

PRICE COUNTY

Phillips, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

PRICE COUNTY

TABLE OF CONTENTS As of and for the Year Ended December 31, 2015

	<u>Page(s)</u>
Independent Auditors' Report	i - iii
Required Supplementary Information	
Management's Discussion and Analysis	iv - xiv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2 - 3
Fund Financial Statements	
Balance Sheet - Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Position - Proprietary Fund	8 - 9
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	10
Statement of Cash Flows - Proprietary Fund	11 - 12
Statement of Assets and Liabilities - Agency Funds	13
Index to Notes to Financial Statements	14
Notes to Financial Statements	15 - 48
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Combined General Fund	49 - 51
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Human Services Fund	52
Other Postemployment Benefits Plan - Schedule of Funding Progress	53
Schedule of Employer's Proportionate Share of the Net Pension Asset - Wisconsin Retirement System (WRS)	54
Schedule of Employer Contributions - Wisconsin Retirement System (WRS)	54
Notes to Required Supplementary Information	55

PRICE COUNTY

TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2015

	<u>Page(s)</u>
Supplementary Information	
Combining Balance Sheet - General Fund	56 - 57
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance (Deficit) - General Fund	58 - 59
Combining Statement of Net Position - Highway Fund	60
Combining Statement of Revenues, Expenses, and Changes in Net Position - Highway Fund	61
Combining Statement of Assets and Liabilities - Agency Funds	62

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, 2015, 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, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, Price County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of funding progress, schedule of employer's proportionate share of the net pension asset, and schedule of employer contributions 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, highway 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, highway 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 August 25, 2016 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

August 25, 2016

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2015

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, 2015. 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 \$1,119,168.
- > The County decreased the amount of outstanding general obligation debt by \$145,582.
- > In governmental funds, the total fund balances increased by \$1,794,582, while net position in the highway department enterprise fund increased by \$11,565.
- > The County implemented GASB Statement Nos. 68 and 71 for pension reporting. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local government employers about financial support for pensions that are provided by other entities. See Note IV.A. to the financial statements for more information about the County's pension reporting.

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 outflows of resources, liabilities and deferred inflows of resources, 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.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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.
- > 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, 2015

FINANCIAL ANALYSIS

THE COUNTY AS A WHOLE

Net position: The County's combined net position was \$43,502,691 on December 31, 2015.

The largest portion of the County's net position (76%) 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 \$9,886,510 at the end of this year.

Table 1
Net Position

December 31, 2015 and 2014

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Current and other assets	\$ 16,758,731	\$ 13,724,456	\$ 3,988,070	\$ 4,562,078
Capital assets	29,690,709	29,751,141	4,314,967	3,735,887
Total Assets	46,449,440	43,475,597	8,303,037	8,297,965
Deferred Outflows of Resources	1,020,298	-	217,951	-
Liabilities	1,582,524	1,161,033	249,292	246,016
Noncurrent liabilities	1,456,886	1,457,934	647,645	775,537
Total Liabilities	3,039,410	2,618,967	896,937	1,021,553
Deferred Inflows of Resources	6,602,824	6,286,915	1,948,864	1,922,097
Net Position				
Invested in capital assets, net of related debt	29,210,433	28,953,514	3,789,967	3,085,887
Restricted	401,870	335,807	213,911	-
Unrestricted	8,215,201	5,280,394	1,671,309	2,268,428
Total Net Position	<u>\$ 37,827,504</u>	<u>\$ 34,569,715</u>	<u>\$ 5,675,187</u>	<u>\$ 5,354,315</u>

Governmental activities net position increased by \$1,231,482. This was due mainly to an increase in County forest stumpage revenues in 2015.

Business-type activities total net position decreased by \$112,314 directly due to the loss in the health insurance internal service fund that is allocated to the highway fund.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2015

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, 2015 and 2014

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues				
Program revenues				
Charges for services	\$ 3,802,697	\$ 2,506,143	\$ 1,739,958	\$ 2,115,362
Operating grants and contributions	3,564,756	3,619,634	664,096	653,475
Capital grants and contributions	345,336	2,313,603	-	-
General revenues				
Property taxes	6,017,923	6,237,206	1,860,817	1,906,207
Sales tax	1,236,500	1,267,729	-	-
Grants and contributions not restricted to specific programs	597,006	597,667	-	-
Gain on disposal of assets	-	-	27,636	-
Other	56,267	206,184	34,336	-
Total Revenues	15,620,485	16,748,166	4,326,843	4,675,044
Expenses				
General government	2,950,232	2,923,887	-	-
Public safety	3,324,919	3,314,711	-	-
Public works	1,517,364	1,278,438	-	-
Health and human services	5,756,770	5,894,427	-	-
Culture, recreation and education	936,757	930,208	-	-
Conservation and development	1,074,879	1,056,555	-	-
Interest and fiscal charges	14,607	27,264	-	-
Highway	-	-	3,252,632	4,053,596
Total Expenses	15,575,528	15,425,490	3,252,632	4,053,596
Change in position from operations	44,957	1,322,676	1,074,211	621,448
Transfers	1,186,525	37,708	(1,186,525)	(37,708)
Change in net position	1,231,482	1,360,384	(112,314)	583,740
* Net Position – Beginning of Year	36,596,022	33,209,331	5,787,501	4,770,575
Net Position – End of Year	\$ 37,827,504	\$ 34,569,715	\$ 5,675,187	\$ 5,354,315

**Net position as of the beginning of the year has been restated due to the implementation of GASB Statements No. 68 and 71.*

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

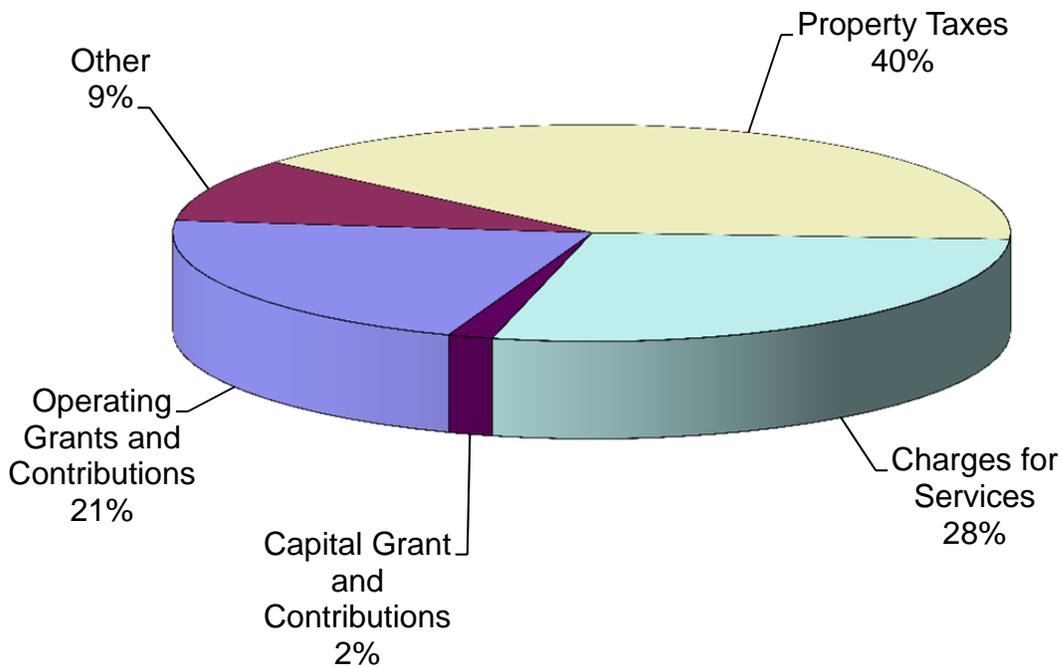
For the Year Ended December 31, 2015

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The County's total revenues were \$19,947,328 for the year ended December 31, 2015. Property taxes accounted for 40% of total revenues for the year (See Figure 1). Another 51% came from other program revenues and the remainder from other general revenues.

