

DUNN COUNTY, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019



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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, 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 from 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, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 23, 2020 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* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 23, 2020

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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, 2019 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, 2019, the assets and deferred outflows of resources of Dunn County exceeded its liabilities and deferred inflows of resources by \$95,103,511 (total net position). Of this amount \$11,846,200 (unrestricted net position) or 12.5% 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 \$9,284,257 in 2019.
- At the close of the fiscal year, Dunn County governmental funds reported ending fund balances of \$19,227,770, an increase of \$1,945,795 from the prior year. Approximately 43% of this total amount, or \$8,352,991, 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 \$8,352,991. This is 38.7% of the total general fund expenditures for the fiscal year.
- Dunn County's total outstanding debt for the year ended December 31, 2019 was \$38,774,100. All of the debt is general obligation debt which is 23% of the County's overall debt limit of \$167,712,195. This leaves an unused debt limit of \$128,938,095.

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, 2019**

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, 2019**

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, 2019**

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 \$95,103,511 as of December 31, 2019.

**Condensed Statement of Net Position
December 31, 2019 and 2018**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 36,996,845	\$ 41,103,712	\$ 8,464,022	\$ 10,458,759	\$ 45,460,867	\$ 51,562,471
Capital Assets	96,297,951	93,316,870	27,043,144	26,859,696	123,341,095	120,176,566
Internal Balances	9,288,652	14,597,057	(9,288,652)	(14,597,057)	-	-
Total Assets	<u>142,583,448</u>	<u>149,017,639</u>	<u>26,218,514</u>	<u>22,721,398</u>	<u>168,801,962</u>	<u>171,739,037</u>
Deferred Outflows of Resources	9,884,229	5,568,961	4,963,448	2,979,011	14,847,677	8,547,972
Noncurrent Liabilities Outstanding	21,795,555	16,156,250	16,963,188	18,006,276	38,758,743	34,162,526
Other Liabilities	12,970,240	7,033,190	5,890,184	4,013,847	18,860,424	11,047,037
Total Liabilities	<u>34,765,795</u>	<u>23,189,440</u>	<u>22,853,372</u>	<u>22,020,123</u>	<u>57,619,167</u>	<u>45,209,563</u>
Deferred Inflows of Resources	24,457,064	24,286,600	6,469,897	6,403,078	30,926,961	30,689,678
Net Investment in Capital Assets	72,465,542	77,877,735	9,838,925	8,589,478	82,304,467	86,467,213
Restricted	894,121	3,874,661	58,723	1,641,939	952,844	5,516,600
Unrestricted	19,885,155	25,358,164	(8,038,955)	(12,954,209)	11,846,200	12,403,955
Total Net Position	<u>\$ 93,244,818</u>	<u>\$ 107,110,560</u>	<u>\$ 1,858,693</u>	<u>\$ (2,722,792)</u>	<u>\$ 95,103,511</u>	<u>\$ 104,387,768</u>

\$82,304,467 (86.5%) 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, 2019. In 2018 the percentage was 82.8%. 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.

\$11,846,200 (12.5%) of net position was unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. At December 31, 2018 unrestricted net position was \$12,403,955 (11.9%).

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.

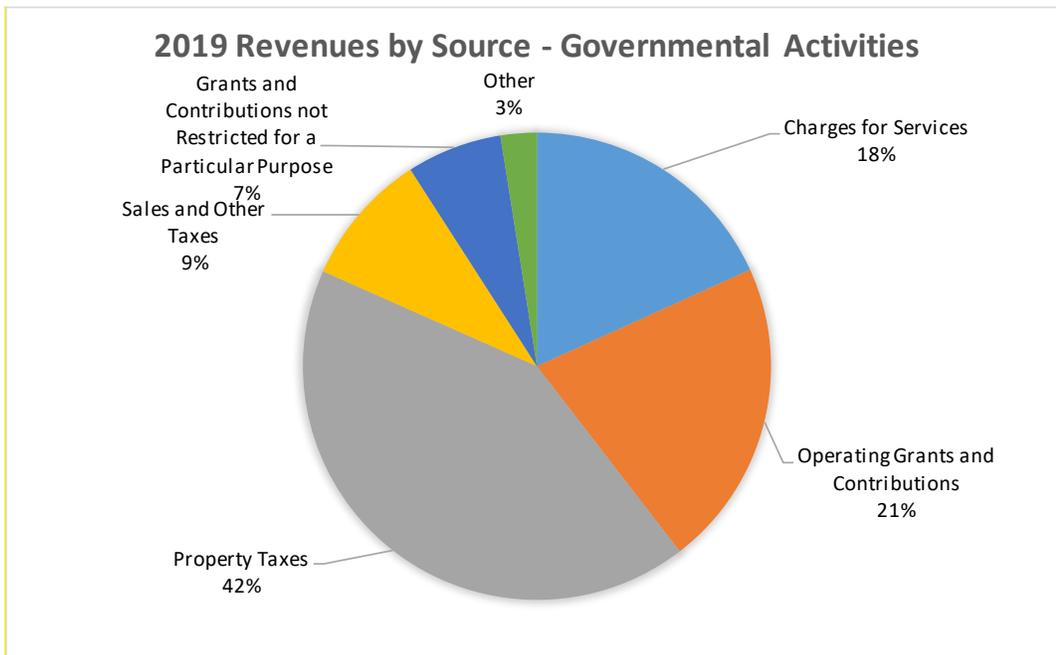
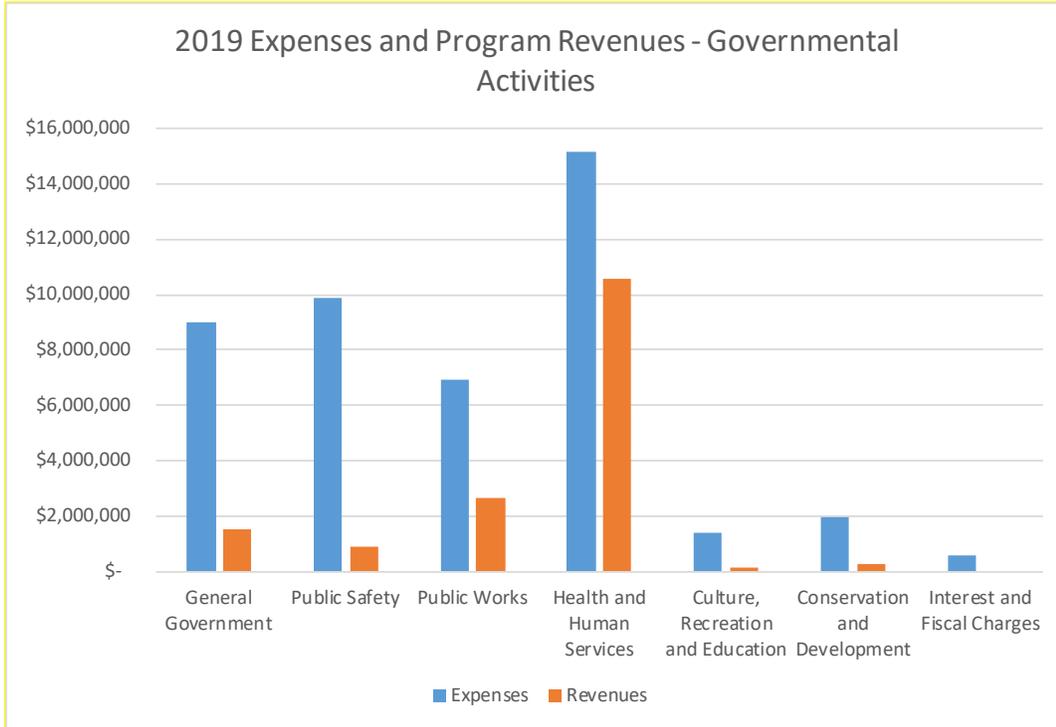
**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

