

Calumet County, Wisconsin

Annual Financial Report

December 31, 2020

CALUMET COUNTY, WISCONSIN

Annual Financial Report
December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the County Board
Calumet County
Chilton, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Calumet County, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Calumet 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 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 over financial reporting relevant to Calumet County'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 Calumet County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the County Board
Calumet County

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Calumet County, Wisconsin, as of December 31, 2020 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.

Emphasis of Matter

As discussed in Note 1, Calumet County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, effective January 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed 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 Calumet County's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information

The summarized comparative prior year information included in the financial statements has been derived from Calumet County's 2019 financial statements. The financial statements of Calumet County as of December 31, 2019, were audited by other auditors whose report thereon dated July 24, 2020, expressed unmodified opinions on the financial statements. We have not audited, reviewed, or compiled the 2019 information, and, accordingly, we express no opinion on it.

To the County Board
Calumet County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Calumet County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Calumet County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Calumet County's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Madison, Wisconsin
August 2, 2021

Management's Discussion and Analysis (Unaudited)
December 31, 2020

As management, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information provided in the notes to the basic financial statements, which can be found on pages 31 through 62 of this report.

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$55,222,691 (*net position*). Of this amount, \$9,720,416 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$4,221,833. Several factors contributed to the overall increase as follows:
 - Strong budgetary performance in the County's governmental funds resulted in a \$2.8 million increase in fund balance in the County's general, special revenue, and sales tax capital projects fund. The County's overall governmental fund balances decreased \$2.7 million due to the following:
 - The County expended \$20.2 million in capital construction for the courthouse renovation and jail construction projects during 2020, using general obligation bond proceeds from 2019 and 2020. The related construction costs were capitalized and the debt obligations reported as liabilities in the government-wide financial statements.
 - The County applied \$.7 million of debt premium received in 2019 to reduce 2020 debt service expenditures. An additional \$.2 million of debt premium was received in 2020 and was applied in the County's 2021 budget.
 - Principal retirement of \$2,865,000 was financed by general property taxes.
 - Highway operations resulted in a net loss of \$448,180.
- At the end of the current year, unassigned fund balance for the general fund was \$10,912,372, or approximately 32% of total general fund and human services fund expenditures.
- The County has established a minimum fund balance policy; the minimum unassigned fund balance to be retained for 2020 is \$6,190,028. The County has also established a working capital requirement of \$1,900,000.
- The County's total general-obligation debt increased by \$12,135,000 (40%) during the current year due to the issuance of new debt in the amount of \$15.0 million (phase 2) for the remodeling of the 3rd floor of the courthouse and the construction of a new jail facility.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the 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, liabilities, and deferred outflows and 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 the County is improving or deteriorating.

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 the 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., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the 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, education and recreation, conservation and development and interest on long-term debt. The business-type activities of the County include a highway construction and maintenance operation.

The government-wide financial statements can be found on pages 17 to 19 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. The 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 two categories: governmental funds and proprietary 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 year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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*.

Management's Discussion and Analysis (Unaudited)
December 31, 2020

The County maintains twelve 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 capital improvements capital projects fund and the debt service fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its governmental funds. As part of the County's required supplementary information, budgetary comparison statements have been provided 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 on pages 20 to 25 of this report.

Proprietary funds. The County maintains a single type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for its highway construction and maintenance operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the highway construction and maintenance operation, which is considered to be a major fund of the County.

The basic proprietary fund financial statements can be found on pages 26 to 28 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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County maintains multiple custodial funds which are combined in the basic financial statements. Individual custodial fund information is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 29 and 30 of this report.

Notes to the 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 on pages 31 to 62 of this report.

Other information. In addition to the basic financial statements and accompanying notes, required supplementary information presents a schedule of funding progress for the other postemployment benefits plan, schedules of the proportionate share of the net pension liability (asset) and net OPEB liability (asset), schedules of employer contributions to the Wisconsin Retirement System (pension) and Local Retiree Life Insurance Fund (OPEB), as well as, a budgetary comparison schedule for the General Fund and the Human Services Special Revenue Fund to demonstrate compliance with the budget.

These schedules and related notes can be found on pages 63 to 69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental and custodial funds and other information related to the individual funds and capital assets used in governmental activities are presented immediately following the required supplementary information.

Combining and individual statements and schedules can be found on pages 70 to 88 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,222,691 at the close of the most recent year. By far the largest portion of the County's net position (75%) 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 are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of restricted and unrestricted net position amounting to \$13,762,989 may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, the County is able to report positive balances in all categories of net position, for the County as a whole. The County's business-type activities reflect positive balances in the categories of net position and negative balances in unrestricted net position. The County's total net position increased by \$4,221,833 during the current year.

Calumet County's Net Position				
	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
Current and other assets	\$ 61,235,711	\$ (2,282,637)	\$ 58,953,074	\$ 57,282,169
Capital assets	67,138,470	10,397,209	77,535,679	57,613,932
Total assets	<u>128,374,181</u>	<u>8,114,572</u>	<u>136,488,753</u>	<u>114,896,101</u>
Deferred outflows of resources	7,998,100	673,098	8,671,198	10,261,184
Long-term liabilities outstanding	49,970,626	543,900	50,514,526	41,010,990
Other liabilities	6,571,864	207,308	6,779,172	5,615,818
Total liabilities	<u>56,542,490</u>	<u>751,208</u>	<u>57,293,698</u>	<u>46,626,808</u>
Deferred inflows of resources	31,846,345	797,217	32,643,562	27,529,619
Net Position:				
Net investment in capital assets	31,062,493	10,397,209	41,459,702	37,848,275
Restricted	3,780,674	261,899	4,042,573	2,824,961
Unrestricted (deficit)	13,140,279	(3,419,863)	9,720,416	10,327,622
Total net position	<u>\$ 47,983,446</u>	<u>\$ 7,239,245</u>	<u>\$ 55,222,691</u>	<u>\$ 51,000,858</u>

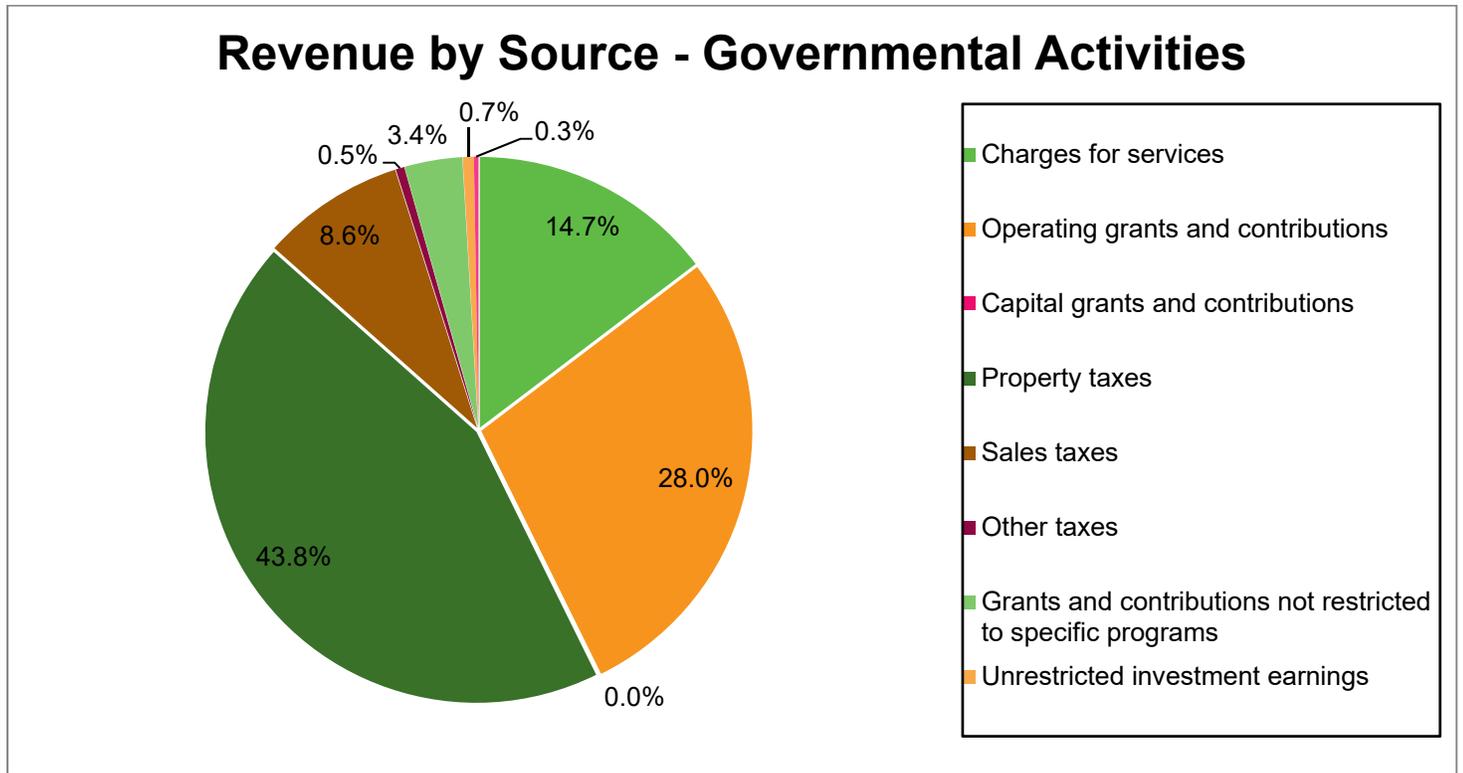
Governmental activities. Governmental activities increased the County's net position by \$4,221,833, as summarized below.

Calumet County's Change in Net Position				
	Governmental Activities	Business-Type Activities	Totals	
			2020	2019
Revenues:				
Program revenues:				
Charges for service	\$ 7,434,438	\$ 6,186,413	\$ 13,620,851	\$ 14,745,590
Operating grants and contributions	14,211,654	-	14,211,654	10,454,808
Capital grants and contributions	-	-	-	165,851
General revenues:				
Property taxes	22,219,150	-	22,219,150	21,174,475
Sales taxes	4,333,613	-	4,333,613	4,073,899
Other taxes	261,924	-	261,924	254,781
Grants and contributions not restricted to specific programs	1,745,382	-	1,745,382	1,127,610
Other	471,187	164,943	636,130	560,102
Total revenues	50,677,348	6,351,356	57,028,704	52,557,116
Expenses:				
General government	6,737,044	-	6,737,044	6,853,398
Public safety	7,929,224	-	7,929,224	7,997,635
Public works	4,889,361	-	4,889,361	4,752,084
Health and social services	18,337,793	-	18,337,793	17,548,481
Education and recreation	4,269,128	-	4,269,128	4,283,326
Conservation and development	2,938,126	-	2,938,126	3,170,694
Interest on long-term debt	906,659	-	906,659	700,464
Highway operations	-	6,799,536	6,799,536	7,442,669
Total expenses	46,007,335	6,799,536	52,806,871	52,748,751
Increase (decrease) in net position	4,670,013	(448,180)	4,221,833	(191,635)
Net position - beginning	43,313,433	7,687,425	51,000,858	51,192,493
Net position - ending	\$ 47,983,446	\$ 7,239,245	\$ 55,222,691	\$ 51,000,858

Key elements of this increase are as follows:

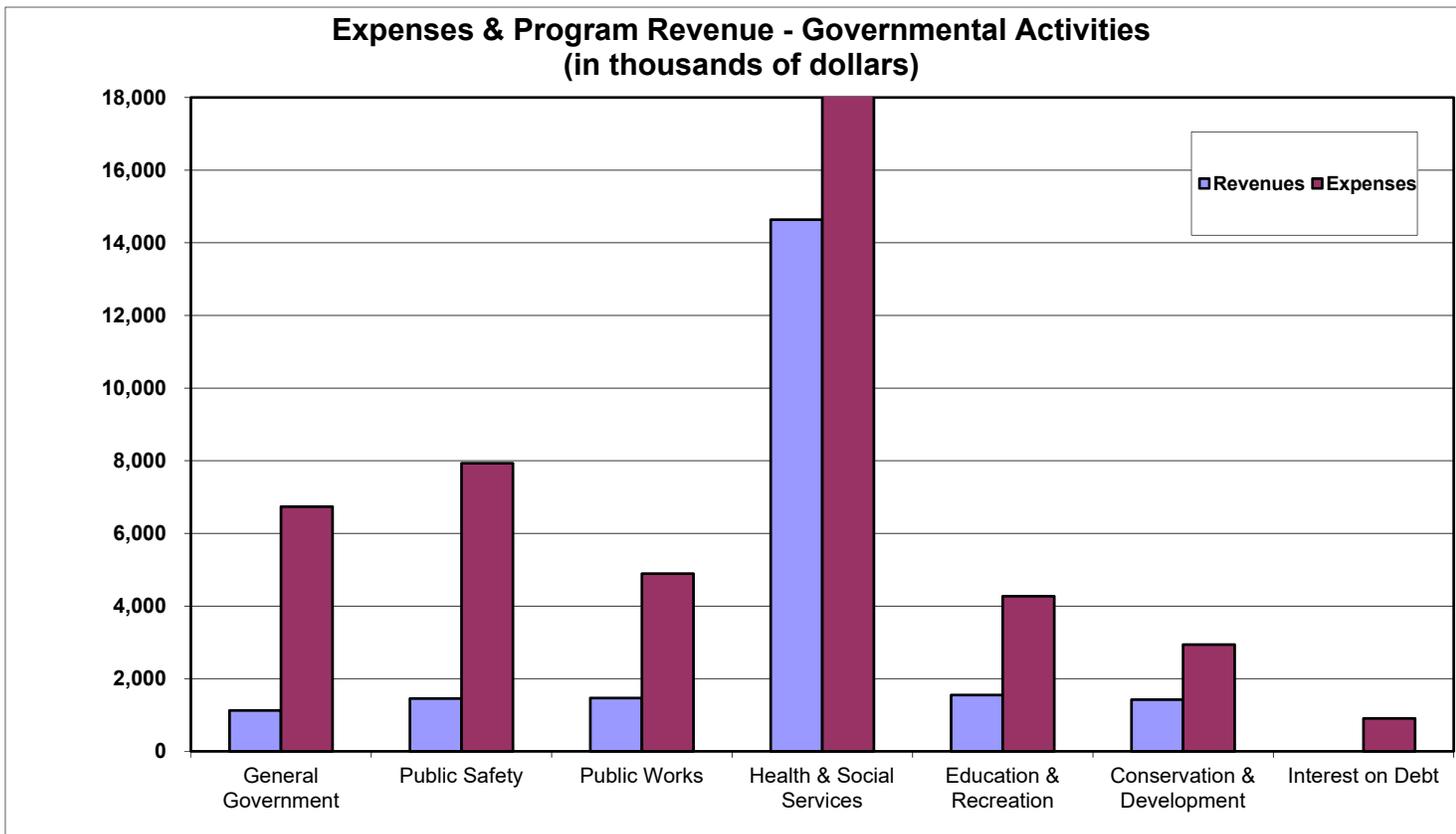
- Property taxes increased by \$1,044,675 (4.9%) during the year due, in part, a debt service increase of \$507,730 to finance principal and interest payments related to the jail and courthouse projects started in 2019.
- Sales taxes increased by \$259,714 (6%) despite the COVID-19 pandemic. The County implemented a 0.5% County sales tax in 2018 to eliminate debt issued for ongoing capital project expenditures.
- Operating grants and contributions increased as the County received the combined amount of \$1.5 million from the Coronavirus Aid, Relief, and Economic Security Act and Routes to Recovery funding to address costs incurred by the COVID-19 pandemic.
- Operating expense for governmental activities increased by \$701,253 as increased expenditures for addressing the COVID-19 pandemic were offset by projects delayed to 2021 due to the pandemic.

