

PRICE COUNTY

Phillips, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2016

PRICE COUNTY

TABLE OF CONTENTS As of and for the Year Ended December 31, 2016

	<u>Page(s)</u>
Independent Auditors' Report	i - ii
Required Supplementary Information	
Management's Discussion and Analysis	iii - xiii
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	
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 - Combined Human Services Fund	52
Other Postemployment Benefits Plan - Schedule of Funding Progress	53
Schedule of Employer's Proportionate Share of the Net Pension (Asset) Liability - 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, 2016

	<u>Page(s)</u>
Supplementary Information	
Combining Balance Sheet - General Fund	56 - 57
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) - General Fund	58 - 59
Combining Balance Sheet - Human Services Fund	60
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) - Human Services Fund	61
Combining Statement of Net Position - Highway Fund	62
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit) - Highway Fund	63
Combining Statement of Assets and Liabilities - Agency Funds	64

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, 2016, 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.

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, 2016 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.

To the Board of Supervisors
Price County

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2017 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 Virchow Krause, LLP

Eau Claire, Wisconsin
September 7, 2017

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2016

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, 2016. 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, decreased by \$1,691,814.
- > The County decreased the amount of outstanding general obligation debt by \$10,480.
- > In governmental funds, the total fund balances decreased by \$594,514, while net position in the highway department enterprise fund increased by \$152,013.

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.

FUND FINANCIAL STATEMENTS

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

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

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

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

FINANCIAL ANALYSIS

THE COUNTY AS A WHOLE

Net position: The County's combined net position was \$41,810,877 on December 31, 2016.

The largest portion of the County's net position (79%) 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 \$8,450,384 at the end of this year.

Table 1
Net Position
December 31, 2016 and 2015

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Current and other assets	\$ 14,967,031	\$ 16,758,731	\$ 3,158,240	\$ 3,988,070
Capital assets	29,400,590	29,690,709	4,570,085	4,314,967
Total Assets	44,367,621	46,449,440	7,728,325	8,303,037
Deferred Outflows of Resources	3,662,643	1,020,298	785,660	217,951
Liabilities	1,341,806	1,582,524	148,269	249,292
Noncurrent liabilities	2,306,806	1,456,886	665,730	647,645
Total Liabilities	3,648,612	3,039,410	813,999	896,937
Deferred Inflows of Resources	8,332,539	6,602,824	1,938,222	1,948,864
Net Position				
Net investment in capital assets	28,746,559	29,210,433	4,170,085	3,789,967
Restricted	443,849	401,870	-	213,911
Unrestricted	6,858,705	8,215,201	1,591,679	1,671,309
Total Net Position	<u>\$ 36,049,113</u>	<u>\$ 37,827,504</u>	<u>\$ 5,761,764</u>	<u>\$ 5,675,187</u>

Governmental activities net position decreased by \$1,778,391. This was due mainly to the 2015 spike in forestry stumpage revenues, which stabilized in 2016. Another factor was the increased cost for the County for high cost placements in the Health and Human Services department.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

Net position (cont.): Business-type activities total net position increased by \$86,577 as a combination of the Highway Department's increased revenue through Performance Based Maintenance contracts, less the allocated loss in the health insurance internal service fund.

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

Table 2
Change in Net Position
December 31, 2016 and 2015

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Revenues				
Program revenues				
Charges for services	\$ 2,425,924	\$ 3,802,697	\$ 1,886,978	\$ 1,739,958
Operating grants and contributions	3,795,437	3,564,756	702,075	664,096
Capital grants and contributions	213,736	345,336	-	-
General revenues				
Property taxes	6,079,068	6,017,923	1,860,817	1,860,817
Sales tax	1,254,066	1,236,500	-	-
Grants and contributions not restricted to specific programs	600,676	597,006	-	-
Gain on disposal of assets	-	-	-	27,636
Other	79,655	56,267	44,704	34,336
Total Revenues	14,448,562	15,620,485	4,494,574	4,326,843
Expenses				
General government	3,154,481	2,950,232	-	-
Public safety	3,439,621	3,324,919	-	-
Public works	1,620,638	1,517,364	-	-
Health and human services	6,420,096	5,756,770	-	-
Culture, recreation and education	803,952	936,757	-	-
Conservation and development	1,206,065	1,074,879	-	-
Interest and fiscal charges	13,339	14,607	-	-
Highway	-	-	3,976,758	3,252,632
Total Expenses	16,658,192	15,575,528	3,976,758	3,252,632
Change in position from operations	(2,209,630)	44,957	517,816	1,074,211
Transfers	431,239	1,186,525	(431,239)	(1,186,525)
Change in net position	(1,778,391)	1,231,482	86,577	(112,314)
Net Position – Beginning of Year	37,827,504	36,596,022	5,675,187	5,787,501
Net Position – End of Year	\$ 36,049,113	\$ 37,827,504	\$ 5,761,764	\$ 5,675,187

