

WASHBURN COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2016

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2016**

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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, 2016, 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.

The County Board
Washburn County

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, 2016, 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.

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

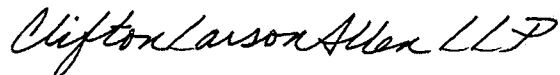
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. 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 December 31, 2015 which are not presented with the accompanying financial statements. In our report dated September 27, 2016, 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 2015 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 2015 basic financial statements. The information has been

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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 2015 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 September 27, 2017 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
September 27, 2017

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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, 2016. 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, 2016 include the following:

- The assets and deferred outflows of resources of Washburn County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$78,227,501 (net position). Of this amount, \$52,523,242 represented the County's net investment in capital assets, \$3,872,779 was held for restricted purposes, and \$21,831,480 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 decreased by \$535,300. The decrease in net position is primarily attributable to depreciation of capital assets and the County's proportionate share of the Wisconsin Retirement System pension plan changing from an asset in the prior year to a liability in the current year.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$20,576,194, an increase of \$1,697,033 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,323,222 or 36.9% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2016 totaling \$1,310,000 a decrease of \$220,000 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, 2016**

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, 2016**

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 57 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 64 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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 \$78,227,501 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (67.1%) 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, 2016 and 2015:

**Condensed Statement of Net Position
December 31, 2016 and 2015**

	Governmental Activities	
	2016	2015
Current Assets	\$ 39,418,496	\$ 36,985,028
Capital Assets	56,400,066	58,919,188
Other Noncurrent Assets	951,580	2,414,286
Total Assets	96,770,142	98,318,502
 Deferred Outflows of Resources	 5,371,060	 1,521,976
 Long-Term Debt Outstanding	 1,310,000	 1,530,000.00
Other Long-Term Obligations	5,448,683	5,738,327
Other Liabilities	4,424,881	3,187,026
Total Liabilities	11,183,564	10,455,353
 Deferred Inflows of Resources	 12,730,137	 10,622,324
 Net Position:		
Net Investment in Capital Assets	52,523,242	54,700,692
Restricted	3,872,779	5,268,325
Unrestricted	21,831,480	18,793,784
Total Net Position	\$ 78,227,501	\$ 78,762,801

An additional portion of Washburn County's net position (5.0%) represents resources that are subject to other restrictions on how they may be used. The remaining \$21,831,480 of total net position (27.9%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position decreased \$535,300 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

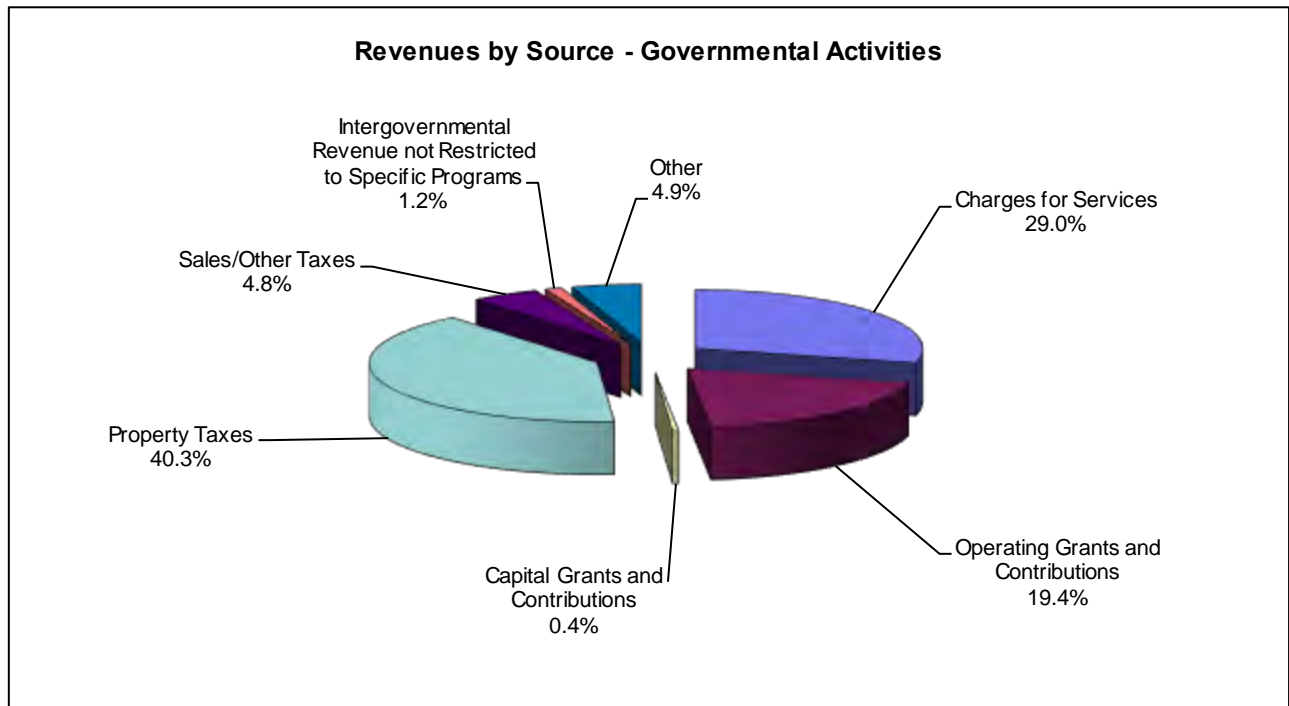
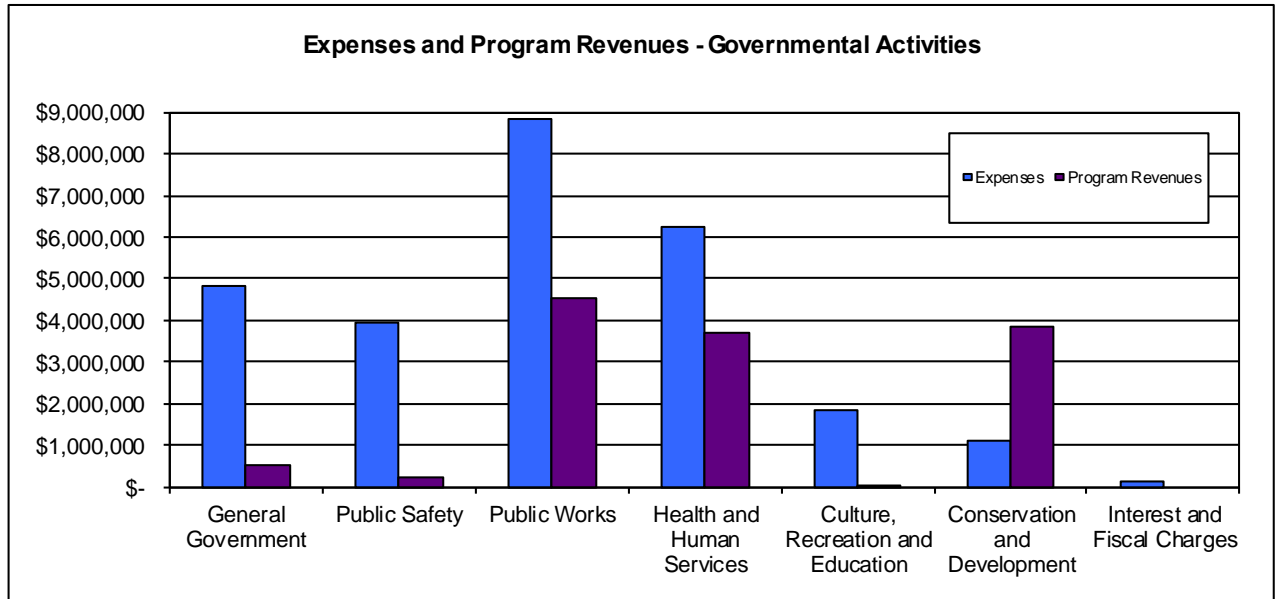
The following is a summary of the changes in the County's net position for the years ended December 31, 2016 and 2015:

**Condensed Statement of Changes in Net Position
December 31, 2016 and 2015**

	Governmental Activities	
	2016	2015
REVENUES		
Program Revenues:		
Charges for Services	\$ 7,640,327	\$ 7,513,951
Operating Grants and Contributions	5,117,287	5,187,546
Capital Grants and Contributions	112,481	63,320
General Revenues:		
Property Taxes	10,622,332	10,541,981
Sales/Other Taxes	1,276,609	1,295,488
State and Federal Aids not Restricted to Specific Programs	313,656	277,003
Other	1,300,859	1,361,423
Total Revenues	26,383,551	26,240,712
EXPENSES		
General Government	4,828,905	4,905,535
Public Safety	3,961,047	3,492,556
Public Works	8,842,214	7,066,850
Health and Human Services	6,229,105	5,489,866
Culture, Recreation and Education	1,820,864	1,725,406
Conservation and Development	1,088,203	320,472
Interest and Fiscal Charges	148,513	137,386
Total Expenses	26,918,851	23,138,071
CHANGE IN NET POSITION	(535,300)	3,102,641
Net Position - Beginning of the Year	78,762,801	75,660,160
Net Position - End of the Year	\$ 78,227,501	\$ 78,762,801

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 (40.3%), operating grants/contributions (19.4%), and charges for services (29.0%).

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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, 2016, the County's governmental funds reported combined ending fund balances of \$20,576,194, an increase of \$1,697,033 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2016						Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
Major Funds							
General Fund	\$ 1,597,699	\$ 43,074	\$ -	\$ 1,889,679	\$ 4,323,222	\$ 7,853,674	\$ 469,827
Human Services Fund	-	-	1,120,402	-	-	1,120,402	(183,315)
Debt Service Fund	-	-	-	1,521,408	-	1,521,408	760,316
Capital Improvement Program Fund	750,912	-	3,434,010	-	-	4,184,922	-
Forestry Fund	-	379,138	841,217	-	-	1,220,355	326,914
Nonmajor Funds:							
Special Revenue Funds	707	2,568,987	2,105,994	-	(255)	4,675,433	323,291
Total Fund Balances	<u>\$ 2,349,318</u>	<u>\$ 2,991,199</u>	<u>\$ 7,501,623</u>	<u>\$ 3,411,087</u>	<u>\$ 4,322,967</u>	<u>\$ 20,576,194</u>	<u>\$ 1,697,033</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 67.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 36.9% of the same amount.