Figure 1: Sources of Price County, Wisconsin's Revenues for Fiscal Year 2015



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

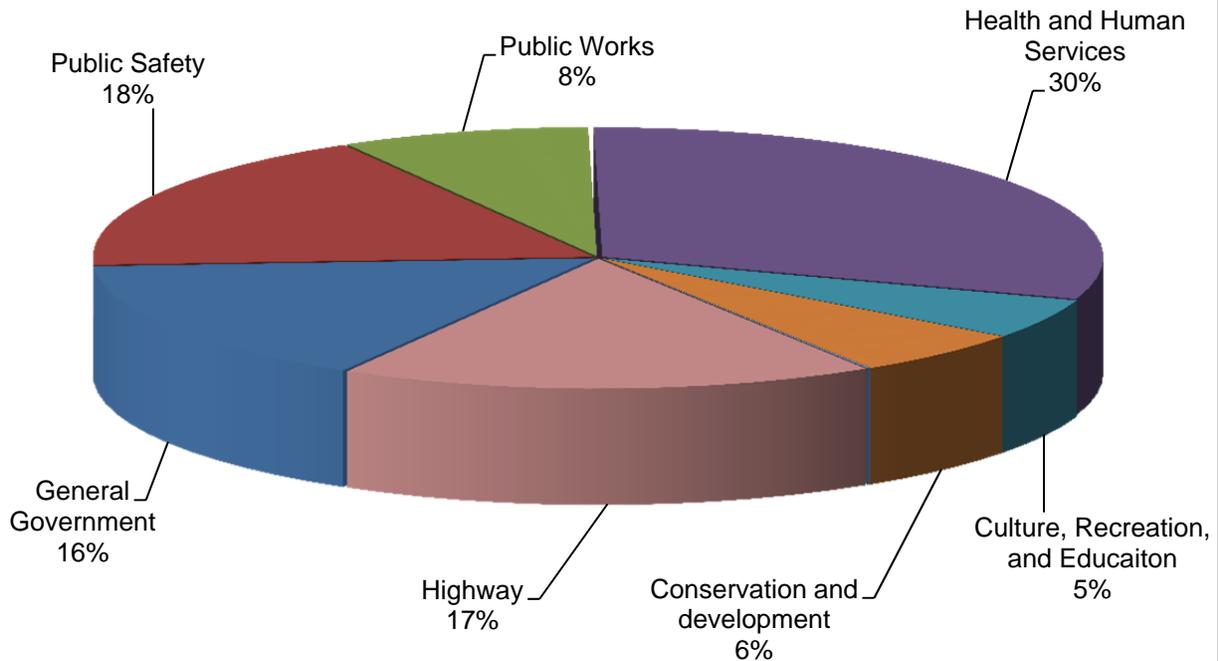
For the Year Ended December 31, 2015

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The total cost of all programs and services was \$18,828,160. 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 2015



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2015

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, 2015 and 2014

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Governmental Type				
General government	\$ 2,950,232	\$ 2,923,887	\$ (2,497,202)	\$ (2,495,666)
Public safety	3,324,919	3,314,711	(3,130,836)	(3,113,261)
Public works	1,517,364	1,278,438	(1,175,751)	1,003,331
Health and human services	5,756,770	5,894,427	(2,155,044)	(2,257,178)
Culture, recreation and education	936,757	930,208	(798,771)	(804,013)
Conservation and development	1,074,879	1,056,555	1,909,472	707,941
Interest and fiscal charges	14,607	27,264	(14,607)	(27,264)
Business-type – highway	<u>3,252,632</u>	<u>4,053,596</u>	<u>(848,578)</u>	<u>(1,284,759)</u>
Totals	<u>\$ 18,828,160</u>	<u>\$ 19,479,086</u>	<u>\$ (8,711,317)</u>	<u>\$ (8,270,869)</u>

- > The cost of all governmental activities this year was \$15,575,528.
- > Some of the governmental cost totaling \$3,802,697 was paid by users of the County's governmental programs. Operating grants and intergovernmental revenues not restricted to specific programs totaled \$4,161,762.
- > Other sources of revenue included capital grants and contributions of \$345,336, investment income of \$33,812 and miscellaneous income of \$22,455.
- > The remainder of the County's governmental costs of \$7,209,466, however, was paid for by the County taxpayers and taxpayers of our state.
- > The cost of all business-type activities was \$3,252,632.
- > Some of the costs totaling \$1,739,958 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, 2015

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL FUNDS

The County completed the year with a total governmental fund balance of \$6,898,789.

- > The general fund had an increase in fund balance of \$1,819,291.
- > The human services fund had revenues of \$3,516,679 and expenditures of \$3,541,075, resulting in a \$24,396 decrease for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Public charges for services for 2015 exceeded budget estimates by \$1,448,847. The increase in revenue is due to County forest stumpage having a record setting year. The higher than normal year is due to timber sale activity being high with many contractors actively cutting in the County forest. Timber sales were sold at a higher price than average as well.

Sheriff department expenditures exceeded budget by \$90,385 largely due to under budgeting wages and benefits for the department. When developing the budget for wages and benefits in the Sheriff's department, it is difficult to foresee any big cases that may arise throughout the year. These larger cases require more staff to be present at one time, causing overtime. This extra staffing and overtime leads to a large increase in the wage expense for the department.

General public health expenditures were under budget by \$90,777 primarily due to a change in personnel. The department replaced an individual that was full time and carried family health insurance with an individual that is full time and only single health insurance plan. While in the process of recruiting and replacing the previous employee the department had several months of no wage or health insurance cost for this position. Some line items were also underspent due to new grant funding that covered expenses that had been budgeted for under general public health. Finally, we anticipated a rent increase for the Park Falls Outreach Office which did not happen.

County snowmobile trails expenditures exceeded budget by \$89,737, largely due to an increase in state aid for County snowmobile trails allowing the County to spend more on trails. County snowmobile trails have a zero impact on the County levy due to the fact that the department only spends based on what income they receive from the state.

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, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the 2015 year, the County had invested over \$66 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 \$26 million for governmental activities and approximated \$6 million for business-type activities.

- > Asset acquisitions totaled \$1,749,945 for governmental activities and \$981,275 for business-type activities.
- > The County recognized depreciation expense of \$1,788,270 for the governmental activities and \$375,139 for business-type activities during the fiscal year.

Table 4
Capital Assets

December 31, 2015 and 2014

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 2,629,677	\$ 2,560,864	\$ 5,131	\$ 5,131
Building and improvements	8,843,253	8,843,253	3,149,959	3,041,258
Machinery and equipment	4,712,336	4,657,658	7,644,135	6,956,575
Infrastructure	38,747,740	37,195,379	-	-
Accumulated depreciation	(25,242,297)	(23,506,013)	(6,484,258)	(6,267,077)
Total Capital Assets	<u>\$ 29,690,709</u>	<u>\$ 29,751,141</u>	<u>\$ 4,314,967</u>	<u>\$ 3,735,887</u>

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end the County had \$2,104,531 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, 2015 and 2014

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation notes	\$ 728,545	\$ 749,127	\$ -	\$ -
General obligation bonds	-	-	525,000	650,000
Capital leases	35,620	48,500	-	-
Compensated absences	550,526	544,358	122,645	125,537
Net OPEB obligation	<u>142,195</u>	<u>115,949</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,456,886</u>	<u>\$ 1,457,934</u>	<u>\$ 647,645</u>	<u>\$ 775,537</u>

- > The County retired \$480,582 of outstanding general obligation debt.
- > The County issued \$335,000 of notes payable.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2015

FACTORS BEARING ON THE COUNTY'S FUTURE

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

A progressive increase in economic activity was realized again by the County, as sales tax revenues continued to improve in 2015 and into 2016. 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 2015 and 2016. The same will be the case in 2017, being the fourth consecutive year with a zero levy cap. We have been able to balance our budget in 2015 and 2016 because of increased timber sales and increased sales tax revenue.

The unknown health care environment created by the implementation of the Affordable Care Act has largely created a burden on the County. Our health insurance fund has dwindled away, leaving a small balance. The County's self-funded health insurance costs have increased and the County will need to look at options going into 2017 to rebuild an acceptable balance in the health insurance fund.

One of our major revenue sources, timber stumpage, was exceptionally good in 2015 and, has stabilized slightly above the average so far in 2016. There is an estimated \$3.3 million of outstanding timber stumpage contracts that are to be fulfilled within three years, with an anticipated fall sale bringing in an additional \$600,000 in timber stumpage contracts.

Highway continues to see an increase in funding for State highway maintenance. The Highway Commissioner has developed policies that coincide with state requirements, maximizing County's reimbursement. In 2015 the Highway and Transportation Committee created a dedicated fund and a policy for how equipment purchasing is done. This gives the Commissioner an ability to effectively use County funds to purchase equipment needed for operation. The County continues to work on allocating sufficient funding to properly maintain and improve County roads. Modest progress in 2015 and 2016 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.

Funding for the Child Support Agency was once again returned to the State budget which ensures adequate funding at the County level for their services in the future.

The County will begin to look at options for a capital project to remodel the Safety Building. This is a project that County views must be done to better protect and serve the citizens of Price County. In 2016, the County will mark its first year of implementing the County Administrator position. The position has proven to be a success from a management prospective. The County Administrator has restructured departments to create efficient use of employee time and generate cost savings to the County.

