

CHIPPEWA COUNTY, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019



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**CHIPPEWA COUNTY
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YEAR ENDED DECEMBER 31, 2019**

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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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County, Wisconsin, as of December 31, 2019, 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 schedules, other postemployment benefits schedules, and pension plan schedules 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.

The individual and combining fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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, 2018 which are not presented with the accompanying financial statements. In our report dated July 22, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The 2018 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 2018 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 2018 individual and combining fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020 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 24, 2020

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

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, 2019. 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, 2019 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 \$168,608,956 (net position). Of this amount, \$116,481,778 represented the County's investment in capital assets, net of related debt, \$13,721,439 was held for restricted purposes, and \$38,405,739 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 \$932,122. Net position related to the governmental activities of the County increased \$508,926 and net position related to business-type activities increased \$423,196.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$41,168,726, a decrease of \$110,589 from the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,527,829 or 34.2% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$1,560,000 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, 2019**

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

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

The government-wide financial statements can be found beginning on page 16 of this report.

Fund Financial Statements

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

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

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

Chippewa County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services special revenue fund, the CDBG grant fund, the county sales tax fund, 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, 2019**

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, and pension and OPEB schedules. Required supplementary information can be found beginning on page 65 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. Combining and individual fund statements and schedules can be found beginning on page 75 of this report.

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

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 \$168,608,956 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (69.1%) 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 86,896,058	\$ 88,420,959	\$ 4,411,552	\$ 4,269,425	\$ 91,307,610	\$ 92,690,384
Capital Assets	120,262,427	120,455,350	22,653	22,653	120,285,080	120,478,003
Internal Balances	-	295,901	-	(295,901)	-	-
Total Assets	<u>207,158,485</u>	<u>209,172,210</u>	<u>4,434,205</u>	<u>3,996,177</u>	<u>211,592,690</u>	<u>213,168,387</u>
Deferred Outflows of Resources	13,173,892	7,466,041	-	-	13,173,892	7,466,041
Long-Term Debt	8,725,000	10,285,000	-	-	8,725,000	10,285,000
Other Long-Term Obligations	2,359,678	2,363,622	-	-	2,359,678	2,363,622
Other Liabilities	18,599,840	13,318,348	20,653	5,821	18,620,493	13,324,169
Total Liabilities	<u>29,684,518</u>	<u>25,966,970</u>	<u>20,653</u>	<u>5,821</u>	<u>29,705,171</u>	<u>25,972,791</u>
Deferred Inflows of Resources	<u>26,452,455</u>	<u>26,984,803</u>	-	-	<u>26,452,455</u>	<u>26,984,803</u>
Net Position:						
Net Investment in Capital Assets	116,459,125	116,431,709	22,653	22,653	116,481,778	116,454,362
Restricted	13,721,439	18,473,131	-	-	13,721,439	18,473,131
Unrestricted	34,014,840	28,781,638	4,390,899	3,967,703	38,405,739	32,749,341
Total Net Position	<u>\$ 164,195,404</u>	<u>\$ 163,686,478</u>	<u>\$ 4,413,552</u>	<u>\$ 3,990,356</u>	<u>\$ 168,608,956</u>	<u>\$ 167,676,834</u>

An additional portion of Chippewa County's net position (8.1%) represents resources that are subject to other restrictions on how they may be used. The remaining \$38,405,739 of total net position (22.8%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$4,390,899 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 2019, 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 \$932,122 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$508,926 and an increase in net position related to business-type activities in the amount of \$423,196.

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

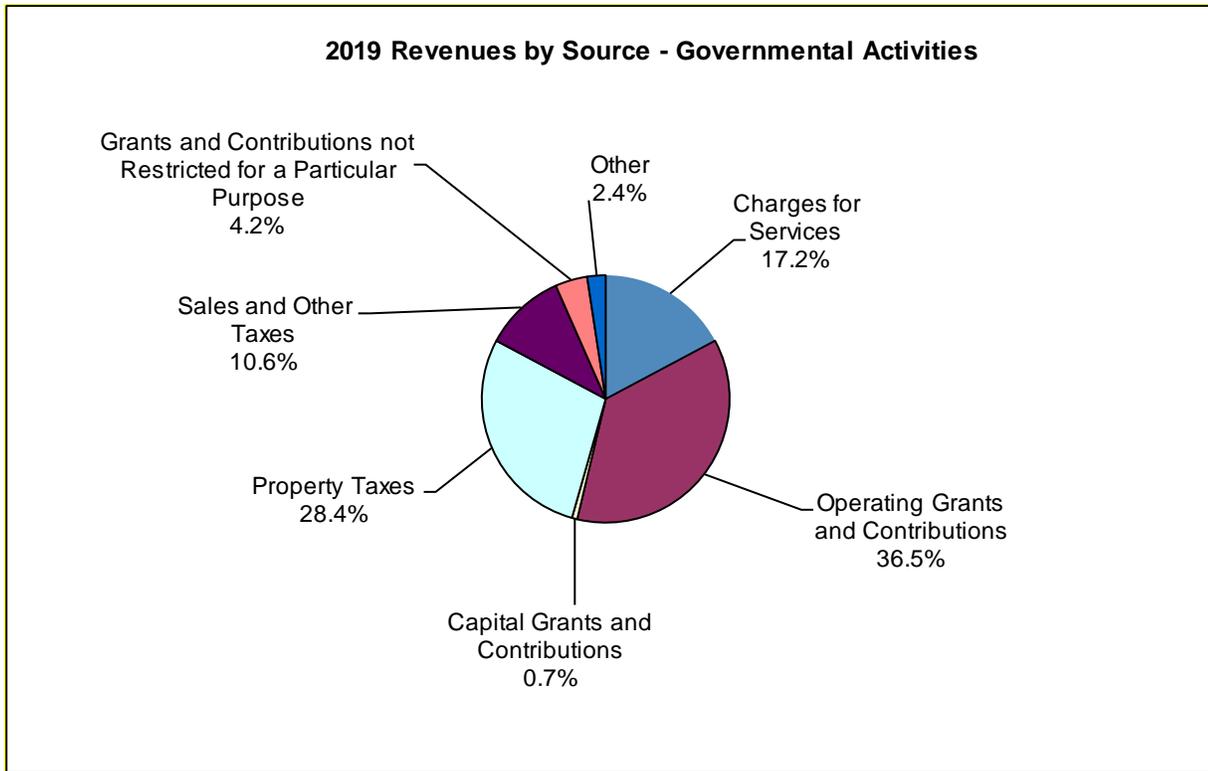
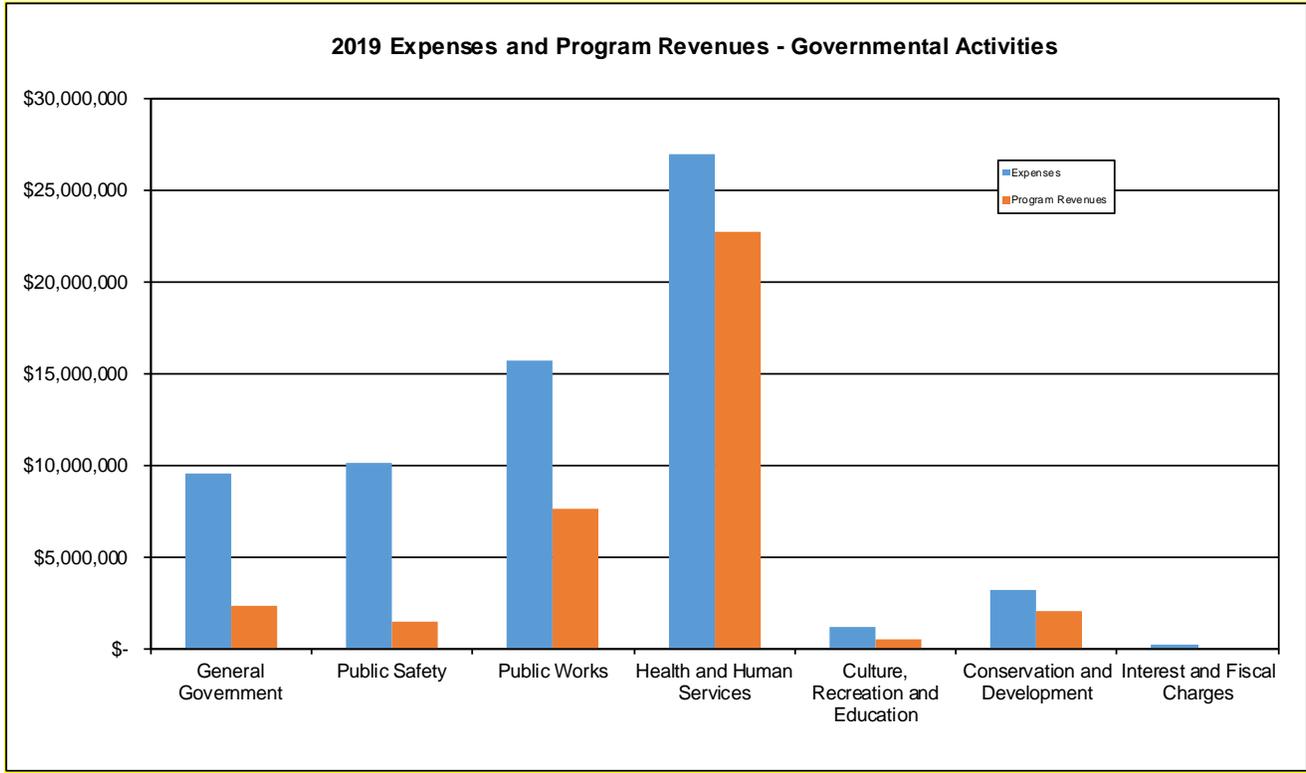
The following is a summary of the changes in the County's net position for the years ended December 31, 2019 and 2018:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 11,606,440	\$ 12,108,132	\$ 382,001	\$ 152,845	\$ 11,988,441	\$ 12,260,977
Operating Grants and Contributions	24,559,819	22,546,675	-	32,577	24,559,819	22,579,252
Capital Grants and Contributions	489,455	425,896	-	-	489,455	425,896
General Revenues:						
Property Taxes	19,136,194	18,728,228	-	-	19,136,194	18,728,228
Sales/Other Taxes	7,107,935	7,071,650	-	-	7,107,935	7,071,650
State and Federal Aids Not Restricted to Specific Programs	2,816,049	2,662,795	-	-	2,816,049	2,662,795
Other	1,636,467	1,170,506	63,830	26	1,700,297	1,170,532
Total Revenues	67,352,359	64,713,882	445,831	185,448	67,798,190	64,899,330
Expenses:						
General Government	9,495,400	9,087,985	-	-	9,495,400	9,087,985
Public Safety	10,139,280	9,741,579	-	-	10,139,280	9,741,579
Public Works	15,684,353	15,650,391	-	-	15,684,353	15,650,391
Health and Human Services	27,010,939	24,489,411	-	-	27,010,939	24,489,411
Culture, Recreation and Education	1,148,568	1,043,084	-	-	1,148,568	1,043,084
Conservation and Development	3,143,845	3,264,887	-	-	3,143,845	3,264,887
Interest and Fiscal Charges	221,048	172,324	-	-	221,048	172,324
Farm Land Development	-	-	22,635	114,517	22,635	114,517
Total Expenses	66,843,433	63,449,661	22,635	114,517	66,866,068	63,564,178
Change in Net Position	508,926	1,264,221	423,196	70,931	932,122	1,335,152
Net Position - Beginning of Year	163,686,478	162,422,257	3,990,356	3,919,425	167,676,834	166,341,682
Net Position - End of Year	\$ 164,195,404	\$ 163,686,478	\$ 4,413,552	\$ 3,990,356	\$ 168,608,956	\$ 167,676,834

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 (28.4%), operating grants/contributions (36.5%), and charges for services (17.2%).

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



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

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, 2019, the County's governmental funds reported combined ending fund balances of \$41,168,726, a decrease of \$110,589 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2019					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,068,603	\$ -	\$ -	\$ 13,029,778	\$ 11,527,829	\$ 25,626,210	\$ 1,416,450
Human Services Fund	-	-	44,181	-	-	44,181	(438,503)
CDBG Grant Fund	-	140,632	-	-	-	140,632	(98,780)
County Sales Tax Fund	-	-	7,971,310	-	-	7,971,310	243,357
WRRWC Fund	-	-	-	-	-	-	-
Debt Service Fund	-	-	713,968	-	-	713,968	(308,016)
Nonmajor Funds:							
Special Revenue Funds	-	237,821	1,427,517	-	-	1,665,338	101,990
Capital Projects Funds	-	5,007,087	-	-	-	5,007,087	(1,027,087)
	<u>\$ 1,068,603</u>	<u>\$ 5,385,540</u>	<u>\$ 10,156,976</u>	<u>\$ 13,029,778</u>	<u>\$ 11,527,829</u>	<u>\$ 41,168,726</u>	<u>\$ (110,589)</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 76.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 34.2% of the same amount.

The general fund's total fund balance increased \$1,416,450 during the year; while the unassigned portion of the fund increased \$784,739. The primary factor in the increase in fund balance was unexpended continuing appropriations.

The County's human services fund decreased \$438,503 during the year and had a balance of \$44,181 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, 2019**

The CDBG grant fund balance decreased \$98,780 during the year and had a balance of \$140,632 at year-end. This balance, together with the outstanding receivables totaling \$8,335,899 at that date, are restricted for financing future housing rehabilitation loans in accordance with the original grant agreements.

The County sales tax fund balance increased \$243,357 during the year and had a balance of \$7,971,310 at year-end. The increase was due to sales tax revenues exceeding budgeted transfers to other funds for debt retirement and capital improvement projects.

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 decreased \$308,016 during the year and had a balance of \$713,968 at year-end. This balance is restricted or 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 \$925,097 during 2019. 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 2019 totaled \$4,413,552.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2019 and 2018**

	Farm Land Development	
	2019	2018
Operating Revenues	\$ 445,831	\$ 152,871
Operating Expenses	22,635	60,055
Operating Income (Loss)	423,196	92,816
Nonoperating Revenues	-	(21,885)
CHANGES IN NET POSITION	423,196	70,931
Net Position - Beginning of Year	3,990,356	3,919,425
NET POSITION - END OF YEAR	\$ 4,413,552	\$ 3,990,356

As of December 31, 2019, the County's farm land development fund reported net position of \$4,413,552, an increase of \$423,196 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, 2019**

The County had four internal service funds during 2019. Net position of the funds at year-end and changes thereto during the year were as follows:

<u>Fund</u>	Net Position at Year End			Change During Year
	Total	Net Investment in Capital Assets	Unrestricted	
Highway Department	\$ 15,729,290	\$ 11,037,033	\$ 4,692,257	\$ 2,139
Self-Funded Insurance Funds:				
Workers Compensation	1,000,000	-	1,000,000	-
Liability Insurance	355,771	-	355,771	(13,076)
Flexible Benefits	79,151	-	79,151	(3,666)
Totals	<u>\$ 17,164,212</u>	<u>\$ 11,037,033</u>	<u>\$ 6,127,179</u>	<u>\$ (14,603)</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.E.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the Budgetary Comparison Schedule for the general fund (in required supplementary information), the final 2019 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 2018 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2019, 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, 2019 and 2018 was \$120,285,080 and \$120,478,003, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net decrease in the governmental activities capital assets was \$192,923.

