

**DUNN COUNTY, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2018**

**DUNN COUNTY, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

Board of County Supervisors  
Dunn County  
Menomonie, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dunn County, Wisconsin (the County) as of and for the year ended December 31, 2018, 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 did not audit the financial statements of the Dunn County Housing Authority, which represents 100% percent of assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dunn County Housing Authority, is based solely on the report of the other auditors. 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.

Board of Directors  
Client Name

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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dunn County, Wisconsin as of December 31, 2018, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

#### ***Change in Accounting Principle***

During the year ended December 31, 2018, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement No. 75, the County reported a restatement for the change in accounting principle (see Note 3.E). Our auditors' opinion was not modified with respect to the restatement.

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Board of Directors  
Client Name

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2019 on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 24, 2019

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

As financial managers for Dunn County, the staff of the Department of Administration offers readers of the Dunn County Financial Statements for the fiscal year ended December 31, 2018 this synopsis and analysis of the financial activities of the County of Dunn. We encourage readers to consider this information in conjunction with the more detailed statements, reports, and letters. These additional documents may all be found in the Department of Administration and will be made available for review upon request.

### **FINANCIAL HIGHLIGHTS**

- As of December 31, 2018, the assets and deferred outflows of resources of Dunn County exceeded its liabilities and deferred inflows of resources by \$104,387,768 (total net position). Of this amount \$12,403,955 (unrestricted net position) or 11.9% of the total, may be used to meet the County's ongoing obligations to citizen's and creditors.
- Dunn County's total net position decreased \$3,377,147 in 2018.
- At the close of the fiscal year, Dunn County governmental funds reported ending fund balances of \$17,281,975, a decrease of \$849,521 from the prior year. Approximately 48% of this total amount, or \$8,311,229, is available for spending at the County's discretion (unassigned fund balance).
- At the end of the year the unassigned fund balance for the general fund was \$8,311,229. This is 38.8% of the total general fund expenditures for the fiscal year.
- Dunn County's total outstanding debt for the year ended December 31, 2018 was \$33,409,100. All of the debt is general obligation debt which is 21% of the County's overall debt limit of \$158,878,420. This leaves an unused debt limit of \$125,469,320.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Dunn County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements which provide both long and short term financial information, 2) fund financial statements which focus on individual parts of the County in more detail, and 3) notes to the basic financial statements which provide even greater detail for some of the information in the government-wide and fund statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

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

The statement of net position presents information on all of the County's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, 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 Dunn County is improving or deteriorating.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

The statement of activities presents information showing how the County's net position changed during the most recent 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 Dunn 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, education and recreation; and conservation and development. The business-type activities of the County include highway, transit, and The Neighbors of Dunn County (the Neighbors) facility operations.

The government-wide financial statements include not only Dunn County itself (known as the primary government), but also a legally separate housing authority for which Dunn County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 17 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. Dunn 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 the County's near-term financing requirements.

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 County'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.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Fund Financial Statements (Continued)**

Dunn County maintains seven 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 debt service fund and the capital projects fund which are considered to be major funds. Data for the other 3 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided as required supplemental information for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found beginning on page 19 of this report.

*Proprietary Funds.* Dunn 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 enterprise funds to account for its highway operations, transit commission operations, and The Neighbors facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its various insurance activities. Because insurance activities predominantly benefit governmental functions of the County, they have been included within governmental activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the highway operations, The Neighbors operations and transit commission. The highway department and The Neighbors are considered to be major funds of the County.

The basic proprietary fund financial statements can be found beginning on page 23 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 programs of Dunn County. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 27 of this report.

**Notes to Basic 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 basic financial statements can be found beginning on page 28 of this report.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Other Information**

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information found beginning on page 64. Combining and individual fund statements and schedules can be found beginning on page 74.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$104,387,768 as of December 31, 2018.

**Condensed Statement of Net Position  
December 31, 2018 and 2017**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 41,103,712	\$ 39,616,920	\$ 10,458,759	\$ 11,129,684	\$ 51,562,471	\$ 50,746,604
Capital Assets	93,316,870	93,806,476	26,859,696	27,253,823	120,176,566	121,060,299
Internal Balances	14,597,057	12,712,205	(14,597,057)	(12,712,205)	-	-
Total Assets	<u>149,017,639</u>	<u>146,135,601</u>	<u>22,721,398</u>	<u>25,671,302</u>	<u>171,739,037</u>	<u>171,806,903</u>
Deferred Outflows of Resources	5,568,961	5,921,732	2,979,011	3,789,611	8,547,972	9,711,343
Noncurrent Liabilities Outstanding	16,156,250	17,179,942	18,006,276	19,058,943	34,162,526	36,238,885
Other Liabilities	7,033,190	6,961,046	4,013,847	3,868,437	11,047,037	10,829,483
Total Liabilities	<u>23,189,440</u>	<u>24,140,988</u>	<u>22,020,123</u>	<u>22,927,380</u>	<u>45,209,563</u>	<u>47,068,368</u>
Deferred Inflows of Resources	24,286,600	19,266,986	6,403,078	6,287,139	30,689,678	25,554,125
Net Investment in Capital Assets	77,877,735	76,947,902	8,589,478	7,943,542	86,467,213	84,891,444
Restricted	3,874,661	900,867	1,641,939	56,056	5,516,600	956,923
Unrestricted	25,358,164	30,800,590	(12,954,209)	(7,753,204)	12,403,955	23,047,386
Total Net Position	<u>\$ 107,110,560</u>	<u>\$ 108,649,359</u>	<u>\$ (2,722,792)</u>	<u>\$ 246,394</u>	<u>\$ 104,387,768</u>	<u>\$ 108,895,753</u>

\$86,467,213 (82.8%) of the County's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure etc.) less any related debt used to acquire those assets that is still outstanding at December 31, 2018. In 2017 the percentage was 78.0%. 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.

\$12,403,955 (11.9%) of net position was unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. At December 31, 2017 unrestricted net position was \$23,047,386 (21.2%).

At the end of the current fiscal year, Dunn County is able to report positive balances in all categories of net position except for unrestricted net position of the business-type activities.

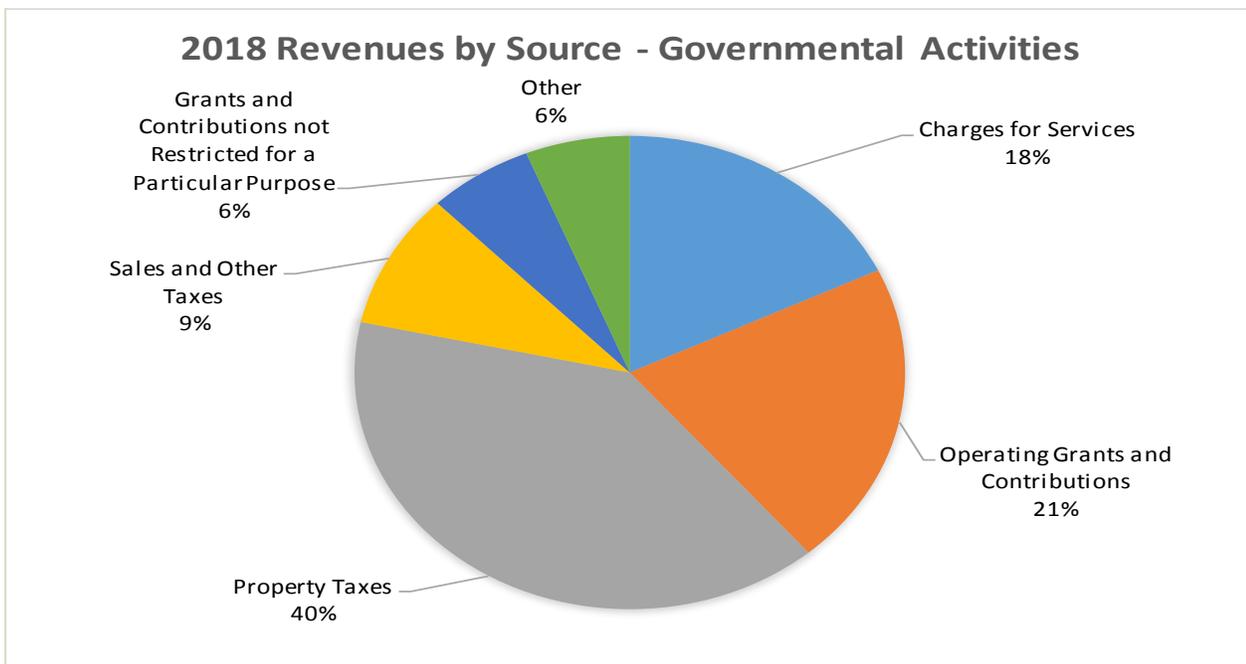
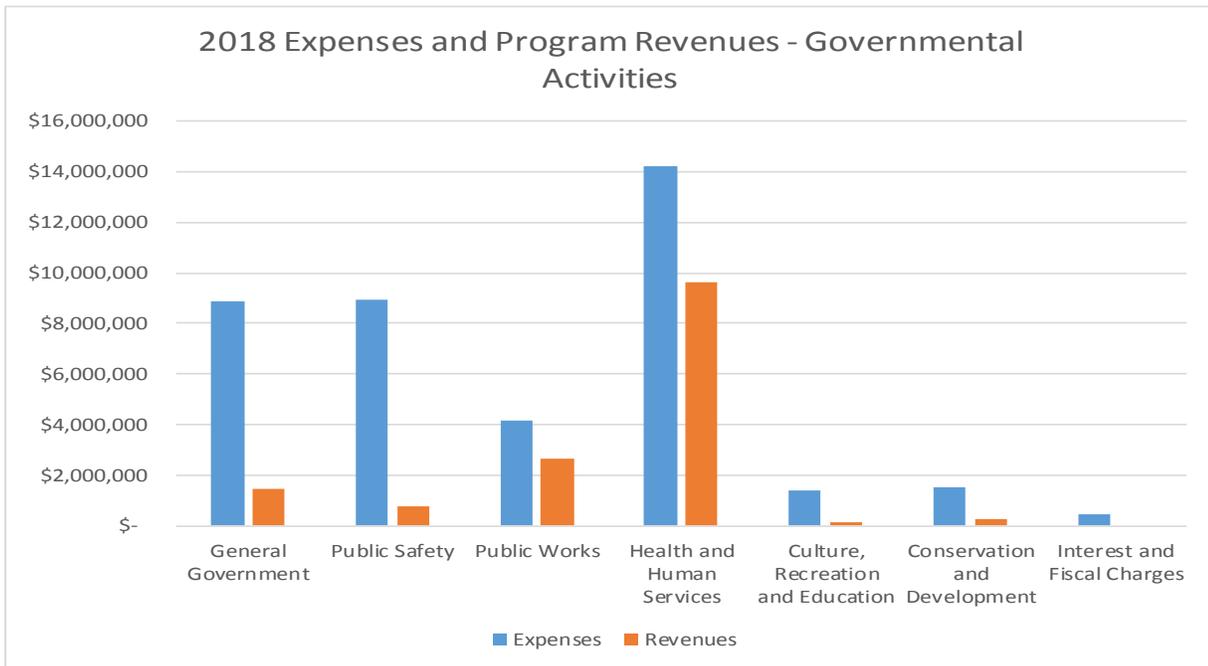
**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Condensed Statement of Activities  
Year Ended December 31, 2018 and 2017**

