

EAU CLAIRE COUNTY

Eau Claire, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

EAU CLAIRE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the County Board
Eau Claire County
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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Eau Claire 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 did not audit the financial statements of the Friends of Beaver Creek Reserve, Inc. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for discretely presented component unit, is based solely on the report of the other auditors. 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. The financial statements of the Friends of Beaver Creek Reserve, Inc. were not audited in accordance with *Government Auditing Standards*.

To the County Board
Eau Claire County

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 over financial reporting relevant to Eau Claire County'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 Eau Claire County'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, based on our audit and the report of other auditors, 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, 2014 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedule of funding progress for retiree's health plan as listed 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

To the County Board
Eau Claire County

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eau Claire 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 accompanying detailed budgetary comparison schedules and combining financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Eau Claire 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Eau Claire County's internal control over financial reporting and compliance.

Baker Tilly Vichow Krause, LLP

July 28, 2015

EAU CLAIRE COUNTY

STATEMENT OF NET POSITION As of December 31, 2014

	Primary Government			Component Unit (Friends of Beaver Creek Reserve, Inc.)
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 14,084,339	\$ 2,093,340	\$ 16,177,679	\$ 1,619,438
Taxes receivable	27,321,690	2,179,062	29,500,752	-
Due from other governments	5,525,414	1,588,754	7,114,168	-
Other receivables (net)	2,351,331	46,197	2,397,528	89,065
Restricted cash and investments	240,324	-	240,324	-
Deposit in insurance pool	999,731	-	999,731	-
Internal balances	(120,125)	120,125	-	-
Prepaid items and inventories	52,710	716,094	768,804	14,781
Capital Assets				
Land	5,431,348	2,045,674	7,477,022	-
Construction in progress	853,608	1,368,388	2,221,996	-
Other capital assets, net of depreciation	143,182,741	34,178,527	177,361,268	-
Total Assets	199,923,111	44,336,161	244,259,272	1,723,284
LIABILITIES				
Accounts payable	2,114,313	500,613	2,614,926	52,112
Accrued liabilities	2,934,788	253,467	3,188,255	5,937
Deposits	475,160	-	475,160	-
Due to other governments	4,999,184	22,740	5,021,924	-
Noncurrent liabilities				
Due within one year	6,204,201	378,277	6,582,478	-
Due in more than one year	67,137,102	1,564,434	68,701,536	-
Total Liabilities	83,864,748	2,719,531	86,584,279	58,049
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	24,913,035	2,185,337	27,098,372	9,216
Total Deferred Inflows of Resources	24,913,035	2,185,337	27,098,372	9,216
NET POSITION				
Net investment in capital assets	84,487,562	36,719,787	121,207,349	-
Restricted for				
CTHS road and bridge construction	-	483,128	483,128	-
Insurance escrow	240,324	-	240,324	-
Debt service	3,029,674	-	3,029,674	-
Recycling	251,998	-	251,998	-
Specialized transportation services	36,865	-	36,865	-
Friends of Beaver Creek Reserve, Inc.	-	-	-	702,436
Unrestricted	3,098,905	2,228,378	5,327,283	953,583
TOTAL NET POSITION	\$ 91,145,328	\$ 39,431,293	\$ 130,576,621	\$ 1,656,019

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals Primary Government	(Friends of Beaver Creek Reserve, Inc.)
Governmental Activities								
General government	\$ 14,030,999	\$ 2,189,532	\$ 617,989	\$ -	\$ (11,223,478)	\$ -	\$ (11,223,478)	\$ -
Public safety	16,154,245	2,591,159	596,836	1,115,543	(11,850,707)	-	(11,850,707)	-
Public works	5,435,632	743,316	486,909	-	(4,205,407)	-	(4,205,407)	-
Health and human services	35,692,591	2,219,646	21,805,574	-	(11,667,371)	-	(11,667,371)	-
Culture, recreation, and education	1,966,191	1,800,244	187,582	-	21,635	-	21,635	-
Conservation and development	3,502,588	1,402,605	404,235	-	(1,695,748)	-	(1,695,748)	-
Interest and fiscal charges	2,196,437	-	-	-	(2,196,437)	-	(2,196,437)	-
Total Governmental Activities	<u>78,978,683</u>	<u>10,946,502</u>	<u>24,099,125</u>	<u>1,115,543</u>	<u>(42,817,513)</u>	<u>-</u>	<u>(42,817,513)</u>	<u>-</u>
Business-type Activities								
Highway Department	12,942,054	9,033,867	3,315,815	-	-	(592,372)	(592,372)	-
Airport	2,413,837	964,053	127,732	-	-	(1,322,052)	(1,322,052)	-
Total Business-type Activities	<u>15,355,891</u>	<u>9,997,920</u>	<u>3,443,547</u>	<u>-</u>	<u>-</u>	<u>(1,914,424)</u>	<u>(1,914,424)</u>	<u>-</u>
Total Primary Government	<u>\$ 94,334,574</u>	<u>\$ 20,944,422</u>	<u>\$ 27,542,672</u>	<u>\$ 1,115,543</u>	<u>(42,817,513)</u>	<u>(1,914,424)</u>	<u>(44,731,937)</u>	<u>-</u>
Component Unit								
Friends of Beaver Creek Reserve, Inc.	<u>\$ 780,632</u>	<u>\$ 194,751</u>	<u>\$ 656,870</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,989</u>
General Revenues								
Taxes								
Property taxes, levied for general purposes					18,441,337	-	18,441,337	-
Property taxes, levied for debt service					4,805,283	-	4,805,283	-
Property taxes, levied for highway purposes					-	1,827,895	1,827,895	-
Property taxes, levied for airport purposes					-	391,167	391,167	-
Other taxes					10,384,084	-	10,384,084	-
Intergovernmental revenues not restricted to specific programs					3,088,592	-	3,088,592	-
Investment income					109,444	-	109,444	57,136
Miscellaneous					849,885	-	849,885	5,196
Total General Revenues					<u>37,678,625</u>	<u>2,219,062</u>	<u>39,897,687</u>	<u>62,332</u>
Transfers					(197,284)	197,284	-	-
Total General Revenues and Transfers					<u>37,481,341</u>	<u>2,416,346</u>	<u>39,897,687</u>	<u>62,332</u>
Change in Net Position					(5,336,172)	501,922	(4,834,250)	133,321
NET POSITION - Beginning of Year					<u>96,481,500</u>	<u>38,929,371</u>	<u>135,410,871</u>	<u>1,522,698</u>
NET POSITION - END OF YEAR					<u>\$ 91,145,328</u>	<u>\$ 39,431,293</u>	<u>\$ 130,576,621</u>	<u>\$ 1,656,019</u>

EAU CLAIRE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2014

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 8,849,044	\$ -	\$ 3,791,951	\$ -	\$ 342,954	\$ 12,983,949
Receivables						
Taxes	11,513,116	7,749,738	5,884,536	42,500	319,952	25,509,842
Delinquent taxes	1,811,848	-	-	-	-	1,811,848
Accounts	1,564,526	318,786	-	100,953	294,692	2,278,957
Notes	-	-	-	-	-	-
Due from other governments	2,476,120	2,443,491	-	215,375	390,427	5,525,413
Due from other funds	4,352,294	-	-	-	-	4,352,294
Inventory and prepaid items	47,738	4,971	-	-	-	52,709
TOTAL ASSETS	\$ 30,614,686	\$ 10,516,986	\$ 9,676,487	\$ 358,828	\$ 1,348,025	\$ 52,515,012
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 598,359	\$ 1,035,362	\$ -	\$ 265,027	\$ 209,085	\$ 2,107,833
Accrued liabilities	1,587,120	521,521	-	-	94,433	2,203,074
Deposits	475,160	-	-	-	-	475,160
Due to other governments	3,036,187	1,928,010	34,987	-	-	4,999,184
Due to other funds	-	765,985	-	3,337,173	242,572	4,345,730
Total Liabilities	<u>5,696,826</u>	<u>4,250,878</u>	<u>34,987</u>	<u>3,602,200</u>	<u>546,090</u>	<u>14,130,981</u>
Deferred Inflows of Resources						
Unearned revenue	10,909,147	7,749,738	5,884,536	42,500	327,114	24,913,035
Unavailable revenue	207,002	-	-	85,000	80,204	372,206
Total Deferred Inflows of Resources	<u>11,116,149</u>	<u>7,749,738</u>	<u>5,884,536</u>	<u>127,500</u>	<u>407,318</u>	<u>25,285,241</u>
Fund Balances						
Nonspendable	1,362,627	4,971	-	-	-	1,367,598
Restricted	-	-	3,756,964	-	288,863	4,045,827
Assigned	815,318	-	-	-	228,014	1,043,332
Unassigned (deficit)	11,623,766	(1,488,601)	-	(3,370,872)	(122,260)	6,642,033
Total Fund Balances	<u>13,801,711</u>	<u>(1,483,630)</u>	<u>3,756,964</u>	<u>(3,370,872)</u>	<u>394,617</u>	<u>13,098,790</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 30,614,686	\$ 10,516,986	\$ 9,676,487	\$ 358,828	\$ 1,348,025	\$ 52,515,012

EAU CLAIRE COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION As of December 31, 2014

Total fund balances - governmental funds	\$ 13,098,790
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets (including internal service fund capital assets) at year end consist of:

Capital assets	\$ 215,442,998	
Accumulated depreciation	<u>(65,975,301)</u>	149,467,697

Certain revenues are reported as unavailable in the fund financial statements because they are not available but are recognized as revenue when earned in the government-wide financial statements.

