

**CHIPPEWA COUNTY, WISCONSIN**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2012**

**CHIPPEWA COUNTY, WISCONSIN  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2012**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
STATEMENT OF NET POSITION	16
STATEMENT OF ACTIVITIES	17
BALANCE SHEET – GOVERNMENTAL FUNDS	18
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES	19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	20
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	21
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	24
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	26
NOTES TO BASIC FINANCIAL STATEMENTS	27
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULES</b>	
1 – BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	55
2 – BUDGETARY COMPARISON SCHEDULE – HUMAN SERVICES FUND	56
3 – BUDGETARY COMPARISON SCHEDULE – COUNTY SALES TAX FUND	57
SCHEDULE OF FUNDING PROGRESS	58
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	59
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS</b>	
<b>SCHEDULES</b>	
NONMAJOR GOVERNMENTAL FUNDS	
A-1 – COMBINING BALANCE SHEET	60
A-2 – COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	62

**CHIPPEWA COUNTY, WISCONSIN  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012**

**SUPPLEMENTARY INFORMATION (CONTINUED)**

**COMBINING AND INDIVIDUAL FUND STATEMENTS (CONTINUED)**

SCHEDULES (CONTINUED)

GENERAL FUND

B-1 – DETAILED BALANCE SHEET 64

B-2 – DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL 65

DEBT SERVICE FUND

C-1 – DETAILED BALANCE SHEET 73

C-2 – DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE 74

FARM LAND DEVELOPMENT ENTERPRISE FUND

D-1 – STATEMENT OF NET POSITION 75

D-2 – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET  
POSITION 76

D-3 – STATEMENT OF CASH FLOWS 77

INTERNAL SERVICE FUNDS

E-1 – COMBINING STATEMENT OF NET POSITION 78

E-2 – COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION 80

E-3 – COMBINING STATEMENT OF CASH FLOWS 81

E-4 – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET  
POSITION – HIGHWAY DEPARTMENT INTERNAL SERVICE FUND 83

E-5 – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET  
POSITION – SELF-FUNDED LIABILITY INSURANCE INTERNAL  
SERVICE FUND 85

AGENCY FUNDS

F-1 – COMBINING BALANCE SHEET 86



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## INDEPENDENT AUDITORS' REPORT

The County Board  
Chippewa County, Wisconsin

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County, (the County) as of and for the year ended December 31, 2012, 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, each major fund, and the aggregate remaining fund information of Chippewa County, Wisconsin, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress, 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 individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the 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 individual and combining fund statements have 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. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2011 which are not presented with the accompanying financial statements. In our report dated July 20, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The 2011 individual fund statements 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 2011 financial statements. The information has been subjected

The County Board  
Chippewa County

to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 individual fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2013 on our consideration of County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**  
Eau Claire, Wisconsin  
July 22, 2013

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

As management of Chippewa County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Chippewa County for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 16 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2012 include the following:

- The assets of Chippewa County exceeded its liabilities at the close of the most recent fiscal year by \$150,206,200 (net position). Of this amount, \$112,659,546 represented the County's investment in capital assets, net of related debt, \$3,754,462 was held for restricted purposes, and \$33,792,192 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 \$5,503,774. Net position related to the governmental activities of the County increased \$5,548,102 and net position related to business-type activities decreased \$44,328.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$28,678,221, a decrease of \$7,709,883 over the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,409,686 or 26.0% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$7,395,000 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Chippewa 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 two government-wide financial statements are designed to provide readers with a broad overview of Chippewa County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of Chippewa County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. 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 vacation leave.)

Both of the government-wide financial statements distinguish functions of Chippewa 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 the 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 the County consist of a land development operation relating to the former County farm.

The government-wide financial statements can be found beginning on page 16 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. Chippewa 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.

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.

Chippewa County maintains fourteen 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 fund, the human services special revenue fund, the CDBG grant fund, the county sales tax fund, and the debt service fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**Proprietary Funds.** Chippewa County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for transactions relating to the development of its farm property. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Chippewa County uses internal service funds to account for its highway department operations, self-funded workers compensation, self-funded health insurance, self-funded liability insurance, and Section 125 flexible benefits plan. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *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 information relating to the farm land development, which is considered a major fund. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 22 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on page 26 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 27 of this report.

**Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets. Required supplementary information can be found beginning on page 55 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information on the general fund budget. Combining and individual fund statements and schedules can be found beginning on page 60 of this report.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chippewa County, assets exceeded liabilities by \$150,206,200 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (75.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less 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:

**Condensed Statement of Net Position  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 65,659,297	\$ 72,012,607	\$ 2,240,201	\$ 2,275,937	\$ 67,899,498	\$ 74,288,544
Capital Assets	120,311,918	114,744,195	22,653	22,653	120,334,571	114,766,848
Total Assets	<u>185,971,215</u>	<u>186,756,802</u>	<u>2,262,854</u>	<u>2,298,590</u>	<u>188,234,069</u>	<u>189,055,392</u>
Long-Term Debt	9,760,000	17,155,000	-	-	9,760,000	17,155,000
Other Long-Term Obligations	3,042,861	3,362,031	-	-	3,042,861	3,362,031
Other Liabilities	25,211,827	23,831,346	13,181	4,589	25,225,008	23,835,935
Total Liabilities	<u>38,014,688</u>	<u>44,348,377</u>	<u>13,181</u>	<u>4,589</u>	<u>38,027,869</u>	<u>44,352,966</u>
Net Position:						
Net Investment in Capital Assets	112,636,893	107,330,038	22,653	22,653	112,659,546	107,352,691
Restricted	3,754,462	9,764,857	-	-	3,754,462	9,764,857
Unrestricted	31,565,172	25,313,530	2,227,020	2,271,348	33,792,192	27,584,878
Total Net Position	<u>\$ 147,956,527</u>	<u>\$ 142,408,425</u>	<u>\$ 2,249,673</u>	<u>\$ 2,294,001</u>	<u>\$ 150,206,200</u>	<u>\$ 144,702,426</u>

An additional portion of Chippewa County's net position (2.5%) represents resources that are subject to other restrictions on how they may be used. The remaining \$33,792,192 of total net position (22.5%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$2,227,020 of this unrestricted net position is related to the County's business-type activities. Consequently, they generally may not be used to fund governmental activities.

At the end of 2012, Chippewa County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net position increased by \$5,503,774 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$5,548,102 and a decrease in net position related to business-type activities in the amount of \$44,328.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

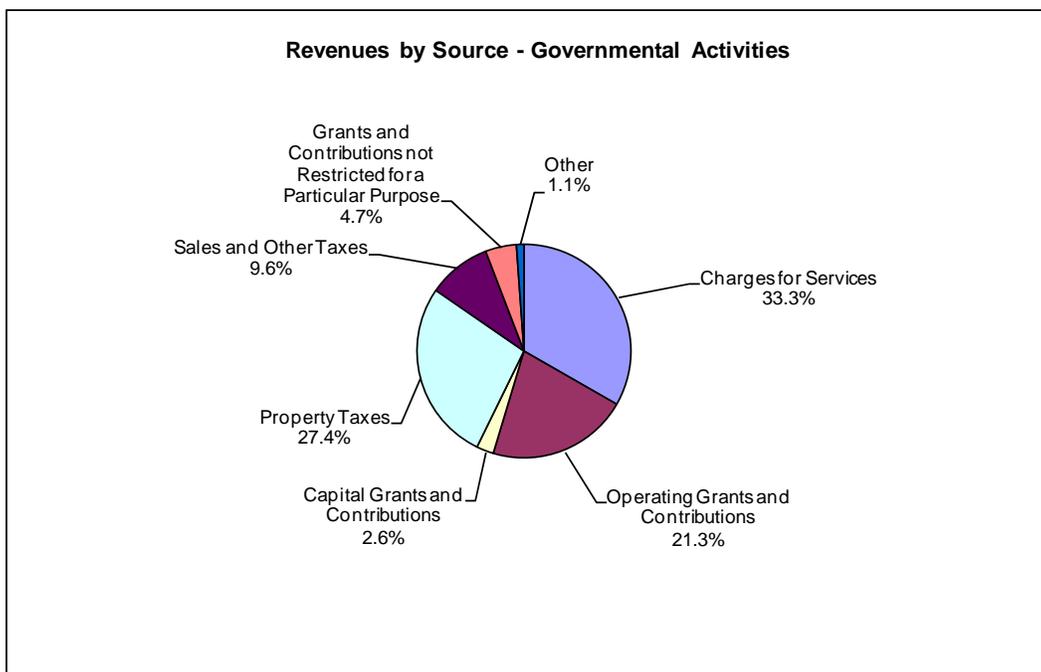
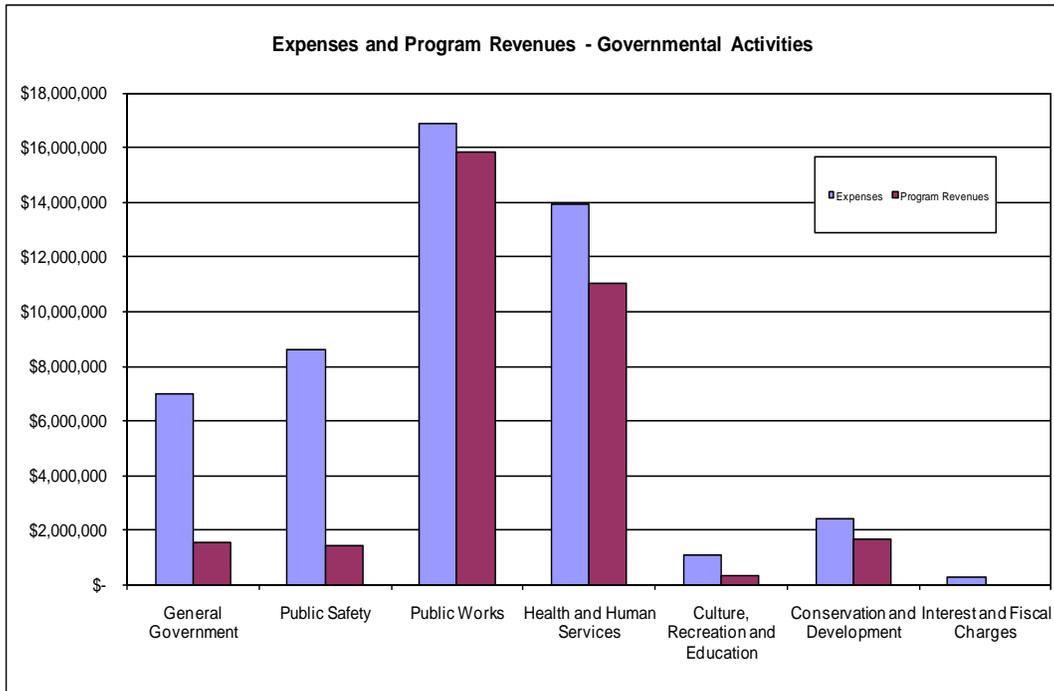
The following is a summary of the changes in the County's net position for the years ended December 31, 2012 and 2011:

**Condensed Statement of Changes in Net Position  
Years Ended December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 18,602,792	\$ 11,413,469	\$ 500	\$ 25,500	\$ 18,603,292	\$ 11,438,969
Operating Grants and Contributions	11,914,792	12,819,011	-	-	11,914,792	12,819,011
Capital Grants and Contributions	1,454,113	1,575,573	-	-	1,454,113	1,575,573
General Revenues:						
Property Taxes	15,650,600	15,334,010	-	-	15,650,600	15,334,010
Sales/Other Taxes	4,988,945	4,685,792	-	-	4,988,945	4,685,792
State and Federal Aids Not Restricted to Specific Programs	2,614,137	3,059,099	-	-	2,614,137	3,059,099
Other	630,684	546,213	254	220	630,938	546,433
Total Revenues	55,856,063	49,433,167	754	25,720	55,856,817	49,458,887
Expenses:						
General Government	7,013,750	7,067,528	-	-	7,013,750	7,067,528
Public Safety	8,629,702	7,995,048	-	-	8,629,702	7,995,048
Public Works	16,883,310	13,881,042	-	-	16,883,310	13,881,042
Health and Human Services	13,955,757	14,214,355	-	-	13,955,757	14,214,355
Culture, Recreation and Education	1,105,992	1,208,410	-	-	1,105,992	1,208,410
Conservation and Development	2,444,925	2,191,970	-	-	2,444,925	2,191,970
Interest and Fiscal Charges	274,525	397,910	-	-	274,525	397,910
Farm Land Development	-	-	45,082	119,214	45,082	119,214
Total Expenses	50,307,961	46,956,263	45,082	119,214	50,353,043	47,075,477
<b>Change in Net Position</b>	<b>\$ 5,548,102</b>	<b>\$ 2,476,904</b>	<b>\$ (44,328)</b>	<b>\$ (93,494)</b>	<b>\$ 5,503,774</b>	<b>\$ 2,383,410</b>

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

A review of the statement of activities can provide a concise picture of how the various functions/programs of Chippewa County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main services for funding governmental services are property taxes (27.4%), operating grants/contributions (21.3%), and charges for services (33.3%).



**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

As noted earlier, Chippewa 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 Chippewa County's financing requirements. In particular, the level of unassigned fund balances 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, 2012, the County's governmental funds reported combined ending fund balances of \$28,678,221, a decrease of \$7,709,883 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2012					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,678,648	\$ -	\$ -	\$ 6,250,817	\$ 7,409,686	\$ 15,339,151	\$ (1,012,396)
Human Services Fund	-	-	1,216,780	-	-	1,216,780	127,672
CDBG Grant Fund	-	284,016	-	-	-	284,016	124,472
County Sales Tax Fund	-	-	8,359,299	-	-	8,359,299	3,693,485
Debt Service Fund	-	-	344,087	-	-	344,087	(8,961,398)
Nonmajor Funds:							
Special Revenue Funds	-	206,685	1,353,228	-	-	1,559,913	(67,130)
Capital Projects Fund	-	1,574,975	-	-	-	1,574,975	(1,614,588)
	<u>\$ 1,678,648</u>	<u>\$ 2,065,676</u>	<u>\$ 11,273,394</u>	<u>\$ 6,250,817</u>	<u>\$ 7,409,686</u>	<u>\$ 28,678,221</u>	<u>\$ (7,709,883)</u>

Restricted fund balance represents amounts available for appropriation but intended for a specific purpose, and legally restricted by outside parties. Committed fund balance represents constraints on spending that the governmental imposes upon itself by high-level action prior to the close of the fiscal period. 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. Unassigned fund balance is the residual classification for the County's general fund and included all spendable amounts not contained in the other classifications.

The general fund is the primary operating fund used to account for the governmental operations of Chippewa County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 53.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 26.0% of the same amount.

The general fund's total fund balance decreased \$1,012,396 during the year; while the unassigned portion of the fund decreased \$1,262,059. The primary factor in the decrease in fund balance was the transfer made during the year to the self-funded health insurance internal service fund to cover unexpected costs.

The County's human services fund increased \$127,672 during the year and had a balance of \$1,216,780 at year end. This balance was committed by the County for financing future human services program expenditures.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

The CDBG grant fund balance increased \$124,472 during the year and had a balance of \$284,016 at year end. This balance, together with the outstanding receivables totaling \$3,263,761 at that date, are restricted for financing future housing rehabilitation loans in accordance with the original grant agreements.

The County sales tax fund balance increased \$3,693,485 during the year and had a balance of \$8,359,299 at year end. The major factor in the increase was the return of funds previously transferred to the debt service fund for debt retirement which were not needed after debt refunding.

The debt service fund balance decreased \$8,961,398 during the year. Of this, \$6,197,825 was unspent bond proceeds at December 31, 2011 which were applied to refund outstanding debt issues. \$3,057,495 was transferred back to the sales tax fund by County Board resolution to be used for other purposes authorized by the sales tax ordinance. The remaining debt service fund balance of \$344,087 at December 31, 2012 is committed for financing future principal and interest requirements on outstanding debt issues.

