

WASHBURN COUNTY, WISCONSIN
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

**WASHBURN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2017**

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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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn County, Wisconsin as of December 31, 2017, 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, 2016 which are not presented with the accompanying financial statements. In our report dated September 27, 2017, 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 2016 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 2016 basic financial statements. The information has been

The County Board
Washburn County

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 2016 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 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
September 28, 2018

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017. 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, 2017 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 \$80,189,570 (net position). Of this amount, \$51,591,460 represented the County's net investment in capital assets, \$3,803,718 was held for restricted purposes, and \$24,794,392 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$1,962,069.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$23,142,797, an increase of \$2,566,603 from the previous year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,940,982 or 40.8% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2017 totaling \$1,055,000 a decrease of \$255,000 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, 2017**

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, 2017**

Washburn County maintains 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, 2017**

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 \$80,189,570 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (64.3%) 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, 2017 and 2016:

**Condensed Statement of Net Position
December 31, 2017 and 2016**

	Governmental Activities	
	2017	2016
Current Assets	\$ 42,294,287	\$ 39,418,496
Capital Assets	55,507,747	56,400,066
Other Noncurrent Assets	929,990	951,580
Total Assets	98,732,024	96,770,142
 Deferred Outflows of Resources	 3,687,533	 5,371,060
 Long-Term Debt Outstanding	 3,177,287	 3,876,824
Other Long-Term Obligations	2,972,781	2,881,859
Other Liabilities	3,808,595	4,424,881
Total Liabilities	9,958,663	11,183,564
 Deferred Inflows of Resources	 12,271,324	 12,730,137
 Net Position:		
Net Investment in Capital Assets	51,591,460	52,523,242
Restricted	3,803,718	3,872,779
Unrestricted	24,794,392	21,831,480
Total Net Position	\$ 80,189,570	\$ 78,227,501

An additional portion of Washburn County's net position (4.7%) represents resources that are subject to other restrictions on how they may be used. The remaining \$24,794,392 of total net position (30.0%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$1,962,069 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

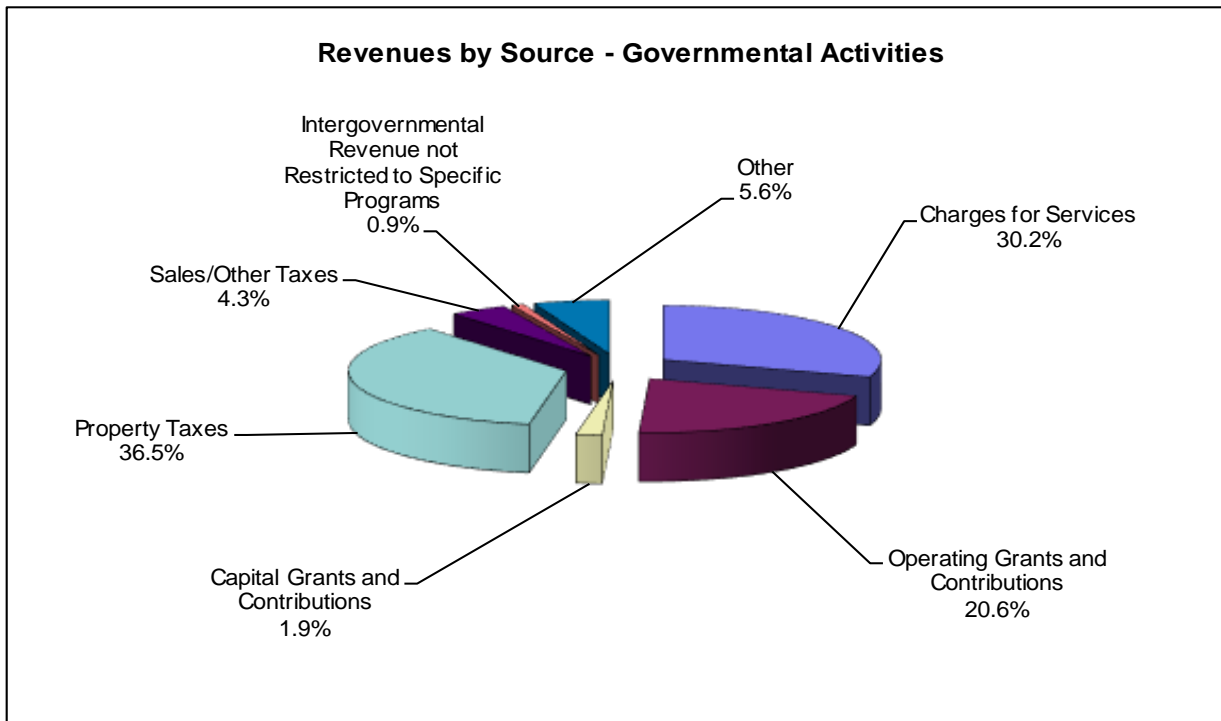
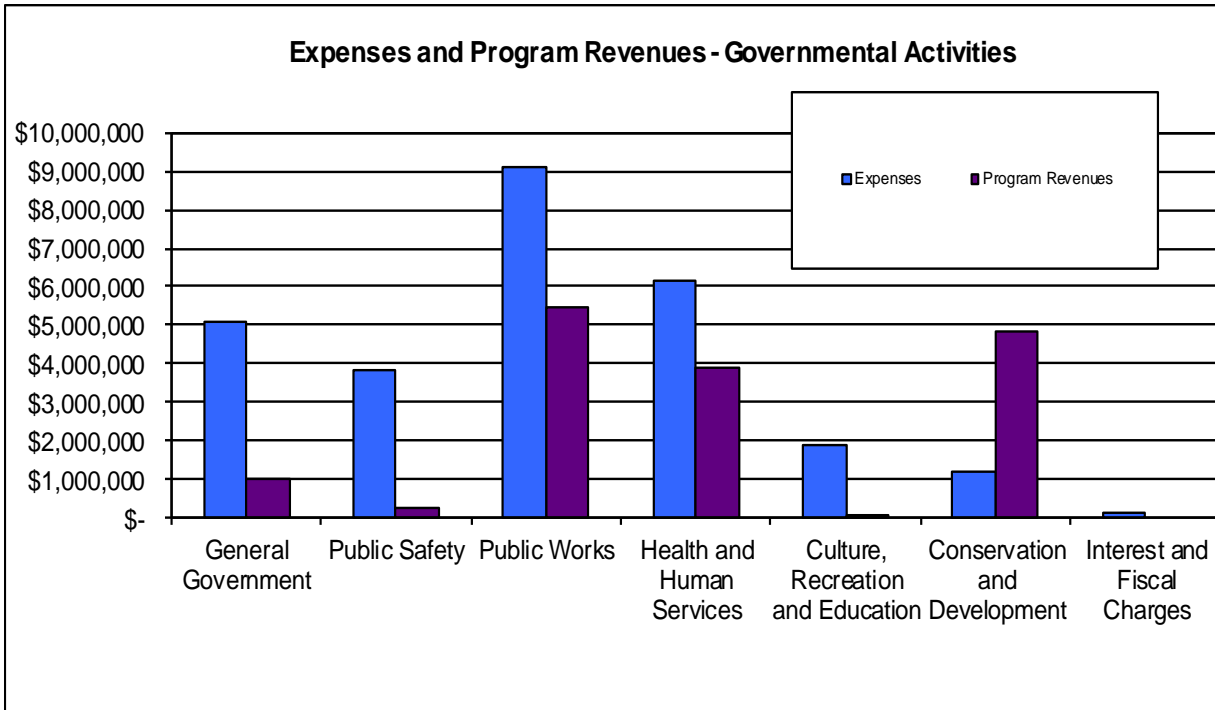
The following is a summary of the changes in the County's net position for the years ended December 31, 2017 and 2016:

**Condensed Statement of Changes in Net Position
December 31, 2017 and 2016**

	Governmental Activities	
	2017	2016
REVENUES		
Program Revenues:		
Charges for Services	\$ 8,854,403	\$ 7,640,327
Operating Grants and Contributions	6,039,245	5,117,287
Capital Grants and Contributions	567,741	112,481
General Revenues:		
Property Taxes	10,694,817	10,622,332
Sales/Other Taxes	1,251,102	1,276,609
State and Federal Aids not Restricted to Specific Programs	272,012	313,656
Other	1,648,192	1,300,859
Total Revenues	29,327,512	26,383,551
EXPENSES		
General Government	5,089,716	4,828,905
Public Safety	3,830,805	3,961,047
Public Works	9,117,342	8,842,214
Health and Human Services	6,144,800	6,229,105
Culture, Recreation and Education	1,898,371	1,820,864
Conservation and Development	1,182,464	1,088,203
Interest and Fiscal Charges	101,945	148,513
Total Expenses	27,365,443	26,918,851
CHANGE IN NET POSITION	1,962,069	(535,300)
Net Position - Beginning of the Year	78,227,501	78,762,801
Net Position - End of the Year	\$ 80,189,570	\$ 78,227,501

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 (36.5%), operating grants/contributions (20.6%), and charges for services (30.2%).

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**



**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017, the County's governmental funds reported combined ending fund balances of \$23,142,797, an increase of \$2,566,603 over the previous year. The governmental funds comprising this balance are shown below:

	Fund Balance at December 31, 2017					Total	Change During Year
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds							
General Fund	\$ 1,501,008	\$ 1,559	\$ -	\$ 1,889,609	\$ 4,940,982	\$ 8,333,158	\$ 479,484
Human Services Fund	-	-	1,161,250	-	-	1,161,250	40,848
Debt Service Fund	-	-	-	2,278,045	-	2,278,045	756,637
Capital Improvement Program Fund	743,209	-	3,441,713	-	-	4,184,922	-
Forestry Fund	-	381,893	1,563,468	-	-	1,945,361	725,006
Nonmajor Funds:							
Special Revenue Funds	734	2,512,724	2,726,858	-	(255)	5,240,061	564,628
Total Fund Balances	\$ 2,244,951	\$ 2,896,176	\$ 8,893,289	\$ 4,167,654	\$ 4,940,727	\$ 23,142,797	\$ 2,566,603

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 68.8% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 40.8% of the same amount.

The general fund's total fund balance increased \$479,484 during the year; while the unassigned portion of the fund increased \$617,760. The primary factor in the general fund increase was due to expenditures being less than budgeted.