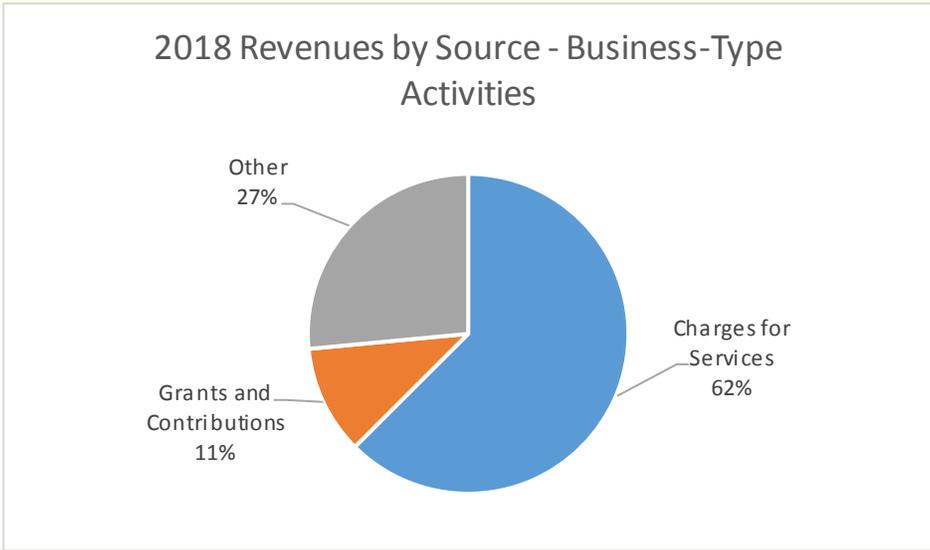
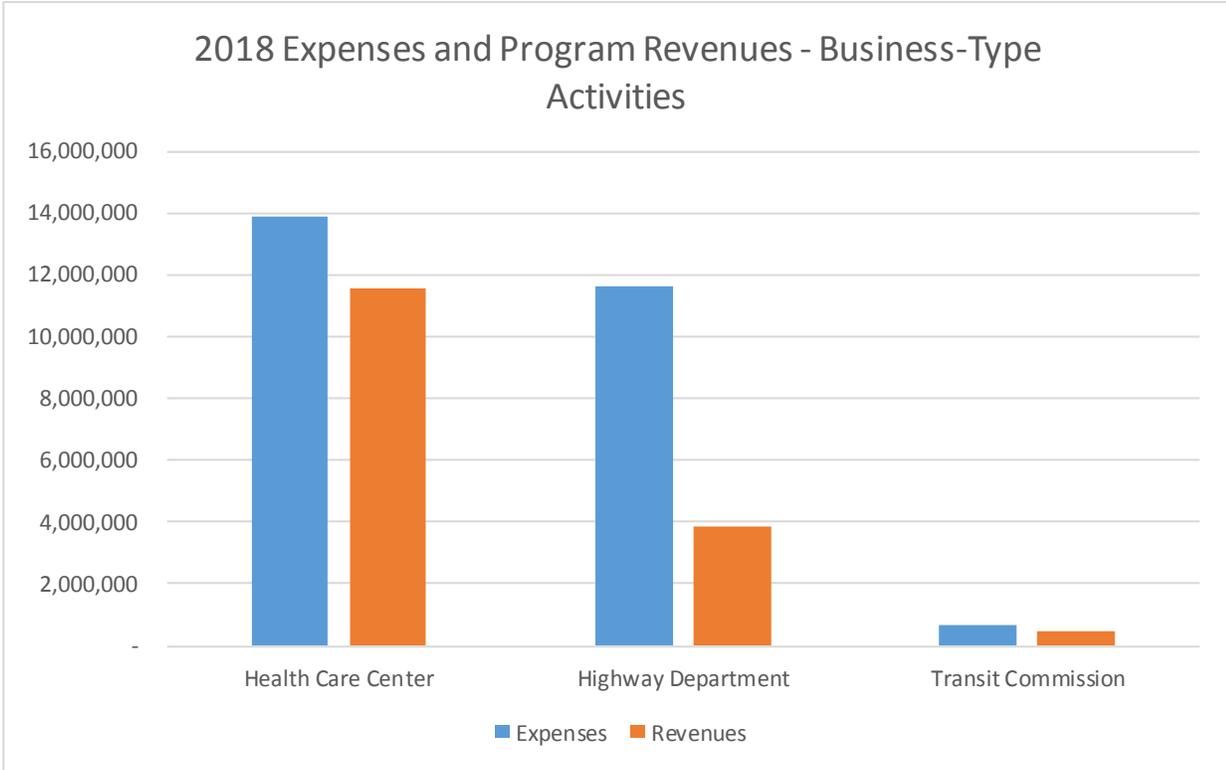
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,903,653	\$ 5,779,720	\$ 15,559,681	\$ 15,373,005	\$ 22,463,334	\$ 21,152,725
Operating Grants and Contributions	8,049,931	7,816,461	304,099	274,582	8,354,030	8,091,043
Capital Grants and Contributions	-	-	44,562	-	44,562	-
General Revenues:						
Property Taxes	13,211,058	12,606,994	6,335,927	6,755,432	19,546,985	19,362,426
Other Taxes	5,671,638	5,650,313	-	-	5,671,638	5,650,313
State and Federal Aids not Restricted to Specific Programs	2,380,863	2,390,083	2,388,057	3,297,521	4,768,920	5,687,604
Unrestricted Investment Earnings	183,803	170,002	1,910	871	185,713	170,873
Other	970,799	515,916	260,819	124,524	1,231,618	640,440
Total Revenues	<u>37,371,745</u>	<u>34,929,489</u>	<u>24,895,055</u>	<u>25,825,935</u>	<u>62,266,800</u>	<u>60,755,424</u>
Expenses:						
General Government	8,872,888	9,242,589	-	-	8,872,888	9,242,589
Public Safety	8,913,671	8,819,667	-	-	8,913,671	8,819,667
Public Works	4,158,222	3,901,150	-	-	4,158,222	3,901,150
Health and Human Services	14,190,484	13,021,657	-	-	14,190,484	13,021,657
Culture, Recreation and Education	1,408,821	1,431,912	-	-	1,408,821	1,431,912
Conservation and Development	1,483,902	1,616,038	-	-	1,483,902	1,616,038
Interest and Fiscal Charges	432,379	479,256	-	-	432,379	479,256
Health Care Center	-	-	13,897,678	13,109,386	13,897,678	13,109,386
Highway	-	-	11,615,433	11,904,934	11,615,433	11,904,934
Transit Commission	-	-	670,469	551,460	670,469	551,460
Total Expenses	<u>39,460,367</u>	<u>38,512,269</u>	<u>26,183,580</u>	<u>25,565,780</u>	<u>65,643,947</u>	<u>64,078,049</u>
Change in Net Position Before Transfers	(2,088,622)	(3,582,780)	(1,288,525)	260,155	(3,377,147)	(3,322,625)
Transfers	1,213,371	267,909	(1,213,371)	(267,909)	-	-
Change in Net Position	(875,251)	(3,314,871)	(2,501,896)	(7,754)	(3,377,147)	(3,322,625)
Net Position - Beginning of Year	108,649,359	111,964,230	246,394	254,148	108,895,753	112,218,378
Change in Accounting Principle	(663,548)	-	(467,290)	-	(1,130,838)	-
Net Position - Beginning of Year - As Restated	107,985,811	111,964,230	(220,896)	254,148	107,764,915	112,218,378
Net Position - End of Year	<u>\$ 107,110,560</u>	<u>\$ 108,649,359</u>	<u>\$ (2,722,792)</u>	<u>\$ 246,394</u>	<u>\$ 104,387,768</u>	<u>\$ 108,895,753</u>

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

A review of the statement of activities can provide a concise picture of how the various functions/programs of Dunn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (40%) and operating grants/contributions (21%).



**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**



**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, Dunn County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Dunn County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2018, the County's governmental funds reported combined ending fund balance of \$17,281,975 (\$18,131,496 in 2017), a decrease of \$849,521 in comparison with the prior year (\$2,567,481 decrease in 2017). Of the combined ending fund balances, \$8,311,229 or 48% constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance, \$8,970,746 is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$8,311,229, while total fund balance reached \$15,967,029 (\$16,727,990 for 2017).

During the current year, the County's general fund balance decreased by \$760,961 (\$609,942 decrease in 2017). Key factors in this decrease include:

- The County's final budget applied \$1,102,036 of fund balance towards 2018 expenditures.

The human services fund expenditures equaled revenues for fiscal year 2018, after a \$749,758 transfer from the general fund, based on County policy to close out any human services fund balance or deficit at year-end.

The debt service fund ended the year with a fund balance of \$64,012.

A capital projects fund was established to account for various capital expenditures. During 2018, the County sold a piece of property that will be further developed in 2019. The fund balance as of December 31, 2018 that will be used for these future capital costs was \$656,783.

The other governmental funds had fund balances of \$594,151 which is a decrease of \$337,443 from the prior year.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Proprietary Funds**

Dunn County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The net position of the enterprise-type proprietary funds at the end of 2018 totaled \$5,395,780, down \$2,231,493 from the previous year, plus a decrease of \$467,290 due to a restatement for a change in accounting principle.

The Neighbors of Dunn County had a decrease in net position of \$1,289,252.

The highway department had a decrease in net position of \$882,035.

The transit commission had a decrease in net position of \$60,206.

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.

The County had two internal service funds during 2018. Net position of the funds at year-end and changes thereto during the year were as follows:

	<u>Net Position at 12/31/18</u>	<u>Change During Year</u>
Worker's Compensation Fund	\$ 1,982,434	\$ (63,960)
Health Insurance Fund	2,394,012	(612,508)

Revenues of the health insurance fund consist principally of charges to departments and retirees based on rates determined by the County. Any accumulated balance is considered in the rate determination process.

Revenues of the workers compensation fund consist principally of charges to departments based on rates determined by the County's insurance carrier.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**BUDGETARY ANALYSIS**

Over the course of the year minor general fund budget amendments were made. These amendments that occurred did not change the overall expenditure and revenue budget amounts for the fund.

During the year, actual general fund revenues and other financing sources excluding fund balance applied was over budget by \$160,789 and actual general fund expenditures and other financing uses was \$1,663,341 under budget.

There were no significant expenditure budget overages in any specific area during the year.

**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, 2018 and 2017 was \$120,176,566 and \$121,060,299, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets at Year-End  
(Net of Accumulated Depreciation)**

	Capital Assets at Year-End (Net of Accumulated Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,164,359	\$ 3,164,359	\$ 418,120	\$ 418,120	\$ 3,582,479	\$ 3,582,479
Construction in Progress	1,502,694	1,300,568	-	-	1,502,694	1,300,568
Land Improvements	-	-	845,382	911,171	845,382	911,171
Buildings	20,892,400	21,543,190	19,125,367	19,816,576	40,017,767	41,359,766
Machinery and Shop Equipment	4,230,238	4,333,536	6,470,827	6,107,956	10,701,065	10,441,492
Roads	54,811,028	54,479,452	-	-	54,811,028	54,479,452
Bridges	8,716,151	8,985,371	-	-	8,716,151	8,985,371
Capital Assets, Net of Accumulated Depreciation	<u>\$ 93,316,870</u>	<u>\$ 93,806,476</u>	<u>\$ 26,859,696</u>	<u>\$ 27,253,823</u>	<u>\$ 120,176,566</u>	<u>\$ 121,060,299</u>

**Major Capital Asset Events**

**Governmental Activities**

- Fiscal year 2018 road and bridge projects.

**Business-Type Activities**

- Highway machinery and equipment.

Additional information on Dunn County's capital assets can be found in Note 2.C.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**Long-Term Obligations**

At December 31, 2018, Dunn County had outstanding \$33,409,100 of long-term debt. A summary detail of this amount is shown below:

	Outstanding Debt at Year-End				
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/2018
General Obligation Debt					
G.O. Promissory Note	12/12/2018	3/1/2029	3.75%	\$ 489,100	\$ 489,100
G.O. Facility and Management System Improvement Bonds	1/16/2014	10/1/2027	2.00-3.50%	7,150,000	6,515,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	7,625,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,230,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	17,550,000
Total General Obligation Debt					<u>\$ 33,409,100</u>

On December 13, 2013 S & P's Rating Committee reviewed and assigned a rating of AA to Dunn County's general obligation debt. This is an upgrade from the previous rating of AA-.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limit for the County is \$158,878,420, which is significantly in excess of the County's \$33,409,100 in outstanding general obligation debt.

Additional information on Dunn County's long-term debt can be found in Note 2.E.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**CURRENTLY KNOWN FACTS**

Dunn County experienced an estimated growth in population of 4,143 residents from 2000 to 2010. Dunn County population increased 10% compared to 5.8% for Wisconsin as reported in the State of Wisconsin, Department of Workforce, Office of Economic Advisors, December 2018 Dunn County Workforce Profile. The trend of increasing population is expected to continue.

The Wisconsin Department of Revenue indicates that Dunn County's total equalized value increased by \$143,494,000 or 4.7% as compared to the State which experienced an overall positive growth of \$23,548,145,650 or 4.5% from 2017 to 2018. The following presents comparables with neighboring counties:

County	2017 Equalized Value	2018 Equalized Value	Percent Change
Barron	\$ 4,104,693,800	\$ 4,311,203,400	5.0 %
Chippewa	5,328,054,600	5,557,873,800	4.3
<b>Dunn</b>	<b>3,034,074,400</b>	<b>3,177,568,400</b>	<b>4.7</b>
Eau Claire	8,295,565,000	8,754,801,800	5.5
Pepin	616,444,700	627,757,700	1.8
Pierce	3,271,381,300	3,415,711,900	4.4
St. Croix	9,195,173,600	9,680,834,800	5.3

Momentum West continues to impact economic growth for the counties of west central Wisconsin in a positive manner. The County's collaboration with four other west central Wisconsin counties in the I-94 Corridor Coalition in promoting development of multimodal transportation options from Eau Claire to the western boundary of Wisconsin and in cooperation with like efforts from within Minnesota.

