

WASHBURN COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITORS' REPORT

Honorable Members of the Board of Supervisors
Washburn County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Washburn County Industrial Development Agency, LTD., which represents 100% of assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washburn County Industrial Development Agency, LTD., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin as of December 31, 2015, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

During the year ended December 31, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of GASB Statement No. 68, the County reported a restatement for the change in accounting principle (see Note 3.F). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining fund statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended

The County Board
Washburn County

December 31, 2014 which are not presented with the accompanying financial statements. In our report dated September 25, 2015, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The 2014 individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 individual and combining fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

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

CliftonLarsonAllen LLP

Rice Lake, Wisconsin
REPORT DATE

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

As management of Washburn County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Washburn County for the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 14 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended December 31, 2015 include the following:

- The assets and deferred outflow of resources of Washburn County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$78,762,801 (net position). Of this amount, \$54,700,692 represented the County's net investment in capital assets, \$5,268,325 was held for restricted purposes, and \$18,793,784 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$6,097,105. The increase in net position is primarily attributable to results of forestry operations for the year and an adjustment to beginning net position for a change in accounting principle.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$18,879,161, a decrease of \$1,048,797 from the previous year. The decrease was primarily attributable to the results of the capital projects fund for the year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$3,511,075 or 31.1% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2015 totaling \$1,530,000 a decrease of \$205,000 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of Washburn County's assets, liabilities and deferred inflows/outflows 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 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements are designed to distinguish functions of Washburn County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and human services, culture, recreation and education, and conservation and development. The County had no programs that were accounted for as business-type activities.

The government-wide financial statements can be found beginning on page 14 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. Washburn County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

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

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

Washburn County maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services special revenue fund, the debt service fund, the capital improvements program capital projects fund and the forestry special revenue fund, all of which are considered to be major funds. Data from the other fifteen 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.

Proprietary Funds. There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County had no activities accounted for in enterprise funds during the year. Washburn County uses internal service funds to account for its highway department operations and to allocate its copy machine costs. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 20 of this report.

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

The basic fiduciary fund financial statements can be found beginning on page 23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 24 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets, a schedule of funding progress for the other postemployment benefits and pension related schedules. Required supplementary information can be found beginning on page 56 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 63 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washburn County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78,762,801 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (69.4%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the County's statement of net position as of December 31, 2015 and 2014:

**Condensed Statement of Net Position
December 31, 2015 and 2014**

	Governmental Activities	
	2015	2014
Current Assets	\$ 36,985,028	\$ 36,656,384
Capital Assets	58,919,188	54,151,609
Other Noncurrent Assets	2,414,286	1,002,176
Total Assets	<u>98,318,502</u>	<u>91,810,169</u>
Deferred Outflows of Resources	1,521,976	-
Long-Term Debt Outstanding	1,530,000	1,735,000.00
Other Long-Term Obligations	5,738,327	4,152,110
Other Liabilities	3,187,026	2,715,382
Total Liabilities	<u>10,455,353</u>	<u>8,602,492</u>
Deferred Inflows of Resources	<u>10,622,324</u>	10,541,981
Net Position:		
Net Investment in Capital Assets	54,700,692	50,798,836
Restricted	5,268,325	3,843,626
Unrestricted	18,793,784	18,023,234
Total Net Position	<u>\$ 78,762,801</u>	<u>\$ 72,665,696</u>

An additional portion of Washburn County's net position (6.7%) represents resources that are subject to other restrictions on how they may be used. The remaining \$18,793,784 of total net position (23.9%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$6,097,105 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

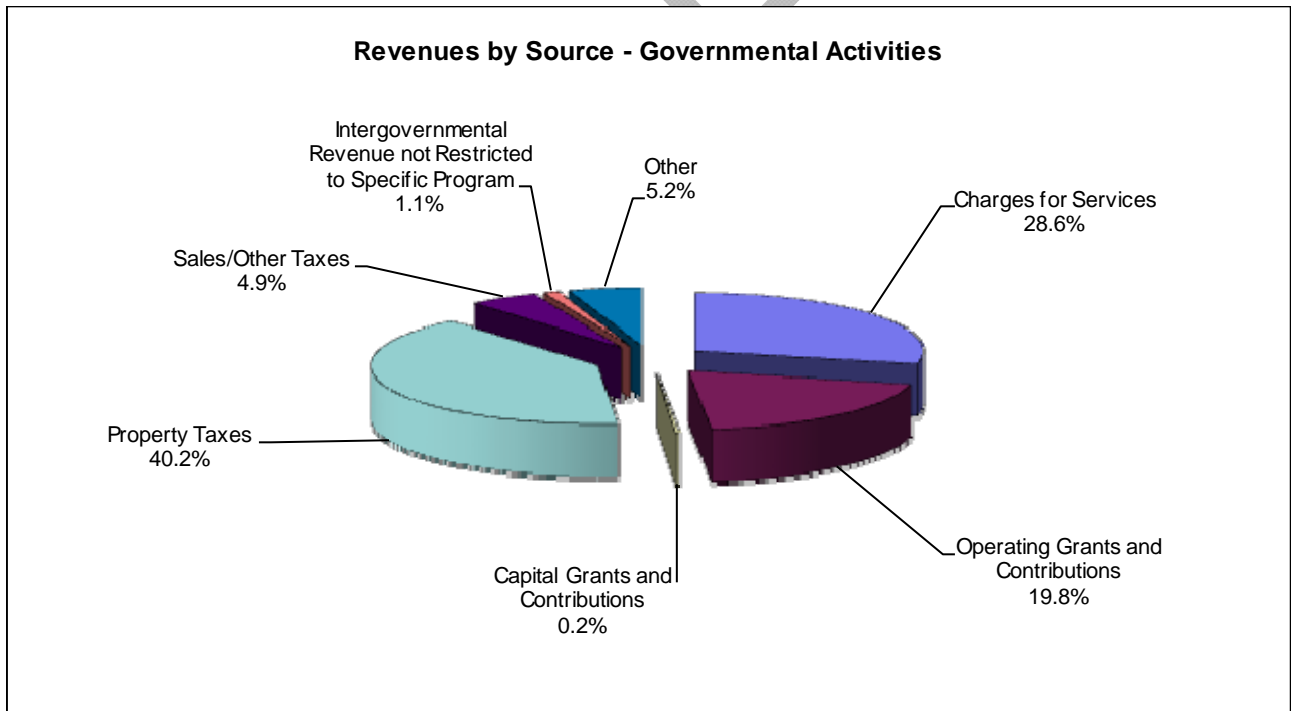
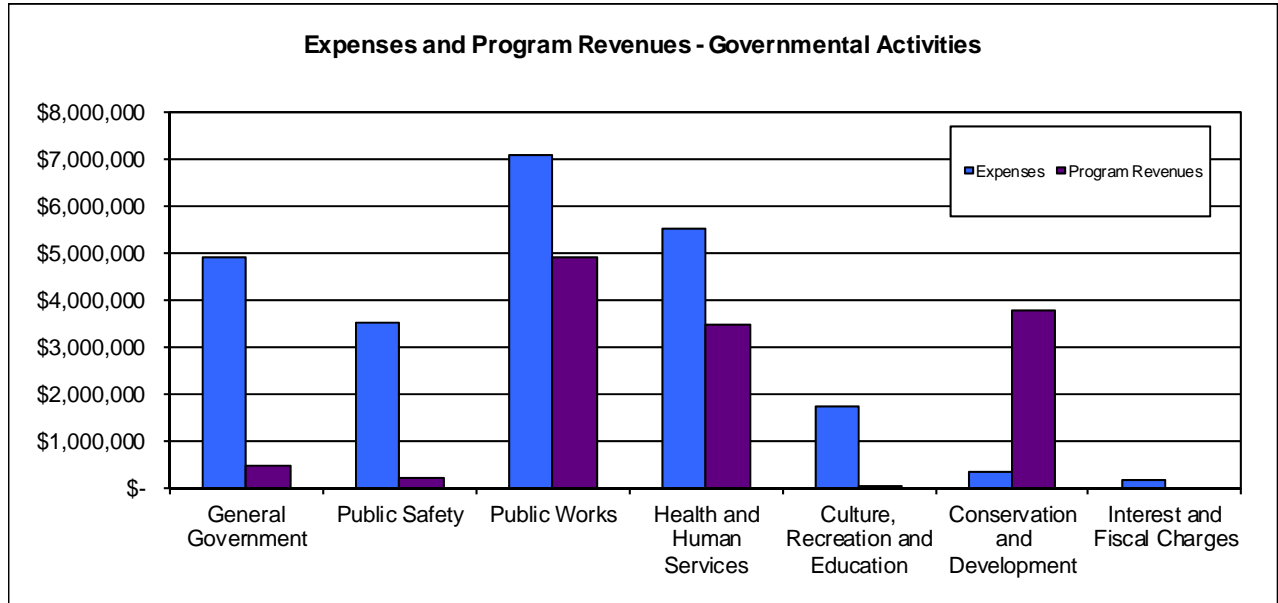
The following is a summary of the changes in the County's net position for the years ended December 31, 2015 and 2014:

**Condensed Statement of Changes in Net Position
December 31, 2015 and 2014**

	Governmental Activities	
	2015	2014
REVENUES		
Program Revenues:		
Charges for Services	\$ 7,513,951	\$ 6,067,041
Operating Grants and Contributions	5,187,546	4,277,054
Capital Grants and Contributions	63,320	208,037
General Revenues:		
Property Taxes	10,541,981	10,482,740
Sales/Other Taxes	1,295,488	1,229,848
State and Federal Aids not Restricted to Specific Programs	277,003	249,173
Other	1,361,423	1,076,551
Total Revenues	26,240,712	23,590,444
EXPENSES		
General Government	4,905,535	3,949,049
Public Safety	3,492,556	3,512,559
Public Works	7,066,850	7,225,887
Health and Human Services	5,489,866	5,283,760
Culture, Recreation and Education	1,725,406	1,601,631
Conservation and Development	320,472	888,649
Interest and Fiscal Charges	137,386	108,526
Total Expenses	23,138,071	22,570,061
CHANGE IN NET POSITION	3,102,641	1,020,383
Net Position - Beginning of the Year	72,665,696	71,645,313
Change in Accounting Principle	2,994,464	-
Net Position - Beginning of Year (Restated)	75,660,160	71,645,313
Net Position - End of the Year	\$ 78,762,801	\$ 72,665,696

A review of the statement of activities can provide a concise picture of how the various functions/programs of Washburn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (40.2%), operating grants/contributions (19.8%), and charges for services (28.6%).

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

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

Governmental Funds

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing Washburn County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$18,879,161, a decrease of \$1,048,797 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2015					Total	Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds							
General Fund	\$ 1,936,293	\$ 43,074	\$ -	\$ 1,893,405	\$ 3,511,075	\$ 7,383,847	\$ (208,103)
Human Services Fund	60	-	1,303,657	-	-	1,303,717	39,822
Debt Service Fund	-	-	-	761,092	-	761,092	761,010
Capital Improvement Program Fund	755,156	-	3,429,766	-	-	4,184,922	(1,619,875)
Forestry Fund	-	367,375	526,066	-	-	893,441	(326,964)
Nonmajor Funds:							
Special Revenue Funds	995	2,515,170	1,838,952	-	(2,975)	4,352,142	305,313
Total Fund Balances	<u>\$ 2,692,504</u>	<u>\$ 2,925,619</u>	<u>\$ 7,098,441</u>	<u>\$ 2,654,497</u>	<u>\$ 3,508,100</u>	<u>\$ 18,879,161</u>	<u>\$ (1,048,797)</u>

Restrictions of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments and assignments of fund balance generally represent tentative management plans that are subject to change. The balance of the unassigned fund balance is not for specific purposes.

The general fund is the primary operating fund used to account for the governmental operations of Washburn County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 65.3% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 31.7% of the same amount.

The general fund's total fund balance decreased \$208,103 during the year; while the unassigned portion of the fund decreased \$418,806. The primary factor in the general fund decrease was due to a transfer to the capital projects fund.