These types of unavailable revenues at year end consist of:

Tax certificates	207,001
Miscellaneous	165,205

Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Capital assets of the internal service fund are included above.

1,456,547

Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.

Long-term liabilities at year end consist of:

General obligation debt	64,300,000	
Debt premiums	680,135	
Accrued interest on general obligation debt	727,292	
Post retirement benefits	3,916,403	
Vested compensated absences	3,516,288	
Liability - WRS-PSC	<u>109,794</u>	<u>(73,249,912)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 91,145,328

EAU CLAIRE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2014

	General	Human Services	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 20,666,222	\$ 7,860,590	\$ 4,805,283	\$ 42,500	\$ 305,890	\$ 33,680,485
Intergovernmental	5,010,810	18,697,082	-	223,295	2,927,684	26,858,871
Licenses and permits	320,502	-	-	-	-	320,502
Fines, forfeitures and penalties	735,178	-	-	-	-	735,178
Public charges for services	3,798,280	2,119,481	-	-	926,863	6,844,624
Intergovernmental charges for services	1,808,627	1,042,242	-	171,749	18,334	3,040,952
Investment income	92,746	-	-	2	-	92,748
Miscellaneous	1,464,687	124,116	-	1,390,543	261,845	3,241,191
Total Revenues	33,897,052	29,843,511	4,805,283	1,828,089	4,440,616	74,814,551
EXPENDITURES						
Current						
General government	11,977,645	-	-	47,659	-	12,025,304
Public safety	13,755,155	-	-	-	352,044	14,107,199
Public works	-	-	-	-	1,190,797	1,190,797
Health and human services	2,269,770	31,815,321	-	-	2,740,998	36,826,089
Culture, recreation, and education	1,637,030	-	-	-	-	1,637,030
Conservation and development	2,568,583	-	-	-	106,988	2,675,571
Capital Outlay	-	-	-	2,828,751	-	2,828,751
Debt Service						
Principal retirement	-	-	3,005,679	-	-	3,005,679
Interest and fiscal charges	-	-	2,095,319	92,427	-	2,187,746
Total Expenditures	32,208,183	31,815,321	5,100,998	2,968,837	4,390,827	76,484,166
Excess (deficiency) of revenues over expenditures	1,688,869	(1,971,810)	(295,715)	(1,140,748)	49,789	(1,669,615)
OTHER FINANCING SOURCES (USES)						
Debt issued	-	-	-	10,000,000	-	10,000,000
Premium on debt issued	-	-	-	232,707	-	232,707
Transfers out	(165,942)	-	-	(8,500,000)	-	(8,665,942)
Total Other Financing Sources (Uses)	(165,942)	-	-	1,732,707	-	1,566,765
Net change in fund balances	1,522,927	(1,971,810)	(295,715)	591,959	49,789	(102,850)
FUND BALANCES (DEFICIT) - Beginning of Year	12,278,784	488,180	4,052,679	(3,962,831)	344,828	13,201,640
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 13,801,711	\$ (1,483,630)	\$ 3,756,964	\$ (3,370,872)	\$ 394,617	\$ 13,098,790

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

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, 2014

Net change in fund balances - total governmental funds	\$ (102,850)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differ in their presentation in the two statements:

Capital outlay is capitalized in the government-wide statements	2,828,751
Some capital outlay is not capitalized in the government-wide statements	(2,187,887)
Functional expenditures that were capitalized on the government-wide statements	1,932,724
Depreciation is reported in the government-wide statements	(4,766,828)
Loss on disposal of assets is reported in the government-wide statements	(3,452,871)
Contribution from business type activity - infrastructure financed by the highway fund	8,468,658

Certain revenues are reported as unavailable in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This is the amount of revenue recognized on the fund statements that was recognized in the government-wide statement in prior years.

Tax certificates	(49,780)
Loans	(653,445)
Miscellaneous	85,000

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(10,000,000)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Change in general obligation debt payable	3,000,000
Change in long-term payable to the City of Eau Claire	5,679

Governmental funds report the effect of discount and premium when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This is the net effect of those differences.

(195,928)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following did not require the use of current financial resources:

Change in vested compensated absences	(72,215)
Change in accrued interest expense	(45,469)
Change in post retirement benefits	(558,281)

Internal service funds are used by management to charge the costs of risk management and car fleet to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

428,570

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (5,336,172)

EAU CLAIRE COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2014

ASSETS	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Highway Department</u>	<u>Airport</u>	<u>Totals</u>	<u>Activities - Internal Service Funds</u>
CURRENT ASSETS				
Cash and investments	\$ 1,426,694	\$ 666,646	\$ 2,093,340	\$ 1,100,390
Taxes receivable	1,787,895	391,167	2,179,062	-
Customer accounts receivable	-	46,197	46,197	72,374
Due from other governments	1,568,553	20,201	1,588,754	-
Inventories	716,094	-	716,094	-
Total Current Assets	<u>5,499,236</u>	<u>1,124,211</u>	<u>6,623,447</u>	<u>1,172,764</u>
NONCURRENT ASSETS				
Restricted assets:				
Escrow accounts	-	-	-	240,324
Deposit in insurance pool	-	-	-	999,731
Capital assets:				
Construction work in progress	240,332	1,128,056	1,368,388	-
Other capital assets	13,225,958	48,006,515	61,232,473	201,711
Accumulated depreciation	(8,563,998)	(16,444,274)	(25,008,272)	(201,711)
Total Noncurrent Assets	<u>4,902,292</u>	<u>32,690,297</u>	<u>37,592,589</u>	<u>1,240,055</u>
Total Assets	<u>10,401,528</u>	<u>33,814,508</u>	<u>44,216,036</u>	<u>2,412,819</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	460,253	40,360	500,613	6,477
Accrued payroll and expenses	204,637	19,020	223,657	4,423
Accrued interest	-	29,810	29,810	-
Due to other governments	-	22,740	22,740	-
Due to other funds	-	-	-	6,564
Current portion of long-term debt	-	87,343	87,343	-
Current portion of claims payable	-	-	-	122,800
Current portion of compensated absences	275,486	15,448	290,934	-
Total Current Liabilities	<u>940,376</u>	<u>214,721</u>	<u>1,155,097</u>	<u>140,264</u>
NONCURRENT LIABILITIES				
Long-term debt	-	785,459	785,459	-
Claims payable	-	-	-	695,883
Post retirement benefits	620,251	-	620,251	-
Compensated absences	158,724	-	158,724	-
Total Noncurrent Liabilities	<u>778,975</u>	<u>785,459</u>	<u>1,564,434</u>	<u>695,883</u>
Total Liabilities	<u>1,719,351</u>	<u>1,000,180</u>	<u>2,719,531</u>	<u>836,147</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	1,787,895	397,442	2,185,337	-
Total Deferred Inflows of Resources	<u>1,787,895</u>	<u>397,442</u>	<u>2,185,337</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	4,902,292	31,817,495	36,719,787	-
Restricted - CTHS road and bridge construction	483,128	-	483,128	-
Restricted - insurance escrow	-	-	-	240,324
Unrestricted	1,508,862	599,391	2,108,253	1,336,348
TOTAL NET POSITION	<u>\$ 6,894,282</u>	<u>\$ 32,416,886</u>	<u>39,311,168</u>	<u>\$ 1,576,672</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>120,125</u>	
NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 39,431,293</u>	