The County Board is approaching the 2020 budget cautiously and conservatively with a long-term goal and service oriented approach. The Board is currently building a long-term strategic plan for the County.

The County will continue the philosophy of being fiscally conservative while mindful of service demands when developing the 2020 budget. The goal adopted early in the process is to create a balanced budget which provides for the implementation of the mandates of the County and the policy expectations of the Board of Supervisors while meeting the requirements of law established by the State of Wisconsin Statutes.

- On November 13, 2018, the Dunn County Board of Supervisors adopted a fiscal year 2019 expenditure budget in the amount of \$85,738,916 and revenue budget of \$85,758,872.
- On November 13, 2018, the Dunn County Board of Supervisors adopted an overall county tax levy of \$21,614,738. Included in this amount was an operating levy of \$18,757,093, an increase of \$15,891 over the preceding year.

**DUNN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2018**

**CONTACTING DUNN COUNTY**

This financial report is designed to provide our citizens, taxpayers, other customers, investors and creditors with a general overview of Dunn County's finances. If you have questions about this report or need additional financial information contact the Dunn County Department of Administration, Dunn County Government Center, 800 Wilson Avenue, Menomonie, Wisconsin, 54751.

This document was prepared by and is respectfully submitted for public review by:

Paul Miller  
County Manager

Keith Strey, CPA  
Chief Financial Officer / County Auditor

**DUNN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
<b>ASSETS</b>				
Cash and Investments	\$ 14,772,518	\$ 1,653,657	\$ 16,426,175	\$ 68,016
Accounts Receivable (net)	1,295,782	1,226,012	2,521,794	1,677
Accrued Interest	43,667	-	43,667	-
Taxes Receivable	18,366,280	3,248,350	21,614,630	-
Delinquent Taxes Receivable	987,612	-	987,612	-
Loans Receivables	832,387	-	832,387	-
Internal Balances	14,597,057	(14,597,057)	-	-
Due From Other Governments	1,827,729	753,615	2,581,344	-
Inventory	-	1,918,959	1,918,959	-
Prepaid Items	-	5,463	5,463	-
Restricted Assets:				
Cash and Investments	-	68,240	68,240	44,969
Wisconsin Retirement System Net Pension Asset	2,977,737	1,584,463	4,562,200	-
Capital Assets:				
Land	3,164,359	418,120	3,582,479	-
Construction in Progress	1,502,694	-	1,502,694	-
Other Capital Assets, Net of Depreciation	88,649,817	26,441,576	115,091,393	-
Total Assets	<u>149,017,639</u>	<u>22,721,398</u>	<u>171,739,037</u>	<u>114,662</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System Pension Related	5,477,458	2,914,572	8,392,030	-
State Life Insurance OPEB Related	91,503	64,439	155,942	-
Total Deferred Outflows of Resources	<u>5,568,961</u>	<u>2,979,011</u>	<u>8,547,972</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	1,635,389	684,048	2,319,437	155
Accrued Liabilities	1,801,054	406,184	2,207,238	-
Accrued Interest Payable	107,822	167,963	275,785	-
Unearned Revenue	-	270,016	270,016	-
Deposits	79,582	-	79,582	-
Patient Trust Funds Payable	-	10,764	10,764	-
Noncurrent Liabilities:				
Net Other Postemployment Benefits Liability	800,969	564,066	1,365,035	-
Amounts Due Within One Year	2,608,374	1,910,806	4,519,180	-
Amounts Due in More Than One Year	16,156,250	18,006,276	34,162,526	16,488
Total Liabilities	<u>23,189,440</u>	<u>22,020,123</u>	<u>45,209,563</u>	<u>16,643</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Subsequent Year's Property Taxes	18,366,280	3,248,350	21,614,630	-
Wisconsin Retirement System Pension Related	5,894,135	3,136,287	9,030,422	-
State Life Insurance OPEB Related	26,185	18,441	44,626	-
Total Deferred Inflows of Resources	<u>24,286,600</u>	<u>6,403,078</u>	<u>30,689,678</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	77,877,735	8,589,478	86,467,213	-
Restricted	3,874,661	1,641,939	5,516,600	28,481
Unrestricted	25,358,164	(12,954,209)	12,403,955	69,538
Total Net Position	<u>\$ 107,110,560</u>	<u>\$ (2,722,792)</u>	<u>\$ 104,387,768</u>	<u>\$ 98,019</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 8,872,888	\$ 975,962	\$ 495,085	\$ -	\$ (7,401,841)	\$ -	\$ (7,401,841)	\$ -
Public Safety	8,913,671	485,291	295,851	-	(8,132,529)	-	(8,132,529)	-
Public Works	4,158,222	2,479,795	173,152	-	(1,505,275)	-	(1,505,275)	-
Health and Human Services	14,190,484	2,709,731	6,940,160	-	(4,540,593)	-	(4,540,593)	-
Culture, Recreation and Education	1,408,821	123,388	4,621	-	(1,280,812)	-	(1,280,812)	-
Conservation and Development	1,483,902	129,486	141,062	-	(1,213,354)	-	(1,213,354)	-
Interest and Fiscal Charges	432,379	-	-	-	(432,379)	-	(432,379)	-
Total Governmental Activities	<u>39,460,367</u>	<u>6,903,653</u>	<u>8,049,931</u>	<u>-</u>	<u>(24,506,783)</u>	<u>-</u>	<u>(24,506,783)</u>	<u>-</u>
Business-Type Activities:								
Health Care Center	13,897,678	11,547,717	96	-	-	(2,349,865)	(2,349,865)	-
Highway	11,615,433	3,872,611	-	-	-	(7,742,822)	(7,742,822)	-
Transit Commission	670,469	139,353	304,003	44,562	-	(182,551)	(182,551)	-
Total Business-Type Activities	<u>26,183,580</u>	<u>15,559,681</u>	<u>304,099</u>	<u>44,562</u>	<u>-</u>	<u>(10,275,238)</u>	<u>(10,275,238)</u>	<u>-</u>
Total Primary Government	<u>\$ 65,643,947</u>	<u>\$ 22,463,334</u>	<u>\$ 8,354,030</u>	<u>\$ 44,562</u>	<u>(24,506,783)</u>	<u>(10,275,238)</u>	<u>(34,782,021)</u>	<u>-</u>
<b>Component Unit:</b>								
Housing Authority	<u>\$ 382,938</u>	<u>\$ -</u>	<u>\$ 407,011</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,073</u>
<b>GENERAL REVENUES</b>								
Taxes:								
Property Taxes, Levied for General Purposes					13,211,058	6,335,927	19,546,985	-
Property Taxes, Levied for Debt Purposes					2,095,386	-	2,095,386	-
Other Taxes					3,576,252	-	3,576,252	-
Intergovernmental Revenues not Restricted to Specific Programs					2,380,863	2,388,057	4,768,920	-
Investment Income					183,803	1,910	185,713	20
Sale of Property					550,500	100,766	651,266	-
Miscellaneous					420,299	160,053	580,352	-
TRANSFERS					<u>1,213,371</u>	<u>(1,213,371)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers					<u>23,631,532</u>	<u>7,773,342</u>	<u>31,404,874</u>	<u>20</u>
<b>CHANGE IN NET POSITION</b>								
					(875,251)	(2,501,896)	(3,377,147)	24,093
Net Position - Beginning of Year					108,649,359	246,394	108,895,753	73,926
Change in Accounting Principle					(663,548)	(467,290)	(1,130,838)	-
Net Position - Beginning of Year - As Restated					<u>107,985,811</u>	<u>(220,896)</u>	<u>107,764,915</u>	<u>73,926</u>
<b>NET POSITION - END OF YEAR</b>								
					<u>\$ 107,110,560</u>	<u>\$ (2,722,792)</u>	<u>\$ 104,387,768</u>	<u>\$ 98,019</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 7,755,658	\$ -	\$ 64,012	\$ 736,318	\$ 722,004	\$ 9,277,992
Receivables						
Taxes Receivable	11,810,856	4,463,314	2,092,110	-	-	18,366,280
Delinquent Taxes	987,612	-	-	-	-	987,612
Accounts	295,157	407,908	-	-	191,078	894,143
Interest	43,667	-	-	-	-	43,667
Loans	21,000	-	-	-	811,387	832,387
Due from Other Governments	1,100,033	690,717	-	-	36,979	1,827,729
Due from Other Funds	543,438	-	-	-	-	543,438
Advance to Other Funds	6,478,485	-	-	-	-	6,478,485
Total Assets	<u>\$ 29,035,906</u>	<u>\$ 5,561,939</u>	<u>\$ 2,156,122</u>	<u>\$ 736,318</u>	<u>\$ 1,761,448</u>	<u>\$ 39,251,733</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 631,312	\$ 416,709	\$ -	\$ 79,535	\$ 350,830	\$ 1,478,386
Accrued Liabilities	294,780	138,478	-	-	5,080	438,338
Deposits Payable	79,582	-	-	-	-	79,582
Due to Other Funds	-	543,438	-	-	-	543,438
Total Liabilities	<u>1,005,674</u>	<u>1,098,625</u>	<u>-</u>	<u>79,535</u>	<u>355,910</u>	<u>2,539,744</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Subsequent Year's Property Taxes	11,810,856	4,463,314	2,092,110	-	-	18,366,280
Unavailable Loans Receivable	-	-	-	-	811,387	811,387
Unavailable Delinquent Taxes (County's Portion)	252,347	-	-	-	-	252,347
Total Deferred Inflows of Resources	<u>12,063,203</u>	<u>4,463,314</u>	<u>2,092,110</u>	<u>-</u>	<u>811,387</u>	<u>19,430,014</u>
<b>FUND BALANCES</b>						
Nonspendable	7,213,750	-	-	-	-	7,213,750
Restricted	-	-	64,012	656,783	85,537	806,332
Committed	-	-	-	-	508,614	508,614
Assigned	442,050	-	-	-	-	442,050
Unassigned	8,311,229	-	-	-	-	8,311,229
Total Fund Balances	<u>15,967,029</u>	<u>-</u>	<u>64,012</u>	<u>656,783</u>	<u>594,151</u>	<u>17,281,975</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,035,906</u>	<u>\$ 5,561,939</u>	<u>\$ 2,156,122</u>	<u>\$ 736,318</u>	<u>\$ 1,761,448</u>	<u>\$ 39,251,733</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2018**

**Total Fund Balances - Governmental Funds** \$ 17,281,975

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Capital Assets	\$ 158,972,100	
Accumulated Depreciation	<u>(65,655,230)</u>	93,316,870

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:

Delinquent Taxes Receivable (County's Portion)	252,347	
Loans Receivable	<u>811,387</u>	1,063,734

Net Wisconsin Retirement System pension plan asset/liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Asset (Liability)	2,977,737	
Deferred Outflows of Resources	5,477,458	
Deferred Inflows of Resources	<u>(5,894,135)</u>	2,561,060

State Local Retiree Insurance Fund Net OPEB asset/liability and related deferred outflows and inflows of resources are recorded only on the Statement of Net Position. Balances at year-end are:

Net OPEB Liability	(800,969)	
Deferred Outflows of Resources	91,503	
Deferred Inflows of Resources	<u>(26,185)</u>	(735,651)

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

Bonds and Notes Payable	(15,859,100)	
Accrued Interest Payable	(107,822)	
Compensated Absences	(2,668,706)	
Bond Premium	<u>(236,818)</u>	(18,872,446)

Internal service funds are used by County management to charge the costs of its self-funded health insurance and workers compensation programs to functions. The assets and liabilities of the internal service funds are allocated between governmental activities and business-type activities as follows:

Total Net Position of Internal Service Funds	4,376,446	
Less Allocated to Business-Type Activities	<u>8,118,572</u>	<u>12,495,018</u>

