

CHIPPEWA COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2014

**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, 2014, 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, 2014, 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, 2013 which are not presented with the accompanying financial statements. In our report dated July 15, 2014, 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 2013 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 2013 basic financial statements. The information has been subjected to the

auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual and combining fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2015 on our consideration of County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 24, 2015

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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, 2014. 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, 2014 include the following:

- The assets of Chippewa County exceeded its liabilities at the close of the most recent fiscal year by \$153,276,175 (net position). Of this amount, \$114,833,057 represented the County's investment in capital assets, net of related debt, \$4,110,833 was held for restricted purposes, and \$34,332,285 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 \$1,062,116. Net position related to the governmental activities of the County increased \$1,026,816 and net position related to business-type activities increased \$35,300.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$31,646,148, an increase of \$845,380 over the previous year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,687,801 or 34.0% of total general fund expenditures.
- The County's outstanding general obligation debt decreased by \$1,385,000 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, 2014**

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 ten 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, 2014**

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information relating to the farm land development, which is considered a major fund. Conversely, the 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 54 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 59 of this report.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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 \$153,276,175 at the close of the most recent fiscal year. The largest portion of Chippewa County's net position (74.9%) 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, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 64,959,228	\$ 66,888,843	\$ 2,226,358	\$ 2,191,058	\$ 67,185,586	\$ 69,079,901
Capital Assets	122,546,735	122,373,252	22,653	22,653	122,569,388	122,395,905
Total Assets	<u>187,505,963</u>	<u>189,262,095</u>	<u>2,249,011</u>	<u>2,213,711</u>	<u>189,754,974</u>	<u>191,475,806</u>
Long-Term Debt	9,995,000	11,380,000	-	-	9,995,000	11,380,000
Other Long-Term Obligations	2,746,533	2,861,401	-	-	2,746,533	2,861,401
Other Liabilities	6,519,451	8,206,328	4,589	4,589	6,524,040	8,210,917
Total Liabilities	<u>19,260,984</u>	<u>22,447,729</u>	<u>4,589</u>	<u>4,589</u>	<u>19,265,573</u>	<u>22,452,318</u>
Deferred Inflows of Resources	17,213,226	16,809,429	-	-	17,213,226	16,809,429
Net Position:						
Net Investment in Capital Assets	114,810,404	114,311,644	22,653	22,653	114,833,057	114,334,297
Restricted	4,110,833	3,682,394	-	-	4,110,833	3,682,394
Unrestricted	32,110,516	32,010,899	2,221,769	2,186,469	34,332,285	34,197,368
Total Net Position	<u>\$ 151,031,753</u>	<u>\$ 150,004,937</u>	<u>\$ 2,244,422</u>	<u>\$ 2,209,122</u>	<u>\$ 153,276,175</u>	<u>\$ 152,214,059</u>

An additional portion of Chippewa County's net position (2.7%) represents resources that are subject to other restrictions on how they may be used. The remaining \$34,332,285 of total net position (22.4%) may be used to meet the County's ongoing obligations to citizens and creditors. It is important to note that \$2,221,769 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 2014, 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 \$1,062,116 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$1,026,816 and an increase in net position related to business-type activities in the amount of \$35,300.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

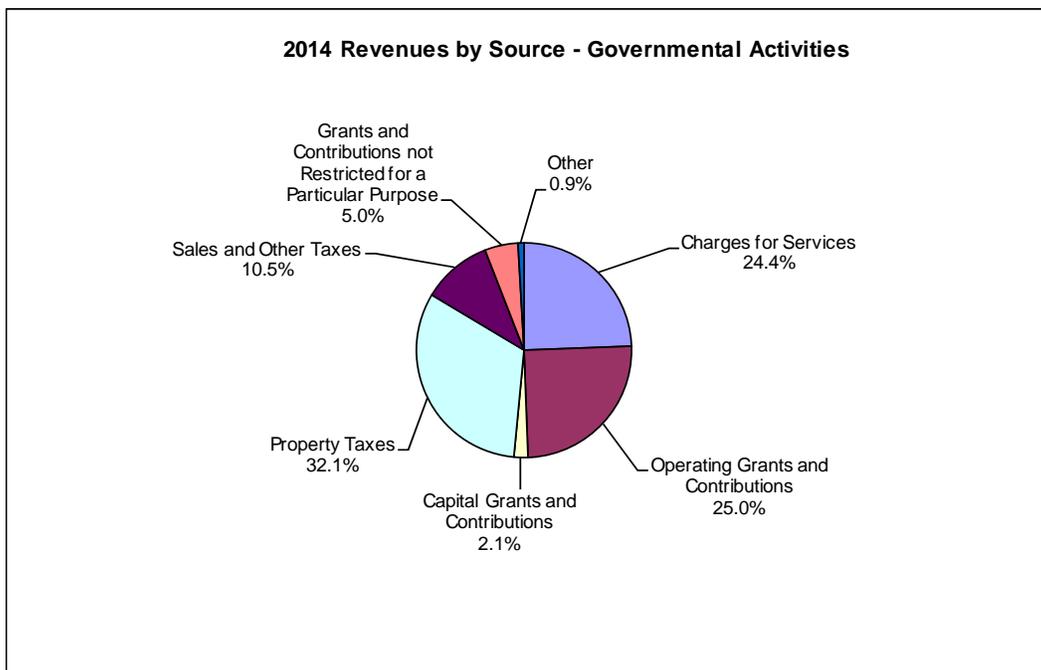
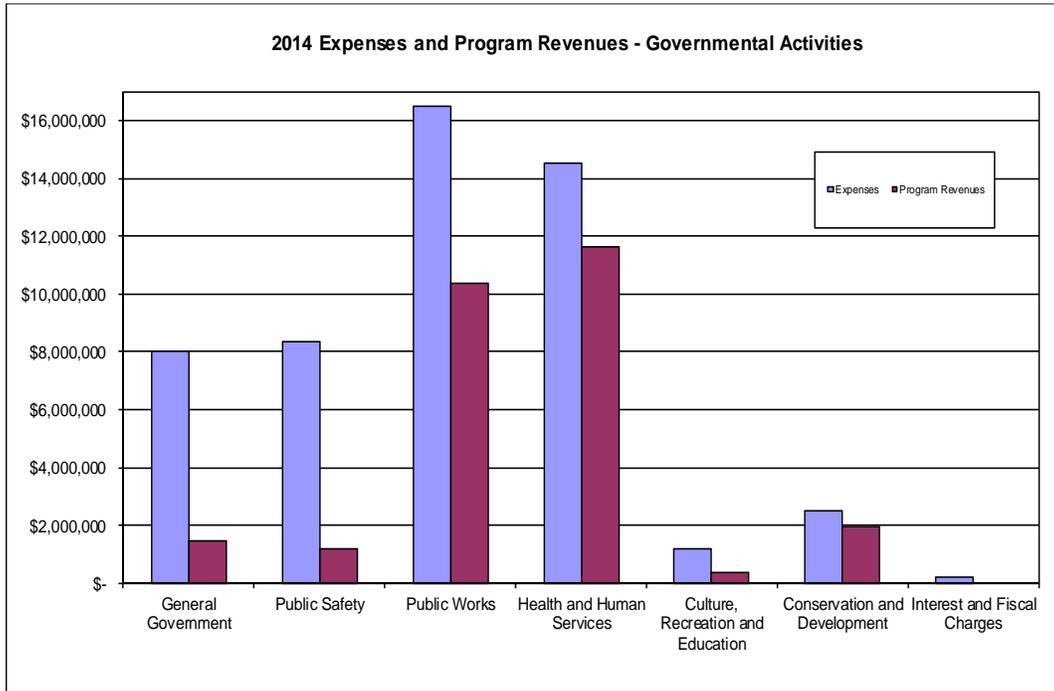
The following is a summary of the changes in the County's net position for the years ended December 31, 2014 and 2013:

**Condensed Statement of Changes in Net Position
Years Ended December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 12,758,167	\$ 13,550,615	\$ -	\$ -	\$ 12,758,167	\$ 13,550,615
Operating Grants and Contributions	13,099,633	12,366,995	-	-	13,099,633	12,366,995
Capital Grants and Contributions	1,103,509	1,077,121	-	-	1,103,509	1,077,121
General Revenues:						
Property Taxes	16,809,429	16,412,252	-	-	16,809,429	16,412,252
Sales/Other Taxes	5,477,611	4,969,592	-	-	5,477,611	4,969,592
State and Federal Aids Not Restricted to Specific Programs	2,621,756	2,606,352	-	-	2,621,756	2,606,352
Gains from Property Sales	-	-	55,557	-	55,557	-
Other	486,288	207,450	5,137	6,357	491,425	213,807
Total Revenues	52,356,393	51,190,377	60,694	6,357	52,417,087	51,196,734
Expenses:						
General Government	8,043,530	7,927,493	-	-	8,043,530	7,927,493
Public Safety	8,358,264	8,311,501	-	-	8,358,264	8,311,501
Public Works	16,476,330	14,426,168	-	-	16,476,330	14,426,168
Health and Human Services	14,516,660	14,216,747	-	-	14,516,660	14,216,747
Culture, Recreation and Education	1,201,451	1,226,749	-	-	1,201,451	1,226,749
Conservation and Development	2,525,201	2,682,693	-	-	2,525,201	2,682,693
Interest and Fiscal Charges	208,141	350,616	-	-	208,141	350,616
Farm Land Development	-	-	25,394	46,908	25,394	46,908
Total Expenses	51,329,577	49,141,967	25,394	46,908	51,354,971	49,188,875
Change in Net Position	\$ 1,026,816	\$ 2,048,410	\$ 35,300	\$ (40,551)	\$ 1,062,116	\$ 2,007,859

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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 (25.0%), and charges for services (24.4%).



**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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, 2014, the County's governmental funds reported combined ending fund balances of \$31,646,148, an increase of \$845,380 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at: December 31, 2014					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 1,495,856	\$ -	\$ -	\$ 7,577,531	\$ 9,687,801	\$ 18,761,188	\$ 2,282,827
Human Services Fund	-	-	1,068,693	-	-	1,068,693	(16,665)
CDBG Grant Fund	-	373,459	-	-	-	373,459	137,562
County Sales Tax Fund	-	-	7,164,534	-	-	7,164,534	(363,459)
Debt Service Fund	-	812	611,942	-	-	612,754	(11,791)
Nonmajor Funds:							
Special Revenue Funds	-	187,030	1,425,610	-	-	1,612,640	(60,328)
Capital Projects Funds	-	2,052,880	-	-	-	2,052,880	(1,122,766)
	<u>\$ 1,495,856</u>	<u>\$ 2,614,181</u>	<u>\$ 10,270,779</u>	<u>\$ 7,577,531</u>	<u>\$ 9,687,801</u>	<u>\$ 31,646,148</u>	<u>\$ 845,380</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 65.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 34.0% of the same amount.

The general fund's total fund balance increased \$2,282,827 during the year; while the unassigned portion of the fund increased \$470,083. The primary factors in the increase in fund balance were the early retirement of a long-term receivable held by the general fund and unexpended continuing appropriations.

The County's human services fund decreased \$16,665 during the year and had a balance of \$1,068,693 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, 2014**

The CDBG grant fund balance increased \$137,562 during the year and had a balance of \$373,459 at year end. This balance, together with the outstanding receivables totaling \$3,542,041 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 \$363,459 during the year and had a balance of \$7,164,534 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 decreased \$11,791 during the year and had a balance of \$612,754 at year end. Of this, \$812 is unspent bond proceeds which are restricted for debt service. The remaining debt service fund balance of \$611,942 at December 31, 2014 is committed for financing future principal and interest requirements on outstanding debt issues.