The aggregated other governmental funds include various special revenue funds and capital projects funds. The accumulated fund balances of these funds decreased \$1,681,718 during 2012. These funds are individually detailed in the supplementary information section of this report.

**Proprietary Funds**

Chippewa County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As shown below, the net position of the enterprise fund type proprietary funds at the end of 2012 totaled \$2,249,673, down \$44,328 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds  
Years Ended December 31, 2012 and 2011**

	Farm Land Development	
	2012	2011
Operating Revenues	\$ 500	\$ 25,500
Operating Expenses	45,082	119,214
Changes in Net Position	(44,328)	(93,494)
Net Position at Year End	2,249,673	2,294,001

As of December 31, 2012, the County's farm land development fund reported net position of \$2,249,673, a decrease of \$44,328 from the previous year. Of the net position balance, \$22,653 consisted of the amount invested in capital assets net of related debt (exclusive of capital assets held for resale). During 1995 the County discontinued operations of its county farm and subsequently disposed of all the non-land farm capital assets. Proceeds from the disposition of the assets and the remaining fund equity of the farm enterprise fund were used to establish the farm land development fund.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

The County had five internal service funds during 2012. Net position of the funds at year end and changes thereto during the year were as follows:

<u>Fund</u>	Net Position at Year End			Change During Year
	Total	Net Investment in Capital Assets	Unrestricted	
Highway Department	\$ 15,803,058	\$ 11,587,910	\$ 4,215,148	\$ (325,387)
Self-funded Insurance Funds:				
Workers Compensation	449,306	-	449,306	(50,694)
Health Insurance	1,003,826	-	1,003,826	192,615
Liability Insurance	919,380	-	919,380	151,222
Flexible Benefits	68,326	-	68,326	6,727
Totals	<u>\$ 18,243,896</u>	<u>\$ 11,587,910</u>	<u>\$ 6,655,986</u>	<u>\$ (25,517)</u>

The County uses the highway department fund to account for road maintenance and construction and related services provided to the County and to the State of Wisconsin and local governmental units. Annual appropriations for services for the County and related state and federal aids received are initially recorded in the general fund and paid to the highway fund.

The self-funded insurance funds shown above are further discussed in Note 4.D.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2012 general fund budget was different than the original budget adopted by the County Board, primarily due to the appropriation of unbudgeted grant funds and their inclusion of continuing appropriations from 2011 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2012, the County ended the year with a positive budget variance for expenditures primarily due to unexpended assigned fund balances.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2012 and 2011 was \$120,334,571 and \$114,766,848, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$5,567,723.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**Capital Assets (Net of Accumulated Depreciation)  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land and Land Rights	\$ 4,826,806	\$ 4,541,316	\$ 22,653	\$ 22,653	\$ 4,849,459	\$ 4,563,969
Construction Work in Progress	815,457	838,233	-	-	815,457	838,233
Gravel Pits and Quarries	1,897	1,897	-	-	1,897	1,897
Land Improvements	2,976,208	2,591,644	-	-	2,976,208	2,591,644
Buildings and Improvements	20,673,864	21,514,228	-	-	20,673,864	21,514,228
Equipment and Vehicles	10,540,574	9,077,088	-	-	10,540,574	9,077,088
Highway Infrastructure	80,477,112	76,179,789	-	-	80,477,112	76,179,789
Total	<u>\$ 120,311,918</u>	<u>\$ 114,744,195</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 120,334,571</u>	<u>\$ 114,766,848</u>

Major capital asset events during the current fiscal year included the following:

- Courthouse HVAC improvements were completed at a cost of over \$1 million.
- The County acquired over 200 acres of county forest at a cost of \$282,560 largely funded by grant programs.
- County highway improvements of \$6.9 million were completed.

Additional information related to the County's capital assets is reported in Note 3.C following the financial statements.

**Long-Term Obligations**

At December 31, 2012, Chippewa County had outstanding \$13,130,115 of long-term debt and other long-term liabilities. A summary detail of this amount, together with the percent change from the previous year, is shown below:

**Outstanding Long-Term Obligations  
December 31, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2012	2011	2012	2011	2012	2011	
General Obligation Debt:							
Bonds	\$ 6,010,000	\$ 13,175,000	\$ -	\$ -	\$ 6,010,000	\$ 13,175,000	-54.4%
Notes	3,750,000	3,980,000	-	-	3,750,000	3,980,000	-5.8
Subtotal	9,760,000	17,155,000	-	-	9,760,000	17,155,000	-43.1
Other Long-Term Obligations:							
Bond Premiums	327,254	413,272	-	-	327,254	413,272	
Estimated Employee Leave	2,901,826	3,160,201	-	-	2,901,826	3,160,201	-8.2
Other Postemployment Benefits	141,035	201,830	-	-	141,035	201,830	-30.1
Total	<u>\$ 13,130,115</u>	<u>\$ 20,930,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,130,115</u>	<u>\$ 20,930,303</u>	

The County refunded general obligation debt totaling \$6,010,000 in 2012 using debt proceeds that were issued in 2011.

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Chippewa County outstanding at December 31, 2012 totaled \$9,760,000, approximately 4.3%

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

of the maximum legal limit of \$228,618,215. Additional information on Chippewa County's long-term debt is reported in Note 3.E following the financial statements.

**CURRENTLY KNOWN FACTS**

**Tax Levies, Rates and Collections**

In November of each year, the County Board adopts an annual budget for the ensuing calendar year. At that time levies on real estate and personal property for county taxes are set which, when collected in the ensuing year, will be sufficient to cover budgeted operating expenses, debt service, contingency fund and other expenditures of the County. Taxes on real estate and personal property become due on January 1 of each year and become delinquent after the first day of February of each year. A taxpayer may elect, as is his right, to pay his annual real estate property taxes in two installments. The first installment becomes delinquent after January 31, and the last installment becomes delinquent after July 31 of each year. Special assessment taxes must be paid in full by January 31 of each year.

Set forth below are tax levies for County purposes and the tax rate per \$1,000 equalized valuation on all taxable property in the County for collection years 2009-2013:

<u>Levy Year</u>	<u>Collection Year</u>	<u>County Tax Rate</u>	<u>County Levy</u>	<u>Uncollected Taxes as of December 31</u>	<u>Percent of County Levy Collected</u>
2012	2013	3.75	\$ 16,412,252	--In Process of Collection--	
2011	2012	3.55	15,650,600	\$ 1,586,245	89.86%
2010	2011	3.45	15,337,436	1,931,263	87.41
2009	2010	3.36	14,887,389	2,014,981	86.47
2008	2009	3.26	14,449,058	2,155,271	85.08

**Equalized Valuations**

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the County for the years 2008 through 2012. The County's Equalized Valuation outside of Tax Incentive Districts (TID) declined since 2008, but has increased slightly once TID valuations are included.

<u>Year</u>	<u>Equalized Valuation (TID-IN)</u>	<u>Equalized Valuation (TID-OUT)</u>
2012	\$ 4,572,364,300	\$ 4,376,600,400
2011	4,551,285,800	4,406,283,400
2010	4,553,032,700	4,450,774,700
2009	4,541,471,300	4,431,512,900
2008	4,556,923,700	4,436,150,700

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2012**

**Economic Factors and Next Year's Budget and Rates**

The overall tax rate for the 2013 budget year increased from a rate of \$3.55/\$1000 of assessed value to a rate of \$3.75/\$1000, an overall increase of 5.6%. The increase was for two reasons: operational costs went up 3.4% and the Chippewa Falls City Dispatch was consolidated into the Chippewa County Sheriff Department Dispatch and the levy transfer from the City accounted for the other 2.2%. The resultant overall tax levy increased from a dollar amount of \$15,650,600 to \$16,412,252 - an overall increase of 4.9%.

Chippewa County has implemented and receives a 0.5% County wide sales tax on an annual basis. Sales tax revenues received in one year are utilized in the following budget year. During 2012, a total of \$3,799,099 was transferred from the sales tax fund as follows:

Property Tax Credit	\$ 1,306,663
Debt Service Fund	1,255,415
Refund Savings	263,060
Airport Debt Contribution	123,961
Facility Improvements	100,000
Departmental Equipment	305,000
Quality of Life	100,000
IT Computers	175,000
Vehicle Fleet Pool Purchases	170,000
Total	<u>\$ 3,799,099</u>

The sales tax fund generated \$4,428,504 in sales tax revenues and interest earnings during 2012. In the Budget year of 2013 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,345,863
Debt Service Fund	1,660,225
Refund Savings	262,390
Airport Debt Contribution	126,440
Courthouse Security Plan	200,000
Highways and Bridges	619,000
Sheriff MDC's & AVL	150,000
Roads/Flowages	100,000
County Stewardship Fund	100,000
Data Center Equipment	225,000
Radio System Equipment	100,000
Joint Dispatch Remodeling	150,000
Government Center Campus Flooring	100,000
Vehicle Fleet Pool Purchases	175,000
Total	<u>\$ 5,313,918</u>

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Chippewa County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chippewa County Finance Director, 711 North Bridge Street, Chippewa Falls, Wisconsin, 54729.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 34,176,198	\$ 369,817	\$ 34,546,015
Departmental Cash and Investments	40,970	-	40,970
Cash and Investments Held by Fiscal Agent	534,079	-	534,079
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	18,085,625	-	18,085,625
Accounts Receivable	2,792,175	40,000	2,832,175
Due from Other Governments	2,797,334	-	2,797,334
Due from Fiduciary Funds	91,137	-	91,137
Long-Term Receivables	4,430,629	-	4,430,629
Inventory and Prepaid Items	1,851,850	-	1,851,850
Unamortized Bond Issuance Costs	108,973	-	108,973
Noncurrent Assets:			
Property Held for Resale	-	1,830,384	1,830,384
Capital Assets:			
Capital Assets Not Being Depreciated	5,642,263	22,653	5,664,916
Capital Assets Being Depreciated	191,422,970	-	191,422,970
Accumulated Depreciation	(76,753,315)	-	(76,753,315)
Total Assets	<u>185,971,215</u>	<u>2,262,854</u>	<u>188,234,069</u>
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	2,681,704	8,592	2,690,296
Accrued Payables	1,311,739	-	1,311,739
Accrued Interest Payable	132,409	-	132,409
Payroll Taxes and Withholdings	863,868	-	863,868
Due to Other Governments	543,909	-	543,909
Unearned Revenues	19,323,184	-	19,323,184
Special Deposits	27,760	4,589	32,349
Long-Term Liabilities:			
Amounts Due Within One Year	2,416,307	-	2,416,307
Amounts Due in More Than One Year	10,713,808	-	10,713,808
Total Liabilities	<u>38,014,688</u>	<u>13,181</u>	<u>38,027,869</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	112,636,893	22,653	112,659,546
Restricted for:			
Housing/Business Loan Programs	3,547,777	-	3,547,777
Other	206,685	-	206,685
Unrestricted	31,565,172	2,227,020	33,792,192
Total Net Position	<u>\$ 147,956,527</u>	<u>\$ 2,249,673</u>	<u>\$ 150,206,200</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 7,013,750	\$ 1,184,273	\$ 393,116	\$ -	\$ (5,436,361)	\$ -	\$ (5,436,361)
Public Safety	8,629,702	1,185,669	262,840	-	(7,181,193)	-	(7,181,193)
Public Works	16,883,310	12,949,359	1,460,465	1,454,113	(1,019,373)	-	(1,019,373)
Health and Human Services	13,955,757	2,248,902	8,800,537	-	(2,906,318)	-	(2,906,318)
Culture, Recreation and Education	1,105,992	156,447	189,034	-	(760,511)	-	(760,511)
Conservation and Development	2,444,925	878,142	808,800	-	(757,983)	-	(757,983)
Interest and Fiscal Charges	274,525	-	-	-	(274,525)	-	(274,525)
Total Governmental Activities	50,307,961	18,602,792	11,914,792	1,454,113	(18,336,264)	-	(18,336,264)
Business-Type Activities:							
Farm Land Development	45,082	500	-	-	-	(44,582)	(44,582)
Total Primary Government	<u>\$ 50,353,043</u>	<u>\$ 18,603,292</u>	<u>\$ 11,914,792</u>	<u>\$ 1,454,113</u>	(18,336,264)	(44,582)	(18,380,846)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					15,292,272	-	15,292,272
Property Taxes, Levied for Debt Service					358,328	-	358,328
County Sales Taxes					4,428,504	-	4,428,504
Other Taxes					560,441	-	560,441
State and Federal Aids not Restricted to Specific Function					2,614,137	-	2,614,137
Interest and Investment Earnings					312,537	254	312,791
Miscellaneous					318,147	-	318,147
Total General Revenues					<u>23,884,366</u>	<u>254</u>	<u>23,884,620</u>
<b>CHANGE IN NET POSITION</b>					5,548,102	(44,328)	5,503,774
Net Position - Beginning of Year					<u>142,408,425</u>	<u>2,294,001</u>	<u>144,702,426</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 147,956,527</u>	<u>\$ 2,249,673</u>	<u>\$ 150,206,200</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2012**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>							
Treasurer's Cash and Investments	\$ 15,037,326	\$ 1,689,626	\$ -	\$ 7,628,991	\$ 344,087	\$ 3,205,966	\$ 27,905,996
Departmental Cash and Investments	3,252	32,217	-	-	-	5,251	40,720
Cash and Investments Held by Fiscal Agent	-	-	284,016	-	-	-	284,016
Taxes Receivable	15,782,854	2,194,066	-	-	-	108,705	18,085,625
Accounts Receivable	953,515	274,625	-	730,308	-	227,170	2,185,618
Due from Other Governmental Units	-	394,055	-	-	-	-	394,055
Due from Fiduciary Funds	70,953	5,517	-	-	-	14,667	91,137
Prepaid Items	5,275	-	-	-	-	-	5,275
Long-Term Receivables	1,060,979	-	3,263,761	-	-	105,889	4,430,629
Total Assets	<u>\$ 32,914,154</u>	<u>\$ 4,590,106</u>	<u>\$ 3,547,777</u>	<u>\$ 8,359,299</u>	<u>\$ 344,087</u>	<u>\$ 3,667,648</u>	<u>\$ 53,423,071</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Vouchers and Accounts Payable	\$ 768,373	\$ 1,136,212	\$ -	\$ -	\$ -	\$ 230,864	\$ 2,135,449
Payroll Deductions	863,868	-	-	-	-	-	863,868
Due to Other Governmental Units	540,523	-	-	-	-	3,386	543,909
Deferred Revenues	15,402,239	2,209,354	3,263,761	-	-	298,510	21,173,864
Client and Patient Trust Funds	-	27,760	-	-	-	-	27,760
Total Liabilities	<u>17,575,003</u>	<u>3,373,326</u>	<u>3,263,761</u>	<u>-</u>	<u>-</u>	<u>532,760</u>	<u>24,744,850</u>
<b>Fund Balances:</b>							
Nonspendable	1,678,648	-	-	-	-	-	1,678,648
Restricted	-	-	284,016	-	-	1,781,660	2,065,676
Committed	-	1,216,780	-	8,359,299	344,087	1,353,228	11,273,394
Assigned	6,250,817	-	-	-	-	-	6,250,817
Unassigned	7,409,686	-	-	-	-	-	7,409,686
Total Fund Balances	<u>15,339,151</u>	<u>1,216,780</u>	<u>284,016</u>	<u>8,359,299</u>	<u>344,087</u>	<u>3,134,888</u>	<u>28,678,221</u>
Total Liabilities and Fund Balances	<u>\$ 32,914,154</u>	<u>\$ 4,590,106</u>	<u>\$ 3,547,777</u>	<u>\$ 8,359,299</u>	<u>\$ 344,087</u>	<u>\$ 3,667,648</u>	<u>\$ 53,423,071</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2012**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 28,678,221

