

EAU CLAIRE COUNTY

Eau Claire, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2011

EAU CLAIRE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the County Board
Eau Claire County
Eau Claire, Wisconsin

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, 2011, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Eau Claire County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not included one of the county's legally separate component units (Friends of Beaver Reserve) in the county's financial statements. Accounting principles generally accepted in the United States of America require Friends of Beaver Creek Reserve to be presented as a discretely presented component unit and financial information about Friends of Beaver Creek Reserve to be part of the discretely presented component unit's activities, thus increasing those assets by \$1,167,166, liabilities by \$65,107, net assets by \$1,102,059, revenues by \$748,450, and expenses by \$645,103.

In our opinion, because of the omission of one of the discretely presented component units, as discussed previously, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of Eau Claire County, Wisconsin, as of December 31, 2011, or the changes in financial position thereof for the year then ended.

Further, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the County Board
Eau Claire County

As described in Note I, Eau Claire County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011.

In accordance with *Government Auditing Standards*, we will also issue a report on our consideration of Eau Claire County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, economical, 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.

Eau Claire County has not presented the management's discussion and analysis that governmental 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 the financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Tilly Vinchow Krume, LLP

July 30, 2012

EAU CLAIRE COUNTY

STATEMENT OF NET ASSETS

As of December 31, 2011

	Primary Government			Component Unit (Housing Authority)
	Governmental Activities	Business- type Activities	Totals	
ASSETS				
Cash and investments	\$ 36,157,785	\$ 1,732,564	\$ 37,890,349	\$ 472,557
Taxes receivable	25,448,743	2,267,900	27,716,643	-
Due from other governments	3,389,186	486,451	3,875,637	-
Notes receivable	1,085,000	-	1,085,000	1,828,151
Other receivables	1,696,351	139,210	1,835,561	88,439
Restricted cash and investments	247,251	-	247,251	46,772
Deposit in insurance pool	999,731	-	999,731	-
Internal balances	767,741	(767,741)	-	-
Due from component unit	68,412	-	68,412	-
Prepaid items and inventories	58,407	759,767	818,174	10,742
Property held for resale	-	-	-	8,787
Other assets	262,405	-	262,405	-
Capital Assets				
Land	4,950,023	2,045,674	6,995,697	178,400
Construction in progress	30,959,515	551,437	31,510,952	-
Other capital assets, net of depreciation	88,069,384	28,673,461	116,742,845	1,688,618
Total Assets	194,159,934	35,888,723	230,048,657	4,322,466
LIABILITIES				
Accounts payable	6,960,591	260,829	7,221,420	7,620
Accrued liabilities	2,403,078	226,297	2,629,375	84,755
Due to other governments	531,026	127,364	658,390	-
Due to primary government	-	-	-	68,412
Unearned revenues	22,280,109	2,267,900	24,548,009	1,414
Noncurrent liabilities				
Due within one year	4,462,931	287,495	4,750,426	27,224
Due in more than one year	56,075,785	992,922	57,068,707	412,209
Total Liabilities	92,713,520	4,162,807	96,876,327	601,634
NET ASSETS				
Invested in capital assets, net of related debt	87,390,809	30,659,943	118,050,752	1,477,047
Restricted for				
Insurance escrow	1,246,982	-	1,246,982	-
Debt service	3,541,118	-	3,541,118	-
ADRC	85,455	-	85,455	-
Specialized transportation services	84,732	-	84,732	-
Revolving loan fund	-	-	-	1,828,151
Grant requirements	-	-	-	46,772
Unrestricted	9,097,318	1,065,973	10,163,291	368,862
TOTAL NET ASSETS	\$ 101,446,414	\$ 31,725,916	\$ 133,172,330	\$ 3,720,832

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit (Housing Authority)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							Primary Government	
Governmental Activities								
General government	\$ 11,728,117	\$ 1,961,950	\$ 634,147	\$ 87,183	\$ (9,044,837)	\$ -	\$ (9,044,837)	\$ -
Public safety	13,472,137	2,081,872	574,645	-	(10,815,620)	-	(10,815,620)	-
Public works	3,786,396	350,339	459,258	-	(2,976,799)	-	(2,976,799)	-
Health and human services	27,607,003	1,457,555	17,404,835	-	(8,744,613)	-	(8,744,613)	-
Culture, recreation, and education	1,788,186	822,315	149,937	-	(815,934)	-	(815,934)	-
Conservation and development	2,871,262	1,253,463	328,366	-	(1,289,433)	-	(1,289,433)	-
Interest and fiscal charges	1,441,788	-	-	-	(1,441,788)	-	(1,441,788)	-
Total Governmental Activities	<u>62,694,889</u>	<u>7,927,494</u>	<u>19,551,188</u>	<u>87,183</u>	<u>(35,129,024)</u>	<u>-</u>	<u>(35,129,024)</u>	<u>-</u>
Business-type Activities								
Highway Department	12,153,709	7,588,406	1,912,595	-	-	(2,652,708)	(2,652,708)	-
Airport	1,965,418	846,100	123,400	4,058,730	-	3,062,812	3,062,812	-
Total Business-type Activities	<u>14,119,127</u>	<u>8,434,506</u>	<u>2,035,995</u>	<u>4,058,730</u>	<u>-</u>	<u>410,104</u>	<u>410,104</u>	<u>-</u>
Total Primary Government	<u>\$ 76,814,016</u>	<u>\$ 16,362,000</u>	<u>\$ 21,587,183</u>	<u>\$ 4,145,913</u>	<u>(35,129,024)</u>	<u>410,104</u>	<u>(34,718,920)</u>	<u>-</u>
Component Unit								
Housing Authority	<u>\$ 1,343,763</u>	<u>\$ 132,263</u>	<u>\$ 1,180,919</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,581)</u>
General Revenues								
Taxes								
Property taxes, levied for general purposes					17,286,035	-	17,286,035	-
Property taxes, levied for debt service					4,321,764	-	4,321,764	-
Property taxes, levied for highway purposes					-	2,063,200	2,063,200	-
Property taxes, levied for airport purposes					-	372,255	372,255	-
Other taxes					8,960,500	-	8,960,500	-
Intergovernmental revenues not restricted to specific programs					3,259,514	-	3,259,514	-
Investment income					311,220	-	311,220	2,376
Miscellaneous					295,038	-	295,038	-
Total General Revenues					<u>34,434,071</u>	<u>2,435,455</u>	<u>36,869,526</u>	<u>2,376</u>
Transfers					<u>(66,217)</u>	<u>66,217</u>	<u>-</u>	<u>-</u>
Change in Net Assets					<u>(761,170)</u>	<u>2,911,776</u>	<u>2,150,606</u>	<u>(28,205)</u>
NET ASSETS - Beginning of Year					<u>102,207,584</u>	<u>28,814,140</u>	<u>131,021,724</u>	<u>3,749,037</u>
NET ASSETS - END OF YEAR					<u>\$ 101,446,414</u>	<u>\$ 31,725,916</u>	<u>\$ 133,172,330</u>	<u>\$ 3,720,832</u>

EAU CLAIRE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2011

	General Fund	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 8,067,776	\$ 1,142,865	\$ 4,029,582	\$ 22,654,315	\$ 258,899	\$ 36,153,437
Receivables						
Taxes	9,556,144	7,956,623	4,321,764	42,500	353,497	22,230,528
Delinquent taxes	3,218,215	-	-	-	-	3,218,215
Accounts	579,703	917,093	-	3,180	137,978	1,637,954
Notes	1,085,000	-	-	-	-	1,085,000
Due from other governments	2,128,464	952,159	-	-	308,563	3,389,186
Due from other funds	89,596	-	-	-	-	89,596
Advances to other funds	606,186	-	-	-	-	606,186
Due from component unit	68,412	-	-	-	-	68,412
Inventory and prepaid items	43,231	6,176	-	-	9,000	58,407
TOTAL ASSETS	\$ 25,442,727	\$ 10,974,916	\$ 8,351,346	\$ 22,699,995	\$ 1,067,937	\$ 68,536,921
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 607,383	\$ 1,019,214	\$ 10,842	\$ 4,782,983	\$ 304,064	\$ 6,724,486
Accrued liabilities	1,473,781	358,664	-	-	58,307	1,890,752
Deposits	192,801	-	-	-	-	192,801
Due to other funds	-	-	-	-	89,596	89,596
Due to other governments	317,787	213,239	-	-	-	531,026
Deferred revenues	11,007,399	7,956,623	4,321,764	70,124	465,145	23,821,055
Total Liabilities	13,599,151	9,547,740	4,332,606	4,853,107	917,112	33,249,716
Fund Balances						
Nonspendable	2,970,669	6,176	-	-	9,000	2,985,845
Restricted	-	-	4,018,740	17,846,888	170,187	22,035,815
Assigned	1,035,756	1,421,000	-	-	125,807	2,582,563
Unassigned (deficit)	7,837,151	-	-	-	(154,169)	7,682,982
Total Fund Balances	11,843,576	1,427,176	4,018,740	17,846,888	150,825	35,287,205
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,442,727	\$ 10,974,916	\$ 8,351,346	\$ 22,699,995	\$ 1,067,937	\$ 68,536,921

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

As of December 31, 2011

Total fund balances - governmental funds	\$	35,287,205
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Amounts reported for governmental activities in the statement of net assets 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	\$ 187,695,569	
Accumulated depreciation	<u>(63,716,647)</u>	123,978,922

Certain receivables are reported as deferred revenue 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 deferred revenues at year end consist of:

Tax certificates		370,491
Loans receivable		1,085,000
Miscellaneous receivables		85,455

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 assets. Capital assets of the internal service fund are included above.

487,222

Debt issuance costs and discounts are expenditures in the fund financial statements, but are capitalized in the government-wide financial statements

338,087

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	54,435,000	
Debt premium	507,579	
Accrued interest on general obligation debt	477,627	
Post retirement benefits	2,239,126	
Vested employee benefits	2,401,698	
Liability - WRS-PSC	<u>124,938</u>	<u>(60,185,968)</u>

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$	<u>101,446,414</u>
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EAU CLAIRE COUNTY

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

For the Year Ended December 31, 2011

	General	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 17,208,468	\$ 8,679,600	\$ 4,321,764	\$ 42,500	\$ 315,690	\$ 30,568,022
Intergovernmental	5,629,066	13,532,325	-	-	2,349,339	21,510,730
Licenses and permits	222,197	-	-	-	-	222,197
Fines, forfeitures and penalties	850,094	-	-	-	-	850,094
Public charges for services	2,498,028	1,332,666	-	-	717,164	4,547,858
Intergovernmental charges for services	1,438,103	751,079	-	-	-	2,189,182
Investment income	232,891	-	-	41,069	309	274,269
Miscellaneous	794,114	46,387	-	874,393	230,403	1,945,297
Total Revenues	28,872,961	24,342,057	4,321,764	957,962	3,612,905	62,107,649
EXPENDITURES						
Current						
General government	10,520,810	-	-	-	-	10,520,810
Public safety	12,511,891	-	-	-	380,964	12,892,855
Public works	-	-	-	-	1,068,867	1,068,867
Health and human services	2,210,114	22,940,395	-	-	2,344,846	27,495,355
Culture, recreation, and education	1,600,376	-	-	-	-	1,600,376
Conservation and development	2,004,795	-	-	-	107,240	2,112,035
Capital Outlay	-	-	-	28,061,796	-	28,061,796
Debt Service						
Principal retirement	35,721	14,996	2,723,786	-	2,191	2,776,694
Interest and fiscal charges	653	274	1,352,526	194,766	40	1,548,259
Total Expenditures	28,884,360	22,955,665	4,076,312	28,256,562	3,904,148	88,077,047
Excess (deficiency) of revenues over expenditures	(11,399)	1,386,392	245,452	(27,298,600)	(291,243)	(25,969,398)
OTHER FINANCING SOURCES (USES)						
Debt issued	-	-	-	22,000,000	-	22,000,000
Premium on debt issued	-	-	-	330,081	-	330,081
Transfers in	1,636,930	-	-	-	60,093	1,697,023
Transfers out	(164,990)	(1,697,023)	-	(3,150,000)	-	(5,012,013)
Total Other Financing Sources (Uses)	1,471,940	(1,697,023)	-	19,180,081	60,093	19,015,091
Net change in fund balances	1,460,541	(310,631)	245,452	(8,118,519)	(231,150)	(6,954,307)
FUND BALANCES - Beginning of Year (as restated)	10,383,035	1,737,807	3,773,288	25,965,407	381,975	42,241,512
FUND BALANCES - END OF YEAR	\$ 11,843,576	\$ 1,427,176	\$ 4,018,740	\$ 17,846,888	\$ 150,825	\$ 35,287,205

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, 2011

Net change in fund balances - total governmental funds \$ (6,954,307)

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	28,061,796
Some capital outlay is not capitalized in the government-wide statements	(611,084)
Functional expenditures that were capitalized on the government-wide statements	889,639
Depreciation is reported in the government-wide statements	(3,792,153)
Loss on disposal of assets is reported in the government-wide statements	(831,800)
Contributed assets are reported in the government-wide statements	30,693
Transfer in from business type activity - infrastructure financed by the highway fund	3,248,773

Tax certificates and certain receivables are reported as deferred revenue 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 the prior years.