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

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land and Land Rights	\$ 5,123,533	\$ 5,074,905	\$ 22,653	\$ 22,653	\$ 5,146,186	\$ 5,097,558
Construction Work in Progress	3,500,336	3,352,431	-	-	3,500,336	3,352,431
Gravel Pits and Quarries	91,290	98,272	-	-	91,290	98,272
Land Improvements	4,796,874	4,643,691	-	-	4,796,874	4,643,691
Buildings and Improvements	15,544,429	16,057,010	-	-	15,544,429	16,057,010
Equipment and Vehicles	10,243,894	10,020,771	-	-	10,243,894	10,020,771
Highway Infrastructure	80,962,071	81,208,270	-	-	80,962,071	81,208,270
Total	<u>\$ 120,262,427</u>	<u>\$ 120,455,350</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 120,285,080</u>	<u>\$ 120,478,003</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, 2019, Chippewa County had outstanding \$11,452,306 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, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2019	2018	2019	2018	2019	2018	
General Obligation Debt:							
Bonds	\$ -	\$ 835,000	\$ -	\$ -	\$ -	\$ 835,000	-100.0%
Notes	8,725,000	9,450,000	-	-	8,725,000	9,450,000	-7.7
Subtotal	8,725,000	10,285,000	-	-	8,725,000	10,285,000	-15.2
Other Long-Term Obligations:							
Bond Premiums	367,628	474,546	-	-	367,628	474,546	-22.5
Estimated Employee Leave	2,359,678	2,363,622	-	-	2,359,678	2,363,622	-0.2
Total	<u>\$ 11,452,306</u>	<u>\$ 13,123,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,452,306</u>	<u>\$ 13,123,168</u>	-12.7

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, 2019 totaled \$8,725,000, approximately 2.9% of the maximum legal limit of \$302,306,515. 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, 2019**

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 2016-2020:

<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>
2019	2020	3.43 %	\$ 19,543,812	--In Process of Collection--	
2018	2019	3.64	19,136,194	970,906	94.93 %
2017	2018	3.69	18,728,228	843,862	95.49 %
2016	2017	3.68	18,103,129	1,073,493	94.07
2015	2016	3.69	17,514,446	1,136,629	93.51

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 2015 through 2019. 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 Ending December 31.</u>	<u>Equalized Valuation (TID-IN)</u>	<u>Equalized Valuation (TID-OUT)</u>
2019	\$ 6,046,130,300	\$ 5,693,384,000
2018	5,557,873,800	5,251,453,300
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

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

Economic Factors and Next Year's Budget and Rates

The overall tax rate for the 2020 budget year decreased from a rate of \$3.64/\$1000 of assessed value to a rate of \$3.43/\$1000, an overall decrease of 5.77%. The resultant overall tax levy increased from a dollar amount of \$19,136,194 to \$19,543,812 - an overall increase of 2.13%.

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 2019, a total of \$5,936,112 was transferred from the sales tax fund as follows:

Property Tax Credit	\$ 1,470,041
Debt Service Fund	1,545,800
Airport Debt Contribution	130,271
Highway Construction	1,300,000
Facilities Projects	289,828
Radio System Replacement/Fiber Installation	300,000
Computer Pool	215,000
Election Equipment	400,000
EMD Priority Dispatch Software	100,000
Vehicle Fleet Pool Purchases	175,000
Total	\$ 5,925,940

The sales tax fund generated \$6,169,297 in sales tax revenues and interest earnings during 2019. In the budget year of 2020 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,514,142
Debt Service Fund	1,867,038
Airport Debt Contribution	130,271
Highway Construction	1,300,000
IT Equipment Replacement and Data Center	215,000
IT Sound and Video Equipment Replacement	89,000
Land Conservation County Stewardship Fund	14,400
Jail Washer/Dryer Project and Huber Lobby Restructure	400,000
Vehicle Fleet Pool Purchases	200,000
Total	\$ 5,729,851

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, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 43,614,288	\$ 1,068,348	\$ 44,682,636
Departmental Cash and Investments	31,031	-	31,031
Cash and Investments Held by Fiscal Agent	482,827	-	482,827
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	20,523,553	-	20,523,553
Accounts Receivable	1,697,022	-	1,697,022
Due from Other Governments	8,263,814	-	8,263,814
Due from Fiduciary Funds	96,083	-	96,083
Long-Term Receivables	8,453,300	-	8,453,300
Inventory and Prepaid Items	2,983,813	-	2,983,813
Noncurrent Assets:			
Notes Receivable	-	1,624,559	1,624,559
Property Held for Resale	-	1,718,645	1,718,645
Capital Assets:			
Capital Assets Not Being Depreciated	8,623,869	22,653	8,646,522
Capital Assets Being Depreciated	218,741,263	-	218,741,263
Accumulated Depreciation	(107,102,705)	-	(107,102,705)
Total Assets	<u>207,158,485</u>	<u>4,434,205</u>	<u>211,592,690</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	12,971,542	-	12,971,542
Other Postemployment Benefits Related	89,058	-	89,058
State Life Insurance Postemployment Benefits Related	113,292	-	113,292
Total Deferred Outflows of Resources	<u>13,173,892</u>	<u>-</u>	<u>13,173,892</u>
LIABILITIES			
Vouchers and Accounts Payable	5,823,121	16,064	5,839,185
Accrued Payables	1,498,753	-	1,498,753
Accrued Interest Payable	135,177	-	135,177
Payroll Taxes and Withholdings	713,647	-	713,647
Due to Other Governments	1,688,153	-	1,688,153
Unearned Revenues	1,117,363	-	1,117,363
Special Deposits	27,618	4,589	32,207
Long-Term Liabilities:			
Wisconsin Retirement System Net Pension Liability	4,787,112	-	4,787,112
Total Other Postemployment Benefits Liability	1,547,096	-	1,547,096
State Life Insurance Net Postemployment Benefits Liability	894,172	-	894,172
Amounts Due Within One Year	3,382,655	-	3,382,655
Amounts Due in More Than One Year	8,069,651	-	8,069,651
Total Liabilities	<u>29,684,518</u>	<u>20,653</u>	<u>29,705,171</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	19,543,812	-	19,543,812
Wisconsin Retirement System Pension Related	6,593,779	-	6,593,779
Other Postemployment Benefits Related	51,335	-	51,335
State Life Insurance Postemployment Benefits Related	263,529	-	263,529
Total Deferred Inflows of Resources	<u>26,452,455</u>	<u>-</u>	<u>26,452,455</u>
NET POSITION			
Net Investment in Capital Assets	116,459,125	22,653	116,481,778
Restricted for:			
Housing/Business Loan Programs	8,476,531	-	8,476,531
Capital Projects	5,007,087	-	5,007,087
Other	237,821	-	237,821
Unrestricted	34,014,840	4,390,899	38,405,739
Total Net Position	<u>\$ 164,195,404</u>	<u>\$ 4,413,552</u>	<u>\$ 168,608,956</u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 9,495,400	\$ 1,653,401	\$ 675,528	\$ -	\$ (7,166,471)	\$ -	\$ (7,166,471)
Public Safety	10,139,280	1,208,478	206,677	-	(8,724,125)	-	(8,724,125)
Public Works	15,684,353	5,320,668	1,846,235	489,455	(8,027,995)	-	(8,027,995)
Health and Human Services	27,010,939	2,503,681	20,231,560	-	(4,275,698)	-	(4,275,698)
Culture, Recreation and Education	1,148,568	205,844	307,333	-	(635,391)	-	(635,391)
Conservation and Development	3,143,845	714,368	1,292,486	-	(1,136,991)	-	(1,136,991)
Interest and Fiscal Charges	221,048	-	-	-	(221,048)	-	(221,048)
Total Governmental Activities	66,843,433	11,606,440	24,559,819	489,455	(30,187,719)	-	(30,187,719)
Business-Type Activities							
Farm Land Development	22,635	382,001	-	-	-	359,366	359,366
Total Primary Government	<u>\$ 66,866,068</u>	<u>\$ 11,988,441</u>	<u>\$ 24,559,819</u>	<u>\$ 489,455</u>	(30,187,719)	359,366	(29,828,353)
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes					19,136,194	-	19,136,194
County Sales Taxes					6,097,543	-	6,097,543
Other Taxes					1,010,392	-	1,010,392
State and Federal Aids not Restricted to Specific Function					2,816,049	-	2,816,049
Interest and Investment Earnings					1,145,081	-	1,145,081
Miscellaneous					491,386	63,830	555,216
Total General Revenues					<u>30,696,645</u>	<u>63,830</u>	<u>30,760,475</u>
CHANGE IN NET POSITION					508,926	423,196	932,122
Net Position - Beginning of Year					<u>163,686,478</u>	<u>3,990,356</u>	<u>167,676,834</u>
NET POSITION - END OF YEAR					<u>\$ 164,195,404</u>	<u>\$ 4,413,552</u>	<u>\$ 168,608,956</u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS								
Treasurer's Cash and Investments	\$ 26,161,317	\$ -	\$ -	\$ 6,948,274	\$ -	\$ 713,968	\$ 6,376,881	\$ 40,200,440
Departmental Cash and Investments	2,465	27,618	-	-	-	-	848	30,931
Cash and Investments Held by Fiscal Agent	-	-	232,271	-	-	-	-	232,271
Taxes Receivable	17,915,088	2,102,679	-	-	119,551	-	386,235	20,523,553
Accounts Receivable	322,000	152,863	-	1,023,036	-	-	19,935	1,517,834
Due from Other Governmental Units	692,927	589,786	5,945	-	4,572,574	-	485,520	6,346,752
Due from Other Funds	215,680	-	-	-	-	-	-	215,680
Due from Fiduciary Funds	87,506	-	-	-	5,106	-	3,471	96,083
Prepaid Items	88,862	-	-	-	-	-	-	88,862
Long-Term Receivables	-	-	8,335,899	-	-	-	117,401	8,453,300
Total Assets	\$ 45,485,845	\$ 2,872,946	\$ 8,574,115	\$ 7,971,310	\$ 4,697,231	\$ 713,968	\$ 7,390,291	\$ 77,705,706
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Vouchers and Accounts Payable	\$ 1,784,193	\$ 516,222	\$ 47,584	\$ -	\$ 3,157,870	\$ -	\$ 140,112	\$ 5,645,981
Payroll Deductions	713,647	-	-	-	-	-	-	713,647
Due to Other Governmental Units	266,154	-	20,000	-	1,400,902	-	1,097	1,688,153
Due to Other Funds	-	166,772	30,000	-	18,908	-	-	215,680
Unearned Revenues	160,294	15,474	-	-	-	-	73,021	248,789
Client and Patient Trust Funds	-	27,618	-	-	-	-	-	27,618
Total Liabilities	2,924,288	726,086	97,584	-	4,577,680	-	214,230	8,539,868
DEFERRED INFLOWS OF RESOURCES								
Subsequent Year's Property Taxes	16,935,347	2,102,679	-	-	119,551	-	386,235	19,543,812
Unavailable Revenue - Long-Term Receivables	-	-	8,335,899	-	-	-	117,401	8,453,300
Total Deferred Inflows of Resources	16,935,347	2,102,679	8,335,899	-	119,551	-	503,636	27,997,112
FUND BALANCES								
Nonspendable	1,068,603	-	-	-	-	-	-	1,068,603
Restricted	-	-	140,632	-	-	-	5,244,908	5,385,540
Committed	-	44,181	-	7,971,310	-	713,968	1,427,517	10,156,976
Assigned	13,029,778	-	-	-	-	-	-	13,029,778
Unassigned	11,527,829	-	-	-	-	-	-	11,527,829
Total Fund Balances	25,626,210	44,181	140,632	7,971,310	-	713,968	6,672,425	41,168,726
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,485,845	\$ 2,872,946	\$ 8,574,115	\$ 7,971,310	\$ 4,697,231	\$ 713,968	\$ 7,390,291	\$ 77,705,706

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019**

Total Fund Balances - Governmental Funds \$ 41,168,726

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	\$	4,148,926	
Land Improvements		8,693,442	
Buildings		29,037,550	
Machinery/Equipment		7,498,687	
Vehicles		225,005	
Infrastructure		143,348,082	
Construction Work in Progress		3,499,613	
Accumulated Depreciation		<u>(87,225,911)</u>	109,225,394

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. 8,453,300

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)		(3,842,145)	
Deferred Outflows of Resources		10,410,982	
Deferred Inflows of Resources		<u>(5,292,178)</u>	1,276,659

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

Notes Payable		(8,725,000)	
Accrued Interest Payable		(135,177)	
Vacation, Compensatory and Sick Leave Liability		(1,863,264)	
Total Other Postemployment Benefits Liability		(1,207,713)	
OPEB Related Deferred Outflows of Resources		69,522	
OPEB Related Deferred Inflows of Resources		(40,074)	
State Life Insurance Net Other Postemployment Benefits Liability		(705,086)	
State Life Insurance OPEB Related Deferred Outflows of Resources		89,335	
State Life Insurance OPEB Related Deferred Inflows of Resources		<u>(207,802)</u>	(12,725,259)

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			(367,628)
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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. 15,729,290

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. 1,434,922

Net Position of Governmental Activities \$ 164,195,404

See accompanying Notes to Financial Statements.

CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	WRRWC Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES								
Taxes	\$ 17,595,360	\$ 2,075,399	\$ -	\$ 6,097,543	\$ 145,949	\$ -	\$ 329,878	\$ 26,244,129
Intergovernmental	7,403,773	4,240,955	822,716	-	12,942,804	-	2,384,904	27,795,152
Licenses and Permits	630,975	-	-	-	-	-	223,782	854,757
Fines and Forfeits	158,032	-	-	-	-	-	51,530	209,562
Public Charges for Services	3,659,202	220,317	-	-	410,654	-	350,558	4,640,731
Intergovernmental Charges for Services	324,449	-	-	-	473,509	-	-	797,958
Miscellaneous:								
Investment Income	784,107	31	7,374	71,754	-	-	135,455	998,721
Increase (Decrease) in Fair Value of Investments	94,274	-	-	-	-	-	-	94,274
Rent	26,067	-	-	-	-	-	-	26,067
Sale of Property	1,525	-	-	-	-	-	-	1,525
Other	547,405	-	423,350	-	-	-	204,202	1,174,957
Total Revenues	31,225,169	6,536,702	1,253,440	6,169,297	13,972,916	-	3,680,309	62,837,833
EXPENDITURES								
General Government	9,746,112	-	-	-	-	-	-	9,746,112
Public Safety	9,313,259	-	-	-	-	-	45,561	9,358,820
Public Works	7,745,177	-	-	-	-	-	-	7,745,177
Health and Human Services	2,559,806	6,812,682	-	-	14,135,439	-	3,141,123	26,649,050
Culture, Recreation and Education	1,404,628	-	-	-	-	-	-	1,404,628
Conservation and Development	2,907,853	-	1,352,220	-	-	-	-	4,260,073
Debt Service:								
Principal Retirement	-	-	-	-	-	1,560,000	-	1,560,000
Interest and Fiscal Charges	-	-	-	-	-	293,816	-	293,816
Total Expenditures	33,676,835	6,812,682	1,352,220	-	14,135,439	1,853,816	3,186,684	61,017,676
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,451,666)	(275,980)	(98,780)	6,169,297	(162,523)	(1,853,816)	493,625	1,820,157
OTHER FINANCING SOURCES (USES)								
Transfers In	3,932,644	-	-	-	162,523	1,545,800	9,124	5,650,091
Transfers Out	(64,528)	(162,523)	-	(5,925,940)	-	-	(1,427,846)	(7,580,837)
Total Other Financing Sources (Uses)	3,868,116	(162,523)	-	(5,925,940)	162,523	1,545,800	(1,418,722)	(1,930,746)
NET CHANGE IN FUND BALANCES	1,416,450	(438,503)	(98,780)	243,357	-	(308,016)	(925,097)	(110,589)
Fund Balances - Beginning of Year	24,209,760	482,684	239,412	7,727,953	-	1,021,984	7,597,522	41,279,315
FUND BALANCES - END OF YEAR	\$ 25,626,210	\$ 44,181	\$ 140,632	\$ 7,971,310	\$ -	\$ 713,968	\$ 6,672,425	\$ 41,168,726

See accompanying Notes to 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, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (110,589)

Amounts reported for governmental activities in the statement of activities are
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
these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 4,466,934	
Depreciation Expense Reported in the Statement of Activities	<u>(4,419,053)</u>	47,881

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: (7,480)

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. 576,032

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. (1,465,575)

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		1,560,000
--	--	-----------

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	2,139	
Insurance Funds	<u>(16,742)</u>	(14,603)

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	106,918	
Net Change in Accrued Interest Payable	(34,150)	
Net Change in Compensated Absences Liability	6,874	
Net Change in Total Other Postemployment Benefits Liability and Related Deferred Outflows of Resources	(88,364)	
Net Change State Life Insurance Net Other Postemployment Benefits Liability and Related Deferred Outflows and Inflows of Resources	<u>(68,018)</u>	<u>(76,740)</u>

Change in Net Position of Governmental Activities \$ 508,926

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
DECEMBER 31, 2019**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS		
CURRENT ASSETS		
Treasurer's Cash and Investments	\$ 1,068,348	\$ 3,413,848
Departmental Cash and Investments	-	100
Cash and Investments Held by Fiscal Agent	-	250,556
Accounts Receivable	-	179,188
Due from Other Governmental Units	-	1,917,062
Inventories	-	2,890,095
Prepaid Items	-	4,856
Total Current Assets	1,068,348	8,655,705
NONCURRENT ASSETS		
Notes Receivable	1,624,559	-
Property Held for Resale:		
Land	430,703	-
Land Improvements	1,287,942	-
Capital Assets:		
Not Being Depreciated	22,653	93,419
Depreciable Assets	-	30,820,408
Accumulated Depreciation	-	(19,876,794)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	3,365,857	11,787,360
Total Assets	4,434,205	20,443,065
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	-	2,560,560
County Other Postemployment Benefits Related	-	19,536
State Life Insurance Postemployment Benefits Related	-	23,957
Total Deferred Outflows of Resources	-	2,604,053
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	16,064	177,140
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,498,753
Unearned Revenue - Cost Pools	-	5,185
Unearned Revenue - Advance for Highway Construction	-	863,389
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	331,618
Total Current Liabilities	20,653	2,876,085
LONG-TERM LIABILITIES (NET OF CURRENT PORTION):		
Total Other Postemployment Benefits Payable	-	339,383
State Life Insurance Net Postemployment Benefits Liability	-	189,086
Wisconsin Retirement System Net Pension Liability	-	944,967
Estimated Employee Leave Liability	-	164,796
Total Long-Term Liabilities	-	1,638,232
Total Liabilities	20,653	4,514,317
DEFERRED INFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	-	1,301,601
County Other Postemployment Benefits Related	-	11,261
State Life Insurance Postemployment Benefits Related	-	55,727
Total Deferred Inflows of Resources	-	1,368,589
NET POSITION		
Net Investment in Capital Assets	22,653	11,037,033
Unrestricted	4,390,899	6,127,179
Total Net Position	\$ 4,413,552	\$ 17,164,212

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES	\$ 445,831	\$ 13,803,056
OPERATING EXPENSES	<u>22,635</u>	<u>15,776,942</u>
OPERATING INCOME (LOSS)	423,196	(1,973,886)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	-	16,220
Dividend Revenue	-	35,866
Gain on Disposal of Property	-	(3,105)
Nonoperating Depreciation	<u>-</u>	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>28,537</u>
INCOME (LOSS) BEFORE TRANSFERS	423,196	(1,945,349)
TRANSFERS:		
Transfers from General Fund	-	55,404
Transfers from Sales Tax Fund	-	1,475,000
Transfers from Capital Projects Fund	-	1,157,725
Transfers to General Fund	<u>-</u>	<u>(757,383)</u>
Total Contributions and Total Transfers	<u>-</u>	<u>1,930,746</u>
CHANGE IN NET POSITION	423,196	(14,603)
Net Position - Beginning of Year	<u>3,990,356</u>	<u>17,178,815</u>
NET POSITION - END OF YEAR	<u>\$ 4,413,552</u>	<u>\$ 17,164,212</u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 8,538,836
Third Parties	-	4,564,980
Cash Received from Employees	-	264,806
Cash Received from Land Use	26	-
Cash Received from Underground Utilities Agreements	63,803	-
Cash Received from the Sale of Property	1,308,223	-
Cash Paid to Suppliers for Goods and Services	(7,803)	(4,644,478)
Cash Paid for Employee Services	-	(9,205,395)
Cash Paid for Insurance Claims	-	(604,610)
Cash Paid for Insurance Premiums	-	(220,460)
Net Cash Provided by (Used for) Operating Activities	<u>1,364,249</u>	<u>(1,306,321)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers from Sales Tax Special Revenue Fund	-	1,475,000
Transfer from Capital Projects Fund	-	1,157,725
Transfer to General Fund	-	(701,979)
Cash Provided by (Repaid to) General Fund for Cash Deficit	(295,901)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(295,901)</u>	<u>1,930,746</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Salvage of Capital Assets	-	73,474
Cash Payments for Acquisition of Capital Assets	-	(1,271,773)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	<u>(1,198,299)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	-	<u>51,049</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 1,068,348	 (522,825)
Cash and Cash Equivalents - Beginning of Year	<u>-</u>	<u>4,187,329</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 1,068,348</u>	 <u>\$ 3,664,504</u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED) –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 423,196	\$ (1,973,886)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Property Sold	135,999	-
Depreciation	-	1,401,092
Depletion of Gravel Pits and Quarries	-	6,982
Net Change in Wisconsin Pension System Related Items:		
Asset / Liability	-	1,732,204
Deferred Outflows of Resources	-	(1,118,666)
Deferred Inflows of Resources	-	(248,447)
Net Change in County OPEB Related Items:		
Asset / Liability	-	(7,665)
Deferred Outflows of Resources	-	(650)
Deferred Inflows of Resources	-	11,261
Net Change in LRLIF OPEB Related Items:		
Asset / Liability	-	(39,481)
Deferred Outflows of Resources	-	2,226
Deferred Inflows of Resources	-	47,162
(Increase) Decrease in Assets:		
Accounts Receivable	790,222	(15,259)
Due from Other Governmental Units	-	(315,771)
Inventory	-	(165,047)
Prepayments	-	(4,856)
Increase (Decrease) in Liabilities:		
Accounts Payable	14,832	(49,028)
Accrued Liabilities	-	(468,366)
Deferred Inflows	-	(5,875)
Advance for Highway Construction	-	(97,181)
Accrued Benefits	-	2,930
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,364,249</u>	<u>\$ (1,306,321)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 1,068,348	\$ 3,413,848
Departmental Cash and Investments	-	100
Cash and Investments Held by Fiscal Agents	-	250,556
Total Cash and Investments	<u>\$ 1,068,348</u>	<u>\$ 3,664,504</u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION –
FIDUCIARY FUNDS
DECEMBER 31, 2019**

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 180,142
Departmental Cash and Investments	<u>2,123,673</u>
Total Assets	<u><u>\$ 2,303,815</u></u>
LIABILITIES	
Due to Other Governmental Units	\$ 249,533
Due to Other Funds	96,083
Special Deposits	<u>1,958,199</u>
Total Liabilities	<u><u>\$ 2,303,815</u></u>

See accompanying Notes to Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 nonland 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 Funds – 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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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.

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

The 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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 noncurrent 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, Prepaid Items and Land Held for Resale

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.

Land held for resale is valued at the lower of cost or market.

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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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. 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 and other postemployment benefits related items.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 and other postemployment benefits 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 (OPEB) – Single Employer Plan

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 liability was actuarially determined.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Other Postemployment Benefits – Multiple Employer Plan

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

12. 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.

13. 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Equity Classifications (Continued)

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that 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.

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, 2019 as shown in the financial statements are as follows:

Governmental Funds	\$ 40,463,642
Proprietary Funds	5,483,179
Fiduciary Funds	2,303,815
Total	<u>\$ 48,250,636</u>

The above cash and investments balances consisted of the following:

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Treasurer's Cash and Investments:		
Deposits at Financial Institutions	\$ 8,257,237	
Deposits in State Local Government Pooled-Investment Fund	22,734,427	
Investments in Federal Agency Securities	<u>13,828,523</u>	\$ 44,820,187
Departmental Cash and Investments:		
Deposits at Financial Institutions	2,152,289	
Petty Cash Funds	<u>2,415</u>	2,154,704
Cash and Investments Held by Fiscal Agents:		
Funds Held by WMMIC	1,043,474	
Funds Held by Chippewa County Housing Authority	<u>232,271</u>	1,275,745
Total Cash and Investments at December 31, 2019		<u><u>\$ 48,250,636</u></u>

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, 2019, the County's deposits were exposed to custodial credit risk by the uninsured and uncollateralized amount of \$241,674.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The County's investments at December 31, 2019 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool), certificates of deposit, 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 2019 was 22 days.

Certificates of Deposit and U.S. Government Agencies and Instrumentalities Obligations. The County's investments in these obligations at December 31, 2019 are summarized as follows:

Description	Totals	Investment Maturities (in Years)			
		< 1	1 to 2	2 to 3	> 3
Money Market Fund	\$ 1,144,729	\$ 1,144,729	\$ -	\$ -	\$ -
Certificates of Deposit	125,018	125,018	-	-	-
Gov't Agency Debt Instruments:					
US Treasuries	1,949,451	1,485,250	464,201	-	-
FHLB	9,762,565	7,605,242	2,157,323	-	-
FNMA	297,160	-	-	-	297,160
FHLMC	1,748,950	1,443,843	-	1,985	303,122
GNMA	56,327	-	-	1,063	55,264
SBA	14,070	-	-	14,070	-
Total	<u>\$ 15,098,270</u>	<u>\$ 11,804,082</u>	<u>\$ 2,621,524</u>	<u>\$ 17,118</u>	<u>\$ 655,546</u>

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

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

As of December 31, 2019, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
US Treasuries	AA+	\$ 1,949,451
FHLB	AA+	9,762,565
FHLMC	AA+	1,748,950
FNMA	AA+	297,160
GNMA	Not Rated	56,327
SBA	Not Rated	14,070
Certificates of Deposit	Not Rated	125,018
Money Market Fund	Not Rated	1,144,729
LGIP	Not Rated	22,734,427

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.

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, 2019, 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	\$ 22,734,427	60.1%
FHLB	9,762,565	25.8%
US Treasuries	1,949,451	5.2%
	<u>\$ 34,446,443</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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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

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.

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

	Level 1	Level 2	Level 3	Total
US Treasuries	\$ 1,949,451	\$ -	\$ -	\$ 1,949,451
FHLB	9,762,565	-	-	9,762,565
FNMA	297,160	-	-	297,160
FHLMC	1,748,950	-	-	1,748,950
GNMA	56,327	-	-	56,327
SBA	14,070	-	-	14,070
Certificates of Deposit	-	125,018	-	125,018
Money Market Fund	-	1,144,729	-	1,144,729
Total	<u>\$ 13,828,523</u>	<u>\$ 1,269,747</u>	<u>\$ -</u>	<u>15,098,270</u>
Investments measured at amortized cost - LGIP Funds				22,734,427
Total Investments				<u><u>\$ 37,832,697</u></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, 2019 the County had outstanding two installment loans totaling \$117,401. 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (Continued)

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, 2019 the County had five hundred nine (509) loans outstanding totaling \$8,335,899 under two revolving loan programs as follows. Two hundred fifty (250) loans totaling \$3,132,389 were outstanding under a loan program for Chippewa County residents which was funded by grants received in previous years. The County also had two hundred fifty-nine (259) loans outstanding totaling \$5,203,510 under a regional loan program funded by Community Development Block Grants which were awarded to Chippewa County in 2013 and 2018. 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.