The County's primary revenues sources are property taxes and operating grants, as summarized below.



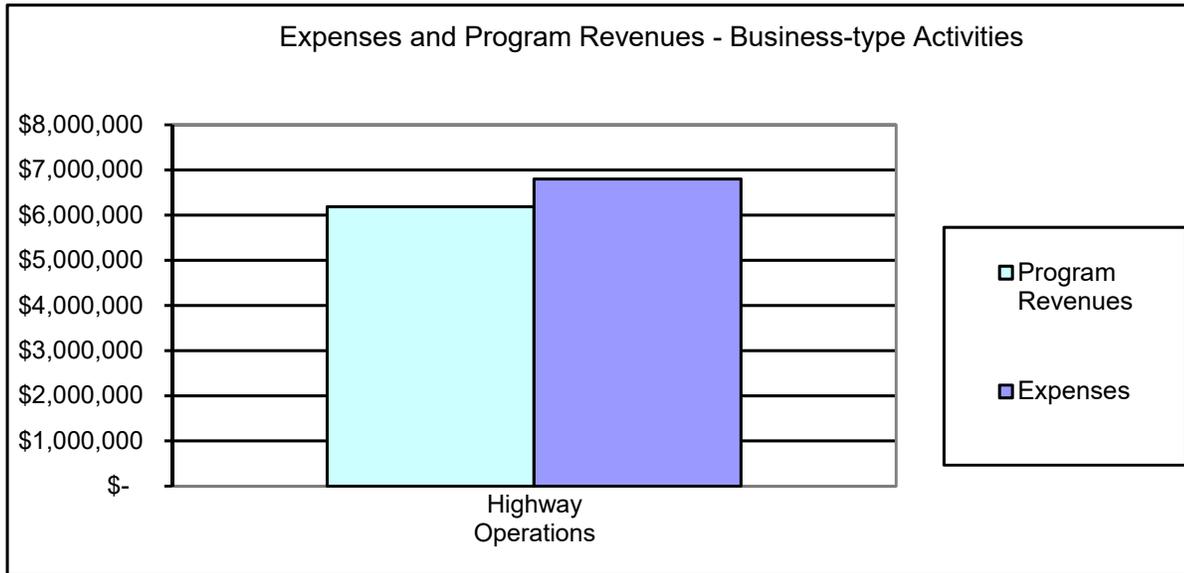
Operating grants and grants not restricted to specific programs increased during 2020 as the County received additional federal grants of approximately \$1.5 million to address the COVID-19 pandemic.

The following chart illustrates functional expenses and related revenues. The difference between expenses and revenues is financed by general revenues, primarily property taxes and grants not specific to a function, like shared revenues provided by the State of Wisconsin. A significant portion of the County's expenses are focused on health and human services, as the County's human service department administers a variety of programs to assist residents of the County, which are primarily supported by federal and state grants and other charges for services. The public safety function consists of the sheriff and emergency management services.

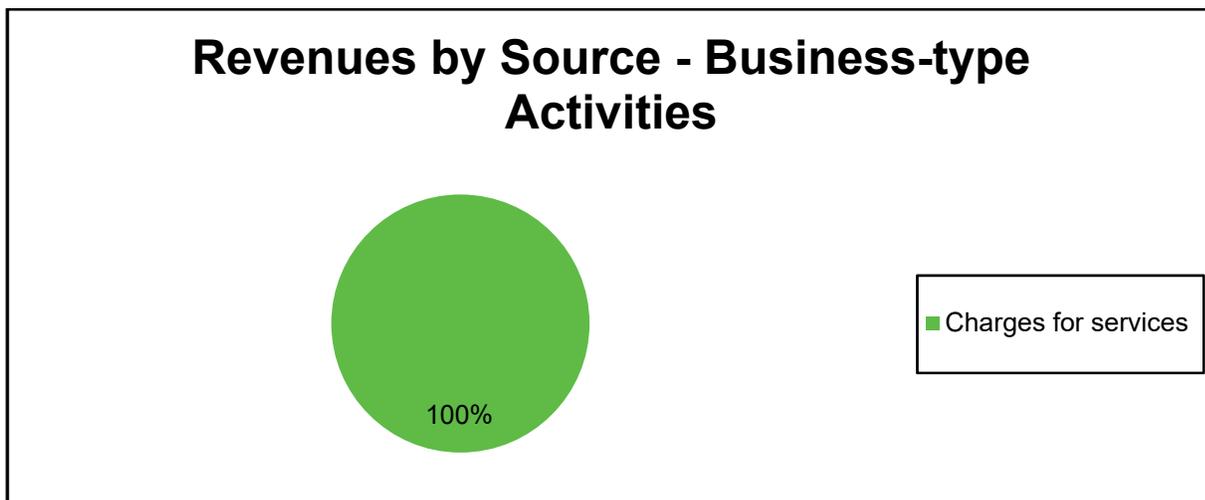


Business-type activities. Business-type activities decreased the County's net position by \$448,180. The following item affected the highway operations in 2020:

- Charges for services for highway construction and maintenance decreased by \$728,500 while operating costs only decreased by \$581,890, resulting in a \$146,610 increase in operating loss. The decrease in intergovernmental charges for services was due to lower utilization of the department's machinery.



The highway operations relies primarily on charges to the State of Wisconsin for maintaining state highways within the County and charges to the County's county roads and bridges special revenue and sales tax capital projects funds for construction and maintenance of the County highway system.



Financial Analysis of the Government Funds

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

Governmental funds. The focus of the 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 year.

As of the end of the current year, the County's governmental funds reported combined ending fund balances of \$28,947,377, a decrease of \$2,699,114 in comparison with the prior year. Approximately 38% of this amount (\$10,898,174) constitutes unassigned fund balance, which is available for spending at the County's discretion, as previously discussed. The remainder of the fund balance is restricted, committed, assigned or non-spendable to indicate that it is not available for new spending because it has already been obligated 1) for current year purchases of inventory and prepayments that benefit periods beyond the end of the current year (\$261,643), 2) for non-liquid delinquent taxes (\$525,903), 3) for advances to other funds that are not expected to be liquidated in the next year (\$2,751,894), 4) for fund balance applied in the 2021 budget and projects requested to be carried forward into the next budget cycle (\$2,292,366), 5) bond proceeds to be used to complete the jail construction project (\$6,629,329), 6) bond premium to offset future debt payments (\$154,707) and 7) for funds which are restricted or committed for a variety of other purposes (\$5,433,361).

The general fund is the main operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$10,912,372, while total fund balance reached \$17,098,873. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58 percent of the total general fund expenditures, while total fund balance represents 91 percent of that same amount.

The fund balance of the County's general fund increased by \$1,819,536 during the current year.

Key factors of this increase are as follows:

- The general fund recognized \$580,766 of Routes to Recovery funding to address the COVID-19 pandemic during 2020. While some of these funds reimbursed unbudgeted 2020 expenditures, the grant also covered salaries and benefits of employees who were redeployed to address the COVID-19 pandemic.
- COVID-19 impacted the County's ability to complete many 2020 budgeted projects, resulting in an increase of \$359,119 in budget carryovers to the 2021 budget year to provide additional time to complete the projects.
- The human services special revenue fund returned a surplus of \$1,329,263 to the general fund.

Management's Discussion and Analysis (Unaudited)
December 31, 2020

The human services fund excess of revenues over expenditures amounted to \$1,329,263 which was transferred to the general fund. Key factors influencing the excess revenues over expenditures are as follows:

- Human services received \$886,250 of Routes to Recovery funding and additional public health grants to address the COVID-19 pandemic costs. While some of these funds reimbursed unbudgeted 2020 expenditures, these grants also covered salaries and benefits of employees who were redeployed to address the COVID-19 pandemic.

The capital improvements capital projects fund has a \$6,629,329 fund balance at the end of 2020 which represents remaining proceeds from the issuance of general obligation debt during 2020. A final debt issue of \$3 million occurred in 2021 to complete the construction of the new jail facility, with occupancy anticipated in October, 2021.

The debt service fund has a \$154,707 fund balance at the end of 2020, a decrease of \$439,076. As part of the 2020 budget, the County applied \$548,368 of debt premium received in 2019 to reduce 2020 debt service payments.

Proprietary fund. The County's proprietary fund provides the same type of information found in the County's government-wide financial statements, but in more detail. The unrestricted net position of the highway construction and maintenance operations amounted to a negative \$3,419,863. The change in total net position was a \$448,180 decrease, related primarily to the lower utilization of the County's machinery and equipment than budgeted.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to a \$1,715,689 increase in appropriations and \$1,540,198 increase in estimated revenues, both of which can be briefly summarized as follows:

- Expenditures of \$1,296,849 and anticipated grant revenues of \$823,491 representing projects and multi-year grant awards not completed in 2019 were carried forward from 2019.
- Additional grant awards of \$716,707 were received in 2020, consisting primarily of the Routes to Recovery award received to address the COVID-19 pandemic. These additional grants resulted in an increase in appropriations of \$410,345, primarily for unbudgeted expenditures related to the pandemic.

The County's actual revenues were \$3,895,445 below budget, primarily in the intergovernmental and interest revenue sources. Interest earned was down due to lower interest rates than anticipated, in part due to the pandemic. The budgetary shortfall in intergovernmental revenues can be briefly summarized as follows:

- Multi-year grant awards of \$676,684 were carried forward to 2021.
- A CDBG closeout grant was budgeted at \$1.3 million while actual revenues were \$61 thousand, as the State made payments directly to County municipalities as part of the grant.
- A \$1.4 million land conservation grant was not received

The County's actual expenditures were \$5,702,238 below budget, briefly summarized as follows:

- The County carried forward appropriations of \$832,472 in various departments for 2020 projects which were not completed as of the end of the year. The general government portion was \$586 thousand, with \$281 thousand related to IT projects.
- Of the \$676,684 of multi-year grants carried forward, \$298,698 related to the parks department and \$332,301 related to land conservation departments.
- Conservation and development expenditures of \$2.7 million were related to the intergovernmental variance discussed previously.

The County's 2020 budget applied fund balance of \$1,141,029 to support capital outlay expenditures of general fund departments and other projects due to the fund's strong fiscal position. Due to strong budgetary controls and projects delayed, the general fund departments returned a surplus of \$500 thousand.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$77,535,679 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, public domain infrastructure (highways and bridges) and work in progress.

Major capital asset events during the year included the following:

- County Trunk Highway construction projects (public domain infrastructure) were completed during the year at a cost of \$2,485,446.
- A variety of machinery & equipment purchases were completed during the year at a cost of \$749,719.
- Work in Progress increased as a result of the new jail facility being constructed and the remodeling of the 3rd floor of the courthouse. The courthouse remodeling project was completed during 2020, and \$1,461,400 placed into service while the County expects the jail facility to be completed in fall of 2021.

Calumet County's Capital Assets (net of accumulated depreciation)						
	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,028,171	\$ 3,678,171	\$ 26,191	\$ 26,191	\$ 4,054,362	\$ 3,704,362
Land Impr.	1,383,950	1,522,797	-	-	1,383,950	1,522,797
Buildings	8,390,921	7,153,240	7,258,580	7,412,519	15,649,501	14,565,759
Machinery & Equip.	4,019,662	4,273,100	3,067,051	2,631,489	7,086,713	6,904,589
Infrastructure	25,135,648	25,272,569	-	-	25,135,648	25,272,569
Work in Progress	24,180,118	5,372,075	45,387	271,781	24,225,505	5,643,856
Total	\$67,138,470	\$47,271,952	\$ 10,397,209	\$ 10,341,980	\$ 77,535,679	\$ 57,613,932

While overall capital assets increased \$19,921,747, the County's net investment in capital assets increased \$3,611,427 during the year, as the courthouse remodeling and jail construction costs were financed by bond proceeds. The County utilizes a County sales tax and available general fund balance to finance capital improvements annual.

