

PRICE COUNTY

Phillips, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2014

PRICE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Price County
Phillips, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Price County, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Price County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Supervisors
Price County

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Price County, Wisconsin, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

To the Board of Supervisors
Price County

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2015 on our consideration of Price County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Price County's internal control over financial reporting and compliance.

Baker Tilly Vichow Krause, LLP

September 4, 2015

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

This section of Price County, Wisconsin's annual financial statements presents the management's discussion and analysis of the County's financial performance during the year ended December 31, 2014. Please read it in conjunction with the County's financial statements which immediately follows this section.

FINANCIAL HIGHLIGHTS

- > The County's overall financial position, as reflected in total net position, increased by \$1,944,124.
- > The County decreased the amount of outstanding general obligation debt by \$404,490.
- > In governmental funds, the total fund balances decreased by \$124,298, while net position in the highway department enterprise fund increased by \$649,373.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- > The government-wide financial statements are the statement of net position and statement of activities. These statements present an aggregate view of the County's finances in a manner similar to a private-sector business.
- > The statement of net position presents information on all of the County's assets, deferred inflows of resources and liabilities, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the County is improving or deteriorating.
- > The statement of activities presents information showing how the County's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

- > The County also produces 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. The County, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund financial statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a County's near-term financing requirements.
- > There are two fund financial statements, the balance sheet and the statement of revenues, expenditures, and changes in fund balances. Generally, fund financial statements focus on near-term inflows and outflows of spendable resources and their impact on fund balances.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

- > Because the focus of fund financial statements 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 implication of the County's near-term financial decisions. A reconciliation to facilitate this comparison is provided as a separate statement in the financial statements.
- > The County has three kinds of funds: governmental, proprietary, and fiduciary.
 - Governmental funds include the general fund, the special revenue fund, the debt service fund, and individual capital projects funds as needed. In the current fiscal year the County has no capital projects funds to account for.
 - Proprietary funds include the highway enterprise fund that accounts for the costs associated with the operation and maintenance of the County's highway department and the health insurance internal service fund that accounts for the costs of providing health insurance to County employees on a cost-reimbursement basis.
 - Fiduciary funds account for assets held as an agent for the clerk of courts, district attorney, human services clients, County inmates, and other taxing units.
- > Financial information is presented separately on both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the general fund and human services fund, which are considered to be major funds, and for the debt service fund which is considered a nonmajor fund.
- > The County serves as a trustee, or fiduciary, for other taxing units, the sheriff, clerk of courts, protective payee, and district attorney. The assets of these programs do not directly benefit nor are they under the direct control of the County. The County's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. Fiduciary activities are excluded from the County-wide financial statements because the County cannot use these assets to finance its operations.
- > The County adopts an annual budget for all funds. Budgetary comparison statements have been provided to demonstrate budget compliance.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

FINANCIAL ANALYSIS

THE COUNTY AS A WHOLE

Net position: The County's combined net position was \$39,924,030 on December 31, 2014.

The largest portion of the County's net position (80%) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services; 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 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 (See Table 1).

The calculation of net position uses a historical cost for buildings that may not accurately reflect the true value. Unrestricted net assets are \$7,548,822 at the end of this year.

Table 1
Net Position

December 31, 2014 and 2013

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
Current and other assets	\$ 13,724,456	\$ 15,871,123	\$ 4,562,078	\$ 2,172,405
Capital assets	<u>29,751,141</u>	<u>28,578,365</u>	<u>3,735,887</u>	<u>3,672,613</u>
Total Assets	<u>43,475,597</u>	<u>44,449,488</u>	<u>8,297,965</u>	<u>5,845,018</u>
Noncurrent liabilities	1,457,934	1,399,725	775,537	650,000
Other liabilities	<u>1,161,033</u>	<u>1,774,908</u>	<u>246,016</u>	<u>424,443</u>
Total Liabilities	<u>2,618,967</u>	<u>3,174,633</u>	<u>1,021,553</u>	<u>1,074,443</u>
Deferred Inflows of Resources	<u>6,286,915</u>	<u>8,065,524</u>	<u>1,922,097</u>	<u>-</u>
Net Position				
Invested in capital assets, net of related debt	28,953,514	27,478,748	3,085,887	2,197,613
Restricted	335,807	243,029	-	-
Unrestricted	<u>5,280,394</u>	<u>5,487,554</u>	<u>2,268,428</u>	<u>2,572,962</u>
Total Net Position	<u>\$ 34,569,715</u>	<u>\$ 33,209,331</u>	<u>\$ 5,354,315</u>	<u>\$ 4,770,575</u>

Governmental activities net position increased by \$1,360,384. This was due mainly to an increase in capital assets of \$1,172,776, largely funded by capital grants. This corresponded to several capital projects, such as the airport improvement project and a courthouse building improvements.

Business-type activities total net position increased by \$583,740 primarily due to an increase in receivables from the state of \$652,012.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

Change in net position: Table 2 shows the changes in net position for December 31:

Table 2

Change in Net Position

December 31, 2014 and 2013

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
Revenues				
Program revenues				
Charges for services	\$ 2,506,143	\$ 2,614,575	\$ 2,115,362	\$ 4,287,744
Operating grants and contributions	3,619,634	4,416,683	653,475	-
Capital grants and contributions	2,313,603	3,696,832	-	-
General revenues				
Property taxes	6,237,206	7,916,861	1,906,207	-
Sales tax	1,267,729	1,066,733	-	-
Grants and contributions not restricted to specific programs	597,667	601,414	-	-
Other	206,184	120,950	-	-
Total Revenues	16,748,166	20,434,048	4,675,044	4,287,744
Expenses				
General government	2,923,887	2,753,944	-	-
Public safety	3,314,711	3,073,656	-	-
Public works	1,278,438	3,548,281	-	-
Health and human services	5,894,427	5,862,407	-	-
Culture, recreation and education	930,208	848,103	-	-
Conservation and development	1,056,555	983,545	-	-
Interest and fiscal charges	27,264	25,437	-	-
Highway	-	-	4,053,596	3,703,033
Total Expenses	15,425,490	17,095,373	4,053,596	3,703,033
Change in position from operations	1,322,676	3,338,675	621,448	584,711
Transfers	37,708	(152,189)	(37,708)	152,189
Special item – sale of tax deed land	-	34,220	-	-
Change in net position	1,360,384	3,220,706	583,740	736,900
Net Position – Beginning of Year	33,209,331	29,988,625	4,770,575	4,033,675
Net Position – End of Year	\$ 34,569,715	\$ 33,209,331	\$ 5,354,315	\$ 4,770,575

PRICE COUNTY, WISCONSIN

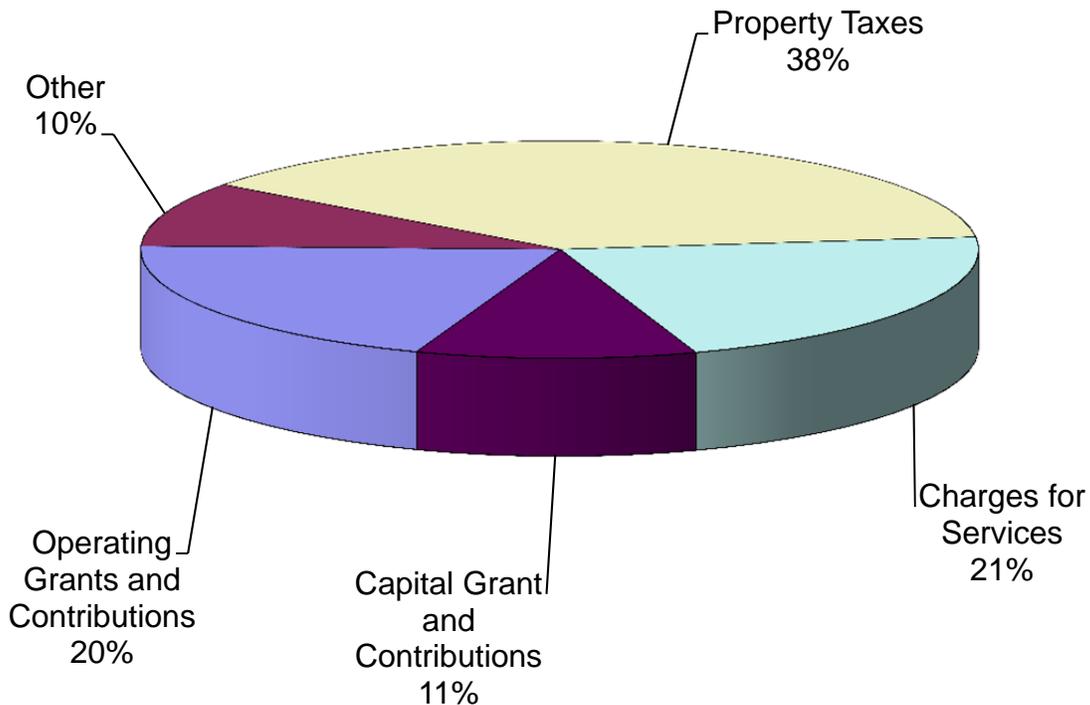
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended December 31, 2014

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The County's total revenues were \$21,423,210 for the year ended December 31, 2014. Property taxes accounted for 38% of total revenues for the year (See Figure 1). Another 52% came from other program revenues and the remainder from other general revenues.

