

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 10, 2021

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The County will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

EAU CLAIRE COUNTY, WISCONSIN

\$24,350,000* GENERAL OBLIGATION HIGHWAY FACILITY BONDS, SERIES 2021B

BID OPENING: March 16, 2021, 11:00 A.M., C.T.

CONSIDERATION: March 16, 2021, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$24,350,000* General Obligation Highway Facility Bonds, Series 2021B (the "Bonds") of Eau Claire County, Wisconsin (the "County") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of constructing and equipping a highway facility. The Bonds are general obligations of the County, and all the taxable property in the County is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS: April 6, 2021

MATURITY: As follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
09/01/2022	\$910,000	09/01/2029	\$1,150,000	09/01/2036	\$1,305,000
09/01/2023	1,085,000	09/01/2030	1,170,000	09/01/2037	1,330,000
09/01/2024	1,095,000	09/01/2031	1,185,000	09/01/2038	1,360,000
09/01/2025	1,105,000	09/01/2032	1,205,000	09/01/2039	1,395,000
09/01/2026	1,115,000	09/01/2033	1,230,000	09/01/2040	1,430,000
09/01/2027	1,125,000	09/01/2034	1,255,000	03/01/2041	1,485,000
09/01/2028	1,135,000	09/01/2035	1,280,000		

***MATURITY ADJUSTMENTS:** The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: March 1, 2022 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on September 1, 2030 and thereafter are subject to call for prior optional redemption on September 1, 2029 or any date thereafter, at a price of par plus accrued interest.

MINIMUM BID: \$24,155,200.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$487,000 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: County officer or a bank or trust company to be selected by the County.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the County. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the County and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the County with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the County, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the County for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the County is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the County nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the County which indicates that the County does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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EAU CLAIRE COUNTY COUNTY BOARD

		<u>Term Expires</u>
Nicholas Smiar	Chairperson	April 2022
Colleen A. Bates	First Vice Chairperson	April 2022
Gerald Wilkie	Second Vice Chairperson	April 2022
Nathan Anderson	Supervisor	April 2022
Carl Anton	Supervisor	April 2022
Mark Beckfield	Supervisor	April 2022
Steve Chilson	Supervisor	April 2022
Missy Christopherson	Supervisor	April 2022
Nancy Coffey	Supervisor	April 2022
Kimberly A. Cronk	Supervisor	April 2022
Heather DeLuka	Supervisor	April 2022
James A. Dunning	Supervisor	April 2022
Judy Gatlin	Supervisor	April 2022
Gary G. Gibson	Supervisor	April 2022
Chris Hambuch-Boyle	Supervisor	April 2022
Ray L. Henning	Supervisor	April 2022
Melissa Janssen	Supervisor	April 2022
Joe Knight	Supervisor	April 2022
Robin J. Leary	Supervisor	April 2022
Sandra McKinney	Supervisor	April 2022
Donald D. Mowry	Supervisor	April 2022
Martha Nieman	Supervisor	April 2022
Stella Pagonis	Supervisor	April 2022
Zoe Roberts	Supervisor	April 2022
Connie Russell	Supervisor	April 2022
Katherine Schneider	Supervisor	April 2022
Tami Schraufnagel	Supervisor	April 2022
Kevin Stelljes	Supervisor	April 2022
Dane Zook	Supervisor	April 2022

ADMINISTRATION

Kathryn Schauf, County Administrator

Sue McDonald, County Clerk

Glenda Lyons, County Treasurer

Norbert Kirk, Finance Director

PROFESSIONAL SERVICES

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding Eau Claire County, Wisconsin (the "County") and the issuance of its \$24,350,000* General Obligation Highway Facility Bonds, Series 2021B (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the County Board on March 16, 2021.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the County's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of April 6, 2021. The Bonds will mature on the dates and in the amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on March and 1 September 1 of each year, commencing March 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The County may designate a County officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the County, the Bonds maturing on or after September 1, 2030 shall be subject to optional redemption prior to maturity on September 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the County. If only part of the Bonds having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are authorized by the County pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of constructing and equipping a highway facility.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$24,350,000</u>	
Total Sources		\$24,350,000
Uses		
Estimated Underwriter's Discount (0.800%)	\$194,800	
Costs of Issuance	151,000	
Deposit to Project Construction Fund	24,000,000	
Rounding Amount	<u>4,200</u>	
Total Uses		\$24,350,000

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the County will be irrevocably pledged. The County will levy a direct, annual, irrepealable tax on all taxable property in the County sufficient to pay the interest on the Bonds when it becomes due and also to pay and discharge the principal on the Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the County is currently rated "Aa1" by Moody's Investors Service, Inc. ("Moody's").

The County has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the County nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the County shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the County shall execute and deliver a Continuing Disclosure Certificate, under which the County will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the County are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the County to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The County's operating data for the year ended December 31, 2015 was timely filed, but did not include certain information required by continuing disclosure undertakings. Except to the extent that the preceding is deemed to be material, the County believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The County has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the County.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the County, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the County; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B.)

Quarles & Brady LLP has also been retained by the County to serve as Disclosure Counsel to the County with respect to the Bonds. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The County has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the County comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the County in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the County, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the County under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the County for the fiscal year ended December 31, 2019 have been audited by CliftonLarsonAllen, LLP, Eau Claire, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Bonds are general obligations of the County, the ultimate payment of which rests in the County's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the County in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the County, the taxable value of property within the County, and the ability of the County to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the County and to the Bonds. The County can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the County or the taxing authority of the County.

Property Tax Collection: Although the levying of the property tax for the payment of principal and interest on the Bonds is irrevocable, and the County Clerk is mandated to carry the tax onto the rolls, the levy could be inadvertently omitted, causing a delay in payments when due. Property tax statements are distributed to taxpayers by the town, village and city clerks in December of the levy year. Current property tax settlement law directs counties to settle in full for all taxes levied by cities, villages, towns and school districts on or about August 20 of the collection year.

Ratings; Interest Rates: In the future, the County's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the County with the covenants in the Award Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the County to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the County to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the County, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the County may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The County is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the County will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the County and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the County, including the duration of the outbreak and measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. Schools remained closed for the duration of the 2019-2020 school year, but certain non-essential businesses were allowed to open operations on a limited basis during this time, including curbside pickup, delivery, mailings and minimum basic operations.

Also on April 16, 2020, President Trump outlined "Guidelines for Opening Up America Again," a three-phased approach to restarting the economy based on public health experts' advice. On April 20, 2020, Governor Evers announced Wisconsin's three-phased approach to reopening the State's economy, based on President Trump's guidelines. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which will distribute \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The County's allocation is \$1,677,111. These funds will be disbursed up to the amount of the allocation after eligible expenditures are reported through the State's cost tracker application. In addition, certain individual departments of the County received separate funding related to COVID-19 under the CARES Act or from the State, including monies received by the County's health department.

On July 30, 2020, Governor Evers issued Executive Order #82, declaring a public health emergency in Wisconsin to combat the spread of COVID-19. In conjunction with Executive Order #82, Governor Evers issued Emergency Order #1, requiring most people to wear face coverings when indoors, with certain exemptions in accordance with CDC guidelines. The public health emergency and mask orders have been extended multiple times, with the most recent extension on January 19, 2021 through March 20, 2021. On February 4, 2021, the Wisconsin Assembly voted to repeal the Governor's order requiring face coverings. Later the same day, Governor Evers issued a new Emergency Order #1 requiring the use of face coverings through March 20, 2021.

On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without occupancy limits), with certain exceptions. Emergency Order #3 expired November 6, 2020.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

The economic impact of COVID-19 may impact assessed and equalized valuations of property in the State, including in the County. The County cannot predict the extent of any such changes, but a material decrease in the equalized valuations of property in the County may materially adversely affect the financial condition of the County (see "RISK FACTORS - Impact of the Spread of COVID-19" herein).

CURRENT PROPERTY VALUATIONS

2020 Equalized Value	\$9,899,766,800
2020 Equalized Value Reduced by Tax Increment Valuation	\$9,452,253,400
2019 Assessed Value ¹	\$8,721,581,686

2020 EQUALIZED VALUE BY CLASSIFICATION

	2020 Equalized Value²	Percent of Total Equalized Value
Residential	\$ 6,364,978,400	64.294%
Commercial	2,692,995,200	27.203%
Manufacturing	237,765,200	2.402%
Agricultural	24,318,400	0.246%
Undeveloped	23,346,800	0.236%
Ag Forest	62,212,100	0.628%
Forest	116,968,800	1.182%
Other	154,320,400	1.559%
Personal Property	222,861,500	2.251%
Total	<u><u>\$ 9,899,766,800</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value Reduced by Tax Increment Value	Equalized Value¹	Percent Increase/Decrease in Equalized Value
2016	\$7,426,383,711	\$7,487,463,400	\$7,850,311,700	4.67%
2017	7,637,049,288	7,873,610,400	8,295,565,000	5.67%
2018	8,454,905,698	8,372,886,600	8,754,801,800	5.54%
2019	8,721,581,686	8,847,256,600	9,220,492,300	5.32%
2020	N/A ¹	9,452,253,400	9,899,766,800	7.37%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ 2020 Assessed Value is not yet available.

² Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2020 Equalized Value¹	Percent of County's Total Equalized Value
Menard, Inc.	Retail/Manufacturing	\$230,802,649	2.33%
Mayo Clinic Health	Medical	83,460,026	0.84%
Oakwood Hills Mall	Retail	72,495,211	0.73%
Marshfield Clinic	Medical	71,833,807	0.73%
Gerber/Nestle	Manufacturing	64,416,471	0.65%
Keystone Corporation	Investment Real Estate	53,999,610	0.55%
MPT of Altoona	Medical	34,938,734	0.35%
Haymarket Concepts LLC	Investment Real Estate	29,828,880	0.30%
Prairie Park Property LLC	Investment Real Estate	27,905,969	0.28%
Arrowhead Properties	Investment Real Estate	<u>26,204,996</u>	<u>0.26%</u>
Total		\$695,886,353	7.03%

County's Total 2020 Equalized Value² \$9,899,766,800

Source: The County.

¹ Calculated by dividing the 2020 Assessed Values by the 2020 Aggregate Ratio of assessment for the County.

² Includes tax increment valuation.

DEBT

DIRECT DEBT ¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Bonds and the Concurrent Obligations, as defined herein)*	<u><u>\$ 116,560,000</u></u>
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Lease Obligations

Issue Date	Original Amount	Purpose	Final Maturity	Principal Outstanding ¹
4/20/2016	\$353,200	Equipment (asphalt paver)	4/20/2022	\$103,667
9/30/2016	\$2,428,283	Equipment (dump trucks)	9/30/2022	\$713,488
5/30/2017	\$235,082	Equipment (construction and forestry)	5/30/2021	\$47,016

DEBT LIMIT

The constitutional general obligation debt limit for Wisconsin municipalities, including cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$9,899,766,800
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 494,988,340
Less: General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	<u>(116,560,000)</u>
Unused Debt Limit*	<u><u>\$ 378,428,340</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

Eau Claire County, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 04/06/2021)

Building Bonds (1)			Promissory Notes Series 2011B		Promissory Notes Series 2013		Promissory Notes Series 2014A		Promissory Notes Series 2015A		Promissory Notes Series 2016A	
Dated	Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
12/22/2011	\$18,000,000	03/01 & 09/01	925,000	253,456	790,000	27,569	1,025,000	43,663	950,000	50,638	1,235,000	98,725
			950,000	479,163	815,000	39,338	1,045,000	66,825	965,000	82,275	1,275,000	160,400
			980,000	450,663	840,000	21,000	1,070,000	45,925	985,000	62,975	1,315,000	122,150
			1,015,000	421,263			1,090,000	24,525	1,005,000	43,275	1,350,000	82,700
			1,055,000	390,813					1,030,000	23,175	1,380,000	55,700
			1,095,000	359,163							1,405,000	28,100
			1,140,000	323,575								
			1,180,000	286,525								
			1,235,000	245,225								
			1,310,000	202,000								
			3,740,000	149,600								
			14,625,000	3,561,444	2,445,000	87,906	4,230,000	180,938	4,935,000	262,338	7,960,000	547,775

1) The County entered into a Forward Delivery Bond Purchase Agreement for the sale of \$11,450,000 General Obligation Refunding Bonds, Series 2021A (the "Series 2021A Bonds") to refund this issue on September 1, 2021. The County expects to issue the Series 2021A Bonds on June 15, 2021.