**Condensed Statement of Activities
Year Ended December 31, 2019 and 2018**

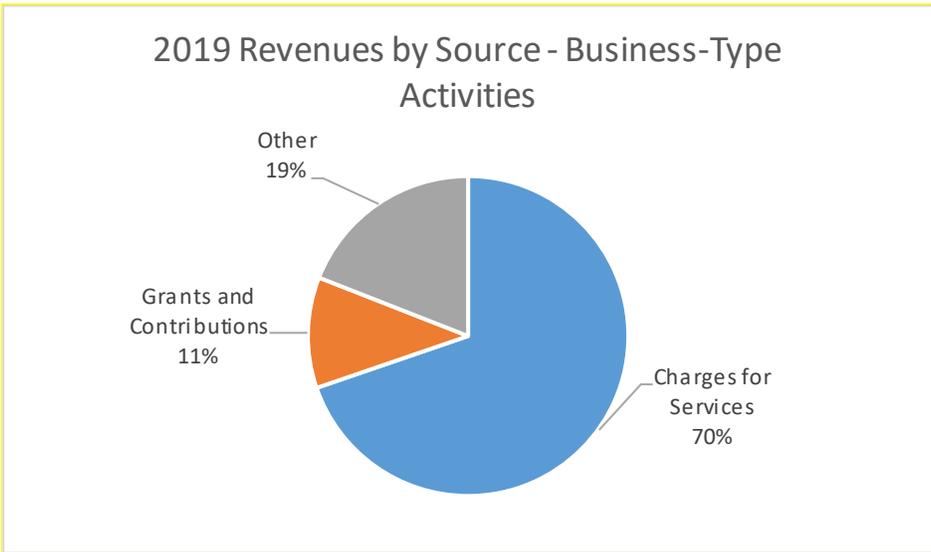
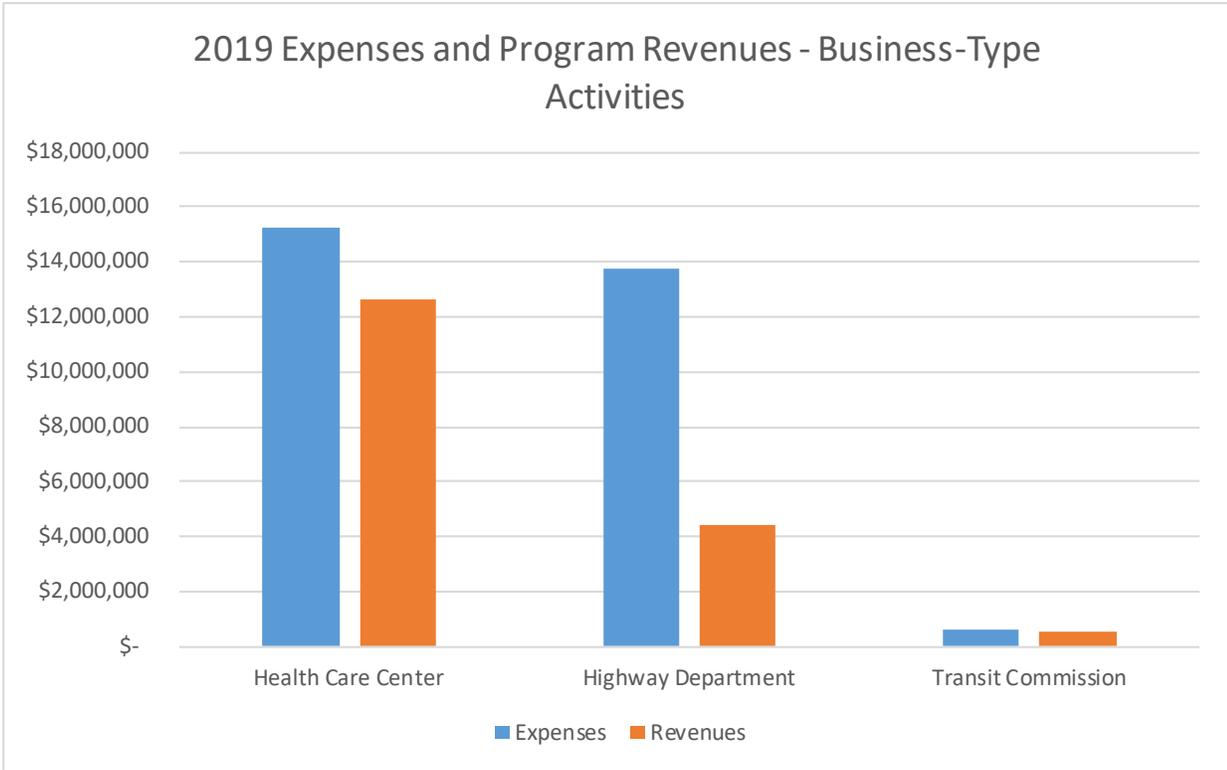
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,391,441	\$ 6,903,653	\$ 17,148,448	\$ 15,559,681	\$ 24,539,889	\$ 22,463,334
Operating Grants and Contributions	8,655,111	8,049,931	318,587	304,099	8,973,698	8,354,030
Capital Grants and Contributions	3,298	-	90,995	44,562	94,293	44,562
General Revenues:						
Property Taxes	14,986,639	13,211,058	4,561,987	6,335,927	19,548,626	19,546,985
Other Taxes	5,849,183	5,671,638	-	-	5,849,183	5,671,638
State and Federal Aids not Restricted to Specific Programs	2,670,478	2,380,863	2,347,823	2,388,057	5,018,301	4,768,920
Unrestricted Investment Earnings	423,923	183,803	2,864	1,910	426,787	185,713
Other	591,019	970,799	118,460	260,819	709,479	1,231,618
Total Revenues	<u>40,571,092</u>	<u>37,371,745</u>	<u>24,589,164</u>	<u>24,895,055</u>	<u>65,160,256</u>	<u>62,266,800</u>
Expenses:						
General Government	9,010,833	8,872,888	-	-	9,010,833	8,872,888
Public Safety	9,891,165	8,913,671	-	-	9,891,165	8,913,671
Public Works	6,896,694	4,158,222	-	-	6,896,694	4,158,222
Health and Human Services	15,162,588	14,190,484	-	-	15,162,588	14,190,484
Culture, Recreation and Education	1,357,139	1,408,821	-	-	1,357,139	1,408,821
Conservation and Development	1,953,872	1,483,902	-	-	1,953,872	1,483,902
Interest and Fiscal Charges	549,558	432,379	-	-	549,558	432,379
Health Care Center	-	-	15,245,037	13,897,678	15,245,037	13,897,678
Highway	-	-	13,746,566	11,615,433	13,746,566	11,615,433
Transit Commission	-	-	631,061	670,469	631,061	670,469
Total Expenses	<u>44,821,849</u>	<u>39,460,367</u>	<u>29,622,664</u>	<u>26,183,580</u>	<u>74,444,513</u>	<u>65,643,947</u>
Change in Net Position Before Transfers	(4,250,757)	(2,088,622)	(5,033,500)	(1,288,525)	(9,284,257)	(3,377,147)
Transfers	(9,614,985)	1,213,371	9,614,985	(1,213,371)	-	-
Change in Net Position	(13,865,742)	(875,251)	4,581,485	(2,501,896)	(9,284,257)	(3,377,147)
Net Position - Beginning of Year	107,110,560	107,985,811	(2,722,792)	(220,896)	104,387,768	107,764,915
Net Position - End of Year	<u>\$ 93,244,818</u>	<u>\$ 107,110,560</u>	<u>\$ 1,858,693</u>	<u>\$ (2,722,792)</u>	<u>\$ 95,103,511</u>	<u>\$ 104,387,768</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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 (42%) and operating grants/contributions (21%).



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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, 2019, the County's governmental funds reported combined ending fund balance of \$19,227,770 (\$17,281,975 in 2018), an increase of \$1,945,795 in comparison with the prior year (\$849,521 decrease in 2018). Of the combined ending fund balances, \$8,352,991 or 43% constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance, \$10,874,779 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 \$8,352,991, while total fund balance reached \$18,377,250 (\$15,967,029 for 2018).

During the current year, the County's general fund balance increased by \$2,410,221 (\$760,961 decrease in 2018). Key factors in this increase include:

- The County's actual revenues being \$295,180 over budget.
- The County's actual expenditures being \$3,192,108 under budget.
- The Human Services fund having a positive \$913,289 change in fund balance which was transferred to the General Fund per County policy.

The human services fund expenditures equaled revenues for fiscal year 2019, after a \$913,289 transfer to 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 \$81,556.

The capital projects fund was established to account for various capital expenditures. During 2019, the County issued \$8,000,000 in debt with \$7,768,000 being recorded in the capital projects fund. The debt proceeds were used for highway improvements, remodeling of the old Community Services Building into the new government center, information technology infrastructure and equipment purchases, and the ERP software implementation settlement. The fund balance as of December 31, 2019 of \$262,849 will be used for final project costs and future capital purchases.

The other governmental funds had fund balances of \$506,115 which is a decrease of \$88,036 from the prior year.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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 2019 totaled \$565,502, down \$4,830,278 from the previous year.

The Neighbors of Dunn County had a decrease in net position of \$1,497,168. This decrease is mainly due to depreciation of \$685,851 and net debt interest expense of \$558,914.

The highway department had a decrease in net position of \$3,378,828. The County decreased the tax levy to the highway department by \$1,502,859 in the current year and budgeted a use of available funds of \$1,200,802. In addition, certain expenditures were much higher than expected in the current year, including general maintenance and construction as well as winter maintenance.

The transit commission had an increase in net position of \$45,718.

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 2019. Net position of the funds at year-end and changes thereto during the year were as follows:

	Net Position at 12/31/19	Change During Year
Worker's Compensation Fund	\$ 2,125,477	\$ 143,043
Health Insurance Fund	998,478	(1,395,534)

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, 2019**

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 \$295,180 and actual general fund expenditures were \$3,192,108 under budget. Revenues were over budget mainly due to sales tax revenues, state shared revenue, and interest income on investments exceeding budget. Expenditures were significantly under budget in the County Manager, Sheriff, Emergency Communication, Health Department, Child Support, and Planning Resources and Development categories due to continuing appropriations not being spent.

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, 2019 and 2018 was \$123,341,095 and \$120,176,566, 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,164,359	\$ 3,164,359	\$ 418,120	\$ 418,120	\$ 3,582,479	\$ 3,582,479
Construction in Progress	-	1,502,694	-	-	-	1,502,694
Land Improvements	-	-	1,068,973	845,382	1,068,973	845,382
Buildings	24,617,069	20,892,400	18,453,016	19,125,367	43,070,085	40,017,767
Machinery and Shop Equipment	4,308,996	4,230,238	7,103,035	6,470,827	11,412,031	10,701,065
Roads	55,760,596	54,811,028	-	-	55,760,596	54,811,028
Bridges	8,446,931	8,716,151	-	-	8,446,931	8,716,151
Capital Assets, Net of Accumulated Depreciation	<u>\$ 96,297,951</u>	<u>\$ 93,316,870</u>	<u>\$ 27,043,144</u>	<u>\$ 26,859,696</u>	<u>\$ 123,341,095</u>	<u>\$ 120,176,566</u>

Major Capital Asset Events

Governmental Activities

- Fiscal year 2019 road and bridge projects.
- Remodeling of the old Community Services Building to the new Government Center.

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, 2019**

Long-Term Obligations

At December 31, 2019, Dunn County had outstanding \$38,774,100 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 12/31/2019
General Obligation Debt					
G.O. Promissory Note	6/20/2019	4/1/2029	2.00-2.75%	\$ 8,000,000	\$ 8,000,000
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	5,870,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	6,745,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,095,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	16,575,000
Total General Obligation Debt					<u>\$ 38,774,100</u>

On June 20, 2019 S & P's Rating Committee reviewed and assigned a rating of AA to Dunn County's general obligation debt, which is the same rating that the County previously had.

