

CHIPPEWA COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2016

**CHIPPEWA COUNTY, WISCONSIN
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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, 2016, 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, 2016, 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, schedule of funding progress, and pension plan schedules, as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

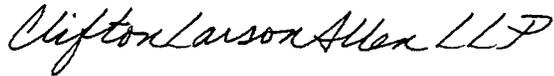
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining 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 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, 2015 which are not presented with the accompanying financial statements. In our report dated July 18, 2016, we expressed unmodified opinions on the respective financial statements of the governmental 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 basic financial statements as a whole. The 2015 individual and combining 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 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 individual and combining 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 24, 2017 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 24, 2017

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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, 2016. 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, 2016 include the following:

- The assets and deferred outflows of resources of Chippewa County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$162,183,827 (net position). Of this amount, \$112,281,114 represented the County's investment in capital assets, net of related debt, \$6,773,635 was held for restricted purposes, and \$43,129,078 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 \$315,956. Net position related to the governmental activities of the County increased \$116,314 and net position related to business-type activities increased \$199,642.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$31,987,951, an increase of \$359,982 over the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,963,870 or 32.5% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$1,435,000 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, liabilities and deferred inflows/outflows with the difference 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, 2016**

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 fifteen 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, the WRRWC special revenue fund, and the debt service fund, all of which are considered to be major funds. Data from the other eight 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, 2016**

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 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 four 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 60 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 68 of this report.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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 and deferred outflows exceeded liabilities and deferred inflows by \$162,183,827 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (69.2%) 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 71,689,422	\$ 70,561,901	\$ 2,560,154	\$ 2,332,672	\$ 74,249,576	\$ 72,894,573
Capital Assets	119,188,147	121,394,917	22,653	22,653	119,210,800	121,417,570
Total Assets	<u>190,877,569</u>	<u>191,956,818</u>	<u>2,582,807</u>	<u>2,355,325</u>	<u>193,460,376</u>	<u>194,312,143</u>
Deferred Outflows of Resources	12,155,717	3,401,265	-	-	12,155,717	3,401,265
Long-Term Debt	7,165,000	8,600,000	-	-	7,165,000	8,600,000
Other Long-Term Obligations	2,712,198	2,705,800	-	-	2,712,198	2,705,800
Other Liabilities	10,835,572	7,020,702	32,429	4,589	10,868,001	7,025,291
Total Liabilities	<u>20,712,770</u>	<u>18,326,502</u>	<u>32,429</u>	<u>4,589</u>	<u>20,745,199</u>	<u>18,331,091</u>
Deferred Inflows of Resources	22,687,067	17,514,446	-	-	22,687,067	17,514,446
Net Position:						
Net Investment in Capital Assets	112,258,461	113,003,675	22,653	22,653	112,281,114	113,026,328
Restricted	6,773,635	8,522,044	-	-	6,773,635	8,522,044
Unrestricted	40,601,353	37,991,416	2,527,725	2,328,083	43,129,078	40,319,499
Total Net Position	<u>\$ 159,633,449</u>	<u>\$ 159,517,135</u>	<u>\$ 2,550,378</u>	<u>\$ 2,350,736</u>	<u>\$ 162,183,827</u>	<u>\$ 161,867,871</u>

An additional portion of Chippewa County's net position (4.2%) represents resources that are subject to other restrictions on how they may be used. The remaining \$43,129,078 of total net position (26.6%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$2,527,725 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 2016, 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 \$315,956 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$116,314 and an increase in net position related to business-type activities in the amount of \$199,642.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

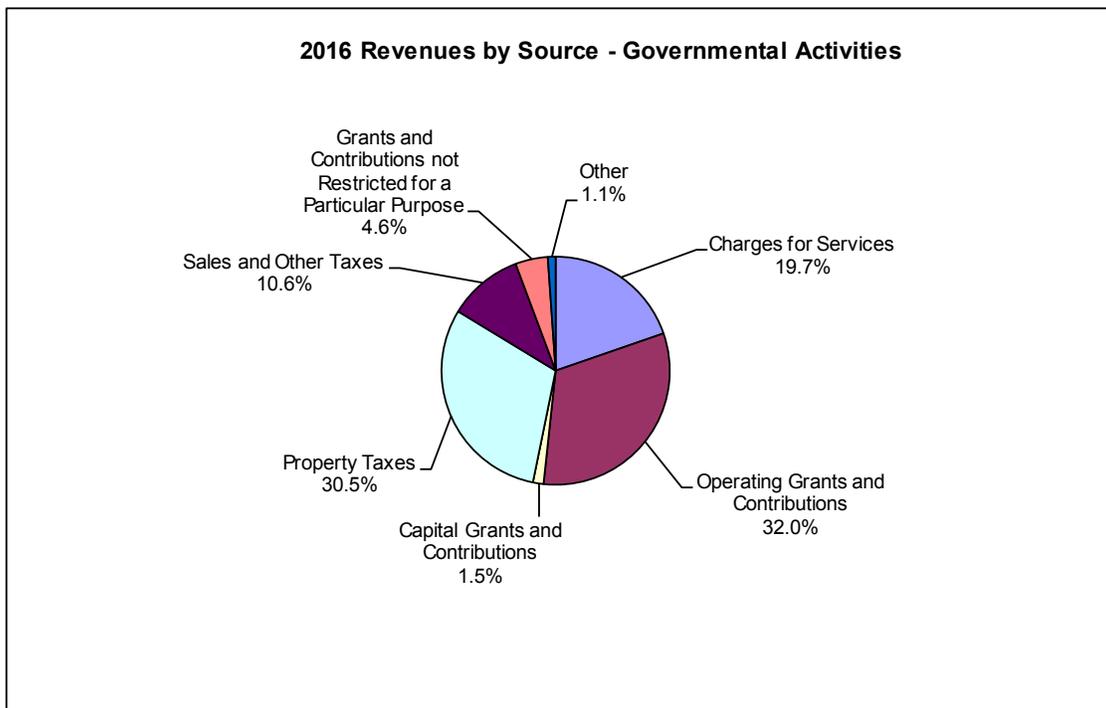
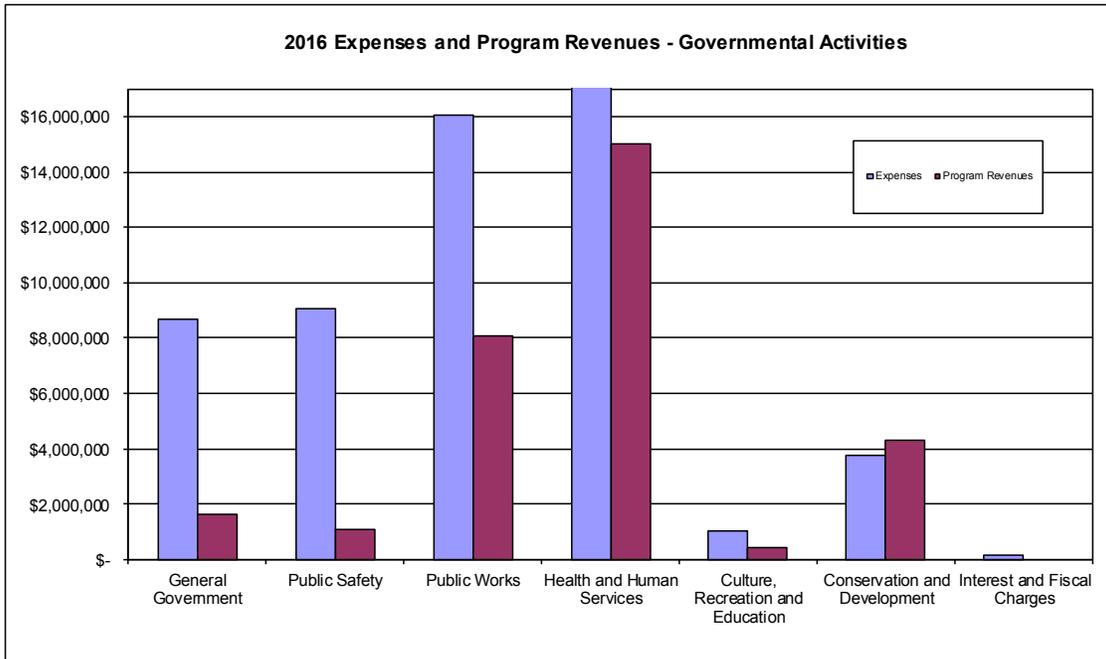
The following is a summary of the changes in the County's net position for the years ended December 31, 2016 and 2015:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,363,345	\$ 14,076,578	\$ 140,673	\$ 60,340	\$ 11,504,018	\$ 14,136,918
Operating Grants and Contributions	18,361,170	13,040,715	-	-	18,361,170	13,040,715
Capital Grants and Contributions	839,275	251,297	-	-	839,275	251,297
General Revenues:						
Property Taxes	17,514,446	17,213,226	-	-	17,514,446	17,213,226
Sales/Other Taxes	6,074,944	5,934,369	-	-	6,074,944	5,934,369
State and Federal Aids Not Restricted to Specific Programs	2,637,611	2,630,498	-	-	2,637,611	2,630,498
Other	632,494	720,928	665	218	633,159	721,146
Total Revenues	57,423,285	53,867,611	141,338	60,558	57,564,623	53,928,169
Expenses:						
General Government	8,686,768	8,641,656	-	-	8,686,768	8,641,656
Public Safety	9,073,474	8,699,660	-	-	9,073,474	8,699,660
Public Works	16,045,673	15,389,328	-	-	16,045,673	15,389,328
Health and Human Services	18,432,820	15,478,246	-	-	18,432,820	15,478,246
Culture, Recreation and Education	1,021,912	949,544	-	-	1,021,912	949,544
Conservation and Development	3,763,126	2,771,111	-	-	3,763,126	2,771,111
Interest and Fiscal Charges	153,198	179,949	-	-	153,198	179,949
Farm Land Development	-	-	71,696	18,245	71,696	18,245
Total Expenses	57,176,971	52,109,494	71,696	18,245	57,248,667	52,127,739
Transfers	(130,000)	-	130,000	-	-	-
Change in Net Position	\$ 116,314	\$ 1,758,117	\$ 199,642	\$ 42,313	\$ 315,956	\$ 1,800,430

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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 (30.5%), operating grants/contributions (32.0%), and charges for services (19.7%).



**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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, 2016, the County's governmental funds reported combined ending fund balances of \$31,987,951, an increase of \$359,982 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2016					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,283,536	\$ -	\$ -	\$ 9,821,913	\$ 9,963,870	\$ 21,069,319	\$ 815,731
Human Services Fund	-	-	1,100,968	-	-	1,100,968	95,146
CDBG Grant Fund	-	187,141	-	-	-	187,141	(348,348)
County Sales Tax Fund	-	-	7,394,147	-	-	7,394,147	(296,556)
WRRWC Fund	-	-	-	-	-	-	-
Debt Service Fund	-	-	614,940	-	-	614,940	1,659
Nonmajor Funds:							
Special Revenue Funds	-	262,895	1,358,541	-	-	1,621,436	92,587
Capital Projects Funds	-	-	-	-	-	-	(237)
	<u>\$ 1,283,536</u>	<u>\$ 450,036</u>	<u>\$ 10,468,596</u>	<u>\$ 9,821,913</u>	<u>\$ 9,963,870</u>	<u>\$ 31,987,951</u>	<u>\$ 359,982</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 68.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 32.5% of the same amount.

The general fund's total fund balance increased \$815,731 during the year; while the unassigned portion of the fund increased \$71,566. The primary factor in the increase in fund balance was unexpended continuing appropriations.

The County's human services fund increased \$95,146 during the year and had a balance of \$1,100,968 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, 2016**

The CDBG grant fund balance decreased \$348,348 during the year and had a balance of \$187,141 at year end. This balance, together with the outstanding receivables totaling \$6,323,599 at that date, are restricted for financing future housing rehabilitation loans in accordance with the original grant agreements.

The County sales tax fund balance decreased \$296,556 during the year and had a balance of \$7,394,147 at year end. The decrease was due to budgeted transfers to other funds for debt retirement and capital improvement projects exceeding sales tax revenues.

The WRRWC fund had no change and ended the year with zero fund balance. This fund is used for the activities of a nine county consortium. The fund balance, if any, is committed for the activities of the consortium.

The debt service fund balance increased \$1,659 during the year and had a balance of \$614,940 at year end. This balance 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 increased \$92,350 during 2016. 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 2016 totaled \$2,550,378.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2016 and 2015**

	Farm Land Development	
	2016	2015
Operating Revenues	\$ 140,673	\$ 60,340
Operating Expenses	71,696	18,245
Operating Income (Loss)	68,977	42,095
Nonoperating Revenues	665	218
Income (Loss) Before Transfers	69,642	42,313
Transfers	130,000	-
Changes in Net Position	199,642	42,313
Net Position - Beginning of Year	2,350,736	2,308,423
Net Position - End of Year	\$ 2,550,378	\$ 2,350,736

As of December 31, 2016, the County's farm land development fund reported net position of \$2,550,378, an increase of \$199,642 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, 2016**

The County had four internal service funds during 2016. Net position of the funds at year end and changes thereto during the year were as follows:

<u>Fund</u>	<u>Net Position at Year End</u>			<u>Change During Year</u>
	<u>Total</u>	<u>Net Investment in Capital Assets</u>	<u>Unrestricted</u>	
Highway Department	\$ 16,859,365	\$ 10,876,828	\$ 5,982,537	\$ (374,835)
Self-funded Insurance Funds:				
Workers Compensation	654,328	-	654,328	72,364
Liability Insurance	462,592	-	462,592	(164,567)
Flexible Benefits	79,734	-	79,734	1,018
Totals	<u>\$ 18,056,019</u>	<u>\$ 10,876,828</u>	<u>\$ 7,179,191</u>	<u>\$ (466,020)</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 3.D.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2016 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 2015 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2016, the County ended the year with a positive budget variance for expenditures primarily due to unexpended continuing appropriations.

