULTS

### Audit Summary

We prepared this Audit Summary and Management Report in conjunction with our audit of the County's financial records for the year ended December 31, 2023. The following is a summary of reports we have issued:

### Audit Opinion

- The financial statements are fairly stated. We issued what is known as an "unmodified" audit opinion.
- New subscription-based information technology arrangements (SBITAs) standard implemented during 2023.

### Internal Controls

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

#### Material Weaknesses:

2023-001 Limited Segregation of Duties

### Compliance

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

### Other Items

As part of our audit, we also provided assistance with the following reports:

- Compile the Financial Statements
- Compile the Airport Passenger Facility Charges (PFC) Report
- Form A Tax 16 Audit Report (County Finance Prepares and we Audit, Due July 31<sup>st</sup>)
- Federal Single Audit Data Collection Form (Due September 30<sup>th</sup>)



## APPENDIX A

### FORMAL REQUIRED COMMUNICATIONS

Board of Supervisors  
Eau Claire County, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin (the County) for the year ended December 31, 2023, and have issued our report thereon dated July 22, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated September 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### **Significant audit findings or issues**

##### ***Qualitative aspects of accounting practices***

###### **Accounting policies**

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

During the year, the County implemented Governmental Accounting Standards Board (GASB) No. 96, *subscription-based information technology arrangements (SBITAs)*, in 2023. The adoption of this standard resulted in adjustments to beginning capital asset balances, subscription liability, and Net Position/Fund Balance for SBITAs recorded as prepaids during the prior year.

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

Accounting estimates

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

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

Actuarial Assumptions – The actuarial assumptions used for the pension and other postemployment benefits related items are outlined in the notes to the basic financial statements.

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

Fair Value of Investments – Management's estimate investment fair values is based on published market values.

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

Financial statement disclosures

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

The financial statement disclosures are neutral, consistent and clear.

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements except as noted below:

- The impact of not recording a 5-year contract for software support as a prepaid expenditure in fiscal year 2020 has a reversing effect for each of the following years until the uncorrected misstatement becomes immaterial. The result is an understatement of assets and fund balance in the amount of \$19,727 and an overstatement of current year change in fund balance in the amount of \$9,863 in the capital projects fund.

- The impact of recording a different lessor commencement date than that of which existed based on circumstances from the beginning of the prior audit period for GASB 87 implementation. The result is an overstatement of liabilities and understatement of fund balance in the amount of \$74,808 in the general fund.
- The impact of recording revenue instead of unearned revenue for the Land Information Grant when it was received in a prior year. The result is an understatement of liabilities and overstatement of fund balance of \$73,158 in the general fund.
- The impact of recording net position instead of liabilities for the clerk of court. The result is an understatement of liabilities and overstatement of net position of \$153,420 in the clerk of courts fund.

Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

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

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to your, the report was modified to adopt new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated July 22, 2024.

***Management consultations with other independent accountants***

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

***Significant issues discussed with management prior to engagement***

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

- Lack of segregation of duties

**Other audit findings or issues**

We have provided a separate letter to you dated July 22, 2024, communicating internal control related matters identified during the audit.

**Audits of group financial statements**

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

**Required supplementary information**

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

**Supplementary information in relation to the financial statements as a whole**

With respect to the combining and individual fund statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 22, 2024.

\* \* \*

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



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 22, 2024

## APPENDIX B

### NEW ACCOUNTING AND REPORTING STANDARDS

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

New accounting standards effective for the December 31, 2024 financial statements include:

**GASB Statement No. 100, *Accounting Changes and Error Corrections*.** This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**GASB Statement No. 101, *Compensated Absences*** This statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

New accounting standards effective for the December 31, 2025 financial statements include:

**GASB Statement No 102, *Disclosures*,** This statement requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.



## APPENDIX C

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

<b>FINANCIAL STATEMENT NOTATIONS</b>
--------------------------------------

Item #

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

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Fund 100</b>				
Cash and Investments	\$ 17,284,092	\$ 17,274,011	\$ 15,835,851	\$ 9,563,734
Taxes Receivable	17,607,358	16,736,213	15,520,771	15,453,188
Accounts Receivable/Due from Other Gov't	4,901,518	4,740,756	4,047,903	4,057,428
Lease Receivable	161,488	184,526	-	-
Due from Other Funds	4,454,781	4,941,909	3,891,019	4,636,826
Other Assets	648,959	282,151	90,942	18,862
Total Assets	<u>\$ 45,058,196</u>	<u>\$ 44,159,566</u>	<u>\$ 39,386,486</u>	<u>\$ 33,730,038</u>
Accounts Payable/Due to Other Gov't	\$ 1,233,512	\$ 1,520,499	\$ 1,203,602	\$ 1,362,662
Accrued Liabilities	2,430,197	2,191,021	1,505,717	1,281,792
Special Deposits	915,699	896,296	934,723	471,829
Deferred Inflows	17,593,572	16,862,202	15,448,400	15,145,665
Fund Balance:				
Nonspendable:				
Delinquent Taxes and Tax Deeds	1,309,580	1,208,232	1,072,056	1,297,075
Inventory and Prepaid Items	648,959	282,151	90,942	18,862
Restricted	72,506	55,406	50,589	10,757
Assigned:				
Subsequent Year's Budget	4,819,858	7,651,842	1,223,433	776,648
<b>Unassigned</b>	<b>16,034,313</b>	<b>13,491,917</b>	<b>17,857,024</b>	<b>13,364,748</b>
Total Fund Balance	22,885,216	22,689,548	20,294,044	15,468,090
Total Liabilities and Fund Balance	<u>\$ 45,058,196</u>	<u>\$ 44,159,566</u>	<u>\$ 39,386,486</u>	<u>\$ 33,730,038</u>
Revenues	\$ 44,799,499	\$ 42,050,916	\$ 39,892,376	\$ 38,043,681
<b>Expenditures</b>	<b>(39,602,758)</b>	<b>(38,014,611)</b>	<b>(35,382,724)</b>	<b>(34,834,335)</b>
Net Other Financing Sources (Uses)	(4,934,553)	(1,640,801)	316,302	339,506
Change in Fund Balance	<u>\$ 262,188</u>	<u>\$ 2,395,504</u>	<u>\$ 4,825,954</u>	<u>\$ 3,548,852</u>
 <b>% of Unassigned Fund Balance to General Fund Expenditures</b>	 <b>40.5%</b>	 <b>35.5%</b>	 <b>50.5%</b>	 <b>38.4%</b>

<b>FINANCIAL STATEMENT NOTATIONS</b>
--------------------------------------

Item  
#

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

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>Special Revenue Fund Balances:</b>				
Fund 202 - Land Records	\$ 29,029	\$ 129,952	\$ 156,387	\$ 93,432
Fund 203 - Opioid Settlement	723,267	559,084	-	-
Fund 205 & 206 - Health and Human Services	(652,468)	(756,172)	(1,778,895)	(2,319,768)
Fund 207 - Watershed Fund	242,578	205,385	178,512	74,435
Fund 211 - Recycling Fund	484,363	497,051	423,520	450,748
Fund 212 - Anti-Drug Program	150,548	19,935	20,022	35,337
Fund 215 - Aging and Disability Resource Center	573,030	738,109	674,355	493,901
Fund 201 - American Rescue Plan Act Fund	583,572	33,675	(31,905)	-
	\$ 2,133,919	\$ 1,427,019	\$ (358,004)	\$ (1,171,915)

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

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>Debt Service Funds Balances:</b>				
Fund 300 - Debt Service Fund	\$ 311,728	\$ 1,074,010	\$ 2,228,062	\$ 987,570

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

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>Capital Project Fund Balance:</b>				
Fund 405 - Capital Projects Fund	\$ 1,701,450	\$ 6,517,027	\$ 25,860,964	\$ 3,565,477