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 \$167,712,195, which is significantly in excess of the County's \$38,774,100 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, 2019**

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 2019 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 \$176,675,500 or 5.6% as compared to the State which experienced an overall positive growth of \$31,340,031,800 or 5.7% from 2018 to 2019. The following presents comparables with neighboring counties:

County	2018 Equalized Value	2019 Equalized Value	Percent Change
Barron	\$ 4,311,203,400	\$ 4,502,277,100	4.4 %
Chippewa	5,557,873,800	6,046,130,300	8.8
Dunn	3,177,568,400	3,354,243,900	5.6
Eau Claire	8,754,801,800	9,220,492,300	5.3
Pepin	627,757,700	646,926,700	3.1
Pierce	3,415,711,900	3,624,907,300	6.1
St. Croix	9,680,834,800	10,620,318,200	9.7

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 2021 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 2021 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 12, 2019, the Dunn County Board of Supervisors adopted a fiscal year 2020 expenditure budget in the amount of \$83,945,949 and revenue budget of \$84,021,584.
- On November 12, 2019, the Dunn County Board of Supervisors adopted an overall county tax levy of \$23,019,685. This was an increase of \$1,404,947 (6.5%) from the prior year tax levy of \$21,614,738.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

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, 3001 U.S. Highway 12 E, Suite 225, 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, 2019**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 12,140,110	\$ 158,834	\$ 12,298,944	\$ 69,799
Accounts Receivable (net)	682,387	1,900,365	2,582,752	2,474
Accrued Interest	35,704	-	35,704	-
Taxes Receivable	19,205,776	3,813,815	23,019,591	-
Delinquent Taxes Receivable	961,570	-	961,570	-
Loans Receivables	798,162	-	798,162	-
Internal Balances	9,288,652	(9,288,652)	-	-
Due From Other Governments	3,173,136	763,417	3,936,553	-
Inventory	-	1,751,332	1,751,332	-
Prepaid Items	-	5,060	5,060	-
Restricted Assets:				
Cash and Investments	-	71,199	71,199	31,104
Capital Assets:				
Land	3,164,359	418,120	3,582,479	-
Other Capital Assets, Net of Depreciation	93,133,592	26,625,024	119,758,616	-
Total Assets	<u>142,583,448</u>	<u>26,218,514</u>	<u>168,801,962</u>	<u>103,377</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	9,797,406	4,908,891	14,706,297	-
State Life Insurance OPEB Related	86,823	54,557	141,380	-
Total Deferred Outflows of Resources	<u>9,884,229</u>	<u>4,963,448</u>	<u>14,847,677</u>	<u>-</u>
LIABILITIES				
Accounts Payable	3,223,654	720,133	3,943,787	-
Accrued Liabilities	1,670,053	377,608	2,047,661	-
Accrued Interest Payable	208,045	160,650	368,695	-
Unearned Revenue	-	393,671	393,671	-
Deposits	88,064	-	88,064	-
Patient Trust Funds Payable	-	12,476	12,476	-
Noncurrent Liabilities:				
Wisconsin Retirement System Net Pension Liability	3,630,270	1,815,884	5,446,154	-
Net Other Postemployment Benefits Liability	682,301	428,738	1,111,039	-
Amounts Due Within One Year	3,467,853	1,981,024	5,448,877	-
Amounts Due in More Than One Year	21,795,555	16,963,188	38,758,743	10,830
Total Liabilities	<u>34,765,795</u>	<u>22,853,372</u>	<u>57,619,167</u>	<u>10,830</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	19,205,776	3,813,815	23,019,591	-
Wisconsin Retirement System Pension Related	5,022,265	2,512,171	7,534,436	-
State Life Insurance OPEB Related	229,023	143,911	372,934	-
Total Deferred Inflows of Resources	<u>24,457,064</u>	<u>6,469,897</u>	<u>30,926,961</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	72,465,542	9,838,925	82,304,467	-
Restricted	894,121	58,723	952,844	20,274
Unrestricted	19,885,155	(8,038,955)	11,846,200	72,273
Total Net Position	<u>\$ 93,244,818</u>	<u>\$ 1,858,693</u>	<u>\$ 95,103,511</u>	<u>\$ 92,547</u>

See accompanying Notes to Financial Statements.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
Primary Government:								
Governmental Activities:								
General Government	\$ 9,010,833	\$ 1,090,954	\$ 420,670	\$ -	\$ (7,499,209)	\$ -	\$ (7,499,209)	\$ -
Public Safety	9,891,165	552,741	324,306	3,298	(9,010,820)	-	(9,010,820)	-
Public Works	6,896,694	2,482,735	172,366	-	(4,241,593)	-	(4,241,593)	-
Health and Human Services	15,162,588	2,996,711	7,586,135	-	(4,579,742)	-	(4,579,742)	-
Culture, Recreation and Education	1,357,139	140,878	1,225	-	(1,215,036)	-	(1,215,036)	-
Conservation and Development	1,953,872	127,422	150,409	-	(1,676,041)	-	(1,676,041)	-
Interest and Fiscal Charges	549,558	-	-	-	(549,558)	-	(549,558)	-
Total Governmental Activities	<u>44,821,849</u>	<u>7,391,441</u>	<u>8,655,111</u>	<u>3,298</u>	<u>(28,771,999)</u>	<u>-</u>	<u>(28,771,999)</u>	<u>-</u>
Business-Type Activities:								
Health Care Center	15,245,037	12,636,613	-	-	-	(2,608,424)	(2,608,424)	-
Highway	13,746,566	4,374,887	-	-	-	(9,371,679)	(9,371,679)	-
Transit Commission	631,061	136,948	318,587	90,995	-	(84,531)	(84,531)	-
Total Business-Type Activities	<u>29,622,664</u>	<u>17,148,448</u>	<u>318,587</u>	<u>90,995</u>	<u>-</u>	<u>(12,064,634)</u>	<u>(12,064,634)</u>	<u>-</u>
Total Primary Government	<u>\$ 74,444,513</u>	<u>\$ 24,539,889</u>	<u>\$ 8,973,698</u>	<u>\$ 94,293</u>	<u>(28,771,999)</u>	<u>(12,064,634)</u>	<u>(40,836,633)</u>	<u>-</u>
Component Unit:								
Housing Authority	<u>\$ 358,636</u>	<u>\$ -</u>	<u>\$ 351,938</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,698)</u>
GENERAL REVENUES								
Taxes:								
Property Taxes, Levied for General Purposes					14,986,639	4,561,987	19,548,626	-
Property Taxes, Levied for Debt Purposes					2,092,110	-	2,092,110	-
Other Taxes					3,757,073	-	3,757,073	-
Intergovernmental Revenues not Restricted to Specific Programs					2,670,478	2,347,823	5,018,301	-
Investment Income					423,923	2,864	426,787	23
Miscellaneous					591,019	118,460	709,479	-
TRANSFERS					<u>(9,614,985)</u>	<u>9,614,985</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers					<u>14,906,257</u>	<u>16,646,119</u>	<u>31,552,376</u>	<u>23</u>
CHANGE IN NET POSITION								
Net Position - Beginning of Year					<u>107,110,560</u>	<u>(2,722,792)</u>	<u>104,387,768</u>	<u>99,222</u>
NET POSITION - END OF YEAR					<u>\$ 93,244,818</u>	<u>\$ 1,858,693</u>	<u>\$ 95,103,511</u>	<u>\$ 92,547</u>

See accompanying Notes to Financial Statements.

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

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 5,154,283	\$ -	\$ 82,556	\$ 1,887,957	\$ 488,529	\$ 7,613,325
Receivables						
Taxes Receivable	10,418,778	4,096,708	4,690,290	-	-	19,205,776
Delinquent Taxes	961,570	-	-	-	-	961,570
Accounts	295,789	78,973	-	-	211,878	586,640
Interest	35,704	-	-	-	-	35,704
Loans	-	-	-	-	798,162	798,162
Due from Other Governments	1,140,952	2,016,386	-	-	15,798	3,173,136
Due from Other Funds	3,545,670	-	-	-	-	3,545,670
Advance to Other Funds	8,467,979	-	-	-	-	8,467,979
Total Assets	<u>\$ 30,020,725</u>	<u>\$ 6,192,067</u>	<u>\$ 4,772,846</u>	<u>\$ 1,887,957</u>	<u>\$ 1,514,367</u>	<u>\$ 44,387,962</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 546,540	\$ 518,158	\$ 1,000	\$ 1,624,571	\$ 204,925	\$ 2,895,194
Accrued Liabilities	348,839	145,395	-	537	5,165	499,936
Deposits Payable	88,064	-	-	-	-	88,064
Due to Other Funds	-	1,431,806	-	-	-	1,431,806
Total Liabilities	<u>983,443</u>	<u>2,095,359</u>	<u>1,000</u>	<u>1,625,108</u>	<u>210,090</u>	<u>4,915,000</u>
DEFERRED INFLOWS OF RESOURCES						
Subsequent Year's Property Taxes	10,418,778	4,096,708	4,690,290	-	-	19,205,776
Unavailable Loans Receivable	-	-	-	-	798,162	798,162
Unavailable Delinquent Taxes (County's Portion)	241,254	-	-	-	-	241,254
Total Deferred Inflows of Resources	<u>10,660,032</u>	<u>4,096,708</u>	<u>4,690,290</u>	<u>-</u>	<u>798,162</u>	<u>20,245,192</u>
FUND BALANCES						
Nonspendable	9,188,295	-	-	-	-	9,188,295
Restricted	-	-	81,556	262,849	95,959	440,364
Committed	-	-	-	-	410,156	410,156
Assigned	835,964	-	-	-	-	835,964
Unassigned	8,352,991	-	-	-	-	8,352,991
Total Fund Balances	<u>18,377,250</u>	<u>-</u>	<u>81,556</u>	<u>262,849</u>	<u>506,115</u>	<u>19,227,770</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,020,725</u>	<u>\$ 6,192,067</u>	<u>\$ 4,772,846</u>	<u>\$ 1,887,957</u>	<u>\$ 1,514,367</u>	<u>\$ 44,387,962</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019**

Total Fund Balances - Governmental Funds \$ 19,227,770

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	\$ 165,480,403	
Accumulated Depreciation	<u>(69,182,452)</u>	96,297,951

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)	241,254	
Loans Receivable	<u>798,162</u>	1,039,416

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)	(3,630,270)	
Deferred Outflows of Resources	9,797,406	
Deferred Inflows of Resources	<u>(5,022,265)</u>	1,144,871

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	(682,301)	
Deferred Outflows of Resources	86,823	
Deferred Inflows of Resources	<u>(229,023)</u>	(824,501)

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	(22,199,100)	
Accrued Interest Payable	(208,045)	
Compensated Absences	(2,792,721)	
Bond Premium	<u>(271,587)</u>	(25,471,453)

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	3,123,955	
Less Allocated to Business-Type Activities	<u>(1,293,191)</u>	<u>1,830,764</u>

Net Position of Governmental Activities \$ 93,244,818

See accompanying Notes to Financial Statements.