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, 2015

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 6,984,427	\$ 1,228,972	\$ 8,213,399
Receivables			
Taxes receivable	6,088,252	1,860,817	7,949,069
Delinquent personal property taxes	808,145	-	808,145
Other receivables	136,900	11,607	148,507
Due from other governmental units	773,058	527,282	1,300,340
Internal balances	698,260	(698,260)	-
Inventories and prepaid items	269,082	843,741	1,112,823
Restricted assets			
Net pension asset	1,000,607	213,911	1,214,518
Capital Assets (net of accumulated depreciation)			
Land	2,629,677	5,131	2,634,808
Other capital assets, net of depreciation	<u>27,061,032</u>	<u>4,309,836</u>	<u>31,370,868</u>
Total Assets	<u>46,449,440</u>	<u>8,303,037</u>	<u>54,752,477</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>1,020,298</u>	<u>217,951</u>	<u>1,238,249</u>
Total Deferred Outflows of Resources	<u>1,020,298</u>	<u>217,951</u>	<u>1,238,249</u>
LIABILITIES			
Accounts payable	447,455	195,864	643,319
Accrued liabilities	668,703	53,428	722,131
Due to other governmental units	422,851	-	422,851
Deposits	43,515	-	43,515
Noncurrent Liabilities			
Due within one year	832,553	220,272	1,052,825
Due in more than one year	<u>624,333</u>	<u>427,373</u>	<u>1,051,706</u>
Total Liabilities	<u>3,039,410</u>	<u>896,937</u>	<u>3,936,347</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>6,602,824</u>	<u>1,948,864</u>	<u>8,551,688</u>
Total Deferred Inflows of Resources	<u>6,602,824</u>	<u>1,948,864</u>	<u>8,551,688</u>
NET POSITION			
Net investment in capital assets	29,210,433	3,789,967	33,000,400
Restricted	401,870	213,911	615,781
Unrestricted	<u>8,215,201</u>	<u>1,671,309</u>	<u>9,886,510</u>
TOTAL NET POSITION	<u>\$ 37,827,504</u>	<u>\$ 5,675,187</u>	<u>\$ 43,502,691</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,950,232	\$ 291,330	\$ 161,700	\$ -
Public safety	3,324,919	105,628	49,878	38,577
Public works	1,517,364	114,077	-	227,536
Health and human services	5,756,770	734,127	2,867,599	-
Culture, education and recreation	936,757	137,986	-	-
Conservation and development	1,074,879	2,419,549	485,579	79,223
Interest and fiscal charges	14,607	-	-	-
Total Governmental Activities	<u>15,575,528</u>	<u>3,802,697</u>	<u>3,564,756</u>	<u>345,336</u>
Business-type Activities				
Highway department	<u>3,252,632</u>	<u>1,739,958</u>	<u>664,096</u>	<u>-</u>
Total Business-type Activities	<u>3,252,632</u>	<u>1,739,958</u>	<u>664,096</u>	<u>-</u>
Totals	<u>\$ 18,828,160</u>	<u>\$ 5,542,655</u>	<u>\$ 4,228,852</u>	<u>\$ 345,336</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

Gain on disposal of assets

Miscellaneous

Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year (as restated)

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>
\$ (2,497,202)	\$ -	\$ (2,497,202)
(3,130,836)	-	(3,130,836)
(1,175,751)	-	(1,175,751)
(2,155,044)	-	(2,155,044)
(798,771)	-	(798,771)
1,909,472	-	1,909,472
<u>(14,607)</u>	<u>-</u>	<u>(14,607)</u>
<u>(7,862,739)</u>	<u>-</u>	<u>(7,862,739)</u>
<u>-</u>	<u>(848,578)</u>	<u>(848,578)</u>
<u>-</u>	<u>(848,578)</u>	<u>(848,578)</u>
<u>(7,862,739)</u>	<u>(848,578)</u>	<u>(8,711,317)</u>
4,298,937	-	4,298,937
1,346,447	-	1,346,447
372,539	-	372,539
-	1,860,817	1,860,817
1,236,500	-	1,236,500
597,006	-	597,006
33,812	-	33,812
-	27,636	27,636
<u>22,455</u>	<u>34,336</u>	<u>56,791</u>
<u>7,907,696</u>	<u>1,922,789</u>	<u>9,830,485</u>
<u>1,186,525</u>	<u>(1,186,525)</u>	<u>-</u>
1,231,482	(112,314)	1,119,168
<u>36,596,022</u>	<u>5,787,501</u>	<u>42,383,523</u>
<u>\$ 37,827,504</u>	<u>\$ 5,675,187</u>	<u>\$ 43,502,691</u>

See accompanying notes to financial statements.

PRICE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2015

	<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	\$ 6,571,229	\$ -	\$ -	\$ 6,571,229
Receivables				
Taxes	4,217,249	1,471,003	400,000	6,088,252
Delinquent personal property taxes	808,145	-	-	808,145
Other receivables	134,154	-	-	134,154
Due from other governments	554,306	218,752	-	773,058
Due from other funds	653,853	-	-	653,853
Inventories and prepaid items	179,082	-	-	179,082
Advances to other funds	<u>525,000</u>	<u>-</u>	<u>-</u>	<u>525,000</u>
TOTAL ASSETS	<u>\$ 13,643,018</u>	<u>\$ 1,689,755</u>	<u>\$ 400,000</u>	<u>\$ 15,732,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 212,680	\$ 234,775	\$ -	\$ 447,455
Accrued liabilities	277,742	50,111	-	327,853
Due to other governments	310,736	112,115	-	422,851
Due to other funds	108,507	681,048	313	789,868
Deposits	<u>43,515</u>	<u>-</u>	<u>-</u>	<u>43,515</u>
Total Liabilities	<u>953,180</u>	<u>1,078,049</u>	<u>313</u>	<u>2,031,542</u>
Deferred Inflows of Resources				
Unearned revenues	4,731,821	1,471,003	400,000	6,602,824
Unavailable revenues	<u>199,618</u>	<u>-</u>	<u>-</u>	<u>199,618</u>
Total Deferred Inflows of Resources	<u>4,931,439</u>	<u>1,471,003</u>	<u>400,000</u>	<u>6,802,442</u>
Fund Balances				
Nonspendable	1,966,149	-	-	1,966,149
Restricted	682,585	3,174	-	685,759
Committed	398,694	-	-	398,694
Assigned	1,122,057	-	-	1,122,057
Unassigned (deficit)	<u>3,588,914</u>	<u>(862,471)</u>	<u>(313)</u>	<u>2,726,130</u>
Total Fund Balances	<u>7,758,399</u>	<u>(859,297)</u>	<u>(313)</u>	<u>6,898,789</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 13,643,018</u>	<u>\$ 1,689,755</u>	<u>\$ 400,000</u>	<u>\$ 15,732,773</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, 2015

Total Fund Balances - Governmental Funds	\$ 6,898,789
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	2,629,677
Other capital assets	52,303,329
Less: Accumulated depreciation	(25,242,297)

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.

	199,618
--	---------

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.

	1,000,607
--	-----------

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.

	1,020,298
--	-----------

Internal service funds are reported in the statement of net position as governmental activities.

	477,161
--	---------

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

Bonds and notes payable	(728,545)
Compensated absences	(550,526)
Accrued interest	(2,792)
Lease payable	(35,620)
Other post-employment benefits	(142,195)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 37,827,504</u>
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PRICE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Combined General Fund</u>	<u>Human Services Fund</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 5,536,569	\$ 1,346,447	\$ 372,539	\$ 7,255,555
Intergovernmental	2,609,725	1,650,069	-	4,259,794
Licenses and permits	98,353	-	-	98,353
Fines, forfeitures and penalties	131,186	-	-	131,186
Public charges for services	2,999,950	520,088	-	3,520,038
Miscellaneous	<u>143,730</u>	<u>75</u>	-	<u>143,805</u>
Total Revenues	<u>11,519,513</u>	<u>3,516,679</u>	<u>372,539</u>	<u>15,408,731</u>
EXPENDITURES				
Current				
General government	2,541,231	-	-	2,541,231
Public safety	2,953,483	-	-	2,953,483
Public works	223,445	-	-	223,445
Health and human services	2,073,241	3,541,075	-	5,614,316
Culture, recreation and education	929,079	-	-	929,079
Conservation and development	871,769	-	-	871,769
Capital Outlay	304,674	-	-	304,674
Debt Service				
Principal	-	-	355,582	355,582
Interest and fiscal charges	-	-	<u>17,270</u>	<u>17,270</u>
Total Expenditures	<u>9,896,922</u>	<u>3,541,075</u>	<u>372,852</u>	<u>13,810,849</u>
Excess (deficiency) of revenues over expenditures	<u>1,622,591</u>	<u>(24,396)</u>	<u>(313)</u>	<u>1,597,882</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	335,000	-	-	335,000
Transfers out	<u>(138,300)</u>	-	-	<u>(138,300)</u>
Total Other Financing Sources (Uses)	<u>196,700</u>	-	-	<u>196,700</u>
Net Change in Fund Balances	1,819,291	(24,396)	(313)	1,794,582
FUND BALANCES (DEFICIT) - Beginning of Year	<u>5,939,108</u>	<u>(834,901)</u>	-	<u>5,104,207</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 7,758,399</u>	<u>\$ (859,297)</u>	<u>\$ (313)</u>	<u>\$ 6,898,789</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, 2015