The general fund's total fund balance increased \$469,827 during the year; while the unassigned portion of the fund increased \$812,147. The primary factor in the general fund increase was due to expenditures being less than budgeted.

The County's human services fund decreased \$183,315 in 2016. The primary factor in this decrease was actual expenditures being more than budgeted.

The County's debt service fund balance reported a fund balance of \$1,521,408 at December 31, 2016 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, 2016**

The County had one major capital projects fund during the year. The capital improvements program fund had a year-end fund balance of \$4,184,922. Project expenditures for the year were funded primarily through grants and transfers from other funds.

The forestry fund ended the year with a fund balance \$1,220,355, an increase of \$326,914 during the year. The increase can primarily be attributed to actual charges for service being more than budgeted.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds increased \$323,291 during 2016 and had an accumulated fund balance of \$4,675,433 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 2016. 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 \$12,199,053 at December 31, 2016, a decrease of \$363,343 from the previous year. Of that amount, \$8,177,460 was invested in capital assets. The remaining net position totaling \$4,021,593 were unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2016 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 2016 of \$124,986 while the actual amounts resulted in an increase in the fund balance totaling \$469,827. The most significant positive budget expenditure variances were realized in the general government category of \$357,170 which is detailed out in Schedule B-2 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Washburn County's investment in capital assets for its governmental activities as of December 31, 2016 amounted to \$56,400,066 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles and infrastructure. The net decrease in the governmental activities capital assets during 2016 was \$2,519,122.

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2016 and 2015**

	Governmental Activities	
	2016	2015
Land and Land Rights	\$ 11,953,189	\$ 11,953,189
Gravel Pits and Quarries	456,003	469,402
Land Improvements	1,745,222	1,919,072
Buildings and Improvements	7,424,824	7,861,722
Machinery and Equipment	6,964,026	7,767,851
Highway Infrastructure	24,359,980	25,624,903
Construction Work in Progress	3,496,822	3,323,049
Total	<u>\$ 56,400,066</u>	<u>\$ 58,919,188</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, 2016, Washburn County had outstanding \$6,758,683 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, 2016 and 2015**

	Governmental Activities		% Change
	2016	2015	
Long-Term Debt:			
General Obligation Bonds	\$ 1,310,000	\$ 1,530,000	-14.4%
Other Long-Term Obligations:			
Forest Crop Loans Payable	-	307,930	-100.0
Capital Lease Agreements	2,566,824	2,688,496	-4.5
Other Postemployment Benefits Payable	1,724,494	1,661,970	3.8
Compensated Absences	1,157,365	1,079,931	7.2
Total	<u>\$ 6,758,683</u>	<u>\$ 7,268,327</u>	-7.0

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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, 2016 totaled \$1,310,000 approximately 1.1% of the maximum legal limit of \$119,807,560. 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. Current legislation restricts the growth in the County's property taxes (except for debt service) to the amount of net new construction.

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.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Industrial Development Agency</u>
ASSETS		
Treasurer's Cash and Investments	\$ 22,975,475	\$ 1,034,913
Taxes Receivable	11,800,306	-
Accounts Receivable	318,400	-
Special Assessments Receivable	571,324	-
Due from Other Governments	2,331,609	-
Inventories	1,006,467	-
Prepaid Expenses	414,915	-
Long-Term Receivables	951,580	1,080,915
Capital Assets:		
Capital Assets Not Being Depreciated	15,450,011	-
Capital Assets Being Depreciated	111,074,133	-
Accumulated Depreciation	(70,124,078)	-
Total Assets	96,770,142	2,115,828
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	5,371,060	-
LIABILITIES		
Vouchers and Accounts Payable	955,424	-
Accrued Liabilities	518,522	6,181
Payroll Deductions	481,730	-
Accrued Interest Payable	48,014	-
Short-Term Debt Payable	742,842	-
Due to Other Governments	66,115	-
Unearned Revenue	504,883	-
Special Deposits	140,216	-
Long-Term Liabilities:		
Amounts Due Within One Year	991,901	25,657
Amounts Due in More than One Year	5,766,782	592,457
Wisconsin Retirement System Pension Liability	967,135	-
Total Liabilities	11,183,564	624,295
DEFERRED INFLOWS OF RESOURCES		
Property Taxes for Subsequent Year	10,694,817	-
Wisconsin Retirement System Pension Related	2,035,320	-
	12,730,137	-
NET POSITION		
Net Investment in Capital Assets	52,523,242	-
Restricted for:		
Housing Loan Program	923,547	-
Other Purposes	2,949,232	1,491,533
Unrestricted	21,831,480	-
Total Net Position	\$ 78,227,501	\$ 1,491,533

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

<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	\$ 4,828,905	\$ 268,289	\$ 122,935	\$ 112,296	\$ (4,325,385)	\$ -
Public Safety	3,961,047	187,072	58,257	185	(3,715,533)	-
Public Works	8,842,214	3,512,564	1,037,483	-	(4,292,167)	-
Health and Human Services	6,229,105	613,761	3,088,936	-	(2,526,408)	-
Culture, Recreation and Education	1,820,864	2,007	-	-	(1,818,857)	-
Conservation and Development	1,088,203	3,056,634	809,676	-	2,778,107	-
Interest and Fiscal Charges	148,513	-	-	-	(148,513)	-
Total Primary Government	<u>\$ 26,918,851</u>	<u>\$ 7,640,327</u>	<u>\$ 5,117,287</u>	<u>\$ 112,481</u>	(14,048,756)	-
Component Unit:						
Industrial Development Agency	<u>\$ 83,832</u>	<u>\$ 56,810</u>	<u>\$ -</u>	<u>\$ -</u>	-	(27,022)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					10,622,332	-
County Sales Taxes					1,200,207	-
Other Taxes					76,402	-
State and Federal Aids not Restricted to Specific Functions					313,656	-
Interest and Investment Earnings					398,715	2,315
Sale of County Property					7,040	-
Miscellaneous					895,104	-
Total General Revenues					<u>13,513,456</u>	<u>2,315</u>
CHANGE IN NET POSITION					(535,300)	(24,707)
Net Position - Beginning of Year					<u>78,762,801</u>	<u>1,516,240</u>
NET POSITION - END OF YEAR					<u>\$ 78,227,501</u>	<u>\$ 1,491,533</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 6,143,264	\$ 1,253,086	\$ 1,521,408	\$ 5,667,149	\$ 2,117,011	\$ 4,681,129	\$ 21,383,047
Taxes Receivable	9,037,134	1,071,438	1,032,372	-	-	659,362	11,800,306
Accounts Receivable	198,311	13,352	-	9,149	6,872	84,276	311,960
Special Assessments Receivable	-	-	-	571,324	-	-	571,324
Due from Other Governmental Units	176,781	109,822	-	-	178,412	111,159	576,174
Due from Other Funds	236,408	-	-	-	-	-	236,408
Prepaid Expenses	413,967	-	-	-	241	707	414,915
Inventory	8,243	-	-	-	193	-	8,436
Long-Term Receivables	70,000	-	-	-	-	881,580	951,580
Advances to Other Funds	-	-	-	750,912	-	-	750,912
Total Assets	\$ 16,284,108	\$ 2,447,698	\$ 2,553,780	\$ 6,998,534	\$ 2,302,729	\$ 6,418,213	\$ 37,005,062
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Vouchers and Accounts Payable	\$ 281,922	\$ 126,882	\$ -	\$ 62,183	\$ 187,224	\$ 69,690	\$ 727,901
Payroll Deductions	46,682	-	-	-	435,048	-	481,730
Accrued Liabilities	75,413	118,465	-	-	60,241	130,840	384,959
Accrued Interest Payable	-	-	-	8,391	-	-	8,391
Short-Term Debt	-	-	-	742,842	-	-	742,842
Due to Other Governmental Units	64,296	511	-	-	-	1,308	66,115
Due to Other Funds	-	-	-	1,428,872	-	-	1,428,872
Unearned Revenues	30,476	10,000	-	-	259,645	-	300,121
Special Deposits	-	-	-	-	140,216	-	140,216
Total Liabilities	498,789	255,858	-	2,242,288	1,082,374	201,838	4,281,147
Deferred Inflows of Resources:							
Succeeding Year's Property Taxes	7,931,645	1,071,438	1,032,372	-	-	659,362	10,694,817
Unavailable Revenue - Loans Receivable	-	-	-	-	-	881,580	881,580
Unavailable Revenue - Special Assessments	-	-	-	571,324	-	-	571,324
Total Deferred Inflows of Resources	7,931,645	1,071,438	1,032,372	571,324	-	1,540,942	12,147,721
Fund Balances:							
Nonspendable	1,597,699	-	-	750,912	-	707	2,349,318
Restricted	43,074	-	-	-	379,138	2,568,987	2,991,199
Committed	-	1,120,402	-	3,434,010	841,217	2,105,994	7,501,623
Assigned	1,889,679	-	1,521,408	-	-	-	3,411,087
Unassigned	4,323,222	-	-	-	-	(255)	4,322,967
Total Fund Balances	7,853,674	1,120,402	1,521,408	4,184,922	1,220,355	4,675,433	20,576,194
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,284,108	\$ 2,447,698	\$ 2,553,780	\$ 6,998,534	\$ 2,302,729	\$ 6,418,213	\$ 37,005,062

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016**

Total Fund Balances - Governmental Funds \$ 20,576,194

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	8,216,598	
Machinery and Equipment	3,762,735	
Vehicles	1,341,731	
Infrastructure	74,726,401	
Construction Work in Progress	3,496,822	
Accumulated Depreciation	<u>(60,071,532)</u>	45,736,437

Net pension plan asset, liability 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 Liability	(758,033)	
Deferred Outflows of Resources - Pension Related	4,348,186	
Deferred Inflows of Resources - Pension Related	<u>(1,639,461)</u>	1,950,692

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	881,580	
Special Assessments	<u>571,324</u>	1,452,904

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	1,310,000	
Capital Leases	80,655	
Accrued Interest Payable	8,512	
Compensated Absences	886,162	
Other Postemployment Benefits Payable	<u>1,402,450</u>	(3,687,779)

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.