Tax certificates	278
Loans receivable	(50,000)
Miscellaneous receivables	(944,973)

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of general obligation debt transferred to the governmental activities during the year. (22,000,000)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal payments paid. 2,774,256

Governmental funds report the effect of issuance costs, 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. (129,417)

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:

Decrease in compensated absences	206,576
Change in accrued interest expense	(94,192)
Increase in post retirement benefits	(595,666)
Decrease in liability - WRS-PSC	3,786

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. 26,625

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (761,170)

EAU CLAIRE COUNTY

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 As of December 31, 2011

ASSETS	Business-type Activities - Enterprise Funds			Governmental
	Highway Department	Airport	Totals	Activities - Internal Service Funds
CURRENT ASSETS				
Cash and investments	\$ 955,710	\$ 776,854	\$ 1,732,564	\$ 4,348
Taxes receivable	1,888,200	379,700	2,267,900	-
Customer accounts receivable	3,113	136,097	139,210	58,397
Due from other governments	473,358	13,093	486,451	-
Prepaid items	300	-	300	-
Inventories	759,467	-	759,467	-
Total Current Assets	4,080,148	1,305,744	5,385,892	62,745
NON-CURRENT ASSETS				
Restricted assets - escrow accounts	-	-	-	247,251
Deposit in insurance pool	-	-	-	999,731
Capital assets				
Construction work in progress	-	551,437	551,437	-
Other capital assets	11,866,309	39,618,942	51,485,251	201,711
Accumulated depreciation	(7,940,322)	(12,825,794)	(20,766,116)	(159,952)
Total Non-Current Assets	3,925,987	27,344,585	31,270,572	1,288,741
Total Assets	8,006,135	28,650,329	36,656,464	1,351,486
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	219,893	40,936	260,829	43,300
Accrued payroll and expenses	174,980	12,693	187,673	6,753
Accrued interest	-	38,624	38,624	-
Due to other governments	-	127,364	127,364	-
Unearned revenue	1,888,200	379,700	2,267,900	27,950
Current portion of long-term debt	-	42,915	42,915	-
Current portion of advances from other funds	-	12,132	12,132	-
Current portion of claims payable	-	-	-	136,000
Current portion of compensated absences	239,845	4,735	244,580	-
Total Current Liabilities	2,522,918	659,099	3,182,017	214,003
NON-CURRENT LIABILITIES				
Long-term debt	-	567,714	567,714	-
Advances from other funds	-	594,054	594,054	-
Claims payable	-	-	-	770,057
Post retirement benefits	356,818	-	356,818	-
Compensated absences	68,141	249	68,390	-
Total Non-Current Liabilities	424,959	1,162,017	1,586,976	770,057
Total Liabilities	2,947,877	1,821,116	4,768,993	984,060
NET ASSETS				
Invested in capital assets, net of related debt	3,925,987	26,733,956	30,659,943	41,759
Restricted - insurance escrow	-	-	-	1,246,982
Unrestricted (deficit)	1,132,271	95,257	1,227,528	(921,315)
TOTAL NET ASSETS	\$ 5,058,258	\$ 26,829,213	31,887,471	\$ 367,426
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(161,555)	
Net Assets of Business-type Activities			\$ 31,725,916	

See accompanying notes to financial statements.

EAU CLAIRE COUNTY

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

For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental
	Highway Department	Airport	Totals	Activities - Internal Service Funds
OPERATING REVENUES	<u>\$ 7,588,406</u>	<u>\$ 846,100</u>	<u>\$ 8,434,506</u>	<u>\$ 894,524</u>
OPERATING EXPENSES				
Operation and maintenance	14,854,436	843,530	15,697,966	938,833
Depreciation	<u>544,722</u>	<u>1,066,046</u>	<u>1,610,768</u>	<u>12,492</u>
Total Operating Expenses	<u>15,399,158</u>	<u>1,909,576</u>	<u>17,308,734</u>	<u>951,325</u>
Operating Loss	<u>(7,810,752)</u>	<u>(1,063,476)</u>	<u>(8,874,228)</u>	<u>(56,801)</u>
NON-OPERATING REVENUES (EXPENSES)				
General property taxes	2,063,200	372,255	2,435,455	-
Intergovernmental grants	1,912,595	123,400	2,035,995	25,650
Investment income	-	-	-	36,951
Miscellaneous non-operating revenues	-	-	-	17,112
Interest expense	<u>-</u>	<u>(55,453)</u>	<u>(55,453)</u>	<u>-</u>
Total Non-Operating Revenue (Expenses)	<u>3,975,795</u>	<u>440,202</u>	<u>4,415,997</u>	<u>79,713</u>
Income (Loss) Before Contributions and Transfers	(3,834,957)	(623,274)	(4,458,231)	22,912
CAPITAL CONTRIBUTIONS	-	4,058,730	4,058,730	-
TRANSFERS	<u>3,314,990</u>	<u>-</u>	<u>3,314,990</u>	<u>-</u>
CHANGE IN NET ASSETS	(519,967)	3,435,456	2,915,489	22,912
NET ASSETS – Beginning of Year	<u>5,578,225</u>	<u>23,393,757</u>		<u>344,514</u>
NET ASSETS – END OF YEAR	<u>\$ 5,058,258</u>	<u>\$ 26,829,213</u>		<u>\$ 367,426</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(3,713)</u>	
Change in Net Assets of Business-type Activities			<u>\$ 2,911,776</u>	

EAU CLAIRE COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds			Governmental
	Highway Department	Airport	Totals	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 8,375,350	\$ 793,055	\$ 9,168,405	\$ 966,577
Cash paid to suppliers for goods and services	(12,601,563)	(331,177)	(12,932,740)	(530,076)
Claims paid	-	-	-	(322,234)
Cash paid to employees for services	(2,207,011)	(404,631)	(2,611,642)	(170,986)
Net Cash Flows From Operating Activities	(6,433,224)	57,247	(6,375,977)	(56,719)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
General property taxes	2,063,200	372,255	2,435,455	-
Transfers from other funds	3,314,990	-	3,314,990	-
Operating grants received	1,912,595	123,400	2,035,995	40,377
Net Cash Flows From Noncapital Financing Activities	7,290,785	495,655	7,786,440	40,377
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	-	-	-	36,951
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	-	(40,951)	(40,951)	-
Principal paid on advances from other funds	-	(11,665)	(11,665)	-
Interest paid	-	(57,293)	(57,293)	-
Acquisition and construction of capital assets	(377,703)	(106,004)	(483,707)	(28,961)
Net Cash Flows From Capital and Related Financing Activities	(377,703)	(215,913)	(593,616)	(28,961)
Net Change in Cash and Cash Equivalents	479,858	336,989	816,847	(8,352)
CASH AND CASH EQUIVALENTS - Beginning of Year	475,852	439,865	915,717	259,951
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 955,710	\$ 776,854	\$ 1,732,564	\$ 251,599
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Per Statement of Net Assets:				
Current assets - cash and investments	\$ 955,710	\$ 776,854	\$ 1,732,564	\$ 4,348
Noncurrent assets - restricted assets - escrow accounts	-	-	-	247,251
PER STATEMENT OF CASH FLOWS	\$ 955,710	\$ 776,854	\$ 1,732,564	\$ 251,599

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	<u>Highway Department</u>	<u>Airport</u>	<u>Totals</u>	Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (7,810,752)	\$ (1,063,476)	\$ (8,874,228)	\$ (56,801)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Noncash items included in income				
Post retirement benefits	99,839	-	99,839	-
Depreciation	544,722	1,066,046	1,610,768	12,492
Change in assets and liabilities				
Receivables	786,944	(45,616)	741,328	44,103
Inventories	20,621	-	20,621	-
Prepaid items	(168)	-	(168)	-
Accounts payable	(78,560)	126,081	47,521	16,408
Due to other funds	-	-	-	(183,370)
Unearned revenue	-	-	-	27,950
Other current liabilities	4,130	(25,788)	(21,658)	82,499
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (6,433,224)</u>	<u>\$ 57,247</u>	<u>\$ (6,375,977)</u>	<u>\$ (56,719)</u>

NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

The airport received capital assets totaling \$4,058,730 from the State of Wisconsin in 2011.

EAU CLAIRE COUNTY

**STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
As of December 31, 2011**

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 11,728,690
Taxes receivable	<u>1,968,608</u>
TOTAL ASSETS	\$ <u>13,697,298</u>
LIABILITIES	
Accounts payable	\$ 60
Due to other taxing units	12,277,790
Deposits	<u>1,419,448</u>
TOTAL LIABILITIES	\$ <u>13,697,298</u>

EAU CLAIRE COUNTY

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EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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 (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

Discretely Presented Component Unit

Eau Claire County Housing Authority

The government-wide financial statements include the Eau Claire County Housing Authority ("Housing Authority") as a component unit. The Housing Authority is a legally separate organization. The Board of the Housing Authority is appointed by the County Board chairperson. Wisconsin Statutes provide for circumstances whereby the county can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the county. As a component unit, the Housing Authority's financial statements have been presented in the component unit column in the financial statements. The information presented is for the fiscal year ended December 31, 2011.

Separately issued financial statements of the Eau Claire County Housing Authority may be obtained from the Housing Authority's office at 721 Oxford Avenue, Eau Claire, Wisconsin. See Note III.H. for additional housing authority disclosures.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

A. REPORTING ENTITY (cont.)

Excluded Component Unit

Friends of Beaver Creek Reserve

The government-wide financial statements do not include the Friends of Beaver Creek Reserve ("Organization") as a component unit. The Organization is a legally separate organization. As a component unit, the Organization's financial statements should be presented in the component unit column in the financial statements. Separately issued financial statements of the Friends of Beaver Creek Reserve may be obtained from the Beaver Creek Reserve's office at S1 County Road K, Fall Creek, Wisconsin.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2009, the GASB issued statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The county made the decision to implement this standard effective January 1, 2011.

Government-Wide Financial Statements

The statement of net assets 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 reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

Fund Financial Statements (cont.)

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 non-major 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, liabilities, 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.

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 the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- Capital Projects Fund – used to account for and report financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

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 non-major 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

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

Fund Financial Statements (cont.)

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

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 Account
- Sheriff Huber Account
- District Attorney
- Human Services Representative Payee
- Clerk of Courts
- West Central Drug Account
- 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 assets 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 revenue. 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.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989.

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

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

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 revenues. 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 takes place.

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 deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

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.

The county reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the county has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the county has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

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

Fund Financial Statements (cont.)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board guidance issued after November 30, 1989. 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.

D. ASSETS, LIABILITIES, AND NET ASSETS 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.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The county has adopted an investment policy. That policy states that authorized investments include time deposits which mature within three years, bonds or securities issued or guaranteed by the federal government or agency, repurchase agreements and local government investment pools.

The investment policy states that deposits 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 investment policy addresses credit risk by limiting bonds or securities to those issued by the federal government or its agencies.

The investment policy does not address concentration of credit risk.

The policy addresses interest rate risk by not allowing time deposits which mature beyond three years.

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.

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, 2011, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

The CLASS investment (Cooperative Liquid Assets Securities System) is an investment pool established by an intergovernmental agreement dated March 1, 1996. CLASS is available for investment by Wisconsin governmental entities except school districts. CLASS operates consistent with the provisions of a 2a-7 like pool, and invests only in investments legally permissible under Wisconsin law, with a weighted average maturity not exceeding 120 days. The value of pool shares is the same as the fair value position in the pool.

See Note III.A. for further information.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables

Property tax calendar – 2011 tax roll:

Lien date and levy date	December 2011
Tax bills mailed	December 2011
Payment in full, or	January 31, 2012
First installment due	January 31, 2012
Second installment due	July 31, 2012
Personal property taxes in full	January 31, 2012
Tax sale – 2011 delinquent real estate taxes	October 2014

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 deferred 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.