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Eau Claire County, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 04/06/2021)

Calendar Year Ending	Refunding Bonds Series 2016B		Promissory Notes Series 2017A		Promissory Notes Series 2018A		Promissory Notes Series 2019A		Promissory Notes Series 2020A	
	Dated Amount	Maturity	09/07/2016 \$14,235,000	10/24/2017 \$9,750,000	11/01/2018 \$10,000,000	10/30/2019 \$9,855,000	07/01/2020 \$17,060,000	Final Maturity 03/01		
			09/01	09/01	09/01	09/01	09/01			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	1,385,000	84,826	930,000	69,250	930,000	129,850	1,125,000	97,150	960,000	287,900
2022	1,400,000	141,953	950,000	119,900	965,000	222,500	1,165,000	160,550	1,120,000	527,800
2023	1,430,000	113,953	970,000	100,900	1,005,000	183,900	1,200,000	125,600	1,240,000	471,800
2024	1,440,000	96,078	990,000	81,500	965,000	153,750	1,225,000	101,600	1,310,000	409,800
2025	1,445,000	76,638	1,005,000	61,700	995,000	124,800	740,000	77,100	1,395,000	344,300
2026	1,455,000	54,963	1,030,000	41,600	1,025,000	94,950	755,000	62,300	1,055,000	274,550
2027	1,475,000	29,500	1,050,000	21,000	1,055,000	64,200	770,000	47,200	1,110,000	221,800
2028					1,085,000	32,550	785,000	31,800	2,895,000	177,400
2029							805,000	16,100	2,960,000	119,500
2030									3,015,000	30,150
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
	10,030,000	597,909	6,925,000	495,850	8,025,000	1,006,500	8,570,000	719,400	17,060,000	2,865,000

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Eau Claire County, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 04/06/2021)

Highway Facility Bonds Series 2021B				Promissory Notes Series 2021C						
Dated Amount	04/06/2021 \$24,350,000*		04/06/2021 \$7,405,000*							
Maturity	09/01 Final Maturity 03/01		09/01 Final Maturity 03/01							
Calendar Year Ending	Principal	Estimated Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2021	0	0	0	0	10,255,000	1,143,026	11,398,026	106,305,000	8.80%	2021
2022	910,000	594,473	905,000	110,009	12,465,000	2,705,185	15,170,185	93,840,000	19.49%	2022
2023	1,085,000	416,958	945,000	71,635	13,065,000	2,187,458	15,252,458	80,775,000	30.70%	2023
2024	1,095,000	408,278	950,000	64,075	12,435,000	1,886,843	14,321,843	68,340,000	41.37%	2024
2025	1,105,000	398,970	960,000	56,000	11,110,000	1,609,195	12,719,195	57,230,000	50.90%	2025
2026	1,115,000	389,578	965,000	47,840	9,900,000	1,353,043	11,253,043	47,330,000	59.39%	2026
2027	1,125,000	378,428	520,000	38,190	8,245,000	1,123,893	9,368,893	39,085,000	66.47%	2027
2028	1,135,000	366,615	530,000	32,730	7,610,000	927,620	8,537,620	31,475,000	73.00%	2028
2029	1,150,000	351,860	535,000	25,840	6,685,000	758,525	7,443,525	24,790,000	78.73%	2029
2030	1,170,000	335,185	540,000	18,083	6,035,000	585,418	6,620,418	18,755,000	83.91%	2030
2031	1,185,000	317,050	555,000	4,856	5,480,000	471,506	5,951,506	13,275,000	88.61%	2031
2032	1,205,000	296,313			1,205,000	296,313	1,501,313	12,070,000	89.64%	2032
2033	1,230,000	274,020			1,230,000	274,020	1,504,020	10,840,000	90.70%	2033
2034	1,255,000	250,650			1,255,000	250,650	1,505,650	9,585,000	91.78%	2034
2035	1,280,000	226,178			1,280,000	226,178	1,506,178	8,305,000	92.87%	2035
2036	1,305,000	199,938			1,305,000	199,938	1,504,938	7,000,000	93.99%	2036
2037	1,330,000	171,880			1,330,000	171,880	1,501,880	5,670,000	95.14%	2037
2038	1,360,000	141,955			1,360,000	141,955	1,501,955	4,310,000	96.30%	2038
2039	1,395,000	109,995			1,395,000	109,995	1,504,995	2,915,000	97.50%	2039
2040	1,430,000	75,818			1,430,000	75,818	1,505,818	1,485,000	98.73%	2040
2041	1,485,000	19,676			1,485,000	19,676	1,504,676	0	100.00%	2041
	24,350,000	5,723,814	7,405,000	469,258	116,560,000	16,518,131	133,078,131			

* Preliminary, subject to change.

UNDERLYING DEBT¹

Taxing District	2020 Equalized Value²	% In County	Total G.O. Debt³	County's Proportionate Share
Cities of:				
Altoona	\$ 806,015,500	100.0000%	\$17,397,000	\$ 17,397,000
Eau Claire	5,885,065,600	100.0000%	142,165,000	142,165,000
School Districts of:				
Altoona	984,588,550	100.0000%	20,482,000	20,482,000
Augusta	356,721,880	100.0000%	5,280,000	5,280,000
Cadott Community	418,975,741	0.5973%	9,112,000	54,426
Chippewa Falls Area	3,704,562,586	0.1770%	58,390,000	103,350
Eau Claire Area	8,246,844,019	95.3705%	45,585,000	43,474,642
Eleva-Strum	297,682,318	24.1998%	11,950,000	2,891,876
Elk Mound Area	408,263,917	3.6993%	18,415,000	681,226
Fall Creek	383,501,754	100.0000%	12,728,000	12,728,000
Mondovi	461,163,180	21.0895%	16,170,000	3,410,172
Osseo-Fairchild	486,520,969	20.1267%	5,990,000	1,205,589
Technical College District of:				
Chippewa Valley	29,206,225,452	33.8961%	70,130,000	23,771,335
County's Share of Total Underlying Debt				<u><u>\$ 273,644,617</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$9,899,766,800	Debt/ Per Capita 103,959¹
Total General Obligation Debt (includes the Bonds and the Concurrent Obligations)*	\$116,560,000	1.18%	\$1,121.21
County's Share of Total Overlapping Debt	<u>273,644,617</u>	<u>2.76%</u>	<u>2,632.24</u>
Total*	\$390,204,617	3.94%	\$3,753.45

DEBT PAYMENT HISTORY

The County has no record of default in the payment of principal and interest on its debt. The County timely made the September 1, 2017 principal and interest payments to The Depository Trust Company ("DTC") for the General Obligation Building Bonds, Series 2008B, dated April 1, 2008. However, DTC did not send the payments out to bondholders until September 6, 2017. As provided in the bond documents, the County may treat DTC as the absolute owner thereof for the purpose of receiving payment of, or on account of, the principal and interest due on the bonds.

FUTURE FINANCING

Concurrently with the Bonds, the County expects to issue its \$7,405,000* General Obligation Promissory Notes, Series 2021C (the "Concurrent Obligations"). In addition to the Concurrent Obligations, the County will issue the Series 2021A Bonds which are scheduled to close on June 15, 2021. The County borrows annually for capital purposes. The County currently expects to issue approximately \$6 million to \$7 million general obligation debt in 2022 but the final amount has not yet been determined. Other than the preceding, the County has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Estimated 2020 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Levy/ Collect	Levy for County Purposes Only	Total Levy for All Units in County	% Collected to Date	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2016/17	\$30,595,302	\$169,167,068	99.98%	\$4.09
2017/18	32,444,886	172,992,808	99.94%	4.12
2018/19	34,228,107	173,460,506	99.82%	4.09
2019/20	36,015,560	179,058,765	99.67%	4.07
2020/21	37,470,095	182,215,345	[In Process]	3.96

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provided that for property taxes payable in 2020, a taxation district could, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors was required to first adopt a resolution authorizing such waiver and determining criteria for determining hardship and then the taxation district was required to subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county proportionally settled with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settled the remaining unpaid taxes, interest, and penalties on September 20, 2020. The County did not adopt such a resolution. The County cannot

predict whether any similar legislation may be adopted in the future or whether and how much payment of property taxes will be impacted by COVID-19 in future years. Any delays or reduction in the receipt of property taxes may materially adversely impact the County's finances and payment of debt obligations, including the Bonds.

PROPERTY TAX RATES OF LARGER MUNICIPALITIES WITHIN THE COUNTY

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total
<i>City of Altoona</i>					
2016/17	\$12.15	\$4.23	\$6.17	\$0.37	\$22.92
2017/18	11.42	4.21	6.16	0.12	21.91
2018/19	10.87	4.19	6.16	0.12	21.34
2019/20	10.51	4.17	6.15	0.11	20.94
2020/21	10.32	4.06	6.09	0.11	20.58
<i>City of Eau Claire</i>					
2016/17	\$10.65	\$3.83	\$8.54	\$0.18	\$23.20
2017/18	10.22	3.85	8.44	0.00	22.51
2018/19	9.37	3.82	7.98	0.00	21.17
2019/20	9.10	3.84	7.84	0.00	20.78
2020/21	8.36	3.72	7.49	0.00	19.57

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

¹ The Schools tax rate reflects the composite rate of all local school districts and the technical college district.

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included. State property taxes were eliminated in the State's 2017 - 2019 budget act.

DEBT ISSUANCE CONDITIONS FOR COUNTIES

Wisconsin counties may not issue general obligation bonds or promissory notes unless the county qualifies for one of the exceptions allowed under the statute, as described below:

General obligation bonds or notes can be issued by a county only if one of the following conditions is met: (a) the bonds or notes are approved at a referendum; (b) the county board adopts a resolution that sets forth its reasonable expectation that the issuance will not cause the county to exceed its debt levy rate limit; (c) the debt is issued for regional projects; (d) the debt is issued to refund existing debt or (e) the resolution authorizing the debt is approved by a vote of at least 3/4 of the members elect of the county board. In addition, counties generally are prohibited from using the proceeds of general obligation bonds or notes to fund the operating expenses of the general fund of the county or to fund the operating expenses of any special revenue fund of the county that is supported by property taxes, although this prohibition does not apply to notes issued to pay unfunded prior service liability contributions.

The initial resolution authorizing the Bonds was approved by a vote of at least 3/4 of the members of the County Board at a meeting on February 17, 2021.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

The Bonds were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Bonds.

THE ISSUER

COUNTY GOVERNMENT

The County was organized in 1856 and is governed by a twenty-nine member Board of Supervisors. All are elected to two-year terms. Current terms all expire in 2022. The appointed County Administrator and Finance Director and elected County Clerk and County Treasurer are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The County has 539 full-time and 60 part-time employees.¹ All eligible employees in the County are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

County employees are generally required to contribute half of the actuarially determined contributions, and the County generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2017 ("Fiscal Year 2017"), the Fiscal Year ended December 31, 2018 ("Fiscal Year 2018") and the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the County's portion of contributions to WRS (not including any employee contributions) totaled \$2,026,634, \$2,133,589 and \$2,129,644, respectively.

