

**CHIPPEWA COUNTY, WISCONSIN**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2017**

**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, 2017, 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, 2017, 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, 2016 which are not presented with the accompanying financial statements. In our report dated July 24, 2017, 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 2016 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

The County Board  
Chippewa County

used to prepare the 2016 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 2016 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 23, 2018 on our consideration of County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 23, 2018

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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, 2017. 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, 2017 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 \$167,909,273 (net position). Of this amount, \$114,877,666 represented the County's investment in capital assets, net of related debt, \$7,546,887 was held for restricted purposes, and \$45,484,720 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$5,725,446. Net position related to the governmental activities of the County increased \$4,356,399 and net position related to business-type activities increased \$1,369,047.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$33,688,747, an increase of \$1,700,796 over the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,389,175 or 35.1% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$1,470,000 during the current fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

The *Statement of Net Position* presents information on all of Chippewa County's assets and deferred outflows, less liabilities and deferred inflows, 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, 2017**

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, 2017**

**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, 2017**

**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 \$167,909,273 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (68.4%) 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, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 75,706,939	\$ 71,689,422	\$ 3,901,361	\$ 2,560,154	\$ 79,608,300	\$ 74,249,576
Capital Assets	120,300,848	119,188,147	22,653	22,653	120,323,501	119,210,800
Total Assets	<u>196,007,787</u>	<u>190,877,569</u>	<u>3,924,014</u>	<u>2,582,807</u>	<u>199,931,801</u>	<u>193,460,376</u>
Deferred Outflows of Resources	8,482,532	12,155,717	-	-	8,482,532	12,155,717
Long-Term Debt	5,695,000	7,165,000	-	-	5,695,000	7,165,000
Other Long-Term Obligations	2,749,833	2,712,198	-	-	2,749,833	2,712,198
Other Liabilities	9,855,061	10,835,572	4,589	32,429	9,859,650	10,868,001
Total Liabilities	<u>18,299,894</u>	<u>20,712,770</u>	<u>4,589</u>	<u>32,429</u>	<u>18,304,483</u>	<u>20,745,199</u>
Deferred Inflows of Resources	22,200,577	22,687,067	-	-	22,200,577	22,687,067
Net Position:						
Net Investment in Capital Assets	114,855,013	112,258,461	22,653	22,653	114,877,666	112,281,114
Restricted	7,546,887	6,773,635	-	-	7,546,887	6,773,635
Unrestricted	41,587,948	40,601,353	3,896,772	2,527,725	45,484,720	43,129,078
Total Net Position	<u>\$ 163,989,848</u>	<u>\$ 159,633,449</u>	<u>\$ 3,919,425</u>	<u>\$ 2,550,378</u>	<u>\$ 167,909,273</u>	<u>\$ 162,183,827</u>

An additional portion of Chippewa County's net position (4.5%) represents resources that are subject to other restrictions on how they may be used. The remaining \$45,484,720 of total net position (27.1%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$3,896,772 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 2017, Chippewa County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net position increased by \$5,725,446 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$4,356,399 and an increase in net position related to business-type activities in the amount of \$1,369,047.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

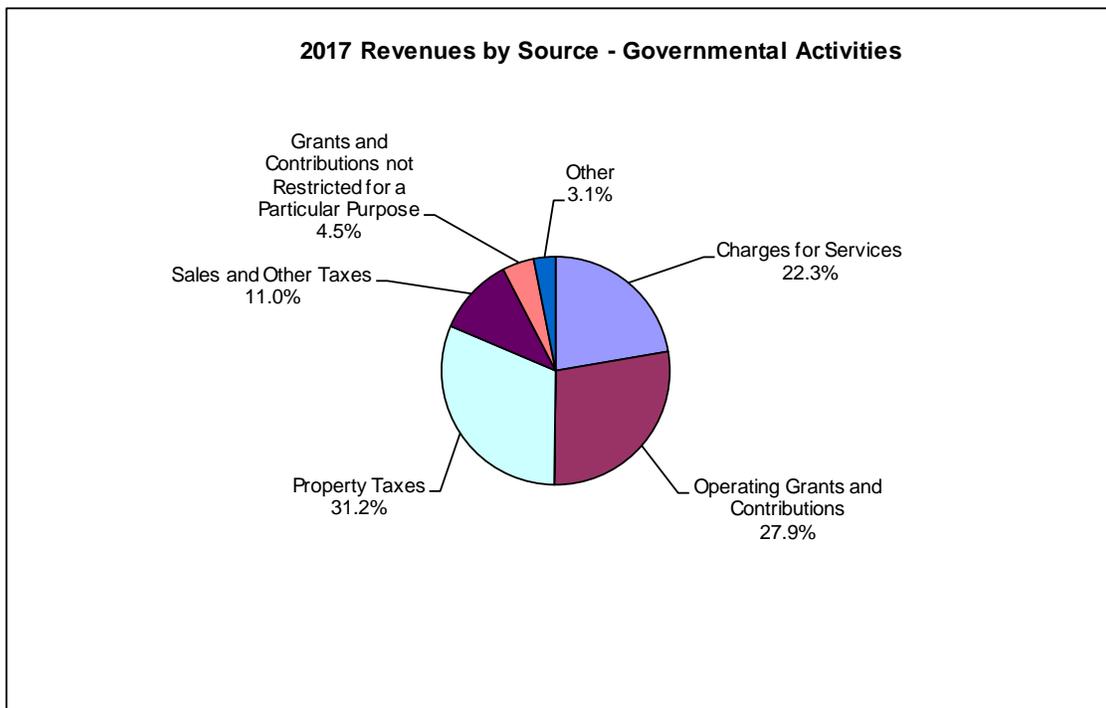
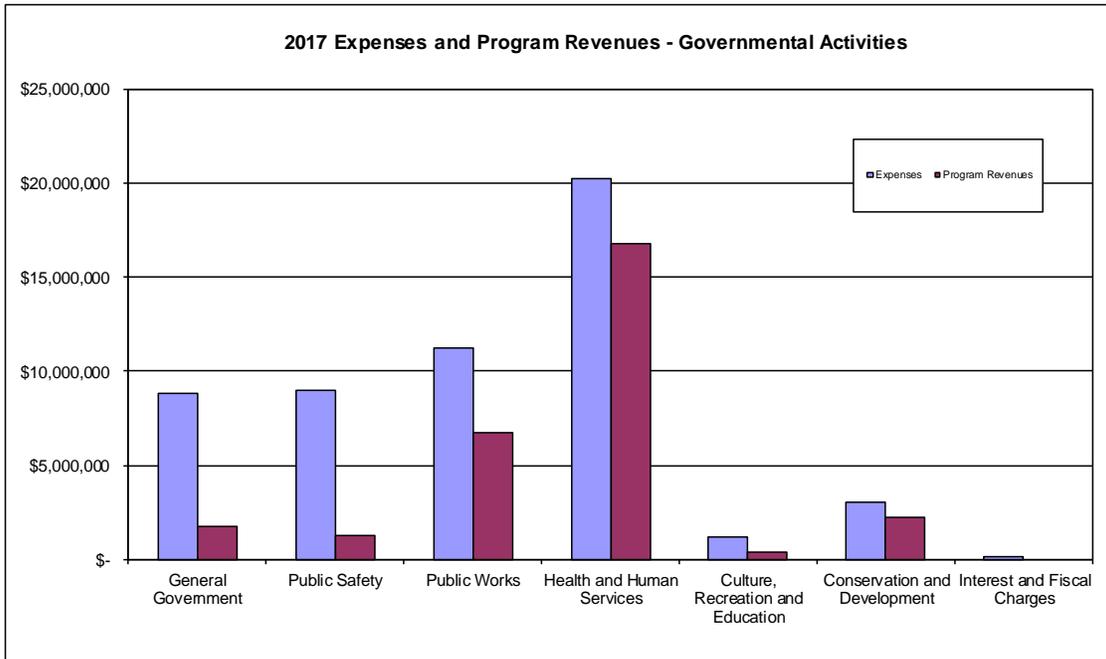
The following is a summary of the changes in the County's net position for the years ended December 31, 2017 and 2016:

**Condensed Statement of Changes in Net Position  
Years Ended December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 12,975,464	\$ 11,363,345	\$ 1,932,435	\$ 140,673	\$ 14,907,899	\$ 11,504,018
Operating Grants and Contributions	16,172,520	18,361,170	110,533	-	16,283,053	18,361,170
Capital Grants and Contributions	8,598	839,275	-	-	8,598	839,275
General Revenues:						
Property Taxes	18,103,129	17,514,446	-	-	18,103,129	17,514,446
Sales/Other Taxes	6,399,760	6,074,944	-	-	6,399,760	6,074,944
State and Federal Aids Not Restricted to Specific Programs	2,611,727	2,637,611	-	-	2,611,727	2,637,611
Other	1,794,748	632,494	5,191	665	1,799,939	633,159
Total Revenues	<u>58,065,946</u>	<u>57,423,285</u>	<u>2,048,159</u>	<u>141,338</u>	<u>60,114,105</u>	<u>57,564,623</u>
Expenses:						
General Government	8,820,761	8,686,768	-	-	8,820,761	8,686,768
Public Safety	8,972,578	9,073,474	-	-	8,972,578	9,073,474
Public Works	11,243,189	16,045,673	-	-	11,243,189	16,045,673
Health and Human Services	20,262,541	18,432,820	-	-	20,262,541	18,432,820
Culture, Recreation and Education	1,213,425	1,021,912	-	-	1,213,425	1,021,912
Conservation and Development	3,022,063	3,763,126	-	-	3,022,063	3,763,126
Interest and Fiscal Charges	125,990	153,198	-	-	125,990	153,198
Farm Land Development	-	-	728,112	71,696	728,112	71,696
Total Expenses	<u>53,660,547</u>	<u>57,176,971</u>	<u>728,112</u>	<u>71,696</u>	<u>54,388,659</u>	<u>57,248,667</u>
Transfers	<u>(49,000)</u>	<u>(130,000)</u>	<u>49,000</u>	<u>130,000</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ 4,356,399</u>	<u>\$ 116,314</u>	<u>\$ 1,369,047</u>	<u>\$ 199,642</u>	<u>\$ 5,725,446</u>	<u>\$ 315,956</u>

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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 (31.2%), operating grants/contributions (27.9%), and charges for services (22.3%).



**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**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, 2017, the County's governmental funds reported combined ending fund balances of \$33,688,747, an increase of \$1,700,796 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2017					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,183,681	\$ -	\$ -	\$ 11,493,375	\$ 10,389,175	\$ 23,066,231	\$ 1,996,912
Human Services Fund	-	-	1,000,000	-	-	1,000,000	(100,968)
CDBG Grant Fund	-	225,712	-	-	-	225,712	38,571
County Sales Tax Fund	-	-	7,280,480	-	-	7,280,480	(113,667)
WRRWC Fund	-	-	-	-	-	-	-
Debt Service Fund	-	-	618,329	-	-	618,329	3,389
Nonmajor Funds:							
Special Revenue Funds	-	284,552	1,213,443	-	-	1,497,995	(123,441)
	<u>\$ 1,183,681</u>	<u>\$ 510,264</u>	<u>\$ 10,112,252</u>	<u>\$ 11,493,375</u>	<u>\$ 10,389,175</u>	<u>\$ 33,688,747</u>	<u>\$ 1,700,796</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 78.0% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 35.1% of the same amount.

The general fund's total fund balance increased \$1,996,912 during the year; while the unassigned portion of the fund increased \$425,305. The primary factor in the increase in fund balance was unexpended continuing appropriations.

The County's human services fund decreased \$100,968 during the year and had a balance of \$1,000,000 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, 2017**

The CDBG grant fund balance increased \$38,571 during the year and had a balance of \$225,712 at year end. This balance, together with the outstanding receivables totaling \$7,036,623 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 \$113,667 during the year and had a balance of \$7,280,480 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 \$3,389 during the year and had a balance of \$618,329 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 decreased \$123,441 during 2017. 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 2017 totaled \$3,919,425.

**Condensed Statement of Changes in Net Position for Enterprise Funds  
Years Ended December 31, 2017 and 2016**

	Farm Land Development	
	2017	2016
Operating Revenues	\$ 1,932,435	\$ 140,673
Operating Expenses	507,171	71,696
Operating Income (Loss)	1,425,264	68,977
Nonoperating Revenues	(105,217)	665
Income (Loss) Before Transfers	1,320,047	69,642
Transfers	49,000	130,000
Changes in Net Position	1,369,047	199,642
Net Position - Beginning of Year	2,550,378	2,350,736
Net Position - End of Year	\$ 3,919,425	\$ 2,550,378

As of December 31, 2017, the County's farm land development fund reported net position of \$3,919,425, an increase of \$1,369,047 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, 2017**

The County had four internal service funds during 2017. 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	\$ 16,547,656	\$ 10,704,292	\$ 5,843,364	\$ (311,709)
Self-funded Insurance Funds:				
Workers Compensation	1,305,436	-	1,305,436	651,108
Liability Insurance	314,253	-	314,253	(148,339)
Flexible Benefits	81,126	-	81,126	1,392
Totals	<u>\$ 18,248,471</u>	<u>\$ 10,704,292</u>	<u>\$ 7,544,179</u>	<u>\$ 192,452</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 2017 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 2016 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2017, 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, 2017 and 2016 was \$120,323,501 and \$119,210,800, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$1,112,701.