The aggregated other governmental funds include various special revenue funds and capital projects funds. The accumulated fund balances of these funds decreased \$1,183,094 during 2014. 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 2014 totaled \$2,244,422, up \$35,300 from the previous year.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2014 and 2013**

	Farm Land Development	
	2014	2013
Operating Revenues	\$ 55,557	\$ 2,000
Operating Expenses	25,394	46,908
Operating Income (Loss)	30,163	(44,908)
Nonoperating Revenues	5,137	4,357
Changes in Net Position	35,300	(40,551)
Net Position at Beginning of Year	2,209,122	2,249,673
Net Position at Year End	\$ 2,244,422	\$ 2,209,122

As of December 31, 2014, the County's farm land development fund reported net position of \$2,244,422, an increase of \$35,300 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, 2014**

The County had four internal service funds during 2014. Net position of the funds at year end and changes thereto during the year were as follows:

<u>Fund</u>	Net Position at Year End			Change During Year
	Total	Net Investment in Capital Assets	Unrestricted	
Highway Department	\$ 15,871,906	\$ 11,795,737	\$ 4,076,169	\$ (686,445)
Self-funded Insurance Funds:				
Workers Compensation	519,362	-	519,362	(84,393)
Liability Insurance	968,770	-	968,770	59,415
Flexible Benefits	81,052	-	81,052	2,824
Totals	<u>\$ 17,441,090</u>	<u>\$ 11,795,737</u>	<u>\$ 5,645,353</u>	<u>\$ (708,599)</u>

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2014 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 2013 not included in the original budget. Although the final budget reflects a decrease in the general fund balance during 2014, 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, 2014 and 2013 was \$122,569,388 and \$122,395,905, 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 \$173,483.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and Land Rights	\$ 4,943,130	\$ 4,943,130	\$ 22,653	\$ 22,653	\$ 4,965,783	\$ 4,965,783
Construction Work in Progress	1,214,721	573,517	-	-	1,214,721	573,517
Gravel Pits and Quarries	1,897	1,897	-	-	1,897	1,897
Land Improvements	3,982,678	3,500,538	-	-	3,982,678	3,500,538
Buildings and Improvements	19,006,475	19,837,391	-	-	19,006,475	19,837,391
Equipment and Vehicles	11,006,103	10,898,966	-	-	11,006,103	10,898,966
Highway Infrastructure	82,391,731	82,617,813	-	-	82,391,731	82,617,813
Total	<u>\$ 122,546,735</u>	<u>\$ 122,373,252</u>	<u>\$ 22,653</u>	<u>\$ 22,653</u>	<u>\$ 122,569,388</u>	<u>\$ 122,395,905</u>

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

- Courthouse tuckpointing and other building improvements were completed at a cost of \$809,235.
- County highway improvements of over \$3 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, 2014, Chippewa County had outstanding \$12,979,104 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, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals Outstanding		% Change
	2014	2013	2014	2013	2014	2013	
General Obligation Debt:							
Bonds	\$ 3,930,000	\$ 4,985,000	\$ -	\$ -	\$ 3,930,000	\$ 4,985,000	-21.2%
Notes	6,065,000	6,395,000	-	-	6,065,000	6,395,000	-5.2
Subtotal	9,995,000	11,380,000	-	-	9,995,000	11,380,000	-12.2
Other Long-Term Obligations:							
Bond Premiums	237,571	318,975	-	-	237,571	318,975	-25.5
Forest Crop Loans Payable	-	11,000	-	-	-	11,000	-100.0
Estimated Employee Leave	2,458,174	2,663,813	-	-	2,458,174	2,663,813	-7.7
Other Postemployment Benefits	288,359	186,588	-	-	288,359	186,588	54.5
Total	<u>\$ 12,979,104</u>	<u>\$ 14,560,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,979,104</u>	<u>\$ 14,560,376</u>	<u>-10.9</u>

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Chippewa County outstanding at December 31, 2014 totaled \$9,995,000, approximately 4.2% of the maximum legal limit of \$238,831,910. Additional information on Chippewa County's long-term debt is reported in Note 2.E following the financial statements.

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

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 2011-2015:

<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>
2014	2015	3.77	\$ 17,213,226	--In Process of Collection--	
2013	2014	3.78	16,809,429	\$ 1,359,644	91.91%
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

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 2010 through 2014. 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>
2014	\$ 4,776,638,200	\$ 4,567,918,100
2013	4,653,303,700	4,448,218,700
2012	4,572,364,300	4,376,600,400
2011	4,551,285,800	4,406,283,400
2010	4,553,032,700	4,450,774,700

**CHIPPEWA COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

Economic Factors and Next Year's Budget and Rates

The overall tax rate for the 2015 budget year decreased from a rate of \$3.78/\$1000 of assessed value to a rate of \$3.77/\$1000, an overall decrease of 0.26%. The resultant overall tax levy increased from a dollar amount of \$16,809,429 to \$17,213,226 - 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 2014, a total of \$5,485,680 was transferred from the sales tax fund 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>

The sales tax fund generated \$4,963,232 in sales tax revenues and interest earnings during 2014. In the Budget year of 2015 the County approved the use of sales tax dollars as follows:

Property Tax Credit	\$ 1,389,274
Debt Service Fund	1,661,050
Airport Debt Contribution	127,704
Courthouse Security Plan	150,000
Highways and Bridges	400,000
IT Equipment Data Center	175,000
Radio System Replacement	100,000
Real Estate/Property Listing Software	103,000
Court Commissioner/Jury Room	64,000
Courthouse Fire System Upgrade	50,000
Vehicle Fleet Pool Purchases	175,000
Total	<u><u>\$ 4,395,028</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, 2014**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 34,063,382	\$ 400,416	\$ 34,463,798
Departmental Cash and Investments	111,032	-	111,032
Cash and Investments Held by Fiscal Agent	622,517	-	622,517
Investment in Wisconsin Municipal Insurance Company	750,327	-	750,327
Taxes Receivable	18,704,443	-	18,704,443
Accounts Receivable	2,210,170	40,000	2,250,170
Due from Other Governments	2,757,227	-	2,757,227
Due from Fiduciary Funds	79,480	-	79,480
Long-Term Receivables	3,595,753	-	3,595,753
Inventory and Prepaid Items	2,064,897	-	2,064,897
Noncurrent Assets:			
Property Held for Resale	-	1,785,942	1,785,942
Capital Assets:			
Capital Assets Not Being Depreciated	6,157,851	22,653	6,180,504
Capital Assets Being Depreciated	202,424,441	-	202,424,441
Accumulated Depreciation	(86,035,557)	-	(86,035,557)
Total Assets	<u>187,505,963</u>	<u>2,249,011</u>	<u>189,754,974</u>
LIABILITIES			
Vouchers and Accounts Payable	2,088,029	-	2,088,029
Accrued Payables	1,302,373	-	1,302,373
Accrued Interest Payable	119,219	-	119,219
Payroll Taxes and Withholdings	656,137	-	656,137
Due to Other Governments	377,999	-	377,999
Unearned Revenues	1,680,340	-	1,680,340
Special Deposits	57,783	4,589	62,372
Long-Term Liabilities:			
Amounts Due Within One Year	3,153,004	-	3,153,004
Amounts Due in More Than One Year	9,826,100	-	9,826,100
Total Liabilities	<u>19,260,984</u>	<u>4,589</u>	<u>19,265,573</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year's Property Taxes	<u>17,213,226</u>	<u>-</u>	<u>17,213,226</u>
NET POSITION			
Net Investment in Capital Assets	114,810,404	22,653	114,833,057
Restricted for:			
Housing/Business Loan Programs	3,921,270	-	3,921,270
Other	189,563	-	189,563
Unrestricted	32,110,516	2,221,769	34,332,285
Total Net Position	<u>\$ 151,031,753</u>	<u>\$ 2,244,422</u>	<u>\$ 153,276,175</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

<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>
Primary Government:							
Governmental Activities:							
General Government	\$ 8,043,530	\$ 1,071,756	\$ 396,245	\$ -	\$ (6,575,529)	\$ -	\$ (6,575,529)
Public Safety	8,358,264	999,607	187,629	-	(7,171,028)	-	(7,171,028)
Public Works	16,476,330	7,736,079	1,555,247	1,103,509	(6,081,495)	-	(6,081,495)
Health and Human Services	14,516,660	1,955,485	9,656,477	-	(2,904,698)	-	(2,904,698)
Culture, Recreation and Education	1,201,451	161,374	202,244	-	(837,833)	-	(837,833)
Conservation and Development	2,525,201	833,866	1,101,791	-	(589,544)	-	(589,544)
Interest and Fiscal Charges	208,141	-	-	-	(208,141)	-	(208,141)
Total Governmental Activities	<u>51,329,577</u>	<u>12,758,167</u>	<u>13,099,633</u>	<u>1,103,509</u>	<u>(24,368,268)</u>	<u>-</u>	<u>(24,368,268)</u>
Business-Type Activities:							
Farm Land Development	<u>25,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,394)</u>	<u>(25,394)</u>
Total Primary Government	<u>\$ 51,354,971</u>	<u>\$ 12,758,167</u>	<u>\$ 13,099,633</u>	<u>\$ 1,103,509</u>	<u>(24,368,268)</u>	<u>(25,394)</u>	<u>(24,393,662)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					16,809,429	-	16,809,429
County Sales Taxes					4,960,194	-	4,960,194
Other Taxes					517,417	-	517,417
State and Federal Aids not Restricted to Specific Function					2,621,756	-	2,621,756
Interest and Investment Earnings					392,042	137	392,179
Gain on Sale of Property					-	55,557	55,557
Miscellaneous					94,246	5,000	99,246
Total General Revenues					<u>25,395,084</u>	<u>60,694</u>	<u>25,455,778</u>
CHANGE IN NET POSITION					1,026,816	35,300	1,062,116
Net Position - Beginning of Year					<u>150,004,937</u>	<u>2,209,122</u>	<u>152,214,059</u>
NET POSITION - END OF YEAR					<u>\$ 151,031,753</u>	<u>\$ 2,244,422</u>	<u>\$ 153,276,175</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	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	\$ 18,349,513	\$ 1,002,191	\$ -	\$ 6,407,144	\$ 612,754	\$ 3,322,815	\$ 29,694,417
Departmental Cash and Investments	3,352	62,317	-	-	-	45,113	110,782
Cash and Investments Held by Fiscal Agent	-	-	379,329	-	-	-	379,329
Taxes Receivable	16,241,926	2,194,066	-	-	-	268,451	18,704,443
Accounts Receivable	742,566	29,377	-	757,390	-	549,890	2,079,223
Due from Other Governmental Units	-	782,646	7,013	-	-	-	789,659
Due from Other Funds	12,946	-	-	-	-	-	12,946
Due from Fiduciary Funds	62,977	5,239	-	-	-	11,264	79,480
Prepaid Items	4,639	-	-	-	-	-	4,639
Long-Term Receivables	-	-	3,542,041	-	-	53,712	3,595,753
Total Assets	\$ 35,417,919	\$ 4,075,836	\$ 3,928,383	\$ 7,164,534	\$ 612,754	\$ 4,251,245	\$ 55,450,671
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers and Accounts Payable	\$ 749,997	\$ 739,943	\$ 12,883	\$ -	\$ -	\$ 177,715	\$ 1,680,538
Payroll Deductions	656,137	-	-	-	-	-	656,137
Due to Other Governmental Units	375,362	-	-	-	-	2,637	377,999
Due to Other Funds	-	-	-	-	-	12,946	12,946
Unearned Revenues	54,526	15,351	-	-	-	70,264	140,141
Client and Patient Trust Funds	-	57,783	-	-	-	-	57,783
Total Liabilities	1,836,022	813,077	12,883	-	-	263,562	2,925,544
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	14,750,709	2,194,066	-	-	-	268,451	17,213,226
Unavailable Revenue - Long-Term Receivables	-	-	3,542,041	-	-	53,712	3,595,753
Unavailable Revenue - Other	70,000	-	-	-	-	-	70,000
Total Deferred Inflows of Resources	14,820,709	2,194,066	3,542,041	-	-	322,163	20,878,979
Fund Balances:							
Nonspendable	1,495,856	-	-	-	-	-	1,495,856
Restricted	-	-	373,459	-	812	2,239,910	2,614,181
Committed	-	1,068,693	-	7,164,534	611,942	1,425,610	10,270,779
Assigned	7,577,531	-	-	-	-	-	7,577,531
Unassigned	9,687,801	-	-	-	-	-	9,687,801
Total Fund Balances	18,761,188	1,068,693	373,459	7,164,534	612,754	3,665,520	31,646,148
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,417,919	\$ 4,075,836	\$ 3,928,383	\$ 7,164,534	\$ 612,754	\$ 4,251,245	\$ 55,450,671

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 31,646,148

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	6,308,233	
Buildings	28,535,359	
Machinery/Equipment	7,635,827	
Vehicles	287,113	
Infrastructure	132,743,239	
Construction Work in Progress	1,214,721	
Accumulated Depreciation	<u>(69,996,420)</u>	110,750,998

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. 3,665,753

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	(3,930,000)	
Notes Payable	(6,065,000)	
Accrued Interest Payable	(119,219)	
Vacation, Compensatory and Sick Leave Liability	(1,892,821)	
Other Postemployment Benefits Payable	<u>(227,625)</u>	(12,234,665)

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		(237,571)
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The highway department internal service fund is used by County's management to account for services provided the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities. 15,871,906

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. 1,569,184

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 151,031,753

CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	General Fund	Human Services Fund	CDBG Grant Fund	County Sales Tax Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES							
Taxes	\$ 15,024,075	\$ 2,194,066	\$ -	\$ 4,960,194	\$ -	\$ 108,705	\$ 22,287,040
Intergovernmental	7,061,840	6,676,727	624,992	-	-	2,312,739	16,676,298
Licenses and Permits	501,253	-	-	-	-	46,921	548,174
Fines and Forfeits	183,548	-	-	-	-	55,707	239,255
Public Charges for Services	3,381,152	431,130	-	-	-	301,211	4,113,493
Intergovernmental Charges for Services	350,604	-	-	-	-	-	350,604
Miscellaneous:							
Investment Income	137,672	-	1,782	3,038	341	6,105	148,938
Increase (Decrease) in							
Fair Value of Investments	165,588	-	-	-	-	-	165,588
Rent	23,479	-	-	-	-	-	23,479
Sale of Property	4,166	-	-	-	-	-	4,166
Other	1,260,526	-	198,690	-	-	166,109	1,625,325
Total Revenues	28,093,903	9,301,923	825,464	4,963,232	341	2,997,497	46,182,360
EXPENDITURES							
General Government	7,607,041	-	-	-	-	175,194	7,782,235
Public Safety	8,104,539	-	-	-	-	72,320	8,176,859
Public Works	6,413,038	-	-	-	-	-	6,413,038
Health and Human Services	2,967,487	8,663,950	-	-	-	2,864,622	14,496,059
Culture, Recreation and Education	1,170,724	-	-	-	-	-	1,170,724
Conservation and Development	2,256,770	-	687,902	-	-	17,216	2,961,888
Debt Service:							
Principal Retirement	-	-	-	-	1,385,000	-	1,385,000
Interest and Fiscal Charges	-	-	-	-	290,177	-	290,177
Total Expenditures	28,519,599	8,663,950	687,902	-	1,675,177	3,129,352	42,675,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(425,696)	637,973	137,562	4,963,232	(1,674,836)	(131,855)	3,506,380
OTHER FINANCING SOURCES (USES)							
Transfers In	2,903,512	-	-	158,989	1,663,045	-	4,725,546
Transfers Out	(194,989)	(654,638)	-	(5,485,680)	-	(1,051,239)	(7,386,546)
Total Other Financing Sources (Uses)	2,708,523	(654,638)	-	(5,326,691)	1,663,045	(1,051,239)	(2,661,000)
NET CHANGE IN FUND BALANCES	2,282,827	(16,665)	137,562	(363,459)	(11,791)	(1,183,094)	845,380
Fund Balances, January 1	16,478,361	1,085,358	235,897	7,527,993	624,545	4,848,614	30,800,768
FUND BALANCES, DECEMBER 31	<u>\$ 18,761,188</u>	<u>\$ 1,068,693</u>	<u>\$ 373,459</u>	<u>\$ 7,164,534</u>	<u>\$ 612,754</u>	<u>\$ 3,665,520</u>	<u>\$ 31,646,148</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 845,380

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 5,171,179	
Depreciation Expense Reported in the Statement of Activities	<u>(4,959,753)</u>	211,426

In the statement of activities, the gain and loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net cost of the capital assets sold, traded in, or discarded: (113,300)

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. (791,348)

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		1,385,000
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The internal service funds are used by the County's management to charge the cost of the self-funded insurance program to functions and to account for highway department operations. The change in net position of the internal service funds are reported in governmental activities.