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Highway</u>	<u>Airport</u>	<u>Totals</u>	Activities -
	<u>Department</u>			Internal
				Service Funds
OPERATING REVENUES	<u>\$ 9,033,867</u>	<u>\$ 964,053</u>	<u>\$ 9,997,920</u>	<u>\$ 1,115,192</u>
OPERATING EXPENSES				
Operation and maintenance	12,589,560	1,014,739	13,604,299	654,553
Depreciation	<u>469,339</u>	<u>1,379,559</u>	<u>1,848,898</u>	<u>10,442</u>
Total Operating Expenses	<u>13,058,899</u>	<u>2,394,298</u>	<u>15,453,197</u>	<u>664,995</u>
Operating Income (Loss)	<u>(4,025,032)</u>	<u>(1,430,245)</u>	<u>(5,455,277)</u>	<u>450,197</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	1,827,895	391,167	2,219,062	-
Intergovernmental grants	3,315,815	127,732	3,443,547	30,019
Investment income	-	-	-	16,696
Miscellaneous nonoperating revenues	-	-	-	62,873
Interest expense	-	(33,909)	(33,909)	-
Infrastructure construction expense for governmental activities	<u>(8,468,658)</u>	<u>-</u>	<u>(8,468,658)</u>	<u>-</u>
Total Nonoperating Revenue (Expenses)	<u>(3,324,948)</u>	<u>484,990</u>	<u>(2,839,958)</u>	<u>109,588</u>
Income (Loss) Before Transfers	(7,349,980)	(945,255)	(8,295,235)	559,785
TRANSFERS				
Transfers in	<u>8,665,942</u>	<u>-</u>	<u>8,665,942</u>	<u>-</u>
CHANGE IN NET POSITION	1,315,962	(945,255)	370,707	559,785
NET POSITION – Beginning of Year	<u>5,578,320</u>	<u>33,362,141</u>	<u>38,940,461</u>	<u>1,016,887</u>
NET POSITION – END OF YEAR	<u>\$ 6,894,282</u>	<u>\$ 32,416,886</u>	<u>39,311,168</u>	<u>\$ 1,576,672</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>131,215</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES			<u>\$ 501,922</u>	

EAU CLAIRE COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Highway Department	Airport	Totals	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 8,678,262	\$ 976,724	\$ 9,654,986	\$ 1,112,082
Cash paid to suppliers for goods and services	(9,802,704)	(580,252)	(10,382,956)	(428,968)
Claims paid	-	-	-	(218,652)
Cash paid to employees for services	(2,482,547)	(444,032)	(2,926,579)	(100,004)
Net Cash Flows From Operating Activities	<u>(3,606,989)</u>	<u>(47,560)</u>	<u>(3,654,549)</u>	<u>364,458</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	1,827,895	391,167	2,219,062	-
Transfers from other funds	8,665,942	-	8,665,942	-
Operating grants and miscellaneous revenue received	3,315,815	127,732	3,443,547	92,892
Net Cash Flows From Noncapital Financing Activities	<u>13,809,652</u>	<u>518,899</u>	<u>14,328,551</u>	<u>92,892</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	-	-	-	16,696
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	-	(522,570)	(522,570)	-
Interest paid	-	(38,351)	(38,351)	-
Proceeds from debt issued	-	872,802	872,802	-
Principal paid on advances from other funds	-	(581,437)	(581,437)	-
Infrastructure construction expense for governmental activities	(8,468,658)	-	(8,468,658)	-
Acquisition and construction of capital assets	(1,392,025)	(222,700)	(1,614,725)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(9,860,683)</u>	<u>(492,256)</u>	<u>(10,352,939)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	341,980	(20,917)	321,063	474,046
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,084,714</u>	<u>687,563</u>	<u>1,772,277</u>	<u>866,668</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,426,694</u>	<u>\$ 666,646</u>	<u>\$ 2,093,340</u>	<u>\$ 1,340,714</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Per Statement of Net Position:				
Current assets - cash and investments	\$ 1,426,694	\$ 666,646	\$ 2,093,340	\$ 1,100,390
Noncurrent assets - restricted assets - escrow accounts	-	-	-	240,324
PER STATEMENT OF CASH FLOWS	<u>\$ 1,426,694</u>	<u>\$ 666,646</u>	<u>\$ 2,093,340</u>	<u>\$ 1,340,714</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Highway</u>	<u>Airport</u>	<u>Totals</u>	<u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (4,025,032)	\$ (1,430,245)	\$ (5,455,277)	\$ 450,197
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Noncash items included in income				
Post retirement benefits	88,275	-	88,275	-
Depreciation	469,339	1,379,559	1,848,898	10,442
Change in assets and liabilities/deferred inflow				
Receivables	(524,915)	10,251	(514,664)	(3,110)
Due from other funds	169,310	-	169,310	-
Inventories	59,573	-	59,573	-
Accounts payable	182,129	(27,716)	154,413	(7,569)
Due to other funds	-	-	-	(6,866)
Due to other governments	-	22,740	22,740	-
Accrued liabilities	(25,668)	(4,569)	(30,237)	(78,636)
Unearned revenue	-	2,420	2,420	-
	<u>-</u>	<u>2,420</u>	<u>2,420</u>	<u>-</u>
NET CASH FLOWS FROM				
OPERATING ACTIVITIES	<u>\$ (3,606,989)</u>	<u>\$ (47,560)</u>	<u>\$ (3,654,549)</u>	<u>\$ 364,458</u>

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES: None

EAU CLAIRE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 10,525,162
Taxes receivable	<u>1,404,731</u>
TOTAL ASSETS	<u>\$ 11,929,893</u>
LIABILITIES	
Due to other taxing units	\$ 10,809,239
Deposits	<u>1,120,654</u>
TOTAL LIABILITIES	<u>\$ 11,929,893</u>

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

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EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Eau Claire County, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of Eau Claire County. The reporting entity for the county consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit 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 or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Friends of Beaver Creek Reserve, Inc.

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 legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, Beaver Creek. See Note III.H. As a component unit, Beaver Creek's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2014. Separately issued financial statements of Beaver Creek may be obtained from Beaver Creek's office at S1 County Road K, Fall Creek, Wisconsin.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 with a specific function or segment. Eau Claire County does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the county 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 balance, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and 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.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the county believes is particularly important to financial statement users may be reported as a major fund.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The county reports the following major governmental funds:

- General Fund – accounts for the county’s primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- Human Services Special Revenue Fund – accounts for and reports resources legally restricted to supporting expenditures for human service programs.
- Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.
- Capital Projects Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The county reports the following major enterprise funds:

- Highway Department – accounts for operations of the county road network
- Airport – accounts for operations of the airport

The county reports the following nonmajor governmental funds:

- Special Revenue Funds – used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specified purposes.
 - Watershed
 - Recycling
 - Anti-drug
 - Aging and Disability Resource Center

In addition, the county reports the following fund types:

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.

- Risk Management
- Car Fleet

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Agency funds are used to account for and report assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Sunshine
Sheriff
District Attorney
Human Services Representative Payee
Clerk of Courts
West Central Drug
Lower Chippewa River Basin
Tax Agency

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for human services reimbursable grants, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on 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.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Intergovernmental aids and grants are recognized as revenues in the period the county is entitled the resources and the amounts are available. Amounts owed to the county which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Highway Department are charges to other units of government for services. The principal operating revenues of the Airport include sale of fuel and rental of airport property. 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the county considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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 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, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The county has adopted an investment policy. That policy states that authorized investments shall conform with Wisconsin statutes.

The investment policy 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 \$500,000. The county was not in compliance with this portion of its investment policy as of year-end. See the custodial risk section of Note III. A.

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

Investments are stated at fair value, which 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. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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 Chapter 25. The SIF reports the fair 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, 2014, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

2. Receivables

Property tax calendar – 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale – 2014 delinquent real estate taxes	October 2017

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date except for the City of Eau Claire, the City of Altoona and the Town of Ludington which are collected by the county, 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 levied 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. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period is shown as unavailable revenue until it is received in cash.

The county purchases uncollected property taxes from other taxing authorities at the unpaid amount to facilitate the collection of taxes. The purchases are a financing arrangement and are not included in property tax revenues.

On August 31, the tax lien date, all unpaid taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because the county has demonstrated its ability to recover any losses through the sale of property.

Accounts receivable have been shown net of an allowance for uncollectible accounts.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2014, the county has accrued two months of the subsequent year’s collections as receivable.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting.

Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, operation and maintenance expense when used.

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 are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Funds on deposit with Wisconsin County Mutual Insurance Corporation for payment of insurance claims are combined with other participating governments. The county’s deposit at year end was \$240,324. This amount is recorded as restricted assets in the government-wide financial statements and the internal service fund.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Land Improvements	15 Years
Machinery and Equipment	3-20 Years
Infrastructure	25-50 Years
Intangibles	10 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Compensated Absences

Under terms of employment, employees are granted sick leave, vacation, and personal time off in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested sick leave, vacation, and personal time off pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

Payments for sick leave, vacation, and personal time off will be made at rates in effect when the benefits are used. Accumulated sick leave, vacation, and personal time off liabilities at December 31, 2014 are determined on the basis of current salary rates and include salary related payments.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end for gains/losses is shown as a deferred outflows/inflows in the statement of net position.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

Government–Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the county’s policy to use restricted resources first, then unrestricted resources as they are needed.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the county board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the county board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The county board may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Propriety fund equity is classified the same as in the government-wide statements.