The County's human services fund increased \$40,848 in 2017. The primary factor in this increase was actual expenditures being less than budgeted.

The County's debt service fund balance reported a fund balance of \$2,278,045 at December 31, 2017 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, 2017**

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 \$1,945,361, an increase of \$725,006 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 \$564,628 during 2017 and had an accumulated fund balance of \$5,240,061 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 2017. 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 \$12,181,134 at December 31, 2017, a decrease of \$17,919 from the previous year. Of that amount, \$7,652,396 was invested in capital assets. The remaining net position totaling \$4,528,738 was unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2017 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 2017 of \$313,182 while the actual amounts resulted in an increase in the fund balance totaling \$479,484. The most significant positive budget expenditure variances were realized in the general government category of \$377,159 which is detailed out in Schedule B-2 of this report.

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Washburn County's investment in capital assets for its governmental activities as of December 31, 2017 amounted to \$55,507,747 (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 2017 was \$892,319.

**Capital Assets (Net of Accumulated Depreciation)
December 31, 2017 and 2016**

	Governmental Activities	
	2017	2016
Land and Land Rights	\$ 11,953,189	\$ 11,953,189
Gravel Pits and Quarries	439,911	456,003
Land Improvements	1,576,916	1,745,222
Buildings and Improvements	7,325,446	7,424,824
Machinery and Equipment	6,682,658	6,964,026
Highway Infrastructure	22,448,406	24,359,980
Construction Work in Progress	5,081,221	3,496,822
Total	<u>\$ 55,507,747</u>	<u>\$ 56,400,066</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, 2017, Washburn County had outstanding \$6,150,068 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, 2017 and 2016**

	Governmental Activities		% Change
	2017	2016	
Long-Term Debt:			
General Obligation Bonds	\$ 1,055,000	\$ 1,310,000	-19.5%
Other Long-Term Obligations:			
Capital Lease Agreements	2,122,287	2,566,824	-17.3
Other Postemployment Benefits Payable	1,785,797	1,724,494	3.6
Compensated Absences	1,186,984	1,157,365	2.6
Total	<u>\$ 6,150,068</u>	<u>\$ 6,758,683</u>	-9.0

**WASHBURN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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, 2017 totaled \$1,055,000 approximately 0.8% of the maximum legal limit of \$124,407,230. 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, 2017**

	Primary Government Governmental Activities	Component Unit Industrial Development Agency
ASSETS		
Treasurer's Cash and Investments	\$ 25,991,138	\$ 869,522
Taxes Receivable	11,780,606	-
Accounts Receivable	468,900	-
Special Assessments Receivable	305,873	-
Due from Other Governments	2,177,701	-
Inventories	1,152,493	-
Prepaid Expenses	417,576	-
Long-Term Receivables	929,990	1,195,004
Capital Assets:		
Capital Assets Not Being Depreciated	17,034,410	-
Capital Assets Being Depreciated	112,158,456	-
Accumulated Depreciation	(73,685,119)	-
Total Assets	98,732,024	2,064,526
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System Pension Related	3,687,533	-
LIABILITIES		
Vouchers and Accounts Payable	715,639	-
Accrued Liabilities	489,398	5,925
Payroll Deductions	504,888	-
Accrued Interest Payable	25,853	-
Short-Term Debt Payable	739,000	-
Due to Other Governments	29,367	-
Unearned Revenue	631,428	-
Special Deposits	190,027	-
Long-Term Liabilities:		
Amounts Due Within One Year	1,051,107	25,913
Amounts Due in More than One Year	5,098,961	566,544
Wisconsin Retirement System Pension Liability	482,995	-
Total Liabilities	9,958,663	598,382
DEFERRED INFLOWS OF RESOURCES		
Property Taxes for Subsequent Year	10,752,347	-
Wisconsin Retirement System Pension Related	1,518,977	-
	12,271,324	-
NET POSITION		
Net Investment in Capital Assets	51,591,460	-
Restricted for:		
Housing Loan Program	896,001	-
Other Purposes	2,907,717	1,466,144
Unrestricted	24,794,392	-
	80,189,570	1,466,144
Total Net Position	\$ 80,189,570	\$ 1,466,144

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

<u>Functions/Programs</u>						<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Government- Governmental Activities</u>	<u>Component Unit- Industrial Development Agency</u>	
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>			
Primary Government:							
Governmental Activities:							
General Government	\$ 5,089,716	\$ 284,150	\$ 139,513	\$ 566,132	\$ (4,099,921)	\$ -	
Public Safety	3,830,805	169,960	91,219	1,609	(3,568,017)	-	
Public Works	9,117,342	4,241,273	1,209,842	-	(3,666,227)	-	
Health and Human Services	6,144,800	799,259	3,100,937	-	(2,244,604)	-	
Culture, Recreation and Education	1,898,371	2,507	-	-	(1,895,864)	-	
Conservation and Development	1,182,464	3,357,254	1,497,734	-	3,672,524	-	
Interest and Fiscal Charges	101,945	-	-	-	(101,945)	-	
Total Primary Government	\$ 27,365,443	\$ 8,854,403	\$ 6,039,245	\$ 567,741	(11,904,054)	-	
Component Unit:							
Industrial Development Agency	\$ 91,594	\$ 61,387	\$ -	\$ -	-	(30,207)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					10,694,817	-	
County Sales Taxes					1,160,753	-	
Other Taxes					90,349	-	
State and Federal Aids not Restricted to Specific Functions					272,012	-	
Interest and Investment Earnings					456,347	4,818	
Sale of County Property					12,816	-	
Miscellaneous					1,179,029	-	
Total General Revenues					13,866,123	4,818	
CHANGE IN NET POSITION					1,962,069	(25,389)	
Net Position - Beginning of Year					78,227,501	1,491,533	
NET POSITION - END OF YEAR					\$ 80,189,570	\$ 1,466,144	

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
ASSETS							
Treasurer's Cash and Investments	\$ 6,657,743	\$ 1,077,867	\$ 2,278,045	\$ 6,417,120	\$ 2,121,061	\$ 5,222,613	\$ 23,774,449
Taxes Receivable	9,013,899	1,136,024	1,032,372	-	-	598,311	11,780,606
Accounts Receivable	98,576	128,023	-	37,076	104,566	98,200	466,441
Special Assessments Receivable	-	-	-	305,873	-	-	305,873
Due from Other Governmental Units	159,827	227,338	-	-	751,277	112,756	1,251,198
Due from Other Funds	241,310	-	-	-	-	-	241,310
Prepaid Expenses	408,171	-	-	-	161	734	409,066
Inventory	4,578	-	-	-	-	-	4,578
Long-Term Receivables	59,000	-	-	-	-	870,990	929,990
Advances to Other Funds	-	-	-	743,209	-	-	743,209
Total Assets	<u>\$ 16,643,104</u>	<u>\$ 2,569,252</u>	<u>\$ 3,310,417</u>	<u>\$ 7,503,278</u>	<u>\$ 2,977,065</u>	<u>\$ 6,903,604</u>	<u>\$ 39,906,720</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Vouchers and Accounts Payable	\$ 179,573	\$ 117,741	\$ -	\$ 217,325	\$ 34,059	\$ 97,755	\$ 646,453
Payroll Deductions	25,984	-	-	-	478,904	-	504,888
Accrued Liabilities	79,410	106,737	-	-	57,210	126,810	370,167
Accrued Interest Payable	-	-	-	3,770	-	-	3,770
Short-Term Debt	-	-	-	739,000	-	-	739,000
Due to Other Governmental Units	28,091	-	-	-	-	1,276	29,367
Due to Other Funds	-	-	-	2,052,388	-	4,901	2,057,289
Unearned Revenues	4,748	10,000	-	-	279,004	-	293,752
Special Deposits	7,500	-	-	-	182,527	-	190,027
Total Liabilities	<u>325,306</u>	<u>234,478</u>	<u>-</u>	<u>3,012,483</u>	<u>1,031,704</u>	<u>230,742</u>	<u>4,834,713</u>
Deferred Inflows of Resources:							
Succeeding Year's Property Taxes	7,984,640	1,173,524	1,032,372	-	-	561,811	10,752,347
Unavailable Revenue - Loans Receivable	-	-	-	-	-	870,990	870,990
Unavailable Revenue - Special Assessments	-	-	-	305,873	-	-	305,873
Total Deferred Inflows of Resources	<u>7,984,640</u>	<u>1,173,524</u>	<u>1,032,372</u>	<u>305,873</u>	<u>-</u>	<u>1,432,801</u>	<u>11,929,210</u>
Fund Balances:							
Nonspendable	1,501,008	-	-	743,209	-	734	2,244,951
Restricted	1,559	-	-	-	381,893	2,512,724	2,896,176
Committed	-	1,161,250	-	3,441,713	1,563,468	2,726,858	8,893,289
Assigned	1,889,609	-	2,278,045	-	-	-	4,167,654
Unassigned	4,940,982	-	-	-	-	(255)	4,940,727
Total Fund Balances	<u>8,333,158</u>	<u>1,161,250</u>	<u>2,278,045</u>	<u>4,184,922</u>	<u>1,945,361</u>	<u>5,240,061</u>	<u>23,142,797</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,643,104</u>	<u>\$ 2,569,252</u>	<u>\$ 3,310,417</u>	<u>\$ 7,503,278</u>	<u>\$ 2,977,065</u>	<u>\$ 6,903,604</u>	<u>\$ 39,906,720</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017**

Total Fund Balances - Governmental Funds \$ 23,142,797

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	8,569,719	
Machinery and Equipment	4,388,548	
Vehicles	1,433,605	
Infrastructure	74,854,081	
Construction Work in Progress	5,081,221	
Accumulated Depreciation	<u>(62,804,912)</u>	45,785,944

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	(386,394)	
Deferred Outflows of Resources - Pension Related	2,950,011	
Deferred Inflows of Resources - Pension Related	<u>(1,215,175)</u>	1,348,442

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	870,990	
Special Assessments	<u>305,873</u>	1,176,863

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	1,055,000	
Capital Leases	52,880	
Accrued Interest Payable	(4,239)	
Compensated Absences	889,117	
Other Postemployment Benefits Payable	<u>1,452,852</u>	(3,445,610)

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.

12,155,827

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.