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 3,906,602	
Land Improvements	4,708,468	
Buildings	28,535,359	
Machinery/Equipment	6,850,745	
Vehicles	181,212	
Infrastructure	125,386,120	
Construction Work in Progress	815,457	
Accumulated Depreciation	<u>(61,659,955)</u>	108,724,008

Some receivables are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 4,630,629

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Bonds Payable	(6,010,000)	
Notes Payable	(3,750,000)	
Accrued Interest Payable	(132,409)	
Vacation, Compensatory and Sick Leave Liability	(2,097,245)	
Other Postemployment Benefits Payable	<u>(112,292)</u>	(12,101,946)

Debt issuance and refinancing costs, discounts, and premiums are deferred in the statement of net position and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

Unamortized Issuance Costs	108,973	
Unamortized Debt Premiums	<u>(327,254)</u>	(218,281)

The highway department internal service fund is used by County's management to account for services provided the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities. 15,803,058

Other internal service funds are used by County management to charge the costs of various self-funded insurance programs to departments/expenditure functions. The assets and liabilities of the self-funded insurance programs are also reported in governmental activities. 2,440,838

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 147,956,527

**CHIPPEWA COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2012**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>							
Taxes	\$ 13,626,027	\$ 2,194,066	\$ -	\$ 4,428,504	\$ 358,328	\$ 32,620	\$ 20,639,545
Intergovernmental	7,410,497	6,137,853	-	-	-	2,005,402	15,553,752
Licenses and Permits	458,554	-	-	-	-	51,229	509,783
Fines and Forfeits	200,624	-	-	-	-	66,777	267,401
Public Charges for Services	3,686,372	606,338	-	-	-	351,796	4,644,506
Intergovernmental Charges for Services	396,887	-	-	-	-	-	396,887
Miscellaneous:							
Investment Income	189,237	536	537	6,585	25,258	8,710	230,863
Rent	23,196	-	-	-	-	-	23,196
Sale of Property	164,307	-	-	-	-	-	164,307
Other	429,199	-	176,969	-	-	152,031	758,199
Total Revenues	<u>26,584,900</u>	<u>8,938,793</u>	<u>177,506</u>	<u>4,435,089</u>	<u>383,586</u>	<u>2,668,565</u>	<u>41,188,439</u>
<b>EXPENDITURES</b>							
General Government	7,381,147	-	-	-	-	420,692	7,801,839
Public Safety	8,042,458	-	-	-	-	305,590	8,348,048
Public Works	6,593,660	-	-	-	-	-	6,593,660
Health and Human Services	2,894,054	8,271,121	-	-	-	2,526,556	13,691,731
Culture, Recreation and Education	1,087,229	-	-	-	-	-	1,087,229
Conservation and Development	2,517,961	-	53,034	-	-	175,735	2,746,730
Debt Service:							
Principal Retirement	-	-	-	-	1,200,000	-	1,200,000
Interest and Fiscal Charges	-	-	-	-	410,964	-	410,964
Total Expenditures	<u>28,516,509</u>	<u>8,271,121</u>	<u>53,034</u>	<u>-</u>	<u>1,610,964</u>	<u>3,428,573</u>	<u>41,880,201</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,931,609)	667,672	124,472	4,435,089	(1,227,378)	(760,008)	1,308,238
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	2,650,624	-	-	3,057,495	1,518,475	25,411	7,252,005
Transfers Out	(1,731,411)	(540,000)	-	(3,799,099)	(3,057,495)	(947,121)	(10,075,126)
Principal Payments on Refinanced Debt	-	-	-	-	(6,195,000)	-	(6,195,000)
Total Other Financing Sources (Uses)	<u>919,213</u>	<u>(540,000)</u>	<u>-</u>	<u>(741,604)</u>	<u>(7,734,020)</u>	<u>(921,710)</u>	<u>(9,018,121)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,012,396)	127,672	124,472	3,693,485	(8,961,398)	(1,681,718)	(7,709,883)
Fund Balances, January 1	<u>16,351,547</u>	<u>1,089,108</u>	<u>159,544</u>	<u>4,665,814</u>	<u>9,305,485</u>	<u>4,816,606</u>	<u>36,388,104</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 15,339,151</u>	<u>\$ 1,216,780</u>	<u>\$ 284,016</u>	<u>\$ 8,359,299</u>	<u>\$ 344,087</u>	<u>\$ 3,134,888</u>	<u>\$ 28,678,221</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2012**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ (7,709,883)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 9,790,997	
Depreciation Expense Reported in the Statement of Activities	<u>(4,260,448)</u>	5,530,549

In the statement of activities, the gain and loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net cost of the capital assets sold, traded in, or discarded: (1,705)

Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 20,433

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 consist of:

General Obligation Debt Principal Retirement		7,395,000
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The internal service funds are used by the County's management to charge the cost of the self-funded insurance program to functions and to account for highway department operations. The change in net position of the internal service funds are reported in governmental activities.

Highway Department Fund	(325,387)	
Insurance Funds	<u>299,870</u>	(25,517)

Some items 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. These activities consist of:

Amortization of Debt Issuance Costs	(27,486)	
Amortization of Debt Premium	86,018	
Net Change in Accrued Interest Payable	77,907	
Net Change in Compensated Absences Liability	155,590	
Net Change in Other Postemployment Benefits Payable	<u>47,196</u>	<u>339,225</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 5,548,102

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2012**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Treasurer's Cash and Investments	\$ 369,817	\$ 6,270,202
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agent	-	250,063
Accounts Receivable	40,000	606,557
Due from Other Governmental Units	-	2,403,279
Inventories	-	1,806,035
Prepaid Items	-	40,540
Total Current Assets	409,817	11,376,926
<b>Noncurrent Assets:</b>		
Property Held for Resale:		
Land	90,871	-
Land Improvements	1,739,513	-
Capital Assets:		
Land	22,653	92,696
Depreciable Assets	-	26,588,574
Accumulated Depreciation	-	(15,093,360)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	1,853,037	12,338,237
Total Assets	\$ 2,262,854	\$ 23,715,163
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 8,592	\$ 546,255
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,311,739
Advance for Highway Construction	-	2,779,949
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	224,505
Total Current Liabilities	13,181	4,862,448
<b>Long-Term Liabilities (Net of Current Portion):</b>		
Other Postemployment Benefits Payable	-	28,743
Estimated Employee Leave Liability	-	580,076
Total Long-Term Liabilities	-	608,819
Total Liabilities	13,181	5,471,267
<b>NET POSITION</b>		
Net Investment in Capital Assets	22,653	11,587,910
Unrestricted	2,227,020	6,655,986
Total Net Position	2,249,673	18,243,896
Total Liabilities and Net Position	\$ 2,262,854	\$ 23,715,163

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>OPERATING REVENUES</b>	\$ 500	\$ 25,321,578
<b>OPERATING EXPENSES</b>	<u>45,082</u>	<u>28,278,567</u>
<b>OPERATING INCOME (LOSS)</b>	(44,582)	(2,956,989)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	254	12,061
Dividend Revenue	-	69,613
Loss on Disposal of Property	-	28,308
Nonoperating Depreciation	-	<u>(20,387)</u>
Total Nonoperating Revenues (Expenses)	<u>254</u>	<u>89,595</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(44,328)	(2,867,394)
<b>CONTRIBUTIONS AND TRANSFERS:</b>		
Contributions from State	-	18,756
Transfers from General Fund	-	1,706,000
Transfers from Sales Tax Fund	-	170,000
Transfers from Capital Projects Fund	-	<u>947,121</u>
Total Contributions and Interfund Transfers	<u>-</u>	<u>2,841,877</u>
<b>CHANGE IN NET POSITION</b>	(44,328)	(25,517)
Net Position, January 1	<u>2,294,001</u>	<u>18,269,413</u>
<b>NET POSITION, DECEMBER 31</b>	<u><u>\$ 2,249,673</u></u>	<u><u>\$ 18,243,896</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 11,310,961
Third Parties	-	12,593,971
Cash Received from Employees	-	1,274,317
Cash Received from the Sale of Property	1,000	-
Cash Paid to Suppliers for Goods and Services	(36,490)	(9,978,696)
Cash Paid for Employee Services	-	(9,214,213)
Cash Paid for Insurance Claims	-	(7,302,315)
Cash Paid for Insurance Premiums	-	(720,380)
Net Cash Provided (Used) by Operating Activities	(35,490)	(2,036,355)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers from Sales Tax Special Revenue Fund	-	170,000
Transfer from General Fund	-	1,706,000
Transfer from Capital Projects Fund	-	947,121
Net Cash Provided by Noncapital Financing Activities	-	2,823,121
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash Received from Salvage of Capital Assets	-	66,187
Cash Payments for Acquisition of Capital Assets	-	(1,368,806)
Net Cash Used by Capital and Related Financing Activities	-	(1,302,619)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Investments	254	77,437
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(35,236)	(438,416)
Cash and Cash Equivalents, January 1	405,053	6,958,931
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 369,817	\$ 6,520,515

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2012**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING LOSS TO NET</b>		
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (44,582)	\$ (2,956,989)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	-	1,290,417
(Increase) Decrease in Assets:		
Accounts Receivable	500	(361,766)
Due from Other Governmental Units	-	(480,574)
Inventory	-	(16,598)
Increase (Decrease) in Liabilities:		
Accounts Payable	8,592	436,273
Accrued Liabilities	-	(369,903)
Deferred Revenues	-	(4,304)
Advance for Highway Construction	-	543,473
Other Postemployment Benefits	-	(13,599)
Accrued Benefits	-	(102,785)
	<u>\$ (35,490)</u>	<u>\$ (2,036,355)</u>
<b>RECONCILIATION OF CASH AND INVESTMENTS TO</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 369,817	\$ 6,270,202
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agents	-	250,063
Total Cash and Investments	<u>\$ 369,817</u>	<u>\$ 6,520,515</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Capital Assets Financed by State	\$ -	\$ 18,756

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2012**

	Agency Funds
<b>ASSETS</b>	
Treasurer's Cash and Investments	\$ 147,718
Departmental Cash and Investments	454,842
Taxes Receivable	775,958
 Total Assets	 \$ 1,378,518
<b>LIABILITIES</b>	
Due to Other Governmental Units	\$ 1,038,210
Due to Other Funds	91,137
Special Deposits	249,171
 Total Liabilities	 \$ 1,378,518

*See accompanying Notes to Basic Financial Statements.*

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Chippewa 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**

Chippewa County is governed by a board of supervisors consisting of twenty-nine elected members. Subsequent to year-end, a referendum was passed to reduce the number of board members to fifteen.

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.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the County.

**B. 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:

**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 of the non-fiduciary 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.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements**

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net 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 required to be 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 funding 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.

**CDBG Grant Fund** – The CDBG Grant Fund, a special revenue fund, is used by the County to account for its federal housing rehabilitation grants received for the purpose of financing housing rehabilitation loans. Repayments received on these loans are a restricted revenue source which is used to finance similar housing rehabilitation loans.

**County Sales Tax Fund** – The County Sales Tax Fund, a special revenue fund, is used by the County to account for its sales tax collections which the County Board has committed by ordinance to be used for specific purposes.

**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. For report purposes, the County's individual debt service funds are combined into one fund.

All remaining governmental funds are aggregated and reported as nonmajor funds.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The County reports the following major enterprise fund:

**Farm Land Development Fund** – The County uses the Farm Land Development Fund to account for transactions relating to the development of its farm property. During 1995 the County discontinued operations of its county farm and subsequently disposed of all of the non-land farm capital assets. Proceeds from the disposition of the assets and the remaining fund equity of the farm enterprise fund were used to establish the farm land development fund.

Additionally, the County reports the following fund types:

**Internal Service Fund** – The internal service funds (proprietary funds) are used to account for the operations of the County's highway department and transactions of its various self-funded insurance programs.

**Agency Funds** – The agency funds (fiduciary funds) are 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.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements and the proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities 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 revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Fiduciary funds do not have a measurement focus.

**CHIPPEWA COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The County reports deferred revenues on its fund balance sheets. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between governmental activities and business-type activities for services provided.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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.

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

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.

**D. Assets, Liabilities, 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 an original maturities of three months 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:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. 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.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Bonds or securities issued under the authority of the municipality.
- g. The local government investment pool.
- h. Repurchase agreements with public depositories, with certain conditions.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**1. Deposits and Investments (Continued)**

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at fair value.

**2. Receivables and Payables**

**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. In addition to property taxes for the County, taxes are also collected for and remitted to the State. Taxes billed for the State are recorded as receivables and due other governmental units in the agency fund balance sheet. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred revenues in the funds budgeted therefore.

The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. A portion of the general fund's 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.

**CHIPPEWA COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**2. Receivables and Payables (Continued)**

**Loans Receivable.** The County has received federal and state grant funds for financing economic development and housing rehabilitation loans to various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as loans receivable have not been reduced by an allowance for uncollectible accounts. In the fund financial statements it is the County's policy to record deferred revenue 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. Interest received from loan repayments is recognized as revenue when received. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

**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.

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**5. Capital Assets**

**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 two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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. Capital assets, including infrastructure, acquired by the County prior to January 1, 1980, were recorded on the County's financial records at historical costs, or estimated historical costs, on that date.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	N/A	N/A
Land Improvements	5,000	Straight-Line	15-40 Years
Buildings and Improvements	5,000	Straight-Line	10-40 Years
Machinery and Equipment	5,000	Straight-Line	4-20 Years
Infrastructure	5,000	Straight-Line	25-50 Years

**Fund Financial Statements.** In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

**6. Other Assets**

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**7. 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 4.A.

**8. Other Postemployment Benefits Payable**

Under the various employee and union contracts the County allows retired employees to enroll in the County's health insurance plan. The retired employees pay 100% of the premiums. The payable was actuarially determined. GASB 45 was implemented prospectively, meaning that the net OPEB obligation was zero at transition.

**9. 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.

**10. Equity Classifications**

Fund equity, representing the difference between assets and liabilities, 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 investment in capital assets 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. When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first and unrestricted resources next to the extent they are needed.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Net Position or Equity (Continued)**

**10. Equity Classifications (Continued)**

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. 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. 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. 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. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. 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 25% and 33% of general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year end. Based on resolution of the County Board, the County Administrator has the authority to establish or modify assigned fund balance. 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.

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net position and revenues/expenses shown in the government-wide financial statements are presented in page 19 and page 21, respectively.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2012 as shown in the financial statements are as follows:

Governmental Funds		\$ 28,230,732
Proprietary Funds		7,640,659
Fiduciary Funds		602,560
		\$ 36,473,951

The above cash and investments balances consisted of the following:

<b>Treasurer's Cash and Investments:</b>		
Deposits at Financial Institutions	\$ 4,675,308	
Deposits in State Local Government		
Pooled-Investment Fund	24,536,781	
Investments in Federal Agency Securities	5,481,644	\$ 34,693,733
<b>Departmental Cash and Investments:</b>		
Deposits at Financial Institutions	492,467	
Petty Cash Funds	3,345	495,812
<b>Cash and Investments Held by Fiscal Agents:</b>		
Funds Held by WMMIC	975,390	
Funds Held by Health Insurance Administrator	25,000	
Funds Held by Chippewa County Housing Authority	284,016	1,284,406
Total Cash and Investments at December 31, 2012		\$ 36,473,951

**Deposits at Financial Institutions**

The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and unlimited coverage for all non-interest bearing transaction accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. 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.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided under federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2012, the County's deposits were not exposed to custodial credit risk.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments**

The County's investments at December 31, 2012 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool) and U.S. government agencies and instrumentalities obligations.

**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. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2012 was 77 days.