The county considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the county would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following individual funds had an excess of expenditures over appropriations:

Fund	Expenditures		
	Budgeted	Actual	Excess
Human Services	\$ 24,640,470	\$ 31,815,321	\$ 7,174,851
Capital Projects	2,777,744	2,968,837	191,093
Airport	1,459,374	2,428,207	968,833
Anti-Drug	339,633	352,044	12,411
Debt Service	4,929,929	5,100,998	171,069

The county controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the county's year-end budget to actual report.

B. DEFICIT BALANCES

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

As of December 31, 2014, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Projects	\$ 3,370,872	Excess expenditures over revenues
Human Services	1,483,630	Excess expenditures over revenues
Anti-Drug	122,260	Excess expenditures over revenues
Car Fleet	6,808	Excess expenses over revenues

The Capital Projects fund deficit is expected to be funded with a future contribution from the City of Eau Claire for their share of the new jail construction project and with future borrowing. The Human Services fund deficit is expected to be funded with future transfers from the general fund or general tax revenues. The Anti-Drug fund deficit is anticipated to be funded with future contributions or general tax revenues. The Car Fleet net position deficit is anticipated to be funded with future charges for services.

C. LIMITATIONS ON THE COUNTY'S TAX LEVY

Wisconsin law limits the county's future tax levies. Generally the county is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the county's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The county is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The county's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand and time deposits	\$ 11,622,441	\$ 12,681,473	Custodial credit
Commercial paper	7,063,316	7,063,316	Custodial credit, credit, concentration of credit, interest rate
U.S. agencies – explicitly guaranteed	1,655,740	1,655,740	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	190,152	190,152	Custodial credit, credit, concentration of credit, interest rate
Mutual funds other than bonds	736,785	736,785	N/A
WWMIC escrow pool	240,324	240,324	Credit
LGIP	5,430,575	5,430,575	Credit
Petty cash	3,832	-	N/A
Total Cash and Investments	<u>\$ 26,943,165</u>	<u>\$ 27,998,365</u>	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 16,177,679		
Restricted cash and investments	240,324		
Per statement of net position – agency funds	<u>10,525,162</u>		
Total Cash and Investments	<u>\$ 26,943,165</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts insured and collateralized.

Deposits at one local bank are secured by a \$15,000,000 letter of credit.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the county's deposits may not be returned to the county.

The county does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2014, \$7,063,316 of the county's investments in commercial paper are exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

As of December 31, 2014, the county's investments were rated as follows:

<u>Investment Type</u>	<u>Fitch Ratings</u>	<u>Moody's Investor Service</u>	<u>Standard & Poor's</u>
US Agencies – implicitly guaranteed	AAA	Aaa	AA+
Commercial paper	Unknown	Unknown	Unknown

The county also had the following investments which are not rated:

LGIP
WMMIC escrow pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer.

As of December 31, 2014, 46.1% of the county's investments were in commercial paper and exposed to concentration of credit risk.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2014, the county's investments were as follows:

Investment Type	Fair Value	Maturity (in years)		
		Less than 1 year	2 - 5	6 - 22
U.S. agencies – explicitly guaranteed	\$ 1,655,740	\$ -	\$ 399,768	\$ 1,255,972
U.S. agencies – implicitly guaranteed	190,152	-	190,152	-
Commercial paper	7,063,316	7,063,316	-	-
Totals	\$ 8,909,208	\$ 7,063,316	\$ 589,920	\$ 1,255,972

B. RECEIVABLES

All of the receivables are expected to be collected within one year except for \$2,088,829, primarily in the general fund. There is an allowance for uncollectible amounts of \$57,955 in the general fund.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable	\$ 24,905,873	\$ 207,001
Grant receivable	7,162	-
Loans receivable	-	-
Miscellaneous receivables	-	165,205
Total Unearned /Unavailable Revenue for Governmental Funds	\$ 24,913,035	\$ 372,206

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from the nonspendable fund balance. For the year ended December 31, 2014, such collections aggregated \$279,424, of which \$48,396 was levied by the county. Delinquent property taxes levied by the county are reflected as unavailable revenue and are excluded from the fund balance until collected. At December 31, 2014, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates			
2013	\$ 827,429	\$ 143,311	\$ 684,118
2012	418,581	66,638	351,943
2011	206,256	32,093	174,163
2010	45,814	7,087	38,727
2009	18,401	2,806	15,595
2008	5,056	776	4,280
2007	4,904	749	4,155
2006	5,401	790	4,611
2005	5,351	829	4,522
2004	1,069	164	905
2003	1,049	155	894
Subtotals	1,539,311	255,398	1,283,913
Tax deeds	60,816	10,533	50,283
Special assessment tax certificates	211,721	-	211,721
Total Delinquent Property Taxes Receivable	\$ 1,811,848	\$ 265,931	\$ 1,545,917

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,420,059	\$ 344,600	\$ 8,000	\$ 3,756,659
Right of way	1,529,964	145,825	1,100	1,674,689
Construction in progress	3,474,255	426,000	3,046,647	853,608
Total Capital Assets Not Being Depreciated	\$ 8,424,278	\$ 916,425	\$ 3,055,747	\$ 6,284,956
Capital assets being depreciated				
Land improvements	\$ 2,253,999	\$ 1,104,948	\$ -	\$ 3,358,947
Intangibles	180,000	1,879,999	-	2,059,999
Buildings	78,685,149	156,483	-	78,841,632
Machinery and equipment	4,913,910	289,264	205,074	4,998,100
Roads	112,979,863	9,443,096	8,398,000	114,024,959
Culverts	1,165,977	88,635	9,800	1,244,812
Traffic signals	85,300	-	-	85,300
Bridges	4,361,150	210,043	26,900	4,544,293
Total Capital Assets Being Depreciated	204,625,348	13,172,468	8,639,774	209,158,042
Less: Accumulated depreciation for				
Land improvements	(589,380)	(78,134)	-	(667,514)
Intangibles	(18,000)	(123,885)	-	(141,885)
Buildings	(11,997,113)	(1,624,014)	-	(13,621,127)
Machinery and equipment	(4,016,440)	(310,938)	205,003	(4,122,375)
Roads	(47,039,800)	(2,547,400)	4,954,300	(44,632,900)
Culverts	(389,400)	(20,900)	9,800	(400,500)
Traffic signals	(61,200)	(3,400)	-	(64,600)
Bridges	(2,282,700)	(68,600)	26,900	(2,324,400)
Total Accumulated Depreciation	(66,394,033)	(4,777,271)	5,196,003	(65,975,301)
Capital Assets, Net of Depreciation	\$ 138,231,315	\$ 8,395,197	\$ 3,443,771	\$ 143,182,741

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 724,051
Public safety	1,111,568
Public works, which includes the depreciation of roads, bridges, culverts and signal systems	2,640,300
Health and human services	100,305
Culture, recreation and education	184,940
Conservation and development	<u>16,107</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,777,271</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 2,045,674	\$ -	\$ -	\$ 2,045,674
Construction in progress	<u>1,461,828</u>	<u>447,968</u>	<u>541,408</u>	<u>1,368,388</u>
Total Capital Assets Not Being Depreciated	<u>\$ 3,507,502</u>	<u>\$ 447,968</u>	<u>\$ 541,408</u>	<u>\$ 3,414,062</u>
Capital assets being depreciated				
Land improvements	\$ 17,970,869	\$ -	\$ -	\$ 17,970,869
Buildings	28,245,145	-	-	28,245,145
Machinery and equipment	<u>11,750,683</u>	<u>1,796,249</u>	<u>576,147</u>	<u>12,970,785</u>
Total Capital Assets Being Depreciated	<u>57,966,697</u>	<u>1,796,249</u>	<u>576,147</u>	<u>59,186,799</u>
Less: Accumulated depreciation for				
Land improvements	(7,777,349)	(539,126)	-	(8,316,475)
Buildings	(8,043,753)	(821,253)	-	(8,865,006)
Machinery and equipment	<u>(7,826,335)</u>	<u>(488,519)</u>	<u>488,063</u>	<u>(7,826,791)</u>
Total Accumulated Depreciation	<u>(23,647,437)</u>	<u>(1,848,898)</u>	<u>488,063</u>	<u>(25,008,272)</u>
Capital Assets, Net of Depreciation	<u>\$ 34,319,260</u>	<u>\$ (52,649)</u>	<u>\$ 88,084</u>	<u>\$ 34,178,527</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Highway	\$ 469,339
Airport	<u>1,379,559</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,848,898</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Human Services	\$ 765,985
General Fund	ADRC	69,114
General Fund	Anti-Drug	173,458
General Fund	Car Fleet	6,564
General Fund	Capital Projects	3,337,173
Subtotal – Fund Financial Statements		4,352,294
Less: Fund eliminations		(4,345,730)
Less: Interfund receivables created with internal service fund eliminations		(126,689)
Total Internal Balances for Government-Wide Statement of Net Position		\$ (120,125)