Highway Department Fund	(686,445)	
Insurance Funds	<u>(22,154)</u>	(708,599)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Amortization of Debt Premium	81,404	
Net Change in Accrued Interest Payable	632	
Net Change in Compensated Absences Liability	196,001	
Net Change in Other Postemployment Benefits Payable	<u>(79,780)</u>	<u>198,257</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,026,816

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014**

	<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	\$ 400,416	\$ 4,368,965
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agent	-	243,188
Accounts Receivable	40,000	130,947
Due from Other Governmental Units	-	1,967,568
Inventories	-	2,060,258
Total Current Assets	440,416	8,771,176
Noncurrent Assets:		
Property Held for Resale:		
Land	127,749	-
Land Improvements	1,658,193	-
Capital Assets:		
Not Being Depreciated	22,653	92,696
Depreciable Assets	-	27,742,178
Accumulated Depreciation	-	(16,039,137)
Deposit with Public Entity Risk Pool	-	750,327
Total Noncurrent Assets	1,808,595	12,546,064
Total Assets	\$ 2,249,011	\$ 21,317,240
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 407,491
Special Deposits	4,589	-
Present Value of Unpaid Losses	-	1,302,373
Unearned Revenue - Cost Pools	-	1,034
Unearned Revenue - Advance for Highway Construction	-	1,539,165
Current Portion of Long-Term Liabilities:		
Estimated Employee Leave Liability	-	371,375
Total Current Liabilities	4,589	3,621,438
Long-Term Liabilities (Net of Current Portion):		
Other Postemployment Benefits Payable	-	60,734
Estimated Employee Leave Liability	-	193,978
Total Long-Term Liabilities	-	254,712
Total Liabilities	4,589	3,876,150
NET POSITION		
Net Investment in Capital Assets	22,653	11,795,737
Unrestricted	2,221,769	5,645,353
Total Net Position	2,244,422	17,441,090
Total Liabilities and Net Position	\$ 2,249,011	\$ 21,317,240

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, 2014**

	<u>Business-Type Activities - Farm Land Development Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES	\$ 55,557	\$ 14,751,409
OPERATING EXPENSES	<u>25,394</u>	<u>18,191,810</u>
OPERATING INCOME (LOSS)	30,163	(3,440,401)
NONOPERATING REVENUES (EXPENSES):		
Interest Revenue	137	4,940
Dividend Revenue	-	72,576
Sale of Hay	5,000	-
Loss on Disposal of Property	-	13,730
Nonoperating Depreciation	-	<u>(20,444)</u>
Total Nonoperating Revenues (Expenses)	<u>5,137</u>	<u>70,802</u>
INCOME (LOSS) BEFORE TRANSFERS	35,300	(3,369,599)
TRANSFERS:		
Transfers from General Fund	-	36,000
Transfers from Sales Tax Fund	-	1,675,000
Transfers from Capital Projects Fund	-	<u>950,000</u>
Total Transfers	<u>-</u>	<u>2,661,000</u>
CHANGE IN NET POSITION	35,300	(708,599)
Net Position, January 1	<u>2,209,122</u>	<u>18,149,689</u>
NET POSITION, DECEMBER 31	<u><u>\$ 2,244,422</u></u>	<u><u>\$ 17,441,090</u></u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received for Goods and Services:		
County/Departments	\$ -	\$ 6,946,300
Third Parties	-	6,884,079
Cash Received from Employees	-	327,501
Cash Received from the Sale of Property	100,000	-
Cash Paid to Suppliers for Goods and Services	(25,395)	(7,201,034)
Cash Paid for Employee Services	-	(9,133,202)
Cash Paid for Insurance Claims	-	(743,217)
Cash Paid for Insurance Premiums	-	(177,645)
Net Cash Provided by (Used for) Operating Activities	<u>74,605</u>	<u>(3,097,218)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from Sale of Hay	5,000	-
Transfers from Sales Tax Special Revenue Fund	-	1,675,000
Transfer from General Fund	-	36,000
Transfer from Capital Projects Fund	-	950,000
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>5,000</u>	<u>2,661,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Salvage of Capital Assets	-	71,984
Cash Payments for Acquisition of Capital Assets	-	(1,485,429)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(1,413,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	<u>137</u>	<u>80,982</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	79,742	(1,768,681)
Cash and Cash Equivalents, January 1	<u>320,674</u>	<u>6,381,084</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 400,416</u>	<u>\$ 4,612,403</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Farm Land Development Enterprise Fund	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 30,163	\$ (3,440,401)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Property Sold	44,442	-
Depreciation	-	1,331,374
(Increase) Decrease in Assets:		
Accounts Receivable	-	635,822
Due from Other Governmental Units	-	(344,224)
Inventory	-	(244,350)
Increase (Decrease) in Liabilities:		
Accounts Payable	-	295,577
Accrued Liabilities	-	39,069
Due to Other Funds	-	(475,491)
Deferred Inflows	-	(22,226)
Advance for Highway Construction	-	(884,721)
Other Postemployment Benefits	-	21,991
Accrued Benefits	-	(9,638)
	<u>\$ 74,605</u>	<u>\$ (3,097,218)</u>
Net Cash Provided by (Used for) Operating Activities		
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Statement of Net Position:		
Treasurer's Cash and Investments	\$ 400,416	\$ 4,368,965
Departmental Cash and Investments	-	250
Cash and Investments Held by Fiscal Agents	-	243,188
Total Cash and Investments	<u>\$ 400,416</u>	<u>\$ 4,612,403</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	Agency Funds
ASSETS	
Treasurer's Cash and Investments	\$ 264,100
Departmental Cash and Investments	441,653
Taxes Receivable	<u>810,813</u>
Total Assets	<u>\$ 1,516,566</u>
LIABILITIES	
Due to Other Governmental Units	\$ 1,187,922
Due to Other Funds	79,480
Special Deposits	<u>249,164</u>
Total Liabilities	<u>\$ 1,516,566</u>

See accompanying Notes to Basic Financial Statements.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014

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, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

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

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

C. Measurement Focus and Basis of Accounting

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

CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

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, 2014**

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, 2014

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, 2014**

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, 2014**

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, 2014**

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 3.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, 2014

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

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 25% and 33% of general fund expenditures.

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, 2014**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2014 as shown in the financial statements are as follows:

Governmental Funds	\$ 30,184,528
Proprietary Funds	5,763,146
Fiduciary Funds	705,753
	\$ 36,653,427

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments:		
Deposits at Financial Institutions	\$ 5,388,310	
Deposits in State Local Government		
Pooled-Investment Fund	15,161,710	
Investments in Federal Agency Securities	14,138,726	\$ 34,688,746
Departmental Cash and Investments:		
Deposits at Financial Institutions	549,240	
Petty Cash Funds	3,445	552,685
Cash and Investments Held by Fiscal Agents:		
Funds Held by WMMIC	1,038,537	
Funds Held by Chippewa County Housing Authority	373,459	1,411,996
Total Cash and Investments at December 31, 2014		\$ 36,653,427

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, 2014, the County's deposits were not exposed to custodial credit risk.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The County's investments at December 31, 2014 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 2014 was 92 days.

U.S. Government Agencies and Instrumentalities Obligations. The County's investments in these obligations at December 31, 2014 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	\$ 152,303	\$ -	\$ -	\$ -	\$ 152,303	AA+
GNMA	173,492	-	-	-	173,492	AA+
FNMA	1,011,293	-	-	25,725	985,568	AA+
FHLMC	1,023,253	-	-	3,904	1,019,349	AA+
Government Agency Debt Instruments:						
FHLB	2,103,737	-	-	2,103,737	-	AA+
FHLMC	4,880,265	-	1,004,294	3,875,971	-	AA+
US Treasuries	4,682,375	432,319	1,007,205	3,242,851	-	AA+
Other	112,008	112,008	-	-	-	
	<u>\$ 14,138,726</u>	<u>\$ 544,327</u>	<u>\$ 2,011,499</u>	<u>\$ 9,252,188</u>	<u>\$ 2,330,712</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, 2014**

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, 2014 the County had outstanding three installment loans totaling \$53,712. 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, 2014 the County had three hundred forty-seven (347) loans outstanding totaling \$3,542,041 under two revolving loan programs as follows. Two hundred ninety-six (296) loans totaling \$3,078,030 were outstanding under a loan program for Chippewa County residents which was funded by grants received in previous years. The County also had fifty-one (51) loans outstanding totaling \$464,011 under a regional loan program funded by a Community Development Block Grant which was awarded to Chippewa County in 2013. The regional loan program is for the purpose of providing housing rehabilitation loans to eligible residents in a ten county area including Barron, Buffalo, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk and St. Croix counties. Chippewa County is the administrator of the grant and all loan repayments are received by Chippewa County to be used to finance similar housing rehabilitation loans in the ten county area.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

Governmental Activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
General County Assets:					
Capital Assets Not Being Depreciated:					
Land	\$ 4,022,926	\$ -	\$ -	\$ -	\$ 4,022,926
Highway Right-of-Ways	827,508	-	-	-	827,508
Construction Work in Progress	545,324	1,107,494	(438,097)	-	1,214,721
Total Capital Assets Not Being Depreciated	5,395,758	1,107,494	(438,097)	-	6,065,155
Capital Assets Being Depreciated:					
Land Improvements	5,498,998	495,182	314,053	-	6,308,233
Buildings and Improvements	28,535,359	-	-	-	28,535,359
Machinery and Equipment	7,315,530	320,297	-	-	7,635,827
Vehicles	246,989	73,332	-	33,208	287,113
Highway Infrastructure:					
Roadways	107,937,987	2,989,041	124,044	1,534,900	109,516,172
Bridges	21,925,223	185,833	-	-	22,111,056
Structures	297,703	-	-	9,200	288,503
Total Capital Assets Being Depreciated	171,757,789	4,063,685	438,097	1,577,308	174,682,263
Total Capital Assets	177,153,547	5,171,179	-	1,577,308	180,747,418
Accumulated Depreciation:					
Land Improvements	2,206,950	310,688	-	-	2,517,638
Buildings and Improvements	12,066,894	546,408	-	-	12,613,302
Machinery and Equipment	4,549,031	663,418	-	-	5,212,449
Vehicles	134,700	27,539	-	33,208	129,031
Highway Infrastructure	47,543,100	3,411,700	-	1,430,800	49,524,000
Total Accumulated Depreciation	66,500,675	4,959,753	-	1,464,008	69,996,420
Net Capital Assets - General County	<u>\$ 110,652,872</u>	<u>\$ 211,426</u>	<u>\$ -</u>	<u>\$ 113,300</u>	<u>\$ 110,750,998</u>

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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	120,889	-	(28,193)	-	92,696
Capital Assets Being Depreciated:					
Land Improvements	437,622	-	-	-	437,622
Gravel Pits and Quarries*	1,897	-	-	-	1,897
Buildings and Improvements	7,522,200	-	-	-	7,522,200
Vehicles Non Highway Fleet	1,535,337	204,811	-	210,699	1,529,449
Machinery and Equipment	17,463,375	1,269,792	28,193	510,350	18,251,010
Total Capital Assets Being Depreciated	26,960,431	1,474,603	28,193	721,049	27,742,178
Total Capital Assets	27,081,320	1,474,603	-	721,049	27,834,874
Accumulated Depreciation:					
Land Improvements	229,132	16,407	-	-	245,539
Buildings and Improvements	4,153,274	284,508	-	-	4,437,782
Vehicles Non Highway Fleet	821,780	172,035	-	183,955	809,860
Machinery and Equipment	10,156,754	878,868	-	489,666	10,545,956
Total Accumulated Depreciation	15,360,940	1,351,818	-	673,621	16,039,137
Net Capital Assets - Highway Department	<u>\$ 11,720,380</u>	<u>\$ 122,785</u>	<u>\$ -</u>	<u>\$ 47,428</u>	<u>\$ 11,795,737</u>
Capital Assets Not Being Depreciated	\$ 5,516,647	\$ 1,107,494	\$ (466,290)	\$ -	\$ 6,157,851
Capital Assets Being Depreciated	198,718,220	5,538,288	466,290	2,298,357	202,424,441
Total Capital Assets	204,234,867	6,645,782	-	2,298,357	208,582,292
Accumulated Depreciation	81,861,615	6,311,571	-	2,137,629	86,035,557
Net Capital Assets - Governmental Activities	<u>\$ 122,373,252</u>	<u>\$ 334,211</u>	<u>\$ -</u>	<u>\$ 160,728</u>	<u>\$ 122,546,735</u>