**Net Position of Governmental Activities** \$ 107,110,560

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes	\$ 13,632,784	\$ 3,150,434	\$ 2,095,386	\$ -	\$ 8,000	\$ 18,886,604
Intergovernmental Revenues	4,706,352	5,515,484	-	-	173,152	10,394,988
Licenses and Permits	125,099	-	-	-	-	125,099
Fines and Forfeits	227,727	-	-	-	75,598	303,325
Public Charges for Services	1,581,159	2,407,109	-	-	1,693,645	5,681,913
Intergovernmental Charges for Services	42,972	-	-	-	530,110	573,082
Investment Income	183,205	-	-	-	-	183,205
Miscellaneous	397,209	7,883	-	-	318,367	723,459
Total Revenues	<u>20,896,507</u>	<u>11,080,910</u>	<u>2,095,386</u>	<u>-</u>	<u>2,798,872</u>	<u>36,871,675</u>
<b>EXPENDITURES</b>						
Current:						
General Government	7,540,980	-	-	788,693	-	8,329,673
Public Safety	8,619,144	-	-	-	33,018	8,652,162
Public Works	-	-	-	-	3,080,615	3,080,615
Health and Human Services	2,161,908	11,721,237	-	-	-	13,883,145
Culture, Recreation and Education	1,394,533	-	-	-	-	1,394,533
Conservation and Development	1,691,145	-	-	-	22,682	1,713,827
Debt Service:						
Principal Retirement	-	-	1,630,000	-	-	1,630,000
Interest and Fiscal Charges	-	-	467,410	-	-	467,410
Total Expenditures	<u>21,407,710</u>	<u>11,721,237</u>	<u>2,097,410</u>	<u>788,693</u>	<u>3,136,315</u>	<u>39,151,365</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(511,203)</u>	<u>(640,327)</u>	<u>(2,024)</u>	<u>(788,693)</u>	<u>(337,443)</u>	<u>(2,279,690)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of Assets	-	-	-	550,500	-	550,500
Long-Term Debt Issued	-	-	-	489,100	-	489,100
Transfers In	500,000	749,758	-	-	-	1,249,758
Transfers Out	(749,758)	(109,431)	-	-	-	(859,189)
Total Other Financing Sources (Uses)	<u>(249,758)</u>	<u>640,327</u>	<u>-</u>	<u>1,039,600</u>	<u>-</u>	<u>1,430,169</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(760,961)</u>	<u>-</u>	<u>(2,024)</u>	<u>250,907</u>	<u>(337,443)</u>	<u>(849,521)</u>
Fund Balances - Beginning of Year	16,727,990	-	66,036	405,876	931,594	18,131,496
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 15,967,029</u>	<u>\$ -</u>	<u>\$ 64,012</u>	<u>\$ 656,783</u>	<u>\$ 594,151</u>	<u>\$ 17,281,975</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

**Net Change in Fund Balances - Total Governmental Funds** \$ (849,521)

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 2,301,276	
Depreciation Expense Reported in the Statement of Activities	(4,096,795)	
Contributed Capital from Business-Type Activities Reported as Transfers	1,322,802	
Loss on Disposal of Capital Assets	<u>(16,889)</u>	(489,606)

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. (50,430)

Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in net pension asset/liability and related deferred outflows and inflows of resources. (197,430)

OPEB expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in net OPEB asset/liability and related deferred outflows and inflows of resources. (72,103)

Long-term debt and related obligations incurred in governmental funds are reported as revenues/other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net position and do not affect the statement of activities. Also governmental funds report the effect of discounts, premiums and similar items when issued, whereas these amounts are amortized in the statement of activities. (489,100)

Repayment of long-term debt and related items are 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:

Bond Principal Retirement		1,630,000
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Internal service funds are used by County management to charge the costs of its self-funded health insurance and workers compensation programs to functions. The changes in net position of these internal service funds are allocated between governmental activities and business-type activities as follows:

Change in Net Position of Internal Service Funds	(676,468)	
Loss Allocated to Business-Type Activities	<u>270,403</u>	(406,065)

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:

Net Change in Accrued Interest Payable	7,399	
Net Change in Compensated Absences Liability	(244,762)	
Amortization of Bond Premium	27,632	
Net Change in Single-Employer Other Post Employment Benefits Plan	<u>258,735</u>	<u>49,004</u>

**Change in Net Position of Governmental Activities** \$ (875,251)

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor Transit Commission	Totals	
	The Neighbors of Dunn County	Highway Department			
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Investments	\$ 100,766	\$ 1,417,736	\$ 135,155	\$ 1,653,657	\$ 5,494,526
Taxes Receivable	-	3,248,350	-	3,248,350	-
Accounts Receivable, Net	1,206,816	11,987	7,209	1,226,012	401,639
Due from Other Governments	-	612,575	141,040	753,615	-
Inventory	60,711	1,858,248	-	1,918,959	-
Prepaid Expenses	5,463	-	-	5,463	-
Total Current Assets	<u>1,373,756</u>	<u>7,148,896</u>	<u>283,404</u>	<u>8,806,056</u>	<u>5,896,165</u>
<b>RESTRICTED ASSETS</b>					
Restricted Cash	68,240	-	-	68,240	-
Wisconsin Retirement System Net Pension Asset	957,950	616,083	10,430	1,584,463	-
Total Restricted Assets	<u>1,026,190</u>	<u>616,083</u>	<u>10,430</u>	<u>1,652,703</u>	<u>-</u>
<b>NONCURRENT ASSETS</b>					
Capital Assets (net)	<u>17,854,602</u>	<u>7,715,998</u>	<u>1,289,096</u>	<u>26,859,696</u>	<u>-</u>
Total Assets	<u>20,254,548</u>	<u>15,480,977</u>	<u>1,582,930</u>	<u>37,318,455</u>	<u>5,896,165</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Wisconsin Retirement System Pension Plan Related	1,762,120	1,133,267	19,185	2,914,572	-
State Life Insurance Other Post Employment Benefits Related	35,580	27,643	1,216	64,439	-
Total Deferred Outflows of Resources	<u>1,797,700</u>	<u>1,160,910</u>	<u>20,401</u>	<u>2,979,011</u>	<u>-</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	320,581	291,237	72,230	684,048	157,003
Interest Payable	167,963	-	-	167,963	-
Accrued Expenses	235,698	170,119	367	406,184	1,362,716
Unearned Revenue	32,045	237,971	-	270,016	-
Vested Benefits	342,829	590,279	2,698	935,806	-
Patient Trust Fund Payable	10,764	-	-	10,764	-
Bonds Payable	975,000	-	-	975,000	-
Total Current Liabilities	<u>2,084,880</u>	<u>1,289,606</u>	<u>75,295</u>	<u>3,449,781</u>	<u>1,519,719</u>
<b>NONCURRENT LIABILITIES</b>					
Bonds Payable	17,295,218	-	-	17,295,218	-
Advance from Other Funds	6,300,685	-	177,800	6,478,485	-
Vested Benefits	389,828	317,843	3,387	711,058	-
State Life Insurance Net Other Post Employment Benefits Liability	311,448	241,971	10,647	564,066	-
Total Noncurrent Liabilities	<u>24,297,179</u>	<u>559,814</u>	<u>191,834</u>	<u>25,048,827</u>	<u>-</u>
Total Liabilities	<u>26,382,059</u>	<u>1,849,420</u>	<u>267,129</u>	<u>28,498,608</u>	<u>1,519,719</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Subsequent Year's Property Taxes	-	3,248,350	-	3,248,350	-
Wisconsin Retirement System Pension Plan Related	1,896,166	1,219,476	20,645	3,136,287	-
State Life Insurance Other Post Employment Benefits Related	10,183	7,910	348	18,441	-
Total Deferred Inflows of Resources	<u>1,906,349</u>	<u>4,475,736</u>	<u>20,993</u>	<u>6,403,078</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	(415,616)	7,715,998	1,289,096	8,589,478	-
Restricted	1,015,426	616,083	10,430	1,641,939	-
Unrestricted	(6,835,970)	1,984,650	15,683	(4,835,637)	4,376,446
Total Net Position	<u>\$ (6,236,160)</u>	<u>\$ 10,316,731</u>	<u>\$ 1,315,209</u>	<u>5,395,780</u>	<u>\$ 4,376,446</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(8,118,572)</u>	
Net Position - Business-Type Activities				<u>\$ (2,722,792)</u>	

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
<b>OPERATING REVENUES</b>	\$ 11,547,717	\$ 3,872,611	\$ 139,353	\$ 15,559,681	\$ 8,957,870
<b>OPERATING EXPENSES</b>					
Operation and Maintenance	12,484,277	10,787,288	592,340	23,863,905	1,068,644
Depreciation	685,669	702,468	77,260	1,465,397	-
Benefit Payments	-	-	-	-	8,131,287
Total Operating Expenses	<u>13,169,946</u>	<u>11,489,756</u>	<u>669,600</u>	<u>25,329,302</u>	<u>9,199,931</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,622,229)</u>	<u>(7,617,145)</u>	<u>(530,247)</u>	<u>(9,769,621)</u>	<u>(242,061)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
General Property Taxes	-	6,335,927	-	6,335,927	-
Grant Funding and Contributions	96	-	304,003	304,099	-
Intergovernmental Grants	803,100	1,584,957	-	2,388,057	-
Rental Income	10,980	-	-	10,980	-
Investment Income	1,910	-	-	1,910	65,593
Interest Expense and Amortization of Debt Premium	(583,875)	-	-	(583,875)	-
Sale of Property	100,766	-	-	100,766	-
Other Income (Expense)	-	137,028	12,045	149,073	-
Total Nonoperating Revenues	<u>332,977</u>	<u>8,057,912</u>	<u>316,048</u>	<u>8,706,937</u>	<u>65,593</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(1,289,252)</u>	<u>440,767</u>	<u>(214,199)</u>	<u>(1,062,684)</u>	<u>(176,468)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Capital Grants and Contributions	-	-	44,562	44,562	-
Contributions to Governmental Activities	-	(1,322,802)	-	(1,322,802)	-
Transfers In	-	-	109,431	109,431	-
Transfers Out	-	-	-	-	(500,000)
Total Capital Contributions and Transfers	<u>-</u>	<u>(1,322,802)</u>	<u>153,993</u>	<u>(1,168,809)</u>	<u>(500,000)</u>
<b>CHANGE IN NET POSITION</b>	<u>(1,289,252)</u>	<u>(882,035)</u>	<u>(60,206)</u>	<u>(2,231,493)</u>	<u>(676,468)</u>
Net Position - Beginning of Year	(4,688,894)	11,399,222	1,384,235		5,052,914
Change in Accounting Principle	(258,014)	(200,456)	(8,820)		-
Net Position - Beginning of Year - As Restated	<u>(4,946,908)</u>	<u>11,198,766</u>	<u>1,375,415</u>		<u>5,052,914</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (6,236,160)</u>	<u>\$ 10,316,731</u>	<u>\$ 1,315,209</u>		<u>\$ 4,376,446</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(270,403)</u>	
Change in Net Position - Business-Type Activities				<u>\$ (2,501,896)</u>	

