

CHIPPEWA COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2013

**CHIPPEWA COUNTY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

The County Board
Chippewa County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County, (the County) as of and for the year ended December 31, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining fund statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2012 which are not presented with the accompanying financial statements. In our report dated July 22, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The 2012 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 2012 basic financial statements. The information has been subjected to the

The County Board
Chippewa County

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 2012 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 15, 2014 on our consideration of County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin

July 15, 2014

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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, 2013. 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, 2013 include the following:

- The assets of Chippewa County exceeded its liabilities at the close of the most recent fiscal year by \$152,214,059 (net position). Of this amount, \$114,653,272 represented the County's investment in capital assets, net of related debt, \$3,682,394 was held for restricted purposes, and \$33,878,393 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 \$2,007,859. Net position related to the governmental activities of the County increased \$2,048,410 and net position related to business-type activities decreased \$40,551.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$30,800,768, an increase of \$2,122,547 over the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,217,718 or 31.9% of total general fund expenditures.
- The County's outstanding general obligation debt increased by \$1,620,000 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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

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

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

Fund Financial Statements

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

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

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

Chippewa County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services special revenue fund, the CDBG grant fund, the county sales tax fund, and the debt service fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Proprietary Funds. Chippewa County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for transactions relating to the development of its farm property. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Chippewa County uses internal service funds to account for its highway department operations, self-funded workers compensation, self-funded health insurance, self-funded liability insurance, and Section 125 flexible benefits plan. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information relating to the farm land development, which is considered a major fund. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 22 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

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

Notes to the Financial Statements

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

Supplementary Information

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

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Chippewa County, assets exceeded liabilities by \$152,214,059 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (75.3%) 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, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$ 66,888,843	\$ 65,659,297	\$ 2,191,058	\$ 2,240,201	\$ 69,079,901	\$ 67,899,498
Capital Assets	122,373,252	120,311,918	22,653	22,653	122,395,905	120,334,571
Total Assets	189,262,095	185,971,215	2,213,711	2,262,854	191,475,806	188,234,069
Long-Term Debt	11,380,000	9,760,000	-	-	11,380,000	9,760,000
Other Long-Term Obligations	2,861,401	3,042,861	-	-	2,861,401	3,042,861
Other Liabilities	8,206,328	8,799,575	4,589	13,181	8,210,917	8,812,756
Total Liabilities	22,447,729	21,602,436	4,589	13,181	22,452,318	21,615,617
Deferred Inflows of Resources	16,809,429	16,412,252	-	-	16,809,429	16,412,252
Net Position:						
Net Investment in Capital Assets	114,630,619	112,636,893	22,653	22,653	114,653,272	112,659,546
Restricted	3,682,394	3,754,462	-	-	3,682,394	3,754,462
Unrestricted	31,691,924	31,565,172	2,186,469	2,227,020	33,878,393	33,792,192
Total Net Position	\$ 150,004,937	\$ 147,956,527	\$ 2,209,122	\$ 2,249,673	\$ 152,214,059	\$ 150,206,200

An additional portion of Chippewa County's net position (2.4%) represents resources that are subject to other restrictions on how they may be used. The remaining \$33,878,393 of total net position (22.3%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$2,186,469 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 2013, 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 \$2,007,859 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$2,048,410 and a decrease in net position related to business-type activities in the amount of \$40,551.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

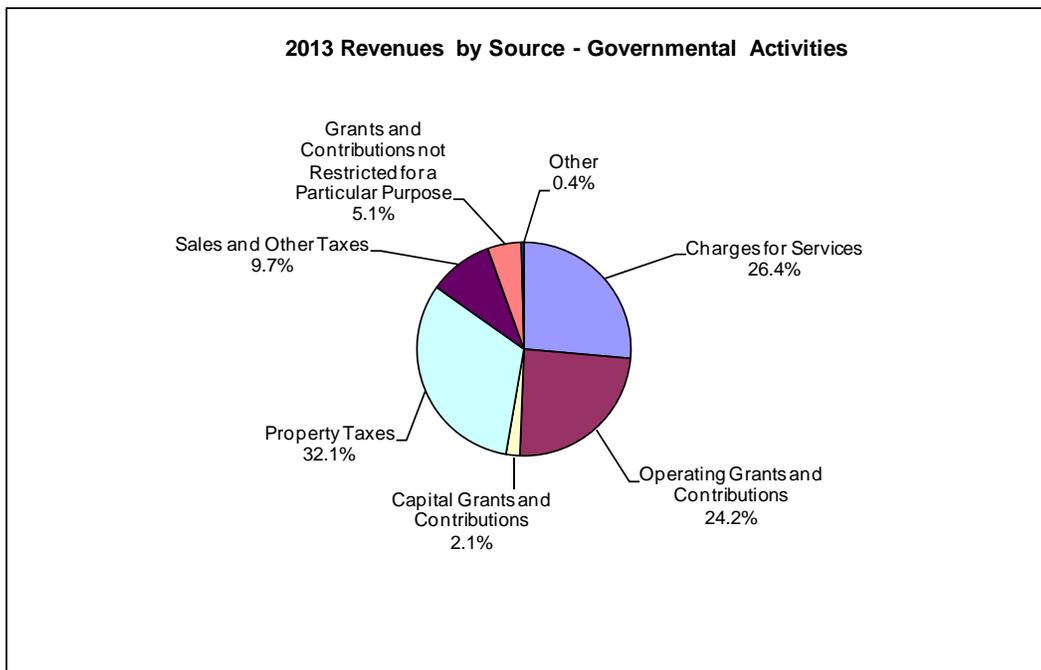
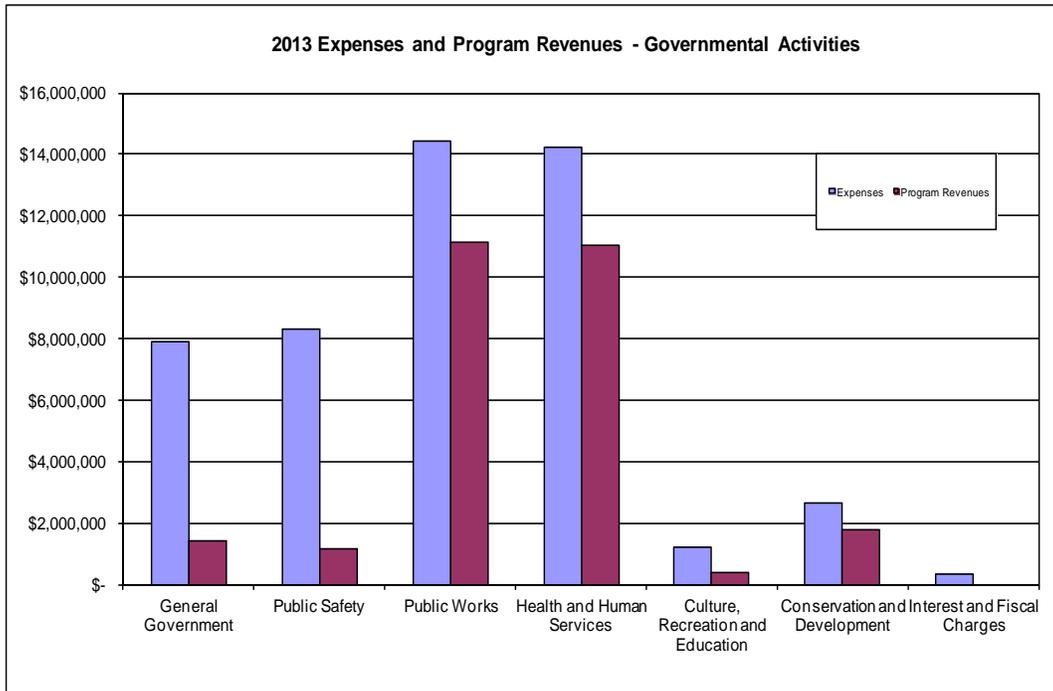
The following is a summary of the changes in the County's net position for the years ended December 31, 2013 and 2012:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 13,550,615	\$ 18,602,792	\$ -	\$ 500	\$ 13,550,615	\$ 18,603,292
Operating Grants and Contributions	12,366,995	11,914,792	-	-	12,366,995	11,914,792
Capital Grants and Contributions	1,077,121	1,454,113	-	-	1,077,121	1,454,113
General Revenues:						
Property Taxes	16,412,252	15,650,600	-	-	16,412,252	15,650,600
Sales/Other Taxes	4,969,592	4,988,945	-	-	4,969,592	4,988,945
State and Federal Aids Not Restricted to Specific Programs	2,606,352	2,614,137	-	-	2,606,352	2,614,137
Other	207,450	630,684	6,357	254	213,807	630,938
Total Revenues	51,190,377	55,856,063	6,357	754	51,196,734	55,856,817
Expenses:						
General Government	7,927,493	7,013,750	-	-	7,927,493	7,013,750
Public Safety	8,311,501	8,629,702	-	-	8,311,501	8,629,702
Public Works	14,426,168	16,883,310	-	-	14,426,168	16,883,310
Health and Human Services	14,216,747	13,955,757	-	-	14,216,747	13,955,757
Culture, Recreation and Education	1,226,749	1,105,992	-	-	1,226,749	1,105,992
Conservation and Development	2,682,693	2,444,925	-	-	2,682,693	2,444,925
Interest and Fiscal Charges	350,616	274,525	-	-	350,616	274,525
Farm Land Development	-	-	46,908	45,082	46,908	45,082
Total Expenses	49,141,967	50,307,961	46,908	45,082	49,188,875	50,353,043
Change in Net Position	\$ 2,048,410	\$ 5,548,102	\$ (40,551)	\$ (44,328)	\$ 2,007,859	\$ 5,503,774

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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 (32.1%), operating grants/contributions (24.2%), and charges for services (26.4%).



**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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, 2013, the County's governmental funds reported combined ending fund balances of \$30,800,768, an increase of \$2,122,547 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2013					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,558,676	\$ -	\$ -	\$ 5,701,967	\$ 9,217,718	\$ 16,478,361	\$ 1,139,210
Human Services Fund	-	-	1,085,358	-	-	1,085,358	(131,422)
CDBG Grant Fund	-	235,897	-	-	-	235,897	(48,119)
County Sales Tax Fund	-	-	7,527,993	-	-	7,527,993	(831,306)
Debt Service Fund	-	17,745	606,800	-	-	624,545	280,458
Nonmajor Funds:							
Special Revenue Funds	-	200,289	1,472,679	-	-	1,672,968	113,055
Capital Projects Funds	-	3,175,646	-	-	-	3,175,646	1,600,671
	<u>\$ 1,558,676</u>	<u>\$ 3,629,577</u>	<u>\$ 10,692,830</u>	<u>\$ 5,701,967</u>	<u>\$ 9,217,718</u>	<u>\$ 30,800,768</u>	<u>\$ 2,122,547</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 57.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 31.9% of the same amount.

The general fund's total fund balance increased \$1,139,210 during the year; while the unassigned portion of the fund increased \$1,808,032. The primary factor in the increase in fund balance was the transfer made during the year from the self-funded health insurance internal service fund.

The County's human services fund decreased \$131,422 during the year and had a balance of \$1,085,358 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, 2013**

The CDBG grant fund balance decreased \$48,119 during the year and had a balance of \$235,897 at year end. This balance, together with the outstanding receivables totaling \$3,239,439 at that date, are restricted for financing future housing rehabilitation loans in accordance with the original grant agreements.

The County sales tax fund balance decreased \$831,306 during the year and had a balance of \$7,527,993 at year end. The decrease was due to budgeted transfers to other funds for debt retirement and capital improvement projects.

The debt service fund balance increased \$280,458 during the year and had a balance of \$624,545 at year end. Of this, \$17,745 is unspent bond proceeds which are restricted for debt service. The remaining debt service fund balance of \$606,800 at December 31, 2013 is committed for financing future principal and interest requirements on outstanding debt issues.

The aggregated other governmental funds include various special revenue funds and capital projects funds. The accumulated fund balances of these funds increased \$1,713,726 during 2013. 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 2013 totaled \$2,209,122, down \$40,551 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2013 and 2012**

	Farm Land Development	
	2013	2012
Operating Revenues	\$ 2,000	\$ 500
Operating Expenses	46,908	45,082
Operating Income (Loss)	(44,908)	(44,582)
Interfund Transfers	4,357	254
Changes in Net Position	(40,551)	(44,328)
Net Position at Beginning of Year	2,249,673	2,294,001
Net Position at Year End	\$ 2,209,122	\$ 2,249,673

As of December 31, 2013, the County's farm land development fund reported net position of \$2,209,122, a decrease of \$40,551 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, 2013**

The County had five internal service funds during 2013. Net position of the funds at year end and changes thereto during the year were as follows:

<u>Fund</u>	<u>Net Position at Year End</u>			<u>Change During Year</u>
	<u>Total</u>	<u>Net Investment in Capital Assets</u>	<u>Unrestricted</u>	
Highway Department	\$ 16,558,351	\$ 11,720,380	\$ 4,837,971	\$ 755,293
Self-funded Insurance Funds:				
Workers Compensation	603,755	-	603,755	154,449
Health Insurance	-	-	-	(1,003,826)
Liability Insurance	909,355	-	909,355	(10,025)
Flexible Benefits	78,228	-	78,228	9,902
Totals	\$ 18,149,689	\$ 11,720,380	\$ 6,429,309	\$ (94,207)

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

The self-funded insurance funds shown above are further discussed in Note 3.D.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2013 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 2012 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2013, 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, 2013 and 2012 was \$122,395,905 and \$120,334,571, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure. The net increase in the governmental activities capital assets was \$2,061,334.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land and Land Rights	\$ 4,943,130	\$ 4,826,806	\$ 22,653	\$ 22,653	\$ 4,965,783	\$ 4,849,459
Construction Work in Progress	573,517	815,457	-	-	573,517	815,457
Gravel Pits and Quarries	1,897	1,897	-	-	1,897	1,897
Land Improvements	3,500,538	2,976,208	-	-	3,500,538	2,976,208
Buildings and Improvements	19,837,391	20,673,864	-	-	19,837,391	20,673,864
Equipment and Vehicles	10,898,966	10,540,574	-	-	10,898,966	10,540,574
Highway Infrastructure	82,617,813	80,477,112	-	-	82,617,813	80,477,112
Total	<u>\$ 122,373,252</u>	<u>\$ 120,311,918</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 122,395,905</u>	<u>\$ 120,334,571</u>

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

- 911 center improvements were completed at a cost of \$219,273.
- The County acquired over 100 acres of land for outdoor recreation purposes at a cost of \$115,000 funded 50% by grant programs.
- County highway improvements of over \$5 million were completed.