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

**Capital Assets (Net of Accumulated Depreciation)  
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land and Land Rights	\$ 5,074,007	\$ 5,062,379	\$ 22,653	\$ 22,653	\$ 5,096,660	\$ 5,085,032
Construction Work in Progress	3,654,540	2,400,654	-	-	3,654,540	2,400,654
Gravel Pits and Quarries	86,318	103,284	-	-	86,318	103,284
Land Improvements	3,921,691	4,019,729	-	-	3,921,691	4,019,729
Buildings and Improvements	16,704,268	17,542,262	-	-	16,704,268	17,542,262
Equipment and Vehicles	9,189,948	9,407,607	-	-	9,189,948	9,407,607
Highway Infrastructure	81,670,076	80,652,232	-	-	81,670,076	80,652,232
Total	<u>\$ 120,300,848</u>	<u>\$ 119,188,147</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 120,323,501</u>	<u>\$ 119,210,800</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, 2017, Chippewa County had outstanding \$8,510,508 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, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2017	2016	2017	2016	2017	2016	
General Obligation Debt:							
Bonds	\$ 1,645,000	\$ 2,430,000	\$ -	\$ -	\$ 1,645,000	\$ 2,430,000	-32.3%
Notes	4,050,000	4,735,000	-	-	4,050,000	4,735,000	-14.5
Subtotal	5,695,000	7,165,000	-	-	5,695,000	7,165,000	-20.5
Other Long-Term Obligations:							
Bond Premiums	65,675	110,806	-	-	65,675	110,806	-40.7
Estimated Employee Leave	2,133,978	2,201,042	-	-	2,133,978	2,201,042	-3.0
Other Postemployment Benefits	615,855	511,156	-	-	615,855	511,156	20.5
Total	<u>\$ 8,510,508</u>	<u>\$ 9,988,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,510,508</u>	<u>\$ 9,988,004</u>	<u>-14.8</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, 2017 totaled \$5,695,000, approximately 2.1% of the maximum legal limit of \$266,402,730. 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, 2017**

**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 2014-2018:

<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>
2017	2018	3.69	\$ 18,728,228	--In Process of Collection--	
2016	2017	3.68	18,103,129	1,073,493	94.07%
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

**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 2013 through 2017. 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>
2017	\$ 5,328,054,600	\$ 5,078,001,200
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

**CHIPPEWA COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2017**

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

The overall tax rate for the 2018 budget year increased from a rate of \$3.68/\$1000 of assessed value to a rate of \$3.69/\$1000, an overall increase of 0.27%. The resultant overall tax levy increased from a dollar amount of \$18,103,129 to \$18,728,228 - an overall increase of 3.45%.

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 2017, a total of \$5,536,772 was transferred from the sales tax fund 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><u>\$ 5,536,772</u></u>

The sales tax fund generated \$5,423,105 in sales tax revenues and interest earnings during 2017. In the Budget year of 2018 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,439,805
Debt Service Fund	1,544,000
Airport Debt Contribution	130,271
Courthouse Painting	100,000
Highways and Bridges	1,300,000
Park Master Plan Pine Point Bathroom/Showe	100,000
Government Campus Flooring	50,000
HVAC-Pneumatic Controls	100,000
Computer Pool	215,000
RMS/CAD/Jail Spillman Software	87,153
Radio System Replacement/Fiber Installation	300,000
Jail Kitchen Dish Machine	50,000
Vehicle Fleet Pool Purchases	185,000
Total	<u><u>\$ 5,601,229</u></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, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 36,599,182	\$ 93,782	\$ 36,692,964
Departmental Cash and Investments	67,732	-	67,732
Cash and Investments Held by Fiscal Agent	529,492	-	529,492
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	19,825,665	-	19,825,665
Accounts Receivable	1,995,961	2,127,049	4,123,010
Due from Other Governments	5,999,501	-	5,999,501
Due from Fiduciary Funds	49,722	-	49,722
Long-Term Receivables	7,307,893	-	7,307,893
Inventory and Prepaid Items	2,581,464	-	2,581,464
Noncurrent Assets:			
Property Held for Resale	-	1,680,530	1,680,530
Capital Assets:			
Capital Assets Not Being Depreciated	8,728,547	22,653	8,751,200
Capital Assets Being Depreciated	211,325,460	-	211,325,460
Accumulated Depreciation	(99,753,159)	-	(99,753,159)
Total Assets	<u>196,007,787</u>	<u>3,924,014</u>	<u>199,931,801</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System Pension Related	8,482,532	-	8,482,532
<b>LIABILITIES</b>			
Vouchers and Accounts Payable	4,193,575	-	4,193,575
Accrued Payables	1,708,687	-	1,708,687
Accrued Interest Payable	69,927	-	69,927
Payroll Taxes and Withholdings	625,868	-	625,868
Due to Other Governments	563,318	-	563,318
Unearned Revenues	1,469,824	-	1,469,824
Special Deposits	54,500	4,589	59,089
Long-Term Liabilities:			
Wisconsin Retirement System Net Pension Liability	1,103,687	-	1,103,687
Amounts Due Within One Year	3,174,237	-	3,174,237
Amounts Due in More Than One Year	5,336,271	-	5,336,271
Total Liabilities	<u>18,299,894</u>	<u>4,589</u>	<u>18,304,483</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Subsequent Year's Property Taxes	18,728,228	-	18,728,228
Wisconsin Retirement System Pension Related	3,472,349	-	3,472,349
Total Deferred Inflows of Resources	<u>22,200,577</u>	<u>-</u>	<u>22,200,577</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	114,855,013	22,653	114,877,666
Restricted for:			
Housing/Business Loan Programs	7,262,335	-	7,262,335
Other	284,552	-	284,552
Unrestricted	41,587,948	3,896,772	45,484,720
Total Net Position	<u>\$ 163,989,848</u>	<u>\$ 3,919,425</u>	<u>\$ 167,909,273</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 8,820,761	\$ 1,189,948	\$ 569,668	\$ -	\$ (7,061,145)	\$ -	\$ (7,061,145)
Public Safety	8,972,578	1,028,617	206,440	-	(7,737,521)	-	(7,737,521)
Public Works	11,243,189	5,126,328	1,589,695	8,598	(4,518,568)	-	(4,518,568)
Health and Human Services	20,262,541	4,690,917	12,110,481	-	(3,461,143)	-	(3,461,143)
Culture, Recreation and Education	1,213,425	188,144	228,422	-	(796,859)	-	(796,859)
Conservation and Development	3,022,063	751,510	1,467,814	-	(802,739)	-	(802,739)
Interest and Fiscal Charges	125,990	-	-	-	(125,990)	-	(125,990)
Total Governmental Activities	<u>53,660,547</u>	<u>12,975,464</u>	<u>16,172,520</u>	<u>8,598</u>	<u>(24,503,965)</u>	<u>-</u>	<u>(24,503,965)</u>
Business-Type Activities:							
Farm Land Development	<u>728,112</u>	<u>1,932,435</u>	<u>110,533</u>	<u>-</u>	<u>-</u>	<u>1,314,856</u>	<u>1,314,856</u>
Total Primary Government	<u>\$ 54,388,659</u>	<u>\$ 14,907,899</u>	<u>\$ 16,283,053</u>	<u>\$ 8,598</u>	<u>(24,503,965)</u>	<u>1,314,856</u>	<u>(23,189,109)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					18,103,129	-	18,103,129
County Sales Taxes					5,392,012	-	5,392,012
Other Taxes					1,007,748	-	1,007,748
State and Federal Aids not Restricted to Specific Function					2,611,727	-	2,611,727
Interest and Investment Earnings					337,062	1,191	338,253
Miscellaneous					1,457,686	4,000	1,461,686
Transfers					(49,000)	49,000	-
Total General Revenues and Transfers					<u>28,860,364</u>	<u>54,191</u>	<u>28,914,555</u>
<b>CHANGE IN NET POSITION</b>					4,356,399	1,369,047	5,725,446
Net Position - Beginning of Year					<u>159,633,449</u>	<u>2,550,378</u>	<u>162,183,827</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 163,989,848</u>	<u>\$ 3,919,425</u>	<u>\$ 167,909,273</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>								
Treasurer's Cash and Investments	\$ 22,318,650	\$ 823,890	\$ -	\$ 6,403,002	\$ -	\$ 618,329	\$ 1,305,497	\$ 31,469,368
Departmental Cash and Investments	2,415	54,500	-	-	-	-	10,567	67,482
Cash and Investments Held by Fiscal Agent	-	-	285,941	-	-	-	-	285,941
Taxes Receivable	17,303,881	1,958,822	-	-	200,038	-	362,924	19,825,665
Accounts Receivable	416,441	-	-	877,478	501,255	-	48,797	1,843,971
Due from Other Governmental Units	449,438	654,155	132,046	-	2,752,193	-	330,614	4,318,446
Due from Other Funds	1,048,533	-	-	-	-	-	-	1,048,533
Due from Fiduciary Funds	42,974	-	-	-	3,610	-	3,138	49,722
Prepaid Items	86,244	-	-	-	36,338	-	-	122,582
Long-Term Receivables	-	-	7,036,623	-	-	-	271,270	7,307,893
<b>Total Assets</b>	<b>\$ 41,668,576</b>	<b>\$ 3,491,367</b>	<b>\$ 7,454,610</b>	<b>\$ 7,280,480</b>	<b>\$ 3,493,434</b>	<b>\$ 618,329</b>	<b>\$ 2,332,807</b>	<b>\$ 66,339,603</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Vouchers and Accounts Payable	\$ 1,064,086	\$ 415,079	\$ 142,275	\$ -	\$ 2,238,429	\$ -	\$ 104,599	\$ 3,964,468
Payroll Deductions	625,868	-	-	-	-	-	-	625,868
Due to Other Governmental Units	473,134	-	20,000	-	63,893	-	6,291	563,318
Due to Other Funds	-	-	30,000	-	991,074	-	-	1,021,074
Unearned Revenues	232,813	62,966	-	-	-	-	89,728	385,507
Client and Patient Trust Funds	-	54,500	-	-	-	-	-	54,500
<b>Total Liabilities</b>	<b>2,395,901</b>	<b>532,545</b>	<b>192,275</b>	<b>-</b>	<b>3,293,396</b>	<b>-</b>	<b>200,618</b>	<b>6,614,735</b>
<b>Deferred Inflows of Resources:</b>								
Subsequent Year's Property Taxes	16,206,444	1,958,822	-	-	200,038	-	362,924	18,728,228
Unavailable Revenue - Long-Term Receivables	-	-	7,036,623	-	-	-	271,270	7,307,893
<b>Total Deferred Inflows of Resources</b>	<b>16,206,444</b>	<b>1,958,822</b>	<b>7,036,623</b>	<b>-</b>	<b>200,038</b>	<b>-</b>	<b>634,194</b>	<b>26,036,121</b>
<b>Fund Balances:</b>								
Nonspendable	1,183,681	-	-	-	-	-	-	1,183,681
Restricted	-	-	225,712	-	-	-	284,552	510,264
Committed	-	1,000,000	-	7,280,480	-	618,329	1,213,443	10,112,252
Assigned	11,493,375	-	-	-	-	-	-	11,493,375
Unassigned	10,389,175	-	-	-	-	-	-	10,389,175
<b>Total Fund Balances</b>	<b>23,066,231</b>	<b>1,000,000</b>	<b>225,712</b>	<b>7,280,480</b>	<b>-</b>	<b>618,329</b>	<b>1,497,995</b>	<b>33,688,747</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 41,668,576</b>	<b>\$ 3,491,367</b>	<b>\$ 7,454,610</b>	<b>\$ 7,280,480</b>	<b>\$ 3,493,434</b>	<b>\$ 618,329</b>	<b>\$ 2,332,807</b>	<b>\$ 66,339,603</b>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2017**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 33,688,747

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	\$ 4,100,926	
Land Improvements	7,293,593	
Buildings	28,732,527	
Machinery/Equipment	7,958,504	
Vehicles	253,331	
Infrastructure	138,791,072	
Construction Work in Progress	3,509,792	
Accumulated Depreciation	<u>(81,043,189)</u>	109,596,556

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. 7,307,893

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 Asset (Liability)	(885,882)	
Deferred Outflows of Resources	6,808,564	
Deferred Inflows of Resources	<u>(2,787,106)</u>	3,135,576

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	(1,645,000)	
Notes Payable	(4,050,000)	
Accrued Interest Payable	(69,927)	
Vacation, Compensatory and Sick Leave Liability	(1,671,904)	
Other Postemployment Benefits Payable	<u>(484,889)</u>	(7,921,720)

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		(65,675)
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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. 16,547,656