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

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 14,317,865	\$ 4,436,940	\$ 2,092,110	\$ -	\$ -	\$ 20,846,915
Intergovernmental Revenues	4,936,652	6,219,869	-	-	172,366	11,328,887
Licenses and Permits	122,821	-	-	-	-	122,821
Fines and Forfeits	301,018	-	-	-	85,232	386,250
Public Charges for Services	1,649,222	2,740,223	-	-	1,709,489	6,098,934
Intergovernmental Charges for Services	10,190	-	-	-	565,471	575,661
Investment Income	423,132	-	-	-	-	423,132
Miscellaneous	562,449	5,553	-	-	244,808	812,810
Total Revenues	<u>22,323,349</u>	<u>13,402,585</u>	<u>2,092,110</u>	<u>-</u>	<u>2,777,366</u>	<u>40,595,410</u>
EXPENDITURES						
Current:						
General Government	7,720,371	-	-	-	-	7,720,371
Public Safety	8,857,405	-	-	-	59,859	8,917,264
Public Works	-	-	-	-	2,778,932	2,778,932
Health and Human Services	2,030,750	12,384,548	-	-	-	14,415,298
Culture, Recreation and Education	1,294,157	-	-	-	-	1,294,157
Conservation and Development	1,655,734	-	-	-	26,611	1,682,345
Capital Outlay	-	-	-	7,161,934	-	7,161,934
Debt Service:						
Principal Retirement	-	-	1,660,000	-	-	1,660,000
Interest and Fiscal Charges	-	-	476,967	-	-	476,967
Total Expenditures	<u>21,558,417</u>	<u>12,384,548</u>	<u>2,136,967</u>	<u>7,161,934</u>	<u>2,865,402</u>	<u>46,107,268</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>764,932</u>	<u>1,018,037</u>	<u>(44,857)</u>	<u>(7,161,934)</u>	<u>(88,036)</u>	<u>(5,511,858)</u>
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	232,000	-	-	7,768,000	-	8,000,000
Debt Premium	-	-	62,401	-	-	62,401
Transfers In	1,413,289	-	-	-	-	1,413,289
Transfers Out	-	(1,018,037)	-	(1,000,000)	-	(2,018,037)
Total Other Financing Sources (Uses)	<u>1,645,289</u>	<u>(1,018,037)</u>	<u>62,401</u>	<u>6,768,000</u>	<u>-</u>	<u>7,457,653</u>
NET CHANGE IN FUND BALANCES	2,410,221	-	17,544	(393,934)	(88,036)	1,945,795
Fund Balances - Beginning of Year	15,967,029	-	64,012	656,783	594,151	17,281,975
FUND BALANCES - END OF YEAR	<u>\$ 18,377,250</u>	<u>\$ -</u>	<u>\$ 81,556</u>	<u>\$ 262,849</u>	<u>\$ 506,115</u>	<u>\$ 19,227,770</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, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 1,945,795

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 5,717,966	
Depreciation Expense Reported in the Statement of Activities	(4,087,759)	
Contributed Capital from Business-Type Activities Reported as Transfers	1,350,874	2,981,081

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. (24,318)

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. (1,416,189)

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. (88,850)

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. (8,062,401)

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		1,660,000
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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	(1,252,491)	
Loss Allocated to Business-Type Activities	449,348	
Reallocation Transfer of Internal Service Fund Amounts	(9,861,111)	(10,664,254)

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	(100,223)	
Net Change in Compensated Absences Liability	(124,015)	
Amortization of Bond Premium	27,632	(196,606)

Change in Net Position of Governmental Activities \$ (13,865,742)

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ -	\$ -	\$ 158,834	\$ 158,834	\$ 4,526,785
Taxes Receivable	-	3,813,815	-	3,813,815	-
Accounts Receivable, Net	1,881,103	13,604	5,658	1,900,365	95,747
Due from Other Governments	-	698,897	64,520	763,417	-
Inventory	53,278	1,698,054	-	1,751,332	-
Prepaid Expenses	5,060	-	-	5,060	-
Total Current Assets	<u>1,939,441</u>	<u>6,224,370</u>	<u>229,012</u>	<u>8,392,823</u>	<u>4,622,532</u>
RESTRICTED ASSETS					
Restricted Cash	71,199	-	-	71,199	-
NONCURRENT ASSETS					
Capital Assets (net)	<u>17,168,751</u>	<u>8,510,696</u>	<u>1,363,697</u>	<u>27,043,144</u>	<u>-</u>
Total Assets	19,179,391	14,735,066	1,592,709	35,507,166	4,622,532
DEFERRED OUTFLOWS OF RESOURCES					
Wisconsin Retirement System Pension Plan Related	2,874,421	1,998,363	36,107	4,908,891	-
State Life Insurance Other Post Employment Benefits Related	27,999	25,453	1,105	54,557	-
Total Deferred Outflows of Resources	<u>2,902,420</u>	<u>2,023,816</u>	<u>37,212</u>	<u>4,963,448</u>	<u>-</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	295,702	361,759	62,672	720,133	328,460
Interest Payable	160,650	-	-	160,650	-
Accrued Expenses	183,357	193,879	372	377,608	1,170,117
Unearned Revenue	35,488	358,183	-	393,671	-
Vested Benefits	355,030	616,494	4,500	976,024	-
Patient Trust Fund Payable	12,476	-	-	12,476	-
Due to Other Funds	-	2,113,864	-	2,113,864	-
Bonds Payable	1,005,000	-	-	1,005,000	-
Total Current Liabilities	<u>2,047,703</u>	<u>3,644,179</u>	<u>67,544</u>	<u>5,759,426</u>	<u>1,498,577</u>
NONCURRENT LIABILITIES					
Bonds Payable	16,199,219	-	-	16,199,219	-
Advance from Other Funds	8,315,579	-	152,400	8,467,979	-
Vested Benefits	426,432	331,958	5,579	763,969	-
Wisconsin Retirement System Net Pension Liability	1,062,462	740,050	13,372	1,815,884	-
State Life Insurance Net Other Post Employment Benefits Liability	220,032	200,022	8,684	428,738	-
Total Noncurrent Liabilities	<u>26,223,724</u>	<u>1,272,030</u>	<u>180,035</u>	<u>27,675,789</u>	<u>-</u>
Total Liabilities	28,271,427	4,916,209	247,579	33,435,215	1,498,577
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	-	3,813,815	-	3,813,815	-
Wisconsin Retirement System Pension Plan Related	1,469,855	1,023,816	18,500	2,512,171	-
State Life Insurance Other Post Employment Benefits Related	73,857	67,139	2,915	143,911	-
Total Deferred Inflows of Resources	<u>1,543,712</u>	<u>4,904,770</u>	<u>21,415</u>	<u>6,469,897</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	(35,468)	8,510,696	1,363,697	9,838,925	-
Restricted	58,723	-	-	58,723	-
Unrestricted	(7,756,583)	(1,572,793)	(2,770)	(9,332,146)	3,123,955
Total Net Position	<u>\$ (7,733,328)</u>	<u>\$ 6,937,903</u>	<u>\$ 1,360,927</u>	<u>565,502</u>	<u>\$ 3,123,955</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>1,293,191</u>	
Net Position - Business-Type Activities				<u>\$ 1,858,693</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, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
OPERATING REVENUES	\$ 12,636,613	\$ 4,374,887	\$ 136,948	\$ 17,148,448	\$ 8,833,057
OPERATING EXPENSES					
Operation and Maintenance	13,767,259	12,750,346	570,984	27,088,589	147,870
Depreciation	685,851	781,884	58,078	1,525,813	-
Benefit Payments	-	-	-	-	9,671,685
Total Operating Expenses	<u>14,453,110</u>	<u>13,532,230</u>	<u>629,062</u>	<u>28,614,402</u>	<u>9,819,555</u>
OPERATING INCOME (LOSS)	<u>(1,816,497)</u>	<u>(9,157,343)</u>	<u>(492,114)</u>	<u>(11,465,954)</u>	<u>(986,498)</u>
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	-	4,561,987	-	4,561,987	-
Grant Funding and Contributions	-	-	318,587	318,587	-
Intergovernmental Grants	864,399	1,483,424	-	2,347,823	-
Rental Income	10,980	-	-	10,980	-
Investment Income	2,864	-	-	2,864	234,007
Interest Expense and Amortization of Debt Premium	(558,914)	-	-	(558,914)	-
Sale of Property	-	-	-	-	-
Other Income (Expense)	-	83,978	23,502	107,480	-
Total Nonoperating Revenues	<u>319,329</u>	<u>6,129,389</u>	<u>342,089</u>	<u>6,790,807</u>	<u>234,007</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,497,168)</u>	<u>(3,027,954)</u>	<u>(150,025)</u>	<u>(4,675,147)</u>	<u>(752,491)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	-	-	90,995	90,995	-
Contributions to Governmental Activities	-	(1,350,874)	-	(1,350,874)	-
Transfers In	-	1,000,000	104,748	1,104,748	-
Transfers Out	-	-	-	-	(500,000)
Total Capital Contributions and Transfers	<u>-</u>	<u>(350,874)</u>	<u>195,743</u>	<u>(155,131)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	<u>(1,497,168)</u>	<u>(3,378,828)</u>	<u>45,718</u>	<u>(4,830,278)</u>	<u>(1,252,491)</u>
Net Position - Beginning of Year	<u>(6,236,160)</u>	<u>10,316,731</u>	<u>1,315,209</u>		<u>4,376,446</u>
NET POSITION - END OF YEAR	<u>\$ (7,733,328)</u>	<u>\$ 6,937,903</u>	<u>\$ 1,360,927</u>		<u>\$ 3,123,955</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(449,348)	
Reallocation Transfer of Internal Service Fund Amounts				<u>9,861,111</u>	
Change in Net Position - Business-Type Activities				<u>\$ 4,581,485</u>	