12,175,734

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.

23,319

Net Position of Governmental Activities

\$ 78,227,501

WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
REVENUES:							
Taxes	\$ 9,383,552	\$ 1,112,946	\$ 1,032,372	\$ -	\$ -	\$ 625,109	\$ 12,153,979
Intergovernmental	1,883,412	1,707,952	-	112,296	375,911	911,446	4,991,017
Licenses and Permits	172,709	-	-	-	-	55,622	228,331
Fines, Forfeits and Penalties	83,192	15,660	-	-	-	15,094	113,946
Public Charges for Services	389,841	270,556	-	-	2,626,064	314,663	3,601,124
Intergovernmental Charges for Services	12,811	-	-	-	-	-	12,811
Miscellaneous	263,277	317,876	-	419,162	56,283	745,130	1,801,728
Total Revenues	12,188,794	3,424,990	1,032,372	531,458	3,058,258	2,667,064	22,902,936
EXPENDITURES:							
General Government	4,174,532	-	-	271,660	-	-	4,446,192
Public Safety	3,599,936	-	-	-	-	52,257	3,652,193
Public Works	2,561,351	-	-	1,390,899	-	-	3,952,250
Health and Human Services	191,773	3,662,645	-	-	-	1,851,029	5,705,447
Culture, Recreation and Education	496,084	-	-	-	1,271,412	18,200	1,785,696
Conservation and Development	682,348	-	-	-	-	372,094	1,054,442
Debt Service:							
Principal	-	-	215,000	-	478,363	-	693,363
Debt Issuance Costs	-	-	18,930	-	-	-	18,930
Interest and Fiscal Charges	-	-	64,464	12,688	3,243	-	80,395
Total Expenditures	11,706,024	3,662,645	298,394	1,675,247	1,753,018	2,293,580	21,388,908
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	482,770	(237,655)	733,978	(1,143,789)	1,305,240	373,484	1,514,028
OTHER FINANCING SOURCES (USES):							
Proceeds of Long-Term Debt	-	-	1,310,000	-	149,627	-	1,459,627
Sale of Capital Assets	-	-	-	-	7,040	-	7,040
Principal Payment of Refunded Bonds	-	-	(1,315,000)	-	-	-	(1,315,000)
Premium on the Issuance of Debt	-	-	31,338	-	-	-	31,338
Transfers In	-	54,340	-	1,143,789	-	39,654	1,237,783
Transfers Out	(12,943)	-	-	-	(1,134,993)	(89,847)	(1,237,783)
Total Other Financing Sources (Uses)	(12,943)	54,340	26,338	1,143,789	(978,326)	(50,193)	183,005
NET CHANGE IN FUND BALANCES	469,827	(183,315)	760,316	-	326,914	323,291	1,697,033
Fund Balances, January 1	7,383,847	1,303,717	761,092	4,184,922	893,441	4,352,142	18,879,161
FUND BALANCES, DECEMBER 31	<u>\$ 7,853,674</u>	<u>\$ 1,120,402</u>	<u>\$ 1,521,408</u>	<u>\$ 4,184,922</u>	<u>\$ 1,220,355</u>	<u>\$ 4,675,433</u>	<u>\$ 20,576,194</u>

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, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 1,697,033

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	\$ 1,149,882	
Depreciation expense reported in the statement of activities	<u>(2,702,399)</u>	(1,552,517)

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 (7,645)

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, liability and the related deferred inflows and outflows of resources. (500,581)

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. (227,912)

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:

General Obligation Bonds	(1,310,000)	
Forest Crop Loans	<u>(149,627)</u>	(1,459,627)

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	1,530,000	
Forest Crop Loans Repaid	457,557	
Capital Lease Retirement	<u>20,806</u>	2,008,363

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 (363,343)

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 (50,848)

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	12,751	
Change in Compensated Absences at Year End	<u>(90,974)</u>	<u>(78,223)</u>

Change in Net Position of Governmental Activities **\$ (535,300)**

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Treasurer's Cash and Investments	\$ 1,592,428
Accounts Receivable	6,440
Due from Other Governmental Units	1,755,435
Due from Other Funds	1,192,464
Inventories and Prepaid Expenses	998,031
Total Current Assets	<u>5,544,798</u>
Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	20,226,393
Accumulated Depreciation	<u>(10,052,546)</u>
Total Capital Assets	<u>10,663,629</u>
Total Assets	16,208,427
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	1,022,874
LIABILITIES	
Current Liabilities:	
Accounts Payable	227,523
Accrued Liabilities	133,563
Accrued Interest Payable	31,111
Unearned Revenues	204,762
Accrued Vacation and Sick Leave - Current	92,643
Capital Leases Payable - Current	416,762
Total Current Liabilities	<u>1,106,364</u>
Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	750,912
Wisconsin Retirement System Pension Plan Liability	209,102
Other Postemployment Benefits Payable	322,044
Accrued Vacation and Sick Leave	178,560
Capital Leases Payable	2,069,407
Total Long-Term Liabilities	<u>3,530,025</u>
Total Liabilities	<u>4,636,389</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	395,859
NET POSITION	
Net Investment in Capital Assets	8,177,460
Unrestricted	<u>4,021,593</u>
Total Net Position	<u>\$ 12,199,053</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, 2016**

	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES	\$ 7,691,532
OPERATING EXPENSES	<u>7,961,598</u>
OPERATING LOSS	(270,066)
NONOPERATING EXPENSES	<u>(93,277)</u>
CHANGE IN NET POSITION	(363,343)
Net Position, January 1	<u>12,562,396</u>
NET POSITION, DECEMBER 31	<u><u>\$ 12,199,053</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received for Services Provided	\$ 5,979,048
Cash Paid to Suppliers for Goods and Services	(3,450,116)
Cash Paid for Employee Services	(3,146,297)
Net Cash Provided by (Used for) Operating Activities	<u>(617,365)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash Paid for Acquisition of Capital Assets	(462,071)
Cash Received for Sale of Capital Assets	397,897
Cash Received on Advance for Capital Projects	(4,244)
Capital Lease Proceeds	310,719
Principal Paid on Capital Leases	(411,585)
Interest Paid on Capital Leases	(92,614)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(261,898)</u>
NET CHANGE IN CASH AND IN CASH EQUIVALENTS	(879,263)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,471,691</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 1,592,428</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (270,066)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	1,009,735
Depletion of Gravel Pits	13,399
Change in Pension Asset and Pension Related Deferred Outflow and Inflow of Resources	120,869
(Increase) Decrease in Assets:	
Accounts Receivable	(5,064)
Due from Governmental Units	(1,139,113)
Prepaid Expenses	11,182
Inventories	111,678
Due from Other Funds	(476,544)
Increase (Decrease) in Liabilities:	
Vouchers Payable	99,831
Unearned Revenue	(91,763)
Accrued Liabilities	(13,185)
Other Postemployment Benefits Payable	11,676
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (617,365)</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	Agency Funds
ASSETS	
Treasurer's Cash and Investments	\$ 428,417
Taxes Receivable	406,641
Total Assets	\$ 835,058
LIABILITIES	
Vouchers Payable	\$ 2,330
Due to Other Governmental Units	406,641
Special Deposits	426,087
Total Liabilities	\$ 835,058

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016 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, 2016

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, 2016.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016

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, 2016**

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, 2016**

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, 2016**

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, 2016**

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, 2016**

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, 2016. 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, 2016**

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, 2016**

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 (Continued)

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, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2016 are reflected in the financial statements as follows:

Governmental Funds	\$ 21,383,047
Proprietary Funds	1,592,428
Fiduciary Funds	428,417
	<u>\$ 23,403,892</u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 12,038,249
Investment in State Local Government Pooled-Investment Fund	11,362,498
Petty Cash	3,145
Total Cash and Investments at December 31, 2016	<u>\$ 23,403,892</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, 2016**

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, 2016, the County's deposits were not exposed to custodial credit risk.

Investments

The County's investments at December 31, 2016 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 2016 was 70 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.

The County's assets in the State Investment Fund (LGIP) are measured at amortized cost.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 (80) deferred mortgage loans outstanding at December 31, 2016 totaling \$881,580. 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.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,899,794	\$ -	\$ -	\$ 2,899,794
Highway Right-of-Ways	8,563,613	-	-	8,563,613
Construction Work in Progress	3,323,049	966,465	792,692	3,496,822
Total Capital Assets Not Being Depreciated	14,786,456	966,465	792,692	14,960,229
Capital Assets Being Depreciated:				
Land Improvements	2,800,275	-	-	2,800,275
Buildings and Improvements	8,200,188	16,410	-	8,216,598
Machinery and Equipment	3,756,105	6,630	-	3,762,735
Vehicles	1,283,940	176,787	118,996	1,341,731
Highway Infrastructure:				
Roadways	69,095,647	372,073	-	69,467,720
Bridges	1,408,186	-	-	1,408,186
Structures	3,446,286	404,209	-	3,850,495
Total Capital Assets Being Depreciated	89,990,627	976,109	118,996	90,847,740
Total Capital Assets	104,777,083	1,942,574	911,688	105,807,969
Accumulated Depreciation:				
Land Improvements	1,475,956	128,530	-	1,604,486
Buildings and Improvements	3,990,138	176,154	-	4,166,292
Equipment and Vehicles	3,689,174	356,510	111,351	3,934,333
Highway Infrastructure	48,325,216	2,041,205	-	50,366,421
Total Accumulated Depreciation	57,480,484	2,702,399	111,351	60,071,532
Net Capital Assets - Governmental Activities	<u>\$ 47,296,599</u>	<u>\$ (759,825)</u>	<u>\$ 800,337</u>	<u>\$ 45,736,437</u>