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, 2016 and 2015 was \$119,210,800 and \$121,417,570, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net decrease in the governmental activities capital assets was \$2,206,770.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land and Land Rights	\$ 5,062,379	\$ 5,011,130	\$ 22,653	\$ 22,653	\$ 5,085,032	\$ 5,033,783
Construction Work in Progress	2,400,654	589,128	-	-	2,400,654	589,128
Gravel Pits and Quarries	103,284	105,181	-	-	103,284	105,181
Land Improvements	4,019,729	3,773,318	-	-	4,019,729	3,773,318
Buildings and Improvements	17,542,262	18,177,633	-	-	17,542,262	18,177,633
Equipment and Vehicles	9,407,607	9,790,795	-	-	9,407,607	9,790,795
Highway Infrastructure	80,652,232	83,947,732	-	-	80,652,232	83,947,732
Total	<u>\$ 119,188,147</u>	<u>\$ 121,394,917</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 119,210,800</u>	<u>\$ 121,417,570</u>

Additional information related to the County's capital assets is reported in Note 2.C following the financial statements.

Long-Term Obligations

At December 31, 2016, Chippewa County had outstanding \$9,988,004 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2016	2015	2016	2015	2016	2015	
General Obligation Debt:							
Bonds	\$ 2,430,000	\$ 3,195,000	\$ -	\$ -	\$ 2,430,000	\$ 3,195,000	-23.9%
Notes	4,735,000	5,405,000	-	-	4,735,000	5,405,000	-12.4
Subtotal	7,165,000	8,600,000	-	-	7,165,000	8,600,000	-16.7
Other Long-Term Obligations:							
Bond Premiums	110,806	168,199	-	-	110,806	168,199	-34.1
Estimated Employee Leave	2,201,042	2,317,014	-	-	2,201,042	2,317,014	-5.0
Other Postemployment Benefits	511,156	388,786	-	-	511,156	388,786	31.5
Total	<u>\$ 9,988,004</u>	<u>\$ 11,473,999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,988,004</u>	<u>\$ 11,473,999</u>	<u>-13.0</u>

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, 2016 totaled \$7,165,000, approximately 2.8% of the maximum legal limit of \$257,391,765. Additional information on Chippewa County's long-term debt is reported in Note 2.E following the financial statements.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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 2013-2017:

<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>
2016	2017	3.68	\$ 18,103,129	--In Process of Collection--	
2015	2016	3.69	17,514,446	1,136,629	93.51%
2014	2015	3.77	17,213,226	1,227,108	92.80
2013	2014	3.78	16,809,429	1,359,644	91.91
2012	2013	3.75	16,412,252	1,530,522	90.67

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 2012 through 2016. The County's Equalized Valuation outside of Tax Incentive Districts (TID) and once TID valuations are included have both increased the last four years.

<u>Year</u>	<u>Equalized Valuation (TID-IN)</u>	<u>Equalized Valuation (TID-OUT)</u>
2016	\$ 5,147,835,300	\$ 4,912,661,000
2015	4,971,654,200	4,742,695,200
2014	4,776,638,200	4,567,918,100
2013	4,653,303,700	4,448,218,700
2012	4,572,364,300	4,376,600,400

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

Economic Factors and Next Year's Budget and Rates

The overall tax rate for the 2017 budget year decreased from a rate of \$3.69/\$1000 of assessed value to a rate of \$3.68/\$1000, an overall decrease of 0.27%. The resultant overall tax levy increased from a dollar amount of \$17,514,446 to \$18,103,129 - an overall increase of 3.36%.

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 2016, a total of \$5,441,045 was transferred from the sales tax fund as follows:

Property Tax Credit	\$ 1,400,389
Debt Service Fund	1,661,675
Airport Debt Contribution	128,981
Highways and Bridges	1,500,000
IT Equipment Data Center	275,000
911 Phone System	300,000
Vehicle Fleet Pool Purchases	175,000
Total	<u>\$ 5,441,045</u>

The sales tax fund generated \$5,067,844 in sales tax revenues and interest earnings during 2016. In the Budget year of 2017 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,410,191
Debt Service Fund	1,657,600
Airport Debt Contribution	128,981
Highways and Bridges	1,300,000
IT Equipment Data Center	215,000
Radio System Replacement/Fiber Installation	500,000
Jail Camera	150,000
Vehicle Fleet Pool Purchases	175,000
Total	<u>\$ 5,536,772</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, 2016**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 33,667,535	\$ 685,008	\$ 34,352,543
Departmental Cash and Investments	45,881	-	45,881
Cash and Investments Held by Fiscal Agent	495,257	-	495,257
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	19,295,131	-	19,295,131
Accounts Receivable	1,991,801	40,000	2,031,801
Due from Other Governments	6,435,650	-	6,435,650
Due from Fiduciary Funds	81,629	-	81,629
Long-Term Receivables	6,457,957	-	6,457,957
Inventory and Prepaid Items	2,468,254	-	2,468,254
Noncurrent Assets:			
Property Held for Resale	-	1,835,146	1,835,146
Capital Assets:			
Capital Assets Not Being Depreciated	7,463,033	22,653	7,485,686
Capital Assets Being Depreciated	207,818,766	-	207,818,766
Accumulated Depreciation	(96,093,652)	-	(96,093,652)
Total Assets	<u>190,877,569</u>	<u>2,582,807</u>	<u>193,460,376</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	12,155,717	-	12,155,717
LIABILITIES			
Vouchers and Accounts Payable	3,678,825	27,840	3,706,665
Accrued Payables	1,925,107	-	1,925,107
Accrued Interest Payable	86,406	-	86,406
Payroll Taxes and Withholdings	606,801	-	606,801
Due to Other Governments	551,339	-	551,339
Unearned Revenues	1,663,922	-	1,663,922
Special Deposits	34,188	4,589	38,777
Long-Term Liabilities:			
Wisconsin Retirement System Pension Liability	2,178,178	-	2,178,178
Amounts Due Within One Year	3,258,241	-	3,258,241
Amounts Due in More Than One Year	6,729,763	-	6,729,763
Total Liabilities	<u>20,712,770</u>	<u>32,429</u>	<u>20,745,199</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	18,103,129	-	18,103,129
Wisconsin Retirement System Pension Related	4,583,938	-	4,583,938
Total Deferred Inflows of Resources	<u>22,687,067</u>	<u>-</u>	<u>22,687,067</u>
NET POSITION			
Net Investment in Capital Assets	112,258,461	22,653	112,281,114
Restricted for:			
Housing/Business Loan Programs	6,510,740	-	6,510,740
Other	262,895	-	262,895
Unrestricted	40,601,353	2,527,725	43,129,078
Total Net Position	<u>\$ 159,633,449</u>	<u>\$ 2,550,378</u>	<u>\$ 162,183,827</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 8,686,768	\$ 1,086,584	\$ 562,018	\$ -	\$ (7,038,166)	\$ -	\$ (7,038,166)
Public Safety	9,073,474	896,695	174,938	-	(8,001,841)	-	(8,001,841)
Public Works	16,045,673	5,645,599	1,582,240	839,275	(7,978,559)	-	(7,978,559)
Health and Human Services	18,432,820	2,312,669	12,718,457	-	(3,401,694)	-	(3,401,694)
Culture, Recreation and Education	1,021,912	190,703	236,977	-	(594,232)	-	(594,232)
Conservation and Development	3,763,126	1,231,095	3,086,540	-	554,509	-	554,509
Interest and Fiscal Charges	153,198	-	-	-	(153,198)	-	(153,198)
Total Governmental Activities	57,176,971	11,363,345	18,361,170	839,275	(26,613,181)	-	(26,613,181)
Business-Type Activities:							
Farm Land Development	71,696	140,673	-	-	-	68,977	68,977
Total Primary Government	<u>\$ 57,248,667</u>	<u>\$ 11,504,018</u>	<u>\$ 18,361,170</u>	<u>\$ 839,275</u>	(26,613,181)	68,977	(26,544,204)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					17,514,446	-	17,514,446
County Sales Taxes					5,049,898	-	5,049,898
Other Taxes					1,025,046	-	1,025,046
State and Federal Aids not Restricted to Specific Function					2,637,611	-	2,637,611
Interest and Investment Earnings					343,640	665	344,305
Miscellaneous					288,854	-	288,854
Transfers					(130,000)	130,000	-
Total General Revenues and Transfers					<u>26,729,495</u>	<u>130,665</u>	<u>26,860,160</u>
CHANGE IN NET POSITION					116,314	199,642	315,956
Net Position - Beginning of Year					<u>159,517,135</u>	<u>2,350,736</u>	<u>161,867,871</u>
NET POSITION - END OF YEAR					<u>\$ 159,633,449</u>	<u>\$ 2,550,378</u>	<u>\$ 162,183,827</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS								
Treasurer's Cash and Investments	\$ 19,723,404	\$ 784,766	\$ -	\$ 6,595,469	\$ -	\$ 614,940	\$ 1,422,507	\$ 29,141,086
Departmental Cash and Investments	2,025	34,188	-	-	-	-	9,418	45,631
Cash and Investments Held by Fiscal Agent	-	-	276,557	-	-	-	-	276,557
Taxes Receivable	16,785,018	1,866,756	-	-	307,221	-	336,136	19,295,131
Accounts Receivable	601,049	-	-	798,678	224,185	-	36,059	1,659,971
Due from Other Governmental Units	363,173	909,955	57,939	-	2,740,392	-	331,724	4,403,183
Due from Other Funds	1,686,326	-	-	-	-	-	-	1,686,326
Due from Fiduciary Funds	61,521	2,876	-	-	-	-	17,232	81,629
Prepaid Items	91,534	164	-	-	30,075	-	-	121,773
Long-Term Receivables	-	-	6,323,599	-	-	-	134,358	6,457,957
Total Assets	\$ 39,314,050	\$ 3,598,705	\$ 6,658,095	\$ 7,394,147	\$ 3,301,873	\$ 614,940	\$ 2,287,434	\$ 63,169,244
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Vouchers and Accounts Payable	\$ 1,219,385	\$ 581,381	\$ 97,355	\$ -	\$ 1,338,326	\$ -	\$ 122,954	\$ 3,359,401
Payroll Deductions	606,801	-	-	-	-	-	-	606,801
Due to Other Governmental Units	530,227	-	20,000	-	-	-	1,112	551,339
Due to Other Funds	-	-	30,000	-	1,656,326	-	-	1,686,326
Unearned Revenues	285,302	15,412	-	-	-	-	71,438	372,152
Client and Patient Trust Funds	-	34,188	-	-	-	-	-	34,188
Total Liabilities	2,641,715	630,981	147,355	-	2,994,652	-	195,504	6,610,207
Deferred Inflows of Resources:								
Subsequent Year's Property Taxes	15,593,016	1,866,756	-	-	307,221	-	336,136	18,103,129
Unavailable Revenue - Long-Term Receivables	-	-	6,323,599	-	-	-	134,358	6,457,957
Unavailable Revenue - Other	10,000	-	-	-	-	-	-	10,000
Total Deferred Inflows of Resources	15,603,016	1,866,756	6,323,599	-	307,221	-	470,494	24,571,086
Fund Balances:								
Nonspendable	1,283,536	-	-	-	-	-	-	1,283,536
Restricted	-	-	187,141	-	-	-	262,895	450,036
Committed	-	1,100,968	-	7,394,147	-	614,940	1,358,541	10,468,596
Assigned	9,821,913	-	-	-	-	-	-	9,821,913
Unassigned	9,963,870	-	-	-	-	-	-	9,963,870
Total Fund Balances	21,069,319	1,100,968	187,141	7,394,147	-	614,940	1,621,436	31,987,951
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,314,050	\$ 3,598,705	\$ 6,658,095	\$ 7,394,147	\$ 3,301,873	\$ 614,940	\$ 2,287,434	\$ 63,169,244

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 31,987,951

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	\$ 4,090,926	
Land Improvements	7,095,030	
Buildings	28,732,527	
Machinery/Equipment	7,688,087	
Vehicles	253,331	
Infrastructure	136,176,689	
Construction Work in Progress	2,374,334	
Accumulated Depreciation	<u>(78,099,605)</u>	108,311,319

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 6,467,957

Net Wisconsin Retirement System pension plan asset (liability) and related deferred outflows and inflows are not reported in the funds. These amounts are:

Net Pension Plan Asset (Liability)	(1,730,260)	
Deferred Outflows of Resources	9,633,406	
Deferred Inflows of Resources	<u>(3,632,771)</u>	4,270,375

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	(2,430,000)	
Notes Payable	(4,735,000)	
Accrued Interest Payable	(86,406)	
Vacation, Compensatory and Sick Leave Liability	(1,695,820)	
Other Postemployment Benefits Payable	<u>(402,140)</u>	(9,349,366)

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

Unamortized Debt Premiums		(110,806)
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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. 16,859,365

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. 1,196,654

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 159,633,449

CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES								
Taxes	\$ 16,113,180	\$ 1,823,157	\$ -	\$ 5,049,898	\$ 307,221	\$ -	\$ 295,934	\$ 23,589,390
Intergovernmental	7,748,692	4,117,510	1,842,944	-	5,689,002	-	2,260,263	21,658,411
Licenses and Permits	591,308	-	-	-	-	-	215,220	806,528
Fines and Forfeits	146,448	-	-	-	-	-	53,798	200,246
Public Charges for Services	3,552,972	136,100	-	-	309,031	-	291,658	4,289,761
Intergovernmental Charges for Services	197,806	-	-	-	434,785	-	-	632,591
Miscellaneous:								
Investment Income	226,460	-	1,294	17,946	-	1,659	574	247,933
Increase (Decrease) in								
Fair Value of Investments	8,949	-	-	-	-	-	-	8,949
Rent	27,289	-	-	-	-	-	-	27,289
Sale of Property	3,185	-	-	-	-	-	-	3,185
Other	400,465	-	261,894	-	-	-	145,738	808,097
Total Revenues	29,016,754	6,076,767	2,106,132	5,067,844	6,740,039	1,659	3,263,185	52,272,380
EXPENDITURES								
General Government	8,153,975	-	-	-	-	-	-	8,153,975
Public Safety	8,528,602	-	-	-	-	-	34,823	8,563,425
Public Works	6,877,642	-	-	-	-	-	-	6,877,642
Health and Human Services	2,552,223	5,889,249	-	-	6,473,751	-	2,957,949	17,873,172
Culture, Recreation and Education	1,216,516	-	-	-	-	-	-	1,216,516
Conservation and Development	3,294,276	-	2,454,480	-	-	-	-	5,748,756
Debt Service:								
Principal Retirement	-	-	-	-	-	1,435,000	-	1,435,000
Interest and Fiscal Charges	-	-	-	-	-	226,675	-	226,675
Total Expenditures	30,623,234	5,889,249	2,454,480	-	6,473,751	1,661,675	2,992,772	50,095,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,606,480)	187,518	(348,348)	5,067,844	266,288	(1,660,016)	270,413	2,177,219
OTHER FINANCING SOURCES (USES)								
Transfers In	2,564,211	2,104	-	-	-	1,661,675	-	4,227,990
Transfers Out	(142,000)	(94,476)	-	(5,364,400)	(266,288)	-	(178,063)	(6,045,227)
Total Other Financing Sources (Uses)	2,422,211	(92,372)	-	(5,364,400)	(266,288)	1,661,675	(178,063)	(1,817,237)
NET CHANGE IN FUND BALANCES	815,731	95,146	(348,348)	(296,556)	-	1,659	92,350	359,982
Fund Balances, January 1	20,253,588	1,005,822	535,489	7,690,703	-	613,281	1,529,086	31,627,969
FUND BALANCES, DECEMBER 31	<u>\$ 21,069,319</u>	<u>\$ 1,100,968</u>	<u>\$ 187,141</u>	<u>\$ 7,394,147</u>	<u>\$ -</u>	<u>\$ 614,940</u>	<u>\$ 1,621,436</u>	<u>\$ 31,987,951</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, 2016**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 359,982**