The County implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2018, the total pension liability of the WRS was calculated as \$100.29 billion and the fiduciary net position of the WRS was calculated as \$96.74 billion, resulting in a net pension liability of \$3.56 billion. The spread of COVID-19 has significantly impacted investment markets, which may impact the funded status of the WRS

¹ The County permanently laid off three employees, temporarily furloughed approximately 400 employees for six days and also offered certain voluntary furloughs during 2020 as a result of the County's monitoring of the County revenues and staffing needs during the COVID-19 pandemic. The County will continue to monitor its workforce and make adjustments as needed based on the duration of the pandemic, but the 2021 budget currently does not contemplate the use of any additional furloughs for 2021.

and future contribution requirements as a result (see “RISK FACTORS - Impact of the Spread of COVID-19” herein).

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2019, the County reported a liability of \$7,159,347 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2018 based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. The County's proportion was 0.20123608% the aggregate WRS net pension liability as of December 31, 2018.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 3.A. in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible County personnel are covered by the Municipal Employment Relations Act (MERA) of the Wisconsin Statutes. Pursuant to that law, employees have limited rights to organize and collectively bargain with the municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the County is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the County is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless County were to seek approval for a higher increase through a referendum). Ultimately, the County can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the County, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the County:

Bargaining Unit	Expiration Date of Current Contract
Sheriff Non-Supervisory WPPA	December 31, 2023

OTHER POST EMPLOYMENT BENEFITS

The County does not pay directly for retirees' post-employment benefits. Per State statutes, the County is required to allow retirees to be covered by the County's health plan as long as the retiree pays his/her premiums. The County provides other post-employment benefits ("OPEB") through the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2019, the County's portion of contributions to the LRLIF totaled \$6,935. For Fiscal Year 2019, the County reported a liability of \$1,278,451 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2018 based on the County's share of contributions to the LRLIF relative to the contributions of all participating employers. The County's proportion was 0.49545900% of the aggregate LRLIF net OPEB liability as of December 31, 2018.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 3.B in the "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the County or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds and Concurrent Obligations or otherwise questioning the validity of the Bonds and Concurrent Obligations.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the County to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the County to file for relief under Chapter 9. If, in the future, the County were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the County could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the County is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the County could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings.

Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the County; (b) to any particular assets of the County, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the County were determined not to be a “municipality” for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (including investments, as of January 31, 2021)

Fund	Amount
Demand and Time deposits	\$9,415,023
Commercial Paper	114,167
WMMIC escrow pool	350,000
Money Market and CDs	18,655,224
LGIP	14,263,726
Total Funds on Hand	<u><u>\$42,798,140</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the County's enterprise funds have been as follows as of December 31 each year:

	2017	2018	2019
Highway Department			
Total Operating Revenues	\$ 7,583,572	\$ 8,613,784	\$ 9,535,225
Less: Operating Expenses	<u>(13,153,949)</u>	<u>(13,968,483)</u>	<u>(15,563,748)</u>
Operating Income	\$ (5,570,377)	\$ (5,354,699)	\$(6,028,523)
Plus: Depreciation	<u>887,857</u>	<u>883,525</u>	<u>914,724</u>
Revenues Available for Debt Service	<u><u>\$ (4,682,520)</u></u>	<u><u>\$ (4,471,174)</u></u>	<u><u>\$(5,113,799)</u></u>
Airport			
Total Operating Revenues	\$ 1,014,526	\$ 1,110,814	\$ 1,195,241
Less: Operating Expenses	<u>(2,327,786)</u>	<u>(2,430,059)</u>	<u>(2,779,970)</u>
Operating Income	\$ (1,313,260)	\$ (1,319,245)	\$(1,584,729)
Plus: Depreciation	<u>1,392,297</u>	<u>1,417,892</u>	<u>1,574,923</u>
Revenues Available for Debt Service	<u><u>\$ 79,037</u></u>	<u><u>\$ 98,647</u></u>	<u><u>\$ (9,806)</u></u>

SALES TAX REVENUES

Under Wisconsin Statutes, counties may charge a ½ of 1% sales tax. Collection and administrative functions are performed by the State. Sales tax revenues decreased by approximately \$130,000 in 2020 as compared to 2019 as a result of the impact of COVID-19 (see "RISK FACTORS - Impact of the Spread of COVID-19" herein) but the actual sales tax revenues were still in excess of the 2020 budgeted sales tax revenues. The County has budgeted for an approximately 4% to 5% decrease in sales tax revenues for 2021, but future sales tax revenues are uncertain based on the length and severity of the ongoing pandemic.

Year	Sales Tax Collected
2016	\$10,101,277
2017	10,525,839
2018	11,033,555
2019	11,109,693
2020	10,982,263

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the County's General Fund. These summaries are not purported to be the complete audited financial statements of the County, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the County. Copies of the complete statements are available upon request. Appendix A includes the 2019 audited financial statements.

	FISCAL YEAR ENDING DECEMBER 31				
	2017 Audited	2018 Audited	2019 Audited	2020 Projections ¹⁾	2021 Amended Budget ²⁾
COMBINED STATEMENT					
Revenues					
Taxes	\$23,820,036	\$24,046,080	\$27,391,782	\$27,744,266	\$28,280,241
Intergovernmental	5,507,427	5,800,640	2,994,416	4,053,978	2,919,738
Licenses and permits	496,373	455,895	493,743	460,650	424,138
Fine and forfeitures	364,016	295,878	374,573	261,146	502,970
Public charges for services	4,396,365	4,193,512	4,475,686	4,155,486	3,995,211
Intergovernmental charges for services	599,243	303,010	151,873	122,804	169,597
Investment income	163,505	437,015	621,277	170,094	100,000
Miscellaneous	707,171	771,965	858,603	789,640	571,909
Total Revenues	\$36,054,136	\$36,303,995	\$37,361,953	\$37,758,064	\$36,963,804
Expenditures					
Current:					
General government	12,803,594	12,310,296	12,441,725	11,498,914	13,443,172
Public safety	14,408,068	14,913,038	15,593,510	15,785,279	16,339,662
Health and human services	2,837,519	2,881,479	2,976,610	3,335,948	3,127,483
Culture, recreation, and education	2,209,261	2,439,391	2,350,149	2,130,427	2,452,833
Conservation and development	2,007,576	2,564,127	1,902,169	1,820,215	1,910,854
Capital outlay	0	0	0	69,819	0
Total Expenditures	\$34,266,018	\$35,108,331	\$35,264,163	\$34,640,602	\$37,274,004
Excess of revenues over (under) expenditures	\$1,788,118	\$1,195,664	\$2,097,790	\$3,117,462	(\$310,200)
Other Financing Sources (Uses)					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers (out) ³⁾	(2,115,907)	(2,843,166)	(3,142,925)	(454,874)	0
Total Other Financing Sources (Uses)	(2,115,907)	(2,843,166)	(3,142,925)	(454,874)	0
Net changes in Fund Balances	(\$327,789)	(\$1,647,502)	(\$1,045,135)	\$2,662,588	(\$310,200)
General Fund Balance January 1	\$14,939,664	\$14,611,875	\$12,964,373		
Prior Period Adjustment	0	0	0		
Residual Equity Transfer in (out)	0	0	0		
General Fund Balance December 31	\$14,611,875	\$12,964,373	\$11,919,238		
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$1,897,004	\$1,992,458	\$1,376,437		
Restricted	0	82,740	74,046		
Assigned	2,099,444	755,582	676,066		
Unassigned	10,615,427	10,133,593	9,792,689		
Total	\$14,611,875	\$12,964,373	\$11,919,238		

1) Projected by the County based on current unaudited data.

2) The 2021 budget was adopted on November 3, 2020. Numbers reflect the latest amendments to the budget since its adoption.

3) A significant portion of these operating transfers out from the General Fund were to the Department of Human Services ("DHS") to cover DHS' operating losses in those years. The operating loss for DHS in 2019 reached approximately \$3.1 million, which was higher than projected by approximately \$1.29 million based on an administrative error in calculating the projected 2019 operating loss. In addition, in August 2020, a former DHS clerical employee was criminally charged in connection with alleged use of a County credit card for personal purchases in 2018 and 2019 of approximately \$5,000 to \$15,000. As a result, certain County Board supervisors requested the County Sheriff to conduct an investigation and forensic audit of DHS, which investigation is ongoing. To date, other than the previous charges against the former DHS employee, no criminal charges have been brought against any individuals at the County, and County administration is not aware of any criminal wrongdoing. The County cannot make any representations regarding the result of the ongoing investigation.

GENERAL INFORMATION

LOCATION

The County, with a 2010 U.S. Census population of 98,736, and a current estimated population of 103,959, comprises an area of 645 square miles and is located approximately 107 miles east of the Minneapolis-St. Paul, Minnesota metropolitan area.

LARGER EMPLOYERS¹

Larger employers in the County include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Menard, Inc.	Retail	10,000
University of Wisconsin-Eau Claire	Post secondary education	3,170
Mayo Clinic Health System	Hospital and Clinics	3,396
Eau Claire Area School District	Elementary and secondary education	1,902
Marshfield Clinic- Eau Claire	Physicians and surgeons	1,135
Sacred Heart Hospital	Health care	1,076
United Health Group	Health insurance	800
The County	County government and services	599
Walmart	Grocers-retail	400
TDK	Computer storage device manufacturing	350

Source: *Data Axle Reference Solutions, written and telephone survey (February 2021), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "RISK FACTORS - Impact of the Spread of COVID-19").

U.S. CENSUS DATA

Population Trend: The County

2000 U.S. Census	93,142
2010 U.S. Census	98,736
2020 Estimated Population	103,959
Percent of Change 2000-2010	6.01%

Income and Age Statistics

	The County	State of Wisconsin	United States
2019 per capita income	\$30,983	\$33,375	\$34,103
2019 median household income	\$59,476	\$61,747	\$62,843
2019 median family income	\$79,077	\$78,679	\$77,263
2019 median gross rent	\$823	\$856	\$1,062
2019 median value owner occupied units	\$169,400	\$180,600	\$217,500
2019 median age	34.5 yrs.	39.5 yrs.	38.1 yrs.
		State of Wisconsin	United States
County % of 2019 per capita income		92.83%	90.85%
County % of 2019 median family income		100.51%	102.35%

Housing Statistics

	<u>The County</u>		
	2010	2019	Percent of Change
All Housing Units	42,151	44,089	4.60%

Source: 2000 and 2010 Census of Population and Housing, and 2019 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Year	<u>Average Employment</u>	<u>Average Unemployment</u>	
	The County	The County	State of Wisconsin
2016	56,957	3.4%	4.0%
2017	57,600	2.9%	3.3%
2018	57,513	2.6%	3.0%
2019	57,071	3.1%	3.3%
2020, December ¹	56,509	4.6%	5.3%

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the County's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The County has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the County requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the County since the date of the financial statements, in connection with the issuance of the Bonds, the County represents that there have been no material adverse change in the financial position or results of operations of the County, nor has the County incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

EAU CLAIRE COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
DECEMBER 31, 2019

DEPARTMENT OF FINANCE

EAU CLAIRE COUNTY, WISCONSIN
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CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

The County Board
Eau Claire, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin (the County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eau Claire County, Wisconsin as of December 31, 2019, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

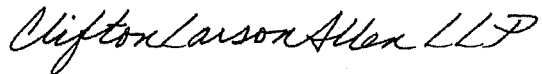
Supplementary Information

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

Board of Directors
Eau Claire County

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020 on our consideration of the County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 24, 2020

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

As management of Eau Claire County, Wisconsin (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Eau Claire County for the year ended December 31, 2019. This section should be read in conjunction with the County's financial statements and the accompanying notes, which begin on page 17 following this narrative. It should also be noted that the information contained herein will provide information on both the governmental activities and the business-type activities of the County.