The highway enterprise fund's net investment in capital assets remained consistent, as asset replacements generally equal depreciation expense on an annual basis.

Additional information on the County's capital assets can be found in note 3.C pages 43 and 44 of this report.

Long-term debt. At the end of the current year, the County had total general obligation debt outstanding of \$42,785,000. The full faith and credit of the County back all of this debt.

Calumet County's Outstanding Debt						
	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
General Obligation						
Bonds	\$ 31,475,000	\$ 17,000,000	\$ -	\$ -	\$ 31,475,000	\$ 17,000,000
Notes	11,310,000	13,650,000	-	-	11,310,000	13,650,000
Total	\$ 42,785,000	\$ 30,650,000	\$ -	\$ -	\$ 42,785,000	\$ 30,650,000

The County's total general obligation debt increased by \$12,135,000 (40%) during the current year. The key factor in this increase was the issuance of new debt in the amount of \$15,000,000 related to the construction of a new County jail facility. The final borrowing of \$3,000,000 for the project was completed in 2021.

The County's AA+ rating from Standard and Poor's was reaffirmed as part of the 2021 debt issue.

State statutes limit the amount of general obligation debt the County may issue to 5 percent of its total equalized valuation. The current debt limitation for the County is \$236,960,220; which is significantly greater than the County's \$42,785,000 in outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 3.E on pages 45 and 46 of this report.

Economic Factors and Next Year's Budgets and Rates

- In Calumet County, the unemployment rates were 2.8% in 2019 and 4.7% in 2020. This compares favorably with the Wisconsin unemployment rates of 3.3% and 6.3% respectively. As of March 2021, Calumet County has the 2nd lowest unemployment rate of the state's seventy-two counties.
- Calumet's 2020 equalized property value stands at over \$4.7 billion, an increase of approximately 5.5 percent from 2019. In 2020, the County realized more than \$64.3 million (1.43%) increase in net new construction valuation, a 33.3% decrease from 2019.
- The population of Calumet County grew at an estimated rate of 8.9% since the 2010 census, continuing a pattern of rapid growth, which has placed the county as the 2nd fastest growing county in the state. This growth outpaces the population growth of the state at 2.95%.
- The 2019 Per Capita Personal Income of Calumet County was \$52,859 ranked thirteenth highest in the State and an increase of 4.1% over the previous year. The state-wide Per Capita Personal Income for the same time period was \$53,227.
- The County maintains an AA+ (Stable) bond rating from Standard & Poors Global Ratings Service, based in part on the relatively strong economic climate of the County.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

Wisconsin enacted legislation in 2009 to impose a limit on the amount of the annual tax levy increase. This limit imposed on Wisconsin counties uses the baseline of 2010 levy adopted for the 2011 budget. The legislation limits the increase in the amount of the levy to the greater of 0.0% or growth in net new construction within the county for the 2021 budget. Net new construction is defined as "changes to equalized value due to construction of buildings and improvements to land minus changes to equalized value due to the demolishing or destruction of buildings and the removal of land improvements." Calumet County increased the 2020 tax levy for the 2021 budget by the maximum allowed under this legislation.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Finance Director, Calumet County Finance Department, 206 Court Street, Chilton, WI 53014-1198.

CALUMET COUNTY, WISCONSIN

Statement of Net Position
December 31, 2020

(With Summarized Financial Information as of December 31, 2019)

Assets	Governmental	Business-type	Totals	
	Activities	Activity	2020	2019
Cash and investments	\$ 29,375,937	\$ 50	\$ 29,375,987	\$ 31,470,558
Receivables				
Taxes receivable	21,816,301	-	21,816,301	21,552,347
Delinquent property taxes	634,609	-	634,609	742,628
Accounts	2,840,033	262,861	3,102,894	2,751,396
Loans	69,113	-	69,113	61,884
Internal balances	3,152,632	(3,152,632)	-	-
Inventories	31,175	345,185	376,360	334,211
Prepaid items	230,468	-	230,468	314,245
Other assets	54,900	-	54,900	54,900
Net pension asset	3,030,543	261,899	3,292,442	-
Capital assets (net of accumulated depreciation):				
Land	4,028,171	26,191	4,054,362	3,704,362
Land improvements	1,383,950	-	1,383,950	1,522,797
Buildings and improvements	8,390,921	7,258,580	15,649,501	14,565,759
Machinery and equipment	4,019,662	3,067,051	7,086,713	6,904,589
Infrastructure	25,135,648	-	25,135,648	25,272,569
Construction in progress	24,180,118	45,387	24,225,505	5,643,856
Total assets	128,374,181	8,114,572	136,488,753	114,896,101
Deferred outflows of resources				
Deferred outflows related to pension	7,102,431	585,886	7,688,317	9,702,894
Deferred outflows related to OPEB	895,669	87,212	982,881	558,290
Total deferred outflows of resources	7,998,100	673,098	8,671,198	10,261,184
Liabilities				
Accounts payable and accrued expenses	6,273,201	207,308	6,480,509	5,245,643
Due to other governments	19,641	-	19,641	-
Accrued interest payable	125,714	-	125,714	131,917
Unearned revenue	153,308	-	153,308	238,258
Noncurrent liabilities:				
Due within one year	3,439,418	99,389	3,538,807	3,399,332
Due in more than one year	42,332,709	-	42,332,709	30,165,652
Net pension liability	-	-	-	3,580,342
OPEB liability	4,198,499	444,511	4,643,010	3,865,664
Total liabilities	56,542,490	751,208	57,293,698	46,626,808
Deferred inflows of resources				
Property taxes levied for subsequent year	22,490,552	-	22,490,552	22,231,723
Deferred inflows related to pension	9,104,962	773,580	9,878,542	5,006,616
Deferred inflows related to OPEB	250,831	23,637	274,468	291,280
Total deferred inflows of resources	31,846,345	797,217	32,643,562	27,529,619
Net Position				
Net investment in capital assets	31,062,493	10,397,209	41,459,702	37,848,275
Restricted	3,780,674	261,899	4,042,573	2,824,961
Unrestricted (deficit)	13,140,279	(3,419,863)	9,720,416	10,327,622
Total net position	\$ 47,983,446	\$ 7,239,245	\$ 55,222,691	\$ 51,000,858

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Activities
 For the Year Ended December 31, 2020
 (With Summarized Financial Information for the Year Ended December 31, 2019)

<u>Functions/Programs</u>	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government:				
Governmental activities:				
General government	\$ 6,737,044	\$ 951,571	\$ 171,199	\$ -
Public safety	7,929,224	1,284,903	166,676	-
Public works	4,889,361	-	1,464,634	-
Health and social services	18,337,793	4,597,301	10,039,420	-
Education and recreation	4,269,128	326,957	1,221,540	-
Conservation and development	2,938,126	273,706	1,148,185	-
Interest on long-term debt	906,659	-	-	-
Total governmental activities	<u>46,007,335</u>	<u>7,434,438</u>	<u>14,211,654</u>	<u>-</u>
Business-type activity:				
Highway operations	<u>6,799,536</u>	<u>6,186,413</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 52,806,871</u>	<u>\$ 13,620,851</u>	<u>\$ 14,211,654</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investments earnings				
Miscellaneous				
Gain on sale of capital assets				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activity	Totals	
		2020	2019
\$ (5,614,274)	\$ -	\$ (5,614,274)	\$ (5,513,402)
(6,477,645)	-	(6,477,645)	(6,953,499)
(3,424,727)	-	(3,424,727)	(4,726,874)
(3,701,072)	-	(3,701,072)	(3,539,696)
(2,720,631)	-	(2,720,631)	(2,706,640)
(1,516,235)	-	(1,516,235)	(2,794,392)
(906,659)	-	(906,659)	(687,793)
<u>(24,361,243)</u>	<u>-</u>	<u>(24,361,243)</u>	<u>(26,922,296)</u>
-	(613,123)	(613,123)	(460,206)
<u>(24,361,243)</u>	<u>(613,123)</u>	<u>(24,974,366)</u>	<u>(27,382,502)</u>
22,219,150	-	22,219,150	21,174,475
4,333,613	-	4,333,613	4,073,899
261,924	-	261,924	254,781
1,745,382	-	1,745,382	1,127,610
333,292	-	333,292	560,102
137,895	-	137,895	-
-	164,943	164,943	-
<u>29,031,256</u>	<u>164,943</u>	<u>29,196,199</u>	<u>27,190,867</u>
4,670,013	(448,180)	4,221,833	(191,635)
<u>43,313,433</u>	<u>7,687,425</u>	<u>51,000,858</u>	<u>51,192,493</u>
<u>\$ 47,983,446</u>	<u>\$ 7,239,245</u>	<u>\$ 55,222,691</u>	<u>\$ 51,000,858</u>

CALUMET COUNTY, WISCONSIN

Balance Sheet – Governmental Funds
December 31, 2020

(With Summarized Financial Information as of December 31, 2019)

	<u>General</u>	<u>Human Services</u>	<u>Capital Improvements</u>
Assets			
Cash and investments	\$ 14,515,430	\$ 175	\$ 9,710,514
Receivables			
Taxes receivable	12,263,169	4,985,024	-
Delinquent property taxes	634,609	-	-
Accounts	446,755	1,673,727	-
Loans	-	-	-
Due from other funds	436,335	-	-
Advances to other funds	3,152,632	-	-
Inventories	31,175	-	-
Prepaid items	230,263	205	-
Insurance capital deposits	54,900	-	-
Total assets	<u>\$ 31,765,268</u>	<u>\$ 6,659,131</u>	<u>\$ 9,710,514</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,562,361	\$ 987,450	\$ 3,081,185
Due to other governments	13,306	-	-
Due to other funds	-	434,681	-
Unearned revenue	153,308	-	-
Total liabilities	<u>1,728,975</u>	<u>1,422,131</u>	<u>3,081,185</u>
Deferred inflows of resources:			
Property taxes levied for subsequent year	12,937,420	4,985,024	-
Unavailable revenues	-	251,976	-
Loans receivable	-	-	-
Total deferred inflows of resources	<u>12,937,420</u>	<u>5,237,000</u>	<u>-</u>
Fund balances:			
Nonspendable	3,594,135	205	-
Restricted	-	-	6,629,329
Committed	300,000	-	-
Assigned	2,292,366	-	-
Unassigned	10,912,372	(205)	-
Total fund balances	<u>17,098,873</u>	<u>-</u>	<u>6,629,329</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,765,268</u>	<u>\$ 6,659,131</u>	<u>\$ 9,710,514</u>

The notes to the basic financial statements are an integral part of this statement.

Debt Service	Other Governmental Funds	Total Governmental Funds	
		2020	2019
\$ 154,707	\$ 4,995,111	\$ 29,375,937	\$ 31,270,508
3,001,491	1,566,617	21,816,301	21,552,347
-	-	634,609	742,628
-	719,551	2,840,033	2,516,058
-	69,113	69,113	-
-	-	436,335	83,432
-	-	3,152,632	1,924,802
-	-	31,175	40,234
-	-	230,468	247,080
-	-	54,900	54,900
<u>\$ 3,156,198</u>	<u>\$ 7,350,392</u>	<u>\$ 58,641,503</u>	<u>\$ 58,431,989</u>

\$ -	642,205	\$ 6,273,201	\$ 4,047,299
-	6,335	19,641	12,573
-	1,654	436,335	83,432
-	-	153,308	238,258
-	650,194	6,882,485	4,381,562

3,001,491	1,566,617	22,490,552	22,219,150
-	-	251,976	122,902
-	69,113	69,113	61,884
<u>3,001,491</u>	<u>1,635,730</u>	<u>22,811,641</u>	<u>22,403,936</u>

-	-	3,594,340	2,904,953
154,707	721,138	7,505,174	13,140,571
-	4,357,323	4,657,323	3,526,583
-	-	2,292,366	1,614,382
-	(13,993)	10,898,174	10,460,002
<u>154,707</u>	<u>5,064,468</u>	<u>28,947,377</u>	<u>31,646,491</u>

<u>\$ 3,156,198</u>	<u>\$ 7,350,392</u>	<u>\$ 58,641,503</u>	<u>\$ 58,431,989</u>
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CALUMET COUNTY, WISCONSIN

Reconciliation of the Balance Sheet – Governmental Funds
To the Statement of Net Position
December 31, 2020
(With Summarized Financial Information as of December 31, 2019)

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 28,947,377	\$ 31,646,491
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	67,138,470	47,271,952
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Net pension asset	3,030,543	-
Loans receivable	69,113	61,884
Accounts receivable	251,976	122,902
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	7,102,431	8,952,119
Deferred inflows related to pensions	(9,104,962)	(4,620,577)
Deferred outflows related to other postemployment benefits	895,669	514,172
Deferred inflows related to other postemployment benefits	(250,831)	(265,926)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(42,785,000)	(30,650,000)
Debt premiums	(948,975)	(774,924)
Capital leases	(20,274)	(26,240)
Compensated absences	(2,017,878)	(1,993,328)
Net pension liability	-	(3,304,277)
Other postemployment benefit liability	(4,198,499)	(3,488,898)
Accrued interest on long-term obligations	(125,714)	(131,917)
Net position of governmental activities as reported on the statement of net position (see page 17)	<u>\$ 47,983,446</u>	<u>\$ 43,313,433</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)

	General	Human Services	Capital Improvements
Revenues			
Taxes	\$ 12,802,581	\$ 4,985,024	\$ -
Intergovernmental	3,289,612	9,943,765	-
Licenses and permits	150,357	-	-
Fines and forfeitures	78,679	-	-
Public charges for services	2,064,001	2,038,334	-
Intergovernmental charges for services	264,629	-	-
Interest	219,444	-	113,848
Miscellaneous	418,086	-	-
Total revenues	<u>19,287,389</u>	<u>16,967,123</u>	<u>113,848</u>
Expenditures			
Current:			
General government	6,502,147	-	-
Public safety	7,807,107	-	-
Sanitation	-	-	-
Health and social services	169,860	15,637,860	-
Public works	-	-	-
Education and recreation	1,932,663	-	-
Conservation and development	2,385,339	-	-
Capital outlay	-	-	20,170,026
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	-
Debt issuance costs	-	-	-
Total expenditures	<u>18,797,116</u>	<u>15,637,860</u>	<u>20,170,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>490,273</u>	<u>1,329,263</u>	<u>(20,056,178)</u>
Other financing sources (uses)			
Long term debt issued	-	-	15,000,000
Capital leases issued	-	-	-
Premium on long term debt issued	-	-	-
Transfers in	1,329,263	-	-
Transfers out	-	(1,329,263)	-
Total other financing sources (uses)	<u>1,329,263</u>	<u>(1,329,263)</u>	<u>15,000,000</u>
Net change in fund balances	1,819,536	-	(5,056,178)
Fund balances - beginning	15,279,337	-	11,685,507
Fund balances - ending	<u>\$ 17,098,873</u>	<u>\$ -</u>	<u>\$ 6,629,329</u>

The notes to the basic financial statements are an integral part of this statement.