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 assets. 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 fund balance nonspendable account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

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, 2011, the county has accrued two months of the subsequent year’s collections as receivable.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

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 \$247,251. This amount is recorded as restricted assets in the government-wide financial statements and the internal service fund.

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.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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 assets. 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

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 and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave 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 vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2011 are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations/Conduit Debt

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.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

7. Long-Term Obligations/Conduit Debt (cont.)

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The county does not engage in conduit debt transactions.

8. Claims and Judgments

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 is 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. There were no significant claims or judgments at year end.

9. Equity Classifications

Government-Wide Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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, 2011

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

9. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, the county classifies governmental fund balance 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 (ordinance, resolution, motion) 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.

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, 2011

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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.

A budget has been adopted for all governmental and enterprise funds.

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 \$921,700. Budgets are adopted at the department level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

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

Fund	Expenditures		
	Budgeted	Actual	Excess
Watershed Fund	\$ 89,261	\$ 107,240	\$ 17,979
Airport Fund	1,198,364	1,965,029	766,665

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.

C. DEFICIT BALANCES

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

As of December 31, 2011, the following individual funds held a deficit balance:

Fund	Amount	Reason
Anti-drug	\$ 29,445	Excess expenditures over revenues
Recycling	124,724	Significant decrease in state funding

Fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT

As part of Wisconsin's State Budget Bill (1993 Act 16), new legislation was passed that limits the county's future tax levy rates. Generally, the county is limited to its 1992 tax levy rate, based upon current legislation (State Statutes 59.605(2)). However, this limitation does not affect debt authorized prior to August 12, 1993 or refunding bonds.

The county may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The county may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The State Budget Bill also imposes restrictions on the county's ability to issue new debt. Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- > Refunding debt issues
- > 75% approval by the County Board
- > A reasonable expectation that the new debt can be accommodated within the existing tax rate
- > Other exceptions as listed in State Statutes Section 67.045

The county is in compliance with the limitation.

E. LIMITATIONS ON THE COUNTY'S TAX LEVY

As part of Wisconsin's Act 32 (2011), legislation was passed that 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 for the 2011 levy collected in 2012 and thereafter. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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	\$ 12,155,749	\$ 12,607,614	Custodial credit
U.S. agencies	5,743,200	5,743,200	Custodial credit, credit, concentration of credit, interest rate
Mutual funds	405,021	405,021	Credit, interest rate
Municipal bonds	486,579	486,579	Custodial credit, credit, concentration of credit, interest rate
U.S. treasuries	2,463,836	2,463,836	Custodial credit, interest rate
Corporate notes	2,582,333	2,582,333	Custodial credit, credit, concentration of credit, interest rate
WWMIC escrow pool	247,251	247,251	Credit, interest rate
CLASS	112,255	112,255	Credit, interest rate
LGIP	25,666,208	25,666,208	Credit, interest rate
Petty cash	3,860	-	N/A
Total Cash and Investments	\$ 49,866,292	\$ 50,314,297	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 37,890,351		
Restricted cash and investments	247,251		
Per statement of net assets – fiduciary funds - agency	11,728,690		
Total Cash and Investments	\$ 49,866,292		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited for noninterest bearing accounts. Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts, and \$250,000 for all share certificate and regular share accounts.

Bank and credit union accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the amounts insured and collateralized.

As of December 31, 2011, the county did not have any collateral agreements.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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.

As of December 31, 2011, the county had \$275,259 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.

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

Credit Risk

As of December 31, 2011, the county’s investments were rated as follows:

Investment Type	Fitch Ratings	Moody’s Investor Service	Standard & Poor’s
Mutual Funds	N/A	AAA	AA+
US Agencies – implicitly guaranteed	N/A	Aaa	AA+/AA-
Corporate Bonds CLASS	AAA/AA+/AA-/AA	AAA/A2	AAA/AA+/AA/AA-/A+/A
Municipal Bonds	N/A	N/A	AAAm
	AA/AA-/A+	AAA/AA2	AA/AA-/A+

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

- LGIP
- WMMIC escrow pool

Concentration of Credit Risk

At December 31, 2011, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FNMA	US Agency – implicitly guaranteed	6.07%

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

As of December 31, 2011, the county's investments were as follows:

Investment Type	Fair Value	Maturity (in years)		
		Less than 1 year	2 - 5	5 - 35
U.S. treasuries	\$ 2,463,836	\$ 856,945	\$ 1,475,592	\$ 131,299
U.S. agencies	5,743,200	403,620	1,535,804	3,803,776
Mutual funds	405,021	405,021	-	-
Municipal bonds	486,579	261,205	225,374	-
Corporate notes	2,582,333	116,171	1,919,482	546,680
External investment pools	25,778,463	25,778,463	-	-
Totals	\$ 37,459,432	\$ 27,821,425	\$ 5,156,252	\$ 4,481,755

Maturity information is not available for the WWMIC escrow pool.

B. RECEIVABLES

The following is a schedule of receivables at year end:

Fund	Amount	Amount Not Due Within One Year
General	\$ 16,567,526	\$ 4,017,459
Human Services	9,825,875	-
Debt Service	4,321,764	-
Capital Projects	45,680	-
Highway	2,364,671	-
Airport	528,890	-
Other Governmental	800,038	-
Internal Service Fund	58,397	-

There is an allowance for uncollectible amounts of \$10,946 in the general fund.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

B. RECEIVABLES (cont.)

Governmental funds report *deferred 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 *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable	\$ 370,491	\$ 22,225,307	\$ 22,595,798
Grant receivable	-	26,193	26,193
Loans receivable	1,085,000	-	1,085,000
Miscellaneous receivables	85,455	28,609	114,064
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,540,946	\$ 22,280,109	\$ 23,821,055

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, 2011, such collections aggregated \$454,420, of which \$70,253 was levied by the county. Delinquent property taxes levied by the county are reflected as deferred revenue and are excluded from the fund balance until collected. At December 31, 2011, delinquent property taxes by year levied consists of the following:

	Total	County Levied	County Purchased
Tax Certificates			
2010	\$ 1,591,077	\$ 242,639	\$ 1,348,438
2009	943,072	144,667	798,405
2008	253,230	38,668	214,562
2007	27,438	4,011	23,427
2006	11,650	1,806	9,844
2005	11,379	1,748	9,631
2004	2,846	419	2,427
2003	1,049	150	899
2002 and prior	25,350	3,874	21,476
Subtotals	2,867,091	437,982	2,429,109
Tax deeds	29,906	4,561	25,345
Special assessment tax certificates	321,218	-	321,218
Total Delinquent Property Taxes Receivable	\$ 3,218,215	\$ 442,543	\$ 2,775,672

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,420,059	\$ 20,300	\$ 20,300	\$ 3,420,059
Right of way	1,529,964	-	-	1,529,964
Construction in progress	4,272,104	26,687,411	-	30,959,515
Total Capital Assets Not Being Depreciated	\$ 9,222,127	\$26,707,711	\$ 20,300	\$ 35,909,538
Capital assets being depreciated				
Land improvements	\$ 2,109,309	\$ -	\$ -	\$ 2,109,309
Buildings	28,457,281	326,097	-	28,783,378
Machinery and equipment	4,131,450	393,584	203,687	4,321,347
Roads	109,980,936	3,946,000	2,789,100	111,137,836
Culverts	879,701	117,810	9,800	987,711
Traffic signals	85,300	-	-	85,300
Bridges	4,392,148	74,602	105,600	4,361,150
Total Capital Assets Being Depreciated	150,036,125	4,858,093	3,108,187	151,786,031
Less: Accumulated depreciation for				
Land improvements	(480,427)	(40,411)	-	(520,838)
Buildings	(11,794,158)	(568,271)	-	(12,362,429)
Machinery and equipment	(3,182,364)	(422,763)	309,347	(3,295,780)
Roads	(44,297,100)	(2,684,200)	2,014,600	(44,966,700)
Culverts	(370,200)	(14,600)	9,800	(375,000)
Traffic signals	(51,000)	(3,400)	-	(54,400)
Bridges	(2,118,800)	(71,000)	48,300	(2,141,500)
Total Accumulated Depreciation	(62,294,049)	(3,804,645)	2,382,047	(63,716,647)
Capital Assets, Net of Depreciation	\$ 87,742,076	\$ 1,053,448	\$ 726,140	\$ 88,069,384

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 326,227
Public safety	403,003
Public works, which includes the depreciation of roads, bridges, culverts and signal systems	2,773,200
Health and human services	102,951
Culture, recreation and education	177,409
Conservation and development	<u>21,855</u>

Total Governmental Activities Depreciation Expense	<u>\$ 3,804,645</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 2,045,674	\$ -	\$ -	\$ 2,045,674
Construction in progress	<u>527,476</u>	<u>23,961</u>	<u>-</u>	<u>551,437</u>
Total Capital Assets Not Being Depreciated	<u>\$ 2,573,150</u>	<u>\$ 23,961</u>	<u>\$ -</u>	<u>\$ 2,597,111</u>
Capital assets being depreciated				
Land improvements	\$ 16,130,068	\$ 106,098	\$ -	\$ 16,236,166
Buildings	17,470,634	4,136,705	-	21,607,339
Machinery and equipment	<u>11,419,017</u>	<u>375,904</u>	<u>198,849</u>	<u>11,596,072</u>
Total Capital Assets Being Depreciated	<u>45,019,719</u>	<u>4,618,707</u>	<u>198,849</u>	<u>49,439,577</u>
Less: Accumulated depreciation for				
Land improvements	(6,467,922)	(485,494)	-	(6,953,416)
Buildings	(6,093,697)	(570,667)	-	(6,664,364)
Machinery and equipment	<u>(6,763,995)</u>	<u>(554,607)</u>	<u>170,266</u>	<u>(7,148,336)</u>
Total Accumulated Depreciation	<u>(19,325,614)</u>	<u>(1,610,768)</u>	<u>170,266</u>	<u>(20,766,116)</u>
Capital Assets, Net of Depreciation	<u>\$ 25,694,105</u>	<u>\$ 3,007,939</u>	<u>\$ 28,583</u>	<u>\$ 28,673,461</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Highway	\$ 544,722
Airport	<u>1,066,046</u>
 Total Business-type Activities	
Depreciation Expense	<u>\$ 1,610,768</u>

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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	Anti-drug program	\$ 50,701
General fund	Watershed	<u>38,895</u>
Subtotal – Fund Financial Statements		89,596
Less: Fund eliminations		<u>(89,596)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ -</u>

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

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Airport	\$ 606,186	\$ 594,054
Add: Adjustment to reflect internal service fund activities related to the enterprise funds		<u>161,555</u>	<u>161,555</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 767,741</u>	<u>\$ 755,609</u>

The purpose of the advance to the airport was to finance a land purchase. Repayment of advance and interest of 4% is due through 2039. For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General fund	Human services fund	\$ (1,636,930)	Transfer accumulated fund balance
Highway	Capital projects	(3,150,000)	Highway projects
Highway	General fund	(164,990)	Landfill surcharge
Aging and disability resource center	Human services fund	<u>(60,093)</u>	Move specialized transportation program
Subtotal – Fund Financial Statements		(5,012,013)	
Add: Fund eliminations		1,697,023	
Add: Contribution of infrastructure from business type activities		<u>3,248,773</u>	
Total – Government-Wide Statement of Activities		<u>\$ (66,217)</u>	

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 35,155,000	\$ 22,000,000	\$ 2,720,000	\$ 54,435,000	\$ 2,515,000
Add/(Subtract) Deferred Amounts For:					
(Discounts)/Premiums	242,642	207,815	18,560	431,897	N/A
Subtotals	<u>35,397,642</u>	<u>22,207,815</u>	<u>2,738,560</u>	<u>54,866,897</u>	<u>2,515,000</u>
Other Liabilities					
Vested compensated absences	2,608,274	1,741,787	1,948,363	2,401,698	1,808,145
Capital leases	54,256	-	54,256	-	-
Post retirement benefits	1,643,460	595,666	-	2,239,126	N/A
Unpaid self-insurance claims	822,910	83,147	-	906,057	136,000
Long-term payable to City of Eau Claire	128,724	-	3,786	124,938	3,786
Total Other Liabilities	<u>5,257,624</u>	<u>2,420,600</u>	<u>2,006,405</u>	<u>5,671,819</u>	<u>1,947,931</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 40,655,266</u>	<u>\$ 24,628,415</u>	<u>\$ 4,744,965</u>	<u>\$ 60,538,716</u>	<u>\$ 4,462,931</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 651,580	\$ -	\$ 40,951	\$ 610,629	\$ 42,915
Other Liabilities					
Vested compensated absences	366,568	228,554	282,152	312,970	244,580
Post retirement benefits	256,979	99,839	-	356,818	N/A
Total Other Liabilities	<u>623,547</u>	<u>328,393</u>	<u>282,152</u>	<u>669,788</u>	<u>244,580</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 1,275,127</u>	<u>\$ 328,393</u>	<u>\$ 323,103</u>	<u>\$ 1,280,417</u>	<u>\$ 287,495</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

E. LONG-TERM OBLIGATIONS (cont.)

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.