FINANCIAL HIGHLIGHTS

Highlights for Government-Wide Financial Statements

The government-wide financial statements report information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$142.5 million on a government-wide basis as of December 31, 2019 (net position). Of this amount, \$125.3 million represented the County's net investment in capital assets, \$4.7 million was held for restricted purposes, and \$12.5 million was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by approximately \$11.3 million. Net position related to the governmental activities increased by \$1.7 million and business-type activities of the County increased \$9.6 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the County's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$14.6 million, a decrease of \$.5 million in comparison to the prior year. This decrease was driven by a \$3.8 million operating deficit in the human services fund. This deficit was primarily offset by an increase in the general fund of \$2.1 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9.8 million, or 27.8% of total general fund expenditures.
- The County's primary government issued General Obligation Promissory Notes, Series 2019A, in the amount of \$9.9 million. The increase in debt was offset by scheduled debt service payments of \$8.3 million.
- The Highway Department finished 2019 with a decrease in net position of \$.7 million, which was primarily due to capital investments in infrastructure.
- The Airport Department finished 2019 with an increase in net position of \$10.4 million, which was primarily due to capital grants for airport improvement projects.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements, which consist of two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The first government-wide statement, *the statement of net position*, presents information on all of Eau Claire County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, resulting in the net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the County is improving or deteriorating.

The second government-wide statement, *the statement of activities*, presents information showing how the County's net position changed during 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid leave benefits).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Eau Claire County include general government; public safety; public works; health and human services; culture, recreation and education; and conservation and development. The business-type activities of Eau Claire County include the Highway Department and Airport.

The government-wide financial statements can be found beginning on page 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Eau Claire County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Eau Claire County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Human Services, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The fund level financial statements can be found beginning on page 21 of this report.

Proprietary Funds – Proprietary funds are used to report ongoing business type activities of the government. Eau Claire County maintains two different types of proprietary funds: enterprise funds and internal services funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities of the Highway Department and Airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Eau Claire County uses internal service funds to account for its risk management and self insurance, health insurance, and shared service activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Highway Department and Airport, both considered major funds of the County.

The internal service fund is included within the presentation of the proprietary fund financial statements. The basic proprietary fund financial statements can be found beginning on page 24 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government or are custodial in nature. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds: the economic resources measurement focus and the accrual basis of accounting.

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

The notes can be found beginning on page 29 of this report.

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

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the pension schedules. Required supplementary information can be found beginning on page 61 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, additional supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds, combining statements for the internal service funds, and an agency fund combining statement of net position. This other supplementary information section begins on page 71.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position

Net position over time is a useful indicator of a government's financial position. In the case of Eau Claire County, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$142.5 million at the close of the fiscal year. The largest portion of Eau Claire County's net position (87.9%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), net of depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a summary of the County's statement of net position for 2019 and 2018:

	Governmental Activities		Business-Type Activities		Total
	2019	2018	2019	2018	
Current and Other Assets	\$ 63,459,320	\$ 67,749,604	\$ 8,079,336	\$ 8,314,705	\$ 71,538,656
Capital Assets	165,784,531	160,375,292	46,886,308	37,533,497	212,670,839
Internal Balances	(148,380)	(173,086)	148,380	173,086	-
Total Assets	229,095,471	227,951,810	55,114,024	46,021,288	284,209,495
Deferred Outflow of Resources	17,707,399	9,932,854	2,099,194	1,164,408	19,806,593
Current Liabilities	10,773,717	11,924,808	1,103,334	865,117	11,877,051
Net Pension & OPEB Liability	7,527,843	1,329,853	909,955	165,096	8,437,798
Long-Term Liabilities Due Within One Year	12,177,932	10,924,162	748,457	791,952	12,921,389
Long-Term Liabilities	80,713,786	80,400,178	1,267,681	1,859,248	81,981,467
Total Liabilities	111,193,278	104,579,001	4,024,427	3,681,413	115,217,705
Deferred Inflows of Resources	42,840,425	42,218,753	3,431,253	3,377,825	46,271,678
Net Position:					
Net Investment in Capital Assets	80,199,120	75,690,187	45,115,533	35,305,443	125,314,653
Restricted	4,693,375	9,668,565	-	628,753	4,693,375
Unrestricted	7,878,672	5,728,158	4,640,005	4,192,682	12,518,677
Total Net Position	\$ 92,769,167	\$ 91,086,910	\$ 49,757,538	\$ 40,126,458	\$ 142,506,705

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

At the end of 2019, the County reported positive balances in all three categories of net position, for the government as a whole and for the governmental activities and business-type activities.

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

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

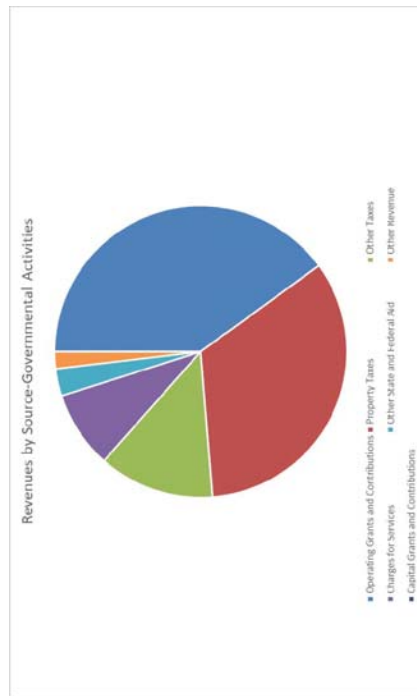
The following is a summary of the changes in the County's net position for 2019 and 2018:

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

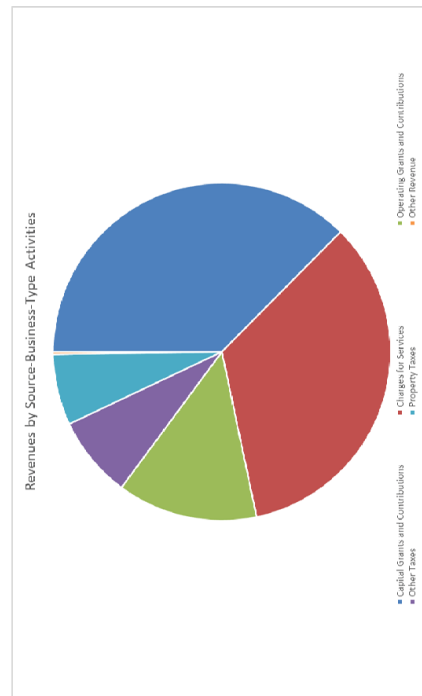
EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

Statement of Activities

A review of the statement of activities can provide a concise picture of how the various functions/programs of the County are funded. The following charts draw data from the statement of activities. For governmental activities, the County's main sources for funding governmental services, excluding transfers, are operating grants/contributions (40.0%), property taxes (33.6%), and charges for services (8.6%).

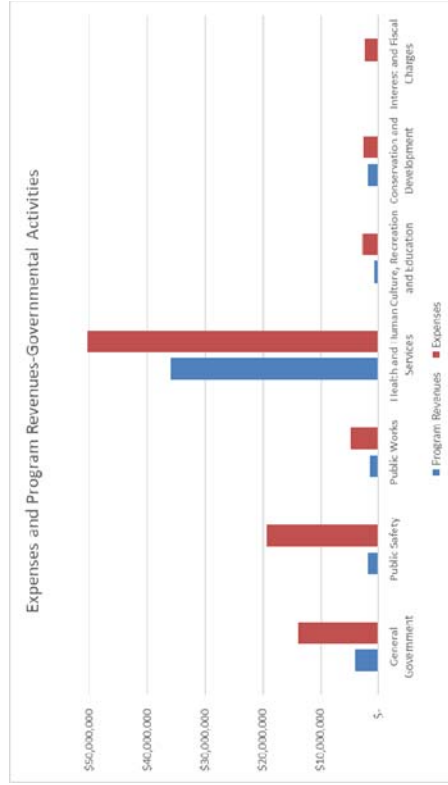


In the case of the business-type activities, the data shows a considerably different picture. Capital grants (37.4%) and charges for services (34.3%) replace property taxes as a primary revenue.

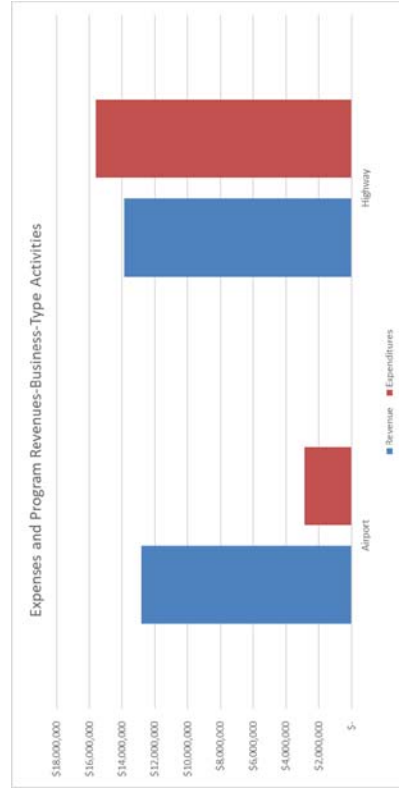


EAU CLAIRE COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2019

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



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



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

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

Eau Claire County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2019, the County's governmental funds reported combined ending fund balances of \$14.6 million, a decrease of \$.5 million in comparison to the prior year. The governmental funds comprising this balance are shown below:

Major Funds	Fund Balance at December 31, 2019				Change During Year
	Nonspendable	Restricted	Assigned	Unassigned	
General Fund	\$ 1,376,437	\$ 74,046	\$ 676,066	\$ 9,792,689	\$ (1,045,135)
Human Services Fund	13,533	-	-	(2,160,775)	(861,268)
Debt Service Fund	-	3,901,563	-	-	473,265
Capital Projects Fund	-	-	-	(63,307)	594,127
Nonmajor Funds	-	-	-	-	-
Special Revenue Funds	6,600	607,657	392,205	-	385,841
Total Fund Balances	\$ 1,396,570	\$ 4,383,266	\$ 1,068,271	\$ 7,568,607	\$ (453,170)

Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period. **Restricted** fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties.

Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the County Board.

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

General Fund: The general fund is the primary operating fund used to account for the governmental operations of Eau Claire County. As of December 31, 2019, the unassigned fund balance of the general fund was \$9.8 million, while total fund balance was \$11.9 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to measures of operating volume such as fund expenditures or fund revenues. Unassigned fund balance represented 27.8% of total general fund expenditures, while the total fund balance represented 33.8% of total general fund expenditures.

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

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

Human Services Fund: The human services fund is a special revenue fund used to account for various health and human services programs provided by the County. This fund provides services in the area of mental health; developmental disabilities; alcoholism; drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County. Fiscal year 2019 produced an operational loss of \$3.8 million which was offset by transfers in from the general fund of \$2.9 million. The result of this activity leaves the fund balance carried by the human services fund to a deficit of \$2.1 million as of December 31, 2019. This deficit is expected to be funded upon receipt of the Wisconsin Medicaid Cost Reporting (WIMCR) reimbursement from the State of Wisconsin. This reimbursement is expected to be received in December 2020.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of governmental funds. As of December 31, 2019, the County's debt service fund had a balance of \$3.9 million.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. As of December 31, 2019, the County's capital projects fund had a deficit balance of \$63,000 which is an increase of \$.6 million from the prior year deficit of \$.7 million. During 2019, the County issued \$9.9 million of debt to pay for capital related projects. Remaining to be paid from those proceeds, as of December 31, 2019, included \$2.3 million related to various courthouse construction projects and technology upgrades. These projects are expected to be completed in 2020.