The County's human services fund increased \$39,822 in 2015. The primary factor in this increase was actual revenues were more than budgeted.

The County's debt service fund balance reported a fund balance of \$761,092 at December 31, 2015 due to the timing of debt service payments and receipt of related tax levy funding.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

The County had one major capital projects fund during the year. The capital improvements program fund, used by the County for funding the County's capital improvements projects, decreased \$1,619,875 during the year to a balance of \$4,184,922 at year end. The decrease can primarily be attributed to capital projects completed.

The forestry fund ended the year with a fund balance \$893,441, a decrease of \$326,964 during the year. The decrease can primarily be attributed to a transfer to the capital projects fund.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds increased \$305,313 during 2015 and had an accumulated fund balance of \$4,352,142 at year end. The main component of the current year increase can be attributed to the success of several individual funds. These funds are individually detailed in the supplementary information section of this report.

Proprietary Funds

Washburn County's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The County had no activities accounted for in enterprise funds during the year.

The County had two internal service funds during 2015. The County accounts for operations of its highway department and copy machine costs in its internal service funds. Net position of the internal service funds totaled \$12,562,396 at December 31, 2015, an increase of \$221,426 from the previous year. Of that amount, \$9,035,554 was invested in capital assets and \$264,535 was restricted for the Wisconsin Retirement System Pension Plan asset. The remaining net position totaling \$3,262,307 were unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2015 general fund budget was different than the original budget adopted by the County Board. The final budget reflects a projected decrease in the general fund balance during 2015 of \$352,407 while the actual amounts resulted in a decrease in the fund balance totaling \$208,103. The most significant positive budget expenditure variances were realized in the general government category of \$497,057 which is detailed out in Schedule B-2 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Washburn County's investment in capital assets for its governmental activities as of December 31, 2015 amounted to \$58,919,188 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles and infrastructure. The net increase in the governmental activities capital assets during 2015 was \$4,767,579.

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2015 and 2014**

	Governmental Activities	
	2015	2014
Land and Land Rights	\$ 11,953,189	\$ 10,686,989
Gravel Pits and Quarries	469,402	332,736
Land Improvements	1,919,072	2,092,980
Buildings and Improvements	7,861,722	8,268,343
Machinery and Equipment	7,767,851	6,677,465
Highway Infrastructure	25,624,903	24,696,010
Construction Work in Progress	3,323,049	1,397,086
Total	<u>\$ 58,919,188</u>	<u>\$ 54,151,609</u>

Additional information related to the County's capital assets is reported in Note 2.C following the financial statements.

Long-Term Obligations

At December 31, 2015, Washburn County had outstanding \$7,268,327 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2015 and 2014**

	Governmental Activities		%
	2015	2014	
Long-Term Debt:			
General Obligation Bonds	\$ 1,530,000	\$ 1,735,000	-11.8%
Other Long-Term Obligations:			
Forest Crop Loans Payable	307,930	-	100.0
Capital Lease Agreements	2,688,496	1,617,773	66.2
Other Postemployment Benefits Payable	1,661,970	1,432,560	16.0
Compensated Absences	1,079,931	1,101,777	-2.0
Total	<u>\$ 7,268,327</u>	<u>\$ 5,887,110</u>	23.5

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Washburn County outstanding at December 31, 2015 totaled \$1,530,000 approximately 1.3% of the maximum legal limit of \$117,644,620. Additional information on Washburn County's long-term debt is reported in Note 2.E following the financial statements.

CURRENTLY KNOWN FACTS

The State of Wisconsin has imposed further limits on the County's property taxes beginning with the 2006 budget year levy. Essentially, the new legislation restricts the growth in the County's property taxes (except for debt service) to the greater of the percentage increase in the County's equalization value due to new construction or 2%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Washburn County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washburn County Clerk Office, P.O. Box 639, Shell Lake, Wisconsin 54871.

DRAFT

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Primary Government Governmental Activities	Component Unit Industrial Development Agency
ASSETS		
Treasurer's Cash and Investments	\$ 20,921,335	\$ 920,373
Taxes Receivable	11,850,352	-
Accounts Receivable	223,359	-
Special Assessments Receivable	809,609	-
Due from Other Governments	1,425,040	-
Inventories	1,119,933	-
Prepaid Expenses	635,400	-
Long-Term Receivables	946,207	1,245,819
Restricted Assets:		
Wisconsin Retirement System Pension Plan Asset	1,468,079	-
Capital Assets:		
Capital Assets Not Being Depreciated	15,276,238	-
Capital Assets Being Depreciated	110,826,065	-
Accumulated Depreciation	(67,183,115)	-
Total Assets	98,318,502	2,166,192
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	1,521,976	-
LIABILITIES		
Vouchers and Accounts Payable	616,953	-
Accrued Liabilities	510,296	6,435
Payroll Deductions	397,206	-
Accrued Interest Payable	59,001	-
Short-Term Debt Payable	755,000	-
Due to Other Governments	82,481	-
Unearned Revenue	677,385	-
Special Deposits	88,704	-
Long-Term Liabilities:		
Amounts Due Within One Year	882,111	25,403
Amounts Due in More than One Year	6,386,216	618,114
Total Liabilities	10,455,353	649,952
DEFERRED INFLOWS OF RESOURCES		
Property Taxes for Subsequent Year	10,622,324	-
NET POSITION		
Net Investment in Capital Assets	54,700,692	-
Restricted for:		
Housing Loan Program	920,383	-
Other Purposes	2,879,863	1,516,240
Wisconsin Retirement Pension Plan Asset	1,468,079	-
Unrestricted	18,793,784	-
Total Net Position	\$ 78,762,801	\$ 1,516,240

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

<u>Functions/Programs</u>					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Primary Government- Governmental Activities	Component Unit- Industrial Development Agency
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General Government	\$ 4,905,535	\$ 276,908	\$ 125,259	\$ 51,767	\$ (4,451,601)	\$ -
Public Safety	3,492,556	156,655	53,858	7,564	(3,274,479)	-
Public Works	7,066,850	3,895,986	986,040	3,989	(2,180,835)	-
Health and Human Services	5,489,866	851,674	2,602,833	-	(2,035,359)	-
Culture, Recreation and Education	1,725,406	4,907	-	-	(1,720,499)	-
Conservation and Development	320,472	2,327,821	1,419,556	-	3,426,905	-
Interest and Fiscal Charges	137,386	-	-	-	(137,386)	-
Total Primary Government	\$ 23,138,071	\$ 7,513,951	\$ 5,187,546	\$ 63,320	(10,373,254)	-
Component Unit:						
Industrial Development Agency	\$ 87,608	\$ 56,057	\$ -	\$ -	-	(31,551)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					10,541,981	-
County Sales Taxes					1,224,893	-
Other Taxes					70,595	-
State and Federal Aids not Restricted to Specific Functions					277,003	-
Interest and Investment Earnings					362,190	941
Sale of County Property					17,897	-
Miscellaneous					981,336	-
Total General Revenues					13,475,895	941
CHANGE IN NET POSITION					3,102,641	(30,610)
Net Position - Beginning of Year					72,665,696	1,546,850
Change in Accounting Principle					2,994,464	-
Net Position - Beginning of Year - As Restated					75,660,160	1,546,850
NET POSITION - END OF YEAR					\$ 78,762,801	\$ 1,516,240

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 5,246,514	\$ 1,275,029	\$ 761,092	\$ 5,203,174	\$ 1,569,926	\$ 4,393,909	\$ 18,449,644
Taxes Receivable	9,073,834	1,112,946	1,032,372	-	-	631,200	11,850,352
Accounts Receivable	98,050	23,240	-	19,491	1,588	79,614	221,983
Special Assessments Receivable	-	-	-	809,609	-	-	809,609
Due from Other Governmental Units	285,510	280,824	-	-	100,566	141,818	808,718
Due from Other Funds	247,035	-	-	-	-	-	247,035
Prepaid Expenses	623,041	60	-	-	122	995	624,218
Inventory	10,224	-	-	-	-	-	10,224
Long-Term Receivables	75,000	-	-	-	-	871,207	946,207
Advances to Other Funds	-	-	-	755,156	-	-	755,156
Total Assets	<u>\$ 15,659,208</u>	<u>\$ 2,692,099</u>	<u>\$ 1,793,464</u>	<u>\$ 6,787,430</u>	<u>\$ 1,672,202</u>	<u>\$ 6,118,743</u>	<u>\$ 34,723,146</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Vouchers and Accounts Payable	\$ 122,833	\$ 115,840	\$ -	\$ 72,875	\$ 51,971	\$ 125,742	\$ 489,261
Payroll Deductions	85,063	-	-	-	312,143	-	397,206
Accrued Liabilities	59,782	127,449	-	-	62,294	127,563	377,088
Accrued Interest Payable	-	-	-	7,290	-	-	7,290
Short-Term Debt	-	-	-	755,000	-	-	755,000
Due to Other Governmental Units	54,666	22,147	-	-	-	5,668	82,481
Due to Other Funds	-	-	-	957,734	-	5,221	962,955
Unearned Revenues	107,211	10,000	-	-	263,649	-	380,860
Special Deposits	-	-	-	-	88,704	-	88,704
Total Liabilities	<u>429,555</u>	<u>275,436</u>	<u>-</u>	<u>1,792,899</u>	<u>778,761</u>	<u>264,194</u>	<u>3,540,845</u>
Deferred Inflows of Resources:							
Succeeding Year's Property Taxes	7,845,806	1,112,946	1,032,372	-	-	631,200	10,622,324
Unavailable Revenue - Loans Receivable	-	-	-	-	-	871,207	871,207
Unavailable Revenue - Special Assessments	-	-	-	809,609	-	-	809,609
Total Deferred Inflows of Resources	<u>7,845,806</u>	<u>1,112,946</u>	<u>1,032,372</u>	<u>809,609</u>	<u>-</u>	<u>1,502,407</u>	<u>12,303,140</u>
Fund Balances:							
Nonspendable	1,936,293	60	-	755,156	-	995	2,692,504
Restricted	43,074	-	-	-	367,375	2,515,170	2,925,619
Committed	-	1,303,657	-	3,429,766	526,066	1,838,952	7,098,441
Assigned	1,893,405	-	761,092	-	-	-	2,654,497
Unassigned	3,511,075	-	-	-	-	(2,975)	3,508,100
Total Fund Balances	<u>7,383,847</u>	<u>1,303,717</u>	<u>761,092</u>	<u>4,184,922</u>	<u>893,441</u>	<u>4,352,142</u>	<u>18,879,161</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,659,208</u>	<u>\$ 2,692,099</u>	<u>\$ 1,793,464</u>	<u>\$ 6,787,430</u>	<u>\$ 1,672,202</u>	<u>\$ 6,118,743</u>	<u>\$ 34,723,146</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015**

Total Fund Balances - Governmental Funds \$ 18,879,161

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

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

Land	\$ 11,463,407	
Land Improvements	2,800,275	
Buildings and Improvements	8,200,188	
Machinery and Equipment	3,756,105	
Vehicles	1,283,940	
Infrastructure	73,950,119	
Construction Work in Progress	3,323,049	
Accumulated Depreciation	<u>(57,480,484)</u>	47,296,599

Net pension plan asset and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Wisconsin Retirement System Pension Plan:

Net Pension Plan Asset	1,203,544	
Deferred Outflows of Resources - Pension Related	<u>1,247,729</u>	2,451,273

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

Housing Loans	871,207	
Special Assessments	<u>809,609</u>	1,680,816

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

General Obligation Bonds Payable	1,530,000	
Forest Crop Loans Payable	307,930	
Capital Leases	101,461	
Accrued Interest Payable	21,263	
Compensated Absences	795,188	
Other Postemployment Benefits Payable	<u>1,351,602</u>	(4,107,444)

The highway department internal service fund is used by County management to account for highway-related services provided by the department to the County and other governmental units. The assets and liabilities of the highway department internal service fund are reported in governmental activities.

12,539,812

The copy machine internal service fund is used by County's management to charge the costs of the copy machines to departments/functions. The assets and liabilities of the copy machine fund are also reported in governmental activities.