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ -	\$ 2,499,652	\$ 135,288	\$ 2,634,940	\$ 8,769,374
Cash Received from Residents and Third Party Payors	12,148,206	-	-	12,148,206	-
Cash Paid to Suppliers for Goods and Services	(4,148,165)	(5,122,074)	(448,013)	(9,718,252)	-
Cash Paid to Employees for Services	(7,997,385)	(5,701,195)	(85,141)	(13,783,721)	-
Cash Paid for Insurance Claims	-	-	-	-	(7,672,258)
Cash Paid to Third Party Administrator	-	-	-	-	(1,061,993)
Net Cash Provided by (Used for) Operating Activities	<u>2,656</u>	<u>(8,323,617)</u>	<u>(397,866)</u>	<u>(8,718,827)</u>	<u>35,123</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
General Property Taxes	-	7,838,786	-	7,838,786	-
State Highway Aids	-	1,584,957	-	1,584,957	-
State Transportation Aids	-	-	237,691	237,691	-
Cash Flow Borrowing from (Repayment to) Other Funds	1,639,849	-	-	1,639,849	-
Nonoperating Income	-	137,028	-	137,028	-
Transfers from (to) Other Funds	-	-	109,431	109,431	(500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,639,849</u>	<u>9,560,771</u>	<u>347,122</u>	<u>11,547,742</u>	<u>(500,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Grant Funding	-	-	44,562	44,562	-
Proceeds from Sale of Capital Assets	100,766	6,010	-	106,776	-
Cash Paid for Capital Contributions to Governmental Activities	-	(1,322,802)	-	(1,322,802)	-
Contributions Received	-	-	12,045	12,045	-
Interfund Received from (Paid to) Other Funds	-	-	(25,400)	(25,400)	-
Acquisition and Construction of Capital Assets	(14,434)	(1,078,147)	(72,787)	(1,165,368)	-
Payment of Bond Principal	(945,000)	-	-	(945,000)	-
Payment of Bond Interest	(686,025)	-	-	(686,025)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,544,693)</u>	<u>(2,394,939)</u>	<u>(41,580)</u>	<u>(3,981,212)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Noncash Equivalent Certificates of Deposit Matured	-	-	-	-	1,498,730
Investment Income	1,910	-	-	1,910	65,593
Net Cash Provided by (Used for) Investing Activities	<u>1,910</u>	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>1,564,323</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS:</b>	99,722	(1,157,785)	(92,324)	(1,150,387)	1,099,446
Cash and Cash Equivalents - Beginning of Year	69,284	2,575,521	227,479	2,872,284	4,395,080
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 169,006</u>	<u>\$ 1,417,736</u>	<u>\$ 135,155</u>	<u>\$ 1,721,897</u>	<u>\$ 5,494,526</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS (CONTINUED) –  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>					
Cash and Investments per Statement of Net Position	\$ 100,766	\$ 1,417,736	\$ 135,155	\$ 1,653,657	\$ 5,494,526
Restricted Cash	68,240	-	-	68,240	-
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 169,006</u>	<u>\$ 1,417,736</u>	<u>\$ 135,155</u>	<u>\$ 1,721,897</u>	<u>\$ 5,494,526</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>					
Operating Income (Loss)	\$ (1,622,229)	\$ (7,617,145)	\$ (530,247)	\$ (9,769,621)	\$ (242,061)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Net Change in Wisconsin Pension System Related Items:					
Asset / Liability	(1,255,643)	(799,727)	(17,477)	(2,072,847)	-
Deferred Outflows of Resources	547,827	291,716	35,496	875,039	-
Deferred Inflows of Resources	959,944	641,930	(1,517)	1,600,357	-
Net Change in State Life Insurance OPEB Items:					
Asset / Liability	53,434	1,683	1,827	56,944	-
Deferred Outflows of Resources	(35,580)	(27,643)	(1,216)	(64,439)	-
Deferred Inflows of Resources	10,183	7,910	348	18,441	-
Rental Income Received	10,980	-	-	10,980	-
Grants and Contributions	96	-	-	96	-
Nursing Home Appeals and Intergovernmental Program Transfers Received	803,100	-	-	803,100	-
Noncash Items Included in Income:					
Depreciation	685,669	702,468	77,260	1,465,397	-
(Gain)/Loss on Disposal of Capital Assets	-	88,088	-	88,088	-
(Increase) Decrease in Assets:					
Accounts Receivable	(245,732)	(4,455)	(4,065)	(254,252)	(188,496)
Inventory	(6,414)	(264,506)	-	(270,920)	-
Due from Other Governments	-	193,974	-	193,974	-
Prepaid Expenses	(348)	-	-	(348)	-
Increase (Decrease) in Liabilities:					
Accounts Payable	135,326	(11,012)	41,838	166,152	74,802
Accrued Liabilities	(2,642)	9,014	(2,276)	4,096	390,878
Unearned Revenue	32,045	(1,562,478)	-	(1,530,433)	-
Patient Trust Payable	(2,464)	-	-	(2,464)	-
Vested Benefits	8,952	26,566	2,163	37,681	-
Single-Employer OPEB Plan	(73,848)	-	-	(73,848)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 2,656</u>	<u>\$ (8,323,617)</u>	<u>\$ (397,866)</u>	<u>\$ (8,718,827)</u>	<u>\$ 35,123</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
STATEMENT OF NET POSITION –  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 4,846,934</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 16,567
Deposits Payable	270,347
Due to Other Governments	<u>4,560,020</u>
Total Liabilities	<u>\$ 4,846,934</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Dunn 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**

Dunn County is governed by a board of supervisors consisting of 29 elected members. This report includes all of significant operations under the control of the Dunn County Board of Supervisors and includes all of the funds of Dunn County. The County's major operations include police protection, the jail, highways, health and human services, The Neighbors of Dunn County health care center (the Neighbors), and solid waste and recycling.

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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report includes the following component unit:

**Discretely Presented Component Unit**

The government-wide financial statements include the Dunn County Housing Authority as a component unit. The housing authority is a legally separate organization. The board of the housing authority is appointed by the County board chairperson. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the housing authority and also create a potential financial benefit to or burden on the County.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Discretely Presented Component Unit (Continued)**

As a component unit, the housing authority's financial statements have been presented as a discrete column in the financial statements. It is reported in a separate column to emphasize that it is legally separate from the County. The housing authority is a separate entity established to administer a housing program for low and moderate income families. It is funded by federal and state grants. The information presented is for the fiscal year ended March 31, 2018. Separately issued financial statements of the Dunn County Housing Authority may be obtained from the housing authority's office at 1421 Stout Road, Menomonie, Wisconsin. See Note 2 G. for additional housing authority disclosures.

**B. Government-Wide and Fund Financial Statements**

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

**Government-Wide Statements**

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

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

**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.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

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. The major revenue sources include taxes and intergovernmental revenues. 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.

**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.

**Capital Projects Fund** – The Capital Projects Fund is used to account for the various capital project expenditures and relating financing.

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

The County reports the following major enterprise funds:

**The Neighbors of Dunn County** – This fund accounts for the operations of The Neighbors health care center.

**Highway Department Fund** – This fund accounts for highway maintenance and construction.

The Transit Commission is reported as a nonmajor fund. The County had no other enterprise funds to report as nonmajor funds.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

Additionally, the County reports the following fund types:

**Internal Service Funds** - These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost reimbursement basis. The County's internal service funds are used to account for transactions of its self-funded health insurance and workers compensation program.

**Agency Fund** - This fund accounts for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The following County departments maintain agency funds: tax agency (advance tax collections for other governments), treasurer (employee trust accounts), clerk of courts (safe-keeping of all funds ordered held in trust), sheriff (inmate cash accounts), UW extension (education accounts), and district attorney (forfeiture funds).

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

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, except for reimbursement grants from the State of Wisconsin, for which available is defined as 180 days. 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.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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 County reports deferred inflows of resources on its statement of net position and fund balance sheets. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflow of resources or the liability for unearned revenue is removed from the statement of net position and fund balance sheet and revenue is recognized.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is payments between governmental activities and business-type activities for services provided.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of The Neighbors are charges for resident services. The principal operating revenues of the highway fund are charges for the sale of products generated by its operations and routine maintenance. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance**

**1. Deposits and Investments**

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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.

The County has adopted an investment policy. That policy follows the state statute for allowable investments except that the County's policy limits time deposits to one year or less, while the state statutes allow deposits that mature in three years or less. The policy also limits securities to those that mature in 3 years or less while state statutes limits maturities to seven years or less.

The County's investment policy requires that deposits be collateralized for any amounts in excess of insured amounts. At December 31, 2018, the County had no deposits that were not insured or collateralized. The policy also requires that certificates of deposit and repurchase agreements be collateralized with securities with a market value of 102% or more of the certificates of deposits or repurchase agreements, or 100% if the certificates or repurchase agreements mature in five days or less.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**1. Deposits and Investments (Continued)**

The policy addresses credit risk by following statutory requirements that limit securities to those have the highest or second highest rating of a nationally recognized rating agency.

The policy addresses interest rate risk by stating that investments shall be managed to maintain liquidity to meet the County's cash needs and to limit market risks as well as limiting deposits and securities to the maturities described above.

The policy does not address concentration of credit risk.

Overall, the County maintains control over its monetary resources through the treasurer's office. A central account is used to track the majority of fund transactions. Interest income on commingled investments of the County's accounting funds is allocated to the general fund. Separate accounts for specific purposes are held by the Clerk of Courts, District Attorney, Land Conservation, Sheriff's Department, The Neighbors, UW Extension, and Office on Aging.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. These investments are reported at amortized cost.

**2. Receivables and Payables**

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

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**2. Receivables and Payables (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 Dunn County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. 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 in all funds have been adjusted for known uncollectible amounts. No allowance for uncollectible taxes on delinquent taxes has been provided because of the County's demonstrated ability to recover most losses through the sale of the applicable property. The provision for uncollectible patient accounts in The Neighbors of Dunn County Fund was \$165,532 at December 31, 2018.

**Loans Receivable.** The County has used local funds and grant funds for economic development loan programs. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as 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.

**DUNN COUNTY, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**3. Inventories and Prepaid Items**

Governmental fund inventories, if material, are valued at cost based on the first in/first out (FIFO) method using the consumption method of accounting. Year-end inventory was not significant. The inventories of the enterprise funds are valued at the lower of cost, determined on the FIFO method for The Neighbors and on the average cost method for the highway department and are generally used for construction or operation and maintenance work. They are not for resale.

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. Restricted cash consists of unspent debt proceeds as well as funds held in a custodial account for The Neighbors residents. Such balances are maintained in separate bank accounts.

**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 one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**5. Capital Assets (Continued)**

**Government-Wide Statements (Continued).** 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	12-30 Years
Buildings	5,000	Straight-line	4-50 Years
Equipment	5,000	Straight-line	4-20 Years
Vehicles	5,000	Straight-line	5 Years
Roads	25,000	Straight-line	25 Years
Bridges	25,000	Straight-line	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/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports OPEB plan and pension plan related items as deferred outflows of resources in the government-wide and proprietary fund financial statements.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governmental fund financial statements of the County report deferred inflows in connection with receivables that are not considered to be available to liquidate liabilities of the current period, as well as with property taxes received or reported as receivable before the period for which the property taxes are levied. Property taxes, OPEB, and pension related items are reported as deferred inflows of resources in the government-wide and proprietary fund financial statements.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**7. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used.

Accumulated vacation and sick leave liabilities at December 31, 2018 are determined on the basis of current salary rates.

**8. Other Postemployment Benefits – Multiple Employer Plan**

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

**9. Wisconsin Retirement System Pension Plan Benefits**

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

**10. Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**10. Long-Term Obligations (Continued)**

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts are shown as an increase or decrease in the liability section and gains/losses are shown as a deferred inflow/outflow in the statement of net position.

**11. Equity Classifications**

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

**Government-Wide and Proprietary Fund Statements.** Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**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.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/  
Fund Balance (Continued)**

**11. Equity Classifications (Continued)**

**Fund Financial Statements (Continued).** Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Based on resolution of the County Board, the County Manager has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

**NOTE 2 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The County's cash and investments balances at December 31, 2018 is as follows:

Governmental Funds	\$ 9,277,992
Proprietary Funds	7,216,423
Fiduciary Funds	4,846,934
Total Cash and Investments	<u>\$ 21,341,349</u>

The above cash and investments balances consisted of the following:

	Carrying Amount
Demand and Time Deposits	<u>\$ 10,267,860</u>
U.S. Agencies	3,692,685
Other Government Agencies	88,154
Municipal Bonds	642,969
Corporate Bonds	2,962,385
LGIP	3,686,496
Petty Cash	800
Total Cash and Investments	<u>\$ 21,341,349</u>

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions**

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. 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 an additional \$250,000 for demand accounts. 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 under federal depository insurance and the State Guarantee Fund.

**Custodial Credit Risk**

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2018, the County's total bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

**Investments**

The County's investments at December 31, 2018 consisted of deposits in the following external investment pool:

**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 2018 was 27 days.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its instruments or collateral securities that are in the possession of an outside party.

The County did not have any investments exposed to custodial credit risk at year-end.

**Credit Risk**

Credit risk is the risk that an investor or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2018, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
LGIP Pool Investment Fund	Not Rated	\$ 3,686,496
Federal Home Loan Mortgage Corporation	Not Rated	20,367
Federal National Mortgage Association	Not Rated	61,149
U.S. Treasuries	Aaa	3,692,685
Government Mortgage National Association	AAA	6,638
Government Agency Bonds and Notes	A1, Aa1, Aa2	642,969
Corporate Bonds and Notes	Aa2, Aaa, Aa1	2,962,385

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss due attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2018, the investment portfolio was concentrated as follows:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	\$ 20,367	0.2 %
Federal National Mortgage Association	61,149	0.6
Government National Mortgage Association	6,638	0.1
U.S. Treasuries	3,692,685	33.3
Government Agency Bonds and Notes	642,969	5.8
Corporate Bonds and Notes	2,962,385	26.7
LGIP Pool Investment Fund	3,686,496	33.3
Total	<u>\$ 11,072,689</u>	<u>100.0%</u>

There are no corporate bonds and notes with any one issuer in excess of 5%.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2018, the County's investments were as follows:

<u>Type</u>	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
LGIP Pool Investment Fund	\$ 3,686,496	\$ 3,686,496	\$ -	\$ -	\$ -
Domestic Corporate Debt	2,962,385	-	37,371	2,404,845	520,169
Municipal Bonds	642,969	390,341	-	252,628	-
U.S. Government Treasuries	3,692,685	-	431,699	3,260,986	-
Other Government Agencies	88,154	9,058	-	-	79,096
Total	<u>\$ 11,072,689</u>	<u>\$ 4,085,895</u>	<u>\$ 469,070</u>	<u>\$ 5,918,459</u>	<u>\$ 599,265</u>

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

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

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

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

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

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

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

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

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 3,692,685	\$ -	\$ -	\$ 3,692,685
Other Government Agencies	88,154	-	-	88,154
Municipal Bonds	642,969	-	-	642,969
Corporate Bonds	2,962,385	-	-	2,962,385
Total	<u>\$ 7,386,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,386,193</u>
Investments measured at amortized cost - LGIP Funds				3,686,496
Total Investments				<u>\$ 11,072,689</u>

**B. Receivables**

**Snowmobile Association Loan.** Loans receivable include a loan to the Dunn County Snowmobile Association for the purchase of a new trail groomer. The outstanding balance of the loan to the snowmobile club was \$21,000 as of December 31, 2018.