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. 1,700,815

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 163,989,848

**CHIPPEWA COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2017**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>								
Taxes	\$ 16,600,764	\$ 1,866,756	\$ -	\$ 5,392,012	\$ 307,221	\$ -	\$ 336,136	\$ 24,502,889
Intergovernmental	6,158,453	3,774,869	1,128,746	-	5,437,486	-	2,212,921	18,712,475
Licenses and Permits	653,473	-	-	-	-	-	221,662	875,135
Fines and Forfeits	165,231	-	-	-	-	-	55,584	220,815
Public Charges for Services	3,144,036	253,229	-	-	2,541,110	-	311,664	6,250,039
Intergovernmental Charges for Services	282,207	-	-	-	513,062	-	-	795,269
Miscellaneous:								
Investment Income	309,338	-	4,072	31,093	-	3,389	4,430	352,322
Increase (Decrease) in Fair Value of Investments	(63,490)	-	-	-	-	-	-	(63,490)
Rent	28,322	-	-	-	-	-	-	28,322
Sale of Property	27,528	-	-	-	-	-	-	27,528
Other	1,351,495	-	403,488	-	-	-	112,173	1,867,156
Total Revenues	<u>28,657,357</u>	<u>5,894,854</u>	<u>1,536,306</u>	<u>5,423,105</u>	<u>8,798,879</u>	<u>3,389</u>	<u>3,254,570</u>	<u>53,568,460</u>
<b>EXPENDITURES</b>								
General Government	8,306,209	-	-	-	-	-	-	8,306,209
Public Safety	8,316,851	-	-	-	-	-	48,189	8,365,040
Public Works	6,629,316	-	-	-	-	-	-	6,629,316
Health and Human Services	2,523,546	5,878,092	-	-	8,499,824	-	2,995,747	19,897,209
Culture, Recreation and Education	1,240,034	-	-	-	-	-	-	1,240,034
Conservation and Development	2,562,281	-	1,497,735	-	-	-	172,240	4,232,256
Debt Service:								
Principal Retirement	-	-	-	-	-	1,470,000	-	1,470,000
Interest and Fiscal Charges	-	-	-	-	-	187,600	-	187,600
Total Expenditures	<u>29,578,237</u>	<u>5,878,092</u>	<u>1,497,735</u>	<u>-</u>	<u>8,499,824</u>	<u>1,657,600</u>	<u>3,216,176</u>	<u>50,327,664</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(920,880)	16,762	38,571	5,423,105	299,055	(1,654,211)	38,394	3,240,796
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	2,982,792	-	-	-	-	1,657,600	-	4,640,392
Transfers Out	(65,000)	(117,730)	-	(5,536,772)	(299,055)	-	(161,835)	(6,180,392)
Total Other Financing Sources (Uses)	<u>2,917,792</u>	<u>(117,730)</u>	<u>-</u>	<u>(5,536,772)</u>	<u>(299,055)</u>	<u>1,657,600</u>	<u>(161,835)</u>	<u>(1,540,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,996,912	(100,968)	38,571	(113,667)	-	3,389	(123,441)	1,700,796
Fund Balances, January 1	21,069,319	1,100,968	187,141	7,394,147	-	614,940	1,621,436	31,987,951
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 23,066,231</u>	<u>\$ 1,000,000</u>	<u>\$ 225,712</u>	<u>\$ 7,280,480</u>	<u>\$ -</u>	<u>\$ 618,329</u>	<u>\$ 1,497,995</u>	<u>\$ 33,688,747</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, 2017**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,700,796

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	\$ 5,955,196	
Depreciation Expense Reported in the Statement of Activities	<u>(4,620,711)</u>	1,334,485

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: (49,248)

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. 839,936

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. (1,134,799)

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		1,470,000
--	--	-----------

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	(311,709)	
Insurance Funds	<u>504,161</u>	192,452

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	45,131	
Net Change in Accrued Interest Payable	16,479	
Net Change in Compensated Absences Liability	23,916	
Net Change in Other Postemployment Benefits Payable	<u>(82,749)</u>	<u>2,777</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 4,356,399

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2017**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Treasurer's Cash and Investments	\$ 93,782	\$ 5,129,814
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agent	-	243,551
Accounts Receivable	2,127,049	151,990
Due from Other Governmental Units	-	1,681,055
Inventories	-	2,458,882
Total Current Assets	2,220,831	9,665,542
<b>Noncurrent Assets:</b>		
Property Held for Resale:		
Land	96,287	-
Land Improvements	1,584,243	-
Capital Assets:		
Not Being Depreciated	22,653	237,444
Depreciable Assets	-	29,176,818
Accumulated Depreciation	-	(18,709,970)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	1,703,183	11,454,619
Total Assets	3,924,014	21,120,161
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Wisconsin Retirement System Pension Related	-	1,673,968
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	-	229,107
Due to Other Funds	-	27,459
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,708,687
Unearned Revenue - Cost Pools	-	50,066
Unearned Revenue - Advance for Highway Construction	-	1,034,251
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	333,078
Total Current Liabilities	4,589	3,382,648
<b>Long-Term Liabilities (Net of Current Portion):</b>		
Other Postemployment Benefits Payable	-	130,966
Wisconsin Retirement System Net Pension Liability	-	217,805
Estimated Employee Leave Liability	-	128,996
Total Long-Term Liabilities	-	477,767
Total Liabilities	4,589	3,860,415
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Wisconsin Retirement System Pension Related	-	685,243
<b>NET POSITION</b>		
Net Investment in Capital Assets	22,653	10,704,292
Unrestricted	3,896,772	7,544,179
Total Net Position	\$ 3,919,425	\$ 18,248,471

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, 2017**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	\$ 1,932,435	\$ 12,925,239
<b>OPERATING EXPENSES</b>	<u>507,171</u>	<u>14,366,985</u>
<b>OPERATING INCOME (LOSS)</b>	1,425,264	(1,441,746)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	1,191	8,191
Dividend Revenue	-	40,039
Lease Revenue	4,000	-
Business Development Grant	110,533	-
Business Development Expense	(220,941)	-
Gain on Disposal of Property	-	12,465
Nonoperating Depreciation	<u>-</u>	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>(105,217)</u>	<u>40,251</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,320,047	(1,401,495)
<b>CONTRIBUTIONS AND TRANSFERS:</b>		
Contributions from State	-	102,947
Transfers from General Fund	49,000	16,000
Transfers from Sales Tax Fund	-	1,475,000
Total Contributions and Transfers	<u>49,000</u>	<u>1,593,947</u>
<b>CHANGE IN NET POSITION</b>	1,369,047	192,452
Net Position - Beginning of Year	<u>2,550,378</u>	<u>18,056,019</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 3,919,425</u>	<u>\$ 18,248,471</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 7,780,349
Third Parties	-	5,137,212
Cash Received from Employees	-	369,495
Cash Received from the Sale of Property	2	-
Cash Paid to Suppliers for Goods and Services	(535,011)	(3,664,722)
Cash Paid for Employee Services	-	(8,730,091)
Cash Paid for Insurance Claims	-	(600,866)
Cash Paid for Insurance Premiums	-	(177,993)
Net Cash Provided by (Used for) Operating Activities	(535,009)	113,384
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers from Sales Tax Special Revenue Fund	-	1,475,000
Transfer from General Fund	49,000	16,000
Cash Provided by General Fund for Cash Deficit	-	27,459
Cash Paid for Business Development Activities	(110,408)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(61,408)	1,518,459
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash Received from Lease of County Property	4,000	-
Cash Received from Salvage of Capital Assets	-	86,090
Cash Payments for Acquisition of Capital Assets	-	(1,177,034)
Net Cash Provided by (Used for) Capital and Related Financing Activities	4,000	(1,090,944)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Investments	1,191	87,317
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(591,226)	628,216
Cash and Cash Equivalents, January 1	685,008	4,745,399
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 93,782	\$ 5,373,615

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2017**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 1,425,264	\$ (1,441,746)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Property Sold	154,616	-
Depreciation	-	1,358,448
Net Change in Wisconsin Pension System Related Items:		
Asset / Liability	-	(230,113)
Deferred Outflows of Resources	-	848,343
Deferred Inflows of Resources	-	(265,924)
(Increase) Decrease in Assets:		
Accounts Receivable	(2,087,049)	140,753
Due from Other Governmental Units	-	351,412
Inventory	-	(112,401)
Increase (Decrease) in Liabilities:		
Accounts Payable	(27,840)	(90,318)
Accrued Liabilities	-	(216,420)
Deferred Inflows	-	(205,999)
Advance for Highway Construction	-	(1,454)
Other Postemployment Benefits	-	21,950
Accrued Benefits	-	(43,147)
	<u>\$ (535,009)</u>	<u>\$ 113,384</u>
Net Cash Provided by (Used for) Operating Activities		
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:</b>		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 93,782	\$ 5,129,814
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agents	-	243,551
Total Cash and Investments	<u>\$ 93,782</u>	<u>\$ 5,373,615</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2017**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Treasurer's Cash and Investments	\$ 159,054
Departmental Cash and Investments	529,542
Taxes Receivable	198
Accounts Receivable	<u>2,027</u>
 Total Assets	 <u><u>\$ 690,821</u></u>
<b>LIABILITIES</b>	
Due to Other Governmental Units	\$ 240,079
Due to Other Funds	49,722
Special Deposits	<u>401,020</u>
 Total Liabilities	 <u><u>\$ 690,821</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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 and amortized cost.

**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, 2017**

**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, 2017**

**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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017 as shown in the financial statements are as follows:

Governmental Funds	\$ 31,822,791
Proprietary Funds	6,217,724
Fiduciary Funds	688,596
	<u>\$ 38,729,111</u>

The above cash and investments balances consisted of the following:

<b>Treasurer's Cash and Investments:</b>		
Deposits at Financial Institutions	\$ 7,197,014	
Deposits in State Local Government		
Pooled-Investment Fund	15,160,377	
Investments in Federal Agency Securities	14,448,330	\$ 36,805,721
<b>Departmental Cash and Investments:</b>		
Deposits at Financial Institutions	594,759	
Petty Cash Funds	2,515	597,274
<b>Cash and Investments Held by Fiscal Agents:</b>		
Funds Held by WMMIC	1,040,175	
Funds Held by Chippewa County Housing Authority	285,941	1,326,116
Total Cash and Investments at December 31, 2017		<u>\$ 38,729,111</u>

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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, 2017, the County's deposits were not exposed to custodial credit risk.

**Investments**

The County's investments at December 31, 2017 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 2017 was 43 days.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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, 2017 are summarized as follows:

Description	Totals	Investment Maturities (in Years)			
		< 1	1 to 2	2 to 3	> 3
Money Market Fund	\$ 87,367	\$ 87,367	\$ -	\$ -	\$ -
Gov't Agency Debt Instruments:					
US Treasuries	7,499,290	7,499,290	-	-	-
FFCB	1,973,466	1,128,862	844,604	-	-
FHLB	2,197,864	1,213,531	984,333	-	-
FNMA	2,009,949	667	1,496,670	-	512,612
FHLMC	490,034	-	821	-	489,213
GNMA	104,422	-	-	-	104,422
SBA	85,938	-	-	-	85,938
	<u>\$ 14,448,330</u>	<u>\$ 9,929,717</u>	<u>\$ 3,326,428</u>	<u>\$ -</u>	<u>\$ 1,192,185</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, 2017, the County's investments were rated as follows:

Type	Credit	
	Quality Rating	Amount
US Treasuries	AA+	\$ 7,499,290
FFCB	AA+	1,973,466
FHLB	AA+	2,197,864
FHLMC	AA+	490,034
FNMA	AA+	2,009,949
GNMA	Not Rated	104,422
SBA	Not Rated	85,938
LGIP	Not Rated	15,160,377

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, 2017**

**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, 2017, 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	\$ 15,160,377	51.2%
US Treasuries	7,499,290	25.3%
FNMA	2,009,949	6.8%
FHLB	2,197,864	7.4%
FFCB	1,973,466	6.7%
	<u>\$ 28,840,946</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, 2017**

**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	\$ 7,499,290	\$ -	\$ -	\$ 7,499,290
FFCB	1,973,466.00	-	-	1,973,466
FHLB	2,197,864	-	-	2,197,864
FNMA	2,009,949	-	-	2,009,949
FHLMC	490,034	-	-	490,034
GNMA	104,422	-	-	104,422
SBA	85,938	-	-	85,938
	<u>\$ 14,360,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,360,963</u>
Investments measured at amortized cost - LGIP Funds				15,160,377
Total Investments				<u>\$ 29,521,340</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, 2017 the County had outstanding two installment loans totaling \$271,270. 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, 2017 the County had four hundred sixty-four (464) loans outstanding totaling \$7,036,623 under two revolving loan programs as follows. Two hundred sixty-five (265) loans totaling \$3,101,592 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 ninety-nine (199) loans outstanding totaling \$3,935,031 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, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2017 was as follows:

**Governmental Activities**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>General County Assets:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 4,090,926	\$ 10,000	\$ -	\$ -	\$ 4,100,926
Highway Right-of-Ways	878,757	1,628	-	-	880,385
Construction Work in Progress	2,374,334	1,436,069	(300,611)	-	3,509,792
Total Capital Assets Not Being Depreciated	7,344,017	1,447,697	(300,611)	-	8,491,103
Capital Assets Being Depreciated:					
Land Improvements	7,095,030	84,029	114,534	-	7,293,593
Buildings and Improvements	28,732,527	-	-	-	28,732,527
Machinery and Equipment	7,688,087	174,926	186,077	90,586	7,958,504
Vehicles	253,331	-	-	-	253,331
Highway Infrastructure:					
Roadways	112,898,373	4,210,900	-	1,626,389	115,482,884
Bridges	22,111,056	44	-	9,400	22,101,700
Structures	288,503	37,600	-	-	326,103
Total Capital Assets Being Depreciated	179,066,907	4,507,499	300,611	1,726,375	182,148,642
Total Capital Assets	186,410,924	5,955,196	-	1,726,375	190,639,745
Accumulated Depreciation:					
Land Improvements	3,242,053	283,935	-	-	3,525,988
Buildings and Improvements	13,705,665	553,485	-	-	14,259,150
Machinery and Equipment	6,370,856	519,602	-	41,338	6,849,120
Vehicles	135,331	32,989	-	-	168,320
Highway Infrastructure	54,645,700	3,230,700	-	1,635,789	56,240,611
Total Accumulated Depreciation	78,099,605	4,620,711	-	1,677,127	81,043,189
Net Capital Assets - General County	<u>\$ 108,311,319</u>	<u>\$ 1,334,485</u>	<u>\$ -</u>	<u>\$ 49,248</u>	<u>\$ 109,596,556</u>