Other Governmental Funds: The aggregated other governmental funds column includes various special revenue funds. As of December 31, 2019, the accumulated balance of these funds was \$1.0 million, an increase of \$.4 million in comparison to the prior year.

Business-Type Activities - Enterprise Funds

Eau Claire County's proprietary funds provide the same type of information found in the government-wide financial statements. As shown earlier, the total net position of the enterprise-type proprietary funds at the end of 2019 totaled \$49.6 million.

Highway Department: The County uses the highway department fund to account for road maintenance and construction and related services provided to the County, the State of Wisconsin, and local governmental units. At the end of the current fiscal year, unrestricted net position of the highway was \$2.6 million, while total net position reached \$9.5 million. Total net position is a decrease from the prior year of \$.7 million.

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

Internal Service Funds

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

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

Long-Term Obligations

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

In accordance with Wisconsin State Statutes, total outstanding general obligation indebtedness of the County may not exceed 5% of the equalized value of all taxable property within the County's jurisdiction. The debt limit as of December 31, 2019 amounted to \$461,024,615 and indebtedness subject to the limitation totaled \$36,810,857.

More detailed debt information can be found in Note 2.F. Long-Term Obligations of the financial statements.

CURRENTLY KNOWN FACTS

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids.

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The State of Wisconsin has imposed further limits on the County's property tax levy beginning with the 2008 budget year levy. Essentially, the legislation restricts the growth in the County's property taxes in the County's equalized value due to new construction. The County approved a levy of \$36,015,560 for its 2020 budget, an increase of \$1.9 million (5.9%) from the 2019 budget levy of \$34,019,076.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be directed to:

Eau Claire County
Finance Department
721 Oxford Avenue
Eau Claire, WI 54703

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be directed to:

EAU CLAIRE COUNTY, WISCONSIN

Statement of Net Position

December 31, 2019

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

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

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EAU CLAIRE COUNTY, WISCONSIN
Statement of Activities

For the Year Ended December 31, 2019

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

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

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EAU CLAIRE COUNTY, WISCONSIN

Balance Sheet
Governmental Funds

December 31, 2019

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

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

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

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

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2019

	<u>General Fund</u>	<u>Human Services Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 27,391,782	\$ 8,852,473	\$ 10,233,019	\$ 20,000	\$ 368,365	\$ 46,865,639
Intergovernmental Grants & Aids	2,994,416	30,349,453	-	-	2,892,263	36,236,132
Licenses & Permits	493,743	-	-	-	-	493,743
Fines & Forfeitures	374,573	-	-	-	-	374,573
Public Charges for Services	4,475,686	859,255	-	-	1,050,587	6,385,528
Intergovernmental Charges for Services	151,873	681,602	-	466	-	833,941
Investment Income	621,277	-	-	60	1,482	622,819
Other Revenues	858,603	177,638	-	36,133	396,435	1,468,809
Total Revenues	<u>37,361,953</u>	<u>40,920,421</u>	<u>10,233,019</u>	<u>56,659</u>	<u>4,709,132</u>	<u>93,281,184</u>
EXPENDITURES						
General Government	12,441,725	-	-	-	100,000	12,541,725
Public Safety	15,593,510	1,258,753	-	-	42,202	16,894,465
Public Works	-	-	-	-	1,406,145	1,406,145
Health and Human Services	2,976,610	43,430,470	-	-	2,845,599	49,252,679
Culture, Recreation and Education	2,350,149	-	-	-	-	2,350,149
Conservation and Development	1,902,169	-	-	-	164,736	2,066,905
Capital Outlay						
General Government	-	-	-	3,300,000	-	3,300,000
Public Safety	-	-	-	484,046	-	484,046
Health and Human Services	-	-	-	24,889	-	24,889
Culture, Recreation and Education	-	-	-	327,810	-	327,810
Conservation and Development	-	-	-	169,902	-	169,902
Debt Service						
Principal Retirement	-	-	8,267,572	-	-	8,267,572
Interest and Fiscal Charges	-	-	2,169,716	128,671	-	2,298,387
Total Expenditures	<u>35,264,163</u>	<u>44,689,223</u>	<u>10,437,288</u>	<u>4,435,318</u>	<u>4,558,682</u>	<u>99,384,674</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,097,790</u>	<u>(3,768,802)</u>	<u>(204,269)</u>	<u>(4,378,659)</u>	<u>150,450</u>	<u>(6,103,490)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	9,855,000	-	9,855,000
Premium on Bonds	-	-	154,935	67,384	-	222,319
Bond Interest Rebates	-	-	522,599	-	-	522,599
Insurance Proceeds	-	-	-	339,124	-	339,124
Transfers In	-	2,907,534	-	-	235,391	3,142,925
Transfers Out	(3,142,925)	-	-	(5,288,722)	-	(8,431,647)
Total Other Financing Sources (Uses)	<u>(3,142,925)</u>	<u>2,907,534</u>	<u>677,534</u>	<u>4,972,786</u>	<u>235,391</u>	<u>5,650,320</u>
Net Change in Fund Balance	<u>(1,045,135)</u>	<u>(861,268)</u>	<u>473,265</u>	<u>594,127</u>	<u>385,841</u>	<u>(453,170)</u>
Fund Balance (Deficit) - January 1	<u>12,964,373</u>	<u>(1,285,974)</u>	<u>3,428,298</u>	<u>(657,434)</u>	<u>620,621</u>	<u>15,069,884</u>
Fund Balance (Deficit) - December 31	<u>\$ 11,919,238</u>	<u>\$ (2,147,242)</u>	<u>\$ 3,901,563</u>	<u>\$ (63,307)</u>	<u>\$ 1,006,462</u>	<u>\$ 14,616,714</u>

EAU CLAIRE COUNTY, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ (453,170)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital outlay	\$ 11,785,428	
Depreciation	(6,087,443)	5,697,985
Increase(Decrease) in the net Pension Asset (Liability)	(2,586,770)	
Less amount allocated to Business-type activities	284,698	(2,302,072)
Increase(Decrease) in the net Life Insurance Asset (Liability)	(114,958)	
Less amount allocated to Business-type activities	28,787	(86,171)
Unavailable revenue in the governmental funds is reported as revenue on the entity-wide financial statements		36,857
Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in long-term liabilities in the statement of net position and does not affect the statement of activities. The amount of the long-term debt incurred in current year is		(9,855,000)
Premiums are reported as other financing sources in governmental funds but are amortized over the life of the related debt in the government wide statements. The premium on debt issued is		(222,319)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consisted of:		
Principal Retirement on Bonds and Notes	8,260,000	
Principal on Long-Term payable to City of Eau Claire	7,572	8,267,572
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Amortization of Debt Premium	202,600	
Amortization of Deferred Charge on Refunding	(36,074)	
Net Change in Accrued Interest Payable	(27,859)	
Net Change in Compensated Absences	155,452	294,119
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations)		(288,749)
Internal service funds are used by management to account for risk management operations. The change in net position of this internal services fund is allocated to governmental activities.		
Amount allocated to Enterprise Funds	568,498	
	24,706	593,205
Change in Net Position of Governmental Activities		\$ 1,682,257

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

EAU CLAIRE COUNTY, WISCONSIN

Statement of Net Position
Proprietary Funds

December 31, 2019

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

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

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds

For the Year Ended December 31, 2019

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

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

EAU CLAIRE COUNTY, WISCONSIN

Statement of Cash Flows
Proprietary Funds

For the Year Ended December 31, 2019

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

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

EAU CLAIRE COUNTY, WISCONSIN
Statement of Net Position
Fiduciary Funds

December 31, 2019

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

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The financial statements of Eau Claire County (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

A. Reporting Entity

Eau Claire County is governed by a board of supervisors consisting of 29 elected members.

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

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report includes the following component unit:

B. Discretely Presented Component Unit

The government-wide financial statements include the Friends of Beaver Creek Reserve, Inc. (Beaver Creek) as a component unit. Beaver Creek is a legally separate organization. Beaver Creek is led by an elected board of directors. The County is not legally obligated or has otherwise assumed the obligation to finance the deficits of Beaver Creek. As a component unit, Beaver Creek's financial statements have been presented as a discrete column in the financial statements. It is reported in a separate column to emphasize that it is legally separate from the County. The information presented is for the fiscal year ended December 31, 2019. Separately issued financial statements of Beaver Creek may be obtained from the Beaver Creek's office at S1 County Road K, Fall Creek, Wisconsin.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Government-Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described below:

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

2. Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those accounted for in another fund.

Human Services Fund – The Human Services Fund, a special revenue fund, is used to account for various County human services programs funded by restricted and committed sources. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County. The Juvenile Detention Center is also accounted for through the human services fund.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs of governmental funds.

Capital Projects Fund – The Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets

Enterprise Funds

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the highway department and airport are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major enterprise funds:

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

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The County reports the following nonmajor governmental funds:

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

In addition, the County reports the following fund types:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund – The Fiduciary Fund is used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The following are components of the County's fiduciary fund:

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

D. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency funds do not have a measurement focus.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers general revenues to be available if they are collected within 60 days after the end of the current fiscal period. Certain intergovernmental grant and aid revenue under cost reimbursement programs are recognized when collected within 90 days after the end of the current fiscal period. This period is extended through 180 days for the Aging and Disability Resource Center and the Department of Human Services. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, public charges for services and interest associated with the current fiscal period are all considered to be available to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

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

1. Time deposits in any credit union, bank, savings bank, or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. The local government investment pool.
7. Repurchase agreements with public depositories, with certain conditions.

The county has adopted an investment policy. That policy states that authorized investments shall conform to Wisconsin Statutes. It further states that deposits with banking institutions in excess of \$500,000 must be collateralized with pledged bank securities or secured by insurance or a deposit guarantee bond up to the total deposit in excess of the \$500,000.

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

Investments are stated at amortized cost or fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. Adjustments necessary to record investments at fair value are recorded in the operating statement as increase or decreases in investment income.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Statutes Chapter 25. The SIF reports the value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2019, the value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Receivables

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

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows in the funds budgeted therefore.

The County also collects taxes for the City of Eau Claire, the City of Altoona and the Town of Ludington at which time unpaid taxes are assigned to the County and appropriate receivables and payables are recorded. Tax collections become the responsibility of the County and taxes receivable include unpaid taxes for all taxing entities within the county. The County makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

Accounts Receivable. Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since County administration believes such allowance would not be material.

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

Loans Receivable. The County has received federal and state grant funds for housing rehabilitation loans. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as rehabilitation loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's practice to record, in the fund financial statements, deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded.

Interfund Balances. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories and Prepaid Items.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Restricted Assets.

Mandatory segregations of assets, if any, are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Funds on deposit with Wisconsin Municipal Mutual Insurance Company (WMMIC) for payment of insurance claims are combined with other participating governments. The county's deposit at year end was \$347,144. This amount is recorded as a restricted asset in the internal service fund. Funds on hand at year end that have been segregated for use in the housing rehabilitation loan program totaled \$74,046. These funds have been set aside to facilitate additional revolving loans, as per Note 2.B. This amount has been recorded as a restricted asset in the general fund. Both amounts are recorded as restricted assets in the government-wide financial statements.

5. Capital Assets

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

Government-Wide Statements. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current year.

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Type	Capitalization Threshold	Depreciation Method		Estimated Useful Life	
Land					
Land Improvements	\$ 5,000	N/A		N/A	
Buildings and Improvements	5,000	Straight-Line		15-50 years	
Machinery and Equipment	5,000	Straight-Line		20-50 years	
Infrastructure	25,000	Straight-Line		3-20 years	
Intangibles	5,000	Straight-Line		25-50 years	
				10 years	

Capital assets not being depreciated include land and construction in progress.