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, 2013, Chippewa County had outstanding \$14,560,376 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, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2013	2012	2013	2012	2013	2012	
General Obligation Debt:							
Bonds	\$ 4,985,000	\$ 6,010,000	\$ -	\$ -	\$ 4,985,000	\$ 6,010,000	-17.1%
Notes	6,395,000	3,750,000	-	-	6,395,000	3,750,000	70.5
Subtotal	11,380,000	9,760,000	-	-	11,380,000	9,760,000	16.6
Other Long-Term Obligations:							
Bond Premiums	318,975	327,254	-	-	318,975	327,254	-2.5
Forest Crop Loans Payable	11,000	-	-	-	11,000	-	100.0
Estimated Employee Leave	2,663,813	2,901,826	-	-	2,663,813	2,901,826	-8.2
Other Postemployment Benefits	186,588	141,035	-	-	186,588	141,035	32.3
Total	<u>\$ 14,560,376</u>	<u>\$ 13,130,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,560,376</u>	<u>\$ 13,130,115</u>	10.9

The County issued general obligation debt totaling \$3,000,000 in 2013 for the purpose of financing transportation projects in the Capital Improvement Plan.

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, 2013 totaled \$11,380,000, approximately 4.9%

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

of the maximum legal limit of \$232,665,185. Additional information on Chippewa County's long-term debt is reported in Note 2.E following the financial statements.

CURRENTLY KNOWN FACTS

Tax Levies, Rates and Collections

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

Set forth below are tax levies for County purposes and the tax rate per \$1,000 equalized valuation on all taxable property in the County for collection years 2010-2014:

<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>
2013	2014	3.78	\$ 16,809,429	--In Process of Collection--	
2012	2013	3.75	16,412,252	\$ 1,530,522	90.67%
2011	2012	3.55	15,650,600	1,586,245	89.86
2010	2011	3.45	15,337,436	1,931,263	87.41
2009	2010	3.36	14,887,389	2,014,981	86.47

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 2009 through 2013. The County's Equalized Valuation outside of Tax Incentive Districts (TID) declined since 2010, but has increased slightly once TID valuations are included.

<u>Year</u>	<u>Equalized Valuation (TID-IN)</u>	<u>Equalized Valuation (TID-OUT)</u>
2013	\$ 4,653,303,700	\$ 4,448,218,700
2012	4,572,364,300	4,376,600,400
2011	4,551,285,800	4,406,283,400
2010	4,553,032,700	4,450,774,700
2009	4,541,471,300	4,431,512,900

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Economic Factors and Next Year's Budget and Rates

The overall tax rate for the 2014 budget year increased from a rate of \$3.75/\$1000 of assessed value to a rate of \$3.78/\$1000, an overall increase of 0.8%. The increase was lower than the historical average due to increase in equalized valuations, which increased by 1.6%. The resultant overall tax levy increased from a dollar amount of \$16,412,252 to \$16,809,429 - an overall increase of 2.4%.

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 2013, a total of \$5,313,918 was transferred from the sales tax fund as follows:

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

The sales tax fund generated \$4,464,987 in sales tax revenues and interest earnings during 2013. In the Budget year of 2014 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,368,743
Debt Service Fund	1,662,233
Airport Debt Contribution	127,704
Courthouse Security Plan	150,000
Highways and Bridges	1,500,000
Data Center Equipment	195,000
Sheriff Mobile Command Center	50,000
Government Center Limestone Repair	257,000
Vehicle Fleet Pool Purchases	175,000
Total	<u><u>\$ 5,485,680</u></u>

REQUESTS FOR INFORMATION

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

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2013**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 34,951,387	\$ 320,674	\$ 35,272,061
Departmental Cash and Investments	69,478	-	69,478
Cash and Investments Held by Fiscal Agent	507,479	-	507,479
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	18,366,128	-	18,366,128
Accounts Receivable	3,611,446	40,000	3,651,446
Due from Other Governments	2,441,148	-	2,441,148
Due from Fiduciary Funds	86,464	-	86,464
Long-Term Receivables	4,287,101	-	4,287,101
Inventory and Prepaid Items	1,817,885	-	1,817,885
Noncurrent Assets:			
Property Held for Resale	-	1,830,384	1,830,384
Capital Assets:			
Capital Assets Not Being Depreciated	5,516,647	22,653	5,539,300
Capital Assets Being Depreciated	198,718,220	-	198,718,220
Accumulated Depreciation	(81,861,615)	-	(81,861,615)
Total Assets	189,262,095	2,213,711	191,475,806
LIABILITIES			
Vouchers and Accounts Payable	2,815,014	-	2,815,014
Accrued Payables	1,263,304	-	1,263,304
Accrued Interest Payable	119,851	-	119,851
Payroll Taxes and Withholdings	502,685	-	502,685
Due to Other Governments	515,059	-	515,059
Unearned Revenues	2,619,887	-	2,619,887
Special Deposits	51,553	4,589	56,142
Long-Term Liabilities:			
Amounts Due Within One Year	2,369,490	-	2,369,490
Amounts Due in More Than One Year	12,190,886	-	12,190,886
Total Liabilities	22,447,729	4,589	22,452,318
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	16,809,429	-	16,809,429
NET POSITION			
Net Investment in Capital Assets	114,630,619	22,653	114,653,272
Restricted for:			
Debt Service	6,769	-	6,769
Housing/Business Loan Programs	3,475,336	-	3,475,336
Other	200,289	-	200,289
Unrestricted	31,691,924	2,186,469	33,878,393
Total Net Position	\$ 150,004,937	\$ 2,209,122	\$ 152,214,059

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Primary Government:</u>							
Governmental Activities:							
General Government	\$ 7,927,493	\$ 1,093,062	\$ 317,277	\$ -	\$ (6,517,154)	\$ -	\$ (6,517,154)
Public Safety	8,311,501	998,326	178,333	-	(7,134,842)	-	(7,134,842)
Public Works	14,426,168	8,435,282	1,644,296	1,077,121	(3,269,469)	-	(3,269,469)
Health and Human Services	14,216,747	1,961,094	9,074,601	-	(3,181,052)	-	(3,181,052)
Culture, Recreation and Education	1,226,749	153,938	254,517	-	(818,294)	-	(818,294)
Conservation and Development	2,682,693	908,913	897,971	-	(875,809)	-	(875,809)
Interest and Fiscal Charges	350,616	-	-	-	(350,616)	-	(350,616)
Total Governmental Activities	49,141,967	13,550,615	12,366,995	1,077,121	(22,147,236)	-	(22,147,236)
Business-Type Activities:							
Farm Land Development	46,908	-	-	-	-	(46,908)	(46,908)
Total Primary Government	<u>\$ 49,188,875</u>	<u>\$ 13,550,615</u>	<u>\$ 12,366,995</u>	<u>\$ 1,077,121</u>	(22,147,236)	(46,908)	(22,194,144)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					16,412,252	-	16,412,252
County Sales Taxes					4,459,548	-	4,459,548
Other Taxes					510,044	-	510,044
State and Federal Aids not Restricted to Specific Function					2,606,352	-	2,606,352
Interest and Investment Earnings					66,580	157	66,737
Miscellaneous					140,870	6,200	147,070
Total General Revenues					<u>24,195,646</u>	<u>6,357</u>	<u>24,202,003</u>
CHANGE IN NET POSITION					2,048,410	(40,551)	2,007,859
Net Position - Beginning of Year					147,956,527	2,249,673	150,206,200
NET POSITION - END OF YEAR					<u>\$ 150,004,937</u>	<u>\$ 2,209,122</u>	<u>\$ 152,214,059</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 15,487,889	\$ 1,527,818	\$ -	\$ 6,772,670	\$ 624,545	\$ 4,404,213	\$ 28,817,135
Departmental Cash and Investments	3,352	56,087	-	-	-	9,789	69,228
Cash and Investments Held by Fiscal Agent	25,000	-	235,897	-	-	-	260,897
Taxes Receivable	16,063,357	2,194,066	-	-	-	108,705	18,366,128
Accounts Receivable	918,504	464,622	-	755,323	-	702,762	2,841,211
Due from Other Governmental Units	-	788,463	29,341	-	-	-	817,804
Due from Other Funds	475,491	-	-	-	-	-	475,491
Due from Fiduciary Funds	70,096	4,648	-	-	-	11,720	86,464
Prepaid Items	1,977	-	-	-	-	-	1,977
Long-Term Receivables	967,619	-	3,239,439	-	-	80,043	4,287,101
Total Assets	\$ 34,013,285	\$ 5,035,704	\$ 3,504,677	\$ 7,527,993	\$ 624,545	\$ 5,317,232	\$ 56,023,436
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers and Accounts Payable	\$ 801,078	\$ 1,689,407	\$ 29,341	\$ -	\$ -	\$ 183,274	\$ 2,703,100
Payroll Deductions	502,685	-	-	-	-	-	502,685
Due to Other Governmental Units	524,920	-	-	-	-	1,139	526,059
Unearned Revenues	61,964	15,320	-	-	-	95,457	172,741
Client and Patient Trust Funds	-	51,553	-	-	-	-	51,553
Total Liabilities	1,890,647	1,756,280	29,341	-	-	279,870	3,956,138
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	14,506,658	2,194,066	-	-	-	108,705	16,809,429
Unavailable Revenue - Long-Term Receivables	967,619	-	3,239,439	-	-	80,043	4,287,101
Unavailable Revenue - Other	170,000	-	-	-	-	-	170,000
Total Deferred Inflows of Resources	15,644,277	2,194,066	3,239,439	-	-	188,748	21,266,530
Fund Balances:							
Nonspendable	1,558,676	-	-	-	-	-	1,558,676
Restricted	-	-	235,897	-	17,745	3,375,935	3,629,577
Committed	-	1,085,358	-	7,527,993	606,800	1,472,679	10,692,830
Assigned	5,701,967	-	-	-	-	-	5,701,967
Unassigned	9,217,718	-	-	-	-	-	9,217,718
Total Fund Balances	16,478,361	1,085,358	235,897	7,527,993	624,545	4,848,614	30,800,768
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,013,285	\$ 5,035,704	\$ 3,504,677	\$ 7,527,993	\$ 624,545	\$ 5,317,232	\$ 56,023,436

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 30,800,768

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	\$ 4,022,926	
Land Improvements	5,498,998	
Buildings	28,535,359	
Machinery/Equipment	7,315,530	
Vehicles	246,989	
Infrastructure	130,988,421	
Construction Work in Progress	545,324	
Accumulated Depreciation	<u>(66,500,675)</u>	110,652,872

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. 4,457,101

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

Bonds Payable	(4,985,000)	
Notes Payable	(6,395,000)	
Accrued Interest Payable	(119,851)	
Vacation, Compensatory and Sick Leave Liability	(2,088,822)	
Other Postemployment Benefits Payable	<u>(147,845)</u>	(13,736,518)

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

Unamortized Debt Premiums		(318,975)
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The highway department internal service fund is used by County's management to account for services provided the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities. 16,558,351

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. 1,591,338

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 150,004,937

CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 14,619,525	\$ 2,194,066	\$ -	\$ 4,459,548	\$ -	\$ 108,705	\$ 21,381,844
Intergovernmental	7,046,167	6,163,538	435,301	-	-	2,255,462	15,900,468
Licenses and Permits	454,031	-	-	-	-	48,280	502,311
Fines and Forfeits	192,060	-	-	-	-	57,552	249,612
Public Charges for Services	3,251,234	613,652	-	-	-	300,852	4,165,738
Intergovernmental Charges for Services	395,582	-	-	-	-	-	395,582
Miscellaneous:							
Investment Income	195,798	-	3,672	5,439	323	6,103	211,335
Increase (Decrease) in Fair Value of Investments	(234,028)	-	-	-	-	-	(234,028)
Rent	26,796	-	-	-	-	-	26,796
Sale of Property	4,800	-	-	-	-	-	4,800
Other	368,226	-	206,237	-	-	151,706	726,169
Total Revenues	26,320,191	8,971,256	645,210	4,464,987	323	2,928,660	43,330,627
EXPENDITURES							
General Government	7,627,759	-	-	-	-	523,904	8,151,663
Public Safety	8,061,305	-	-	-	-	88,191	8,149,496
Public Works	6,359,231	-	-	-	-	-	6,359,231
Health and Human Services	3,202,892	8,532,071	-	-	-	2,680,339	14,415,302
Culture, Recreation and Education	1,194,972	-	-	-	-	-	1,194,972
Conservation and Development	2,405,241	-	693,329	-	-	13,260	3,111,830
Debt Service:							
Principal Retirement	-	-	-	-	1,380,000	-	1,380,000
Interest and Fiscal Charges	-	-	-	-	280,225	-	280,225
Debt Issuance Costs	-	-	-	-	-	55,000	55,000
Total Expenditures	28,851,400	8,532,071	693,329	-	1,660,225	3,360,694	43,097,719
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,531,209)	439,185	(48,119)	4,464,987	(1,659,902)	(432,034)	232,908
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	-	3,000,000	3,000,000
Premium on Debt	-	-	-	-	-	72,745	72,745
Transfers In	4,247,353	-	-	17,625	1,940,360	-	6,205,338
Transfers Out	(576,934)	(570,607)	-	(5,313,918)	-	(926,985)	(7,388,444)
Total Other Financing Sources (Uses)	3,670,419	(570,607)	-	(5,296,293)	1,940,360	2,145,760	1,889,639
NET CHANGE IN FUND BALANCES	1,139,210	(131,422)	(48,119)	(831,306)	280,458	1,713,726	2,122,547
Fund Balances, January 1	15,339,151	1,216,780	284,016	8,359,299	344,087	3,134,888	28,678,221
FUND BALANCES, DECEMBER 31	\$ 16,478,361	\$ 1,085,358	\$ 235,897	\$ 7,527,993	\$ 624,545	\$ 4,848,614	\$ 30,800,768