Figure 1: Sources of Price County, Wisconsin's Revenues for Fiscal Year 2014



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

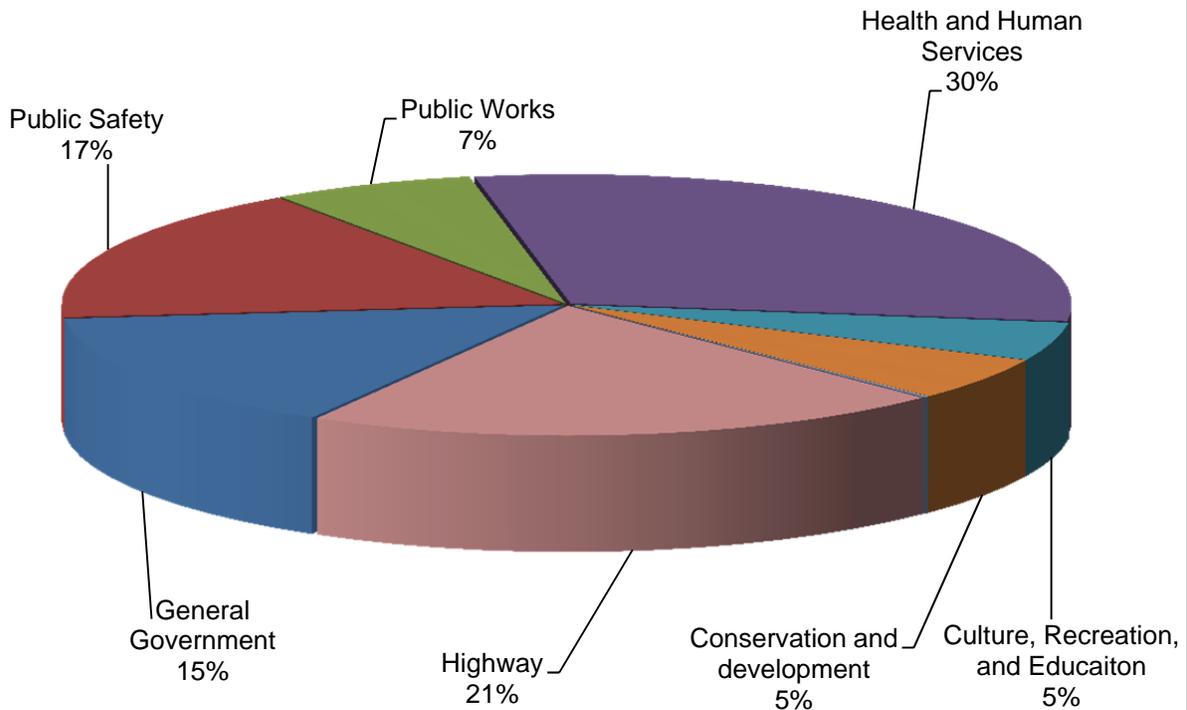
For the Year Ended December 31, 2014

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The total cost of all programs and services was \$19,479,086. The County's most significant expenses are related to health and human services (30%) (See Figure 2). Other activities of the County accounted for 70% of total costs.

Figure 2: Price County, Wisconsin's Expenses for Fiscal Year 2014



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Net cost of governmental and business-type activities: Table 3 reports the cost of seven major County activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

Table 3

Net Cost of Activities

December 31, 2014 and 2013

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Governmental Type				
General government	\$ 2,923,887	\$ 2,753,944	\$ (2,495,666)	\$ (2,351,740)
Public safety	3,314,711	3,073,656	(3,113,261)	(2,880,001)
Public works	1,278,438	3,548,281	1,003,331	1,000,525
Health and human services	5,894,427	5,862,407	(2,257,178)	(2,141,941)
Culture, recreation and education	930,208	848,103	(804,013)	(717,588)
Conservation and development	1,056,555	983,545	707,941	748,899
Interest and fiscal charges	27,264	25,437	(27,264)	(25,437)
Business-type – highway	<u>4,053,596</u>	<u>3,703,033</u>	<u>(1,284,759)</u>	<u>584,711</u>
Totals	<u>\$ 19,479,086</u>	<u>\$ 20,798,406</u>	<u>\$ (8,270,869)</u>	<u>\$ (5,782,572)</u>

- > The cost of all governmental activities this year was \$15,425,490.
- > Some of the governmental cost totaling \$2,506,143 was paid by users of the County's governmental programs.
- > The federal and state governments subsidized certain governmental programs with grants and contributions of \$4,217,301. Capital grants contributed \$2,313,603 of total grants and contributions. Investment income was \$30,767, and miscellaneous income was \$175,417.
- > The remainder of the County's governmental costs of \$6,182,259, however, was paid for by the County taxpayers and taxpayers of our state.
- > The cost of all business-type activities was \$4,053,596.
- > Some of the costs totaling \$2,115,362 were paid by users of the County's business-type programs. These users were made up of the local municipalities requesting assistance with project based work.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL FUNDS

The County completed the year with a total governmental fund balance of \$5,104,207.

- > The general fund had an increase in fund balance of \$2,705.
- > The human services fund had revenues of \$3,544,483 and expenditures of \$3,671,486, resulting in a \$127,003 decrease for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

County sales tax revenues for 2014 exceeded budget estimates by \$221,901. The increase in revenue was partially due to a change in revenue recognition related to sales tax received in February related to December sales. For 2014, the County included \$74,880 of December 2014 sales tax revenue collected in February 2015 as revenue. This correction in the County revenue recognition policy resulted in recognition of 13 months of sales tax collections in 2014 sales tax revenues.

Sheriff department expenditures exceeded budget by \$100,444 largely due to wage and benefit costs.

General public health expenditures were under budget by \$106,923 primarily due to wage and benefit costs.

There was an unbudgeted surplus of \$114,750 in the Forestry Department's stumpage sales.

Over the course of the year, the County revised the annual operating budget several times. These budget amendments fall into the following categories:

- > The distribution of additional state or federal funding.
- > The distribution of contingency funds.
- > Reallocating the budget between functional lines.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the 2014 year, the County had invested over \$63 million in a broad range of capital assets, including land, buildings, equipment, and infrastructure (See Table 4). Additional information about capital assets can be found in Note III.C. Total accumulated depreciation on these assets exceeded \$23 million for governmental activities and approximated \$6 million for business-type activities.

- > Asset acquisitions totaled \$7,404,186 for governmental activities and \$460,993 for business-type activities.
- > The County recognized depreciation expense of \$1,580,399 for the governmental activities and \$369,178 for business-type activities during the fiscal year.

Table 4
Capital Assets

December 31, 2014 and 2013

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
Land	\$ 2,560,864	\$ 2,560,864	\$ 5,131	\$ 5,131
Construction in progress	-	3,358,355	-	-
Building and improvements	8,843,253	8,680,461	3,041,258	2,962,026
Machinery and equipment	4,657,658	3,950,547	6,956,575	6,725,826
Infrastructure	37,195,379	32,180,987	-	-
Accumulated depreciation	<u>(23,506,013)</u>	<u>(22,152,849)</u>	<u>(6,267,077)</u>	<u>(6,020,370)</u>
Total Capital Assets	<u>\$ 29,751,141</u>	<u>\$ 28,578,365</u>	<u>\$ 3,735,887</u>	<u>\$ 3,672,613</u>

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end the County had \$2,269,093 in general obligation notes and other long-term debt outstanding (See Table 5). Additional information about the County's long-term obligations is presented in Note III.E to the financial statements.