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Highway Department:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 92,696	\$ -	\$ -	\$ -	\$ 92,696
Construction Work in Progress	26,320	144,748	(26,320)	-	144,748
Total Capital Assets Not Being Depreciated	119,016	144,748	(26,320)	-	237,444
Capital Assets Being Depreciated:					
Land Improvements	437,622	-	-	-	437,622
Gravel Pits and Quarries*	103,284	-	-	16,966	86,318
Buildings and Improvements	7,522,200	-	-	-	7,522,200
Vehicles Non Highway Fleet	1,650,135	243,158	-	260,289	1,633,004
Machinery and Equipment	19,038,618	892,074	26,320	459,338	19,497,674
Total Capital Assets Being Depreciated	28,751,859	1,135,232	26,320	736,593	29,176,818
Total Capital Assets	28,870,875	1,279,980	-	736,593	29,414,262
Accumulated Depreciation:					
Land Improvements	270,870	12,666	-	-	283,536
Buildings and Improvements	5,006,800	284,509	-	-	5,291,309
Vehicles Non Highway Fleet	963,189	188,784	-	207,947	944,026
Machinery and Equipment	11,753,188	892,933	-	455,022	12,191,099
Total Accumulated Depreciation	17,994,047	1,378,892	-	662,969	18,709,970
Net Capital Assets - Highway Department	\$ 10,876,828	\$ (98,912)	\$ -	\$ 73,624	\$ 10,704,292
Capital Assets Not Being Depreciated	\$ 7,463,033	\$ 1,592,445	\$ (326,931)	\$ -	\$ 8,728,547
Capital Assets Being Depreciated	207,818,766	5,642,731	326,931	2,462,968	211,325,460
Total Capital Assets	215,281,799	7,235,176	-	2,462,968	220,054,007
Accumulated Depreciation	96,093,652	5,999,603	-	2,340,096	99,753,159
Net Capital Assets - Governmental Activities	\$ 119,188,147	\$ 1,235,573	\$ -	\$ 122,872	\$ 120,300,848

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

Depreciation was charged to governmental functions as follows:

General County:	
General Government	\$ 736,156
Public Safety	552,840
Public Works	3,230,700
Health and Human Services	18,584
Culture, Recreation and Education	42,953
Conservation and Development	39,478
	<u>4,620,711</u>
Highway Department:	
Transportation	1,378,892
	<u>\$ 5,999,603</u>

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Farm Land Development Fund:</b>				
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, 2017 was as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	CDBG Grant Fund	\$ 30,000
General Fund	Liability Insurance Fund	27,459
General Fund	WRRWC Fund	991,074
		<u>\$ 1,048,533</u>

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2018. 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	\$ 2,404,172
General Fund	Human Services Fund	117,730
General Fund	WRRWC Fund	299,055
General Fund	Land Management Fund	91,383
General Fund	Public Health Fund	70,452
Debt Service Fund	County Sales Tax Fund	1,657,600
Highway Department Fund	General Fund	10,000
Highway Department Fund	County Sales Tax Fund	1,475,000
Flexible Benefits Fund	General Fund	6,000
Farm Land Development Fund	General Fund	49,000
		<u>\$ 6,180,392</u>

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2017 budget. The transfers from the human services fund and WRRWC 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, 2017**

**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, 2017 were as follows:

	Balances 1/1/17	Additions	Reductions	Balances 12/31/17	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 2,430,000	\$ -	\$ 785,000	\$ 1,645,000	\$ 810,000
General Obligation Notes	4,735,000	-	685,000	4,050,000	585,000
Unamortized Debt Premium	110,806	-	45,131	65,675	33,124
Total Long-Term Debt	<u>\$ 7,275,806</u>	<u>\$ -</u>	<u>\$ 1,515,131</u>	<u>\$ 5,760,675</u>	<u>\$ 1,428,124</u>
<b>Other Long-Term Obligations (Governmental Activities):</b>					
<b>Governmental Funds:</b>					
Employee Leave Liability	\$ 1,695,820	\$ -	\$ 23,916	\$ 1,671,904	\$ 1,413,035
Other Postemployment Benefits Payable	402,140	166,868	84,119	484,889	-
<b>Highway Internal Service Fund:</b>					
Employee Leave Liability	505,222	-	43,148	462,074	333,078
Other Postemployment Benefits Payable	109,016	44,265	22,315	130,966	-
Total Other Long-Term Obligations	<u>\$ 2,712,198</u>	<u>\$ 211,133</u>	<u>\$ 173,498</u>	<u>\$ 2,749,833</u>	<u>\$ 1,746,113</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, 2017**

**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, 2017 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%	2018	\$ 810,000	\$ 37,200	\$ 847,200
	2019	835,000	12,525	847,525
		<u>1,645,000</u>	<u>49,725</u>	<u>1,694,725</u>
Promissory Notes, \$3,000,000, issued 10/29/13, due 8/1/21, interest at 2.00%-2.50%	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>1,735,000</u>	<u>83,663</u>	<u>1,818,663</u>
Promissory Notes, \$3,980,000, issued 7/6/11, due 2/1/21, interest at 2.00%-3.50%	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>2,315,000</u>	<u>218,725</u>	<u>2,533,725</u>
Total General Obligation Debt		<u>\$ 5,695,000</u>	<u>\$ 352,113</u>	<u>\$ 6,047,113</u>

The above annual debt service requirements are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 5,695,000</u>	<u>\$ 352,113</u>	<u>\$ 6,047,113</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, 2017, the County's debt limit amounted to \$266,402,730 and indebtedness subject to the limitation totaled \$5,695,000.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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, 2017 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
<b>General Fund</b>						
Delinquent Taxes	\$ 1,097,437	\$ 1,097,437	\$ -	\$ -	\$ -	\$ -
Prepaid Items	86,244	86,244	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	41,277	-	-	-	41,277	-
Economic Development	47,038	-	-	-	47,038	-
Criminal Justice Coordinator	60,780	-	-	-	60,780	-
County Administrator	259,188	-	-	-	259,188	-
Computer Equipment Outlay	290,694	-	-	-	290,694	-
Courthouse	948,277	-	-	-	948,277	-
Facilities Improvement	455,988	-	-	-	455,988	-
Rifle Range	27,499	-	-	-	27,499	-
Radio Towers	66,627	-	-	-	66,627	-
Security Plan	510,182	-	-	-	510,182	-
Property and Liability Insurance	185,182	-	-	-	185,182	-
Employee Health Program	146,921	-	-	-	146,921	-
Copy Machine	27,259	-	-	-	27,259	-
Register of Deeds	245,339	-	-	-	245,339	-
Youth Court Programs	7,625	-	-	-	7,625	-
Snowmobile Patrol	65,924	-	-	-	65,924	-
Water Safety Patrol	60,715	-	-	-	60,715	-
K-9	11,200	-	-	-	11,200	-
All Terrain Vehicle Patrol	14,457	-	-	-	14,457	-
Sheriff's Department Equipment & Tower	3,450,462	-	-	-	3,450,462	-
Sheriff's Department Training	74,591	-	-	-	74,591	-
Jail Canteen	92,781	-	-	-	92,781	-
UW-Extension	326	-	-	-	326	-
Extension Education Programs	46,717	-	-	-	46,717	-
Wildlife Damage and Abatement Programs	1,929	-	-	-	1,929	-
State Forestry Programs	43,633	-	-	-	43,633	-
Wildlife Habitat Management	5,189	-	-	-	5,189	-
Special Conservation Projects	518,261	-	-	-	518,261	-
Snowmobile Trails	8,152	-	-	-	8,152	-
All Terrain Vehicle Trails	18,236	-	-	-	18,236	-
Old Abe Trail Project	81,560	-	-	-	81,560	-
Forest & Trails Tax Deed Projects	250,000	-	-	-	250,000	-
Quality Of Life Programs	39,250	-	-	-	39,250	-
County Parks Capital Improvements	291,917	-	-	-	291,917	-
County Parks Tax Deed Projects	250,000	-	-	-	250,000	-
Recycling Programs	244,444	-	-	-	244,444	-
Recycling Revenue Sharing Program	17,648	-	-	-	17,648	-
Soil and Water Resource Management	40,530	-	-	-	40,530	-
Non-Metallic Mining	172,639	-	-	-	172,639	-
Urban Stormwater Program	14,515	-	-	-	14,515	-
Conservation Reserve Enhancement Programs	45,697	-	-	-	45,697	-
Lake Protection Program	2,681	-	-	-	2,681	-
Little Lake Wisconsin TMDL	12,051	-	-	-	12,051	-
Groundwater Sampling	59,054	-	-	-	59,054	-
Land Conservation Stewardship Programs	85,600	-	-	-	85,600	-
Building Inspection	207,624	-	-	-	207,624	-
Comprehensive Planning Project	284,966	-	-	-	284,966	-
Platbook/Roadmap Publishing	55,130	-	-	-	55,130	-
Tax Deeds	75,000	-	-	-	75,000	-
Veterans' Relief	13,459	-	-	-	13,459	-
Health Clinics	4,792	-	-	-	4,792	-
Unfunded Benefit Liabilities	1,390,815	-	-	-	1,390,815	-
Unassigned	10,389,175	-	-	-	-	10,389,175
Subtotal General Fund	23,066,231	1,183,681	-	-	11,493,375	10,389,175

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
CDBG Grant Fund	225,712	-	225,712	-	-	-
County Sales Tax Funded Programs	7,280,480	-	-	7,280,480	-	-
Debt Service Fund	618,329	-	-	618,329	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Public Health Programs	156,103	-	156,103	-	-	-
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	560,292	-	-	560,292	-	-
Land Management Program	298,336	-	-	298,336	-	-
Jail Assessments Fees Funded Projects	102,737	-	102,737	-	-	-
County Economic Development Loan Program	353,815	-	-	353,815	-	-
Total Governmental Funds Balances at December 31, 2017	<u>\$ 33,688,747</u>	<u>\$ 1,183,681</u>	<u>\$ 510,264</u>	<u>\$ 10,112,252</u>	<u>\$ 11,493,375</u>	<u>\$ 10,389,175</u>

**G. Internal Service Funds Net Position**

The net position of the County's internal service funds at December 31, 2017 consisted of the following:

Fund	Net Position at Year End			Change During Year
	Total	Invested in Capital Assets	Unrestricted	
Highway Department Fund	\$ 16,547,656	\$ 10,704,292	\$ 5,843,364	\$ (311,709)
Self-Funded Insurance Funds:				
Workers Compensation	1,305,436	-	1,305,436	651,108
Liability Insurance	314,253	-	314,253	(148,339)
Flexible Benefits Fund	81,126	-	81,126	1,392
Totals	<u>\$ 18,248,471</u>	<u>\$ 10,704,292</u>	<u>\$ 7,544,179</u>	<u>\$ 192,452</u>

**NOTE 3 OTHER INFORMATION**

**A. Employee Leave Liability**

The County's estimated liability for employee leave at December 31, 2017 totaled \$2,133,978 and consisted of \$1,671,904 payable from its governmental funds and \$462,074 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  
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**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, 2017 totaled \$1,943,954 and consisted of \$1,491,336 payable from its governmental funds and \$452,618 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, 2017 was \$98,793 in the governmental funds and \$9,456 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, 2017 was \$61,520 in the governmental funds.

The County entered into an agreement with one employee prior to implementation of the PTO plan in which the hours in the accumulated sick leave bank at the time of the agreement would be paid out upon termination at the current rate of pay. The estimated liability under this agreement at December 31, 2017 was \$20,255 payable from 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.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

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

*Benefits Provided.* Employees who retire at or after age 65 (54 for protective 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, 2017 through December 31, 2017, the WRS recognized \$1,358,750 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.8%	6.8%
Executives & Elected Officials	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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>
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
2016	0.5	(5.0)

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

At December 31, 2017, the County reported a liability of \$1,103,687 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. 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, 2016, the County's proportion was 0.13390376 percent, which was a decrease of 0.00013956 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the County recognized pension expense of \$2,857,852. At December 31, 2017, 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  
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**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)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 420,836	\$ (3,470,999)
Changes of Assumptions	1,153,947	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,493,803	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	55,196	(1,350)
County Contributions Subsequent to the Measurement Date	1,358,750	-
Total	<u>\$ 8,482,532</u>	<u>\$ 3,472,349</u>

\$1,358,750 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, 2018. 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>	Pension Expense Amount
2017	\$ 1,481,481
2018	1,481,481
2019	1,014,800
2020	(328,231)
2021	1,902

*Actuarial assumptions.* The total pension liability in the December 31, 2015 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  
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**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, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%*

\*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, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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
Global Equities	45%	5.4%	N/A	N/A
U.S. Equities	N/A	N/A	70%	4.7%
International Equities	N/A	N/A	30%	5.6%
Fixed Income	37%	1.4%	N/A	N/A
Inflation Sensitive Assets	20%	1.5%	N/A	N/A
Real Estate	7%	3.6%	N/A	N/A
Private Equity/Debt	7%	6.5%	N/A	N/A
Multi-Asset	4%	3.7%	N/A	N/A
Totals	<u>120%</u>		<u>100%</u>	

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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)	\$ 14,519,706	\$ 1,103,687	\$ (9,227,256)

*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 17-16.

**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  
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**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 2017, the County contributed an estimated \$106,434 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	20,446
Adjustment to Annual Required Contribution	<u>(20,316)</u>
Annual OPEB Cost (Expense)	211,133
Contributions Made	<u>(106,434)</u>
Change in Net OPEB Obligation	104,699
Net OPEB Obligation- Beginning of Year	<u>511,156</u>
Net OPEB Obligation- End of Year	<u><u>\$ 615,855</u></u>

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the current year and two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 211,133	50.4%	\$ 615,855
12/31/2016	211,103	42.0%	511,156
12/31/2015	185,959	46.0%	388,786

**CHIPPEWA COUNTY, WISCONSIN  
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**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, 2017 was 28 years.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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, 2017 of \$1,305,436.