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,122,547

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 6,797,490	
Depreciation Expense Reported in the Statement of Activities	<u>(4,868,626)</u>	1,928,864

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. (173,528)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net assets and does not affect the statement of activities. Long-term debt incurred in the current year is:

General Obligation Debt Issued		(3,000,000)
--------------------------------	--	-------------

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		1,380,000
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Refinancing costs, discounts, and premiums are reported as an other financing use in governmental funds but are deferred in the government wide statements and amortized over the lives of the related debt. (72,745)

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	755,293	
Insurance Funds	<u>(849,500)</u>	(94,207)

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:

Change in Debt Issuance Costs	(108,973)	
Amortization of Debt Premium	81,024	
Net Change in Accrued Interest Payable	12,558	
Net Change in Compensated Absences Liability	8,423	
Net Change in Other Postemployment Benefits Payable	<u>(35,553)</u>	<u>(42,521)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,048,410

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013**

	<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	\$ 320,674	\$ 6,134,252
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agent	-	246,582
Accounts Receivable	40,000	770,235
Due from Other Governmental Units	-	1,623,344
Inventories	-	1,815,908
Total Current Assets	360,674	10,590,571
Noncurrent Assets:		
Property Held for Resale:		
Land	90,871	-
Land Improvements	1,739,513	-
Capital Assets:		
Not Being Depreciated	22,653	120,889
Depreciable Assets	-	26,960,431
Accumulated Depreciation	-	(15,360,940)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	1,853,037	12,470,707
Total Assets	\$ 2,213,711	\$ 23,061,278
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 111,914
Due to Other Funds	-	475,491
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,263,304
Unearned Revenue - Cost Pools	-	23,260
Unearned Revenue - Advance for Highway Construction	-	2,423,886
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	160,998
Total Current Liabilities	4,589	4,458,853
Long-Term Liabilities (Net of Current Portion):		
Other Postemployment Benefits Payable	-	38,743
Estimated Employee Leave Liability	-	413,993
Total Long-Term Liabilities	-	452,736
Total Liabilities	4,589	4,911,589
NET POSITION		
Net Investment in Capital Assets	22,653	11,720,380
Unrestricted	2,186,469	6,429,309
Total Net Position	2,209,122	18,149,689
Total Liabilities and Net Position	\$ 2,213,711	\$ 23,061,278

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
	<u> </u>	<u> </u>
OPERATING REVENUES	\$ 2,000	\$ 15,485,313
OPERATING EXPENSES	<u>46,908</u>	<u>16,849,859</u>
OPERATING INCOME (LOSS)	(44,908)	(1,364,546)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	157	10,502
Dividend Revenue	-	78,771
Lease of County Property	4,200	-
Loss on Disposal of Property	-	18,352
Nonoperating Depreciation	<u>-</u>	<u>(20,392)</u>
Total Nonoperating Revenues (Expenses)	<u>4,357</u>	<u>87,233</u>
INCOME (LOSS) BEFORE TRANSFERS	(40,551)	(1,277,313)
TRANSFERS:		
Transfers from General Fund	-	559,309
Transfers from Sales Tax Fund	-	794,000
Transfers from Capital Projects Fund	-	835,609
Transfers to General Fund	<u>-</u>	<u>(1,005,812)</u>
Total Transfers	<u>-</u>	<u>1,183,106</u>
CHANGE IN NET POSITION	(40,551)	(94,207)
Net Position, January 1	<u>2,249,673</u>	<u>18,243,896</u>
NET POSITION, DECEMBER 31	<u>\$ 2,209,122</u>	<u>\$ 18,149,689</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2013**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 6,882,245
Third Parties	-	8,316,719
Cash Received from Employees	-	395,973
Cash Received from the Sale of Property	2,000	-
Cash Paid to Suppliers for Goods and Services	(55,500)	(6,066,209)
Cash Paid for Employee Services	-	(8,751,348)
Cash Paid for Insurance Claims	-	(586,580)
Cash Paid for Insurance Premiums	-	(197,974)
Net Cash Provided by (Used for) Operating Activities	(53,500)	(7,174)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from Sale of Hay	4,200	-
Transfers from Sales Tax Special Revenue Fund	-	794,000
Transfer from General Fund	-	559,309
Transfer from Capital Projects Fund	-	835,609
Transfer to General Fund	-	(1,005,812)
Net Cash Provided by (Used for) Noncapital Financing Activities	4,200	1,183,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Salvage of Capital Assets	-	21,902
Cash Payments for Acquisition of Capital Assets	-	(1,420,110)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(1,398,208)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	157	82,845
NET CHANGE IN CASH AND CASH EQUIVALENTS	(49,143)	(139,431)
Cash and Cash Equivalents, January 1	369,817	6,520,515
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 320,674	\$ 6,381,084

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET		
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Loss	\$ (44,908)	\$ (1,364,546)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by (Used for) Operating Activities:		
Depreciation	-	1,263,698
(Increase) Decrease in Assets:		
Accounts Receivable	-	(157,250)
Due from Other Governmental Units	-	779,935
Inventory	-	(9,873)
Prepayments	-	40,540
Increase (Decrease) in Liabilities:		
Accounts Payable	(8,592)	(434,341)
Accrued Liabilities	-	(48,435)
Due to Other Funds	-	475,491
Deferred Inflows	-	23,260
Advance for Highway Construction	-	(356,063)
Other Postemployment Benefits	-	10,000
Accrued Benefits	-	(229,590)
	<u>\$ (53,500)</u>	<u>\$ (7,174)</u>
RECONCILIATION OF CASH AND INVESTMENTS TO		
CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 320,674	\$ 6,134,252
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agents	-	246,582
Total Cash and Investments	<u>\$ 320,674</u>	<u>\$ 6,381,084</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013**

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	\$ 162,681
Departmental Cash and Investments	479,566
Taxes Receivable	<u>790,434</u>
 Total Assets	 <u><u>\$ 1,432,681</u></u>
LIABILITIES	
Due to Other Governmental Units	\$ 1,091,810
Due to Other Funds	86,464
Special Deposits	<u>254,407</u>
 Total Liabilities	 <u><u>\$ 1,432,681</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Chippewa County is governed by a board of supervisors consisting of fifteen elected members.

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

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

B. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds. For report purposes, the County's individual debt service funds are combined into one fund.

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

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

Agency Funds – The agency funds (fiduciary funds) are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

C. Measurement Focus and Basis of Accounting

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

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

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

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

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

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

Investments of the County are stated at fair value.

2. Receivables and Payables

Property Taxes. Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the State. Taxes billed for the State are recorded as receivables and due other governmental units in the agency fund balance sheet. Since County property taxes are not considered revenue until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

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

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

3. Inventories and Prepaid Items

All inventories are valued at production cost using the first in first out (FIFO) costing method. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted Assets

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

5. Capital Assets

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

**CHIPPEWA COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

Government-Wide Statements (Continued). Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed. Capital assets, including infrastructure, acquired by the County prior to January 1, 1980, were recorded on the County's financial records at historical costs, or estimated historical costs, on that date.

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

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

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

6. Deferred Outflows of Resources

The County would report 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. No deferred outflows of resources are reported in these financial statements in the current year.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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 does not have deferred inflows of resources to report in its proprietary fund financial statements in the current year.

8. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 4.A.

9. Other Postemployment Benefits Payable

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

10. 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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Equity Classifications

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

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted. When both restricted and unrestricted net position are available for use, it is the County's policy to use restricted resources first and unrestricted resources next to the extent they are needed.

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.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2013 as shown in the financial statements are as follows:

Governmental Funds	\$ 29,147,260
Proprietary Funds	7,452,085
Fiduciary Funds	642,247
	\$ 37,241,592

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments:		
Deposits at Financial Institutions	\$ 4,621,469	
Deposits in State Local Government		
Pooled-Investment Fund	16,875,337	
Investments in Federal Agency Securities	13,889,688	\$ 35,386,494
Departmental Cash and Investments:		
Deposits at Financial Institutions	545,599	
Petty Cash Funds	3,445	549,044
Cash and Investments Held by Fiscal Agents:		
Funds Held by WMMIC	1,045,158	
Funds Held by Health Insurance Administrator	25,000	
Funds Held by Chippewa County Housing Authority	235,896	1,306,054
Total Cash and Investments at December 31, 2013		\$ 37,241,592

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, 2013, the County's deposits were exposed to custodial credit risk by the uninsured and uncollateralized amount of \$344,428.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The County's investments at December 31, 2013 consisted of deposits in the State of Wisconsin Local Government Investment Pool (an external investment pool) and U.S. government agencies and instrumentalities obligations.

Deposits in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2013 was 70 days.

U.S. Government Agencies and Instrumentalities Obligations. The County's investments in these obligations at December 31, 2013 are summarized as follows:

Description	Totals	Investment Maturities				S & P Rating
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months	
Government Agency Loan/Mortgage Pools:						
SBA	\$ 185,904	\$ -	\$ -	\$ -	\$ 185,904	AA+
GNMA	202,506	-	-	-	202,506	AA+
FNMA	1,142,572	-	-	15,026	1,127,546	AA+
FHLMC	1,200,596	-	-	600	1,199,996	AA+
Government Agency Debt Instruments:						
FHLB	994,220	-	-	994,220	-	AA+
FNMA	1,998,910	1,998,910	-	-	-	AA+
FHLMC	3,067,035	1,067,586	-	1,999,449	-	AA+
US Treasuries	5,012,013	860,106	440,606	3,711,301	-	AA+
Other	85,932	85,932	-	-	-	
	<u>\$ 13,889,688</u>	<u>\$ 4,012,534</u>	<u>\$ 440,606</u>	<u>\$ 6,720,596</u>	<u>\$ 2,715,952</u>	

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

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the LGIP and mortgage and loan pools mitigate this risk to the County.

B. Receivables

Economic Development Loans. During 1994 the County Board of Supervisors adopted a resolution establishing an economic development revolving loan fund. The County set aside \$500,000 for the purpose of financing loans for economic development. At December 31, 2013 the County had outstanding three installment loans totaling \$80,043. These loans are subject to repayment to the County under terms established by the various loan agreements. Receivables have been recorded in a special revenue fund in the amount of the outstanding balances on these loans and were offset by deferred inflows of resources recorded in that fund. Revenue is recognized as collections are received on these loans.

Housing Rehabilitation Loans. The County has been awarded federal Community Development Block Grant (CDBG) Program grants through the Wisconsin Department of Administration for the purpose of financing housing rehabilitation loans. Repayments received on the original loans are to be recorded in a separate housing revolving loan fund and are to be used to finance similar loans eligible under the program. At December 31, 2013 the County had three hundred nineteen (319) loans outstanding totaling \$3,239,439.

CRI Land Contract and Note Receivable. During 2008 the County ceased operations of its Chippewa River Industries (CRI) enterprise fund and sold the CRI assets to an independent non-profit organization. The purchase agreement for the CRI assets transferred the land, buildings, equipment, and \$350,000 cash to the buyer for a purchase price of \$1,400,000 to be financed by the county on a land contract. \$1,300,000 of the sale price is payable on a 15 year term at 3% interest, the remaining \$100,000 is payable over seven years at zero interest. This land contract and note receivable have been recorded in the general fund in the amount of the outstanding balances at December 31, 2013 of \$936,369 and \$31,250 and are offset by deferred inflows of resources recorded in that fund. Revenue is recognized as collections are received.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

Governmental Activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
General County Assets:					
Capital Assets Not Being Depreciated:					
Land	\$ 3,906,602	\$ 116,324	\$ -	\$ -	\$ 4,022,926
Highway Right-of-Ways	827,508	-	-	-	827,508
Construction Work in Progress	815,457	521,997	(792,130)	-	545,324
Total Capital Assets Not Being Depreciated	5,549,567	638,321	(792,130)	-	5,395,758
Capital Assets Being Depreciated:					
Land Improvements	4,708,468	790,530	-	-	5,498,998
Buildings and Improvements	28,535,359	-	-	-	28,535,359
Machinery and Equipment	6,850,745	476,191	-	11,406	7,315,530
Vehicles	181,212	77,077	-	11,300	246,989
Highway Infrastructure:					
Roadways	102,453,023	4,692,834	792,130	-	107,937,987
Bridges	21,802,686	122,537	-	-	21,925,223
Structures	302,903	-	-	5,200	297,703
Total Capital Assets Being Depreciated	164,834,396	6,159,169	792,130	27,906	171,757,789
Total Capital Assets	170,383,963	6,797,490	-	27,906	177,153,547
Accumulated Depreciation:					
Land Improvements	1,958,487	248,463	-	-	2,206,950
Buildings and Improvements	11,519,088	547,806	-	-	12,066,894
Machinery and Equipment	3,969,191	591,246	-	11,406	4,549,031
Vehicles	131,689	14,311	-	11,300	134,700
Highway Infrastructure	44,081,500	3,466,800	-	5,200	47,543,100
Total Accumulated Depreciation	61,659,955	4,868,626	-	27,906	66,500,675
Net Capital Assets -					
General County	\$ 108,724,008	\$ 1,928,864	\$ -	\$ -	\$ 110,652,872

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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	-	28,193	-	-	28,193
Total Capital Assets Not Being Depreciated	92,696	28,193	-	-	120,889
Capital Assets Being Depreciated:					
Land Improvements	437,622	-	-	-	437,622
Gravel Pits and Quarries*	1,897	-	-	-	1,897
Buildings and Improvements	7,522,200	-	-	-	7,522,200
Vehicles Non Highway Fleet	1,598,048	198,555	-	261,266	1,535,337
Machinery and Equipment	17,028,807	1,225,132	-	790,564	17,463,375
Total Capital Assets Being Depreciated	26,588,574	1,423,687	-	1,051,830	26,960,431
Total Capital Assets	26,681,270	1,451,880	-	1,051,830	27,081,320
Accumulated Depreciation:					
Land Improvements	211,395	17,737	-	-	229,132
Buildings and Improvements	3,864,607	288,667	-	-	4,153,274
Vehicles Non Highway Fleet	874,697	176,598	-	229,515	821,780
Machinery and Equipment	10,142,661	801,088	-	786,995	10,156,754
Total Accumulated Depreciation	15,093,360	1,284,090	-	1,016,510	15,360,940
Net Capital Assets - Highway Department	\$ 11,587,910	\$ 167,790	\$ -	\$ 35,320	\$ 11,720,380
Capital Assets Not Being Depreciated	\$ 5,642,263	\$ 666,514	\$ (792,130)	\$ -	\$ 5,516,647
Capital Assets Being Depreciated	191,422,970	7,582,856	792,130	1,079,736	198,718,220
Total Capital Assets	197,065,233	8,249,370	-	1,079,736	204,234,867
Accumulated Depreciation	76,753,315	6,152,716	-	1,044,416	81,861,615
Net Capital Assets - Governmental Activities	\$ 120,311,918	\$ 2,096,654	\$ -	\$ 35,320	\$ 122,373,252