Net change in fund balances - total governmental funds	\$	1,794,582
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		304,674
Some items reported as capital outlay were not capitalized		(107,090)
Capital assets transferred from business-type activities - infrastructure financed by the highway fund		1,324,825
Depreciation is reported in the government-wide financial statements		(1,788,270)
Net book value of assets retired		(22,107)
Contributed capital assets are reported as revenues in the government-wide financial statements.		227,536
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.		(1,132)
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		(335,000)
Principal repaid		355,582
Lease principal repaid		12,880
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.		
Compensated absences		(6,168)
Other post-employment benefits liability		(26,246)
Accrued interest on debt		2,663
Net pension asset and pension related deferred outflows of resources		(5,402)
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities		(499,845)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,231,482</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2015

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
ASSETS		
Current Assets		
Cash and investments	\$ 1,228,972	\$ 413,198
Receivables		
Taxes	1,860,817	-
Accounts	11,607	2,746
Due from other governments	527,282	-
Inventories and prepaid items	843,741	90,000
Due from other funds	-	164,655
Total Current Assets	4,472,419	670,599
Noncurrent Assets		
Restricted Assets		
Net pension asset	213,911	-
Capital Assets		
Land	5,131	-
Capital assets being depreciated	10,794,094	-
Less: Accumulated depreciation	(6,484,258)	-
Total Noncurrent Assets	4,528,878	-
Total Assets	9,001,297	670,599
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	217,951	-
Total Deferred Outflows of Resources	217,951	-

See accompanying notes to financial statements.

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 195,864	\$ -
Accrued wages	50,728	-
Due to other funds	28,640	-
Health insurance claims payable	-	338,058
Current portion of compensated absences	95,272	-
Accrued interest	2,700	-
Current portion of advances	87,500	-
Current portion of bonds payable	125,000	-
Total Current Liabilities	585,704	338,058
Noncurrent Liabilities		
Long-Term Debt		
Compensated absences	27,373	-
Advances from other funds	437,500	-
Bonds payable	400,000	-
Total Noncurrent Liabilities	864,873	-
Total Liabilities	1,450,577	338,058
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	1,948,864	-
Total Deferred Inflows of Resources	1,948,864	-
NET POSITION		
Net investment in capital assets	3,789,967	-
Restricted for		
Pension	213,911	-
Unrestricted	1,815,929	332,541
TOTAL NET POSITION	5,819,807	\$ 332,541
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	(144,620)	
NET POSITION BUSINESS-TYPE ACTIVITIES	\$ 5,675,187	

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, 2015

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
OPERATING REVENUES	<u>\$ 1,739,958</u>	<u>\$ 2,284,073</u>
OPERATING EXPENSES		
Operation and maintenance	2,740,939	-
Depreciation	375,139	-
Claims and insurance expenses	-	2,910,789
Total Operating Expenses	<u>3,116,078</u>	<u>2,910,789</u>
Operating Income (Loss)	<u>(1,376,120)</u>	<u>(626,716)</u>
NONOPERATING REVENUES (EXPENSES)		
General property taxes	1,860,817	-
Intergovernmental grants	664,096	-
Interest and fiscal charges	(12,675)	-
Infrastructure construction expense for governmental activities	(1,324,825)	-
Investment income	-	2,992
Property sales	27,636	-
Miscellaneous	34,336	-
Total Nonoperating Revenues (Expenses)	<u>1,249,385</u>	<u>2,992</u>
Income (Loss) Before Transfers	<u>(126,735)</u>	<u>(623,724)</u>
TRANSFERS		
Transfers in	<u>138,300</u>	<u>-</u>
Total Transfers	<u>138,300</u>	<u>-</u>
Change in Net Position	11,565	(623,724)
NET POSITION - Beginning of Year (as restated)	<u>5,808,242</u>	<u>956,265</u>
NET POSITION - END OF YEAR	5,819,807	<u><u>\$ 332,541</u></u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>(123,879)</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ (112,314)</u></u>	

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2015

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 2,201,145	\$ 2,116,672
Paid to suppliers for goods and services	(1,581,533)	(2,799,663)
Paid to employees for services	(1,143,183)	-
Net Cash Flows From Operating Activities	<u>(523,571)</u>	<u>(682,991)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	2,992
Net Cash Flows From Investing Activities	<u>-</u>	<u>2,992</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
General property taxes	1,860,817	-
Intergovernmental grants received	664,096	-
Payments on advances from other funds	(87,500)	-
Transfer from other funds	138,300	-
Other nonoperating income	34,336	-
Net Cash Flows From Noncapital Financing Activities	<u>2,610,049</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt retired	(125,000)	-
Interest and fiscal charges paid	(13,300)	-
Proceeds from sale of capital assets	27,636	-
Infrastructure construction expenses paid for governmental activities	(1,324,825)	-
Acquisition and construction of capital assets	(953,593)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(2,389,082)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(302,604)	(679,999)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,531,576</u>	<u>1,093,197</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,228,972</u>	<u>\$ 413,198</u>

See accompanying notes to financial statements.

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,376,120)	\$ (626,716)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Depreciation	375,139	-
Changes in assets and liabilities		
Receivables	-	(2,746)
Due from other governments	428,960	(164,655)
Inventories and prepaid items	(8,664)	(90,000)
Accounts payable	5,554	-
Accrued wages	(1,654)	-
Health insurance claims payable	-	201,126
Due to other governments	28,640	-
Accrued compensated absences	(2,892)	-
Unearned revenue	26,767	-
Accrued interest	(625)	-
Pension related deferrals and asset	<u>1,324</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (523,571)</u>	<u>\$ (682,991)</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None

PRICE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 102,583
Taxes receivable	<u>254,503</u>
TOTAL ASSETS	<u><u>\$ 357,086</u></u>
LIABILITIES	
Due to other governments	\$ 254,503
Deposits	<u>102,583</u>
TOTAL LIABILITIES	<u><u>\$ 357,086</u></u>

See accompanying notes to financial statements.

PRICE COUNTY

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE	<u>Page</u>
I Summary of Significant Accounting Policies	15
A. Reporting Entity	15
B. Government-Wide and Fund Financial Statements	15
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	17
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	19
1. Deposits and Investments	19
2. Receivables	20
3. Inventories and Prepaid Items	21
4. Restricted Assets	22
5. Capital Assets	22
6. Deferred Outflows of Resources	23
7. Compensated Absences	23
8. Long-Term Obligations	23
9. Deferred Inflows of Resources	24
10. Equity Classifications	24
II Stewardship, Compliance, and Accountability	26
A. Excess Expenditures Over Appropriations	26
B. Limitations on the County's Tax Levy	26
III Detailed Notes on All Funds	26
A. Deposits and Investments	26
B. Receivables	28
C. Capital Assets	29
D. Interfund Receivables/Payables, Advances and Transfers	31
E. Long-Term Obligations	32
F. Lease Disclosures	35
G. Net Position/Fund Balances	35
H. Restatement of Net Position	37
IV Other Information	37
A. Employees' Retirement System	37
B. Risk Management	44
C. Commitments and Contingencies	45
D. Other Postemployment Benefits	46
E. Effect of New Accounting Standards on Current-Period Financial Statements	48

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the 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

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

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.

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 expenditure for the payment of general long-term debt principal, interest, and related costs.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Fund Financial Statements (cont.)

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.

Health Insurance

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

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 timbers 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.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

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.

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, 2015, 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 - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the county and appropriate receivables and payables are recorded. Tax collections become the responsibility of the county and taxes receivable include unpaid taxes levied for all taxing entities within the county. The county makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period are shown as unavailable revenue until they are received in cash.

The portion of county property taxes receivable at December 31, 2015, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as nonspendable fund balance in the general fund in the amount of \$608,527.

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.

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, 2015, the county has accrued two months of the subsequent year's collections as receivable.

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.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories and Prepaid Items (cont.)

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

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

5. 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.

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

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.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

7. 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, 2015, are determined on the basis of current salary rates and include salary related payments.

8. 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. *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.

10. *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.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements (cont.)

- 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 do not meet the criteria to be classified as restricted or committed. The Board of Supervisors has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. 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, 2015

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>
Debt Service Fund	\$ 372,539	\$ 372,852	\$ 313

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, 2015

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	\$ 7,949,434	\$ 8,216,462	Custodial credit risk
LGIP	364,668	364,668	Credit risk
Petty cash	1,880	-	N/A
 Total Deposits and Investments	 \$ 8,315,982	 \$ 8,581,130	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 8,213,399		
Per statement of assets and liabilities -			
agency funds			
Agency Funds	102,583		
 Total Deposits and Investments	 \$ 8,315,982		

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. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions 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 been considered in computing custodial credit risk.

The county maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$2,786,157 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

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.