25,307

Net Position of Governmental Activities **\$ 80,189,570**

WASHBURN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General Fund	Human Services Fund	Debt Service Fund	Capital Improvements Program Fund	Forestry Fund	Other Governmental Funds	Totals
REVENUES:							
Taxes	\$ 9,429,345	\$ 1,108,938	\$ 1,032,372	\$ -	\$ -	\$ 621,862	\$ 12,192,517
Intergovernmental	2,126,825	1,766,984	-	566,132	995,120	903,446	6,358,507
Licenses and Permits	201,417	-	-	-	-	50,274	251,691
Fines, Forfeits and Penalties	79,182	11,393	-	-	-	14,949	105,524
Public Charges for Services	386,558	473,022	-	-	2,900,926	299,033	4,059,539
Intergovernmental Charges for Services	14,407	-	-	-	-	-	14,407
Miscellaneous	296,456	349,967	-	270,276	76,674	977,692	1,971,065
Total Revenues	<u>12,534,190</u>	<u>3,710,304</u>	<u>1,032,372</u>	<u>836,408</u>	<u>3,972,720</u>	<u>2,867,256</u>	<u>24,953,250</u>
EXPENDITURES:							
General Government	4,226,938	-	-	559,170	-	-	4,786,108
Public Safety	3,864,330	-	-	-	-	31,211	3,895,541
Public Works	2,658,768	-	-	2,079,302	-	9,626	4,747,696
Health and Human Services	212,358	3,729,056	-	-	-	1,761,022	5,702,436
Culture, Recreation and Education	435,936	-	-	-	1,441,843	20,181	1,897,960
Conservation and Development	707,535	-	-	-	-	361,413	1,068,948
Debt Service:							
Principal	-	-	255,000	-	102,407	-	357,407
Interest and Fiscal Charges	-	-	20,735	7,540	3,774	-	32,049
Total Expenditures	<u>12,105,865</u>	<u>3,729,056</u>	<u>275,735</u>	<u>2,646,012</u>	<u>1,548,024</u>	<u>2,183,453</u>	<u>22,488,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	428,325	(18,752)	756,637	(1,809,604)	2,424,696	683,803	2,465,105
OTHER FINANCING SOURCES (USES):							
Proceeds of Long-Term Debt	-	-	-	-	74,632	-	74,632
Sale of Capital Assets	-	-	-	-	12,816	-	12,816
Transfers In	74,450	59,600	-	1,845,004	3,212	103,271	2,085,537
Transfers Out	(23,291)	-	-	(35,400)	(1,790,350)	(222,446)	(2,071,487)
Total Other Financing Sources (Uses)	<u>51,159</u>	<u>59,600</u>	<u>-</u>	<u>1,809,604</u>	<u>(1,699,690)</u>	<u>(119,175)</u>	<u>101,498</u>
NET CHANGE IN FUND BALANCES	479,484	40,848	756,637	-	725,006	564,628	2,566,603
Fund Balances, January 1	<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>
FUND BALANCES, DECEMBER 31	<u>\$ 8,333,158</u>	<u>\$ 1,161,250</u>	<u>\$ 2,278,045</u>	<u>\$ 4,184,922</u>	<u>\$ 1,945,361</u>	<u>\$ 5,240,061</u>	<u>\$ 23,142,797</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, 2017**

Net Change in Fund Balances - Total Governmental Funds **\$ 2,566,603**

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

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

Capital outlays reported in governmental fund statements	\$ 2,991,489	
Depreciation expense reported in the statement of activities	<u>(2,733,380)</u>	258,109

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 (208,602)

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. (602,250)

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. (276,041)

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

Forest Crop Loans (74,632)

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	255,000	
Forest Crop Loans Repaid	74,632	
Capital Lease Retirement	<u>27,775</u>	357,407

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 (17,919)

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 (50,402)

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>(2,955)</u>	<u>9,796</u>

Change in Net Position of Governmental Activities **\$ 1,962,069**

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	<u>Governmental Activities- Internal Service Funds</u>
ASSETS	
Current Assets:	
Treasurer's Cash and Investments	\$ 2,216,689
Accounts Receivable	2,459
Due from Other Governmental Units	926,503
Due from Other Funds	1,815,979
Inventories and Prepaid Expenses	1,156,425
Total Current Assets	<u>6,118,055</u>
Noncurrent Assets:	
Capital Assets:	
Not Being Depreciated/Depleted	489,782
Being Depreciated/Depleted	20,112,228
Accumulated Depreciation	<u>(10,880,207)</u>
Total Capital Assets	<u>9,721,803</u>
Total Assets	15,839,858
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	737,522
LIABILITIES	
Current Liabilities:	
Accounts Payable	69,186
Accrued Liabilities	119,231
Accrued Interest Payable	26,322
Unearned Revenues	337,676
Accrued Vacation and Sick Leave - Current	91,449
Capital Leases Payable - Current	431,183
Total Current Liabilities	<u>1,075,047</u>
Long-Term Liabilities (Net of Current Portion):	
Advance from Capital Projects Fund	743,209
Wisconsin Retirement System Pension Plan Liability	96,601
Other Postemployment Benefits Payable	332,945
Accrued Vacation and Sick Leave	206,418
Capital Leases Payable	1,638,224
Total Long-Term Liabilities	<u>3,017,397</u>
Total Liabilities	<u>4,092,444</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	303,802
NET POSITION	
Net Investment in Capital Assets	7,652,396
Unrestricted	<u>4,528,738</u>
Total Net Position	<u>\$ 12,181,134</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, 2017**

	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES	\$ 9,265,219
OPERATING EXPENSES	<u>9,186,441</u>
OPERATING LOSS	78,778
NONOPERATING EXPENSES	<u>(82,647)</u>
LOSS BEFORE TRANSFERS	(3,869)
TRANSFERS	
Transfers from Forestry Fund	25,000
Transfers to General Fund	<u>(39,050)</u>
Total Transfers and Capital Contributions	<u>(14,050)</u>
CHANGE IN NET POSITION	(17,919)
Net Position, January 1	<u>12,199,053</u>
NET POSITION, DECEMBER 31	<u><u>\$ 12,181,134</u></u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received for Services Provided	\$ 9,607,531
Cash Paid to Suppliers for Goods and Services	(4,941,430)
Cash Paid for Employee Services	(3,453,730)
Net Cash Provided by (Used for) Operating Activities	<u>1,212,371</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from Forestry Fund	25,000
Transfers to General Fund	(39,050)
Total Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(14,050)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash Paid for Acquisition of Capital Assets	(84,057)
Cash Received for Sale of Capital Assets	21,898
Cash Paid County on Advance for Gravel Pits	(7,703)
Principal Paid on Capital Leases	(416,762)
Interest Paid on Capital Leases	(87,436)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(574,060)</u>
NET CHANGE IN CASH AND IN CASH EQUIVALENTS	624,261
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,592,428</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,216,689</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ 78,778
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	983,799
Depletion of Gravel Pits	16,092
Change in Pension Asset and Pension Related Deferred Outflow and Inflow of Resources	80,794
(Gain) Loss on Disposal of Assets	4,094
(Increase) Decrease in Assets:	
Accounts Receivable	3,981
Due from Governmental Units	828,932
Prepaid Expenses	(8,510)
Inventories	(149,884)
Due from Other Funds	(623,515)
Increase (Decrease) in Liabilities:	
Vouchers Payable	(158,337)
Unearned Revenue	132,914
Accrued Liabilities	12,332
Other Postemployment Benefits Payable	10,901
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,212,371</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

	<u>Agency Funds</u>
ASSETS	
Treasurer's Cash and Investments	<u>\$ 176,115</u>
LIABILITIES	
Vouchers Payable	\$ 930
Special Deposits	<u>175,185</u>
Total Liabilities	<u>\$ 176,115</u>

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 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, 2017**

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, 2017.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017

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, 2017

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, 2017**

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, 2017**

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, 2017**

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. The County also reports a deferred inflows of resources for pension plan related items.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017. 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, 2017

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, 2017**

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, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2017 are reflected in the financial statements as follows:

Governmental Funds	\$ 23,774,449
Proprietary Funds	2,216,689
Fiduciary Funds	176,115
	<u>\$ 26,167,253</u>

The above cash and investments consisted of the following:

Deposits at Financial Institutions	\$ 15,114,515
Investment in State Local Government Pooled-Investment Fund	11,049,593
Petty Cash	3,145
Total Cash and Investments at December 31, 2016	<u>\$ 26,167,253</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, 2017**

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, 2017, the County had deposits exposed to custodial credit risk in the amount of \$671,992.

Investments

The County's investments at December 31, 2017 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 2017 was 43 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, 2017**

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, 2017 totaling \$870,990. 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, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017 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	3,496,822	2,000,337	415,938	5,081,221
Total Capital Assets Not Being Depreciated	14,960,229	2,000,337	415,938	16,544,628
Capital Assets Being Depreciated:				
Land Improvements	2,800,275	-	-	2,800,275
Buildings and Improvements	8,216,598	353,121	-	8,569,719
Machinery and Equipment	3,762,735	638,017	12,204	4,388,548
Vehicles	1,341,731	288,272	196,398	1,433,605
Highway Infrastructure:				
Roadways	69,467,720	127,680	-	69,595,400
Bridges	1,408,186	-	-	1,408,186
Structures	3,850,495	-	-	3,850,495
Total Capital Assets Being Depreciated	90,847,740	1,407,090	208,602	92,046,228
Total Capital Assets	105,807,969	3,407,427	624,540	108,590,856
Accumulated Depreciation:				
Land Improvements	1,604,486	122,987	-	1,727,473
Buildings and Improvements	4,166,292	174,897	-	4,341,189
Equipment and Vehicles	3,934,333	396,242	-	4,330,575
Highway Infrastructure	50,366,421	2,039,254	-	52,405,675
Total Accumulated Depreciation	60,071,532	2,733,380	-	62,804,912
Net Capital Assets - General County Assets	\$ 45,736,437	\$ 674,047	\$ 624,540	\$ 45,785,944