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	\$ 2,844,225	
Depreciation Expense Reported in the Statement of Activities	<u>(4,889,197)</u>	(2,044,972)

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: (25,230)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 1,859,860

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenditures on the statement of activities are measured by the change in net pension asset/liability and related deferred outflows and inflows of resources. (1,073,463)

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		1,435,000
--	--	-----------

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	(374,835)	
Insurance Funds	<u>(91,185)</u>	(466,020)

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 Premium	57,393	
Net Change in Accrued Interest Payable	16,084	
Net Change in Compensated Absences Liability	93,484	
Net Change in Other Postemployment Benefits Payable	<u>(95,804)</u>	<u>71,157</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 116,314**

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS		
Current Assets:		
Treasurer's Cash and Investments	\$ 685,008	\$ 4,526,449
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agent	-	218,700
Accounts Receivable	40,000	331,830
Due from Other Governmental Units	-	2,032,467
Inventories	-	2,346,481
Total Current Assets	725,008	9,456,177
Noncurrent Assets:		
Property Held for Resale:		
Land	126,198	-
Land Improvements	1,708,948	-
Capital Assets:		
Not Being Depreciated	22,653	119,016
Depreciable Assets	-	28,751,859
Accumulated Depreciation	-	(17,994,047)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	1,857,799	11,627,155
Total Assets	2,582,807	21,083,332
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	-	2,522,311
LIABILITIES		
Current Liabilities:		
Accounts Payable	27,840	319,424
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,925,107
Unearned Revenue - Cost Pools	-	256,065
Unearned Revenue - Advance for Highway Construction	-	1,035,705
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	373,683
Total Current Liabilities	32,429	3,909,984
Long-Term Liabilities (Net of Current Portion):		
Other Postemployment Benefits Payable	-	109,016
Wisconsin Retirement System Pension Liability	-	447,918
Estimated Employee Leave Liability	-	131,539
Total Long-Term Liabilities	-	688,473
Total Liabilities	32,429	4,598,457
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	-	951,167
NET POSITION		
Net Investment in Capital Assets	22,653	10,876,828
Unrestricted	2,527,725	7,179,191
Total Net Position	\$ 2,550,378	\$ 18,056,019

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, 2016**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES	\$ 140,673	\$ 13,315,648
OPERATING EXPENSES	<u>71,696</u>	<u>15,549,180</u>
OPERATING INCOME (LOSS)	68,977	(2,233,532)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	665	7,632
Dividend Revenue	-	79,126
Gain on Disposal of Property	-	13,961
Nonoperating Depreciation	<u>-</u>	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>665</u>	<u>80,275</u>
INCOME (LOSS) BEFORE TRANSFERS	69,642	(2,153,257)
TRANSFERS:		
Transfers from General Fund	130,000	12,000
Transfers from Sales Tax Fund	-	1,675,000
Transfers from Capital Projects Fund	<u>-</u>	<u>237</u>
Total Transfers	<u>130,000</u>	<u>1,687,237</u>
CHANGE IN NET POSITION	199,642	(466,020)
Net Position - Beginning of Year	<u>2,350,736</u>	<u>18,522,039</u>
NET POSITION, DECEMBER 31	<u><u>\$ 2,550,378</u></u>	<u><u>\$ 18,056,019</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 7,598,421
Third Parties	-	4,737,657
Cash Received from Employees	-	357,585
Cash Received from the Sale of Property	143,910	-
Cash Paid to Suppliers for Goods and Services	(43,857)	(2,763,140)
Cash Paid for Employee Services	-	(9,610,334)
Cash Paid for Insurance Claims	-	(1,035,251)
Cash Paid for Insurance Premiums	-	(185,015)
Net Cash Provided by (Used for) Operating Activities	<u>100,053</u>	<u>(900,077)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from Sales Tax Special Revenue Fund	-	1,675,000
Transfer from General Fund	130,000	12,000
Transfer from Capital Projects Fund	-	237
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>130,000</u>	<u>1,687,237</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Salvage of Capital Assets	-	39,151
Cash Payments for Acquisition of Capital Assets	-	(1,320,425)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(1,281,274)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	<u>665</u>	<u>92,454</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	230,718	(401,660)
Cash and Cash Equivalents, January 1	<u>454,290</u>	<u>5,147,059</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 685,008</u></u>	<u><u>\$ 4,745,399</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 68,977	\$ (2,233,532)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Property Sold	3,236	-
Depreciation	-	1,411,359
Net Change in Wisconsin Pension System Related Items:		
Asset / Liability	-	1,147,523
Deferred Outflows of Resources	-	(1,812,435)
Deferred Inflows of Resources	-	951,167
(Increase) Decrease in Assets:		
Accounts Receivable	-	(210,669)
Due from Other Governmental Units	-	(555,476)
Inventory	-	(117,563)
Increase (Decrease) in Liabilities:		
Accounts Payable	27,840	228,101
Accrued Liabilities	-	110,343
Deferred Inflows	-	169,910
Advance for Highway Construction	-	7,117
Other Postemployment Benefits	-	26,566
Accrued Benefits	-	(22,488)
	<u> </u>	<u> </u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 100,053</u>	<u>\$ (900,077)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 685,008	\$ 4,526,449
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agents	-	218,700
Total Cash and Investments	<u>\$ 685,008</u>	<u>\$ 4,745,399</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 165,306
Departmental Cash and Investments	559,657
Taxes Receivable	<u>871,350</u>
 Total Assets	 <u><u>\$ 1,596,313</u></u>
 LIABILITIES	
Due to Other Governmental Units	\$ 1,110,279
Due to Other Funds	81,629
Special Deposits	<u>404,405</u>
 Total Liabilities	 <u><u>\$ 1,596,313</u></u>

See accompanying Notes to Basic Financial Statements.

CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 fifteen elected members.

The financial reporting of the County is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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, 2016

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, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

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

The County reports the following major governmental funds:

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

WRRWC Fund – The WRRWC Fund is a special revenue fund used to account for the activities of a nine county Western Region Recovery and Wellness Consortium (WRRWC) providing comprehensive community services to the region. Chippewa County is the lead agency of the consortium which is funded by restricted and committed funding sources.

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, 2016**

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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency funds do not have a measurement focus.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with 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.

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 revenue until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). 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, except for delinquent special assessments and other special charges. All uncollected taxes returned to the County for collection are financed through the general fund, except for delinquent special assessments of the districts. A portion of the general fund's equity balance is classified as 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.

Loans Receivable. The County has received federal and state grant funds for economic development loan programs 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 economic development loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's policy to record, in the fund financial statements, deferred inflows of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is generally recognized as revenue when accrued. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

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 nonspendable fund balance 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 production cost using the first in first out (FIFO) costing method. 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.

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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

5. Capital Assets (Continued)

Government-Wide Statements (Continued). 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. Deferred Outflows of Resources

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The County reports deferred outflows of resources for pension related items.

CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

7. Deferred Inflows of Resources

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting. The County reports deferred inflows of resources for pension related items.

8. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 3.A.

9. Wisconsin Retirement System Pension Plan Benefits

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

10. Other 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

11. Long-Term Obligations

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

12. Equity Classifications

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

Government-Wide and Proprietary Fund Statements. Fund equity is classified as net position in the government-wide and proprietary fund 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.

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 are legally or contractually required to be maintained intact. 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflow/Outflows of Resources, and Net Position or Equity (Continued)

12. Equity Classifications (Continued)

Fund Financial Statements (Continued). 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 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2016 as shown in the financial statements are as follows:

Governmental Funds	\$ 29,463,274
Proprietary Funds	6,180,734
Fiduciary Funds	724,963
	<u>\$ 36,368,971</u>

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments:		
Deposits at Financial Institutions	\$ 5,139,242	
Deposits in State Local Government		
Pooled-Investment Fund	14,989,523	
Investments in Federal Agency Securities	<u>14,352,136</u>	\$ 34,480,901
Departmental Cash and Investments:		
Deposits at Financial Institutions	603,363	
Petty Cash Funds	<u>2,175</u>	605,538
Cash and Investments Held by Fiscal Agents:		
Funds Held by WMMIC	1,005,975	
Funds Held by Chippewa County Housing Authority	<u>276,557</u>	<u>1,282,532</u>
Total Cash and Investments at December 31, 2016		<u>\$ 36,368,971</u>

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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 up to \$250,000 for demand deposits at any institution. In addition, funds held in trust for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is 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 by 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, 2016, the County's deposits were not exposed to custodial credit risk.

Investments

The County's investments at December 31, 2016 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 2016 was 70 days.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

U.S. Government Agencies and Instrumentalities Obligations. The County's investments in these obligations at December 31, 2016 are summarized as follows:

Description	Totals	Investment Maturities (in Years)			
		< 1	1 to 2	2 to 3	> 3
Money Market Fund	\$ 45,924	\$ 45,924	\$ -	\$ -	\$ -
Gov't Agency Debt Instruments:					
US Treasuries	7,508,061	2,763,872	4,744,189	-	-
FFCB	1,129,938	-	1,129,938	-	-
FHLB	1,997,373	-	1,009,697	987,676	-
FNMA	2,808,064	670,950	2,702	1,503,234	631,178
FHLMC	624,672	-	-	1,881	622,791
GNMA	125,707	-	-	-	125,707
SBA	112,397	-	-	-	112,397
	<u>\$ 14,352,136</u>	<u>\$ 3,480,746</u>	<u>\$ 6,886,526</u>	<u>\$ 2,492,791</u>	<u>\$ 1,492,073</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.

As of December 31, 2016, the County's investments were rated as follows:

Type	Credit Quality Rating	Amount
US Treasuries	AA+	\$ 7,508,061
FFCB	AA+	1,129,938
FHLB	AA+	1,997,373
FHLMC	AA+	624,672
FNMA	AA+	2,808,064
GNMA	Not Rated	125,707
SBA	Not Rated	112,397
LGIP	Not Rated	14,989,523

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 the relatively short-term maturities on the other investments mitigate this risk to the County.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

U.S. Government Agencies and Instrumentalities Obligations (Continued). Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. At December 31, 2016, the investment portfolio was concentrated as follows (investment holdings individually greater than 5% of the total investment portfolio):

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
LGIP	\$ 14,989,523	51.1%
US Treasuries	7,508,061	25.6%
FNMA	2,808,064	9.6%
FHLB	1,997,373	6.8%
	<u>\$ 27,303,021</u>	

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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

Assets of the County measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
US Treasuries	\$ 7,508,061	\$ -	\$ -	\$ 7,508,061
FFCB	1,129,938	-	-	1,129,938
FHLB	1,997,373	-	-	1,997,373
FNMA	2,808,064	-	-	2,808,064
FHLMC	624,672	-	-	624,672
GNMA	125,707	-	-	125,707
SBA	112,397	-	-	112,397
	<u>\$ 14,306,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,306,212</u>
Investments measured at amortized cost - LGIP Funds				<u>14,989,523</u>
Total Investments				<u>\$ 29,295,735</u>

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, 2016 the County had outstanding one installment loan totaling \$134,358. 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 inflows of resources recorded in that fund. Revenue is recognized as collections are received on these loans.