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 \$509,184 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	\$ 6,078,839	\$ -
Delinquent property taxes receivable	-	199,618
Deposits	<u>523,985</u>	<u>-</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 6,602,824</u>	<u>\$ 199,618</u>

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, 2015, delinquent property taxes by year levied consists of the following:

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

B. RECEIVABLES (cont.)

	<u>Totals</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax Certificates			
2015	\$ 444,442	\$ 122,454	\$ 321,988
2014	239,239	63,596	175,643
2013	45,023	11,807	33,216
2012	5,738	1,400	4,338
2011 and prior	1,231	361	870
Tax deeds	<u>72,472</u>	<u>-</u>	<u>72,472</u>
 Total Delinquent Property Taxes Receivable	<u>\$ 808,145</u>	<u>\$ 199,618</u>	<u>\$ 608,527</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, 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	\$ 68,813	\$ -	\$ 2,629,677
Total Capital Assets Not Being Depreciated	<u>2,560,864</u>	<u>68,813</u>	<u>-</u>	<u>2,629,677</u>
Capital assets being depreciated				
Buildings and improvements	8,843,253	-	-	8,843,253
Machinery and equipment	4,657,658	128,771	74,093	4,712,336
Infrastructure	<u>37,195,379</u>	<u>1,552,361</u>	<u>-</u>	<u>38,747,740</u>
Total Capital Assets Being Depreciated	<u>50,696,290</u>	<u>1,681,132</u>	<u>74,093</u>	<u>52,303,329</u>
Total Capital Assets	<u>53,257,154</u>	<u>1,749,945</u>	<u>74,093</u>	<u>54,933,006</u>
Less: Accumulated depreciation for				
Buildings and improvements	(5,932,571)	(223,688)	-	(6,156,259)
Machinery and equipment	(2,612,485)	(380,244)	51,986	(2,940,743)
Infrastructure	<u>(14,960,957)</u>	<u>(1,184,338)</u>	<u>-</u>	<u>(16,145,295)</u>
Total Accumulated Depreciation	<u>(23,506,013)</u>	<u>(1,788,270)</u>	<u>51,986</u>	<u>(25,242,297)</u>
Net Capital Assets Being Depreciated	<u>27,190,277</u>	<u>(107,138)</u>	<u>22,107</u>	<u>27,061,032</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 29,751,141</u>	<u>\$ (38,325)</u>	<u>\$ 22,107</u>	<u>\$ 29,690,709</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 206,293
Public safety	157,775
Public works	1,293,725
Health and human services	1,177
Conservation and development	<u>129,300</u>
 Total Governmental Activities Depreciation Expense	 <u><u>\$ 1,788,270</u></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	3,041,258	119,697	10,996	3,149,959
Machinery and equipment	<u>6,956,575</u>	<u>861,578</u>	<u>174,018</u>	<u>7,644,135</u>
Total Capital Assets Being Depreciated	<u>9,997,833</u>	<u>981,275</u>	<u>185,014</u>	<u>10,794,094</u>
Total Capital Assets	<u>10,002,964</u>	<u>981,275</u>	<u>185,014</u>	<u>10,799,225</u>
Less: Accumulated depreciation for				
Buildings and improvements	(1,165,774)	(122,667)	-	(1,288,441)
Machinery and equipment	<u>(5,101,303)</u>	<u>(252,472)</u>	<u>157,958</u>	<u>(5,195,817)</u>
Total Accumulated Depreciation	<u>(6,267,077)</u>	<u>(375,139)</u>	<u>157,958</u>	<u>(6,484,258)</u>
Net Capital Assets Being Depreciated	<u>3,730,756</u>	<u>606,136</u>	<u>27,056</u>	<u>4,309,836</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 3,735,887</u></u>	<u><u>\$ 606,136</u></u>	<u><u>\$ 27,056</u></u>	<u><u>\$ 4,314,967</u></u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Highway department	<u>\$ 375,139</u>
 Total Business-type Activities Depreciation Expense	 <u><u>\$ 375,139</u></u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Human Services	\$ 653,540	\$ 653,540
General Fund	Debt Service	313	-
Health Insurance	General Fund	108,507	-
Health Insurance	Human Services	27,508	-
Health Insurance	Highway	<u>28,640</u>	-
Total - Fund Financial Statements		818,508	
Less: Fund eliminations		(789,868)	
Add: Interfund receivables created with internal service fund eliminations		144,620	
Add: Interfund advances		<u>525,000</u>	
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 698,260</u></u>	

The principal purpose of the interfunds owed to the general fund is to cover overdrafts in pooled cash. The principal purpose of the interfunds owed to the health insurance fund is the time lag between the dates that payments between funds are made.

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Highway	\$ <u>525,000</u>	\$ 437,500
Total		<u><u>\$ 525,000</u></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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Highway	General Fund	\$ 138,300	Capital improvements
Total		138,300	
Less: Infrastructure contributed by highway		<u>(1,324,825)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ (1,186,525)</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.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 749,127	\$ 335,000	\$ 355,582	\$ 728,545	\$ 380,480
Sub-totals	<u>749,127</u>	<u>335,000</u>	<u>355,582</u>	<u>728,545</u>	<u>380,480</u>
Other Liabilities					
Compensated absences - vacation	336,995	299,225	311,783	324,437	287,138
Compensated absences - sick leave	207,363	174,070	155,344	226,089	152,055
Other post-employment benefits	115,949	26,246	-	142,195	-
Capital lease	<u>48,500</u>	<u>-</u>	<u>12,880</u>	<u>35,620</u>	<u>12,880</u>
Total Other Liabilities	<u>708,807</u>	<u>499,541</u>	<u>480,007</u>	<u>728,341</u>	<u>452,073</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,457,934</u>	<u>\$ 834,541</u>	<u>\$ 835,589</u>	<u>\$ 1,456,886</u>	<u>\$ 832,553</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

E. LONG-TERM OBLIGATIONS (cont.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 650,000	\$ -	\$ 125,000	\$ 525,000	\$ 125,000
Sub-totals	<u>650,000</u>	<u>-</u>	<u>125,000</u>	<u>525,000</u>	<u>125,000</u>
Other Liabilities					
Compensated absences - vacation	60,255	-	710	59,545	52,995
Compensated absences - sick leave	<u>65,282</u>	<u>-</u>	<u>2,182</u>	<u>63,100</u>	<u>42,277</u>
Total Other Liabilities	<u>125,537</u>	<u>-</u>	<u>2,892</u>	<u>122,645</u>	<u>95,272</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 775,537</u>	<u>\$ -</u>	<u>\$ 127,892</u>	<u>\$ 647,645</u>	<u>\$ 220,272</u>

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, 2015, was \$69,562,280. Total general obligation debt outstanding at year end was \$1,253,545.

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.

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, 2015</u>
Promissory Note	12/1/2011	10/1/2016	3.00%	\$ 500,000	\$ 103,345
Promissory Note	10/1/2011	10/1/2016	3.00	275,000	55,000
Promissory Note	12/16/2013	10/1/2017	2.30	250,000	124,764
Promissory Note	12/16/2013	10/1/2016	2.28	185,000	61,387
Promissory Note	12/11/2014	10/1/2018	2.03	65,000	49,049
Promissory Note	12/15/2015	12/15/2018	1.85	335,000	<u>335,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 728,545</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

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, 2015</u>
G.O. Refunding Promissory Notes	9/28/2011	10/1/2019	1.50	\$ 1,000,000	\$ <u>525,000</u>
Total Business-type Activities - General Obligation Debt					\$ <u>525,000</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>
2016	\$ 380,480	\$ 16,332	\$ 125,000	\$ 10,800
2017	203,891	2,116	125,000	8,300
2018	144,174	344	125,000	5,800
2019	-	-	150,000	3,300
Totals	\$ <u>728,545</u>	\$ <u>18,792</u>	\$ <u>525,000</u>	\$ <u>28,200</u>

Capital Leases

Refer to Note III. F.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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

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, 2015, are as follows:

<u>Years</u>	Governmental Activities		
	Principal	Interest	Totals
2016	\$ 12,880	\$ 949	\$ 13,829
2017	13,271	558	13,829
2018	9,469	154	9,623
Totals	\$ 35,620	\$ 1,661	\$ 37,281

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,629,677
Other capital assets, net of accumulated depreciation	27,061,032
Less: Long-term debt outstanding	(728,545)
Plus: Unspent capital related debt proceeds	283,889
Less: Capital lease outstanding	(35,620)
Total Net Investment in Capital Assets	29,210,433
Restricted	
COP risk reserve	3,174
Dare	6,435
Jail assessment	1,604
Land information	142,554
Project lifesaver	11,537
Criminal forfeiture	5,531
Family planning	138,614
Specialized transportation	92,421
Total Restricted	401,870
Unrestricted	8,215,201
Total Governmental Activities Net Position	\$ 37,827,504

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

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, 2015, include the following:

	General Fund	Human Services	Nonmajor Fund - Debt Service	Totals
Fund Balances				
Nonspendable:				
Prepaid items	\$ 155,313	\$ -	\$ -	\$ 155,313
Inventories	23,769	-	-	23,769
Noncurrent interfunds	1,178,540	-	-	1,178,540
Delinquent taxes	608,527	-	-	608,527
Restricted for:				
COP risk reserve	-	3,174	-	3,174
Dare	6,435	-	-	6,435
Jail assessment	1,604	-	-	1,604
Land information	142,554	-	-	142,554
Project lifesaver	11,537	-	-	11,537
Criminal forfeiture	5,531	-	-	5,531
Family planning	138,614	-	-	138,614
Specialized transportation	92,421	-	-	92,421
Capital projects	283,889	-	-	283,889
Committed to:				
Capital projects	398,694	-	-	398,694
Assigned to:				
Future commission on aging expenditures	477,292	-	-	477,292
Future health department expenditures	536,412	-	-	536,412
Future veterans relief expenditures	20,775	-	-	20,775
Future veterans service expenditures	21,855	-	-	21,855
Future library service expenditures	65,723	-	-	65,723
Unassigned (deficit):	3,588,914	(862,471)	(313)	2,726,130
Total Fund Balances	\$ 7,758,399	\$ (859,297)	\$ (313)	\$ 6,898,789

Business-type Activities

Net Investment in Capital Assets

Land		\$ 5,131
Other capital assets, net of accumulated depreciation		4,309,836
Less: Long-term debt outstanding		(525,000)
Total Net Investment in Capital Assets		\$ 3,789,967

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

H. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	Governmental Activities	Business-type Activities	Enterprise Fund - Highway Fund
Net Position - December 31, 2014 (as reported)	\$ 34,569,715	\$ 5,354,315	\$ 5,375,056
Add: Net pension asset	1,644,084	351,474	351,474
Add: Deferred outflows related to pensions	382,223	81,712	81,712
Net Position - December 31, 2014 (as restated)	\$ 36,596,022	\$ 5,787,501	\$ 5,808,242

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

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

General Information About the Pension Plan

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

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

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

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

The WRS also provides death and disability benefits for employees.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

During the reporting period, the WRS recognized \$463,935 in contributions from the county.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the county reported an asset of \$1,214,518 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The county's proportion of the net pension asset was based on the county's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the county's proportion was 0.04944556%, which was a decrease of 0.00117102% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the county recognized pension expense of \$470,661.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2015, the county reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 176,067
Net differences between projected and actual earnings on pension plan investments	588,128
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,974
Employer contributions subsequent to the measurement date	452,080
Totals	\$ 1,238,249

\$452,080 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 192,183	\$ -
2017	192,183	-
2018	192,183	-
2019	192,183	-
2020	17,437	-

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the county's proportionate share of the net pension asset to changes in the discount rate. The following presents the county's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the county's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension asset (liability)	\$(3,426,365)	\$1,214,518	\$4,879,700

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

At December 31, 2015, the county reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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 \$2,187,676

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 89,578	\$ 136,932
Current year claims and changes in estimates	1,962,866	2,987,618
Claim payments	<u>(1,915,512)</u>	<u>(2,786,492)</u>
 Unpaid Claims - End of Year	 <u>\$ 136,932</u>	 <u>\$ 338,058</u>

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, 2015, 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

The county administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan") The plan provides for eligible retirees and their spouses through the county's which covers both active and retired members. Benefit provisions are established through and state that eligible retirees and their spouses at established contribution rates.

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.

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) 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		5,450
Adjustment to annual required contribution		<u>-</u>
Annual OPEB cost		26,246
Benefits paid by the employer		<u>-</u>
Increase in net OPEB obligation (asset)		26,246
Net OPEB Obligation - Beginning of Year		<u>115,949</u>
Net OPEB Obligation - End of Year	\$	<u><u>142,195</u></u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 21,860	0.00 %	\$ 98,836
December 31, 2014	18,486	7.43 %	115,949
December 31, 2015	26,246	0.00 %	142,195

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		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u>186,916</u>
Funded ratio (actuarial value of plan assets/AAL)		-%
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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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, 2015, was 23 years.

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

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues - an amendment of GASB Statements 67, 68, 73*

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,403,069	\$ 5,403,069	\$ 5,536,569	\$ 133,500
Intergovernmental	2,495,736	2,495,736	2,609,725	113,989
Licenses and permits	101,355	101,355	98,353	(3,002)
Fines, forfeitures and penalties	112,500	112,500	131,186	18,686
Public charges for services	1,551,103	1,551,103	2,999,950	1,448,847
Miscellaneous	158,871	158,871	143,730	(15,141)
Total Revenues	<u>9,822,634</u>	<u>9,822,634</u>	<u>11,519,513</u>	<u>1,696,879</u>
EXPENDITURES				
General Government				
County board	62,300	62,300	57,268	5,032
Executive and finance Administrator	60,300	60,300	57,464	2,836
Circuit court	50,000	50,000	110,269	(60,269)
Family court commissioner	413,671	413,671	444,641	(30,970)
Budget and accounting manager	18,542	18,542	21,465	(2,923)
Coroner	126,589	126,589	85,118	41,471
County clerk	49,921	49,921	67,569	(17,648)
Information technology	118,788	118,788	124,412	(5,624)
Personnel	271,441	271,441	286,665	(15,224)
Elections	166,486	166,486	168,414	(1,928)
County treasurer	19,781	19,781	8,491	11,290
District attorney	140,716	140,716	136,778	3,938
Register of deeds	170,947	156,047	158,328	(2,281)
Land information	127,968	127,968	126,950	1,018
Tax lister	40,300	40,300	85,131	(44,831)
Surveyor	58,418	58,418	58,544	(126)
Buildings and grounds	10,896	10,896	10,960	(64)
Contingency	518,208	518,208	532,764	(14,556)
Total General Government	<u>2,555</u>	<u>17,455</u>	<u>-</u>	<u>17,455</u>
Public Safety				
Sheriff	2,427,827	2,427,827	2,541,231	(113,404)
Jail	1,907,492	1,907,492	1,997,877	(90,385)
Local emergency planning committee	890,544	890,544	845,984	44,560
Emergency government	18,596	18,596	18,169	427
Traffic safety commission	80,784	80,784	91,130	(10,346)
Total Public Safety	<u>740</u>	<u>740</u>	<u>323</u>	<u>417</u>
Public Works				
Airport	274,826	274,826	223,445	51,381
Total Public Works	<u>274,826</u>	<u>274,826</u>	<u>223,445</u>	<u>51,381</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Health and Human Services				
Long term support	\$ 275,530	\$ 275,530	\$ 261,911	\$ 13,619
Veterans services	136,958	136,958	137,746	(788)
Veterans relief	9,389	9,389	3,450	5,939
General public health	642,927	642,927	552,150	90,777
WIC	99,490	99,490	128,033	(28,543)
Family planning	510,185	510,185	481,934	28,251
Oral health	58,729	58,729	62,497	(3,768)
Aging administration	47,296	47,296	47,428	(132)
Nutrition congregate	149,147	149,147	141,730	7,417
Home delivered meals	96,850	96,850	85,228	11,622
Transportation	10,238	10,238	17,634	(7,396)
Escort	88,307	88,307	38,160	50,147
Benefit specialist	65,654	65,654	72,279	(6,625)
Wellness	1,742	1,742	1,234	508
Caregiver	7,999	7,999	7,999	-
Dog license	33,511	33,511	33,828	(317)
Total Health and Human Services	<u>2,233,952</u>	<u>2,233,952</u>	<u>2,073,241</u>	<u>160,711</u>
Culture, Recreation and Education				
Library	306,602	306,602	306,673	(71)
Tourism department	104,367	104,367	106,268	(1,901)
University extension	228,783	228,783	190,042	38,741
Parks	5,500	5,500	5,500	-
County snowmobile trails	183,210	183,210	272,947	(89,737)
Fair and historical society	21,000	21,000	21,000	-
County ATV trails	24,097	24,097	24,540	(443)
County walking trails	4,610	4,610	2,109	2,501
Total Culture, Recreation and Education	<u>878,169</u>	<u>878,169</u>	<u>929,079</u>	<u>(50,910)</u>
Conservation and Development				
County forestry	405,834	405,834	408,677	(2,843)
County dams	51,157	51,157	51,950	(793)
Land conservation	216,956	216,956	167,694	49,262
Zoning	164,102	164,102	166,326	(2,224)
State forestry	43,922	43,922	43,939	(17)
Other economic development and planning	33,183	33,183	33,183	-
Total Conservation and Development	<u>915,154</u>	<u>915,154</u>	<u>871,769</u>	<u>43,385</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Capital Outlay				
Buildings and grounds	\$ 50,000	\$ 50,000	\$ 60,639	\$ (10,639)
Information technology	-	-	1,565	(1,565)
Land information	3,000	3,000	511	2,489
Sheriff	183,000	183,000	75,051	107,949
Dams	45,000	45,000	28,449	16,551
County forestry	41,000	41,000	109,457	(68,457)
Health and human services	-	-	29,002	(29,002)
Total Capital Outlay	<u>322,000</u>	<u>322,000</u>	<u>304,674</u>	<u>17,326</u>
Total Expenditures	<u>9,950,084</u>	<u>9,950,084</u>	<u>9,896,922</u>	<u>53,162</u>
Excess of revenues over expenditures	<u>(127,450)</u>	<u>(127,450)</u>	<u>1,622,591</u>	<u>1,750,041</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	65,000	65,000	335,000	270,000
Transfers in	97,500	97,500	-	(97,500)
Transfers out	<u>(35,050)</u>	<u>(35,050)</u>	<u>(138,300)</u>	<u>(103,250)</u>
Total Other Financing Sources (Uses)	<u>127,450</u>	<u>127,450</u>	<u>196,700</u>	<u>69,250</u>
Net Change in Fund Balance	-	-	1,819,291	1,819,291
FUND BALANCE - Beginning of Year	<u>5,939,108</u>	<u>5,939,108</u>	<u>5,939,108</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 5,939,108</u></u>	<u><u>\$ 5,939,108</u></u>	<u><u>\$ 7,758,399</u></u>	<u><u>\$ 1,819,291</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, 2015