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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*	456,003	-	16,092	439,911
Buildings and Improvements	6,903,069	-	-	6,903,069
Machinery and Equipment	11,707,419	67,018	165,091	11,609,346
Total Capital Assets Being Depreciated	<u>20,199,474</u>	<u>67,018</u>	<u>181,183</u>	<u>20,085,309</u>
Total Capital Assets	20,689,256	67,018	181,183	20,575,091
Accumulated Depreciation:				
Land Improvements	583,550	45,319	-	628,869
Buildings and Improvements	3,528,551	277,602	-	3,806,153
Machinery and Equipment	5,915,256	660,878	156,138	6,419,996
Total Accumulated Depreciation	<u>10,027,357</u>	<u>983,799</u>	<u>156,138</u>	<u>10,855,018</u>
Net Capital Assets - Highway Department	<u>\$ 10,661,899</u>	<u>\$ (916,781)</u>	<u>\$ 25,045</u>	<u>\$ 9,720,073</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	\$ 15,450,011	\$ 2,000,337	\$ 415,938	\$ 17,034,410
Capital Assets Being Depreciated	111,074,133	1,474,108	389,785	112,158,456
Total Capital Assets	<u>126,524,144</u>	<u>3,474,445</u>	<u>805,723</u>	<u>129,192,866</u>
Accumulated Depreciation	70,124,078	3,717,179	156,138	73,685,119
Net Capital Assets - Governmental Activities	<u>\$ 56,400,066</u>	<u>\$ (242,734)</u>	<u>\$ 649,585</u>	<u>\$ 55,507,747</u>

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

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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	\$ 233,392	\$ -	\$ 233,392
Public Safety	221,797	-	221,797
Transportation	2,040,841	983,799	3,024,640
Health and Human Services	35,480	-	35,480
Culture, Recreation and Education	23,906	-	23,906
Conservation and Development	177,964	-	177,964
	<u>\$ 2,733,380</u>	<u>\$ 983,799</u>	<u>\$ 3,717,179</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2017 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Wildlife Damage Fund	\$ 4,818	Cash Flow
General Fund	Animal Control Fund	83	Cash Flow
General Fund	Capital Improvement Program Fund	236,409	Gravel Pits
Highway Internal Service Fund	Capital Improvement Program Fund	1,815,979	2015 Expenses
		<u>\$ 2,057,289</u>	

Advances from/to Other Funds

As of December 31, 2017 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$743,209 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, 2017**

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>
Forestry Fund	General Fund	\$ 3,212	Sick/Vacation Payouts
Recycling Fund	Solid Waste Fund	84,612	Project Funding
Public Health Fund	General Fund	18,659	Sick/Vacation Payouts
Human Services Fund	General Fund	1,420	Sick/Vacation Payouts
Human Services Fund	Child Support Fund	58,180	Sick/Vacation Payouts
Capital Improvement Fund	Forestry Fund	1,765,350	Capital Projects
General Fund	Capital Improvement Fund	35,400	Sick/Vacation Payouts
General Fund	Highway Department	39,050	Sick/Vacation Payouts
Capital Improvement Fund	County Land Sale Fund	79,654	Capital Projects
Highway Department	Forestry Fund	25,000	Capital Projects
		<u>\$ 2,110,537</u>	

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the County for the year ended December 31, 2017 were as follows:

	<u>Balances 1/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/17</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt:					
Governmental Activities:					
General Obligation Bonds	\$ 1,310,000	\$ -	\$ 255,000	\$ 1,055,000	\$ 265,000
Other Long-Term Obligations:					
(Governmental Activities):					
Governmental Funds:					
Forest Crop Loans Payable	-	74,632	74,632	-	-
Capital Lease Agreement - Grader	80,655	-	27,775	52,880	52,880
Compensated Absences	886,162	208,980	206,025	889,117	210,595
Other Postemployment Benefits Payable	1,402,450	84,043	33,641	1,452,852	-
Highway Internal Service Fund:					
Capital Lease - 8 Trucks	1,146,953	-	184,607	962,346	191,619
Capital Lease - 5 Trucks	913,796	-	138,652	775,144	143,438
Capital Lease - 2 Tractors	163,056	-	52,832	110,224	54,338
Capital Lease - Paint Truck	262,364	-	40,671	221,693	41,788
Compensated Absences	271,203	119,307	92,643	297,867	91,449
Other Postemployment Benefits Payable	322,044	19,260	8,359	332,945	-
Total Other Long-Term Liabilities	<u>5,448,683</u>	<u>506,222</u>	<u>859,837</u>	<u>5,095,068</u>	<u>786,107</u>
Total Long-Term Liabilities	<u>\$ 6,758,683</u>	<u>\$ 506,222</u>	<u>\$ 1,114,837</u>	<u>\$ 6,150,068</u>	<u>\$ 1,051,107</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, 2017**

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, 2017 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%	2018	\$ 265,000	\$ 18,450	\$ 283,450
	2019	265,000	13,150	278,150
	2020	265,000	7,850	272,850
	2021	<u>260,000</u>	<u>2,600</u>	<u>262,600</u>
Total General Obligation Debt		<u>\$ 1,055,000</u>	<u>\$ 42,050</u>	<u>\$ 1,097,050</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, 2017, the County's debt limit amounted to \$124,407,230 and indebtedness subject to the limitation totaled \$1,055,000.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Lease Agreements

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, 2017 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	2018	\$ 191,618	\$ 36,550	\$ 228,168
\$1,724,320, issued 8/31/2014	2019	770,728	29,272	800,000
due 7/30/2019, interest at 3.798%		<u>\$ 962,346</u>	<u>\$ 65,822</u>	<u>\$ 1,028,168</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, 2017 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	2018	\$ 143,438	\$ 26,759	\$ 170,197
\$1,218,018, issued 10/15/15	2019	148,390	21,807	170,197
due 10/15/2020, interest at 3.4521%	2020	483,316	16,684	500,000
		<u>\$ 775,144</u>	<u>\$ 65,250</u>	<u>\$ 840,394</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, 2017 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	2018	\$ 54,338	\$ 3,140	\$ 57,478
\$271,886, issued 11/19/2015	2019	55,886	1,592	57,478
due 11/15/2019, interest at 2.849%		<u>\$ 110,224</u>	<u>\$ 4,732</u>	<u>\$ 114,956</u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 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	2018	\$ 41,789	\$ 6,566	\$ 48,355
\$310,719, issued 4/24/16	2019	43,026	5,328	48,354
due 4/15/22, interest at 2.962%	2020	44,301	4,054	48,355
	2021	45,613	2,742	48,355
	2022	46,964	1,391	48,355
		<u>\$ 221,693</u>	<u>\$ 20,081</u>	<u>\$ 241,774</u>

On December 20, 2013, the County entered into a capital lease agreement for a grader. This asset is reported in the County's capital asset records at a cost of \$144,000 with accumulated depreciation at December 31, 2017 of \$57,204. The lease agreement is due on March 20, 2018 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	2018	\$ 52,880	\$ 664	\$ 53,544
\$144,000, issued 12/20/13				
due 3/20/2018, interest at 3.15%				

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, 2017 of -\$0-.

**WASHBURN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

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, 2017 were as follows:

<u>Balance 01/01/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/17</u>	<u>Accrued Interest</u>	<u>Interest Rate</u>
\$ 742,842	\$ 739,000	\$ 742,842	\$ 739,000	\$ 3,770	3.00%

The County's short-term notes payable consisted of a State Trust Fund Loan for \$739,000 used to finance capital projects in the current year. The loan was approved to be paid off on March 15, 2019 by County management with total interest paid of \$7,539.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund						
Delinquent Taxes	\$ 1,029,259	\$ 1,029,259	\$ -	\$ -	\$ -	\$ -
Inventories/Prepayments	412,749	412,749	-	-	-	-
Long-Term Note Receivable	59,000	59,000	-	-	-	-
Register of Deeds - Public Access Funds	1,559	-	1,559	-	-	-
Sick Leave Liability	775,000	-	-	-	775,000	-
HSD Youth	250,000	-	-	-	250,000	-
Dam Maintenance	(12,171)	-	-	-	(12,171)	-
Memorials-Donations	6,675	-	-	-	6,675	-
Unclaimed Funds	229	-	-	-	229	-
Health Insurance Excess	450,375	-	-	-	450,375	-
IT Capital Equipment Fund	67,409	-	-	-	67,409	-
Admin-ACA/Health Ins Consulting	8,221	-	-	-	8,221	-
Property & Insurance-Deductibles	50,000	-	-	-	50,000	-
Maps & Plats	57,038	-	-	-	57,038	-
County Cars	190,150	-	-	-	190,150	-
Coroner	10	-	-	-	10	-
Veterans-WW	7,026	-	-	-	7,026	-
Wellness	(857)	-	-	-	(857)	-
Contingency	58,000	-	-	-	58,000	-
Elections	(17,684)	-	-	-	(17,684)	-
AIS	188	-	-	-	188	-
Unassigned	4,940,982	-	-	-	-	4,940,982
Sub-Total General Fund:	8,333,158	1,501,008	1,559	-	1,889,609	4,940,982
Committed for Human Services Programs	1,161,250	-	-	1,161,250	-	-
Forestry Department Programs	1,945,361	-	381,893	1,563,468	-	-
Debt Service	2,278,045	-	-	-	2,278,045	-
Capital Improvements Program Fund:						
Committed for Capital Projects	3,441,713	-	-	3,441,713	-	-
Advances to Other Funds	743,209	743,209	-	-	-	-
Sub-Total Major Funds:	17,902,736	2,244,217	383,452	6,166,431	4,167,654	4,940,982
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Fund:						
Committed for Health Services Programs	189,437	-	-	189,437	-	-
Child Support Fund	135,158	-	-	135,158	-	-
Committed for ADRC Programs	41,083	-	-	41,083	-	-
Council on Aging Fund:						
Inventories/Prepayments	734	734	-	-	-	-
Committed for Aging Services	397,630	-	-	397,630	-	-
Wildlife Damage Program	3,625	-	-	3,625	-	-
Restricted for CDBG Revolving Loan Program	25,011	-	25,011	-	-	-
Development Fund:						
Impact Fees Restricted for Environmental and Capital Improvements	664,919	-	664,919	-	-	-
Committed for Building Project	773,317	-	-	773,317	-	-
Recycling Program	234,189	-	-	234,189	-	-
Animal Control Program	(1,266)	-	-	(1,011)	-	(255)
County Land Sales Fund						
Committed for Dam Maintenance	930,376	-	-	930,376	-	-
Restricted for Jail Assessments Fee Funded Projects	60,830	-	60,830	-	-	-
Sheriff Special Activity Fund:						
Donor Restrictions for Sheriff Operations	24,489	-	24,489	-	-	-
Committed for Projects in the Sheriff's Department	23,054	-	-	23,054	-	-
Restricted for Environmental and Socioeconomic						
Impact Fund Projects	1,011,979	-	1,011,979	-	-	-
Restricted for County Trunk D Project	513,966	-	513,966	-	-	-
Solid Waste Projects						
Restricted by Contract Agreements for Solid Waste Improvements	211,530	-	211,530	-	-	-
Sub-Total Nonmajor Funds:	5,240,061	734	2,512,724	2,726,858	-	(255)
Total Governmental Fund Balances at December 31, 2017	\$ 23,142,797	\$ 2,244,951	\$ 2,896,176	\$ 8,893,289	\$ 4,167,654	\$ 4,940,727

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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. 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 vacation and sick leave at December 31, 2017 was \$889,117.