Housing Rehabilitation Loans. The County has been awarded federal Community Development Block Grant (CDBG) Program grants through the Wisconsin Department of Administration for the purpose of financing housing rehabilitation loans. Repayments received on the original loans are to be recorded in a separate housing revolving loan fund and are to be used to finance similar loans eligible under the program. At December 31, 2016 the County had four hundred forty-two (442) loans outstanding totaling \$6,323,599 under two revolving loan programs as follows. Two hundred sixty-five (265) loans totaling \$3,175,163 were outstanding under a loan program for Chippewa County residents which was funded by grants received in previous years. The County also had one hundred seventy-seven (177) loans outstanding totaling \$3,148,436 under a regional loan program funded by a Community Development Block Grant which was awarded to Chippewa County in 2013. The regional loan program is for the purpose of providing housing rehabilitation loans to eligible residents in a ten county area including Barron, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk and St. Croix counties. Chippewa County is the administrator of the grant and all loan repayments are received by Chippewa County to be used to finance similar housing rehabilitation loans in the ten county area.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Governmental Activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
General County Assets:					
Capital Assets Not Being Depreciated:					
Land	\$ 4,090,926	\$ -	\$ -	\$ -	\$ 4,090,926
Highway Right-of-Ways	827,508	51,249	-	-	878,757
Construction Work in Progress	589,128	1,985,584	(200,378)	-	2,374,334
Total Capital Assets Not Being Depreciated	5,507,562	2,036,833	(200,378)	-	7,344,017
Capital Assets Being Depreciated:					
Land Improvements	6,470,528	560,769	63,733	-	7,095,030
Buildings and Improvements	28,535,359	60,523	136,645	-	28,732,527
Machinery and Equipment	7,573,289	163,670	-	48,872	7,688,087
Vehicles	256,135	22,430	-	25,234	253,331
Highway Infrastructure:					
Roadways	113,810,973	-	-	912,600	112,898,373
Bridges	22,111,056	-	-	-	22,111,056
Structures	288,503	-	-	-	288,503
Total Capital Assets Being Depreciated	179,045,843	807,392	200,378	986,706	179,066,907
Total Capital Assets	184,553,405	2,844,225	-	986,706	186,410,924
Accumulated Depreciation:					
Land Improvements	2,876,628	365,425	-	-	3,242,053
Buildings and Improvements	13,157,635	548,030	-	-	13,705,665
Machinery and Equipment	5,743,718	650,780	-	23,642	6,370,856
Vehicles	131,103	29,462	-	25,234	135,331
Highway Infrastructure	52,262,800	3,295,500	-	912,600	54,645,700
Total Accumulated Depreciation	74,171,884	4,889,197	-	961,476	78,099,605
Net Capital Assets - General County	\$ 110,381,521	\$ (2,044,972)	\$ -	\$ 25,230	\$ 108,311,319

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities (Continued)

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Highway Department:					
Capital Assets Not Being Depreciated:					
Land	\$ 92,696	\$ -	\$ -	\$ -	\$ 92,696
Construction Work in Progress	-	26,320	-	-	26,320
Total Capital Assets Not Being Depreciated	92,696	26,320	-	-	119,016
Capital Assets Being Depreciated:					
Land Improvements	437,622	-	-	-	437,622
Gravel Pits and Quarries*	105,181	-	-	1,897	103,284
Buildings and Improvements	7,522,200	-	-	-	7,522,200
Vehicles Non Highway Fleet	1,574,710	194,289	-	118,864	1,650,135
Machinery and Equipment	18,391,412	1,124,048	-	476,842	19,038,618
Total Capital Assets Being Depreciated	28,031,125	1,318,337	-	597,603	28,751,859
Total Capital Assets	28,123,821	1,344,657	-	597,603	28,870,875
Accumulated Depreciation:					
Land Improvements	258,204	12,666	-	-	270,870
Buildings and Improvements	4,722,291	284,509	-	-	5,006,800
Vehicles Non Highway Fleet	908,714	148,149	-	93,674	963,189
Machinery and Equipment	11,221,216	986,479	-	454,507	11,753,188
Total Accumulated Depreciation	17,110,425	1,431,803	-	548,181	17,994,047
Net Capital Assets - Highway Department	<u>\$ 11,013,396</u>	<u>\$ (87,146)</u>	<u>\$ -</u>	<u>\$ 49,422</u>	<u>\$ 10,876,828</u>
Capital Assets Not Being Depreciated	\$ 5,600,258	\$ 2,063,153	\$ (200,378)	\$ -	\$ 7,463,033
Capital Assets Being Depreciated	207,076,968	2,125,729	200,378	1,584,309	207,818,766
Total Capital Assets	212,677,226	4,188,882	-	1,584,309	215,281,799
Accumulated Depreciation	91,282,309	6,321,000	-	1,509,657	96,093,652
Net Capital Assets - Governmental Activities	<u>\$ 121,394,917</u>	<u>\$ (2,132,118)</u>	<u>\$ -</u>	<u>\$ 74,652</u>	<u>\$ 119,188,147</u>

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

Depreciation was charged to governmental functions as follows:

General County:	
General Government	\$ 801,637
Public Safety	610,350
Public Works	3,295,500
Health and Human Services	74,606
Culture, Recreation and Education	49,020
Conservation and Development	58,084
	<u>4,889,197</u>
Highway Department:	
Transportation	1,431,803
	<u>\$ 6,321,000</u>

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 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, 2016 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	CDBG Grant Fund	\$ 30,000
General Fund	WRRWC Fund	1,656,326
		<u>\$ 1,686,326</u>

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2017. Interfund balances owed within the governmental activities are eliminated in the statement of net position.

Interfund Transfers

Fund Transferred To	Fund Transferred From	Amount
General Fund	County Sales Tax Fund	\$ 2,027,725
General Fund	Human Services Fund	94,476
General Fund	WRRWC Fund	264,184
General Fund	Land Management Fund	88,810
General Fund	ADRC Fund	80,000
General Fund	Public Health Fund	9,016
Debt Service Fund	County Sales Tax Fund	1,661,675
Highway Department Fund	General Fund	6,000
Highway Department Fund	County Sales Tax Fund	1,675,000
Highway Department Fund	2013 Capital Projects Fund	237
Flexible Benefits Fund	General Fund	6,000
Human Services Fund	WRRWC Fund	2,104
Farm Land Development Fund	General Fund	130,000
		<u>\$ 6,045,227</u>

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2016 budget. The transfer from the human services fund to the general fund was per the County's fund balance policy. The remaining items were budgeted transfers for construction and working capital.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 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, 2016 were as follows:

	Balances 1/1/16	Additions	Reductions	Balances 12/31/16	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 3,195,000	\$ -	\$ 765,000	\$ 2,430,000	\$ 785,000
General Obligation Notes	5,405,000	-	670,000	4,735,000	685,000
Unamortized Debt Premium	168,199	-	57,393	110,806	45,132
Total Long-Term Debt	<u>\$ 8,768,199</u>	<u>\$ -</u>	<u>\$ 1,492,393</u>	<u>\$ 7,275,806</u>	<u>\$ 1,515,132</u>
Other Long-Term Obligations (Governmental Activities):					
Governmental Funds:					
Employee Leave Liability	\$ 1,789,304	\$ -	\$ 93,484	\$ 1,695,820	\$ 1,369,426
Other Postemployment Benefits Payable	306,336	165,274	69,470	402,140	-
Highway Internal Service Fund:					
Employee Leave Liability	527,710	-	22,488	505,222	373,683
Other Postemployment Benefits Payable	82,450	45,830	19,264	109,016	-
Total Other Long-Term Obligations	<u>\$ 2,705,800</u>	<u>\$ 211,104</u>	<u>\$ 204,706</u>	<u>\$ 2,712,198</u>	<u>\$ 1,743,109</u>

The County's estimated liability for employee leave and other postemployment benefits are discussed in Note 3.A. and Note 3.C., respectively.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 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, 2016 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%	2017	\$ 785,000	\$ 61,125	\$ 846,125
	2018	810,000	37,200	847,200
	2019	835,000	12,525	847,525
		<u>2,430,000</u>	<u>110,850</u>	<u>2,540,850</u>
Promissory Notes, \$3,000,000, issued 10/29/13, due 8/1/21, interest at 2.00%-2.50%	2017	455,000	43,675	498,675
	2018	420,000	34,925	454,925
	2019	430,000	26,425	456,425
	2020	435,000	16,688	451,688
	2021	450,000	5,625	455,625
		<u>2,190,000</u>	<u>127,338</u>	<u>2,317,338</u>
Promissory Notes, \$3,980,000, issued 7/6/11, due 2/1/21, interest at 2.00%-3.50%	2017	230,000	82,800	312,800
	2018	165,000	76,875	241,875
	2019	170,000	71,850	241,850
	2020	970,000	52,325	1,022,325
	2021	1,010,000	17,675	1,027,675
		<u>2,545,000</u>	<u>301,525</u>	<u>2,846,525</u>
Total General Obligation Debt		<u>\$ 7,165,000</u>	<u>\$ 539,713</u>	<u>\$ 7,704,713</u>

The above annual debt service requirements are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,470,000	\$ 187,600	\$ 1,657,600
2018	1,395,000	149,000	1,544,000
2019	1,435,000	110,800	1,545,800
2020	1,405,000	69,013	1,474,013
2021	1,460,000	23,300	1,483,300
	<u>\$ 7,165,000</u>	<u>\$ 539,713</u>	<u>\$ 7,704,713</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, 2016, the County's debt limit amounted to \$257,391,765 and indebtedness subject to the limitation totaled \$7,165,000.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2016 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,192,002	\$ 1,192,002	\$ -	\$ -	\$ -	\$ -
Prepaid Items	91,534	91,534	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	38,970	-	-	-	38,970	-
Economic Development	125,438	-	-	-	125,438	-
Criminal Justice Coordinator	40,856	-	-	-	40,856	-
County Administrator	327,950	-	-	-	327,950	-
Computer Equipment Outlay	318,475	-	-	-	318,475	-
Finance	18,355	-	-	-	18,355	-
Courthouse	497,156	-	-	-	497,156	-
Facilities Improvement	495,739	-	-	-	495,739	-
Rifle Range	21,194	-	-	-	21,194	-
Radio Towers	32,304	-	-	-	32,304	-
Security Plan	565,020	-	-	-	565,020	-
Property and Liability Insurance	212,288	-	-	-	212,288	-
Employee Health Program	140,232	-	-	-	140,232	-
Copy Machine	25,224	-	-	-	25,224	-
Register of Deeds	45,339	-	-	-	45,339	-
Register of Deeds Redaction Expense	19,581	-	-	-	19,581	-
Youth Court Programs	2,099	-	-	-	2,099	-
Snowmobile Patrol	56,503	-	-	-	56,503	-
Water Safety Patrol	68,745	-	-	-	68,745	-
All Terrain Vehicle Patrol	13,879	-	-	-	13,879	-
Sheriff's Department Equipment & Tower	2,787,402	-	-	-	2,787,402	-
Sheriff's Department Training	83,205	-	-	-	83,205	-
Jail Canteen	79,504	-	-	-	79,504	-
UW-Extension	965	-	-	-	965	-
Extension Education Programs	43,233	-	-	-	43,233	-
State Forestry Programs	78,878	-	-	-	78,878	-
Wildlife Habitat Management	4,891	-	-	-	4,891	-
Special Conservation Projects	541,261	-	-	-	541,261	-
Snowmobile Trails	6,050	-	-	-	6,050	-
All Terrain Vehicle Trails	46,403	-	-	-	46,403	-
Old Abe Trail Project	89,504	-	-	-	89,504	-
Forest & Trails Tax Deed Projects	1,185	-	-	-	1,185	-
Quality Of Life Programs	39,250	-	-	-	39,250	-
County Parks Capital Improvements	157,177	-	-	-	157,177	-
Recycling Programs	230,364	-	-	-	230,364	-
Recycling Revenue Sharing Program	31,683	-	-	-	31,683	-
Soil and Water Resource Management	30,114	-	-	-	30,114	-
Non-Metallic Mining	86,566	-	-	-	86,566	-
Urban Stormwater Program	11,892	-	-	-	11,892	-
Conservation Reserve Enhancement Programs	41,404	-	-	-	41,404	-
Lake Protection Program	2,681	-	-	-	2,681	-
Targeted Runoff Management	7,863	-	-	-	7,863	-
Little Lake Wissota TMDL	20,107	-	-	-	20,107	-
Groundwater Sampling	133,412	-	-	-	133,412	-
Land Conservation Stewardship Programs	135,600	-	-	-	135,600	-
Groundwater Study	91,047	-	-	-	91,047	-
Building Inspection	144,807	-	-	-	144,807	-
Comprehensive Planning Project	184,966	-	-	-	184,966	-
Platbook/Roadmap Publishing	70,951	-	-	-	70,951	-
Tax Deeds	48,361	-	-	-	48,361	-
Veterans' Relief	11,502	-	-	-	11,502	-
Health Clinics	5,454	-	-	-	5,454	-
Unfunded Benefit Liabilities	1,387,330	-	-	-	1,387,330	-
Unassigned	9,963,870	-	-	-	-	9,963,870
Subtotal General Fund	21,069,319	1,283,536	-	-	9,821,913	9,963,870

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances (Continued)

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Human Services Fund						
Committed for Human Services Programs	\$ 1,100,968	\$ -	\$ -	\$ 1,100,968	\$ -	\$ -
CDBG Grant Fund	187,141	-	187,141	-	-	-
County Sales Tax Funded Programs	7,394,147	-	-	7,394,147	-	-
Debt Service Fund	614,940	-	-	614,940	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	141,841	-	141,841	-	-	-
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	589,515	-	-	589,515	-	-
Land Management Program	285,752	-	-	285,752	-	-
Jail Assessments Fees Funded Projects	95,342	-	95,342	-	-	-
County Economic Development Loan Program	482,274	-	-	482,274	-	-
Total Governmental Funds Balances at December 31, 2016	<u>\$ 31,987,951</u>	<u>\$ 1,283,536</u>	<u>\$ 450,036</u>	<u>\$ 10,468,596</u>	<u>\$ 9,821,913</u>	<u>\$ 9,963,870</u>

G. Internal Service Funds Net Position

The net position of the County's internal service funds at December 31, 2016 consisted of the following:

<u>Fund</u>	Net Position at Year End			Change During Year
	Total	Invested in Capital Assets	Unrestricted	
Highway Department Fund	\$ 16,859,365	\$ 10,876,828	\$ 5,982,537	\$ (374,835)
Self-Funded Insurance Funds:				
Workers Compensation	654,328	-	654,328	72,364
Liability Insurance	462,592	-	462,592	(164,567)
Flexible Benefits Fund	79,734	-	79,734	1,018
Totals	<u>\$ 18,056,019</u>	<u>\$ 10,876,828</u>	<u>\$ 7,179,191</u>	<u>\$ (466,020)</u>

NOTE 3 OTHER INFORMATION

A. Employee Leave Liability

The County's estimated liability for employee leave at December 31, 2016 totaled \$2,201,042 and consisted of \$1,695,820 payable from its governmental funds and \$505,222 payable from its highway department internal service fund. These liabilities are further discussed on the following page:

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Employee Leave Liability (Continued)

The County implemented a *Paid Time Off* (PTO) plan for its non-represented employees effective January 1, 2013. All non-represented employees are granted time off based on the number of hours paid in a pay period and length of service. Earned time off is placed into a personal "PTO" account which may be used for any purpose. Amounts credited to the PTO account are subject to maximum accumulations of 480 hours for full time employees and 360 hours for part time. The County's estimated liability for employee leave under this plan at December 31, 2016 totaled \$2,034,005 and consisted of \$1,537,632 payable from its governmental funds and \$496,373 payable from the highway department internal service fund.

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 at December 31, 2016 was \$99,999 in the governmental funds and \$8,849 in the highway department internal service fund.

Represented employees earn vacation in varying amounts depending upon length of service. 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, 2016 was \$58,189 in the governmental funds.

B. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. 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.