Fund Financial Statements. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Deferred Outflows of Resources

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. During the current year, the County reports deferred outflows of resources in its government-wide and proprietary fund financial statements for the Wisconsin Retirement System Pension Plan related items and the State Life Insurance Other Post-Employment Benefits. The County also reports a deferred charge on refunding which reflects the difference in the carrying value of refunded debt and its reacquisition price on the government-wide financial statement.

7. Deferred Inflows of Resources

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (generally collected no later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The County also reports a deferred inflow of resources in its government-wide and proprietary fund financial statements for the Wisconsin Retirement System Pension related items and the State Life Insurance Other Post-Employment Benefits in the current year.

8. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 2.F.

9. Wisconsin Retirement System Pension Plan Benefits

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Use of Restricted Resources

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

13. Equity Classifications

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

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

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

1. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that will never be converted to cash or will not be converted to cash soon enough to affect the current period.
2. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties.
3. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Any changes to the constraints imposed require the same formal action of the county board that originally created the commitment.
4. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board.
5. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 20% and 30% of the ensuing year's budgeted general fund expenditures, or the County's projected annual general debt service payment, whichever is greater.

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

NOTE 2: DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments.

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

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

The cash and investment balances consisted of the following:

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

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

The insurance coverage of accounts held by government depositories is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.)

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the County's deposits may not be returned.

Custodial credit risk for deposits is the risk that in event of bank failure, the County's deposits may not be returned. At December 31, 2019 the deposits were fully collateralized.

Investments. The County's investments at December 31, 2019 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool) and repurchase agreements.

Deposits in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. The average monthly weighted average maturity of the State Investment Fund's investments for 2019 was 22 days.

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

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

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. At December 31, 2019, the County carries no investments with maturity dates in excess of a year.

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

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Housing Rehabilitation Loans. The County has been awarded federal Community Development Block Grant (CDBG) Program grants through the Wisconsin Department of Administration for the purpose of financing housing rehabilitation loans. Repayments received on the original loans are to be recorded in a separate housing revolving loan account and are to be used to finance similar loans eligible under the program. At December 31, 2019, the County had 64 loans outstanding totaling \$773,495. The County has delegated the administration of this program to the Eau Claire County Housing Authority, and performs annual oversight activities over the management of the program.

C. Capital Assets

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

Governmental Activities			
Capital Assets, Not Being Depreciated:	Balance January 1	Increases	Decreases
Land	\$ 4,088,090	\$ -	\$ -
Land-Right of Ways	2,249,109	2,779	-
Infrastructure Construction in Progress	1,777,334	3,274,105	(974,766)
Other Work in Progress	387,255	1,774,269	(363,275)
Total Capital Assets, Not Being Depreciated	8,502,788	5,051,153	(1,338,041)
			12,215,900
Capital Assets, Being Depreciated			
Land Improvements	4,321,190	61,250	-
Intangibles	2,841,585	-	-
Buildings and Improvements	80,507,108	359,175	-
Machinery and Equipment	8,482,144	2,085,842	(259,432)
Infrastructure	127,200,448	5,547,830	(2,386,948)
Total Capital Assets, Being Depreciated	223,352,475	8,054,097	(2,646,380)
			228,760,192
Less accumulated depreciation for:			
Land Improvements	984,863	101,596	-
Intangibles	754,661	202,044	-
Buildings and Improvements	20,192,761	1,683,873	-
Machinery and Equipment	4,863,886	979,330	(211,753)
Infrastructure	44,683,800	3,120,600	(2,164,100)
Total Accumulated Depreciation	71,479,971	6,087,443	(2,375,853)
			75,191,561
Capital Assets, Net of Depreciation	\$ 160,375,292	\$ 7,017,807	\$ (1,608,568)
			\$ 165,784,531

Depreciation expense was charged to governmental functions as follows:

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

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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

Business-Type Activities			
Capital Assets, not being depreciated:	Balance January 1	Increases	Decreases
Land	\$ 2,140,502	\$ 355,477	\$ -
Construction work in progress	1,416,195	3,209,615	(1,112,617)
Total capital assets, not being depreciated	3,556,697	3,565,092	(1,112,617)
			6,009,172
Capital assets, being depreciated:			
Land improvements	17,965,869	8,748,969	-
Buildings and Improvements	30,067,426	216,275	-
Machinery and Equipment	17,111,310	626,030	(1,231,749)
Total Capital Assets, Being Depreciated	65,144,605	9,591,274	(1,231,749)
			73,504,130
Less accumulated depreciation for:			
Land Improvements	10,723,108	670,211	-
Buildings and Other Improvements	11,988,410	892,251	-
Machinery and Equipment	8,456,287	927,185	(1,030,458)
Total Accumulated Depreciation	31,167,805	2,489,647	(1,030,458)
			32,626,994
Business-Type Activities Capital Assets, Net	\$ 37,533,497	\$ 10,666,719	\$ (1,313,908)
			\$ 46,886,308
Depreciation was charged to business-type activities as follows:			
Airport		\$ 1,574,923	
Highway		914,724	
		\$ 2,489,647	

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

D. Interfund Receivables and Payables

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

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

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2020. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Within the government-wide statement of net position the County reports an internal balance of \$148,380, which reflects the interfund receivable/payable created with the internal service funds elimination for the statement.

E. Interfund Transfers

Interfund transfers during the year consisted of the following:

Fund Transferred To	Fund Transferred From
Highway Department	Capital Projects
Human Services Fund	General Fund
Anti-Drug Program Fund	General Fund
Shared Communications Fund	Capital Projects
	Amount
	\$ 4,600,000
	2,907,534
	235,391
	688,722
	<u>\$ 8,431,647</u>

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

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Obligations

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

	Balance, January 1	Additions	Removals	Balance, December 31	Due Within One Year
Governmental Activities					
General Obligation Bonds/Notes	\$84,830,000	\$ 9,855,000	\$ (8,280,000)	\$ 86,425,000	\$ 9,490,000
Premium on Bonds/Notes	1,561,907	222,319	(202,600)	1,581,626	-
Subtotal	86,391,907	10,077,319	(8,482,600)	88,006,626	9,490,000
Other Liabilities					
Vested Compensated Absences	3,202,180	-	(132,293)	3,069,887	1,841,932
Unpaid Self-Insurance Claims	1,643,175	367,910	(275,366)	1,735,699	838,428
Long-Term Payable to City of Eau Claire	87,078	-	(7,572)	79,506	7,572
Total Other Liabilities	4,932,433	367,910	(415,251)	4,885,092	2,687,932
Total Governmental Activities					
Long-Term Obligations	91,324,340	10,445,229	(8,877,851)	92,891,718	12,177,932
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	491,360	-	(105,503)	385,857	109,420
Other Liabilities					
Capital Leases Payable	1,736,694	-	(432,562)	1,304,132	441,349
Vested Compensated Absences	423,146	-	(101,997)	321,149	192,688
Total Other Liabilities	2,159,840	-	(534,559)	1,625,281	634,037
Total Business-Type Activities					
Long-Term Obligations	2,651,200	-	(640,062)	2,011,138	743,457
Total - All Activities	\$93,975,540	\$10,445,229	\$ (9,517,913)	\$ 94,902,856	\$12,921,389

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

Governmental Activities				
year	Principal	Interest	Total	
2020	\$ 9,490,000	\$ 2,356,920	\$ 11,846,920	
2021	9,540,000	2,151,381	11,691,381	
2022	9,795,000	1,904,966	11,699,966	
2023	10,140,000	1,648,793	11,788,793	
2024	9,440,000	1,412,273	10,852,273	
2025-2029	30,670,000	4,238,653	34,908,653	
2030-2031	7,350,000	468,900	7,818,900	
	\$86,425,000	\$14,181,886	\$ 100,606,886	
Business-Type Activities				
2020	\$ 109,420	\$ 14,509	\$ 123,929	
2021	113,563	10,366	123,929	
2022	117,822	6,108	123,930	
2023	45,052	1,689	46,741	
	\$ 385,857	\$ 32,672	\$ 418,529	

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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

	Debt Detail				
	Issue Date	Final Maturity Date	Interest Rate	Total Payable 12/31/19	Current Portion 12/31/19
Governmental Activities:					
General Obligation Bonds/Notes:					
2010A	9/21/2010	9/01/2020	2.00 - 3.00	\$ 5,080,000	\$ 415,000
2010B	11/9/2010	9/1/2030	3.70 - 5.10	9,190,000	-
2011B	12/22/2011	9/1/2031	3.00 - 4.00	15,335,000	710,000
2013A	10/22/2013	9/1/2023	2.00 - 2.50	7,600,000	770,000
2014A	10/22/2014	9/1/2024	1.00 - 2.25	10,000,000	1,005,000
2015A	10/17/2015	9/1/2025	2.00 - 2.25	9,500,000	935,000
2016A	9/7/2016	9/1/2026	2.00 - 3.00	12,630,000	1,200,000
2016B	9/7/2016	9/1/2027	1.25 - 2.00	14,235,000	1,370,000
2017A	10/24/2017	9/1/2027	1.25 - 2.00	9,750,000	910,000
2018A	11/1/2018	9/1/2028	3.00 - 4.00	10,000,000	890,000
2019A	10/30/2019	9/1/2028	2.00 - 3.00	9,855,000	1,285,000
Total General Obligation Bonds/Notes				\$ 115,840,000	\$ 9,490,000
Total Governmental Activities				\$ 115,840,000	\$ 9,490,000
Business-Type Activities					
General Obligation Notes					
State Trust Fund	1/31/2014	3/15/2022	3.75	\$ 522,802	\$ 215,202
State Trust Fund	1/31/2014	3/15/2023	3.75	350,000	170,655
Total General Obligation Bonds				\$ 872,802	\$ 385,857
Total Business Type Activities				\$ 872,802	\$ 385,857
Total General Obligation Debt				\$ 116,712,802	\$ 9,599,420

General Obligation Debt Limitation, Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the county. At December 31, 2019, the County's debt limit amounted to \$461,024,615 and indebtedness subject to the limitation totaled \$86,810,857.

Employee Leave Liability. Employees earn paid time off (PTO) at varying rates based on length of service which includes maximum accrual hours as stated in the County's policy. Upon separation of service from the County based on years of service and date hired the County will notify the separated employee of the method of pay out. The payout is based on the current rate of pay. At December 31, 2019, vested PTO earned and not taken was approximately \$3,069,887 in the governmental funds and \$321,149 in the business-type activities determined on the basis of current wage and salary rates.

Capital Leases. The County has entered into leases for the purchase of vehicles and equipment within the Highway fund. The assets acquired through capital leases included in the previous capital asset schedule total \$3,066,421 in cost and have accumulated depreciation totaling \$824,726 for a net book value of \$2,242,145 as of December 31, 2019.

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

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

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

Lease Disclosures. The County has a 20-year lease, which began January 1, 2014 and continues through December 31, 2033, to allow the City of Eau Claire to operate a Joint Law Enforcement Center within the Eau Claire Courthouse. The lease may be extended for up to two additional ten-year terms at the option of the City. The monthly rental rate is adjusted annually based on actual operational costs. The total rental payments received by the county were \$313,860 for the year ended December 31, 2019.

In addition, the County has a 10-year lease, which began January 1, 2013 and continues through December 31, 2022, to allow the City-County Health Department to use space on the ground floor of the Eau Claire Courthouse. The lease may be extended for up to two additional five-year terms at the option of the County. The monthly rental rate is adjusted annually based on actual operational costs. The total rental payments received by the county were \$122,800 for the year ended December 31, 2019.