Changes in claims liability for 2017 and 2016 were as follows:

	2017	2016
Estimated Claims Outstanding January 1	\$ 1,242,213	\$ 1,234,366
Current Year Claims and Changes in Estimates	(41,935)	476,354
Claim Payments	(182,156)	(468,507)
Estimated Claims Outstanding December 31	\$ 1,018,122	\$ 1,242,213

**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, 2017, 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, 2017 and 2016 was \$990,486 and \$1,014,785, respectively, and represented 3.22% and 3.20%, respectively, of the total member equity at those dates.

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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 for 2017 was not available. 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 \$150,000 per occurrence with an annual aggregate self-insured retention (SIR) for all losses of \$300,000 for the 2017 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 \$314,253 and \$462,592 at December 31, 2017 and 2016, respectively, and consisted of the following components:

	2017	2016
Accounts Receivable	\$ 40,039	\$ 79,126
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	-	97,333
Deposits with WMMIC	243,551	218,700
Accounts Payable	(1,640)	-
Due to General Fund	(27,459)	-
Accrued Unpaid Losses	(690,565)	(682,894)
Net Position December 31	\$ 314,253	\$ 462,592

The liability recorded for unpaid losses at December 31, 2017 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, 2017**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Risk Management (Continued)**

**Liability Insurance Fund (Continued).**

Changes in claims liability for 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Estimated Claims Outstanding January 1	\$ 682,894	\$ 580,398
Current Year Claims and Changes in Estimates	155,273	198,410
Claim Payments	(147,602)	(95,914)
Estimated Claims Outstanding December 31	<u>\$ 690,565</u>	<u>\$ 682,894</u>

**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 Human Services Fund by \$95,180, and in the WRRWC Fund by \$5,093,649. 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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 16,630,579	\$ 16,630,579	\$ 16,600,764	\$ (29,815)
Intergovernmental	6,963,203	6,963,203	6,158,453	(804,750)
Licenses and Permits	567,445	567,445	653,473	86,028
Fines and Forfeits	180,000	180,000	165,231	(14,769)
Public Charges for Services	3,522,769	3,522,769	3,144,036	(378,733)
Intergovernmental Charges for Services	152,217	152,217	282,207	129,990
Miscellaneous:				
Investment Income	185,000	185,000	309,338	124,338
Increase (Decrease) in Fair Value of Investments	-	-	(63,490)	(63,490)
Rent	27,040	27,040	28,322	1,282
Sale of Property	1,800	1,800	27,528	25,728
Profit on Tax Deed Sales	149,500	149,500	1,008,399	858,899
Other	226,950	226,950	343,096	116,146
Total Revenues	<u>28,606,503</u>	<u>28,606,503</u>	<u>28,657,357</u>	<u>50,854</u>
<b>EXPENDITURES</b>				
General Government	8,874,793	9,236,948	8,306,209	930,739
Public Safety	8,169,912	11,410,607	8,316,851	3,093,756
Public Works	6,668,106	6,668,106	6,629,316	38,790
Health and Human Services	2,880,005	2,880,005	2,523,546	356,459
Culture, Recreation and Education	1,538,299	1,568,299	1,240,034	328,265
Conservation and Development	3,441,407	3,592,326	2,562,281	1,030,045
Total Expenditures	<u>31,572,522</u>	<u>35,356,291</u>	<u>29,578,237</u>	<u>5,778,054</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,966,019)	(6,749,788)	(920,880)	5,828,908
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,022,570	2,522,570	2,982,792	460,222
Transfers Out	(16,000)	(16,000)	(65,000)	(49,000)
Total Other Financing Sources (Uses)	<u>2,006,570</u>	<u>2,506,570</u>	<u>2,917,792</u>	<u>411,222</u>
<b>NET CHANGE IN FUND BALANCE</b>	(959,449)	(4,243,218)	1,996,912	6,240,130
Fund Balance, January 1	21,069,319	21,069,319	21,069,319	-
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 20,109,870</u>	<u>\$ 16,826,101</u>	<u>\$ 23,066,231</u>	<u>\$ 6,240,130</u>

See Notes to Required Supplementary Information

SCHEDULE 2

CHIPPEWA COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 HUMAN SERVICES FUND  
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,866,756	\$ 1,866,756	\$ 1,866,756	\$ -
Intergovernmental	3,600,233	3,600,233	3,774,869	174,636
Public Charges for Services	315,923	315,923	253,229	(62,694)
Total Revenues	<u>5,782,912</u>	<u>5,782,912</u>	<u>5,894,854</u>	<u>111,942</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>5,782,912</u>	<u>5,782,912</u>	<u>5,878,092</u>	<u>(95,180)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	16,762	16,762
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(117,730)</u>	<u>(117,730)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(100,968)	(100,968)
Fund Balance, January 1	<u>1,100,968</u>	<u>1,100,968</u>	<u>1,100,968</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 1,100,968</u>	<u>\$ 1,100,968</u>	<u>\$ 1,000,000</u>	<u>\$ (100,968)</u>

**CHIPPEWA COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
COUNTY SALES TAX FUND  
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,738,000	\$ 4,738,000	\$ 5,392,012	\$ 654,012
Miscellaneous:				
Interest	7,500	7,500	31,093	23,593
Total Revenues	<u>4,745,500</u>	<u>4,745,500</u>	<u>5,423,105</u>	<u>677,605</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,745,500	4,745,500	5,423,105	677,605
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(5,536,772)</u>	<u>(5,536,772)</u>	<u>(5,536,772)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(791,272)	(791,272)	(113,667)	677,605
Fund Balance, January 1	<u>7,394,147</u>	<u>7,394,147</u>	<u>7,394,147</u>	<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u><u>\$ 6,602,875</u></u>	<u><u>\$ 6,602,875</u></u>	<u><u>\$ 7,280,480</u></u>	<u><u>\$ 677,605</u></u>

SCHEDULE 4

CHIPPEWA COUNTY, WISCONSIN  
 BUDGETARY COMPARISON SCHEDULE  
 WRRWC FUND  
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 307,221	\$ 307,221	\$ 307,221	\$ -
Intergovernmental	2,227,527	2,227,527	5,437,486	3,209,959
Public Charges for Services	871,427	871,427	2,541,110	1,669,683
Intergovernmental Charges for Services	-	-	513,062	513,062
Total Revenues	3,406,175	3,406,175	8,798,879	5,392,704
<b>EXPENDITURES</b>				
Health and Human Services	3,406,175	3,406,175	8,499,824	(5,093,649)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	299,055	299,055
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(299,055)	(299,055)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance, January 1	-	-	-	-
<b>FUND BALANCE, DECEMBER 31</b>	\$ -	\$ -	\$ -	\$ -

**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 %

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

Measurement Date:	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
County's proportion of the net pension liability (asset)	0.13646909%	0.13404332%	0.13390376%
County's proportionate share of the net pension liability (asset)	\$ (3,352,054)	\$ 2,178,178	\$ 1,103,687
County's covered payroll	\$ 18,214,274	\$ 18,109,202	\$ 18,476,595
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-18.40%	12.03%	5.97%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

\*Amounts are shown prospectively from implementation.

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

Fiscal Year End: December 31,	2015	2016	2017
Contractually Required Contribution	\$ 1,280,680	\$ 1,271,761	\$ 1,358,750
Contributions in Relation to the Contractually Required Contributions	(1,280,680)	(1,271,761)	(1,358,750)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 County's Covered Payroll	 \$ 18,109,202	 \$ 18,476,595	 \$ 18,896,897
 Contributions as a Percentage of Covered Payroll	 7.07%	 6.88%	 7.19%

*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, 2017**

**BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general 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, 2017**

	Special Revenue Funds			
	Public Health	Shelter Care	Dog Licenses	Aging and Disability Resource Center
<b>ASSETS</b>				
Treasurer's Cash and Investments	\$ 62,285	\$ 25,712	\$ 44,542	\$ 415,956
Departmental Cash and Investments	-	-	-	10,567
Taxes Receivable	236,101	-	-	126,823
Accounts Receivable	24,312	-	4,367	19,738
Due from Other Governmental Units	71,825	-	-	258,789
Due from Fiduciary Funds	-	-	-	-
Installment Loans Receivable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 394,523</u>	<u>\$ 25,712</u>	<u>\$ 48,909</u>	<u>\$ 831,873</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Vouchers Payable	\$ 2,319	\$ -	\$ 46,868	\$ 55,030
Due to Other Governmental Units	-	-	1,041	-
Unearned Revenues	-	-	-	89,728
Total Liabilities	<u>2,319</u>	<u>-</u>	<u>47,909</u>	<u>144,758</u>
<b>Deferred Inflows of Resources:</b>				
Subsequent Year's Property Taxes	236,101	-	-	126,823
Unavailable Revenue - Long-Term Receivables	-	-	-	-
Total Deferred Inflows of Resources	<u>236,101</u>	<u>-</u>	<u>-</u>	<u>126,823</u>
<b>Fund Balances:</b>				
Restricted	156,103	25,712	-	-
Committed	-	-	1,000	560,292
Total Fund Balances	<u>156,103</u>	<u>25,712</u>	<u>1,000</u>	<u>560,292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 394,523</u>	<u>\$ 25,712</u>	<u>\$ 48,909</u>	<u>\$ 831,873</u>

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2017**

	Special Revenue Funds (Continued)			Total Nonmajor Governmental Funds
	Land Management	Jail Assessment Fees	Economic Development	
<b>ASSETS</b>				
Treasurer's Cash and Investments	\$ 303,586	\$ 99,601	\$ 353,815	\$ 1,305,497
Departmental Cash and Investments	-	-	-	10,567
Taxes Receivable	-	-	-	362,924
Accounts Receivable	-	380	-	48,797
Due from Other Governmental Units	-	-	-	330,614
Due from Fiduciary Funds	-	3,138	-	3,138
Installment Loans Receivable	-	-	271,270	271,270
	<u>-\$ 303,586</u>	<u>\$ 103,119</u>	<u>\$ 625,085</u>	<u>\$ 2,332,807</u>
Total Assets				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Vouchers Payable	\$ -	\$ 382	\$ -	\$ 104,599
Due to Other Governmental Units	5,250	-	-	6,291
Unearned Revenues	-	-	-	89,728
Total Liabilities	<u>5,250</u>	<u>382</u>	<u>-</u>	<u>200,618</u>
<b>Deferred Inflows of Resources:</b>				
Subsequent Year's Property Taxes	-	-	-	362,924
Unavailable Revenue - Long-Term Receivables	-	-	271,270	271,270
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>271,270</u>	<u>634,194</u>
<b>Fund Balances:</b>				
Restricted	-	102,737	-	284,552
Committed	298,336	-	353,815	1,213,443
Total Fund Balances	<u>298,336</u>	<u>102,737</u>	<u>353,815</u>	<u>1,497,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 303,586</u>	<u>\$ 103,119</u>	<u>\$ 625,085</u>	<u>\$ 2,332,807</u>

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDING DECEMBER 31, 2017**

	Special Revenue Funds			
	Public Health	Shelter Care	Dog Licenses	Aging and Disability Resource Center
<b>REVENUES</b>				
Taxes	\$ 224,430	\$ -	\$ -	\$ 111,706
Intergovernmental	782,759	-	-	1,393,250
Licenses and Permits	173,239	-	48,423	-
Jail Assessment Fees	-	-	-	-
Public Charges for Services	43,980	-	-	178,389
Interest	-	-	-	1,113
Other	1,196	-	-	92,753
Total Revenues	<u>1,225,604</u>	<u>-</u>	<u>48,423</u>	<u>1,777,211</u>
<b>EXPENDITURES</b>				
Public Safety	-	-	-	-
Health and Human Services	1,140,890	-	48,423	1,806,434
Conservation and Development	-	-	-	-
Total Expenditures	<u>1,140,890</u>	<u>-</u>	<u>48,423</u>	<u>1,806,434</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	84,714	-	-	(29,223)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out:				
General Fund	<u>(70,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	14,262	-	-	(29,223)
Fund Balances, January 1	<u>141,841</u>	<u>25,712</u>	<u>1,000</u>	<u>589,515</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 156,103</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ 560,292</u>

**CHIPPEWA COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDING DECEMBER 31, 2017**

	<u>Special Revenue Funds (Continued)</u>			Total Nonmajor Governmental Funds
	Land Management	Jail Assessment Fees	Economic Development	
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 336,136
Intergovernmental	36,912	-	-	2,212,921
Licenses and Permits	-	-	-	221,662
Jail Assessment Fees	-	55,584	-	55,584
Public Charges for Services	89,295	-	-	311,664
Interest	-	-	3,317	4,430
Other	-	-	18,224	112,173
Total Revenues	<u>126,207</u>	<u>55,584</u>	<u>21,541</u>	<u>3,254,570</u>
<b>EXPENDITURES</b>				
Public Safety	-	48,189	-	48,189
Health and Human Services	-	-	-	2,995,747
Conservation and Development	22,240	-	150,000	172,240
Total Expenditures	<u>22,240</u>	<u>48,189</u>	<u>150,000</u>	<u>3,216,176</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	103,967	7,395	(128,459)	38,394
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out:				
General Fund	<u>(91,383)</u>	<u>-</u>	<u>-</u>	<u>(161,835)</u>
<b>NET CHANGE IN FUND BALANCES</b>	12,584	7,395	(128,459)	(123,441)
Fund Balances, January 1	<u>285,752</u>	<u>95,342</u>	<u>482,274</u>	<u>1,621,436</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 298,336</u>	<u>\$ 102,737</u>	<u>\$ 353,815</u>	<u>\$ 1,497,995</u>

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2017  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2016)**