C. Capital Assets

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

Governmental Activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
General County Assets:					
Capital Assets Not Being Depreciated:					
Land	\$ 4,100,926	\$ 48,000	\$ -	\$ -	\$ 4,148,926
Highway Right-of-Ways	881,283	628	-	-	881,911
Construction Work in Progress	3,352,431	1,594,905	(1,447,723)	-	3,499,613
Total Capital Assets Not Being Depreciated	8,334,640	1,643,533	(1,447,723)	-	8,530,450
Capital Assets Being Depreciated:					
Land Improvements	8,253,854	443,553	-	3,965	8,693,442
Buildings and Improvements	28,724,686	129,400	183,464	-	29,037,550
Machinery and Equipment	6,877,457	621,230	-	-	7,498,687
Vehicles	253,331	-	-	28,326	225,005
Highway Infrastructure:					
Roadways	117,483,991	1,629,218	1,264,259	391,200	119,986,268
Bridges	22,083,800	-	-	-	22,083,800
Structures	396,103	-	-	-	396,103
Total Capital Assets Being Depreciated	184,073,222	2,823,401	1,447,723	423,491	187,920,855
Total Capital Assets	192,407,862	4,466,934	-	423,491	196,451,305
Accumulated Depreciation:					
Land Improvements	3,767,213	273,112	-	-	4,040,325
Buildings and Improvements	14,804,794	553,485	-	-	15,358,279
Machinery and Equipment	5,702,748	442,837	-	-	6,145,585
Vehicles	192,490	9,943	-	24,811	177,622
Highway Infrastructure	58,755,624	3,139,676	-	391,200	61,504,100
Total Accumulated Depreciation	83,222,869	4,419,053	-	416,011	87,225,911
Net Capital Assets -					
General County	\$ 109,184,993	\$ 47,881	\$ -	\$ 7,480	\$ 109,225,394

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities (Continued)

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Highway Department:					
Capital Assets Not Being Depreciated:					
Land	\$ 92,696	\$ -	\$ -	\$ -	\$ 92,696
Construction Work in Progress	-	723	-	-	723
Total Capital Assets Not Being Depreciated	92,696	723	-	-	93,419
Capital Assets Being Depreciated:					
Land Improvements	453,303	-	-	-	453,303
Gravel Pits and Quarries*	98,272	-	-	6,982	91,290
Buildings and Improvements	7,713,183	-	-	-	7,713,183
Vehicles Nonhighway Fleet	1,733,446	257,178	-	212,706	1,777,918
Machinery and Equipment	20,301,423	1,014,595	-	531,304	20,784,714
Total Capital Assets Being Depreciated	30,299,627	1,271,773	-	750,992	30,820,408
Total Capital Assets	30,392,323	1,272,496	-	750,992	30,913,827
Accumulated Depreciation:					
Land Improvements	296,253	13,293	-	-	309,546
Buildings and Improvements	5,576,065	271,960	-	-	5,848,025
Vehicles Nonhighway Fleet	1,037,860	174,653	-	180,800	1,031,713
Machinery and Equipment	12,211,788	961,630	-	485,908	12,687,510
Total Accumulated Depreciation	19,121,966	1,421,536	-	666,708	19,876,794
Net Capital Assets -					
Highway Department	\$ 11,270,357	\$ (149,040)	\$ -	\$ 84,284	\$ 11,037,033
Capital Assets Not Being Depreciated	\$ 8,427,336	\$ 1,644,256	\$ (1,447,723)	\$ -	\$ 8,623,869
Capital Assets Being Depreciated	214,372,849	4,095,174	1,447,723	1,174,483	218,741,263
Total Capital Assets	222,800,185	5,739,430	-	1,174,483	227,365,132
Accumulated Depreciation	102,344,835	5,840,589	-	1,082,719	107,102,705
Net Capital Assets -					
Governmental Activities	\$ 120,455,350	\$ (101,159)	\$ -	\$ 91,764	\$ 120,262,427

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

Depreciation was charged to governmental functions as follows:

General County:	
General Government	\$ 670,410
Public Safety	498,929
Public Works	3,139,676
Health and Human Services	1,812
Culture, Recreation and Education	84,772
Conservation and Development	23,454
Total	4,419,053
Highway Department:	
Transportation	1,421,536
Total	\$ 5,840,589

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

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

D. Interfund Receivables, Payables and Transfers

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

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	CDBG Grant Fund	\$ 30,000
General Fund	Human Services Fund	166,772
General Fund	WRRWC Fund	18,908
Total		<u>\$ 215,680</u>

The above interfund balance was for temporary financing of operating expenditures and is expected to be repaid in 2020. 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	\$ 2,905,140
General Fund	Land Management Fund	160,759
General Fund	ADRC Fund	109,362
General Fund	Workers Compensation Fund	757,383
Debt Service Fund	County Sales Tax Fund	1,545,800
Highway Department Fund	General Fund	49,404
Highway Department Fund	County Sales Tax Fund	1,475,000
Highway Department Fund	2013 Capital Projects Fund	1,157,725
Public Health Fund	General Fund	9,124
WRRWC Fund	Human Services Fund	162,523
Flexible Benefits Fund	General Fund	6,000
Total		<u>\$ 8,338,220</u>

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2019 budget. The remaining items were budgeted transfers for construction and working capital.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 were as follows:

	Balances 1/1/19	Additions	Reductions	Balances 12/31/19	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 835,000	\$ -	\$ 835,000	\$ -	\$ -
General Obligation Notes	9,450,000	-	725,000	8,725,000	1,565,000
Unamortized Debt Premium	474,546	-	106,918	367,628	87,956
Total Long-Term Debt	<u>\$ 10,759,546</u>	<u>\$ -</u>	<u>\$ 1,666,918</u>	<u>\$ 9,092,628</u>	<u>\$ 1,652,956</u>
Other Long-Term Obligations (Governmental Activities):					
Governmental Funds:					
Employee Leave Liability	\$ 1,870,138	\$ -	\$ 6,874	\$ 1,863,264	\$ 1,398,081
Highway Internal Service Fund:					
Employee Leave Liability	493,484	2,930	-	496,414	331,618
Total Other Long-Term Obligations	<u>\$ 2,363,622</u>	<u>\$ 2,930</u>	<u>\$ 6,874</u>	<u>\$ 2,359,678</u>	<u>\$ 1,729,699</u>

The County's estimated liability for employee leave is discussed in Note 3.A.

The County's bonds and notes payable are liquidated by the debt service fund. Compensated absences are generally liquidated by the general fund and highway department internal service fund.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 and annual requirements for their retirement were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Promissory Notes, \$3,000,000, issued 10/29/13, due 8/1/21, interest at 2.00%-2.50%	2020	\$ 435,000	\$ 16,688	\$ 451,688
	2021	450,000	5,625	455,625
		<u>885,000</u>	<u>22,313</u>	<u>907,313</u>
Promissory Notes, \$8,135,000, issued 10/1/18, due 2/1/28, interest at 3.00%-4.00%	2020	1,130,000	285,350	1,415,350
	2021	950,000	249,400	1,199,400
	2022	725,000	215,900	940,900
	2023	755,000	186,300	941,300
	2024	790,000	155,400	945,400
	2025	820,000	123,200	943,200
	2026	855,000	89,700	944,700
	2027	890,000	54,800	944,800
	2028	925,000	18,500	943,500
		<u>7,840,000</u>	<u>1,378,550</u>	<u>9,218,550</u>
Total General Obligation Debt		<u>\$ 8,725,000</u>	<u>\$ 1,400,863</u>	<u>\$ 10,125,863</u>

The above annual debt service requirements are summarized as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,565,000	\$ 302,038	\$ 1,867,038
2021	1,400,000	255,025	1,655,025
2022	725,000	215,900	940,900
2023	755,000	186,300	941,300
2024	790,000	155,400	945,400
2025-2028	3,490,000	286,200	3,776,200
Total	<u>\$ 8,725,000</u>	<u>\$ 1,400,863</u>	<u>\$ 10,125,863</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, 2019, the County's debt limit amounted to \$302,306,515 and indebtedness subject to the limitation totaled \$8,725,000.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 979,741	\$ 979,741	\$ -	\$ -	\$ -	\$ -
Prepaid Items	88,862	88,862	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	34,440	-	-	-	34,440	-
Economic Development	20,821	-	-	-	20,821	-
Criminal Justice Coordinator	65,914	-	-	-	65,914	-
County Administrator	235,504	-	-	-	235,504	-
Computer Equipment Outlay	245,957	-	-	-	245,957	-
Courthouse	730,429	-	-	-	730,429	-
Facilities Improvement	441,465	-	-	-	441,465	-
Rifle Range	26,968	-	-	-	26,968	-
Radio Towers	48,464	-	-	-	48,464	-
Security Plan	1,290,812	-	-	-	1,290,812	-
Property and Liability Insurance	136,829	-	-	-	136,829	-
Employee Health Program	1,022,923	-	-	-	1,022,923	-
Copy Machine	30,071	-	-	-	30,071	-
Register of Deeds	226,230	-	-	-	226,230	-
Youth Court Programs	13,448	-	-	-	13,448	-
Snowmobile Patrol	56,739	-	-	-	56,739	-
Water Safety Patrol	65,836	-	-	-	65,836	-
K-9	31,101	-	-	-	31,101	-
All Terrain Vehicle Patrol	24,677	-	-	-	24,677	-
Sheriff's Department Equipment & Tower	4,095,513	-	-	-	4,095,513	-
Sheriff's Department Training	59,453	-	-	-	59,453	-
Jail Canteen	95,290	-	-	-	95,290	-
UW-Extension	1,091	-	-	-	1,091	-
Extension Education Programs	50,000	-	-	-	50,000	-
Wildlife Damage and Abatement Programs	1,124	-	-	-	1,124	-
State Forestry Programs	8,427	-	-	-	8,427	-
Wildlife Habitat Management	238	-	-	-	238	-
Special Conservation Projects	372,848	-	-	-	372,848	-
Snowmobile Trails	17,933	-	-	-	17,933	-
All Terrain Vehicle Trails	7,777	-	-	-	7,777	-
Old Abe Trail Project	12,572	-	-	-	12,572	-
Forest & Trails Tax Deed Projects	247,375	-	-	-	247,375	-
County Parks Capital Improvements	380,520	-	-	-	380,520	-
County Parks Tax Deed Projects	222,538	-	-	-	222,538	-
Recycling Programs	240,064	-	-	-	240,064	-
Recycling Revenue Sharing Program	583	-	-	-	583	-
Soil and Water Resource Management	29,961	-	-	-	29,961	-
Nonmetallic Mining	82,496	-	-	-	82,496	-
Urban Stormwater Program	2,423	-	-	-	2,423	-
Conservation Reserve Enhancement Programs	56,233	-	-	-	56,233	-
Lake Protection Program	2,681	-	-	-	2,681	-
Groundwater Sampling	59,054	-	-	-	59,054	-
Land Conservation Stewardship Programs	85,600	-	-	-	85,600	-
Building Inspection	200,000	-	-	-	200,000	-
Comprehensive Planning Project	194,145	-	-	-	194,145	-
Platbook/Roadmap Publishing	43,823	-	-	-	43,823	-
Tax Deeds	150,000	-	-	-	150,000	-
Veterans' Relief	16,683	-	-	-	16,683	-
Unfunded Benefit Liabilities	1,423,151	-	-	-	1,423,151	-
Unassigned	11,527,829	-	-	-	-	11,527,829
Subtotal General Fund	25,626,210	1,068,603	-	-	13,029,778	11,527,829

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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	\$ 44,181	\$ -	\$ -	\$ 44,181	\$ -	\$ -
CDBG Grant Fund	140,632	-	140,632	-	-	-
County Sales Tax Funded Programs	7,971,310	-	-	7,971,310	-	-
Debt Service Fund	713,968	-	-	713,968	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	92,083	-	92,083	-	-	-
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	550,848	-	-	550,848	-	-
Land Management Program	350,000	-	-	350,000	-	-
Jail Assessments Fees Funded Projects	120,026	-	120,026	-	-	-
County Economic Development Loan Program	525,669	-	-	525,669	-	-
Capital Projects Funds:						
2018 Capital Projects Fund	5,007,087	-	5,007,087	-	-	-
Total Governmental Funds Balances at December 31, 2018	<u>\$ 41,168,726</u>	<u>\$ 1,068,603</u>	<u>\$ 5,385,540</u>	<u>\$ 10,156,976</u>	<u>\$ 13,029,778</u>	<u>\$ 11,527,829</u>

G. Internal Service Funds Net Position

The net position of the County's internal service funds at December 31, 2019 consisted of the following:

Fund	Net Position at Year End			Change During Year
	Total	Invested in Capital Assets	Unrestricted	
Highway Department Fund	\$ 15,729,290	\$ 11,037,033	\$ 4,692,257	\$ 2,139
Self-Funded Insurance Funds:				
Workers Compensation	1,000,000	-	1,000,000	-
Liability Insurance	355,771	-	355,771	(13,076)
Flexible Benefits Fund	79,151	-	79,151	(3,666)
Totals	<u>\$ 17,164,212</u>	<u>\$ 11,037,033</u>	<u>\$ 6,127,179</u>	<u>\$ (14,603)</u>

NOTE 3 OTHER INFORMATION

A. Employee Leave Liability

The County's estimated liability for employee leave at December 31, 2019 totaled \$2,359,678 and consisted of \$1,863,264 payable from its governmental funds and \$496,414 payable from its highway department internal service fund. These liabilities are further discussed on the following page.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Employee Leave Liability (Continued)

The County implemented a Paid Time Off (PTO) plan for its nonrepresented employees effective January 1, 2013. All nonrepresented 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, 2019 totaled \$2,218,218 and consisted of \$1,729,000 payable from its governmental funds and \$489,218 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, 2019 was \$113,188 in the governmental funds and \$7,196 in the highway department internal service fund.

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, 2019 was \$21,076 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, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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, 2019 through December 31, 2019, the WRS recognized \$1,418,942 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.55%	6.55%
Executives & Elected Officials	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)
2017	2.0	4.0
2018	2.4	17.0

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

At December 31, 2019, the County reported a liability of \$4,787,112 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the County's proportion was 0.13455690 percent, which was an increase of 0.00097472 from its proportion measured as of December 31, 2017.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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)

For the year ended December 31, 2019, the County recognized pension expense of \$3,252,457. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience Changes of Assumptions	\$ 3,728,436	\$ (6,590,534)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	806,932	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	6,991,250	-
County Contributions Subsequent to the Measurement Date	25,982	(3,245)
Total	<u>1,418,942</u>	<u>-</u>
	<u>\$ 12,971,542</u>	<u>\$ 6,593,779</u>

\$1,418,942 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Pension Expense Amount
2020	\$ 1,803,672
2021	454,159
2022	785,913
2023	1,915,077

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Inflation:	3.0%
Salary Increases:	3.1% to 8.6% including inflation
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 mortality table
Post-retirement Adjustments*:	1.9%

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

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

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	N/A	N/A	70%	5.0%
International Equities	N/A	N/A	30%	5.9%
Global Equities	49%	5.5%	N/A	N/A
Fixed Income	24.5%	1.5%	N/A	N/A
Inflation Sensitive Assets	15.5%	1.3%	N/A	N/A
Real Estate	9%	3.9%	N/A	N/A
Private Equity/Debt	8%	6.7%	N/A	N/A
Multi-Asset	4%	4.1%	N/A	N/A
Cash	-10%	0.9%	N/A	N/A
Totals	100%		100%	

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,024,487	\$ 4,787,112	\$ (5,799,479)

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://etf.wi.gov/publications/cafr.htm>.

C. Other Postemployment Benefits – Multiple Employer Plan

General Information about the Other Postemployment Benefits Plan

Plan Description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees. ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

General Information about the Other Postemployment Benefits Plan (Continued)

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

Contribution rates as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

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

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the fiscal reporting period January 1, 2019 through December 31, 2019, the LRLIF recognized \$6,604 in contributions from the employer.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2019, the County reported a liability of \$894,172 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.34653300 percent, which was a decrease of 0.00153900 from its proportion measured as of December 31, 2017.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

For the year ended December 31, 2019, the County recognized OPEB expense of \$84,495. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 45,360
Changes of Assumptions or Other Input	85,318	193,821
Net Difference Between Projected and Actual Earnings on OPEB Investments	21,370	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	24,348
District Contributions Subsequent to the Measurement Date	6,604	-
Total	<u>\$ 113,292</u>	<u>\$ 263,529</u>

\$6,604 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ending December 31:</u>	OPEB Expense Amount
2020	\$ (21,934)
2021	(21,934)
2022	(21,934)
2023	(24,935)
2024	(28,027)
Thereafter	(38,077)

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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

Valuation Date	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate	4.22%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 mortality table

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

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits – Multiple Employer Plan (Continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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

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

		1% Decrease (3.22%)	Current Discount Rate (4.22%)	1% Increase (5.22%)
Proportionate share of the Net OPEB Liability (asset)	12/31/19	\$ 1,272,019	\$ 894,172	\$ 602,749

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

D. Other Postemployment Benefit Plan Other Than Pensions (OPEB)

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The County engaged an actuary to determine the County's liability for postemployment healthcare benefits other than pensions.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description

Plan description

The County's plan is a single-employer defined benefit plan used to provide postemployment benefits other than pensions (OPEB). The County Board of Chippewa County is designated as the administrator of the OPEB plan.