**U.S. Government Agencies and Instrumentalities Obligations.** The County's investments in these obligations at December 31, 2012 are summarized as follows:

Description	Totals	Investment Maturities				S & P Rating
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months	
Loan/Mortgage Pools (SBA)	\$ 295,728	\$ -	\$ -	\$ 4,032	\$ 291,696	AAA
Loan/Mortgage Pools (GNMA)	236,770	-	-	-	236,770	AAA
Loan/Mortgage Pools (FNMA)	1,450,040	-	-	6,417	1,443,623	AAA
Loan/Mortgage Pools (FHLMC)	1,434,764	-	-	-	1,434,764	AAA
Other	2,064,342	737,937	880,420	445,985	-	AAA
	<u>\$ 5,481,644</u>	<u>\$ 737,937</u>	<u>\$ 880,420</u>	<u>\$ 456,434</u>	<u>\$ 3,406,853</u>	

Generally, the above obligations are subject to call prior to the stated maturity date. It is the County's general policy to hold the obligations until maturity or call. Obligations of the SBA and GNMA are directly guaranteed by the federal government. The other listed obligations are guaranteed by the issuing agency/instrumentality.

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 in Note 1.D.1.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

**U.S. Government Agencies and Instrumentalities Obligations (Continued).**

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 further into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the LGIP and mortgage and loan pools mitigate this risk to the County.

**B. Receivables**

**Economic Development Loans.** During 1994 the County Board of Supervisors adopted a resolution establishing an economic development revolving loan fund. The County set aside \$500,000 for the purpose of financing loans for economic development. At December 31, 2012 the County had outstanding three installment loans totaling \$105,889. These loans are subject to repayment to the County under terms established by the various loan agreements. Receivables have been recorded in a special revenue fund in the amount of the outstanding balances on these loans and were offset by deferred revenues recorded in that fund. Revenue is recognized as collections are received on these loans.

**CDBG Housing Rehabilitation Loans.** The County has also received federal grants through the Wisconsin Department of Development for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The County had three hundred twenty-seven (327) deferred mortgage loans outstanding at December 31, 2012 totaling \$3,263,761. These notes become due and payable in full only "in the event that the maker:

- a. No longer continues to occupy the premises securing this note as a full-time residence, or
- b. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances on these loans and were equally offset by deferred revenues recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables (Continued)**

**CRI Land Contract and Note Receivable.** During 2008 the County ceased operations of its Chippewa River Industries (CRI) enterprise fund and sold the CRI assets to an independent non-profit organization. The purchase agreement for the CRI assets transferred the land, buildings, equipment, and \$350,000 cash to the buyer for a purchase price of \$1,400,000 to be financed by the county on a land contract. \$1,300,000 of the sale price is payable on a 15 year term at 3% interest, the remaining \$100,000 is payable over seven years at zero interest. This land contract and note receivable have been recorded in the general fund in the amount of the outstanding balances at December 31, 2012 of \$1,014,729 and \$46,250 and are offset by deferred revenues recorded in that fund. Revenue is recognized as collections are received.

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2012 was as follows:

**Governmental Activities**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>General County Assets:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 3,621,112	\$ 285,490	\$ -	\$ -	\$ 3,906,602
Highway Right-of-Ways	827,508	-	-	-	827,508
Construction Work in Progress	838,233	405,302	(428,078)	-	815,457
Total Capital Assets Not Being Depreciated	5,286,853	690,792	(428,078)	-	5,549,567
Capital Assets Being Depreciated:					
Land Improvements	4,144,543	563,925	-	-	4,708,468
Buildings and Improvements	28,535,359	-	-	-	28,535,359
Machinery and Equipment	5,291,202	1,615,034	-	55,491	6,850,745
Vehicles	163,012	18,200	-	-	181,212
Highway Infrastructure:					
Roadways	103,697,799	6,403,697	428,078	8,076,551	102,453,023
Bridges	21,510,240	317,546	-	25,100	21,802,686
Structures	121,100	181,803	-	-	302,903
Total Capital Assets Being Depreciated	163,463,255	9,100,205	428,078	8,157,142	164,834,396
Total Capital Assets	168,750,108	9,790,997	-	8,157,142	170,383,963
Accumulated Depreciation:					
Land Improvements	1,796,959	161,528	-	-	1,958,487
Buildings and Improvements	10,971,281	547,807	-	-	11,519,088
Machinery and Equipment	3,511,157	511,820	-	53,786	3,969,191
Vehicles	126,197	5,492	-	-	131,689
Highway Infrastructure	49,149,350	3,033,801	-	8,101,651	44,081,500
Total Accumulated Depreciation	65,554,944	4,260,448	-	8,155,437	61,659,955
Net Capital Assets - General County	<u>\$ 103,195,164</u>	<u>\$ 5,530,549</u>	<u>\$ -</u>	<u>\$ 1,705</u>	<u>\$ 108,724,008</u>

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Highway Department:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 92,696	\$ -	\$ -	\$ -	\$ 92,696
Capital Assets Being Depreciated:					
Land Improvements	437,622	-	-	-	437,622
Gravel Pits and Quarries*	1,897	-	-	-	1,897
Buildings and Improvements	7,522,200	-	-	-	7,522,200
Vehicles Non Highway Fleet	1,523,936	222,232	-	148,120	1,598,048
Machinery and Equipment	16,473,534	1,165,330	-	610,057	17,028,807
Total Capital Assets Being Depreciated	25,959,189	1,387,562	-	758,177	26,588,574
Total Capital Assets	26,051,885	1,387,562	-	758,177	26,681,270
Accumulated Depreciation:					
Land Improvements	193,562	17,833	-	-	211,395
Buildings and Improvements	3,572,050	292,557	-	-	3,864,607
Vehicles Non Highway Fleet	865,147	151,394	-	141,844	874,697
Machinery and Equipment	9,872,095	849,020	-	578,454	10,142,661
Total Accumulated Depreciation	14,502,854	1,310,804	-	720,298	15,093,360
Net Capital Assets - Highway Department	\$ 11,549,031	\$ 76,758	\$ -	\$ 37,879	\$ 11,587,910
Capital Assets Not Being Depreciated	\$ 5,379,549	\$ 690,792	\$ (428,078)	\$ -	\$ 5,642,263
Capital Assets Being Depreciated	189,422,444	10,487,767	428,078	8,915,319	191,422,970
Total Capital Assets	194,801,993	11,178,559	-	8,915,319	197,065,233
Accumulated Depreciation	80,057,798	5,571,252	-	8,875,735	76,753,315
Net Capital Assets - Governmental Activities	\$ 114,744,195	\$ 5,607,307	\$ -	\$ 39,584	\$ 120,311,918

\*Highway department gravel pits and quarries are subject to depletion.

Depreciation was charged to governmental functions as follows:

<b>General County:</b>	
General Government	\$ 1,023,583
Public Safety	103,092
Public Works	3,033,801
Health and Human Services	32,004
Culture, Recreation and Education	61,696
Conservation and Development	6,272
	<u>4,260,448</u>
<b>Highway Department:</b>	
Transportation	1,310,804
	<u>\$ 5,571,252</u>

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
Farm Land Development Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 22,653	\$ -	\$ -	\$ 22,653

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2012 was as follows:

**Interfund Transfers**

Fund Transferred To	Fund Transferred From	Amount
General Fund	County Sales Tax Fund	\$ 2,110,624
General Fund	Human Services Fund	540,000
Debt Service Fund	County Sales Tax Fund	1,518,475
Highway Department Fund	County Sales Tax Fund	170,000
Health Insurance Fund	General Fund	1,700,000
Flexible Benefits Fund	General Fund	6,000
Dog License Fund	General Fund	25,411
Sales Tax Fund	Debt Service Fund	3,057,495
		<u>\$ 9,128,005</u>

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2012 budget. The transfer from the Human Services fund to the General Fund was per the County's fund balance policy. The transfer from the debt service fund to the county sales tax fund represents a return of funds previously transferred to the debt service fund for debt retirement which were not needed after debt refunding. The remaining items were budgeted transfers for construction and working capital.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the County for the year ended December 31, 2012 were as follows:

	Balances 1/1/12	Additions	Reductions	Balances 12/31/12	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 13,175,000	\$ -	\$ 7,165,000	\$ 6,010,000	\$ 1,025,000
General Obligation Notes	3,980,000	-	230,000	3,750,000	355,000
Unamortized Debt Premium	413,272	-	86,018	327,254	78,228
Total Long-Term Debt	<u>\$ 17,568,272</u>	<u>\$ -</u>	<u>\$ 7,481,018</u>	<u>\$ 10,087,254</u>	<u>\$ 1,458,228</u>
<b>Other Long-Term Obligations (Governmental Activities):</b>					
<b>Governmental Funds:</b>					
Forest Crop Loans Payable	\$ -	\$ 49,889	\$ 49,889	\$ -	\$ -
Employee Leave Liability	2,252,835	-	155,590	2,097,245	733,574
Other Postemployment Benefits Payable	159,488	137,774	184,970	112,292	-
<b>Highway Internal Service Fund:</b>					
Employee Leave Liability	907,366	-	102,785	804,581	224,505
Other Postemployment Benefits Payable	42,342	39,697	53,296	28,743	-
Total Other Long-Term Obligations	<u>\$ 3,362,031</u>	<u>\$ 227,360</u>	<u>\$ 546,530</u>	<u>\$ 3,042,861</u>	<u>\$ 958,079</u>

The County's estimated liability for employee leave and other post employment benefits are discussed in Note 4.A. and Note 4.C., respectively.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**General Obligation Debt**

**Annual Requirements for Retirement.** Long-term debt issues outstanding at December 31, 2012 and annual requirements for their retirement were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bonds, \$6,010,000, issued 11/3/11, due 8/1/19, interest at 3.00%	2013	\$ 1,025,000	\$ 164,925	\$ 1,189,925
	2014	1,055,000	133,725	1,188,725
	2015	735,000	106,875	841,875
	2016	765,000	84,375	849,375
	2017	785,000	61,125	846,125
	2018-2019	<u>1,645,000</u>	<u>49,725</u>	<u>1,694,725</u>
		6,010,000	600,750	6,610,750
Promissory Notes, \$3,980,000, issued 7/6/11, due 2/1/21, interest at 2.00%-3.50%	2013	355,000	115,300	470,300
	2014	135,000	109,725	244,725
	2015	490,000	100,350	590,350
	2016	225,000	89,625	314,625
	2017	230,000	159,675	389,675
	2018-2021	<u>2,315,000</u>	<u>141,850</u>	<u>2,456,850</u>
		<u>3,750,000</u>	<u>716,525</u>	<u>4,466,525</u>
Total General Obligation Debt		<u>\$ 9,760,000</u>	<u>\$ 1,317,275</u>	<u>\$ 11,077,275</u>

The above annual debt service requirements are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,380,000	\$ 280,225	\$ 1,660,225
2014	1,190,000	243,450	1,433,450
2015	1,225,000	207,225	1,432,225
2016	990,000	174,000	1,164,000
2017	1,015,000	220,800	1,235,800
2018-2021	<u>3,960,000</u>	<u>191,575</u>	<u>4,151,575</u>
	<u>\$ 9,760,000</u>	<u>\$ 1,317,275</u>	<u>\$ 11,077,275</u>

**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, 2012, the County's debt limit amounted to \$228,618,215 and indebtedness subject to the limitation totaled \$9,760,000.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**Current Year Refunding**

On November 3, 2011 the County issued general obligation refunding bonds in the amount of \$6,010,000 for the purpose of refunding the outstanding balance of the 2002 General Obligation Refunding Bonds on their call date of February 1, 2012. The bonds bear interest at 3.00% with annual maturities through August 1, 2019, which is the same life as the refunded debt. Proceeds of the new debt plus funds on hand were used to redeem the outstanding balance of the 2003 bonds on the February 1, 2012 call date in the amount of \$7,165,000. The refunding resulted in an economic gain of \$431,244 and a reduction in future debt service payments of \$470,777

**County Forest Loans**

Under Section 28.11(8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive annual payments from the state as a non-interest bearing loan to be used for the purchase, development, preservation and maintenance of the county forest lands. On timber cut from lands entered as "county forest lands", the county shall pay a severance share of not less than 20% of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and county. These severance share payments shall be credited against the cumulative payments made by the state to the county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The County had no outstanding balance under this program at December 31, 2012.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at December 31, 2012 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
General Fund						
Delinquent Taxes	\$ 1,673,373	\$ 1,673,373	\$ -	\$ -	\$ -	\$ -
Prepaid Items	5,275	5,275	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	19,441	-	-	-	19,441	-
Economic Development	198,038	-	-	-	198,038	-
County Administrator	196,676	-	-	-	196,676	-
Computer Equipment Outlay	104,762	-	-	-	104,762	-
Finance	55,095	-	-	-	55,095	-
Courthouse	390,304	-	-	-	390,304	-
Facilities Improvement	435,556	-	-	-	435,556	-
Rifle Range	27,263	-	-	-	27,263	-
Maintenance Garage/Storage Facility	11,080	-	-	-	11,080	-
Property and Liability Insurance	109,943	-	-	-	109,943	-
Copy Machine	28,726	-	-	-	28,726	-
Register of Deeds	78,367	-	-	-	78,367	-
Register of Deeds Redaction Expense	42,860	-	-	-	42,860	-
Youth Court Programs	6,920	-	-	-	6,920	-
Snowmobile Patrol	55,384	-	-	-	55,384	-
Water Safety Patrol	37,495	-	-	-	37,495	-
All Terrain Vehicle Patrol	10,040	-	-	-	10,040	-
Sheriff's Department Training	83,547	-	-	-	83,547	-
Sheriff's Department Swat Vehicle	1,279	-	-	-	1,279	-
DARE Project	372	-	-	-	372	-
Jail Canteen	67,924	-	-	-	67,924	-
Emergency Government Programs	5,901	-	-	-	5,901	-
Extension Education Programs	45,885	-	-	-	45,885	-
Wildlife Damage and Abatement Programs	2,979	-	-	-	2,979	-
State Forestry Programs	254,981	-	-	-	254,981	-
Wildlife Habitat Management	4,866	-	-	-	4,866	-
Special Conservation Projects	27,340	-	-	-	27,340	-
Snowmobile Trails	17,239	-	-	-	17,239	-
All Terrain Vehicle Trails	26,913	-	-	-	26,913	-
Old Abe Trail Project	89,516	-	-	-	89,516	-
Quality Of Life Programs	69,745	-	-	-	69,745	-
County Parks Capital Improvements	76,118	-	-	-	76,118	-
Recycling Programs	266,540	-	-	-	266,540	-
Non-Metallic Mining	130,874	-	-	-	130,874	-
Urban Stormwater Program	2,792	-	-	-	2,792	-
Conservation Reserve Enhancement Programs	28,296	-	-	-	28,296	-
Lake Protection Program	2,681	-	-	-	2,681	-
Targeted Runoff Management	7,863	-	-	-	7,863	-
Little Lake Wissota TMDL	43,810	-	-	-	43,810	-
Duncan Creek Watershed	30,187	-	-	-	30,187	-
Land Conservation Stewardship Programs	121,897	-	-	-	121,897	-
Building Inspection	4,856	-	-	-	4,856	-
Groundwater Study	59,961	-	-	-	59,961	-
Comprehensive Planning Project	211,623	-	-	-	211,623	-
Platbook/Roadmap Publishing	54,760	-	-	-	54,760	-
Veterans' Relief	26,057	-	-	-	26,057	-
Health Clinics	9,870	-	-	-	9,870	-
Unfunded Benefit Liabilities	2,544,641	-	-	-	2,544,641	-
Unassigned	7,409,686	-	-	-	-	7,409,686
Subtotal General Fund	15,339,151	1,678,648	-	-	6,250,817	7,409,686
Human Services Fund						
Committed for Human Services Programs	1,216,780	-	-	1,216,780	-	-
CDBG Grant Fund	284,016	-	284,016	-	-	-
County Sales Tax Funded Programs	8,359,299	-	-	8,359,299	-	-
Debt Service Fund	344,087	-	-	344,087	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Public Health Programs	97,337	-	97,337	-	-	-
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	619,917	-	-	619,917	-	-
Land Management Program	235,269	-	-	235,269	-	-
Jail Assessments Fees Funded Projects	83,636	-	83,636	-	-	-
County Economic Development Loan Program	497,042	-	-	497,042	-	-
Capital Projects Fund	1,574,975	-	1,574,975	-	-	-
Total Governmental Funds Balances at December 31, 2012	\$ 28,678,221	\$ 1,678,648	\$ 2,065,676	\$ 11,273,394	\$ 6,250,817	\$ 7,409,686

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Internal Service Funds Net Position**

The net position of the County's internal service funds at December 31, 2012 consisted of the following:

Fund	Net Position at Year End			Change During Year
	Total	Invested in Capital Assets	Unrestricted	
Highway Department Fund	\$ 15,803,058	\$ 11,587,910	\$ 4,215,148	\$ (325,387)
Self-Funded Insurance Funds:				
Workers Compensation	449,306	-	449,306	(50,694)
Health Insurance	1,003,826	-	1,003,826	192,615
Liability Insurance	919,380	-	919,380	151,222
Flexible Benefits Fund	68,326	-	68,326	6,727
Totals	<u>\$ 18,243,896</u>	<u>\$ 11,587,910</u>	<u>\$ 6,655,986</u>	<u>\$ (25,517)</u>

**NOTE 4 OTHER INFORMATION**

**A. Employee Vacation, Sick Leave and Compensatory Time**

Employees earn vacation in varying amounts depending upon length of service and/or bargaining unit. All employees can accrue up to 200 hours of vacation which is paid out upon separation of service. The estimated value of unused vacation leave at December 31, 2012 was \$655,611 in the governmental funds and \$210,090 in the highway department internal service fund.