	2017	2016
<b>ASSETS</b>		
Treasurer's Cash and Investments	\$ 22,318,650	\$ 19,723,404
Departmental Cash	2,415	2,025
Taxes Receivable:		
Current Taxes Receivable	16,206,444	15,593,016
Delinquent Taxes Receivable	1,073,493	1,136,629
Tax Deeds Owned by County	23,944	55,373
Accounts Receivable	416,441	601,049
Due from Other Governments	449,438	363,173
Due from Other Funds:		
WRRWC Fund	1,018,533	1,656,326
Highway Internal Service Fund	30,000	30,000
Due from Fiduciary Funds	42,974	61,521
Prepaid Items	86,244	91,534
	<u>\$ 41,668,576</u>	<u>\$ 39,314,050</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Vouchers and Accounts Payable	\$ 1,064,086	\$ 1,219,385
Payroll Deductions	625,868	606,801
Due to Other Governmental Units	473,134	530,227
Unearned Revenues	232,813	285,302
Total Liabilities	<u>2,395,901</u>	<u>2,641,715</u>
<b>Deferred Inflows of Resources:</b>		
Subsequent Year's Property Taxes	16,206,444	15,593,016
Unavailable Revenue - Other	-	10,000
Total Deferred Inflows of Resources	<u>16,206,444</u>	<u>15,603,016</u>
<b>Fund Balance:</b>		
Nonspendable:		
Delinquent Taxes	1,097,437	1,192,002
Prepaid Items	86,244	91,534
Assigned	11,493,375	9,821,913
Unassigned	10,389,175	9,963,870
Total Fund Balance	<u>23,066,231</u>	<u>21,069,319</u>
	<u>\$ 41,668,576</u>	<u>\$ 39,314,050</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 41,668,576</u>	<u>\$ 39,314,050</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017		Variance - Positive (Negative)	2016 Actual
	Final Budget	Actual		
<b>REVENUES:</b>				
<b>Taxes:</b>				
General Property Taxes	\$ 15,593,016	\$ 15,593,016	\$ -	\$ 15,088,134
Payment in Lieu of Taxes	30,000	36,286	6,286	39,969
Forest Crop Taxes	13,000	19,899	6,899	14,646
Sales Taxes	120	135	15	135
Vehicle Registration Fees	552,943	552,943	-	548,927
Real Estate Transfer Fees - County Share	138,500	165,153	26,653	156,785
Interest on Taxes	300,000	232,109	(67,891)	263,596
Agricultural Land Conversion Penalty	3,000	1,223	(1,777)	988
Total Taxes	16,630,579	16,600,764	(29,815)	16,113,180
<b>Intergovernmental:</b>				
Shared Taxes from State	2,509,841	2,509,841	-	2,528,770
Tax Exempt Computer Aid	86,831	101,886	15,055	108,841
Guardian Ad Litem	55,478	57,196	1,718	55,881
Victim/Witness Program	88,300	84,097	(4,203)	84,423
Court Grant	221,514	222,187	673	221,514
Criminal Justice Coordinator	150,988	148,351	(2,637)	167,236
Drug Abuse Program	5,750	11,663	5,913	5,814
Snowmobile Enforcement Patrol	19,062	16,803	(2,259)	6,526
Responsible Unit Grant	111,465	111,465	-	111,465
Recycling Grant	96,171	106,501	10,330	96,171
Clean Sweep Grant	7,250	10,500	3,250	11,665
Water Safety Patrol	27,697	34,319	6,622	23,591
All Terrain Vehicle Patrol	18,902	22,550	3,648	8,972
SARA Program	17,000	18,126	1,126	18,269
Emergency Government - Special Grants	10,000	335	(9,665)	785
County Jail State Aids	-	1,760	1,760	-
Targeted Runoff Management Grants	220,000	-	(220,000)	749,000
Conservation Reserve Enhancement Program	61,750	642	(61,108)	-
Planning and Zoning Aids	-	5,000	5,000	-
District Attorney	16,826	27,467	10,641	19,319
SARA HAZMAT Equipment Grant	10,000	8,996	(1,004)	6,400
Lake Protection Grant	17,500	-	(17,500)	-
Police Training	9,280	11,494	2,214	10,626
Sheriff Department Grants	28,500	23,592	(4,908)	34,635

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>REVENUES (CONTINUED)</b>				
<b>Intergovernmental: (Continued)</b>				
County Trunk Highways	\$ 1,361,229	\$ 1,361,229	\$ -	\$ 1,362,939
Local Road Improvement Program	7,422	7,422	-	349,245
State Aid - Bridge Aid	1,176	1,176	-	490,030
Child Support	736,080	714,422	(21,658)	709,933
Veterans Service Officer	5,414	7,695	2,281	9,117
Snowmobile Trail Advances	144,450	197,578	53,128	214,025
All Terrain Vehicle Trails	331,356	25,660	(305,696)	3,566
Wildlife Habitat Management	1,720	1,624	(96)	-
Forest Administration	37,522	33,039	(4,483)	36,581
Forest Roads	6,048	5,704	(344)	5,699
State Aid - SWIRM	254,051	175,485	(78,566)	203,472
DNR Land Acquisition Grants	200,000	-	(200,000)	-
County Forest Trails	15,050	5,184	(9,866)	6,285
Old Abe Trail	-	-	-	13,101
Wildlife Damage Abatement	19,580	28,902	9,322	15,476
Emergency Government	52,000	58,562	6,562	59,320
Total Intergovernmental	6,963,203	6,158,453	(804,750)	7,748,692
<b>Licenses and Permits:</b>				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	12,000	12,110	110	11,050
Marriage License Fees for Social Services	7,500	7,820	320	7,200
Conservation License Fees	600	331	(269)	341
Environmental Impact Fees	-	4,507	4,507	4,657
Zoning Permits	167,330	168,051	721	183,595
Building Inspection Fees	103,515	166,110	62,595	150,431
Gravel Pit Permits	275,000	293,474	18,474	232,954
Occupational Driver's Licenses	500	70	(430)	80
Total Licenses and Permits	567,445	653,473	86,028	591,308
<b>Fines and Forfeits:</b>				
County Ordinance Forfeitures	100,000	95,514	(4,486)	91,666
County Share of State Fines and Forfeitures	80,000	69,717	(10,283)	54,782
Total Fines and Forfeits	180,000	165,231	(14,769)	146,448

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>REVENUES (CONTINUED)</b>				
<b>Public Charges for Services:</b>				
County Clerk Fees	\$ 15,300	\$ 13,883	\$ (1,417)	\$ 14,379
Anniversary Book Revenues	100	-	(100)	-
Treasurer Fees	2,700	2,734	34	2,835
Register of Deeds Fees	260,000	305,518	45,518	309,687
Uniform Address Fees	4,000	4,750	750	4,085
Surveyor Fees	5,000	6,534	1,534	2,083
Sign Replacement Revenues	5,775	7,455	1,680	6,895
Passport Revenues	46,000	56,294	10,294	49,289
Circuit Court Fees and Costs	180,800	195,866	15,066	173,360
Criminal Justice Coordinator	-	28,908	28,908	40,856
Mediation Fees	7,100	6,435	(665)	6,870
Bond Forfeiture Revenues	14,000	7,584	(6,416)	1,635
Attorney Fee Reimbursements	27,500	29,780	2,280	25,935
Register in Probate Fees	20,000	16,270	(3,730)	27,080
Guardian Ad Litem Revenue	55,049	81,528	26,479	53,346
Guardianship Revenue	5,500	11,450	5,950	10,009
Probate Attorney Fees	1,300	758	(542)	1,053
Youth Court Program Fees	2,000	610	(1,390)	1,048
Restitution Surcharge Fees	10,000	25,297	15,297	15,503
Ignition Interlock Surcharge Fees	6,000	5,536	(464)	4,527
Chapter 51/55 Legal Fees	400	50	(350)	190
Prosecution Revenues	1,000	520	(480)	800
Sale of Maps and Plats	10,000	19,634	9,634	11,664
Sheriff Fees	45,000	43,011	(1,989)	47,764
Reserve Officers Revenues	143,671	149,040	5,369	126,319
Board of Prisoners - Huber	163,725	156,228	(7,497)	147,458
Jail Revenues	20,060	22,015	1,955	23,835
Jail Canteen Fund	96,640	129,762	33,122	99,851
Electronic Monitoring Revenue	116,070	67,248	(48,822)	90,799
Range Usage Fees	11,000	15,240	4,240	12,854
DNA Testing Fee	-	2,570	2,570	1,890
Coroner Fees	50,500	52,250	1,750	41,125
All Terrain Vehicle Class Fees	100	320	220	180
Water Patrol Class Fees	100	180	80	100
Snowmobile Training Class Fees	100	260	160	130
Health Clinic Revenue	57,000	44,759	(12,241)	45,583
Home Nursing Revenue	1,295,680	877,849	(417,831)	955,160
Child Support Collections	18,600	16,877	(1,723)	17,820
County Parks Revenue	151,698	171,576	19,878	160,156

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>REVENUES (CONTINUED)</b>				
<b>Public Charges for Services: (Continued)</b>				
Trail Fee Revenues	\$ 10,000	\$ 15,012	\$ 5,012	\$ 15,076
Tree Planter Rental Fees	500	340	(160)	500
University Extension Revenue	15,690	14,210	(1,480)	18,290
CREP Revenue	1,080	2,856	1,776	3,386
Land Conservation - Engineering Services	7,500	17,400	9,900	10,810
Land Conservation - Technical Services	775	2,540	1,765	21,740
Land Conservation - Municipal Service Fee	8,000	4,000	(4,000)	4,000
District Attorney Revenues	7,500	13,461	5,961	7,959
County Forest Revenues	572,000	439,615	(132,385)	883,508
Solid Waste Disposal	800	564	(236)	547
Solid Waste Tire Facility	16,000	13,087	(2,913)	13,818
Community Well Water Fee	23,920	28,537	4,617	29,650
Recycling Revenues	9,536	15,835	6,299	9,535
Total Public Charges for Services	3,522,769	3,144,036	(378,733)	3,552,972
<b>Intergovernmental Charges for Services:</b>				
Board of Prisoners from Other Governments	94,866	215,979	121,113	136,871
Information System Revenues	47,351	54,769	7,418	47,351
Elections	10,000	11,459	1,459	13,584
Total Intergovernmental Charges for Services	152,217	282,207	129,990	197,806
<b>Miscellaneous:</b>				
Investment Income	185,000	309,338	124,338	226,460
Increase (Decrease) in Fair Value of Investments	-	(63,490)	(63,490)	8,949
Rent of County Offices and Buildings	1,000	2,264	1,264	3,396
Radio Tower Lease Revenue	26,040	26,058	18	23,893
Copy Machine/Offset Revenue	21,600	14,445	(7,155)	20,330
Clerk of Court Copy Machine Revenue	500	105	(395)	265
Sale of County Property	1,000	128	(872)	2,185
Sale of Sheriff Property	800	27,400	26,600	1,000
Profit on Tax Deed Sales	149,500	1,008,399	858,899	27,936
TIF District Refunds	-	40,780	40,780	-
Insurance Recoveries	20,000	83,850	63,850	67,809
Insurance Dividends	50,000	45,153	(4,847)	43,033
Refund of Prior Years Expenses	-	1,411	1,411	917
Youth Court Program Donations	6,000	10,243	4,243	5,248
Land Conservation Private Grants and Donations	70,000	50,000	(20,000)	146,000
Energy Grants and Rebates	-	-	-	13,120
Sheriff Donations	-	30,370	30,370	525
Groundwater Study Donations	-	-	-	20,000
Sundry Departmental Revenues	6,150	34,325	28,175	30,667
Land Conservation Revenue	7,500	7,801	301	7,033
Maintenance Miscellaneous Revenue	-	329	329	561
Emergency Government Miscellaneous Revenue	-	250	250	250
Forest and Parks Miscellaneous Revenue	200	1,556	1,356	15,471
Other Miscellaneous Revenues	45,000	22,478	(22,522)	1,300
Total Miscellaneous	590,290	1,653,193	1,062,903	666,348
<b>Total Revenues</b>	28,606,503	28,657,357	50,854	29,016,754

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance - Positive (Negative)	2016 Actual
	Final Budget	Actual		
<b>EXPENDITURES</b>				
<b>General Government:</b>				
County Board	\$ 163,005	\$ 149,163	\$ 13,842	\$ 133,235
Circuit Court	1,598,578	1,633,037	(34,459)	1,581,123
Mediation Program	25,000	25,000	-	25,000
Register in Probate	195,606	195,726	(120)	198,685
Youth Court Program	8,000	5,327	2,673	7,200
Family Court Commissioner	25,580	26,776	(1,196)	26,704
Coroner	118,090	116,500	1,590	94,688
County Clerk	197,471	199,498	(2,027)	187,659
County Administrator	320,092	339,058	(18,966)	261,380
Elections	44,598	21,025	23,573	61,205
Personnel	290,680	260,861	29,819	262,481
Information Systems	756,525	764,148	(7,623)	753,360
Copy Machine/Offset	21,600	12,410	9,190	16,120
Finance	316,869	295,166	21,703	300,183
Finance Carryover	-	13,047	(13,047)	-
Personal Property Chargeback Expenses	500	152	348	44
Assessments	425	157	268	156
County Treasurer	372,136	364,360	7,776	417,698
Independent Auditing	29,061	26,212	2,849	26,625
Special Accounting	8,000	7,611	389	7,611
District Attorney	397,264	414,320	(17,056)	406,682
Crime Victim/Witness Program	223,065	228,168	(5,103)	213,303
Corporate Counsel	288,021	309,700	(21,679)	292,553
Register of Deeds	339,409	343,470	(4,061)	322,340
Register of Deeds Redaction Expenses	19,581	19,581	-	39,000
Land Records Program Local	381,771	250,709	131,062	216,052
Tax Deed Expense	144,000	12,202	131,798	49,175
Courthouse	1,494,158	1,290,362	203,796	1,311,868
Radio Towers	64,650	30,345	34,305	27,464
Facilities Improvements	49,892	39,752	10,140	108
Security Plan	296,270	113,958	182,312	428,711