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

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*	469,402	-	13,399	456,003
Buildings and Improvements	6,903,069	-	-	6,903,069
Machinery and Equipment	12,303,065	461,610	1,057,256	11,707,419
Total Capital Assets Being Depreciated	<u>20,808,519</u>	<u>461,610</u>	<u>1,070,655</u>	<u>20,199,474</u>
Total Capital Assets	21,298,301	461,610	1,070,655	20,689,256
Accumulated Depreciation:				
Land Improvements	538,230	45,320	-	583,550
Buildings and Improvements	3,251,397	277,154	-	3,528,551
Machinery and Equipment	5,887,815	687,261	659,820	5,915,256
Total Accumulated Depreciation	<u>9,677,442</u>	<u>1,009,735</u>	<u>659,820</u>	<u>10,027,357</u>
Net Capital Assets - Highway Department	<u>\$ 11,620,859</u>	<u>\$ (548,125)</u>	<u>\$ 410,835</u>	<u>\$ 10,661,899</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	\$ 15,276,238	\$ 966,465	\$ 792,692	\$ 15,450,011
Capital Assets Being Depreciated	110,826,065	1,437,719	1,189,651	111,074,133
Total Capital Assets	126,102,303	2,404,184	1,982,343	126,524,144
Accumulated Depreciation	67,183,115	3,712,134	771,171	70,124,078
Net Capital Assets - Governmental Activities	<u>\$ 58,919,188</u>	<u>\$ (1,307,950)</u>	<u>\$ 1,211,172</u>	<u>\$ 56,400,066</u>

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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	\$ 229,755	\$ -	\$ 229,755
Public Safety	202,277	-	202,277
Transportation	2,040,014	1,009,735	3,049,749
Health and Human Services	31,195	-	31,195
Culture, Recreation and Education	23,906	-	23,906
Conservation and Development	175,252	-	175,252
	<u>\$ 2,702,399</u>	<u>\$ 1,009,735</u>	<u>\$ 3,712,134</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2016 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Capital Improvement Program Fund	\$ 236,408	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	1,192,464	2015 Expenses
		<u>\$ 1,428,872</u>	

Advances from/to Other Funds

As of December 31, 2016 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$750,912 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, 2016**

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>
Environmental & Socioeconomic Fund	Solid Waste Fund	\$ 39,654	Project Funding
Human Services Fund	General Fund	4,147	Sick/Vacation Payouts
Human Services Fund	Child Support Fund	50,193	Sick/Vacation Payouts
Capital Improvement Fund	Forestry Fund	1,134,993	Capital Projects
Capital Improvement Fund	General Fund	8,796	Capital Projects
		<u>\$ 1,237,783</u>	

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2016 were as follows:

	<u>Balances 1/1/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/16</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 1,530,000	\$ 1,310,000	\$ 1,530,000	\$ 1,310,000	\$ 255,000
Other Long-Term Obligations:					
(Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	307,930	149,627	457,557	-	-
Capital Lease Agreement - Grader	101,461	-	20,806	80,655	21,471
Compensated Absences	795,188	217,993	127,019	886,162	206,025
Other Postemployment Benefits Payable	1,351,602	85,004	34,156	1,402,450	-
Highway Internal Service Fund:					
Capital Lease - 8 Trucks	1,324,806	-	177,853	1,146,953	184,607
Capital Lease - 5 Trucks	1,047,821	-	134,025	913,796	138,652
Capital Lease - 2 Tractors	214,408	-	51,352	163,056	52,832
Capital Lease - Paint Truck	-	310,719	48,355	262,364	40,671
Compensated Absences	284,743	104,284	117,824	271,203	92,643
Other Postemployment Benefits Payable	310,368	19,520	7,844	322,044	-
Total Other Long-Term Liabilities	<u>5,738,327</u>	<u>887,147</u>	<u>1,176,791</u>	<u>5,448,683</u>	<u>736,901</u>
Total Long-Term Liabilities	<u>\$ 7,268,327</u>	<u>\$ 2,197,147</u>	<u>\$ 2,706,791</u>	<u>\$ 6,758,683</u>	<u>\$ 991,901</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, 2016

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, 2016 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, \$1,310,000, issued 10/11/16 due 3/1/21, interest at 2.00%	2017	\$ 255,000	\$ 20,739	\$ 275,739
	2018	265,000	18,450	283,450
	2019	265,000	13,150	278,150
	2020	265,000	7,850	272,850
	2021	260,000	2,600	262,600
Total General Obligation Debt		<u>\$ 1,310,000</u>	<u>\$ 62,789</u>	<u>\$ 1,372,789</u>

On October 11, 2016, the County issued general obligation refunding bonds in the amount of \$1,310,000 to refinance the remaining maturities of the 2006 general obligation refunding bonds. The actual and present value savings from the refunding were \$89,111 and \$93,389, respectively.

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, 2016, the County's debt limit amounted to \$119,807,560 and indebtedness subject to the limitation totaled \$1,310,000.

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, 2016 of \$42,935. 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%	2017	\$ 80,655	\$ 3,774	\$ 84,429
		<u>\$ 80,655</u>	<u>\$ 3,774</u>	<u>\$ 84,429</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016 of \$398,361. 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	2017	\$ 184,607	\$ 43,561	\$ 228,168
\$1,724,320, issued 8/31/2014	2018	191,618	36,550	228,168
due 7/30/2019, interest at 3.798%	2019	770,728	29,272	800,000
		<u>\$ 1,146,953</u>	<u>\$ 109,383</u>	<u>\$ 1,256,336</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, 2016 of \$120,752. 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	2017	\$ 138,652	\$ 31,545	\$ 170,197
\$1,218,018, issued 10/15/15	2018	143,438	26,759	170,197
due 10/15/2020, interest at 3.4521%	2019	148,390	21,807	170,197
	2020	483,316	16,684	500,000
		<u>\$ 913,796</u>	<u>\$ 96,795</u>	<u>\$ 1,010,591</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, 2016 of \$25,041. 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	\$ 52,832	\$ 4,646	\$ 57,478
\$271,886, issued 11/19/2015	2018	54,338	3,140	57,478
due 11/15/2019, interest at 2.849%	2019	55,886	1,592	57,478
		<u>\$ 163,056</u>	<u>\$ 9,378</u>	<u>\$ 172,434</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Lease Agreements (Continued)

On April 26, 2016, the County entered into a capital lease agreement for a paint truck. This asset is reported in the County's capital asset records at a cost of \$291,130 with accumulated depreciation at December 31, 2016 of \$16,499. The lease agreement is due on May 15, 2022 with an interest rate of 2.962%. The repayment schedule is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease - Paint Truck	2017	\$ 40,671	\$ 7,684	\$ 48,355
\$310,719, issued 4/24/16	2018	41,789	6,566	48,355
due 4/15/22, interest at 2.962%	2019	43,026	5,328	48,354
	2020	44,301	4,054	48,355
	2021	45,613	2,742	48,355
	2022	46,964	1,391	48,355
		<u>\$ 262,364</u>	<u>\$ 27,765</u>	<u>\$ 290,129</u>

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, 2016 of -\$0-.

**WASHBURN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2016**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Temporary Notes Payable

Changes in temporary notes payable of the County for the year ended December 31, 2016 were as follows:

<u>Balance 01/01/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/16</u>	<u>Accrued Interest</u>	<u>Interest Rate</u>
\$ 755,000	\$ 742,842	\$ 755,000	\$ 742,842	\$ 8,391	2.50%

The County's short-term notes payable consisted of a State Trust Fund Loan for \$742,842 used to finance capital projects in the current year. The loan was approved to be paid off on March 15, 2017 by County management with total interest paid of \$12,160.

WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,105,489	\$ 1,105,489	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	422,210	422,210	-	-	-	-
Long-Term Note Receivable	70,000	70,000	-	-	-	-
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	8,445	-	-	-	8,445	-
Unclaimed Funds	299	-	-	-	299	-
Health Insurance Excess	316,195	-	-	-	316,195	-
Special Projects-Old Hwy Cleanup	10,751	-	-	-	10,751	-
Special Projects-Countywide Training	8,000	-	-	-	8,000	-
Special Projects-Document Imaging	20,000	-	-	-	20,000	-
IT Capital Equipment Fund	48,702	-	-	-	48,702	-
Admin-ACA/Health Ins Consulting	9,000	-	-	-	9,000	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Plats	48,896	-	-	-	48,896	-
County Cars	154,375	-	-	-	154,375	-
Coroner	7,359	-	-	-	7,359	-
Veterans-WW	4,346	-	-	-	4,346	-
Wellness	3,900	-	-	-	3,900	-
Contingency	127,371	-	-	-	127,371	-
Unassigned	4,323,222	-	-	-	-	4,323,222
Sub-Total General Fund:	7,853,674	1,597,699	43,074	-	1,889,679	4,323,222
Committed for Human Services Programs	1,120,402	-	-	1,120,402	-	-
Forestry Department Programs	1,220,355	-	379,138	841,217	-	-
Debt Service	1,521,408	-	-	-	1,521,408	-
Capital Improvements Program Fund:						
Committed for Capital Projects	3,434,010	-	-	3,434,010	-	-
Advances to Other Funds	750,912	750,912	-	-	-	-
Sub-Total Major Funds:	15,900,761	2,348,611	422,212	5,395,629	3,411,087	4,323,222
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Fund:						
Inventories/Prepayments	\$ 82	\$ 82	\$ -	\$ -	\$ -	\$ -
Committed for Health Services Programs	157,038	-	-	157,038	-	-
Child Support Fund	116,778	-	-	116,778	-	-
Committed for ADRC Programs	41,266	-	-	41,266	-	-
Council on Aging Fund:						
Inventories/Prepayments	625	625	-	-	-	-
Committed for Aging Services	351,332	-	-	351,332	-	-
Wildlife Damage Program	3,625	-	-	3,625	-	-
Restricted for CDBG Revolving Loan Program	41,967	-	41,967	-	-	-
Forestry Restricted Fund	-	-	-	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	664,919	-	664,919	-	-	-
Committed for Building Project	740,385	-	-	740,385	-	-
Recycling Program	85,373	-	-	85,373	-	-
Animal Control Program	(255)	-	-	-	-	(255)
County Land Sales Fund						
Committed for Dam Maintenance	594,675	-	-	594,675	-	-
Restricted for Jail Assessments Fee Funded Projects	48,283	-	48,283	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	24,489	-	24,489	-	-	-
Committed for Projects in the Sheriff's Department	15,522	-	-	15,522	-	-
Restricted for Environmental and Socioeconomic						
Impact Fund Projects	1,006,980	-	1,006,980	-	-	-
Restricted for County Trunk D Project	521,330	-	521,330	-	-	-
Solid Waste Projects						
Restricted by Contract Agreements for Solid Waste Improvements	261,019	-	261,019	-	-	-
Committed for Solid Waste Operations	-	-	-	-	-	-
Sub-Total Nonmajor Funds:	4,675,433	707	2,568,987	2,105,994	-	(255)
Total Governmental Fund Balances at December 31, 2016	\$ 20,576,194	\$ 2,349,318	\$ 2,991,199	\$ 7,501,623	\$ 3,411,087	\$ 4,322,967

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016 for employees accrued vacation benefits was estimated at \$206,025.