Highway Department Employees. Vacation and sick leave accrued to highway department employees totaled \$297,867 on December 31, 2017 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, 2017**

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, 2017 through December 31, 2017, the WRS recognized \$560,748 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

	<u>Employee</u>	<u>Employer</u>	<u>Duty Disability</u>
General	6.80%	6.80%	0.00%
Executives & Elected Officials	6.80%	6.80%	0.00%
Protective with Social Security	6.80%	10.60%	0.20%
Protective without Social Security	6.80%	14.90%	0.20%

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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
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
2016	0.5	(5.0)

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

At December 31, 2017, the County reported a liability of \$482,995 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, 2015 rolled forward to December 31, 2016. 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, 2016, the County's proportion was 0.05859888 percent, which was a decrease of 0.00091786 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the County recognized pension expense of \$1,253,427. At December 31, 2017, 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, 2017**

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	\$ 184,166	\$ 1,518,977
Changes of Assumptions	504,990	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,404,195	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	33,434	-
County Contributions Subsequent to the Measurement Date	560,748	-
Total	<u>\$ 3,687,533</u>	<u>\$ 1,518,977</u>

\$560,748 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 liability in the year ended December 31, 2018. 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
2017	\$ 651,101
2018	651,101
2019	444,442
2020	(139,884)
2021	1,048
Thereafter	-

Actuarial assumptions. The total pension liability 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, 2017**

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, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age
Amortization Period:	30-Year Closed
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
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 following table.

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	22%	5.4%	70%	4.7%
International Equity	23%	5.4%	30%	5.6%
Fixed Income	37%	1.4%	N/A	N/A
Inflation Sensitive Assets	20%	1.5%	N/A	N/A
Real Estate	7%	3.6%	N/A	N/A
Private Equity/Debt	7%	6.5%	N/A	N/A
Multi-Asset	4%	3.7%	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, 2017**

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 liability. 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 liability.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 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)	\$ 6,354,105	\$ 482,995	\$ (4,038,026)

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/>.

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017, there were approximately 160 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 2017, 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	51,735
Adjustment to Annual Required Contribution	<u>(85,420)</u>
Annual OPEB Cost (Expense)	103,303
Contributions Made	<u>(42,000)</u>
Increase in Net OPEB Obligation	61,303
Net OPEB Obligation- Beginning of Year	1,724,494
Net OPEB Obligation- End of Year	<u><u>\$ 1,785,797</u></u>

**WASHBURN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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 2017:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/17	\$ 103,303	40.7%	\$ 1,785,797
12/31/16	104,524	40.2	1,724,494
12/31/15	300,410	23.6	1,661,970

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, 2017**

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, 2017**

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.

REQUIRED SUPPLEMENTARY INFORMATION

**WASHBURN COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 9,368,765	\$ 9,368,765	\$ 9,429,345	\$ 60,580
Intergovernmental	1,821,057	2,089,128	2,126,825	37,697
Licenses and Permits	155,275	155,275	201,417	46,142
Fines, Forfeits and Penalties	79,000	79,000	79,182	182
Public Charges for Services	347,100	347,100	386,558	39,458
Intergovernmental Charges for Services	13,000	13,000	14,407	1,407
Miscellaneous	190,732	236,427	296,456	60,029
Total Revenues	<u>11,974,929</u>	<u>12,288,695</u>	<u>12,534,190</u>	<u>245,495</u>
EXPENDITURES:				
General Government	4,368,542	4,604,097	4,226,938	377,159
Public Safety	3,741,778	3,795,255	3,864,330	(69,075)
Public Works	2,662,478	2,662,478	2,658,768	3,710
Health and Human Services	223,325	223,325	212,358	10,967
Culture, Recreation and Education	491,031	491,031	435,936	55,095
Conservation and Development	783,491	825,691	707,535	118,156
Total Expenditures	<u>12,270,645</u>	<u>12,601,877</u>	<u>12,105,865</u>	<u>496,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(295,716)	(313,182)	428,325	741,507
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	74,450	74,450
Transfers Out	-	-	(23,291)	(23,291)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>51,159</u>	<u>51,159</u>
NET CHANGE IN FUND BALANCE	(295,716)	(313,182)	479,484	792,666
Fund Balance, January 1	<u>7,853,674</u>	<u>7,853,674</u>	<u>7,853,674</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 7,557,958</u>	<u>\$ 7,540,492</u>	<u>\$ 8,333,158</u>	<u>\$ 792,666</u>

See Notes to Required Supplementary Information.

SCHEDULE 2

WASHBURN COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 HUMAN SERVICES FUND
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,071,438	\$ 1,108,938	\$ 1,108,938	\$ -
Intergovernmental	1,717,247	1,717,247	1,766,984	49,737
Fines, Forfeits and Penalties	15,330	15,330	11,393	(3,937)
Public Charges for Services	900,039	900,039	473,022	(427,017)
Miscellaneous	329,090	329,090	349,967	20,877
Total Revenues	<u>4,033,144</u>	<u>4,070,644</u>	<u>3,710,304</u>	<u>(360,340)</u>
EXPENDITURES:				
Health and Human Services	<u>4,091,781</u>	<u>4,142,701</u>	<u>3,729,056</u>	<u>413,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,637)	(72,057)	(18,752)	53,305
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>70,637</u>	<u>72,057</u>	<u>59,600</u>	<u>(12,457)</u>
NET CHANGE IN FUND BALANCE	12,000	-	40,848	40,848
Fund Balance, January 1	<u>1,120,402</u>	<u>1,120,402</u>	<u>1,120,402</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,132,402</u>	<u>\$ 1,120,402</u>	<u>\$ 1,161,250</u>	<u>\$ 40,848</u>

SCHEDULE 3

WASHBURN COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 FORESTRY FUND
 YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 867,709	\$ 1,575,137	\$ 995,120	\$ (580,017)
Public Charges for Services	1,871,144	1,606,144	2,900,926	1,294,782
Other Revenues	54,216	304,216	76,674	(227,542)
Total Revenues	<u>2,793,069</u>	<u>3,485,497</u>	<u>3,972,720</u>	<u>487,223</u>
EXPENDITURES:				
Culture, Recreation and Education	1,600,674	2,328,929	1,441,843	887,086
Debt Service				
Principal	-	-	102,407	(102,407)
Interest	-	-	3,774	(3,774)
Total Expenditures	<u>1,600,674</u>	<u>2,328,929</u>	<u>1,548,024</u>	<u>780,905</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,192,395	1,156,568	2,424,696	1,268,128
OTHER FINANCING SOURCES (USES):				
Proceeds of Long-Term Debt	-	-	74,632	74,632
Sale of Capital Assets	-	-	12,816	12,816
Transfers In	-	372	3,212	2,840
Transfers Out	(1,192,395)	(1,192,395)	(1,790,350)	(597,955)
Total Other Financing Sources (Uses)	<u>(1,192,395)</u>	<u>(1,192,023)</u>	<u>(1,699,690)</u>	<u>(507,667)</u>
NET CHANGE IN FUND BALANCE	-	(35,455)	725,006	760,461
Fund Balance, January 1	<u>1,220,355</u>	<u>1,220,355</u>	<u>1,220,355</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 1,220,355</u>	<u>\$ 1,184,900</u>	<u>\$ 1,945,361</u>	<u>\$ 760,461</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>	<u>2017</u>
County's proportion of the net pension liability (asset)	0.05976855%	0.05951674%	0.05859888%
County's proportionate share of the net pension liability (asset)	\$ (1,468,079)	\$ 967,135	\$ 482,995
County's covered payroll	\$ 7,500,743	\$ 7,793,876	\$ 7,671,986
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.57%	12.41%	6.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 575,869	\$ 549,046	\$ 560,748
Contributions in Relation to the Contractually Required Contributions	(575,869)	(549,046)	(560,748)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's Covered Payroll	 \$ 7,793,876	 \$ 7,671,986	 \$ 8,065,845
 Contributions as a Percentage of Covered Payroll	 7.39%	 7.16%	 6.95%

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, 2017

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, 2017**

	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	\$ 179,123	\$ 118,496	\$ 42,397	\$ 411,875	\$ 25,011	\$ -	\$ 1,438,236	\$ -
Taxes Receivable	269,886	-	18,168	283,757	-	-	-	26,500
Accounts Receivable	21,259	-	-	7,089	-	-	-	560
Due from Other Governmental Units	-	52,565	41,610	5,204	-	13,377	-	-
Loans Receivable	-	-	-	-	870,990	-	-	-
Prepaid Expenses	-	-	-	734	-	-	-	-
Total Assets	\$ 470,268	\$ 171,061	\$ 102,175	\$ 708,659	\$ 896,001	\$ 13,377	\$ 1,438,236	\$ 27,060
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 391	\$ 442	\$ 671	\$ 23,810	\$ -	\$ 4,934	\$ -	\$ 1,153
Accrued Liabilities	47,368	35,461	41,253	2,728	-	-	-	-
Due to Other Governmental Units	686	-	-	-	-	-	-	590
Due to Other Funds	-	-	-	-	-	4,818	-	83
Total Liabilities	48,445	35,903	41,924	26,538	-	9,752	-	1,826
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	232,386	-	19,168	283,757	-	-	-	26,500
Loans Receivable	-	-	-	-	870,990	-	-	-
Total Deferred Inflows of Resources	232,386	-	19,168	283,757	870,990	-	-	26,500
Fund Balances:								
Nonspendable	-	-	-	734	-	-	-	-
Restricted	-	-	-	-	25,011	-	664,919	-
Committed	189,437	135,158	41,083	397,630	-	3,625	773,317	(1,011)
Unassigned	-	-	-	-	-	-	-	(255)
Total Fund Balances	189,437	135,158	41,083	398,364	25,011	3,625	1,438,236	(1,266)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 470,268	\$ 171,061	\$ 102,175	\$ 708,659	\$ 896,001	\$ 13,377	\$ 1,438,236	\$ 27,060