Employees earn sick leave at varying rates depending upon bargaining unit. Accumulated sick leave is paid at varying rates upon termination or retirement based upon employee length of service and/or bargaining unit. At December 31, 2012, vested sick leave earned and not taken was approximately \$1,363,671 in the governmental funds and \$580,076 in the highway department internal service fund determined on the basis of current wage and salary rates.

Employees can earn compensatory time for hours worked in excess of the normal work week. Compensatory time is paid at a regular rate of pay when used. The estimated value of compensatory time was at December 31, 2012 was \$77,963 in the governmental funds and \$14,415 in the highway department internal service fund.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Employee Retirement Plan**

All eligible Chippewa County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.9%	5.9%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.9%	9.0%
Protective without Social Security	5.9%	11.3%

The payroll for County employees covered by the WRS for the year ended December 31, 2012 was \$17,059,667; the employer's total payroll was \$16,862,841. The total required contribution for the year ended December 31, 2012 was \$2,292,880, which consisted of \$1,283,384, or 7.5% of payroll from the employer and \$1,009,496, or 5.9% of payroll from employees. Total contributions for the years ending December 31, 2011 and 2010 were \$2,206,077 and \$1,966,208, respectively, equal to the required contributions for each year.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Employee Retirement Plan (Continued)**

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**C. Other Postemployment Benefit Plan**

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*. The County engaged an actuary to determine the County's liability for postemployment healthcare benefits other than pensions.

**Single-Employer Plan Description**

All employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree single employer medical plan if they pay 100% of the retiree premium. As of January 1, 2012, the most recent actuarial valuation date, there were approximately 329 active participants and 32 retired participants receiving benefits from the County's health plans. A stand-alone financial report is not issued for this County Board authorized OPEB plan.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Funding Policy**

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2012, the County contributed an estimated \$238,266 to the plan.

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the County's net OPEB obligation.

Annual Required Contribution	\$ 177,433
Interest on Net OPEB Obligation	9,203
Adjustment to Annual Required Contribution	<u>(9,165)</u>
Annual OPEB Cost (Expense)	177,471
Contributions Made	<u>(238,266)</u>
Change in Net OPEB Obligation	(60,795)
Net OPEB Obligation- Beginning of Year	<u>201,830</u>
Net OPEB Obligation- End of Year	<u><u>\$ 141,035</u></u>

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 177,471	134.3%	\$ 141,035
12/31/2011	265,759	131.5%	201,830
12/31/2010	266,101	122.6%	285,671

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$1,795,073 and there were no plan assets. Annual covered payroll for fiscal year 2012 was \$16,862,841 for a ratio of UAAL to covered payroll of 10.6%.

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

**Actuarial Methods and Assumptions**

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

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.56% interest discount rate of return (net of administrative expenses). The initial healthcare trend rate was 10%, reduced by decrements to an ultimate rate of 5.0% by the year 2018. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2012 was 27 years.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains a combination of commercial insurance coverage and self-insurance programs to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County.

**Health Insurance Fund.** The County was self-funded for health insurance through September 30, 2012, at which time the County moved to a fully insured program and ceased self-funding. The balance in the health insurance internal service fund is being held to pay any outstanding claims, after which the fund will be closed and any remaining balance will be transferred to the general fund. Reinsurance for both specific and annual aggregate stop-loss coverage was provided through September 30, 2012. Specific stop-loss covered individual claims in excess of \$100,000. The attachment point for annual aggregate stop-loss coverage for the coverage period of October 1, 2011 to September 30, 2012 had been set at \$6,695,034. Claims in excess of stop-loss were \$157,604 for the most recent coverage period. There were no claims in excess of stop-loss during the prior two coverage periods. The fund had a net position at December 31, 2012 of \$1,003,826.

Changes in the claims liability for 2012 and 2011 were as follows:

	2012	2011
Estimated Claims Outstanding January 1	\$ 354,000	\$ 270,000
Current Year Claims and Changes in Estimates	5,568,606	5,618,813
Claim Payments	(5,910,639)	(5,534,813)
Estimated Claims Outstanding December 31	\$ 11,967	\$ 354,000

**Worker's Compensation Fund.** The County is self-insured for workers compensation coverage. This program is funded through "premiums" charged to all County departments based on two percent (2.5%) of payroll. Claims are paid directly by the County. Stop-loss insurance is carried and covers individual claims in excess of \$400,000 for each accident and each employee for disease to a maximum statutory limit. In addition to in-house legal and administrative staff, the County retains outside legal and medical expertise for assistance in settling claims. The fund had a net position at December 31, 2012 of \$449,306.

Changes in claims liability for 2012 and 2011 were as follows:

	2012	2011
Estimated Claims Outstanding January 1	\$ 941,791	\$ 878,543
Current Year Claims and Changes in Estimates	440,188	364,019
Claim Payments	(435,266)	(300,771)
Estimated Claims Outstanding December 31	\$ 946,713	\$ 941,791

**CHIPPEWA COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Risk Management (Continued)**

**Liability Insurance Fund.** The County has established an internal service fund to account for transactions associated with its insurance coverage through WMMIC (see below) and to account for funds set aside for financing other liability insurance claims against the County.

Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was formed pursuant to an intergovernmental charter-contract in 1987 by municipal members. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. As of December 31, 2012, WMMIC was owned by seventeen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC issued tax exempt revenue bonds totaling \$13,935,000 in 1987 to provide capital for its operations. Each member, in turn, severally issued general obligation promissory notes at an aggregate amount equal to the revenue bonds and invested the proceeds in WMMIC. The County's initial investment in WMMIC was \$750,327 which is reflected in the internal service fund's statement of net position. The debt issued by the County to finance this investment was fully retired in 1997. The County's allocated share of WMMIC's member equity at December 31, 2012 and 2011 was \$1,266,493 and \$1,172,465, respectively, and represented 3.31% and 3.31%, respectively, of the total member equity at those dates.

Liability insurance provided the members through WMMIC is to provide coverage in excess of prescribed self-insured amounts. WMMIC has contracted with a reinsurance company to cover losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to a maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the excess over the self-insurance retention. The members incur all losses greater than \$10,000,000 per occurrence or greater than \$30,000,000 of aggregate losses in a policy year. Losses paid by WMMIC plus administrative costs are to be recovered through premiums of the participating pool of municipalities. The County's share of such losses was 3.67% for 2012. A list of other members and their share of participation is in WMMIC's financial report which is available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

The County's annual self-insured limit has been established at \$100,000 per occurrence with an annual aggregate self-insured retention (SIR) for all losses of \$300,000 for the 2012 policy year. Each member is required to maintain a segregated fund on deposit with WMMIC. This fund is used by WMMIC to pay claims charged to the member and is subject to replenishment by the member on a quarterly basis (or more frequently, if necessary). The amount of the deposit has been currently set at \$250,000 for the County. WMMIC has also set a policy that each member should maintain, in a segregated fund, cash reserves equal to one year's SIR plus incurred but not reported claims (IBNRs) less SIR funds on deposit with WMMIC.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Risk Management (Continued)**

**Liability Insurance Fund (Continued).** The self-funded liability insurance fund had a net position of \$919,380 and \$768,158 at December 31, 2012 and 2011, respectively, and consisted of the following components:

	2012	2011
Accounts Receivable	\$ 69,613	\$ 65,376
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	228,845	91,644
Deposits with WMMIC	225,063	246,662
Accounts Payable	(1,409)	-
Accrued Unpaid Losses	(353,059)	(385,851)
Net Position December 31	\$ 919,380	\$ 768,158

The liability recorded for unpaid losses at December 31, 2012 was determined by actuaries contracted by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for incurred but not reported (IBNRs) losses. The liability represents the present value of the expected level of unpaid losses for the years of operations under WMMIC. Chippewa County's policy is to set its liability at the 90% confidence level.

Changes in claims liability for 2012 and 2011 were as follows:

	2012	2011
Estimated Claims Outstanding January 1	\$ 385,851	\$ 387,798
Current Year Claims and Changes in Estimates	59,271	28,875
Claim Payments	(92,063)	(30,822)
Estimated Claims Outstanding December 31	\$ 353,059	\$ 385,851

**E. Contingencies**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHIPPEWA COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,557,706	\$ 13,557,706	\$ 13,626,027	\$ 68,321
Intergovernmental	7,517,266	7,517,266	7,410,497	(106,769)
Licenses and Permits	252,595	305,230	458,554	153,324
Fines and Forfeits	204,135	203,635	200,624	(3,011)
Public Charges for Services	3,499,096	3,423,463	3,686,372	262,909
Intergovernmental Charges for Services	491,648	448,571	396,887	(51,684)
Miscellaneous:				
Investment Income	288,683	288,683	189,237	(99,446)
Rent	21,600	21,600	23,196	1,596
Sale of Property	1,800	1,800	164,307	162,507
Profit on Tax Deed Sales	2,000	2,000	8,730	6,730
Other	150,547	217,122	420,469	203,347
Total Revenues	<u>25,987,076</u>	<u>25,987,076</u>	<u>26,584,900</u>	<u>597,824</u>
<b>EXPENDITURES</b>				
General Government	8,445,603	7,762,113	7,381,147	380,966
Public Safety	7,957,653	8,029,428	8,042,458	(13,030)
Public Works	6,595,699	6,595,699	6,593,660	2,039
Health and Human Services	2,246,386	2,965,485	2,894,054	71,431
Culture, Recreation and Education	1,420,499	1,108,946	1,087,229	21,717
Conservation and Development	2,465,346	2,729,894	2,517,961	211,933
Total Expenditures	<u>29,131,186</u>	<u>29,191,565</u>	<u>28,516,509</u>	<u>675,056</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,144,110)	(3,204,489)	(1,931,609)	1,272,880
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,150,110	2,033,361	2,650,624	617,263
Transfers Out	(6,000)	(6,000)	(1,731,411)	(1,725,411)
Total Other Financing Sources (Uses)	<u>3,144,110</u>	<u>2,027,361</u>	<u>919,213</u>	<u>(1,108,148)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(1,177,128)	(1,012,396)	164,732
Fund Balance, January 1	<u>16,351,547</u>	<u>16,351,547</u>	<u>16,351,547</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 16,351,547</u>	<u>\$ 15,174,419</u>	<u>\$ 15,339,151</u>	<u>\$ 164,732</u>

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,194,066	\$ 2,194,066	\$ 2,194,066	\$ -
Intergovernmental	7,024,705	7,024,705	6,137,853	(886,852)
Public Charges for Services	560,047	560,047	606,338	46,291
Miscellaneous:				
Interest	-	-	536	536
Total Revenues	<u>9,778,818</u>	<u>9,778,818</u>	<u>8,938,793</u>	<u>(840,025)</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>10,417,033</u>	<u>10,417,033</u>	<u>8,271,121</u>	<u>2,145,912</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(638,215)	(638,215)	667,672	1,305,887
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(540,000)</u>	<u>(540,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(638,215)	(638,215)	127,672	765,887
Fund Balance, January 1	<u>1,089,108</u>	<u>1,089,108</u>	<u>1,089,108</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 450,893</u>	<u>\$ 450,893</u>	<u>\$ 1,216,780</u>	<u>\$ 765,887</u>

CHIPPEWA COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 COUNTY SALES TAX FUND  
 YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,792,099	\$ 3,792,099	\$ 4,428,504	\$ 636,405
Miscellaneous:				
Interest	7,000	7,000	6,585	(415)
Total Revenues	3,799,099	3,799,099	4,435,089	635,990
<b>EXPENDITURES</b>	-	-	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	3,799,099	3,799,099	4,435,089	635,990
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	3,057,495	(3,057,495)
Transfers Out	(3,799,099)	(3,799,099)	(3,799,099)	-
Total Other Financing Sources (Uses)	(3,799,099)	(3,799,099)	(741,604)	(3,057,495)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	3,693,485	(2,421,505)
Fund Balance, January 1	4,665,814	4,665,814	4,665,814	-
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 4,665,814</u>	<u>\$ 4,665,814</u>	<u>\$ 8,359,299</u>	<u>\$ (2,421,505)</u>

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	1/1/2012	\$ -	\$ 1,795,073	\$ 1,795,073	- %	\$ 16,862,841	10.6 %
12/31/2010	1/1/2010	-	2,794,252	2,794,252	- %	16,450,641	17.0 %
12/31/2008	1/1/2008	-	2,040,002	2,040,002	- %	17,324,853	11.8 %

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2012**

**BUDGETARY INFORMATION**

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund, human services fund and county sales tax fund is derived from the County's annual operating budget. The CDBG grant program is administered by the housing authority and is not included in the County's annual budget. Accordingly, a budgetary comparison schedule has not been presented for the CDBG grant fund.