Benefits provided

All County employees eligible for retirement under the Wisconsin Retirement System with a minimum of 10 years of service and at least 55 years of age (50 for protective status) may continue coverage under the County's group medical plan until Medicare eligible provided that they self-pay 100% of the required premium.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	12
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	339
	351

Contributions

The County funds its other post-employment benefit on a pay-as-you go basis. For fiscal year 2019, the County contributed an estimated \$89,058 to the plan.

Total OPEB Liability

The County does not accumulate assets in a trust for payment of OPEB benefits. Accordingly, the County must report its total OPEB liability. The County's total OPEB liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to a measurement date of December 31, 2018. At December 31, 2019, the County reported a total OPEB liability of \$1,547,096. Changes in the County's total OPEB liability were as follows:

Balances at December 31, 2018	\$ 1,499,673
Changes for the year:	
Service Cost	132,690
Interest	53,382
Changes of Assumptions or Other Input	(57,039)
Benefit Payments	(81,610)
Net Changes	47,423
Balances at December 31, 2019	\$ 1,547,096

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

Actuarial assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Medical Care Trend	7.5% decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0% and level thereafter.
Discount Rate:	4.00%
Municipal Bond Rate Source	Bond Buyer 20 Bond GO Index
Mortality Assumptions	Wisconsin 2012 Mortality Table
Inflation Rate	2.5%

Discount rate

The discount rate used to measure the total OPEB liability was 4.0 percent. The discount rate is based upon all years of projected payments discounted at a municipal bond rate of 4.0%.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	12/31/2019	1,662,882	1,547,096	1,438,327

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

		1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	12/31/2019	1,374,121	1,547,096	1,751,020

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan Other Than Pensions (OPEB) (Continued)

Single-Employer Plan Description (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the County recognized OPEB expense of \$180,368. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions or Other Input	\$ -	\$ 51,335
Contributions Subsequent to the Measurement Date	89,058	-
Total	<u>\$ 89,058</u>	<u>\$ 51,335</u>

\$89,058 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	OPEB Expense Amount
2020	\$ (5,704)
2021	(5,704)
2022	(5,704)
2023	(5,704)
2024	(5,704)
Thereafter	(22,815)

The plan does not issue separate financial statements.

E. 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. Settled claims have not exceeded coverage in any of the past three years.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Risk Management (Continued)

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 3.5% 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, 2019 of \$1,000,000.

Changes in claims liability for 2019 and 2018 were as follows:

	2019	2018
Estimated Claims Outstanding January 1	\$ 1,097,418	\$ 1,018,122
Current Year Claims and Changes in Estimates	(137,172)	440,244
Claim Payments	(189,019)	(360,948)
Estimated Claims Outstanding December 31	\$ 771,227	\$ 1,097,418

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, 2019, 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, 2019 and 2018 was \$978,090 and \$946,178, respectively, and represented 3.21% and 3.21%, respectively, of the total member equity at those dates.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. 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. A list of 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 \$450,000 for the 2018 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 \$355,771 and \$368,847 at December 31, 2019 and 2018, respectively, and consisted of the following components:

	2019	2018
Accounts Receivable	\$ 35,866	\$ 34,829
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	45,112	219,878
Prepaid Items	1,703	-
Deposits with WMMIC	250,556	234,191
Accounts Payable	(267)	(677)
Accrued Unpaid Losses	(727,526)	(869,701)
Net Position December 31	\$ 355,771	\$ 368,847

The liability recorded for unpaid losses at December 31, 2019 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 FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Risk Management (Continued)

Liability Insurance Fund (Continued) Changes in claims liability for 2019 and 2018 were as follows:

	2019	2018
Estimated Claims Outstanding January 1	\$ 869,701	\$ 690,565
Current Year Claims and Changes in Estimates	15,603	383,306
Claim Payments	(157,778)	(204,170)
Estimated Claims Outstanding December 31	\$ 727,526	\$ 869,701

F. 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.

G. Stewardship and Accountability

Actual expenditures exceeded budgeted amounts in the Human Services Fund by \$713,169, and in the WRRWC Fund by \$5,947,887. 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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 17,581,300	\$ 17,581,300	\$ 17,595,360	\$ 14,060
Intergovernmental	7,811,223	7,811,223	7,403,773	(407,450)
Licenses and Permits	677,062	614,166	630,975	16,809
Fines and Forfeits	175,000	175,000	158,032	(16,968)
Public Charges for Services	3,510,317	3,547,317	3,659,202	111,885
Intergovernmental Charges for Services	275,001	275,001	324,449	49,448
Miscellaneous:				
Investment Income	390,000	390,000	784,107	394,107
Increase (Decrease) in Fair Value of Investments	-	-	94,274	94,274
Rent	26,040	26,040	26,067	27
Sale of Property	700	700	1,525	825
Profit on Tax Deed Sales	41,500	41,500	229,209	187,709
Other	289,524	352,420	318,196	(34,224)
Total Revenues	<u>30,777,667</u>	<u>30,814,667</u>	<u>31,225,169</u>	<u>410,502</u>
EXPENDITURES				
General Government	10,192,288	10,775,623	9,746,112	1,029,511
Public Safety	9,428,942	12,709,177	9,313,259	3,395,918
Public Works	7,798,921	7,798,921	7,745,177	53,744
Health and Human Services	2,786,385	2,786,385	2,559,806	226,579
Culture, Recreation and Education	1,410,809	1,410,809	1,404,628	6,181
Conservation and Development	3,539,457	3,729,288	2,907,853	821,435
Total Expenditures	<u>35,156,802</u>	<u>39,210,203</u>	<u>33,676,835</u>	<u>5,533,368</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,379,135)	(8,395,536)	(2,451,666)	5,943,870
OTHER FINANCING SOURCES (USES)				
Transfers In	3,113,115	3,113,115	3,932,644	819,529
Transfers Out	(16,000)	(6,000)	(64,528)	(58,528)
Total Other Financing Sources (Uses)	<u>3,097,115</u>	<u>3,107,115</u>	<u>3,868,116</u>	<u>761,001</u>
NET CHANGE IN FUND BALANCE	(1,282,020)	(5,288,421)	1,416,450	6,704,871
Fund Balance - Beginning of Year, January 1	<u>24,209,760</u>	<u>24,209,760</u>	<u>24,209,760</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 22,927,740</u>	<u>\$ 18,921,339</u>	<u>\$ 25,626,210</u>	<u>\$ 6,704,871</u>

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,075,399	\$ 2,075,399	\$ 2,075,399	\$ -
Intergovernmental	3,857,502	3,857,502	4,240,955	383,453
Public Charges for Services	166,612	166,612	220,317	53,705
Miscellaneous:				
Interest	-	-	31	31
Total Revenues	<u>6,099,513</u>	<u>6,099,513</u>	<u>6,536,702</u>	<u>437,189</u>
EXPENDITURES				
Health and Human Services	<u>6,099,513</u>	<u>6,099,513</u>	<u>6,812,682</u>	<u>(713,169)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(275,980)	(275,980)
OTHER FINANCING SOURCES USES				
Transfers Out	-	-	<u>(162,523)</u>	<u>(162,523)</u>
NET CHANGE IN FUND BALANCE	-	-	(438,503)	(438,503)
Fund Balance - Beginning of Year	<u>482,684</u>	<u>482,684</u>	<u>482,684</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 482,684</u></u>	<u><u>\$ 482,684</u></u>	<u><u>\$ 44,181</u></u>	<u><u>\$ (438,503)</u></u>

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
COUNTY SALES TAX FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,406,530	\$ 5,406,530	\$ 6,097,543	\$ 691,013
Miscellaneous:				
Interest	20,000	20,000	71,754	51,754
Total Revenues	5,426,530	5,426,530	6,169,297	742,767
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	5,426,530	5,426,530	6,169,297	742,767
OTHER FINANCING USES				
Transfers Out	(5,936,112)	(5,936,112)	(5,925,940)	(10,172)
NET CHANGE IN FUND BALANCE	(509,582)	(509,582)	243,357	732,595
Fund Balance - Beginning of Year	7,727,953	7,727,953	7,727,953	-
FUND BALANCE - END OF YEAR	<u>\$ 7,218,371</u>	<u>\$ 7,218,371</u>	<u>\$ 7,971,310</u>	<u>\$ 732,595</u>

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE –
WRRWC FUND
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 145,949	\$ 145,949	\$ 145,949	\$ -
Intergovernmental	7,239,341	7,239,341	12,942,804	5,703,463
Public Charges for Services	420,346	420,346	410,654	(9,692)
Intergovernmental Charges for Services	471,714	471,714	473,509	1,795
Total Revenues	<u>8,277,350</u>	<u>8,277,350</u>	<u>13,972,916</u>	<u>5,695,566</u>
EXPENDITURES				
Health and Human Services	<u>8,187,552</u>	<u>8,187,552</u>	<u>14,135,439</u>	<u>(5,947,887)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	89,798	89,798	(162,523)	(252,321)
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>162,523</u>	<u>162,523</u>
NET CHANGE IN FUND BALANCE	89,798	89,798	-	(89,798)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 89,798</u>	<u>\$ 89,798</u>	<u>\$ -</u>	<u>\$ (89,798)</u>

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SHOWN PROSPECTIVELY FROM IMPLEMENTATION)

	2018	2019
Total OPEB Liability		
Service Cost	\$ 132,690	\$ 132,690
Interest	50,270	53,382
Changes of Assumptions or Other Input	-	(57,039)
Benefit Payments	(106,434)	(81,610)
Net Change in Total OPEB Liability	76,526	47,423
Total OPEB Liability - Beginning	1,423,147	1,499,673
Total OPEB Liability - Ending	1,499,673	1,547,096
Covered Employee Payroll	18,462,997	18,462,997
County's Total OPEB Liability as a Percentage of Covered Employee Payroll	8.12%	8.38%

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION LIABILITY (ASSET)
LAST TEN FISCAL YEARS
(SHOWN PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date:	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
County's proportion of the net pension liability (asset)	0.13646909%	0.13404332%	0.13390376%	0.13358218%	0.13455690%
County's proportionate share of the net pension liability (asset)	\$ (3,352,054)	\$ 2,178,178	\$ 1,103,687	\$ (3,966,213)	\$ 4,787,112
County's covered payroll	\$ 18,214,274	\$ 18,109,202	\$ 18,476,595	\$ 18,896,896	\$ 19,644,636
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.40%	12.03%	5.97%	20.99%	24.37%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SHOWN PROSPECTIVELY FROM IMPLEMENTATION)**

Fiscal Year End: December 31,	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,280,680	\$ 1,271,761	\$ 1,358,750	\$ 1,395,010	\$ 1,418,942
Contributions in Relation to the Contractually Required Contributions	(1,280,680)	(1,271,761)	(1,358,750)	(1,395,010)	(1,418,942)
Contribution Deficiency (Excess)	<u>\$ -</u>				
County's Covered Payroll	\$ 18,109,202	\$ 18,476,595	\$ 18,896,897	\$ 19,644,637	\$ 20,415,872
Contributions as a Percentage of Covered Payroll	7.07%	6.88%	7.19%	7.10%	6.95%

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

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

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
 (SHOWN PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,	2017	2018
County's proportion of the net OPEB liability (asset)	0.34807200%	0.34653300%
County's proportionate share of the net OPEB liability (asset)	\$ 1,047,202	\$ 894,172
County's covered payroll	\$ 14,637,423	\$ 16,873,000
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%	5.30%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF COUNTY'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SHOWN PROSPECTIVELY FROM IMPLEMENTATION)

Year Ended: December 31,	2018	2019
Contractually Required Contributions	\$ 6,710	\$ 6,604
Contributions in Relation to the Contractually Required Contributions	(6,710)	(6,604)
Contribution Deficiency (Excess)	\$ -	\$ -
 County's Covered Payroll	 \$ 16,873,000	 \$ 16,606,452
 Contributions as a Percentage of Covered Payroll	 0.04%	 0.04%

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

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

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

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, 2019**

	Special Revenue Funds					
	Public Health	Shelter Care	Dog Licenses	State Septic System Grants	Aging and Disability Resource Center	Land Management
ASSETS						
Treasurer's Cash and Investments	\$ 42,098	\$ 25,712	\$ 45,725	\$ -	\$ 256,602	\$ 357,077
Departmental Cash and Investments	-	-	-	-	848	-
Taxes Receivable	232,782	-	-	-	153,453	-
Accounts Receivable	1,082	-	1,967	-	16,886	-
Due from Other Governmental Units	54,331	-	-	-	431,189	-
Due from Fiduciary Funds	-	-	-	-	-	-
Installment Loans Receivable	-	-	-	-	-	-
Total Assets	\$ 330,293	\$ 25,712	\$ 47,692	\$ -	\$ 858,978	\$ 357,077
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ 5,428	\$ -	\$ 45,595	\$ -	\$ 81,656	\$ 7,077
Due to Other Governmental Units	-	-	1,097	-	-	-
Unearned Revenues	-	-	-	-	73,021	-
Total Liabilities	5,428	-	46,692	-	154,677	7,077
DEFERRED INFLOWS OF RESOURCES						
Subsequent Year's Property Taxes	232,782	-	-	-	153,453	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-
Total Deferred Inflows of Resources	232,782	-	-	-	153,453	-
FUND BALANCES						
Restricted	92,083	25,712	-	-	-	-
Committed	-	-	1,000	-	550,848	350,000
Total Fund Balances	92,083	25,712	1,000	-	550,848	350,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 330,293	\$ 25,712	\$ 47,692	\$ -	\$ 858,978	\$ 357,077

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2019**

	<u>Special Revenue Funds (Continued)</u>			<u>Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Jail Assessment Fees</u>	<u>Economic Development</u>	<u>Total Special Revenue Funds</u>	<u>2018 Capital Projects Fund</u>	
ASSETS					
Treasurer's Cash and Investments	\$ 116,911	\$ 525,669	\$ 1,369,794	\$ 5,007,087	\$ 6,376,881
Departmental Cash and Investments	-	-	848	-	848
Taxes Receivable	-	-	386,235	-	386,235
Accounts Receivable	-	-	19,935	-	19,935
Due from Other Governmental Units	-	-	485,520	-	485,520
Due from Fiduciary Funds	3,471	-	3,471	-	3,471
Installment Loans Receivable	-	117,401	117,401	-	117,401
	<u>-</u>	<u>117,401</u>	<u>117,401</u>	<u>-</u>	<u>117,401</u>
Total Assets	<u>\$ 120,382</u>	<u>\$ 643,070</u>	<u>\$ 2,383,204</u>	<u>\$ 5,007,087</u>	<u>\$ 7,390,291</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ 356	\$ -	\$ 140,112	\$ -	\$ 140,112
Due to Other Governmental Units	-	-	1,097	-	1,097
Unearned Revenues	-	-	73,021	-	73,021
Total Liabilities	<u>356</u>	<u>-</u>	<u>214,230</u>	<u>-</u>	<u>214,230</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	-	-	386,235	-	386,235
Unavailable Revenue - Long-Term Receivables	-	117,401	117,401	-	117,401
Total Deferred Inflows of Resources	<u>-</u>	<u>117,401</u>	<u>503,636</u>	<u>-</u>	<u>503,636</u>
FUND BALANCES					
Restricted	120,026	-	237,821	5,007,087	5,244,908
Committed	-	525,669	1,427,517	-	1,427,517
Total Fund Balances	<u>120,026</u>	<u>525,669</u>	<u>1,665,338</u>	<u>5,007,087</u>	<u>6,672,425</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 120,382</u>	<u>\$ 643,070</u>	<u>\$ 2,383,204</u>	<u>\$ 5,007,087</u>	<u>\$ 7,390,291</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2019**