Table 5
Outstanding Long-Term Obligations
December 31, 2014 and 2013

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
General obligation notes	\$ 749,127	\$ 1,028,617	\$ -	\$ -
General obligation bonds	-	-	650,000	775,000
Capital leases	48,500	61,000	-	-
Compensated absences	544,358	567,920	125,537	133,804
Net OPEB obligation	<u>115,949</u>	<u>98,836</u>	-	-
Totals	<u>\$ 1,457,934</u>	<u>\$ 1,756,373</u>	<u>\$ 775,537</u>	<u>\$ 908,804</u>

- > The County retired \$469,490 of outstanding debt.
- > The County issued \$65,000 of notes payable.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2014

FACTORS BEARING ON THE COUNTY'S FUTURE

Currently known circumstances that will impact the County's financial status in the future:

As reported last year, sales tax revenues continued to improve in 2014 and into 2015. At the County level, this is an indicator of improved economic activity. The increased cost of services and goods however, continues to place a strain on family's budgets and on the County's budget as well. Due to State budget mandates, we have had a zero operating levy budget for 2014 and 2015. The same will be the case in 2016. We have been able to balance our budget in 2014 and 2015 because of favorable experience in our self-funded health insurance fund, increased timber sales and increased sales tax revenue. The unknown health care environment created by the implementation of the Affordable Care Act makes our experience in 2015 uncertain, at best, as the full effect has not yet been seen. The County's self-funded health insurance costs have started to increase and the county will need to look at options going into 2016-17 to maintain an acceptable balance in the health insurance fund. One of our major revenue sources, timber stumpage, continues to be good in 2015 and, hopefully, into 2016. There is an estimated \$3.5 million of outstanding timber stumpage contracts that are to be fulfilled within three years. A positive in the Wisconsin biennial budget for 2013-2015 is an increase in funding to local government entities for State highway maintenance. With the hiring of a new Highway Commissioner, policies are being established to coincide with state requirements for reimbursement. In 2015 the Highway and Transportation Committee will be addressing new equipment purchases by creating a dedicated fund and a policy for how equipment purchasing is done. The County continues to work on allocating sufficient funding to properly maintain and improve county roads. The efficiencies seen at the Highway Department are expected to continue and even increase with the expected savings realized to be redirected to addressing road maintenance. Modest progress in 2015 has been made on addressing the road maintenance needs. These infrastructure requirements need to be addressed at the state level as well at the county level. The County will begin to look at options for a capital project to remodel the Safety Building. In addition, funding for the Child Support Agency was returned to the State budget which will again allow adequate funding at the county level for their services.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's financial condition and to demonstrate the County's accountability for the money it receives and spends. If you have any questions about this report or need additional financial information, contact Jean Gottwald, County Clerk; Price County, 126 Cherry Street, Phillips, Wisconsin 54555.

PRICE COUNTY

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 5,031,616	\$ 1,531,576	\$ 6,563,192
Receivables			
Taxes receivable	6,022,755	1,860,817	7,883,572
Delinquent personal property taxes	850,375	-	850,375
Other receivables	222,220	11,607	233,827
Due from other governmental units	682,908	956,244	1,639,152
Internal balances	633,241	(633,241)	-
Inventories and prepaid items	281,341	835,075	1,116,416
Capital Assets (net of accumulated depreciation)			
Land	2,560,864	5,131	2,565,995
Other capital assets, net of depreciation	<u>27,190,277</u>	<u>3,730,756</u>	<u>30,921,033</u>
Total Assets	<u>43,475,597</u>	<u>8,297,965</u>	<u>51,773,562</u>
LIABILITIES			
Accounts payable	509,303	190,309	699,612
Accrued liabilities	452,754	55,707	508,461
Due to other governmental units	131,358	-	131,358
Deposits	67,618	-	67,618
Noncurrent Liabilities			
Due within one year	402,236	133,185	535,421
Due in more than one year	<u>1,055,698</u>	<u>642,352</u>	<u>1,698,050</u>
Total Liabilities	<u>2,618,967</u>	<u>1,021,553</u>	<u>3,640,520</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>6,286,915</u>	<u>1,922,097</u>	<u>8,209,012</u>
Total Deferred Inflows of Resources	<u>6,286,915</u>	<u>1,922,097</u>	<u>8,209,012</u>
NET POSITION			
Net investment in capital assets	28,953,514	3,085,887	32,039,401
Restricted	335,807	-	335,807
Unrestricted	<u>5,280,394</u>	<u>2,268,428</u>	<u>7,548,822</u>
TOTAL NET POSITION	<u>\$ 34,569,715</u>	<u>\$ 5,354,315</u>	<u>\$ 39,924,030</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,923,887	\$ 298,560	\$ 129,661	\$ -
Public safety	3,314,711	102,705	61,943	36,802
Public works	1,278,438	159,870	-	2,121,899
Health and human services	5,894,427	691,982	2,945,267	-
Culture, education and recreation	930,208	126,195	-	-
Conservation and development	1,056,555	1,126,831	482,763	154,902
Interest and fiscal charges	<u>27,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>15,425,490</u>	<u>2,506,143</u>	<u>3,619,634</u>	<u>2,313,603</u>
Business-type Activities				
Highway department	<u>4,053,596</u>	<u>2,115,362</u>	<u>653,475</u>	<u>-</u>
Total Business-type Activities	<u>4,053,596</u>	<u>2,115,362</u>	<u>653,475</u>	<u>-</u>
Totals	<u>\$ 19,479,086</u>	<u>\$ 4,621,505</u>	<u>\$ 4,273,109</u>	<u>\$ 2,313,603</u>

General Revenues

Taxes

- Property taxes, levied for general purposes
- Property taxes, levied for human services
- Property taxes, levied for debt service
- Property taxes, levied for highway purposes
- Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (2,495,666)	\$ -	\$ (2,495,666)
(3,113,261)	-	(3,113,261)
1,003,331	-	1,003,331
(2,257,178)	-	(2,257,178)
(804,013)	-	(804,013)
707,941	-	707,941
<u>(27,264)</u>	<u>-</u>	<u>(27,264)</u>
<u>(6,986,110)</u>	<u>-</u>	<u>(6,986,110)</u>
-	<u>(1,284,759)</u>	<u>(1,284,759)</u>
-	<u>(1,284,759)</u>	<u>(1,284,759)</u>
<u>(6,986,110)</u>	<u>(1,284,759)</u>	<u>(8,270,869)</u>
4,550,903	-	4,550,903
1,315,964	-	1,315,964
370,339	-	370,339
-	1,906,207	1,906,207
1,267,729	-	1,267,729
597,667	-	597,667
30,767	-	30,767
<u>175,417</u>	<u>-</u>	<u>175,417</u>
<u>8,308,786</u>	<u>1,906,207</u>	<u>10,214,993</u>
<u>37,708</u>	<u>(37,708)</u>	<u>-</u>
1,360,384	583,740	1,944,124
<u>33,209,331</u>	<u>4,770,575</u>	<u>37,979,906</u>
<u>\$ 34,569,715</u>	<u>\$ 5,354,315</u>	<u>\$ 39,924,030</u>

See accompanying notes to financial statements.

PRICE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2014

	<u>Combined General Fund</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Totals</u>
ASSETS				
Cash and Investments	\$ 3,935,250	\$ 3,169	\$ -	\$ 3,938,419
Receivables				
Taxes	4,303,769	1,346,447	372,539	6,022,755
Delinquent personal property taxes	850,375	-	-	850,375
Other receivables	222,220	-	-	222,220
Due from other governments	462,462	220,446	-	682,908
Due from other funds	704,246	-	-	704,246
Inventories and prepayments	281,341	-	-	281,341
Advances to other funds	612,500	-	-	612,500
	<u>612,500</u>	<u>-</u>	<u>-</u>	<u>612,500</u>
TOTAL ASSETS	<u>\$ 11,372,163</u>	<u>\$ 1,570,062</u>	<u>\$ 372,539</u>	<u>\$ 13,314,764</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 214,999	\$ 294,304	\$ -	\$ 509,303
Accrued liabilities	262,143	48,224	-	310,367
Due to other governments	131,358	-	-	131,358
Due to other funds	-	704,246	-	704,246
Deposits	67,618	-	-	67,618
Total Liabilities	<u>676,118</u>	<u>1,046,774</u>	<u>-</u>	<u>1,722,892</u>
Deferred Inflows of Resources				
Unearned revenues	4,556,187	1,358,189	372,539	6,286,915
Unavailable revenues	200,750	-	-	200,750
Total Deferred Inflows of Resources	<u>4,756,937</u>	<u>1,358,189</u>	<u>372,539</u>	<u>6,487,665</u>
Fund Balances				
Nonspendable	1,543,466	-	-	1,543,466
Restricted	332,638	3,169	-	335,807
Committed	381,934	-	-	381,934
Assigned	1,057,600	-	-	1,057,600
Unassigned (deficit)	2,623,470	(838,070)	-	1,785,400
Total Fund Balances	<u>5,939,108</u>	<u>(834,901)</u>	<u>-</u>	<u>5,104,207</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 11,372,163</u>	<u>\$ 1,570,062</u>	<u>\$ 372,539</u>	<u>\$ 13,314,764</u>

See accompanying notes to financial statements.

PRICE COUNTY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2014

Total Fund Balances - Governmental Funds	\$ 5,104,207
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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 fund statements. Capital assets at year end consist of:

Land	2,560,864
Other capital assets	50,696,290
Less: Accumulated depreciation	(23,506,013)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. This unavailable revenue at year end consisted of tax certificates.

200,750

Internal service funds are used by management to charge the costs of health insurance. The assets and liabilities of the internal service fund are reported in the statement of net position as governmental activities.

977,006

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the fund statements.