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, 2011, was \$336,366,425. Total general obligation debt outstanding at year end was \$55,045,629.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12-31-11</u>
<u>General Obligation Debt</u>					
General obligation bond	4/08	12/2027	3.25-5.00%	\$ 25,000,000	\$ 18,035,000
General obligation bond	4/08	12/2016	3.00-3.75%	2,700,000	1,780,000
General obligation bond	10/10	9/2020	2.00-3.00%	5,080,000	3,430,000
General obligation bond	10/10	9/2030	3.70-5.10%	9,190,000	9,190,000
General obligation bond	12/11	9/2015	1.00-2.00%	4,000,000	4,000,000
General obligation bond	12/11	9/2031	3.00-4.00%	18,000,000	18,000,000
Total Governmental Activities – General Obligation Debt					<u>\$ 54,435,000</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 12-31-11</u>
<u>General Obligation Debt</u>					
State trust fund loan	9/02	3/2022	5.00%	\$ 867,408	<u>\$ 610,629</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>
2012	\$ 2,515,000	\$ 1,846,749	\$ 42,915	\$ 30,615
2013	2,220,000	2,004,878	45,144	28,385
2014	2,270,000	1,953,153	47,402	26,128
2015	2,325,000	1,893,791	49,772	23,758
2016	2,085,000	1,831,916	52,202	21,328
2017 – 2021	11,465,000	8,054,391	303,165	64,485
2022 – 2026	14,130,000	5,655,193	70,029	3,501
2027 – 2031	17,425,000	2,329,295	-	-
Totals	<u>\$ 54,435,000</u>	<u>\$ 25,569,366</u>	<u>\$ 610,629</u>	<u>\$ 198,200</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The county believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

F. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2011 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Land	\$ 4,950,023
Construction in progress	30,959,515
Other capital assets, net of accumulated depreciation	88,069,384
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(36,588,113)</u>
Total Invested in Capital Assets, Net of Related Debt	87,390,809
Restricted for insurance escrow	1,246,982
Restricted for debt service	3,541,118
Restricted for ADRC	85,455
Restricted for specialized transportation services	84,732
Unrestricted	<u>9,097,318</u>
Total Governmental Activities Net Assets	<u>\$ 101,446,414</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

F. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2011 include the following:

	General Fund	Human Services	Debt Service	Capital Projects	Non-major funds	Totals
FUND BALANCES						
Nonspendable:						
Inventory and prepaid items	\$ 43,231	\$ 6,176	\$ -	\$ -	\$ 9,000	\$ 58,407
Delinquent taxes	2,321,252	-	-	-	-	2,321,252
Long term advances	606,186	-	-	-	-	606,186
Restricted for:						
Future ADRC retiree benefits	-	-	-	-	85,455	85,455
Specialized transportation	-	-	-	-	84,732	84,732
Future debt service payments	-	-	4,018,740	-	-	4,018,740
Future capital projects	-	-	-	17,846,888	-	17,846,888
Assigned to:						
Balance subsequent year budget	1,035,756	-	-	-	-	1,035,756
Future human services expenditures	-	1,421,000	-	-	-	1,421,000
Future ADRC expenditures	-	-	-	-	97,356	97,356
Future watershed expenditures	-	-	-	-	28,451	28,451
Unassigned:	<u>7,837,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(154,169)</u>	<u>7,682,982</u>
Total Fund Balances	<u>\$ 11,843,576</u>	<u>\$ 1,427,176</u>	<u>\$ 4,018,740</u>	<u>\$ 17,846,888</u>	<u>\$ 150,825</u>	<u>\$ 35,287,205</u>

Business-type Activities

Invested in capital assets, net of related debt	
Land	\$ 2,045,674
Construction in progress	551,437
Other capital assets, net of accumulated depreciation	28,673,461
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(610,629)</u>
Total Invested in Capital Assets, Net of Related Debt	30,659,943
Unrestricted	<u>1,065,973</u>
Total Business-type Activities Net Assets	<u>\$ 31,725,916</u>

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

G. RESTATEMENT OF FUND BALANCES

Fund balance has been restated during implementation of GASB 54. The Juvenile Jail fund previously was reported as a separate fund. During the implementation of GASB 54, the county determined that this fund no longer qualified as a fund and therefore has included its activity within the General Fund.

General Fund

General Fund balance – December 31, 2010 (as reported)	\$ 11,123,736
Add: Reclassification of Juvenile Jail fund	<u>(740,701)</u>
General Fund balance – December 31, 2010 (as restated)	<u>\$ 10,383,035</u>

Nonmajor Funds

Nonmajor Funds' balance – December 31, 2010 (as reported)	\$ (358,726)
Less: Reclassification of Juvenile Jail fund	<u>740,701</u>
Nonmajor Funds' balance – December 31, 2010 (as restated)	<u>\$ 381,975</u>

H. COMPONENT UNIT - HOUSING AUTHORITY

This report contains the County Housing Authority (Authority), which is included as a component unit. Financial information is presented in the component unit column in the statement of net assets 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. Basis of Accounting/Measurement Focus

The Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The Housing Authority's investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand and time deposits	\$ <u>519,329</u>	\$ <u>529,315</u>	Custodial credit risk

Custodial Credit Risk

For a deposit, custodial credit risk is the risk that in the event of a financial institution failure, the housing authority's deposits may not be returned to the housing authority. As of December 31, 2011, all of the housing authority's \$529,315 in bank balances were insured against depository failure.

The Authority's investment policy does not address custodial credit risk, credit risk, concentration of credit risk or interest rate risk.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

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

H. COMPONENT UNIT - HOUSING AUTHORITY (cont.)

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Capital assets not being depreciated					
Land	\$ 178,400	\$ -	\$ -	\$ 178,400	-
 Total Capital Assets Not Being Depreciated	<u>\$ 178,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,400</u>	
 Capital assets being depreciated					
Buildings	\$ 2,268,862	\$ -	\$ -	\$ 2,268,862	20-40
Equipment	5,000	-	-	5,000	5-15
Total Capital Assets Being Depreciated	2,273,862	-	-	2,273,862	
 Less: Accumulated depreciation	<u>(527,315)</u>	<u>(57,929)</u>	<u>-</u>	<u>(585,244)</u>	
 Net Capital Assets Being Depreciated	<u>\$ 1,746,547</u>	<u>\$ (57,929)</u>	<u>\$ -</u>	<u>\$ 1,688,618</u>	

d. Compensated Absences/Retirement benefits

The Housing Authority is staffed by Eau Claire County employees. Employees receive benefits according to their respective policies.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

H. COMPONENT UNIT - HOUSING AUTHORITY (cont.)

e. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Notes Payable	\$ 407,402	\$ -	\$ 17,431	\$ 389,971	\$ 15,694
Other Liabilities					
Other postemployment benefits	10,364	3,746	-	14,110	-
Other liabilities – FSS escrow	282	17	-	299	-
Vested compensated absences	42,742	21,119	28,808	35,053	11,530
Total Long-Term Obligations	<u>\$ 460,790</u>	<u>\$ 24,882</u>	<u>\$ 46,239</u>	<u>\$ 439,433</u>	<u>\$ 27,224</u>

<u>Notes Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance 12-31-2011</u>
Western Dairyland note payable	04/2006	04/2030	3.0%	\$ 440,784	<u>\$ 389,971</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 15,694	\$ 11,699
2013	16,165	11,228
2014	16,650	10,743
2015	17,150	10,244
2016	17,664	9,729
2017 – 2021	96,595	40,373
2022 – 2026	111,981	24,987
2027 – 2030	98,072	7,279
Totals	<u>\$ 389,971</u>	<u>\$ 126,282</u>

Estimated payments of compensated absences are not included in the debt service requirement schedules.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

H. COMPONENT UNIT - HOUSING AUTHORITY (cont.)

f. Net Assets

Net assets reported on the statement of net assets at December 31, 2011 includes the following:

Invested in capital assets, net of related debt	
Land	\$ 178,400
Other capital assets, net of accumulated depreciation	1,688,618
Less: related debt outstanding	<u>(389,971)</u>
Total Invested in Capital Assets	<u>1,477,047</u>
Restricted	
Revolving loan fund	1,828,151
Grant requirements	<u>46,772</u>
Total Restricted	<u>1,874,923</u>
Unrestricted	<u>368,862</u>
Total Net Assets	<u>\$ 3,720,832</u>

g. Risk Management

The Housing Authority is insured through Eau Claire County. 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. Refer to Note IV.B. for further information.

h. Commitments

The Housing Authority 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.

During 2003 the Housing Authority acquired the Fairchild Nursing Home from the U.S. Department of Housing and Urban Development (HUD). The Housing Authority renovated the facility into an elderly independent living housing facility in 2005. The intention of this project is to transfer the property and related notes payable to a not-for-profit organization which will be staffed with Eau Claire County employees. Agreements for staffing and transfer of property were made in 2004, but the transfer of property has not yet occurred.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

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

H. COMPONENT UNIT - HOUSING AUTHORITY (cont.)

i. Related Parties

Eau Claire County provides various administrative services and facilities to the Housing Authority. No estimate of cost for these services is included in the financial statements. The county also pays for the Housing Authority's retirement plan and other employee benefits for which the Housing Authority reimburses the county on a quarterly basis. No liability has been provided in these financial statements for any unfunded actuarial liability that may exist.

j. Economic Dependency

The Housing Authority is economically dependent on annual contributions and grants from HUD. The Housing Authority operates at a loss prior to receiving contributions and grants from HUD.

k. Other Postemployment Benefits

In June 2004, the GASB issued statement No. 45 – Accounting and Financial Reporting by Employees for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, regulation, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The Housing Authority implemented this standard effective January 1, 2008.

Eau Claire County provides staffing for the Housing Authority operations. Upon retirement, these county employees receive benefits according to Eau Claire County's policies. See the other postemployment benefits note and required supplementary information in the reporting entity's financial statements for further details.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (1,200 hours for employees hired on or after July 1, 2011) are eligible to participate in the System. Covered employees in the General category are required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan through June 28, 2011. Beginning June 29, 2011, and thereafter, covered employees in the General category are required by statute to contribute 5.8% of their salary (6.65% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 5.8% for Protective Occupations without Social Security). Employers generally make these contributions to the plan on behalf of employees through June 28, 2011. Thereafter, employees are required to fund their contribution, subject to terms of employment contracts and which employee group they are a member of. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for county employees covered by the system for the year ended December 31, 2011 was \$23,202,797; the employer's total payroll was \$23,921,993. The total required contribution for the year ended December 31, 2011 was \$2,916,677 or 12.6% of covered payroll. Of this amount, 74.5% was contributed by the employer for the current year. Total contributions for the years ending December 31, 2010 and 2009 were \$2,622,565 and \$2,580,813, 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. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment 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, or beginning participation on or after July 1, 2011, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and between April 24, 1998 and June 30, 2011 are immediately vested.

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

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

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

Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide liability insurance and risk management services to participant municipalities. The aggregate annual maximum coverage per member is \$5,000,000. At December 31, 2011, WMMIC was owned by seventeen members. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various members.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax exempt Revenue Bond issuance. The bonds were repaid in full in 2007.

WMMIC is self-insured for all insurance risks up to a maximum of \$5,000,000 of losses involving two or more of its members. WMMIC retains the first \$1,000,000 of the loss and the remaining \$4,000,000 is through reinsurance. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The county's share of such losses is 3.72%. A list of other members and their share of participation is in the WMMIC report. Financial statements of WMMIC are available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

The county's investment in WMMIC is reported on the statement of net assets as a deposit. The \$999,731 amount reported is the original capitalization of \$937,000, plus an additional capital deposit of \$62,731.

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.