	Budgeted Amounts <u>Original and Final</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
REVENUES			
Taxes	\$ 1,346,447	\$ 1,346,447	\$ -
Intergovernmental	2,222,244	1,650,069	(572,175)
Public charges for services	516,162	520,088	3,926
Miscellaneous	<u>5</u>	<u>75</u>	<u>70</u>
Total Revenues	<u>4,084,858</u>	<u>3,516,679</u>	<u>(568,179)</u>
EXPENDITURES			
Health and human services			
Safe and stable plan	33,310	33,310	-
Children and youth	1,450,887	1,257,885	193,002
Economic support	501,084	384,812	116,272
Long term support	<u>2,099,577</u>	<u>1,865,068</u>	<u>234,509</u>
Total Expenditures	<u>4,084,858</u>	<u>3,541,075</u>	<u>543,783</u>
Net change in fund balance	-	(24,396)	(24,396)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(834,901)</u>	<u>(834,901)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (834,901)</u>	<u>\$ (859,297)</u>	<u>\$ (24,396)</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, 2015

<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

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION ASSET
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2015

<u>Year End Date</u>	<u>County's Proportion of the Net Pension Asset</u>	<u>County's Proportionate Share of the Net Pension Asset</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</u>
12/31/15	0.04944556%	\$ 1,214,518	\$ 6,155,115	19.73%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2015

<u>Year End Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 452,080	\$ 452,080	- \$	6,223,917	7.26%

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

PRICE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

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

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in Assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2015

	General Fund	Capital Improvements	Commission on Aging	Health Department	Veterans Relief	Veterans Service	Price County Library Service	Airport
ASSETS								
Cash and investments	\$ 4,955,908	\$ 398,694	\$ 598,870	\$ 617,242	\$ 20,775	\$ 29,843	\$ 65,723	\$ (317,242)
Taxes receivable	3,086,375	-	139,711	436,503	5,500	132,099	300,596	93,379
Delinquent personal property taxes receivable	808,145	-	-	-	-	-	-	-
Other receivables	101,498	-	25,681	-	-	-	-	6,975
Due from other governments	459,231	-	-	95,075	-	-	-	-
Due from other funds	653,853	-	-	-	-	-	-	-
Inventories and prepaid items	155,313	-	-	-	-	-	-	23,769
Advances to other funds	525,000	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 10,745,323	\$ 398,694	\$ 764,262	\$ 1,148,820	\$ 26,275	\$ 161,942	\$ 366,319	\$ (193,119)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 157,508	\$ -	\$ 45,636	\$ 3,282	\$ -	\$ 1,539	\$ -	\$ 2,282
Accrued liabilities	244,336	-	5,400	20,979	-	3,133	-	2,784
Due to other governments	310,414	-	-	-	-	-	-	-
Due to other funds	86,873	-	3,802	13,030	-	3,316	-	657
Deposits	43,515	-	-	-	-	-	-	-
Total Liabilities	842,646	-	54,838	37,291	-	7,988	-	5,723
Deferred Inflows of Resources								
Unearned revenues	3,600,947	-	139,711	436,503	5,500	132,099	300,596	93,379
Unavailable revenues	199,618	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	3,800,565	-	139,711	436,503	5,500	132,099	300,596	93,379
Fund Balances (Deficit)								
Nonspendable	1,288,840	-	-	-	-	-	-	23,769
Restricted	167,661	-	92,421	138,614	-	-	-	-
Committed	-	398,694	-	-	-	-	-	-
Assigned	-	-	477,292	536,412	20,775	21,855	65,723	-
Unassigned (deficit)	4,645,611	-	-	-	-	-	-	(315,990)
Total Fund Balances (Deficit)	6,102,112	398,694	569,713	675,026	20,775	21,855	65,723	(292,221)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,745,323	\$ 398,694	\$ 764,262	\$ 1,148,820	\$ 26,275	\$ 161,942	\$ 366,319	\$ (193,119)

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2015

	State Forestry	Dog Licenses	Capital Projects	Total Combined General Fund
ASSETS				
Cash	\$ (50,321)	\$ (32,152)	\$ 283,889	\$ 6,571,229
Taxes receivable	-	23,086	-	4,217,249
Delinquent personal property taxes receivable	-	-	-	808,145
Other receivables	-	-	-	134,154
Due from other governments	-	-	-	554,306
Due from other funds	-	-	-	653,853
Inventories and prepaid items	-	-	-	179,082
Advances to other funds	-	-	-	525,000
TOTAL ASSETS	\$ (50,321)	\$ (9,066)	\$ 283,889	\$ 13,643,018
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 2,433	\$ -	\$ 212,680
Accrued liabilities	1,110	-	-	277,742
Due to other governments	-	322	-	310,736
Due to other funds	829	-	-	108,507
Deposits	-	-	-	43,515
Total Liabilities	<u>1,939</u>	<u>2,755</u>	<u>-</u>	<u>953,180</u>
Deferred Inflows of Resources				
Unearned revenues	-	23,086	-	4,731,821
Unavailable revenues	-	-	-	199,618
Total Deferred Inflows of Resources	<u>-</u>	<u>23,086</u>	<u>-</u>	<u>4,931,439</u>
Fund Balances (Deficit)				
Nonspendable	-	-	-	1,312,609
Restricted	-	-	283,889	682,585
Committed	-	-	-	398,694
Assigned	-	-	-	1,122,057
Unassigned (deficit)	(52,260)	(34,907)	-	4,242,454
Total Fund Balances (Deficit)	<u>(52,260)</u>	<u>(34,907)</u>	<u>283,889</u>	<u>7,758,399</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ (50,321)	\$ (9,066)	\$ 283,889	\$ 13,643,018

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
As of December 31, 2015

	General Fund	Capital Improvements	Commission on Aging	Health Department	Veterans Relief	Veterans Service	Price County Library Service	Airport
REVENUES								
Taxes	\$ 4,377,438	\$ -	\$ 128,475	\$ 477,295	\$ 7,489	\$ 128,458	\$ 306,602	\$ 87,726
Intergovernmental	1,577,606	-	258,869	723,512	-	8,500	-	-
Licenses and permits	89,908	-	-	-	-	-	-	-
Fines, forfeitures and penalties	131,186	-	-	-	-	-	-	-
Public charges for services	2,692,166	-	96,275	115,901	282	-	-	95,326
Miscellaneous	124,975	-	4	-	-	-	-	18,751
Total Revenues	<u>8,993,279</u>	<u>-</u>	<u>483,623</u>	<u>1,316,708</u>	<u>7,771</u>	<u>136,958</u>	<u>306,602</u>	<u>201,803</u>
EXPENDITURES								
Current								
General government	2,541,231	-	-	-	-	-	-	-
Public safety	2,951,483	2,000	-	-	-	-	-	-
Public works	9,000	-	-	-	-	-	-	214,445
Health and human services	261,911	-	411,692	1,224,614	3,450	137,746	-	-
Culture, recreation and education	622,406	-	-	-	-	-	306,673	-
Conservation and development	827,830	-	-	-	-	-	-	-
Capital Outlay	256,359	-	29,002	-	-	-	-	-
Total Expenditures	<u>7,470,220</u>	<u>2,000</u>	<u>440,694</u>	<u>1,224,614</u>	<u>3,450</u>	<u>137,746</u>	<u>306,673</u>	<u>214,445</u>
Excess (deficiency) of revenues over expenditures	<u>1,523,059</u>	<u>(2,000)</u>	<u>42,929</u>	<u>92,094</u>	<u>4,321</u>	<u>(788)</u>	<u>(71)</u>	<u>(12,642)</u>
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	-	-	-
Transfers in	25,749	188,453	-	-	-	-	-	5,644
Transfers out	(188,453)	(169,693)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(162,704)</u>	<u>18,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,644</u>
Net change in fund balance	1,360,355	16,760	42,929	92,094	4,321	(788)	(71)	(6,998)
FUND BALANCES (DEFICIT) - Beginning 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>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 6,102,112</u>	<u>\$ 398,694</u>	<u>\$ 569,713</u>	<u>\$ 675,026</u>	<u>\$ 20,775</u>	<u>\$ 21,855</u>	<u>\$ 65,723</u>	<u>\$ (292,221)</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2015