22,584

Net Position of Governmental Activities \$ 78,762,801

See accompanying Notes to Basic Financial Statements.

WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
REVENUES:							
Taxes	\$ 9,271,373	\$ 1,128,742	\$ 1,032,372	\$ -	\$ -	\$ 653,916	\$ 12,086,403
Intergovernmental	1,625,046	1,799,938	-	51,767	1,164,099	887,019	5,527,869
Licenses and Permits	155,009	-	-	-	-	50,832	205,841
Fines, Forfeits and Penalties	80,133	13,767	-	-	-	12,238	106,138
Public Charges for Services	371,786	526,188	-	-	1,927,492	302,876	3,128,342
Intergovernmental Charges for Services	14,254	-	-	-	-	-	14,254
Miscellaneous	238,972	174,613	-	424,874	53,115	572,145	1,463,719
Total Revenues	11,756,573	3,643,248	1,032,372	476,641	3,144,706	2,479,026	22,532,566
EXPENDITURES:							
General Government	4,000,737	-	-	992,214	-	-	4,992,951
Public Safety	3,514,357	-	-	-	-	22,391	3,536,748
Public Works	2,461,922	-	-	3,084,337	-	-	5,546,259
Health and Human Services	185,871	3,668,988	-	-	-	1,717,427	5,572,286
Culture, Recreation and Education	490,984	-	-	-	2,432,424	18,524	2,941,932
Conservation and Development	649,656	-	-	-	-	312,459	962,115
Debt Service:							
Principal	-	-	205,000	-	195,152	-	400,152
Interest and Fiscal Charges	-	-	66,362	7,290	3,887	-	77,539
Total Expenditures	11,303,527	3,668,988	271,362	4,083,841	2,631,463	2,070,801	24,029,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	453,046	(25,740)	761,010	(3,607,200)	513,243	408,225	(1,497,416)
OTHER FINANCING SOURCES (USES):							
Proceeds of Long-Term Debt	-	-	-	-	482,921	-	482,921
Sale of Capital Assets	-	-	-	-	17,897	-	17,897
Transfers In	-	65,562	-	1,987,325	-	-	2,052,887
Transfers Out	(661,149)	-	-	-	(1,341,025)	(102,912)	(2,105,086)
Total Other Financing Sources (Uses)	(661,149)	65,562	-	1,987,325	(840,207)	(102,912)	448,619
NET CHANGE IN FUND BALANCES	(208,103)	39,822	761,010	(1,619,875)	(326,964)	305,313	(1,048,797)
Fund Balances, January 1	7,591,950	1,263,895	82	5,804,797	1,220,405	4,046,829	19,927,958
FUND BALANCES, DECEMBER 31	\$ 7,383,847	\$ 1,303,717	\$ 761,092	\$ 4,184,922	\$ 893,441	\$ 4,352,142	\$ 18,879,161

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ (1,048,797)

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

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

Capital outlays reported in governmental fund statements	\$ 7,314,936	
Depreciation expense reported in the statement of activities	<u>(3,356,524)</u>	3,958,412

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year (1,479)

Wisconsin Retirement System Pension Plan:

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset and the related deferred inflows and outflows of resources. (3,614)

Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 758,640

Long-term debt and related obligations incurred in governmental funds are reported as an increase in fund balance, but are reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Such items incurred in the current year are:
Forest Crop Loans (482,921)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

General Obligation Bonds Principal Retirement	205,000	
Forest Crop Loans Repaid	174,991	
Capital Lease Retirement	<u>20,161</u>	400,152

Internal service funds are used by the County's management to account for highway operations and to charge out copy machine costs. The change in net position of these internal service funds are allocated to governmental activities.
Total Change in Net Position (318,151)

Other postemployment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.
Changes in Other Postemployment Benefits Payable (179,716)

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

Change in Accrued Interest Payable	3,449	
Change in Compensated Absences at Year End	<u>16,666</u>	<u>20,115</u>

Change in Net Position of Governmental Activities \$ 3,102,641

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015**

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Treasurer's Cash and Investments	\$ 2,471,691
Accounts Receivable	1,376
Due from Other Governmental Units	616,322
Due from Other Funds	715,920
Inventories and Prepaid Expenses	<u>1,120,891</u>
Total Current Assets	4,926,200
 Restricted Assets:	
Wisconsin Retirement System Pension Plan Asset	264,535
 Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	20,835,438
Accumulated Depreciation	<u>(9,702,631)</u>
Total Capital Assets	<u>11,622,589</u>
Total Assets	16,813,324
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	274,247
 LIABILITIES	
Current Liabilities:	
Accounts Payable	127,692
Accrued Liabilities	133,208
Accrued Interest Payable	30,448
Unearned Revenues	296,525
Accrued Vacation and Sick Leave - Current	107,369
Capital Leases Payable - Current	<u>363,230</u>
Total Current Liabilities	1,058,472
 Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	755,156
Other Postemployment Benefits Payable	310,368
Accrued Vacation and Sick Leave	177,374
Capital Leases Payable	<u>2,223,805</u>
Total Long-Term Liabilities	<u>3,466,703</u>
Total Liabilities	<u>4,525,175</u>
 NET POSITION	
Net Investment in Capital Assets	9,035,554
Restricted for Wisconsin Retirement System Pension Plan Asset	264,535
Unrestricted	<u>3,262,307</u>
Total Net Position	<u>12,562,396</u>
Total Liabilities and Net Position	<u>\$ 17,087,571</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES	\$ 9,147,833
OPERATING EXPENSES	<u>9,454,887</u>
OPERATING LOSS	(307,054)
NONOPERATING EXPENSES	<u>(63,296)</u>
LOSS BEFORE TRANSFERS	(370,350)
TRANSFERS	
Transfers from General Fund	<u>52,199</u>
CHANGE IN NET POSITION	(318,151)
Net Position, January 1	12,340,970
Change in Accounting Principle	<u>539,577</u>
Net Position, January 1 - As Restated	<u>12,880,547</u>
NET POSITION, DECEMBER 31	<u><u>\$ 12,562,396</u></u>

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**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received for Services Provided	\$ 9,818,420
Cash Paid to Suppliers for Goods and Services	(5,543,730)
Cash Paid for Employee Services	(3,192,347)
Net Cash Provided by (Used for) Operating Activities	<u>1,082,343</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from General Fund	52,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash Paid for Acquisition of Capital Assets	(1,784,911)
Cash Received for Sale of Capital Assets	21,998
Cash Received on Advance for Capital Projects	(14,119)
Capital Lease Proceeds	1,489,904
Principal Paid on Capital Leases	(399,020)
Interest Paid on Capital Leases	(56,823)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(742,971)</u>
NET CHANGE IN CASH AND IN CASH EQUIVALENTS	391,571
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,080,120</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,471,691</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (307,054)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	936,353
Depletion of Gravel Pits	15,914
Change in Pension Asset and Pension Related Deferred Outflow and Inflow of Resources	795
(Increase) Decrease in Assets:	
Accounts Receivable	199,561
Due from Governmental Units	171,299
Prepaid Expenses	(10,086)
Inventories	172,326
Due from Other Funds	297,394
Increase (Decrease) in Liabilities:	
Vouchers Payable	(415,986)
Unearned Revenue	2,333
Accrued Liabilities	(30,200)
Other Postemployment Benefits Payable	49,694
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 1,082,343</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015**

	Agency Funds
ASSETS	
Treasurer's Cash and Investments	\$ 198,101
Taxes Receivable	<u>399,300</u>
Total Assets	<u>\$ 597,401</u>
LIABILITIES	
Vouchers Payable	\$ 2,298
Due to Other Governmental Units	399,300
Special Deposits	<u>195,803</u>
Total Liabilities	<u>\$ 597,401</u>

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**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Washburn County is governed by a board of supervisors consisting of twenty-one elected members.

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

The basic financial statements of the County consist solely of the primary government and a discretely presented component as described below. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see below for description) to emphasize that it is legally separate from the government.

Washburn County Industrial Development Agency, Ltd. Washburn County Industrial Development Agency, Ltd. (Agency) was organized in 1989 by the County when the County received intergovernmental funds to finance a loan to a private business. Proceeds received from the repayment of this loan are being used by the Agency to finance other loans to local businesses to promote industrial development. The Agency is governed by a seven-member board statutorily comprised of the county board chairman, finance committee chairman, county treasurer, corporation counsel and three public members appointed by the county board. The Agency receives no funding from, nor provides any funding to, the County. The Agency maintains its financial statements on a fiscal year ending June 30. Financial statements of the Agency for the year ending June 30, 2015 are presented in this report as a discretely presented component unit. The Agency's financial statements are separately audited and can be obtained from Washburn County.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

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

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows/outflows of resources, net position, fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County did not report any enterprise funds for the year ended December 31, 2015.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

The County reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

Human Services Fund – The Human Services Fund, a special revenue fund, is used to account for various County human services programs funded by restricted funding sources. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related charges.

Capital Improvements Program Fund – The Capital Improvements Program Fund, a capital projects fund, accounts for financial resources to be used for funding the County's capital improvement program projects.

Forestry Fund – The Forestry Fund, a special revenue fund, is used to account for the maintenance of the County's parks and forests. In addition to using restricted grant funding for these purposes, the County also commits public charges for services raised through the Forestry Fund's programming.

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

The County's proprietary funds consist solely of internal service funds to account for the operations of the County's highway department and its copy machine transactions.

The County's fiduciary funds consist of agency funds to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets deferred inflows/outflows of resources and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

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 government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

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

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

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

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

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

Investments of the County are stated at fair value.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables

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

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

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

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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

3. Inventories and Prepaid Items

All inventories are valued at cost using the average cost method for the highway department. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted Assets

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

5. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$5,000	N/A	N/A
Highway Right-of-Ways	5,000	N/A	N/A
Land Improvements	5,000	Straight-line	15-40 Years
Buildings and Improvements	5,000	Straight-line	10-50 Years
Machinery and Equipment	5,000	Straight-line	4-20 Years
Vehicles	5,000	Straight-line	3-5 Years
Infrastructure	5,000	Straight-line	20-60 Years

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

6. Deferred Outflows of Resources

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. The County reports deferred outflows of resources in its government-wide and proprietary fund financial statements for Wisconsin Retirement System Pension Plan related items in the current year.

7. Deferred Inflows of Resources

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 3.A.

9. Wisconsin Retirement System Pension Plan Benefits

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

10. Other Postemployment Benefits Payable

Under the various employee and union contracts the County allows retired employees to enroll in the County's health insurance plan. The retired employees pay 100% of the premiums. The payable was actuarially determined, in accordance with GASB 45, at December 31, 2015. GASB 45 was implemented prospectively, meaning that the net OPEB obligation was zero at transition.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Defining Operating Revenues and Expenses

Internal Service 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 internal service fund's principal ongoing operations. The principal operating revenues of the highway and copy machine funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

13. Use of Restricted Resources

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.

14. Equity Classifications

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

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Equity Classifications

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the Board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 20% and 33% of general fund expenditures.

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2015 are reflected in the financial statements as follows:

Governmental Funds	\$ 18,449,644
Proprietary Funds	2,471,691
Fiduciary Funds	198,101
	<u>\$ 21,119,436</u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 9,156,313
Investment in State Local Government Pooled-Investment Fund	11,959,978
Petty Cash	3,145
Total Cash and Investments at December 31, 2015	<u>\$ 21,119,436</u>

Deposits at Financial Institutions

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the County's deposits may not be returned.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions (Continued)

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2015, the County's deposits were not exposed to custodial credit risk.