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

Depreciation was charged to governmental functions as follows:

General County:	
General Government	\$ 746,969
Public Safety	498,609
Public Works	3,466,800
Health and Human Services	74,588
Culture, Recreation and Education	55,160
Conservation and Development	26,500
	<u>4,868,626</u>
Highway Department:	
Transportation	1,284,090
	<u>\$ 6,152,716</u>

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Highway Internal Service Fund	\$ 475,491

The above interfund balances were for temporary financing of operating expenditures and are expected to be repaid in 2014. 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	\$ 2,597,303
General Fund	Human Services Fund	570,607
General Fund	Land Management Fund	73,631
General Fund	Health Insurance Fund	1,005,812
Debt Service Fund	County Sales Tax Fund	1,922,615
Debt Service Fund	2013 Capital Projects Fund	17,745
Highway Department Fund	General Fund	553,309
Highway Department Fund	County Sales Tax Fund	794,000
Highway Department Fund	2011/2012 Capital Projects Fund	835,609
Flexible Benefits Fund	General Fund	6,000
Sales Tax Fund	General Fund	17,625
		\$ 8,394,256

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2013 budget. The transfer from the human services fund to the general fund was per the County's fund balance policy. The transfer from the general fund to the county sales tax fund represents a return of excess funds previously transferred to the general fund for projects. The transfer from the health insurance fund to the general fund consisted of the remaining assets of the health insurance fund after the County ceased self-funding employee health insurance and closed the fund. The remaining items were budgeted transfers for construction and working capital.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 were as follows:

	Balances 1/1/13	Additions	Reductions	Balances 12/31/13	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 6,010,000	\$ -	\$ 1,025,000	\$ 4,985,000	\$ 1,055,000
General Obligation Notes	3,750,000	3,000,000	355,000	6,395,000	330,000
Unamortized Debt Premium	327,254	72,745	81,024	318,975	81,404
Total Long-Term Debt	<u>\$ 10,087,254</u>	<u>\$ 3,072,745</u>	<u>\$ 1,461,024</u>	<u>\$ 11,698,975</u>	<u>\$ 1,466,404</u>
Other Long-Term Obligations (Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	\$ -	\$ 27,329	\$ 16,329	\$ 11,000	\$ 11,000
Employee Leave Liability	2,097,245	-	8,423	2,088,822	731,088
Other Postemployment Benefits Payable	112,292	138,502	102,949	147,845	-
Highway Internal Service Fund:					
Employee Leave Liability	804,581	-	229,590	574,991	160,998
Other Postemployment Benefits Payable	28,743	38,957	28,957	38,743	-
Total Other Long-Term Obligations	<u>\$ 3,042,861</u>	<u>\$ 204,788</u>	<u>\$ 386,248</u>	<u>\$ 2,861,401</u>	<u>\$ 903,086</u>

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 and annual requirements for their retirement were as follows:

<u>Description</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bonds, \$6,010,000, issued 11/3/11, due 8/1/19, interest at 3.00%	2014	\$ 1,055,000	\$ 133,725	\$ 1,188,725
	2015	735,000	106,875	841,875
	2016	765,000	84,375	849,375
	2017	785,000	61,125	846,125
	2018	810,000	37,200	847,200
	2019	835,000	12,525	847,525
		<u>4,985,000</u>	<u>435,825</u>	<u>5,420,825</u>
Promissory Notes, \$3,000,000, issued 10/29/13, due 8/1/21, interest at 2.00%-2.50%	2014	195,000	46,727	241,727
	2015	170,000	58,825	228,825
	2016	445,000	52,675	497,675
	2017	455,000	43,675	498,675
	2018	420,000	34,925	454,925
	2019-2021	1,315,000	48,738	1,363,738
		<u>3,000,000</u>	<u>285,565</u>	<u>3,285,565</u>
Promissory Notes, \$3,980,000, issued 7/6/11, due 2/1/21, interest at 2.00%-3.50%	2014	135,000	109,725	244,725
	2015	490,000	100,350	590,350
	2016	225,000	89,625	314,625
	2017	230,000	159,675	389,675
	2018	165,000	71,850	236,850
	2019-2021	2,150,000	70,000	2,220,000
		<u>3,395,000</u>	<u>601,225</u>	<u>3,996,225</u>
Total General Obligation Debt		<u>\$ 11,380,000</u>	<u>\$ 1,322,615</u>	<u>\$ 12,702,615</u>

The above annual debt service requirements are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,385,000	\$ 290,177	\$ 1,675,177
2015	1,395,000	266,050	1,661,050
2016	1,435,000	226,675	1,661,675
2017	1,470,000	264,475	1,734,475
2018	1,395,000	143,975	1,538,975
2019-2021	4,300,000	131,263	4,431,263
	<u>\$ 11,380,000</u>	<u>\$ 1,322,615</u>	<u>\$ 12,702,615</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, 2013, the County's debt limit amounted to \$232,665,185 and indebtedness subject to the limitation totaled \$11,380,000.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Year Borrowing

On October 29, 2013, the County issued general obligation notes in the amount of \$3,000,000 to provide funding for 2013 and 2014 projects in the County's five year capital improvement plan. The notes carry an interest rate of 2.0% to 2.5% with annual maturities through August 2021.

County Forest Loans

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

The County had an outstanding balance of \$11,000 under this program at December 31, 2013.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 consisted of the following:

	Total	Nondspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,556,699	\$ 1,556,699	\$ -	\$ -	\$ -	\$ -
Prepaid Items	1,977	1,977	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	24,549	-	-	-	24,549	-
Economic Development	198,638	-	-	-	198,638	-
County Administrator	171,519	-	-	-	171,519	-
Computer Equipment Outlay	33,519	-	-	-	33,519	-
Finance	54,008	-	-	-	54,008	-
Courthouse	569,007	-	-	-	569,007	-
Facilities Improvement	249,353	-	-	-	249,353	-
Rifle Range	30,513	-	-	-	30,513	-
Maintenance Garage/Storage Facility	11,080	-	-	-	11,080	-
Property and Liability Insurance	147,925	-	-	-	147,925	-
Employee Health Program	134,468	-	-	-	134,468	-
Copy Machine	27,290	-	-	-	27,290	-
Register of Deeds	78,367	-	-	-	78,367	-
Register of Deeds Redaction Expense	85,156	-	-	-	85,156	-
Youth Court Programs	5,803	-	-	-	5,803	-
Snowmobile Patrol	61,352	-	-	-	61,352	-
Water Safety Patrol	45,371	-	-	-	45,371	-
All Terrain Vehicle Patrol	5,382	-	-	-	5,382	-
Sheriff's Department Equipment & Tower	180,239	-	-	-	180,239	-
Sheriff's Department Training	83,374	-	-	-	83,374	-
Sheriff's Department Swat Vehicle	1,279	-	-	-	1,279	-
DARE Project	372	-	-	-	372	-
Jail Canteen	89,463	-	-	-	89,463	-
UW-Extension	741	-	-	-	741	-
Extension Education Programs	44,175	-	-	-	44,175	-
Wildlife Damage and Abatement Programs	2,479	-	-	-	2,479	-
State Forestry Programs	269,797	-	-	-	269,797	-
Wildlife Habitat Management	6,569	-	-	-	6,569	-
Special Conservation Projects	27,340	-	-	-	27,340	-
Snowmobile Trails	17,765	-	-	-	17,765	-
All Terrain Vehicle Trails	27,062	-	-	-	27,062	-
Old Abe Trail Project	85,192	-	-	-	85,192	-
Forest & Trails Tax Deed Projects	1,185	-	-	-	1,185	-
Quality Of Life Programs	72,786	-	-	-	72,786	-
County Parks Capital Improvements	76,118	-	-	-	76,118	-
County Parks Tax Deed Projects	65,212	-	-	-	65,212	-
Recycling Programs	327,085	-	-	-	327,085	-
Non-Metallic Mining	105,213	-	-	-	105,213	-
Urban Stormwater Program	5,792	-	-	-	5,792	-
Conservation Reserve Enhancement Programs	28,335	-	-	-	28,335	-
Lake Protection Program	2,681	-	-	-	2,681	-
Targeted Runoff Management	7,863	-	-	-	7,863	-
Little Lake Wissota TMDL	40,767	-	-	-	40,767	-
Groundwater Sampling	30,187	-	-	-	30,187	-
Land Conservation Stewardship Programs	221,867	-	-	-	221,867	-
Groundwater Study	123,609	-	-	-	123,609	-
Building Inspection	24,991	-	-	-	24,991	-
Comprehensive Planning Project	184,966	-	-	-	184,966	-
Platbook/Roadmap Publishing	63,308	-	-	-	63,308	-
Tax Deeds	16,349	-	-	-	16,349	-
Veterans' Relief	17,262	-	-	-	17,262	-
Health Clinics	10,959	-	-	-	10,959	-
Unfunded Benefit Liabilities	1,384,731	-	-	-	1,384,731	-
Unassigned	9,217,718	-	-	-	-	9,217,718
Subtotal General Fund	16,478,361	1,558,676	-	-	5,701,967	9,217,718
Human Services Fund						
Committed for Human Services Programs	1,085,358	-	-	1,085,358	-	-
CDBG Grant Fund	235,897	-	235,897	-	-	-
County Sales Tax Funded Programs	7,527,993	-	-	7,527,993	-	-
Debt Service Fund	624,545	-	17,745	606,800	-	-

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances (Continued)

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	\$ 79,537	\$ -	\$ 79,537	\$ -	\$ -	\$ -
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	688,522	-	-	688,522	-	-
Land Management Program	257,154	-	-	257,154	-	-
Jail Assessments Fees Funded Projects	95,040	-	95,040	-	-	-
County Economic Development Loan Program	526,003	-	-	526,003	-	-
Capital Projects Funds:						
2011/12 Capital Projects Fund	175,194	-	175,194	-	-	-
2013 Capital Projects Fund	3,000,452	-	3,000,452	-	-	-
Total Governmental Funds Balances at December 31, 2013	<u>\$ 30,800,768</u>	<u>\$ 1,558,676</u>	<u>\$ 3,629,577</u>	<u>\$ 10,692,830</u>	<u>\$ 5,701,967</u>	<u>\$ 9,217,718</u>

G. Internal Service Funds Net Position

The net position of the County's internal service funds at December 31, 2013 consisted of the following:

<u>Fund</u>	<u>Net Position at Year End</u>			<u>Change During Year</u>
	<u>Total</u>	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	
Highway Department Fund	\$ 16,558,351	\$ 11,720,380	\$ 4,837,971	\$ 755,293
Self-Funded Insurance Funds:				
Workers Compensation	603,755	-	603,755	154,449
Health Insurance	-	-	-	(1,003,826)
Liability Insurance	909,355	-	909,355	(10,025)
Flexible Benefits Fund	78,228	-	78,228	9,902
Totals	<u>\$ 18,149,689</u>	<u>\$ 11,720,380</u>	<u>\$ 6,429,309</u>	<u>\$ (94,207)</u>

NOTE 3 OTHER INFORMATION

A. Employee Leave Liability

The County's estimated liability for employee leave at December 31, 2013 totaled \$2,663,813 and consisted of \$2,088,822 payable from its governmental funds and \$574,991 payable from its highway department internal service fund. These liabilities are further discussed below:

The County implemented a *Paid Time Off (PTO)* plan for its non-represented employees effective January 1, 2013. All non-represented employees are granted time off based on the number of hours paid in a pay period and length of service. Earned time off is placed into a personal "PTO" account which may be used for any purpose. Amounts credited to the PTO account are subject to maximum accumulations of 480 hours for full time employees and 360 hours for part time. The County's estimated liability for employee leave under this plan at December 31, 2013 totaled \$2,295,208 and consisted of \$1,734,837 payable from its governmental funds and \$560,371 payable from the highway department internal service fund.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Employee Leave Liability (Continued)

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, 2013 was \$95,655 in the governmental funds and \$14,620 in the highway department internal service fund.

Represented employees earn vacation in varying amounts depending upon length of service. All employees can accrue up to 200 hours of vacation which is paid out upon separation of service. The estimated value of unused vacation leave at December 31, 2013 was \$58,913 in the governmental funds.

Represented employees earn sick leave on a pay period basis. Up to 720 hours may accrue which is paid out upon termination or retirement. At December 31, 2013, vested sick leave earned and not taken was approximately \$199,417 in the governmental funds determined on the basis of current wage and salary rates.

B. Employee Retirement Plan

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

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.0%	7.0%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Employee Retirement Plan (Continued)

The payroll for County employees covered by the WRS for the year ended December 31, 2013 was \$17,383,854; the employer's total payroll was \$17,509,007. The total required contribution for the year ended December 31, 2013 was \$2,456,312, which consisted of \$1,299,364, or 7.5% of payroll from the employer and \$1,156,947, or 6.7% of payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$2,292,880 and \$2,206,077, respectively, equal to the required contributions for each year.

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

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

C. Other Postemployment Benefit Plan

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

Single-Employer Plan Description

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funding Policy

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2013, the County contributed an estimated \$131,906 to the plan.