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>EXPENDITURES (CONTINUED)</b>				
<b>General Government: (Continued)</b>				
Property and Liability Insurance	\$ 211,400	\$ 297,508	\$ (86,108)	\$ 217,908
Health Program Expenses	60,000	53,310	6,690	38,975
Maps and Plat Books	-	35,455	(35,455)	-
Sundry Department Expenses	3,300	390	2,910	539
Contingency	265,000	-	265,000	-
Computer Outlay	507,351	411,745	95,606	228,140
Total General Government	<u>9,236,948</u>	<u>8,306,209</u>	<u>930,739</u>	<u>8,153,975</u>
<b>Public Safety:</b>				
Sheriff	824,058	825,418	(1,360)	727,744
Investigations	571,288	570,738	550	553,502
Patrol	1,909,636	1,933,635	(23,999)	1,904,612
Sheriff's Department Training and Equipment	3,227,653	67,048	3,160,605	418,229
Reserve Officers	143,671	134,360	9,311	126,474
Snowmobile Patrol	23,828	12,308	11,520	25,334
Rifle Range	12,775	10,710	2,065	8,407
Water Safety Patrol	65,233	84,343	(19,110)	32,921
All Terrain Vehicle Trail Patrol	33,328	26,918	6,410	18,742
Police Radio	44,114	70,678	(26,564)	51,424
Fire Suppression	5,000	-	5,000	1,674
Building Inspection Fund	93,515	93,293	222	89,722
Emergency Government	124,202	123,263	939	119,485
SARA Program (Hazardous Materials)	41,227	40,274	953	34,585
Special Grants - Emergency Government	10,000	335	9,665	785
County Jail	2,923,148	2,918,222	4,926	2,986,384
Jail Canteen Fund	96,640	116,484	(19,844)	118,400
Telecommunications	1,157,887	1,184,347	(26,460)	1,208,118
Uniform Addressing	103,404	104,477	(1,073)	102,060
Total Public Safety	<u>11,410,607</u>	<u>8,316,851</u>	<u>3,093,756</u>	<u>8,528,602</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**GENERAL FUND**  
**DETAILED STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>EXPENDITURES (CONTINUED)</b>				
<b>Public Works:</b>				
County Trunk Highway System (see Schedule E-4)	\$ 6,242,429	\$ 6,242,429	\$ -	\$ 6,484,231
Recycling	296,696	257,906	38,790	264,430
Airport	128,981	128,981	-	128,981
Total Public Works	<u>6,668,106</u>	<u>6,629,316</u>	38,790	<u>6,877,642</u>
<b>Health and Human Services:</b>				
Public Health Nurse	386,743	444,191	(57,448)	326,052
Home Nursing Program	1,468,071	1,071,310	396,761	1,264,482
Health Clinics	37,000	38,425	(1,425)	41,828
Child Support	772,936	756,532	16,404	733,360
Veterans' Service Officer	207,105	207,427	(322)	180,403
Veterans' Relief	6,790	5,083	1,707	5,215
Care of Veterans' Graves	1,360	578	782	883
Total Health and Human Services	<u>2,880,005</u>	<u>2,523,546</u>	356,459	<u>2,552,223</u>
<b>Culture, Recreation and Education:</b>				
Grants to Public Libraries	688,047	688,047	-	661,337
Snowmobile Trails	144,450	195,476	(51,026)	239,103
All Terrain Vehicle Trails	361,356	53,827	307,529	3,488
University Extension	235,696	211,426	24,270	228,193
Old Abe Trail	60,000	22,956	37,044	6,507
Hickory Ridge/River Road Trail	12,250	5,184	7,066	12,969
Extension Education Programs	66,500	63,118	3,382	64,919
Total Culture, Recreation and Education	<u>1,568,299</u>	<u>1,240,034</u>	328,265	<u>1,216,516</u>
<b>Conservation and Development:</b>				
County Forestry Department	293,600	264,964	28,636	262,162
County Parks	727,904	424,258	303,646	459,151
Forest Roads	15,000	11,039	3,961	14,179
Forest and Parks Quality of Life	200,000	-	200,000	-
State Forestry Fund	167,522	68,283	99,239	66,100
Land Conservation Stewardship	50,000	50,000	-	-
Conservation Committee	700	611	89	1,036
Land Conservation	401,009	385,231	15,778	316,344

**CHIPPEWA COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017			2016 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
<b>EXPENDITURES (CONTINUED)</b>				
<b>Conservation and Development: (Continued)</b>				
SWIRM Grant Expenditures	\$ 254,826	\$ 165,289	\$ 89,537	\$ 203,472
Groundwater Study	-	91,047	(91,047)	87,898
Targeted Runoff Management	220,000	7,863	212,137	749,000
Stormwater Planning Grant	8,000	2,537	5,463	2,500
Special Conservation Projects	15,000	23,000	(8,000)	4,460
Wildlife Habitat Management	1,720	1,326	394	4,938
Wildlife Damage - Abatement Project	19,580	20,014	(434)	14,015
TMDL - Little Lake Wissota	95,000	58,056	36,944	149,413
Gravel Pits	275,000	207,401	67,599	201,989
Conservation Reserve Enhancement Program	72,455	8,829	63,626	7,521
Housing Authority	1,150	1,079	71	1,133
Zoning	482,690	474,684	8,006	463,395
Economic Development	263,900	267,300	(3,400)	258,300
Environmental Impact Fee	-	2,200	(2,200)	-
Tourism Development	27,270	27,270	-	27,270
Total Conservation and Development	<u>3,592,326</u>	<u>2,562,281</u>	<u>1,030,045</u>	<u>3,294,276</u>
<b>Total Expenditures</b>	<u>35,356,291</u>	<u>29,578,237</u>	<u>5,778,054</u>	<u>30,623,234</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(6,749,788)	(920,880)	5,828,908	(1,606,480)
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers In:</b>				
County Sales Tax Fund	2,423,591	2,404,172	(19,419)	2,027,725
Human Services Fund	-	117,730	117,730	94,476
Land Management Fund	98,979	91,383	(7,596)	88,810
ADRC Fund	-	-	-	80,000
WRRWC Fund	-	299,055	299,055	264,184
Public Health Fund	-	70,452	70,452	9,016
<b>Transfers Out:</b>				
Highway Department Fund	(10,000)	(10,000)	-	(6,000)
Farm Land Development Fund	-	(49,000)	(49,000)	(130,000)
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>2,506,570</u>	<u>2,917,792</u>	<u>411,222</u>	<u>2,422,211</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,243,218)	1,996,912	6,240,130	815,731
Fund Balance, January 1	<u>21,069,319</u>	<u>21,069,319</u>	<u>-</u>	<u>20,253,588</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 16,826,101</u>	<u>\$ 23,066,231</u>	<u>\$ 6,240,130</u>	<u>\$ 21,069,319</u>

**CHIPPEWA COUNTY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2017	2016
<b>ASSETS</b>					
Treasurer's Cash and Investments	<u>\$ 812</u>	<u>\$ 612,716</u>	<u>\$ 4,801</u>	<u>\$ 618,329</u>	<u>\$ 614,940</u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE</b>					
<b>Fund Balance:</b>					
Committed	<u>\$ 812</u>	<u>\$ 612,716</u>	<u>\$ 4,801</u>	<u>\$ 618,329</u>	<u>\$ 614,940</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 812</u>	<u>\$ 612,716</u>	<u>\$ 4,801</u>	<u>\$ 618,329</u>	<u>\$ 614,940</u>

**CHIPPEWA COUNTY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2016)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2017	2016
<b>REVENUES</b>					
Investment Income	\$ -	\$ 3,389	\$ -	\$ 3,389	\$ 1,659
<b>EXPENDITURES</b>					
Principal Retirement	230,000	785,000	455,000	1,470,000	1,435,000
Interest and Fiscal Charges	82,800	61,125	43,675	187,600	226,675
Total Expenditures	<u>312,800</u>	<u>846,125</u>	<u>498,675</u>	<u>1,657,600</u>	<u>1,661,675</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(312,800)	(842,736)	(498,675)	(1,654,211)	(1,660,016)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In from Sales Tax Fund	<u>312,800</u>	<u>846,125</u>	<u>498,675</u>	<u>1,657,600</u>	<u>1,661,675</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	3,389	-	3,389	1,659
Fund Balance, January 1	<u>812</u>	<u>609,327</u>	<u>4,801</u>	<u>614,940</u>	<u>613,281</u>
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 812</u>	<u>\$ 612,716</u>	<u>\$ 4,801</u>	<u>\$ 618,329</u>	<u>\$ 614,940</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**FARM LAND DEVELOPMENT ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2016)

	2017	2016
<b>ASSETS</b>		
<b>Current Assets:</b>		
Treasurer's Cash	\$ 93,782	\$ 524,720
Investment of Land Sales Proceeds	-	160,288
Accounts Receivable	2,127,049	40,000
Total Current Assets	2,220,831	725,008
<b>Noncurrent Assets:</b>		
Property Held for Resale:		
Land	96,287	126,198
Land Improvements	1,584,243	1,708,948
Capital Assets:		
Land	22,653	22,653
Total Noncurrent Assets	1,703,183	1,857,799
Total Assets	3,924,014	2,582,807
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Vouchers Payable	-	27,840
Special Deposits	4,589	4,589
Total Liabilities	4,589	32,429
<b>NET POSITION</b>		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	3,896,772	2,527,725
Total Net Position	\$ 3,919,425	\$ 2,550,378

**CHIPPEWA COUNTY, WISCONSIN**  
**FARM LAND DEVELOPMENT ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES:</b>		
Gain on Sale of Property	\$ 1,932,435	\$ 140,673
<b>OPERATING EXPENSES</b>	<u>507,171</u>	<u>71,696</u>
<b>OPERATING INCOME (LOSS)</b>	1,425,264	68,977
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Revenue	1,191	665
Lease Revenue	4,000	-
Business Development Grant	110,533	-
Business Development Expense	(220,941)	-
Total Nonoperating Revenues (Expenses)	<u>(105,217)</u>	<u>665</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,320,047	69,642
<b>TRANSFERS IN:</b>		
Transfer from General Fund	<u>49,000</u>	<u>130,000</u>
<b>CHANGE IN NET POSITION</b>	1,369,047	199,642
Net Position - Beginning of Year	<u>2,550,378</u>	<u>2,350,736</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 3,919,425</u>	<u>\$ 2,550,378</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**FARM LAND DEVELOPMENT ENTERPRISE FUND**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from the Sale of County Property and Deposits	\$ 2	\$ 143,910
Cash Paid for Goods and Services	(535,011)	(43,857)
Net Cash Provided by (Used for) Operating Activities	(535,009)	100,053
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash Received from General Fund for Business Development Activities	49,000	130,000
Cash Paid for Business Development Activities	(110,408)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(61,408)	130,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash Received from Lease of County Farm Land	4,000	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received on Investments	1,191	665
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(591,226)	230,718
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	685,008	454,290
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 93,782	\$ 685,008
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 1,425,264	\$ 68,977
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Land and Land Improvements Sold	154,616	3,236
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(2,087,049)	-
Increase (Decrease) in Vouchers Payable	(27,840)	27,840
Net Cash Provided by (Used for) Operating Activities	\$ (535,009)	\$ 100,053
<b>RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:</b>		
Cash and Investments per Schedule D-1:		
Treasurer's Cash	\$ 93,782	\$ 524,720
Investment of Land Sales Proceeds	-	160,288
Cash and Cash Equivalents per Schedule D-3	\$ 93,782	\$ 685,008

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2016)**

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2017	2016
<b>ASSETS</b>						
<b>Current Assets:</b>						
Treasurer's Cash and Investments	\$ 2,736,500	\$ 2,317,837	\$ -	\$ 75,477	\$ 5,129,814	\$ 4,526,449
Departmental Cash - Petty Cash	250	-	-	-	250	250
Cash and Investments Held by Fiscal Agent	-	-	243,551	-	243,551	218,700
Accounts Receivable	100,052	6,250	40,039	5,649	151,990	331,830
Due from Other Governmental Units	1,681,055	-	-	-	1,681,055	2,032,467
Inventories	2,458,882	-	-	-	2,458,882	2,346,481
Total Current Assets	6,976,739	2,324,087	283,590	81,126	9,665,542	9,456,177
<b>Noncurrent Assets:</b>						
<b>Capital Assets:</b>						
Not Being Depreciated	237,444	-	-	-	237,444	119,016
Being Depreciated	29,176,818	-	-	-	29,176,818	28,751,859
Accumulated Depreciation	(18,709,970)	-	-	-	(18,709,970)	(17,994,047)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	750,327	-	750,327	750,327
Total Noncurrent Assets	10,704,292	-	750,327	-	11,454,619	11,627,155
Total Assets	17,681,031	2,324,087	1,033,917	81,126	21,120,161	21,083,332
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Wisconsin Retirement System Pension Related	1,673,968	-	-	-	1,673,968	2,522,311