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

Depreciation was charged to governmental functions as follows:

General County:	
General Government	\$ 799,996
Public Safety	571,679
Public Works	3,411,700
Health and Human Services	77,647
Culture, Recreation and Education	54,650
Conservation and Development	44,081
	<u>4,959,753</u>
Highway Department:	
Transportation	1,351,818
	<u>\$ 6,311,571</u>

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Public Health Fund	\$ 12,946

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	\$ 2,148,447
General Fund	Human Services Fund	654,638
General Fund	Land Management Fund	100,427
Debt Service Fund	County Sales Tax Fund	1,662,233
Debt Service Fund	2011/2012 Capital Projects Fund	812
Highway Department Fund	General Fund	30,000
Highway Department Fund	County Sales Tax Fund	1,675,000
Highway Department Fund	2013 Capital Projects Fund	950,000
Flexible Benefits Fund	General Fund	6,000
Sales Tax Fund	General Fund	158,989
		\$ 7,386,546

The transfers from the County sales tax fund consisted of the amount of county sales tax collections applied to the 2014 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 remaining items were budgeted transfers for construction and working capital.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 were as follows:

	Balances 1/1/14	Additions	Reductions	Balances 12/31/14	Amounts Due Within One Year
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 4,985,000	\$ -	\$ 1,055,000	\$ 3,930,000	\$ 735,000
General Obligation Notes	6,395,000	-	330,000	6,065,000	660,000
Unamortized Debt Premium	318,975	-	81,404	237,571	69,371
Total Long-Term Debt	<u>\$ 11,698,975</u>	<u>\$ -</u>	<u>\$ 1,466,404</u>	<u>\$ 10,232,571</u>	<u>\$ 1,464,371</u>
Other Long-Term Obligations (Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	\$ 11,000	\$ -	\$ 11,000	\$ -	\$ -
Employee Leave Liability	2,088,822	-	196,001	1,892,821	1,317,258
Other Postemployment Benefits Payable	147,845	145,757	65,977	227,625	-
Highway Internal Service Fund:					
Employee Leave Liability	574,991	-	9,638	565,353	371,375
Other Postemployment Benefits Payable	38,743	40,177	18,186	60,734	-
Total Other Long-Term Obligations	<u>\$ 2,861,401</u>	<u>\$ 185,934</u>	<u>\$ 300,802</u>	<u>\$ 2,746,533</u>	<u>\$ 1,688,633</u>

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

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 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%	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>3,930,000</u>	<u>302,100</u>	<u>4,232,100</u>
Promissory Notes, \$3,000,000, issued 10/29/13, due 8/1/21, interest at 2.00%-2.50%	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	430,000	26,425	456,425
2020-2021	885,000	22,313	907,313	
		<u>2,805,000</u>	<u>238,838</u>	<u>3,043,838</u>
Promissory Notes, \$3,980,000, issued 7/6/11, due 2/1/21, interest at 2.00%-3.50%	2015	490,000	100,350	590,350
	2016	225,000	89,625	314,625
	2017	230,000	82,800	312,800
	2018	165,000	76,875	241,875
	2019	170,000	71,850	241,850
2020-2021	1,980,000	70,000	2,050,000	
		<u>3,260,000</u>	<u>491,500</u>	<u>3,751,500</u>
Total General Obligation Debt		<u>\$ 9,995,000</u>	<u>\$ 1,032,438</u>	<u>\$ 11,027,438</u>

The above annual debt service requirements are summarized as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,395,000	\$ 266,050	\$ 1,661,050
2016	1,435,000	226,675	1,661,675
2017	1,470,000	187,600	1,657,600
2018	1,395,000	149,000	1,544,000
2019	1,435,000	110,800	1,545,800
2020-2021	2,865,000	92,313	2,957,313
	<u>\$ 9,995,000</u>	<u>\$ 1,032,438</u>	<u>\$ 11,027,438</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, 2014, the County's debt limit amounted to \$238,831,910 and indebtedness subject to the limitation totaled \$9,995,000.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,491,217	\$ 1,491,217	\$ -	\$ -	\$ -	\$ -
Prepaid Items	4,639	4,639	-	-	-	-
Environmental Site Assessment	121,554	-	-	-	121,554	-
Environmental Impact Fee	29,506	-	-	-	29,506	-
Economic Development	199,238	-	-	-	199,238	-
County Administrator	233,800	-	-	-	233,800	-
Computer Equipment Outlay	58,654	-	-	-	58,654	-
Finance	23,058	-	-	-	23,058	-
Courthouse	263,762	-	-	-	263,762	-
Facilities Improvement	351,768	-	-	-	351,768	-
Rifle Range	21,032	-	-	-	21,032	-
Maintenance Garage/Storage Facility	11,080	-	-	-	11,080	-
Security Plan	790,385	-	-	-	790,385	-
Property and Liability Insurance	153,632	-	-	-	153,632	-
Employee Health Program	185,777	-	-	-	185,777	-
Copy Machine	31,326	-	-	-	31,326	-
Register of Deeds	45,339	-	-	-	45,339	-
Register of Deeds Redaction Expense	97,581	-	-	-	97,581	-
Youth Court Programs	5,032	-	-	-	5,032	-
Snowmobile Patrol	62,853	-	-	-	62,853	-
Water Safety Patrol	46,280	-	-	-	46,280	-
All Terrain Vehicle Patrol	10,441	-	-	-	10,441	-
Sheriff's Department Equipment & Tower	1,217,737	-	-	-	1,217,737	-
Sheriff's Department Training	88,301	-	-	-	88,301	-
Jail Canteen	106,223	-	-	-	106,223	-
UW-Extension	1,529	-	-	-	1,529	-
Extension Education Programs	34,758	-	-	-	34,758	-
Wildlife Damage and Abatement Programs	3,144	-	-	-	3,144	-
State Forestry Programs	309,847	-	-	-	309,847	-
Wildlife Habitat Management	8,198	-	-	-	8,198	-
Special Conservation Projects	27,340	-	-	-	27,340	-
Snowmobile Trails	17,760	-	-	-	17,760	-
All Terrain Vehicle Trails	25,374	-	-	-	25,374	-
Old Abe Trail Project	88,087	-	-	-	88,087	-
Forest & Trails Tax Deed Projects	1,185	-	-	-	1,185	-
Quality Of Life Programs	72,786	-	-	-	72,786	-
County Parks Capital Improvements	207,521	-	-	-	207,521	-
County Parks Tax Deed Projects	65,212	-	-	-	65,212	-
Recycling Programs	309,996	-	-	-	309,996	-
Soil and Water Resource Management	54,116	-	-	-	54,116	-
Non-Metallic Mining	83,713	-	-	-	83,713	-
Urban Stormwater Program	5,892	-	-	-	5,892	-
Conservation Reserve Enhancement Programs	28,075	-	-	-	28,075	-
Lake Protection Program	2,681	-	-	-	2,681	-
Targeted Runoff Management	7,863	-	-	-	7,863	-
Little Lake Wissota TMDL	6,651	-	-	-	6,651	-
Groundwater Sampling	30,187	-	-	-	30,187	-
Land Conservation Stewardship Programs	185,600	-	-	-	185,600	-
Groundwater Study	124,889	-	-	-	124,889	-
Building Inspection	34,005	-	-	-	34,005	-
Comprehensive Planning Project	184,966	-	-	-	184,966	-
Platbook/Roadmap Publishing	44,354	-	-	-	44,354	-
Tax Deeds	62,287	-	-	-	62,287	-
Veterans' Relief	10,074	-	-	-	10,074	-
Unfunded Benefit Liabilities	1,385,082	-	-	-	1,385,082	-
Unassigned	9,687,801	-	-	-	-	9,687,801
Subtotal General Fund	18,761,188	1,495,856	-	-	7,577,531	9,687,801
Human Services Fund						
Committed for Human Services Programs	1,068,693	-	-	1,068,693	-	-
CDBG Grant Fund	373,459	-	373,459	-	-	-
County Sales Tax Funded Programs	7,164,534	-	-	7,164,534	-	-
Debt Service Fund	612,754	-	812	611,942	-	-

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances (Continued)

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	\$ 82,891	\$ -	\$ 82,891	\$ -	\$ -	\$ -
Shelter Care Program	25,712	-	25,712	-	-	-
Dog License Fund Committed for Animal Control	1,000	-	-	1,000	-	-
Aging and Disability Resource Center Programs	633,949	-	-	633,949	-	-
Land Management Program	235,679	-	-	235,679	-	-
Jail Assessments Fees Funded Projects	78,427	-	78,427	-	-	-
County Economic Development Loan Program	554,982	-	-	554,982	-	-
Capital Projects Funds:						
2011/12 Capital Projects Fund	-	-	-	-	-	-
2013 Capital Projects Fund	2,052,880	-	2,052,880	-	-	-
Total Governmental Funds Balances at December 31, 2014	<u>\$ 31,646,148</u>	<u>\$ 1,495,856</u>	<u>\$ 2,614,181</u>	<u>\$ 10,270,779</u>	<u>\$ 7,577,531</u>	<u>\$ 9,687,801</u>

G. Internal Service Funds Net Position

The net position of the County's internal service funds at December 31, 2014 consisted of the following:

Fund	Net Position at Year End			Change During Year
	Total	Invested in Capital Assets	Unrestricted	
Highway Department Fund	\$ 15,871,906	\$ 11,795,737	\$ 4,076,169	\$ (686,445)
Self-Funded Insurance Funds:				
Workers Compensation	519,362	-	519,362	(84,393)
Liability Insurance	968,770	-	968,770	59,415
Flexible Benefits Fund	81,052	-	81,052	2,824
Totals	<u>\$ 17,441,090</u>	<u>\$ 11,795,737</u>	<u>\$ 5,645,353</u>	<u>\$ (708,599)</u>

NOTE 3 OTHER INFORMATION

A. Employee Leave Liability

The County's estimated liability for employee leave at December 31, 2014 totaled \$2,458,174 and consisted of \$1,892,821 payable from its governmental funds and \$565,353 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, 2014 totaled \$2,235,479 and consisted of \$1,689,063 payable from its governmental funds and \$546,416 payable from the highway department internal service fund.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 was \$98,318 in the governmental funds and \$18,937 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, 2014 was \$61,931 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, 2014, vested sick leave earned and not taken was approximately \$43,509 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 2014 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.0%	7.0%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.0%	10.1%
Protective without Social Security	7.0%	13.7%

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014 was \$18,214,274; the employer's total payroll was \$18,481,479. The total required contribution for the year ended December 31, 2014 was \$2,615,422, which consisted of \$1,338,434, or 7.4% of payroll from the employer and \$1,276,988, or 7.0% of payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$2,456,312 and \$2,292,880, 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, 2014, the most recent actuarial valuation date, there were approximately 322 active participants and 13 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, 2014**

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 2014, the County contributed an estimated \$84,163 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	\$ 185,886
Interest on Net OPEB Obligation	7,464
Adjustment to Annual Required Contribution	<u>(7,416)</u>
Annual OPEB Cost (Expense)	185,934
Contributions Made	<u>(84,163)</u>
Change in Net OPEB Obligation	101,771
Net OPEB Obligation- Beginning of Year	<u>186,588</u>
Net OPEB Obligation- End of Year	<u><u>\$ 288,359</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
12/31/2014	\$ 185,934	45.3%	\$ 288,359
12/31/2013	177,459	74.3%	186,588
12/31/2012	177,471	134.3%	141,035

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$1,633,665 and there were no plan assets. Annual covered payroll for fiscal year 2014 was \$18,481,479 for a ratio of UAAL to covered payroll of 8.8%.

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% interest discount rate of return (net of administrative expenses). The initial healthcare trend rate was 7.5%, reduced by 0.5% per year to 6.5%, then by 0.1% per year to an ultimate rate of 5.0%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2014 was 29 years.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management

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

Worker's Compensation Fund. The County is self-insured for workers compensation coverage. This program is funded through "premiums" charged to all County departments based on three percent (3.0%) of payroll. Claims are paid directly by the County. Stop-loss insurance is carried and covers individual claims in excess of \$550,000 for each accident and each employee for disease to a maximum statutory limit. In addition to in-house legal and administrative staff, the County retains outside legal and medical expertise for assistance in settling claims. The fund had a net position at December 31, 2014 of \$519,362.

Changes in claims liability for 2014 and 2013 were as follows:

	2014	2013
Estimated Claims Outstanding January 1	\$ 936,570	\$ 946,713
Current Year Claims and Changes in Estimates	517,888	305,560
Claim Payments	(387,364)	(315,703)
Estimated Claims Outstanding December 31	\$ 1,067,094	\$ 936,570

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, 2014, 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, 2014 and 2013 was \$1,311,202 and \$1,289,343, respectively, and represented 3.25% and 3.31%, respectively, of the total member equity at those dates.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Liability Insurance Fund (Continued). Liability insurance provided the members through WMMIC is to provide coverage in excess of prescribed self-insured amounts. WMMIC has contracted with a reinsurance company to cover losses (in excess of the self-insured retention of each member) which exceed \$1,000,000 per occurrence up to a maximum loss of \$10,000,000 per occurrence. WMMIC retains the first \$1,000,000 of the excess over the self-insurance retention. The members incur all losses greater than \$10,000,000 per occurrence or greater than \$30,000,000 of aggregate losses in a policy year. Losses paid by WMMIC plus administrative costs are to be recovered through premiums of the participating pool of municipalities. The County's share of such losses was 3.76% for 2014. 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 2014 policy year. Each member is required to maintain a segregated fund on deposit with WMMIC. This fund is used by WMMIC to pay claims charged to the member and is subject to replenishment by the member on a quarterly basis (or more frequently, if necessary). The amount of the deposit has been currently set at \$250,000 for the County. WMMIC has also set a policy that each member should maintain, in a segregated fund, cash reserves equal to one year's SIR plus incurred but not reported claims (IBNRs) less SIR funds on deposit with WMMIC.