The purpose of these interfunds is to cover cash overdrafts in the payable funds. All amounts are due within one year.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Highway Department	General Fund	\$ (165,942)	Landfill surcharge
Highway Department	Capital Projects	(8,500,000)	Highway capital projects
Subtotal – Fund Financial Statements		(8,665,942)	
Add: Contribution of infrastructure from business type activities		8,468,658	
Total – Government-Wide Statement of Activities		\$ (197,284)	

Generally, transfers are used to move revenues from the fund that collects them to the fund that the budget requires to expend them, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 57,300,000	\$ 10,000,000	\$ 3,000,000	\$64,300,000	\$ 3,970,000
Premiums	484,207	232,707	36,779	680,135	N/A
Subtotals	57,784,207	10,232,707	3,036,779	64,980,135	3,970,000
Other Liabilities					
Vested compensated absences	3,444,073	2,586,388	2,514,173	3,516,288	2,105,722
Post retirement benefits	3,358,122	558,281	-	3,916,403	N/A
Unpaid self-insurance claims	898,198	-	79,515	818,683	122,800
Long-term payable to City of Eau Claire	115,473	-	5,679	109,794	5,679
Total Other Liabilities	7,815,866	3,144,669	2,599,367	8,361,168	2,234,201
Total Governmental Activities Long-Term Liabilities	\$ 65,600,073	\$ 13,377,376	\$ 5,636,146	\$73,341,303	\$ 6,204,201
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 522,570	\$ 872,802	\$ 522,570	\$ 872,802	\$ 87,343
Other Liabilities					
Vested compensated absences	439,486	330,997	320,825	449,658	290,934
Post retirement benefits	531,976	88,275	-	620,251	N/A
Total Other Liabilities	971,462	419,272	320,825	1,069,909	290,934
Total Business-type Activities Long-Term Liabilities	\$ 1,494,032	\$ 1,292,074	\$ 843,395	\$ 1,942,711	\$ 378,277

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the county. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

In accordance with Wisconsin Statutes, total general obligation indebtedness of the county may not exceed 5% of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2014, was \$358,684,405. Total general obligation debt outstanding at year end was \$65,172,802.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-14</u>
<u>General Obligation Debt</u>					
General obligation bond	4/2008	12/2027	3.25-5.00%	\$ 25,000,000	\$ 16,215,000
General obligation bond	4/2008	12/2016	3.00-3.75%	2,700,000	750,000
General obligation bond	10/2010	9/2020	2.00-3.00%	5,080,000	2,345,000
General obligation bond	10/2010	9/2030	3.70-5.10%	9,190,000	9,190,000
General obligation bond	12/2011	9/2015	1.00-2.00%	4,000,000	930,000
General obligation bond	12/2011	9/2031	3.00-4.00%	18,000,000	18,000,000
General obligation bond	10/2013	9/2023	2.00-2.50%	7,600,000	6,870,000
General obligation bond	10/2014	9/2024	1.00-2.50%	10,000,000	10,000,000
Total Governmental Activities – General Obligation Debt					<u>\$ 64,300,000</u>

<u>Business-type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-14</u>
<u>General Obligation Debt</u>					
State trust fund loan	1/2014	3/2022	3.75%	\$ 522,802	\$ 522,802
State trust fund loan	1/2014	3/2023	3.75%	350,000	350,000
Total Business-type Activities – General Obligation Debt					<u>\$ 872,802</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 3,970,000	\$ 2,214,152	\$ 87,343	\$ 36,586
2016	3,735,000	2,145,379	94,394	29,535
2017	3,825,000	2,045,554	98,014	25,915
2018	3,920,000	1,939,492	101,690	22,239
2019	4,025,000	1,830,454	105,503	18,426
2020 - 2024	21,360,000	7,236,830	385,858	32,674
2025 - 2029	16,115,000	3,775,776	-	-
2030 - 2031	7,350,000	468,900	-	-
Totals	<u>\$ 64,300,000</u>	<u>\$ 21,656,537</u>	<u>\$ 872,802</u>	<u>\$ 165,375</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, post retirement benefits, and unpaid self-insurance claims are not included in the debt service requirement schedules. The compensated absences, post retirement benefits, unpaid self-insurance claims attributable to governmental activities will be liquidated primarily by the general fund.

Current Refunding

On January 31, 2014, the county issued a \$522,802 general obligation state trust fund loan with an interest rate of 3.75% to current refund \$522,570 of an outstanding state trust fund loan with an interest rate of 5.00%. The net proceeds along with existing funds of the county were used to prepay the outstanding debt.

The cash flow requirements on the refunded state trust fund loan prior to the current refunding were \$661,771 from 2014 through 2022. The cash flow requirements on the refunding state trust fund loan are \$617,500 from 2014 through 2022. The economic gain or loss resulting from this refunding was not available.

F. LEASE DISCLOSURES

Operating Lease as Lessor

During 2014, the county entered into a 20 year lease commencing January 1, 2014 and continuing through December 31, 2033 to allow the City of Eau Claire to operate a Joint Law Enforcement Center within the Eau Claire County 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 for 2014 were \$273,798. The cost and accumulated depreciation of the leased portion of the courthouse has not been determined.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 5,431,348
Construction in progress	853,608
Other capital assets, net of accumulated depreciation	143,182,741
Less: Related long-term debt outstanding	(64,300,000)
Less: Unamortized debt premium	<u>(680,135)</u>
Total Net Investment in Capital Assets	<u>\$ 84,487,562</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2014 include the following:

	General Fund	Human Services	Debt Service	Capital Projects	Nonmajor funds	Totals
FUND BALANCES						
Nonspendable:						
Inventory and prepaid items	\$ 47,738	\$ 4,971	\$ -	\$ -	\$ -	\$ 52,709
Delinquent taxes	1,314,889	-	-	-	-	1,314,889
Restricted for:						
Recycling	-	-	-	-	251,998	251,998
Specialized transportation	-	-	-	-	36,865	36,865
Future debt service payments	-	-	3,756,964	-	-	3,756,964
Assigned to:						
Balance subsequent year budget	815,318	-	-	-	-	815,318
Future ADRC expenditures	-	-	-	-	172,992	172,992
Future watershed expenditures	-	-	-	-	55,022	55,022
Unassigned (deficit):	11,623,766	(1,488,601)	-	(3,370,872)	(122,260)	6,642,033
Total Fund Balances	\$ 13,801,711	\$ (1,483,630)	\$ 3,756,964	\$ (3,370,872)	\$ 394,617	\$ 13,098,790

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 2,045,674
Construction in progress	1,368,388
Other capital assets, net of accumulated depreciation	34,178,527
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	(872,802)
Total Net Investment in Capital Assets	\$ 36,719,787

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC.

This report contains the Friends of Beaver Creek Reserve, Inc. (Beaver Creek), which is included as a component unit. Financial information is presented in the component unit column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Organization

The Friends of Beaver Creek Reserve, Inc., (Beaver Creek), is a nonprofit corporation organized to support the Beaver Creek Reserve, a county-owned nature center. Beaver Creek's purpose is to encourage, perpetuate and promote the work of conservation and natural resource education.

b. Revenue Recognition

Contributions are recorded as revenue when received or promised (pledged) unconditionally, at their fair value. Gifts received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. The Organization recognizes income from legacies and bequests when an unassailable right to the gift has been established by the court and the proceeds are measurable in amount. When a donor restriction expires, that is, when a time restriction ends or purpose restricted net assets and reported in the statement of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Program revenues are recorded when the program begins. The unearned program revenues are reported as unearned revenue on the statement of net position.

Sales revenue and cost of sales from the gift store are reported net of discounts, estimated returns, and sales taxes.

c. Cash Equivalents

For purposes of the statements of cash flows, Beaver Creek considers all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

d. Net Assets

The net assets of Beaver Creek and changes therein are classified and reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Beaver Creek and/or by the passage of time.

Permanently restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by Beaver Creek. Generally, the donor of these assets permits Beaver Creek to use all or part of the income earned on any related investments for general or specific purposes.