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
DECEMBER 31, 2017**

	Special Revenue Funds (Continued)							Totals
	County Land Sales	Jail Assessment Fees	Sheriff Special Activity	Environmental & Socioeconomic Impact	County Trunk D	Recycling Fund	Solid Waste Fund	
ASSETS								
Treasurer's Cash and Investments	\$ 931,972	\$ 60,278	\$ 57,138	\$ 1,011,979	\$ 515,121	\$ 214,300	\$ 216,687	\$ 5,222,613
Taxes Receivable	-	-	-	-	-	-	-	598,311
Accounts Receivable	-	781	1,161	23,675	-	22,425	21,250	98,200
Due from Other Governmental Units	-	-	-	-	-	-	-	112,756
Loans Receivable	-	-	-	-	-	-	-	870,990
Prepaid Expenses	-	-	-	-	-	-	-	734
Total Assets	\$ 931,972	\$ 61,059	\$ 58,299	\$ 1,035,654	\$ 515,121	\$ 236,725	\$ 237,937	\$ 6,903,604
LIABILITIES AND FUND BALANCES								
Liabilities:								
Vouchers Payable	\$ 1,596	\$ 229	10,756	\$ 23,675	\$ 1,155	\$ 2,536	\$ 26,407	\$ 97,755
Accrued Liabilities	-	-	-	-	-	-	-	126,810
Due to Other Governmental Units	-	-	-	-	-	-	-	1,276
Due to Other Funds	-	-	-	-	-	-	-	4,901
Total Liabilities	1,596	229	10,756	23,675	1,155	2,536	26,407	230,742
Deferred Inflows of Resources:								
Succeeding Year's Property Taxes	-	-	-	-	-	-	-	561,811
Loans Receivable	-	-	-	-	-	-	-	870,990
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	1,432,801
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	734
Restricted	-	60,830	24,489	1,011,979	513,966	-	211,530	2,512,724
Committed	930,376	-	23,054	-	-	234,189	-	2,726,858
Unassigned	-	-	-	-	-	-	-	(255)
Total Fund Balances	930,376	60,830	47,543	1,011,979	513,966	234,189	211,530	5,240,061
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 931,972	\$ 61,059	\$ 58,299	\$ 1,035,654	\$ 515,121	\$ 236,725	\$ 237,937	\$ 6,903,604

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds							
	Public Health	Child Support	Aging & Disability Resource Center	Council on Aging	CDBG Grant Fund	Wildlife Damage	Development Fund	
REVENUES:								
Taxes	\$ 296,972	\$ -	\$ 22,943	\$ 275,847	\$ -	\$ -	\$ -	\$ 26,100
Intergovernmental	174,272	233,167	171,819	220,686	-	20,181	-	-
Licenses and Permits	-	-	-	-	-	-	32,932	17,342
Fines, Forfeits and Penalties	-	-	-	-	-	-	-	-
Public Charges for Services	68,054	1,431	90,964	121,103	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	30	-	-	-
Loan Repayments	-	-	-	-	13,886	-	-	-
Sale of County Property	-	-	-	-	-	-	-	-
Donations	135,756	30,555	35	4,178	-	-	-	-
Other	-	-	-	2,709	-	-	-	2,520
Total Revenues	675,054	265,153	285,761	624,523	13,916	20,181	32,932	45,962
EXPENDITURES:								
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Health and Human Services	661,396	188,593	285,944	578,116	-	-	-	46,973
Culture, Recreation and Education	-	-	-	-	-	20,181	-	-
Conservation and Development	-	-	-	-	30,872	-	-	-
Total Expenditures	661,396	188,593	285,944	578,116	30,872	20,181	-	46,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,658	76,560	(183)	46,407	(16,956)	-	32,932	(1,011)
OTHER FINANCING SOURCES (USES):								
Transfers In	18,659	-	-	-	-	-	-	-
Transfers Out	-	(58,180)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	18,659	(58,180)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	32,317	18,380	(183)	46,407	(16,956)	-	32,932	(1,011)
Fund Balances, January 1	157,120	116,778	41,266	351,957	41,967	3,625	1,405,304	(255)
FUND BALANCES, DECEMBER 31	\$ 189,437	\$ 135,158	\$ 41,083	\$ 398,364	\$ 25,011	\$ 3,625	\$ 1,438,236	\$ (1,266)

**WASHBURN COUNTY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,862
Intergovernmental	-	-	-	-	-	83,321	-	903,446
Licenses and Permits	-	-	-	-	-	-	-	50,274
Fines, Forfeits and Penalties	-	14,949	-	-	-	-	-	14,949
Public Charges for Services	17,481	-	-	-	-	-	-	299,033
Miscellaneous:								
Interest	-	-	-	5,083	2,262	-	-	7,375
Loan Repayments	-	-	-	-	-	-	-	13,886
Sale of County Property	470,399	-	-	-	-	-	-	470,399
Donations	-	-	36,341	-	-	-	-	206,865
Other	-	-	-	96,969	-	91,969	85,000	279,167
Total Revenues	487,880	14,949	36,341	102,052	2,262	175,290	85,000	2,867,256
EXPENDITURES:								
Public Safety	-	2,402	28,809	-	-	-	-	31,211
Public Works	-	-	-	-	9,626	-	-	9,626
Health and Human Services	-	-	-	-	-	-	-	1,761,022
Culture, Recreation and Education	-	-	-	-	-	-	-	20,181
Conservation and Development	72,525	-	-	97,053	-	111,086	49,877	361,413
Total Expenditures	72,525	2,402	28,809	97,053	9,626	111,086	49,877	2,183,453
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	415,355	12,547	7,532	4,999	(7,364)	64,204	35,123	683,803
OTHER FINANCING SOURCES (USES):								
Transfers In	-	-	-	-	-	84,612	-	103,271
Transfers Out	(79,654)	-	-	-	-	-	(84,612)	(222,446)
Total Other Financing Sources (Uses)	(79,654)	-	-	-	-	84,612	(84,612)	(119,175)
NET CHANGE IN FUND BALANCES	335,701	12,547	7,532	4,999	(7,364)	148,816	(49,489)	564,628
Fund Balances, January 1	594,675	48,283	40,011	1,006,980	521,330	85,373	261,019	4,675,433
FUND BALANCES, DECEMBER 31	\$ 930,376	\$ 60,830	\$ 47,543	\$ 1,011,979	\$ 513,966	\$ 234,189	\$ 211,530	\$ 5,240,061

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED BALANCE SHEET
DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2016)**

	2017	2016
ASSETS		
Treasurer's Cash and Investments	\$ 6,657,743	\$ 6,143,264
Current Taxes Receivable	7,984,640	7,931,645
Tax Certificates	1,029,259	1,105,489
Accounts Receivable	98,576	198,311
Due from Other Governments	159,827	176,781
Due from Other Funds	241,310	236,408
Inventory	4,578	8,243
Prepaid Items:		
Prepaid Expenses	5,805	312,497
Prepaid Insurance	402,366	101,470
Long-Term Note Receivable	59,000	70,000
	<u>\$ 16,643,104</u>	<u>\$ 16,284,108</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Vouchers and Accounts Payable	\$ 179,573	\$ 281,922
Payroll Deductions	25,984	46,682
Accrued Liabilities	79,410	75,413
Special Deposits	7,500	-
Due to Other Governments	28,091	64,296
Unearned Revenue	4,748	30,476
Total Liabilities	<u>325,306</u>	<u>498,789</u>
 Deferred Inflows of Resources:		
Succeeding Year's Property Taxes	7,984,640	7,931,645
 Fund Balance:		
Nonspendable	1,501,008	1,597,699
Restricted	1,559	43,074
Assigned	1,889,609	1,889,679
Unassigned	4,940,982	4,323,222
Total Fund Balance	<u>8,333,158</u>	<u>7,853,674</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance		
	<u>\$ 16,643,104</u>	<u>\$ 16,284,108</u>

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
REVENUES:				
Taxes:				
Property:				
General Property Taxes	\$ 7,931,645	\$ 7,931,645	\$ -	\$ 7,851,905
Forest Cropland Taxes From Districts	14,000	18,840	4,840	18,442
Sales and Use:				
County Sales Tax	1,100,000	1,160,753	60,753	1,200,207
Retained Sales Tax Applied	120	100	(20)	126
Real Estate Transfer Fees	48,000	71,409	23,409	57,834
Interest and Penalties on Taxes	275,000	246,598	(28,402)	255,038
Total Taxes	9,368,765	9,429,345	60,580	9,383,552
Intergovernmental:				
Federal Grants:				
Federal Highway Safety Grant	-	5,250	5,250	-
Aid in Lieu of Taxes	10,000	11,864	1,864	11,561
Emergency Government	37,732	40,598	2,866	40,949
Wireless 911 Grant	6,882	1,609	(5,273)	185
Jail Literacy Grant	9,500	13,872	4,372	5,280
State Shared Taxes:				
Shared Revenue	140,000	139,527	(473)	140,856
Tax Exempt Computer Aids	7,500	12,123	4,623	15,381
State Grants:				
Aid for Courts	52,275	52,573	298	69,387
Victim/Witness Program	37,940	37,289	(651)	37,068
Septic Systems	10,000	6,400	(3,600)	6,505
Veterans Service Officer	9,992	13,518	3,526	14,626
Probation and Parole	10,000	32,346	22,346	16,480
Guardian Ad Litem	17,305	17,305	-	-
Snowmobile and ATV Enforcement	4,000	7,015	3,015	4,028
County Trunk Highways	1,162,668	1,162,668	-	1,037,483