The self-funded liability insurance fund had a net position of \$968,770 and \$909,355 at December 31, 2014 and 2013, respectively, and consisted of the following components:

	2014	2013
Accounts Receivable	\$ 72,575	\$ 76,041
Investment in WMMIC	750,327	750,327
Cash and Investments Held by County	137,959	163,357
Deposits with WMMIC	243,188	246,582
Accounts Payable	-	(218)
Accrued Unpaid Losses	(235,279)	(326,734)
Net Position December 31	\$ 968,770	\$ 909,355

The liability recorded for unpaid losses at December 31, 2014 was determined by actuaries contracted by WMMIC based on claim adjusters evaluations and other estimates. The liability includes those for incurred but not reported (IBNRs) losses. The liability represents the present value of the expected level of unpaid losses for the years of operations under WMMIC. Chippewa County's policy is to set its liability at the 90% confidence level.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Liability Insurance Fund (Continued).

Changes in claims liability for 2014 and 2013 were as follows:

	2014	2013
Estimated Claims Outstanding January 1	\$ 326,734	\$ 353,059
Current Year Claims and Changes in Estimates	(63,353)	33,698
Claim Payments	(28,102)	(60,023)
Estimated Claims Outstanding December 31	\$ 235,279	\$ 326,734

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, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,996,778	\$ 14,996,778	\$ 15,024,075	\$ 27,297
Intergovernmental	7,567,716	7,567,716	7,061,840	(505,876)
Licenses and Permits	442,483	442,483	501,253	58,770
Fines and Forfeits	205,000	205,000	183,548	(21,452)
Public Charges for Services	3,300,199	3,300,199	3,381,152	80,953
Intergovernmental Charges for Services	212,073	212,073	350,604	138,531
Miscellaneous:				
Investment Income	127,486	127,486	137,672	10,186
Increase (Decrease) in Fair Value of Investments	-	-	165,588	165,588
Rent	24,000	24,000	23,479	(521)
Sale of Property	1,800	1,800	4,166	2,366
Profit on Tax Deed Sales	20,000	20,000	53,898	33,898
Other	283,399	283,399	1,206,628	923,229
Total Revenues	<u>27,180,934</u>	<u>27,180,934</u>	<u>28,093,903</u>	<u>912,969</u>
EXPENDITURES				
General Government	8,455,890	8,455,890	7,607,041	848,849
Public Safety	8,131,319	8,311,558	8,104,539	207,019
Public Works	6,444,329	6,459,936	6,413,038	46,898
Health and Human Services	2,997,762	2,997,762	2,967,487	30,275
Culture, Recreation and Education	1,152,074	1,152,074	1,170,724	(18,650)
Conservation and Development	3,304,626	3,304,626	2,256,770	1,047,856
Total Expenditures	<u>30,486,000</u>	<u>30,681,846</u>	<u>28,519,599</u>	<u>2,162,247</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,305,066)	(3,500,912)	(425,696)	3,075,216
OTHER FINANCING SOURCES (USES)				
Transfers In	2,268,039	2,268,039	2,903,512	635,473
Transfers Out	(6,000)	(6,000)	(194,989)	(188,989)
Total Other Financing Sources (Uses)	<u>2,262,039</u>	<u>2,262,039</u>	<u>2,708,523</u>	<u>446,484</u>
NET CHANGE IN FUND BALANCE	(1,043,027)	(1,238,873)	2,282,827	3,521,700
Fund Balance, January 1	16,478,361	16,478,361	16,478,361	-
FUND BALANCE, DECEMBER 31	<u>\$ 15,435,334</u>	<u>\$ 15,239,488</u>	<u>\$ 18,761,188</u>	<u>\$ 3,521,700</u>

See Notes to Required Supplementary Information

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final		(Negative)
REVENUES				
Taxes	\$ 2,194,066	\$ 2,194,066	\$ 2,194,066	\$ -
Intergovernmental	6,677,625	6,677,625	6,676,727	(898)
Public Charges for Services	1,095,070	1,095,070	431,130	(663,940)
Total Revenues	<u>9,966,761</u>	<u>9,966,761</u>	<u>9,301,923</u>	<u>(664,838)</u>
EXPENDITURES				
Health and Human Services	<u>9,966,761</u>	<u>9,966,761</u>	<u>8,663,950</u>	<u>1,302,811</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	637,973	637,973
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	<u>(654,638)</u>	<u>(654,638)</u>
NET CHANGE IN FUND BALANCE	-	-	(16,665)	(16,665)
Fund Balance, January 1	<u>1,085,358</u>	<u>1,085,358</u>	<u>1,085,358</u>	-
FUND BALANCE, DECEMBER 31	<u><u>\$ 1,085,358</u></u>	<u><u>\$ 1,085,358</u></u>	<u><u>\$ 1,068,693</u></u>	<u><u>\$ (16,665)</u></u>

**CHIPPEWA COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
COUNTY SALES TAX FUND
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,517,074	\$ 4,517,074	\$ 4,960,194	\$ 443,120
Miscellaneous:				
Interest	4,000	4,000	3,038	(962)
Total Revenues	<u>4,521,074</u>	<u>4,521,074</u>	<u>4,963,232</u>	<u>442,158</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,521,074	4,521,074	4,963,232	442,158
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	158,989	(158,989)
Transfers Out	<u>(5,485,680)</u>	<u>(5,485,680)</u>	<u>(5,485,680)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,485,680)</u>	<u>(5,485,680)</u>	<u>(5,326,691)</u>	<u>(158,989)</u>
NET CHANGE IN FUND BALANCE	(964,606)	(964,606)	(363,459)	283,169
Fund Balance, January 1	<u>7,527,993</u>	<u>7,527,993</u>	<u>7,527,993</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 6,563,387</u>	<u>\$ 6,563,387</u>	<u>\$ 7,164,534</u>	<u>\$ 283,169</u>

See Notes to Required Supplementary Information

**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)
12/31/2014	1/1/2014	\$ -	\$ 1,633,665	\$ 1,633,665	- %	\$ 18,481,479	8.8 %
12/31/2012	1/1/2012	-	1,795,073	1,795,073	- %	16,862,841	10.6 %
12/31/2010	1/1/2010	-	2,794,252	2,794,252	- %	16,450,641	17.0 %

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014**

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, 2014**

	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	\$ -	\$ 25,712	\$ 45,359	\$ -	\$ 299,268	\$ 229,535
Departmental Cash and Investments	-	-	300	-	44,813	-
Taxes Receivable	159,748	-	-	-	108,703	-
Accounts Receivable	101,527	-	1,645	-	446,321	-
Due from Fiduciary Funds	-	-	-	-	-	7,680
Installment Loans Receivable	-	-	-	-	-	-
Total Assets	\$ 261,275	\$ 25,712	\$ 47,304	\$ -	\$ 899,105	\$ 237,215
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Vouchers Payable	\$ 5,690	\$ -	\$ 45,203	\$ -	\$ 86,189	\$ -
Due to Other Governmental Units	-	-	1,101	-	-	1,536
Due to Other Funds	12,946	-	-	-	-	-
Unearned Revenues	-	-	-	-	70,264	-
Total Liabilities	18,636	-	46,304	-	156,453	1,536
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	159,748	-	-	-	108,703	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-
Total Deferred Inflows of Resources	159,748	-	-	-	108,703	-
Fund Balances:						
Restricted	82,891	25,712	-	-	-	-
Committed	-	-	1,000	-	633,949	235,679
Total Fund Balances	82,891	25,712	1,000	-	633,949	235,679
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 261,275	\$ 25,712	\$ 47,304	\$ -	\$ 899,105	\$ 237,215

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2014**

	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	\$ 115,251	\$ 554,810	\$ 1,269,935	\$ -	\$ 2,052,880	\$ 2,052,880	\$ 3,322,815
Departmental Cash and Investments	-	-	45,113	-	-	-	45,113
Taxes Receivable	-	-	268,451	-	-	-	268,451
Accounts Receivable	225	172	549,890	-	-	-	549,890
Due from Fiduciary Funds	3,584	-	11,264	-	-	-	11,264
Installment Loans Receivable	-	53,712	53,712	-	-	-	53,712
Total Assets	\$ 119,060	\$ 608,694	\$ 2,198,365	\$ -	\$ 2,052,880	\$ 2,052,880	\$ 4,251,245
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Vouchers Payable	\$ 40,633	\$ -	\$ 177,715	\$ -	\$ -	\$ -	\$ 177,715
Due to Other Governmental Units	-	-	2,637	-	-	-	2,637
Due to Other Funds	-	-	12,946	-	-	-	12,946
Unearned Revenues	-	-	70,264	-	-	-	70,264
Total Liabilities	40,633	-	263,562	-	-	-	263,562
Deferred Inflows of Resources:							
Subsequent Year's Property Taxes	-	-	268,451	-	-	-	268,451
Unavailable Revenue - Long-Term Receivables	-	53,712	53,712	-	-	-	53,712
Total Deferred Inflows of Resources	-	53,712	322,163	-	-	-	322,163
Fund Balances:							
Restricted	78,427	-	187,030	-	2,052,880	2,052,880	2,239,910
Committed	-	554,982	1,425,610	-	-	-	1,425,610
Total Fund Balances	78,427	554,982	1,612,640	-	2,052,880	2,052,880	3,665,520
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 119,060	\$ 608,694	\$ 2,198,365	\$ -	\$ 2,052,880	\$ 2,052,880	\$ 4,251,245

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2014**

	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	860,121	-	-	17,216	1,434,402	1,000
Licenses and Permits	-	-	46,921	-	-	-
Jail Assessment Fees	-	-	-	-	-	-
Public Charges for Services	44,553	-	-	-	178,706	77,952
Interest	-	-	-	-	217	-
Other	4,355	-	-	-	135,423	-
Total Revenues	<u>909,029</u>	<u>-</u>	<u>46,921</u>	<u>17,216</u>	<u>1,857,453</u>	<u>78,952</u>
EXPENDITURES						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Health and Human Services	905,675	-	46,921	-	1,912,026	-
Conservation and Development	-	-	-	17,216	-	-
Total Expenditures	<u>905,675</u>	<u>-</u>	<u>46,921</u>	<u>17,216</u>	<u>1,912,026</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,354	-	-	-	(54,573)	78,952
OTHER FINANCING SOURCES (USES)						
Transfers Out:						
General Fund	-	-	-	-	-	(100,427)
Debt Service Fund	-	-	-	-	-	-
Highway Department Fund	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,427)</u>
NET CHANGE IN FUND BALANCES	3,354	-	-	-	(54,573)	(21,475)
Fund Balances, January 1	<u>79,537</u>	<u>25,712</u>	<u>1,000</u>	<u>-</u>	<u>688,522</u>	<u>257,154</u>
FUND BALANCES, DECEMBER 31	<u>\$ 82,891</u>	<u>\$ 25,712</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 633,949</u>	<u>\$ 235,679</u>

**CHIPPEWA COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDING DECEMBER 31, 2014**

	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	-	-	2,312,739	-	-	-	2,312,739
Licenses and Permits	-	-	46,921	-	-	-	46,921
Jail Assessment Fees	55,707	-	55,707	-	-	-	55,707
Public Charges for Services	-	-	301,211	-	-	-	301,211
Interest	-	2,648	2,865	812	2,428	3,240	6,105
Other	-	26,331	166,109	-	-	-	166,109
Total Revenues	55,707	28,979	2,994,257	812	2,428	3,240	2,997,497
EXPENDITURES							
General Government	-	-	-	175,194	-	175,194	175,194
Public Safety	72,320	-	72,320	-	-	-	72,320
Health and Human Services	-	-	2,864,622	-	-	-	2,864,622
Conservation and Development	-	-	17,216	-	-	-	17,216
Total Expenditures	72,320	-	2,954,158	175,194	-	175,194	3,129,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,613)	28,979	40,099	(174,382)	2,428	(171,954)	(131,855)
OTHER FINANCING SOURCES (USES)							
Transfers Out:							
General Fund	-	-	(100,427)	-	-	-	(100,427)
Debt Service Fund	-	-	-	(812)	-	(812)	(812)
Highway Department Fund	-	-	-	-	(950,000)	(950,000)	(950,000)
Total Other Financing Sources (Uses)	-	-	(100,427)	(812)	(950,000)	(950,812)	(1,051,239)
NET CHANGE IN FUND BALANCES	(16,613)	28,979	(60,328)	(175,194)	(947,572)	(1,122,766)	(1,183,094)
Fund Balances, January 1	95,040	526,003	1,672,968	175,194	3,000,452	3,175,646	4,848,614
FUND BALANCES, DECEMBER 31	\$ 78,427	\$ 554,982	\$ 1,612,640	\$ -	\$ 2,052,880	\$ 2,052,880	\$ 3,665,520