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ -	\$ 4,407,160	\$ 138,499	\$ 4,545,659	\$ 9,138,949
Cash Received from Residents and Third Party Payors	12,841,148	-	-	12,841,148	-
Cash Paid to Suppliers for Goods and Services	(5,367,074)	(6,666,986)	(485,248)	(12,519,308)	-
Cash Paid to Employees for Services	(7,957,413)	(5,473,707)	(85,845)	(13,516,965)	-
Cash Paid for Insurance Claims	-	-	-	-	(9,697,273)
Cash Paid to Third Party Administrator	-	-	-	-	(143,424)
Net Cash Provided by (Used for) Operating Activities	(483,339)	(7,733,533)	(432,594)	(8,649,466)	(701,748)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
General Property Taxes	-	4,561,987	-	4,561,987	-
State Highway Aids	-	1,483,424	-	1,483,424	-
State Transportation Aids	-	-	395,107	395,107	-
Cash Flow Borrowing from (Repayment to) Other Funds	2,014,894	2,113,864	-	4,128,758	-
Nonoperating Income	-	83,978	-	83,978	-
Transfers from (to) Other Funds	-	-	104,748	104,748	(500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	2,014,894	8,243,253	499,855	10,758,002	(500,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Grant Funding	-	-	90,995	90,995	-
Proceeds from Sale of Capital Assets	-	2,102	-	2,102	-
Cash Paid for Capital Contributions to Governmental Activities	-	(1,350,874)	-	(1,350,874)	-
Contributions Received	-	-	23,502	23,502	-
Interfund Received from (Paid to) Other Funds	-	-	(25,400)	(25,400)	-
Transfers In for Debt Proceeds	-	1,000,000	-	1,000,000	-
Acquisition and Construction of Capital Assets	-	(1,578,684)	(132,679)	(1,711,363)	-
Payment of Bond Principal	(975,000)	-	-	(975,000)	-
Payment of Bond Interest	(657,226)	-	-	(657,226)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,632,226)	(1,927,456)	(43,582)	(3,603,264)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	2,864	-	-	2,864	234,007
NET CHANGE IN CASH AND CASH EQUIVALENTS:	(97,807)	(1,417,736)	23,679	(1,491,864)	(967,741)
Cash and Cash Equivalents - Beginning of Year	169,006	1,417,736	135,155	1,721,897	5,494,526
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 71,199</u>	<u>\$ -</u>	<u>\$ 158,834</u>	<u>\$ 230,033</u>	<u>\$ 4,526,785</u>

See accompanying Notes to Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and Investments per Statement of Net Position	\$ -	\$ -	\$ 158,834	\$ 158,834	\$ 4,526,785
Restricted Cash	71,199	-	-	71,199	-
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 71,199</u>	<u>\$ -</u>	<u>\$ 158,834</u>	<u>\$ 230,033</u>	<u>\$ 4,526,785</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating Income (Loss)	\$ (1,816,497)	\$ (9,157,343)	\$ (492,114)	\$ (11,465,954)	\$ (986,498)
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	2,020,412	1,356,133	23,802	3,400,347	-
Deferred Outflows of Resources	(1,112,301)	(865,096)	(16,922)	(1,994,319)	-
Deferred Inflows of Resources	(426,311)	(195,660)	(2,145)	(624,116)	-
Net Change in State Life Insurance OPEB Items:					
Asset / Liability	(91,416)	(41,949)	(1,963)	(135,328)	-
Deferred Outflows of Resources	7,581	2,190	111	9,882	-
Deferred Inflows of Resources	63,674	59,229	2,567	125,470	-
Rental Income Received	10,980	-	-	10,980	-
Nursing Home Appeals and Intergovernmental Program Transfers Received	864,399	-	-	864,399	-
Noncash Items Included in Income:					
Depreciation	685,851	781,884	58,078	1,525,813	-
(Increase) Decrease in Assets:					
Accounts Receivable	(674,287)	(1,617)	1,551	(674,353)	305,892
Inventory	7,433	160,194	-	167,627	-
Due from Other Governments	-	(86,322)	-	(86,322)	-
Prepaid Expenses	403	-	-	403	-
Increase (Decrease) in Liabilities:					
Accounts Payable	(24,879)	70,522	(9,558)	36,085	128,054
Accrued Liabilities	(52,341)	23,760	5	(28,576)	(149,196)
Unearned Revenue	3,443	120,212	-	123,655	-
Patient Trust Payable	1,712	-	-	1,712	-
Vested Benefits	48,805	40,330	3,994	93,129	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (483,339)</u>	<u>\$ (7,733,533)</u>	<u>\$ (432,594)</u>	<u>\$ (8,649,466)</u>	<u>\$ (701,748)</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION –
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	<u>\$ 5,037,517</u>
LIABILITIES	
Accounts Payable	\$ 4,760
Deposits Payable	263,261
Due to Other Governments	<u>4,769,496</u>
Total Liabilities	<u>\$ 5,037,517</u>

See accompanying Notes to Financial Statements.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019**

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, 2019. 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, 2019**

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, 2019**

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. Agency 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, 2019**

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, 2019**

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, 2019, 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, 2019**

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, 2019**

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)

Property Taxes (Continued). The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the 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 \$352,068 at December 31, 2019.

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, 2019**

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, 2019**

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, 2019**

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, 2019 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, 2019**

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, 2019**

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, 2019 is as follows:

Governmental Funds	\$ 7,613,325
Proprietary Funds	4,756,818
Fiduciary Funds	5,037,517
Total Cash and Investments	<u>\$ 17,407,660</u>

The above cash and investments balances consisted of the following:

	Carrying Amount
Demand and Time Deposits	<u>\$ 7,902,317</u>
U.S. Agencies	3,174,239
Supra-National Agency Bonds	920,104
Asset-Backed Securities	1,396,258
Corporate Bonds	1,200,623
LGIP	2,813,319
Petty Cash	800
Total Cash and Investments	<u>\$ 17,407,660</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, 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, 2019 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 2019 was 22 days.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, 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	\$ 2,813,319
U.S. Treasuries	Aaa	3,174,239
Supra-National Agency Bonds	Aaa	920,104
Asset-Backed Securities	Aaa	1,396,258
Corporate Bonds and Notes	Aaa	253,534
Corporate Bonds and Notes	Aa1, Aa2, Aa3	901,990
Corporate Bonds and Notes	A1	45,099

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, 2019, the investment portfolio was concentrated as follows:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
U.S. Treasuries	\$ 3,174,239	33.4 %
Supra-National Agency Bonds	920,104	9.7
Asset-Backed Securities	1,396,258	14.7
Corporate Bonds and Notes	1,200,623	12.6
LGIP Pool Investment Fund	2,813,319	29.6
Total	<u>\$ 9,504,543</u>	<u>100.0%</u>

There is no one issuer in the Supra-National Agency Bonds, Asset-Backed Securities, or corporate bonds and notes categories in excess of 5%.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, 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	\$ 2,813,319	\$ 2,813,319	\$ -	\$ -	\$ -
Domestic Corporate Debt	1,200,623	-	101,633	960,040	138,950
Supra-National Agency Bonds	920,104	-	920,104	-	-
Asset-Backed Securities	1,396,258	-	35,972	1,293,435	66,851
U.S. Government Treasuries	3,174,239	69,882	944,909	1,475,192	684,256
Total	<u>\$ 9,504,543</u>	<u>\$ 2,883,201</u>	<u>\$ 2,002,618</u>	<u>\$ 3,728,667</u>	<u>\$ 890,057</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, 2019**

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	\$ 3,174,239	\$ -	\$ -	\$ 3,174,239
Supra-National Agency Bonds	920,104	-	-	920,104
Asset-Backed Securities	1,396,258	-	-	1,396,258
Corporate Bonds	-	1,200,623	-	1,200,623
Total	<u>\$ 5,490,601</u>	<u>\$ 1,200,623</u>	<u>\$ -</u>	<u>6,691,224</u>
Investments measured at amortized cost - LGIP Funds				2,813,319
Total Investments				<u>\$ 9,504,543</u>

B. Receivables

Snowmobile Association Loan. There was a loan receivable to the Dunn County Snowmobile Association for the purchase of a new trail groomer. This loan was paid in full during 2019.