Temporarily restricted net assets contain donor-imposed restrictions that expire upon the passage of time or when specific actions are undertaken by Beaver Creek. At December 31, 2014, temporarily restricted net assets are available for the following specific purposes or time restrictions have been placed on the use of the funds as noted in the following schedule:

Temporarily Restricted Net Assets	
Endowment fund earnings	\$ 109,390
Scholarships	3,695
Property purchase and upkeep	1,398
Restricted grants	<u>36,728</u>
	<u>\$ 151,211</u>
Fund Released From Restrictions	
Capital improvements and maintenance	\$ 110,130
Scholarships	4,084
Grant restrictions	16,771
Endowment earnings released	<u>30,402</u>
	<u>\$ 161,387</u>

e. Investments

Beaver Creek carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

e. Investments (cont.)

Long-term investments are stated at fair value and consist of mutual funds. Fair values and unrealized appreciation (depreciation) at December 31, 2014 are summarized below:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
Domestic Equities Funds	\$ 636,181	\$ 438,978	\$ 197,203
International Equities Funds	220,601	226,794	(6,193)
Fixed Income Funds	494,607	477,390	17,217
	\$ 1,351,389	\$ 1,143,162	\$ 208,227

The following schedule summarizes the investment return and its classification in the statement of activities:

Interest and dividend income	\$ 25,175
Net realized gain (loss) on investments	43,800
Net unrealized gain on investments	(1,804)
Trust and investment fees	(10,035)
Net Investment Income	\$ 57,136

f. Fair Value Measurements

Beaver Creek measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Beaver Creek may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

f. Fair Value Measurements (cont.)

The inputs used to measure fair value are categorized into the following three categories:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds that Beaver Creek has the ability to access as of the measurement date.

Level 2 - Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect Beaver Creek's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Beaver Creek uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of Beaver Creek measured at fair value on a recurring basis as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Domestic Equities Funds	\$ 636,181	\$ -	\$ -	\$ 636,181
International Equities Funds	220,601	-	-	220,601
Fixed Income Funds	494,607	-	-	494,607
Other Assets				
Funds Held at Eau Claire Community Foundation	-	-	27,581	27,581
Totals	<u>\$ 1,351,389</u>	<u>\$ -</u>	<u>\$ 27,581</u>	<u>\$ 1,378,970</u>

The change in level 3 assets during the year is as follows:

Beginning of Year	\$ 26,738
Change in Fair Value of Funds Held at Eau Claire Community Foundation	<u>843</u>
End of Year	<u>\$ 27,581</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

g. Income Tax Status

Beaver Creek has been granted tax exempt status under Section 501(c)(3) of the Internal Revenue Code and Wisconsin Statute. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

Beaver Creek evaluated its tax positions and determined it has no uncertain tax positions as of December 31, 2014.

h. Endowment

Beaver Creek's Board of Directors has designated certain investments and the income earned thereon to accumulate in an Endowment Fund until the balance reaches \$500,000, at which time 5% of the value, not to exceed the amount over \$500,000, can be withdrawn with approval of the Board of Directors.

Beaver Creek has an endowment fund established for the purposes of providing income to support the Beaver Creek Reserve. As required by generally accepted accounting principles (GAAP), net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of Beaver Creek has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Beaver Creek classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Beaver Creek in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with the UPMIFA, Beaver Creek considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of Beaver Creek and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of Beaver Creek; and
- (7) The investment policies of Beaver Creek.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

h. Endowment (cont.)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Beaver Creek to retain as a fund of perpetual duration. There were no funds with deficiencies at December 31, 2014.

Investment Objectives and Strategies

Beaver Creek has adopted an investment policy to provide guidelines for investing endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to maintain the purchasing power of the current assets and all future contributions, maximize return within reasonable and prudent levels of risk, and maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy.

To achieve these objectives, Beaver Creek follows an asset diversification plan, sets performance benchmarks for investments managers, and has established various asset quality and limitations thresholds.

Spending Policy

Beaver Creek has a policy of appropriating endowment earnings for distribution each year. In establishing this policy, Beaver Creek considered the long-term expected return on its endowment. The board of directors has approved a policy to allow withdrawal of 5% of the value of the Endowment Fund, not to exceed the amount over \$500,000, with approval of the board of directors. At no time will the distributions reduce the value of the endowment below donor contributions, unless approved by the donor.

The following is a summary of endowment funds subject to Uniform Prudent Management of Institutional Funds Act of (UPMIFA) for the year ended December 31, 2014.

	Net Assets			
	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment Fund Balance as of				
December 31, 2013	\$ 723,791	\$ 111,807	\$ 469,731	\$ 1,305,329
Contributions	(46,868)	-	81,494	34,626
Board approved appropriations	-	(30,402)	-	(30,402)
Return on investments	27,955	27,985	-	55,940
Endowment Fund Balance as of December 31, 2014	<u>\$ 704,878</u>	<u>\$ 109,390</u>	<u>\$ 551,225</u>	<u>\$ 1,365,493</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT – FRIENDS OF BEAVER CREEK RESERVE, INC. (cont.)

i. Property and Equipment

Equipment is recorded at cost when purchased or fair value as of the date gifted and then depreciated over its useful life. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets as follows:

Equipment	5-7 years
-----------	-----------

Total cost and accumulated depreciation at December 31, 2014 are as follows:

Equipment	\$ 51,475
Less: Accumulated depreciation	<u>(4,942)</u>
Total Equipment	<u>\$ 46,533</u>

NOTE IV – OTHER INFORMATION

A. EMPLOYEES’ RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system (PERS). All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 hours a year, and expected to be employed for at least one year from the employee’s date of hire are eligible to participate in the WRS. 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, and expected to be employed for at least one year from employee’s date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category and Executives and Elected Officials. Required contributions for protective contributions 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. Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The payroll for county employees covered by WRS for the year ended December 31, 2014 was \$24,694,669; the employer's total payroll was \$26,522,642. The total required contribution for the year ended December 31, 2014 was \$3,612,691 or 14.6 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ended December 31, 2013 and 2012 were \$3,604,241 and \$3,059,418, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting an application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The county did not have any pension related debt at year end.

B. RISK MANAGEMENT

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees.

For theft and property damage claims, the uninsured risk of loss is \$5,000 per incident and unlimited in the aggregate for a policy year. The county purchases commercial insurance to provide coverage for losses for theft and property damage and health coverage. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Public Entity Risk Pool – Wisconsin Municipal Mutual Insurance Company

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal mutual insurance company. WMMIC writes general, auto and other liability insurance, and workers compensation 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 the WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials. At December 31, 2014, WMMIC was owned by 18 members.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool – Wisconsin Municipal Mutual Insurance Company (cont.)

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels of 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, 2014. This is a quota share reinsurance agreement with General Reinsurance Corporation (66.7%) and Governmental Entities Mutual (GEM) Insurance Company (33.3%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to the maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$10,000,000 per occurrence or greater than \$15,000,000 of aggregate losses for public officials' liability only. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its current status as an unauthorized reinsurer in Wisconsin.

WMMIC has contracted with Safety National to provide 100% reinsurance coverage for workers compensation insurance in excess of the members' self-insured retention limits, which are \$500,000 for all but one member that has a retention of \$650,000

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

All funds of the county participate in the risk management program and make payments to the Risk Management internal service fund. Workers' compensation charges are based primarily on payroll, worker classification, and claims experience. Charges for general liability are based primarily on exposure and claims experience.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The county does not allocate overhead costs or other non-incremental costs to the claims liability. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the claims liability balances during the past two fiscal years are as follows:

	Workers' Compensation	
	December 31, 2014	December 31, 2013
Unpaid claims, beginning of fiscal year	\$ 898,198	\$ 904,657
Incurred claims (including IBNRs) and changes in estimates	(48,381)	6,924
Claim payments	(31,134)	(13,383)
Unpaid Claims, End of Fiscal Year	\$ 818,683	\$ 898,198

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental fund types if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the county is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the county attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the county's financial position or results of operations.

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 reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. OTHER POST EMPLOYMENT BENEFITS

The county's group health insurance plan (medical and dental) provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This provision results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members are required to pay 100% of the premium. Administrative costs of the plan are financed by the county.

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the county's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	1,114,417
Interest on net OPEB obligation		126,418
Adjustment to annual required contribution		<u>(198,470)</u>
Annual OPEB cost		1,042,365
Contributions made		<u>(395,809)</u>
Increase in Net OPEB Obligation		646,556
Net OPEB Obligation – Beginning of Year		<u>3,890,098</u>
Net OPEB Obligation – End of Year	\$	<u><u>4,536,654</u></u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POST EMPLOYMENT BENEFITS (cont.)

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$ 964,822	28.3%	\$ 3,571,876
12/31/13	1,009,842	40.0%	3,890,098
12/31/14	1,042,365	38.0%	4,536,654

The funded status of the plans as of December 31, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 9,366,413
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 9,366,413
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 24,694,669
UAAL as a percentage of covered payroll	37.9%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 3.25% investment rate of return and an annual healthcare cost trend rate of 3.4% initially, increased incrementally to a rate of 8.5% in 2017 and reduced by decrements to an ultimate rate of 4.4% in 2083. The plan's unfunded actuarial accrued liability is being amortized over 30 years from the valuation date in level dollar payments.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV – OTHER INFORMATION (cont.)