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

Annual Required Contribution	\$ 177,433
Interest on Net OPEB Obligation	6,431
Adjustment to Annual Required Contribution	<u>(6,405)</u>
Annual OPEB Cost (Expense)	177,459
Contributions Made	<u>(131,906)</u>
Change in Net OPEB Obligation	45,553
Net OPEB Obligation- Beginning of Year	<u>141,035</u>
Net OPEB Obligation- End of Year	<u><u>\$ 186,588</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 177,459	74.3%	\$ 186,588
12/31/2012	177,471	134.3%	141,035
12/31/2011	265,759	131.5%	201,830

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

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

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

Actuarial Methods and Assumptions

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

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.56% interest discount rate of return (net of administrative expenses). The initial healthcare trend rate was 10%, reduced by decrements to an ultimate rate of 5.0% by the year 2018. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2013 was 26 years.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management

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

Health Insurance Fund. The County was self-funded for health insurance through September 30, 2012, at which time the County moved to a fully insured program and ceased self-funding. The balance in the health insurance internal service fund was held to pay any outstanding claims through September 30, 2013, after which the fund was closed and the remaining balance transferred to the general fund.

Changes in the claims liability for 2013 and 2012 were as follows:

	2013	2012
Estimated Claims Outstanding January 1	\$ 11,967	\$ 354,000
Current Year Claims and Changes in Estimates	(10,004)	5,568,606
Claim Payments	(1,963)	(5,910,639)
Estimated Claims Outstanding December 31	\$ -	\$ 11,967

Worker's Compensation Fund. The County is self-insured for workers compensation coverage. This program is funded through "premiums" charged to all County departments based on two percent (2.5%) of payroll. Claims are paid directly by the County. Stop-loss insurance is carried and covers individual claims in excess of \$500,000 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, 2013 of \$603,755.

Changes in claims liability for 2013 and 2012 were as follows:

	2013	2012
Estimated Claims Outstanding January 1	\$ 946,713	\$ 941,791
Current Year Claims and Changes in Estimates	305,560	440,188
Claim Payments	(315,703)	(435,266)
Estimated Claims Outstanding December 31	\$ 936,570	\$ 946,713

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

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

Wisconsin Municipal Mutual Insurance Company (WMMIC) is a mutual company operating solely within the property and liability insurance industry. WMMIC was formed pursuant to an intergovernmental charter-contract in 1987 by municipal members. WMMIC was organized to provide property and liability insurance and risk management services to participant municipalities. As of December 31, 2013, 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, 2013 and 2012 was \$1,289,343 and \$1,266,493, respectively, and represented 3.31% and 3.31%, respectively, of the total member equity at those dates.

Liability insurance provided the members through WMMIC is to provide coverage in excess of prescribed self-insured amounts. WMMIC has contracted with a reinsurance company to cover losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to a maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the excess over the self-insurance retention. The members incur all losses greater than \$10,000,000 per occurrence or greater than \$30,000,000 of aggregate losses in a policy year. Losses paid by WMMIC plus administrative costs are to be recovered through premiums of the participating pool of municipalities. The County's share of such losses was 3.58% for 2013. A list of other members and their share of participation is in WMMIC's financial report which is available from: Wisconsin Municipal Mutual Insurance Company, 4785 Hayes Road, Madison, WI 53704-7364.

The County's annual self-insured limit has been established at \$100,000 per occurrence with an annual aggregate self-insured retention (SIR) for all losses of \$300,000 for the 2013 policy year. Each member is required to maintain a segregated fund on deposit with WMMIC. This fund is used by WMMIC to pay claims charged to the member and is subject to replenishment by the member on a quarterly basis (or more frequently, if necessary). The amount of the deposit has been currently set at \$250,000 for the County. WMMIC has also set a policy that each member should maintain, in a segregated fund, cash reserves equal to one year's SIR plus incurred but not reported claims (IBNRs) less SIR funds on deposit with WMMIC.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Liability Insurance Fund (Continued). The self-funded liability insurance fund had a net position of \$909,355 and \$919,380 at December 31, 2013 and 2012, respectively, and consisted of the following components:

	2013	2012
Accounts Receivable	\$ 76,041	\$ 69,613
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	163,357	228,845
Deposits with WMMIC	246,582	225,063
Accounts Payable	(218)	(1,409)
Accrued Unpaid Losses	(326,734)	(353,059)
Net Position December 31	\$ 909,355	\$ 919,380

The liability recorded for unpaid losses at December 31, 2013 was determined by actuaries contracted by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for incurred but not reported (IBNRs) losses. The liability represents the present value of the expected level of unpaid losses for the years of operations under WMMIC. Chippewa County's policy is to set its liability at the 90% confidence level.

Changes in claims liability for 2013 and 2012 were as follows:

	2013	2012
Estimated Claims Outstanding January 1	\$ 353,059	\$ 385,851
Current Year Claims and Changes in Estimates	33,698	59,271
Claim Payments	(60,023)	(92,063)
Estimated Claims Outstanding December 31	\$ 326,734	\$ 353,059

E. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,599,101	\$ 14,599,101	\$ 14,619,525	\$ 20,424
Intergovernmental	7,376,262	7,526,262	7,046,167	(480,095)
Licenses and Permits	419,271	419,271	454,031	34,760
Fines and Forfeits	202,000	202,000	192,060	(9,940)
Public Charges for Services	3,338,950	3,338,950	3,251,234	(87,716)
Intergovernmental Charges for Services	233,571	233,571	395,582	162,011
Miscellaneous:				
Investment Income	179,370	179,370	195,798	16,428
Increase (Decrease) in Fair Value of Investments	-	-	(234,028)	(234,028)
Rent	21,600	21,600	26,796	5,196
Sale of Property	1,800	1,800	4,800	3,000
Profit on Tax Deed Sales	2,000	2,000	21,732	19,732
Other	230,410	230,410	346,494	116,084
Total Revenues	<u>26,604,335</u>	<u>26,754,335</u>	<u>26,320,191</u>	<u>(434,144)</u>
EXPENDITURES				
General Government	7,864,289	8,425,737	7,627,759	797,978
Public Safety	8,349,489	8,636,076	8,061,305	574,771
Public Works	6,418,862	6,418,862	6,359,231	59,631
Health and Human Services	2,851,133	3,308,347	3,202,892	105,455
Culture, Recreation and Education	1,088,217	1,105,479	1,194,972	(89,493)
Conservation and Development	3,050,622	3,219,864	2,405,241	814,623
Total Expenditures	<u>29,622,612</u>	<u>31,114,365</u>	<u>28,851,400</u>	<u>2,262,965</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,018,277)	(4,360,030)	(2,531,209)	1,828,821
OTHER FINANCING SOURCES (USES)				
Transfers In	2,790,167	2,640,167	4,247,353	1,607,186
Transfers Out	(6,000)	(6,000)	(576,934)	(570,934)
Total Other Financing Sources (Uses)	<u>2,784,167</u>	<u>2,634,167</u>	<u>3,670,419</u>	<u>1,036,252</u>
NET CHANGE IN FUND BALANCE	(234,110)	(1,725,863)	1,139,210	2,865,073
Fund Balance, January 1	15,339,151	15,339,151	15,339,151	-
FUND BALANCE, DECEMBER 31	<u>\$ 15,105,041</u>	<u>\$ 13,613,288</u>	<u>\$ 16,478,361</u>	<u>\$ 2,865,073</u>

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,194,066	\$ 2,194,066	\$ 2,194,066	\$ -
Intergovernmental	5,360,623	5,360,623	6,163,538	802,915
Public Charges for Services	1,247,318	1,247,318	613,652	(633,666)
Total Revenues	<u>8,802,007</u>	<u>8,802,007</u>	<u>8,971,256</u>	<u>169,249</u>
EXPENDITURES				
Health and Human Services	<u>8,957,442</u>	<u>8,957,442</u>	<u>8,532,071</u>	<u>425,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(155,435)	(155,435)	439,185	594,620
OTHER FINANCING SOURCES (USES)				
Transfers In	155,435	155,435	-	(155,435)
Transfers Out	<u>-</u>	<u>-</u>	<u>(570,607)</u>	<u>(570,607)</u>
Total Other Financing Sources (Uses)	<u>155,435</u>	<u>155,435</u>	<u>(570,607)</u>	<u>(726,042)</u>
NET CHANGE IN FUND BALANCE	-	-	(131,422)	(131,422)
Fund Balance, January 1	<u>1,216,780</u>	<u>1,216,780</u>	<u>1,216,780</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,216,780</u>	<u>\$ 1,216,780</u>	<u>\$ 1,085,358</u>	<u>\$ (131,422)</u>

CHIPPEWA COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 COUNTY SALES TAX FUND
 YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,341,345	\$ 4,341,345	\$ 4,459,548	\$ 118,203
Miscellaneous:				
Interest	-	-	5,439	5,439
Total Revenues	4,341,345	4,341,345	4,464,987	123,642
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	4,341,345	4,341,345	4,464,987	123,642
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	17,625	(17,625)
Transfers Out	(5,313,918)	(5,313,918)	(5,313,918)	-
Total Other Financing Sources (Uses)	(5,313,918)	(5,313,918)	(5,296,293)	(17,625)
NET CHANGE IN FUND BALANCE	(972,573)	(972,573)	(831,306)	106,017
Fund Balance, January 1	8,359,299	8,359,299	8,359,299	-
FUND BALANCE, DECEMBER 31	<u>\$ 7,386,726</u>	<u>\$ 7,386,726</u>	<u>\$ 7,527,993</u>	<u>\$ 106,017</u>

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

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

CHIPPEWA COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013

BUDGETARY INFORMATION

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

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

CHIPPEWA COUNTY, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2013

	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	\$ 943	\$ 25,712	\$ 44,805	\$ -	\$ 239,228	\$ 250,898
Departmental Cash and Investments	-	-	300	-	9,489	-
Taxes Receivable	-	-	-	-	108,705	-
Accounts Receivable	98,385	-	3,603	-	600,371	-
Due from Fiduciary Funds	-	-	-	-	-	7,820
Installment Loans Receivable	-	-	-	-	-	-
Total Assets	\$ 99,328	\$ 25,712	\$ 48,708	\$ -	\$ 957,793	\$ 258,718
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Vouchers Payable	\$ 4,334	\$ -	\$ 46,569	\$ -	\$ 80,566	\$ 1,564
Due to Other Governmental Units	-	-	1,139	-	-	-
Unearned Revenues	15,457	-	-	-	80,000	-
Total Liabilities	19,791	-	47,708	-	160,566	1,564
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	-	-	-	-	108,705	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	108,705	-
Fund Balances:						
Restricted	79,537	25,712	-	-	-	-
Committed	-	-	1,000	-	688,522	257,154
Total Fund Balances	79,537	25,712	1,000	-	688,522	257,154
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 99,328	\$ 25,712	\$ 48,708	\$ -	\$ 957,793	\$ 258,718

CHIPPEWA COUNTY, WISCONSIN
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET (CONTINUED)
 DECEMBER 31, 2013

	Special Revenue Funds (Continued)			Capital Projects Funds			Total Nonmajor Governmental Funds
	Jail Assessment Fees	Economic Development	Total Special Revenue Funds	2011/2012 Capital Projects Fund	2013 Capital Projects Fund	Total Capital Projects Funds	
ASSETS							
Treasurer's Cash and Investments	\$ 90,990	\$ 525,750	\$ 1,178,326	\$ 225,435	\$ 3,000,452	\$ 3,225,887	\$ 4,404,213
Departmental Cash and Investments	-	-	9,789	-	-	-	9,789
Taxes Receivable	-	-	108,705	-	-	-	108,705
Accounts Receivable	150	253	702,762	-	-	-	702,762
Due from Fiduciary Funds	3,900	-	11,720	-	-	-	11,720
Installment Loans Receivable	-	80,043	80,043	-	-	-	80,043
Total Assets	\$ 95,040	\$ 606,046	\$ 2,091,345	\$ 225,435	\$ 3,000,452	\$ 3,225,887	\$ 5,317,232
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers Payable	\$ -	\$ -	\$ 133,033	\$ 50,241	\$ -	\$ 50,241	\$ 183,274
Due to Other Governmental Units	-	-	1,139	-	-	-	1,139
Unearned Revenues	-	-	95,457	-	-	-	95,457
Total Liabilities	-	-	229,629	50,241	-	50,241	279,870
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	-	-	108,705	-	-	-	108,705
Unavailable Revenue - Long-Term Receivables	-	80,043	80,043	-	-	-	80,043
Total Deferred Inflows of Resources	-	80,043	188,748	-	-	-	188,748
Fund Balances:							
Restricted	95,040	-	200,289	175,194	3,000,452	3,175,646	3,375,935
Committed	-	526,003	1,472,679	-	-	-	1,472,679
Total Fund Balances	95,040	526,003	1,672,968	175,194	3,000,452	3,175,646	4,848,614
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 95,040	\$ 606,046	\$ 2,091,345	\$ 225,435	\$ 3,000,452	\$ 3,225,887	\$ 5,317,232

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2013**

	Special Revenue Funds					
	Public Health	Shelter Care	Dog Licenses	State Septic System Grants	Aging and Disability Resource Center	Land Management
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 108,705	\$ -
Intergovernmental	764,503	-	-	13,260	1,477,399	300
Licenses and Permits	-	-	48,280	-	-	-
Jail Assessment Fees	-	-	-	-	-	-
Public Charges for Services	43,007	-	-	-	162,629	95,216
Interest	-	-	-	-	189	-
Other	1,901	-	-	-	124,531	-
Total Revenues	<u>809,411</u>	<u>-</u>	<u>48,280</u>	<u>13,260</u>	<u>1,873,453</u>	<u>95,516</u>
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health and Human Services	827,211	-	48,280	-	1,804,848	-
Conservation and Development	-	-	-	13,260	-	-
Debt Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>827,211</u>	<u>-</u>	<u>48,280</u>	<u>13,260</u>	<u>1,804,848</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,800)	-	-	-	68,605	95,516
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-
Transfers Out:						
Highway Department Fund	-	-	-	-	-	(73,631)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,631)</u>
NET CHANGE IN FUND BALANCES	(17,800)	-	-	-	68,605	21,885
Fund Balances, January 1	<u>97,337</u>	<u>25,712</u>	<u>1,000</u>	<u>-</u>	<u>619,917</u>	<u>235,269</u>
FUND BALANCES, DECEMBER 31	<u>\$ 79,537</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 688,522</u>	<u>\$ 257,154</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDING DECEMBER 31, 2013**