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Intergovernmental: (Continued)				
State Grants: (Continued)				
Soil and Water Resource Management	\$ 231,715	\$ 179,120	\$ (52,595)	\$ 169,965
Law Enforcement Training	53,750	24,484	(29,266)	8,000
Land Information Board Grants	168,195	213,592	45,397	159,800
Forest Crop/Managed Forest Aides	27,500	27,388	(112)	26,177
Severance and Withdrawal Taxes	18,000	39,322	21,322	88,928
Payment in Lieu of Taxes	27,000	41,788	14,788	30,753
Other State Aid	47,174	47,174	-	-
Total Intergovernmental	2,089,128	2,126,825	37,697	1,883,412
Licenses and Permits:				
Licenses:				
Conservation License Fees	250	65	(185)	13
Marriage License Revenue	5,500	5,420	(80)	4,170
Permits:				
Zoning Fees	149,525	195,932	46,407	168,526
Total Licenses and Permits	155,275	201,417	46,142	172,709
Fines, Forfeits and Penalties:				
Law and Ordinance Violations:				
County Share of Fines and Forfeitures	79,000	79,182	182	83,192
Public Charges for Services:				
General Government:				
Treasurer's Fees	100	485	385	547
Register of Deeds Fees	109,000	119,794	10,794	109,961
Land Modernization Fees	31,500	27,522	(3,978)	26,418
Surveyor Fees	1,000	-	(1,000)	-
Court Fees and Costs	33,000	32,964	(36)	38,254
Register in Probate Fees	5,500	5,543	43	6,609
Assessment of Property Fees	1,000	862	(138)	1,360
Land Records	1,000	-	(1,000)	563

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Public Charges for Services: (Continued)				
General Government: (Continued)				
Family Counseling Fees	\$ 1,500	\$ 1,520	\$ 20	\$ 1,700
Guardian Ad Litem Reimbursement	45,000	72,681	27,681	63,715
District Attorney Fees	2,000	3,894	1,894	2,429
Coroner	12,000	13,400	1,400	12,550
Public Safety:				
Sheriff Fees	31,000	23,050	(7,950)	25,627
Inmate Phone	5,000	10,426	5,426	5,831
Electric Monitor Revenue	11,500	21,634	10,134	21,672
Board of Prisoners - Huber Law	6,000	4,183	(1,817)	13,098
Drug Enforcement	-	-	-	576
County Numbering System	8,000	4,380	(3,620)	4,680
Prisoner Medical Reimbursements	10,000	12,156	2,156	17,302
Health and Human Services:				
Veteran Service Fees	20,000	15,950	(4,050)	22,271
Culture, Recreation and Education:				
UWEX Extension Fees	3,000	2,507	(493)	2,007
Conservation and Development:				
Soil and Water Revenue	10,000	13,607	3,607	12,671
Total Public Charges for Services	347,100	386,558	39,458	389,841
Intergovernmental Charges for Services:				
Smart Growth Planning	13,000	14,407	1,407	12,811

WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
REVENUES: (CONTINUED)				
Miscellaneous				
Interest:				
Temporary Investments	\$ 86,000	\$ 202,374	\$ 116,374	\$ 140,032
Rent:				
Buildings	12,204	13,005	801	11,403
County Dam Site	34,330	-	(34,330)	9,525
Property Sales:				
Sale of General Capital Assets	-	11,100	11,100	2,178
Sale of Sheriff Department Cars	20,000	19,695	(305)	16,500
Sale of Maps and Plats	1,500	5,558	4,058	6,983
Sale of CSM's	3,827	5,735	1,908	6,351
Other:				
County Cars Revenue	29,871	30,044	173	29,812
Donations	2,500	(1,300)	(3,800)	5,233
Miscellaneous	46,195	10,245	(35,950)	35,260
Total Miscellaneous Revenues	<u>236,427</u>	<u>296,456</u>	<u>60,029</u>	<u>263,277</u>
Total Revenues	12,288,695	12,534,190	245,495	12,188,794
EXPENDITURES:				
General Government:				
Legislative:				
Board	86,471	76,781	9,690	81,656
Judicial:				
Judge	88,500	173,205	(84,705)	162,658
Juvenile Court				
Clerk of Courts	258,495	272,610	(14,115)	237,274
Register in Probate	61,941	12,480	49,461	68,895
Family Court Commissioner	30,986	30,641	345	29,835
Coroner	49,768	58,517	(8,749)	49,725
Legal:				
District Attorney	168,075	156,062	12,013	153,428
Family Counseling	3,500	3,354	146	4,500
Criminal Justice Coordinator	150,758	113,859	36,899	96,233
Corporation Counsel	158,300	156,841	1,459	153,408
Victim/Witness Coordinator	73,467	72,847	620	70,342

WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
General Government: (Continued)				
General Administration:				
Clerk	\$ 184,633	\$ 160,768	\$ 23,865	\$ 151,729
Administration	240,247	241,109	(862)	189,926
Contracted Services	81,731	66,407	15,324	1,000
Elections	17,950	15,065	2,885	35,159
Information Technology	595,272	566,031	29,241	619,714
Information Technology Capital Equipment	40,800	41,728	(928)	38,591
Central Postage	29,950	24,976	4,974	30,324
Financial Administration:				
Accounting and Auditing	258,286	262,674	(4,388)	247,857
Treasurer	215,054	212,458	2,596	207,578
Assessment of Property	4,050	4,033	17	3,635
Purchasing	158,422	154,823	3,599	92,523
General Building and Plant:				
Annex - Spooner	50,385	51,378	(993)	48,115
Annex - Shell Lake	71,128	65,383	5,745	72,177
Annex - City of Spooner	41,676	37,265	4,411	40,009
Dunbar Building Maintenance	-	19,632	(19,632)	73
Courthouse	350,546	343,599	6,947	339,062
Building Repair	21,399	19,203	2,196	30,245
Wayside	29,515	30,273	(758)	28,414
Memorials	2,500	2,370	130	2,370
Property Records and Control:				
Register of Deeds	222,678	215,178	7,500	213,520
Surveyor	517,573	506,705	10,868	504,699
Land Record's Office	2,170	1,449	721	51,268
Maps and Plats	-	-	-	8,940
Other General Government:				
County Owned Cars Expense	29,871	4,894	24,977	11,201
Property and Liability Insurance	100,000	52,340	47,660	73,449
Contingency:				
Other	208,000	-	208,000	25,000
Total General Government	4,604,097	4,226,938	377,159	4,174,532

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Public Safety:				
Sheriff	\$ 1,967,390	\$ 1,909,234	\$ 58,156	\$ 1,822,216
Fire Suppression	483	-	483	483
Jail Expenses	1,733,075	1,850,552	(117,477)	1,693,314
Highway Safety	1,000	-	1,000	32
County Numbering System	7,700	4,036	3,664	3,795
Emergency Government	80,711	94,655	(13,944)	77,085
Emergency Communications	4,896	5,853	(957)	3,011
Total Public Safety	<u>3,795,255</u>	<u>3,864,330</u>	<u>(69,075)</u>	<u>3,599,936</u>
Public Works:				
Transportation Facilities:				
Appropriations to Highway Department [1]	2,644,668	2,644,668	-	2,548,146
Other Transportation:				
Airport	7,700	7,700	-	6,700
Total Transportation Facilities	<u>2,652,478</u>	<u>2,652,368</u>	<u>110</u>	<u>2,554,846</u>
Sanitation:				
Wisconsin Fund Grant	10,000	6,400	3,600	6,505
Total Sanitation	<u>10,000</u>	<u>6,400</u>	<u>3,600</u>	<u>6,505</u>
Total Public Works	2,662,478	2,658,768	3,710	2,561,351
Health and Human Services:				
Health:				
Wellness Program	10,000	8,461	1,539	10,350
Human Services:				
AODA Program	7,560	7,602	(42)	7,521
Veterans:				
Veterans Service	148,896	147,324	1,572	129,825
Veterans Commission	45,619	39,481	6,138	33,507
Deceased Veterans Affairs	11,250	9,490	1,760	10,570
Total Health and Human Services	<u>223,325</u>	<u>212,358</u>	<u>10,967</u>	<u>191,773</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, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
EXPENDITURES: (CONTINUED)				
Culture, Recreation and Education:				
Culture:				
Library	\$ 229,094	\$ 227,710	\$ 1,384	\$ 221,423
Historical Society	17,200	28,200	(11,000)	19,200
Recreation:				
Fairs	43,975	43,975	-	43,975
Education:				
University Extension	200,762	136,051	64,711	211,486
Total Culture, Recreation and Education	<u>491,031</u>	<u>435,936</u>	<u>55,095</u>	<u>496,084</u>
Conservation and Development:				
Resource Conservation:				
Dam Maintenance	54,237	10,960	43,277	(7,557)
Soil and Water Conservation	248,043	218,418	29,625	227,694
Aquatic Invasive Species	58,499	19,235	39,264	15,376
Power Line Related Expenditures	300	-	300	-
Planning:				
Regional Planning Commission	24,526	24,526	-	23,867
Zoning:				
Zoning	220,652	217,263	3,389	205,834
Economic Development:				
Economic Development Corporation and Tourism	214,134	214,133	1	214,134
ITBEC Contribution	3,000	3,000	-	3,000
Community Action Programs	2,300	-	2,300	-
Total Conservation and Development	<u>825,691</u>	<u>707,535</u>	<u>118,156</u>	<u>682,348</u>
Total Expenditures	<u>12,601,877</u>	<u>12,105,865</u>	<u>496,012</u>	<u>11,706,024</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(313,182)	428,325	741,507	482,770

**WASHBURN COUNTY, WISCONSIN
GENERAL FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017		Variance With Final Budget Positive (Negative)	2016 Actual
	Final Budget	Actual		
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Highway Department Internal Service Fund	\$ -	\$ 39,050	\$ 39,050	\$ -
Capital Projects Fund	-	35,400	35,400	-
Total Transfers In	-	74,450	74,450	-
Transfers Out:				
Human Services Fund	-	(1,420)	(1,420)	(4,147)
Forestry Fund	-	(3,212)	(3,212)	-
Public Health Fund	-	(18,659)	(18,659)	-
Capital Improvement Fund	-	-	-	(8,796)
Total Transfers Out	-	(23,291)	(23,291)	(12,943)
Total Other Financing Sources (Uses)	-	51,159	51,159	(12,943)
NET CHANGE IN FUND BALANCE	(313,182)	479,484	792,666	469,827
Fund Balance, January 1	7,853,674	7,853,674	-	7,383,847
FUND BALANCE, DECEMBER 31	<u>\$ 7,540,492</u>	<u>\$ 8,333,158</u>	<u>\$ 792,666</u>	<u>\$ 7,853,674</u>