SCHEDULE B-1

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013)**

	<u>2014</u>	<u>2013</u>
ASSETS		
Treasurer's Cash and Investments	\$ 18,349,513	\$ 15,487,889
Departmental Cash	3,352	3,352
Cash and Investments Held by Fiscal Agent	-	25,000
Taxes Receivable:		
Current Taxes Receivable	14,750,709	14,506,658
Delinquent Taxes Receivable	1,359,644	1,530,522
Tax Deeds Owned by County	131,573	26,177
Accounts Receivable	742,566	918,504
Due from Other Funds:		
Public Health Fund	12,946	-
Highway Internal Service Fund	-	475,491
Due from Fiduciary Funds	62,977	70,096
Long-Term Receivables:		
CRI Land Contract Receivable	-	936,369
CRI Note Receivable	-	31,250
Prepaid Items	4,639	1,977
	<u>\$ 35,417,919</u>	<u>\$ 34,013,285</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 749,997	\$ 801,078
Payroll Deductions	656,137	502,685
Due to Other Governmental Units	375,362	524,920
Unearned Revenues	54,526	61,964
Total Liabilities	<u>1,836,022</u>	<u>1,890,647</u>
Deferred Inflows of Resources:		
Subsequent Year's Property Taxes	14,750,709	14,506,658
Unavailable Revenue - Long-Term Receivables	-	967,619
Unavailable Revenue - Other	70,000	170,000
Total Deferred Inflows of Resources	<u>14,820,709</u>	<u>15,644,277</u>
Fund Balance:		
Nonspendable:		
Delinquent Taxes	1,491,217	1,556,699
Prepaid Items	4,639	1,977
Assigned	7,577,531	5,701,967
Unassigned	9,687,801	9,217,718
Total Fund Balance	<u>18,761,188</u>	<u>16,478,361</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 35,417,919</u>	<u>\$ 34,013,285</u>

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
General Property Taxes	\$ 14,506,658	\$ 14,506,658	\$ -	\$ 14,109,481
Payment in Lieu of Taxes	24,000	39,838	15,838	35,253
Forest Crop Taxes	13,000	14,908	1,908	13,099
Sales Taxes	120	132	12	141
Real Estate Transfer Fees - County Share	100,000	134,337	34,337	133,708
Interest on Taxes	350,000	313,927	(36,073)	319,921
Agricultural Land Conversion Penalty	3,000	14,275	11,275	7,922
Total Taxes	14,996,778	15,024,075	27,297	14,619,525
Intergovernmental:				
Shared Taxes from State	2,549,695	2,529,377	(20,318)	2,556,405
Tax Exempt Computer Aid	55,000	92,379	37,379	49,947
Guardian Ad Litem	48,398	48,381	(17)	48,398
Victim/Witness Program	80,328	80,057	(271)	57,847
Court Grant	198,772	198,829	57	198,807
Criminal Justice Coordinator	26,000	54,414	28,414	-
Drug Abuse Program	-	6,183	6,183	6,027
Snowmobile Enforcement Patrol	18,927	14,881	(4,046)	6,442
Responsible Unit Grant	111,465	111,465	-	111,465
Recycling Grant	106,788	106,716	(72)	106,787
Clean Sweep Grant	12,350	8,070	(4,280)	17,100
Water Safety Patrol	26,720	21,735	(4,985)	11,046
All Terrain Vehicle Patrol	18,743	7,381	(11,362)	8,575
SARA Program	14,000	17,919	3,919	17,009
Emergency Government - Special Grants	10,000	-	(10,000)	26,548
County Jail State Aids	-	-	-	2,820
Conservation Reserve Enhancement Program	90,495	561	(89,934)	2,917
Planning and Zoning Aids	13,750	-	(13,750)	-
District Attorney	16,818	13,564	(3,254)	12,225
SARA HAZMAT Equipment Grant	9,500	8,960	(540)	9,271
Lake Protection Grant	386,960	34,065	(352,895)	38,451
Lakes Management Grant	-	15,000	15,000	-
Police Training	9,280	24,315	15,035	9,280
Sheriff Department Grants	31,249	25,461	(5,788)	27,866

CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Intergovernmental: (Continued)				
County Trunk Highways	\$ 1,328,996	\$ 1,328,996	\$ -	\$ 1,408,944
Federal Aid Secondary Projects	758,240	758,240	-	1,056,936
Local Road Improvement Program	345,269	345,269	-	20,310
State Aid - Bridge Aid	-	-	-	(125)
Child Support	678,123	673,727	(4,396)	657,661
Veterans Service Officer	11,500	11,500	-	11,500
Snowmobile Trail Advances	90,400	181,847	91,447	173,855
All Terrain Vehicle Trails	10,795	15,741	4,946	14,075
Wildlife Habitat Management	1,700	1,629	(71)	1,724
Forest Administration	51,000	35,715	(15,285)	68,379
Forest Roads	6,048	5,687	(361)	6,717
State Aid - SWIRM	198,063	203,850	5,787	161,405
DNR Land Acquisition Grants	150,000	-	(150,000)	59,912
County Forest Trails	7,461	4,656	(2,805)	6,675
Old Abe Trail	30,000	-	(30,000)	-
Wildlife Damage Abatement	20,883	14,476	(6,407)	16,697
Emergency Government	44,000	60,794	16,794	56,269
Total Intergovernmental	7,567,716	7,061,840	(505,876)	7,046,167
Licenses and Permits:				
Large Assembly Licenses	1,000	1,000	-	1,000
Marriage License Fees	10,000	10,690	690	10,265
Marriage License Fees for Social Services	7,500	8,080	580	7,780
Conservation License Fees	600	361	(239)	442
Environmental Impact Fees	-	4,957	4,957	5,108
Zoning Permits	142,869	153,786	10,917	153,079
Building Inspection Fees	92,000	97,714	5,714	102,601
Gravel Pit Permits	188,014	224,405	36,391	173,576
Occupational Driver's Licenses	500	260	(240)	180
Total Licenses and Permits	442,483	501,253	58,770	454,031
Fines and Forfeits:				
County Ordinance Forfeitures	100,000	108,337	8,337	105,001
County Share of State Fines and Forfeitures	105,000	75,211	(29,789)	87,059
Total Fines and Forfeits	205,000	183,548	(21,452)	192,060

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services:				
County Clerk Fees	\$ 15,870	\$ 12,454	\$ (3,416)	\$ 12,404
Anniversary Book Revenues	100	-	(100)	-
Treasurer Fees	3,300	2,757	(543)	4,153
Register of Deeds Fees	317,000	322,180	5,180	364,094
Uniform Address Fees	3,000	7,365	4,365	3,980
Surveyor Fees	3,600	5,847	2,247	3,727
Sign Replacement Revenues	5,775	560	(5,215)	4,900
Passport Revenues	29,000	26,803	(2,197)	29,750
Circuit Court Fees and Costs	178,859	171,512	(7,347)	177,917
Mediation Fees	7,100	7,265	165	7,570
Bond Forfeiture Revenues	14,000	11,715	(2,285)	8,998
Attorney Fee Reimbursements	30,000	27,430	(2,570)	24,031
Court Commissioner Reimbursements	500	-	(500)	-
Juvenile Legal Fees	1,000	633	(367)	676
Register in Probate Fees	20,000	19,022	(978)	24,979
Guardian Ad Litem Revenue	46,000	50,706	4,706	53,199
Guardianship Revenue	3,000	4,459	1,459	3,343
Probate Attorney Fees	600	1,659	1,059	885
Youth Court Program Fees	2,000	740	(1,260)	1,035
Restitution Surcharge Fees	17,000	17,579	579	21,644
Ignition Interlock Surcharge Fees	8,000	5,503	(2,497)	6,023
Chapter 51/55 Legal Fees	300	438	138	216
Prosecution Revenues	1,000	1,160	160	880
Sale of Maps and Plats	-	26,738	26,738	8,548
Sheriff Fees	70,000	51,331	(18,669)	59,149
Reserve Officers Revenues	121,000	132,750	11,750	136,167
Board of Prisoners - Huber	192,800	191,728	(1,072)	203,867
Jail Revenues	28,700	22,432	(6,268)	22,967
Jail Canteen Fund	149,000	133,685	(15,315)	138,422
Electronic Monitoring Revenue	37,230	35,639	(1,591)	41,111
Range Usage Fees	8,000	20,293	12,293	10,130
DNA Testing Fee	500	1,200	700	1,140
Coroner Fees	29,297	54,050	24,753	49,650
All Terrain Vehicle Class Fees	-	95	95	390
Water Patrol Class Fees	-	305	305	100
Snowmobile Training Class Fees	-	205	205	105
Health Clinic Revenue	39,994	38,610	(1,384)	46,412
Home Nursing Revenue	1,360,122	1,196,641	(163,481)	1,023,712
Child Support Collections	20,400	18,924	(1,476)	23,402
County Parks Revenue	151,698	140,756	(10,942)	142,108

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
REVENUES (CONTINUED)				
Public Charges for Services: (Continued)				
Trail Fee Revenues	\$ 6,750	\$ 11,149	\$ 4,399	\$ 10,910
Tree Planter Rental Fees	500	310	(190)	237
University Extension Revenue	12,550	9,870	(2,680)	14,600
CREP Landowner Application Fees	525	-	(525)	326
CREP Easement Application Fees	1,560	-	(1,560)	-
Land Conservation - Engineering Services	1,100	3,300	2,200	4,100
Land Conservation - Technical Services	775	-	(775)	774
Land Conservation - Municipal Service Fee	8,000	2,600	(5,400)	5,500
District Attorney Revenues	9,000	7,935	(1,065)	7,547
County Forest Revenues	290,000	526,182	236,182	493,451
Solid Waste Disposal	800	1,028	228	1,121
Solid Waste Tire Facility	16,000	15,023	(977)	12,227
Gravel Pit Mapping Fees	-	200	200	820
Community Well Water Fee	23,920	26,755	2,835	28,200
Recycling Revenues - Other	12,974	13,631	657	13,364
Total Public Charges for Services	3,300,199	3,381,152	80,953	3,254,961
Intergovernmental Charges for Services:				
Board of Prisoners from Other Governments	163,174	247,448	84,274	217,826
Information System Revenues	47,351	48,645	1,294	42,699
Elections	1,200	4,413	3,213	-
Interdepartmental HRA Charges	-	50,098	50,098	134,468
Transportation of Juveniles	348	-	(348)	589
Total Intergovernmental Charges for Services	212,073	350,604	138,531	395,582
Miscellaneous:				
Investment Income	127,486	137,672	10,186	195,798
Increase (Decrease) in Fair Value of Investments	-	165,588	165,588	(234,028)
Rent of County Offices and Buildings	24,000	23,479	(521)	26,796
Copy Machine/Offset Revenue	26,000	22,389	(3,611)	22,008
Clerk of Court Copy Machine Revenue	500	397	(103)	429
CRI Note Repayment	98,199	967,619	869,420	93,360
Sale of County Property	1,000	1,493	493	800
Sale of Sheriff Property	800	2,673	1,873	4,000
Profit on Tax Deed Sales	20,000	53,898	33,898	21,732
Insurance Recoveries	5,000	3,180	(1,820)	20,116
Insurance Dividends	44,000	30,613	(13,387)	46,792
Refund of Prior Years Expenses	-	972	972	931
Youth Court Program Donations	6,000	5,068	(932)	5,018
Land Conservation Private Grants and Donations	50,000	97,600	47,600	70,000
Sheriff Donations	-	1,000	1,000	-
Groundwater Study Donations	40,000	50,000	10,000	80,000
Sundry Departmental Revenues	500	13,433	12,933	2,170
Land Conservation Revenue	1,500	3,422	1,922	491
Maintenance Miscellaneous Revenue	-	16	16	2,209
Emergency Government Miscellaneous Revenue	1,500	1,450	(50)	2,050
Forest and Parks Miscellaneous Revenue	10,200	9,469	(731)	920
Total Miscellaneous	456,685	1,591,431	1,134,746	361,592
Total Revenues	27,180,934	28,093,903	912,969	26,323,918

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
EXPENDITURES				
General Government:				
County Board	\$ 161,993	\$ 128,061	\$ 33,932	\$ 136,739
Circuit Court	1,351,238	1,328,907	22,331	1,196,876
Mediation Program	25,000	25,000	-	25,000
Register in Probate	100,724	99,871	853	113,580
Juvenile Court	177,316	175,811	1,505	203,472
Youth Court Program	8,000	6,580	1,420	7,170
Family Court Commissioner	24,580	24,787	(207)	26,047
Coroner	88,490	74,405	14,085	92,758
County Clerk	185,308	180,967	4,341	180,736
County Risk Management	56,070	64,972	(8,902)	814
County Administrator	341,182	278,901	62,281	318,671
Elections	46,283	37,282	9,001	17,818
Personnel	254,074	242,920	11,154	266,907
Information Systems	676,383	698,049	(21,666)	644,184
Copy Machine/Offset	26,000	18,352	7,648	23,444
Finance	300,925	295,733	5,192	327,282
Finance Carryover	25,000	30,949	(5,949)	1,087
Personal Property Chargeback Expenses	500	332	168	116
Assessments	750	29	721	122
County Treasurer	364,394	360,006	4,388	324,440
Independent Auditing	29,061	23,185	5,876	24,885
Special Accounting	8,000	7,611	389	7,611
District Attorney	386,984	360,764	26,220	369,303
Crime Victim/Witness Program	201,617	189,563	12,054	151,400
Corporate Counsel	315,140	327,356	(12,216)	326,994
Register of Deeds	302,905	310,575	(7,670)	309,786
Register of Deeds Redaction Expenses	65,000	39,000	26,000	39,000
Register of Deeds Carryover	-	33,028	(33,028)	-
Land Records Program Local	331,924	315,006	16,918	213,613
Tax Deed Expense	15,000	3,760	11,240	68,810
Courthouse	1,821,807	1,479,769	342,038	1,558,330
Facilities Improvements	67,240	5,635	61,605	186,202
Security Plan	150,000	52,115	97,885	-