Investments

The County's investments at December 31, 2015 consisted of deposits in the following external investment pool:

Investment in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in the State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2015 was 76 days.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the County.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables

CDBG Housing Rehabilitation Loans. The County has also received federal grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The County had eighty-one (81) deferred mortgage loans outstanding at December 31, 2015 totaling \$871,207. These notes become due and payable in full only "in the event that the maker:

- A. No longer continues to occupy the premises securing this note as a full-time residence, or
- B. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances on these loans and were equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

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**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,638,594	\$ 1,261,200	\$ -	\$ 2,899,794
Highway Right-of-Ways	8,558,613	5,000	-	8,563,613
Construction Work in Progress	1,397,086	5,225,241	3,299,278	3,323,049
Total Capital Assets Not Being Depreciated	<u>11,594,293</u>	<u>6,491,441</u>	<u>3,299,278</u>	<u>14,786,456</u>
Capital Assets Being Depreciated:				
Land Improvements	2,800,275	-	-	2,800,275
Buildings and Improvements	8,093,731	106,457	-	8,200,188
Machinery and Equipment	3,579,439	262,404	85,738	3,756,105
Vehicles	1,162,620	199,857	78,537	1,283,940
Highway Infrastructure:				
Roadways	66,359,289	3,554,055	817,697	69,095,647
Bridges	1,408,186	-	-	1,408,186
Structures	3,446,286	-	-	3,446,286
Total Capital Assets Being Depreciated	<u>86,849,826</u>	<u>4,122,773</u>	<u>981,972</u>	<u>89,990,627</u>
Total Capital Assets	<u>98,444,119</u>	<u>10,614,214</u>	<u>4,281,250</u>	<u>104,777,083</u>
Accumulated Depreciation:				
Land Improvements	1,347,367	128,589	-	1,475,956
Buildings and Improvements	3,754,214	235,924	-	3,990,138
Equipment and Vehicles	3,485,121	366,849	162,796	3,689,174
Highway Infrastructure	46,517,751	2,625,162	817,697	48,325,216
Total Accumulated Depreciation	<u>55,104,453</u>	<u>3,356,524</u>	<u>980,493</u>	<u>57,480,484</u>
Net Capital Assets - Governmental Activities	<u>\$ 43,339,666</u>	<u>\$ 7,257,690</u>	<u>\$ 3,300,757</u>	<u>\$ 47,296,599</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Highway Department:				
Capital Assets Not Being Depreciated:				
Land	\$ 489,782	\$ -	\$ -	\$ 489,782
Capital Assets Being Depreciated:				
Land Improvements	1,132,983	-	-	1,132,983
Gravel Pits and Quarries*	332,736	152,581	15,915	469,402
Buildings and Improvements	6,903,069	-	-	6,903,069
Machinery and Equipment	10,805,945	1,632,330	135,210	12,303,065
Total Capital Assets Being Depreciated	<u>19,174,733</u>	<u>1,784,911</u>	<u>151,125</u>	<u>20,808,519</u>
Total Capital Assets	<u>19,664,515</u>	<u>1,784,911</u>	<u>151,125</u>	<u>21,298,301</u>
Accumulated Depreciation:				
Land Improvements	492,911	45,319	-	538,230
Buildings and Improvements	2,974,243	277,154	-	3,251,397
Machinery and Equipment	5,387,148	613,880	113,213	5,887,815
Total Accumulated Depreciation	<u>8,854,302</u>	<u>936,353</u>	<u>113,213</u>	<u>9,677,442</u>
Net Capital Assets - Highway Department	<u>\$ 10,810,213</u>	<u>\$ 848,558</u>	<u>\$ 37,912</u>	<u>\$ 11,620,859</u>
Copy Machine Fund:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 26,919	\$ -	\$ -	\$ 26,919
Accumulated Depreciation:				
Machinery and Equipment	25,189	-	-	25,189
Net Capital Assets - Copy Machine Fund	<u>\$ 1,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>
Total County:				
Capital Assets Not Being Depreciated	\$ 12,084,075	\$ 6,491,441	\$ 3,299,278	\$ 15,276,238
Capital Assets Being Depreciated	<u>106,051,478</u>	<u>5,907,684</u>	<u>1,133,097</u>	<u>110,826,065</u>
Total Capital Assets	<u>118,135,553</u>	<u>12,399,125</u>	<u>4,432,375</u>	<u>126,102,303</u>
Accumulated Depreciation	<u>63,983,944</u>	<u>4,292,877</u>	<u>1,093,706</u>	<u>67,183,115</u>
Net Capital Assets - Governmental Activities	<u>\$ 54,151,609</u>	<u>\$ 8,106,248</u>	<u>\$ 3,338,669</u>	<u>\$ 58,919,188</u>

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities (Continued)

Depreciation was charged to governmental functions as follows:

	General County Assets	Internal Service Funds	Total
General Government	\$ 181,286	\$ -	\$ 181,286
Public Safety	60,427	-	60,427
Transportation	2,806,346	936,353	3,742,699
Health and Human Services	39,021	-	39,021
Culture, Recreation and Education	137,579	-	137,579
Conservation and Development	131,865	-	131,865
	<u>\$ 3,356,524</u>	<u>\$ 936,353</u>	<u>\$ 4,292,877</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2015 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Wildlife Damage	\$ 5,221	Cash Flow
General Fund	Capital Improvement Program Fund	241,814	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	715,920	2015 Expenses
		<u>\$ 962,955</u>	

Advances from/to Other Funds

As of December 31, 2015 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$755,156 for the acquisition of gravel pit sites and additional capital items. The highway department will repay the advance at a rate of approximately \$0.50 per yard of gravel extracted until paid in full.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Human Services Fund	General Fund	\$ 7,186	Sick/Vacation Payouts
Child Support	Human Services Fund	58,376	Sick/Vacation Payouts
Capital Improvement Fund	Forestry Fund	1,341,025	Capital Projects
Capital Improvement Fund	Solid Waste Fund	44,536	Capital Projects
Capital Improvement Fund	General Fund	601,764	Capital Projects
Highway Department	General Fund	52,199	Sick/Vacation Payouts
		<u>\$ 2,105,086</u>	

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2015 were as follows:

	<u>Balances 1/1/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/15</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 1,735,000	\$ -	\$ 205,000	\$ 1,530,000	\$ 215,000
Other Long-Term Obligations: (Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	-	482,921	174,991	307,930	-
Capital Lease Agreement - Grader	121,622	-	20,161	101,461	20,806
Compensated Absences	811,854	158,890	175,556	795,188	175,706
Other Postemployment Benefits Payable	1,171,886	237,457	57,741	1,351,602	-
Highway Internal Service Fund:					
Capital Lease - 8 Trucks	1,496,151	-	171,345	1,324,806	177,853
Capital Lease - 5 Trucks	-	1,218,018	170,197	1,047,821	134,025
Capital Lease - 2 Tractors	-	271,886	57,478	214,408	51,352
Compensated Absences	289,923	91,413	96,593	284,743	107,369
Other Postemployment Benefits Payable	260,674	62,953	13,259	310,368	-
Total Other Long-Term Liabilities	<u>4,152,110</u>	<u>2,523,538</u>	<u>937,321</u>	<u>5,738,327</u>	<u>667,111</u>
Total Long-Term Liabilities	<u>\$ 5,887,110</u>	<u>\$ 2,523,538</u>	<u>\$ 1,142,321</u>	<u>\$ 7,268,327</u>	<u>\$ 882,111</u>

The County's estimated liability for employee leave is discussed in Note 3.A.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Changes in Long-Term Obligations (Continued)

The County's general obligation bonds and forest crop loans are liquidated by the debt service fund and forestry fund, respectively. Compensated absences and other postemployment benefits payable are generally liquidated by the general fund and highway department internal service fund.

General Obligation Debt

Annual Requirements for Retirement. Long-term debt issues outstanding at December 31, 2015 and annual requirements for their retirement were as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Refunding Bonds, \$3,000,000, issued 1/15/06 due 3/1/22, interest at 4.00%-4.375%	2016	\$ 215,000	\$ 57,303	\$ 272,303
	2017	225,000	48,100	273,100
	2018	235,000	38,900	273,900
	2019	245,000	29,300	274,300
	2020	250,000	19,400	269,400
	2021-2022	360,000	11,200	371,200
Total General Obligation Debt		<u>\$ 1,530,000</u>	<u>\$ 204,203</u>	<u>\$ 1,734,203</u>

General Obligation Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the County. At December 31, 2015, the County's debt limit amounted to \$117,644,620 and indebtedness subject to the limitation totaled \$1,530,000.

Capital Lease Agreements

On May 1, 2014, the County entered into a capital lease agreement for a new grader. The grader is reported in the County's capital asset records at a cost of \$144,000 with accumulated depreciation at December 31, 2015 of \$28,668. The lease agreement is due on December 20, 2017 with an interest rate of 3.15%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - Grader \$144,000, issued 5/1/2014 due 12/20/2017, interest at 3.15%	2016	\$ 20,806	\$ 3,243	\$ 24,049
	2017	80,655	3,774	84,429
		<u>\$ 101,461</u>	<u>\$ 7,017</u>	<u>\$ 108,478</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Lease Agreements (Continued)

On August 31, 2014, the County entered into a capital lease agreement for eight new trucks and related snow removal equipment. The trucks and related equipment are reported in the County's capital asset records at a cost of \$1,724,320 with accumulated depreciation at December 31, 2015 of \$233,525. The lease agreement is due on July, 30, 2019 with an interest rate of 3.798%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 8 Trucks	2016	\$ 177,853	\$ 50,316	\$ 228,169
\$1,724,320, issued 8/31/2014	2017	184,607	43,561	228,168
due 7/30/2019, interest at 3.798%	2018	191,618	36,550	228,168
	2019	770,728	29,272	800,000
		<u>\$ 1,324,806</u>	<u>\$ 159,699</u>	<u>\$ 1,484,505</u>

On October 15, 2015, the County entered into a capital lease agreement for five new trucks and related snow removal equipment. The trucks and related equipment are reported in the County's capital asset records at a cost of \$1,218,018 with accumulated depreciation at December 31, 2015 of \$17,280. The lease agreement is due on October 15, 2020 with an interest rate of 3.4521%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 5 Trucks	2016	\$ 134,025	\$ 36,172	\$ 170,197
\$1,218,018, issued 10/15/15	2017	138,652	31,545	170,197
due 10/15/2020, interest at 3.4521%	2018	143,438	26,759	170,197
	2019	148,390	21,807	170,197
	2020	483,316	16,684	500,000
		<u>\$ 1,047,821</u>	<u>\$ 132,967</u>	<u>\$ 1,180,788</u>

On November 19, 2015, the County entered into a capital lease agreement for two tractors and related mowing equipment. These assets are reported in the County's capital asset records at a cost of \$271,886 with accumulated depreciation at December 31, 2015 of \$1,931. The lease agreement is due on November 15, 2019 with an interest rate of 3.798%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - 2 Tractors	2016	\$ 51,352	\$ 6,126	\$ 57,478
\$271,886, issued 11/19/2015	2017	52,832	4,646	57,478
due 11/15/2019, interest at 2.849%	2018	54,338	3,140	57,478
	2019	55,886	1,592	57,478
		<u>\$ 214,408</u>	<u>\$ 15,504</u>	<u>\$ 229,912</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

County Forest Loans

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

The County had a liability under this program at December 31, 2015 of \$307,930.