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

NOTE 2: DETAILED NOTES ON ALL FUNDS (continued)

G. Governmental Fund Balances

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

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

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

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

NOTE 3: OTHER INFORMATION

A. Wisconsin Retirement System (WRS) Pension Plan Benefits

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Comprehensive Annual Financial Report which can be found at <http://efr.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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

NOTE 3: OTHER INFORMATION (continued)

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2.1)%	(4.2)%
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	2.5
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2019 through December 31, 2019, the WRS recognized \$2,129,644 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

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

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

NOTE 3: OTHER INFORMATION (continued)

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

At December 31, 2019, the County reported a liability of \$7,159,347 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.20123608%, which was an increase of 0.005027540% from its proportion measured as of December 31, 2017.

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

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

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

Deferred outflows of resources of \$2,129,644 related to pensions, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Expense/Benefit
2020	\$10,118,133	(\$7,472,230)	\$2,645,903
2021	6,676,442	(6,007,608)	668,834
2022	6,545,034	(5,377,041)	1,167,993
2023	4,754,457	(1,891,435)	2,863,022

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

NOTE 3: OTHER INFORMATION (continued)

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

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

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

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

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

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

NOTE 3: OTHER INFORMATION (continued)

Asset Allocation Targets and Expected Returns As of December 31, 2018			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

Discount rate. A single discount rate of 7.00% was used to measure the total pension liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a long-term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 3: OTHER INFORMATION (continued)

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate.

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

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

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://efw.wi.gov/publications/cafr.htm>.

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

Summary of Significant Accounting Policies

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the Net OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Other Post-Employment Benefits

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://efw.wi.gov/publications/cafr.htm>

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

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

NOTE 3: OTHER INFORMATION (continued)

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2018 are as listed below:

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

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

At December 31, 2019, the County reported a liability of \$1,278,451 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.49545900%, which was a decrease of 0.001436% from its proportion measured as of December 31, 2017.

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

NOTE 3: OTHER INFORMATION (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$0	(\$6,485)
Net differences between projected and investment earnings on plan investments	30,553	0
Changes in actuarial assumptions	121,984	(277,118)
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	(18,810)
Employer contributions subsequent to the measurement date	6,935	0
Total	\$159,472	(\$36,782)

Deferred outflows of resources of \$6,935 related to OPEB, resulting from the County's contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Expense/(Benefit)
2020	\$30,770	(\$59,270)	(\$28,500)
2021	30,770	(59,270)	(28,500)
2022	30,770	(59,270)	(28,500)
2023	26,479	(59,270)	(32,791)
2024	22,059	(59,270)	(37,211)
Thereafter	11,689	(64,432)	(52,743)

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

NOTE 3: OTHER INFORMATION (continued)

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

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

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

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. Asset allocation targets and expected returns as of December 31, 2018 are as follows:

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

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

NOTE 3: OTHER INFORMATION (continued)

Single Discount rate. A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

Sensitivity of the County's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the County's proportionate share of the net OPEB liability calculated using the discount rate of 4.22%, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22%) or 1-percentage-point higher (5.22%) than the current rate:

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

C. Risk Management

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

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

Public Entity Risk Pool- Wisconsin Municipal Insurance Company

The County is self-insured for workers' compensation coverage. Claims are paid through Wisconsin Municipal Mutual Insurance Company.

Wisconsin Municipal Mutual Insurance Company (WMMIC) was organized in 1987 by municipal members in the State of Wisconsin under Wisconsin Insurance Laws as a non-assessable municipal insurance company. WMMIC writes general, auto, and other liability insurance for participating members in the State of Wisconsin on terms calling for recognition of premium upon the effective date of the policy.

Responsibility for the operations and the management of WMMIC is vested in its executive director and Board of Directors, which is comprised of various municipal officials.

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

NOTE 3: OTHER INFORMATION (continued)

WMMIC limits the maximum net loss that can arise from large risks or risks in concentrated areas of exposure by reinsuring (ceding) certain levels or risks with other insurers or reinsurers. Ceded reinsurance is treated as the risk and liability of the assuming companies. Such reinsurance includes all lines of insurance.

WMMIC had a general, automobile, and other liability reinsurance contract in force for the year ended December 31, 2019. This is a quota share reinsurance agreement with General Reinsurance Corporation (66.7%) and Governmental Entities Mutual (GEM) Insurance Company (33.3%) for excess of loss reinsurance. The contract covered losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to the maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the loss excess of each member's self-insured retention. The members retain all losses greater than \$10,000,000 per occurrence or greater than \$30,000,000 of aggregate losses for public officials' liability only. GEM has established and funded a trust account for its anticipated loss obligations to WMMIC to satisfy state regulatory requirements due to its status as an unauthorized reinsurer in Wisconsin.

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

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

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

Self-insured Health Insurance

The County contracted with a third-party administrator (TPA) to self-insure a portion of employee health insurance deductibles. The County uses this TPA to manage a medical reimbursement program that works to offset health insurance copays and deductibles that an employee may incur through the county health insurance plan. The program is designed to save the County money on fully insured health insurance plans.

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Claim liabilities are based on information received prior to the issue of the financial statements that indicate a claim has been incurred as of the date of the financial statements. The County does not allocate overhead costs or other non-incremental costs to the claims liability.

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

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

NOTE 3: OTHER INFORMATION (continued)

Claims Summary

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

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

D. Contingencies

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

E. Subsequent Events

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

General Obligation Promissory Notes Issued

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

Pandemic

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

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

NOTE 4: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Expenditures in Excess of Budget

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

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

B. Deficit Balances

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

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

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

The Human Services fund deficit will be primarily funded upon receipt of the Wisconsin Medicaid Cost Reporting (WIMCR) reimbursement from the State of Wisconsin. This reimbursement is expected to be received in December 2020. The Capital Projects Fund deficit will be funded through the 2020 tax levy.

Required Supplementary Information

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EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2019					
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive/(Negative)	
REVENUES					
Taxes	\$ 26,982,875	\$ 26,982,875	\$ 27,391,782	\$ 408,907	
Intergovernmental Grants/Aids	2,907,106	3,150,632	2,994,416	(156,216)	
Licenses and Permits	416,680	416,680	493,743	77,063	
Fines, Forfeits and Penalties	290,000	290,000	374,573	84,573	
Public Charges for Services	4,021,287	4,021,287	4,475,686	454,399	
Intergovernmental Charges for Services	233,058	233,058	151,185	(81,185)	
Investment Income	450,000	450,000	621,277	171,277	
Other Revenues	590,224	590,224	858,603	268,379	
Total Revenues	35,891,230	36,134,756	37,361,953	1,227,197	
EXPENDITURES					
General Government	13,248,599	13,343,786	12,441,725	902,061	
Public Safety	15,822,962	16,076,328	15,593,510	484,818	
Health and Human Services	2,969,071	3,000,502	2,976,610	23,892	
Culture, Recreation and Education	2,456,680	2,601,081	2,350,149	250,932	
Conservation and Development	1,841,376	1,866,642	1,902,169	(35,527)	
Total Expenditures	36,338,688	36,890,339	35,264,163	1,626,176	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(447,458)	(755,583)	2,097,790	2,853,373	
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	(3,142,925)	(3,142,925)	
Net Change in Fund Balance	\$ (447,458)	\$ (755,583)	(1,045,135)	\$ (289,552)	
Fund Balance (Deficit) - January 1			12,964,373		
Fund Balance (Deficit)- December 31			\$ 11,919,238		

The notes to the required supplemental information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Human Services Fund

For the Year Ended December 31, 2016					
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive/(Negative)	
REVENUES					
Taxes	\$ 8,852,473	\$ 8,852,473	\$ 8,852,473	\$ -	
Intergovernmental Grants/Aids	21,414,432	21,494,402	30,349,453	8,855,051	
Public Charges for Services	799,437	829,437	859,255	29,818	
Intergovernmental Charges for Services	1,149,500	1,149,500	681,602	(467,898)	
Other Revenues	216,530	216,530	177,638	(38,892)	
Total Revenues	32,432,372	32,542,342	40,920,421	8,378,079	
EXPENDITURES					
Public Safety	1,293,675	1,293,675	1,258,753	34,922	
Health and Human Services	31,138,697	31,280,878	43,430,470	(12,149,592)	
Total Expenditures	32,432,372	32,574,553	44,689,223	(12,114,670)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(32,211)	(3,768,802)	(3,736,591)	
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	2,907,534	2,907,534	
Net Change in Fund Balance	\$ -	\$ (32,211)	(861,268)	\$ (829,057)	
Fund Balance (Deficit) - January 1			(1,285,974)		
Fund Balance (Deficit) - December 31			\$ (2,147,242)		

The notes to the required supplemental information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST FIVE FISCAL YEARS

Measurement Date: December 31,	2014	2015	2016	2017	2018
County's Proportion of the Net Pension Liability (Asset)	0.19198544%	0.19319466%	0.19356886%	0.19620854%	0.20123608%
County's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,715,689)	\$ 3,139,376	\$ 1,595,470	\$ (5,825,664)	\$ 7,159,347
County's Covered Employee Payroll	\$ 25,767,642	\$ 26,161,108	\$ 27,080,193	\$ 28,162,983	\$ 30,080,843
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-18.30%	12.00%	5.89%	-20.69%	23.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	102.74%	98.20%	96.12%	102.93%	96.45%

The notes to the required supplementary information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN
LAST FIVE FISCAL YEARS

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

This schedule is presented prospectively from year of implementation

The notes to the required supplementary information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY (ASSET)
LAST TWO FISCAL YEARS

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

The notes to the required supplementary information are an integral part of this statement.

EAU CLAIRE COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO
NET OTHER POST-EMPLOYMENT BENEFIT LIABILITY (ASSET)
LAST TWO FISCAL YEARS

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

This schedule is presented prospectively from year of implementation

The notes to the required supplementary information are an integral part of this statement.

**EAU CLAIRE COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general and human services funds are derived from the County's annual operating budget.

The County's legal budget is adopted at the functional level of expenditures. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts, and appropriations of revenues and other sources for specified expenditure/uses. Transfers of budgeted amounts between departments and changes to the overall budget must be approved by a vote of two-thirds of the entire membership of the governing body. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

The County had some overdrawn appropriations for the year ended December 31, 2019. It is recognized that overdrawn appropriations are contrary to Section 66.0607 of the Wisconsin Statutes.

WISCONSIN RETIREMENT SYSTEM PENSION PLAN

Changes of Benefit Terms – There were no changes of benefit terms for any participating employer in WRS.

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

WISCONSIN RETIREMENT SYSTEM – OTHER POST EMPLOYMENT BENEFITS

Changes of Benefit Terms – There were no changes of benefit terms for any participating employer in WRS.