Long-term liabilities at year end consist of:

Bonds and notes payable	(749,127)
Compensated absences	(544,358)
Accrued interest	(5,455)
Lease payable	(48,500)
Other post-employment benefits	<u>(115,949)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 34,569,715

PRICE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	Combined General Fund	Human Services Fund	Nonmajor Governmental Fund Debt Service Fund	Totals
REVENUES				
Taxes	\$ 5,540,376	\$ 1,315,964	\$ 370,339	\$ 7,226,679
Intergovernmental	2,645,779	1,719,835	-	4,365,614
Licenses and permits	89,929	-	-	89,929
Fines, forfeitures and penalties	127,437	-	-	127,437
Public charges for services	1,717,700	508,679	-	2,226,379
Miscellaneous	<u>308,388</u>	<u>5</u>	<u>-</u>	<u>308,393</u>
Total Revenues	<u>10,429,609</u>	<u>3,544,483</u>	<u>370,339</u>	<u>14,344,431</u>
EXPENDITURES				
Current				
General government	2,489,282	-	-	2,489,282
Public safety	2,917,268	-	-	2,917,268
Public works	264,946	-	-	264,946
Health and human services	2,140,761	3,671,486	-	5,812,247
Culture, recreation and education	929,291	-	-	929,291
Conservation and development	900,644	-	-	900,644
Capital Outlay	709,345	-	-	709,345
Debt Service				
Principal	-	-	344,490	344,490
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>26,041</u>	<u>26,041</u>
Total Expenditures	<u>10,351,537</u>	<u>3,671,486</u>	<u>370,531</u>	<u>14,393,554</u>
Excess (deficiency) of revenues over expenditures	<u>78,072</u>	<u>(127,003)</u>	<u>(192)</u>	<u>(49,123)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	65,000	-	-	65,000
Transfers in	-	-	192	192
Transfers out	<u>(140,367)</u>	<u>-</u>	<u>-</u>	<u>(140,367)</u>
Total Other Financing Sources (Uses)	<u>(75,367)</u>	<u>-</u>	<u>192</u>	<u>(75,175)</u>
Net Change in Fund Balances	2,705	(127,003)	-	(124,298)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>5,936,403</u>	<u>(707,898)</u>	<u>-</u>	<u>5,228,505</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 5,939,108</u>	<u>\$ (834,901)</u>	<u>\$ -</u>	<u>\$ 5,104,207</u>

See accompanying notes to financial statements.

PRICE COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	\$ (124,298)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	709,345
Some items reported as capital outlay were not capitalized	(226,727)
Capital assets transferred from business-type activities - infrastructure financed by the highway fund	177,883
Depreciation is reported in the government-wide financial statements	(1,580,399)
Net book value of assets retired	(29,225)

Contributed capital assets are reported as revenues in the government-wide financial statements.	2,121,899
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	278,256
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(65,000)
Principal repaid	344,490
Lease principal repaid	12,500

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

This amount is the change in the following liabilities:

Compensated absences	23,562
OPEB liability	(17,113)
Accrued interest on debt	(1,223)

Internal service funds are used by management to charge self insurance costs to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>(263,566)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,360,384</u>
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See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2014

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
ASSETS		
Current Assets		
Cash and investments	\$ 1,531,576	\$ 1,093,197
Receivables		
Taxes	1,860,817	-
Accounts	11,607	-
Due from other governments	956,244	-
Inventories	<u>835,075</u>	<u>-</u>
Total Current Assets	<u>5,195,319</u>	<u>1,093,197</u>
Noncurrent Assets		
Capital Assets		
Land	5,131	-
Capital assets being depreciated	9,997,833	-
Less: Accumulated depreciation	<u>(6,267,077)</u>	<u>-</u>
Total Noncurrent Assets	<u>3,735,887</u>	<u>-</u>
Total Assets	<u>8,931,206</u>	<u>1,093,197</u>

See accompanying notes to financial statements.

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 190,309	\$ -
Accrued wages	52,382	-
Health insurance claims payable	-	136,932
Current portion of compensated absences	8,185	-
Accrued interest	3,325	-
Current portion of advances	87,500	-
Current portion of bonds payable	<u>125,000</u>	<u>-</u>
Total Current Liabilities	<u>466,701</u>	<u>136,932</u>
Noncurrent Liabilities		
Long-Term Debt		
Compensated absences	117,352	-
Advances from other funds	525,000	-
Bonds payable	<u>525,000</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,167,352</u>	<u>-</u>
 Total Liabilities	 <u>1,634,053</u>	 <u>136,932</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	<u>1,922,097</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,922,097</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	3,085,887	-
Unrestricted	<u>2,289,169</u>	<u>956,265</u>
 TOTAL NET POSITION	 5,375,056	 <u>\$ 956,265</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	<u>(20,741)</u>	
 NET POSITION BUSINESS-TYPE ACTIVITIES	 <u>\$ 5,354,315</u>	

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
OPERATING REVENUES	<u>\$ 2,115,362</u>	<u>\$ 2,181,443</u>
OPERATING EXPENSES		
Operation and maintenance	3,604,121	-
Depreciation	369,178	-
Claims and insurance expenses	<u>-</u>	<u>2,517,703</u>
Total Operating Expenses	<u>3,973,299</u>	<u>2,517,703</u>
Operating Income (Loss)	<u>(1,857,937)</u>	<u>(336,260)</u>
NONOPERATING REVENUES (EXPENSES)		
General property taxes	1,906,207	-
Intergovernmental grants	653,475	-
Interest and fiscal charges	(14,664)	-
Infrastructure construction expense for governmental activities	(177,883)	-
Investment income	<u>-</u>	<u>7,061</u>
Total Nonoperating Revenues (Expenses)	<u>2,367,135</u>	<u>7,061</u>
Income (Loss) Before Transfers	<u>509,198</u>	<u>(329,199)</u>
TRANSFERS		
Transfers in	<u>140,175</u>	<u>-</u>
Total Transfers	<u>140,175</u>	<u>-</u>
Change in Net Position	649,373	(329,199)
NET POSITION - Beginning of Year	<u>4,725,683</u>	<u>1,285,464</u>
NET POSITION - END OF YEAR	5,375,056	<u><u>\$ 956,265</u></u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>(65,633)</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 583,740</u>	

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2014

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 1,584,127	\$ 2,214,558
Paid to suppliers for goods and services	(2,490,136)	(2,470,349)
Paid to employees for services	(1,172,622)	-
Net Cash Flows From Operating Activities	(2,078,631)	(255,791)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	7,061
Net Cash Flows From Investing Activities	-	7,061
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
General property taxes	1,906,207	-
Intergovernmental grants received	653,475	-
Payments on advances from other funds	(87,500)	-
Transfer from other funds	140,175	-
Net Cash Flows From Noncapital Financing Activities	2,612,357	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt retired	(125,000)	-
Interest and fiscal charges paid	(15,175)	-
Infrastructure construction expenses paid for governmental activities	(177,883)	-
Acquisition and construction of capital assets	(432,452)	-
Net Cash Flows From Capital and Related Financing Activities	(750,510)	-
Net Change in Cash and Cash Equivalents	(216,784)	(248,730)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,748,360	1,341,927
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,531,576	\$ 1,093,197

See accompanying notes to financial statements.

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,857,937)	\$ (336,260)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Depreciation	369,178	-
Changes in assets and liabilities		
Receivables	(635,349)	33,115
Inventories	(88,425)	-
Accounts payable	97,176	47,354
Accrued compensated absences	(8,267)	-
Accrued wages	7,581	-
Unearned revenue	<u>37,412</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (2,078,631)</u>	<u>\$ (255,791)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 113,628
Taxes receivable	<u>247,858</u>
TOTAL ASSETS	<u>\$ 361,486</u>
LIABILITIES	
Due to other governments	\$ 247,858
Deposits	<u>113,628</u>
TOTAL LIABILITIES	<u>\$ 361,486</u>

See accompanying notes to financial statements.

PRICE COUNTY

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PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Price County, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the county. The reporting entity for the county consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The county has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 with a specific function or segment. The county does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the county believes is particularly important to financial statement users may be reported as a major fund.

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

The county reports the following major governmental funds:

- General Fund - accounts for the county's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Human Services Special Revenue Fund - used to account for and report resources legally restricted to supporting expenditures for human service programs.

The county reports the following major enterprise fund:

- Highway Fund - accounts for operations of the highway department.

The county reports the following nonmajor governmental fund:

- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

In addition, the county reports the following fund types:

- Internal Service Fund - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis for health insurance.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Agency Funds - used to account for and report assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Agency
Sheriff
Clerk of Courts
Protective Payee
District Attorney

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the county's highway department 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for health and human services grants, some other expenditure driven grants, and certain timber sales, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

Intergovernmental aids and grants are recognized as revenues in the period the county is entitled the resources and the amounts are available. Amounts owed to the county which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the highway department are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the county considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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

The county has adopted an investment policy. That policy follows the state statute for allowable investments.