The claims liabilities for general liability and workers' compensation are actuarially determined using a discount rate of 6%. At December 31, 2011, the county has recognized \$906,057 of incurred but not reported claims liabilities for workers' compensation and has net assets of \$247,251 for self insurance losses related to workers' compensation.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

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, 2011	December 31, 2010
Unpaid claims, beginning of fiscal year	\$ 822,910	\$ 861,547
Incurred claims (including IBNRs) and changes in estimates	117,823	37,458
Claim payments	(34,676)	(76,095)
Unpaid Claims, End of Fiscal Year	\$ 906,057	\$ 822,910

C. COMMITMENTS AND CONTINGENCIES

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.

Funding for the operating budget of the county comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the county. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the county.

As of December 31, 2011, the county has open contracts totaling approximately \$10,600,000 with various contractors for work on the courthouse remodeling/jail construction project.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POST EMPLOYMENT BENEFITS

The county's group health insurance plan 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. For fiscal year 2011, total retired member contributions were \$832,552. 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	\$	994,758
Interest on net OPEB obligation		76,729
Adjustment to annual required contribution		<u>(106,665)</u>
Annual OPEB cost		964,822
Contributions made		<u>(273,000)</u>
Increase in Net OPEB Obligation		691,822
Net OPEB Obligation – Beginning of Year		<u>1,918,232</u>
Net OPEB Obligation – End of Year	\$	<u><u>2,610,054</u></u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, 2010 and 2011 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/09	\$ 867,453	29.4%	\$ 1,218,769
12/31/10	926,463	24.5%	1,918,232
12/31/11	964,822	28.3%	2,610,054

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

D. OTHER POST EMPLOYMENT BENEFITS (cont.)

The funded status of the plans as of January 1, 2010, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	9,466,241
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>9,466,241</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	23,202,797
UAAL as a percentage of covered payroll		40.8%

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 projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8.9% initially, reduced by decrements to an ultimate rate of 4.7% in 2082. The plan's unfunded actuarial accrued liability is being amortized over 30 years from the valuation date in level dollar payments.

E. SUBSEQUENT EVENT

In 2012, the county has entered into contracts with various contractors for work on the county jail/courthouse remodeling project, totaling approximately \$1,600,000.

EAU CLAIRE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2011

NOTE IV – OTHER INFORMATION (cont.)

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. 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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 16,557,050	\$ 16,557,050	\$ 16,948,613	\$ 391,563
Intergovernmental	5,459,222	\$ 5,459,222	5,608,194	148,972
Licenses and permits	183,765	183,765	222,197	38,432
Fines, forfeitures and penalties	1,050,516	1,050,516	850,094	(200,422)
Public charges for services	2,916,185	2,916,185	2,498,028	(418,157)
Intergovernmental charges for services	741,508	741,508	1,027,398	285,890
Interest income	760,247	760,247	232,891	(527,356)
Miscellaneous	849,880	849,880	794,114	(55,766)
Total Revenues	<u>28,518,373</u>	<u>28,518,373</u>	<u>28,181,529</u>	<u>(336,844)</u>
EXPENDITURES				
Current				
General government	10,779,304	10,779,304	10,520,810	258,494
Public safety	12,293,051	12,277,579	11,747,275	530,304
Health and human services	2,313,995	2,313,995	2,210,114	103,881
Culture, recreation, and education	1,647,716	1,647,716	1,600,376	47,340
Conservation and development	2,130,543	2,130,543	2,004,795	125,748
Debt Service				
Principal retirement	-	-	35,384	(35,384)
Interest and fiscal charges	-	-	647	(647)
Total Expenditures	<u>29,164,609</u>	<u>29,149,137</u>	<u>28,119,401</u>	<u>1,029,736</u>
Excess (deficiency) of revenues over expenditures	<u>(646,236)</u>	<u>(630,764)</u>	<u>62,128</u>	<u>692,892</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,636,930	1,636,930
Transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>(164,990)</u>	<u>10,010</u>
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>1,471,940</u>	<u>1,646,940</u>
Change in fund balance - budgetary basis	(821,236)	(805,764)	1,534,068	2,339,832
Perspective differences - Juvenile Jail change in fund balance	<u>-</u>	<u>-</u>	<u>(73,527)</u>	<u>(73,527)</u>
Net change in fund balance - GAAP basis	<u>\$ (821,236)</u>	<u>\$ (805,764)</u>	<u>\$ 1,460,541</u>	<u>\$ 2,266,305</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 8,679,600	\$ 8,679,600	\$ 8,679,600	\$ -
Intergovernmental	13,454,193	13,680,822	13,532,325	(148,497)
Public charges for services	1,518,188	1,601,682	1,332,666	(269,016)
Intergovernmental charges for services	857,347	857,347	751,079	(106,268)
Miscellaneous	104,847	104,847	46,387	(58,460)
Total Revenues	<u>24,614,175</u>	<u>24,924,298</u>	<u>24,342,057</u>	<u>(582,241)</u>
EXPENDITURES				
Current				
Health and human services	24,614,175	24,924,298	22,940,395	1,983,903
Debt Service				
Principal retirement	-	-	14,996	(14,996)
Interest and fiscal charges	-	-	274	(274)
Total Expenditures	<u>24,614,175</u>	<u>24,924,298</u>	<u>22,955,665</u>	<u>1,968,633</u>
Excess of revenues over expenditures	-	-	1,386,392	1,386,392
OTHER FINANCING USES				
Transfers out	-	-	(1,697,023)	1,697,023
Net change in fund balance	-	-	(310,631)	3,083,415
FUND BALANCE - Beginning of Year	<u>1,737,807</u>	<u>1,737,807</u>	<u>1,737,807</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,737,807</u>	<u>\$ 1,737,807</u>	<u>\$ 1,427,176</u>	<u>\$ (310,631)</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, 2011

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2010	\$ -	\$ 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%

The County is required to present the above information for the three most recent actuarial studies. The study completed as of January 1, 2008 was the first study performed for the County.

EAU CLAIRE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2011

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General	\$ 19,911,865	\$ 19,911,865	\$ 21,933,608	\$ 2,021,743
Courts	1,675,791	1,675,791	1,477,960	(197,831)
Register of probate	42,000	42,000	29,854	(12,146)
Juvenile office	22,671	22,671	20,532	(2,139)
County administration	896,000	896,000	428,158	(467,842)
County clerk	43,940	43,940	78,381	34,441
Data processing	71,250	71,250	46,447	(24,803)
Purchasing	193,433	193,433	195,961	2,528
Finance department	672,747	672,747	659,920	(12,827)
Treasurer	78,300	78,300	78,124	(176)
District attorney	296,046	296,046	278,388	(17,658)
Corporation counsel	23,250	23,250	41,732	18,482
Register of deeds	839,500	839,500	711,560	(127,940)
Planning and development	719,863	719,863	776,058	56,195
Sheriff	955,830	955,830	959,297	3,467
Child support	1,111,872	1,111,872	1,118,298	6,426
Veteran's service	13,320	13,320	13,000	(320)
Extension office	100,638	100,638	129,583	28,945
Parks and forests	850,057	850,057	841,598	(8,459)
TOTALS	\$ 28,518,373	\$ 28,518,373	\$ 29,818,459	\$ 1,300,086

EAU CLAIRE COUNTY

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES BY DEPARTMENT GENERAL FUND

For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General	\$ -	\$ -	\$ 36,031	\$ 36,031
County board	140,470	140,470	118,008	(22,462)
Courts	2,539,224	2,539,224	2,450,800	(88,424)
Register of probate	131,752	131,752	112,376	(19,376)
Juvenile office	606,978	606,978	538,762	(68,216)
County administrator	1,111,734	1,111,734	908,933	(202,801)
County clerk	255,480	255,480	198,030	(57,450)
Personnel	386,715	386,715	359,303	(27,412)
Data processing	1,220,611	1,220,611	1,162,076	(58,535)
Purchasing	404,918	404,918	394,443	(10,475)
Finance department	2,274,465	2,274,465	2,534,334	259,869
Treasurer	338,218	338,218	351,823	13,605
District attorney	747,180	747,180	740,227	(6,953)
Corporation counsel	731,457	731,457	678,297	(53,160)
Register of deeds	408,697	408,697	359,902	(48,795)
Planning and development	1,956,754	1,956,754	1,736,903	(219,851)
Maintenance	1,686,435	1,686,435	1,634,156	(52,279)
Sheriff	11,553,934	11,538,462	11,128,669	(409,793)
Child support	1,216,530	1,216,530	1,126,200	(90,330)
Veterans office	202,087	202,087	194,140	(7,947)
Extension office	432,318	432,318	560,233	127,915
Parks and forest	993,652	993,652	960,745	(32,907)
TOTALS	\$ 29,339,609	\$ 29,324,137	\$ 28,284,391	\$ (1,039,746)

EAU CLAIRE COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2011

	Special Revenue				Total Nonmajor Funds
	Watershed	Recycling	Anti- Drug	Aging and Disability Resource Center	
ASSETS					
Cash	\$ -	\$ 24,693	\$ -	\$ 234,206	\$ 258,899
Taxes receivable	12,000	-	247,103	94,394	353,497
Accounts receivable	-	30,826	-	107,152	137,978
Due from other governments	71,518	-	62,296	174,749	308,563
Prepaid items	-	-	-	9,000	9,000
TOTAL ASSETS	\$ 83,518	\$ 55,519	\$ 309,399	\$ 619,501	\$ 1,067,937
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,172	\$ 180,243	\$ 33,061	\$ 86,588	\$ 304,064
Accrued liabilities	-	-	7,979	50,328	58,307
Due to other funds	38,895	-	50,701	-	89,596
Deferred revenues	12,000	-	247,103	206,042	465,145
Total Liabilities	55,067	180,243	338,844	342,958	917,112
Fund Balances					
Nonspendable	-	-	-	9,000	9,000
Restricted	-	-	-	170,187	170,187
Assigned	28,451	-	-	97,356	125,807
Unassigned (deficit)	-	(124,724)	(29,445)	-	(154,169)
Total Fund Balances	28,451	(124,724)	(29,445)	276,543	150,825
TOTAL LIABILITIES AND FUND BALANCES	\$ 83,518	\$ 55,519	\$ 309,399	\$ 619,501	\$ 1,067,937

EAU CLAIRE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2011

	Special Revenue				Total Nonmajor Funds
	Watershed	Recycling	Anti- Drug	Aging and Disability Resource Center	
REVENUES					
Taxes	\$ 10,000	\$ -	\$ 211,296	\$ 94,394	\$ 315,690
Intergovernmental	110,061	459,258	88,466	1,691,554	2,349,339
Public charges for services	-	350,339	-	366,825	717,164
Investment income	-	-	-	309	309
Miscellaneous	942	-	62,043	167,418	230,403
Total Revenues	<u>121,003</u>	<u>809,597</u>	<u>361,805</u>	<u>2,320,500</u>	<u>3,612,905</u>
EXPENDITURES					
Current					
Public safety	-	-	380,964	-	380,964
Public works	-	1,068,867	-	-	1,068,867
Health and human services	-	-	-	2,344,846	2,344,846
Conservation and development	107,240	-	-	-	107,240
Debt Service					
Principal retirement	-	169	421	1,601	2,191
Interest and fiscal charges	-	3	8	29	40
Total Expenditures	<u>107,240</u>	<u>1,069,039</u>	<u>381,393</u>	<u>2,346,476</u>	<u>3,904,148</u>
Excess (deficiency) of revenues over expenditures	<u>13,763</u>	<u>(259,442)</u>	<u>(19,588)</u>	<u>(25,976)</u>	<u>(291,243)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	60,093	60,093
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,093</u>	<u>60,093</u>
Net change in fund balances	13,763	(259,442)	(19,588)	34,117	(231,150)
FUND BALANCES (DEFICIT) - Beginning of Year (as restated)	<u>14,688</u>	<u>134,718</u>	<u>(9,857)</u>	<u>242,426</u>	<u>381,975</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 28,451</u>	<u>\$ (124,724)</u>	<u>\$ (29,445)</u>	<u>\$ 276,543</u>	<u>\$ 150,825</u>