	Special Revenue Funds (Continued)			Capital Projects Funds			Total Nonmajor Governmental Funds
	Jail Assessment Fees	Economic Development	Total Special Revenue Funds	2011/2012 Capital Projects Fund	2013 Capital Projects Fund	Total Capital Projects Funds	
REVENUES							
Taxes	\$ -	\$ -	\$ 108,705	\$ -	\$ -	\$ -	\$ 108,705
Intergovernmental	-	-	2,255,462	-	-	-	2,255,462
Licenses and Permits	-	-	48,280	-	-	-	48,280
Jail Assessment Fees	57,552	-	57,552	-	-	-	57,552
Public Charges for Services	-	-	300,852	-	-	-	300,852
Interest	-	3,687	3,876	1,775	452	2,227	6,103
Other	-	25,274	151,706	-	-	-	151,706
Total Revenues	<u>57,552</u>	<u>28,961</u>	<u>2,926,433</u>	<u>1,775</u>	<u>452</u>	<u>2,227</u>	<u>2,928,660</u>
EXPENDITURES							
General Government	-	-	-	523,904	-	523,904	523,904
Public Safety	46,148	-	46,148	42,043	-	42,043	88,191
Health and Human Services	-	-	2,680,339	-	-	-	2,680,339
Conservation and Development	-	-	13,260	-	-	-	13,260
Debt Issuance Costs	-	-	-	-	55,000	55,000	55,000
Total Expenditures	<u>46,148</u>	<u>-</u>	<u>2,739,747</u>	<u>565,947</u>	<u>55,000</u>	<u>620,947</u>	<u>3,360,694</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,404	28,961	186,686	(564,172)	(54,548)	(618,720)	(432,034)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issued	-	-	-	-	3,000,000	3,000,000	3,000,000
Premium on Debt Issued	-	-	-	-	72,745	72,745	72,745
Transfers Out:							
Highway Department Fund	-	-	(73,631)	(835,609)	(17,745)	(853,354)	(926,985)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(73,631)</u>	<u>(835,609)</u>	<u>3,055,000</u>	<u>2,219,391</u>	<u>2,145,760</u>
NET CHANGE IN FUND BALANCES	11,404	28,961	113,055	(1,399,781)	3,000,452	1,600,671	1,713,726
Fund Balances, January 1	<u>83,636</u>	<u>497,042</u>	<u>1,559,913</u>	<u>1,574,975</u>	<u>-</u>	<u>1,574,975</u>	<u>3,134,888</u>
FUND BALANCES, DECEMBER 31	<u>\$ 95,040</u>	<u>\$ 526,003</u>	<u>\$ 1,672,968</u>	<u>\$ 175,194</u>	<u>\$ 3,000,452</u>	<u>\$ 3,175,646</u>	<u>\$ 4,848,614</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2012)**

	2013	2012
ASSETS		
Treasurer's Cash and Investments	\$ 15,487,889	\$ 15,037,326
Departmental Cash	3,352	3,252
Cash and Investments Held by Fiscal Agent	25,000	-
Taxes Receivable:		
Current Taxes Receivable	14,506,658	14,109,481
Delinquent Taxes Receivable	1,530,522	1,586,242
Tax Deeds Owned by County	26,177	87,131
Accounts Receivable	918,504	953,515
Due from Other Funds:		
Highway Internal Service Fund	475,491	-
Due from Fiduciary Funds	70,096	70,953
Long-Term Receivables:		
CRI Land Contract Receivable	936,369	1,014,729
CRI Note Receivable	31,250	46,250
Prepaid Items	1,977	5,275
	<u>\$ 34,013,285</u>	<u>\$ 32,914,154</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 801,078	\$ 768,373
Payroll Deductions	502,685	863,868
Due to Other Governmental Units	524,920	540,523
Unearned Revenues	61,964	31,779
Total Liabilities	<u>1,890,647</u>	<u>2,204,543</u>
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	14,506,658	14,109,481
Unavailable Revenue - Long-Term Receivables	967,619	1,060,979
Unavailable Revenue - Other	170,000	200,000
Total Deferred Inflows of Resources	<u>15,644,277</u>	<u>15,370,460</u>
Fund Balance:		
Nonspendable:		
Delinquent Taxes	1,556,699	1,673,373
Prepaid Items	1,977	5,275
Assigned	5,701,967	6,250,817
Unassigned	9,217,718	7,409,686
Total Fund Balance	<u>16,478,361</u>	<u>15,339,151</u>
	<u>\$ 34,013,285</u>	<u>\$ 32,914,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 34,013,285</u>	<u>\$ 32,914,154</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013		Variance - Positive (Negative)	2012 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
General Property Taxes	\$ 14,109,481	\$ 14,109,481	\$ -	\$ 13,065,586
Payment in Lieu of Taxes	24,000	35,253	11,253	33,923
Forest Crop Taxes	13,000	13,099	99	8,676
Sales Taxes	120	141	21	130
Real Estate Transfer Fees - County Share	100,000	133,708	33,708	110,921
Interest on Taxes	350,000	319,921	(30,079)	405,630
Agricultural Land Conversion Penalty	2,500	7,922	5,422	1,161
Total Taxes	14,599,101	14,619,525	20,424	13,626,027
Intergovernmental:				
Shared Taxes from State	2,533,642	2,556,405	22,763	2,559,151
Tax Exempt Computer Aid	50,000	49,947	(53)	54,986
Guardian Ad Litem	48,989	48,398	(591)	48,989
Victim/Witness Program	59,048	57,847	(1,201)	54,163
Court Grant	198,772	198,807	35	198,914
Drug Abuse Program	8,000	6,027	(1,973)	6,252
Snowmobile Enforcement Patrol	19,146	6,442	(12,704)	6,007
Responsible Unit Grant	110,966	111,465	499	111,465
Recycling Grant	106,733	106,787	54	106,731
Clean Sweep Grant	14,300	17,100	2,800	17,100
Water Safety Patrol	26,723	11,046	(15,677)	17,249
All Terrain Vehicle Patrol	18,743	8,575	(10,168)	10,102
SARA Program	14,000	17,009	3,009	16,916
Emergency Government - Special Grants	10,000	26,548	16,548	74,714
County Jail State Aids	-	2,820	2,820	1,709
Courthouse Energy Efficiency	-	-	-	2,024
Targeted Runoff Management Grants	147,750	-	(147,750)	-
Conservation Reserve Enhancement Program	195,920	2,917	(193,003)	15,533
County Parks Improvements Grant	-	-	-	24,728
Planning and Zoning Aids	13,750	-	(13,750)	-
District Attorney	16,282	12,225	(4,057)	12,760
SARA HAZMAT Equipment Grant	10,000	9,271	(729)	7,328
Lake Protection Grant	208,000	38,451	(169,549)	9,618
Police Training	9,920	9,280	(640)	10,065
Sheriff Department Grants	-	27,866	27,866	61,603

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013			2012 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
County Trunk Highways	\$ 1,408,944	\$ 1,408,944	\$ -	\$ 1,225,169
Federal Aid Secondary Projects	1,056,936	1,056,936	-	959,717
Local Road Improvement Program	20,310	20,310	-	488,105
State Aid - Bridge Aid	(125)	(125)	-	6,291
Child Support	617,018	657,661	40,643	652,056
Veterans Service Officer	11,500	11,500	-	11,500
Snowmobile Trail Advances	90,400	173,855	83,455	120,673
All Terrain Vehicle Trails	9,000	14,075	5,075	6,750
Wildlife Habitat Management	1,695	1,724	29	1,695
Forest Administration	57,050	68,379	11,329	225,016
Forest Roads	6,700	6,717	17	6,731
State Aid - SWIRM	203,418	161,405	(42,013)	172,001
DNR Land Acquisition Grants	-	59,912	59,912	33,020
County Forest Trails	7,152	6,675	(477)	3,863
Wildlife Damage Abatement	22,580	16,697	(5,883)	17,199
Land Conservation	150,000	-	(150,000)	-
Emergency Government	43,000	56,269	13,269	52,604
Total Intergovernmental	7,526,262	7,046,167	(480,095)	7,410,497
Licenses and Permits:				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	11,000	10,265	(735)	10,730
Marriage License Fees for Social Services	7,500	7,780	280	8,040
Conservation License Fees	600	442	(158)	370
Environmental Impact Fees	-	5,108	5,108	5,258
Zoning Permits	143,058	153,079	10,021	164,283
Building Inspection Fees	92,000	102,601	10,601	109,213
Gravel Pit Permits	163,613	173,576	9,963	159,120
Occupational Driver's Licenses	500	180	(320)	540
Total Licenses and Permits	419,271	454,031	34,760	458,554
Fines and Forfeits:				
County Ordinance Forfeitures	90,000	105,001	15,001	108,337
County Share of State Fines and Forfeitures	112,000	87,059	(24,941)	92,287
Total Fines and Forfeits	202,000	192,060	(9,940)	200,624

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013			2012 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)				
Public Charges for Services:				
County Clerk Fees	\$ 16,300	\$ 12,404	\$ (3,896)	\$ 12,585
Anniversary Book Revenues	100	-	(100)	57
Treasurer Fees	3,350	4,153	803	3,461
Employee Health Premium Revenue	-	-	-	43,263
Register of Deeds Fees	315,000	364,094	49,094	386,461
Uniform Address Fees	4,000	3,980	(20)	3,475
Surveyor Fees	-	-	-	4,325
Sign Replacement Revenues	4,900	4,900	-	5,075
Passport Revenues	27,500	29,750	2,250	24,850
Circuit Court Fees and Costs	177,000	177,917	917	197,582
Mediation Fees	7,100	7,570	470	6,865
Bond Forfeiture Revenues	14,000	8,998	(5,002)	20,788
Attorney Fee Reimbursements	40,000	24,031	(15,969)	31,206
Court Commissioner Reimbursements	500	-	(500)	248
Juvenile Legal Fees	1,200	676	(524)	709
Register in Probate Fees	20,000	24,979	4,979	27,458
Guardian Ad Litem Revenue	43,000	53,199	10,199	39,780
Guardianship Revenue	5,000	3,343	(1,657)	2,157
Probate Attorney Fees	600	885	285	763
Youth Court Program Fees	1,000	1,035	35	1,773
Restitution Surcharge Fees	16,500	21,644	5,144	18,530
Ignition Interlock Surcharge Fees	5,268	6,023	755	5,389
Chapter 51/55 Legal Fees	300	216	(84)	387
Prosecution Revenues	2,500	880	(1,620)	1,160
Sale of Maps and Plats	-	8,548	8,548	15,822
Sheriff Fees	90,000	59,149	(30,851)	71,164
Reserve Officers Revenues	171,294	136,167	(35,127)	122,824
Board of Prisoners - Huber	182,945	203,867	20,922	195,644
Jail Revenues	28,669	22,967	(5,702)	23,814
Jail Canteen Fund	149,000	138,422	(10,578)	164,476
Electronic Monitoring Revenue	49,640	41,111	(8,529)	33,591
Range Usage Fees	6,000	10,130	4,130	10,892
DNA Testing Fee	500	1,140	640	1,640
Coroner Fees	29,297	49,650	20,353	41,092
All Terrain Vehicle Class Fees	-	390	390	370
Water Patrol Class Fees	-	100	100	470
Snowmobile Training Class Fees	-	105	105	230
Health Clinic Revenue	57,816	46,412	(11,404)	37,344
Home Nursing Revenue	1,328,564	1,023,712	(304,852)	1,292,441
Child Support Collections	20,200	23,402	3,202	21,018
County Parks Revenue	153,923	142,108	(11,815)	146,271

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013			2012 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
Trail Fee Revenues	\$ 7,500	\$ 10,910	\$ 3,410	\$ 10,176
Tree Planter Rental Fees	500	237	(263)	349
University Extension Revenue	12,825	14,600	1,775	14,370
CREP Landowner Application Fees	700	326	(374)	210
CREP Easement Application Fees	1,500	-	(1,500)	250
Land Conservation - Engineering Services	1,100	4,100	3,000	4,285
Land Conservation - Technical Services	775	774	(1)	14,354
Land Conservation - Municipal Service Fee	8,000	5,500	(2,500)	4,000
District Attorney Revenues	9,000	7,547	(1,453)	8,207
County Forest Revenues	270,000	493,451	223,451	557,281
Solid Waste Disposal	1,200	1,121	(79)	1,291
Solid Waste Tire Facility	16,000	12,227	(3,773)	15,447
Gravel Pit Mapping Fees	-	820	820	1,800
Community Well Water Fee	24,165	28,200	4,035	17,907
Economic Development Revenues	-	-	-	2,487
Recycling Revenues - Other	12,719	13,364	645	16,508
Total Public Charges for Services	3,338,950	3,251,234	(87,716)	3,686,372
Intergovernmental Charges for Services:				
Board of Prisoners from Other Governments	203,223	217,826	14,603	374,578
Information System Revenues	30,000	42,699	12,699	20,188
Interdepartmental HRA Charges	-	134,468	134,468	-
Transportation of Juveniles	348	589	241	2,121
Total Intergovernmental Charges for Services	233,571	395,582	162,011	396,887
Miscellaneous:				
Investment Income	179,370	195,798	16,428	161,313
Increase (Decrease) in Fair Value of Investments	-	(234,028)	(234,028)	27,924
Rent of County Offices and Buildings	21,600	26,796	5,196	23,196
Copy Machine/Offset Revenue	31,900	22,008	(9,892)	25,267
Clerk of Court Copy Machine Revenue	500	429	(71)	316
CRI Note Repayment	93,360	93,360	-	91,047
Sale of County Property	1,000	800	(200)	163,642
Sale of Sheriff Property	800	4,000	3,200	665
Profit on Tax Deed Sales	2,000	21,732	19,732	8,730
Insurance Recoveries	5,000	20,116	15,116	19,635
Insurance Dividends	40,000	46,792	6,792	26,745
Refund of Prior Years Expenses	-	931	931	645
Youth Court Program Donations	6,000	5,018	(982)	4,982
Land Conservation Private Grants and Donations	50,000	70,000	20,000	101,000
Energy Grants and Rebates	-	-	-	42,045
Sheriff Donations	-	-	-	36,245
Groundwater Study Donations	-	80,000	80,000	50,000
Sundry Departmental Revenues	500	2,170	1,670	17,558
Land Conservation Revenue	1,500	491	(1,009)	577
Maintenance Miscellaneous Revenue	-	2,209	2,209	557
Emergency Government Miscellaneous Revenue	1,500	2,050	550	3,850
Forest and Parks Miscellaneous Revenue	150	920	770	-
Total Miscellaneous	435,180	361,592	(73,588)	805,939
Total Revenues	26,754,335	26,320,191	(434,144)	26,584,900

CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)

	2013		Variance - Positive (Negative)	2012 Actual
	Final Budget	Actual		
EXPENDITURES				
General Government:				
County Board	\$ 161,993	\$ 136,739	\$ 25,254	\$ 155,522
Circuit Court	1,255,321	1,196,876	58,445	1,408,228
Mediation Program	25,000	25,000	-	24,000
Register in Probate	111,618	113,580	(1,962)	92,398
Juvenile Court	205,109	203,472	1,637	178,455
Youth Court Program	7,000	7,170	(170)	7,354
Family Court Commissioner	26,500	26,047	453	25,788
Coroner	88,490	92,758	(4,268)	81,621
County Clerk	232,278	180,736	51,542	317,447
County Risk Management	15,823	814	15,009	(129)
County Administrator	292,517	318,671	(26,154)	209,878
Elections	42,130	17,818	24,312	55,119
Personnel	259,990	266,907	(6,917)	215,618
Information Systems	649,965	644,184	5,781	539,437
Copy Machine/Offset	31,900	23,444	8,456	19,459
Finance	329,206	327,282	1,924	235,859
Finance Carryover	-	1,087	(1,087)	21,560
Personal Property Chargeback Expenses	2,000	116	1,884	1,768
Assessments	1,100	122	978	92
County Treasurer	357,998	324,440	33,558	372,906
Independent Auditing	29,061	24,885	4,176	25,493
Special Accounting	7,611	7,611	-	7,611
District Attorney	395,949	369,303	26,646	378,054
Crime Victim/Witness Program	199,271	151,400	47,871	167,698
Corporate Counsel	310,629	326,994	(16,365)	277,378
Register of Deeds	328,408	309,786	18,622	340,454
Register of Deeds Redaction Expenses	39,000	39,000	-	34,375
Land Records Program Local	184,938	209,886	(24,948)	5,567
Surveyor	-	-	-	82,366
Tax Deed Expense	3,000	68,810	(65,810)	-
Courthouse	1,840,478	1,558,330	282,148	1,511,607
Facilities Improvements	267,556	186,202	81,354	64,444

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013		Variance - Positive (Negative)	2012 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
Property and Liability Insurance	\$ 180,500	\$ 164,425	\$ 16,075	\$ 355,189
Health Program Expenses	-	-	-	2,487
Sundry Department Expenses	2,900	7,621	(4,721)	932
Contingency	315,498	-	315,498	26,019
Computer Outlay	225,000	296,243	(71,243)	139,093
Total General Government	<u>8,425,737</u>	<u>7,627,759</u>	<u>797,978</u>	<u>7,381,147</u>
Public Safety:				
Sheriff	439,817	462,808	(22,991)	437,075
Investigations	625,569	596,523	29,046	581,069
Patrol	1,866,628	2,007,925	(141,297)	1,906,742
Sheriff's Department Training and Equipment	259,920	16,371	243,549	75,377
Reserve Officers	171,294	143,039	28,255	134,581
Snowmobile Patrol	23,932	4,982	18,950	1,604
Rifle Range	7,775	8,655	(880)	5,678
Water Safety Patrol	41,112	16,298	24,814	11,627
All Terrain Vehicle Trail Patrol	23,429	21,318	2,111	9,436
Police Radio	59,114	42,180	16,934	44,474
Fire Suppression	5,000	1,300	3,700	785
Building Inspection Fund	92,000	87,601	4,399	104,078
Emergency Government	152,994	150,354	2,640	114,247
SARA Program (Hazardous Materials)	40,802	46,306	(5,504)	28,553
Special Grants - Emergency Government	10,000	32,450	(22,450)	68,169
County Jail	3,239,361	3,028,093	211,268	3,241,993
Jail Canteen Fund	149,000	116,884	32,116	144,998
Telecommunications	1,331,984	1,185,352	146,632	1,041,072
Uniform Addressing	96,345	92,866	3,479	90,900
Total Public Safety	<u>8,636,076</u>	<u>8,061,305</u>	<u>574,771</u>	<u>8,042,458</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013		Variance - Positive (Negative)	2012 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Works:				
County Trunk Highway System (see Schedule E-4)	\$ 5,987,678	\$ 5,987,678	\$ -	\$ 6,179,895
Recycling	304,744	245,113	59,631	289,804
Airport	126,440	126,440	-	123,961
Total Public Works	6,418,862	6,359,231	59,631	6,593,660
Health and Human Services:				
Public Health Nurse	642,775	642,775	-	750,044
Home Nursing Program	1,328,564	1,212,378	116,186	1,247,812
Health Clinics	57,816	45,360	12,456	72,384
Child Support	709,352	735,289	(25,937)	663,777
Public Health PTO Conversion	106,198	102,201	3,997	-
Human Services PTO Conversion	282,090	271,475	10,615	-
Veterans' Service Officer	170,862	183,274	(12,412)	154,464
Veterans' Relief	9,290	8,796	494	4,274
Care of Veterans' Graves	1,400	1,344	56	1,299
Total Health and Human Services	3,308,347	3,202,892	105,455	2,894,054
Culture, Recreation and Education:				
Grants to Public Libraries	619,831	620,376	(545)	640,421
Snowmobile Trails	90,400	173,330	(82,930)	85,148
All Terrain Vehicle Trails	9,000	13,926	(4,926)	3,734
University Extension	300,427	296,877	3,550	290,860
Old Abe Trail	6,750	15,235	(8,485)	2,325
Hickory Ridge/River Road Trail	4,346	4,966	(620)	2,583
Extension Education Programs	74,725	70,262	4,463	62,158
Total Culture, Recreation and Education	1,105,479	1,194,972	(89,493)	1,087,229
Conservation and Development:				
County Forestry Department	206,573	207,605	(1,032)	242,402
County Parks	357,357	306,529	50,828	389,886
Forest Roads	6,700	-	6,700	6,655
Forest and Parks Quality of Life	-	56,872	(56,872)	63,636
State Forestry Fund	57,050	146,144	(89,094)	199,469
Roads and Wildlife Flowages	100,000	82,375	17,625	-
Comprehensive Planning Project	30,000	26,658	3,342	148,343
Conservancy Trail Development	750	(2,740)	3,490	-
Land Conservation Stewardship	250,000	30	249,970	53,905
Conservation Committee	700	385	315	410
Land Conservation	431,791	418,618	13,173	348,659

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013			2012 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
EXPENDITURES (CONTINUED)				
Conservation and Development: (Continued)				
SWIRM Grant Expenditures	\$ 204,193	\$ 159,941	\$ 44,252	\$ 179,406
Groundwater Study	-	66,352	(66,352)	40,039
Targeted Runoff Management	147,750	-	147,750	-
Stormwater Planning Grant	8,000	2,500	5,500	3,500
Wildlife Habitat Management	1,695	22	1,673	983
Wildlife Damage - Abatement Project	22,580	17,197	5,383	17,199
TMDL - Little Lake Wissota	293,700	74,161	219,539	85,612
Gravel Pits	163,613	151,127	12,486	103,807
Conservation Reserve Enhancement Program	206,047	11,130	194,917	23,846
Housing Authority	896	990	(94)	591
Zoning	538,799	488,275	50,524	419,606
Economic Development	164,400	163,800	600	162,737
Tourism Development	27,270	27,270	-	27,270
Total Conservation and Development	<u>3,219,864</u>	<u>2,405,241</u>	<u>814,623</u>	<u>2,517,961</u>
Total Expenditures	<u>31,114,365</u>	<u>28,851,400</u>	<u>2,262,965</u>	<u>28,516,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,360,030)	(2,531,209)	1,828,821	(1,931,609)
OTHER FINANCING SOURCES (USES)				
Transfers In:				
County Sales Tax Fund	2,597,303	2,597,303	-	2,110,624
Human Services Fund	-	570,607	570,607	540,000
Land Management Fund	42,864	73,631	30,767	-
Health Insurance Fund	-	1,005,812	1,005,812	-
Transfers Out:				
Highway Department Fund	-	(553,309)	(553,309)	-
Sales Tax Fund	-	(17,625)	(17,625)	-
Dog License Fund	-	-	-	(25,411)
Health Insurance Fund	-	-	-	(1,700,000)
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>2,634,167</u>	<u>3,670,419</u>	<u>1,036,252</u>	<u>919,213</u>
NET CHANGE IN FUND BALANCE	(1,725,863)	1,139,210	2,865,073	(1,012,396)
Fund Balance, January 1	<u>15,339,151</u>	<u>15,339,151</u>	<u>-</u>	<u>16,351,547</u>
FUND BALANCE, DECEMBER 31	<u>\$ 13,613,288</u>	<u>\$ 16,478,361</u>	<u>\$ 2,865,073</u>	<u>\$ 15,339,151</u>

CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2013	2012
ASSETS					
Treasurer's Cash and Investments	\$ -	\$ 606,800	\$ 17,745	\$ 624,545	\$ 344,087
Taxes Receivable	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 606,800</u>	<u>\$ 17,745</u>	<u>\$ 624,545</u>	<u>\$ 344,087</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance:					
Restricted	-	-	17,745	17,745	-
Committed	-	606,800	-	606,800	344,087
Total Fund Balance	<u>-</u>	<u>606,800</u>	<u>17,745</u>	<u>624,545</u>	<u>344,087</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ -</u>	<u>\$ 606,800</u>	<u>\$ 17,745</u>	<u>\$ 624,545</u>	<u>\$ 344,087</u>

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2012)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2013	2012
REVENUES					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 358,328
Investment Income	-	323	-	323	25,258
Total Revenues	-	323	-	323	383,586
EXPENDITURES					
Principal Retirement	355,000	1,025,000	-	1,380,000	1,200,000
Interest and Fiscal Charges	115,300	164,925	-	280,225	410,964
Total Expenditures	470,300	1,189,925	-	1,660,225	1,610,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(470,300)	(1,189,602)	-	(1,659,902)	(1,227,378)
OTHER FINANCING SOURCES (USES)					
Transfer In from Sales Tax Fund	470,300	1,452,315	-	1,922,615	1,518,475
Transfer In from General Fund	-	-	-	-	(3,057,495)
Transfer In from Capital Projects Fund	-	-	17,745	17,745	-
Principal Payments on Refinanced Debt	-	-	-	-	(6,195,000)
Total Other Financing Sources (Uses)	470,300	1,452,315	17,745	1,940,360	(7,734,020)
NET CHANGE IN FUND BALANCE	-	262,713	17,745	280,458	(8,961,398)
Fund Balance, January 1	-	344,087	-	344,087	9,305,485
FUND BALANCE, DECEMBER 31	\$ -	\$ 606,800	\$ 17,745	\$ 624,545	\$ 344,087

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2012)**

	2013	2012
ASSETS		
Current Assets:		
Treasurer's Cash	\$ 161,398	\$ 210,699
Investment of Land Sales Proceeds	159,276	159,118
Accounts Receivable	40,000	40,000
Total Current Assets	360,674	409,817
Noncurrent Assets:		
Property Held for Resale:		
Land	90,871	90,871
Land Improvements	1,739,513	1,739,513
Capital Assets:		
Land	22,653	22,653
Total Noncurrent Assets	1,853,037	1,853,037
Total Assets	\$ 2,213,711	\$ 2,262,854
LIABILITIES		
Current Liabilities:		
Vouchers Payable	\$ -	\$ 8,592
Special Deposits	4,589	4,589
Total Liabilities	4,589	13,181
NET POSITION		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	2,186,469	2,227,020
Total Net Position	2,209,122	2,249,673
Total Liabilities and Net Position	\$ 2,213,711	\$ 2,262,854

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES:		
Charges for Services	\$ -	\$ 500
Other Miscellaneous Revenues	2,000	-
Total Operating Revenues	<u>2,000</u>	<u>500</u>
OPERATING EXPENSES	<u>46,908</u>	<u>45,082</u>
OPERATING LOSS	(44,908)	(44,582)
NONOPERATING REVENUES:		
Interest Revenue	157	254
Sale of Hay	4,200	-
Total Nonoperating Revenues (Expenses)	<u>4,357</u>	<u>254</u>
CHANGE IN NET POSITION	(40,551)	(44,328)
Net Position, January 1	<u>2,249,673</u>	<u>2,294,001</u>
NET POSITION, DECEMBER 31	<u>\$ 2,209,122</u>	<u>\$ 2,249,673</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from the Sale of County Property and Deposits	\$ 2,000	\$ 1,000
Cash Paid for Goods and Services	(55,500)	(36,490)
Net Cash Used by Operating Activities	(53,500)	(35,490)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from the Sale of Hay	4,200	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received on Investments	157	254
NET CHANGE IN CASH AND CASH EQUIVALENTS	(49,143)	(35,236)
CASH AND CASH EQUIVALENTS, JANUARY 1	369,817	405,053
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 320,674	\$ 369,817
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Loss	\$ (44,908)	\$ (44,582)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
Decrease in Accounts Receivable	-	500
Increase in Vouchers Payable	(8,592)	8,592
Net Cash Used by Operating Activities	\$ (53,500)	\$ (35,490)
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Schedule D-1:		
Treasurer's Cash	\$ 161,398	\$ 210,699
Investment of Land Sales Proceeds	159,276	159,118
Cash and Cash Equivalents per Schedule D-3	\$ 320,674	\$ 369,817