**Housing Rehabilitation Loans.** The County has been awarded federal Community Development Block Grant (CDBG) Program funds 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, 2018, the County had 72 loans outstanding totaling \$811,387.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**C. Capital Assets**

**Governmental Activities**

Capital assets activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 3,164,359	\$ -	\$ -	\$ 3,164,359
Construction in Progress:	1,300,568	2,876,402	(2,674,276)	1,502,694
Total Capital Assets Not Being Depreciated	4,464,927	2,876,402	(2,674,276)	4,667,053
Capital Assets Being Depreciated:				
Buildings	32,136,491	45,278	-	32,181,769
Machinery and Equipment	8,916,025	702,398	(137,604)	9,480,819
Roads	96,290,382	2,674,276	(1,553,600)	97,411,058
Bridges	15,231,401	-	-	15,231,401
Total Capital Assets Being Depreciated	152,574,299	3,421,952	(1,691,204)	154,305,047
Total Capital Assets	157,039,226	6,298,354	(4,365,480)	158,972,100
Accumulated Depreciation:				
Buildings	(10,593,301)	(696,068)	-	(11,289,369)
Machinery and Equipment	(4,582,489)	(788,807)	120,715	(5,250,581)
Roads	(41,810,930)	(2,342,700)	1,553,600	(42,600,030)
Bridges	(6,246,030)	(269,220)	-	(6,515,250)
Total Accumulated Depreciation	(63,232,750)	(4,096,795)	1,674,315	(65,655,230)
Net Capital Assets	\$ 93,806,476	\$ 2,201,559	\$ (2,691,165)	\$ 93,316,870

Depreciation expense was charged to governmental functions as follows:

Primary Government:	
General Government	\$ 775,424
Public Safety	251,287
Public Works, Which Includes the Depreciation of Roads and Bridges	2,613,409
Health and Human Services	242,641
Culture, Recreation and Education	74,770
Conservation and Development	139,264
Total Depreciation Expense, Governmental Activities	<u>\$ 4,096,795</u>

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**C. Capital Assets (Continued)**

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>The Neighbors of Dunn County:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 20,200	\$ -	\$ -	\$ 20,200
Capital Assets Being Depreciated:				
Land Improvements	658,998	-	-	658,998
Buildings	20,246,593	-	-	20,246,593
Fixed Equipment	1,272,444	14,434	-	1,286,878
Major Moveable Equipment	128,269	-	-	128,269
Total Capital Assets				
Being Depreciated	22,306,304	14,434	-	22,320,738
Accumulated Depreciation:				
Land Improvements	(164,749)	(32,950)	-	(197,699)
Buildings and Improvements	(2,892,370)	(578,474)	-	(3,470,844)
Fixed Equipment	(637,904)	(68,365)	-	(706,269)
Major Moveable Equipment	(105,644)	(5,880)	-	(111,524)
Total Accumulated Depreciation	(3,800,667)	(685,669)	-	(4,486,336)
Net Capital Assets - The Neighbors	\$ 18,525,837	\$ (671,235)	\$ -	\$ 17,854,602
<b>Highway:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 397,920	\$ -	\$ -	\$ 397,920
Capital Assets Being Depreciated:				
Land Improvements	870,130	-	-	870,130
Buildings and Improvements	3,180,154	-	(22,639)	3,157,515
Machinery and Equipment	15,542,266	1,011,548	(324,715)	16,229,099
Total Capital Assets				
Being Depreciated	19,592,550	1,011,548	(347,354)	20,256,744
Accumulated Depreciation:				
Land Improvements	(453,208)	(32,839)	-	(486,047)
Buildings and Improvements	(1,957,508)	(69,060)	4,525	(2,022,043)
Machinery and Equipment	(10,145,337)	(600,569)	315,330	(10,430,576)
Total Accumulated Depreciation	(12,556,053)	(702,468)	319,855	(12,938,666)
Net Capital Assets - Highway	\$ 7,434,417	\$ 309,080	\$ (27,499)	\$ 7,715,998

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**C. Capital Assets (Continued)**

**Business-Type Activities (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Transit Commission:</b>				
Capital Assets Being Depreciated:				
Buildings	\$ 1,278,048	\$ -	\$ -	\$ 1,278,048
Machinery and Equipment	546,741	72,787	-	619,528
Total Capital Assets Being Depreciated	1,824,789	72,787	-	1,897,576
Accumulated Depreciation:				
Buildings	(38,341)	(25,561)	-	(63,902)
Machinery and Equipment	(492,879)	(51,699)	-	(544,578)
Total Accumulated Depreciation	(531,220)	(77,260)	-	(608,480)
 Net Capital Assets - Transit Commission	 \$ 1,293,569	 \$ (4,473)	 \$ -	 \$ 1,289,096
 Capital Assets Not Being Depreciated	 \$ 418,120	 \$ -	 \$ -	 \$ 418,120
Capital Assets Being Depreciated	43,723,643	1,098,769	(347,354)	44,475,058
Total Capital Assets	44,141,763	1,098,769	(347,354)	44,893,178
Accumulated Depreciation	(16,887,940)	(1,465,397)	319,855	(18,033,482)
 Net Capital Assets - Business-Type Activities	 \$ 27,253,823	 \$ (366,628)	 \$ (27,499)	 \$ 26,859,696

Depreciation expense was charged to the following business-type activities:

The Neighbors	\$ 685,669
Highway	702,468
Transit Commission	77,260
Total	<u>\$ 1,465,397</u>

**D. Interfund Receivables, Payables and Transfers**

**Advance to/from Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	The Neighbors of Dunn County	\$ 6,300,685
General Fund	Transit Commission	177,800
		<u>\$ 6,478,485</u>

The purpose of the advance to The Neighbors of Dunn County includes \$32,500 for the purchase of a new phone system in 2009 and the remainder due to overdrafts in pooled cash. The purpose of the advance issued to the Transit Commission in 2014 and additional amount in 2015 is for the construction of a transit facility. The Transit Commission advance will be repaid within 10 years.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**D. Interfund Receivables, Payables and Transfers (Continued)**

**Due to/from Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Human Services Fund	\$ 543,438
Add: Enterprise Share of Internal Service Fund Net Position		8,118,572
		\$ 8,662,010

The purpose of the interfund payable in the human services fund is because of short-term overdrafts in pooled cash at year-end. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

**Transfers**

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ 500,000	\$ (749,758)
Human Services Fund	749,758	(109,431)
Workers Compensation Internal Service Fund	-	(200,000)
Health Insurance Internal Service Fund	-	(300,000)
Total Governmental Activity	1,249,758	(1,359,189)
Business-Type Activity:		
Transit Commission	109,431	-
Subtotal	1,359,189	(1,359,189)
Governmental Activity Eliminations	(1,249,758)	1,249,758
Transfer of Infrastructure from the Highway Department and The Neighbors Fund	(1,322,802)	1,322,802
	\$ (1,213,371)	\$ 1,213,371

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use the unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the internal service funds to the general fund are budgeted amounts to cover administrative costs of the internal service funds.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

The following is a summary of long-term obligations transactions for the year ended December 31, 2018:

	Balance 12/31/17	Issued	Retired	Balance 12/31/18	Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
General Obligation Debt	\$ 17,000,000	\$ 489,100	\$ (1,630,000)	\$ 15,859,100	\$ 1,660,000
Added: Premium	264,450	-	(27,632)	236,818	N/A
Subtotal	17,264,450	489,100	(1,657,632)	16,095,918	1,660,000
Other Liabilities:					
Compensated Absences	2,423,944	1,121,295	(876,533)	2,668,706	948,374
Total Governmental Activities					
Long-Term Liabilities	<u>19,688,394</u>	<u>1,610,395</u>	<u>(2,534,165)</u>	<u>18,764,624</u>	<u>2,608,374</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable:					
General Obligation Health Care					
Center Debt	18,495,000	-	(945,000)	17,550,000	975,000
Plus: Premium on Debt	815,281	-	(95,062)	720,219	N/A
Other Liabilities:					
Compensated Absences	1,609,183	953,201	(915,521)	1,646,863	935,806
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 20,919,464</u>	<u>\$ 953,201</u>	<u>\$ (1,955,583)</u>	<u>\$ 19,917,082</u>	<u>\$ 1,910,806</u>

All general obligation notes and bonds are backed by the full faith and credit of the County. Bonds and notes in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

**Current Year Borrowing**

On December 12, 2018, the County issued a \$489,100 G.O. Promissory Note for financing of capital purchases during the year. The note accrues interest at 3.75 percent and matures March 1, 2029.

**Subsequent Year Borrowing**

On June 20, 2019, the County issued G.O. Promissory Notes, Series 2019A in the amount of \$8,000,000. The proceeds will be used for 2019 capital projects, including County highway improvements, remodeling of the Community Services Building, information technology infrastructure and equipment purchases, and ERP software implementation settlement. The notes accrue interest at 2.00 to 2.50 percent and mature April 1, 2029.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**E. Long-Term Obligations (Continued)**

**General Obligation Long-Term Debt**

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2018, was \$158,878,420. Total general obligation debt outstanding at the year-end was \$33,409,100.

**Annual Requirements for Retirement.** Long-Term general obligation debt issues outstanding at December 31, 2018 and annual requirements for their retirement were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/18
<b>General Obligation Debt</b>					
G.O. Promissory Note	12/12/2018	3/1/2029	3.75%	\$ 489,100	\$ 489,100
G.O. Facility and Management System Improvement Bonds	1/16/2014	10/1/2027	2.00-3.50%	7,150,000	6,515,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	7,625,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,230,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	17,550,000
Total General Obligation Debt					<u>\$ 33,409,100</u>

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows.

<u>Year Ending December 31,</u>	General Obligation Debt		
	Principal	Interest	Total
2019	\$ 2,635,000	\$ 1,084,835	\$ 3,719,835
2020	2,743,469	1,042,372	3,785,841
2021	2,818,020	971,821	3,789,841
2022	2,904,633	887,483	3,792,116
2023	2,991,307	792,384	3,783,691
2024-2028	13,218,920	2,382,169	15,601,089
2029-2032	6,097,751	497,366	6,595,117
Total	<u>\$ 33,409,100</u>	<u>\$ 7,658,430</u>	<u>\$ 41,067,530</u>

**Other Debt Information**

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributed to governmental activities will be liquidated primarily by the general fund.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 2018 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
<b>Major Funds:</b>						
General Fund:						
Delinquent Taxes	\$ 735,265	\$ 735,265	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	6,478,485	6,478,485	-	-	-	-
Carryover Funds:						
Information Technology	52,121	-	-	-	52,121	-
Human Resources	59,000	-	-	-	59,000	-
Land Conservation	47,671	-	-	-	47,671	-
Emergency Communications	253,638	-	-	-	253,638	-
Public Health	25,184	-	-	-	25,184	-
Sheriff	3,058	-	-	-	3,058	-
Veteran's Office	1,378	-	-	-	1,378	-
Unassigned	8,311,229	-	-	-	-	8,311,229
Subtotal General Fund	15,967,029	7,213,750	-	-	442,050	8,311,229
Debt Service Fund	64,012	-	64,012	-	-	-
Capital Projects Fund	656,783	-	656,783	-	-	-
<b>Nonmajor Funds:</b>						
Special Revenue Funds:						
Jail Assessment Fund	147,817	-	-	147,817	-	-
Solid Waste Fund	360,797	-	-	360,797	-	-
Community Development Block Grant (CDBG) Fund	85,537	-	85,537	-	-	-
Total Governmental Funds Balances at December 31, 2018	<u>\$ 17,281,975</u>	<u>\$ 7,213,750</u>	<u>\$ 806,332</u>	<u>\$ 508,614</u>	<u>\$ 442,050</u>	<u>\$ 8,311,229</u>

**G. Component Unit**

This report contains the Dunn County Housing Authority (Housing Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**G. Component Unit (Continued)**

**1. Basis of Accounting/Measurement Flows**

The Housing Authority follows the accrual basis of accounting and the flow of economic resources measurement focus.