	State Forestry	Dog Licenses	Capital Projects	Eliminations	Total Combined General Fund
REVENUES					
Taxes	\$ -	\$ 23,086	\$ -	\$ -	\$ 5,536,569
Intergovernmental	41,238	-	-	-	2,609,725
Licenses and permits	-	8,445	-	-	98,353
Fines, forfeitures and penalties	-	-	-	-	131,186
Public charges for services	-	-	-	-	2,999,950
Miscellaneous	-	-	-	-	143,730
Total Revenues	<u>41,238</u>	<u>31,531</u>	<u>-</u>	<u>-</u>	<u>11,519,513</u>
EXPENDITURES					
Current					
General government	-	-	-	-	2,541,231
Public safety	-	-	-	-	2,953,483
Public works	-	-	-	-	223,445
Health and human services	-	33,828	-	-	2,073,241
Leisure activities	-	-	-	-	929,079
Conservation and development	43,939	-	-	-	871,769
Capital Outlay	-	-	19,313	-	304,674
Total Expenditures	<u>43,939</u>	<u>33,828</u>	<u>19,313</u>	<u>-</u>	<u>9,896,922</u>
Excess (deficiency) of revenues over expenditures	<u>(2,701)</u>	<u>(2,297)</u>	<u>(19,313)</u>	<u>-</u>	<u>1,622,591</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	335,000	-	335,000
Transfers in	-	-	-	(219,846)	-
Transfers out	-	-	-	219,846	(138,300)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>335,000</u>	<u>-</u>	<u>196,700</u>
Net change in fund balance	<u>(2,701)</u>	<u>(2,297)</u>	<u>315,687</u>	<u>-</u>	<u>1,819,291</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(49,559)</u>	<u>(32,610)</u>	<u>(31,798)</u>	<u>-</u>	<u>5,939,108</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (52,260)</u>	<u>\$ (34,907)</u>	<u>\$ 283,889</u>	<u>\$ -</u>	<u>\$ 7,758,399</u>

PRICE COUNTY

COMBINING STATEMENT OF NET POSITION - HIGHWAY FUND
As of December 31, 2015

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
ASSETS				
Current Assets				
Cash and investments	\$ 1,182,830	\$ (6,543)	\$ 52,685	\$ 1,228,972
Receivables				
Taxes	1,860,817	-	-	1,860,817
Accounts	11,607	-	-	11,607
Due from other governments	527,282	-	-	527,282
Inventories and prepaid items	843,741	-	-	843,741
Total Current Assets	<u>4,426,277</u>	<u>(6,543)</u>	<u>52,685</u>	<u>4,472,419</u>
Noncurrent Assets				
Restricted Assets				
Net pension asset	213,911	-	-	213,911
Capital Assets				
Land	5,131	-	-	5,131
Capital assets being depreciated	10,794,094	-	-	10,794,094
Less: Accumulated depreciation	<u>(6,484,258)</u>	<u>-</u>	<u>-</u>	<u>(6,484,258)</u>
Total Noncurrent Assets	<u>4,528,878</u>	<u>-</u>	<u>-</u>	<u>4,528,878</u>
Total Assets	<u>8,955,155</u>	<u>(6,543)</u>	<u>52,685</u>	<u>9,001,297</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>217,951</u>	<u>-</u>	<u>-</u>	<u>217,951</u>
Total Deferred Outflows of Resources	<u>217,951</u>	<u>-</u>	<u>-</u>	<u>217,951</u>
LIABILITIES				
Current Liabilities				
Accounts payable	88,341	-	107,523	195,864
Accrued wages	50,728	-	-	50,728
Due to other funds	28,640	-	-	28,640
Current portion of compensated absences	95,272	-	-	95,272
Accrued interest	2,700	-	-	2,700
Current portion of advances	87,500	-	-	87,500
Current portion of bonds payable	125,000	-	-	125,000
Total Current Liabilities	<u>478,181</u>	<u>-</u>	<u>107,523</u>	<u>585,704</u>
Noncurrent Liabilities				
Compensated absences	27,373	-	-	27,373
Advances from other funds	437,500	-	-	437,500
Bonds payable	400,000	-	-	400,000
Total Noncurrent Liabilities	<u>864,873</u>	<u>-</u>	<u>-</u>	<u>864,873</u>
Total Liabilities	<u>1,343,054</u>	<u>-</u>	<u>107,523</u>	<u>1,450,577</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	<u>1,948,864</u>	<u>-</u>	<u>-</u>	<u>1,948,864</u>
Total Deferred Inflows of Resources	<u>1,948,864</u>	<u>-</u>	<u>-</u>	<u>1,948,864</u>
NET POSITION				
Net Investment in capital assets	3,789,967	-	-	3,789,967
Restricted for:				
Pension	213,911	-	-	213,911
Unrestricted (deficit)	<u>1,877,310</u>	<u>(6,543)</u>	<u>(54,838)</u>	<u>1,815,929</u>
TOTAL NET POSITION	<u>\$ 5,881,188</u>	<u>\$ (6,543)</u>	<u>\$ (54,838)</u>	<u>\$ 5,819,807</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
HIGHWAY FUND
For the Year Ended December 31, 2015

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Eliminations</u>	<u>Total Combined Highway Fund</u>
OPERATING REVENUES	\$ 1,739,958	\$ -	\$ -	\$ -	\$ 1,739,958
OPERATING EXPENSES					
Operation and maintenance	2,022,793	6,543	711,603	-	2,740,939
Depreciation	<u>375,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,139</u>
Total Operating Expenses	<u>2,397,932</u>	<u>6,543</u>	<u>711,603</u>	<u>-</u>	<u>3,116,078</u>
NONOPERATING REVENUES (EXPENSES)					
General property taxes	1,860,817	-	-	-	1,860,817
Intergovernmental grants	664,096	-	-	-	664,096
Interest and fiscal charges	(12,675)	-	-	-	(12,675)
Infrastructure construction expense for governmental activities	(1,324,825)	-	-	-	(1,324,825)
Property sales	-	-	27,636	-	27,636
Miscellaneous	<u>34,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,336</u>
Total Nonoperating Revenues (Expenses)	<u>1,221,749</u>	<u>-</u>	<u>27,636</u>	<u>-</u>	<u>1,249,385</u>
 Income (Loss) Before Transfers	<u>563,775</u>	<u>(6,543)</u>	<u>(683,967)</u>	<u>-</u>	<u>(126,735)</u>
TRANSFERS					
Transfers in	138,300	-	236,044	(236,044)	138,300
Transfers out	<u>(236,044)</u>	<u>-</u>	<u>-</u>	<u>236,044</u>	<u>-</u>
Total Transfers	<u>(97,744)</u>	<u>-</u>	<u>236,044</u>	<u>-</u>	<u>138,300</u>
 Change in Net Position	466,031	(6,543)	(447,923)	-	11,565
NET POSITION (DEFICIT) - Beginning of Year (as restated)	<u>5,415,157</u>	<u>-</u>	<u>393,085</u>	<u>-</u>	<u>5,808,242</u>
 NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 5,881,188</u>	<u>\$ (6,543)</u>	<u>\$ (54,838)</u>	<u>\$ -</u>	<u>\$ 5,819,807</u>

PRICE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2015

	<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	\$ -	\$ 10,668	\$ 67,508	\$ 11,018	\$ 13,389	\$ 102,583
Taxes receivable	<u>254,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,503</u>
TOTAL ASSETS	<u>\$ 254,503</u>	<u>\$ 10,668</u>	<u>\$ 67,508</u>	<u>\$ 11,018</u>	<u>\$ 13,389</u>	<u>\$ 357,086</u>
LIABILITIES						
Due to other governments	\$ 254,503	\$ -	\$ -	\$ -	\$ -	\$ 254,503
Deposits	<u>-</u>	<u>10,668</u>	<u>67,508</u>	<u>11,018</u>	<u>13,389</u>	<u>102,583</u>
TOTAL LIABILITIES	<u>\$ 254,503</u>	<u>\$ 10,668</u>	<u>\$ 67,508</u>	<u>\$ 11,018</u>	<u>\$ 13,389</u>	<u>\$ 357,086</u>