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, 2019, the County had 70 loans outstanding totaling \$798,162.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 3,164,359	\$ -	\$ -	\$ 3,164,359
Construction in Progress:	1,502,694	1,842,474	(3,345,168)	-
Total Capital Assets Not Being Depreciated	4,667,053	1,842,474	(3,345,168)	3,164,359
Capital Assets Being Depreciated:				
Buildings	32,181,769	4,380,510	-	36,562,279
Machinery and Equipment	9,480,819	845,856	(68,937)	10,257,738
Roads	97,411,058	3,345,168	(491,600)	100,264,626
Bridges	15,231,401	-	-	15,231,401
Total Capital Assets Being Depreciated	154,305,047	8,571,534	(560,537)	162,316,044
Total Capital Assets	158,972,100	10,414,008	(3,905,705)	165,480,403
Accumulated Depreciation:				
Buildings	(11,289,369)	(655,841)	-	(11,945,210)
Machinery and Equipment	(5,250,581)	(767,098)	68,937	(5,948,742)
Roads	(42,600,030)	(2,395,600)	491,600	(44,504,030)
Bridges	(6,515,250)	(269,220)	-	(6,784,470)
Total Accumulated Depreciation	(65,655,230)	(4,087,759)	560,537	(69,182,452)
Net Capital Assets	<u>\$ 93,316,870</u>	<u>\$ 6,326,249</u>	<u>\$ (3,345,168)</u>	<u>\$ 96,297,951</u>

Depreciation expense was charged to governmental functions as follows:

Primary Government:	
General Government	\$ 735,710
Public Safety	242,199
Public Works, Which Includes the Depreciation of Roads and Bridges	2,666,309
Health and Human Services	240,665
Culture, Recreation and Education	56,792
Conservation and Development	146,084
Total Depreciation Expense, Governmental Activities	<u>\$ 4,087,759</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
The Neighbors of Dunn County:				
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	1,286,878	-	-	1,286,878
Major Moveable Equipment	128,269	-	-	128,269
Total Capital Assets				
Being Depreciated	22,320,738	-	-	22,320,738
Accumulated Depreciation:				
Land Improvements	(197,699)	(32,950)	-	(230,649)
Buildings and Improvements	(3,470,844)	(578,474)	-	(4,049,318)
Fixed Equipment	(706,269)	(68,547)	-	(774,816)
Major Moveable Equipment	(111,524)	(5,880)	-	(117,404)
Total Accumulated Depreciation	(4,486,336)	(685,851)	-	(5,172,187)
Net Capital Assets - The Neighbors	<u>\$ 17,854,602</u>	<u>\$ (685,851)</u>	<u>\$ -</u>	<u>\$ 17,168,751</u>
Highway:				
Capital Assets Not Being Depreciated:				
Land	\$ 397,920	\$ -	\$ -	\$ 397,920
Capital Assets Being Depreciated:				
Land Improvements	870,130	294,107	-	1,164,237
Buildings and Improvements	3,157,515	-	-	3,157,515
Machinery and Equipment	16,229,099	1,561,269	(862,403)	16,927,965
Total Capital Assets				
Being Depreciated	20,256,744	1,855,376	(862,403)	21,249,717
Accumulated Depreciation:				
Land Improvements	(486,047)	(37,566)	-	(523,613)
Buildings and Improvements	(2,022,043)	(68,316)	-	(2,090,359)
Machinery and Equipment	(10,430,576)	(676,002)	583,609	(10,522,969)
Total Accumulated Depreciation	(12,938,666)	(781,884)	583,609	(13,136,941)
Net Capital Assets - Highway	<u>\$ 7,715,998</u>	<u>\$ 1,073,492</u>	<u>\$ (278,794)</u>	<u>\$ 8,510,696</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Transit Commission:				
Capital Assets Being Depreciated:				
Buildings	\$ 1,278,048	\$ -	\$ -	\$ 1,278,048
Machinery and Equipment	619,528	132,679	-	752,207
Total Capital Assets	1,897,576	132,679	-	2,030,255
Being Depreciated				
Accumulated Depreciation:				
Buildings	(63,902)	(25,561)	-	(89,463)
Machinery and Equipment	(544,578)	(32,517)	-	(577,095)
Total Accumulated Depreciation	(608,480)	(58,078)	-	(666,558)
 Net Capital Assets - Transit Commission	 \$ 1,289,096	 \$ 74,601	 \$ -	 \$ 1,363,697
 Capital Assets Not Being Depreciated	 \$ 418,120	 \$ -	 \$ -	 \$ 418,120
Capital Assets Being Depreciated	44,475,058	1,988,055	(862,403)	45,600,710
Total Capital Assets	44,893,178	1,988,055	(862,403)	46,018,830
Accumulated Depreciation	(18,033,482)	(1,525,813)	583,609	(18,975,686)
 Net Capital Assets - Business-Type Activities	 \$ 26,859,696	 \$ 462,242	 \$ (278,794)	 \$ 27,043,144

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

The Neighbors	\$ 685,851
Highway	781,884
Transit Commission	58,078
Total	\$ 1,525,813

D. Interfund Receivables, Payables and Transfers

Advance to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	The Neighbors of Dunn County	\$ 8,315,579
General Fund	Transit Commission	152,400
		\$ 8,467,979

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, 2019**

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	Highway Department	\$ 2,113,864
General Fund	Human Services Fund	1,431,806
Add: Enterprise Share of Internal Service Fund Net Position		<u>(1,293,191)</u>
		<u><u>\$ 2,252,479</u></u>

The purpose of the interfund payable in the human services fund and highway department 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	\$ 1,413,289	\$ -
Human Services Fund	-	(1,018,037)
Capital Projects Fund	-	(1,000,000)
Workers Compensation Internal Service Fund	-	(200,000)
Health Insurance Internal Service Fund	-	(300,000)
Reallocation of Internal Service Fund Amounts	-	(9,861,111)
Total Governmental Activity	1,413,289	(12,379,148)
Business-Type Activity:		
Transit Commission	104,748	-
Highway Department	1,000,000	-
Reallocation of Internal Service Fund Amounts	9,861,111	-
Subtotal	12,379,148	(12,379,148)
Governmental Activity Eliminations	(1,413,289)	1,413,289
Transfer of Infrastructure from the Highway Department	(1,350,874)	1,350,874
	\$ 9,614,985	\$ (9,614,985)

The \$1,000,000 transfer from the capital projects fund to the highway department was for the portion of current year debt proceeds used to finance highway projects. The transfer to/from the human services fund to/from the general fund was to close the operational deficit/surplus per County policy. The transfers from the internal service funds to the general fund are budgeted amounts to cover administrative costs of the internal service funds.

During 2019, there was an additional internal balance transfer between the governmental activities and business-type activities in the government-wide financial statements to correct prior year allocation of the internal service fund amounts.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019:

	Balance 12/31/18	Issued	Retired	Balance 12/31/19	Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 15,859,100	\$ 8,000,000	\$ (1,660,000)	\$ 22,199,100	\$ 2,423,469
Added: Premium	236,818	62,401	(27,632)	271,587	N/A
Subtotal	<u>16,095,918</u>	<u>8,062,401</u>	<u>(1,687,632)</u>	<u>22,470,687</u>	<u>2,423,469</u>
Other Liabilities:					
Compensated Absences	<u>2,668,706</u>	<u>1,082,220</u>	<u>(958,205)</u>	<u>2,792,721</u>	<u>1,044,384</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 18,764,624</u>	<u>\$ 9,144,621</u>	<u>\$ (2,645,837)</u>	<u>\$ 25,263,408</u>	<u>\$ 3,467,853</u>
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Health Care					
Center Debt	\$ 17,550,000	\$ -	\$ (975,000)	\$ 16,575,000	\$ 1,005,000
Plus: Premium on Debt	720,219	-	(90,999)	629,220	N/A
Other Liabilities:					
Compensated Absences	<u>1,646,863</u>	<u>1,143,957</u>	<u>(1,050,828)</u>	<u>1,739,992</u>	<u>976,024</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 19,917,082</u>	<u>\$ 1,143,957</u>	<u>\$ (2,116,827)</u>	<u>\$ 18,944,212</u>	<u>\$ 1,981,024</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 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, 2019**

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, 2019, was \$167,712,195. Total general obligation debt outstanding at the year-end was \$38,774,100.

Annual Requirements for Retirement. Long-Term general obligation debt issues outstanding at December 31, 2019 and annual requirements for their retirement were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/19
General Obligation Debt					
G.O. Promissory Note	6/20/2019	4/1/2029	2.00-2.50%	\$ 8,000,000	\$ 8,000,000
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	5,870,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	6,745,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,095,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	16,575,000
Total General Obligation Debt					<u>\$ 38,774,100</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
2020	\$ 3,428,469	\$ 1,254,320	\$ 4,682,789
2021	3,563,020	1,121,534	4,684,554
2022	3,669,633	1,022,095	4,691,728
2023	3,771,307	911,547	4,682,854
2024	3,893,043	795,505	4,688,548
2025-2029	15,828,628	2,161,073	17,989,701
2030-2032	4,620,000	282,000	4,902,000
Total	<u>\$ 38,774,100</u>	<u>\$ 7,548,074</u>	<u>\$ 46,322,174</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, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2019 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 720,316	\$ 720,316	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	8,467,979	8,467,979	-	-	-	-
Carryover Funds:						
Information Technology	97,295	-	-	-	97,295	-
Human Resources	77,342	-	-	-	77,342	-
Land Conservation	14,000	-	-	-	14,000	-
Zoning	19,750	-	-	-	19,750	-
Emergency Communications	138,500	-	-	-	138,500	-
Public Health	6,610	-	-	-	6,610	-
Sheriff	10,476	-	-	-	10,476	-
Veteran's Office	3,600	-	-	-	3,600	-
Fund Balance Applied -	468,391	-	-	-	468,391	-
Unassigned	8,352,991	-	-	-	-	8,352,991
Subtotal General Fund	18,377,250	9,188,295	-	-	835,964	8,352,991
Debt Service Fund	81,556	-	81,556	-	-	-
Capital Projects Fund	262,849	-	262,849	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Jail Assessment Fund	173,190	-	-	173,190	-	-
Solid Waste Fund	236,966	-	-	236,966	-	-
Community Development Block Grant (CDBG) Fund	95,959	-	95,959	-	-	-
Total Governmental Funds Balances at December 31, 2019	<u>\$ 19,227,770</u>	<u>\$ 9,188,295</u>	<u>\$ 440,364</u>	<u>\$ 410,156</u>	<u>\$ 835,964</u>	<u>\$ 8,352,991</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, 2019**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Component Unit (Continued)

1. Basis of Accounting/Masurement 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, 2019.

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
DECEMBER 31, 2019**

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, 2019 through December 31, 2019, the WRS recognized \$1,557,367 in contributions from the employer.