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

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Supplementary Information

EAU CLAIRE COUNTY, WISCONSIN DEBT SERVICE FUND Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

CAPITAL PROJECTS FUND

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

For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Taxes	\$ 20,000	\$ 20,000	\$ -	\$ -
Intergovernmental Grants/Aids	166,350	166,350	-	(166,350)
Intergovernmental Charges for Services	-	-	466	466
Investment Income	-	-	60	60
Other Revenues	-	-	36,133	36,133
Total Revenues	<u>186,350</u>	<u>186,350</u>	<u>56,659</u>	<u>(129,690)</u>
EXPENDITURES				
Capital Outlay				
General Government	4,175,309	5,120,652	3,300,000	1,820,652
Public Safety	409,000	834,000	484,046	349,954
Health and Human Services	65,000	65,000	24,889	40,111
Culture, Recreation and Education	457,500	521,552	327,810	193,742
Conservation and Development	267,350	267,350	169,902	97,448
Debt Service	-	-	-	-
Interest and Fiscal Charges	-	-	128,671	(128,671)
Total Expenditures	<u>5,377,159</u>	<u>6,808,554</u>	<u>4,435,316</u>	<u>2,373,236</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,190,809)</u>	<u>(6,622,204)</u>	<u>(4,378,659)</u>	<u>2,243,545</u>
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	5,190,809	5,190,809	9,855,000	4,664,191
Premium on Bonds/Notes	-	-	67,364	67,364
Insurance Proceeds	-	-	339,124	339,124
Transfers Out	-	-	(5,288,722)	(5,288,722)
Total Other Financing Sources (Uses)	<u>5,190,809</u>	<u>5,190,809</u>	<u>4,972,766</u>	<u>(218,023)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,431,395)</u>	<u>594,127</u>	<u>\$ 2,025,522</u>
Fund Balance (Deficit) - January 1			<u>(657,434)</u>	
Fund Balance (Deficit) - December 31			<u>\$ (63,307)</u>	

EAU CLAIRE COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet

December 31, 2019

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

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

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

AGING & DISABILITY RESOURCE CENTER SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

WATERSHED SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

ANTHROPOL PROGRAM SPECIAL REVENUE FUND

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

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

RECYCLING SPECIAL REVENUE FUND

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

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

LAND RECORD SPECIAL REVENUE FUND

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

For the Year Ended December 31, 2019

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

EAU CLAIRE COUNTY, WISCONSIN

Combining Statement of Net Position

Internal Service Funds

December 31, 2019

	Risk Management	Health Insurance	Shared Services	Total
ASSETS				
Current Assets:				
Cash and Temporary Cash Investments	\$ 1,841,243	\$ -	\$ 825,100	\$ 2,666,343
Prepaid Items	-	516,703	-	516,703
Restricted Assets				
Cash	347,144	-	-	347,144
Total Current Assets	<u>2,188,387</u>	<u>516,703</u>	<u>825,100</u>	<u>3,530,190</u>
Noncurrent Assets:				
Deposit in Insurance Pool	999,731	-	-	999,731
Total Assets	<u>3,188,118</u>	<u>516,703</u>	<u>825,100</u>	<u>4,529,921</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	96,056	-	-	96,056
State Life Insurance Other Post Employment Benefit Related	2,025	-	-	2,025
Total Deferred Outflows of Resources	<u>98,081</u>	<u>-</u>	<u>-</u>	<u>98,081</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	46,315	29,563	14,869	90,747
Accrued Compensation	8,617	-	-	8,617
Due to Other Funds	-	316,005	-	316,005
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	13,895	-	-	13,895
Claims Payable	700,729	137,699	-	838,428
Total Current Liabilities	<u>769,556</u>	<u>483,267</u>	<u>14,869</u>	<u>1,267,692</u>
Long-Term Liabilities (Net of Current Portion)				
Wisconsin Retirement System Pension Related	35,502	-	-	35,502
State Life Insurance Other Post Employment Benefit Related	16,235	-	-	16,235
Claims Payable	897,271	-	-	897,271
Accrued Employee Leave	9,264	-	-	9,264
Total Noncurrent Liabilities	<u>958,272</u>	<u>-</u>	<u>-</u>	<u>958,272</u>
Total Liabilities	<u>1,727,828</u>	<u>483,267</u>	<u>14,869</u>	<u>2,225,964</u>
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	49,069	-	-	49,069
State Life Insurance Other Post Employment Benefit Related	4,562	-	-	4,562
Total Deferred Inflows of Resources	<u>53,631</u>	<u>-</u>	<u>-</u>	<u>53,631</u>
NET POSITION				
Unrestricted	1,504,720	33,436	810,231	2,348,387
Total Net Position	<u>\$ 1,504,720</u>	<u>\$ 33,436</u>	<u>\$ 810,231</u>	<u>\$ 2,348,387</u>

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

For the Year Ended December 31, 2019

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

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

For the Year Ended December 31, 2019

	Risk Management	Health Insurance	Shared Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 1,157,106	\$ 8,287,508	\$ 244,756	\$ 9,689,370
Cash Paid to Suppliers for Goods and Services	(869,170)	(7,750,341)	(108,378)	(8,427,889)
Claims Paid	(1,535,805)	(822,403)	-	(1,135,568)
Payments on Behalf of Employees	(182,776)	-	-	(182,776)
Net Cash Provided by (Used for) Operating Activities	(230,519)	(385,238)	136,378	(479,377)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Miscellaneous Revenue Received for Operating Activities	-	20,000	-	20,000
Transfer from (to) Other Funds for Operating Activities	(49,231)	385,238	688,722	1,024,727
Net Cash Provided by (Used for) Noncapital Financing Activities	(49,231)	385,238	688,722	1,024,727
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	43,716	-	-	43,716
Net Cash Provided by (Used for) Investing Activities	43,716	-	-	43,716
Net Increase (Decrease) in Cash	(236,034)	-	825,100	589,066
Cash Balance at Beginning of Year	2,424,421	-	-	2,424,421
Cash Balance at End of Year	<u>\$ 2,188,387</u>	<u>\$ -</u>	<u>\$ 825,100</u>	<u>\$ 3,013,487</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (loss)	\$ (269,654)	\$ (35,795)	\$ 121,509	\$ (183,940)
Adjustments to reconcile the excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Change in WRS Asset/Liability	54,423	-	-	54,423
Change in WRS Deferred Outflow	(65,131)	-	-	(65,131)
Change in WRS Deferred Inflow	11,594	-	-	11,594
Change in Operating Outflow	1,442	-	-	1,442
Change in OPEB Deferred Inflow	1,771	-	-	1,771
Change in operating assets and liabilities:	4,524	-	-	4,524
Decrease (increase) in:				
Other Accounts Receivable	8,173	-	-	8,173
Due from Other Governments	10,064	-	-	10,064
Prepaid Expenses	-	(516,703)	-	(516,703)
Increase (Decrease) in:				
Accounts Payable	21,402	29,693	14,869	65,934
Accrued Compensation	282	-	-	282
Accrued Employee Leave	23,159	-	-	23,159
Claims Payable	(45,175)	137,699	-	92,524
Total Adjustments	39,135	(349,441)	14,869	(295,437)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (200,519)</u>	<u>\$ (385,238)</u>	<u>\$ 136,378</u>	<u>\$ (479,377)</u>

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

December 31, 2019

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

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

April 6, 2021

Re: Eau Claire County, Wisconsin ("Issuer")
\$24,350,000 General Obligation Highway Facility Bonds, Series 2021B,
dated April 6, 2021 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on the dates and in the principal amounts as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
09/01/2022	\$910,000	____%
09/01/2023	1,085,000	____
09/01/2024	1,095,000	____
09/01/2025	1,105,000	____
09/01/2026	1,115,000	____
09/01/2027	1,125,000	____
09/01/2028	1,135,000	____
09/01/2029	1,150,000	____
09/01/2030	1,170,000	____
09/01/2031	1,185,000	____
09/01/2032	1,205,000	____
09/01/2033	1,230,000	____
09/01/2034	1,255,000	____
09/01/2035	1,280,000	____
09/01/2036	1,305,000	____
09/01/2037	1,330,000	____
09/01/2038	1,360,000	____
09/01/2039	1,395,000	____
09/01/2040	1,430,000	____
03/01/2041	1,485,000	____

Interest is payable semi-annually on March 1 and September 1 of each year commencing on March 1, 2022.

The Bonds maturing on September 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on September 1, 2029 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.
2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Bonds, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Bonds.
3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Eau Claire County, Wisconsin (the "Issuer") in connection with the issuance of \$24,350,000 General Obligation Highway Facility Bonds, Series 2021B, dated April 6, 2021 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on February 17, 2021 and March 16, 2021 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated March 17, 2021 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Eau Claire County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director of the Issuer who can be contacted at 721 Oxford Avenue, Suite 3400, Eau Claire, Wisconsin 54703, phone (715) 839-2827, fax (715) 839-1669.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ended December 31, 2020, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. TAX LEVIES AND COLLECTIONS - Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist

it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 6th day of April, 2021.

(SEAL)

Nicholas Smiar
Chairperson

Sue McDonald
County Clerk

APPENDIX E

NOTICE OF SALE

\$24,350,000* GENERAL OBLIGATION HIGHWAY FACILITY BONDS, SERIES 2021B EAU CLAIRE COUNTY, WISCONSIN

Bids for the purchase of \$24,350,000* General Obligation Highway Facility Bonds, Series 2021B (the "Bonds") of Eau Claire County, Wisconsin (the "County") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the County, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M. Central Time, on March 16, 2021, at which time they will be opened, read and tabulated. The bids will be presented to the County Board for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the County will be accepted unless all bids are rejected.

PURPOSE

The Bonds are authorized by the County pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of constructing and equipping a highway facility. The Bonds are general obligations of the County, and all the taxable property in the County is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Bonds will be dated April 6, 2021, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
9/1/2022	\$910,000	9/1/2029	\$1,150,000	9/1/2036	\$1,305,000
9/1/2023	1,085,000	9/1/2030	1,170,000	9/1/2037	1,330,000
9/1/2024	1,095,000	9/1/2031	1,185,000	9/1/2038	1,360,000
9/1/2025	1,105,000	9/1/2032	1,205,000	9/1/2039	1,395,000
9/1/2026	1,115,000	9/1/2033	1,230,000	9/1/2040	1,430,000
9/1/2027	1,125,000	9/1/2034	1,255,000	3/1/2041	1,485,000
9/1/2028	1,135,000	9/1/2035	1,280,000		

ADJUSTMENT OPTION

* The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on March 1 and September 1 of each year, commencing March 1, 2022, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The County may designate a County officer or select a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected as Paying Agent, the County will pay the charges for Paying Agent services. The County reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the County, the Bonds maturing on or after September 1, 2030 shall be subject to optional redemption prior to maturity on September 1, 2029 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the County. If only part of the Bonds having a common maturity date are called for redemption, then the County or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about April 6, 2021, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the County will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the County, threatened. Payment for the Bonds must be received by the County at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the County, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding general obligations of the County; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement.)

Quarles & Brady LLP has also been retained by the County to serve as Disclosure Counsel to the County with respect to the Bonds. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$24,155,200 plus accrued interest on the principal sum of \$24,350,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 11:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the County nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$487,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The County and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have

no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the County scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The County's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The County reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the County requested and received a rating on the Bonds from a rating agency, the County will pay that rating fee. Any rating agency fees not requested by the County are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The County will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The County will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, which permits financial institutions to deduct interest expenses allocable to the Bonds to the extent permitted under prior law.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the County will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the County under this Notice of

Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the County shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the County agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the County promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The County acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a “competitive sale” are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the County, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the County Board

Eau Claire County, Wisconsin

BID FORM

The County Board
Eau Claire County, Wisconsin

March 16, 2021

RE: \$24,350,000* General Obligation Highway Facility Bonds, Series 2021B (the "Bonds")
DATED: April 6, 2021

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$24,155,200) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing as follows:

_____ % due	9/1/2022	_____ % due	9/1/2029	_____ % due	9/1/2036
_____ % due	9/1/2023	_____ % due	9/1/2030	_____ % due	9/1/2037
_____ % due	9/1/2024	_____ % due	9/1/2031	_____ % due	9/1/2038
_____ % due	9/1/2025	_____ % due	9/1/2032	_____ % due	9/1/2039
_____ % due	9/1/2026	_____ % due	9/1/2033	_____ % due	9/1/2040
_____ % due	9/1/2027	_____ % due	9/1/2034	_____ % due	3/1/2041
_____ % due	9/1/2028	_____ % due	9/1/2035		

* The County reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 2.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2022 maturity, then the lowest rate that may be proposed for any later maturity is 2.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$487,000 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The County reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the County may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the County as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about April 6, 2021.

This bid is subject to the County's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the County with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from April 6, 2021 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the County Board of Eau Claire County, Wisconsin, on March 16, 2021.

By: _____ By: _____
Title: _____ Title: _____