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

During the fiscal reporting period January 1, 2016 through December 31, 2016, the WRS recognized \$1,271,761 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3.0%
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0

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

At December 31, 2016, the County reported a liability of \$2,178,178 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2015, the County's proportion was 0.13404332 percent, which was a decrease of 0.0024258 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the County recognized pension expense of \$2,644,351. At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 368,486	\$ (4,583,938)
Changes of Assumptions	1,523,948	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,918,084	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	73,438	-
County Contributions Subsequent to the Measurement Date	1,271,761	-
Total	<u>\$ 12,155,717</u>	<u>\$ 4,583,938</u>

\$1,271,761 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2016	\$ 1,715,753
2017	1,715,753
2018	1,715,753
2019	1,248,587
2020	(95,828)

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
	WRS experience projected to
Mortality:	2017 with scale BB
Post-retirement Adjustments*:	5.0%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	5.3%	70%	5.3%
International Equity	23%	5.7%	30%	5.7%
Fixed Income	36%	1.7%	N/A	N/A
Inflation Sensitive Assets	20%	2.3%	N/A	N/A
Real Estate	7%	4.2%	N/A	N/A
Private Equity/Debt	7%	6.9%	N/A	N/A
Multi-Asset	6%	3.9%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate. A single discount rate of 7.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20 percent and a long term bond rate of 3.56 percent. Because of the unique structure of WRS, the 7.20 percent expected rate of return implies that a dividend of approximately 2.1 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,277,782	\$ 2,178,178	\$ (8,052,846)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 16-10.

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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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, 2016, the most recent actuarial valuation date, there were approximately 323 active participants and 11 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.

Funding Policy

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2016, the County contributed an estimated \$88,733 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	\$ 211,003
Interest on Net OPEB Obligation	15,551
Adjustment to Annual Required Contribution	<u>(15,451)</u>
Annual OPEB Cost (Expense)	211,103
Contributions Made	<u>(88,733)</u>
Change in Net OPEB Obligation	122,370
Net OPEB Obligation- Beginning of Year	388,786
Net OPEB Obligation- End of Year	<u><u>\$ 511,156</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
12/31/2016	\$ 211,103	42.0%	\$ 511,156
12/31/2015	185,959	46.0%	388,786
12/31/2014	185,934	45.3%	288,359

CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$1,734,207 and there were no plan assets. Annual covered payroll for fiscal year 2016 was \$18,900,398 for a ratio of UAAL to covered payroll of 9.2%.

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, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% interest discount rate of return (net of administrative expenses). The initial healthcare trend rate was 7.5%, reduced by 0.5% per year to 6.5%, then by 0.1% per year to an ultimate rate of 5.0%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2016 was 29 years.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 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.

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 three percent (3.0%) of payroll. Claims are paid directly by the County. Stop-loss insurance is carried and covers individual claims in excess of \$550,000 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, 2016 of \$654,328.

Changes in claims liability for 2016 and 2015 were as follows:

	2016	2015
Estimated Claims Outstanding January 1	\$ 1,234,366	\$ 1,067,094
Current Year Claims and Changes in Estimates	476,354	906,207
Claim Payments	(468,507)	(738,935)
Estimated Claims Outstanding December 31	\$ 1,242,213	\$ 1,234,366

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, 2016, 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, 2016 and 2015 was \$1,014,785 and \$1,222,167, respectively, and represented 3.20% and 3.23%, respectively, of the total member equity at those dates.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Liability Insurance Fund (Continued). 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 2.87% for 2016. 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 2016 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.

The self-funded liability insurance fund had a net position of \$462,592 and \$627,159 at December 31, 2016 and 2015, respectively, and consisted of the following components:

	2016	2015
Accounts Receivable	\$ 79,126	\$ 84,822
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	97,333	133,922
Deposits with WMMIC	218,700	246,938
Accounts Payable	-	(8,452)
Accrued Unpaid Losses	(682,894)	(580,398)
Net Position December 31	\$ 462,592	\$ 627,159

The liability recorded for unpaid losses at December 31, 2016 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Liability Insurance Fund (Continued).

Changes in claims liability for 2016 and 2015 were as follows:

	2016	2015
Estimated Claims Outstanding January 1	\$ 580,398	\$ 235,279
Current Year Claims and Changes in Estimates	198,410	364,684
Claim Payments	(95,914)	(19,565)
Estimated Claims Outstanding December 31	\$ 682,894	\$ 580,398

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.

F. Stewardship and Accountability

Actual expenditures exceeded budgeted amounts in the General Fund public works budget by \$1,272, in the Human Services Fund by \$169,606, and in the WRRWC Fund by \$1,948,842. These overages were determined to be necessary and authorized by the Board.

REQUIRED SUPPLEMENTARY INFORMATION

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 16,089,681	\$ 16,089,681	\$ 16,113,180	\$ 23,499
Intergovernmental	8,073,401	8,073,401	7,748,692	(324,709)
Licenses and Permits	537,955	537,955	591,308	53,353
Fines and Forfeits	205,000	205,000	146,448	(58,552)
Public Charges for Services	3,325,023	3,325,023	3,552,972	227,949
Intergovernmental Charges for Services	187,551	187,551	197,806	10,255
Miscellaneous:				
Investment Income	180,000	180,000	226,460	46,460
Increase (Decrease) in Fair Value of Investments	-	-	8,949	8,949
Rent	23,490	23,490	27,289	3,799
Sale of Property	1,500	1,500	3,185	1,685
Profit on Tax Deed Sales	239,000	239,000	27,936	(211,064)
Other	256,300	256,300	372,529	116,229
Total Revenues	<u>29,118,901</u>	<u>29,118,901</u>	<u>29,016,754</u>	<u>(102,147)</u>
EXPENDITURES				
General Government	8,462,725	9,057,874	8,153,975	903,899
Public Safety	8,558,401	10,609,448	8,528,602	2,080,846
Public Works	6,876,370	6,876,370	6,877,642	(1,272)
Health and Human Services	2,941,546	2,941,546	2,552,223	389,323
Culture, Recreation and Education	1,466,272	1,480,122	1,216,516	263,606
Conservation and Development	3,874,017	4,008,618	3,294,276	714,342
Total Expenditures	<u>32,179,331</u>	<u>34,973,978</u>	<u>30,623,234</u>	<u>4,350,744</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,060,430)	(5,855,077)	(1,606,480)	4,248,597
OTHER FINANCING SOURCES (USES)				
Transfers In	2,181,545	2,181,545	2,564,211	382,666
Transfers Out	(6,000)	(12,000)	(142,000)	(130,000)
Total Other Financing Sources (Uses)	<u>2,175,545</u>	<u>2,169,545</u>	<u>2,422,211</u>	<u>252,666</u>
NET CHANGE IN FUND BALANCE	(884,885)	(3,685,532)	815,731	4,501,263
Fund Balance, January 1	<u>20,253,588</u>	<u>20,253,588</u>	<u>20,253,588</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 19,368,703</u>	<u>\$ 16,568,056</u>	<u>\$ 21,069,319</u>	<u>\$ 4,501,263</u>

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,823,157	\$ 1,823,157	\$ 1,823,157	\$ -
Intergovernmental	3,725,385	3,725,385	4,117,510	392,125
Public Charges for Services	171,101	171,101	136,100	(35,001)
Total Revenues	<u>5,719,643</u>	<u>5,719,643</u>	<u>6,076,767</u>	<u>357,124</u>
EXPENDITURES				
Health and Human Services	<u>5,719,643</u>	<u>5,719,643</u>	<u>5,889,249</u>	<u>(169,606)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	187,518	187,518
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,104	2,104
Transfers Out	-	-	(94,476)	(94,476)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(92,372)</u>	<u>(92,372)</u>
NET CHANGE IN FUND BALANCE	-	-	95,146	95,146
Fund Balance, January 1	<u>1,005,822</u>	<u>1,005,822</u>	<u>1,005,822</u>	-
FUND BALANCE, DECEMBER 31	<u>\$ 1,005,822</u>	<u>\$ 1,005,822</u>	<u>\$ 1,100,968</u>	<u>\$ 95,146</u>

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
COUNTY SALES TAX FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,600,000	\$ 4,600,000	\$ 5,049,898	\$ 449,898
Miscellaneous:				
Interest	2,000	2,000	17,946	15,946
Total Revenues	<u>4,602,000</u>	<u>4,602,000</u>	<u>5,067,844</u>	<u>465,844</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,602,000	4,602,000	5,067,844	465,844
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(5,441,045)</u>	<u>(5,441,045)</u>	<u>(5,364,400)</u>	<u>(76,645)</u>
NET CHANGE IN FUND BALANCE	(839,045)	(839,045)	(296,556)	389,199
Fund Balance, January 1	<u>7,690,703</u>	<u>7,690,703</u>	<u>7,690,703</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 6,851,658</u></u>	<u><u>\$ 6,851,658</u></u>	<u><u>\$ 7,394,147</u></u>	<u><u>\$ 389,199</u></u>

CHIPPEWA COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 WRRWC FUND
 YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 307,221	\$ 307,221	\$ 307,221	\$ -
Intergovernmental	3,105,949	3,105,949	5,689,002	2,583,053
Public Charges for Services	553,942	553,942	309,031	(244,911)
Intergovernmental Charges for Services	557,797	557,797	434,785	(123,012)
Total Revenues	4,524,909	4,524,909	6,740,039	2,215,130
EXPENDITURES				
Health and Human Services	4,524,909	4,524,909	6,473,751	(1,948,842)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	266,288	266,288
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(266,288)	(266,288)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, January 1	-	-	-	-
FUND BALANCE, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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)
12/31/2016	1/1/2016	\$ -	\$ 1,734,207	\$ 1,734,207	- %	\$ 18,900,398	9.2 %
12/31/2014	1/1/2014	-	1,633,665	1,633,665	- %	18,481,479	8.8 %
12/31/2012	1/1/2012	-	1,795,073	1,795,073	- %	16,862,841	10.6 %

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
LAST TEN FISCAL YEARS***

	<u>12/31/2014</u>	<u>12/31/2015</u>
County's proportion of the net pension liability (asset)	0.13646909%	0.13404332%
County's proportionate share of the net pension liability (asset)	\$ (3,352,054)	2,178,178
County's covered-employee payroll	\$ 18,214,274	18,109,202
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-18.40%	12.03%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%

*Amounts are shown prospectively from implementation.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

	2015	2016
Contractually Required Contribution	\$ 1,280,680	\$ 1,271,761
Contributions in Relation to the Contractually Required Contributions	(1,280,680)	(1,271,761)
Contribution Deficiency (Excess)	\$ -	\$ -
 County's Covered-Employee Payroll	 \$ 18,109,202	 \$ 18,476,595
 Contributions as a Percentage of Covered Employee Payroll	 7.07%	 6.88%

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

Changes of Assumptions. There were no changes in the assumptions.

*Amounts are shown prospectively from implementation.

CHIPPEWA COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

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, county sales tax fund, and WRRWC 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, 2016**

	Special Revenue Funds				
	Public Health	Shelter Care	Dog Licenses	Aging and Disability Resource Center	Land Management
ASSETS					
Treasurer's Cash and Investments	\$ 102,850	\$ 25,712	\$ 43,376	\$ 422,747	\$ 252,704
Departmental Cash and Investments	-	-	-	9,418	-
Taxes Receivable	224,430	-	-	111,706	-
Accounts Receivable	1,708	-	3,637	4,413	26,071
Due from Other Governmental Units	51,070	-	-	280,654	-
Due from Fiduciary Funds	-	-	-	-	14,019
Installment Loans Receivable	-	-	-	-	-
Total Assets	<u>\$ 380,058</u>	<u>\$ 25,712</u>	<u>\$ 47,013</u>	<u>\$ 828,938</u>	<u>\$ 292,794</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers Payable	\$ 12,771	\$ -	\$ 44,901	\$ 57,295	\$ 7,042
Due to Other Governmental Units	-	-	1,112	-	-
Unearned Revenues	1,016	-	-	70,422	-
Total Liabilities	<u>13,787</u>	<u>-</u>	<u>46,013</u>	<u>127,717</u>	<u>7,042</u>
Deferred Inflows of Resources:					
Subsequent Year's Property Taxes	224,430	-	-	111,706	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-
Total Deferred Inflows of Resources	<u>224,430</u>	<u>-</u>	<u>-</u>	<u>111,706</u>	<u>-</u>
Fund Balances:					
Restricted	141,841	25,712	-	-	-
Committed	-	-	1,000	589,515	285,752
Total Fund Balances	<u>141,841</u>	<u>25,712</u>	<u>1,000</u>	<u>589,515</u>	<u>285,752</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 380,058</u>	<u>\$ 25,712</u>	<u>\$ 47,013</u>	<u>\$ 828,938</u>	<u>\$ 292,794</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2016**

	<u>Special Revenue Funds (Continued)</u>			<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	Jail Assessment Fees	Economic Development	Total Special Revenue Funds	2013 Capital Projects Fund	
ASSETS					
Treasurer's Cash and Investments	\$ 92,844	\$ 482,274	\$ 1,422,507	\$ -	\$ 1,422,507
Departmental Cash and Investments	-	-	9,418	-	9,418
Taxes Receivable	-	-	336,136	-	336,136
Accounts Receivable	230	-	36,059	-	36,059
Due from Other Governmental Units	-	-	331,724	-	331,724
Due from Fiduciary Funds	3,213	-	17,232	-	17,232
Installment Loans Receivable	-	134,358	134,358	-	134,358
Total Assets	<u>\$ 96,287</u>	<u>\$ 616,632</u>	<u>\$ 2,287,434</u>	<u>\$ -</u>	<u>\$ 2,287,434</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Vouchers Payable	\$ 945	\$ -	\$ 122,954	\$ -	\$ 122,954
Due to Other Governmental Units	-	-	1,112	-	1,112
Unearned Revenues	-	-	71,438	-	71,438
Total Liabilities	<u>945</u>	<u>-</u>	<u>195,504</u>	<u>-</u>	<u>195,504</u>
Deferred Inflows of Resources:					
Subsequent Year's Property Taxes	-	-	336,136	-	336,136
Unavailable Revenue - Long-Term Receivables	-	134,358	134,358	-	134,358
Total Deferred Inflows of Resources	<u>-</u>	<u>134,358</u>	<u>470,494</u>	<u>-</u>	<u>470,494</u>
Fund Balances:					
Restricted	95,342	-	262,895	-	262,895
Committed	-	482,274	1,358,541	-	1,358,541
Total Fund Balances	<u>95,342</u>	<u>482,274</u>	<u>1,621,436</u>	<u>-</u>	<u>1,621,436</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 96,287</u>	<u>\$ 616,632</u>	<u>\$ 2,287,434</u>	<u>\$ -</u>	<u>\$ 2,287,434</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2016**