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)**

	Highway	Self-Funded	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Health Insurance	Liability Insurance	Benefits Fund	2013	2012
ASSETS							
Current Assets:							
Treasurer's Cash and Investments	\$ 4,327,977	\$ 1,541,044	\$ -	\$ 163,357	\$ 101,874	\$ 6,134,252	\$ 6,270,202
Departmental Cash - Petty Cash	250	-	-	-	-	250	250
Cash and Investments Held by Fiscal Agent	-	-	-	246,582	-	246,582	250,063
Accounts Receivable	693,588	606	-	76,041	-	770,235	606,557
Due from Other Governmental Units	1,623,344	-	-	-	-	1,623,344	2,403,279
Inventories	1,815,908	-	-	-	-	1,815,908	1,806,035
Prepaid Items	-	-	-	-	-	-	40,540
Total Current Assets	<u>8,461,067</u>	<u>1,541,650</u>	<u>-</u>	<u>485,980</u>	<u>101,874</u>	<u>10,590,571</u>	<u>11,376,926</u>
Noncurrent Assets:							
Capital Assets:							
Not Being Depreciated	120,889	-	-	-	-	120,889	92,696
Being Depreciated	26,960,431	-	-	-	-	26,960,431	26,588,574
Accumulated Depreciation	(15,360,940)	-	-	-	-	(15,360,940)	(15,093,360)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	-	750,327	-	750,327	750,327
Total Noncurrent Assets	<u>11,720,380</u>	<u>-</u>	<u>-</u>	<u>750,327</u>	<u>-</u>	<u>12,470,707</u>	<u>12,338,237</u>
Total Assets	<u>\$ 20,181,447</u>	<u>\$ 1,541,650</u>	<u>\$ -</u>	<u>\$ 1,236,307</u>	<u>\$ 101,874</u>	<u>\$ 23,061,278</u>	<u>\$ 23,715,163</u>

CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2013	2012
LIABILITIES:							
Current Liabilities:							
Accounts Payable	\$ 86,725	\$ 1,325	\$ -	\$ 218	\$ 23,646	\$ 111,914	\$ 546,255
Present Value of Unpaid Losses	-	936,570	-	326,734	-	1,263,304	1,311,739
Due to General Fund	475,491	-	-	-	-	475,491	-
Unearned Cost Pool Revenues	23,260	-	-	-	-	23,260	-
Highway Construction Advance Payment	2,423,886	-	-	-	-	2,423,886	2,779,949
Current Portion of Employee Leave Liability	160,998	-	-	-	-	160,998	224,505
Total Current Liabilities	3,170,360	937,895	-	326,952	23,646	4,458,853	4,862,448
Long-Term Liabilities							
(Net of Current Portion):							
Other Postemployment Benefits Payable	38,743	-	-	-	-	38,743	28,743
Estimated Employee Leave Liability	413,993	-	-	-	-	413,993	580,076
Total Long-Term Liabilities	452,736	-	-	-	-	452,736	608,819
Total Liabilities	3,623,096	937,895	-	326,952	23,646	4,911,589	5,471,267
NET POSITION:							
Net Investment in Capital Assets	11,720,380	-	-	-	-	11,720,380	11,587,910
Unrestricted	4,837,971	603,755	-	909,355	78,228	6,429,309	6,655,986
Total Net Position	16,558,351	603,755	-	909,355	78,228	18,149,689	18,243,896
Total Liabilities and Net Position	\$ 20,181,447	\$ 1,541,650	\$ -	\$ 1,236,307	\$ 101,874	\$ 23,061,278	\$ 23,715,163

CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2012)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Health Insurance	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
						2013	2012
OPERATING REVENUES	\$ 14,437,611	\$ 502,831	\$ -	\$ 148,898	\$ 395,973	\$ 15,485,313	\$ 25,321,578
OPERATING EXPENSES	15,863,196	348,883	2,637	243,072	392,071	16,849,859	28,278,567
OPERATING INCOME (LOSS)	(1,425,585)	153,948	(2,637)	(94,174)	3,902	(1,364,546)	(2,956,989)
NONOPERATING REVENUES (EXPENSES):							
Interest Revenue	-	501	4,623	5,378	-	10,502	12,061
Dividend Revenue	-	-	-	78,771	-	78,771	69,613
Disposition of Assets	18,352	-	-	-	-	18,352	28,308
Nonoperating Depreciation	(20,392)	-	-	-	-	(20,392)	(20,387)
Total Nonoperating Revenues (Expenses)	(2,040)	501	4,623	84,149	-	87,233	89,595
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,427,625)	154,449	1,986	(10,025)	3,902	(1,277,313)	(2,867,394)
CONTRIBUTIONS AND TRANSFERS:							
Contributions from State	-	-	-	-	-	-	18,756
Transfers from General Fund	553,309	-	-	-	6,000	559,309	1,706,000
Transfer from Sales Tax Fund	794,000	-	-	-	-	794,000	170,000
Transfer from Capital Projects Fund	835,609	-	-	-	-	835,609	947,121
Transfers to General Fund	-	-	(1,005,812)	-	-	(1,005,812)	-
Total Contributions and Transfers	2,182,918	-	(1,005,812)	-	6,000	1,183,106	2,841,877
CHANGE IN NET POSITION	755,293	154,449	(1,003,826)	(10,025)	9,902	(94,207)	(25,517)
Net Position, January 1	15,803,058	449,306	1,003,826	919,380	68,326	18,243,896	18,269,413
NET POSITION, DECEMBER 31	\$ 16,558,351	\$ 603,755	\$ -	\$ 909,355	\$ 78,228	\$ 18,149,689	\$ 18,243,896

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)**

	Highway	Self-Funded	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers' Compensation	Health Insurance	Liability Insurance	Benefits Fund	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash Received for Goods and Services:							
County/Departments	\$ 6,230,516	\$ 502,831	\$ -	\$ 148,898	\$ -	\$ 6,882,245	\$ 11,310,961
Third Parties	8,316,719	-	-	-	-	8,316,719	12,593,971
Cash Received from Employees	-	-	-	-	395,973	395,973	1,274,317
Cash Payments for Goods and Services	(5,977,895)	(48,706)	(4,600)	(30,000)	(5,008)	(6,066,209)	(9,978,696)
Cash Payments for Employee Services	(8,727,081)	(15,143)	-	(9,124)	-	(8,751,348)	(9,214,213)
Cash Payments for Insurance Claims	-	(279,801)	138,787	(61,213)	(384,353)	(586,580)	(7,302,315)
Cash Payments for Insurance Premiums	-	(27,723)	-	(170,251)	-	(197,974)	(720,380)
Net Cash Provided by (Used for) Operating Activities	(157,741)	131,458	134,187	(121,690)	6,612	(7,174)	(2,036,355)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfer from General Fund	553,309	-	-	-	6,000	559,309	1,706,000
Transfer from Sales Tax Fund	794,000	-	-	-	-	794,000	170,000
Transfer from Capital Projects Fund	835,609	-	-	-	-	835,609	947,121
Transfer to General Fund	-	-	(1,005,812)	-	-	(1,005,812)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	2,182,918	-	(1,005,812)	-	6,000	1,183,106	2,823,121
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Cash Received from Salvage of Capital Assets	21,902	-	-	-	-	21,902	66,187
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,420,110)	-	-	-	-	(1,420,110)	(1,368,806)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,398,208)	-	-	-	-	(1,398,208)	(1,302,619)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and Dividends Received on Investments	-	501	4,623	77,721	-	82,845	77,437
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	626,969	131,959	(867,002)	(43,969)	12,612	(139,431)	(438,416)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,701,258	1,409,085	867,002	453,908	89,262	6,520,515	6,958,931
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 4,328,227	\$ 1,541,044	\$ -	\$ 409,939	\$ 101,874	\$ 6,381,084	\$ 6,520,515

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)**

	Highway	Self-Funded	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Health Insurance	Liability Insurance	Benefits Fund	2013	2012
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating Income (Loss)	\$ (1,425,585)	\$ 153,948	\$ (2,637)	\$ (94,174)	\$ 3,902	\$ (1,364,546)	\$ (2,956,989)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Depreciation	1,263,698	-	-	-	-	1,263,698	1,290,417
(Increase) Decrease in Assets:							
Accounts Receivable	(314,248)	(606)	157,604	-	-	(157,250)	(361,766)
Due from Other Governments	779,935	-	-	-	-	779,935	(480,574)
Materials and Supplies	(9,873)	-	-	-	-	(9,873)	(16,598)
Prepaid Items	40,540	-	-	-	-	40,540	-
Increase (Decrease) in Liabilities:							
Accounts Payable	(415,306)	(11,741)	(8,813)	(1,191)	2,710	(434,341)	436,273
Present Value of Unpaid Losses	-	(10,143)	(11,967)	(26,325)	-	(48,435)	(369,903)
Due to Other Funds	475,491	-	-	-	-	475,491	-
Unearned Cost Pool Revenues	23,260	-	-	-	-	23,260	(4,304)
Advance for Highway Construction	(356,063)	-	-	-	-	(356,063)	543,473
Other Postemployment Benefits	10,000	-	-	-	-	10,000	(13,599)
Unused Vested Employee Benefits	(229,590)	-	-	-	-	(229,590)	(102,785)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (157,741)</u>	<u>\$ 131,458</u>	<u>\$ 134,187</u>	<u>\$ (121,690)</u>	<u>\$ 6,612</u>	<u>\$ (7,174)</u>	<u>\$ (2,036,355)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:							
Capital Assets Financed by State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,756

CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)

	2013	2012
OPERATING REVENUES:		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 5,987,678	\$ 6,179,895
State Highway Maintenance and Construction	2,734,572	2,140,269
Local Districts	1,155,606	844,486
County Departments	154,656	107,321
Non-Governmental Customers	3,721,345	9,057,168
Non-Highway Fleet	88,182	75,050
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	434,978	567,672
Equipment Storage	150,984	113,808
Gravel Pit Sales	740	50
Miscellaneous Highway Revenues	8,870	12,637
Total Operating Revenues	14,437,611	19,098,356
OPERATING EXPENSES:		
Administration and General:		
Administration	419,338	405,530
Patrol Superintendent	150,082	149,985
Engineering Technician	95,180	46,279
Radio Expense	4,358	2,234
Public Liability Insurance	27,325	24,699
Transportation Cost Pools:		
Machinery Operations	(37,921)	62,400
Gravel Pits and Quarries	29,954	(27,599)
Bituminous Operations	29,443	328,841
Services Provided:		
County:		
General Maintenance	1,521,388	1,763,372
Reconstruction and Betterments	4,207,887	7,817,354
Winter Maintenance	2,106,360	1,145,857
Bridge Construction	159,474	418,271
Land Acquisition	6,471	19,036
State:		
Highway Maintenance and Betterments	2,734,572	2,118,214
Equipment Storage	150,984	124,780
Salt Storage	11,840	12,934
County Aid Bridge Construction	127,931	196,478
Local Districts	1,155,715	844,486
Local Departments	154,656	107,317
Non-Governmental Customers	2,206,763	4,574,117
Amortization of State Contributions Included Above	28,171	32,109
Net Change in Accrued Employee Leave Liability	10,069	(78,931)
Net Change in Other Postemployment Benefits Liability	10,000	(13,599)
Non-Highway Fleet	553,156	493,377
Total Operating Expenses	15,863,196	20,567,541
OPERATING LOSS	(1,425,585)	(1,469,185)

**CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

	2013	2012
NONOPERATING REVENUES (EXPENSES):		
Gain (Loss) on Disposition of Assets - Non-Highway Fleet	\$ 18,352	\$ 28,308
Depreciation on Building Space Occupied by Other County Departments	(20,392)	(20,387)
Total Nonoperating Revenues (Expenses)	(2,040)	7,921
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(1,427,625)	(1,461,264)
CONTRIBUTIONS AND TRANSFERS:		
Contributions from State	-	18,756
Transfer from General Fund	553,309	-
Transfer from Capital Projects Fund	835,609	947,121
Transfer from Sales Tax Fund	794,000	170,000
Total Contributions and Interfund Transfers	2,182,918	1,135,877
CHANGE IN NET POSITION	755,293	(325,387)
Net Position, January 1	15,803,058	16,128,445
NET POSITION, DECEMBER 31	\$ 16,558,351	\$ 15,803,058

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

County Appropriations	\$ 3,501,613	\$ 3,500,613
State Transportation Aids	1,408,944	1,225,169
State Local Road Improvement Program Aid	20,310	488,105
State Aid - Local Bridge Revenue	(125)	6,291
Federal Aid Secondary Revenues	1,056,936	959,717
	\$ 5,987,678	\$ 6,179,895

CHIPPEWA COUNTY, WISCONSIN
SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)

	2013	2012
REVENUES:		
Charges to County	\$ 146,706	\$ 318,185
Insurance Recoveries	2,192	-
Interest Earnings on Funds Held by WMMIC	5,378	6,665
Dividend from WMMIC	78,771	69,613
Total Revenues	233,047	394,463
EXPENSES:		
Insurance Premiums Paid WMMIC	170,251	118,390
Claims Expenses	60,023	92,063
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	(26,325)	(32,792)
Administrative and Other Expenses	39,123	65,580
Total Expenses	243,072	243,241
CHANGE IN NET POSITION	(10,025)	151,222
Net Position, January 1	919,380	768,158
NET POSITION, DECEMBER 31	\$ 909,355	\$ 919,380

**CHIPPEWA COUNTY, WISCONSIN
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)**

	Tax Agency	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Totals	
							2013	2012
ASSETS								
Treasurer's Cash and Investments	\$ -	\$ 162,681	\$ -	\$ -	\$ -	\$ -	\$ 162,681	\$ 147,718
Departmental Cash and Investments	-	-	351,007	549	22,365	105,645	479,566	454,842
Taxes Receivable:								
Current Apportionment	790,434	-	-	-	-	-	790,434	775,958
Due from Departmental Agency Funds	-	160,695	-	-	-	-	160,695	143,664
Total Assets	\$ 790,434	\$ 323,376	\$ 351,007	\$ 549	\$ 22,365	\$ 105,645	\$ 1,593,376	\$ 1,522,182
LIABILITIES								
Due to Other Governmental Units:								
State	\$ 790,434	\$ 240,493	\$ -	\$ -	\$ -	\$ -	\$ 1,030,927	\$ 988,204
Districts	-	60,883	-	-	-	-	60,883	50,006
Due to Other Funds	-	-	42,193	-	-	44,271	86,464	91,137
Due Treasurer's Agency Fund	-	-	104,622	-	-	56,073	160,695	143,664
Special Deposits	-	22,000	204,192	549	22,365	5,301	254,407	249,171
Total Liabilities	\$ 790,434	\$ 323,376	\$ 351,007	\$ 549	\$ 22,365	\$ 105,645	\$ 1,593,376	\$ 1,522,182