EAU CLAIRE COUNTY

COMBINING STATEMENT OF NET ASSETS -
INTERNAL SERVICE FUNDS
As of December 31, 2011

	<u>Risk Management</u>	<u>Car Fleet</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and investments	\$ 3,458	\$ 890	\$ 4,348
Accounts receivable	<u>58,397</u>	<u>-</u>	<u>58,397</u>
Total Current Assets	<u>61,855</u>	<u>890</u>	<u>62,745</u>
Noncurrent Assets			
Restricted assets - escrow accounts	247,251	-	247,251
Deposit in insurance pool	999,731	-	999,731
Capital assets:			
Equipment	-	201,711	201,711
Less: Accumulated depreciation	<u>-</u>	<u>(159,952)</u>	<u>(159,952)</u>
Total Noncurrent Assets	<u>1,246,982</u>	<u>41,759</u>	<u>1,288,741</u>
Total Assets	<u>1,308,837</u>	<u>42,649</u>	<u>1,351,486</u>
LIABILITIES			
Current Liabilities			
Accounts payable	25,891	17,409	43,300
Accrued payroll and payroll taxes	6,335	418	6,753
Current portion of claims payable	136,000	-	136,000
Deferred revenue	<u>27,950</u>	<u>-</u>	<u>27,950</u>
Total Current Liabilities	196,176	17,827	214,003
Noncurrent Liabilities			
Claims payable	<u>770,057</u>	<u>-</u>	<u>770,057</u>
Total Liabilities	<u>966,233</u>	<u>17,827</u>	<u>984,060</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	41,759	41,759
Restricted for insurance escrow	1,246,982	-	1,246,982
Unrestricted (deficit)	<u>(904,378)</u>	<u>(16,937)</u>	<u>(921,315)</u>
TOTAL NET ASSETS	<u>\$ 342,604</u>	<u>\$ 24,822</u>	<u>\$ 367,426</u>

EAU CLAIRE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2011

	Risk Management	Car Fleet	Totals
OPERATING REVENUES			
Charges for services	\$ 855,380	\$ 39,144	\$ 894,524
OPERATING EXPENSES			
Personal services	159,652	10,695	170,347
Contractual services	38,381	18,145	56,526
Supplies and materials	294,216	12,363	306,579
Depreciation	-	12,492	12,492
Claims	405,381	-	405,381
Total Operating Expenses	<u>897,630</u>	<u>53,695</u>	<u>951,325</u>
Operating Loss	<u>(42,250)</u>	<u>(14,551)</u>	<u>(56,801)</u>
NONOPERATING REVENUES			
Investment income	36,951	-	36,951
Intergovernmental grants	25,650	-	25,650
Miscellaneous non-operating revenues	14,727	2,385	17,112
Total Nonoperating Revenues	<u>77,328</u>	<u>2,385</u>	<u>79,713</u>
Change in net assets	35,078	(12,166)	22,912
NET ASSETS - Beginning of Year	<u>307,526</u>	<u>36,988</u>	<u>344,514</u>
NET ASSETS - END OF YEAR	<u>\$ 342,604</u>	<u>\$ 24,822</u>	<u>\$ 367,426</u>

EAU CLAIRE COUNTY

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Car Fleet</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 927,433	\$ 39,144	\$ 966,577
Cash payments to suppliers for goods and services	(516,968)	(13,108)	(530,076)
Claims paid	(322,234)	-	(322,234)
Cash payments to employees for services	(160,430)	(10,556)	(170,986)
Net Cash Provided by Operating Activities	<u>(72,199)</u>	<u>15,480</u>	<u>(56,719)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	<u>40,377</u>	<u>-</u>	<u>40,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>36,951</u>	<u>-</u>	<u>36,951</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>-</u>	<u>(28,961)</u>	<u>(28,961)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,129	(13,481)	(8,352)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>245,580</u>	<u>14,371</u>	<u>259,951</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 250,709</u>	<u>\$ 890</u>	<u>\$ 251,599</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Assets:			
Current assets - cash and investments	\$ 3,458	\$ 890	\$ 4,348
Noncurrent assets - restricted assets - escrow accounts	<u>247,251</u>	<u>-</u>	<u>247,251</u>
PER STATEMENT OF CASH FLOWS	<u>\$ 250,709</u>	<u>\$ 890</u>	<u>\$ 251,599</u>

	<u>Risk Management</u>	<u>Car Fleet</u>	<u>Totals</u>
RECONCILIATION OF OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss	\$ (42,250)	\$ (14,551)	\$ (56,801)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	-	12,492	12,492
Change in assets and liabilities			
Accounts receivable	44,103	-	44,103
Accounts payable	(1,001)	17,409	16,408
Due to other funds	(183,370)	-	(183,370)
Deferred credits	27,950	-	27,950
Accrued liabilities	82,369	130	82,499
	<u>82,369</u>	<u>130</u>	<u>82,499</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ (72,199)</u>	 <u>\$ 15,480</u>	 <u>\$ (56,719)</u>

NONCASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES: None

EAU CLAIRE COUNTY

COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
As of December 31, 2011

	<u>Sunshine Account</u>	<u>Sheriff Huber Account</u>	<u>District Attorney</u>	<u>Human Services Rep. Payee</u>	<u>Clerk of Courts</u>	<u>West Central Drug Account</u>	<u>Lower Chippewa River Basin</u>	<u>Tax Agency</u>	<u>Totals</u>
ASSETS									
Cash and investments	\$ 968	\$ 191,587	\$ 28,660	\$ 406,939	\$ 578,944	\$ 188,350	\$ 24,000	\$ 10,309,242	\$ 11,728,690
Taxes receivable	-	-	-	-	-	-	-	1,968,608	1,968,608
TOTAL ASSETS	<u>\$ 968</u>	<u>\$ 191,587</u>	<u>\$ 28,660</u>	<u>\$ 406,939</u>	<u>\$ 578,944</u>	<u>\$ 188,350</u>	<u>\$ 24,000</u>	<u>\$ 12,277,850</u>	<u>\$ 13,697,298</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ 60
Due to other taxing units	-	-	-	-	-	-	-	12,277,790	12,277,790
Deposits	968	191,587	28,660	406,939	578,944	188,350	24,000	-	1,419,448
TOTAL LIABILITIES	<u>\$ 968</u>	<u>\$ 191,587</u>	<u>\$ 28,660</u>	<u>\$ 406,939</u>	<u>\$ 578,944</u>	<u>\$ 188,350</u>	<u>\$ 24,000</u>	<u>\$ 12,277,850</u>	<u>\$ 13,697,298</u>

APPENDIX A
TAX RULE 16 REQUIREMENTS



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

INDEPENDENT AUDITOR'S REPORT

To the County Board
Eau Claire County
Eau Claire, Wisconsin

We have audited the basic financial statements of Eau Claire County, Wisconsin for the year ended December 31, 2011, and have issued our report dated July 30, 2012. These basic financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 2011 Financial Report Form A is presented for purposes of additional analysis and is not a required part of the basic financial statements of Eau Claire County, Wisconsin. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 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 financial statement or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.




Baker Tilly Virchow Krause, LLP

July 30, 2012



Instructions

1. Click **START FILING** button.
2. On the cover page, enter the county name to set the County-Muni Code (you must be connected to the Internet).
3. Use your scroll bar to move from the top to bottom of each page or use your arrow keys on the tool bar to move from page to page.
4. Complete the forms and check for accuracy.
5. Click **SUBMIT** button on the last page when you are ready to file your tax return.

Symbols to watch for and their meanings	
	This symbol indicates there is help available for the field. Hold the mouse pointer over the symbol to view the help message. Further information may be available if you click on this symbol.
	This symbol indicates there is something wrong with the field. Hold the mouse pointer over the symbol to view the error message. All error messages must be fixed before you will be able to file this form.
	This symbol indicates there is a caution about what has been entered into the field. Hold the mouse pointer over the symbol to view the message.

Revision: 25818
Revision Date: 2012-03-06
Form: SLF_FormA

2011 FINANCIAL REPORT FORM A

for Wisconsin Counties

For State Use		
Debt _____	Recon _____	
BegB _____	FS _____	
TaxR _____	YF _____	
Aids _____	DE _____	

Our mailing address is: Wisconsin Department of
Revenue Local Government
Services PO Box 8971 Madison,
WI 53708-8971

Our fax number is: (608) 264-6887

For assistance, contact: David Hruby
(608) 266-8207
david.hruby@revenue.wi.gov

Enter the County Name and click the Verify button (you must be connected to the Internet).



County EAU CLAIRE

Code 18999

It appears that EAU CLAIRE (18999) has already submitted Form A for 2011. Please verify the values you entered for the Municipality Type, Municipality Name and County. If these values are correct, please contact DOR at (608) 264-6892 or 266-8207.

Certification

This report has been prepared by me or under my direction from the financial records of the municipality and is a complete and accurate statement of revenues, expenditures/expenses and public debt for the calendar year ending December 31, 2011.

Name of Official SCOTT RASMUSSEN		Title FINANCE DIRECTOR		E-mail Address SCOTT.RASMUSSEN@CO.EAU-CLAIRE.WI.GOV	
Mailing Address 721 OXFORD AVE			City EAU CLAIRE		State WI
Zip Code 54701			Business Phone (715) 839-2827		Home Phone Cellular Phone
Name of Preparer (if other than clerk) CHERYL PUHL		Name of CPA firm BAKER TILLY VIRCHOW KRAUSE, LLP.		Telephone Number (612) 876-4910	
E-mail Address CHERYL.PUHL@BAKERTILLY.COM					

INDEBTEDNESS

18999

for the reporting year ending on December 31, 2011

Purpose of Loan	Line Number	Principal Outstanding January 1, 2011	Principal Incurred in 2011	Principal Retired or Paid in 2011	Principal Outstanding December 31, 2011
Long Term General Obligation Debt (more than one year):					
Police debt	900-50010				
Fire protection debt	900-50015				
Highway debt	900-50020	5,910,000		1,557,500	4,352,500
Storm sewer debt	900-50030				
Water supply system debt	900-50040				
Electric supply system debt	900-50050				
Transit system debt	900-50060				
Public school debt	900-50070				
All other long term general obligation debt	900-50080	29,896,580	22,000,000	1,203,451	50,693,129
Total Long Term General Obligation Debt	900-50100	35,806,580	22,000,000	2,760,951	55,045,629
Short Term Debt (one year or less):					
Police debt	910-50210				
Highway debt	910-50220				
Storm sewer debt	910-50230				
All other short term debt	910-50280				
Revenue Bonds and Notes:					
Pollution control debt	920-50310				
Water supply system debt	920-50320				
Electric supply system debt	920-50330				
Transit system debt	920-50340				
All other revenue bond and note debt	920-50380				
Other Debt and Long-Term Obligations (such as accrued employee benefits)	930-50400	5,881,171	2,748,993	2,288,557	6,341,607

Debt

All Governmental Fund Types and Expendable Trust Funds

Revenues	Seq/Acct Number	Amount (whole dollars)
TAXES		
Property:		
General property taxes (Enter handicapped taxes at line 100-41115 below).....	100-41110	21,607,521
Handicapped school taxes.....	100-41115	
Tax increments.....	100-41120	
Occupational taxes.....	100-41130	
Private forest crop/managed forest land taxes1.....	100-41150	14,574
Motor Vehicle taxes.....	100-41170	
Sales and Use:		
County sales tax.....	100-41221	8,240,294
Retailers' discount (retained).....	100-41222	413
Real estate transfer.....	100-41230	
Race track admissions tax (s.562.08(2)).....	100-41240	
Interest and penalties on taxes.....	100-41800	705,220
Other enterprise.....	Identify	100-41900
TOTAL TAXES.....	101-41000	30,568,022
INTERGOVERNMENTAL REVENUES		
Federal Grants:		
Law enforcement.....	103-43211	
Highway.....	103-43221	
Other transportation.....	103-43227	
Health.....	103-43240	
Human Services.....	103-43250	
Culture and Recreation.....	103-43261	
Education.....	103-43262	
Housing/Economic assistance.....	103-43271	
Other federal payments.....	103-43300	72,667
State Shared Taxes:		
Shared revenues (Include expenditure restraint/scip).....	103-43410	3,135,238
Other state shared taxes (include Exempt Computer Aid).....	103-43430	170,474
State Grants:		
General government (include judicial grants).....	103-43510	432,652
Public Safety:		
Law enforcement improvement.....	103-43521	138,230
Water patrol.....	103-43522	
Other law enforcement.....	103-43523	204,387
Emergency government planning.....	103-43528	23,032
Other public safety.....	103-43529	150,579
Transportation:		
General transportation aids.....	103-43531	
DOT Flood Damage.....	103-43532	
Other highway aid (include PECFA and FEMA).....	103-43533	
Local road improvement program.....	103-43534	
Other transportation.....	103-43537	
Sanitation:		
State aid for recycling.....	103-43545	459,258
Other sanitation (Include Landfill Closure Grants).....	103-43549	29,981