**2. Deposits and Investments**

The Housing Authority's cash and investments consist of deposit in financial institutions covered by the Federal Deposit Insurance Corporation or similar coverage. None of the housing authority's deposits were exposed to custodial credit risk at March 31, 2018.

**3. Economic Dependency**

The public housing programs are economically dependent on annual contributions and grants from the United States Department of Housing and Urban Development. This revenue is subject to federal government budget appropriations and potential funding reductions.

**NOTE 3 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

**General Information about the Pension Plan**

*Plan Description.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

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

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

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

*Benefits Provided.* Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

During the fiscal reporting period January 1, 2018 through December 31, 2018, the WRS recognized \$1,629,150 in contributions from the employer.

Contribution rates as of December 31, 2018 are:

	<u>Employee</u>	<u>Employer</u>
General	6.70 %	6.70 %
Executives & Elected Officials	6.70	6.70
Protective with Social Security	6.70	10.70
Protective without Social Security	6.70	14.90

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

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

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

<u>Year Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0.0%
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2018, the County reported an asset of \$4,562,200 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. The County's proportion of the net pension asset was based on the most recent 3-year average contributions made by the employer. At December 31, 2017, the County's proportion was 0.15365501 percent, which was an increase of 0.00181217 from its proportion measured as of December 31, 2016.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended December 31, 2018, the County recognized pension expense of \$2,007,535. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,796,388	\$ (2,711,358)
Changes of Assumptions	901,401	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(6,270,319)
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	65,091	(48,745)
County Contributions Subsequent to the Measurement Date	1,629,150	-
Total	<u>\$ 8,392,030</u>	<u>\$ (9,030,422)</u>

\$1,629,150 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	Pension Expense Amount
2019	\$ 522,188
2020	(30,577)
2021	(1,574,203)
2022	(1,195,798)
2023	10,848
Thereafter	-

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%*

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Expected Real	Target Allocation	Expected Real
Global Equities	50 %	5.3 %	N/A	N/A
U.S. Equities	N/A	N/A	70	4.6
International Equity	N/A	N/A	30	4.9
Fixed Income	25	1.4	N/A	N/A
Inflation Sensitive Assets	15	1.0	N/A	N/A
Real Estate	8	3.6	N/A	N/A
Private Equity/Debt	8	6.5	N/A	N/A
Multi-Asset	4	3.6	N/A	N/A
Totals	<u>110 %</u>		<u>100 %</u>	

**DUNN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3 OTHER INFORMATION (CONTINUED)**

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

**Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,803,967	\$ (4,562,200)	\$ (17,000,993)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 18-10.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan**

**General Information about the Other Postemployment Benefits Plan**

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

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

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

Contribution rates as of December 31, 2018 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

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

During the fiscal reporting period January 1, 2018 through December 31, 2018, the LRLIF recognized \$8,616 in contributions from the employer.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

At December 31, 2018, the County reported a liability of \$1,365,035 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.4537140 percent, which was a decrease of 0.012060 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized OPEB expense of \$140,557. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (19,233)
Changes of Assumptions	131,906	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	15,718	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	(25,393)
County Contributions Subsequent to the Measurement Date	8,318	-
Total	<u>\$ 155,942</u>	<u>\$ (44,626)</u>

\$8,318 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	OPEB Expense Amount
2019	\$ 17,296
2020	17,296
2021	17,296
2022	17,296
2023	13,367
2024	13,367
2025	7,080

**DUNN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

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

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	3.44%
Long-Term Expected Rate of Return	5.00%
Discount Rate	3.63%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65%	2.61%
U.S. Long Credit Bonds	Barclays Long Credit	3%	3.08%
U.S. Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**DUNN COUNTY, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

*Single Discount rate.* A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

*Sensitivity of the County's proportionate share of the net OPEB liability (asset) to changes in the discount rate.* The following presents the County's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,929,313	\$ 1,365,035	\$ 932,011

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

**C. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County purchases insurance from Wisconsin County Municipal Insurance Corporation (WCMIC) to provide coverage for losses for torts and errors and omissions. Summary financial information of WCMIC as of December 31, 2018 can be obtained directly from WCMIC's offices. The County's deductible is \$50,000 per occurrence and \$150,000 in the aggregate. It purchases coverage from the Local Government Property Insurance Fund for theft and property damage. Settled claims have not exceeded the coverage in any of the past three years, nor were there significant reductions in coverage compared to the prior year. The risks related to workers compensation and health insurance are accounted for and financed by the County in the worker compensation and health insurance internal service funds.

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Risk Management (Continued)**

**Self Insurance**

For workers compensation claims, the uninsured risk of loss is \$250,000 per incident and \$500,000 in the aggregate for a policy year. The County has purchased coverage from WCMIC for claims in excess of these amounts. Settled claims have not exceeded this coverage in any of the past three years.

For health insurance claims, the uninsured risk of loss is \$6,908,427 in the aggregate for a policy year. The County has purchased commercial coverage for claims in excess of this amount. Settled claims have not exceeded this coverage in any of the past three years.

All funds participate in the risk management program. Amounts payable to the workers compensation fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. Amounts payable to the health insurance fund are determined by the County's third party administrator.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported.

**Claims Liability**

Changes in the claims liabilities for 2018 and 2017 for the health insurance fund were as follows:

	Workers Compensation		Health Insurance	
	2018	2017	2018	2017
Estimated Claims Outstanding January 1	\$ 265,420	\$ 273,928	\$ 706,418	\$ 454,031
Current Year Claims and Changes	640,852	519,934	8,559,079	7,998,493
Claim Payments	(392,406)	(528,442)	(8,416,647)	(7,746,106)
Estimated Claims Outstanding Dec. 31	<u>\$ 513,866</u>	<u>\$ 265,420</u>	<u>\$ 848,850</u>	<u>\$ 706,418</u>

**DUNN COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**D. Commitments and Contingencies**

From time to time, the County is party to 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.

*Grants.* The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

**E. Change in Accounting Principle**

During the year ended December 31, 2018, the County adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in relation to its participation in the State Local Retiree Life Insurance Fund. This pronouncement requires the restatement of the December 31, 2018 net position of the governmental activities, the business-type activities, The Neighbors of Dunn County, the highway department, and the transit commission funds as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>The Neighbors of Dunn County</u>	<u>Highway Department</u>	<u>Transit Commission</u>
Net Position, December 31, 2017, as Previously Reported	\$ 108,649,359	\$ 246,394	\$ (4,688,894)	\$ 11,399,222	\$ 1,384,235
Cumulative Affect of Application of GASB 75, Net OPEB Liability Related to State Life Insurance Multiple-Employer Plan	<u>(663,548)</u>	<u>(467,290)</u>	<u>(258,014)</u>	<u>(200,456)</u>	<u>(8,820)</u>
Net Position, December 31, 2017, as Restated	<u>\$ 107,985,811</u>	<u>\$ (220,896)</u>	<u>\$ (4,946,908)</u>	<u>\$ 11,198,766</u>	<u>\$ 1,375,415</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
General Property Taxes	\$ 10,054,036	\$ 10,054,036	\$ 10,056,532	\$ 2,496
Forest Cropland Taxes	66,845	66,845	55,308	(11,537)
Sales and Use Taxes	3,000,000	3,000,000	3,230,876	230,876
Penalty for Land Use Change	1,500	1,500	2,639	1,139
Interest and Penalties on Taxes	333,075	333,075	287,429	(45,646)
Total Taxes	<u>13,455,456</u>	<u>13,455,456</u>	<u>13,632,784</u>	<u>177,328</u>
Intergovernmental Revenues				
Shared Revenue from State	1,988,894	1,988,894	2,330,458	341,564
Tax Exempt Computers	-	-	50,405	50,405
State Court Grants	226,308	226,308	238,790	12,482
Land Information	98,064	98,064	95,944	(2,120)
Law Enforcement Grants	214,766	214,766	233,620	18,854
Victim Witness Grants	288,279	288,279	197,509	(90,770)
Emergency Government	66,858	66,858	62,231	(4,627)
Health Grants	439,071	439,071	357,905	(81,166)
Child Support	517,956	517,956	609,230	91,274
Veterans Service Officer	10,800	10,800	-	(10,800)
Indirect Cost Reimbursement	46,000	46,000	-	(46,000)
Land Conservation Grants	757,006	757,006	457,541	(299,465)
District Fair Grants	6,300	6,300	4,621	(1,679)
Forest Crop	-	-	22,980	22,980
DNR Payments in Lieu of Taxes	41,000	41,000	45,118	4,118
Total Intergovernmental Revenues	<u>4,701,302</u>	<u>4,701,302</u>	<u>4,706,352</u>	<u>5,050</u>
Licenses and Permits				
Zoning Permits and Fees	128,500	128,500	103,305	(25,195)
Fire Number Fees	5,500	5,500	8,966	3,466
Stormwater Review Fees	350	350	-	(350)
Nonmetallic Mining Fees	16,000	16,000	12,828	(3,172)
Total Licenses and Permits	<u>150,350</u>	<u>150,350</u>	<u>125,099</u>	<u>(25,251)</u>

*The Notes to Required Supplementary Information are an integral part of this schedule.*

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (CONTINUED)</b>				
Fines and Forfeitures				
County Ordinance Forfeitures	\$ 90,000	\$ 90,000	\$ 87,879	\$ (2,121)
County Share State Fines and Forfeitures	125,000	125,000	139,848	14,848
Total Fines and Forfeitures	<u>215,000</u>	<u>215,000</u>	<u>227,727</u>	<u>12,727</u>
Public Charges for Services				
Probate Fees	9,000	9,000	11,745	2,745
District Attorney Charges	4,500	4,500	10,508	6,008
County Manager Fees	-	-	20	20
Clerk Fees	9,000	9,000	10,832	1,832
Register of Deed Fees	267,000	267,000	329,848	62,848
Guardian Ad Litem Fees	60,000	60,000	74,376	14,376
Family Mediation Fees	9,000	9,000	8,734	(266)
Other Court Fees	200,500	200,500	242,738	42,238
Medical Examiner	28,000	28,000	26,387	(1,613)
Land Information	48,300	48,300	52,268	3,968
Law Enforcement Fees	59,300	59,300	53,977	(5,323)
Board of Prisoners	290,500	290,500	189,189	(101,311)
Inmate Revenue	124,500	124,500	140,140	15,640
Child Support	5,000	5,000	5,850	850
Public Health	387,522	387,522	295,028	(92,494)
Veteran's	1,450	1,450	1,744	294
UW Extension	3,000	3,000	4,871	1,871
Fair Revenues	86,300	86,300	118,517	32,217
Snowmobile Association Loan Repayment	22,000	22,000	-	(22,000)
Conservation and Development	8,000	8,000	4,387	(3,613)
Total Public Charges and Services	<u>1,622,872</u>	<u>1,622,872</u>	<u>1,581,159</u>	<u>(41,713)</u>
Intergovernmental Charges				
for Services				
IT Support	42,720	42,720	35,806	(6,914)
Tax Collection Fees	10,000	10,000	7,166	(2,834)
Total Intergovernmental Charges for Services	<u>52,720</u>	<u>52,720</u>	<u>42,972</u>	<u>(9,748)</u>

The Notes to Required Supplementary Information are an integral part of this schedule.

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (CONTINUED)</b>				
Investment Income				
Interest on Investments	\$ 150,000	\$ 150,000	\$ 183,205	\$ 33,205
Miscellaneous Revenues				
Rent	263,321	263,321	263,322	1
Property Sales	-	-	13,608	13,608
Insurance Recoveries	5,000	5,000	18,940	13,940
Donations	63,997	63,997	90,300	26,303
Gain/Loss on Sale of Tax Deeds	30,000	30,000	(13,919)	(43,919)
Miscellaneous Revenues	25,700	25,700	24,958	(742)
Total Miscellaneous Revenues	<u>388,018</u>	<u>388,018</u>	<u>397,209</u>	<u>9,191</u>
Total Revenues	<u>20,735,718</u>	<u>20,735,718</u>	<u>20,896,507</u>	<u>160,789</u>
<b>EXPENDITURES</b>				
General Government				
County Board	85,496	85,496	117,488	(31,992)
Boards and Commissions	82,975	82,975	39,550	43,425
Circuit Court Judge	173,898	173,898	166,545	7,353
Circuit Court Clerk	1,260,636	1,260,636	1,279,599	(18,963)
Corporation Counsel	381,744	381,744	363,696	18,048
District Attorney	410,623	410,623	392,101	18,522
County Manager	4,520,573	4,520,573	4,285,763	234,810
County Clerk	320,790	320,790	315,699	5,091
Treasurer	237,959	237,959	233,200	4,759
Register of Deeds	354,306	354,306	347,339	6,967
Total General Government	<u>7,829,000</u>	<u>7,829,000</u>	<u>7,540,980</u>	<u>288,020</u>
Public Safety				
Sheriff	7,401,484	7,401,484	7,317,054	84,430
Medical Examiner	94,000	94,000	110,052	(16,052)
Emergency Management	156,240	156,240	144,057	12,183
Emergency Communication	1,273,031	1,273,031	1,047,981	225,050
Total Public Safety	<u>8,924,755</u>	<u>8,924,755</u>	<u>8,619,144</u>	<u>305,611</u>

The Notes to Required Supplementary Information are an integral part of this schedule.