Contribution rates as of December 31, 2019 are:

	<u>Employee</u>	<u>Employer</u>
General	6.55 %	6.55 %
Executives & Elected Officials	6.55	6.55
Protective with Social Security	6.55	12.39
Protective without Social Security	6.55	16.79

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

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

At December 31, 2019, the County reported a liability of \$5,446,154 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. The County's proportion of the net pension liability was based on the most recent 3-year average contributions made by the employer. At December 31, 2018, the County's proportion was 0.15308133 percent, which was a decrease of 0.00057368 from its proportion measured as of December 31, 2017.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the County recognized pension expense of \$3,709,316. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 4,241,729	\$ (7,497,852)
Changes of Assumptions	918,023	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,953,734	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	35,444	(36,584)
County Contributions Subsequent to the Measurement Date	1,557,367	-
Total	<u>\$ 14,706,297</u>	<u>\$ (7,534,436)</u>

\$1,557,367 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	Pension Expense Amount
2020	\$ 2,043,813
2021	505,879
2022	882,863
2023	2,181,939

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

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

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

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Expected Real	Target Allocation	Expected Real
Global Equities	49 %	5.5 %	N/A	N/A
U.S. Equities	N/A	N/A	70	5.0
International Equity	N/A	N/A	30	5.9
Fixed Income	25	1.5	N/A	N/A
Inflation Sensitive Assets	15	1.3	N/A	N/A
Real Estate	9	3.9	N/A	N/A
Private Equity/Debt	8	6.7	N/A	N/A
Multi-Asset	4	4.1	N/A	N/A
Totals	<u>110 %</u>		<u>100 %</u>	

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 21,643,585	\$ 5,446,154	\$ (6,597,893)

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019 are:

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

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

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

During the fiscal reporting period January 1, 2019 through December 31, 2019, the LRLIF recognized \$8,815 in contributions from the employer.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2019, the County reported a liability of \$1,111,039 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the County's proportion was 0.430579 percent, which was a decrease of 0.023135 from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the County recognized OPEB expense of \$97,670. At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (56,362)
Changes of Assumptions	106,010	(240,829)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	26,555	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	-	(75,743)
County Contributions Subsequent to the Measurement Date	8,815	-
Total	<u>\$ 141,380</u>	<u>\$ (372,934)</u>

\$8,815 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended December 31:	OPEB Expense Amount
2020	\$ (34,573)
2021	(34,573)
2022	(34,573)
2023	(38,302)
2024	(42,143)
Thereafter	(56,205)

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, 2018
Measurement Date of Net OPEB Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate	4.22%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

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

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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

	1% Decrease (3.22%)	Current Discount Rate (4.22%)	1% Increase (5.22%)
County's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,580,527	\$ 1,111,039	\$ 748,936

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, 2019 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, 2019**

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 \$7,112,811 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 2019 and 2018 for the health insurance fund were as follows:

	Workers Compensation		Health Insurance	
	2019	2018	2019	2018
Estimated Claims Outstanding January 1	\$ 513,866	\$ 265,420	\$ 848,850	\$ 706,418
Current Year Claims and Changes	458,728	640,852	9,045,946	8,559,079
Claim Payments	(424,829)	(392,406)	(9,272,444)	(8,416,647)
Estimated Claims Outstanding Dec. 31	<u>\$ 547,765</u>	<u>\$ 513,866</u>	<u>\$ 622,352</u>	<u>\$ 848,850</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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, with the exception of one claim that carries some potential for an adverse outcome to the County but it is difficult at this time to give an estimate of the outcome or range of potential loss, if any.

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.

REQUIRED SUPPLEMENTARY INFORMATION

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
General Property Taxes	\$ 10,548,113	\$ 10,548,113	\$ 10,560,792	\$ 12,679
Forest Cropland Taxes	109,798	109,798	55,985	(53,813)
Sales and Use Taxes	3,100,000	3,100,000	3,409,196	309,196
Penalty for Land Use Change	1,700	1,700	4,027	2,327
Interest and Penalties on Taxes	295,050	295,050	287,865	(7,185)
Total Taxes	<u>14,054,661</u>	<u>14,054,661</u>	<u>14,317,865</u>	<u>263,204</u>
Intergovernmental Revenues				
Shared Revenue from State	2,326,100	2,326,100	2,618,853	292,753
Tax Exempt Computers	-	-	51,625	51,625
State Court Grants	232,964	232,964	253,380	20,416
Land Information	95,944	95,944	98,472	2,528
Law Enforcement Grants	239,566	239,566	261,334	21,768
Victim Witness Grants	289,247	289,247	144,399	(144,848)
Emergency Government	76,858	76,858	62,972	(13,886)
Emergency Communications	-	-	3,298	3,298
Health Grants	417,603	417,603	371,091	(46,512)
Child Support	564,724	564,724	542,637	(22,087)
Veterans Service Officer	10,800	10,800	794	(10,006)
Indirect Cost Reimbursement	46,000	46,000	-	(46,000)
Land Conservation Grants	621,218	621,218	451,744	(169,474)
District Fair Grants	9,600	9,600	1,225	(8,375)
Forest Crop	-	-	22,891	22,891
DNR Payments in Lieu of Taxes	41,500	41,500	51,937	10,437
Total Intergovernmental Revenues	<u>4,972,124</u>	<u>4,972,124</u>	<u>4,936,652</u>	<u>(35,472)</u>
Licenses and Permits				
Zoning Permits and Fees	110,500	110,500	102,728	(7,772)
Fire Number Fees	4,000	4,000	6,630	2,630
Stormwater Review Fees	350	350	1,420	1,070
Nonmetallic Mining Fees	16,000	16,000	12,043	(3,957)
Total Licenses and Permits	<u>130,850</u>	<u>130,850</u>	<u>122,821</u>	<u>(8,029)</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 – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Fines and Forfeitures				
County Ordinance Forfeitures	\$ 109,910	\$ 109,910	\$ 118,837	\$ 8,927
County Share State Fines and Forfeitures	125,000	125,000	182,181	57,181
Total Fines and Forfeitures	<u>234,910</u>	<u>234,910</u>	<u>301,018</u>	<u>66,108</u>
Public Charges for Services				
Probate Fees	9,000	9,000	13,209	4,209
District Attorney Charges	5,000	5,000	10,222	5,222
Clerk Fees	9,000	9,000	10,050	1,050
Register of Deed Fees	272,000	272,000	323,739	51,739
Guardian Ad Litem Fees	60,000	60,000	94,425	34,425
Family Mediation Fees	9,000	9,000	9,375	375
Other Court Fees	204,000	204,000	263,660	59,660
Medical Examiner	28,000	28,000	24,906	(3,094)
Land Information	55,506	55,506	55,066	(440)
Law Enforcement Fees	63,300	63,300	60,656	(2,644)
Board of Prisoners	295,000	295,000	251,653	(43,347)
Inmate Revenue	205,500	205,500	130,294	(75,206)
Child Support	5,000	5,000	4,444	(556)
Public Health	486,679	486,679	250,914	(235,765)
Veteran's	1,450	1,450	1,130	(320)
UW Extension	7,885	7,885	11,415	3,530
Fair Revenues	164,426	164,426	129,463	(34,963)
Snowmobile Association Loan Repayment	22,000	22,000	-	(22,000)
Conservation and Development	8,000	8,000	4,601	(3,399)
Total Public Charges and Services	<u>1,910,746</u>	<u>1,910,746</u>	<u>1,649,222</u>	<u>(261,524)</u>
Intergovernmental Charges				
for Services				
IT Support	39,951	39,951	-	(39,951)
Tax Collection Fees	14,050	14,050	10,190	(3,860)
Total Intergovernmental Charges for Services	<u>54,001</u>	<u>54,001</u>	<u>10,190</u>	<u>(43,811)</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)
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Investment Income				
Interest on Investments	\$ 191,000	\$ 191,000	\$ 423,132	\$ 232,132
Miscellaneous Revenues				
Rent	269,904	269,904	269,905	1
Property Sales	-	-	34,875	34,875
Insurance Recoveries	55,000	55,000	69,124	14,124
Donations	115,273	115,273	126,609	11,336
Gain/Loss on Sale of Tax Deeds	30,000	30,000	26,462	(3,538)
Miscellaneous Revenues	9,700	9,700	35,474	25,774
Total Miscellaneous Revenues	<u>479,877</u>	<u>479,877</u>	<u>562,449</u>	<u>82,572</u>
Total Revenues	<u>22,028,169</u>	<u>22,028,169</u>	<u>22,323,349</u>	<u>295,180</u>
EXPENDITURES				
General Government				
County Board	88,075	88,075	123,832	(35,757)
Boards and Commissions	65,550	65,550	37,509	28,041
Circuit Court Judge	177,487	177,487	173,130	4,357
Circuit Court Clerk	1,327,629	1,327,629	1,292,300	35,329
Corporation Counsel	396,298	396,298	370,129	26,169
District Attorney	426,237	426,237	409,325	16,912
County Manager	5,996,783	5,996,783	4,577,659	1,419,124
County Clerk	256,089	256,089	203,068	53,021
Treasurer	240,295	240,295	229,545	10,750
Register of Deeds	297,945	297,945	303,874	(5,929)
Total General Government	<u>9,272,388</u>	<u>9,272,388</u>	<u>7,720,371</u>	<u>1,552,017</u>
Public Safety				
Sheriff	8,104,960	8,104,960	7,611,507	493,453
Medical Examiner	98,787	98,787	84,782	14,005
Emergency Management	171,477	171,477	156,956	14,521
Emergency Communication	1,282,039	1,282,039	1,004,160	277,879
Total Public Safety	<u>9,657,263</u>	<u>9,657,263</u>	<u>8,857,405</u>	<u>799,858</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)
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and Human Services				
Health	\$ 1,475,678	\$ 1,475,678	\$ 1,257,537	\$ 218,141
Child Support	750,655	750,655	555,554	195,101
Veteran Service	226,188	226,188	217,659	8,529
Total Health and Human Services	<u>2,452,521</u>	<u>2,452,521</u>	<u>2,030,750</u>	<u>421,771</u>
Culture, Education, and Recreation				
Fair Board	184,026	184,026	170,014	14,012
U.W. Extensions	267,093	267,093	233,744	33,349
Outside Organization	135,251	135,251	135,251	-
Library	755,148	755,148	755,148	-
Total Culture, Education, and Recreation	<u>1,341,518</u>	<u>1,341,518</u>	<u>1,294,157</u>	<u>47,361</u>
Conservation and Development				
Planning Resources and Development	<u>2,026,835</u>	<u>2,026,835</u>	<u>1,655,734</u>	<u>371,101</u>
Total Expenditures	<u>24,750,525</u>	<u>24,750,525</u>	<u>21,558,417</u>	<u>3,192,108</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,722,356)</u>	<u>(2,722,356)</u>	764,932	3,487,288
OTHER FINANCING SOURCES AND USES				
Debt Proceeds	1,669,900	1,669,900	232,000	(1,437,900)
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>1,413,289</u>	<u>913,289</u>
Total Other Financing Sources and Uses	<u>2,169,900</u>	<u>2,169,900</u>	<u>1,645,289</u>	<u>(524,611)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (552,456)</u>	<u>\$ (552,456)</u>	2,410,221	<u>\$ 2,962,677</u>
Fund Balance - Beginning of Year			<u>15,967,029</u>	
FUND BALANCE - END OF YEAR			<u>\$ 18,377,250</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
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,436,940	\$ 4,436,940	\$ 4,436,940	\$ -
Intergovernmental Revenues	6,219,130	6,219,130	6,219,869	739
Public Charges for Services	3,012,032	3,012,032	2,740,223	(271,809)
Other Revenues	15,803	15,803	5,553	(10,250)
Total Revenues	<u>13,683,905</u>	<u>13,683,905</u>	<u>13,402,585</u>	<u>(281,320)</u>
EXPENDITURES				
Health and Human Services	<u>13,683,905</u>	<u>13,683,905</u>	<u>12,384,548</u>	<u>1,299,357</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	1,018,037	1,018,037
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	<u>(1,018,037)</u>	<u>(1,018,037)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
FUND BALANCE - END OF YEAR			<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,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County's proportion of the net pension liability (asset)	0.15155089%	0.15133729%	0.15184284%	0.15365501%	0.15308133%
County's proportionate share of the net pension liability (asset)	\$ (3,722,504)	\$ 2,459,201	\$ 1,251,546	\$ (4,562,200)	\$ 5,446,154
County's covered payroll	\$ 19,744,668	\$ 21,336,516	\$ 21,305,587	\$ 21,490,070	\$ 22,425,438
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%	24.29%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%