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2016)**

	Highway	Copy	Totals	
	Department	Machine	2017	2016
ASSETS				
Current Assets:				
Treasurer's Cash and Investments	\$ 2,193,112	\$ 23,577	\$ 2,216,689	\$ 1,592,428
Accounts Receivable	2,459	-	2,459	6,440
Due from Other Governments	926,503	-	926,503	1,755,435
Due from Other Funds	1,815,979	-	1,815,979	1,192,464
Prepaid Expenses	8,510	-	8,510	-
Inventories	1,147,915	-	1,147,915	998,031
Total Current Assets	6,094,478	23,577	6,118,055	5,544,798
Noncurrent Assets:				
Capital Assets:				
Not Being Depreciated/Depleted	489,782	-	489,782	489,782
Being Depreciated/Depleted	20,085,309	26,919	20,112,228	20,226,393
Accumulated Depreciation	(10,855,018)	(25,189)	(10,880,207)	(10,052,546)
Total Capital Assets	9,720,073	1,730	9,721,803	10,663,629
Total Assets	15,814,551	25,307	15,839,858	16,208,427
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	737,522	-	737,522	1,022,874
LIABILITIES				
Current Liabilities:				
Accounts Payable	69,186	-	69,186	227,523
Accrued Liabilities	119,231	-	119,231	133,563
Accrued Interest Payable	26,322	-	26,322	31,111
Unearned Revenues	337,676	-	337,676	204,762
Accrued Vacation and Sick Leave - Current	91,449	-	91,449	92,643
Capital Leases Payable - Current	431,183	-	431,183	416,762
Total Current Liabilities	1,075,047	-	1,075,047	1,106,364
Long-Term Liabilities:				
Advance from Capital Projects Fund	743,209	-	743,209	750,912
Wisconsin Retirement System Pension Plan Liability	96,601	-	96,601	209,102
Other Postemployment Benefits Payable	332,945	-	332,945	322,044
Accrued Vacation and Sick Leave	206,418	-	206,418	178,560
Capital Leases Payable	1,638,224	-	1,638,224	2,069,407
Total Long-Term Liabilities	3,017,397	-	3,017,397	3,530,025
Total Liabilities	4,092,444	-	4,092,444	4,636,389
Deferred Inflows of Resources:				
Wisconsin Retirement System Pension Related	303,802	-	303,802	395,859
NET POSITION				
Net Investment in Capital Assets	7,650,666	1,730	7,652,396	8,177,460
Unrestricted	4,505,161	23,577	4,528,738	4,021,593
Total Net Position	\$ 12,155,827	\$ 25,307	\$ 12,181,134	\$ 12,199,053

WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)

	Highway Department	Copy Machine	Totals	
			2017	2016
OPERATING REVENUES	\$ 9,262,270	\$ 2,949	\$ 9,265,219	\$ 7,691,532
OPERATING EXPENSES	9,185,480	961	9,186,441	7,961,598
OPERATING INCOME (LOSS)	76,790	1,988	78,778	(270,066)
NONOPERATING REVENUES (EXPENSES):				
Interest Expense	(82,647)	-	(82,647)	(93,277)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,857)	1,988	(3,869)	(363,343)
CAPITAL CONTRIBUTIONS AND TRANSFERS:				
Transfers from Forestry Fund	25,000	-	25,000	-
Transfers to General Fund	(39,050)	-	(39,050)	-
Total Capital Contributions and Transfers	(14,050)	-	(14,050)	-
CHANGE IN NET POSITION	(19,907)	1,988	(17,919)	(363,343)
Net Position, January 1	12,175,734	23,319	12,199,053	12,562,396
NET POSITION, DECEMBER 31	<u>\$ 12,155,827</u>	<u>\$ 25,307</u>	<u>\$ 12,181,134</u>	<u>\$ 12,199,053</u>

**WASHBURN COUNTY, WISCONSIN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	Highway	Copy	Totals	
	Department	Machine	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Services Provided	\$ 9,604,582	\$ 2,949	\$ 9,607,531	\$ 5,979,048
Cash Paid to Suppliers for Goods and Services	(4,940,469)	(961)	(4,941,430)	(3,450,116)
Cash Paid for Employee Services	(3,453,730)	-	(3,453,730)	(3,146,297)
Net Cash Provided (Used) by Operating Activities	1,210,383	1,988	1,212,371	(617,365)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer from Forestry Fund	25,000	-	25,000	-
Transfers to General Fund	(39,050)	-	(39,050)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(14,050)	-	(14,050)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash Paid for Acquisition of Capital Assets	(84,057)	-	(84,057)	(462,071)
Cash Received for Sale of Capital Assets	21,898	-	21,898	397,897
Cash Received on Advance for Capital Projects	-	-	-	(4,244)
Cash Paid County on Advance for Gravel Pits	(7,703)	-	(7,703)	-
Capital Lease Proceeds	-	-	-	310,719
Principal Paid on Capital Leases	(416,762)	-	(416,762)	(411,585)
Interest Paid on Capital Leases	(87,436)	-	(87,436)	(92,614)
Net Cash Provided (Used) by Capital and Related Financing Activities	(574,060)	-	(574,060)	(261,898)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	622,273	1,988	624,261	(879,263)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,570,839	21,589	1,592,428	2,471,691
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,193,112</u>	<u>\$ 23,577</u>	<u>\$ 2,216,689</u>	<u>\$ 1,592,428</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 76,790	\$ 1,988	\$ 78,778	\$ (270,066)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	983,799	-	983,799	1,009,735
Depletion of Gravel Pits	16,092	-	16,092	13,399
Change in Pension and Pension Related Deferred Outflow and Inflow	80,794	-	80,794	120,869
Loss on Disposal of Assets	4,094	-	4,094	-
(Increase) Decrease in Assets:				
Accounts Receivable	3,981	-	3,981	(5,064)
Due from Governmental Units	828,932	-	828,932	(1,139,113)
Prepaid Expenses	(8,510)	-	(8,510)	11,182
Inventories	(149,884)	-	(149,884)	111,678
Due from Other Funds	(623,515)	-	(623,515)	(476,544)
Increase (Decrease) in Liabilities:				
Vouchers Payable	(158,337)	-	(158,337)	99,831
Unearned Revenue	132,914	-	132,914	(91,763)
Accrued Liabilities	12,332	-	12,332	(13,185)
Other Postemployment Benefits Payable	10,901	-	10,901	11,676
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,210,383</u>	<u>\$ 1,988</u>	<u>\$ 1,212,371</u>	<u>\$ (617,365)</u>

**WASHBURN COUNTY, WISCONSIN
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
HIGHWAY DEPARTMENT
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2016)**

	2017	2016
OPERATING REVENUES:		
Charges For Services:		
County Highway [1]	\$ 4,941,516	\$ 4,149,253
State Highway	2,583,448	1,848,888
Other Local Highways	1,044,170	917,378
County Departments	308,371	426,844
Non-Governmental Customers	3,359	2,807
Other Services	297,176	311,252
Rental Income	1,800	1,800
Miscellaneous Revenue	82,430	29,715
Total Operating Revenues	9,262,270	7,687,937
OPERATING EXPENSES:		
Administration and General:		
Administration	356,288	296,519
Patrol Superintendent	118,649	102,503
Radio Expense	1,027	4,000
Public Liability Insurance	343,890	453,601
Transportation Cost Pools:		
Machinery Operations	112,582	(36,642)
Services Provided:		
County:		
General Maintenance	2,646,434	2,437,451
Reconstruction and Betterments	2,340,699	1,276,036
Winter Maintenance	490,101	504,967
Bridge Maintenance	7,185	-
State:		
Highway Maintenance and Construction	1,219,191	1,440,972
Equipment and Salt Storage	133,915	132,234
County Aid Bridge Paid Districts	66,693	-
Local Districts	1,026,195	905,770
Local Departments	308,371	426,844
Non-Governmental Customers	3,359	2,807
Other Postemployment Benefits	10,901	11,676
Total Operating Expenses	9,185,480	7,958,738
OPERATING INCOME (LOSS)	76,790	(270,801)
NONOPERATING REVENUES (EXPENSES):		
Interest Expense	(82,647)	(93,277)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(5,857)	(364,078)
CAPITAL CONTRIBUTIONS AND TRANSFERS:		
Transfers from Forestry Fund	25,000	-
Transfers to General Fund	(39,050)	-
Total Capital Contributions and Transfers	(14,050)	-
CHANGE IN NET POSITION	(19,907)	(364,078)
Net Position, January 1	12,175,734	12,539,812
NET POSITION, DECEMBER 31	\$ 12,155,827	\$ 12,175,734
[1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund:		
County Appropriations	\$ 1,482,000	\$ 1,510,663
State Transportation Aids	1,162,668	1,037,483
Federal and State Project Revenues	-	163,363
Total General Fund	2,644,668	2,711,509
Charges to Capital Projects Fund and Other Funds	2,296,848	1,437,744
Total County Highway Charges for Services	\$ 4,941,516	\$ 4,149,253

**WASHBURN COUNTY, WISCONSIN
AGENCY FUND
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Tax Agency</u>	<u>Juvenile Restitution</u>	<u>Representative Payee</u>	<u>Clerk of Courts</u>	<u>Sheriff</u>	<u>District Attorney</u>	<u>DNR Licenses</u>	<u>Totals</u>
ASSETS								
Treasurer's Cash and Investments	\$ -	\$ 96	\$ 930	\$ 168,875	\$ 5,640	\$ 465	\$ 109	\$ 176,115
Taxes Receivable	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 930</u>	<u>\$ 168,875</u>	<u>\$ 5,640</u>	<u>\$ 465</u>	<u>\$ 109</u>	<u>\$ 176,115</u>
LIABILITIES								
Vouchers Payable	\$ -	\$ -	\$ 930	\$ -	\$ -	\$ -	\$ -	\$ 930
Due to Other Governmental Units	-	-	-	-	-	-	-	-
Special Deposits	-	96	-	168,875	5,640	465	109	175,185
Total Liabilities	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 930</u>	<u>\$ 168,875</u>	<u>\$ 5,640</u>	<u>\$ 465</u>	<u>\$ 109</u>	<u>\$ 176,115</u>