F. Temporary Notes Payable

Changes in temporary notes payable of the County for the year ended December 31, 2015 were as follows:

<u>Balance</u> <u>01/01/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>12/31/15</u>	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Rate</u>
\$ -	\$ 755,000	\$ -	\$ 755,000	\$ 7,290	2.50%

The County's short-term notes payable consisted of a State Trust Fund Loan for \$755,000 used to finance capital projects in the current year. The loan was approved to be paid off on February 19, 2016 by County management with total interest paid of \$10,498.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2015 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,228,028	\$ 1,228,028	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	633,265	633,265	-	-	-	-
Long-Term Note Receivable	75,000	75,000	-	-	-	-
Register of Deeds - Public Access Funds	6,205	-	6,205	-	-	-
Register of Deeds - PEASSN	36,869	-	36,869	-	-	-
Sick Leave Liability	775,000	-	-	-	775,000	-
HSD Youth	250,000	-	-	-	250,000	-
Dam Maintenance	47,040	-	-	-	47,040	-
Memorials-Donations	8,715	-	-	-	8,715	-
Unclaimed Funds	299	-	-	-	299	-
Health Insurance Excess	316,195	-	-	-	316,195	-
Special Projects-Old Hwy Cleanup	11,751	-	-	-	11,751	-
Special Projects-Countywide Training	8,000	-	-	-	8,000	-
Special Projects-Documents Imaging	20,000	-	-	-	20,000	-
IT Capital Equipment Fund	70,593	-	-	-	70,593	-
Admin-ACA/Health Ins Consulting	9,000	-	-	-	9,000	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Plats	51,205	-	-	-	51,205	-
County Cars	135,764	-	-	-	135,764	-
Coroner	7,359	-	-	-	7,359	-
Veterans-WW	1,213	-	-	-	1,213	-
Wellness	3,900	-	-	-	3,900	-
Contingency	127,371	-	-	-	127,371	-
Unassigned	3,511,075	-	-	-	-	3,511,075
Sub-Total General Fund:	7,383,847	1,936,293	43,074	-	1,893,405	3,511,075
Committed for Human Services Programs	1,303,717	60	-	1,303,657	-	-
Forestry Department Programs	893,441	-	367,375	526,066	-	-
Debt Service	761,092	-	-	-	761,092	-
Capital Improvements Program Fund:						
Committed for Capital Projects	3,429,766	-	-	3,429,766	-	-
Prepayments	-	-	-	-	-	-
Advances to Other Funds	755,156	755,156	-	-	-	-
Sub-Total Major Funds:	14,527,019	2,691,509	410,449	5,259,489	2,654,497	3,511,075
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Fund:						
Inventories/Prepayments	-	-	-	-	-	-
Committed for Health Services Programs	\$ 186,880	\$ -	\$ -	\$ 186,880	\$ -	\$ -
Child Support Fund	90,760	-	-	90,760	-	-
Committed for ADRC Programs	52,885	-	-	52,885	-	-
Council on Aging Fund:						
Inventories/Prepayments	277	277	-	-	-	-
Restricted for the DOT Medical Escort Program	-	-	-	-	-	-
Committed for Aging Services	234,577	-	-	234,577	-	-
Wildlife Damage Program	(1,184)	-	-	-	-	(1,184)
Restricted for CDBG Revolving Loan Program	49,176	-	49,176	-	-	-
Forestry Restricted Fund	-	-	-	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	664,919	-	664,919	-	-	-
Committed for Building Project	706,356	-	-	706,356	-	-
Recycling Program	39,899	-	-	39,899	-	-
Animal Control Program	(1,791)	-	-	-	-	(1,791)
County Land Sales Fund						
Committed for Dam Maintenance	488,400	-	-	488,400	-	-
Restricted for Jail Assessments Fee Funded Projects	44,357	-	44,357	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	12,002	-	12,002	-	-	-
Committed for Projects in the Sheriff's Department	39,913	718	-	39,195	-	-
Restricted for Environmental and Socioeconomic						
Impact Fund Projects	964,838	-	964,838	-	-	-
Restricted for County Trunk D Project	520,224	-	520,224	-	-	-
Solid Waste Projects						
Restricted by Contract Agreements for Solid Waste Improvements	259,654	-	259,654	-	-	-
Committed for Solid Waste Operations	-	-	-	-	-	-
Sub-Total Nonmajor Funds:	4,352,142	995	2,515,170	1,838,952	-	(2,975)
Total Governmental Fund Balances at December 31, 2015	\$ 18,879,161	\$ 2,692,504	\$ 2,925,619	\$ 7,098,441	\$ 2,654,497	\$ 3,508,100

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION

A. Employee Vacation, Sick Leave and Compensatory Time

Non-Highway Department Employees. Employees earn vacation in varying amounts depending upon length of service. Vacation earned one year is available to the employees the following year. The liability at December 31, 2015 for employees accrued vacation benefits was estimated at \$175,706.

Employees earn one day (7.5 hours) of sick leave per month with a maximum accumulation of 75 days (600 hours). Retiring employees with five to ten years of service are paid one-half of accumulated sick leave while employees with ten or more years of service receive actual accumulation up to the 75 day maximum. The estimated liability for accumulated sick leave at December 31, 2015 was \$619,482.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$284,743 on December 31, 2015 and are reflected as liabilities in the internal service fund.

B. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued). Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

During the fiscal reporting period January 1, 2015 through December 31, 2015, the WRS recognized \$575,869 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	7%	6.80%	0.00%
Executives & Elected Officials	7.70%	7.70%	0.00%
Protective with Social Security	6.80%	9.50%	0.13%
Protective without Social Security	6.80%	13.10%	0.13%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	3%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

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

At December 31, 2015, the County reported an asset of \$1,468,079 for its proportionate share of the net pension asset. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2014, the County's proportion was 0.0597686 percent, which was a decrease of 0.0009477 from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$581,203. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources, as applicable, related to pensions from the following sources:

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

<u>Description</u>	<u>Deferred Outflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 212,826
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	710,915
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	22,366
County Contributions Subsequent to the Measurement Date	575,869
Total	<u>\$ 1,521,976</u>

\$575,869 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2015	\$ 185,849
2016	185,849
2017	185,849
2018	185,849
2019	185,849
Thereafter	16,862

Actuarial assumptions. The total pension asset in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	5.0%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	5.3%	70%	5.3%
International Equity	23%	5.7%	30%	5.7%
Fixed Income	36%	1.7%	N/A	N/A
Inflation Sensitive Assets	20%	2.3%	N/A	N/A
Real Estate	7%	4.2%	N/A	N/A
Private Equity/Debt	7%	6.9%	N/A	N/A
Multi-Asset	6%	3.9%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,141,704	\$ (1,468,079)	\$ (5,898,459)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan

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

Single-Employer Plan Description

All employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree medical plan if they pay 100% of the retiree premium. Coverage may continue after 65 if the retiree pays 100% of the post-65 premium. The post-65 retiree premium is assumed to be entirely self-sustaining (i.e. not subsidized). As of June 30, 2013, there were approximately 145 active participants and 14 retired participants receiving benefits from the County's health plans.

Funding Policy

The County funds its OPEB obligation on a pay-as-you-go basis. For fiscal year 2015, the County contributed \$71,000 to the plan. This contribution was in the form of an implicit rate subsidy.

Annual OPEB Cost and Net OPEB Obligation

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

Annual Required Contribution	\$ 328,392
Interest on Net OPEB Obligation	42,977
Adjustment to Annual Required Contribution	<u>(70,959)</u>
Annual OPEB Cost (Expense)	300,410
Contributions Made	<u>(71,000)</u>
Increase in Net OPEB Obligation	229,410
Net OPEB Obligation- Beginning of Year	<u>1,432,560</u>
Net OPEB Obligation- End of Year	<u><u>\$ 1,661,970</u></u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/15	\$ 300,410	23.6%	\$ 1,661,970
12/31/14	288,567	20.4	1,432,560
12/31/13	276,972	18.1	1,202,993

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$2,158,458. The annual payroll for active employees covered by the plan in the actuarial valuation for fiscal year 2013 was \$7,789,959 for a ratio of the UAAL to covered payroll of 27.7%.

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

Actuarial Methods and Assumptions

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Methods and Assumptions (Continued)

In the June 30, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3% interest discount rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 6.4%, reduced by decrements to an ultimate rate of 4.4% by the year 2083. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period is less than 30 years.

D. Other Organizations

County officials appoint some or all of the governing board members of the following organizations which are not considered to be component units.

Joint Venture

Waste Management Group. Washburn County and Burnett County have jointly established the Waste Management Group to construct, operate and maintain solid waste management facilities under Wisconsin Statutes 66.30. Each member county appoints five members of the board of directors. The operating and capital budgets are funded by user charges with shortfalls funded by the participating members. The County's transactions relating to the Waste Management Group are reported in the recycling special revenue fund. Financial statements of the Waste Management Group can be obtained from its offices at 1400 South River Street, Spooner, Wisconsin.

Jointly Governed Organization

Northwest Regional Planning Commission. The County, in conjunction with Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer and Taylor counties, and major cities within these counties, has created the Northwest Regional Planning Commission (NWRPC). NWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the county board chairperson and approved by the county board.

Other

Washburn County Housing Authority. The County is responsible for the appointment of the board members of Washburn County Housing Authority (Housing Authority). The County, however, cannot, without cause, remove appointed members prior to completion of their five-year term. The County receives no funding from, nor provides any funding to, the Housing Authority. The County is not considered to be financially accountable for the Housing Authority and, accordingly, the Housing Authority is not considered to be a component unit of the County.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the last three years.

F. Contingencies

State and Federal Grant Programs

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

G. Change in Accounting Principle

During the year ended December 31, 2015, the County adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. These pronouncements require the restatement of the December 31, 2014, net position of the governmental activities as follows:

	Governmental Activities	Highway Department
Net Position, December 31, 2014, as Previously Reported	\$ 72,665,696	\$ 12,320,810
Cumulative Affect of Application of GASB 68, Net Pension Liability (Asset)	2,393,737	431,331
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for County Contributions Made to the Plan During Fiscal Year Ending December 31, 2014	600,727	108,246
Net Position, December 31, 2014, as Restated	\$ 75,660,160	\$ 12,860,387

REQUIRED SUPPLEMENTARY INFORMATION

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**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 9,079,421	\$ 9,079,421	\$ 9,271,373	\$ 191,952
Intergovernmental	1,601,363	1,603,748	1,625,046	21,298
Licenses and Permits	147,890	147,890	155,009	7,119
Fines, Forfeits and Penalties	87,227	87,227	80,133	(7,094)
Public Charges for Services	341,550	341,550	371,786	30,236
Intergovernmental Charges for Services	10,000	10,000	14,254	4,254
Miscellaneous	163,889	255,839	238,972	(16,867)
Total Revenues	<u>11,431,340</u>	<u>11,525,675</u>	<u>11,756,573</u>	<u>230,898</u>
EXPENDITURES:				
General Government	4,315,335	4,497,794	4,000,737	497,057
Public Safety	3,528,748	3,530,120	3,514,357	15,763
Public Works	2,468,650	2,468,650	2,461,922	6,728
Health and Human Services	210,639	212,280	185,871	26,409
Culture, Recreation and Education	485,679	498,438	490,984	7,454
Conservation and Development	719,650	719,650	649,656	69,994
Total Expenditures	<u>11,728,701</u>	<u>11,926,932</u>	<u>11,303,527</u>	<u>623,405</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(297,361)	(401,257)	453,046	854,303
OTHER FINANCING SOURCES (USES):				
Transfers In	50,000	50,000	-	(50,000)
Transfers Out	(5,142)	(1,150)	(661,149)	(659,999)
Total Other Financing Sources (Uses)	<u>44,858</u>	<u>48,850</u>	<u>(661,149)</u>	<u>(709,999)</u>
NET CHANGE IN FUND BALANCE	(252,503)	(352,407)	(208,103)	144,304
Fund Balance, January 1	<u>7,591,950</u>	<u>7,591,950</u>	<u>7,591,950</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 7,339,447</u>	<u>\$ 7,239,543</u>	<u>\$ 7,383,847</u>	<u>\$ 144,304</u>

See Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,128,742	\$ 1,128,742	\$ 1,128,742	\$ -
Intergovernmental	1,835,640	1,835,640	1,799,938	(35,702)
Fines, Forfeits and Penalties	14,868	14,868	13,767	(1,101)
Public Charges for Services	123,617	123,617	526,188	402,571
Miscellaneous	107,002	109,502	174,613	65,111
Total Revenues	<u>3,209,869</u>	<u>3,212,369</u>	<u>3,643,248</u>	<u>430,879</u>
EXPENDITURES:				
Health and Human Services	<u>3,262,068</u>	<u>3,271,753</u>	<u>3,668,988</u>	<u>(397,235)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(52,199)	(59,384)	(25,740)	33,644
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>52,199</u>	<u>59,384</u>	<u>65,562</u>	<u>6,178</u>
NET CHANGE IN FUND BALANCE	-	-	39,822	39,822
Fund Balance, January 1	<u>1,263,895</u>	<u>1,263,895</u>	<u>1,263,895</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,263,895</u>	<u>\$ 1,263,895</u>	<u>\$ 1,303,717</u>	<u>\$ 39,822</u>

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FORESTRY FUND
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 637,523	\$ 712,643	\$ 1,164,099	\$ 451,456
Public Charges for Services	1,615,000	1,615,000	1,927,492	312,492
Other Revenues	3,056	7,501	53,115	45,614
Total Revenues	<u>2,255,579</u>	<u>2,335,144</u>	<u>3,144,706</u>	<u>809,562</u>
EXPENDITURES:				
Culture, Recreation and Education	1,393,859	1,473,424	2,432,424	(959,000)
Debt Service				
Principal	-	-	195,152	(195,152)
Interest	-	-	3,887	(3,887)
Total Expenditures	<u>1,393,859</u>	<u>1,473,424</u>	<u>2,631,463</u>	<u>(1,158,039)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	861,720	861,720	513,243	(348,477)
OTHER FINANCING SOURCES (USES):				
Proceeds of Long-Term Debt	-	-	482,921	482,921
Sale of Capital Assets	-	-	17,897	17,897
Transfers Out	(938,687)	(938,687)	(1,341,025)	(402,338)
Total Other Financing Sources (Uses)	<u>(938,687)</u>	<u>(938,687)</u>	<u>(840,207)</u>	<u>98,480</u>
NET CHANGE IN FUND BALANCE	(76,967)	(76,967)	(326,964)	(249,997)
Fund Balance, January 1	<u>1,220,405</u>	<u>1,220,405</u>	<u>1,220,405</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,143,438</u>	<u>\$ 1,143,438</u>	<u>\$ 893,441</u>	<u>\$ (249,997)</u>

See Notes to Required Supplementary Information.