	Special Revenue Funds				
	Public Health	Shelter Care	Dog Licenses	Aging and Disability Resource Center	Land Management
REVENUES					
Taxes	\$ 140,629	\$ -	\$ -	\$ 155,305	\$ -
Intergovernmental	737,153	-	-	1,455,742	67,368
Licenses and Permits	167,488	-	47,732	-	-
Jail Assessment Fees	-	-	-	-	-
Public Charges for Services	41,101	-	-	157,869	92,688
Interest	-	-	-	574	-
Other	2,293	-	-	123,702	-
Total Revenues	<u>1,088,664</u>	<u>-</u>	<u>47,732</u>	<u>1,893,192</u>	<u>160,056</u>
EXPENDITURES					
Public Safety	-	-	-	-	-
Health and Human Services	1,040,091	-	47,732	1,870,126	-
Total Expenditures	<u>1,040,091</u>	<u>-</u>	<u>47,732</u>	<u>1,870,126</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	48,573	-	-	23,066	160,056
OTHER FINANCING SOURCES (USES)					
Transfers Out:					
General Fund	(9,016)	-	-	(80,000)	(88,810)
Highway Department Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(9,016)</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>(88,810)</u>
NET CHANGE IN FUND BALANCES	39,557	-	-	(56,934)	71,246
Fund Balances, January 1	<u>102,284</u>	<u>25,712</u>	<u>1,000</u>	<u>646,449</u>	<u>214,506</u>
FUND BALANCES, DECEMBER 31	<u>\$ 141,841</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ 589,515</u>	<u>\$ 285,752</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDING DECEMBER 31, 2016**

	<u>Special Revenue Funds (Continued)</u>			<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	Jail Assessment Fees	Economic Development	Total Special Revenue Funds	2013 Capital Projects Fund	
REVENUES					
Taxes	\$ -	\$ -	\$ 295,934	\$ -	\$ 295,934
Intergovernmental	-	-	2,260,263	-	2,260,263
Licenses and Permits	-	-	215,220	-	215,220
Jail Assessment Fees	53,798	-	53,798	-	53,798
Public Charges for Services	-	-	291,658	-	291,658
Interest	-	-	574	-	574
Other	-	19,743	145,738	-	145,738
Total Revenues	<u>53,798</u>	<u>19,743</u>	<u>3,263,185</u>	<u>-</u>	<u>3,263,185</u>
EXPENDITURES					
Public Safety	34,823	-	34,823	-	34,823
Health and Human Services	-	-	2,957,949	-	2,957,949
Total Expenditures	<u>34,823</u>	<u>-</u>	<u>2,992,772</u>	<u>-</u>	<u>2,992,772</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,975	19,743	270,413	-	270,413
OTHER FINANCING SOURCES (USES)					
Transfers Out:					
General Fund	-	-	(177,826)	-	(177,826)
Highway Department Fund	-	-	-	(237)	(237)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(177,826)</u>	<u>(237)</u>	<u>(178,063)</u>
NET CHANGE IN FUND BALANCES	18,975	19,743	92,587	(237)	92,350
Fund Balances, January 1	<u>76,367</u>	<u>462,531</u>	<u>1,528,849</u>	<u>237</u>	<u>1,529,086</u>
FUND BALANCES, DECEMBER 31	<u>\$ 95,342</u>	<u>\$ 482,274</u>	<u>\$ 1,621,436</u>	<u>\$ -</u>	<u>\$ 1,621,436</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)**

	2016	2015
ASSETS		
Treasurer's Cash and Investments	\$ 19,723,404	\$ 19,644,211
Departmental Cash	2,025	2,425
Taxes Receivable:		
Current Taxes Receivable	15,593,016	15,088,134
Delinquent Taxes Receivable	1,136,629	1,227,099
Tax Deeds Owned by County	55,373	38,054
Accounts Receivable	601,049	727,453
Due from Other Governments	363,173	592,622
Due from Other Funds:		
WRRWC Fund	1,656,326	-
Highway Internal Service Fund	30,000	50,000
Due from Fiduciary Funds	61,521	71,354
Prepaid Items	91,534	6,278
	<u>\$ 39,314,050</u>	<u>\$ 37,447,630</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 1,219,385	\$ 863,863
Payroll Deductions	606,801	644,918
Due to Other Governmental Units	530,227	519,152
Unearned Revenues	285,302	47,975
Total Liabilities	<u>2,641,715</u>	<u>2,075,908</u>
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	15,593,016	15,088,134
Unavailable Revenue - Other	10,000	30,000
Total Deferred Inflows of Resources	<u>15,603,016</u>	<u>15,118,134</u>
Fund Balance:		
Nonspendable:		
Delinquent Taxes	1,192,002	1,265,153
Prepaid Items	91,534	6,278
Assigned	9,821,913	9,089,853
Unassigned	9,963,870	9,892,304
Total Fund Balance	<u>21,069,319</u>	<u>20,253,588</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 39,314,050</u>	<u>\$ 37,447,630</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016			2015 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES:				
Taxes:				
General Property Taxes	\$ 15,088,134	\$ 15,088,134	\$ -	\$ 14,750,709
Payment in Lieu of Taxes	24,000	39,969	15,969	42,176
Forest Crop Taxes	13,000	14,646	1,646	36,673
Sales Taxes	120	135	15	133
Vehicle Registration Fees	548,927	548,927	-	540,724
Real Estate Transfer Fees - County Share	100,000	156,785	56,785	141,569
Interest on Taxes	312,500	263,596	(48,904)	280,937
Agricultural Land Conversion Penalty	3,000	988	(2,012)	1,115
Total Taxes	16,089,681	16,113,180	23,499	15,794,036
Intergovernmental:				
Shared Taxes from State	2,526,672	2,528,770	2,098	2,542,107
Tax Exempt Computer Aid	55,000	108,841	53,841	88,391
Guardian Ad Litem	48,381	55,881	7,500	55,478
Victim/Witness Program	88,007	84,423	(3,584)	83,349
Court Grant	210,212	221,514	11,302	221,560
Criminal Justice Coordinator	167,236	167,236	-	167,236
Drug Abuse Program	-	5,814	5,814	5,748
Snowmobile Enforcement Patrol	19,666	6,526	(13,140)	6,080
Responsible Unit Grant	111,465	111,465	-	111,465
Recycling Grant	63,968	96,171	32,203	106,772
Clean Sweep Grant	7,250	11,665	4,415	7,365
Water Safety Patrol	27,071	23,591	(3,480)	18,091
All Terrain Vehicle Patrol	19,266	8,972	(10,294)	8,887
SARA Program	14,000	18,269	4,269	15,863
Emergency Government - Special Grants	10,000	785	(9,215)	13,640
Targeted Runoff Management Grants	450,000	749,000	299,000	-
Conservation Reserve Enhancement Program	61,750	-	(61,750)	3,117
County Parks Improvements Grant	50,000	-	(50,000)	-
Planning and Zoning Aids	5,000	-	(5,000)	4,287
District Attorney	16,818	19,319	2,501	10,434
SARA HAZMAT Equipment Grant	9,000	6,400	(2,600)	8,160
Lake Protection Grant	-	-	-	29,648
Police Training	9,280	10,626	1,346	9,659
Sheriff Department Grants	34,250	34,635	385	1,348

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance - Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
County Trunk Highways	\$ 1,362,939	\$ 1,362,939	\$ -	\$ 1,320,015
Federal Aid Secondary Projects	-	-	-	199,550
Local Road Improvement Program	349,245	349,245	-	51,747
State Aid - Bridge Aid	490,030	490,030	-	-
Child Support	747,699	709,933	(37,766)	711,717
Veterans Service Officer	11,500	9,117	(2,383)	12,697
Snowmobile Trail Advances	90,650	214,025	123,375	90,512
All Terrain Vehicle Trails	399,897	3,566	(396,331)	23,271
Wildlife Habitat Management	1,720	-	(1,720)	1,631
Forest Administration	36,581	36,581	-	55,089
Forest Roads	6,048	5,699	(349)	5,687
State Aid - SWIRM	247,759	203,472	(44,287)	196,338
DNR Land Acquisition Grants	250,000	-	(250,000)	34,729
County Forest Trails	7,461	6,285	(1,176)	3,757
Old Abe Trail	-	13,101	13,101	-
Wildlife Damage Abatement	19,580	15,476	(4,104)	19,948
Emergency Government	48,000	59,320	11,320	59,812
Total Intergovernmental	<u>8,073,401</u>	<u>7,748,692</u>	<u>(324,709)</u>	<u>6,305,185</u>
Licenses and Permits:				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	12,000	11,050	(950)	12,600
Marriage License Fees for Social Services	7,500	7,200	(300)	8,080
Conservation License Fees	600	341	(259)	357
Environmental Impact Fees	-	4,657	4,657	4,807
Zoning Permits	159,523	183,595	24,072	193,990
Building Inspection Fees	96,832	150,431	53,599	142,137
Gravel Pit Permits	260,000	232,954	(27,046)	327,034
Occupational Driver's Licenses	500	80	(420)	60
Total Licenses and Permits	<u>537,955</u>	<u>591,308</u>	<u>53,353</u>	<u>690,065</u>
Fines and Forfeits:				
County Ordinance Forfeitures	115,000	91,666	(23,334)	99,003
County Share of State Fines and Forfeitures	90,000	54,782	(35,218)	69,470
Total Fines and Forfeits	<u>205,000</u>	<u>146,448</u>	<u>(58,552)</u>	<u>168,473</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016			2015 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)				
Public Charges for Services:				
County Clerk Fees	\$ 15,320	\$ 14,379	\$ (941)	\$ 11,956
Anniversary Book Revenues	50	-	(50)	-
Treasurer Fees	2,700	2,835	135	2,756
Register of Deeds Fees	252,000	309,687	57,687	306,508
Uniform Address Fees	4,000	4,085	85	3,675
Surveyor Fees	3,600	2,083	(1,517)	6,067
Sign Replacement Revenues	5,775	6,895	1,120	5,775
Passport Revenues	38,000	49,289	11,289	43,394
Circuit Court Fees and Costs	178,859	173,360	(5,499)	173,336
Criminal Justice Coordinator	-	40,856	40,856	-
Mediation Fees	7,100	6,870	(230)	6,855
Bond Forfeiture Revenues	14,000	1,635	(12,365)	12,346
Attorney Fee Reimbursements	28,000	25,935	(2,065)	25,246
Juvenile Legal Fees	-	-	-	1,123
Register in Probate Fees	20,000	27,080	7,080	23,268
Guardian Ad Litem Revenue	45,000	53,346	8,346	56,429
Guardianship Revenue	5,500	10,009	4,509	17,865
Probate Attorney Fees	1,300	1,053	(247)	952
Youth Court Program Fees	2,000	1,048	(952)	1,232
Restitution Surcharge Fees	18,000	15,503	(2,497)	25,275
Ignition Interlock Surcharge Fees	7,000	4,527	(2,473)	3,911
Chapter 51/55 Legal Fees	400	190	(210)	483
Prosecution Revenues	1,000	800	(200)	980
Sale of Maps and Plats	-	11,664	11,664	14,933
Sheriff Fees	44,000	47,764	3,764	46,844
Reserve Officers Revenues	152,374	126,319	(26,055)	135,255
Board of Prisoners - Huber	160,125	147,458	(12,667)	146,025
Jail Revenues	32,245	23,835	(8,410)	26,344
Jail Canteen Fund	119,750	99,851	(19,899)	105,207
Electronic Monitoring Revenue	67,160	90,799	23,639	60,197
Range Usage Fees	9,000	12,854	3,854	11,395
DNA Testing Fee	200	1,890	1,690	980
Coroner Fees	50,500	41,125	(9,375)	60,000
All Terrain Vehicle Class Fees	-	180	180	5
Water Patrol Class Fees	-	100	100	85
Snowmobile Training Class Fees	-	130	130	185
Health Clinic Revenue	39,000	45,583	6,583	39,856
Home Nursing Revenue	1,305,002	955,160	(349,842)	1,277,505
Child Support Collections	20,800	17,820	(2,980)	17,059
County Parks Revenue	151,698	160,156	8,458	149,034

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance - Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
Trail Fee Revenues	\$ 7,500	\$ 15,076	\$ 7,576	\$ 12,888
Tree Planter Rental Fees	500	500	-	200
University Extension Revenue	15,690	18,290	2,600	9,955
CREP Revenue	1,080	3,386	2,306	5,712
Land Conservation - Engineering Services	1,100	10,810	9,710	2,200
Land Conservation - Technical Services	15,775	21,740	5,965	477
Land Conservation - Municipal Service Fee	8,000	4,000	(4,000)	1,400
District Attorney Revenues	9,000	7,959	(1,041)	11,048
County Forest Revenues	414,200	883,508	469,308	525,945
Solid Waste Disposal	800	547	(253)	601
Solid Waste Tire Facility	16,000	13,818	(2,182)	13,631
Gravel Pit Mapping Fees	-	-	-	200
Community Well Water Fee	23,920	29,650	5,730	17,745
Recycling Revenues	10,000	9,535	(465)	13,621
Total Public Charges for Services	3,325,023	3,552,972	227,949	3,435,964
Intergovernmental Charges for Services:				
Board of Prisoners from Other Governments	136,200	136,871	671	123,623
Information System Revenues	47,351	47,351	-	47,728
Elections	4,000	13,584	9,584	12,081
Interdepartmental HRA Charges	-	-	-	66,991
Total Intergovernmental Charges for Services	187,551	197,806	10,255	250,423
Miscellaneous:				
Investment Income	180,000	226,460	46,460	191,471
Increase (Decrease) in Fair Value of Investments	-	8,949	8,949	(34,817)
Rent of County Offices and Buildings	-	3,396	3,396	3,113
Radio Tower Lease Revenue	23,490	23,893	403	22,800
Copy Machine/Offset Revenue	24,100	20,330	(3,770)	17,753
Clerk of Court Copy Machine Revenue	500	265	(235)	341
Sale of County Property	1,500	2,185	685	1,346
Sale of Sheriff Property	-	1,000	1,000	490
Profit on Tax Deed Sales	239,000	27,936	(211,064)	249,672
Insurance Recoveries	5,000	67,809	62,809	2,397
Insurance Dividends	31,000	43,033	12,033	51,126
Refund of Prior Years Expenses	-	917	917	1,697
Youth Court Program Donations	6,000	5,248	(752)	5,114
Land Conservation Private Grants and Donations	142,000	146,000	4,000	153,863
Energy Grants and Rebates	-	13,120	13,120	-
Sheriff Donations	-	525	525	250
Groundwater Study Donations	40,000	20,000	(20,000)	40,000
Sundry Departmental Revenues	-	30,667	30,667	22,368
Land Conservation Revenue	7,500	7,033	(467)	7,011
Maintenance Miscellaneous Revenue	-	561	561	686
Emergency Government Miscellaneous Revenue	-	250	250	250
Forest and Parks Miscellaneous Revenue	200	15,471	15,271	4,625
Other Miscellaneous Revenues	-	1,300	1,300	-
Total Miscellaneous	700,290	666,348	(33,942)	741,556
Total Revenues	29,118,901	29,016,754	(102,147)	27,385,702