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. 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 expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2012**

	Special Revenue Funds				
	Public Health	Shelter Care	Dog Licenses	State Septic System Grants	Aging and Disability Resource Center
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ 53,246	\$ 25,712	\$ 77,567	\$ -	\$ 593,558
Departmental Cash and Investments	-	-	300	-	4,951
Taxes Receivable	-	-	-	-	108,705
Accounts Receivable	51,708	-	-	-	174,550
Due from Fiduciary Funds	-	-	-	-	-
Installment Loans Receivable	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 104,954</u>	<u>\$ 25,712</u>	<u>\$ 77,867</u>	<u>\$ -</u>	<u>\$ 881,764</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Vouchers Payable	\$ 3,701	\$ -	\$ 75,647	\$ -	\$ 73,142
Due to Other Governmental Units	-	-	1,220	-	-
Deferred Revenues:					
Current Tax Levy	-	-	-	-	108,705
Grant and Aid Advances	3,916	-	-	-	80,000
Installment Loans Receivable	-	-	-	-	-
<b>Total Liabilities</b>	<u>7,617</u>	<u>-</u>	<u>76,867</u>	<u>-</u>	<u>261,847</u>
<b>Fund Balances:</b>					
Restricted	97,337	25,712	-	-	-
Committed	-	-	1,000	-	619,917
<b>Total Fund Balances</b>	<u>97,337</u>	<u>25,712</u>	<u>1,000</u>	<u>-</u>	<u>619,917</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 104,954</u>	<u>\$ 25,712</u>	<u>\$ 77,867</u>	<u>\$ -</u>	<u>\$ 881,764</u>

CHIPPEWA COUNTY, WISCONSIN  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET (CONTINUED)  
 DECEMBER 31, 2012

	Special Revenue Funds (Continued)			Capital Projects	Total Nonmajor Governmental Funds
	Land Management	Jail Assessment Fees	Economic Development	Fund	
			Total Special Revenue Funds	Capital Projects Fund	
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ 226,605	\$ 79,219	\$ 496,710	\$ 1,653,349	\$ 3,205,966
Departmental Cash and Investments	-	-	-	-	5,251
Taxes Receivable	-	-	-	-	108,705
Accounts Receivable	-	580	332	-	227,170
Due from Fiduciary Funds	10,830	3,837	-	-	14,667
Installment Loans Receivable	-	-	105,889	-	105,889
<b>Total Assets</b>	<u>\$ 237,435</u>	<u>\$ 83,636</u>	<u>\$ 602,931</u>	<u>\$ 1,653,349</u>	<u>\$ 3,667,648</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Vouchers Payable	\$ -	\$ -	\$ -	\$ 78,374	\$ 230,864
Due to Other Governmental Units	2,166	-	-	-	3,386
Deferred Revenues:					
Current Tax Levy	-	-	-	-	108,705
State Aid Advance	-	-	-	-	83,916
Installment Loans Receivable	-	-	105,889	-	105,889
<b>Total Liabilities</b>	<u>2,166</u>	<u>-</u>	<u>105,889</u>	<u>78,374</u>	<u>532,760</u>
<b>Fund Balances:</b>					
Restricted	-	83,636	-	1,574,975	1,781,660
Committed	235,269	-	497,042	-	1,353,228
<b>Total Fund Balances</b>	<u>235,269</u>	<u>83,636</u>	<u>497,042</u>	<u>1,574,975</u>	<u>3,134,888</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 237,435</u>	<u>\$ 83,636</u>	<u>\$ 602,931</u>	<u>\$ 1,653,349</u>	<u>\$ 3,667,648</u>

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDING DECEMBER 31, 2012**

	Special Revenue Funds				
	Public Health	Shelter Care	Dog Licenses	State Septic System Grants	Aging and Disability Resource Center
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 32,620
Intergovernmental	822,681	-	-	5,974	1,176,447
Licenses and Permits	-	-	51,229	-	-
Jail Assessment Fees	-	-	-	-	-
Public Charges for Services	31,670	-	-	-	208,862
Interest	-	-	-	-	589
Other	3,446	-	-	-	137,425
Total Revenues	<u>857,797</u>	<u>-</u>	<u>51,229</u>	<u>5,974</u>	<u>1,555,943</u>
<b>EXPENDITURES</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Health and Human Services	865,387	-	76,640	-	1,584,529
Conservation and Development	-	-	-	5,974	-
Total Expenditures	<u>865,387</u>	<u>-</u>	<u>76,640</u>	<u>5,974</u>	<u>1,584,529</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(7,590)	-	(25,411)	-	(28,586)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In:					
General Fund	-	-	25,411	-	-
Transfers Out:					
Highway Department Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>25,411</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(7,590)	-	-	-	(28,586)
Fund Balances, January 1	<u>104,927</u>	<u>25,712</u>	<u>1,000</u>	<u>-</u>	<u>648,503</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 97,337</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 619,917</u>

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDING DECEMBER 31, 2012**

	Special Revenue Funds (Continued)			Capital Projects Fund	Total Nonmajor Governmental Funds
	Land Management	Jail Assessment Fees	Economic Development	Capital Projects Fund	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 32,620
Intergovernmental	300	-	-	-	2,005,402
Licenses and Permits	-	-	-	-	51,229
Jail Assessment Fees	-	66,777	-	-	66,777
Public Charges for Services	111,264	-	-	-	351,796
Interest	-	-	3,492	4,629	8,710
Other	-	-	11,160	-	152,031
Total Revenues	<u>111,564</u>	<u>66,777</u>	<u>14,652</u>	<u>4,629</u>	<u>2,668,565</u>
<b>EXPENDITURES</b>					
General Government	-	-	-	420,692	420,692
Public Safety	-	54,186	-	251,404	305,590
Health and Human Services	-	-	-	-	2,526,556
Conservation and Development	94,761	-	75,000	-	175,735
Total Expenditures	<u>94,761</u>	<u>54,186</u>	<u>75,000</u>	<u>672,096</u>	<u>3,428,573</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	16,803	12,591	(60,348)	(667,467)	(760,008)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In:					
General Fund	-	-	-	-	25,411
Transfers Out:					
Highway Department Fund	-	-	-	(947,121)	(947,121)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(947,121)</u>	<u>(921,710)</u>
<b>NET CHANGE IN FUND BALANCES</b>	16,803	12,591	(60,348)	(1,614,588)	(1,681,718)
Fund Balances, January 1	<u>218,466</u>	<u>71,045</u>	<u>557,390</u>	<u>3,189,563</u>	<u>4,816,606</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 235,269</u>	<u>\$ 83,636</u>	<u>\$ 497,042</u>	<u>\$ 1,574,975</u>	<u>\$ 3,134,888</u>

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2012  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2011)**

	2012	2011
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 15,037,326	\$ 15,069,726
Departmental Cash	3,252	3,252
Taxes Receivable:		
Current Taxes Receivable	14,109,481	13,065,586
Delinquent Taxes Receivable	1,586,242	1,931,263
Tax Deeds Owned by County	87,131	4,012
Accounts Receivable	953,515	987,437
Due from Fiduciary Funds	70,953	75,247
Long-Term Receivables:		
CRI Land Contract Receivable	1,014,729	1,090,777
CRI Note Receivable	46,250	61,250
Prepaid Items	5,275	1,084
	<u>\$ 32,914,154</u>	<u>\$ 32,289,634</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Vouchers and Accounts Payable	768,373	422,009
Payroll Deductions	863,868	518,326
Due to Other Governmental Units	540,523	698,258
Deferred Revenues:		
Current Tax Levy	14,109,481	13,065,586
Long-Term Receivables	1,060,979	1,152,027
Other	231,779	81,881
Total Liabilities	<u>17,575,003</u>	<u>15,938,087</u>
<b>Fund Balance:</b>		
Nonspendable:		
Delinquent Taxes	1,673,373	1,935,275
Prepaid Items	5,275	1,084
Assigned	6,250,817	5,743,443
Unassigned	7,409,686	8,671,745
Total Fund Balance	<u>15,339,151</u>	<u>16,351,547</u>
	<u>\$ 32,914,154</u>	<u>\$ 32,289,634</u>
Total Liabilities and Fund Balance	<u>\$ 32,914,154</u>	<u>\$ 32,289,634</u>

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>REVENUES:</b>				
<b>Taxes:</b>				
General Property Taxes	\$ 13,065,586	\$ 13,065,586	\$ -	\$ 12,896,722
Payment in Lieu of Taxes	24,000	33,923	9,923	23,267
Forest Crop Taxes	14,000	8,676	(5,324)	12,432
Sales Taxes	120	130	10	115
Real Estate Transfer Fees - County Share	100,000	110,921	10,921	94,707
Interest on Taxes	350,000	405,630	55,630	354,694
Agricultural Land Conversion Penalty	4,000	1,161	(2,839)	8,654
Total Taxes	13,557,706	13,626,027	68,321	13,390,591
<b>Intergovernmental:</b>				
Shared Taxes from State	2,560,495	2,559,151	(1,344)	2,982,098
Tax Exempt Computer Aid	55,095	54,986	(109)	77,001
Guardian Ad Litem	48,618	48,989	371	48,618
Victim/Witness Program	74,190	54,163	(20,027)	68,004
Court Grant	199,056	198,914	(142)	210,308
Drug Abuse Program	8,000	6,252	(1,748)	5,728
Snowmobile Enforcement Patrol	17,430	6,007	(11,423)	9,538
Responsible Unit Grant	96,595	111,465	14,870	96,595
Recycling Grant	105,974	106,731	757	105,974
Clean Sweep Grant	14,300	17,100	2,800	14,300
Water Safety Patrol	24,924	17,249	(7,675)	29,463
All Terrain Vehicle Patrol	17,270	10,102	(7,168)	7,105
SARA Program	13,500	16,916	3,416	16,666
Emergency Government - Special Grants	10,000	74,714	64,714	60,679
County Jail State Aids	-	1,709	1,709	-
Courthouse Energy Efficiency	-	2,024	2,024	20,056
Targeted Runoff Management Grants	73,785	-	(73,785)	-
Conservation Reserve Enhancement Program	195,920	15,533	(180,387)	84,664
County Parks Improvements Grant	27,045	24,728	(2,317)	-
Planning and Zoning Aids	13,750	-	(13,750)	-
District Attorney	16,282	12,760	(3,522)	8,007
SARA HAZMAT Equipment Grant	10,000	7,328	(2,672)	8,822
ARRA Energy Efficiency Grant	-	-	-	146,719
Lake Protection Grant	-	9,618	9,618	9,193
Sheriff Department Justice Assistance Grant	-	-	-	13,262
Police Training	11,200	10,065	(1,135)	85,039
Sheriff Department Grants	1,000	61,603	60,603	23,779

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>REVENUES (CONTINUED)</b>				
<b>Intergovernmental: (Continued)</b>				
County Trunk Highways	\$ 1,225,169	\$ 1,225,169	\$ -	\$ 1,361,298
Federal Aid Secondary Projects	959,717	959,717	-	1,565,302
Local Road Improvement Program	488,105	488,105	-	10,271
State Aid - Bridge Aid	6,291	6,291	-	-
Child Support	677,847	652,056	(25,791)	595,245
Veterans Service Officer	11,500	11,500	-	11,500
Snowmobile Trail Advances	90,400	120,673	30,273	145,266
All Terrain Vehicle Trails	6,750	6,750	-	5,370
Wildlife Habitat Management	1,695	1,695	-	1,683
Forest Administration	101,947	225,016	123,069	107,230
Forest Roads	6,700	6,731	31	6,741
State Aid - SWIRM	239,851	172,001	(67,850)	210,131
DNR Land Acquisition Grants	36,132	33,020	(3,112)	227,328
County Forest Trails	7,153	3,863	(3,290)	4,347
Wildlife Damage Abatement	22,580	17,199	(5,381)	15,288
Land Conservation	-	-	-	4,592
Emergency Government	41,000	52,604	11,604	57,596
Total Intergovernmental	7,517,266	7,410,497	(106,769)	8,460,806
<b>Licenses and Permits:</b>				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	11,000	10,730	(270)	9,865
Marriage License Fees for Social Services	7,000	8,040	1,040	7,560
Conservation License Fees	550	370	(180)	444
Environmental Impact Fees	-	5,258	5,258	5,408
Zoning Permits	141,380	164,283	22,903	157,476
Building Inspection Fees	64,000	109,213	45,213	82,000
Gravel Pit Permits	80,000	159,120	79,120	123,815
Occupational Driver's Licenses	300	540	240	520
Total Licenses and Permits	305,230	458,554	153,324	388,088
<b>Fines and Forfeits:</b>				
County Ordinance Forfeitures	90,000	108,337	18,337	87,169
County Share of State Fines and Forfeitures	113,635	92,287	(21,348)	107,162
Total Fines and Forfeits	203,635	200,624	(3,011)	194,331

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2012**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>REVENUES (CONTINUED)</b>				
<b>Public Charges for Services:</b>				
County Clerk Fees	\$ 11,700	\$ 12,585	\$ 885	\$ 12,237
Anniversary Book Revenues	100	57	(43)	142
Treasurer Fees	2,850	3,461	611	4,263
Employee Health Premium Revenue	-	43,263	43,263	-
Register of Deeds Fees	317,981	386,461	68,480	356,761
Uniform Address Fees	4,000	3,475	(525)	2,895
Surveyor Fees	5,463	4,325	(1,138)	4,152
Sign Replacement Revenues	4,900	5,075	175	4,851
Passport Revenues	27,500	24,850	(2,650)	22,150
Circuit Court Fees and Costs	177,000	197,582	20,582	186,255
Mediation Fees	7,000	6,865	(135)	7,110
Bond Forfeiture Revenues	14,000	20,788	6,788	11,272
Attorney Fee Reimbursements	40,000	31,206	(8,794)	41,557
Court Commissioner Reimbursements	500	248	(252)	524
Juvenile Legal Fees	1,350	709	(641)	1,282
Register in Probate Fees	19,775	27,458	7,683	21,009
Guardian Ad Litem Revenue	43,000	39,780	(3,220)	37,046
Guardianship Revenue	5,000	2,157	(2,843)	1,876
Probate Attorney Fees	500	763	263	951
Youth Court Program Fees	1,000	1,773	773	1,643
Restitution Surcharge Fees	16,500	18,530	2,030	15,670
Ignition Interlock Surcharge Fees	3,889	5,389	1,500	3,857
Chapter 51/55 Legal Fees	100	387	287	322
Prosecution Revenues	2,500	1,160	(1,340)	1,480
Sale of Maps and Plats	-	15,822	15,822	37,564
Sheriff Fees	90,000	71,164	(18,836)	69,869
Reserve Officers Revenues	171,294	122,824	(48,470)	142,203
Board of Prisoners - Huber	182,945	195,644	12,699	174,819
Jail Revenues	32,000	23,814	(8,186)	32,780
Jail Canteen Fund	149,000	164,476	15,476	161,951
Electronic Monitoring Revenue	49,640	33,591	(16,049)	62,026
Range Usage Fees	6,000	10,892	4,892	7,353
DNA Testing Fee	500	1,640	1,140	1,400
Coroner Fees	53,375	41,092	(12,283)	23,975
All Terrain Vehicle Class Fees	400	370	(30)	650
Water Patrol Class Fees	400	470	70	340
Snowmobile Training Class Fees	300	230	(70)	360
Health Clinic Revenue	85,199	37,344	(47,855)	41,176
Home Nursing Revenue	1,328,564	1,292,441	(36,123)	1,323,435
Child Support Collections	20,200	21,018	818	21,107
County Parks Revenue	153,923	146,271	(7,652)	155,269