WASHBURN COUNTY, WISCONSIN
SCHEDULE OF FUNDING PROGRESS

Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2013	\$ -	\$ 2,158,458	\$ 2,158,458	- %	\$7,789,959	27.7 %
6/30/2010	-	2,244,230	2,244,230	-	7,287,729	30.8
6/30/2009	-	2,140,822	2,140,822	-	7,294,327	29.3

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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET
LAST TEN FISCAL YEARS**

	2015
County's proportion of the net pension liability (asset)	0.05976855%
County's proportionate share of the net pension liability (asset)	\$ (1,468,079)
County's covered-employee payroll	\$ 7,500,743
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.57%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

*The amounts presented are for a measurement date used 12 months prior to the County's year end.

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**WASHBURN COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

	2015
Contractually Required Contribution	\$ 575,869
Contributions in Relation to the Contractually Required Contributions	(575,869)
Contribution Deficiency (Excess)	\$ -
 County's Covered-Employee Payroll	\$ 7,793,876
 Contributions as a Percentage of Covered Employee Payroll	7.39%

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

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

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**WASHBURN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

BUDGETARY INFORMATION

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund, human services fund, and the forestry fund is derived from the County's annual operating budget.

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

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

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SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND STATEMENTS

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**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015**

	Special Revenue Funds							Animal Control
	Public Health	Child Support	Aging & Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	
ASSETS								
Treasurer's Cash and Investments	\$ 236,470	\$ 61,697	\$ 13,857	\$ 262,688	\$ 49,176	\$ -	\$ 1,371,275	\$ 1,725
Taxes Receivable	299,055	-	-	307,845	-	-	-	24,300
Accounts Receivable	7,208	89	-	7,954	-	-	-	360
Due from Other Governmental Units	-	56,527	64,395	3,556	-	17,340	-	-
Loans Receivable	-	-	-	-	871,207	-	-	-
Prepaid Expenses	-	-	-	277	-	-	-	-
Total Assets	\$ 542,733	\$ 118,313	\$ 78,252	\$ 582,320	\$ 920,383	\$ 17,340	\$ 1,371,275	\$ 26,385
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 1,325	\$ 202	\$ 542	\$ 19,522	\$ -	\$ 8,494	\$ -	\$ 3,202
Accrued Liabilities	55,288	27,351	24,825	20,099	-	-	-	-
Due to Other Governmental Units	185	-	-	-	-	4,809	-	674
Due to Other Funds	-	-	-	-	-	5,221	-	-
Total Liabilities	56,798	27,553	25,367	39,621	-	18,524	-	3,876
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	299,055	-	-	307,845	-	-	-	24,300
Loans Receivable	-	-	-	-	871,207	-	-	-
Total Deferred Inflows of Resources	299,055	-	-	307,845	871,207	-	-	24,300
Fund Balances:								
Nonspendable	-	-	-	277	-	-	-	-
Restricted	-	-	-	-	49,176	-	664,919	-
Committed	186,880	90,760	52,885	234,577	-	-	706,356	-
Unassigned	-	-	-	-	-	(1,184)	-	(1,791)
Total Fund Balances	186,880	90,760	52,885	234,854	49,176	(1,184)	1,371,275	(1,791)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 542,733	\$ 118,313	\$ 78,252	\$ 582,320	\$ 920,383	\$ 17,340	\$ 1,371,275	\$ 26,385

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2015**

	Special Revenue Funds (Continued)						Totals	
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental & Socioeconomic Impact	County Trunk D	Recycling Fund		Solid Waste Fund
ASSETS								
Treasurer's Cash and Investments	\$ 496,281	\$ 43,999	\$ 54,846	\$ 964,838	\$ 520,224	\$ 23,775	\$ 293,058	\$ 4,393,909
Taxes Receivable	-	-	-	-	-	-	-	631,200
Accounts Receivable	-	745	1,952	20,653	-	19,403	21,250	79,614
Due from Other Governmental Units	-	-	-	-	-	-	-	141,818
Loans Receivable	-	-	-	-	-	-	-	871,207
Prepaid Expenses	-	-	718	-	-	-	-	995
Total Assets	\$ 496,281	\$ 44,744	\$ 57,516	\$ 985,491	\$ 520,224	\$ 43,178	\$ 314,308	\$ 6,118,743
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 7,881	\$ 387	5,601	\$ 20,653	\$ -	\$ 3,279	\$ 54,654	\$ 125,742
Accrued Liabilities	-	-	-	-	-	-	-	127,563
Due to Other Governmental Units	-	-	-	-	-	-	-	5,668
Due to Other Funds	-	-	-	-	-	-	-	5,221
Total Liabilities	7,881	387	5,601	20,653	-	3,279	54,654	264,194
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	631,200
Loans Receivable	-	-	-	-	-	-	-	871,207
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,502,407
Fund Balances:								
Nonspendable	-	-	718	-	-	-	-	995
Restricted	-	44,357	12,002	964,838	520,224	-	259,654	2,515,170
Committed	488,400	-	39,195	-	-	39,899	-	1,838,952
Unassigned	-	-	-	-	-	-	-	(2,975)
Total Fund Balances	488,400	44,357	51,915	964,838	520,224	39,899	259,654	4,352,142
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 496,281	\$ 44,744	\$ 57,516	\$ 985,491	\$ 520,224	\$ 43,178	\$ 314,308	\$ 6,118,743

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015**

	Special Revenue Funds							
	Public Health	Child Support	Aging & Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	Animal Control
REVENUES:								
Taxes	\$ 319,282	\$ 18,502	\$ -	\$ 295,832	\$ -	\$ -	\$ -	\$ 20,300
Intergovernmental	193,663	235,567	145,726	211,298	-	17,340	-	-
Licenses and Permits	-	-	-	-	-	-	35,127	15,705
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	63,937	1,417	98,274	112,087	-	-	-	-
Miscellaneous:								
Interest	-	-	-	1	12	-	-	-
Loan Repayments	-	-	-	-	61,245	-	-	-
Sale of County Property	-	-	-	975	-	-	-	-
Donations	12,255	46,891	45	28,214	-	-	-	-
Other	-	-	-	42,111	-	-	-	3,220
Total Revenues	<u>589,137</u>	<u>302,377</u>	<u>244,045</u>	<u>690,518</u>	<u>61,257</u>	<u>17,340</u>	<u>35,127</u>	<u>39,225</u>
EXPENDITURES:								
Public Safety	-	-	-	-	-	-	-	-
Health and Human Services	582,774	206,078	231,138	653,056	-	-	-	44,381
Culture, Recreation and Education	-	-	-	-	-	18,524	-	-
Conservation and Development	-	-	-	-	13,137	-	500	-
Total Expenditures	<u>582,774</u>	<u>206,078</u>	<u>231,138</u>	<u>653,056</u>	<u>13,137</u>	<u>18,524</u>	<u>500</u>	<u>44,381</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,363</u>	<u>96,299</u>	<u>12,907</u>	<u>37,462</u>	<u>48,120</u>	<u>(1,184)</u>	<u>34,627</u>	<u>(5,156)</u>
OTHER FINANCING SOURCES (USES):								
Transfers Out	-	(58,376)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>6,363</u>	<u>37,923</u>	<u>12,907</u>	<u>37,462</u>	<u>48,120</u>	<u>(1,184)</u>	<u>34,627</u>	<u>(5,156)</u>
Fund Balances, January 1	180,517	52,837	39,978	197,392	1,056	-	1,336,648	3,365
FUND BALANCES, DECEMBER 31	<u>\$ 186,880</u>	<u>\$ 90,760</u>	<u>\$ 52,885</u>	<u>\$ 234,854</u>	<u>\$ 49,176</u>	<u>\$ (1,184)</u>	<u>\$ 1,371,275</u>	<u>\$ (1,791)</u>

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2015**

	Special Revenue Funds (Continued)							Totals
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental & Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund	
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 653,916
Intergovernmental	-	-	-	-	-	83,425	-	887,019
Licenses and Permits	-	-	-	-	-	-	-	50,832
Fines, Forfeits and Penalties	-	12,238	-	-	-	-	-	12,238
Public Charges for Services	27,161	-	-	-	-	-	-	302,876
Miscellaneous:								
Interest	-	-	-	791	351	-	-	1,155
Loan Repayments	-	-	-	-	-	-	-	61,245
Sale of County Property	101,167	-	-	-	-	-	-	102,142
Donations	-	-	38,087	-	-	-	-	125,492
Other	-	-	-	78,390	-	73,390	85,000	282,111
Total Revenues	128,328	12,238	38,087	79,181	351	156,815	85,000	2,479,026
EXPENDITURES:								
Public Safety	-	11,731	10,660	-	-	-	-	22,391
Health and Human Services	-	-	-	-	-	-	-	1,717,427
Culture, Recreation and Education	-	-	-	-	-	-	-	18,524
Conservation and Development	48,674	-	-	118,232	-	116,916	15,000	312,459
Total Expenditures	48,674	11,731	10,660	118,232	-	116,916	15,000	2,070,801
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	79,654	507	27,427	(39,051)	351	39,899	70,000	408,225
OTHER FINANCING SOURCES (USES):								
Transfers Out	-	-	-	-	-	-	(44,536)	(102,912)
NET CHANGE IN FUND BALANCES	79,654	507	27,427	(39,051)	351	39,899	25,464	305,313
Fund Balances, January 1	408,746	43,850	24,488	1,003,889	519,873	-	234,190	4,046,829
FUND BALANCES, DECEMBER 31	\$ 488,400	\$ 44,357	\$ 51,915	\$ 964,838	\$ 520,224	\$ 39,899	\$ 259,654	\$ 4,352,142

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2015
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2014)**