All Governmental Fund Types and Expendable Trust Funds

INTERGOVERNMENTAL REVENUES (continued)

	Seq/Acct Number	Amount (whole dollars)												
Health and Human Services:														
Health	103-43550	26,465												
Human Services	103-43560	15,804,994												
Culture, Recreation and Education:														
Culture and Recreation	103-43571	117,080												
Education	103-43572	3,838												
Conservation and Development:														
Housing/Economic assistance	103-43581													
Conservation aids (Wildlife, land, etc)	103-43586	311,773												
Other State Payments:														
Payment for municipal services aid	103-43610													
Severance/yield/withdrawal taxes (Total amount received)	103-43640													
Payment in lieu of taxes on state conservation lands (s70.114 January PILT)	103-43660													
Other state payments (List items and amounts) <input type="text" value="Identify"/>	103-43690	74,338												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Description</th> <th style="width: 10%;">Amount</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>DRUG COURT</td> <td style="text-align: right;">44,979</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>OTTO BREMER/CVTC GRANT</td> <td style="text-align: right;">20,080</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>MISCELLANEOUS</td> <td style="text-align: right;">9,279</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </tbody> </table>	Description	Amount		DRUG COURT	44,979	<input checked="" type="checkbox"/>	OTTO BREMER/CVTC GRANT	20,080	<input checked="" type="checkbox"/>	MISCELLANEOUS	9,279	<input checked="" type="checkbox"/>		
Description	Amount													
DRUG COURT	44,979	<input checked="" type="checkbox"/>												
OTTO BREMER/CVTC GRANT	20,080	<input checked="" type="checkbox"/>												
MISCELLANEOUS	9,279	<input checked="" type="checkbox"/>												
Grants from County and other local governments														
Highway and bridges	103-43710													
Other local government grants (List items and amounts) <input type="text" value="Identify"/>	103-43790													
TOTAL INTERGOVERNMENTAL REVENUES	104-43000	21,154,986												
LICENSES AND PERMITS														
Business and occupational licenses	105-44100													
Nonbusiness licenses (include line 055-44200 from page)	105-44200	81,623												
Building permits and inspection fees	105-44300													
Zoning permits and fees	105-44400	179,432												
Other regulatory permits and fees (List items and amounts) <input type="text" value="Identify"/>	105-44900													
TOTAL LICENSES AND PERMITS	106-44000	261,055												
FINES, FORFEITS AND PENALTIES														
Law and ordinance violations	107-45100	427,679												
Forfeitures	107-45210													
Judgments and damages:														
Law enforcement equipment & property	107-45221													
Highway equipment and property	107-45222													
Other equipment and property	107-45223													
TOTAL FINES, FORFEITS AND PENALTIES	108-45000	427,679												

2011 REVENUES

18999

All Governmental Fund Types and Expendable Trust Funds

PUBLIC CHARGES FOR SERVICES

General Government:

	Seq/Acct Number	Amount (whole dollars)
Register of deeds fees	109-46130	711,560
Court fees and costs	109-46140	467,019
Probate fees	109-46150	29,854
Other general government	109-46190	253,426

Public Safety:

Law enforcement fees	109-46210	345,018
Ambulance/EMS fees	109-46230	
Board of prisoners	109-46240	845,486
Other public safety	109-46290	10,627

Public Works:

Highway and street maintenance and construction (Include grading, snow removal, ditching, blacktopping, culverts, and gravel sales)	109-46310	
Parking lots, ramps and meters	109-46330	
Airport	109-46340	
Docks and harbors (commercial)	109-46370	
Other transportation	109-46399	
Solid waste disposal (Include central collection point)	109-46431	164,990

Recycling	109-46435	320,261
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Health and Human Services:

County farm	109-46550	
Other health services (Include animal control)	109-46590	

Human Services	109-46600	2,495,926
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Culture, recreation and education:

Library	109-46710	
Parks	109-46720	320,265
Museum	109-46731	
Zoo	109-46732	
Fairs, exhibits and celebrations	109-46741	
Auditorium, convention or civic center (theater)	109-46742	
Other culture and recreation	109-46750	160
Schools (handicapped)	109-46760	
U.W. Extension	109-46770	28,167

Conservation and development:

Forests	109-46810	413,713
Other conservation	109-46820	24,256
Housing	109-46830	
Economic development	109-46850	
Other public charges for services (List items and amounts)	Identify 109-46900	26,193

Description	Amount	
INTERPRETOR REIMBURSEMENTS	14,728	X
MISCELLANEOUS	11,465	X

TOTAL PUBLIC CHARGES FOR SERVICES	110-46000	6,456,921
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All Governmental Fund Types and Expendable Trust Funds

INTERGOVERNMENTAL CHARGES FOR SERVICES

	Seq/Acct Number	Amount (whole dollars)
Federal:		
Law enforcement services	111-47121	
Transportation (highways and streets).....	111-47131	
Other services to federal government.....	111-47190	
State:		
Law enforcement services	111-47221	
Transportation (highways and streets).....	111-47230	
Other services to state government	111-47290	382,295
Other local governments:		
General government (include school election reimbursement).....	111-47310	151,644
Public Safety:		
Law enforcement services	111-47321	237,596
Fire services	111-47323	
Ambulance/EMS services	111-47324	
Emergency communications (911) (Law enforcement share).....	111-47325	
Emergency communications (911) (Exclude law enforcement share)	111-47326	
Transportation (highways and streets).....	111-47331	
Other transportation services	111-47339	
Solid waste disposal	111-47343	
Recycling	111-47345	30,078
Other sanitation services	111-47349	
Health	111-47350	
Human services	111-47360	
Public housing	111-47381	228,857
Other services to other local governments	111-47390	93,583
Local departments	111-47400	202,786
TOTAL INTERGOVERNMENTAL CHARGES FOR SERVICES	112-47000	1,326,839

All Governmental Fund Types and Expendable Trust Funds

MISCELLANEOUS REVENUES

	Seq/Acct Number	Amount (whole dollars)												
Interest:														
Interest Income	113-48110	274,269												
Rent.....	113-48200	514,060												
Property sales:														
Sale of law enforcement equipment and property	113-48301													
Sale of recycling equipment and property1	113-48306													
Sale of recyclable materials	113-48307													
Sale of other equipment and property	113-48309	37,023												
Insurance recoveries:														
Insurance recoveries for damage to law enforcement equipment and property	113-48420													
Insurance recoveries for damage to highway equipment and property	113-48430													
Insurance recoveries for damage to other equipment and property.....	113-48440	2,842												
Donations/contributions from private organizations or individuals.....	113-48500	178,187												
Other miscellaneous revenues (List items and amount for each) <input type="text" value="Identify"/>	113-48900	1,218,992												
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Description</th> <th style="width:20%;">Amount</th> <th style="width:30%;"></th> </tr> </thead> <tbody> <tr> <td>REIMBURSEMENT FROM CITY OF EAU CLAIRE - <input type="checkbox"/></td> <td style="text-align: right;">854,134</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>PREMIUM ON BONDS ISSUED</td> <td style="text-align: right;">330,081</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>MISCELLANEOUS</td> <td style="text-align: right;">34,777</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </tbody> </table>			Description	Amount		REIMBURSEMENT FROM CITY OF EAU CLAIRE - <input type="checkbox"/>	854,134	<input checked="" type="checkbox"/>	PREMIUM ON BONDS ISSUED	330,081	<input checked="" type="checkbox"/>	MISCELLANEOUS	34,777	<input checked="" type="checkbox"/>
Description	Amount													
REIMBURSEMENT FROM CITY OF EAU CLAIRE - <input type="checkbox"/>	854,134	<input checked="" type="checkbox"/>												
PREMIUM ON BONDS ISSUED	330,081	<input checked="" type="checkbox"/>												
MISCELLANEOUS	34,777	<input checked="" type="checkbox"/>												
TOTAL MISCELLANEOUS REVENUES	114-48000	2,225,373												
OTHER FINANCING SOURCES														
Proceeds from long-term debt.....	115-49100	22,000,000												
Transfers from other funds (i e , proprietary fund types).....	115-49200													
Sale of general fixed assets.....	115-49400													
Proceeds of refunding bonds	115-49500													
TOTAL OTHER FINANCING SOURCES	116-49000	22,000,000												
TOTAL REVENUES AND OTHER FINANCING SOURCES (Sum of page 1 through 5)	117-40000	84,420,875												

2011 EXPENDITURES

18999

All Governmental Fund Types and Expendable Trust Funds

Expenditures

GENERAL GOVERNMENT

	Seq/Acct Number	Amount (whole dollars)
Legislative (Board).....	118-51100	118,008
Judicial.....	118-51200	2,484,105
Legal	118-51300	2,005,500
General administration (Include clerk and election).....	118-51400	1,993,958
Financial Administration (Include treasurer and assessor).....	118-51500	1,723,568
General buildings and plant (Hall) (Allocate highway and public safety)	118-51600	1,634,156
Property records and control.....	118-51700	466,136

Other general government:

Illegal taxes refunded / omitted taxes shared.....	118-51910	
Judgments and losses.....	118-51920	
Law enforcement insurance.....	118-51931	
Highway, insurance	118-51932	
Other insurance	118-51938	73,935
Other general government (List items and amounts).....	118-51980	127,479

Identify

Description	Amount	
CRIMINAL JUSTICE COLL COUNCIL	119,260	X
MISCELLANEOUS	8,219	X

TOTAL GENERAL GOVERNMENT.....	119-51000	10,626,845
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PUBLIC SAFETY

Law enforcement.....	120-52100	10,718,491
Fire protection	120-52200	
Ambulance/EMS	120-52300	
Building inspection.....	120-52400	
Emergency communication (911) (Law enforcement share)	120-52601	1,310,216
Emergency communication (911) (Exclude law enforcement share).....	120-52609	
Correction and detention (Jail)	120-52700	777,175
Other public safety.....	120-52900	80,081

TOTAL PUBLIC SAFETY.....	121-52000	12,885,963
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PUBLIC WORKS

Transportation

Administration for highways and streets.....	122-53100	
Highway and street maintenance and construction:		
Highway and street maintenance for local	122-53311	
Highway and street construction for local	122-53315	
State (highway maintenance and construction).....	122-53320	
Other local governments (highway and street maintenance and construction).....	122-53330	
Road related facilities:		
Limited Purpose Roads	122-53410	
Street (highway) lighting	122-53420	
Parking facilities.....	122-53450	
Other transportation:		
Airport	122-53510	
Mass transit	122-53520	
Docks and harbors (commercial).....	122-53540	
Other transportation facilities (list items and amounts)	122-53580	

Identify

2011 EXPENDITURES

18999

All Governmental Fund Types and Expendable Trust Funds

PUBLIC WORKS (continued)	Seq/Acct Number	Amount (whole dollars)
SANITATION		
Solid waste disposal (include central collection point transfer)	122-53631	
Recycling expenditures	122-53635	1,068,867
Other sanitation (list items and amounts) Identify	122-53680	
TOTAL PUBLIC WORKS	123-53000	1,068,867
HEALTH AND HUMAN SERVICES		
Public health services (include animal control)	124-54100	1,132,665
Institutional care	124-54200	
Mental health services	124-54300	4,283,150
Income Maintenance		
Administration	124-54410	2,386,028
General relief	124-54420	484,057
Social services	124-54500	12,815,772
Aging (includes senior citizen programs)	124-54600	790,324
Veterans	124-54700	194,140
Other health and human services		
County farm	124-54920	
Other health and human services	124-54980	5,720,326
TOTAL HEALTH AND HUMAN SERVICES	125-54000	27,806,462
CULTURE, RECREATION AND EDUCATION		
Library	126-55110	
Museum	126-55120	26,250
Other culture	126-55190	
Parks	126-55200	613,789
Recreation programs and events	126-55300	64,803
Recreation facilities	126-55400	176,046
Zoo	126-55410	
Education	126-55600	418,807
TOTAL CULTURE, RECREATION AND EDUCATION	127-55000	1,299,695
CONSERVATION AND DEVELOPMENT		
Country forest roads	128-56111	
Housing	128-56500	235,290
Economic development (include tourism)	128-56700	100,500
Other conservation and development (zoning, land use)	128-56900	1,641,433
TOTAL CONSERVATION AND DEVELOPMENT	129-56000	1,977,223