The investment policy states that deposits in excess of \$500,000 must be collateralized with U.S. Treasury bills, notes, bonds, U.S. Government Agencies, or State of Wisconsin general obligation bonds. Collateral will be held by an independent third party.

The investment policy addresses credit risk by limiting bonds or securities to those issued by the federal government or its agencies, or the Local Government Investment Pool.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2014, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the county, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of net position - agency funds.

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No allowance for uncollectible delinquent taxes has been provided because of the county's demonstrated ability to recover any losses through the sale of the applicable property.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2014, the county has accrued two months of the subsequent year's collections as receivable.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on average cost, and charged to construction and/or operation and maintenance expense when used.

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. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

4. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	20-50 Years
Machinery and Equipment	5-15 Years
Infrastructure	20-75 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 the same way as in the government-wide statements.

5. Compensated Absences

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2014, are determined on the basis of current salary rates and include salary related payments.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

6. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

7. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

8. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)

8. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Board of Supervisors. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Supervisors that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The county has adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The county considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the county would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Combined General Fund	\$ 9,971,700	\$ 10,351,537	\$ 379,837
Debt Service Fund	370,339	370,531	192

The county controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the county's year-end budget to actual report.

B. LIMITATIONS ON THE COUNTY'S TAX LEVY

Wisconsin law limits the county's future tax levies. Generally the county is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the county's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The county is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The county maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The county's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 6,452,550	\$ 6,636,504	Custodial credit risk
LGIP	222,390	222,390	Credit risk
Petty cash	1,880	-	N/A
 Total Deposits and Investments	 \$ 6,676,820	 \$ 6,858,894	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 6,563,192		
Per statement of assets and liabilities - agency funds			
Agency Funds	113,628		
 Total Deposits and Investments	 \$ 6,676,820		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The county maintains collateral agreements with its banks. At December 31, 2014, the banks had pledged various government securities in the amount of \$2,977,533 to secure the county's deposits.

In addition, deposits at Nicolet National Bank, are automatically allocated to other FDIC-insured accounts held at a variety of participating banks to ensure FDIC coverage of county deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the county's deposits may not be returned to the county.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Deposits (cont.)

The county does not have any deposits exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The county had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$552,639 in the general fund.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable	\$ 6,030,797	\$ -
Delinquent property taxes receivable	-	200,750
Deposits	<u>256,118</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 6,286,915</u>	<u>\$ 200,750</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes levied by the county are reflected as unavailable revenue and are excluded from the fund balance until collected. At December 31, 2014, delinquent property taxes by year levied consists of the following:

	<u>Totals</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax Certificates			
2014	\$ 472,370	\$ 124,335	\$ 348,035
2013	215,391	57,801	157,590
2012	62,987	17,540	45,447
2011	681	200	481
2010	647	198	449
2009	131	39	92
2008	155	47	108
2007	145	44	101
2006	152	45	107
2005	154	44	110
2004 and prior	1,255	457	798
Subtotals	<u>754,068</u>	<u>200,750</u>	<u>553,318</u>
Tax deeds	<u>96,307</u>	<u>-</u>	<u>96,307</u>
 Total Delinquent Property Taxes Receivable	 <u>\$ 850,375</u>	 <u>\$ 200,750</u>	 <u>\$ 649,625</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,560,864	\$ -	\$ -	\$ 2,560,864
Construction in progress	<u>3,358,355</u>	<u>1,263,431</u>	<u>4,621,786</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>5,919,219</u>	<u>1,263,431</u>	<u>4,621,786</u>	<u>2,560,864</u>
Capital assets being depreciated				
Buildings and improvements	8,680,461	162,792	-	8,843,253
Machinery and equipment	3,950,547	843,071	135,960	4,657,658
Infrastructure	<u>32,180,987</u>	<u>5,134,892</u>	<u>120,500</u>	<u>37,195,379</u>
Total Capital Assets Being Depreciated	<u>44,811,995</u>	<u>6,140,755</u>	<u>256,460</u>	<u>50,696,290</u>
Total Capital Assets	<u>50,731,214</u>	<u>7,404,186</u>	<u>4,878,246</u>	<u>53,257,154</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (5,715,442)	\$ (217,129)	\$ -	\$ (5,932,571)
Machinery and equipment	(2,381,357)	(367,088)	135,960	(2,612,485)
Infrastructure	<u>(14,056,050)</u>	<u>(996,182)</u>	<u>91,275</u>	<u>(14,960,957)</u>
Total Accumulated Depreciation	<u>(22,152,849)</u>	<u>(1,580,399)</u>	<u>227,235</u>	<u>(23,506,013)</u>
Net Capital Assets Being Depreciated	<u>22,659,146</u>	<u>4,560,356</u>	<u>29,225</u>	<u>27,190,277</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 28,578,365</u>	<u>\$ 5,823,787</u>	<u>\$ 4,651,011</u>	<u>\$ 29,751,141</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 200,717
Public safety	217,201
Public works	1,034,822
Health and human services	5,012
Conservation and development	<u>122,647</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,580,399</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 5,131	\$ -	\$ -	\$ 5,131
Total Capital Assets Not Being Depreciation	<u>5,131</u>	<u>-</u>	<u>-</u>	<u>5,131</u>
Capital assets being depreciated				
Buildings and improvements	2,962,026	79,232	-	3,041,258
Machinery and equipment	<u>6,725,826</u>	<u>381,761</u>	<u>151,012</u>	<u>6,956,575</u>
Total Capital Assets Being Depreciated	<u>9,687,852</u>	<u>460,993</u>	<u>151,012</u>	<u>9,997,833</u>
Total Capital Assets	<u>9,692,983</u>	<u>460,993</u>	<u>151,012</u>	<u>10,002,964</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (1,048,023)	\$ (117,751)	\$ -	\$ (1,165,774)
Machinery and equipment	<u>(4,972,347)</u>	<u>(251,427)</u>	<u>122,471</u>	<u>(5,101,303)</u>
Total Accumulated Depreciation	<u>(6,020,370)</u>	<u>(369,178)</u>	<u>122,471</u>	<u>(6,267,077)</u>
Net Capital Assets Being Depreciated	<u>3,667,482</u>	<u>91,815</u>	<u>28,541</u>	<u>3,730,756</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,672,613</u>	<u>\$ 91,815</u>	<u>\$ 28,541</u>	<u>\$ 3,735,887</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway department	<u>\$ 369,178</u>
Total Business-type Activities Depreciation Expense	<u>\$ 369,178</u>

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services	<u>\$ 704,246</u>
Total - Fund Financial Statements		704,246
Less: Fund eliminations		(704,246)
Add: Interfund receivables created with internal service fund eliminations		20,741
Add: Interfund advances		<u>612,500</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 633,241</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Interfund Receivables/Payables (cont.)

All amounts are due within one year.

The principal purpose of these interfunds is to cover overdrafts in pooled cash.

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Highway	<u>\$ 612,500</u>	<u>\$ 525,000</u>

The principal purpose of this advance is to retire a portion of outstanding bond anticipation notes. The original advance of \$875,000 on September 13, 2011 is to be paid back over a ten year period, \$87,500 per year without interest.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Highway	General Fund	\$ 140,175	Capital improvements
Debt Service Fund	General Fund	<u>192</u>	Debt service
Total - Fund Financial Statements		140,367	
Less: Fund eliminations		(192)	
Less: Infrastructure contributed by highway		<u>(177,883)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ (37,708)</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,028,617	\$ 65,000	\$ 344,490	\$ 749,127	\$ 354,736
Sub-totals	1,028,617	65,000	344,490	749,127	354,736
Other Liabilities					
Compensated absences - vacation	356,648	336,995	356,648	336,995	20,000
Compensated absences - sick leave	211,272	40,640	44,549	207,363	15,000
Other post-employment benefits	98,836	17,113	-	115,949	-
Capital lease	61,000	-	12,500	48,500	12,500
Total Other Liabilities	727,756	394,748	413,697	708,807	47,500
Total Governmental Activities Long-Term Liabilities	\$ 1,756,373	\$ 459,748	\$ 758,187	\$ 1,457,934	\$ 402,236
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 775,000	\$ -	\$ 125,000	\$ 650,000	\$ 125,000
Sub-totals	775,000	-	125,000	650,000	125,000
Other Liabilities					
Compensated absences - vacation	65,215	-	4,960	60,255	3,615
Compensated absences - sick leave	68,589	-	3,307	65,282	4,570
Total Other Liabilities	133,804	-	8,267	125,537	8,185
Total Business-type Activities Long-Term Liabilities	\$ 908,804	\$ -	\$ 133,267	\$ 775,537	\$ 133,185

In accordance with Wisconsin Statutes, total general obligation indebtedness of the county may not exceed 5% of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2014, was \$73,024,665. Total general obligation debt outstanding at year end was \$1,399,127.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the county. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
Promissory Note	12/1/2011	10/1/2016	3.00%	\$ 500,000	\$ 206,304
Promissory Note	10/1/2011	10/1/2016	3.00	275,000	110,000
Promissory Note	4/15/2012	4/15/2015	2.27	165,000	57,065
Promissory Note	12/16/2013	10/1/2017	2.30	250,000	187,264
Promissory Note	12/16/2013	10/1/2016	2.28	185,000	123,494
Promissory Note	12/11/2014	10/1/2018	2.03	65,000	<u>65,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 749,127</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2014</u>
G.O. Refunding Promissory Notes	9/28/2011	10/1/2019	1.50%	\$ 1,000,000	<u>\$ 650,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 650,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 354,736	\$ 19,239	\$ 125,000	\$ 13,300
2016	298,918	10,134	125,000	10,800
2017	78,778	2,116	125,000	8,300
2018	16,695	344	125,000	5,800
2019	-	-	150,000	3,300
Totals	<u>\$ 749,127</u>	<u>\$ 31,833</u>	<u>\$ 650,000</u>	<u>\$ 41,500</u>

Capital Leases

Refer to Note III. F.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences and other post employment benefits obligation are not included in the debt service requirement schedules. The compensated absences liability and other post employment benefits obligation attributable to governmental activities will be liquidated primarily by the general fund.