	2015	2014
ASSETS		
Treasurer's Cash and Investments	\$ 5,246,514	\$ 5,818,308
Current Taxes Receivable	7,845,806	7,726,951
Tax Certificates	1,228,028	1,332,128
Accounts Receivable	98,050	104,143
Due from Other Governments	285,510	263,103
Due from Other Funds	247,035	274,200
Inventory	10,224	11,177
Prepaid Items:		
Prepaid Expenses	223,847	12,281
Prepaid Insurance	399,194	363,674
Long-Term Note Receivable	75,000	80,000
	<u>\$ 15,659,208</u>	<u>\$ 15,985,965</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 122,833	\$ 157,465
Payroll Deductions	85,063	246,764
Accrued Liabilities	59,782	159,057
Due to Other Governments	54,666	67,520
Unearned Revenue	107,211	36,258
Total Liabilities	<u>429,555</u>	<u>667,064</u>
Deferred Inflows of Resources:		
Succeeding Year's Property Taxes	7,845,806	7,726,951
Fund Balance:		
Nonspendable	1,936,293	1,799,260
Restricted	43,074	70,245
Assigned	1,893,405	1,792,564
Unassigned	3,511,075	3,929,881
Total Fund Balance	<u>7,383,847</u>	<u>7,591,950</u>
	<u>\$ 15,659,208</u>	<u>\$ 15,985,965</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 15,659,208</u>	<u>\$ 15,985,965</u>

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
Property:				
General Property Taxes	\$ 7,726,951	\$ 7,726,951	\$ -	\$ 7,616,113
Forest Cropland Taxes From Districts	9,350	14,541	5,191	19,487
Sales and Use:				
County Sales Tax	1,000,000	1,224,893	224,893	1,160,527
Retained Sales Tax Applied	120	83	(37)	70
Real Estate Transfer Fees	45,000	55,971	10,971	49,764
Interest and Penalties on Taxes	298,000	248,934	(49,066)	257,147
Total Taxes	<u>9,079,421</u>	<u>9,271,373</u>	<u>191,952</u>	<u>9,103,108</u>
Intergovernmental:				
Federal Grants:				
Homeland Security Equipment Grant	47,374	7,564	(39,810)	-
Aid in Lieu of Taxes	10,000	11,014	1,014	11,143
Emergency Government	10,590	30,534	19,944	49,965
Federal Aids Secondary	3,989	3,989	-	8,037
Jail Literacy Grant	7,550	13,812	6,262	13,563
State Shared Taxes:				
Shared Revenue	140,000	141,340	1,340	140,770
Tax Exempt Computer Aids	3,000	19,379	16,379	16,427
State Grants:				
Aid for Courts	52,275	52,275	-	52,275
Victim/Witness Program	33,646	38,140	4,494	35,855
Septic Systems	10,000	3,694	(6,306)	9,860
Veterans Service Officer	16,641	16,641	-	14,681
Probation and Parole	20,000	17,718	(2,282)	7,826
Guardian Ad Litem	17,305	17,126	(179)	17,305
Snowmobile and ATV Enforcement	4,000	2,771	(1,229)	4,380
Farm Land Preservation Grant	15,500	-	(15,500)	-
County Trunk Highways	986,040	986,040	-	857,426

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 146,338	\$ 149,998	\$ 3,660	\$ 135,498
Law Enforcement Training	10,000	6,741	(3,259)	5,939
Land Information Board Grants	1,000	1,000	-	7,593
Forest Crop/Managed Forest Aides	27,500	26,649	(851)	27,326
Severance and Withdrawal Taxes	14,000	47,258	33,258	24,485
Payment in Lieu of Taxes	27,000	31,363	4,363	29,022
Total Intergovernmental	<u>1,603,748</u>	<u>1,625,046</u>	<u>21,298</u>	<u>1,469,376</u>
Licenses and Permits:				
Licenses:				
Conservation License Fees	250	390	140	201
Marriage License Revenue	5,000	4,940	(60)	5,390
Permits:				
Zoning Fees	142,640	149,679	7,039	145,671
Total Licenses and Permits	<u>147,890</u>	<u>155,009</u>	<u>7,119</u>	<u>151,262</u>
Fines, Forfeits and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	87,227	80,133	(7,094)	95,584
Public Charges for Services:				
General Government:				
Treasurer's Fees	100	64	(36)	79
Register of Deeds Fees	108,000	114,218	6,218	127,446
Land Modernization Fees	32,500	28,194	(4,306)	25,634
Surveyor Fees	1,600	-	(1,600)	-
Court Fees and Costs	24,500	34,351	9,851	28,646
Register in Probate Fees	7,500	5,413	(2,087)	5,421
Assessment of Property Fees	1,000	500	(500)	807
Land Records	1,000	598	(402)	695

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 1,547	\$ 47	\$ 1,380
Guardian Ad Litem Reimbursement	40,000	72,796	32,796	55,153
District Attorney Fees	1,200	2,447	1,247	1,562
Coroner	12,150	11,450	(700)	11,150
Public Safety:				
Sheriff Fees	31,000	27,334	(3,666)	30,774
Inmate Phone	6,000	5,107	(893)	3,532
Electric Monitor Revenue	12,500	10,103	(2,397)	12,667
Board of Prisoners - Huber Law	7,000	6,116	(884)	2,561
County Numbering System	8,000	3,720	(4,280)	3,060
Prisoner Medical Reimbursements	10,000	11,904	1,904	14,205
Health and Human Services:				
Veteran Service Fees	20,000	20,299	299	26,645
Culture, Recreation and Education:				
UWEX Extension Fees	4,000	4,907	907	1,534
Conservation and Development:				
Soil and Water Revenue	12,000	10,718	(1,282)	16,378
Total Public Charges for Services	<u>341,550</u>	<u>371,786</u>	<u>30,236</u>	<u>369,329</u>
Intergovernmental Charges for Services:				
Smart Growth Planning	10,000	14,254	4,254	12,343

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Miscellaneous				
Interest:				
Temporary Investments	\$ 75,000	\$ 112,101	\$ 37,101	\$ 81,577
Rent:				
Buildings	12,204	12,204	-	13,699
County Dam Site	5,000	10,000	5,000	12,799
Property Sales:				
Sale of General Capital Assets	-	7,861	7,861	-
Sale of Sheriff Department Cars	26,000	30,897	4,897	20,704
Sale of Maps and Plats	7,300	3,936	(3,364)	3,669
Sale of CSM's	3,100	2,654	(446)	3,460
Other:				
County Cars Revenue	29,871	23,069	(6,802)	23,734
Insurance Recoveries	-	21,209	21,209	-
Refund of Prior Year Expenditures	-	-	-	17,978
Donations	5,414	3,130	(2,284)	1,130
Miscellaneous	91,950	11,911	(80,039)	26,225
Total Miscellaneous Revenues	<u>255,839</u>	<u>238,972</u>	<u>(16,867)</u>	<u>204,975</u>
Total Revenues	11,525,675	11,756,573	230,898	11,405,977
EXPENDITURES:				
General Government:				
Legislative:				
Board	81,655	83,641	(1,986)	78,918
Judicial:				
Judge	90,850	149,122	(58,272)	141,142
Juvenile Court				
Clerk of Courts	277,313	244,306	33,007	261,162
Register in Probate	68,623	67,940	683	67,199
Family Court Commissioner	30,181	28,771	1,410	30,147
Coroner	40,431	51,907	(11,476)	23,366
Legal:				
District Attorney	132,376	145,454	(13,078)	136,396
Family Counseling	3,500	3,840	(340)	2,707
Criminal Justice Coordinator	94,216	82,745	11,471	86,688
Corporation Counsel	153,329	153,343	(14)	151,908
Victim/Witness Coordinator	69,013	68,249	764	66,507

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
General Government: (Continued)				
General Administration:				
Clerk	\$ 115,411	\$ 113,614	\$ 1,797	\$ 110,365
Administration	306,896	295,167	11,729	262,725
Contracted Services	37,751	1,000	36,751	3,155
Elections	21,618	9,251	12,367	28,779
Information Technology	662,955	588,144	74,811	623,036
Information Technology Capital Equipment	39,470	22,364	17,106	23,906
Central Postage	26,750	24,337	2,413	29,469
Financial Administration:				
Accounting and Auditing	300,874	259,362	41,512	214,564
Treasurer	206,388	207,196	(808)	193,343
Assessment of Property	7,180	3,400	3,780	3,065
Purchasing	176,596	225,248	(48,652)	156,420
General Building and Plant:				
Annex - Spooner	48,882	46,714	2,168	52,615
Annex - Shell Lake	98,000	84,051	13,949	91,901
Annex - City of Spooner	43,382	36,541	6,841	40,181
Courthouse	321,985	312,219	9,766	314,410
Building Repair	21,399	22,345	(946)	24,366
Wayside	35,549	32,016	3,533	38,382
Memorials	2,500	-	2,500	-
Property Records and Control:				
Register of Deeds	197,595	193,706	3,889	148,231
Surveyor	325,411	311,768	13,643	330,907
Land Record's Office	72,099	72,171	(72)	67,859
Maps and Plats	10,000	-	10,000	-
Other General Government:				
County Owned Cars Expense	29,871	7,575	22,296	8,819
Property and Liability Insurance	95,781	53,230	42,551	59,733
Contingency:				
Other	251,964	-	251,964	-
Total General Government	4,497,794	4,000,737	497,057	3,872,371

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Public Safety:				
Sheriff	\$ 1,814,083	\$ 1,750,269	\$ 63,814	\$ 1,778,148
Fire Suppression	100	473	(373)	-
Jail Expenses	1,605,483	1,676,985	(71,502)	1,574,765
Highway Safety	1,000	520	480	-
County Numbering System	7,700	2,461	5,239	2,385
Emergency Government	96,858	80,629	16,229	89,635
Emergency Communications	4,896	3,020	1,876	3,710
Total Public Safety	<u>3,530,120</u>	<u>3,514,357</u>	<u>15,763</u>	<u>3,448,643</u>
Public Works:				
Transportation Facilities:				
Appropriations to Highway Department [1]	2,452,450	2,452,450	-	2,327,884
Other Transportation:				
Transit Commission	500	78	422	27
Airport	5,700	5,700	-	5,700
Total Transportation Facilities	<u>2,458,650</u>	<u>2,458,228</u>	<u>422</u>	<u>2,333,611</u>
Sanitation:				
Wisconsin Fund Grant	10,000	3,694	6,306	9,860
Total Public Works	<u>2,468,650</u>	<u>2,461,922</u>	<u>6,728</u>	<u>2,343,471</u>
Health and Human Services:				
Health:				
Wellness Program	10,700	9,882	818	11,152
Human Services:				
AODA Program	7,560	7,500	60	7,500
Veterans:				
Veterans Service	143,302	147,728	(4,426)	147,156
Veterans Commission	39,468	10,764	28,704	36,205
Deceased Veterans Affairs	11,250	9,997	1,253	9,105
Total Health and Human Services	<u>212,280</u>	<u>185,871</u>	<u>26,409</u>	<u>211,118</u>

[1] See Schedule C-4

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Culture, Recreation and Education:				
Culture:				
Library	\$ 227,835	\$ 227,835	\$ -	\$ 231,726
Historical Society	13,200	18,200	(5,000)	18,200
Recreation:				
Fairs	43,540	43,540	-	43,540
Education:				
University Extension	213,863	201,409	12,454	191,004
Total Culture, Recreation and Education	<u>498,438</u>	<u>490,984</u>	<u>7,454</u>	<u>484,470</u>
Conservation and Development:				
Resource Conservation:				
Dam Maintenance	52,040	(1,545)	53,585	13,233
Soil and Water Conservation	204,585	207,709	(3,124)	189,515
Aquatic Invasive Species	19,614	17,211	2,403	16,740
Farm Land Preservation Grant	15,500	-	15,500	-
Power Line Related Expenditures	300	-	300	-
Planning:				
Regional Planning Commission	23,867	23,867	-	23,867
Zoning:				
Zoning	211,223	200,415	10,808	220,502
Economic Development:				
Economic Development Corporation and Tourism	187,046	198,999	(11,953)	172,046
ITBEC Contribution	3,000	3,000	-	3,000
Community Action Programs	2,475	-	2,475	258
Total Conservation and Development	<u>719,650</u>	<u>649,656</u>	<u>69,994</u>	<u>639,161</u>
Total Expenditures	<u>11,926,932</u>	<u>11,303,527</u>	<u>623,405</u>	<u>10,999,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(401,257)	453,046	854,303	406,743