**FINANCIAL STATEMENT NOTATIONS**

Item  
#

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

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>Fund 701 - Highway Department</b>				
Cash and Investments	\$ 250	\$ 250	\$ 3,137,025	\$ 4,066,197
Taxes Receivable	1,735,199	1,635,199	1,635,199	1,635,199
Accounts Receivable/Due from Other Gov't	2,301,859	4,322,517	2,253,192	1,261,808
Inventory and Prepaid Items	844,223	659,180	603,986	664,328
WRS Pension Asset & Deferred Outflows	3,854,761	4,679,896	3,182,538	2,102,880
State Life Insurance OPEB Deferred Outflows	81,595	97,341	114,658	87,560
Capital Assets - Net	39,334,457	34,675,730	8,893,594	8,456,775
	<u>\$ 48,152,344</u>	<u>\$ 46,070,113</u>	<u>\$ 19,820,192</u>	<u>\$ 18,274,747</u>
Accounts Payable/Due to Other Gov't	\$ 1,206,353	\$ 2,589,036	\$ 890,171	\$ 451,111
Accrued Liabilities	345,883	199,287	161,013	158,192
Unearned Revenue	41,378	157,925	54,483	-
Due to Other Funds	1,598,254	515,032	-	-
Long-Term Liabilities	107,300	242,909	677,260	1,205,858
WRS Pension Liability and Deferred Inflows	3,178,502	3,738,775	2,632,007	1,892,121
State Life Insurance OPEB Liability & Deferred Inflows	371,342	347,978	325,317	264,123
Deferred Inflows - Taxes	1,735,199	1,635,199	1,635,199	1,635,199
Net Position:				
Net Investment in Capital Assets	37,189,233	32,530,506	8,481,131	7,593,992
Restricted - WRS Pension Asset	-	1,587,823	1,201,625	631,491
Unrestricted	2,378,900	2,525,643	3,761,986	4,442,660
	<u>\$ 48,152,344</u>	<u>\$ 46,070,113</u>	<u>\$ 19,820,192</u>	<u>\$ 18,274,747</u>
<b>Changes to Net Position:</b>				
Operating Income (Loss) + Transfers+ Cap Contr	\$ 2,924,161	\$ 23,199,230	\$ 776,599	\$ 3,217,463
Operating Income (Loss)	<u>\$ 2,924,161</u>	<u>\$ 23,199,230</u>	<u>\$ 776,599</u>	<u>\$ 3,217,463</u>
<b>Current Ratio (1+ desired)</b>	<b>0.00</b>	<b>0.00</b>	<b>2.98</b>	<b>6.67</b>
<b>Fund 602 - Airport Fund</b>				
Cash and Investments	\$ 3,050,257	\$ 3,249,577	\$ 3,252,176	\$ 2,325,250
Taxes Receivable	407,050	407,050	403,020	403,020
Accounts Receivable/Due from Other Gov't/Other	114,516	156,687	107,276	257,573
Lease Receivable	60,593	84,733	-	-
Inventory and Prepaid Items	3,369	1,604	-	-
WRS Pension Asset & Deferred Outflows	413,505	494,302	315,805	218,350
State Life Insurance OPEB Deferred Outflows	6,072	7,897	13,858	10,684
Capital Assets - Net	50,159,132	44,082,830	39,227,941	38,448,669
	<u>\$ 54,214,494</u>	<u>\$ 48,484,680</u>	<u>\$ 43,320,076</u>	<u>\$ 41,663,546</u>
Accounts Payable/Due to Other Gov't	\$ 188,569	\$ 168,892	\$ 145,063	\$ 206,619
Accrued Liabilities/Unearned Revenue	54,369	22,472	29,315	34,889
WRS Pension Liability and Deferred Inflows	340,960	394,898	261,175	196,467
State Life Insurance OPEB Liability & Deferred Inflows	27,635	28,229	39,318	32,228
Long-Term Liabilities	22,755	54,297	44,432	32,380
Deferred Inflows - Taxes	407,050	407,050	403,020	403,020
Deferred Inflows - Lease Receivable	52,490	78,736	-	-
Net Position:				
Net Investment in Capital Assets	50,064,030	43,987,728	39,182,012	38,298,767
Restricted - WRS Pension Asset	-	167,710	119,238	65,570
Unrestricted	3,056,636	3,174,668	3,096,503	2,393,606
	<u>\$ 54,214,494</u>	<u>\$ 48,484,680</u>	<u>\$ 43,320,076</u>	<u>\$ 41,663,546</u>
<b>Changes to Net Position:</b>				
Net Income (Loss) (Includes Capital Contributions)	\$ 5,790,560	\$ 4,932,353	\$ 1,639,810	\$ 599,465
Total Change in Net Position	<u>\$ 5,790,560</u>	<u>\$ 4,932,353</u>	<u>\$ 1,639,810</u>	<u>\$ 599,465</u>
<b>Current Ratio (1+ desired)</b>	<b>12.56</b>	<b>16.98</b>	<b>18.65</b>	<b>9.63</b>