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, 2016 was \$680,137.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$271,203 on December 31, 2016 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, 2016**

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, 2016 through December 31, 2016, the WRS recognized \$549,046 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	6.60%	6.60%	0.00%
Executives & Elected Officials	6.60%	6.60%	0.00%
Protective with Social Security	6.60%	9.40%	0.09%
Protective without Social Security	6.60%	13.20%	0.09%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
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
2015	2.9	2.0

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

At December 31, 2016, the County reported a liability of \$967,135 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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, 2015, the County's proportion was 0.05951674 percent, which was a decrease of 0.000002518 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the County recognized pension expense of \$1,172,272. At December 31, 2016, 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, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 163,612	\$ 2,035,320
Changes of Assumptions	676,650	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,959,730	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	22,022	-
County Contributions Subsequent to the Measurement Date	549,046	-
Total	<u>\$ 5,371,060</u>	<u>\$ 2,035,320</u>

\$549,046 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	Pension Expense Amount
2016	\$ 759,964
2017	759,964
2018	759,964
2019	550,136
2020	(43,334)
Thereafter	-

Actuarial assumptions. The total pension asset as of December 31, 2015 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, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
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 WRS experience projected to 2017 with scale BB
Mortality:	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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability, 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)	\$ 6,783,507	\$ 967,135	\$ (3,575,554)

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 16-10.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016, there were approximately 159 active participants and 5 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 2016, the County contributed \$42,000 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	\$ 136,988
Interest on Net OPEB Obligation	49,859
Adjustment to Annual Required Contribution	<u>(82,323)</u>
Annual OPEB Cost (Expense)	104,524
Contributions Made	<u>(42,000)</u>
Increase in Net OPEB Obligation	62,524
Net OPEB Obligation- Beginning of Year	1,661,970
Net OPEB Obligation- End of Year	<u>\$ 1,724,494</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 2016:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/16	\$ 104,524	40.2%	\$ 1,724,494
12/31/15	300,410	23.6	1,661,970
12/31/14	288,567	20.4	1,432,560

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$1,041,747. The annual payroll for active employees covered by the plan in the actuarial valuation for fiscal year 2016 was \$7,671,986 for a ratio of the UAAL to covered payroll of 13.6%.

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, 2016**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Methods and Assumptions (Continued)

In the June 30, 2016, 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 6.7%, reduced by decrements to an ultimate rate of 4% by the year 2074. 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, 2016**

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. Stewardship and Accountability

Expenditures exceeded budget in the Human Services Fund and Forestry Fund by \$257,466 and \$551,691, respectively. These overages were considered necessary and authorized by the County Board.

REQUIRED SUPPLEMENTARY INFORMATION

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 9,284,017	\$ 9,284,017	\$ 9,383,552	\$ 99,535
Intergovernmental	1,817,894	1,879,693	1,883,412	3,719
Licenses and Permits	147,050	147,050	172,709	25,659
Fines, Forfeits and Penalties	87,227	87,227	83,192	(4,035)
Public Charges for Services	342,100	343,100	389,841	46,741
Intergovernmental Charges for Services	14,500	14,500	12,811	(1,689)
Miscellaneous	162,831	184,950	263,277	78,327
Total Revenues	<u>11,855,619</u>	<u>11,940,537</u>	<u>12,188,794</u>	<u>248,257</u>
EXPENDITURES:				
General Government	4,346,638	4,531,702	4,174,532	357,170
Public Safety	3,533,610	3,552,539	3,599,936	(47,397)
Public Works	2,565,196	2,565,196	2,561,351	3,845
Health and Human Services	208,925	210,800	191,773	19,027
Culture, Recreation and Education	480,350	480,350	496,084	(15,734)
Conservation and Development	770,142	772,092	682,348	89,744
Total Expenditures	<u>11,904,861</u>	<u>12,112,679</u>	<u>11,706,024</u>	<u>406,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,242)	(172,142)	482,770	654,912
OTHER FINANCING SOURCES (USES):				
Transfers In	47,156	47,156	-	(47,156)
Transfers Out	-	-	(12,943)	(12,943)
Total Other Financing Sources (Uses)	<u>47,156</u>	<u>47,156</u>	<u>(12,943)</u>	<u>(60,099)</u>
NET CHANGE IN FUND BALANCE	(2,086)	(124,986)	469,827	594,813
Fund Balance, January 1	<u>7,383,847</u>	<u>7,383,847</u>	<u>7,383,847</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 7,381,761</u>	<u>\$ 7,258,861</u>	<u>\$ 7,853,674</u>	<u>\$ 594,813</u>

SCHEDULE 2

WASHBURN COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 HUMAN SERVICES FUND
 YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,112,946	\$ 1,112,946	\$ 1,112,946	\$ -
Intergovernmental	1,724,581	1,724,581	1,707,952	(16,629)
Fines, Forfeits and Penalties	14,618	14,618	15,660	1,042
Public Charges for Services	243,872	243,872	270,556	26,684
Miscellaneous	241,785	241,785	317,876	76,091
Total Revenues	<u>3,337,802</u>	<u>3,337,802</u>	<u>3,424,990</u>	<u>87,188</u>
EXPENDITURES:				
Health and Human Services	<u>3,401,032</u>	<u>3,405,179</u>	<u>3,662,645</u>	<u>(257,466)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,230)	(67,377)	(237,655)	(170,278)
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>63,230</u>	<u>63,230</u>	<u>54,340</u>	<u>(8,890)</u>
NET CHANGE IN FUND BALANCE	-	(4,147)	(183,315)	(179,168)
Fund Balance, January 1	<u>1,303,717</u>	<u>1,303,717</u>	<u>1,303,717</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,303,717</u>	<u>\$ 1,299,570</u>	<u>\$ 1,120,402</u>	<u>\$ (179,168)</u>

SCHEDULE 3

WASHBURN COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 FORESTRY FUND
 YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 512,568	\$ 531,568	\$ 375,911	\$ (155,657)
Public Charges for Services	1,535,448	1,535,448	2,626,064	1,090,616
Other Revenues	25,617	25,617	56,283	30,666
Total Revenues	<u>2,073,633</u>	<u>2,092,633</u>	<u>3,058,258</u>	<u>965,625</u>
EXPENDITURES:				
Culture, Recreation and Education	1,177,027	1,201,327	1,271,412	(70,085)
Debt Service				
Principal	-	-	478,363	(478,363)
Interest	-	-	3,243	(3,243)
Total Expenditures	<u>1,177,027</u>	<u>1,201,327</u>	<u>1,753,018</u>	<u>(551,691)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	896,606	891,306	1,305,240	413,934
OTHER FINANCING SOURCES (USES):				
Proceeds of Long-Term Debt	-	-	149,627	149,627
Sale of Capital Assets	4,000	4,000	7,040	3,040
Transfers Out	(900,606)	(900,606)	(1,134,993)	(234,387)
Total Other Financing Sources (Uses)	<u>(896,606)</u>	<u>(896,606)</u>	<u>(978,326)</u>	<u>(81,720)</u>
NET CHANGE IN FUND BALANCE	-	(5,300)	326,914	332,214
Fund Balance, January 1	<u>893,441</u>	<u>893,441</u>	<u>893,441</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 893,441</u>	<u>\$ 888,141</u>	<u>\$ 1,220,355</u>	<u>\$ 332,214</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)
6/30/2016	\$ -	\$ 1,041,474	\$ 1,041,474	- %	\$7,671,986	13.6 %
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

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

	<u>2015</u>	<u>2016</u>
County's proportion of the net pension liability (asset)	0.05976855%	0.05951674%
County's proportionate share of the net pension liability (asset)	\$ (1,468,079)	\$ 967,135
County's covered-employee payroll	\$ 7,500,743	\$ 7,793,876
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.57%	12.41%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%

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

SCHEDULE 6

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

	2015	2016
Contractually Required Contribution	\$ 575,869	\$ 549,046
Contributions in Relation to the Contractually Required Contributions	(575,869)	(549,046)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll	\$ 7,793,876	\$ 7,671,986
Contributions as a Percentage of Covered Employee Payroll	7.39%	7.16%

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.