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2013 the county acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$63,950, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2014, are as follows:

<u>Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 12,500	\$ 1,330	\$ 13,830
2016	12,880	949	13,829
2017	13,271	558	13,829
2018	<u>9,849</u>	<u>154</u>	<u>10,003</u>
Totals	<u>\$ 48,500</u>	<u>\$ 2,991</u>	<u>\$ 51,491</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,560,864
Other capital assets, net of accumulated depreciation	27,190,277
Less: Long-term debt outstanding	(749,127)
Less: Capital lease outstanding	<u>(48,500)</u>
Total Net Investment in Capital Assets	<u>28,953,514</u>
Restricted	
COP risk reserve	3,169
Dare	7,030
Jail assessment	22,080
Land information	116,651
Project Lifesaver	11,221
Criminal forfeiture	6,531
Family planning	91,521
Specialized transportation	<u>77,604</u>
Total Restricted	<u>335,807</u>
Unrestricted	<u>5,280,394</u>
Total Governmental Activities Net Position	<u>\$ 34,569,715</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2014, include the following:

	General Fund	Human Services	Totals
Fund Balances			
Nonspendable:			
Prepaid items	\$ 235,268	\$ -	\$ 235,268
Inventories	46,073	-	46,073
Advances	612,500	-	612,500
Delinquent taxes	649,625	-	649,625
Restricted for:			
COP risk reserve	-	3,169	3,169
Dare	7,030	-	7,030
Jail assessment	22,080	-	22,080
Land information	116,651	-	116,651
Project Lifesaver	11,221	-	11,221
Criminal forfeiture	6,531	-	6,531
Family planning	91,521	-	91,521
Specialized transportation	77,604	-	77,604
Committed to:			
Capital projects	381,934	-	381,934
Assigned to:			
Future general fund expenditures	12,118	-	12,118
Future commission on aging expenditures	449,180	-	449,180
Future health department expenditures	491,411	-	491,411
Future veterans relief expenditures	16,454	-	16,454
Future veterans service expenditures	22,643	-	22,643
Future library service expenditures	65,794	-	65,794
Unassigned (deficit):	<u>2,623,470</u>	<u>(838,070)</u>	<u>1,785,400</u>
Total Fund Balances (Deficit)	<u>\$ 5,939,108</u>	<u>\$ (834,901)</u>	<u>\$ 5,104,207</u>

Business-type Activities

Net Investment in Capital Assets

Land	\$ 5,131
Other capital assets, net of accumulated depreciation	3,730,756
Less: Long-term debt outstanding	(650,000)

Total Net Investment in Capital Assets \$ 3,085,887

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible county employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 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. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 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.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same 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.

Contribution rates for December 31, 2014 were:

	<u>Employee</u>	<u>Employer</u>
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for county employees covered by the WRS for the year ended December 31, 2014 was \$6,155,114; the employer's total payroll was \$6,442,290. The total required contribution for the year ended December 31, 2014 was \$898,335 or 14.6% of covered payroll. Of this amount, 8.5 percent was contributed by the employer and 6.1 percent was contributed by the employee for the current year. Total contributions for the years ended 2013 and 2012 were \$959,885 and \$730,821, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

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.

As of December 31, 2014 there was no pension related debt for the county.

B. RISK MANAGEMENT

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The county participates in a public entity risk pool called to provide coverage for losses from torts; theft of, damage to, or destruction of assets; and errors and omission. However, other risks, such as health care of its employees are accounted for and financed by the county in an internal service fund - the Health Insurance Fund.

Self Insurance

For health care claims, the uninsured risk of loss is \$85,000 per incident and \$1,000,000 in the aggregate for a policy year. The county has purchased commercial insurance for claims in excess of those amounts. This stop loss policy has a minimum coverage period attachment point of \$2,158,193.

All funds of the county participate in the risk management program. .

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The county is also responsible for a monthly administrative fee.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 128,135	\$ 89,578
Current year claims and changes in estimates	1,459,870	1,962,866
Claim payments	<u>(1,498,427)</u>	<u>(1,915,512)</u>
Unpaid Claims - End of Year	<u>\$ 89,578</u>	<u>\$ 136,932</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin County Mutual Insurance Corporation

Fifty-five Wisconsin counties jointly participate in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. The creation of the County Mutual requires the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operation on January 1, 1988.

The governing body is made up of nineteen directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information of WCMIC as of December 31, 2014, can be obtained directly from WCMIC's offices.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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 reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. OTHER POSTEMPLOYMENT BENEFITS

The county administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The county's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Employees who were hired by the county prior to January 1, 1996 and are insured through the county on their date of retirement are eligible to continue to receive coverage from the county after retirement. To be eligible, employees must retire after attaining eligibility for early or normal retirement under the Wisconsin Retirement System (WRS) and they must begin receiving an immediate annuity under WRS upon retirement. Employees must elect coverage for themselves and their dependents at the time of retirement. The retiree must pay 100% of the premium cost of coverage. The retiree has the option of electing dependent coverage, in addition to employee coverage. The retiree must pay 100% of the premium cost for dependent coverage. After coverage ceases for the retired employee, either because the retired employee elects to drop coverage or die, coverage for the spouse will end.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 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 unfunded actuarial liabilities (or funding excess) 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 contributed to plan, and changes in the county's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	20,796
Interest on net OPEB obligation		4,645
Adjustment to annual required contribution		<u>(6,955)</u>
Annual OPEB cost		18,486
Benefits paid by the employer		<u>(1,373)</u>
Increase in net OPEB obligation (asset)		17,113
Net OPEB Obligation - Beginning of Year		<u>98,836</u>
Net OPEB Obligation - End of Year	\$	<u><u>115,949</u></u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013, and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2012	\$ 22,286	0.00%	\$ 76,976
December 31, 2013	21,860	0.00%	98,836
December 31, 2014	18,486	7.43%	115,949

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of December 31, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$	186,916
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>186,916</u>
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active plan members)	\$	5,922,011
UAAL as a percentage of covered payroll		3.16%

Actuarial valuations of an ongoing plan involve estimates for 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 the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 6% after 10 years. Both rates include a 0% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2014, was 24 years.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*
- > Statement No. 72, *Fair Value Measurements*
- > Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,347,799	\$ 5,347,799	\$ 5,540,376	\$ 192,577
Intergovernmental	2,605,427	2,673,257	2,645,779	(27,478)
Licenses and permits	98,955	98,955	89,929	(9,026)
Fines, forfeitures and penalties	94,000	94,000	127,437	33,437
Public charges for services	1,592,052	1,557,052	1,717,700	160,648
Miscellaneous	150,887	180,637	308,388	127,751
Total Revenues	<u>9,889,120</u>	<u>9,951,700</u>	<u>10,429,609</u>	<u>477,909</u>
EXPENDITURES				
General Government				
County board	62,900	62,900	59,649	3,251
Executive and finance Administrator	58,800	58,800	74,378	(15,578)
Circuit court	-	50,000	17,950	32,050
Family court commissioner	410,739	410,739	455,094	(44,355)
Budget and accounting manager	18,456	18,456	20,159	(1,703)
Coroner	98,264	98,264	98,383	(119)
County clerk	49,159	49,159	64,241	(15,082)
Information technology	132,422	132,422	132,024	398
Personnel	276,736	276,736	248,559	28,177
Elections	165,055	165,055	164,610	445
County treasurer	19,781	19,781	24,719	(4,938)
District attorney	140,226	140,226	138,747	1,479
Register of deeds	171,025	171,025	155,058	15,967
Land information	127,592	127,592	127,418	174
Tax lister	-	-	74,597	(74,597)
Surveyor	58,300	58,300	58,744	(444)
Buildings and grounds	10,845	10,845	10,807	38
Contingency	517,454	517,454	564,145	(46,691)
Total General Government	<u>111,928</u>	<u>61,928</u>	<u>-</u>	<u>61,928</u>
Total General Government	<u>2,429,682</u>	<u>2,429,682</u>	<u>2,489,282</u>	<u>(59,600)</u>
Public Safety				
Sheriff	1,873,140	1,878,140	1,978,584	(100,444)
Jail	875,624	875,624	846,893	28,731
Local emergency planning committee	18,596	18,596	10,087	8,509
Emergency government	80,617	80,617	81,327	(710)
Traffic safety commission	740	740	377	363
Total Public Safety	<u>2,848,717</u>	<u>2,853,717</u>	<u>2,917,268</u>	<u>(63,551)</u>
Public Works				
Airport	309,479	274,479	264,946	9,533
Total Public Works	<u>309,479</u>	<u>274,479</u>	<u>264,946</u>	<u>9,533</u>

See independent auditors' report and accompanying notes to required supplementary information.