	Special Revenue Funds					
	Public Health	Shelter Care	Dog Licenses	State Septic System Grants	Aging and Disability Resource Center	Land Management
REVENUES						
Taxes	\$ 175,543	\$ -	\$ -	\$ -	\$ 154,335	\$ -
Intergovernmental	802,849	-	-	10,136	1,504,991	66,928
Licenses and Permits	175,863	-	47,919	-	-	-
Jail Assessment Fees	-	-	-	-	-	-
Public Charges for Services	82,077	-	-	-	170,353	98,128
Interest	-	-	-	-	358	-
Other	1,341	-	-	-	86,393	-
Total Revenues	<u>1,237,673</u>	<u>-</u>	<u>47,919</u>	<u>10,136</u>	<u>1,916,430</u>	<u>165,056</u>
EXPENDITURES						
Public Safety	-	-	-	-	-	-
Health and Human Services	1,276,848	-	47,919	10,136	1,806,220	-
Total Expenditures	<u>1,276,848</u>	<u>-</u>	<u>47,919</u>	<u>10,136</u>	<u>1,806,220</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(39,175)	-	-	-	110,210	165,056
OTHER FINANCING SOURCES (USES)						
Transfers In:						
General Fund	9,124	-	-	-	-	-
Transfers Out:						
General Fund	-	-	-	-	(109,362)	(160,759)
Highway Department Fund	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>9,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,362)</u>	<u>(160,759)</u>
NET CHANGE IN FUND BALANCES	(30,051)	-	-	-	848	4,297
Fund Balances - Beginning of Year	<u>122,134</u>	<u>25,712</u>	<u>1,000</u>	<u>-</u>	<u>550,000</u>	<u>345,703</u>
FUND BALANCES - END OF YEAR	<u>\$ 92,083</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 550,848</u>	<u>\$ 350,000</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (COMBINED)
YEAR ENDED DECEMBER 31, 2019**

	<u>Special Revenue Funds (Continued)</u>			<u>Projects Fund</u>	Total Nonmajor Governmental Funds
	Jail Assessment Fees	Economic Development	Total Special Revenue Funds	2018 Capital Projects Fund	
REVENUES					
Taxes	\$ -	\$ -	\$ 329,878	\$ -	\$ 329,878
Intergovernmental	-	-	2,384,904	-	2,384,904
Licenses and Permits	-	-	223,782	-	223,782
Jail Assessment Fees	51,530	-	51,530	-	51,530
Public Charges for Services	-	-	350,558	-	350,558
Interest	-	4,459	4,817	130,638	135,455
Other	-	116,468	204,202	-	204,202
Total Revenues	<u>51,530</u>	<u>120,927</u>	<u>3,549,671</u>	<u>130,638</u>	<u>3,680,309</u>
EXPENDITURES					
Public Safety	45,561	-	45,561	-	45,561
Health and Human Services	-	-	3,141,123	-	3,141,123
Total Expenditures	<u>45,561</u>	<u>-</u>	<u>3,186,684</u>	<u>-</u>	<u>3,186,684</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,969	120,927	362,987	130,638	493,625
OTHER FINANCING SOURCES (USES)					
Transfers In:					
General Fund	-	-	9,124	-	9,124
Transfers Out:					
General Fund	-	-	(270,121)	-	(270,121)
Highway Department Fund	-	-	-	(1,157,725)	(1,157,725)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(260,997)</u>	<u>(1,157,725)</u>	<u>(1,418,722)</u>
NET CHANGE IN FUND BALANCES	5,969	120,927	101,990	(1,027,087)	(925,097)
Fund Balances - Beginning of Year	<u>114,057</u>	<u>404,742</u>	<u>1,563,348</u>	<u>6,034,174</u>	<u>7,597,522</u>
FUND BALANCES - END OF YEAR	<u>\$ 120,026</u>	<u>\$ 525,669</u>	<u>\$ 1,665,338</u>	<u>\$ 5,007,087</u>	<u>\$ 6,672,425</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)**

	2019	2018
ASSETS		
Treasurer's Cash and Investments	\$ 26,161,317	\$ 21,498,708
Departmental Cash	2,465	2,416
Taxes Receivable:		
Current Taxes Receivable	16,935,347	16,584,968
Delinquent Taxes Receivable	970,906	843,862
Tax Deeds Owned by County	8,835	39,489
Accounts Receivable	322,000	312,494
Due from Other Governments	692,927	721,792
Due from Other Funds:		
Farm Land Development Fund	-	295,901
WRRWC Fund	185,680	2,871,048
CDBG Grant Fund	30,000	30,000
Due from Fiduciary Funds	87,506	62,211
Prepaid Items	88,862	74,367
	\$ 45,485,845	\$ 43,337,256
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Vouchers and Accounts Payable	\$ 1,784,193	\$ 1,018,929
Payroll Deductions	713,647	638,007
Due to Other Governmental Units	266,154	817,181
Unearned Revenues	160,294	68,411
Total Liabilities	2,924,288	2,542,528
 DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	16,935,347	16,584,968
 FUND BALANCE		
Nonspendable:		
Delinquent Taxes	979,741	883,351
Prepaid Items	88,862	74,367
Assigned	13,029,778	12,508,952
Unassigned	11,527,829	10,743,090
Total Fund Balance	25,626,210	24,209,760
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 \$ 45,485,845	 \$ 43,337,256

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
General Property Taxes	\$ 16,584,968	\$ 16,584,968	\$ -	\$ 16,206,444
Payment in Lieu of Taxes	26,700	29,716	3,016	29,991
Forest Crop Taxes	15,000	31,407	16,407	31,874
Sales Taxes	-	138	138	134
Vehicle Registration Fees	555,338	555,338	-	563,743
Real Estate Transfer Fees - County Share	147,294	189,355	42,061	205,784
Interest on Taxes	250,000	188,921	(61,079)	247,715
Agricultural Land Conversion Penalty	2,000	15,517	13,517	10,668
Total Taxes	17,581,300	17,595,360	14,060	17,296,353
Intergovernmental:				
Shared Taxes from State	2,694,861	2,710,163	15,302	2,559,411
Tax Exempt Computer Aid	104,904	105,886	982	103,384
Guardian Ad Litem	55,478	82,279	26,801	58,290
Victim/Witness Program	77,394	79,574	2,180	80,807
Court Grant	221,514	222,495	981	222,540
Criminal Justice Coordinator	247,489	243,411	(4,078)	228,166
Drug Abuse Program	5,750	8,980	3,230	10,434
Snowmobile Enforcement Patrol	13,887	13,796	(91)	18,458
Responsible Unit Grant	111,465	111,465	-	111,465
Recycling Grant	107,000	106,813	(187)	107,073
Clean Sweep Grant	10,400	10,000	(400)	10,415
Water Safety Patrol	26,845	33,316	6,471	22,504
All Terrain Vehicle Patrol	21,488	22,370	882	18,489
SARA Program	17,000	17,989	989	17,902
Emergency Government - Special Grants	10,000	-	(10,000)	10,763
Targeted Runoff Management Grants	150,000	-	(150,000)	-
Conservation Reserve Enhancement Program	500	-	(500)	628
District Attorney	23,851	42,369	18,518	26,057
SARA HAZMAT Equipment Grant	10,000	7,475	(2,525)	8,077
Lake Protection Grant	15,000	-	(15,000)	-
Police Training	19,480	19,092	(388)	13,669
Sheriff Department Grants	28,500	27,145	(1,355)	29,070

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
County Trunk Highways	\$ 1,617,957	\$ 1,617,957	\$ -	\$ 1,565,413
Local Road Improvement Program	388,263	388,263	-	425,896
State Aid - Bridge Aid	101,192	101,192	-	-
Child Support	738,290	728,461	(9,829)	716,729
Veterans Service Officer	11,500	11,500	-	11,500
Snowmobile Trail Advances	170,980	189,409	18,429	157,995
All Terrain Vehicle Trails	18,531	19,554	1,023	468,882
Wildlife Habitat Management	1,720	1,623	(97)	1,616
Forest Administration	46,000	46,685	685	34,405
Forest Roads	6,149	5,648	(501)	5,655
State Aid - SWIRM	278,686	249,949	(28,737)	283,901
County Forest Trails	289,806	728	(289,078)	6,338
Old Abe Trail	91,949	97,642	5,693	-
Wildlife Damage Abatement	25,394	24,030	(1,364)	32,626
Emergency Government	52,000	56,514	4,514	57,457
Total Intergovernmental	7,811,223	7,403,773	(407,450)	7,426,015
Licenses and Permits:				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	13,000	11,200	(1,800)	12,280
Marriage License Fees for Social Services	7,500	7,300	(200)	7,880
Conservation License Fees	375	312	(63)	340
Environmental Impact Fees	4,206	4,206	-	4,357
Zoning Permits	167,122	193,884	26,762	200,958
Building Inspection Fees	143,463	160,297	16,834	165,163
Gravel Pit Permits	277,000	252,536	(24,464)	248,088
Occupational Driver's Licenses	500	240	(260)	120
Total Licenses and Permits	614,166	630,975	16,809	640,186
Fines and Forfeits:				
County Ordinance Forfeitures	95,000	85,880	(9,120)	100,922
County Share of State Fines and Forfeitures	80,000	72,152	(7,848)	84,068
Total Fines and Forfeits	175,000	158,032	(16,968)	184,990

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services:				
County Clerk Fees	\$ 14,000	\$ 13,262	\$ (738)	\$ 13,965
Treasurer Fees	2,700	6,613	3,913	2,858
Employee Health Premium Revenue	-	298,682	298,682	-
Register of Deeds Fees	285,000	333,367	48,367	290,134
Uniform Address Fees	4,000	6,190	2,190	6,810
Surveyor Fees	5,000	3,628	(1,372)	5,086
Sign Replacement Revenues	5,775	8,140	2,365	7,790
Passport Revenues	64,700	70,118	5,418	62,686
Circuit Court Fees and Costs	190,000	234,111	44,111	225,156
Criminal Justice Coordinator	37,000	62,500	25,500	29,634
Mediation Fees	7,100	6,820	(280)	7,555
Bond Forfeiture Revenues	8,000	8,455	455	5,506
Attorney Fee Reimbursements	29,000	40,770	11,770	30,427
Register in Probate Fees	20,000	19,656	(344)	14,665
Guardian Ad Litem Revenue	65,000	66,686	1,686	74,539
Guardianship Revenue	6,450	12,549	6,099	10,291
Probate Attorney Fees	1,300	927	(373)	1,015
Youth Court Program Fees	2,000	470	(1,530)	500
Restitution Surcharge Fees	27,460	31,726	4,266	41,976
Ignition Interlock Surcharge Fees	6,000	5,803	(197)	6,458
Chapter 51/55 Legal Fees	400	28	(372)	38
Prosecution Revenues	800	950	150	880
Sale of Maps and Plats	10,000	4,135	(5,865)	9,085
Sheriff Fees	102,985	128,073	25,088	116,212
Reserve Officers Revenues	127,420	126,804	(616)	133,541
Board of Prisoners - Huber	191,900	213,602	21,702	203,540
Jail Revenues	46,220	38,383	(7,837)	24,006
Jail Canteen Fund	148,800	151,630	2,830	163,843
Electronic Monitoring Revenue	86,870	55,758	(31,112)	60,218
Range Usage Fees	13,170	16,859	3,689	17,869
DNA Testing Fee	2,000	2,250	250	2,640
Coroner Fees	55,000	66,525	11,525	57,465
All Terrain Vehicle Class Fees	200	350	150	430
Water Patrol Class Fees	200	350	150	190
Snowmobile Training Class Fees	200	470	270	390
Health Clinic Revenue	91,958	61,402	(30,556)	85,152
Home Nursing Revenue	1,071,626	848,249	(223,377)	828,915
Child Support Collections	18,800	13,338	(5,462)	15,049
County Parks Revenue	170,393	192,325	21,932	169,870

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
Trail Fee Revenues	\$ 15,000	\$ 13,251	\$ (1,749)	\$ 14,382
Tree Planter Rental Fees	500	-	(500)	520
University Extension Revenue	7,190	30,219	23,029	16,132
CREP Revenue	1,500	550	(950)	822
Land Conservation - Engineering Services	8,500	13,510	5,010	16,067
Land Conservation - Technical Services	15,493	17,890	2,397	6,010
Land Conservation - Municipal Service Fee	10,000	4,000	(6,000)	4,000
Plan Review Fees	6,000	15,025	9,025	26,355
District Attorney Revenues	12,500	15,605	3,105	10,573
County Forest Revenues	487,142	327,734	(159,408)	630,995
Solid Waste Disposal	500	246	(254)	371
Solid Waste Tire Facility	16,000	11,098	(4,902)	15,491
Community Well Water Fee	30,591	33,428	2,837	35,442
Economic Development Revenues	-	14,918	14,918	-
Recycling Revenues	16,974	9,774	(7,200)	9,774
Total Public Charges for Services	3,547,317	3,659,202	111,885	3,513,318
Intergovernmental Charges for Services:				
Board of Prisoners from Other Governments	206,450	255,126	48,676	310,954
Information System Revenues	58,551	57,603	(948)	57,663
Elections	10,000	11,720	1,720	8,929
Total Intergovernmental Charges for Services	275,001	324,449	49,448	377,546
Miscellaneous:				
Investment Income	390,000	784,107	394,107	603,479
Increase (Decrease) in Fair Value of Investments	-	94,274	94,274	32,186
Radio Tower Lease Revenue	26,040	26,067	27	26,063
Copy Machine/Offset Revenue	21,600	8,297	(13,303)	8,312
Clerk of Court Copy Machine Revenue	500	-	(500)	28
Sale of County Property	500	925	425	122
Sale of Sheriff Property	200	600	400	200
Profit on Tax Deed Sales	41,500	229,209	187,709	110,794
TIF District Refunds	120	-	(120)	-
Insurance Recoveries	59,304	30,312	(28,992)	6,383
Insurance Dividends	50,000	62,866	12,866	51,592
Refund of Prior Years Expenses	-	-	-	749
Youth Court Program Donations	6,000	5,274	(726)	7,314
Land Conservation Private Grants and Donations	57,500	64,771	7,271	72,766
Energy Grants and Rebates	-	-	-	3,416
Sheriff Donations	2,500	5,400	2,900	12,898
Groundwater Study Donations	32,000	-	(32,000)	-
Sundry Departmental Revenues	7,200	28,173	20,973	15,839
Land Conservation Revenue	7,500	8,664	1,164	7,076
Maintenance Miscellaneous Revenue	62,896	58,550	(4,346)	242
Emergency Government Miscellaneous Revenue	-	566	566	500
Forest and Parks Miscellaneous Revenue	500	268	(232)	17,028
Other Miscellaneous Revenues	44,800	45,055	255	59,819
Total Miscellaneous	810,660	1,453,378	642,718	1,036,806
Total Revenues	30,814,667	31,225,169	410,502	30,475,214