WASHBURN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

BUDGETARY INFORMATION

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund, 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.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016**

	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	\$ 205,461	\$ 98,439	\$ 39,017	\$ 354,658	\$ 46,434	\$ 3,625	\$ 1,405,304	\$ (567)
Taxes Receivable	334,472	-	22,943	275,847	-	-	-	26,100
Accounts Receivable	8,586	-	-	10,130	-	-	-	1,665
Due from Other Governmental Units	-	45,513	37,292	22,039	-	6,315	-	-
Loans Receivable	-	-	-	-	881,580	-	-	-
Prepaid Expenses	82	-	-	625	-	-	-	-
Total Assets	<u>\$ 548,601</u>	<u>\$ 143,952</u>	<u>\$ 99,252</u>	<u>\$ 663,299</u>	<u>\$ 928,014</u>	<u>\$ 9,940</u>	<u>\$ 1,405,304</u>	<u>\$ 27,198</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 955	\$ 474	\$ 594	\$ 21,172	\$ 4,467	\$ 6,315	\$ -	\$ 731
Accrued Liabilities	55,368	26,700	34,449	14,323	-	-	-	-
Due to Other Governmental Units	686	-	-	-	-	-	-	622
Total Liabilities	<u>57,009</u>	<u>27,174</u>	<u>35,043</u>	<u>35,495</u>	<u>4,467</u>	<u>6,315</u>	<u>-</u>	<u>1,353</u>
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	334,472	-	22,943	275,847	-	-	-	26,100
Loans Receivable	-	-	-	-	881,580	-	-	-
Total Deferred Inflows of Resources	<u>334,472</u>	<u>-</u>	<u>22,943</u>	<u>275,847</u>	<u>881,580</u>	<u>-</u>	<u>-</u>	<u>26,100</u>
Fund Balances:								
Nonspendable	82	-	-	625	-	-	-	-
Restricted	-	-	-	-	41,967	-	664,919	-
Committed	157,038	116,778	41,266	351,332	-	3,625	740,385	-
Unassigned	-	-	-	-	-	-	-	(255)
Total Fund Balances	<u>157,120</u>	<u>116,778</u>	<u>41,266</u>	<u>351,957</u>	<u>41,967</u>	<u>3,625</u>	<u>1,405,304</u>	<u>(255)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 548,601</u>	<u>\$ 143,952</u>	<u>\$ 99,252</u>	<u>\$ 663,299</u>	<u>\$ 928,014</u>	<u>\$ 9,940</u>	<u>\$ 1,405,304</u>	<u>\$ 27,198</u>

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2016**

	Special Revenue Funds (Continued)							
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental & Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund	Totals
ASSETS								
Treasurer's Cash and Investments	\$ 596,590	\$ 47,594	\$ 47,840	\$ 1,006,980	\$ 521,330	\$ 68,655	\$ 239,769	\$ 4,681,129
Taxes Receivable	-	-	-	-	-	-	-	659,362
Accounts Receivable	-	841	-	21,527	-	20,277	21,250	84,276
Due from Other Governmental Units	-	-	-	-	-	-	-	111,159
Loans Receivable	-	-	-	-	-	-	-	881,580
Prepaid Expenses	-	-	-	-	-	-	-	707
Total Assets	<u>\$ 596,590</u>	<u>\$ 48,435</u>	<u>\$ 47,840</u>	<u>\$ 1,028,507</u>	<u>\$ 521,330</u>	<u>\$ 88,932</u>	<u>\$ 261,019</u>	<u>\$ 6,418,213</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 1,915	\$ 152	7,829	\$ 21,527	\$ -	\$ 3,559	\$ -	\$ 69,690
Accrued Liabilities	-	-	-	-	-	-	-	130,840
Due to Other Governmental Units	-	-	-	-	-	-	-	1,308
Total Liabilities	<u>1,915</u>	<u>152</u>	<u>7,829</u>	<u>21,527</u>	<u>-</u>	<u>3,559</u>	<u>-</u>	<u>201,838</u>
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	659,362
Loans Receivable	-	-	-	-	-	-	-	881,580
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,540,942</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	707
Restricted	-	48,283	24,489	1,006,980	521,330	-	261,019	2,568,987
Committed	594,675	-	15,522	-	-	85,373	-	2,105,994
Unassigned	-	-	-	-	-	-	-	(255)
Total Fund Balances	<u>594,675</u>	<u>48,283</u>	<u>40,011</u>	<u>1,006,980</u>	<u>521,330</u>	<u>85,373</u>	<u>261,019</u>	<u>4,675,433</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 596,590</u>	<u>\$ 48,435</u>	<u>\$ 47,840</u>	<u>\$ 1,028,507</u>	<u>\$ 521,330</u>	<u>\$ 88,932</u>	<u>\$ 261,019</u>	<u>\$ 6,418,213</u>

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016**

	Special Revenue Funds							
	Public Health	Child Support	Aging & Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	
REVENUES:								
Taxes	\$ 299,055	\$ (6,091)	\$ 6,000	\$ 301,845	\$ -	\$ -	\$ -	\$ 24,300
Intergovernmental	192,495	213,836	163,054	244,566	-	18,200	-	-
Licenses and Permits	-	-	-	-	-	-	34,029	21,593
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	64,539	2,759	105,057	111,326	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	51	-	-	-
Loan Repayments	-	-	-	-	44,103	-	-	-
Sale of County Property	-	-	-	-	-	-	-	-
Donations	173,510	26,903	125	33,993	-	-	-	-
Other	68	-	-	23,067	-	4,809	-	2,500
Total Revenues	729,667	237,407	274,236	714,797	44,154	23,009	34,029	48,393
EXPENDITURES:								
Public Safety	-	-	-	-	-	-	-	-
Health and Human Services	759,427	161,196	285,855	597,694	-	-	-	46,857
Culture, Recreation and Education	-	-	-	-	-	18,200	-	-
Conservation and Development	-	-	-	-	51,363	-	-	-
Total Expenditures	759,427	161,196	285,855	597,694	51,363	18,200	-	46,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,760)	76,211	(11,619)	117,103	(7,209)	4,809	34,029	1,536
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	(50,193)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(50,193)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(29,760)	26,018	(11,619)	117,103	(7,209)	4,809	34,029	1,536
Fund Balances, January 1	186,880	90,760	52,885	234,854	49,176	(1,184)	1,371,275	(1,791)
FUND BALANCES, DECEMBER 31	\$ 157,120	\$ 116,778	\$ 41,266	\$ 351,957	\$ 41,967	\$ 3,625	\$ 1,405,304	\$ (255)

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2016**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 625,109
Intergovernmental	-	-	-	-	-	79,295	-	911,446
Licenses and Permits	-	-	-	-	-	-	-	55,622
Fines, Forfeits and Penalties	-	15,094	-	-	-	-	-	15,094
Public Charges for Services	30,982	-	-	-	-	-	-	314,663
Miscellaneous:								
Interest	-	-	-	2,488	1,106	-	-	3,645
Loan Repayments	-	-	-	-	-	-	-	44,103
Sale of County Property	150,120	-	-	-	-	-	-	150,120
Donations	-	-	29,185	-	-	-	-	263,716
Other	-	-	-	86,551	-	81,551	85,000	283,546
Total Revenues	181,102	15,094	29,185	89,039	1,106	160,846	85,000	2,667,064
EXPENDITURES:								
Public Safety	-	11,168	41,089	-	-	-	-	52,257
Health and Human Services	-	-	-	-	-	-	-	1,851,029
Culture, Recreation and Education	-	-	-	-	-	-	-	18,200
Conservation and Development	74,827	-	-	86,551	-	115,372	43,981	372,094
Total Expenditures	74,827	11,168	41,089	86,551	-	115,372	43,981	2,293,580
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	106,275	3,926	(11,904)	2,488	1,106	45,474	41,019	373,484
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	39,654	-	-	-	39,654
Transfers Out	-	-	-	-	-	-	(39,654)	(89,847)
Total Other Financing Sources (Uses)	-	-	-	39,654	-	-	(39,654)	(50,193)
NET CHANGE IN FUND BALANCES	106,275	3,926	(11,904)	42,142	1,106	45,474	1,365	323,291
Fund Balances, January 1	488,400	44,357	51,915	964,838	520,224	39,899	259,654	4,352,142
FUND BALANCES, DECEMBER 31	\$ 594,675	\$ 48,283	\$ 40,011	\$ 1,006,980	\$ 521,330	\$ 85,373	\$ 261,019	\$ 4,675,433

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)**

	2016	2015
ASSETS		
Treasurer's Cash and Investments	\$ 6,143,264	\$ 5,246,514
Current Taxes Receivable	7,931,645	7,845,806
Tax Certificates	1,105,489	1,228,028
Accounts Receivable	198,311	98,050
Due from Other Governments	176,781	285,510
Due from Other Funds	236,408	247,035
Inventory	8,243	10,224
Prepaid Items:		
Prepaid Expenses	312,497	223,847
Prepaid Insurance	101,470	399,194
Long-Term Note Receivable	70,000	75,000
	\$ 16,284,108	\$ 15,659,208
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 281,922	\$ 122,833
Payroll Deductions	46,682	85,063
Accrued Liabilities	75,413	59,782
Due to Other Governments	64,296	54,666
Unearned Revenue	30,476	107,211
Total Liabilities	498,789	429,555
Deferred Inflows of Resources:		
Succeeding Year's Property Taxes	7,931,645	7,845,806
Fund Balance:		
Nonspendable	1,597,699	1,936,293
Restricted	43,074	43,074
Assigned	1,889,679	1,893,405
Unassigned	4,323,222	3,511,075
Total Fund Balance	7,853,674	7,383,847
	\$ 16,284,108	\$ 15,659,208
Total Liabilities, Deferred Inflows of Resources and Fund Balance		

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
Property:				
General Property Taxes	\$ 7,851,897	\$ 7,851,905	\$ 8	\$ 7,726,951
Forest Cropland Taxes From Districts	14,000	18,442	4,442	14,541
Sales and Use:				
County Sales Tax	1,075,000	1,200,207	125,207	1,224,893
Retained Sales Tax Applied	120	126	6	83
Real Estate Transfer Fees	45,000	57,834	12,834	55,971
Interest and Penalties on Taxes	298,000	255,038	(42,962)	248,934
Total Taxes	<u>9,284,017</u>	<u>9,383,552</u>	<u>99,535</u>	<u>9,271,373</u>
Intergovernmental:				
Federal Grants:				
Homeland Security Equipment Grant	-	-	-	7,564
Aid in Lieu of Taxes	10,000	11,561	1,561	11,014
Emergency Government	31,523	40,949	9,426	30,534
Federal Aids Secondary	163,363	-	(163,363)	3,989
Wireless 911 Grant	6,865	185	(6,680)	-
Jail Literacy Grant	10,606	5,280	(5,326)	13,812
State Shared Taxes:				
Shared Revenue	140,000	140,856	856	141,340
Tax Exempt Computer Aids	3,000	15,381	12,381	19,379
State Grants:				
Aid for Courts	52,275	69,387	17,112	52,275
Victim/Witness Program	37,940	37,068	(872)	38,140
Septic Systems	10,000	6,505	(3,495)	3,694
Veterans Service Officer	15,000	14,626	(374)	16,641
Probation and Parole	10,000	16,480	6,480	17,718
Guardian Ad Litem	17,305	-	(17,305)	17,126
Snowmobile and ATV Enforcement	4,000	4,028	28	2,771
Farm Land Preservation Grant	15,500	-	(15,500)	-
County Trunk Highways	1,037,483	1,037,483	-	986,040