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health and Human Services				
Long term support	\$ 266,666	\$ 266,666	\$ 265,542	\$ 1,124
Veterans services	135,992	135,992	136,949	(957)
Veterans relief	9,389	9,389	7,213	2,176
General public health	634,839	634,839	527,917	106,922
WIC	101,617	101,617	134,125	(32,508)
Family planning	511,888	511,888	494,365	17,523
Oral Health	59,177	59,177	67,396	(8,219)
Aging administration	49,850	51,045	47,071	3,974
Nutrition congregate	151,832	156,498	140,341	16,157
Home delivered meals	97,349	100,282	78,423	21,859
Transportation	18,632	18,632	18,071	561
Escort	88,307	88,307	60,062	28,245
Benefit specialist	65,603	65,603	79,173	(13,570)
Wellness	1,628	1,999	1,999	-
Caregiver	7,139	9,154	9,154	-
Dog license	31,165	31,165	72,960	(41,795)
Total Health and Human Services	<u>2,231,073</u>	<u>2,242,253</u>	<u>2,140,761</u>	<u>101,492</u>
Culture, Recreation and Education				
Library	298,791	298,791	302,344	(3,553)
Tourism department	101,584	101,584	105,516	(3,932)
University extension	225,741	225,741	217,317	8,424
Parks	5,500	5,500	5,500	-
County snowmobile trails	239,860	296,510	241,985	54,525
Fair and historical society	21,000	21,000	21,000	-
County ATV trails	24,097	24,097	24,908	(811)
County walking trails	4,610	4,610	10,721	(6,111)
Total Culture, Recreation and Education	<u>921,183</u>	<u>977,833</u>	<u>929,291</u>	<u>48,542</u>
Conservation and Development				
County forestry	405,097	405,097	400,282	4,815
County dams	50,297	50,297	56,555	(6,258)
Land conservation	216,719	216,719	208,512	8,207
Zoning	147,984	147,984	158,903	(10,919)
State forestry	43,092	43,092	43,209	(117)
Other economic development and planning	33,183	33,183	33,183	-
Total Conservation and Development	<u>896,372</u>	<u>896,372</u>	<u>900,644</u>	<u>(4,272)</u>

See independent auditors' report and accompanying notes to required supplementary information.

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Capital Outlay				
Buildings and grounds	\$ 14,000	\$ 14,000	\$ 294,803	\$ (280,803)
Information technology	-	-	101,369	(101,369)
Land information	-	-	8,357	(8,357)
Jail	10,650	10,650	10,650	-
Sheriff	92,764	92,764	213,347	(120,583)
Airport	-	-	6,350	(6,350)
Zoning	-	24,750	24,705	45
Dams	<u>155,200</u>	<u>155,200</u>	<u>49,764</u>	<u>105,436</u>
Total Capital Outlay	<u>272,614</u>	<u>297,364</u>	<u>709,345</u>	<u>(411,981)</u>
Total Expenditures	<u>9,909,120</u>	<u>9,971,700</u>	<u>10,351,537</u>	<u>(379,837)</u>
Excess of revenues over expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>78,072</u>	<u>98,072</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	65,000	65,000
Transfers in	20,000	20,000	-	(20,000)
Transfers out	<u>-</u>	<u>-</u>	<u>(140,367)</u>	<u>(140,367)</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>(75,367)</u>	<u>(95,367)</u>
Net Change in Fund Balance	-	-	2,705	2,705
FUND BALANCE - Beginning of Year	<u>5,936,403</u>	<u>5,936,403</u>	<u>5,936,403</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,936,403</u></u>	<u><u>\$ 5,936,403</u></u>	<u><u>\$ 5,939,108</u></u>	<u><u>\$ 2,705</u></u>

See independent auditors' report and accompanying notes to required supplementary information.

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HUMAN SERVICES FUND For the Year Ended December 31, 2014

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
REVENUES			
Taxes	\$ 1,315,964	\$ 1,315,964	-
Intergovernmental	2,204,015	1,719,835	(484,180)
Public charges for services	505,950	508,679	2,729
Miscellaneous	<u>5</u>	<u>5</u>	<u>5</u>
Total Revenues	<u>4,025,934</u>	<u>3,544,483</u>	<u>(481,446)</u>
EXPENDITURES			
Health and human services			
Safe and stable plan	33,310	33,310	-
Children and youth	1,386,684	1,292,050	94,634
Economic support	521,937	414,927	107,010
Long term support	<u>2,084,003</u>	<u>1,931,199</u>	<u>152,804</u>
Total Expenditures	<u>4,025,934</u>	<u>3,671,486</u>	<u>354,448</u>
Net change in fund balance	-	(127,003)	(126,998)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(707,898)</u>	<u>(707,898)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (707,898)</u>	<u>\$ (834,901)</u>	<u>\$ (126,998)</u>

See independent auditors' report and accompanying notes to required supplementary information.

PRICE COUNTY

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS
As of December 31, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<u>Postemployment Health Care Plan</u>						
1/1/14	\$ -	\$ 186,916	\$ 186,916	0%	\$ 5,922,011	3.2%
1/1/11	-	211,469	211,469	0%	4,865,343	4.3%
1/1/08	-	224,013	224,013	0%	6,850,875	3.3%

See independent auditors' report and accompanying notes to required supplementary information.

PRICE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2014

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The county may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$2,345. Budgets are adopted at the department level of expenditure.

EXCESS EXPENDITURES OVER APPROPRIATIONS

Excess expenditures over appropriations are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
General Government			
Executive and finance	\$ 58,800	\$ 74,378	\$ (15,578)
Circuit court	410,739	455,094	(44,355)
Family court commissioner	18,456	20,159	(1,703)
Budget and accounting manager	98,264	98,383	(119)
Coroner	49,159	64,241	(15,082)
Elections	19,781	24,719	(4,938)
Tax lister	58,300	58,744	(444)
Land information	-	74,597	(74,597)
Building and grounds	517,454	564,145	(46,691)
Public Safety			
Sheriff's department	1,878,140	1,978,584	(100,444)
Emergency government	80,617	81,327	(710)
Health and Human Services			
Veterans services	135,992	136,949	(957)
WIC	101,617	134,125	(32,508)
Oral health	59,177	67,396	(8,219)
Benefit specialist	65,603	79,173	(13,570)
Dog license	31,165	72,960	(41,795)
Culture, Recreation and Education			
Library	298,791	302,344	(3,553)
Tourism department	101,584	105,516	(3,932)
County ATV trails	24,097	24,908	(811)
County walking trails	4,610	10,721	(6,111)
Conservation and Development			
County dams	50,297	56,555	(6,258)
Zoning	147,984	158,903	(10,919)
State forestry	43,092	43,209	(117)
Capital Outlay			
Building and grounds	14,000	294,803	(280,803)
Information technology	-	101,369	(101,369)
Land information	-	8,357	(8,357)
Sheriff	92,764	213,347	(120,583)
Airport	-	6,350	(6,350)

See independent auditors' report.