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,	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,498,650	\$ 1,472,744	\$ 1,589,892	\$ 1,629,150	\$ 1,557,367
Contributions in Relation to the Contractually Required Contributions	(1,498,650)	(1,472,744)	(1,589,892)	(1,629,150)	(1,557,367)
Contribution Deficiency (Excess)	<u>\$ -</u>				
County's Covered Payroll	\$ 21,336,516	\$ 21,305,587	\$ 21,490,071	\$ 22,425,438	\$ 22,586,313
Contributions as a Percentage of Covered Payroll	7.02%	6.91%	7.40%	7.26%	6.90%

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

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

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

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	2018
County's proportion of the net OPEB liability (asset)	0.45371400%	0.43057900%
County's proportionate share of the net OPEB liability (asset)	\$ 1,365,035	\$ 1,111,039
County's covered payroll	\$ 19,079,972	\$ 18,954,000
County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7.15%	5.86%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%

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>	<u>2019</u>
Contractually Required Contribution	\$ 8,318	\$ 8,815
Contributions in Relation to the Contractually Required Contributions	<u>(8,318)</u>	<u>(8,815)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
 County's Covered Payroll	 \$ 19,079,972	 \$ 18,954,000
 Contributions as a Percentage of Covered Payroll	 0.04%	 0.05%

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

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

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

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

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:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government			
County Board	\$ 88,075	\$ 123,832	\$ (35,757)
Register of Deeds	297,945	303,874	(5,929)

COMBINING AND INDIVIDUAL FUND STATEMENTS

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

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 173,190	\$ 205,907	\$ 109,432	\$ 488,529
Accounts Receivable	-	211,878	-	211,878
Loans Receivable	-	-	798,162	798,162
Due from Other Governments	-	15,798	-	15,798
	<u>-</u>	<u>15,798</u>	<u>-</u>	<u>15,798</u>
Total Assets	<u>\$ 173,190</u>	<u>\$ 433,583</u>	<u>\$ 907,594</u>	<u>\$ 1,514,367</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 191,452	\$ 13,473	\$ 204,925
Accrued Liabilities	-	5,165	-	5,165
Total Liabilities	<u>-</u>	<u>196,617</u>	<u>13,473</u>	<u>210,090</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Loans Receivable	<u>-</u>	<u>-</u>	<u>798,162</u>	<u>798,162</u>
FUND BALANCES				
Restricted	-	-	95,959	95,959
Committed	173,190	236,966	-	410,156
Total Fund Balances	<u>173,190</u>	<u>236,966</u>	<u>95,959</u>	<u>506,115</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 173,190</u>	<u>\$ 433,583</u>	<u>\$ 907,594</u>	<u>\$ 1,514,367</u>

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

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental Revenues	\$ -	\$ 172,366	\$ -	\$ 172,366
Fines and Forfeits	85,232	-	-	85,232
Public Charges for Services	-	1,709,489	-	1,709,489
Intergovernmental Charges for Services	-	565,471	-	565,471
Miscellaneous:				
Interest Income	-	-	791	791
Loan Repayments	-	-	36,242	36,242
Other Revenues	-	207,775	-	207,775
Total Revenues	<u>85,232</u>	<u>2,655,101</u>	<u>37,033</u>	<u>2,777,366</u>
EXPENDITURES				
Current:				
Public Safety	59,859	-	-	59,859
Public Works	-	2,778,932	-	2,778,932
Conservation and Development	-	-	26,611	26,611
Total Expenditures	<u>59,859</u>	<u>2,778,932</u>	<u>26,611</u>	<u>2,865,402</u>
NET CHANGE IN FUND BALANCES	25,373	(123,831)	10,422	(88,036)
Fund Balances - Beginning of Year	<u>147,817</u>	<u>360,797</u>	<u>85,537</u>	<u>594,151</u>
FUND BALANCES - END OF YEAR	<u>\$ 173,190</u>	<u>\$ 236,966</u>	<u>\$ 95,959</u>	<u>\$ 506,115</u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2019**

	<u>Workers Compensation Fund</u>	<u>Health Insurance Fund</u>	<u>Totals</u>
ASSETS			
Cash and Investments	\$ 2,716,645	\$ 1,810,140	\$ 4,526,785
Accounts Receivable	-	95,747	95,747
Total Assets	<u>2,716,645</u>	<u>1,905,887</u>	<u>4,622,532</u>
LIABILITIES			
Accounts Payable	43,403	285,057	328,460
Accrued Liabilities	547,765	622,352	1,170,117
Total Liabilities	<u>591,168</u>	<u>907,409</u>	<u>1,498,577</u>
NET POSITION - UNRESTRICTED	<u>\$ 2,125,477</u>	<u>\$ 998,478</u>	<u>\$ 3,123,955</u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION – INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2019**

	Workers Compensation Fund	Health Insurance Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges to County Departments	\$ 767,076	\$ 8,065,981	\$ 8,833,057
OPERATING EXPENSES			
Administration	4,446	143,424	147,870
Benefit Payments	497,685	9,174,000	9,671,685
Total Operating Expenses	<u>502,131</u>	<u>9,317,424</u>	<u>9,819,555</u>
OPERATING INCOME (LOSS)	264,945	(1,251,443)	(986,498)
NONOPERATING REVENUES			
Gain/Loss on Investments	<u>78,098</u>	<u>155,909</u>	<u>234,007</u>
INCOME (LOSS) BEFORE TRANSFERS	343,043	(1,095,534)	(752,491)
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	143,043	(1,395,534)	(1,252,491)
Net Position - Beginning of Year	<u>1,982,434</u>	<u>2,394,012</u>	<u>4,376,446</u>
NET POSITION - END OF YEAR	<u>\$ 2,125,477</u>	<u>\$ 998,478</u>	<u>\$ 3,123,955</u>

**DUNN COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS –
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Workers Compensation	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from County Departments	\$ 767,076	\$ 8,371,873	\$ 9,138,949
Cash Paid for Insurance Claims	(424,829)	(9,272,444)	(9,697,273)
Cash Paid to Third Party Administrator	-	(143,424)	(143,424)
Net Cash Provided by (Used for) Operating Activities	<u>342,247</u>	<u>(1,043,995)</u>	<u>(701,748)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	<u>78,098</u>	<u>155,909</u>	<u>234,007</u>
NET CHANGE IN CASH AND CASH AND CASH EQUIVALENTS	220,345	(1,188,086)	(967,741)
Cash and Cash Equivalents - Beginning of Year	<u>2,496,300</u>	<u>2,998,226</u>	<u>5,494,526</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,716,645</u>	<u>\$ 1,810,140</u>	<u>\$ 4,526,785</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 264,945	\$ (1,251,443)	\$ (986,498)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
(Increase) Decrease in Assets:			
Change in Receivables	-	305,892	305,892
Increase (Decrease) in Liabilities:			
Change in Accounts Payable	-	128,054	128,054
Change in Accrued Liabilities	77,302	(226,498)	(149,196)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 342,247</u>	<u>\$ (1,043,995)</u>	<u>\$ (701,748)</u>

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET –
AGENCY FUNDS
DECEMBER 31, 2019**

	Agency Funds					Totals
	Tax Collections	Treasurer	Clerk of Courts	Sheriff	District Attorney	
ASSETS						
Cash and Investments	\$ 4,261,518	\$ 263,185	\$ 459,860	\$ 40,578	\$ 12,376	\$ 5,037,517
LIABILITIES						
Accounts Payable	\$ -	\$ 4,760	\$ -	\$ -	\$ -	\$ 4,760
Deposits Payable	-	2,704	207,603	40,578	12,376	263,261
Due to Other Governments	4,261,518	255,721	252,257	-	-	4,769,496
Total Liabilities	\$ 4,261,518	\$ 263,185	\$ 459,860	\$ 40,578	\$ 12,376	\$ 5,037,517