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 171,433	\$ 169,965	\$ (1,468)	\$ 149,998
Law Enforcement Training	7,500	8,000	500	6,741
Land Information Board Grants	63,400	159,800	96,400	1,000
Forest Crop/Managed Forest Aides	27,500	26,177	(1,323)	26,649
Severance and Withdrawal Taxes	18,000	88,928	70,928	47,258
Payment in Lieu of Taxes	27,000	30,753	3,753	31,363
Total Intergovernmental	<u>1,879,693</u>	<u>1,883,412</u>	<u>3,719</u>	<u>1,625,046</u>
Licenses and Permits:				
Licenses:				
Conservation License Fees	250	13	(237)	390
Marriage License Revenue	6,000	4,170	(1,830)	4,940
Permits:				
Zoning Fees	140,800	168,526	27,726	149,679
Total Licenses and Permits	<u>147,050</u>	<u>172,709</u>	<u>25,659</u>	<u>155,009</u>
Fines, Forfeits and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	87,227	83,192	(4,035)	80,133
Public Charges for Services:				
General Government:				
Treasurer's Fees	100	547	447	64
Register of Deeds Fees	108,000	109,961	1,961	114,218
Land Modernization Fees	32,500	26,418	(6,082)	28,194
Surveyor Fees	1,500	-	(1,500)	-
Court Fees and Costs	27,000	38,254	11,254	34,351
Register in Probate Fees	5,500	6,609	1,109	5,413
Assessment of Property Fees	1,000	1,360	360	500
Land Records	1,000	563	(437)	598

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 1,700	\$ 200	\$ 1,547
Guardian Ad Litem Reimbursement	45,000	63,715	18,715	72,796
District Attorney Fees	2,000	2,429	429	2,447
Coroner	12,000	12,550	550	11,450
Public Safety:				
Sheriff Fees	31,000	25,627	(5,373)	27,334
Inmate Phone	4,000	5,831	1,831	5,107
Electric Monitor Revenue	15,000	21,672	6,672	10,103
Board of Prisoners - Huber Law	5,000	13,098	8,098	6,116
Drug Enforcement	-	576	576	-
County Numbering System	8,000	4,680	(3,320)	3,720
Prisoner Medical Reimbursements	10,000	17,302	7,302	11,904
Health and Human Services:				
Veteran Service Fees	20,000	22,271	2,271	20,299
Culture, Recreation and Education:				
UWEX Extension Fees	3,000	2,007	(993)	4,907
Conservation and Development:				
Soil and Water Revenue	10,000	12,671	2,671	10,718
Total Public Charges for Services	343,100	389,841	46,741	371,786
Intergovernmental Charges for Services:				
Smart Growth Planning	14,500	12,811	(1,689)	14,254

SCHEDULE B-2

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Miscellaneous				
Interest:				
Temporary Investments	\$ 81,000	\$ 140,032	\$ 59,032	\$ 112,101
Rent:				
Buildings	12,204	11,403	(801)	12,204
County Dam Site	5,000	9,525	4,525	10,000
Property Sales:				
Sale of General Capital Assets	-	2,178	2,178	7,861
Sale of Sheriff Department Cars	20,000	16,500	(3,500)	30,897
Sale of Maps and Plats	6,800	6,983	183	3,936
Sale of CSM's	3,300	6,351	3,051	2,654
Other:				
County Cars Revenue	29,871	29,812	(59)	23,069
Insurance Recoveries	-	-	-	21,209
Refund of Prior Year Expenditures	2,156	-	(2,156)	-
Donations	2,500	5,233	2,733	3,130
Miscellaneous	22,119	35,260	13,141	11,911
Total Miscellaneous Revenues	<u>184,950</u>	<u>263,277</u>	<u>78,327</u>	<u>238,972</u>
Total Revenues	<u>\$ 11,940,537</u>	<u>\$ 12,188,794</u>	<u>\$ 248,257</u>	<u>\$ 11,756,573</u>
EXPENDITURES:				
General Government:				
Legislative:				
Board	\$ 86,471	\$ 81,656	\$ 4,815	\$ 83,641
Judicial:				
Judge	120,500	162,658	(42,158)	149,122
Juvenile Court				
Clerk of Courts	232,980	237,274	(4,294)	244,306
Register in Probate	69,289	68,895	394	67,940
Family Court Commissioner	30,115	29,835	280	28,771
Coroner	41,922	49,725	(7,803)	51,907
Legal:				
District Attorney	154,877	153,428	1,449	145,454
Family Counseling	3,500	4,500	(1,000)	3,840
Criminal Justice Coordinator	92,192	96,233	(4,041)	82,745
Corporation Counsel	152,557	153,408	(851)	153,343
Victim/Witness Coordinator	70,109	70,342	(233)	68,249

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
General Government: (Continued)				
General Administration:				
Clerk	\$ 165,721	\$ 151,729	\$ 13,992	\$ 113,614
Administration	276,477	189,926	86,551	295,167
Contracted Services	37,751	1,000	36,751	1,000
Elections	34,300	35,159	(859)	9,251
Information Technology	638,232	619,714	18,518	588,144
Information Technology Capital Equipment	38,750	38,591	159	22,364
Central Postage	29,950	30,324	(374)	24,337
Financial Administration:				
Accounting and Auditing	265,974	247,857	18,117	259,362
Treasurer	208,009	207,578	431	207,196
Assessment of Property	4,080	3,635	445	3,400
Purchasing	91,701	92,523	(822)	225,248
General Building and Plant:				
Annex - Spooner	49,033	48,115	918	46,714
Annex - Shell Lake	90,999	72,177	18,822	84,051
Annex - City of Spooner	40,460	40,009	451	36,541
Dunbar Building Maintenance	-	73	(73)	-
Courthouse	338,873	339,062	(189)	312,219
Building Repair	29,334	30,245	(911)	22,345
Wayside	45,545	28,414	17,131	32,016
Memorials	2,500	2,370	130	-
Property Records and Control:				
Register of Deeds	222,026	213,520	8,506	193,706
Surveyor	393,225	504,699	(111,474)	311,768
Land Record's Office	80,030	51,268	28,762	72,171
Maps and Plats	10,000	8,940	1,060	-
Other General Government:				
County Owned Cars Expense	29,871	11,201	18,670	7,575
Property and Liability Insurance	126,060	73,449	52,611	53,230
Contingency:				
Other	228,289	25,000	203,289	-
Total General Government	4,531,702	4,174,532	357,170	4,000,737

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Public Safety:				
Sheriff	\$ 1,804,716	\$ 1,822,216	\$ (17,500)	\$ 1,750,269
Fire Suppression	100	483	(383)	473
Jail Expenses	1,654,601	1,693,314	(38,713)	1,676,985
Highway Safety	1,000	32	968	520
County Numbering System	7,700	3,795	3,905	2,461
Emergency Government	77,650	77,085	565	80,629
Emergency Communications	6,772	3,011	3,761	3,020
Total Public Safety	<u>3,552,539</u>	<u>3,599,936</u>	<u>(47,397)</u>	<u>3,514,357</u>
Public Works:				
Transportation Facilities:				
Appropriations to Highway Department [1]	2,548,146	2,548,146	-	2,452,450
Other Transportation:				
Transit Commission	350	-	350	78
Airport	6,700	6,700	-	5,700
Total Transportation Facilities	<u>2,555,196</u>	<u>2,554,846</u>	<u>350</u>	<u>2,458,228</u>
Sanitation:				
Wisconsin Fund Grant	10,000	6,505	3,495	3,694
Total Public Works	<u>2,565,196</u>	<u>2,561,351</u>	<u>3,845</u>	<u>2,461,922</u>
Health and Human Services:				
Health:				
Wellness Program	10,000	10,350	(350)	9,882
Human Services:				
AODA Program	7,560	7,521	39	7,500
Veterans:				
Veterans Service	138,226	129,825	8,401	147,728
Veterans Commission	43,764	33,507	10,257	10,764
Deceased Veterans Affairs	11,250	10,570	680	9,997
Total Health and Human Services	<u>210,800</u>	<u>191,773</u>	<u>19,027</u>	<u>185,871</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, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Culture, Recreation and Education:				
Culture:				
Library	\$ 221,423	\$ 221,423	\$ -	\$ 227,835
Historical Society	14,200	19,200	(5,000)	18,200
Recreation:				
Fairs	43,975	43,975	-	43,540
Education:				
University Extension	200,752	211,486	(10,734)	201,409
Total Culture, Recreation and Education	<u>480,350</u>	<u>496,084</u>	<u>(15,734)</u>	<u>490,984</u>
Conservation and Development:				
Resource Conservation:				
Dam Maintenance	54,312	(7,557)	61,869	(1,545)
Soil and Water Conservation	227,710	227,694	16	207,709
Aquatic Invasive Species	19,669	15,376	4,293	17,211
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	211,300	205,834	5,466	200,415
Economic Development:				
Economic Development Corporation and Tourism	214,134	214,134	-	198,999
ITBEC Contribution	3,000	3,000	-	3,000
Community Action Programs	2,300	-	2,300	-
Total Conservation and Development	<u>772,092</u>	<u>682,348</u>	<u>89,744</u>	<u>649,656</u>
Total Expenditures	<u>12,112,679</u>	<u>11,706,024</u>	<u>406,655</u>	<u>11,303,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(172,142)	482,770	654,912	453,046

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)**

	2016		Variance With Final Budget Positive (Negative)	2015 Actual
	Final Budget	Actual		
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Solid Waste Fund	\$ 47,156	\$ -	\$ (47,156)	\$ -
Transfers Out:				
Human Services Fund	-	(4,147)	(4,147)	(7,186)
Highway Department Fund	-	-	-	(52,199)
Capital Improvement Fund	-	(8,796)	(8,796)	(601,764)
Total Transfers Out	-	(12,943)	(12,943)	(661,149)
Total Other Financing Sources (Uses)	47,156	(12,943)	(60,099)	(661,149)
NET CHANGE IN FUND BALANCE	(124,986)	469,827	594,813	(208,103)
Fund Balance, January 1	7,383,847	7,383,847	-	7,591,950
FUND BALANCE, DECEMBER 31	<u>\$ 7,258,861</u>	<u>\$ 7,853,674</u>	<u>\$ 594,813</u>	<u>\$ 7,383,847</u>