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Health and Human Services				
Health	\$ 1,513,028	\$ 1,513,028	\$ 1,294,954	\$ 218,074
Child Support	667,373	667,373	650,299	17,074
Veteran Service	219,164	219,164	216,655	2,509
Total Health and Human Services	<u>2,399,565</u>	<u>2,399,565</u>	<u>2,161,908</u>	<u>237,657</u>
Culture, Education, and Recreation				
Fair Board	182,656	182,656	172,882	9,774
U.W. Extensions	300,503	300,503	254,458	46,045
Outside Organization	186,999	186,999	186,999	-
Library	780,195	780,195	780,194	1
Total Culture, Education, and Recreation	<u>1,450,353</u>	<u>1,450,353</u>	<u>1,394,533</u>	<u>55,820</u>
Conservation and Development				
Planning Resources and Development	<u>2,165,136</u>	<u>2,165,136</u>	<u>1,691,145</u>	<u>473,991</u>
Total Expenditures	<u>22,768,809</u>	<u>22,768,809</u>	<u>21,407,710</u>	<u>1,361,099</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,033,091)	(2,033,091)	(511,203)	1,521,888
<b>OTHER FINANCING SOURCES AND USES</b>				
Transfers In	500,000	500,000	500,000	-
Transfers Out	(1,052,000)	(1,052,000)	(749,758)	302,242
Total Other Financing Sources and Uses	<u>(552,000)</u>	<u>(552,000)</u>	<u>(249,758)</u>	<u>302,242</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,585,091)</u>	<u>\$ (2,585,091)</u>	(760,961)	<u>\$ 1,824,130</u>
Fund Balance - Beginning of Year			<u>16,727,990</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 15,967,029</u>	

The Notes to Required Supplementary Information are an integral part of this schedule.

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – HUMAN SERVICES FUND**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,150,434	\$ 3,150,434	\$ 3,150,434	\$ -
Intergovernmental Revenues	5,662,025	5,662,025	5,515,484	(146,541)
Public Charges for Services	2,272,499	2,272,499	2,407,109	134,610
Other Revenues	13,374	13,374	7,883	(5,491)
Total Revenues	<u>11,098,332</u>	<u>11,098,332</u>	<u>11,080,910</u>	<u>(17,422)</u>
<b>EXPENDITURES</b>				
Health and Human Services	<u>12,150,332</u>	<u>12,150,332</u>	<u>11,721,237</u>	<u>429,095</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,052,000)	(1,052,000)	(640,327)	411,673
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,052,000	1,052,000	749,758	(302,242)
Transfers Out	-	-	(109,431)	(109,431)
Total Other Financing Sources (Uses)	<u>1,052,000</u>	<u>1,052,000</u>	<u>640,327</u>	<u>(411,673)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

The Notes to Required Supplementary Information are an integral part of this schedule.

**DUNN COUNTY, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF**  
**WISCONSIN RETIREMENT SYSTEM NET PENSION ASSET / LIABILITY**  
**LAST TEN FISCAL YEARS**  
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,

	2014	2015	2016	2017
County's proportion of the net pension liability (asset)	0.15155089%	0.15133729%	0.15184284%	0.15365501%
County's proportionate share of the net pension liability (asset)	\$ (3,722,504)	\$ 2,459,201	\$ 1,251,546	\$ (4,562,200)
County's covered payroll	\$ 19,744,668	\$ 21,336,516	\$ 21,305,587	\$ 21,490,070
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-18.85%	11.53%	5.87%	-21.23%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%

*The Notes to Required Supplementary Information are an integral part of this schedule.*

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

Fiscal Year Ended: December 31,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,498,650	\$ 1,472,744	\$ 1,589,892	\$ 1,629,150
Contributions in Relation to the Contractually Required Contributions	<u>(1,498,650)</u>	<u>(1,472,744)</u>	<u>(1,589,892)</u>	<u>(1,629,150)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's Covered Payroll	 \$ 21,336,516	 \$ 21,305,587	 \$ 21,490,071	 \$ 22,425,438
 Contributions as a Percentage of Covered Payroll	 7.02%	 6.91%	 7.40%	 7.26%

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

*Changes of Assumptions.* There were no charges in the assumptions.

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

Measurement Date: December 31,

	2017
County's proportion of the net OPEB liability (asset)	0.45371400%
County's proportionate share of the net OPEB liability (asset)	\$ 1,365,035
County's covered payroll	\$ 19,079,972
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%

*The Notes to Required Supplementary Information are an integral part of this schedule.*

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

Fiscal Year Ended: December 31,	<u>2018</u>
Contractually Required Contribution	\$ 8,318
Contributions in Relation to the Contractually Required Contributions	<u>(8,318)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
County's Covered Payroll	\$ 19,079,972
Contributions as a Percentage of Covered Payroll	0.04%

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

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

**DUNN COUNTY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2018**

**BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund and human services fund is derived from the County's annual operating budget.

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.

Expenditures exceeded annual general fund final budgets as follows:

	Final Budget	Actual	Variance
General Fund:			
General Government			
County Board	\$ 85,496	\$ 117,488	\$ (31,992)
Circuit Court Clerk	1,260,636	1,279,599	(18,963)
Public Safety			
Medical Examiner	94,000	110,052	(16,052)

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

**DUNN COUNTY, WISCONSIN  
COMBINING BALANCE SHEET –  
NONMAJOR GOVERNMENTAL FUNDS**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash	\$ 147,817	\$ 487,474	\$ 86,713	\$ 722,004
Accounts Receivable	-	191,078	-	191,078
Loans Receivable	-	-	811,387	811,387
Due from Other Governments	-	36,979	-	36,979
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 147,817</u>	<u>\$ 715,531</u>	<u>\$ 898,100</u>	<u>\$ 1,761,448</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 349,654	\$ 1,176	\$ 350,830
Accrued Liabilities	-	5,080	-	5,080
Total Liabilities	<u>          </u>	<u>354,734</u>	<u>1,176</u>	<u>355,910</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Loans Receivable	<u>          </u>	<u>          </u>	<u>811,387</u>	<u>811,387</u>
<b>FUND BALANCES</b>				
Restricted	-	-	85,537	85,537
Committed	147,817	360,797	-	508,614
Total Fund Balances	<u>147,817</u>	<u>360,797</u>	<u>85,537</u>	<u>594,151</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 147,817</u>	<u>\$ 715,531</u>	<u>\$ 898,100</u>	<u>\$ 1,761,448</u>

**DUNN COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ 8,000	\$ -	\$ 8,000
Intergovernmental Revenues	-	173,152	-	173,152
Fines and Forfeits	75,598	-	-	75,598
Public Charges for Services	-	1,693,645	-	1,693,645
Intergovernmental Charges for Services	-	530,110	-	530,110
Miscellaneous:				
Interest Income	-	-	598	598
Loan Repayments	-	-	61,729	61,729
Other Revenues	-	256,040	-	256,040
<b>Total Revenues</b>	<u>75,598</u>	<u>2,660,947</u>	<u>62,327</u>	<u>2,798,872</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	33,018	-	-	33,018
Public Works	-	3,080,615	-	3,080,615
Conservation and Development	-	-	22,682	22,682
<b>Total Expenditures</b>	<u>33,018</u>	<u>3,080,615</u>	<u>22,682</u>	<u>3,136,315</u>
<b>NET CHANGE IN FUND BALANCES</b>	42,580	(419,668)	39,645	(337,443)
Fund Balances - Beginning of Year	<u>105,237</u>	<u>780,465</u>	<u>45,892</u>	<u>931,594</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 147,817</u>	<u>\$ 360,797</u>	<u>\$ 85,537</u>	<u>\$ 594,151</u>

**DUNN COUNTY, WISCONSIN  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 DECEMBER 31, 2018**

	Workers Compensation Fund	Health Insurance Fund	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,496,300	\$ 2,998,226	\$ 5,494,526
Accounts Receivable	-	401,639	401,639
<b>Total Assets</b>	2,496,300	3,399,865	5,896,165
<b>LIABILITIES</b>			
Accounts Payable	-	157,003	157,003
Accrued Liabilities	513,866	848,850	1,362,716
<b>Total Liabilities</b>	513,866	1,005,853	1,519,719
<b>NET POSITION - UNRESTRICTED</b>	\$ 1,982,434	\$ 2,394,012	\$ 4,376,446

**DUNN COUNTY, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION – INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	<u>Workers Compensation Fund</u>	<u>Health Insurance Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges to County Departments	<u>\$ 709,157</u>	<u>\$ 8,248,713</u>	<u>\$ 8,957,870</u>
<b>OPERATING EXPENSES</b>			
Administration	6,651	1,061,993	1,068,644
Benefit Payments	<u>634,201</u>	<u>7,497,086</u>	<u>8,131,287</u>
Total Operating Expenses	<u>640,852</u>	<u>8,559,079</u>	<u>9,199,931</u>
<b>OPERATING INCOME (LOSS)</b>	68,305	(310,366)	(242,061)
<b>NONOPERATING REVENUES</b>			
Gain/Loss on Investments	<u>67,735</u>	<u>(2,142)</u>	<u>65,593</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	136,040	(312,508)	(176,468)
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
<b>CHANGE IN NET POSITION</b>	(63,960)	(612,508)	(676,468)
Net Position - Beginning of Year	<u>2,046,394</u>	<u>3,006,520</u>	<u>5,052,914</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,982,434</u>	<u>\$ 2,394,012</u>	<u>\$ 4,376,446</u>

**DUNN COUNTY, WISCONSIN  
COMBINING STATEMENT OF CASH FLOWS –  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	Workers Compensation	Health Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from County Departments	\$ 709,157	\$ 8,060,217	\$ 8,769,374
Cash Paid to Employees for Insurance Claims	(392,406)	(7,279,852)	(7,672,258)
Cash Paid to Third Party Administrator	-	(1,061,993)	(1,061,993)
Net Cash Provided by (Used for) Operating Activities	<u>316,751</u>	<u>(281,628)</u>	<u>35,123</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Noncash Equivalent Certificates of Deposit Matured	-	1,498,730	1,498,730
Investment Income	67,735	(2,142)	65,593
Net Cash Provided by (Used for) Investing Activities	<u>67,735</u>	<u>1,496,588</u>	<u>1,564,323</u>
<b>NET CHANGE IN CASH AND CASH AND CASH EQUIVALENTS</b>	184,486	914,960	1,099,446
Cash and Cash Equivalents - Beginning of Year	<u>2,311,814</u>	<u>2,083,266</u>	<u>4,395,080</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,496,300</u>	<u>\$ 2,998,226</u>	<u>\$ 5,494,526</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 68,305	\$ (310,366)	\$ (242,061)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
(Increase) Decrease in Assets:			
Change in Receivables	-	(188,496)	(188,496)
Increase (Decrease) in Liabilities:			
Change in Accounts Payable	-	74,802	74,802
Change in Accrued Liabilities	248,446	142,432	390,878
Net Cash Provided by (Used for) Operating Activities	<u>\$ 316,751</u>	<u>\$ (281,628)</u>	<u>\$ 35,123</u>

**DUNN COUNTY, WISCONSIN  
COMBINING BALANCE SHEET –  
AGENCY FUNDS  
DECEMBER 31, 2018**

	Agency Funds					Totals
	Tax Collections	Treasurer	Clerk of Courts	Sheriff	District Attorney	
<b>ASSETS</b>						
Cash and Investments	\$ 4,156,960	\$ 218,234	\$ 436,549	\$ 22,319	\$ 12,872	\$ 4,846,934
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 16,567	\$ -	\$ -	\$ -	\$ 16,567
Deposits Payable	-	2,711	232,445	22,319	12,872	270,347
Due to Other Governments	4,156,960	198,956	204,104	-	-	4,560,020
Total Liabilities	<u>\$ 4,156,960</u>	<u>\$ 218,234</u>	<u>\$ 436,549</u>	<u>\$ 22,319</u>	<u>\$ 12,872</u>	<u>\$ 4,846,934</u>