**CHIPPEWA COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2017**  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2016)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2017	2016
<b>LIABILITIES:</b>						
<b>Current Liabilities:</b>						
Accounts Payable	\$ 226,938	\$ 529	\$ 1,640	\$ -	\$ 229,107	\$ 319,424
Present Value of Unpaid Losses	-	1,018,122	690,565	-	1,708,687	1,925,107
Due to General Fund	-	-	27,459	-	27,459	-
Unearned Cost Pool Revenues	50,066	-	-	-	50,066	256,065
Highway Construction Advance Payment	1,034,251	-	-	-	1,034,251	1,035,705
Current Portion of Employee Leave Liability	333,078	-	-	-	333,078	373,683
Total Current Liabilities	<u>1,644,333</u>	<u>1,018,651</u>	<u>719,664</u>	<u>-</u>	<u>3,382,648</u>	<u>3,909,984</u>
<b>Long-Term Liabilities</b>						
<b>(Net of Current Portion):</b>						
Other Postemployment Benefits Payable	130,966	-	-	-	130,966	109,016
Wisconsin Retirement System Pension Liability	217,805	-	-	-	217,805	447,918
Estimated Employee Leave Liability	128,996	-	-	-	128,996	131,539
Total Long-Term Liabilities	<u>477,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,767</u>	<u>688,473</u>
Total Liabilities	2,122,100	1,018,651	719,664	-	3,860,415	4,598,457
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Wisconsin Retirement System Pension Related	685,243	-	-	-	685,243	951,167
<b>NET POSITION:</b>						
Net Investment in Capital Assets	10,704,292	-	-	-	10,704,292	10,876,828
Unrestricted	5,843,364	1,305,436	314,253	81,126	7,544,179	7,179,191
Total Net Position	<u>\$ 16,547,656</u>	<u>\$ 1,305,436</u>	<u>\$ 314,253</u>	<u>\$ 81,126</u>	<u>\$ 18,248,471</u>	<u>\$ 18,056,019</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, DECEMBER 31, 2016)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2017	2016
<b>OPERATING REVENUES</b>	\$ 11,679,352	\$ 722,440	\$ 153,952	\$ 369,495	\$ 12,925,239	\$ 13,315,648
<b>OPERATING EXPENSES</b>	13,571,165	75,647	346,070	374,103	14,366,985	15,549,180
<b>OPERATING INCOME (LOSS)</b>	(1,891,813)	646,793	(192,118)	(4,608)	(1,441,746)	(2,233,532)
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Interest Revenue	136	4,315	3,740	-	8,191	7,632
Dividend Revenue	-	-	40,039	-	40,039	79,126
Disposition of Assets	12,465	-	-	-	12,465	13,961
Nonoperating Depreciation	(20,444)	-	-	-	(20,444)	(20,444)
Total Nonoperating Revenues (Expenses)	(7,843)	4,315	43,779	-	40,251	80,275
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,899,656)	651,108	(148,339)	(4,608)	(1,401,495)	(2,153,257)
<b>CONTRIBUTIONS AND TRANSFERS:</b>						
Contributions from State	102,947	-	-	-	102,947	-
Transfers from General Fund	10,000	-	-	6,000	16,000	12,000
Transfer from Sales Tax Fund	1,475,000	-	-	-	1,475,000	1,675,000
Transfer from Capital Projects Fund	-	-	-	-	-	237
Total Contributions and Transfers	1,587,947	-	-	6,000	1,593,947	1,687,237
<b>CHANGE IN NET POSITION</b>	(311,709)	651,108	(148,339)	1,392	192,452	(466,020)
Net Position - Beginning of Year	16,859,365	654,328	462,592	79,734	18,056,019	18,522,039
<b>NET POSITION, DECEMBER 31</b>	\$ 16,547,656	\$ 1,305,436	\$ 314,253	\$ 81,126	\$ 18,248,471	\$ 18,056,019

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2016)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received for Goods and Services:						
County/Departments	\$ 6,903,957	\$ 722,440	\$ 153,952	\$ -	\$ 7,780,349	\$ 7,598,421
Third Parties	5,137,212	-	-	-	5,137,212	4,737,657
Cash Received from Employees	-	-	-	369,495	369,495	357,585
Cash Payments for Goods and Services	(3,575,581)	(61,183)	(21,161)	(6,797)	(3,664,722)	(2,763,140)
Cash Payments for Employee Services	(8,682,050)	(5,005)	(43,036)	-	(8,730,091)	(9,610,334)
Cash Payments for Insurance Claims	-	(85,212)	(145,963)	(369,691)	(600,866)	(1,035,251)
Cash Payments for Insurance Premiums	-	(51,394)	(126,599)	-	(177,993)	(185,015)
Net Cash Provided by (Used for) Operating Activities	(216,462)	519,646	(182,807)	(6,993)	113,384	(900,077)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfer from General Fund	10,000	-	-	6,000	16,000	12,000
Transfer from Sales Tax Fund	1,475,000	-	-	-	1,475,000	1,675,000
Transfer from Capital Projects Fund	-	-	-	-	-	237
Cash Provided by General Fund for Cash Deficit	-	-	27,459	-	27,459	-
Net Cash Provided by (Used for) Noncapital Financing Activities	1,485,000	-	27,459	6,000	1,518,459	1,687,237
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Cash Received from Salvage of Capital Assets	86,090	-	-	-	86,090	39,151
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,177,034)	-	-	-	(1,177,034)	(1,320,425)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,090,944)	-	-	-	(1,090,944)	(1,281,274)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest and Dividends Received on Investments	136	4,315	82,866	-	87,317	92,454
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	177,730	523,961	(72,482)	(993)	628,216	(401,660)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	2,559,020	1,793,876	316,033	76,470	4,745,399	5,147,059
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 2,736,750</u>	<u>\$ 2,317,837</u>	<u>\$ 243,551</u>	<u>\$ 75,477</u>	<u>\$ 5,373,615</u>	<u>\$ 4,745,399</u>

**CHIPPEWA COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, DECEMBER 31, 2016)**

	Highway Department	Self-Funded Workers Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2017	2016
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating Income (Loss)	\$ (1,891,813)	\$ 646,793	\$ (192,118)	\$ (4,608)	\$ (1,441,746)	\$ (2,233,532)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Depreciation	1,358,448	-	-	-	1,358,448	1,411,359
Net Change in Wisconsin Pension System Related Items:						
Asset / Liability	(230,113)	-	-	-	(230,113)	1,147,523
Deferred Outflows of Resources	848,343	-	-	-	848,343	(1,812,435)
Deferred Inflows of Resources	(265,924)	-	-	-	(265,924)	951,167
(Increase) Decrease in Assets:						
Accounts Receivable	11,859	131,279	-	(2,385)	140,753	(210,669)
Due from Other Governments	351,412	-	-	-	351,412	(555,476)
Materials and Supplies	(112,401)	-	-	-	(112,401)	(117,563)
Increase (Decrease) in Liabilities:						
Accounts Payable	(57,623)	(34,335)	1,640	-	(90,318)	228,101
Present Value of Unpaid Losses	-	(224,091)	7,671	-	(216,420)	110,343
Unearned Cost Pool Revenues	(205,999)	-	-	-	(205,999)	169,910
Advance for Highway Construction	(1,454)	-	-	-	(1,454)	7,117
Other Postemployment Benefits	21,950	-	-	-	21,950	26,566
Unused Vested Employee Benefits	(43,147)	-	-	-	(43,147)	(22,488)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (216,462)</u>	<u>\$ 519,646</u>	<u>\$ (182,807)</u>	<u>\$ (6,993)</u>	<u>\$ 113,384</u>	<u>\$ (900,077)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>						
Capital Assets Financed by State	\$ 102,947	\$ -	\$ -	\$ -	\$ -	\$ -

**CHIPPEWA COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017	2016
<b>OPERATING REVENUES:</b>		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 6,242,429	\$ 6,484,231
State Highway Maintenance and Construction	2,968,268	3,286,099
Local Districts	1,264,158	1,310,443
County Departments	579,314	159,795
Non-Governmental Customers	100,888	245,607
Non-Highway Fleet	82,214	96,034
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	273,664	329,197
Equipment Storage	147,852	175,988
Gravel Pit Sales	8,251	-
Miscellaneous Highway Revenues	12,314	12,308
Total Operating Revenues	11,679,352	12,099,702
<b>OPERATING EXPENSES:</b>		
Administration and General:		
Administration	429,904	379,824
Patrol Superintendent	112,681	136,513
Engineering Technician	29,990	35,591
Radio Expense	2,937	4,856
Public Liability Insurance	36,848	32,690
Transportation Cost Pools:		
Machinery Operations	(242,158)	(391,849)
Gravel Pits and Quarries	(43,566)	(23,121)
Bituminous Operations	52,365	(21,494)
Services Provided:		
County:		
General Maintenance	1,525,418	2,230,440
Reconstruction and Betterments	3,439,522	3,599,206
Winter Maintenance	1,475,998	1,341,138
Bridge Construction	860,880	1,028,721
Land Acquisition	380	5,338
State:		
Highway Maintenance and Betterments	2,700,548	2,547,823
Equipment Storage	147,852	144,197
Damage Claims	101,100	599,094
Salt Storage	61,814	2,524
County Aid Bridge Construction	33,812	24,222
Local Districts	1,267,452	1,310,443
Local Departments	579,192	159,795
Non-Governmental Customers	100,967	245,607
Amortization of State Contributions Included Above	41,157	55,670
Net Change in Accrued Employee Leave Liability	(31,031)	(69,150)
Net Change in Other Postemployment Benefits Liability	21,950	26,566
Net Wisconsin Retirement System Pension Expense	352,306	286,255
Non-Highway Fleet	512,847	458,595
Total Operating Expenses	13,571,165	14,149,494
<b>OPERATING LOSS</b>	(1,891,813)	(2,049,792)

**CHIPPEWA COUNTY, WISCONSIN**  
**HIGHWAY DEPARTMENT INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	<u>2017</u>	<u>2016</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest Income	\$ 136	\$ 203
Gain (Loss) on Disposition of Assets - Non-Highway Fleet	12,465	13,961
Depreciation on Building Space Occupied by Other County Departments	<u>(20,444)</u>	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>(7,843)</u>	<u>(6,280)</u>
<b>LOSS BEFORE TRANSFERS</b>	(1,899,656)	(2,056,072)
<b>CONTRIBUTIONS AND TRANSFERS:</b>		
Contributions from State	102,947	-
Transfer from General Fund	10,000	6,000
Transfer from Capital Projects Fund	-	237
Transfer from Sales Tax Fund	<u>1,475,000</u>	<u>1,675,000</u>
Total Contributions and Interfund Transfers	<u>1,587,947</u>	<u>1,681,237</u>
<b>CHANGE IN NET POSITION</b>	(311,709)	(374,835)
Net Position - Beginning of Year	<u>16,859,365</u>	<u>17,234,200</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 16,547,656</u>	<u>\$ 16,859,365</u>

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

County Appropriations	\$ 4,319,659	\$ 3,733,090
Vehicle Registration Fee	552,943	548,927
State Transportation Aids	1,361,229	1,362,939
State Local Road Improvement Program Aid	7,422	349,245
State Aid - Local Bridge Revenue	<u>1,176</u>	<u>490,030</u>
	<u>\$ 6,242,429</u>	<u>\$ 6,484,231</u>

**CHIPPEWA COUNTY, WISCONSIN**  
**SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2017**  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>		
Charges to County	\$ 153,162	\$ 144,151
Insurance Recoveries	790	-
Interest Earnings on Funds Held by WMMIC	3,740	5,317
Dividend from WMMIC	40,039	79,126
Total Revenues	<u>197,731</u>	<u>228,594</u>
<b>EXPENSES:</b>		
Insurance Premiums Paid WMMIC	126,599	148,798
Claims Expenses	147,602	98,445
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	7,671	102,496
Administrative and Other Expenses	64,198	43,422
Total Expenses	<u>346,070</u>	<u>393,161</u>
<b>CHANGE IN NET POSITION</b>	(148,339)	(164,567)
Net Position, January 1	<u>462,592</u>	<u>627,159</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 314,253</u>	<u>\$ 462,592</u>

**CHIPPEWA COUNTY, WISCONSIN  
AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)**

	Tax Agency	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Performance Deposits	Totals	
								2017	2016
<b>ASSETS</b>									
Treasurer's Cash and Investments	\$ -	\$ 144,479	\$ -	\$ -	\$ -	\$ -	\$ 14,575	\$ 159,054	\$ 165,306
Departmental Cash and Investments	-	-	449,970	7,386	53,596	18,590	-	529,542	559,657
Taxes Receivable:									
Current Apportionment	198	-	-	-	-	-	-	198	871,350
Accounts Receivable	-	-	-	-	-	-	2,027	2,027	-
Due from Departmental Agency Funds	-	117,642	-	-	-	-	-	117,642	154,876
<b>Total Assets</b>	<b>\$ 198</b>	<b>\$ 262,121</b>	<b>\$ 449,970</b>	<b>\$ 7,386</b>	<b>\$ 53,596</b>	<b>\$ 18,590</b>	<b>\$ 16,602</b>	<b>\$ 808,463</b>	<b>\$ 1,751,189</b>
<b>LIABILITIES</b>									
Due to Other Governmental Units:									
State	\$ 198	\$ 190,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,046	\$ 1,110,279
Districts	-	49,033	-	-	-	-	-	49,033	-
Due to Other Funds	-	-	36,425	-	-	13,297	-	49,722	81,629
Due Treasurer's Agency Fund	-	-	116,339	-	-	1,303	-	117,642	154,876
Special Deposits	-	22,240	297,206	7,386	53,596	3,990	16,602	401,020	404,405
<b>Total Liabilities</b>	<b>\$ 198</b>	<b>\$ 262,121</b>	<b>\$ 449,970</b>	<b>\$ 7,386</b>	<b>\$ 53,596</b>	<b>\$ 18,590</b>	<b>\$ 16,602</b>	<b>\$ 808,463</b>	<b>\$ 1,751,189</b>