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012			2011 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>REVENUES (CONTINUED)</b>				
<b>Public Charges for Services: (Continued)</b>				
Trail Fee Revenues	\$ 7,500	\$ 10,176	\$ 2,676	\$ 9,998
Tree Planter Rental Fees	500	349	(151)	590
University Extension Revenue	13,825	14,370	545	16,514
CREP Landowner Application Fees	700	210	(490)	625
CREP Easement Application Fees	1,500	250	(1,250)	1,235
Land Conservation - Engineering Services	1,100	4,285	3,185	-
Land Conservation - Technical Services	18,055	14,354	(3,701)	7,855
Land Conservation - Municipal Service Fee	4,000	4,000	-	5,500
District Attorney Revenues	9,000	8,207	(793)	8,590
County Forest Revenues	260,000	557,281	297,281	274,645
Solid Waste Disposal	800	1,291	491	617
Solid Waste Tire Facility	16,000	15,447	(553)	12,108
Gravel Pit Mapping Fees	20,500	1,800	(18,700)	3,900
Community Well Water Fee	24,165	17,907	(6,258)	18,485
Economic Development Revenues	-	2,487	2,487	-
Recycling Revenues - Other	15,470	16,508	1,038	21,046
Total Public Charges for Services	3,423,463	3,686,372	262,909	3,377,290
<b>Intergovernmental Charges for Services:</b>				
Board of Prisoners from Other Governments	428,223	374,578	(53,645)	562,668
Information System Revenues	20,000	20,188	188	17,831
Transportation of Juveniles	348	2,121	1,773	1,155
Total Intergovernmental Charges for Services	448,571	396,887	(51,684)	581,654
<b>Miscellaneous:</b>				
Investment Income	288,683	189,237	(99,446)	203,837
Rent of County Offices and Buildings	21,600	23,196	1,596	12,396
Copy Machine/Offset Revenue	32,900	25,267	(7,633)	25,160
Clerk of Court Copy Machine Revenue	500	316	(184)	377
CRI Note Repayment	76,047	91,047	15,000	88,803
Sale of County Property	1,000	163,642	162,642	4,783
Sale of Sheriff Property	800	665	(135)	350
Profit on Tax Deed Sales	2,000	8,730	6,730	-
TIF District Refunds	-	-	-	56,528
Insurance Recoveries	3,000	19,635	16,635	14,457
Insurance Dividends	30,025	26,745	(3,280)	35,488
Refund of Prior Years Expenses	-	645	645	1,363
Youth Court Program Donations	6,000	4,982	(1,018)	5,028
Land Conservation Private Grants and Donations	50,000	101,000	51,000	50,000
Energy Grants and Rebates	15,000	42,045	27,045	15,000
Sheriff Donations	-	36,245	36,245	-
Groundwater Study Donations	-	50,000	50,000	-
Sundry Departmental Revenues	500	17,558	17,058	1,614
Land Conservation Revenue	1,500	577	(923)	1,230
Maintenance Miscellaneous Revenue	-	557	557	16,644
Emergency Government Miscellaneous Revenue	1,500	3,850	2,350	3,550
Forest and Parks Miscellaneous Revenue	150	-	(150)	3,900
Total Miscellaneous	531,205	805,939	274,734	540,508
<b>Total Revenues</b>	25,987,076	26,584,900	597,824	26,933,268

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012			2011 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>EXPENDITURES</b>				
<b>General Government:</b>				
County Board	\$ 176,475	\$ 155,522	\$ 20,953	\$ 156,252
Circuit Court	1,449,254	1,408,228	41,026	1,245,203
Mediation Program	24,000	24,000	-	23,200
Register in Probate	92,898	92,398	500	90,348
Juvenile Court	187,468	178,455	9,013	176,455
Youth Court Program	7,000	7,354	(354)	6,157
Family Court Commissioner	26,500	25,788	712	26,142
Coroner	85,299	81,621	3,678	82,140
County Clerk	352,293	317,447	34,846	224,883
County Risk Management	15,094	(129)	15,223	-
County Administrator	273,709	209,878	63,831	216,250
Family Court Counseling Fund	-	-	-	800
Elections	63,940	55,119	8,821	29,057
Personnel	224,444	215,618	8,826	167,214
Information Systems	481,650	539,437	(57,787)	484,633
Copy Machine/Offset	32,900	19,459	13,441	22,750
Finance	297,894	235,859	62,035	278,327
Finance Carryover	20,000	21,560	(1,560)	84,801
Personal Property Chargeback Expenses	3,000	1,768	1,232	2,888
Assessments	1,350	92	1,258	302
County Treasurer	354,477	372,906	(18,429)	333,574
Independent Auditing	29,061	25,493	3,568	30,104
Special Accounting	7,611	7,611	-	7,611
District Attorney	402,752	378,054	24,698	371,924
Crime Victim/Witness Program	193,570	167,698	25,872	183,278
Corporate Counsel	267,705	277,378	(9,673)	265,889
Register of Deeds	310,390	340,454	(30,064)	304,680
Register of Deeds Redaction Expenses	55,481	34,375	21,106	22,728
Register of Deeds Carryover	-	-	-	46,678
Land Records Program Local	59,974	5,567	54,407	57,247
Surveyor	80,938	82,366	(1,428)	81,451
Tax Deed Expense	1,500	-	1,500	180
Courthouse	1,621,986	1,511,607	110,379	1,899,520
Facilities Improvements	75,000	64,444	10,556	-

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
<b>General Government: (Continued)</b>				
Property and Liability Insurance	\$ 158,600	\$ 355,189	\$ (196,589)	\$ 105,445
Health Program Expenses	-	2,487	(2,487)	-
Maps and Plat Books	-	-	-	14,208
Sundry Department Expenses	2,900	932	1,968	1,187
Contingency	150,000	26,019	123,981	9,768
Computer Outlay	175,000	139,093	35,907	602,848
Total General Government	7,762,113	7,381,147	380,966	7,656,122
<b>Public Safety:</b>				
Sheriff	430,094	437,075	(6,981)	385,292
Investigations	614,938	581,069	33,869	521,647
Patrol	1,798,318	1,906,742	(108,424)	1,703,581
Sheriff's Department Training and Equipment	11,200	75,377	(64,177)	211,585
Reserve Officers	171,294	134,581	36,713	147,271
Snowmobile Patrol	22,088	1,604	20,484	22,247
Rifle Range	7,775	5,678	2,097	4,988
Water Safety Patrol	38,345	11,627	26,718	48,389
All Terrain Vehicle Trail Patrol	21,588	9,436	12,152	9,371
Police Radio	59,114	44,474	14,640	56,125
Fire Suppression	5,000	785	4,215	408
Building Inspection Fund	64,000	104,078	(40,078)	80,314
Emergency Government	114,966	114,247	719	111,276
SARA Program (Hazardous Materials)	41,480	28,553	12,927	39,807
Special Grants - Emergency Government	10,000	68,169	(58,169)	66,984
County Jail	3,337,854	3,241,993	95,861	3,141,273
Jail Canteen Fund	149,000	144,998	4,002	149,614
Telecommunications	1,036,094	1,041,072	(4,978)	982,030
Uniform Addressing	96,280	90,900	5,380	86,541
Total Public Safety	8,029,428	8,042,458	(13,030)	7,768,743

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
<b>Public Works:</b>				
County Trunk Highway System (see Schedule E-4)	\$ 6,179,895	\$ 6,179,895	\$ -	\$ 6,438,284
Recycling	291,843	289,804	2,039	245,691
Airport	123,961	123,961	-	121,530
Total Public Works	6,595,699	6,593,660	2,039	6,805,505
<b>Health and Human Services:</b>				
Public Health Nurse	642,775	750,044	(107,269)	623,244
Home Nursing Program	1,328,564	1,247,812	80,752	1,180,738
Health Clinics	97,882	72,384	25,498	44,469
Child Support	719,099	663,777	55,322	614,741
Veterans' Service Officer	170,015	154,464	15,551	134,003
Veterans' Relief	5,750	4,274	1,476	4,117
Care of Veterans' Graves	1,400	1,299	101	1,327
Total Health and Human Services	2,965,485	2,894,054	71,431	2,602,639
<b>Culture, Recreation and Education:</b>				
Grants to Public Libraries	640,421	640,421	-	626,291
Snowmobile Trails	90,400	85,148	5,252	178,781
All Terrain Vehicle Trails	6,750	3,734	3,016	18,787
University Extension	284,553	290,860	(6,307)	269,217
Old Abe Trail	6,750	2,325	4,425	3,050
Hickory Ridge/River Road Trail	4,347	2,583	1,764	3,596
Extension Education Programs	75,725	62,158	13,567	72,748
Total Culture, Recreation and Education	1,108,946	1,087,229	21,717	1,172,470
<b>Conservation and Development:</b>				
County Forestry Department	203,781	242,402	(38,621)	86,711
County Parks	414,215	389,886	24,329	353,708
Forest Roads	6,700	6,655	45	8,008
Forest and Parks Quality of Life	136,132	63,636	72,496	374,961
State Forestry Fund	101,947	199,469	(97,522)	115,052
Comprehensive Planning Project	175,000	148,343	26,657	-
Conservancy Trail Development	750	-	750	-
Land Conservation Stewardship	-	53,905	(53,905)	53,500
Conservation Committee	700	410	290	650
Land Conservation	362,913	348,659	14,254	428,036

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	2012		Variance - Positive (Negative)	2011 Actual
	Final Budget	Actual		
<b>EXPENDITURES (CONTINUED)</b>				
<b>Conservation and Development: (Continued)</b>				
Lake Protection Grant	\$ -	\$ -	\$ -	\$ 6,512
SWIRM Grant Expenditures	239,851	179,406	60,445	202,737
Groundwater Study	-	40,039	(40,039)	-
Targeted Runoff Management	73,785	-	73,785	-
Stormwater Planning Grant	5,000	3,500	1,500	3,500
Wildlife Habitat Management	1,695	983	712	1,981
Wildlife Damage - Abatement Project	22,580	17,199	5,381	15,788
TMDL - Little Lake Wissota	27,116	85,612	(58,496)	8,193
Gravel Pits	100,500	103,807	(3,307)	63,853
Conservation Reserve Enhancement Program	205,918	23,846	182,072	94,547
Housing Authority	896	591	305	614
Zoning	458,745	419,606	39,139	434,408
Economic Development	164,400	162,737	1,663	163,550
Tourism Development	27,270	27,270	-	27,270
Total Conservation and Development	<u>2,729,894</u>	<u>2,517,961</u>	<u>211,933</u>	<u>2,443,579</u>
<b>Total Expenditures</b>	<u>29,191,565</u>	<u>28,516,509</u>	<u>675,056</u>	<u>28,449,058</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,204,489)	(1,931,609)	1,272,880	(1,515,790)
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers In:</b>				
Sales Tax Fund	2,033,361	2,110,624	77,263	2,033,361
Human Services Fund	-	540,000	540,000	500,000
Dog License Fund	-	-	-	25,557
<b>Transfers Out:</b>				
Dog License Fund	-	(25,411)	(25,411)	-
Self-Funded Workers Compensation Fund	-	-	-	(671,732)
Health Insurance Fund	-	(1,700,000)	(1,700,000)	-
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>2,027,361</u>	<u>919,213</u>	<u>(1,108,148)</u>	<u>1,881,186</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,177,128)	(1,012,396)	164,732	365,396
Fund Balance, January 1	<u>16,351,547</u>	<u>16,351,547</u>	-	<u>15,986,151</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 15,174,419</u>	<u>\$ 15,339,151</u>	<u>\$ 164,732</u>	<u>\$ 16,351,547</u>

**CHIPPEWA COUNTY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Refunding Bond Issue	2011/2012 Capital Projects Debt	2011 Refunding Bonds	Totals	
				2012	2011
<b>ASSETS</b>					
Treasurer's Cash and Investments	\$ -	\$ -	\$ 344,087	\$ 344,087	\$ 9,257,131
Taxes Receivable	-	-	-	-	358,328
Accounts Receivable	-	-	-	-	48,354
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,087</u>	<u>\$ 344,087</u>	<u>\$ 9,663,813</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ 358,328
<b>Fund Balances:</b>					
Restricted	-	-	-	-	6,197,825
Committed	-	-	344,087	344,087	3,107,660
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>344,087</u>	<u>344,087</u>	<u>9,305,485</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,087</u>	<u>\$ 344,087</u>	<u>\$ 9,663,813</u>

**CHIPPEWA COUNTY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2011)**

	Refunding Bond Issue	2011/2012 Capital Projects Debt	2011 Refunding Bonds	Totals	
				2012	2011
<b>REVENUES</b>					
General Property Taxes	\$ -	\$ 231,326	\$ 127,002	\$ 358,328	\$ 150,253
Investment Income	25,237	-	21	25,258	41,209
Total Revenues	<u>25,237</u>	<u>231,326</u>	<u>127,023</u>	<u>383,586</u>	<u>191,462</u>
<b>EXPENDITURES</b>					
Principal Retirement	970,000	230,000	-	1,200,000	1,076,619
Interest and Fiscal Charges	147,018	129,723	134,223	410,964	329,443
Debt Issuance Costs	-	-	-	-	87,895
Total Expenditures	<u>1,117,018</u>	<u>359,723</u>	<u>134,223</u>	<u>1,610,964</u>	<u>1,493,957</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,091,781)	(128,397)	(7,200)	(1,227,378)	(1,302,495)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	-	-	6,527,700
Premium on Debt Issued	-	-	-	-	289,605
Transfer In from Sales Tax Fund	1,390,078	128,397	-	1,518,475	1,517,508
Transfer Out to Sales Tax Fund	(3,057,495)	-	-	(3,057,495)	-
Intrafund Transfers	(351,287)	-	351,287	-	-
Principal Payments on Refinanced Debt	(6,195,000)	-	-	(6,195,000)	(531,585)
Total Other Financing Sources (Uses)	<u>(8,213,704)</u>	<u>128,397</u>	<u>351,287</u>	<u>(7,734,020)</u>	<u>7,803,228</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,305,485)	-	344,087	(8,961,398)	6,500,733
Fund Balance, January 1	<u>9,305,485</u>	<u>-</u>	<u>-</u>	<u>9,305,485</u>	<u>2,804,752</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,087</u>	<u>\$ 344,087</u>	<u>\$ 9,305,485</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**FARM LAND DEVELOPMENT ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2011)

	2012	2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Treasurer's Cash	\$ 210,699	\$ 246,188
Investment of Land Sales Proceeds	159,118	158,865
Accounts Receivable	40,000	40,500
Total Current Assets	409,817	445,553
<b>Noncurrent Assets:</b>		
Property Held for Resale:		
Land	90,871	90,871
Land Improvements	1,739,513	1,739,513
Capital Assets:		
Land	22,653	22,653
Total Noncurrent Assets	1,853,037	1,853,037
Total Assets	\$ 2,262,854	\$ 2,298,590
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Vouchers Payable	\$ 8,592	\$ -
Special Deposits	4,589	4,589
Total Liabilities	13,181	4,589
<b>NET POSITION</b>		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	2,227,020	2,271,348
Total Net Position	2,249,673	2,294,001
Total Liabilities and Net Position	\$ 2,262,854	\$ 2,298,590

**CHIPPEWA COUNTY, WISCONSIN  
FARM LAND DEVELOPMENT ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES:</b>		
Charges for Services	\$ 500	\$ 25,500
<b>OPERATING EXPENSES</b>	<u>45,082</u>	<u>119,214</u>
<b>OPERATING LOSS</b>	(44,582)	(93,714)
<b>NONOPERATING REVENUES:</b>		
Interest Revenue	<u>254</u>	<u>220</u>
<b>CHANGE IN NET POSITION</b>	(44,328)	(93,494)
Net Position, January 1	<u>2,294,001</u>	<u>2,387,495</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 2,249,673</u>	<u>\$ 2,294,001</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**FARM LAND DEVELOPMENT ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from the Sale of County Property and Deposits	\$ 1,000	\$ 94,878
Cash Paid for Goods and Services	(36,490)	(119,214)
Net Cash Used by Operating Activities	(35,490)	(24,336)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received on Investments	254	220
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(35,236)	(24,116)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	405,053	429,169
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 369,817	\$ 405,053
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (44,582)	\$ (93,714)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
Decrease in Accounts Receivable	500	69,378
Increase in Vouchers Payable	8,592	-
Net Cash Used by Operating Activities	\$ (35,490)	\$ (24,336)
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:</b>		
Cash and Investments per Schedule D-1:		
Treasurer's Cash	\$ 210,699	\$ 246,188
Investment of Land Sales Proceeds	159,118	158,865
Cash and Cash Equivalents per Schedule D-3	\$ 369,817	\$ 405,053