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance - Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES				
General Government:				
County Board	\$ 163,005	\$ 133,235	\$ 29,770	\$ 129,631
Circuit Court	1,572,084	1,581,123	(9,039)	1,412,002
Mediation Program	25,000	25,000	-	25,000
Register in Probate	189,123	198,685	(9,562)	109,722
Juvenile Court	-	-	-	198,088
Youth Court Program	8,000	7,200	800	8,375
Family Court Commissioner	25,580	26,704	(1,124)	26,382
Coroner	118,090	94,688	23,402	128,530
County Clerk	192,516	187,659	4,857	188,596
County Risk Management	-	-	-	8,833
County Administrator	313,713	261,380	52,333	301,382
Elections	49,140	61,205	(12,065)	23,988
Personnel	281,326	262,481	18,845	306,467
Information Systems	744,084	753,360	(9,276)	694,625
Copy Machine/Offset	24,100	16,120	7,980	28,065
Finance	334,103	300,183	33,920	263,594
Finance Carryover	-	-	-	4,703
Personal Property Chargeback Expenses	500	44	456	(148)
Assessments	425	156	269	-
County Treasurer	391,257	417,698	(26,441)	504,614
Independent Auditing	29,061	26,625	2,436	26,348
Special Accounting	8,000	7,611	389	7,611
District Attorney	392,780	406,682	(13,902)	383,823
Crime Victim/Witness Program	222,085	213,303	8,782	206,516
Corporate Counsel	282,890	292,553	(9,663)	278,660
Register of Deeds	313,401	322,340	(8,939)	314,256
Register of Deeds Redaction Expenses	39,000	39,000	-	39,000
Land Records Program Local	233,567	216,052	17,515	215,518
Tax Deed Expense	253,850	49,175	204,675	21,203
Courthouse	1,557,198	1,311,868	245,330	1,309,045
Radio Towers	46,610	27,464	19,146	54,444
Facilities Improvements	50,000	108	49,892	47,001
Security Plan	397,225	428,711	(31,486)	95,214

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance - Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
Property and Liability Insurance	\$ 201,800	\$ 217,908	\$ (16,108)	\$ 188,741
Health Program Expenses	89,000	38,975	50,025	98,562
Sundry Department Expenses	3,300	539	2,761	322
Contingency	213,710	-	213,710	-
Computer Outlay	292,351	228,140	64,211	121,741
Total General Government	<u>9,057,874</u>	<u>8,153,975</u>	<u>903,899</u>	<u>7,770,454</u>
Public Safety:				
Sheriff	739,490	727,744	11,746	732,037
Investigations	570,158	553,502	16,656	405,631
Patrol	1,950,575	1,904,612	45,963	1,830,439
Sheriff's Department Training and Equipment	2,356,056	418,229	1,937,827	150,803
Reserve Officers	152,374	126,474	25,900	155,351
Snowmobile Patrol	44,853	25,334	19,519	3,688
Rifle Range	12,925	8,407	4,518	19,230
Water Safety Patrol	41,648	32,921	8,727	15,353
All Terrain Vehicle Trail Patrol	24,082	18,742	5,340	5,415
Police Radio	44,114	51,424	(7,310)	49,844
Fire Suppression	5,000	1,674	3,326	3,168
Building Inspection Fund	90,832	89,722	1,110	76,045
Emergency Government	119,471	119,485	(14)	117,879
SARA Program (Hazardous Materials)	41,125	34,585	6,540	35,208
Special Grants - Emergency Government	10,000	785	9,215	13,640
County Jail	2,988,728	2,986,384	2,344	2,956,568
Jail Canteen Fund	119,750	118,400	1,350	113,377
Telecommunications	1,197,182	1,208,118	(10,936)	1,209,375
Uniform Addressing	101,085	102,060	(975)	100,710
Total Public Safety	<u>10,609,448</u>	<u>8,528,602</u>	<u>2,080,846</u>	<u>7,993,761</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance - Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Works:				
County Trunk Highway System (see Schedule E-4)	\$ 6,484,231	\$ 6,484,231	\$ -	\$ 5,779,969
Recycling	263,158	264,430	(1,272)	280,177
Airport	128,981	128,981	-	127,704
Total Public Works	<u>6,876,370</u>	<u>6,877,642</u>	<u>(1,272)</u>	<u>6,187,850</u>
Health and Human Services:				
Public Health Nurse	421,466	326,052	95,414	437,956
Home Nursing Program	1,477,393	1,264,482	212,911	1,501,678
Health Clinics	58,263	41,828	16,435	41,202
Child Support	786,295	733,360	52,935	728,673
Veterans' Service Officer	191,219	180,403	10,816	183,491
Veterans' Relief	5,550	5,215	335	9,497
Care of Veterans' Graves	1,360	883	477	695
Total Health and Human Services	<u>2,941,546</u>	<u>2,552,223</u>	<u>389,323</u>	<u>2,903,192</u>
Culture, Recreation and Education:				
Grants to Public Libraries	661,337	661,337	-	628,195
Snowmobile Trails	90,650	239,103	(148,453)	91,125
All Terrain Vehicle Trails	413,747	3,488	410,259	4,569
University Extension	235,733	228,193	7,540	207,150
Old Abe Trail	7,500	6,507	993	33,141
Hickory Ridge/River Road Trail	4,655	12,969	(8,314)	2,525
Extension Education Programs	66,500	64,919	1,581	59,422
Total Culture, Recreation and Education	<u>1,480,122</u>	<u>1,216,516</u>	<u>263,606</u>	<u>1,026,127</u>
Conservation and Development:				
County Forestry Department	279,472	262,162	17,310	257,731
County Parks	638,165	459,151	179,014	438,776
Forest Roads	6,048	14,179	(8,131)	21,452
Forest and Parks Quality of Life	275,000	-	275,000	68,264
State Forestry Fund	199,254	66,100	133,154	61,241
Comprehensive Planning Project	30,000	-	30,000	-
Land Conservation Stewardship	50,000	-	50,000	50,000
Conservation Committee	700	1,036	(336)	671
Land Conservation	484,027	316,344	167,683	324,158

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016			2015 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
EXPENDITURES (CONTINUED)				
Conservation and Development: (Continued)				
SWIRM Grant Expenditures	\$ 248,534	\$ 203,472	\$ 45,062	\$ 157,688
Groundwater Study	61,460	87,898	(26,438)	27,644
Targeted Runoff Management	450,000	749,000	(299,000)	-
Stormwater Planning Grant	8,000	2,500	5,500	2,500
Special Conservation Projects	15,000	4,460	10,540	-
Wildlife Habitat Management	1,720	4,938	(3,218)	-
Wildlife Damage - Abatement Project	19,580	14,015	5,565	31,511
TMDL - Little Lake Wissota	142,000	149,413	(7,413)	149,529
Gravel Pits	260,000	201,989	58,011	233,646
Conservation Reserve Enhancement Program	72,455	7,521	64,934	9,197
Housing Authority	1,150	1,133	17	853
Zoning	479,883	463,395	16,488	463,924
Economic Development	258,900	258,300	600	258,300
Tourism Development	27,270	27,270	-	27,270
Total Conservation and Development	<u>4,008,618</u>	<u>3,294,276</u>	<u>714,342</u>	<u>2,584,355</u>
Total Expenditures	<u>34,973,978</u>	<u>30,623,234</u>	<u>4,350,744</u>	<u>28,465,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,855,077)	(1,606,480)	4,248,597	(1,080,037)
OTHER FINANCING SOURCES (USES)				
Transfers In:				
County Sales Tax Fund	2,104,370	2,027,725	(76,645)	2,135,030
Human Services Fund	-	94,476	94,476	748,022
Land Management Fund	77,175	88,810	11,635	128,813
ADRC Fund	-	80,000	80,000	-
WRRWC Fund	-	264,184	264,184	-
Public Health Fund	-	9,016	9,016	76,572
Transfers Out:				
Highway Department Fund	(6,000)	(6,000)	-	(10,000)
Farm Land Development Fund	-	(130,000)	(130,000)	-
Self-Funded Workers Compensation Fund	-	-	-	(500,000)
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>2,169,545</u>	<u>2,422,211</u>	<u>252,666</u>	<u>2,572,437</u>
NET CHANGE IN FUND BALANCE	(3,685,532)	815,731	4,501,263	1,492,400
Fund Balance, January 1	<u>20,253,588</u>	<u>20,253,588</u>	-	<u>18,761,188</u>
FUND BALANCE, DECEMBER 31	<u>\$ 16,568,056</u>	<u>\$ 21,069,319</u>	<u>\$ 4,501,263</u>	<u>\$ 20,253,588</u>

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)**

	2011/2012 Capital Projects Debt	2011 Refunding Bonds	2013 Capital Projects Debt	Totals	
				2016	2015
ASSETS					
Treasurer's Cash and Investments	<u>\$ 812</u>	<u>\$ 609,327</u>	<u>\$ 4,801</u>	<u>\$ 614,940</u>	<u>\$ 613,281</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE					
Fund Balance:					
Committed	<u>\$ 812</u>	<u>\$ 609,327</u>	<u>\$ 4,801</u>	<u>\$ 614,940</u>	<u>\$ 613,281</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 812</u>	<u>\$ 609,327</u>	<u>\$ 4,801</u>	<u>\$ 614,940</u>	<u>\$ 613,281</u>

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2016	2015
REVENUES					
Investment Income	\$ -	\$ 1,659	\$ -	\$ 1,659	\$ 527
EXPENDITURES					
Principal Retirement	225,000	765,000	445,000	1,435,000	1,395,000
Interest and Fiscal Charges	89,625	84,375	52,675	226,675	266,050
Total Expenditures	<u>314,625</u>	<u>849,375</u>	<u>497,675</u>	<u>1,661,675</u>	<u>1,661,050</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(314,625)	(847,716)	(497,675)	(1,660,016)	(1,660,523)
OTHER FINANCING SOURCES (USES)					
Transfer In from Sales Tax Fund	<u>314,625</u>	<u>849,375</u>	<u>497,675</u>	<u>1,661,675</u>	<u>1,661,050</u>
NET CHANGE IN FUND BALANCE	-	1,659	-	1,659	527
Fund Balance, January 1	<u>812</u>	<u>607,668</u>	<u>4,801</u>	<u>613,281</u>	<u>612,754</u>
FUND BALANCE, DECEMBER 31	<u>\$ 812</u>	<u>\$ 609,327</u>	<u>\$ 4,801</u>	<u>\$ 614,940</u>	<u>\$ 613,281</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Treasurer's Cash	\$ 524,720	\$ 294,666
Investment of Land Sales Proceeds	160,288	159,624
Accounts Receivable	40,000	40,000
Total Current Assets	<u>725,008</u>	<u>494,290</u>
Noncurrent Assets:		
Property Held for Resale:		
Land	126,198	129,434
Land Improvements	1,708,948	1,708,948
Capital Assets:		
Land	22,653	22,653
Total Noncurrent Assets	<u>1,857,799</u>	<u>1,861,035</u>
Total Assets	2,582,807	2,355,325
LIABILITIES		
Current Liabilities:		
Vouchers Payable	\$ 27,840	\$ -
Special Deposits	4,589	4,589
Total Liabilities	<u>32,429</u>	<u>4,589</u>
NET POSITION		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	<u>2,527,725</u>	<u>2,328,083</u>
Total Net Position	<u>\$ 2,550,378</u>	<u>\$ 2,350,736</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:		
Gain on Sale of Property	\$ 140,673	\$ 60,340
OPERATING EXPENSES	<u>71,696</u>	<u>18,245</u>
OPERATING INCOME	68,977	42,095
NONOPERATING REVENUES:		
Interest Revenue	<u>665</u>	<u>218</u>
INCOME BEFORE TRANSFERS	69,642	42,313
TRANSFERS IN:		
Transfer from General Fund	<u>130,000</u>	<u>-</u>
CHANGE IN NET POSITION	199,642	42,313
Net Position - Beginning of Year	<u>2,350,736</u>	<u>2,308,423</u>
NET POSITION, DECEMBER 31	<u><u>\$ 2,550,378</u></u>	<u><u>\$ 2,350,736</u></u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from the Sale of County Property and Deposits	\$ 143,910	\$ 71,900
Cash Paid for Goods and Services	<u>(43,857)</u>	<u>(18,244)</u>
Net Cash Provided by (Used for) Operating Activities	100,053	53,656
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from General Fund for Business Development Activities	130,000	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received on Investments	<u>665</u>	<u>218</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	230,718	53,874
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>454,290</u>	<u>400,416</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 685,008</u></u>	<u><u>\$ 454,290</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 68,977	\$ 42,095
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Land and Land Improvements Sold	3,236	11,561
Change in Assets and Liabilities:		
Increase (Decrease) in Vouchers Payable	<u>27,840</u>	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 100,053</u></u>	<u><u>\$ 53,656</u></u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Schedule D-1:		
Treasurer's Cash	\$ 524,720	\$ 294,666
Investment of Land Sales Proceeds	<u>160,288</u>	<u>159,624</u>
Cash and Cash Equivalents per Schedule D-3	<u><u>\$ 685,008</u></u>	<u><u>\$ 454,290</u></u>