Debt Service	Other Governmental Funds	Total Governmental Funds	
		2020	2019
\$ 3,164,735	\$ 5,862,347	\$ 26,814,687	\$ 25,503,155
-	2,723,659	15,957,036	12,706,152
-	35,462	185,819	102,846
-	-	78,679	-
-	2,544,255	6,646,590	6,333,100
-	-	264,629	-
-	-	333,292	595,677
-	-	418,086	786,795
<u>3,164,735</u>	<u>11,165,723</u>	<u>50,698,818</u>	<u>46,027,725</u>
-	16,349	6,518,496	6,471,957
-	-	7,807,107	11,986,130
-	-	-	81,758
-	2,464,066	18,271,786	16,799,402
-	1,813,684	1,813,684	4,939,967
-	2,240,225	4,172,888	4,060,155
-	297,552	2,682,891	3,079,350
-	3,357,243	23,527,269	31,555
2,865,000	-	2,865,000	3,114,326
848,103	-	848,103	575,978
123,000	-	123,000	-
<u>3,836,103</u>	<u>10,189,119</u>	<u>68,630,224</u>	<u>51,140,578</u>
<u>(671,368)</u>	<u>976,604</u>	<u>(17,931,406)</u>	<u>(5,112,853)</u>
-	-	15,000,000	17,000,000
-	-	-	31,555
232,292	-	232,292	787,595
-	-	1,329,263	932,239
-	-	(1,329,263)	(932,239)
<u>232,292</u>	<u>-</u>	<u>15,232,292</u>	<u>17,819,150</u>
(439,076)	976,604	(2,699,114)	12,706,297
593,783	4,087,864	31,646,491	18,940,194
<u>\$ 154,707</u>	<u>\$ 5,064,468</u>	<u>\$ 28,947,377</u>	<u>\$ 31,646,491</u>

CALUMET COUNTY, WISCONSIN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance –
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020
(With Summarized Financial Information for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (2,699,114)	\$ 12,706,297
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	23,940,153	8,060,299
Depreciation expense reported in the statement of activities	(3,947,115)	(3,640,650)
Net book value of disposals	(126,520)	(33,571)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		
Net pension asset	3,030,543	(2,727,321)
Loans receivable	7,229	(385,491)
Accounts receivable	129,074	(80,252)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(15,000,000)	(17,000,000)
Capital leases issued	-	(31,555)
Premium on debt issued	(232,292)	(787,595)
Long-term debt principal paid	2,865,000	2,290,000
Capital leases principal paid	5,966	824,326
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	6,203	(97,579)
Amortization of debt premiums	58,241	12,671
Compensated absences	(24,550)	(25,802)
Net pension liability	3,304,277	(3,304,277)
Deferred outflows of resources related to pensions	(1,849,688)	3,968,574
Deferred inflows of resources related to pensions	(4,484,385)	801,665
Other postemployment benefits liability	(709,601)	(287,250)
Deferred outflows of resources related to other postemployment benefits	381,497	242,880
Deferred inflows of resources related to other postemployment benefits	15,095	(236,798)
Change in net position of governmental activities as reported in the statement of activities (see pages 18 - 19)	<u>\$ 4,670,013</u>	<u>\$ 268,571</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Net Position – Proprietary Fund
 Highway Operations Enterprise Fund
 December 31, 2020
 With Comparative Totals as of December 31, 2019

	2020	2019
Assets		
Current assets:		
Cash and investments	\$ 50	\$ 200,050
Accounts receivable	262,861	297,222
Inventories	345,185	293,977
Prepaid items	-	67,165
Total current assets	<u>608,096</u>	<u>858,414</u>
Noncurrent Assets:		
Net pension asset	261,899	-
Capital assets:		
Land	26,191	26,191
Construction in progress	45,387	271,781
Buildings	7,258,580	7,412,519
Machinery and equipment	3,067,051	2,631,489
Total noncurrent assets	<u>10,659,108</u>	<u>10,341,980</u>
Total Assets	<u>11,267,204</u>	<u>11,200,394</u>
Deferred outflows of resources		
Deferred outflows related to pension	585,886	750,775
Deferred outflows related to OPEB	87,212	44,118
Total deferred outflows of resources	<u>673,098</u>	<u>794,893</u>
Liabilities		
Current Liabilities:		
Accounts payable	207,308	1,198,344
Advances from general fund	400,738	-
Compensated absences	99,389	120,492
Total current liabilities	<u>707,435</u>	<u>1,318,836</u>
Noncurrent liabilities:		
Advances from general fund	2,751,894	1,924,802
Net pension liability	-	276,065
OPEB liability	444,511	376,766
Total noncurrent liabilities	<u>3,196,405</u>	<u>2,577,633</u>
Total Liabilities	<u>3,903,840</u>	<u>3,896,469</u>
Deferred inflows of resources		
Deferred inflows related to pension	773,580	386,039
Deferred inflows related to OPEB	23,637	25,354
Total deferred inflows of resources	<u>797,217</u>	<u>411,393</u>
Net Position		
Net investment in capital assets	10,397,209	10,341,980
Restricted for pension benefits	261,899	-
Unrestricted (deficit)	(3,419,863)	(2,654,555)
Total Net Position	<u>\$ 7,239,245</u>	<u>\$ 7,687,425</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Revenues, Expenses and Changes in Net Position– Proprietary Fund
Highway Operations Enterprise Fund
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for services		
Public	\$ 15,809	\$ 10,629
Intergovernmental	1,412,704	1,790,570
Interdepartmental	4,757,900	5,113,714
Total Operating Revenues	<u>6,186,413</u>	<u>6,914,913</u>
OPERATING EXPENSES		
Salaries	1,392,917	1,355,108
Benefits	783,539	617,021
Contract services	72,209	194,986
Operating	3,993,939	4,657,023
Depreciation	556,932	557,288
Total Operating Expenses	<u>6,799,536</u>	<u>7,381,426</u>
Operating loss	<u>(613,123)</u>	<u>(466,513)</u>
NONOPERATING REVENUES		
Gain on disposal of capital assets	164,943	6,307
Total Nonoperating Revenues	<u>164,943</u>	<u>6,307</u>
Change in Net Position	(448,180)	(460,206)
Total net position - beginning	<u>7,687,425</u>	<u>8,147,631</u>
Total net position - ending	<u>\$ 7,239,245</u>	<u>\$ 7,687,425</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Cash Flows– Proprietary Fund
 Highway Operations Enterprise Fund
 For the Year Ended December 31, 2020
 With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Receipts from customers and users	\$ 1,462,874	\$ 2,191,194
Receipts from interfund services provided	4,757,900	4,518,174
Payments to suppliers	(5,041,227)	(4,195,617)
Payments to employees	(2,160,159)	(1,872,060)
Net cash provided by (used in) operating activities	<u>(980,612)</u>	<u>641,691</u>
Cash flows from noncapital financing activities		
Advances received from (returned) to the general fund	1,227,830	(174,756)
Net cash provided (used) by noncapital financing activities	<u>1,227,830</u>	<u>(174,756)</u>
Cash flows from capital and related financing activities		
Proceeds from sale of assets	164,943	67,550
Purchase of capital assets	(612,161)	(534,485)
Net cash used in capital and related financing activities	<u>(447,218)</u>	<u>(466,935)</u>
Net change in cash and cash equivalents	(200,000)	-
Cash and cash equivalents - January 1	<u>200,050</u>	<u>200,050</u>
Cash and cash equivalents - December 31	<u>\$ 50</u>	<u>\$ 200,050</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (613,123)	\$ (466,513)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	556,932	557,288
Changes in assets, deferred outflows, liabilities and deferred inflows		
Accounts receivable	34,361	(90,493)
Inventories and prepaid items	15,957	(151,280)
Net pension asset / liability	(537,964)	510,298
Net pension related deferred outflows	164,889	(328,467)
Change in WRS pension related deferred inflows	387,541	(79,644)
Accounts payable	(991,036)	747,083
Unearned revenue	-	(81,833)
Compensated absences payable	(21,103)	22,020
OPEB liability	67,745	(1,262)
OPEB related deferred outflows	(43,094)	(17,795)
OPEB related deferred inflows	(1,717)	22,289
Net cash provided by (used in) operating activities	<u>\$ (980,612)</u>	<u>\$ 641,691</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	<u>Custodial Funds</u>
Assets	
Cash and investments	<u>\$ 4,616,343</u>
Liabilities	
Due to other governments	<u>4,006,962</u>
Fiduciary net position	
Fiduciary net position	<u><u>\$ 609,381</u></u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial Funds
	<hr/>
Additions	
Property taxes collected for other governments	\$ 3,917,116
Deposits for human services clients	1,069,536
Fines, fees, forfeitures and general trust	1,263,184
Inmate deposits	407,187
Total additions	<hr/> <u>6,657,023</u>
 Deductions	
Property taxes distributed to other governments	\$ 3,917,116
Payments for human services clients	992,331
Fines, fees and forfeitures	852,435
General trust	521,725
Inmate disbursements	400,986
Total deductions	<hr/> <u>6,684,593</u>
 Change in fiduciary net position	 (27,570)
 Fiduciary net position - beginning (as restated)	 <hr/> 636,951
 Fiduciary net position - ending	 <hr/> <u>\$ 609,381</u>

The notes to the basic financial statements are an integral part of this statement.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Calumet County, Wisconsin (the "County"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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

Calumet County is a municipal corporation governed by an elected twenty-one member board. In accordance with GAAP, the basic financial statements are required to include the County and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The County implemented as of January 1, 2020.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The County has no internal service funds. 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

This is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Human Services Fund

This fund accounts for the County's many comprehensive and integrated programs which deal with the physical, social, mental, emotional, economic, vocational and nutritional needs of individuals and families. Primary revenues consist of property taxes, federal and state aids.

Capital Improvements Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. Primary revenues consist of debt proceeds.

Debt Service Fund

This fund accounts for financial resources to be used for the payment of long-term principal and interest of debt.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County reports the following major proprietary fund:

Highway operations fund accounts for the activities associated with the maintenance and/or construction of roadways located within the County.

Additionally, the County reports the following fund types:

- ▶ *Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted or committed for specific purposes. The County reports the following non-major special revenue funds:

Home Nursing	Land Records
School for Handicapped	Micro Loan Program
County Roads & Bridges	Dog Licenses
Jail Maintenance	

- ▶ *Capital projects funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The County reports the following non-major capital project fund:

County Sales Tax

- ▶ *Fiduciary funds – custodial funds* are used to account for and report assets controlled by the County and asset are for the benefit of individuals, private organizations and/or other governmental units. The County reports the following custodial funds:

Tax Collections	Clerk of Courts
Representative Payee	Inmate Trust

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's public works function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 County's enterprise fund are charges to customers for services. Operating expenses for enterprise funds include the costs of 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.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as a deferred inflows of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's General Fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes of \$22,490,552 are recorded on December 31, 2020 for collection in 2021 for the County apportionment. The County apportionment is for financing 2021 operations and will be transferred in 2021 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Loans Receivable

The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as “advances to other funds” and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation. The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

6. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepayments and are expensed in the periods benefitted.

Prepaid items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of a year. 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 asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	20	-
Buildings and improvements	50	15 - 50
Machinery and equipment	5 - 25	3 - 25
Infrastructure	20 - 100	-

9. Compensated Absences

It is the County’s policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

11. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds when considered material. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

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.

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Single Employer Plan

Qualifying employees are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the County. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the County has used values provided by their actuary. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Local Retiree Life Insurance Fund

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 deferred inflows of resources related to other postemployment benefits, 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of County administrative services committee, upon recommendation of the County administrator and finance director. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position. Net position that is neither classified as restricted nor as net investment in capital assets.