SUPPLEMENTARY INFORMATION

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2014

	General Fund	Capital Improvements	Commission on Aging	Health Department	Veterans Relief	Veterans Service	Price County Library Service	Airport
ASSETS								
Cash	\$ 2,803,410	\$ 381,934	\$ 528,320	\$ 502,032	\$ 16,454	\$ 26,367	\$ 66,117	\$ (326,157)
Taxes receivable	3,144,638	-	128,475	477,295	7,489	128,458	306,602	87,726
Delinquent personal property taxes receivable	850,375	-	-	-	-	-	-	-
Other receivable	204,222	-	17,998	-	-	-	-	-
Due from other governments	356,516	-	-	105,946	-	-	-	-
Due from other funds	704,246	-	-	-	-	-	-	-
Inventories and prepaid items	235,268	-	-	-	-	-	-	46,073
Advances to other funds	612,500	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 8,911,175	\$ 381,934	\$ 674,793	\$ 1,085,273	\$ 23,943	\$ 154,825	\$ 372,719	\$ (192,358)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 140,555	\$ -	\$ 14,810	\$ 6,307	\$ -	\$ 1,064	\$ 155	\$ 2,708
Accrued liabilities	232,440	-	4,724	18,739	-	2,660	168	2,431
Due to other governments	130,999	-	-	-	-	-	-	-
Deposits	67,618	-	-	-	-	-	-	-
Total Liabilities	571,612	-	19,534	25,046	-	3,724	323	5,139
Deferred Inflows of Resources								
Unearned revenues	3,397,056	-	128,475	477,295	7,489	128,458	306,602	87,726
Unavailable revenues	200,750	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	3,597,806	-	128,475	477,295	7,489	128,458	306,602	87,726
Fund Balances (Deficit)								
Nonspendable	1,497,393	-	-	-	-	-	-	46,073
Restricted	163,513	-	77,604	91,521	-	-	-	-
Committed	-	381,934	-	-	-	-	-	-
Assigned	12,118	-	449,180	491,411	16,454	22,643	65,794	-
Unassigned (deficit)	3,068,733	-	-	-	-	-	-	(331,296)
Total Fund Balances (Deficit)	4,741,757	381,934	526,784	582,932	16,454	22,643	65,794	(285,223)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,911,175	\$ 381,934	\$ 674,793	\$ 1,085,273	\$ 23,943	\$ 154,825	\$ 372,719	\$ (192,358)

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2014

	State Forestry	Dog Licenses	Capital Projects	Total Combined General Fund
ASSETS				
Cash	\$ (48,594)	\$ (29,827)	\$ 15,194	\$ 3,935,250
Taxes receivable	-	23,086	-	4,303,769
Delinquent personal property taxes receivable	-	-	-	850,375
Other receivable	-	-	-	222,220
Due from other governments	-	-	-	462,462
Due from other funds	-	-	-	704,246
Inventories and prepaid items	-	-	-	281,341
Advances to other funds	-	-	-	612,500
TOTAL ASSETS	\$ (48,594)	\$ (6,741)	\$ 15,194	\$ 11,372,163
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 2,408	\$ 46,992	\$ 214,999
Accrued liabilities	965	16	-	262,143
Due to other governments	-	359	-	131,358
Deposits	-	-	-	67,618
Total Liabilities	<u>965</u>	<u>2,783</u>	<u>46,992</u>	<u>676,118</u>
Deferred Inflows of Resources				
Unearned revenues	-	23,086	-	4,556,187
Unavailable revenues	-	-	-	200,750
Total Deferred Inflows of Resources	<u>-</u>	<u>23,086</u>	<u>-</u>	<u>4,756,937</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	1,543,466
Restricted	-	-	-	332,638
Committed	-	-	-	381,934
Assigned	-	-	-	1,057,600
Unassigned (deficit)	<u>(49,559)</u>	<u>(32,610)</u>	<u>(31,798)</u>	<u>2,623,470</u>
Total Fund Balances (Deficit)	<u>(49,559)</u>	<u>(32,610)</u>	<u>(31,798)</u>	<u>5,939,108</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ (48,594)	\$ (6,741)	\$ 15,194	\$ 11,372,163

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
As of December 31, 2014

	General Fund	Capital Improvements	Commission on Aging	Health Department	Veterans Relief	Veterans Service	Price County Library Service	Airport
REVENUES								
Taxes	\$ 4,381,267	\$ -	\$ 140,547	\$ 476,791	\$ 7,489	\$ 127,492	\$ 298,671	\$ 87,379
Intergovernmental	1,516,974	70,710	247,448	761,737	-	8,500	-	-
Licenses and permits	80,587	-	-	-	-	-	-	-
Fines, forfeitures and penalties	127,437	-	-	-	-	-	-	-
Public charges for services	1,394,659	-	107,030	75,256	205	-	-	140,550
Miscellaneous	286,804	-	-	-	-	-	196	21,388
Total Revenues	<u>7,787,728</u>	<u>70,710</u>	<u>495,025</u>	<u>1,313,784</u>	<u>7,694</u>	<u>135,992</u>	<u>298,867</u>	<u>249,317</u>
EXPENDITURES								
Current								
General government	2,489,282	-	-	-	-	-	-	-
Public safety	2,917,268	-	-	-	-	-	-	-
Public works	9,000	-	-	-	-	-	-	255,946
Health and human services	265,542	-	434,294	1,223,803	7,213	136,949	-	-
Culture, recreation and education	626,947	-	-	-	-	-	302,344	-
Conservation and development	857,435	-	-	-	-	-	-	-
Capital Outlay	208,847	-	-	-	-	-	-	6,350
Total Expenditures	<u>7,374,321</u>	<u>-</u>	<u>434,294</u>	<u>1,223,803</u>	<u>7,213</u>	<u>136,949</u>	<u>302,344</u>	<u>262,296</u>
Excess (deficiency) of revenues over expenditures	<u>413,407</u>	<u>70,710</u>	<u>60,731</u>	<u>89,981</u>	<u>481</u>	<u>(957)</u>	<u>(3,477)</u>	<u>(12,979)</u>
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	-	-	-
Transfers in	7,479	188,263	-	-	-	-	-	-
Transfers out	(188,455)	(147,654)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(180,976)</u>	<u>40,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>232,431</u>	<u>111,319</u>	<u>60,731</u>	<u>89,981</u>	<u>481</u>	<u>(957)</u>	<u>(3,477)</u>	<u>(12,979)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>4,509,326</u>	<u>270,615</u>	<u>466,053</u>	<u>492,951</u>	<u>15,973</u>	<u>23,600</u>	<u>69,271</u>	<u>(272,244)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,741,757</u>	<u>\$ 381,934</u>	<u>\$ 526,784</u>	<u>\$ 582,932</u>	<u>\$ 16,454</u>	<u>\$ 22,643</u>	<u>\$ 65,794</u>	<u>\$ (285,223)</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
As of December 31, 2014

	State Forestry	Dog Licenses	Capital Projects	Eliminations	Total Combined General Fund
REVENUES					
Taxes	\$ -	\$ 20,740	\$ -	\$ -	\$ 5,540,376
Intergovernmental	40,410	-	-	-	2,645,779
Licenses and permits	-	9,342	-	-	89,929
Fines, forfeitures and penalties	-	-	-	-	127,437
Public charges for services	-	-	-	-	1,717,700
Miscellaneous	-	-	-	-	308,388
Total Revenues	<u>40,410</u>	<u>30,082</u>	<u>-</u>	<u>-</u>	<u>10,429,609</u>
EXPENDITURES					
Current					
General government	-	-	-	-	2,489,282
Public safety	-	-	-	-	2,917,268
Public works	-	-	-	-	264,946
Health and human services	-	72,960	-	-	2,140,761
Leisure activities	-	-	-	-	929,291
Conservation and development	43,209	-	-	-	900,644
Capital Outlay	-	-	494,148	-	709,345
Total Expenditures	<u>43,209</u>	<u>72,960</u>	<u>494,148</u>	<u>-</u>	<u>10,351,537</u>
Excess (deficiency) of revenues over expenditures	<u>(2,799)</u>	<u>(42,878)</u>	<u>(494,148)</u>	<u>-</u>	<u>78,072</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	65,000	-	65,000
Transfers in	-	-	-	(195,742)	-
Transfers out	-	-	-	195,742	(140,367)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>(75,367)</u>
Net change in fund balance	<u>(2,799)</u>	<u>(42,878)</u>	<u>(429,148)</u>	<u>-</u>	<u>2,705</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(46,760)</u>	<u>10,268</u>	<u>397,350</u>	<u>-</u>	<u>5,936,403</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (49,559)</u>	<u>\$ (32,610)</u>	<u>\$ (31,798)</u>	<u>\$ -</u>	<u>\$ 5,939,108</u>

PRICE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2014

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Clerk of Courts</u>	<u>Protective Payee</u>	<u>District Attorney</u>	<u>Totals</u>
ASSETS						
Cash and investments	\$ -	\$ 8,032	\$ 76,513	\$ 12,670	\$ 16,413	\$ 113,628
Taxes receivable	<u>247,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,858</u>
TOTAL ASSETS	<u>\$ 247,858</u>	<u>\$ 8,032</u>	<u>\$ 76,513</u>	<u>\$ 12,670</u>	<u>\$ 16,413</u>	<u>\$ 361,486</u>
LIABILITIES						
Due to other governments	\$ 247,858	\$ -	\$ -	\$ -	\$ -	\$ 247,858
Deposits	<u>-</u>	<u>8,032</u>	<u>76,513</u>	<u>12,670</u>	<u>16,413</u>	<u>113,628</u>
TOTAL LIABILITIES	<u>\$ 247,858</u>	<u>\$ 8,032</u>	<u>\$ 76,513</u>	<u>\$ 12,670</u>	<u>\$ 16,413</u>	<u>\$ 361,486</u>