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)**

	2015		Variance With Final Budget Positive (Negative)	2014 Actual
	Final Budget	Actual		
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Solid Waste Fund	\$ 50,000	\$ -	\$ (50,000)	\$ -
Transfers Out:				
Human Services Fund	(1,150)	(7,186)	(6,036)	(63,338)
Child Support Fund	-	-	-	(2,900)
Council on Aging Fund	-	-	-	(16,106)
Highway Department Fund	-	(52,199)	(52,199)	(453)
Capital Improvement Fund	-	(601,764)	(601,764)	-
Total Transfers Out	<u>(1,150)</u>	<u>(661,149)</u>	<u>(659,999)</u>	<u>(82,797)</u>
Total Other Financing Sources (Uses)	<u>48,850</u>	<u>(661,149)</u>	<u>(709,999)</u>	<u>(82,797)</u>
NET CHANGE IN FUND BALANCE	<u>(352,407)</u>	<u>(208,103)</u>	<u>144,304</u>	<u>323,946</u>
Fund Balance, January 1	<u>7,591,950</u>	<u>7,591,950</u>	<u>-</u>	<u>7,268,004</u>
FUND BALANCE, DECEMBER 31	<u>\$ 7,239,543</u>	<u>\$ 7,383,847</u>	<u>\$ 144,304</u>	<u>\$ 7,591,950</u>

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**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014)**

	Highway Department	Copy Machine	Totals	
			2015	2014
ASSETS				
Current Assets:				
Treasurer's Cash and Investments	\$ 2,450,837	\$ 20,854	\$ 2,471,691	\$ 2,080,120
Accounts Receivable	1,376	-	1,376	200,937
Due from Other Governments	616,322	-	616,322	787,621
Due from Other Funds	715,920	-	715,920	1,013,314
Prepaid Expenses	11,182	-	11,182	1,096
Inventories	1,109,709	-	1,109,709	1,282,035
Total Current Assets	<u>4,905,346</u>	<u>20,854</u>	<u>4,926,200</u>	<u>5,365,123</u>
Restricted Assets:				
Wisconsin Retirement System Pension Plan Asset	264,535	-	264,535	-
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	20,808,519	26,919	20,835,438	19,201,652
Accumulated Depreciation	<u>(9,677,442)</u>	<u>(25,189)</u>	<u>(9,702,631)</u>	<u>(8,879,491)</u>
Total Capital Assets	<u>11,620,859</u>	<u>1,730</u>	<u>11,622,589</u>	<u>10,811,943</u>
Total Assets	<u>16,790,740</u>	<u>22,584</u>	<u>16,813,324</u>	<u>16,177,066</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	274,247	-	274,247	-
LIABILITIES				
Current Liabilities:				
Accounts Payable	127,692	-	127,692	543,678
Accrued Liabilities	133,208	-	133,208	158,228
Accrued Interest Payable	30,448	-	30,448	23,975
Unearned Revenues	296,525	-	296,525	294,192
Accrued Vacation and Sick Leave - Current	107,369	-	107,369	96,593
Capital Leases Payable - Current	363,230	-	363,230	171,345
Total Current Liabilities	<u>1,058,472</u>	<u>-</u>	<u>1,058,472</u>	<u>1,288,011</u>
Long-Term Liabilities:				
Advance from Capital Projects Fund	755,156	-	755,156	769,275
Other Postemployment Benefits Payable	310,368	-	310,368	260,674
Accrued Vacation and Sick Leave	177,374	-	177,374	193,330
Capital Leases Payable	<u>2,223,805</u>	<u>-</u>	<u>2,223,805</u>	<u>1,324,806</u>
Total Long-Term Liabilities	<u>3,466,703</u>	<u>-</u>	<u>3,466,703</u>	<u>2,548,085</u>
Total Liabilities	<u>4,525,175</u>	<u>-</u>	<u>4,525,175</u>	<u>3,836,096</u>
NET POSITION				
Net Investment in Capital Assets	9,033,824	1,730	9,035,554	9,315,792
Restricted for Wisconsin Retirement Pension Plan Asset	264,535	-	264,535	-
Unrestricted	<u>3,241,453</u>	<u>20,854</u>	<u>3,262,307</u>	<u>3,025,178</u>
Total Net Position	<u>12,539,812</u>	<u>22,584</u>	<u>12,562,396</u>	<u>12,340,970</u>
Total Liabilities and Net Position	<u>\$ 17,064,987</u>	<u>\$ 22,584</u>	<u>\$ 17,087,571</u>	<u>\$ 16,177,066</u>

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	Highway Department	Copy Machine	Totals	
			2015	2014
OPERATING REVENUES	\$ 9,143,999	\$ 3,834	\$ 9,147,833	\$ 7,553,176
OPERATING EXPENSES	<u>9,453,477</u>	<u>1,410</u>	<u>9,454,887</u>	<u>8,007,814</u>
OPERATING INCOME (LOSS)	(309,478)	2,424	(307,054)	(454,638)
NONOPERATING REVENUES (EXPENSES):				
Interest Expense	<u>(63,296)</u>	<u>-</u>	<u>(63,296)</u>	<u>(23,975)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(372,774)	2,424	(370,350)	(478,613)
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Transfers from General Fund	<u>52,199</u>	<u>-</u>	<u>52,199</u>	<u>453</u>
CHANGE IN NET POSITION	(320,575)	2,424	(318,151)	(478,160)
Net Position, January 1	12,320,810	20,160	12,340,970	12,819,130
Change in Accounting Principle	<u>539,577</u>	<u>-</u>	<u>539,577</u>	<u>-</u>
Net Position, January 1 - As Restated	<u>12,860,387</u>	<u>20,160</u>	<u>12,880,547</u>	<u>12,819,130</u>
NET POSITION, DECEMBER 31	<u>\$ 12,539,812</u>	<u>\$ 22,584</u>	<u>\$ 12,562,396</u>	<u>\$ 12,340,970</u>

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)**

	Highway Department	Copy Machine	Totals	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Services Provided	\$ 9,814,586	\$ 3,834	\$ 9,818,420	\$ 8,270,228
Cash Paid to Suppliers for Goods and Services	(5,542,320)	(1,410)	(5,543,730)	(3,905,012)
Cash Paid for Employee Services	(3,192,347)	-	(3,192,347)	(3,064,116)
Net Cash Provided by (Used for) Operating Activities	<u>1,079,919</u>	<u>2,424</u>	<u>1,082,343</u>	<u>1,301,100</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer from General Fund	52,199	-	52,199	453
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Paid for Acquisition of Capital Assets	(1,784,911)	-	(1,784,911)	(2,006,805)
Cash Received for Sale of Capital Assets	21,998	-	21,998	264,030
Cash Received on Advance for Capital Projects	(14,119)	-	(14,119)	217,108
Capital Lease Proceeds	1,489,904	-	1,489,904	1,724,320
Principal Paid on Capital Leases	(399,020)	-	(399,020)	(228,169)
Interest Paid on Capital Leases	(56,823)	-	(56,823)	-
Net Cash Used for Capital and Related Financing Activities	<u>(742,971)</u>	<u>-</u>	<u>(742,971)</u>	<u>(29,516)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	389,147	2,424	391,571	1,272,037
CASH AND CASH EQUIVALENTS, JANUARY 1	2,061,690	18,430	2,080,120	808,083
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 2,450,837	\$ 20,854	\$ 2,471,691	\$ 2,080,120
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (309,478)	\$ 2,424	\$ (307,054)	\$ (454,638)
Depreciation	936,353	-	936,353	884,080
Depletion of Gravel Pits	15,914	-	15,914	15,864
Change in Pension Asset and Pension Related Deferred Outflow and Inflow	795	-	795	-
(Increase) Decrease in Assets:				
Accounts Receivable	199,561	-	199,561	(196,700)
Due from Governmental Units	171,299	-	171,299	(370,159)
Prepaid Expenses	(10,086)	-	(10,086)	(192)
Inventories	172,326	-	172,326	(343,502)
Due from Other Funds	297,394	-	297,394	1,330,942
Increase (Decrease) in Liabilities:				
Vouchers Payable	(415,986)	-	(415,986)	406,845
Unearned Revenue	2,333	-	2,333	(47,031)
Accrued Liabilities	(30,200)	-	(30,200)	35,831
Other Postemployment Benefits Payable	49,694	-	49,694	39,760
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,079,919</u>	<u>\$ 2,424</u>	<u>\$ 1,082,343</u>	<u>\$ 1,301,100</u>

WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2014)

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES:		
Charges For Services:		
County Highway [1]	\$ 5,222,023	\$ 4,615,391
State Highway	2,301,737	1,475,061
Other Local Highways	657,914	852,653
County Departments	662,799	390,094
Non-Governmental Customers	4,266	4,781
Other Services	263,441	204,366
Sale of Fixed Assets	1,995	-
Miscellaneous Revenue	29,824	5,694
Total Operating Revenues	<u>9,143,999</u>	<u>7,548,040</u>
OPERATING EXPENSES:		
Administration and General:		
Administration	331,605	357,346
Patrol Superintendent	109,640	119,042
Radio Expense	230	2,333
Public Liability Insurance	87,814	94,249
Transportation Cost Pools:		
Machinery Operations	208,991	(153,675)
Services Provided:		
County:		
General Maintenance	2,712,985	1,677,476
Reconstruction and Betterments	2,780,406	2,313,997
Winter Maintenance	374,964	711,968
State:		
Highway Maintenance and Construction	1,353,860	1,462,738
Equipment and Salt Storage	103,013	124,740
Local Districts	660,200	847,148
Local Departments	662,799	390,094
Non-Governmental Customers	4,266	4,781
Other Postemployment Benefits	49,694	39,760
Amortization of State Contributions Included Above	13,010	13,010
Total Operating Expenses	<u>9,453,477</u>	<u>8,005,007</u>
OPERATING INCOME (LOSS)	(309,478)	(456,967)
NONOPERATING REVENUES (EXPENSES):		
Interest Expense	(63,296)	(23,975)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(372,774)	(480,942)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Transfers from General Fund	52,199	453
CHANGE IN NET POSITION	(320,575)	(480,489)
Net Position, January 1	12,320,810	12,801,299
Change in Accounting Principle	539,577	-
Net Position, January 1 - As Restated	<u>12,860,387</u>	<u>12,801,299</u>
NET POSITION, DECEMBER 31	\$ 12,539,812	\$ 12,320,810
[1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 1,462,421	\$ 1,462,421
State Transportation Aids	986,040	857,426
Federal and State Project Revenues	3,989	8,037
Total General Fund	<u>2,452,450</u>	<u>2,327,884</u>
Charges to Capital Projects Fund and Other Funds	<u>2,769,573</u>	<u>2,287,507</u>
Total County Highway Charges for Services	<u>\$ 5,222,023</u>	<u>\$ 4,615,391</u>

**WASHBURN COUNTY, WISCONSIN
AGENCY FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>Tax Agency</u>	<u>Juvenile Restitution</u>	<u>Representative Payee</u>	<u>Clerk of Courts</u>	<u>Sheriff</u>	<u>District Attorney</u>	<u>DNR Licenses</u>	<u>Totals</u>
ASSETS								
Treasurer's Cash and Investments	\$ -	\$ 529	\$ 2,298	\$ 189,179	\$ 5,470	\$ 467	\$ 158	\$ 198,101
Taxes Receivable	399,300	-	-	-	-	-	-	399,300
Total Assets	<u>\$ 399,300</u>	<u>\$ 529</u>	<u>\$ 2,298</u>	<u>\$ 189,179</u>	<u>\$ 5,470</u>	<u>\$ 467</u>	<u>\$ 158</u>	<u>\$ 597,401</u>
LIABILITIES								
Vouchers Payable	\$ -	\$ -	\$ 2,298	\$ -	\$ -	\$ -	\$ -	\$ 2,298
Due to Other Governmental Units	399,300	-	-	-	-	-	-	399,300
Special Deposits	-	529	-	189,179	5,470	467	158	195,803
Total Liabilities	<u>\$ 399,300</u>	<u>\$ 529</u>	<u>\$ 2,298</u>	<u>\$ 189,179</u>	<u>\$ 5,470</u>	<u>\$ 467</u>	<u>\$ 158</u>	<u>\$ 597,401</u>

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