E. USE OF ESTIMATES

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

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the County's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2020 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
Special revenue fund	
Home Nursing	\$ 107,681
School for Handicapped	15,160
Land Records	8,172
Micro Loan Program	12,197
Debt service fund	
Debt issuance costs	123,000
Capital projects fund	
General government	159,449

B. DEFICIT FUND BALANCE

The following governmental fund had a deficit fund balance as of December 31, 2020 as follows:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Special revenue fund	
Land Records	\$ 13,993

C. PROPERTY TAX LEVY LIMIT

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2020 and 2021 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2020 budget was 2.29%. The actual limit for the County for the 2021 budget was 1.43%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$33,992,330 on December 31, 2020 as summarized below:

Petty cash and cash on hand	\$ 5,702
Deposits with financial institutions	18,728,469
Investments	
U.S. Treasury securities	385,148
Money market mutual fund	504,166
Federal National Mortgage Association	1,862,437
Federal Home Loan Mortgage Corporation	681,081
Federal Farm Credit Banks	3,274,649
Wisconsin local government investment pool	8,550,678
	<u>\$ 33,992,330</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 29,375,987
Fiduciary fund statement of net position	
Cash and investments	4,616,343
	<u>\$ 33,992,330</u>

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2020:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasury securities	\$ -	\$ 385,148	\$ -
Federal National Mortgage Association	-	1,862,437	-
Federal Home Loan Mortgage Corporation	-	681,081	-
Federal Farm Credit Banks	-	3,274,649	-
	<u>\$ -</u>	<u>\$ 6,203,315</u>	<u>\$ -</u>

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the County's deposits and investments and the related risks.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County has the following additional custodial credit policy.

Limiting investments to the safest types of securities.

Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business.

Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash.

As of December 31, 2020, \$13,423,481 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits, which were fully collateralized with securities held by the pledging financial institution or its trust department or an agent.

As of December 31, 2020, \$500,000 of the County's investments are covered by the SIPC. In addition, the custodian of the County's investments provides additional coverage in excess of SIPC.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The County does not have an additional credit risk policy.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	Aaa / AA +	Not Rated
U.S. Treasury securities	\$ 385,148	\$ 385,148	\$ -	\$ -
Money market mutual fund	504,166	-	-	504,166
Federal National Mortgage Association	1,862,437	-	1,862,437	-
Federal Home Loan Mortgage Corporation	681,081	-	681,081	-
Federal Farm Credit Banks	3,274,649	-	3,274,649	-
Wisconsin local government investment pool	8,550,678	-	-	8,550,678
Totals	\$ 15,258,159	\$ 385,148	\$ 5,818,167	\$ 9,054,844

County investments were rated AAA by Moody's and AA+by Standard and Poors.

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal National Mortgage Association	Bonds	\$ 1,862,437	12%
Federal Farm Credit Bureau	Bonds	3,274,649	21%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has the following formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates:

Structuring the investment portfolio so that securities mature to meet cash requirement for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S Treasury securities	\$ 385,148	\$ -	\$ 385,148	\$ -	\$ -
Money market mutual fund	504,166	504,166	-	-	-
Federal National Mortgage Association	1,862,437	251,657	-	1,610,780	-
Federal Home Loan Mortgage Corporation	681,081	-	-	681,081	-
Federal Farm Credit Bank	3,274,649	381,915	-	2,892,734	-
Wisconsin local government investment pool	8,550,678	8,550,678	-	-	-
Totals	\$ 15,258,159	\$ 9,688,416	\$ 385,148	\$ 5,184,595	\$ -

Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin Local Government Investment Pool of \$8,550,678 at year-end. The 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. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

The County's investment in the Wisconsin Local Government Investment Pool is not rated.

B. DELINQUENT PROPERTY TAXES - GENERAL FUND

Delinquent property taxes of the General Fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2020, the County's general fund showed an investment of \$634,609 in delinquent taxes as follows:

Tax certificates	\$ 616,232
Delinquent special assessments	14,829
Tax deeds	3,548
Total	\$ 634,609

An aging of the delinquent taxes and special assessments of \$634,609 on December 31, 2020 follows:

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

<u>Year Acquired</u>	<u>General</u>
Prior to 2013	\$ 2,581
2014	1,380
2015	1,390
2016	7,154
2017	39,136
2018	171,918
2019	392,673
	<u>616,232</u>
Delinquent special assessments	14,829
Tax deeds	3,548
Total	<u>\$ 634,609</u>

Of the total of \$634,609 for delinquent taxes and special assessments, \$93,877 was collected within 60 days of year-end and \$14,829 is payable to municipalities upon collections. The remaining balance of \$525,903 is recorded as nonspendable fund balance for the general fund.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 3,678,171	\$ 350,000	\$ -	\$ 4,028,171
Construction in progress	5,372,075	20,269,443	1,461,400	24,180,118
Total capital assets, nondepreciable	<u>9,050,246</u>	<u>20,619,443</u>	<u>1,461,400</u>	<u>28,208,289</u>
Capital assets, depreciable:				
Land improvements	5,432,797	-	-	5,432,797
Buildings and improvements	14,711,156	1,546,945	-	16,258,101
Machinery and equipment	8,583,860	749,719	278,015	9,055,564
Infrastructure	86,167,201	2,485,446	1,156,936	87,495,711
Subtotals	<u>114,895,014</u>	<u>4,782,110</u>	<u>1,434,951</u>	<u>118,242,173</u>
Less accumulated depreciation for:				
Land improvements	3,910,000	138,847	-	4,048,847
Buildings and improvements	7,557,916	309,264	-	7,867,180
Machinery and equipment	4,310,760	876,637	151,495	5,035,902
Infrastructure	60,894,632	2,622,367	1,156,936	62,360,063
Subtotals	<u>76,673,308</u>	<u>3,947,115</u>	<u>1,308,431</u>	<u>79,311,992</u>
Total capital assets, depreciable, net	<u>38,221,706</u>	<u>834,995</u>	<u>126,520</u>	<u>38,930,181</u>
Governmental activities capital assets, net	<u>\$ 47,271,952</u>	<u>\$ 21,454,438</u>	<u>\$ 1,587,920</u>	67,138,470
Less: Capital related general obligation debt				33,074,486
Less: Capital related accounts and retainage payable				<u>3,001,491</u>
Net investment in capital assets				<u>\$ 31,062,493</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 26,191	\$ -	\$ -	\$ 26,191
Construction in progress	271,781	45,387	271,781	45,387
Total capital assets, nondepreciable	<u>297,972</u>	<u>45,387</u>	<u>271,781</u>	<u>71,578</u>
Capital assets, depreciable:				
Buildings and improvements	8,189,785	16,843	-	8,206,628
Machinery and equipment	7,136,042	821,712	189,628	7,768,126
Subtotals	<u>15,325,827</u>	<u>838,555</u>	<u>189,628</u>	<u>15,974,754</u>
Less accumulated depreciation for:				
Buildings and improvements	777,266	170,782	-	948,048
Machinery and equipment	4,504,553	386,150	189,628	4,701,075
Subtotals	<u>5,281,819</u>	<u>556,932</u>	<u>189,628</u>	<u>5,649,123</u>
Total capital assets, depreciable, net	<u>10,044,008</u>	<u>281,623</u>	<u>-</u>	<u>10,325,631</u>
Business-type activities capital assets, net	<u>\$ 10,341,980</u>	<u>\$ 327,010</u>	<u>\$ 271,781</u>	<u>\$ 10,397,209</u>

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions of the County as follows:

Governmental activities	
General government	\$ 314,279
Public safety	614,732
Public works	2,684,801
Health and social services	94,137
Education and recreation	205,594
Conservation and development	33,572
Total depreciation expense - governmental activities	<u>\$ 3,947,115</u>
Business-type activities	
Highway operations	<u>\$ 556,932</u>

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2020 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General	\$ 436,335	-
Human Services	-	434,681
Land Records	-	1,654
Subtotal	<u>436,335</u>	<u>436,335</u>
Long-term advances to finance operating cash deficits		
Governmental fund		
General	3,152,632	-
Proprietary fund		
Highway operations	-	3,152,632
Subtotal	<u>3,152,632</u>	<u>3,152,632</u>
Totals	<u>\$ 3,588,967</u>	<u>\$ 3,588,967</u>

No schedule repayment schedule exists and interest is not charged the highway operations fund.

Interfund transfers for the year ended December 31, 2020 were as follows:

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 1,329,263	\$ -
Human Services	-	1,329,263
	<u>\$ 1,329,263</u>	<u>\$ 1,329,263</u>

Transfers were used for the following purposes:

Operating surplus returned to general fund	<u>\$ 1,329,263</u>
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CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2020:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 17,000,000	\$ 15,000,000	\$ 525,000	\$ 31,475,000	\$ -
Notes	13,650,000	-	2,340,000	11,310,000	2,165,000
Total general obligation debt	<u>30,650,000</u>	<u>15,000,000</u>	<u>2,865,000</u>	<u>42,785,000</u>	<u>2,165,000</u>
Debt premium	774,924	232,292	58,241	948,975	71,906
Capital leases	26,240	-	5,966	20,274	6,700
Compensated absences	<u>1,993,328</u>	<u>2,017,878</u>	<u>1,993,328</u>	<u>2,017,878</u>	<u>1,195,812</u>
Governmental activities Long-term obligations	<u>\$ 33,444,492</u>	<u>\$ 17,250,170</u>	<u>\$ 4,922,535</u>	<u>\$ 45,772,127</u>	<u>\$ 3,439,418</u>
Business-type activities:					
Compensated absences	<u>\$ 120,492</u>	<u>\$ 99,389</u>	<u>\$ 120,492</u>	<u>\$ 99,389</u>	<u>\$ 99,389</u>

Total interest paid during the year on long-term debt totaled \$848,103.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/20
General obligation notes	10/06/14	12/01/23	2.10 - 2.30%	\$ 3,200,000	\$ 1,325,000
General obligation notes	12/01/15	12/01/25	2.00%	5,000,000	3,480,000
General obligation notes	11/07/16	12/01/25	2.00%	7,640,000	3,760,000
General obligation notes	11/19/18	12/01/27	3.00 - 3.50%	2,945,000	2,745,000
General obligation bonds	09/09/19	12/01/38	2.00 - 3.00%	17,000,000	16,475,000
General obligation bonds	09/29/20	12/01/39	1.25 - 2.00%	15,000,000	15,000,000
Total outstanding general obligation debt					<u>\$ 42,785,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$42,785,000 on December 31, 2020 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 2,165,000	\$ 991,197	\$ 3,156,197
2022	2,205,000	896,631	3,101,631
2023	2,250,000	848,781	3,098,781
2024	2,050,000	798,931	2,848,931
2025	2,090,000	754,081	2,844,081
2026-2030	10,140,000	3,077,855	13,217,855
2031-2035	11,620,000	1,782,012	13,402,012
2036-2039	10,265,000	522,307	10,787,307
	<u>\$ 42,785,000</u>	<u>\$ 9,671,795</u>	<u>\$ 52,456,795</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2020 was \$194,329,927 as follows:

Equalized valuation of the County		\$4,739,204,400
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>236,960,220</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 42,785,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>154,707</u>	
Net outstanding general obligation debt applicable to debt limitation		42,630,293
Legal margin for new debt		<u><u>\$ 194,329,927</u></u>

Capital Lease

The County has entered into lease agreements as lessee for financing the acquisition of various units of equipment for use in the County's governmental funds. Equipment acquired through these lease agreements includes copiers/printers. No down payments were required for these lease agreements.

The agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the date of their inception. The cost of the capital assets under capital leases is \$35,915 and the related accumulated depreciation is \$21,550 as of December 31, 2020.

The following is a schedule of the minimum lease payments under the lease agreements and the present values of the minimum lease payments at December 31, 2020:

Year Ending	Governmental Activities
2021	\$ 8,706
2022	8,706
2023	6,113
Subtotal	<u>23,525</u>
Less: Amount representing interest	3,251
Present value of future minimum lease payments	<u><u>\$ 20,274</u></u>

F. 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 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 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.

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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

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, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

During the year ending December 31, 2020, the WRS recognized \$1,076,567 in contributions from the County.

Contribution rates for the reporting period ending December 31, 2020 are:

Employee Category	Employee	Employer
General (including executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

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

At December 31, 2020, the County reported an asset of \$3,292,442 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was 0.10210845%, which was an increase of 0.00147163% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized pension expense of \$1,090,286.

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 6,249,808	\$ 3,127,611
Net differences between projected and actual earnings on pension plan investments	-	6,730,924
Changes in assumptions	256,568	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,346	20,007
Employer contributions subsequent to the measurement date	1,172,595	-
Total	\$ 7,688,317	\$ 9,878,542

The \$1,172,595 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows/ Inflows of Resources (net)
2021	\$ (1,005,824)
2022	(745,949)
2023	119,151
2024	(1,730,198)
Total	\$ (3,362,820)

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2018
Measurement date of net pension liability (asset):	December 31, 2019
Actuarial cost method:	Entry Age Normal
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.0%
Discount rate:	7.0%
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. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Long-term Expected Return on Plan Assets. 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 Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9%	6.3%	3.5%
Private Equity/Debt	8%	10.6%	7.6%
Multi-asset	4%	6.9%	4.0%
Total Core Fund	110%	7.5%	4.6%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.5%	4.6%
International Equities	30%	8.2%	5.3%
Total Variable Fund	100%	7.8%	4.9%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). 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 7.0 percent, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
County's proportionate share of the net pension liability (asset)	\$ 8,478,628	\$ (3,292,442)	\$ (12,092,671)

Pension plan fiduciary net position. Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Payables to the Pension Plan

At December 31, 2020, the County reported no amount outstanding for contributions to the pension plan for the year ended December 31, 2020.