SCHEDULE C-1

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015)

	Highway Department	Copy Machine	Totals	
			2016	2015
ASSETS				
Current Assets:				
Treasurer's Cash and Investments	\$ 1,570,839	\$ 21,589	\$ 1,592,428	\$ 2,471,691
Accounts Receivable	6,440	-	6,440	1,376
Due from Other Governments	1,755,435	-	1,755,435	616,322
Due from Other Funds	1,192,464	-	1,192,464	715,920
Prepaid Expenses	-	-	-	11,182
Inventories	998,031	-	998,031	1,109,709
Total Current Assets	5,523,209	21,589	5,544,798	4,926,200
Restricted Assets:				
Wisconsin Retirement System Pension Plan Asset	-	-	-	264,535
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	20,199,474	26,919	20,226,393	20,835,438
Accumulated Depreciation	(10,027,357)	(25,189)	(10,052,546)	(9,702,631)
Total Capital Assets	10,661,899	1,730	10,663,629	11,622,589
Total Assets	16,185,108	23,319	16,208,427	16,813,324
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	1,022,874	-	1,022,874	274,247
LIABILITIES				
Current Liabilities:				
Accounts Payable	227,523	-	227,523	127,692
Accrued Liabilities	133,563	-	133,563	133,208
Accrued Interest Payable	31,111	-	31,111	30,448
Unearned Revenues	204,762	-	204,762	296,525
Accrued Vacation and Sick Leave - Current	92,643	-	92,643	107,369
Capital Leases Payable - Current	416,762	-	416,762	363,230
Total Current Liabilities	1,106,364	-	1,106,364	1,058,472
Long-Term Liabilities:				
Advance from Capital Projects Fund	750,912	-	750,912	755,156
Wisconsin Retirement System Pension Plan Liability	209,102	-	209,102	-
Other Postemployment Benefits Payable	322,044	-	322,044	310,368
Accrued Vacation and Sick Leave	178,560	-	178,560	177,374
Capital Leases Payable	2,069,407	-	2,069,407	2,223,805
Total Long-Term Liabilities	3,530,025	-	3,530,025	3,466,703
Total Liabilities	4,636,389	-	4,636,389	4,525,175
Deferred Inflows of Resources:				
Wisconsin Retirement System Pension Related	395,859	-	395,859	-
NET POSITION				
Net Investment in Capital Assets	8,175,730	1,730	8,177,460	9,035,554
Restricted for Wisconsin Retirement Pension Plan Asset	-	-	-	264,535
Unrestricted	4,000,004	21,589	4,021,593	3,262,307
Total Net Position	\$ 12,175,734	\$ 23,319	\$ 12,199,053	\$ 12,562,396

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)**

	Highway Department	Copy Machine	<u>Totals</u>	
			2016	2015
OPERATING REVENUES	\$ 7,687,937	\$ 3,595	\$ 7,691,532	\$ 9,147,833
OPERATING EXPENSES	<u>7,958,738</u>	<u>2,860</u>	<u>7,961,598</u>	<u>9,454,887</u>
OPERATING INCOME (LOSS)	(270,801)	735	(270,066)	(307,054)
NONOPERATING REVENUES (EXPENSES):				
Interest Expense	<u>(93,277)</u>	<u>-</u>	<u>(93,277)</u>	<u>(63,296)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(364,078)	735	(363,343)	(370,350)
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Transfers from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,199</u>
CHANGE IN NET POSITION	(364,078)	735	(363,343)	(318,151)
Net Position, January 1	<u>12,539,812</u>	<u>22,584</u>	<u>12,562,396</u>	<u>12,880,547</u>
NET POSITION, DECEMBER 31	<u>\$ 12,175,734</u>	<u>\$ 23,319</u>	<u>\$ 12,199,053</u>	<u>\$ 12,562,396</u>

SCHEDULE C-3

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2015)**

	Highway Department	Copy Machine	Totals	
			2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Services Provided	\$ 5,975,453	\$ 3,595	\$ 5,979,048	\$ 9,818,420
Cash Paid to Suppliers for Goods and Services	(3,447,256)	(2,860)	(3,450,116)	(5,543,730)
Cash Paid for Employee Services	(3,146,297)	-	(3,146,297)	(3,192,347)
Net Cash Provided by (Used for) Operating Activities	(618,100)	735	(617,365)	1,082,343
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	(462,071)	-	(462,071)	(1,784,911)
Cash Received for Sale of Capital Assets	397,897	-	397,897	21,998
Cash Received on Advance for Capital Projects	(4,244)	-	(4,244)	(14,119)
Capital Lease Proceeds	310,719	-	310,719	1,489,904
Principal Paid on Capital Leases	(411,585)	-	(411,585)	(399,020)
Interest Paid on Capital Leases	(92,614)	-	(92,614)	(56,823)
Net Cash Used for Capital and Related Financing Activities	(261,898)	-	(261,898)	(742,971)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(879,998)	735	(879,263)	391,571
CASH AND CASH EQUIVALENTS, JANUARY 1	2,450,837	20,854	2,471,691	2,080,120
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,570,839</u>	<u>\$ 21,589</u>	<u>\$ 1,592,428</u>	<u>\$ 2,471,691</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (270,801)	\$ 735	\$ (270,066)	\$ (307,054)
Depreciation	1,009,735	-	1,009,735	936,353
Depletion of Gravel Pits	13,399	-	13,399	15,914
Change in Pension and Pension Related Deferred Outflow and Inflow	120,869	-	120,869	795
(Increase) Decrease in Assets:				
Accounts Receivable	(5,064)	-	(5,064)	199,561
Due from Governmental Units	(1,139,113)	-	(1,139,113)	171,299
Prepaid Expenses	11,182	-	11,182	(10,086)
Inventories	111,678	-	111,678	172,326
Due from Other Funds	(476,544)	-	(476,544)	297,394
Increase (Decrease) in Liabilities:				
Vouchers Payable	99,831	-	99,831	(415,986)
Unearned Revenue	(91,763)	-	(91,763)	2,333
Accrued Liabilities	(13,185)	-	(13,185)	(30,200)
Other Postemployment Benefits Payable	11,676	-	11,676	49,694
Net Cash Provided by (Used for) Operating Activities	<u>\$ (618,100)</u>	<u>\$ 735</u>	<u>\$ (617,365)</u>	<u>\$ 1,082,343</u>

WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
HIGHWAY DEPARTMENT
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
OPERATING REVENUES:		
Charges For Services:		
County Highway [1]	\$ 4,149,253	\$ 5,222,023
State Highway	1,848,888	2,301,737
Other Local Highways	917,378	657,914
County Departments	426,844	662,799
Non-Governmental Customers	2,807	4,266
Other Services	311,252	263,441
Rental Income	1,800	-
Sale of Fixed Assets	-	1,995
Miscellaneous Revenue	29,715	29,824
Total Operating Revenues	7,687,937	9,143,999
OPERATING EXPENSES:		
Administration and General:		
Administration	296,519	331,605
Patrol Superintendent	102,503	109,640
Radio Expense	4,000	230
Public Liability Insurance	453,601	87,814
Transportation Cost Pools:		
Machinery Operations	(36,642)	208,991
Services Provided:		
County:		
General Maintenance	2,437,451	2,712,985
Reconstruction and Betterments	1,276,036	2,780,406
Winter Maintenance	504,967	374,964
State:		
Highway Maintenance and Construction	1,440,972	1,353,860
Equipment and Salt Storage	132,234	103,013
Local Districts	905,770	660,200
Local Departments	426,844	662,799
Non-Governmental Customers	2,807	4,266
Other Postemployment Benefits	11,676	49,694
Amortization of State Contributions Included Above	-	13,010
Total Operating Expenses	7,958,738	9,453,477
OPERATING INCOME (LOSS)	(270,801)	(309,478)
NONOPERATING REVENUES (EXPENSES):		
Interest Expense	(93,277)	(63,296)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(364,078)	(372,774)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Transfers from General Fund	-	52,199
CHANGE IN NET POSITION	(364,078)	(320,575)
Net Position, January 1	12,539,812	12,860,387
NET POSITION, DECEMBER 31	\$ 12,175,734	\$ 12,539,812
[1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 1,510,663	\$ 1,462,421
State Transportation Aids	1,037,483	986,040
Federal and State Project Revenues	163,363	3,989
Total General Fund	2,711,509	2,452,450
Charges to Capital Projects Fund and Other Funds	1,437,744	2,769,573
Total County Highway Charges for Services	\$ 4,149,253	\$ 5,222,023

**WASHBURN COUNTY, WISCONSIN
AGENCY FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Tax Agency	Juvenile Restitution	Representative Payee	Clerk of Courts	Sheriff	District Attorney	DNR Licenses	Totals
ASSETS								
Treasurer's Cash and Investments	\$ -	\$ 248	\$ 2,330	\$ 421,129	\$ 4,073	\$ 465	\$ 172	\$ 428,417
Taxes Receivable	406,641	-	-	-	-	-	-	406,641
Total Assets	<u>\$ 406,641</u>	<u>\$ 248</u>	<u>\$ 2,330</u>	<u>\$ 421,129</u>	<u>\$ 4,073</u>	<u>\$ 465</u>	<u>\$ 172</u>	<u>\$ 835,058</u>
LIABILITIES								
Vouchers Payable	\$ -	\$ -	\$ 2,330	\$ -	\$ -	\$ -	\$ -	\$ 2,330
Due to Other Governmental Units	406,641	-	-	-	-	-	-	406,641
Special Deposits	-	248	-	421,129	4,073	465	172	426,087
Total Liabilities	<u>\$ 406,641</u>	<u>\$ 248</u>	<u>\$ 2,330</u>	<u>\$ 421,129</u>	<u>\$ 4,073</u>	<u>\$ 465</u>	<u>\$ 172</u>	<u>\$ 835,058</u>