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES				
General Government:				
County Board	\$ 182,435	\$ 150,415	\$ 32,020	\$ 122,727
Circuit Court	1,892,878	1,753,929	138,949	1,759,641
Mediation Program	25,000	25,000	-	25,000
Register in Probate	206,170	206,131	39	201,002
Youth Court Program	8,000	3,141	4,859	4,594
Family Court Commissioner	25,580	26,577	(997)	26,879
Coroner	146,922	166,045	(19,123)	153,717
County Clerk	234,341	236,571	(2,230)	226,663
County Administrator	359,284	334,638	24,646	272,352
Elections	48,098	22,985	25,113	44,337
Personnel	322,357	302,567	19,790	282,873
Information Systems	801,845	736,289	65,556	780,064
Copy Machine/Offset	421,600	407,536	14,064	6,261
Finance	323,321	310,071	13,250	301,203
Personal Property Chargeback Expenses	500	540	(40)	279
Assessments	425	441	(16)	-
County Treasurer	382,647	380,035	2,612	368,984
Independent Auditing	29,061	26,325	2,736	26,212
Special Accounting	8,000	7,765	235	7,765
District Attorney	456,997	508,792	(51,795)	448,099
Crime Victim/Witness Program	231,703	231,926	(223)	229,191
Corporate Counsel	308,006	321,177	(13,171)	310,110
Register of Deeds	353,951	353,884	67	322,016
Register of Deeds Carryover	200,000	19,109	180,891	-
Land Records Program Local	339,864	258,842	81,022	252,603
Tax Deed Expense	59,500	71,912	(12,412)	32,115
Courthouse	2,341,404	1,854,114	487,290	1,368,847
Radio Towers	64,650	134,940	(70,290)	40,574
Facilities Improvements	34,197	-	34,197	31,523
Security Plan	198,920	39,717	159,203	347,471

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
Property and Liability Insurance	\$ 250,704	\$ 259,223	\$ (8,519)	\$ 223,083
Health Program Expenses	75,000	357,479	(282,479)	65,201
Maps and Plat Books	10,000	-	10,000	24,526
Sundry Department Expenses	3,300	3,042	258	675
Contingency	180,000	-	180,000	-
Computer Outlay	248,963	234,954	14,009	270,787
Total General Government	<u>10,775,623</u>	<u>9,746,112</u>	<u>1,029,511</u>	<u>8,577,374</u>
Public Safety:				
Sheriff	829,220	857,891	(28,671)	865,106
Investigations	606,741	593,390	13,351	611,143
Patrol	2,235,260	2,164,930	70,330	2,084,046
Sheriff's Department Training and Equipment	3,701,094	256,017	3,445,077	565,238
Reserve Officers	127,420	125,451	1,969	143,372
Snowmobile Patrol	16,338	30,637	(14,299)	17,320
Rifle Range	14,945	12,802	2,143	26,007
Water Safety Patrol	54,106	51,185	2,921	24,488
All Terrain Vehicle Trail Patrol	26,860	24,194	2,666	15,765
Police Radio	48,814	50,139	(1,325)	35,500
Fire Suppression	5,000	1,378	3,622	782
Building Inspection Fund	143,463	105,994	37,469	95,518
Emergency Government	128,042	126,657	1,385	124,904
SARA Program (Hazardous Materials)	42,805	38,037	4,768	37,300
Special Grants - Emergency Government	10,000	-	10,000	10,763
County Jail	3,208,655	3,319,338	(110,683)	3,174,875
Jail Canteen Fund	148,800	155,304	(6,504)	157,661
Telecommunications	1,256,243	1,293,331	(37,088)	1,265,039
Uniform Addressing	105,371	106,584	(1,213)	104,711
Total Public Safety	<u>12,709,177</u>	<u>9,313,259</u>	<u>3,395,918</u>	<u>9,359,538</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Works:				
County Trunk Highway System (see Schedule E-4)	\$ 7,353,795	\$ 7,353,795	\$ -	\$ 6,876,648
Recycling	314,855	261,111	53,744	264,319
Airport	130,271	130,271	-	130,271
Total Public Works	<u>7,798,921</u>	<u>7,745,177</u>	53,744	<u>7,271,238</u>
Health and Human Services:				
Public Health Nurse	470,641	458,558	12,083	438,481
Home Nursing Program	1,244,017	1,091,590	152,427	1,098,297
Health Clinics	43,000	22,835	20,165	38,992
Child Support	791,779	760,353	31,426	747,494
Veterans' Service Officer	228,161	220,486	7,675	211,568
Veterans' Relief	8,137	5,334	2,803	6,521
Care of Veterans' Graves	650	650	-	649
Total Health and Human Services	<u>2,786,385</u>	<u>2,559,806</u>	226,579	<u>2,542,002</u>
Culture, Recreation and Education:				
Grants to Public Libraries	713,617	713,768	(151)	686,223
Snowmobile Trails	170,980	179,889	(8,909)	170,133
All Terrain Vehicle Trails	18,531	20,054	(1,523)	478,840
University Extension	248,878	230,233	18,645	224,698
Old Abe Trail	198,898	183,188	15,710	11,072
Hickory Ridge/River Road Trail	-	728	(728)	11,912
Extension Education Programs	59,905	76,768	(16,863)	66,146
Total Culture, Recreation and Education	<u>1,410,809</u>	<u>1,404,628</u>	6,181	<u>1,649,024</u>
Conservation and Development:				
County Forestry Department	254,048	253,504	544	239,754
County Parks	719,771	565,571	154,200	534,037
Forest Roads	76,149	18,484	57,665	30,187
Forest and Parks Quality of Life	-	39,250	(39,250)	-
State Forestry Fund	46,000	46,685	(685)	69,611
Comprehensive Planning Project	130,000	64,873	65,127	25,948
Land Conservation Stewardship	85,600	-	85,600	-
Conservation Committee	700	649	51	700
Land Conservation	348,331	325,504	22,827	257,644

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019		Variance - Positive (Negative)	2018 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Conservation and Development: (Continued)				
Lake Protection Grant	\$ 15,000	\$ -	\$ 15,000	\$ -
SWIRM Grant Expenditures	280,886	243,542	37,344	301,097
Groundwater Study	32,000	-	32,000	-
Targeted Runoff Management	150,000	-	150,000	-
Stormwater Planning Grant	23,293	23,144	149	20,628
Special Conservation Projects	404,000	54,289	349,711	98,624
Wildlife Habitat Management	1,720	1,385	335	14,305
Wildlife Damage - Abatement Project	25,394	23,620	1,774	33,841
TMDL - Little Lake Wissota	66,000	64,771	1,229	84,817
Gravel Pits	277,000	372,019	(95,019)	235,032
Conservation Reserve Enhancement Program	4,000	1,830	2,170	1,259
Housing Authority	1,150	824	326	809
Zoning	562,870	538,204	24,666	481,372
Economic Development	188,900	237,435	(48,535)	181,500
Environmental Impact Fee	4,206	-	4,206	15,400
Tourism Development	32,270	32,270	-	32,270
Total Conservation and Development	<u>3,729,288</u>	<u>2,907,853</u>	<u>821,435</u>	<u>2,658,835</u>
Total Expenditures	<u>39,210,203</u>	<u>33,676,835</u>	<u>5,533,368</u>	<u>32,058,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,395,536)	(2,451,666)	5,943,870	(1,582,797)
OTHER FINANCING SOURCES (USES)				
Transfers In:				
County Sales Tax Fund	2,915,312	2,905,140	(10,172)	2,571,806
Land Management Fund	197,803	160,759	(37,044)	91,071
ADRC Fund	-	109,362	109,362	15,937
Public Health Fund	-	-	-	39,889
Workers Compensation Fund	-	757,383	757,383	532,015
Transfers Out:				
Public Health Fund	-	(9,124)	(9,124)	-
Highway Department Fund	-	(49,404)	(49,404)	(18,392)
Self-Funded Liability Insurance Fund	-	-	-	(500,000)
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>3,107,115</u>	<u>3,868,116</u>	<u>761,001</u>	<u>2,726,326</u>
NET CHANGE IN FUND BALANCE	(5,288,421)	1,416,450	6,704,871	1,143,529
Fund Balance - Beginning of Year	<u>24,209,760</u>	<u>24,209,760</u>	<u>-</u>	<u>23,066,231</u>
FUND BALANCE - END OF YEAR	<u>\$ 18,921,339</u>	<u>\$ 25,626,210</u>	<u>\$ 6,704,871</u>	<u>\$ 24,209,760</u>

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)**

	<u>2011 Refunding Bonds</u>	<u>2013 Capital Projects Debt</u>	<u>2018 Capital Projects Debt</u>	<u>Totals</u>	
				<u>2019</u>	<u>2018</u>
ASSETS					
Treasurer's Cash and Investments	<u>\$ 614,709</u>	<u>\$ 4,801</u>	<u>\$ 94,458</u>	<u>\$ 713,968</u>	<u>\$ 1,021,984</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE					
Fund Balance					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 402,474
Committed	614,709	4,801	94,458	713,968	619,510
Total Fund Balance	<u>614,709</u>	<u>4,801</u>	<u>94,458</u>	<u>713,968</u>	<u>1,021,984</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 614,709</u>	<u>\$ 4,801</u>	<u>\$ 94,458</u>	<u>\$ 713,968</u>	<u>\$ 1,021,984</u>

CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)

	2011	2013	2018	Totals	
	Refunding Bonds	Capital Projects Debt	Capital Projects Debt	2019	2018
REVENUES					
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ 2,008
EXPENDITURES					
Principal Retirement	835,000	430,000	295,000	1,560,000	1,395,000
Interest and Fiscal Charges	12,525	26,425	254,866	293,816	163,674
Debt Issuance Costs	-	-	-	-	32,776
Total Expenditures	<u>847,525</u>	<u>456,425</u>	<u>549,866</u>	<u>1,853,816</u>	<u>1,591,450</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(847,525)	(456,425)	(549,866)	(1,853,816)	(1,589,442)
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issued	-	-	-	-	2,135,000
Premium on Debt Issued	-	-	-	-	464,097
Transfer In from Sales Tax Fund	847,525	456,425	241,850	1,545,800	1,544,000
Principal Payments on Refinanced Debt	-	-	-	-	(2,150,000)
Total Other Financing Sources (Uses)	<u>847,525</u>	<u>456,425</u>	<u>241,850</u>	<u>1,545,800</u>	<u>1,993,097</u>
NET CHANGE IN FUND BALANCE	-	-	(308,016)	(308,016)	403,655
Fund Balance - Beginning of Year	<u>614,709</u>	<u>4,801</u>	<u>402,474</u>	<u>1,021,984</u>	<u>618,329</u>
FUND BALANCE - END OF YEAR	<u>\$ 614,709</u>	<u>\$ 4,801</u>	<u>\$ 94,458</u>	<u>\$ 713,968</u>	<u>\$ 1,021,984</u>

CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Treasurer's Cash	\$ 1,068,348	\$ -
Noncurrent Assets:		
Notes Receivable	1,624,559	2,414,781
Property Held for Resale:		
Land	430,703	439,759
Land Improvements	1,287,942	1,414,885
Capital Assets:		
Land	<u>22,653</u>	<u>22,653</u>
Total Noncurrent Assets	<u>3,365,857</u>	<u>4,292,078</u>
Total Assets	4,434,205	4,292,078
LIABILITIES		
Current Liabilities:		
Vouchers Payable	16,064	1,232
Due to Other Funds	-	295,901
Special Deposits	<u>4,589</u>	<u>4,589</u>
Total Liabilities	<u>20,653</u>	<u>301,722</u>
NET POSITION		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	<u>4,390,899</u>	<u>3,967,703</u>
Total Net Position	<u>\$ 4,413,552</u>	<u>\$ 3,990,356</u>

**CHIPPEWA COUNTY, WISCONSIN
 FARM LAND DEVELOPMENT ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:		
Gain on Sale of Property	\$ 382,001	\$ 152,845
Other Miscellaneous Revenues	<u>63,830</u>	<u>26</u>
Total Operating Revenues	445,831	152,871
OPERATING EXPENSES	<u>22,635</u>	<u>60,055</u>
OPERATING INCOME (LOSS)	423,196	92,816
NONOPERATING REVENUES (EXPENSES):		
Business Development Grant	-	32,577
Business Development Expense	-	<u>(54,462)</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(21,885)</u>
CHANGE IN NET POSITION	423,196	70,931
Net Position - Beginning of Year	<u>3,990,356</u>	<u>3,919,425</u>
NET POSITION - END OF YEAR	<u>\$ 4,413,552</u>	<u>\$ 3,990,356</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from the Sale of County Property and Deposits	\$ 1,308,223	\$ 39,999
Cash Received from Land Use	26	-
Cash Received from Underground Utilities Agreements	63,803	-
Cash Paid for Goods and Services	(7,803)	(58,797)
Net Cash Provided by (Used for) Operating Activities	1,364,249	(18,798)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Provided by (Repaid to) General Fund for Cash Deficit	(295,901)	295,901
Cash Paid for Business Development Activities	-	(21,885)
Net Cash Provided by (Used for) Noncapital Financing Activities	(295,901)	274,016
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Paid for Purchase of Land	-	(349,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,068,348	(93,782)
Cash and Cash Equivalents - Beginning of Year	-	93,782
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,068,348	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 423,196	\$ 92,816
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Land and Land Improvements Sold	135,999	174,886
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	790,222	(287,732)
Increase (Decrease) in Vouchers Payable	14,832	1,232
Net Cash Provided by (Used for) Operating Activities	\$ 1,364,249	\$ (18,798)

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)**

ASSETS	Highway Department	Self-Funded Workers Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2019	2018
CURRENT ASSETS						
Treasurer's Cash and Investments	\$ 1,520,275	\$ 1,769,310	\$ 45,112	\$ 79,151	\$ 3,413,848	\$ 3,953,038
Departmental Cash - Petty Cash	100	-	-	-	100	100
Cash and Investments Held by Fiscal Agent	-	-	250,556	-	250,556	234,191
Accounts Receivable	140,998	2,324	35,866	-	179,188	162,892
Due from Other Governmental Units	1,917,062	-	-	-	1,917,062	1,601,291
Inventories	2,890,095	-	-	-	2,890,095	2,725,048
Prepaid Items	-	3,153	1,703	-	4,856	-
Total Current Assets	6,468,530	1,774,787	333,237	79,151	8,655,705	8,676,560
RESTRICTED ASSETS						
Wisconsin Retirement System Net Pension Asset	-	-	-	-	-	787,237
NONCURRENT ASSETS						
Capital Assets:						
Not Being Depreciated	93,419	-	-	-	93,419	92,696
Being Depreciated	30,820,408	-	-	-	30,820,408	30,299,627
Accumulated Depreciation	(19,876,794)	-	-	-	(19,876,794)	(19,121,966)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	750,327	-	750,327	750,327
Total Noncurrent Assets	11,037,033	-	750,327	-	11,787,360	12,020,684
Total Assets	17,505,563	1,774,787	1,083,564	79,151	20,443,065	21,484,481
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension Related	2,560,560	-	-	-	2,560,560	1,441,894
County Other Postemployment Benefits Related	19,536	-	-	-	19,536	18,886
State Life Insurance Postemployment Benefits Related	23,957	-	-	-	23,957	26,183
Total Deferred Outflows of Resources	2,604,053	-	-	-	2,604,053	1,486,963