G. OTHER POSTEMPLOYMENT BENEFITS

The County reports OPEB related balances at December 31, 2020 as summarized below:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Local Retiree Life Insurance Fund (LRLIF)	\$ 1,222,600	\$ 546,707	\$ 189,248	\$ 142,634
Single-employer defined OPEB plan	3,420,410	436,174	85,220	388,498
Total pension liability	<u>\$ 4,643,010</u>	<u>\$ 982,881</u>	<u>\$ 274,468</u>	<u>\$ 531,132</u>

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

1. Single-employer Defined Postemployment Benefit Plan

Plan Description

The County administers a single-employer defined benefit postemployment health plan that covers retired employees of the County. Eligible retired employees have access to group medical coverage through the County's group plan. County paid medical benefits are paid for as indicated below. All employees of the County are eligible for the Plan if they meet the following age and service requirements below. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The County provides medical (including prescription drugs) and dental coverage for retired employees through the County's self-insured plans.

Employees Covered by Benefit Terms

At January 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Active employees	243
	<hr/>
	260
	<hr/>

Contributions

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. County paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

OPEB Liability

The County's OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2019, and then rolled forward to the measurement date.

Actuarial Assumptions. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.74%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.2% - 4.8%
Healthcare cost trend rates:	5.70% for 2020, decreasing to 4.60% by 2030. 3.80% ultimate rate

Mortality rates are the same as those used in the 2018 Wisconsin Retirement System Actuarial Valuation reports. The actuarial assumptions used in the January 1, 2020 valuation were based on the "Wisconsin Retirement System 2015 - 2017 Experience Study".

Discount Rate. The discount rate used to measure the total OPEB liability was 2.74, which is based on the municipal bond rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Changes in the Total OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
Balance at December 31, 2019	<u>\$ 3,149,484</u>
Changes for the year:	
Service cost	223,800
Interest	135,223
Effect of economic/demographic gains or losses	5,034
Effect of assumptions changes or inputs	58,717
Benefit payments	<u>(151,848)</u>
Net changes	<u>270,926</u>
Balance at December 31, 2020	<u><u>\$ 3,420,410</u></u>

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the Total OPEB liability of the County, as well as what the County's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current rate:

	1% Decrease to Discount Rate (3.10%)	Current Discount Rate (4.10%)	1% Increase to Discount Rate (5.10%)
Total OPEB liability	<u>\$ 3,684,776</u>	<u>\$ 3,420,410</u>	<u>\$ 3,169,524</u>

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	<u>\$ 2,998,645</u>	<u>\$ 3,420,410</u>	<u>\$ 3,921,675</u>

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$361,291. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 4,461</u>	<u>\$ 72,286</u>
Changes in assumptions	284,798	12,934
County contributions subsequent to the measurement date	146,915	-
Total	<u><u>\$ 436,174</u></u>	<u><u>\$ 85,220</u></u>

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

The \$146,915 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Deferred Outflows/ Inflows of Resources (net)
2021	\$ 29,475
2022	29,475
2023	29,475
2024	31,849
2025	29,149
Thereafter	54,616
Total	<u>\$ 204,039</u>

Payable to the OPEB Plan

At December 31, 2020, the County reported no amount payable for contributions to the Plan required for the year ended December 31, 2020.

Plan Financial Report

The County has not established a separate, irrevocable trust to fund the annual OPEB cost and does not issue separate plan statements.

2. Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a cost-sharing, 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 postemployment life insurance benefits for all eligible employees.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

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.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Contribution rates as of December 31, 2020 are:

Coverage Type	Employer Contribution
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are as listed below:

Life Insurance
Employee Contribution Rates
For the Year Ended December 31, 2019

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

During the year ending December 31, 2020, the LRLIF recognized \$5,190 in contributions from the employer.

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

At December 31, 2020, the County reported a liability (asset) of \$1,222,600 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the County's proportion was 0.28711700%, which was an increase of 0.0095640% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the County recognized OPEB expense of \$94,360.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 54,771
Net differences between projected and actual earnings on OPEB plan investments	23,062	-
Changes in assumptions	451,022	134,477
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,704	-
Employer contributions subsequent to the measurement date	5,919	-
Total	<u>\$ 546,707</u>	<u>\$ 189,248</u>

\$5,919 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability (Asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows/ Inflows of Resources (net)</u>
2021	\$ 61,866
2022	61,866
2023	59,380
2024	56,818
2025	45,462
Thereafter	66,148
Total	<u>\$ 351,540</u>

Actuarial assumptions. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2019
Measurement date of net OPEB liability (asset):	December 31, 2019
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	2.74%
Long-term expected rate of return:	4.25%
Discount rate:	2.87%
Salary increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

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. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

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. Credit Bonds	Barclays Credit	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Sensitivity of the County’s proportionate share of 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%, 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%) or 1-percentage-point higher (5.22%) than the current rate:

	<u>1% Decrease to Discount Rate (1.87%)</u>	<u>Current Discount Rate (2.87%)</u>	<u>1% Increase to Discount Rate (3.87%)</u>
County's proportionate share of the net OPEB liability (asset)	\$ 1,688,206	\$ 1,222,600	\$ 868,365
<i>OPEB Plan Fiduciary Net Position</i>			

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

H. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.

At December 31, 2020, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Delinquent property taxes	\$ 525,903
Advances to other funds	2,751,894
Inventories	31,175
Prepaid items	230,263
Insurance capital deposits	54,900
Total General Fund nonspendable fund balance	<u>3,594,135</u>
Special Revenue Fund	
Nonspendable	
Human services - prepaid items	<u>205</u>
Total nonspendable fund balance	<u>\$ 3,594,340</u>

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2020, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
Home nursing program	\$ 331,385
School for handicapped	280,587
Jail maintenance	108,166
Dog licenses	1,000
Total Special Revenue Funds restricted fund balance	<u>721,138</u>
 Debt Service Fund	
Restricted for	
Debt service	<u>154,707</u>
 Capital Projects Fund	
Restricted for	
Capital projects	<u>6,629,329</u>
 Total restricted fund balance	<u>\$ 7,505,174</u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2020, governmental fund balance was committed as follows:

General Fund	
Committed for subsequent years' expenditures	
Self insurance retention	<u>\$ 300,000</u>
 Special Revenue Funds	
Committed for	
Highway maintenance	1,584,263
Economic development	34,003
Total Special Revenue Funds committed fund balance	<u>1,618,266</u>
 Capital Projects Fund	
Committed for	
Capital projects	<u>2,739,057</u>
 Total committed fund balance	<u>\$ 4,657,323</u>

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Assigned Fund Balance

In the fund financial statements, portions of government fund balances are assigned by County Board action. At December 31, 2020, governmental fund balance was assigned as follows:

General Fund

Assigned for:

Subsequent year budget	\$ 1,459,894
Finance	21,405
Information services	280,535
County board	46,988
Human resources	43,112
Economic development	2,485
Treasurer	23,925
Register of deeds	168,187
Maintenance	2,300
Sheriff	95,680
Emergency management	5,161
Parks	107,725
Land and water conservation	30,219
Planning	4,750

Total \$ 2,292,366

Minimum General Fund Balance Policy

The County has also adopted a minimum fund balance policy of 15% of current year expenditures for the governmental funds except debt service and capital projects. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

2020 Governmental Fund Expenditures	\$ 68,630,224
Less:	
Debt service fund expenditures	(3,836,103)
Capital projects fund expenditures	(23,527,269)
Subtotal	<u>41,266,852</u>
Minimum Fund Balance %	(x) 15%
Minimum Fund Balance Amount	<u><u>\$ 6,190,028</u></u>

The County is in compliance with the minimum fund balance policy.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 3: DETAILED NOTES ON ALL FUNDS

Net Position

The County reports restricted net position at December 31, 2020 as follows:

Governmental activities	
Restricted for	
Home nursing	\$ 331,385
School for handicapped	280,587
Jail maintenance	108,166
Dog licenses	1,000
Debt service	28,993
Pension benefits	3,030,543
Total governmental activities restricted net position	<u>3,780,674</u>
Business-type activities	
Restricted for	
Pension benefits	261,899
Total restricted net position	<u>\$ 4,042,573</u>

NOTE 4: OTHER INFORMATION

A. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County completes an annual review of its insurance coverage to ensure adequate coverage. A description of the County's risk management programs is presented below:

Property and Liability Insurance

The County is a member of the Wisconsin County Mutual insurance Corporation (WCMIC). WCMIC was created by several governmental units within the State of Wisconsin to provide general, auto and other liability insurance services to its members. The County pays premiums to WCMIC for its liability insurance coverage. The actuary for WCMIC determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based. Premium charges for WCMIC are recorded as expenditures or expenses in various funds of the County. The County's self-insured retention limit was \$25,000 for each occurrence for 2020, with a maximum limit of \$150,000 annually. A separate financial report is issued annually by WCMIC.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures or expenses in various funds of the County. Settlements have not exceeded insurance coverage for each of the past three years. There have also been no significant changes in insurance coverage from the prior year.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 4: OTHER INFORMATION

B. WORKERS COMPENSATION

The County has established a worker’s compensation program to finance workers compensation awards for County employees. The program is funded by charges to County departments. The program is supplemented by stop loss protection, which limits the County’s annual liability to \$300,000 per specific claim. Expenses consist of payments for claims, stop loss insurance premiums and administrative costs. A claims liability was reported in the general fund at December 31, 2020, based on the requirements of GASB Statement No. 10, which requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability for 2020 and 2019 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2019	\$ 344,688	\$ 60,043	\$ 207,190	\$ 197,541
2020	197,541	57,724	70,209	185,056

For the County’s self-insured risk management areas, there have been no significant reductions in insurance coverage in comparison to the prior year. Also, the amount of insurance settlements for each of the County’s self-insured risk management areas has not exceeded insurance coverage in any of the past three years.

C. COMMITMENTS

On May 21, 2019, the County Board adopted the Initial Resolution authorizing General Obligation Bonds and/or Promissory Notes in an amount not to exceed \$35,000,000 for the construction of a new County jail facility and renovation of the County courthouse. The County issued general obligation bonds in three phases to provide funds for Project construction which began in fall of 2019 and is expected to be completed in fall 2021. The County issued \$17,000,000 of General Obligation County Building Bonds dated September 9, 2019; \$15,000,000 of General Obligation County Building Bonds dated September 27, 2020 as phase 2; and \$3,000,000 of General Obligation County Building Bonds dated July 1, 2021.

The Courthouse renovation project was completed during 2020 and placed into service. The County has entered into contracts with an architect and general contractor totaling \$32.9 million for the jail project, with total incurred costs of \$24 million as of December 31, 2020. The remaining project budget will be carried forward into 2021 to finance the completion of the project.

D. CONTINGENCIES

The County has identified the following items as potential liabilities not recorded on the basic financial statements:

1. The County participates in a number of federal and state assisted grant agreements. These programs are subject to program compliance audits by the grantors or their representatives. An audit under Federal *Uniform Guidance* and the *State Audit Guidelines* has been conducted but final acceptance is still pending. Accordingly, the County’s compliance with applicable grant requirements will be established at some future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
2. From time to time, the County is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Corporation Counsel 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.

CALUMET COUNTY, WISCONSIN

Notes to Basic Financial Statements
December 31, 2020

NOTE 4: OTHER INFORMATION

E. UPCOMING ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32.*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years. When they become effective, application of these standards may restate portions of these financial statements.

F. SUBSEQUENT EVENTS

The federal government passed the American Rescue Plan Act (ARPA) of 2021 on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts, including assisting state and local governments cover increased expenditures, replenish lost revenue, mitigate economic harm from the COVID-19 pandemic, and potential capital improvements. The County's ARPA award is \$9,729,201, with \$4,864,601 received in May, 2021, and the remaining balance expected a year later. The County may use these funds are to cover costs incurred by December 31, 2024.

On July 1, 2021, the County issued \$3,000,000 General Obligation County Building Bonds to complete the financing of a new County jail facility and renovation of the County Courthouse approved by the County Board in 2019. The bonds are due from 2024 through 2039, and bear interest of 1.15% to 3.0%.

CALUMET COUNTY, WISCONSIN

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 12,796,377	\$ 12,796,377	\$ 12,802,581	\$ 6,204
Intergovernmental	5,480,543	6,936,063	3,289,612	(3,646,451)
Licenses and permits	150,765	150,765	150,357	(408)
Fines and forfeitures	120,000	120,000	78,679	(41,321)
Public charges for services	1,847,559	1,932,237	2,064,001	131,764
Intergovernmental charges for services	275,874	275,874	264,629	(11,245)
Interest	600,600	600,600	219,444	(381,156)
Miscellaneous	370,918	370,918	418,086	47,168
Total revenues	<u>21,642,636</u>	<u>23,182,834</u>	<u>19,287,389</u>	<u>(3,895,445)</u>
Expenditures				
Current:				
General government	7,360,319	7,812,609	6,502,147	1,310,462
Public safety	7,764,884	8,061,463	7,807,107	254,356
Health and social services	180,734	180,734	169,860	10,874
Education and recreation	2,339,504	2,523,505	1,932,663	590,842
Conservation and development	5,138,224	5,921,043	2,385,339	3,535,704
Total expenditures	<u>22,783,665</u>	<u>24,499,354</u>	<u>18,797,116</u>	<u>5,702,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,141,029)</u>	<u>(1,316,520)</u>	<u>490,273</u>	<u>1,806,793</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>1,329,263</u>	<u>1,329,263</u>
Net change in fund balance	(1,141,029)	(1,316,520)	1,819,536	3,136,056
Fund balance - beginning	<u>15,279,337</u>	<u>15,279,337</u>	<u>15,279,337</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 14,138,308</u></u>	<u><u>\$ 13,962,817</u></u>	<u><u>\$ 17,098,873</u></u>	<u><u>\$ 3,136,056</u></u>

See notes to required supplementary information.