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Highway Department	Self-Funded Workers Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2012	2011
<b>ASSETS</b>							
<b>Current Assets:</b>							
Treasurer's Cash and Investments	\$ 3,701,008	\$ 1,409,085	\$ 842,002	\$ 228,845	\$ 89,262	\$ 6,270,202	\$ 6,687,019
Departmental Cash - Petty Cash	250	-	-	-	-	250	250
Cash and Investments Held by Fiscal Agent	-	-	25,000	225,063	-	250,063	271,662
Accounts Receivable	379,340	-	157,604	69,613	-	606,557	240,554
Due from Other Governmental Units	2,403,279	-	-	-	-	2,403,279	1,922,705
Inventories	1,806,035	-	-	-	-	1,806,035	1,789,437
Prepaid Items	40,540	-	-	-	-	40,540	40,540
<b>Total Current Assets</b>	<b>8,330,452</b>	<b>1,409,085</b>	<b>1,024,606</b>	<b>523,521</b>	<b>89,262</b>	<b>11,376,926</b>	<b>10,952,167</b>
<b>Noncurrent Assets:</b>							
<b>Capital Assets:</b>							
Not Being Depreciated	92,696	-	-	-	-	92,696	92,696
Being Depreciated	26,588,574	-	-	-	-	26,588,574	25,959,189
Accumulated Depreciation	(15,093,360)	-	-	-	-	(15,093,360)	(14,502,854)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	-	750,327	-	750,327	750,327
<b>Total Noncurrent Assets</b>	<b>11,587,910</b>	<b>-</b>	<b>-</b>	<b>750,327</b>	<b>-</b>	<b>12,338,237</b>	<b>12,299,358</b>
<b>Total Assets</b>	<b>\$ 19,918,362</b>	<b>\$ 1,409,085</b>	<b>\$ 1,024,606</b>	<b>\$ 1,273,848</b>	<b>\$ 89,262</b>	<b>\$ 23,715,163</b>	<b>\$ 23,251,525</b>

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2012	2011
<b>LIABILITIES:</b>							
<b>Current Liabilities:</b>							
Accounts Payable	\$ 502,031	\$ 13,066	\$ 8,813	\$ 1,409	\$ 20,936	\$ 546,255	\$ 109,982
Present Value of Unpaid Losses	-	946,713	11,967	353,059	-	1,311,739	1,681,642
Deferred Cost Pool Revenues	-	-	-	-	-	-	4,304
Highway Construction Advance Payment	2,779,949	-	-	-	-	2,779,949	2,236,476
Current Portion of Employee Leave Liability	224,505	-	-	-	-	224,505	242,610
Total Current Liabilities	<u>3,506,485</u>	<u>959,779</u>	<u>20,780</u>	<u>354,468</u>	<u>20,936</u>	<u>4,862,448</u>	<u>4,275,014</u>
<b>Long-Term Liabilities</b>							
<b>(Net of Current Portion):</b>							
Other Postemployment Benefits Payable	28,743	-	-	-	-	28,743	42,342
Estimated Employee Leave Liability	580,076	-	-	-	-	580,076	664,756
Total Long-Term Liabilities	<u>608,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,819</u>	<u>707,098</u>
Total Liabilities	4,115,304	959,779	20,780	354,468	20,936	5,471,267	4,982,112
<b>NET POSITION:</b>							
Net Investment in Capital Assets	11,587,910	-	-	-	-	11,587,910	11,549,031
Unrestricted	4,215,148	449,306	1,003,826	919,380	68,326	6,655,986	6,720,382
Total Net Position	<u>15,803,058</u>	<u>449,306</u>	<u>1,003,826</u>	<u>919,380</u>	<u>68,326</u>	<u>18,243,896</u>	<u>18,269,413</u>
Total Liabilities and Net Position	<u>\$ 19,918,362</u>	<u>\$ 1,409,085</u>	<u>\$ 1,024,606</u>	<u>\$ 1,273,848</u>	<u>\$ 89,262</u>	<u>\$ 23,715,163</u>	<u>\$ 23,251,525</u>

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2011)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2012	2011
<b>OPERATING REVENUES</b>	\$ 19,098,356	\$ 445,864	\$ 4,716,380	\$ 318,185	\$ 742,793	\$ 25,321,578	\$ 19,128,344
<b>OPERATING EXPENSES</b>	20,567,541	497,363	6,228,356	243,241	742,066	28,278,567	21,141,506
<b>OPERATING INCOME (LOSS)</b>	(1,469,185)	(51,499)	(1,511,976)	74,944	727	(2,956,989)	(2,013,162)
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Interest Revenue	-	805	4,591	6,665	-	12,061	13,487
Dividend Revenue	-	-	-	69,613	-	69,613	65,376
Disposition of Assets	28,308	-	-	-	-	28,308	12,810
Nonoperating Depreciation	(20,387)	-	-	-	-	(20,387)	(20,387)
Total Nonoperating Revenues (Expenses)	7,921	805	4,591	76,278	-	89,595	71,286
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(1,461,264)	(50,694)	(1,507,385)	151,222	727	(2,867,394)	(1,941,876)
<b>CONTRIBUTIONS AND TRANSFERS:</b>							
Contributions from State	18,756	-	-	-	-	18,756	-
Transfers from General Fund	-	-	1,700,000	-	6,000	1,706,000	677,732
Transfer from ADRC Fund	-	-	-	-	-	-	21,898
Transfer from Sales Tax Fund	170,000	-	-	-	-	170,000	170,000
Transfer from Land Records Fund	-	-	-	-	-	-	7,000
Transfer from Capital Projects Fund	947,121	-	-	-	-	947,121	43,070
Total Contributions and Transfers	1,135,877	-	1,700,000	-	6,000	2,841,877	919,700
<b>CHANGE IN NET POSITION</b>	(325,387)	(50,694)	192,615	151,222	6,727	(25,517)	(1,022,176)
Net Position, January 1	16,128,445	500,000	811,211	768,158	61,599	18,269,413	19,291,589
<b>NET POSITION, DECEMBER 31</b>	\$ 15,803,058	\$ 449,306	\$ 1,003,826	\$ 919,380	\$ 68,326	\$ 18,243,896	\$ 18,269,413

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash Received for Goods and Services:							
County/Departments	\$ 6,362,266	\$ 445,864	\$ 4,184,646	\$ 318,185	\$ -	\$ 11,310,961	\$ 12,205,719
Third Parties	12,593,761	-	210	-	-	12,593,971	7,647,512
Cash Received from Employees	-	-	531,524	-	742,793	1,274,317	1,259,849
Cash Payments for Goods and Services	(9,890,570)	(16,540)	(9,932)	(57,027)	(4,627)	(9,978,696)	(6,182,404)
Cash Payments for Employee Services	(9,112,275)	(24,956)	(68,429)	(8,553)	-	(9,214,213)	(5,852,639)
Cash Payments for Insurance Claims	-	(417,963)	(6,059,817)	(90,654)	(733,881)	(7,302,315)	(6,622,514)
Cash Payments for Insurance Premiums	-	(20,601)	(581,389)	(118,390)	-	(720,380)	(890,664)
Net Cash Provided (Used) by Operating Activities	(46,818)	(34,196)	(2,003,187)	43,561	4,285	(2,036,355)	1,564,859
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfer from General Fund	-	-	1,700,000	-	6,000	1,706,000	677,732
Transfer from ADRC Fund	-	-	-	-	-	-	21,898
Transfer from Sales Tax Fund	170,000	-	-	-	-	170,000	170,000
Transfer from Land Management Fund	-	-	-	-	-	-	7,000
Transfer from Capital Projects Fund	947,121	-	-	-	-	947,121	43,070
Net Cash Provided (Used) by Noncapital Financing Activities	1,117,121	-	1,700,000	-	6,000	2,823,121	919,700
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Cash Received from Salvage of Capital Assets	66,187	-	-	-	-	66,187	57,404
Cash Received from Insurance Recoveries	-	-	-	-	-	-	8,197
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,368,806)	-	-	-	-	(1,368,806)	(859,815)
Net Cash Used for Capital and Related Financing Activities	(1,302,619)	-	-	-	-	(1,302,619)	(794,214)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest and Dividends Received on Investments	-	805	4,591	72,041	-	77,437	84,871
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>							
	(232,316)	(33,391)	(298,596)	115,602	10,285	(438,416)	1,775,216
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>							
	3,933,574	1,442,476	1,165,598	338,306	78,977	6,958,931	5,183,715
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>							
	\$ 3,701,258	\$ 1,409,085	\$ 867,002	\$ 453,908	\$ 89,262	\$ 6,520,515	\$ 6,958,931

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Highway	Self-Funded	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Health Insurance	Liability Insurance	Benefits Fund	2012	2011
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating Income (Loss)	\$ (1,469,185)	\$ (51,499)	\$ (1,511,976)	\$ 74,944	\$ 727	\$ (2,956,989)	\$ (2,013,162)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Depreciation	1,290,417	-	-	-	-	1,290,417	1,287,635
(Increase) Decrease in Assets:							
Accounts Receivable	(205,228)	1,066	(157,604)	-	-	(361,766)	227,835
Due from Other Governments	(480,574)	-	-	-	-	(480,574)	(477,617)
Materials and Supplies	(16,598)	-	-	-	-	(16,598)	358,178
Increase (Decrease) in Liabilities:							
Accounts Payable	411,565	11,315	8,426	1,409	3,558	436,273	(158,299)
Present Value of Unpaid Losses	-	4,922	(342,033)	(32,792)	-	(369,903)	145,301
Deferred Cost Pool Revenues	(4,304)	-	-	-	-	(4,304)	4,297
Advance for Highway Construction	543,473	-	-	-	-	543,473	2,236,476
Other Postemployment Benefits	(13,599)	-	-	-	-	(13,599)	(17,932)
Unused Vested Employee Benefits	(102,785)	-	-	-	-	(102,785)	(27,853)
Net Cash Provided (Used) by Operating Activities	<u>\$ (46,818)</u>	<u>\$ (34,196)</u>	<u>\$ (2,003,187)</u>	<u>\$ 43,561</u>	<u>\$ 4,285</u>	<u>\$ (2,036,355)</u>	<u>\$ 1,564,859</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>							
Capital Assets Financed by State	\$ 18,756	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CHIPPEWA COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012	2011
<b>OPERATING REVENUES:</b>		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 6,179,895	\$ 6,438,284
State Highway Maintenance and Construction	2,140,269	2,102,914
Local Districts	844,486	1,698,429
County Departments	107,321	100,426
Non-Governmental Customers	9,057,168	1,194,733
Non-Highway Fleet	75,050	69,804
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	567,672	312,142
Equipment Storage	113,808	124,780
Gravel Pit Sales	50	139,600
Miscellaneous Highway Revenues	12,637	18,152
Total Operating Revenues	19,098,356	12,199,264
<b>OPERATING EXPENSES:</b>		
Administration and General:		
Administration	405,530	414,691
Patrol Superintendent	149,985	146,237
Engineering Technician	46,279	-
Radio Expense	2,234	7,602
Public Liability Insurance	24,699	21,987
Transportation Cost Pools:		
Machinery Operations	62,400	212,126
Gravel Pits and Quarries	(27,599)	34,082
Bituminous Operations	328,841	(217,072)
Services Provided:		
County:		
General Maintenance	1,763,372	1,523,557
Reconstruction and Betterments	7,817,354	3,822,722
Winter Maintenance	1,145,857	1,411,644
Bridge Construction	418,271	114,434
Land Acquisition	19,036	20,165
State:		
Highway Maintenance and Betterments	2,118,214	2,102,857
Equipment Storage	124,780	124,780
Salt Storage	12,934	12,934
County Aid Bridge Construction	196,478	48,253
Local Districts	844,486	1,688,882
Local Departments	107,317	100,426
Non-Governmental Customers	4,574,117	1,393,681
Amortization of State Contributions Included Above	32,109	31,045
Net Change in Accrued Employee Leave Liability	(78,931)	(1,979)
Net Change in Other Postemployment Benefits Liability	(13,599)	(17,932)
Non-Highway Fleet	493,377	473,689
Total Operating Expenses	20,567,541	13,468,811
<b>OPERATING LOSS</b>	(1,469,185)	(1,269,547)

**CHIPPEWA COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	<u>2012</u>	<u>2011</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Gain (Loss) on Disposition of Assets - Non-Highway Fleet	\$ 28,308	\$ 12,810
Depreciation on Building Space Occupied by Other County Departments	<u>(20,387)</u>	<u>(20,387)</u>
Total Nonoperating Revenues (Expenses)	<u>7,921</u>	<u>(7,577)</u>
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(1,461,264)</b>	<b>(1,277,124)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>		
Contributions from State	18,756	-
Transfer from Capital Projects Fund	947,121	43,070
Transfer from ADRC Fund	-	21,898
Transfer from Sales Tax Fund	170,000	170,000
Transfer from Land Management Fund	-	7,000
Total Contributions and Interfund Transfers	<u>1,135,877</u>	<u>241,968</u>
<b>CHANGE IN NET POSITION</b>	<b>(325,387)</b>	<b>(1,035,156)</b>
Net Position, January 1	<u>16,128,445</u>	<u>17,163,601</u>
<b>NET POSITION, DECEMBER 31</b>	<b><u>\$ 15,803,058</u></b>	<b><u>\$ 16,128,445</u></b>

[1] Charges for County Maintenance and Construction Consists of the Following Payments from the General Fund:

County Appropriations	\$ 3,500,613	\$ 3,501,413
State Transportation Aids	1,225,169	1,361,298
State Local Road Improvement Program Aid	488,105	10,271
State Aid - Local Bridge Revenue	6,291	-
Federal Aid Secondary Revenues	<u>959,717</u>	<u>1,565,302</u>
	<u>\$ 6,179,895</u>	<u>\$ 6,438,284</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2012**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2011)

	2012	2011
<b>REVENUES:</b>		
Charges to County	\$ 318,185	\$ 61,336
Interest Earnings on Funds Held by WMMIC	6,665	6,641
Dividend from WMMIC	69,613	65,376
Total Revenues	394,463	133,353
<b>EXPENSES:</b>		
Insurance Premiums Paid WMMIC	118,390	131,340
Claims Expenses	92,063	30,822
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	(32,792)	(1,947)
Administrative and Other Expenses	65,580	8,082
Total Expenses	243,241	168,297
<b>CHANGE IN NET POSITION</b>	151,222	(34,944)
Net Position, January 1	768,158	803,102
<b>NET POSITION, DECEMBER 31</b>	\$ 919,380	\$ 768,158

**CHIPPEWA COUNTY, WISCONSIN  
AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2012  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2011)**

	Tax Agency	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Timber Bond Performance Deposits	Totals	
								2012	2011
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$ -	\$ 143,718	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 147,718	\$ 420,333
Departmental Cash and Investments	-	-	326,711	3,248	27,733	97,150	-	454,842	498,895
Taxes Receivable:									
Current Apportionment	775,958	-	-	-	-	-	-	775,958	772,381
Due from Departmental Agency Funds	-	143,664	-	-	-	-	-	143,664	163,331
<b>Total Assets</b>	<b>\$ 775,958</b>	<b>\$ 287,382</b>	<b>\$ 326,711</b>	<b>\$ 3,248</b>	<b>\$ 27,733</b>	<b>\$ 97,150</b>	<b>\$ 4,000</b>	<b>\$ 1,522,182</b>	<b>\$ 1,854,940</b>
<b>LIABILITIES</b>									
Due to Other Governmental Units:									
State	\$ 775,958	\$ 212,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 988,204	\$ 1,269,282
Districts	-	50,006	-	-	-	-	-	50,006	38,842
Due to Other Funds	-	-	40,413	-	-	50,724	-	91,137	94,510
Due Treasurer's Agency Fund	-	-	97,638	-	-	46,026	-	143,664	163,331
Special Deposits	-	25,130	188,660	3,248	27,733	400	4,000	249,171	288,975
<b>Total Liabilities</b>	<b>\$ 775,958</b>	<b>\$ 287,382</b>	<b>\$ 326,711</b>	<b>\$ 3,248</b>	<b>\$ 27,733</b>	<b>\$ 97,150</b>	<b>\$ 4,000</b>	<b>\$ 1,522,182</b>	<b>\$ 1,854,940</b>