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2019	2018
LIABILITIES						
CURRENT LIABILITIES						
Accounts Payable	\$ 173,313	\$ 3,560	\$ 267	\$ -	\$ 177,140	\$ 226,168
Present Value of Unpaid Losses	-	771,227	727,526	-	1,498,753	1,967,119
Unearned Cost Pool Revenues	5,185	-	-	-	5,185	11,060
Highway Construction Advance Payment	863,389	-	-	-	863,389	960,570
Current Portion of Employee Leave Liability	331,618	-	-	-	331,618	358,119
Total Current Liabilities	<u>1,373,505</u>	<u>774,787</u>	<u>727,793</u>	<u>-</u>	<u>2,876,085</u>	<u>3,523,036</u>
LONG-TERM LIABILITIES						
(Net of Current Portion):						
Total Other Postemployment Benefits Liability	339,383	-	-	-	339,383	347,048
State Life Insurance Net Postemployment Benefits Liability	189,086	-	-	-	189,086	228,567
Wisconsin Retirement System Net Pension Liability	944,967	-	-	-	944,967	-
Estimated Employee Leave Liability	164,796	-	-	-	164,796	135,365
Total Long-Term Liabilities	<u>1,638,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638,232</u>	<u>710,980</u>
Total Liabilities	3,011,737	774,787	727,793	-	4,514,317	4,234,016
DEFERRED INFLOWS OF RESOURCES						
Wisconsin Retirement System Pension Related	1,301,601	-	-	-	1,301,601	1,550,048
County Other Postemployment Benefits Related	11,261	-	-	-	11,261	-
State Life Insurance Postemployment Benefits Related	55,727	-	-	-	55,727	8,565
Total Deferred Inflows of Resources	<u>1,368,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,368,589</u>	<u>1,558,613</u>
NET POSITION						
Net Investment in Capital Assets	11,037,033	-	-	-	11,037,033	11,270,357
Restricted for Pension Plan	-	-	-	-	-	787,237
Unrestricted	4,692,257	1,000,000	355,771	79,151	6,127,179	5,121,221
Total Net Position	<u>\$ 15,729,290</u>	<u>\$ 1,000,000</u>	<u>\$ 355,771</u>	<u>\$ 79,151</u>	<u>\$ 17,164,212</u>	<u>\$ 17,178,815</u>

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2019	2018
OPERATING REVENUES	\$ 12,589,175	\$ 754,150	\$ 194,925	\$ 264,806	\$ 13,803,056	\$ 14,006,685
OPERATING EXPENSES	15,245,616	8,566	248,288	274,472	15,776,942	16,262,117
OPERATING INCOME (LOSS)	(2,656,441)	745,584	(53,363)	(9,666)	(1,973,886)	(2,255,432)
NONOPERATING REVENUES (EXPENSES):						
Interest Revenue	-	11,799	4,421	-	16,220	14,166
Dividend Revenue	-	-	35,866	-	35,866	34,829
Disposition of Assets	(3,105)	-	-	-	(3,105)	18,067
Nonoperating Depreciation	(20,444)	-	-	-	(20,444)	(20,444)
Total Nonoperating Revenues (Expenses)	(23,549)	11,799	40,287	-	28,537	46,618
INCOME (LOSS) BEFORE TRANSFERS	(2,679,990)	757,383	(13,076)	(9,666)	(1,945,349)	(2,208,814)
CONTRIBUTIONS AND TRANSFERS:						
Transfers from General Fund	49,404	-	-	6,000	55,404	524,392
Transfer from Sales Tax Fund	1,475,000	-	-	-	1,475,000	1,485,000
Transfer from Capital Projects Fund	1,157,725	-	-	-	1,157,725	-
Transfers to General Fund	-	(757,383)	-	-	(757,383)	(532,015)
Total Contributions and Transfers	2,682,129	(757,383)	-	6,000	1,930,746	1,477,377
CHANGE IN NET POSITION	2,139	-	(13,076)	(3,666)	(14,603)	(731,437)
Net Position - Beginning of Year	15,727,151	1,000,000	368,847	82,817	17,178,815	17,910,252
NET POSITION - END OF YEAR	\$ 15,729,290	\$ 1,000,000	\$ 355,771	\$ 79,151	\$ 17,164,212	\$ 17,178,815

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Goods and Services:						
County/Departments	\$ 7,590,261	\$ 754,150	\$ 194,425	\$ -	\$ 8,538,836	\$ 8,221,503
Third Parties	4,564,980	-	-	-	4,564,980	5,508,764
Cash Received from Employees	-	-	-	264,806	264,806	262,537
Cash Payments for Goods and Services	(4,547,053)	(69,877)	(19,713)	(7,835)	(4,644,478)	(5,034,433)
Cash Payments for Employee Services	(9,132,167)	(38,028)	(35,200)	-	(9,205,395)	(8,684,304)
Cash Payments for Insurance Claims	-	(186,312)	(157,689)	(260,609)	(604,610)	(867,607)
Cash Payments for Insurance Premiums	-	(40,986)	(179,474)	-	(220,460)	(195,437)
Net Cash Provided by (Used for)						
Operating Activities	(1,523,979)	418,947	(197,651)	(3,638)	(1,306,321)	(788,977)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer from (to) General Fund	49,404	(757,383)	-	6,000	(701,979)	(7,623)
Transfer from Sales Tax Fund	1,475,000	-	-	-	1,475,000	1,485,000
Transfer from Capital Projects Fund	1,157,725	-	-	-	1,157,725	-
Cash Provided by General Fund for Cash Deficit	-	-	-	-	-	(27,459)
Net Cash Provided by (Used for)						
Noncapital Financing Activities	2,682,129	(757,383)	-	6,000	1,930,746	1,449,918
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Cash Received from Salvage of Capital Assets	73,474	-	-	-	73,474	146,559
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,271,773)	-	-	-	(1,271,773)	(2,047,991)
Net Cash Provided by (Used for)						
Capital and Related Financing Activities	(1,198,299)	-	-	-	(1,198,299)	(1,901,432)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends Received on Investments	-	11,799	39,250	-	51,049	54,205
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	(40,149)	(326,637)	(158,401)	2,362	(522,825)	(1,186,286)
Cash and Cash Equivalents - Beginning of Year	1,560,524	2,095,947	454,069	76,789	4,187,329	5,373,615
CASH AND CASH EQUIVALENTS - DECEMBER 31	\$ 1,520,375	\$ 1,769,310	\$ 295,668	\$ 79,151	\$ 3,664,504	\$ 4,187,329

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (COMBINED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)**

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2019	2018
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (2,656,441)	\$ 745,584	\$ (53,363)	\$ (9,666)	\$ (1,973,886)	\$ (2,255,432)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Depreciation	1,401,092	-	-	-	1,401,092	1,324,944
Depletion of Gravel Pits and Quarries	6,982	-	-	-	6,982	8,046
Change in Wisconsin Pension System Related Items:						
Asset / Liability	1,732,204	-	-	-	1,732,204	(1,005,042)
Deferred Outflows of Resources	(1,118,666)	-	-	-	(1,118,666)	232,074
Deferred Inflows of Resources	(248,447)	-	-	-	(248,447)	864,805
Change in County OPEB Related Items:						
Liability	(7,665)	-	-	-	(7,665)	44,406
Deferred Outflows of Resources	(650)	-	-	-	(650)	3,748
Deferred Inflows of Resources	11,261	-	-	-	11,261	-
Change in LRLIF OPEB Related Items:						
Liability	(39,481)	-	-	-	(39,481)	37,954
Deferred Outflows of Resources	2,226	-	-	-	2,226	(24,747)
Deferred Inflows of Resources	47,162	-	-	-	47,162	8,565
(Increase) Decrease in Assets:						
Accounts Receivable	(20,982)	(305)	-	6,028	(15,259)	(16,112)
Due from Other Governments	(315,771)	-	-	-	(315,771)	79,764
Materials and Supplies	(165,047)	-	-	-	(165,047)	(266,166)
Prepaid Items	-	(3,153)	(1,703)	-	(4,856)	-
Increase (Decrease) in Liabilities:						
Accounts Payable	(51,630)	3,012	(410)	-	(49,028)	(2,938)
Present Value of Unpaid Losses	-	(326,191)	(142,175)	-	(468,366)	258,432
Unearned Cost Pool Revenues	(5,875)	-	-	-	(5,875)	(39,006)
Advance for Highway Construction	(97,181)	-	-	-	(97,181)	(73,681)
Unused Vested Employee Benefits	2,930	-	-	-	2,930	31,409
 Net Cash Provided by (Used for) Operating Activities	 <u>\$ (1,523,979)</u>	 <u>\$ 418,947</u>	 <u>\$ (197,651)</u>	 <u>\$ (3,638)</u>	 <u>\$ (1,306,321)</u>	 <u>\$ (788,977)</u>

CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND –
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)

	2019	2018
OPERATING REVENUES:		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 7,353,795	\$ 6,876,648
State Highway Maintenance and Construction	2,852,836	3,038,834
Local Districts	1,298,101	1,480,837
County Departments	146,993	287,250
Nongovernmental Customers	362,133	304,421
Nonhighway Fleet	89,473	89,389
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	315,521	300,167
Equipment Storage	144,456	153,338
Gravel Pit Sales	50	235,480
Miscellaneous Highway Revenues	25,817	9,568
Total Operating Revenues	12,589,175	12,775,932
OPERATING EXPENSES:		
Administration and General:		
Administration	430,123	428,408
Patrol Superintendent	110,589	119,988
Engineering Technician	8,854	16,948
Radio Expense	8,156	4,944
Public Liability Insurance	62,263	52,135
Transportation Cost Pools:		
Machinery Operations	(743,641)	264,043
Gravel Pits and Quarries	287,200	(132,345)
Bituminous Operations	154,089	(99,308)
Services Provided:		
County:		
General Maintenance	1,850,974	1,811,351
Reconstruction and Betterments	4,080,065	3,858,660
Winter Maintenance	2,276,002	1,843,584
Bridge Construction	579,370	356,342
Land Acquisition	-	3,150
State:		
Highway Maintenance and Betterments	2,680,301	2,806,699
Equipment Storage	145,565	147,852
Damage Claims	112,001	101,100
Salt Storage	59,794	61,814
County Aid Bridge Construction	412,188	278,662
Local Districts	1,298,101	1,480,837
Local Departments	146,993	287,250
Nongovernmental Customers	362,133	304,421
Amortization of State Contributions Included Above	37,441	39,394
Net Change in Accrued Employee Leave Liabilities	-	51,529
Net Change in Other Postemployment Benefits Liabilities	2,946	69,926
Net Wisconsin Retirement System Pension Expense	374,998	91,837
Nonhighway Fleet	509,111	510,080
Total Operating Expenses	15,245,616	14,759,301
OPERATING LOSS	(2,656,441)	(1,983,369)

**CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND –
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)**

	2019	2018
NONOPERATING REVENUES (EXPENSES):		
Interest Income	\$ -	\$ 68
Gain (Loss) on Disposition of Assets - Nonhighway Fleet	(3,105)	18,067
Depreciation on Building Space Occupied by Other County Departments	(20,444)	(20,444)
Total Nonoperating Revenues (Expenses)	(23,549)	(2,309)
LOSS BEFORE TRANSFERS	(2,679,990)	(1,985,678)
TRANSFERS:		
Transfer from General Fund	49,404	18,392
Transfer from Capital Projects Fund	1,157,725	-
Transfer from Sales Tax Fund	1,475,000	1,485,000
Total Interfund Transfers	2,682,129	1,503,392
CHANGE IN NET POSITION	2,139	(482,286)
Net Position - Beginning of Year	15,727,151	16,209,437
NET POSITION - END OF DECEMBER 31	\$ 15,729,290	\$ 15,727,151
[1] Charges for County Maintenance and Construction Consists of the Following Payments from the General Fund:		
County Appropriations	\$ 4,691,045	\$ 4,321,596
Vehicle Registration Fee	555,338	563,743
State Transportation Aids	1,617,957	1,565,413
State Local Road Improvement Program Aid	388,263	425,896
State Aid - Local Bridge Revenue	101,192	-
Total	\$ 7,353,795	\$ 6,876,648

**CHIPPEWA COUNTY, WISCONSIN
 SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND –
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2018)**

	<u>2019</u>	<u>2018</u>
REVENUES:		
Charges to County	\$ 194,425	\$ 166,161
Insurance Recoveries	500	-
Interest Earnings on Funds Held by WMMIC	4,421	4,338
Dividend from WMMIC	<u>35,866</u>	<u>34,829</u>
Total Revenues	235,212	205,328
EXPENSES:		
Insurance Premiums Paid WMMIC	179,474	153,797
Claims Expenses	157,778	250,553
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	(142,175)	179,136
Administrative and Other Expenses	<u>53,211</u>	<u>67,248</u>
Total Expenses	248,288	650,734
TRANSFERS:		
Transfer from General Fund	<u>-</u>	<u>500,000</u>
CHANGE IN NET POSITION	(13,076)	54,594
Net Position - Beginning of Year	<u>368,847</u>	<u>314,253</u>
NET POSITION - END OF YEAR	<u><u>\$ 355,771</u></u>	<u><u>\$ 368,847</u></u>

**CHIPPEWA COUNTY, WISCONSIN
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)**

	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Timber Bond Performance Deposits	Totals	
							2019	2018
ASSETS								
Treasurer's Cash and Investments	\$ 148,377	\$ -	\$ -	\$ -	\$ -	\$ 31,765	\$ 180,142	\$ 226,702
Departmental Cash and Investments	-	1,991,340	12,888	61,625	57,820	-	2,123,673	530,461
Taxes Receivable:								
Current Apportionment	-	-	-	-	-	-	-	117
Due from Departmental Agency Funds	123,469	-	-	-	-	-	123,469	115,694
Total Assets	\$ 271,846	\$ 1,991,340	\$ 12,888	\$ 61,625	\$ 57,820	\$ 31,765	\$ 2,427,284	\$ 872,974
LIABILITIES								
Due to Other Governmental Units:								
State	\$ 204,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,842	\$ 184,903
Districts	44,691	-	-	-	-	-	44,691	96,953
Due to Other Funds	-	47,801	-	-	48,282	-	96,083	70,556
Due Treasurer's Agency Fund	-	113,931	-	-	9,538	-	123,469	115,694
Special Deposits	22,313	1,829,608	12,888	61,625	-	31,765	1,958,199	404,868
Total Liabilities	\$ 271,846	\$ 1,991,340	\$ 12,888	\$ 61,625	\$ 57,820	\$ 31,765	\$ 2,427,284	\$ 872,974