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016**

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2015)

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2016	2015
ASSETS						
Current Assets:						
Treasurer's Cash and Investments	\$ 2,558,770	\$ 1,793,876	\$ 97,333	\$ 76,470	\$ 4,526,449	\$ 4,899,871
Departmental Cash - Petty Cash	250	-	-	-	250	250
Cash and Investments Held by Fiscal Agent	-	-	218,700	-	218,700	246,938
Accounts Receivable	111,911	137,529	79,126	3,264	331,830	126,857
Due from Other Governmental Units	2,032,467	-	-	-	2,032,467	1,476,991
Inventories	2,346,481	-	-	-	2,346,481	2,228,918
Total Current Assets	7,049,879	1,931,405	395,159	79,734	9,456,177	8,979,825
Restricted Assets:						
Wisconsin Retirement System Pension Asset	-	-	-	-	-	699,605
Noncurrent Assets:						
Capital Assets:						
Not Being Depreciated	119,016	-	-	-	119,016	92,696
Being Depreciated	28,751,859	-	-	-	28,751,859	28,031,125
Accumulated Depreciation	(17,994,047)	-	-	-	(17,994,047)	(17,110,425)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	750,327	-	750,327	750,327
Total Noncurrent Assets	10,876,828	-	750,327	-	11,627,155	11,763,723
Total Assets	17,926,707	1,931,405	1,145,486	79,734	21,083,332	21,443,153
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension Related	2,522,311	-	-	-	2,522,311	709,876

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2015)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2016	2015
LIABILITIES:						
Current Liabilities:						
Accounts Payable	\$ 284,560	\$ 34,864	\$ -	\$ -	\$ 319,424	\$ 91,323
Present Value of Unpaid Losses	-	1,242,213	682,894	-	1,925,107	1,814,764
Unearned Cost Pool Revenues	256,065	-	-	-	256,065	86,155
Highway Construction Advance Payment	1,035,705	-	-	-	1,035,705	1,028,588
Current Portion of Employee Leave Liability	373,683	-	-	-	373,683	368,858
Total Current Liabilities	1,950,013	1,277,077	682,894	-	3,909,984	3,389,688
Long-Term Liabilities						
(Net of Current Portion):						
Other Postemployment Benefits Payable	109,016	-	-	-	109,016	82,450
Wisconsin Retirement System Pension Liability	447,918	-	-	-	447,918	-
Estimated Employee Leave Liability	131,539	-	-	-	131,539	158,852
Total Long-Term Liabilities	688,473	-	-	-	688,473	241,302
Total Liabilities	2,638,486	1,277,077	682,894	-	4,598,457	3,630,990
DEFERRED INFLOWS OF RESOURCES						
Wisconsin Retirement System Pension Related	951,167	-	-	-	951,167	-
NET POSITION:						
Net Investment in Capital Assets	10,876,828	-	-	-	10,876,828	11,013,396
Restricted for Pension Plan	-	-	-	-	-	699,605
Unrestricted	5,982,537	654,328	462,592	79,734	7,179,191	6,809,038
Total Net Position	\$ 16,859,365	\$ 654,328	\$ 462,592	\$ 79,734	\$ 18,056,019	\$ 18,522,039

CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, DECEMBER 31, 2015)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2016	2015
OPERATING REVENUES	\$ 12,099,702	\$ 714,210	\$ 144,151	\$ 357,585	\$ 13,315,648	\$ 14,092,812
OPERATING EXPENSES	14,149,494	643,958	393,161	362,567	15,549,180	17,640,515
OPERATING INCOME (LOSS)	(2,049,792)	70,252	(249,010)	(4,982)	(2,233,532)	(3,547,703)
NONOPERATING REVENUES (EXPENSES):						
Interest Revenue	203	2,112	5,317	-	7,632	7,863
Dividend Revenue	-	-	79,126	-	79,126	84,822
Disposition of Assets	13,961	-	-	-	13,961	6,325
Nonoperating Depreciation	(20,444)	-	-	-	(20,444)	(20,444)
Total Nonoperating Revenues (Expenses)	(6,280)	2,112	84,443	-	80,275	78,566
INCOME (LOSS) BEFORE TRANSFERS	(2,056,072)	72,364	(164,567)	(4,982)	(2,153,257)	(3,469,137)
TRANSFERS:						
Transfers from General Fund	6,000	-	-	6,000	12,000	516,000
Transfer from Sales Tax Fund	1,675,000	-	-	-	1,675,000	575,000
Transfer from Capital Projects Fund	237	-	-	-	237	2,055,043
Total Transfers	1,681,237	-	-	6,000	1,687,237	3,146,043
CHANGE IN NET POSITION	(374,835)	72,364	(164,567)	1,018	(466,020)	(323,094)
Net Position - Beginning of Year	17,234,200	581,964	627,159	78,716	18,522,039	18,845,133
NET POSITION, DECEMBER 31	\$ 16,859,365	\$ 654,328	\$ 462,592	\$ 79,734	\$ 18,056,019	\$ 18,522,039

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2015)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Goods and Services:						
County/Departments	\$ 6,740,060	\$ 714,210	\$ 144,151	\$ -	\$ 7,598,421	\$ 6,729,138
Third Parties	4,737,657	-	-	-	4,737,657	7,014,917
Cash Received from Employees	-	-	-	357,585	357,585	348,644
Cash Payments for Goods and Services	(2,659,404)	(94,055)	(3,824)	(5,857)	(2,763,140)	(6,012,076)
Cash Payments for Employee Services	(9,533,403)	(37,332)	(39,599)	-	(9,610,334)	(8,901,284)
Cash Payments for Insurance Claims	-	(569,815)	(106,896)	(358,540)	(1,035,251)	(1,130,109)
Cash Payments for Insurance Premiums	-	(36,217)	(148,798)	-	(185,015)	(177,965)
Net Cash Provided by (Used for) Operating Activities	(715,090)	(23,209)	(154,966)	(6,812)	(900,077)	(2,128,735)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer from General Fund	6,000	-	-	6,000	12,000	516,000
Transfer from Sales Tax Fund	1,675,000	-	-	-	1,675,000	575,000
Transfer from Capital Projects Fund	237	-	-	-	237	2,055,043
Net Cash Provided by (Used for) Noncapital Financing Activities	1,681,237	-	-	6,000	1,687,237	3,146,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Cash Received from Salvage of Capital Assets	39,151	-	-	-	39,151	87,718
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,320,425)	-	-	-	(1,320,425)	(650,808)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,281,274)	-	-	-	(1,281,274)	(563,090)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends Received on Investments	203	2,112	90,139	-	92,454	80,438
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	(314,924)	(21,097)	(64,827)	(812)	(401,660)	534,656
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,873,944</u>	<u>1,814,973</u>	<u>380,860</u>	<u>77,282</u>	<u>5,147,059</u>	<u>4,612,403</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,559,020</u>	<u>\$ 1,793,876</u>	<u>\$ 316,033</u>	<u>\$ 76,470</u>	<u>\$ 4,745,399</u>	<u>\$ 5,147,059</u>

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2015)**

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2016	2015
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (2,049,792)	\$ 70,252	\$ (249,010)	\$ (4,982)	\$ (2,233,532)	\$ (3,547,703)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Depreciation	1,411,359	-	-	-	1,411,359	1,331,312
Net Change in Wisconsin Pension System Related Items:						
Asset / Liability	1,147,523	-	-	-	1,147,523	426,752
Deferred Outflows of Resources	(1,812,435)	-	-	-	(1,812,435)	(432,190)
Deferred Inflows of Resources	951,167	-	-	-	951,167	-
(Increase) Decrease in Assets:						
Accounts Receivable	(73,626)	(135,213)	-	(1,830)	(210,669)	16,337
Due from Other Governments	(555,476)	-	-	-	(555,476)	490,577
Materials and Supplies	(117,563)	-	-	-	(117,563)	(168,660)
Increase (Decrease) in Liabilities:						
Accounts Payable	202,648	33,905	(8,452)	-	228,101	(316,168)
Present Value of Unpaid Losses	-	7,847	102,496	-	110,343	512,391
Unearned Cost Pool Revenues	169,910	-	-	-	169,910	85,121
Advance for Highway Construction	7,117	-	-	-	7,117	(510,577)
Other Postemployment Benefits	26,566	-	-	-	26,566	21,716
Unused Vested Employee Benefits	(22,488)	-	-	-	(22,488)	(37,643)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (715,090)</u>	<u>\$ (23,209)</u>	<u>\$ (154,966)</u>	<u>\$ (6,812)</u>	<u>\$ (900,077)</u>	<u>\$ (2,128,735)</u>

CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES:		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 6,484,231	\$ 5,779,969
State Highway Maintenance and Construction	3,286,099	2,819,229
Local Districts	1,310,443	1,248,104
County Departments	159,795	118,224
Non-Governmental Customers	245,607	2,420,676
Non-Highway Fleet	96,034	103,215
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	329,197	374,439
Equipment Storage	175,988	104,674
Miscellaneous Highway Revenues	12,308	47,908
Total Operating Revenues	<u>12,099,702</u>	<u>13,016,438</u>
OPERATING EXPENSES:		
Administration and General:		
Administration	379,824	414,225
Patrol Superintendent	136,513	126,845
Engineering Technician	35,591	73,036
Radio Expense	4,856	8,303
Public Liability Insurance	32,690	35,268
Transportation Cost Pools:		
Machinery Operations	(391,849)	(160,769)
Gravel Pits and Quarries	(23,121)	218,782
Bituminous Operations	(21,494)	(63,746)
Services Provided:		
County:		
General Maintenance	2,230,440	2,229,988
Reconstruction and Betterments	3,599,206	5,159,135
Winter Maintenance	1,341,138	1,087,883
Bridge Construction	1,028,721	180,972
Land Acquisition	5,338	11,436
State:		
Highway Maintenance and Betterments	2,547,823	2,574,257
Equipment Storage	144,197	144,868
Damage Claims	599,094	159,616
Salt Storage	2,524	8,311
County Aid Bridge Construction	24,222	6,233
Local Districts	1,310,443	1,248,104
Local Departments	159,795	118,224
Non-Governmental Customers	245,607	1,546,877
Amortization of State Contributions Included Above	55,670	27,681
Net Change in Accrued Employee Leave Liability	(69,150)	37,501
Net Change in Other Postemployment Benefits Liability	26,566	21,716
Net Wisconsin Retirement System Pension Expense	286,255	(5,438)
Non-Highway Fleet	458,595	475,072
Total Operating Expenses	<u>14,149,494</u>	<u>15,684,380</u>
OPERATING LOSS	(2,049,792)	(2,667,942)

CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	\$ 203	\$ 269
Gain (Loss) on Disposition of Assets - Non-Highway Fleet	13,961	6,325
Depreciation on Building Space Occupied by Other County Departments	<u>(20,444)</u>	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>(6,280)</u>	<u>(13,850)</u>
LOSS BEFORE TRANSFERS	(2,056,072)	(2,681,792)
TRANSFERS:		
Transfer from General Fund	6,000	10,000
Transfer from Capital Projects Fund	237	2,055,043
Transfer from Sales Tax Fund	<u>1,675,000</u>	<u>575,000</u>
Total Interfund Transfers	<u>1,681,237</u>	<u>2,640,043</u>
CHANGE IN NET POSITION	(374,835)	(41,749)
Net Position - Beginning of Year	<u>17,234,200</u>	<u>17,275,949</u>
NET POSITION, DECEMBER 31	<u>\$ 16,859,365</u>	<u>\$ 17,234,200</u>

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

County Appropriations	3,733,090	\$ 3,667,933
Vehicle Registration Fee	548,927	540,724
State Transportation Aids	1,362,939	1,320,015
State Local Road Improvement Program Aid	349,245	51,747
State Aid - Local Bridge Revenue	490,030	-
Federal Aid Secondary Revenues	-	199,550
	<u>\$ 6,484,231</u>	<u>\$ 5,779,969</u>

**CHIPPEWA COUNTY, WISCONSIN
 SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016	2015
REVENUES:		
Charges to County	\$ 144,151	\$ 143,527
Insurance Recoveries	-	12,845
Interest Earnings on Funds Held by WMMIC	5,317	6,923
Dividend from WMMIC	79,126	84,822
Total Revenues	228,594	248,117
 EXPENSES:		
Insurance Premiums Paid WMMIC	148,798	146,542
Claims Expenses	98,445	23,105
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	102,496	345,119
Administrative and Other Expenses	43,422	74,962
Total Expenses	393,161	589,728
 CHANGE IN NET POSITION	(164,567)	(341,611)
 Net Position, January 1	627,159	968,770
 NET POSITION, DECEMBER 31	\$ 462,592	\$ 627,159

**CHIPPEWA COUNTY, WISCONSIN
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)**

	Tax Agency	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Performance Deposits	Totals	
								2016	2015
ASSETS									
Treasurer's Cash and Investments	\$ -	\$ 106,173	\$ -	\$ -	\$ -	\$ -	\$ 59,133	\$ 165,306	\$ 117,269
Departmental Cash and Investments	-	-	383,855	5,280	51,149	119,373	-	559,657	567,889
Taxes Receivable:									
Current Apportionment	871,350	-	-	-	-	-	-	871,350	843,720
Due from Departmental Agency Funds	-	154,876	-	-	-	-	-	154,876	172,510
Total Assets	\$ 871,350	\$ 261,049	\$ 383,855	\$ 5,280	\$ 51,149	\$ 119,373	\$ 59,133	\$ 1,751,189	\$ 1,701,388
LIABILITIES									
Due to Other Governmental Units:									
State	\$ 871,350	\$ 238,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,110,279	\$ 1,094,785
Due to Other Funds	-	-	34,621	-	-	47,008	-	81,629	90,758
Due Treasurer's Agency Fund	-	-	92,741	-	-	62,135	-	154,876	172,510
Special Deposits	-	22,120	256,493	5,280	51,149	10,230	59,133	404,405	343,335
Total Liabilities	\$ 871,350	\$ 261,049	\$ 383,855	\$ 5,280	\$ 51,149	\$ 119,373	\$ 59,133	\$ 1,751,189	\$ 1,701,388