E. RELATED ORGANIZATIONS

Housing Authority

The county's officials are responsible for appointing the board members of the Eau Claire County Housing Authority, but the county's accountability for this organization does not extend beyond making the appointments.

F. SUBSEQUENT EVENT

On July 21, 2015 the county board approved an initial resolution authorizing borrowing not to exceed \$9,500,000 and providing for issuance of general obligation promissory notes, to finance capital projects included in its Capital Improvement Plan, including highway/bridge replacement and repair projects, IT software/hardware updates, building repairs, and acquisition of vehicles.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*
- > Statement No. 72, *Fair Value Measurements*
- > Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EAU CLAIRE COUNTY

BUDGETARY BASIS COMPARISON SCHEDULE GENERAL FUND

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 20,142,928	\$ 20,142,928	\$ 20,516,283	\$ 373,355
Intergovernmental	4,855,722	4,855,722	4,990,158	134,436
Licenses and permits	256,515	256,515	320,502	63,987
Fines, forfeitures and penalties	885,558	885,558	735,178	(150,380)
Public charges for services	2,827,444	2,827,444	3,798,280	970,836
Intergovernmental charges for services	866,083	866,083	932,450	66,367
Interest income	383,380	383,380	92,746	(290,634)
Miscellaneous	650,737	650,737	1,464,687	813,950
Total Revenues	<u>30,868,367</u>	<u>30,868,367</u>	<u>32,850,284</u>	<u>1,981,917</u>
EXPENDITURES				
Current				
General government	13,046,698	13,038,616	11,977,645	1,060,971
Public safety	12,491,439	12,491,439	12,792,747	(301,308)
Health and human services	2,275,711	2,283,793	2,269,770	14,023
Culture, recreation, and education	1,599,468	1,599,468	1,637,030	(37,562)
Conservation and development	2,230,739	2,230,739	2,568,583	(337,844)
Total Expenditures	<u>31,644,055</u>	<u>31,644,055</u>	<u>31,245,775</u>	<u>398,280</u>
Excess of revenues over expenditures	<u>(775,688)</u>	<u>(775,688)</u>	<u>1,604,509</u>	<u>2,380,197</u>
OTHER FINANCING (USES)				
Transfers out	-	-	(165,942)	(165,942)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(165,942)</u>	<u>(165,942)</u>
Net change in fund balance - budgetary basis	<u>\$ (775,688)</u>	<u>\$ (775,688)</u>	1,438,567	<u>\$ 2,214,255</u>
Perspective differences - Juvenile Jail change in fund balance			<u>84,360</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS			<u>\$ 1,522,927</u>	

See independent auditors' report and accompanying notes to required supplementary information.

EAU CLAIRE COUNTY

BUDGETARY COMPARISON SCHEDULE

HUMAN SERVICES FUND

For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES			
Taxes	\$ 7,860,590	\$ 7,860,590	\$ -
Intergovernmental	14,279,251	18,697,082	4,417,831
Public charges for services	1,201,072	2,119,481	918,409
Intergovernmental charges for services	1,153,807	1,042,242	(111,565)
Miscellaneous	<u>58,250</u>	<u>124,116</u>	<u>65,866</u>
Total Revenues	<u>24,552,970</u>	<u>29,843,511</u>	<u>5,290,541</u>
EXPENDITURES			
Current			
Health and human services	<u>24,640,470</u>	<u>31,815,321</u>	<u>(7,174,851)</u>
Net change in fund balance	(87,500)	(1,971,810)	(1,884,310)
FUND BALANCE - Beginning of Year	<u>488,180</u>	<u>488,180</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 400,680</u>	<u>\$ (1,483,630)</u>	<u>\$ (1,884,310)</u>

See independent auditors' report and accompanying notes to required supplementary information.

EAU CLAIRE COUNTY

SCHEDULE OF FUNDING PROGRESS FOR RETIREE'S HEALTH PLAN For the Year Ended December 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ -	\$ 9,366,413	\$ 9,366,413	0%	\$ 25,154,652	37.2%
12/31/2010	-	9,466,241	9,466,241	0%	23,108,111	41.0%
1/1/2008	-	7,641,007	7,641,007	0%	22,640,571	33.7%

See independent auditors' report and accompanying notes to required supplementary information.

EAU CLAIRE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C. except the general fund budget does not include the Juvenile Jail fund which creates the perspective difference shown on page 48.

The budgeted amounts presented include any amendments made during the year. The finance committee may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$2,527,827. Budgets are adopted at the department level of expenditure.

EXCESS EXPENDITURES OVER APPROPRIATIONS

Excess expenditures over appropriations are as follows:

General Fund	Expenditures		
	Budgeted	Actual	Excess
Courts	\$ 2,397,019	\$ 2,448,012	\$ 50,993
Personnel	428,463	477,474	49,011
Purchasing	370,121	408,994	38,873
Finance department	2,864,455	2,947,776	83,321
District attorney	832,177	836,071	3,894
Sheriff	11,884,416	12,179,463	295,047
Veterans office	201,189	222,493	21,304
Parks and forest	990,442	1,039,122	48,680

FUNDING PROGRESS DATA

Data in the schedule of funding progress was taken from the reports issued by the actuary.

SUPPLEMENTARY INFORMATION

EAU CLAIRE COUNTY

BUDGETARY COMPARISON SCHEDULE OF REVENUES BY DEPARTMENT GENERAL FUND

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General	\$ 22,886,580	\$ 22,886,580	\$ 23,237,617	\$ 351,037
Courts	1,462,458	1,462,458	1,312,256	(150,202)
Register of probate	45,000	45,000	36,523	(8,477)
Juvenile office	19,172	19,172	18,697	(475)
County administration	587,390	587,390	280,273	(307,117)
County clerk	52,600	52,600	188,193	135,593
Data processing	143,953	143,953	127,085	(16,868)
Purchasing	197,400	197,400	207,144	9,744
Finance department	564,017	564,017	1,240,243	676,226
Treasurer	75,650	75,650	76,315	665
District attorney	343,039	343,039	332,621	(10,418)
Corporation counsel	30,600	30,600	38,090	7,490
Register of deeds	844,000	844,000	765,206	(78,794)
Planning and development	756,808	756,808	850,423	93,615
Sheriff	740,588	740,588	1,014,680	274,092
Child support	1,059,074	1,059,074	1,122,475	63,401
Veteran's service	13,320	13,320	13,000	(320)
Extension office	109,371	109,371	124,401	15,030
Parks and forests	937,347	937,347	1,865,042	927,695
TOTALS	<u>\$ 30,868,367</u>	<u>\$ 30,868,367</u>	<u>\$ 32,850,284</u>	<u>\$ 1,981,917</u>

EAU CLAIRE COUNTY

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES BY DEPARTMENT GENERAL FUND

For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
County board	\$ 149,056	\$ 149,056	\$ 133,386	\$ 15,670
Courts	2,397,019	2,397,019	2,448,012	(50,993)
Register of probate	276,489	276,489	267,402	9,087
Juvenile office	485,504	485,504	479,980	5,524
County administrator	1,605,865	1,597,783	1,321,174	276,609
County clerk	280,562	280,562	256,931	23,631
Personnel	428,463	428,463	477,474	(49,011)
Data processing	1,483,255	1,483,255	1,387,609	95,646
Purchasing	370,121	370,121	408,994	(38,873)
Finance department	2,856,373	2,864,455	2,947,776	(83,321)
Treasurer	347,467	347,467	336,258	11,209
District attorney	832,177	832,177	836,071	(3,894)
Corporation counsel	672,329	672,329	639,404	32,925
Register of deeds	399,935	399,935	367,630	32,305
Planning and development	1,959,787	1,959,787	1,860,720	99,067
Maintenance	2,428,394	2,428,394	2,233,461	194,933
Sheriff	11,884,416	11,884,416	12,179,463	(295,047)
Child support	1,152,946	1,152,946	1,144,822	8,124
Veterans office	201,189	201,189	222,493	(21,304)
Extension office	442,266	442,266	423,535	18,731
Parks and forest	990,442	990,442	1,039,122	(48,680)
TOTALS	\$ 31,644,055	\$ 31,644,055	\$ 31,411,717	\$ 232,338