2011 EXPENDITURES

18999

All Governmental Fund Types and Expendable Trust Funds

CAPITAL OUTLAY

	Seq/Acct Number	Amount (whole dollars)
General Government:		
General public buildings outlay (Allocate highway & public safety)	130-57140	2,549,015
Other general government outlay	130-57190	828,092
Public Safety:		
Law enforcement outlay	130-57210	3,645,884
Fire protection outlay	130-57220	
Ambulance/EMS outlay	130-57230	
Emergency communication (911) outlay (Law enforcement share)	130-57261	538,406
Emergency communication (911) outlay (Exclude law enforcement share)	130-57269	269,203
Correction and detention outlay	130-57270	19,921,014
Other public safety outlay	130-57290	269,203
Transportation:		
Highway and street:		
Highway and street outlay for local	130-57331	
Limited purpose roads	130-57341	
Street (highway) lighting outlay	130-57342	
Parking facilities outlay	130-57346	
Other transportation:		
Airport outlay	130-57351	
Mass transit outlay	130-57352	
Dock and harbor outlay (commercial)	130-57354	
Other transportation outlay	130-57391	
Sanitation:		
Solid waste disposal outlay (Include landfill closure cost)	130-57431	
Recycling outlay	130-57435	
Health and human Services:		
Health Outlay	130-57510	
Human services outlay	130-57520	
Culture, recreation and education:		
Library outlay	130-57610	
Parks outlay	130-57620	
Other culture and recreation outlay	130-57630	9,432
Education outlay	130-57640	38,395
Conservation and development		
Other conservation and development outlay	130-57730	1,540
TOTAL CAPITAL OUTLAY.....	131-57000	28,070,184

2011 EXPENDITURES

18999

All Governmental Fund Types and Expendable Trust Funds

	Seq/Acct Number	Amount (whole dollars)
DEBT SERVICE		
Debt service -- --principal	132-58100	2,760,951
Debt service-- --interest and fiscal charges:		
Law enforcement	132-58211	
Highway and street	132-58221	138,245
Solid waste disposal (include recycling)	132-58230	
Other interest and fiscal charges	132-58290	1,425,757
TOTAL DEBT SERVICE	133-58000	4,324,953
OTHER FINANCING USES		
Transfer to other funds (i.e., proprietary fund types)	134-59200	3,314,990
Payment to refunding bond escrow agent	134-59500	
TOTAL OTHER FINANCING USES	135-59000	3,314,990
TOTAL EXPENDITURES AND OTHER FINANCING USES		
(Sum of pages 6 through 9)	136-50000	91,375,182

**STATEMENT OF CHANGE IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES and EXPENDABLE TRUST FUNDS
MODIFIED ACCRUAL BASIS**

18999

	Seq/Acct Number	Amount (whole dollars)
Fund balance at beginning of year	140-34000	42,241,512
Revenues and other financing sources: Governmental Fund Types (Account 117-40000).....	140-40000	84,420,875
Adjustments to fund balance (explain major items) Identify	140-85000	
GRAND TOTAL (MUST EQUAL CODE 153-90000 BELOW)	143-90000	126,662,387
Expenditures and other financing uses: Governmental Fund Types (Account 136-50000).....	150-50000	91,375,182
Fund balance at end of year	151-34000	35,287,205
GRAND TOTAL (MUST EQUAL CODE 143-90000 ABOVE).....	153-90000	126,662,387

All Proprietary Fund Types and Similar Trust Funds

Operating Revenues

Public charges for services:

Enterprise:

	Seq/Acct Number	Amount (whole dollars)
Ambulance/EMS fees	200-46230	
Parking lots, ramps and meters	200-46330	
Airport	200-46340	846,100
Mass transit fares	200-46350	
Solid waste disposal	200-46431	
Recycling	200-46435	
Public health services	200-46510	
Nursing home	200-46521	
General hospital	200-46522	
Mental health services	200-46530	
County Farm	200-46550	
Parks	200-46720	
Zoo	200-46732	
Golf course	200-46733	
Ice Arena	200-46735	
Fairs, exhibits and celebrations	200-46741	
Auditorium, convention or civic center (theater)	200-46742	
Stadium	200-46744	
Public housing	200-46830	
Economic development	200-46850	
Other public charges for services (enterprise)	Identify 200-46900	

Internal service - highway:

Highway (and street) maintenance and production	201-46310	
Other internal service - highway public charges	201-46319	

Internal service-non highway:

Other internal service - public charges	Identify 202-46199	
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Intergovernmental charges for service:

Federal:

Enterprise:

Public housing	202-47181	
Other services to federal government by enterprises	202-47191	

Internal service - highway:

Transportation (highways and streets)	203-47131	
Revenues from non-highway activities in highway fund	203-47192	

Internal service - non-highway	203-47193	
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State:

Enterprise:

Public housing	203-47281	
Other services to state government by enterprises	203-47291	

Internal service - highway:

Transportation (highways and streets)	204-47230	2,174,805
Revenues from non-highway activities in highway fund	204-47292	160,241

Internal service - non-highway	204-47293	
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2011 REVENUES AND EXPENDITURES

18999

All Proprietary Fund Types and Similar Trust Funds

Intergovernmental charges for services (continued)

	Seq/Acct Number	Amount (whole dollars)
Other local governments:		
Enterprise:		
Ambulance/EMS services	204-47324	
Solid waste disposal	204-47343	
Recycling	204-47345	
Health	204-47350	
Public housing	204-47381	
Other services other local governments by enterprises	204-47391	
Internal services - highway:		
Transportation (highways and streets)	205-47331	450,689
Revenues from non-highway activities in highway fund	205-47392	14,693
Internal service - non-highway	205-47393	34,648
Interdepartmental charges for services:		
Enterprise:		
Services to other departments by enterprises	205-47491	
Internal service - highway:		
Transportation (highway and street maintenance)	206-47430	270,969
Transportation (highway and street construction)	206-47435	
Revenues from non-highway activities in highway fund	206-47492	4,229
Internal service - non-highway	206-47493	859,876
Miscellaneous (Operating) Revenues:		
Enterprise	206-48691	
Internal service - highway:		
Wide load moving permits	207-44260	
Other operating revenues-internal service - highway	207-48612	15,033
Revenues from non-highway activities in highway fund	207-48614	37,470
Internal Service - non highway	207-48692	
Fiduciary/pension trust	207-48910	
TOTAL OPERATING REVENUES	208-40000	4,868,753

2011 REVENUES AND EXPENDITURES

18999

All Proprietary Fund Types and Similar Trust Funds

Operating Expenses

Enterprise:

	Seq/Acct Number	Amount (whole dollars)
Ambulance/EMS	209-52300	
Parking (facilities) lots, ramps and meters	209-53450	
Airport	209-53510	1,909,576
Mass transit	209-53520	
Solid waste disposal	209-53631	
Recycling	209-53635	
Public health services	209-54100	
Nursing home	209-54210	
General hospital	209-54220	
Mental health services	209-54300	
County farm	209-54920	
Auditorium, convention or civic center (theater)	209-55130	
Parks	209-55200	
Zoo	209-55410	
Golf courses	209-55430	
Ice Arena	209-55450	
Fairgrounds (fairs, exhibits and celebrations)	209-55460	
Urban development	209-55470	
Public housing	209-56500	
Economic development	209-56700	
Other enterprise	Identify 209-56910	

Internal service - Highway:

Highway and street administration (and general):

Highway administration	210-53110	348,564
Other highway and street administration and general	210-53199	215,679

Highway and street maintenance and construction:

Highway and street maintenance for county	210-53311	11,025,370
Highway and street construction for county	210-53315	1,148,452
State (highway maintenance and construction)	210-53320	2,041,811
Other local government (highway and street maintenance and construction)	210-53330	351,935
Local departments	210-53340	267,347
Federal government	210-53350	
Non-government customers	210-53360	

Road related facilities and other services:

Limited purpose roads	210-53410	
Street (highway) lighting	210-53420	
Parking facilities	210-53450	
Cost of sales	210-53470	
Other road related facilities (and other services)	210-53490	
Other transportation	210-53500	

Internal service (operating expense) 211-51490 **951,325**

Fiduciary/pension trust 211-59980

TOTAL OPERATING EXPENSES	212-50000	18,260,059
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2011 REVENUES AND EXPENDITURES

18999

All Proprietary Fund Types and Similar Trust Funds

Non - Operating Revenues

Taxes:

	Seq/Acct Number	Amount (whole dollars)
General property taxes	213-41110	2,435,455
Tax increments	213-41120	
Motor vehicle taxes	213-41170	
Retailers' discount (retained)	213-41222	
Other taxes	Identify 213-41900	

Intergovernmental revenues (operating grants):

Enterprise:

Federal:

Health (grants and aids)	213-43240	
Human services (grants and aids)	213-43250	
Public housing (grants and aids)	213-43271	
Other federal payments	213-43300	

State:

Recycling grants	213-43545	
Health (grants and aids)	213-43550	
Human services (grants and aids)	213-43560	
Public housing (grants and aids)	213-43581	
Other state payments	213-43690	1,870

Other local governments:

Other local government grants	213-43790	121,530
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Internal service - highway (grants)

Federal:

Other local government grants	214-43221	
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State:

Local transportation aids	214-43531	1,912,595
Flood damage	214-43532	
Other state highway grants	214-43533	
Local road improvement program	214-43534	

Other local governments:

Highway and bridges	214-43710	
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Internal service - non-highway (grants)

	215-43518	
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Miscellaneous revenue:

Interest income	215-48110	36,951
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Rent	215-48200	
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Enterprise:

Other regulatory permits and fees	216-44900	
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Sale of recycling equipment and property	216-48306	
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Sale of recyclable materials	216-48307	
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Other miscellaneous revenues (enterprise)	216-48900	4,426,718
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Internal service - highway

Property sales	217-48300	33,558
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Other miscellaneous internal service - highway	217-48613	
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Internal service - non-highway	217-48693	42,762
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TOTAL NON-OPERATING REVENUES	218-40000	9,011,439
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All Proprietary Fund Types and Similar Trust Funds

Non-Operating Expenses (proprietary fund types)

	Seq/Acct Number	Amount (whole dollars)
Enterprise:		
Debt service --- interest and fiscal charges		
Solid waste disposal (include recycling).....	219-58230	
Other interest and fiscal charges.....	219-58290	55,453
Other enterprise (non-operating expenses).....	219-59910	
Internal service - highway:		
Debt service --- interest and fiscal charges.....	220-58200	
Other internal service - highway	220-59930	
Internal service:		
Debt service --- interest and fiscal charges (internal service fund).....	221-58200	
Other internal service (non-operating expenses)	221-59940	
TOTAL NON-OPERATING EXPENSES	222-50000	55,453
INCOME (LOSS) BEFORE OPERATING TRANSFERS	223-61000	-4,435,320

OTHER FINANCING SOURCES (USES)

Transfer from other funds (i e , governmental fund types)	224-49200	3,314,990
Capital contributions	224-49300	4,058,730
Transfer to other funds (i e , governmental fund types) (Enter zero or negative number)	224-59200	0
NET INCOME (LOSS).....	225-62000	2,938,400

**2010 STATEMENT OF CHANGE IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES and SIMILAR TRUST FUNDS**

	Seq/Acct Number	Amount (whole dollars)
Retained earnings/fund balance at beginning of year.....	230-33000	29,316,496
Net income (loss) (From account 225-62000).....	230-62000	2,938,400
Adjustments to retained earnings/fund balance.....	230-85000	
Retained earnings/fund balance at end of year	231-33000	32,254,896

ALL FUNDS

Receipts and Other Data	Seq/Acct Number	Amount (whole dollars)
General property tax levied for local purposes	300-71110	24,284,714
Proprietary fund types:		
Highway internal service fund:		
Intergovernmental revenues (capital grants)	300-73210	
Other proprietary funds:		
Intergovernmental revenues (capital grants)	300-73310	4,058,730
Other additions to contributed capital	300-73320	
Sale of property by proprietary fund types	300-78340	
Disbursements and Other Data		
Non depreciable highway land, buildings and equipment purchased by highway fund	302-83360	

Signature Statement

To file this report, you must agree that it is true, correct, and complete. To indicate agreement, you must use the mouse to check "Yes". This will serve as your lawful signature for this report in any future transactions you have with the Wisconsin Department of Revenue with regard to this report. Therefore, if "No" is checked, WI e-File will not accept your report and it will not be filed.

Under penalties of law, I declare that this return and all attachments are true, correct, and complete to the best of my knowledge and belief.

Do you agree with the statement in the box above? Yes No

Instructions for adding attachments can be found here: http://www.revenue.wi.gov/wi_efile/attach_slf.html

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The 2011 report for this municipality has already been filed.
The Description field contains an invalid value.