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014			2013 Actual
	Final Budget	Actual	Variance - Positive (Negative)	
EXPENDITURES (CONTINUED)				
General Government: (Continued)				
Property and Liability Insurance	\$ 184,140	\$ 163,225	\$ 20,915	\$ 164,425
Health Program Expenses	21,211	20,000	1,211	-
Maps and Plat Books	-	10,693	(10,693)	-
Sundry Department Expenses	3,800	6,626	(2,826)	7,621
Contingency	125,500	-	125,500	-
Computer Outlay	212,351	187,216	25,135	296,243
Total General Government	8,455,890	7,607,041	848,849	7,631,486
Public Safety:				
Sheriff	584,685	610,036	(25,351)	462,808
Investigations	539,394	575,874	(36,480)	596,523
Patrol	1,821,519	1,892,748	(71,229)	2,007,925
Sheriff's Department Training and Equipment	239,519	34,541	204,978	16,371
Reserve Officers	145,999	133,712	12,287	143,039
Snowmobile Patrol	23,929	18,587	5,342	4,982
Rifle Range	20,510	31,549	(11,039)	8,655
Water Safety Patrol	41,107	35,518	5,589	16,298
All Terrain Vehicle Trail Patrol	23,429	7,104	16,325	21,318
Police Radio	59,114	47,027	12,087	42,180
Fire Suppression	5,000	68	4,932	1,300
Building Inspection Fund	92,000	88,700	3,300	87,601
Emergency Government	116,876	115,352	1,524	150,354
SARA Program (Hazardous Materials)	40,523	39,000	1,523	46,306
Special Grants - Emergency Government	10,000	-	10,000	32,450
County Jail	3,095,565	3,063,315	32,250	3,028,093
Jail Canteen Fund	149,000	116,924	32,076	116,884
Telecommunications	1,205,158	1,199,869	5,289	1,185,352
Uniform Addressing	98,231	94,615	3,616	92,866
Total Public Safety	8,311,558	8,104,539	207,019	8,061,305

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Public Works:				
County Trunk Highway System (see Schedule E-4)	\$ 6,012,312	\$ 6,012,312	\$ -	\$ 5,987,678
Recycling	319,920	273,022	46,898	245,113
Airport	127,704	127,704	-	126,440
Total Public Works	6,459,936	6,413,038	46,898	6,359,231
Health and Human Services:				
Public Health Nurse	663,749	691,533	(27,784)	642,775
Home Nursing Program	1,360,122	1,322,030	38,092	1,212,378
Health Clinics	39,994	55,959	(15,965)	45,360
Child Support	738,693	708,317	30,376	735,289
Public Health PTO Conversion	-	-	-	102,201
Human Services PTO Conversion	-	-	-	271,475
Veterans' Service Officer	184,514	181,152	3,362	183,274
Veterans' Relief	9,290	7,188	2,102	8,796
Care of Veterans' Graves	1,400	1,308	92	1,344
Total Health and Human Services	2,997,762	2,967,487	30,275	3,202,892
Culture, Recreation and Education:				
Grants to Public Libraries	613,867	613,261	606	620,376
Snowmobile Trails	90,400	181,851	(91,451)	173,330
All Terrain Vehicle Trails	10,795	17,429	(6,634)	13,926
University Extension	290,157	271,277	18,880	296,877
Old Abe Trail	66,000	8,253	57,747	15,235
Hickory Ridge/River Road Trail	4,655	5,426	(771)	4,966
Extension Education Programs	76,200	73,227	2,973	70,262
Total Culture, Recreation and Education	1,152,074	1,170,724	(18,650)	1,194,972
Conservation and Development:				
County Forestry Department	228,812	209,198	19,614	207,605
County Parks	361,663	328,526	33,137	306,529
Forest Roads	6,048	5,698	350	-
Forest and Parks Quality of Life	300,000	-	300,000	56,872
State Forestry Fund	112,621	63,846	48,775	146,144
Roads and Wildlife Flowages	125,000	11,250	113,750	82,375
Comprehensive Planning Project	30,000	-	30,000	26,658
Conservancy Trail Development	750	-	750	(2,740)
Land Conservation Stewardship	50,000	36,267	13,733	30
Conservation Committee	700	700	-	385
Land Conservation	358,894	335,179	23,715	418,618

**CHIPPEWA COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014		Variance - Positive (Negative)	2013 Actual
	Final Budget	Actual		
EXPENDITURES (CONTINUED)				
Conservation and Development: (Continued)				
SWIRM Grant Expenditures	\$ 198,838	\$ 178,142	\$ 20,696	\$ 159,941
Groundwater Study	97,745	98,720	(975)	66,352
Stormwater Planning Grant	8,000	2,500	5,500	2,500
Special Conservation Projects	15,000	-	15,000	-
Wildlife Habitat Management	6,700	-	6,700	22
Wildlife Damage - Abatement Project	20,883	13,812	7,071	17,197
TMDL - Little Lake Wissota	441,468	120,289	321,179	74,161
Gravel Pits	188,014	196,105	(8,091)	151,127
Conservation Reserve Enhancement Program	100,729	8,970	91,759	11,130
Housing Authority	896	1,115	(219)	990
Zoning	460,195	455,383	4,812	488,275
Economic Development	164,400	163,800	600	163,800
Tourism Development	27,270	27,270	-	27,270
Total Conservation and Development	<u>3,304,626</u>	<u>2,256,770</u>	<u>1,047,856</u>	<u>2,405,241</u>
Total Expenditures	<u>30,681,846</u>	<u>28,519,599</u>	<u>2,162,247</u>	<u>28,855,127</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,500,912)	(425,696)	3,075,216	(2,531,209)
OTHER FINANCING SOURCES (USES)				
Transfers In:				
County Sales Tax Fund	2,148,447	2,148,447	-	2,597,303
Human Services Fund	-	654,638	654,638	570,607
Land Management Fund	119,592	100,427	(19,165)	73,631
Health Insurance Fund	-	-	-	1,005,812
Transfers Out:				
Highway Department Fund	-	(30,000)	(30,000)	(553,309)
Sales Tax Fund	-	(158,989)	(158,989)	(17,625)
Flexible Benefits Fund	(6,000)	(6,000)	-	(6,000)
Total Other Financing Sources (Uses)	<u>2,262,039</u>	<u>2,708,523</u>	<u>446,484</u>	<u>3,670,419</u>
NET CHANGE IN FUND BALANCE	(1,238,873)	2,282,827	3,521,700	1,139,210
Fund Balance, January 1	16,478,361	16,478,361	-	15,339,151
FUND BALANCE, DECEMBER 31	<u>\$ 15,239,488</u>	<u>\$ 18,761,188</u>	<u>\$ 3,521,700</u>	<u>\$ 16,478,361</u>

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2014	2013
ASSETS					
Treasurer's Cash and Investments	\$ 812	\$ 607,141	\$ 4,801	\$ 612,754	\$ 624,545
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCE					
Fund Balance:					
Restricted	\$ 812	\$ -	\$ -	\$ 812	\$ 17,745
Committed	-	607,141	4,801	611,942	606,800
Total Fund Balance	812	607,141	4,801	612,754	624,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 812	\$ 607,141	\$ 4,801	\$ 612,754	\$ 624,545

**CHIPPEWA COUNTY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2013)**

	2011/2012	2011	2013	Totals	
	Capital Projects Debt	Refunding Bonds	Capital Projects Debt	2014	2013
REVENUES					
Investment Income	\$ -	\$ 341	\$ -	\$ 341	\$ 323
EXPENDITURES					
Principal Retirement	135,000	1,055,000	195,000	1,385,000	1,380,000
Interest and Fiscal Charges	109,725	133,725	46,727	290,177	280,225
Total Expenditures	<u>244,725</u>	<u>1,188,725</u>	<u>241,727</u>	<u>1,675,177</u>	<u>1,660,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(244,725)	(1,188,384)	(241,727)	(1,674,836)	(1,659,902)
OTHER FINANCING SOURCES (USES)					
Transfer In from Sales Tax Fund	244,725	1,188,725	228,783	1,662,233	1,922,615
Transfer In from Capital Projects Fund	812	-	-	812	17,745
Total Other Financing Sources (Uses)	<u>245,537</u>	<u>1,188,725</u>	<u>228,783</u>	<u>1,663,045</u>	<u>1,940,360</u>
NET CHANGE IN FUND BALANCE	812	341	(12,944)	(11,791)	280,458
Fund Balance, January 1	<u>-</u>	<u>606,800</u>	<u>17,745</u>	<u>624,545</u>	<u>344,087</u>
FUND BALANCE, DECEMBER 31	<u>\$ 812</u>	<u>\$ 607,141</u>	<u>\$ 4,801</u>	<u>\$ 612,754</u>	<u>\$ 624,545</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2013)**

	2014	2013
ASSETS		
Current Assets:		
Treasurer's Cash	\$ 241,003	\$ 161,398
Investment of Land Sales Proceeds	159,413	159,276
Accounts Receivable	40,000	40,000
Total Current Assets	440,416	360,674
Noncurrent Assets:		
Property Held for Resale:		
Land	127,749	128,357
Land Improvements	1,658,193	1,702,027
Capital Assets:		
Land	22,653	22,653
Total Noncurrent Assets	1,808,595	1,853,037
Total Assets	\$ 2,249,011	\$ 2,213,711
LIABILITIES		
Current Liabilities:		
Vouchers Payable	\$ -	\$ -
Special Deposits	4,589	4,589
Total Liabilities	4,589	4,589
NET POSITION		
Net Investment in Capital Assets	22,653	22,653
Unrestricted	2,221,769	2,186,469
Total Net Position	2,244,422	2,209,122
Total Liabilities and Net Position	\$ 2,249,011	\$ 2,213,711

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:		
Gain on Sale of Property	\$ 55,557	\$ -
Other Miscellaneous Revenues	<u>-</u>	<u>2,000</u>
Total Operating Revenues	55,557	2,000
OPERATING EXPENSES	<u>25,394</u>	<u>46,908</u>
OPERATING INCOME (LOSS)	30,163	(44,908)
NONOPERATING REVENUES:		
Interest Revenue	137	157
Sale of Hay	5,000	4,200
Total Nonoperating Revenues	<u>5,137</u>	<u>4,357</u>
CHANGE IN NET POSITION	35,300	(40,551)
Net Position, January 1	<u>2,209,122</u>	<u>2,249,673</u>
NET POSITION, DECEMBER 31	<u>\$ 2,244,422</u>	<u>\$ 2,209,122</u>

**CHIPPEWA COUNTY, WISCONSIN
FARM LAND DEVELOPMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from the Sale of County Property and Deposits	\$ 100,000	\$ 2,000
Cash Paid for Goods and Services	(25,395)	(55,500)
Net Cash Provided by (Used for) Operating Activities	74,605	(53,500)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash Received from the Sale of Hay	5,000	4,200
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received on Investments	137	157
NET CHANGE IN CASH AND CASH EQUIVALENTS	79,742	(49,143)
CASH AND CASH EQUIVALENTS, JANUARY 1	320,674	369,817
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 400,416	\$ 320,674
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 30,163	\$ (44,908)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Cost Basis of Land and Land Improvements Sold	44,442	-
Change in Assets and Liabilities:		
Increase in Vouchers Payable	-	(8,592)
Net Cash Provided by (Used for) Operating Activities	\$ 74,605	\$ (53,500)
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS:		
Cash and Investments per Schedule D-1:		
Treasurer's Cash	\$ 241,003	\$ 161,398
Investment of Land Sales Proceeds	159,413	159,276
Cash and Cash Equivalents per Schedule D-3	\$ 400,416	\$ 320,674

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2014	2013
ASSETS						
Current Assets:						
Treasurer's Cash and Investments	\$ 2,540,002	\$ 1,592,942	\$ 137,959	\$ 98,062	\$ 4,368,965	\$ 6,134,252
Departmental Cash - Petty Cash	250	-	-	-	250	250
Cash and Investments Held by Fiscal Agent	-	-	243,188	-	243,188	246,582
Accounts Receivable	58,172	200	72,575	-	130,947	770,235
Due from Other Governmental Units	1,967,568	-	-	-	1,967,568	1,623,344
Inventories	2,060,258	-	-	-	2,060,258	1,815,908
Total Current Assets	<u>6,626,250</u>	<u>1,593,142</u>	<u>453,722</u>	<u>98,062</u>	<u>8,771,176</u>	<u>10,590,571</u>
Noncurrent Assets:						
Capital Assets:						
Not Being Depreciated	92,696	-	-	-	92,696	120,889
Being Depreciated	27,742,178	-	-	-	27,742,178	26,960,431
Accumulated Depreciation	(16,039,137)	-	-	-	(16,039,137)	(15,360,940)
Deposit with Public-Entity Risk Pool (WMMIC)	-	-	750,327	-	750,327	750,327
Total Noncurrent Assets	<u>11,795,737</u>	<u>-</u>	<u>750,327</u>	<u>-</u>	<u>12,546,064</u>	<u>12,470,707</u>
Total Assets	<u>\$ 18,421,987</u>	<u>\$ 1,593,142</u>	<u>\$ 1,204,049</u>	<u>\$ 98,062</u>	<u>\$ 21,317,240</u>	<u>\$ 23,061,278</u>

CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2014	2013
LIABILITIES:						
Current Liabilities:						
Accounts Payable	\$ 383,795	\$ 6,686	\$ -	\$ 17,010	\$ 407,491	\$ 111,914
Present Value of Unpaid Losses	-	1,067,094	235,279	-	1,302,373	1,263,304
Due to General Fund	-	-	-	-	-	475,491
Unearned Cost Pool Revenues	1,034	-	-	-	1,034	23,260
Highway Construction Advance Payment	1,539,165	-	-	-	1,539,165	2,423,886
Current Portion of Employee Leave Liability	371,375	-	-	-	371,375	160,998
Total Current Liabilities	2,295,369	1,073,780	235,279	17,010	3,621,438	4,458,853
Long-Term Liabilities						
(Net of Current Portion):						
Other Postemployment Benefits Payable	60,734	-	-	-	60,734	38,743
Estimated Employee Leave Liability	193,978	-	-	-	193,978	413,993
Total Long-Term Liabilities	254,712	-	-	-	254,712	452,736
Total Liabilities	2,550,081	1,073,780	235,279	17,010	3,876,150	4,911,589
NET POSITION:						
Net Investment in Capital Assets	11,795,737	-	-	-	11,795,737	11,720,380
Unrestricted	4,076,169	519,362	968,770	81,052	5,645,353	6,429,309
Total Net Position	15,871,906	519,362	968,770	81,052	17,441,090	18,149,689
Total Liabilities and Net Position	\$ 18,421,987	\$ 1,593,142	\$ 1,204,049	\$ 98,062	\$ 21,317,240	\$ 23,061,278

CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2013)

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2014	2013
OPERATING REVENUES	\$ 13,706,390	\$ 571,888	\$ 145,630	\$ 327,501	\$ 14,751,409	\$ 15,485,313
OPERATING EXPENSES	17,041,456	656,715	162,962	330,677	18,191,810	16,849,859
OPERATING INCOME (LOSS)	(3,335,066)	(84,827)	(17,332)	(3,176)	(3,440,401)	(1,364,546)
NONOPERATING REVENUES (EXPENSES):						
Interest Revenue	335	434	4,171	-	4,940	10,502
Dividend Revenue	-	-	72,576	-	72,576	78,771
Disposition of Assets	13,730	-	-	-	13,730	18,352
Nonoperating Depreciation	(20,444)	-	-	-	(20,444)	(20,392)
Total Nonoperating Revenues (Expenses)	(6,379)	434	76,747	-	70,802	87,233
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(3,341,445)	(84,393)	59,415	(3,176)	(3,369,599)	(1,277,313)
CONTRIBUTIONS AND TRANSFERS:						
Transfers from General Fund	30,000	-	-	6,000	36,000	559,309
Transfer from Sales Tax Fund	1,675,000	-	-	-	1,675,000	794,000
Transfer from Capital Projects Fund	950,000	-	-	-	950,000	835,609
Transfers to General Fund	-	-	-	-	-	(1,005,812)
Total Contributions and Transfers	2,655,000	-	-	6,000	2,661,000	1,183,106
CHANGE IN NET POSITION	(686,445)	(84,393)	59,415	2,824	(708,599)	(94,207)
Net Position, January 1	16,558,351	603,755	909,355	78,228	18,149,689	18,243,896
NET POSITION, DECEMBER 31	\$ 15,871,906	\$ 519,362	\$ 968,770	\$ 81,052	\$ 17,441,090	\$ 18,149,689

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

	Highway Department	Self-Funded Workers' Compensation	Self-Funded Liability Insurance	Flexible Benefits Fund	Totals	
					2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Goods and Services:						
County/Departments	\$ 6,228,782	\$ 571,888	\$ 145,630	\$ -	\$ 6,946,300	\$ 6,882,245
Third Parties	6,884,079	-	-	-	6,884,079	8,316,719
Cash Received from Employees	-	-	-	327,501	327,501	395,973
Cash Payments for Goods and Services	(7,067,453)	(86,919)	(42,119)	(4,543)	(7,201,034)	(6,066,209)
Cash Payments for Employee Services	(9,075,273)	(31,514)	(26,415)	-	(9,133,202)	(8,751,348)
Cash Payments for Insurance Claims	-	(381,597)	(28,850)	(332,770)	(743,217)	(586,580)
Cash Payments for Insurance Premiums	-	(20,394)	(157,251)	-	(177,645)	(197,974)
Net Cash Provided by (Used for) Operating Activities	(3,029,865)	51,464	(109,005)	(9,812)	(3,097,218)	(7,174)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfer from General Fund	30,000	-	-	6,000	36,000	559,309
Transfer from Sales Tax Fund	1,675,000	-	-	-	1,675,000	794,000
Transfer from Capital Projects Fund	950,000	-	-	-	950,000	835,609
Transfer to General Fund	-	-	-	-	-	(1,005,812)
Net Cash Provided by (Used for) Noncapital Financing Activities	2,655,000	-	-	6,000	2,661,000	1,183,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Cash Received from Salvage of Capital Assets	71,984	-	-	-	71,984	21,902
Cash Payments for Acquisition and Major Repairs of Capital Assets	(1,485,429)	-	-	-	(1,485,429)	(1,420,110)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,413,445)	-	-	-	(1,413,445)	(1,398,208)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends Received on Investments	335	434	80,213	-	80,982	82,845
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,787,975)	51,898	(28,792)	(3,812)	(1,768,681)	(139,431)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,328,227	1,541,044	409,939	101,874	6,381,084	6,520,515
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,540,252</u>	<u>\$ 1,592,942</u>	<u>\$ 381,147</u>	<u>\$ 98,062</u>	<u>\$ 4,612,403</u>	<u>\$ 6,381,084</u>

**CHIPPEWA COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

	Highway	Self-Funded	Self-Funded	Flexible	Totals	
	Department	Workers Compensation	Liability Insurance	Benefits Fund	2014	2013
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ (3,335,066)	\$ (84,827)	\$ (17,332)	\$ (3,176)	\$ (3,440,401)	\$ (1,364,546)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Depreciation	1,331,374	-	-	-	1,331,374	1,263,698
(Increase) Decrease in Assets:						
Accounts Receivable	635,416	406	-	-	635,822	(157,250)
Due from Other Governments	(344,224)	-	-	-	(344,224)	779,935
Materials and Supplies	(244,350)	-	-	-	(244,350)	(9,873)
Prepaid Items	-	-	-	-	-	40,540
Increase (Decrease) in Liabilities:						
Accounts Payable	297,070	5,361	(218)	(6,636)	295,577	(434,341)
Present Value of Unpaid Losses	-	130,524	(91,455)	-	39,069	(48,435)
Due to Other Funds	(475,491)	-	-	-	(475,491)	475,491
Unearned Cost Pool Revenues	(22,226)	-	-	-	(22,226)	23,260
Advance for Highway Construction	(884,721)	-	-	-	(884,721)	(356,063)
Other Postemployment Benefits	21,991	-	-	-	21,991	10,000
Unused Vested Employee Benefits	(9,638)	-	-	-	(9,638)	(229,590)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (3,029,865)</u>	<u>\$ 51,464</u>	<u>\$ (109,005)</u>	<u>\$ (9,812)</u>	<u>\$ (3,097,218)</u>	<u>\$ (7,174)</u>

CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)

	2014	2013
OPERATING REVENUES:		
Charges for Services:		
County Highway Maintenance and Construction [1]	\$ 6,012,312	\$ 5,987,678
State Highway Maintenance and Construction	2,762,765	2,734,572
Local Districts	1,329,595	1,155,606
County Departments	136,236	154,656
Non-Governmental Customers	2,813,924	3,721,345
Non-Highway Fleet	101,777	88,182
Miscellaneous:		
Other Revenue from State:		
Records, Reports and Supervision	329,130	434,978
Equipment Storage	144,868	150,984
Gravel Pit Sales	67,000	740
Miscellaneous Highway Revenues	8,783	8,870
Total Operating Revenues	13,706,390	14,437,611
OPERATING EXPENSES:		
Administration and General:		
Administration	451,668	419,338
Patrol Superintendent	115,339	150,082
Engineering Technician	60,418	95,180
Radio Expense	1,696	4,358
Public Liability Insurance	11,500	27,325
Transportation Cost Pools:		
Machinery Operations	72,835	(37,921)
Gravel Pits and Quarries	140,073	29,954
Bituminous Operations	(241,683)	29,443
Services Provided:		
County:		
General Maintenance	1,293,900	1,521,388
Reconstruction and Betterments	6,013,677	4,207,887
Winter Maintenance	2,023,052	2,106,360
Bridge Construction	179,712	159,474
Land Acquisition	110,411	6,471
State:		
Highway Maintenance and Betterments	2,532,451	2,734,572
Equipment Storage	144,868	150,984
Damage Claims	159,616	-
Salt Storage	8,311	11,840
County Aid Bridge Construction	52,451	127,931
Local Districts	1,329,761	1,155,715
Local Departments	136,234	154,656
Non-Governmental Customers	1,874,920	2,206,763
Amortization of State Contributions Included Above	28,130	28,171
Net Change in Accrued Employee Leave Liability	(685)	10,069
Net Change in Other Postemployment Benefits Liability	21,991	10,000
Non-Highway Fleet	520,810	553,156
Total Operating Expenses	17,041,456	15,863,196
OPERATING LOSS	(3,335,066)	(1,425,585)

**CHIPPEWA COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)**

	<u>2014</u>	<u>2013</u>
NONOPERATING REVENUES (EXPENSES):		
Interest Income	\$ 335	\$ -
Gain (Loss) on Disposition of Assets - Non-Highway Fleet	13,730	18,352
Depreciation on Building Space Occupied by Other County Departments	<u>(20,444)</u>	<u>(20,392)</u>
Total Nonoperating Revenues (Expenses)	<u>(6,379)</u>	<u>(2,040)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(3,341,445)	(1,427,625)
CONTRIBUTIONS AND TRANSFERS:		
Transfer from General Fund	30,000	553,309
Transfer from Capital Projects Fund	950,000	835,609
Transfer from Sales Tax Fund	<u>1,675,000</u>	<u>794,000</u>
Total Contributions and Interfund Transfers	<u>2,655,000</u>	<u>2,182,918</u>
CHANGE IN NET POSITION	(686,445)	755,293
Net Position, January 1	<u>16,558,351</u>	<u>15,803,058</u>
NET POSITION, DECEMBER 31	<u>\$ 15,871,906</u>	<u>\$ 16,558,351</u>
 [1] Charges for County Maintenance and Construction Consists of the Following Payments from the General Fund:		
County Appropriations	\$ 3,579,807	\$ 3,501,613
State Transportation Aids	1,328,996	1,408,944
State Local Road Improvement Program Aid	345,269	20,310
State Aid - Local Bridge Revenue	-	(125)
Federal Aid Secondary Revenues	<u>758,240</u>	<u>1,056,936</u>
	<u>\$ 6,012,312</u>	<u>\$ 5,987,678</u>

CHIPPEWA COUNTY, WISCONSIN
SELF-FUNDED LIABILITY INSURANCE INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2013)

	<u>2014</u>	<u>2013</u>
REVENUES:		
Charges to County	\$ 145,612	\$ 146,706
Insurance Recoveries	18	2,192
Interest Earnings on Funds Held by WMMIC	4,171	5,378
Dividend from WMMIC	<u>72,576</u>	<u>78,771</u>
Total Revenues	<u>222,377</u>	<u>233,047</u>
EXPENSES:		
Insurance Premiums Paid WMMIC	157,251	170,251
Claims Expenses	28,632	60,023
Net Increase (Decrease) in Year-end Present Value of Unpaid Claims - WMMIC	(91,455)	(26,325)
Administrative and Other Expenses	<u>68,534</u>	<u>39,123</u>
Total Expenses	<u>162,962</u>	<u>243,072</u>
CHANGE IN NET POSITION	59,415	(10,025)
Net Position, January 1	<u>909,355</u>	<u>919,380</u>
NET POSITION, DECEMBER 31	<u>\$ 968,770</u>	<u>\$ 909,355</u>

**CHIPPEWA COUNTY, WISCONSIN
AGENCY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)**

	Tax Agency	Treasurer	Clerk of Courts	Human Services	Sheriff	Register of Deeds	Totals	
							2014	2013
ASSETS								
Treasurer's Cash and Investments	\$ -	\$ 264,100	\$ -	\$ -	\$ -	\$ -	\$ 264,100	\$ 162,681
Departmental Cash and Investments	-	-	334,503	1,406	22,226	83,518	441,653	479,566
Taxes Receivable:								
Current Apportionment	810,813	-	-	-	-	-	810,813	790,434
Due from Departmental Agency Funds	-	135,009	-	-	-	-	135,009	160,695
Total Assets	\$ 810,813	\$ 399,109	\$ 334,503	\$ 1,406	\$ 22,226	\$ 83,518	\$ 1,651,575	\$ 1,593,376
LIABILITIES								
Due to Other Governmental Units:								
State	\$ 810,813	\$ 295,431	\$ -	\$ -	\$ -	\$ -	\$ 1,106,244	\$ 1,030,927
Districts	-	81,678	-	-	-	-	81,678	60,883
Due to Other Funds	-	-	39,165	-	-	40,315	79,480	86,464
Due Treasurer's Agency Fund	-	-	94,335	-	-	40,674	135,009	160,695
Special Deposits	-	22,000	201,003	1,406	22,226	2,529	249,164	254,407
Total Liabilities	\$ 810,813	\$ 399,109	\$ 334,503	\$ 1,406	\$ 22,226	\$ 83,518	\$ 1,651,575	\$ 1,593,376