EAU CLAIRE COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2014

	Special Revenue				Total Nonmajor Governmental Funds
	Watershed	Recycling	Anti- Drug	Aging and Disability Resource Center	
ASSETS					
Cash	\$ 30,389	\$ 312,565	\$ -	\$ -	\$ 342,954
Taxes receivable	10,000	-	205,558	104,394	319,952
Accounts receivable	-	47,056	27,133	220,503	294,692
Due from other governments	64,309	-	39,391	286,727	390,427
TOTAL ASSETS	\$ 104,698	\$ 359,621	\$ 272,082	\$ 611,624	\$ 1,348,025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 39,676	\$ 107,623	\$ 2,006	\$ 59,780	\$ 209,085
Accrued liabilities	-	-	13,320	81,113	94,433
Due to other funds	-	-	173,458	69,114	242,572
Total Liabilities	39,676	107,623	188,784	210,007	546,090
Deferred Inflows of Resources					
Unearned revenue	10,000	-	205,558	111,556	327,114
Unavailable revenue	-	-	-	80,204	80,204
Total Deferred Inflows of Resources	10,000	-	205,558	191,760	407,318
Fund Balances					
Restricted	-	251,998	-	36,865	288,863
Assigned	55,022	-	-	172,992	228,014
Unassigned (deficit)	-	-	(122,260)	-	(122,260)
Total Fund Balances	55,022	251,998	(122,260)	209,857	394,617
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 104,698	\$ 359,621	\$ 272,082	\$ 611,624	\$ 1,348,025

EAU CLAIRE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue				Total Nonmajor Governmental Funds
	Watershed	Recycling	Anti- Drug	Aging and Disability Resource Center	
REVENUES					
Taxes	\$ 12,000	\$ -	\$ 189,496	\$ 104,394	\$ 305,890
Intergovernmental	111,672	486,909	100,166	2,228,937	2,927,684
Public charges for services	-	743,316	-	183,547	926,863
Intergovernmental charges for services	-	-	-	18,334	18,334
Miscellaneous	-	-	70,096	191,749	261,845
Total Revenues	<u>123,672</u>	<u>1,230,225</u>	<u>359,758</u>	<u>2,726,961</u>	<u>4,440,616</u>
EXPENDITURES					
Current					
Public safety	-	-	352,044	-	352,044
Public works	-	1,190,797	-	-	1,190,797
Health and human services	-	-	-	2,740,998	2,740,998
Conservation and development	<u>106,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,988</u>
Total Expenditures	<u>106,988</u>	<u>1,190,797</u>	<u>352,044</u>	<u>2,740,998</u>	<u>4,390,827</u>
Net change in fund balances	16,684	39,428	7,714	(14,037)	49,789
FUND BALANCES (DEFICIT) - Beginning of Year	<u>38,338</u>	<u>212,570</u>	<u>(129,974)</u>	<u>223,894</u>	<u>344,828</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 55,022</u>	<u>\$ 251,998</u>	<u>\$ (122,260)</u>	<u>\$ 209,857</u>	<u>\$ 394,617</u>

EAU CLAIRE COUNTY

COMBINING STATEMENT OF NET POSITION -
INTERNAL SERVICE FUNDS
As of December 31, 2014

	<u>Risk Management</u>	<u>Car Fleet</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 1,100,390	\$ -	\$ 1,100,390
Accounts receivable	<u>72,374</u>	<u>-</u>	<u>72,374</u>
Total Current Assets	<u>1,172,764</u>	<u>-</u>	<u>1,172,764</u>
Noncurrent Assets			
Restricted assets:			
Escrow accounts	240,324	-	240,324
Deposit in insurance pool	999,731	-	999,731
Capital assets:			
Equipment	-	201,711	201,711
Less: Accumulated depreciation	<u>-</u>	<u>(201,711)</u>	<u>(201,711)</u>
Total Noncurrent Assets	<u>1,240,055</u>	<u>-</u>	<u>1,240,055</u>
Total Assets	<u>2,412,819</u>	<u>-</u>	<u>2,412,819</u>
LIABILITIES			
Current Liabilities			
Accounts payable	6,414	63	6,477
Accrued payroll and payroll taxes	4,242	181	4,423
Due to other funds	-	6,564	6,564
Current portion of claims payable	<u>122,800</u>	<u>-</u>	<u>122,800</u>
Total Current Liabilities	<u>133,456</u>	<u>6,808</u>	<u>140,264</u>
Noncurrent Liabilities			
Claims payable	<u>695,883</u>	<u>-</u>	<u>695,883</u>
Total Liabilities	<u>829,339</u>	<u>6,808</u>	<u>836,147</u>
NET POSITION			
Restricted for insurance escrow	240,324	-	240,324
Unrestricted (deficit)	<u>1,343,156</u>	<u>(6,808)</u>	<u>1,336,348</u>
TOTAL NET POSITION	<u>\$ 1,583,480</u>	<u>\$ (6,808)</u>	<u>\$ 1,576,672</u>

EAU CLAIRE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2014

	Risk Management	Car Fleet	Totals
OPERATING REVENUES			
Charges for services	\$ 1,071,222	\$ 43,970	\$ 1,115,192
OPERATING EXPENSES			
Personal services	91,402	9,492	100,894
Contractual services	20,842	17,446	38,288
Supplies and materials	366,164	10,070	376,234
Depreciation	-	10,442	10,442
Claims	139,137	-	139,137
Total Operating Expenses	617,545	47,450	664,995
Operating Income (Loss)	453,677	(3,480)	450,197
NONOPERATING REVENUES			
Investment income	16,696	-	16,696
Intergovernmental grants	30,019	-	30,019
Miscellaneous non-operating revenues	62,873	-	62,873
Total Nonoperating Revenues	109,588	-	109,588
Change in net position	563,265	(3,480)	559,785
NET POSITION (DEFICIT)- Beginning of Year	1,020,215	(3,328)	1,016,887
NET POSITION (DEFICIT) - END OF YEAR	\$ 1,583,480	\$ (6,808)	\$ 1,576,672

EAU CLAIRE COUNTY

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2014

	Risk Management	Car Fleet	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,068,112	\$ 43,970	\$ 1,112,082
Cash payments to suppliers for goods and services	(394,638)	(34,330)	(428,968)
Claims paid	(218,652)	-	(218,652)
Cash payments to employees for services	(90,364)	(9,640)	(100,004)
Net Cash Provided by Operating Activities	<u>364,458</u>	<u>-</u>	<u>364,458</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants and miscellaneous revenue received	<u>92,892</u>	<u>-</u>	<u>92,892</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>16,696</u>	<u>-</u>	<u>16,696</u>
Net Increase in Cash and Cash Equivalents	474,046	-	474,046
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>866,668</u>	<u>-</u>	<u>866,668</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,340,714</u>	<u>\$ -</u>	<u>\$ 1,340,714</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Position:			
Current assets - cash and investments	\$ 1,100,390	\$ -	\$ 1,100,390
Noncurrent assets - restricted assets - escrow accounts	<u>240,324</u>	<u>-</u>	<u>240,324</u>
PER STATEMENT OF CASH FLOWS	<u>\$ 1,340,714</u>	<u>\$ -</u>	<u>\$ 1,340,714</u>

	Risk Management	Car Fleet	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 453,677	\$ (3,480)	\$ 450,197
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	10,442	10,442
Change in assets and liabilities			
Accounts receivable	(3,110)	-	(3,110)
Accounts payable	(7,632)	63	(7,569)
Due to other funds	-	(6,866)	(6,866)
Accrued liabilities	(78,477)	(159)	(78,636)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 364,458</u>	 <u>\$ -</u>	 <u>\$ 364,458</u>

NONCASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES: None

EAU CLAIRE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2014

	Sunshine	Sheriff	District Attorney	Human Services Rep. Payee	Clerk of Courts	West Central Drug	Lower Chippewa River Basin	Tax Agency	Totals
ASSETS									
Cash and investments	\$ 3,016	\$ 246,172	\$ 7,988	\$ 38,040	\$ 667,087	\$ 157,541	\$ 810	\$ 9,404,508	\$ 10,525,162
Taxes receivable	-	-	-	-	-	-	-	1,404,731	1,404,731
TOTAL ASSETS	<u>\$ 3,016</u>	<u>\$ 246,172</u>	<u>\$ 7,988</u>	<u>\$ 38,040</u>	<u>\$ 667,087</u>	<u>\$ 157,541</u>	<u>\$ 810</u>	<u>\$ 10,809,239</u>	<u>\$ 11,929,893</u>
LIABILITIES									
Due to other taxing units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,809,239	\$ 10,809,239
Deposits	3,016	246,172	7,988	38,040	667,087	157,541	810	-	1,120,654
TOTAL LIABILITIES	<u>\$ 3,016</u>	<u>\$ 246,172</u>	<u>\$ 7,988</u>	<u>\$ 38,040</u>	<u>\$ 667,087</u>	<u>\$ 157,541</u>	<u>\$ 810</u>	<u>\$ 10,809,239</u>	<u>\$ 11,929,893</u>