CALUMET COUNTY, WISCONSIN

Human Services Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 4,985,024	\$ 4,985,024	\$ 4,985,024	\$ -
Intergovernmental	8,770,951	9,143,607	9,943,765	800,158
Public charges for services	1,971,771	1,971,771	2,038,334	66,563
Total revenues	<u>15,727,746</u>	<u>16,100,402</u>	<u>16,967,123</u>	<u>866,721</u>
Expenditures				
Current:				
Health and social services	15,727,746	15,814,444	15,637,860	176,584
Total expenditures	<u>15,727,746</u>	<u>15,814,444</u>	<u>15,637,860</u>	<u>176,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>285,958</u>	<u>1,329,263</u>	<u>1,043,305</u>
Other financing uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,329,263)</u>	<u>(1,329,263)</u>
Net change in fund balance	-	285,958	-	(285,958)
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 285,958</u>	<u>\$ -</u>	<u>\$ (285,958)</u>

See notes to required supplementary information.

CALUMET COUNTY, WISCONSIN

Schedule of Proportionate Share of the Net Pension Liability (Asset)
Wisconsin Retirement System
Last 10 Fiscal Years

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.09459513%	\$ (2,323,515)	\$ 12,531,666	18.54%	102.74%
12/31/15	0.09618635%	1,563,010	13,435,242	11.63%	98.20%
12/31/16	0.09744080%	803,145	13,442,417	5.97%	99.12%
12/31/17	0.09974523%	(2,961,554)	14,053,383	21.07%	102.93%
12/31/18	0.10063682%	3,580,342	14,614,753	24.50%	96.45%
12/31/19	0.10210845%	(3,292,442)	15,252,852	21.59%	102.96%

Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 962,845	\$ 962,845	\$ -	\$ 13,435,242	7.17%
12/31/16	935,915	935,915	-	13,442,417	6.96%
12/31/17	1,027,293	1,027,293	-	14,053,383	7.31%
12/31/18	1,053,342	1,053,342	-	14,614,753	7.21%
12/31/19	1,076,567	1,076,567	-	15,252,852	7.06%
12/31/20	1,172,597	1,172,597	-	15,849,543	7.40%

See notes to required supplementary information.

CALUMET COUNTY, WISCONSIN

Schedule of Proportionate Share of the Net OPEB Liability (Asset)
Local Retiree Life Insurance Fund
Last 10 Fiscal Years

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.27377400%	\$ 823,671	\$ 11,512,980	7.15%	44.81%
12/31/18	0.27755300%	716,180	13,722,000	5.22%	48.69%
12/31/19	0.28711700%	1,222,600	14,059,000	8.70%	37.58%

Schedule of Contributions
Local Retiree Life Insurance Fund
Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
12/31/18	\$ 5,369	\$ 5,369	\$ -	\$ 13,722,000	0.04%
12/31/19	5,347	5,347	-	14,059,000	0.04%
12/31/20	5,919	5,919	-	15,849,543	0.04%

See notes to required supplementary information.

CALUMET COUNTY, WISCONSIN

Schedule of Changes in OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 223,800	\$ 238,050	\$ 219,343	\$ 218,172
Interest	135,223	101,027	100,186	87,899
Differences between expected and actual experience	5,034	(93,610)	-	-
Changes of assumptions	58,717	263,449	49,423	(28,242)
Benefit payments	(151,848)	(115,437)	(87,226)	(94,257)
Net change in total OPEB liability	270,926	393,479	281,726	183,572
Total OPEB liability - beginning	3,149,484	2,756,005	2,474,279	2,290,707
Total OPEB liability - ending	<u>\$ 3,420,410</u>	<u>\$ 3,149,484</u>	<u>\$ 2,756,005</u>	<u>\$ 2,474,279</u>
Covered-employee payroll	\$ 15,849,543	\$ 15,252,852	\$ 14,614,753	\$ 14,053,383
County's total OPEB liability as a percentage of covered payroll	21.58%	20.65%	18.86%	17.61%

* The amounts presented for each fiscal year were determined as of the current fiscal year end. Amounts for prior years were not available.

See notes to required supplementary information.

CALUMET COUNTY, WISCONSIN

Notes to Required Supplementary Information December 31, 2020

A. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The County prepares an annual budget in accordance with Chapter 65 of the Wisconsin Statutes for each year ending December 31.

The County adopts annual appropriated budgets for the general, special revenue, debt service, capital project, and enterprise funds. For the proprietary fund types, the budget is viewed as an approved operating plan.

During September and October of each year, all departments of Calumet County submit written requests for appropriations to the County Administrator so that a budget may be prepared.

The County's Administrator and the Administrative Services Committee hold several budgetary review meetings to consider departmental budgets.

Any modifications of budget items as a result of these meetings require notification to the departments and/or committees of jurisdiction.

If the department or committee of jurisdiction request to be heard in rebuttal, the County's Administrator and the Administrative Services Committee shall grant that opportunity.

1. In October, the preliminary budget as approved by the Administrative Services Committee is introduced by the County Administrator to the County Board of Supervisors. Fifteen days before final adoption of the budget, a public hearing notice is posted, and the public is invited to inspect the budget. The public hearing on the budget is held. Discussion and/or changes may be made to the budget. Subsequently, the final version of the budget is approved (a majority vote of members present is required) through the County's property tax resolution and the budget is formally adopted at the functional level of expenditures.
2. Major budgetary transfers and changes must be introduced by the Administrative Services Committee through resolutions. All such resolutions must be approved by the County Board of Supervisors. Minor budgetary transfers and changes, defined as ten percent or less of a department's annual approved budget, are approved by the County's Finance Director. The final budgeted amounts presented in the basic financial statements include any amendments made.
3. All annual appropriations lapse at year-end unless specifically authorized as non-lapsing appropriations by the County's Administrative Services Committee. The portion of fund balance representing non-lapsing appropriations is reported as a committed fund balance.
4. Encumbrance accounting is used by the County as an extension of formal budgetary control during the year. Encumbrances outstanding at year-end (e.g., construction related purchase orders and contracts) are reported as committed fund balances.

The County did not have any material violations of legal or contractual provisions for the fiscal year ended December 31, 2020.

B. WISCONSIN RETIREMENT SYSTEM

The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

Changes of assumptions. . There were no changes of assumptions for any participating employer in the WRS.

CALUMET COUNTY, WISCONSIN

Notes to Required Supplementary Information
December 31, 2020

C. OTHER POSTEMPLOYMENT BENEFITS

The County is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Single-employer Defined Postemployment Benefit Plan

There were no changes in benefit terms. Several actuarial assumptions changed from the prior year, including the single discount rate and healthcare cost trend rates. Please refer to the Actuarial Assumptions section for additional details.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Local Retiree Life Insurance Fund (LRLIF)

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

Changes of assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section for additional details.

CALUMET COUNTY, WISCONSIN

Combining Balance Sheet –
Nonmajor Governmental Funds
December 31, 2020

	Home Nursing	School for Handicapped	County Roads & Bridges	Jail Maintenance
Assets				
Cash and investments	\$ 271,681	\$ 609,103	\$ 1,584,172	\$ 108,166
Taxes receivable	-	1,094,385	400,678	-
Accounts	202,738	129,375	91	-
Loans	-	-	-	-
Total assets	<u>\$ 474,419</u>	<u>\$ 1,832,863</u>	<u>\$ 1,984,941</u>	<u>\$ 108,166</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 143,034	\$ 457,891	\$ -	\$ -
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>143,034</u>	<u>457,891</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for subsequent year	-	1,094,385	400,678	-
Loans receivable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>1,094,385</u>	<u>400,678</u>	<u>-</u>
Fund balances (deficit):				
Restricted				
Home nursing program	331,385	-	-	-
School for handicapped	-	280,587	-	-
Jail maintenance	-	-	-	108,166
Dog licenses	-	-	-	-
Committed	-	-	-	-
Highway maintenance	-	-	1,584,263	-
Capital projects	-	-	-	-
Economic development	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>331,385</u>	<u>280,587</u>	<u>1,584,263</u>	<u>108,166</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 474,419</u>	<u>\$ 1,832,863</u>	<u>\$ 1,984,941</u>	<u>\$ 108,166</u>

Land Records	Micro Loan Program	Dog Licenses	County Sales Tax	Total Nonmajor Governmental Funds
\$ -	\$ 34,003	\$ 15,946	\$ 2,372,040	\$ 4,995,111
71,554	-	-	-	1,566,617
20,330	-	-	367,017	719,551
-	69,113	-	-	69,113
<u>\$ 91,884</u>	<u>\$ 103,116</u>	<u>\$ 15,946</u>	<u>\$ 2,739,057</u>	<u>\$ 7,350,392</u>
\$ 26,334	\$ -	\$ 14,946	\$ -	\$ 642,205
6,335	-	-	-	6,335
1,654	-	-	-	1,654
<u>34,323</u>	<u>-</u>	<u>14,946</u>	<u>-</u>	<u>650,194</u>
71,554	-	-	-	1,566,617
-	69,113	-	-	69,113
<u>71,554</u>	<u>69,113</u>	<u>-</u>	<u>-</u>	<u>1,635,730</u>
-	-	-	-	331,385
-	-	-	-	280,587
-	-	-	-	108,166
-	-	1,000	-	1,000
-	-	-	-	-
-	-	-	-	1,584,263
-	-	-	2,739,057	2,739,057
-	34,003	-	-	34,003
(13,993)	-	-	-	(13,993)
<u>(13,993)</u>	<u>34,003</u>	<u>1,000</u>	<u>2,739,057</u>	<u>5,064,468</u>
<u>\$ 91,884</u>	<u>\$ 103,116</u>	<u>\$ 15,946</u>	<u>\$ 2,739,057</u>	<u>\$ 7,350,392</u>

CALUMET COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Home Nursing	School for Handicapped	County Roads & Bridges	Jail Maintenance
Revenues				
Taxes	\$ -	\$ 958,287	\$ 507,036	\$ -
Intergovernmental	83,797	1,096,724	1,464,634	-
Licenses and permits	-	-	-	19,113
Public charges for services	2,430,193	-	-	-
Total revenues	<u>2,513,990</u>	<u>2,055,011</u>	<u>1,971,670</u>	<u>19,113</u>
Expenditures				
Current:				
General government	-	-	-	-
Public works	-	-	1,813,684	-
Health and social services	2,464,066	-	-	-
Education and recreation	-	2,240,225	-	-
Conservation and development	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public works	-	-	-	-
Education and recreation	-	-	-	-
Total expenditures	<u>2,464,066</u>	<u>2,240,225</u>	<u>1,813,684</u>	<u>-</u>
Net change in fund balances	49,924	(185,214)	157,986	19,113
Fund balances - beginning	<u>281,461</u>	<u>465,801</u>	<u>1,426,277</u>	<u>89,053</u>
Fund balances (deficit) - ending	<u>\$ 331,385</u>	<u>\$ 280,587</u>	<u>\$ 1,584,263</u>	<u>\$ 108,166</u>

Land Records	Micro Loan Program	Dog Licenses	County Sales Tax	Total Nonmajor Governmental Funds
\$ 63,411	\$ -	\$ -	\$ 4,333,613	\$ 5,862,347
78,504	-	-	-	2,723,659
-	-	16,349	-	35,462
69,109	44,953	-	-	2,544,255
<u>211,024</u>	<u>44,953</u>	<u>16,349</u>	<u>4,333,613</u>	<u>11,165,723</u>
-	-	16,349	-	16,349
-	-	-	-	1,813,684
-	-	-	-	2,464,066
-	-	-	-	2,240,225
248,983	48,569	-	-	297,552
-	-	-	28,246	28,246
-	-	-	2,876,322	2,876,322
-	-	-	452,675	452,675
<u>248,983</u>	<u>48,569</u>	<u>16,349</u>	<u>3,357,243</u>	<u>10,189,119</u>
(37,959)	(3,616)	-	976,370	976,604
<u>23,966</u>	<u>37,619</u>	<u>1,000</u>	<u>1,762,687</u>	<u>4,087,864</u>
<u>\$ (13,993)</u>	<u>\$ 34,003</u>	<u>\$ 1,000</u>	<u>\$ 2,739,057</u>	<u>\$ 5,064,468</u>

CALUMET COUNTY, WISCONSIN

Home Nursing Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 83,797	\$ 83,797
Public charges for services	2,356,385	2,356,385	2,430,193	73,808
Total revenues	<u>2,356,385</u>	<u>2,356,385</u>	<u>2,513,990</u>	<u>157,605</u>
Expenditures				
Current:				
Health and social services	2,356,385	2,356,385	2,464,066	(107,681)
Total expenditures	<u>2,356,385</u>	<u>2,356,385</u>	<u>2,464,066</u>	<u>(107,681)</u>
Net change in fund balance	-	-	49,924	49,924
Fund balance - beginning	<u>281,461</u>	<u>281,461</u>	<u>281,461</u>	<u>-</u>
Fund balance - ending	<u>\$ 281,461</u>	<u>\$ 281,461</u>	<u>\$ 331,385</u>	<u>\$ 49,924</u>