**FINANCIAL STATEMENT NOTATIONS**

Item  
#

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

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Fund 703, 704, 705</b>				
Cash and Investments	\$ 3,514,737	\$ 3,969,111	\$ 3,645,031	\$ 3,089,434
Other Assets and Deferred Outflows	2,056,179	1,935,752	1,711,164	1,642,433
	<u>\$ 5,570,916</u>	<u>\$ 5,904,863</u>	<u>\$ 5,356,195</u>	<u>\$ 4,731,867</u>
Current Liabilities	\$ 74,742	\$ 115,195	\$ 93,323	\$ 178,584
Claims Payable	1,263,271	1,515,030	1,637,026	1,924,918
Due to Other Funds	-	-	-	23,369
Other Liabilities and Deferred Inflows	143,049	156,529	107,202	81,052
Net Position:				
Restricted for Insurance Escrow	360,232	322,386	327,186	-
Restricted for WRS Pension Asset	-	54,965	39,005	18,717
Unrestricted	3,729,622	3,740,758	3,152,453	2,505,227
	<u>\$ 5,570,916</u>	<u>\$ 5,904,863</u>	<u>\$ 5,356,195</u>	<u>\$ 4,731,867</u>
<b>Changes to Net Position:</b>				
Net Income (Loss)+ Transfers	\$ (28,255)	\$ 599,465	\$ 994,700	\$ 175,557
Total Change in Net Position	<u>\$ (28,255)</u>	<u>\$ 599,465</u>	<u>\$ 994,700</u>	<u>\$ 175,557</u>

**7 Long-Term Obligations**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
General Obligation Bonds and Notes	\$ 83,765,000	\$ 96,970,000	\$ 104,145,000	\$ 84,805,000
Unamortized Premiums	5,020,427	5,758,428	6,280,800	3,105,815
Subtotal	88,785,427	102,728,428	110,425,800	87,910,815
Vested Compensated Absences	3,554,108	3,363,213	3,296,271	3,194,412
WRS Pension (Asset) Liability	10,899,548	(16,591,956)	(12,978,329)	(6,630,773)
State Life Insurance Other Postemployment Benefit	1,732,599	2,692,362	2,545,355	2,049,196
Unpaid Self-Insurance Claims	1,263,271	1,515,030	1,637,026	1,924,918
Capital leases	-	-	412,463	862,783
Right to Use Leases	-	230,147	-	-
Subscription Liabilities	302,146	-	-	-
Long-Term Payable to the City of Eau Claire	49,218	56,790	64,362	71,934
	<u>\$ 106,586,317</u>	<u>\$ 93,994,014</u>	<u>\$ 105,402,948</u>	<u>\$ 89,383,285</u>
<b>Equalized Valuation</b>	<b>\$ 13,435,817,700</b>	<b>\$ 11,791,028,100</b>	<b>\$ 10,591,905,100</b>	<b>\$ 8,847,256,600</b>
<b>General Obligation Debt Limit</b>	<b>\$ 671,790,885</b>	<b>\$ 589,551,405</b>	<b>\$ 529,595,255</b>	<b>\$ 442,362,830</b>
<b>General Obligation Debt as Percent of Debt Limitation</b>	<b>12.5%</b>	<b>16.4%</b>	<b>19.7%</b>	<b>19.2%</b>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.