CALUMET COUNTY, WISCONSIN

School for Handicapped Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 958,287	\$ 958,287	\$ 958,287	\$ -
Intergovernmental	1,046,778	1,046,778	1,096,724	49,946
Total revenues	<u>2,005,065</u>	<u>2,005,065</u>	<u>2,055,011</u>	<u>49,946</u>
Expenditures				
Current:				
Education and recreation	2,225,065	2,225,065	2,240,225	(15,160)
Total expenditures	<u>2,225,065</u>	<u>2,225,065</u>	<u>2,240,225</u>	<u>(15,160)</u>
Net change in fund balance	(220,000)	(220,000)	(185,214)	34,786
Fund balance - beginning	<u>465,801</u>	<u>465,801</u>	<u>465,801</u>	<u>-</u>
Fund balance - ending	<u>\$ 245,801</u>	<u>\$ 245,801</u>	<u>\$ 280,587</u>	<u>\$ 34,786</u>

CALUMET COUNTY, WISCONSIN

County Roads and Bridges Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 507,036	\$ 507,036	\$ 507,036	\$ -
Intergovernmental	1,477,893	1,477,893	1,464,634	(13,259)
Total revenues	<u>1,984,929</u>	<u>1,984,929</u>	<u>1,971,670</u>	<u>(13,259)</u>
Expenditures				
Current:				
Public works	1,984,929	2,124,875	1,813,684	311,191
Total expenditures	<u>1,984,929</u>	<u>2,124,875</u>	<u>1,813,684</u>	<u>311,191</u>
Net change in fund balance	-	(139,946)	157,986	297,932
Fund balance - beginning	<u>1,426,277</u>	<u>1,426,277</u>	<u>1,426,277</u>	-
Fund balance - ending	<u><u>\$ 1,426,277</u></u>	<u><u>\$ 1,286,331</u></u>	<u><u>\$ 1,584,263</u></u>	<u><u>\$ 297,932</u></u>

CALUMET COUNTY, WISCONSIN

Jail Maintenance Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Licenses and permits	\$ 18,000	\$ 18,000	\$ 19,113	\$ 1,113
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>19,113</u>	<u>1,113</u>
Expenditures				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	18,000	18,000	19,113	1,113
Fund balance - beginning	<u>89,053</u>	<u>89,053</u>	<u>89,053</u>	<u>-</u>
Fund balance - ending	<u>\$ 107,053</u>	<u>\$ 107,053</u>	<u>\$ 108,166</u>	<u>\$ 1,113</u>

CALUMET COUNTY, WISCONSIN

Land Records Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 63,411	\$ 63,411	\$ 63,411	\$ -
Intergovernmental	96,000	120,400	78,504	(41,896)
Public charges for services	57,000	57,000	69,109	12,109
Total revenues	<u>216,411</u>	<u>240,811</u>	<u>211,024</u>	<u>(29,787)</u>
Expenditures				
Current:				
Conservation and development	216,411	240,811	248,983	(8,172)
Total expenditures	<u>216,411</u>	<u>240,811</u>	<u>248,983</u>	<u>(8,172)</u>
Net change in fund balance	-	-	(37,959)	(37,959)
Fund balance - beginning	<u>23,966</u>	<u>23,966</u>	<u>23,966</u>	-
Fund balance (deficit) - ending	<u>\$ 23,966</u>	<u>\$ 23,966</u>	<u>\$ (13,993)</u>	<u>\$ (37,959)</u>

CALUMET COUNTY, WISCONSIN

Micro Loan Program Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Public charges for services	\$ 36,372	\$ 36,372	\$ 44,953	\$ 8,581
Total revenues	<u>36,372</u>	<u>36,372</u>	<u>44,953</u>	<u>8,581</u>
Expenditures				
Current:				
Conservation and development	36,372	36,372	48,569	(12,197)
Total expenditures	<u>36,372</u>	<u>36,372</u>	<u>48,569</u>	<u>(12,197)</u>
Net change in fund balance	-	-	(3,616)	(3,616)
Fund balance - beginning	<u>37,619</u>	<u>37,619</u>	<u>37,619</u>	<u>-</u>
Fund balance - ending	<u>\$ 37,619</u>	<u>\$ 37,619</u>	<u>\$ 34,003</u>	<u>\$ (3,616)</u>

CALUMET COUNTY, WISCONSIN

Dog License Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Licenses and permits	\$ 19,429	\$ 19,429	\$ 16,349	\$ (3,080)
Total revenues	<u>19,429</u>	<u>19,429</u>	<u>16,349</u>	<u>(3,080)</u>
Expenditures				
Current:				
General government	19,429	19,429	16,349	3,080
Total expenditures	<u>19,429</u>	<u>19,429</u>	<u>16,349</u>	<u>3,080</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ 1,000</u></u>	<u><u>\$ -</u></u>

CALUMET COUNTY, WISCONSIN

Debt Service Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 3,164,735	\$ 3,164,735	\$ 3,164,735	\$ -
Total revenues	<u>3,164,735</u>	<u>3,164,735</u>	<u>3,164,735</u>	<u>-</u>
Expenditures				
Current:				
Principal retirement	2,865,000	2,865,000	2,865,000	-
Interest and other charges	848,103	848,103	848,103	-
Debt issuance costs	-	-	123,000	(123,000)
Total expenditures	<u>3,713,103</u>	<u>3,713,103</u>	<u>3,836,103</u>	<u>(123,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,368)</u>	<u>(548,368)</u>	<u>(671,368)</u>	<u>(123,000)</u>
Other financing sources				
Debt premium received	-	-	232,292	232,292
Net change in fund balance	(548,368)	(548,368)	(439,076)	109,292
Fund balance - beginning	<u>593,783</u>	<u>593,783</u>	<u>593,783</u>	<u>-</u>
Fund balance - ending	<u>\$ 45,415</u>	<u>\$ 45,415</u>	<u>\$ 154,707</u>	<u>\$ 109,292</u>

CALUMET COUNTY, WISCONSIN

Capital Improvements Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Interest	\$ -	\$ -	\$ 113,848	\$ 113,848
Total revenues	<u>-</u>	<u>-</u>	<u>113,848</u>	<u>113,848</u>
Expenditures				
Capital outlay				
General government	750,000	1,329,235	1,238,157	91,078
Public safety	9,250,000	28,512,267	18,931,869	9,580,398
Total expenditures	<u>10,000,000</u>	<u>29,841,502</u>	<u>20,170,026</u>	<u>9,671,476</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,000,000)</u>	<u>(29,841,502)</u>	<u>(20,056,178)</u>	<u>9,785,324</u>
Other financing sources				
Long term debt issued	<u>10,000,000</u>	<u>10,000,000</u>	<u>15,000,000</u>	<u>5,000,000</u>
Net change in fund balance	-	(19,841,502)	(5,056,178)	14,785,324
Fund balance - beginning	<u>11,685,507</u>	<u>11,685,507</u>	<u>11,685,507</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 11,685,507</u></u>	<u><u>\$ (8,155,995)</u></u>	<u><u>\$ 6,629,329</u></u>	<u><u>\$ 14,785,324</u></u>

CALUMET COUNTY, WISCONSIN

County Sales Tax Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual
 For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 3,689,744	\$ 4,039,744	\$ 4,333,613	\$ 293,869
Total revenues	<u>3,689,744</u>	<u>4,039,744</u>	<u>4,333,613</u>	<u>293,869</u>
Expenditures				
Capital outlay:				
General government	225,000	235,986	28,246	207,740
Public safety	-	250,000	-	250,000
Public works	3,362,744	3,883,004	2,876,322	1,006,682
Education and recreation	102,000	665,050	452,675	212,375
Total expenditures	<u>3,689,744</u>	<u>5,034,040</u>	<u>3,357,243</u>	<u>1,676,797</u>
Net change in fund balance	-	(994,296)	976,370	1,970,666
Fund balance - beginning	<u>1,762,687</u>	<u>1,762,687</u>	<u>1,762,687</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,762,687</u>	<u>\$ 768,391</u>	<u>\$ 2,739,057</u>	<u>\$ 1,970,666</u>

CALUMET COUNTY, WISCONSIN

Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	Custodial Funds				Totals
	Tax Collections	Representative Payee	Clerk of Courts	Inmate Trust	
Assets					
Cash and investments	\$ 3,917,116	\$ 280,124	\$ 377,228	\$ 41,875	\$ 4,616,343
Liabilities					
Due to other governments	3,917,116	-	54,172	35,674	4,006,962
Fiduciary net position	<u>\$ -</u>	<u>\$ 280,124</u>	<u>\$ 323,056</u>	<u>\$ 6,201</u>	<u>\$ 609,381</u>

CALUMET COUNTY, WISCONSIN

Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial Funds				Totals
	Tax Collections	Representative Payee	Clerk of Courts	Inmate Trust	
Additions					
Property taxes collected for other governments	\$ 3,917,116	\$ -	\$ -	\$ -	\$ 3,917,116
Deposits for human services clients	-	1,069,536	-	-	1,069,536
Fines, fees, forfeitures and general trust	-	-	1,263,184	-	1,263,184
Inmate deposits	-	-	-	407,187	407,187
Total additions	<u>3,917,116</u>	<u>1,069,536</u>	<u>1,263,184</u>	<u>407,187</u>	<u>6,657,023</u>
Deductions					
Property taxes distributed to other governments	3,917,116	-	-	-	3,917,116
Payments for human services clients	-	992,331	-	-	992,331
Fines, fees and forfeitures	-	-	852,435	-	852,435
General trust	-	-	521,725	-	521,725
Inmate disbursements	-	-	-	400,986	400,986
Total deductions	<u>3,917,116</u>	<u>992,331</u>	<u>1,374,160</u>	<u>400,986</u>	<u>6,684,593</u>
Change in fiduciary net position	-	77,205	(110,976)	6,201	(27,570)
Fiduciary net position - beginning (as restated)	-	202,919	434,032	-	636,951
Fiduciary net position - ending	<u>\$ -</u>	<u>\$ 280,124</u>	<u>\$ 323,056</u>	<u>\$ 6,201</u>	<u>\$ 609,381</u>

CALUMET COUNTY, WISCONSIN

Schedule of Capital Assets Used in the Operation of Governmental Funds
December 31, 2020

Governmental funds capital assets:

Land	\$ 4,028,171
Land improvements	5,432,797
Buildings	16,258,101
Machinery and equipment	9,055,564
Infrastructure	87,495,711
Construction in progress	24,180,118
Total governmental funds capital assets	<u>\$ 146,450,462</u>

Investments in governmental funds capital assets by source:

General fund	\$ 31,911,637
Special revenue funds	89,094,127
Capital projects funds	
General obligation debt	25,444,698
Total governmental funds capital assets	<u>\$ 146,450,462</u>

CALUMET COUNTY, WISCONSIN

Schedule of Capital Assets by Function and Activity
December 31, 2020

	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government:							
County buildings	\$ 174,416	\$1,048,845	\$13,808,176	\$ 519,702	\$ 1,127,605	\$ 4,320	\$ 16,683,064
Circuit court	-	-	-	14,545	-	-	14,545
County clerk	-	-	-	32,601	-	-	32,601
Information services	-	-	-	2,083,086	-	-	2,083,086
Register of deeds	-	-	-	107,750	-	-	107,750
Total general government	<u>174,416</u>	<u>1,048,845</u>	<u>13,808,176</u>	<u>2,757,684</u>	<u>1,127,605</u>	<u>4,320</u>	<u>18,921,046</u>
Public safety:							
Sheriff	141,853	-	222,424	5,115,213	66,319	23,993,390	29,539,199
Public works:							
County roads and bridges	1,151,000	-	-	-	86,058,200	-	87,209,200
Health and social services:							
Health & human services	-	-	-	312,082	-	-	312,082
Education and recreation:							
Calumet county parks system	2,560,902	4,383,952	2,227,501	685,490	243,587	182,408	10,283,840
Conservation and development:							
Land and water conservation	-	-	-	77,491	-	-	77,491
Planning	-	-	-	107,604	-	-	107,604
Total conservation and development	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,095</u>	<u>-</u>	<u>-</u>	<u>185,095</u>
Total governmental funds capital assets	<u>\$4,028,171</u>	<u>\$5,432,797</u>	<u>\$16,258,101</u>	<u>\$9,055,564</u>	<u>\$87,495,711</u>	<u>\$24,180,118</u>	<u>\$146,450,462</u>

CALUMET COUNTY, WISCONSIN

Schedule of Capital Asset Additions and Deletions by Function and Activity
For the Year Ended December 31, 2020

	Beginning Balance	Increases	Decreases	Ending Balance
General government:				
County buildings	15,404,748	1,278,316	-	16,683,064
Circuit court	14,545	-		14,545
County clerk	-	32,601		32,601
Information services	1,998,495	101,391	16,800	2,083,086
Register of deeds	107,750	-	-	107,750
Total general government	<u>17,525,538</u>	<u>1,412,308</u>	<u>16,800</u>	<u>18,921,046</u>
Public safety:				
Sheriff	<u>10,372,762</u>	<u>19,412,077</u>	<u>245,640</u>	<u>29,539,199</u>
Public works:				
County roads and bridges	<u>85,880,690</u>	<u>2,485,446</u>	<u>1,156,936</u>	<u>87,209,200</u>
Health and social services:				
Health & human services	<u>312,082</u>			<u>312,082</u>
Education and recreation:				
Calumet county parks system	<u>9,723,718</u>	<u>560,122</u>		<u>10,283,840</u>
Conservation and development:				
Land and water conservation	64,561	28,505	15,575	77,491
Planning	65,909	41,695		107,604
Total conservation and development	<u>130,470</u>	<u>70,200</u>	<u>15,575</u>	<u>185,095</u>
Total governmental funds capital assets	<u>\$ 123,945,260</u>	<u>\$ 23,940,153</u>	<u>\$ 1,434,951</u>	<u>\$ 146,450,462</u>