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

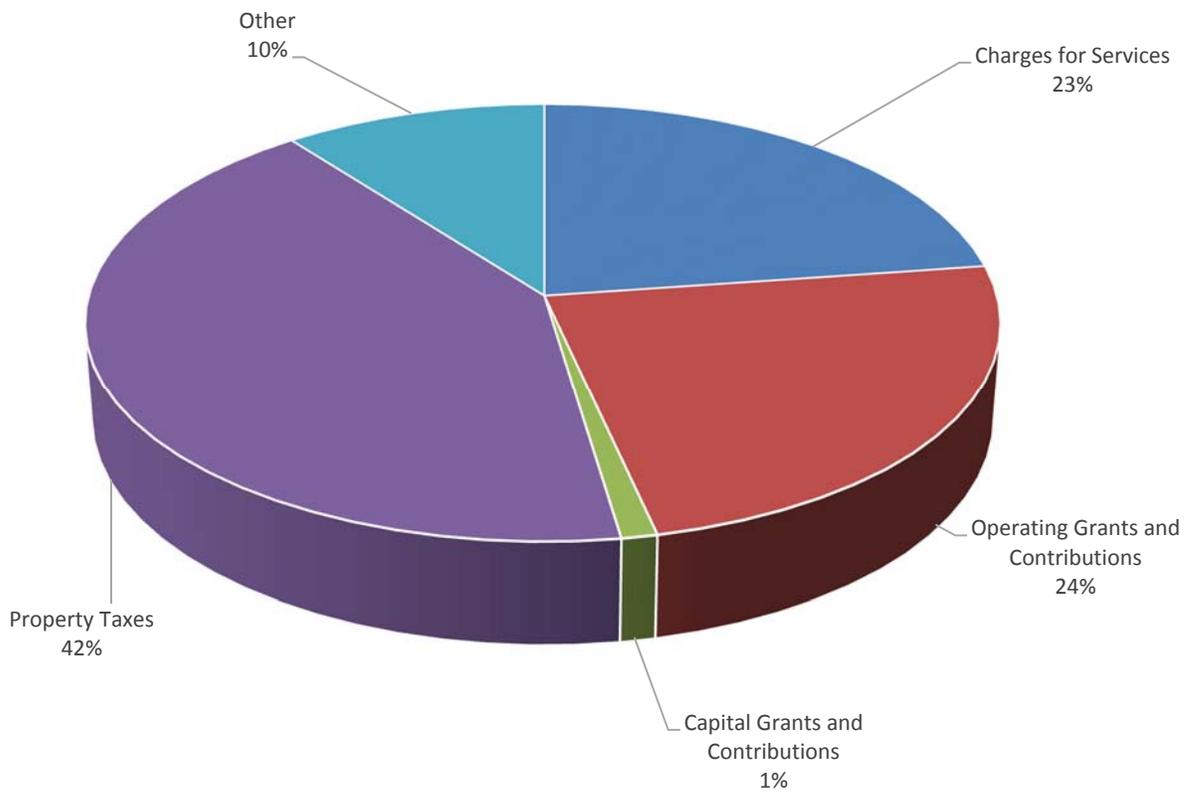
For the Year Ended December 31, 2016

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The County's total revenues were \$18,943,136 for the year ended December 31, 2016. Property taxes accounted for 42% of total revenues for the year (See Figure 1). Another 48% came from other program revenues and the remainder from other general revenues.

Figure 1: Sources of Price County, Wisconsin's Revenues for Fiscal Year 2017



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

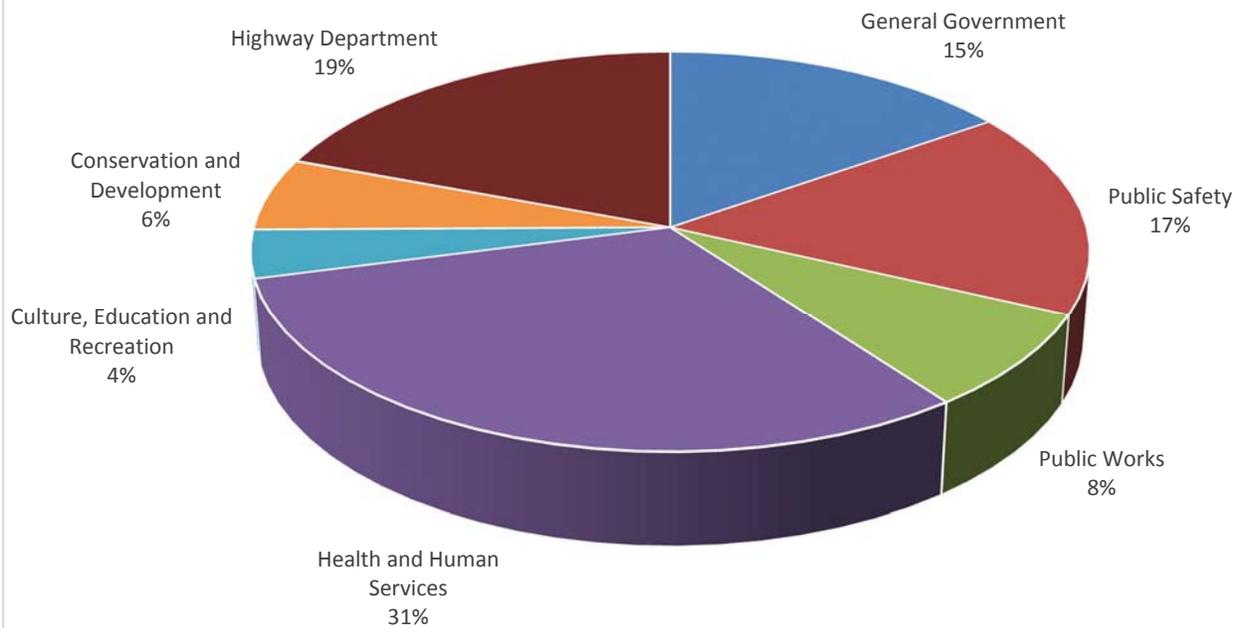
For the Year Ended December 31, 2016

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The total cost of all programs and services was \$20,634,950. The County's most significant expenses are related to health and human services (31%) (See Figure 2). Other activities of the County accounted for 69% of total costs.

Figure 2: Price County, Wisconsin's Expenses for Fiscal Year 2017



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

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, 2016 and 2015

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Governmental Type				
General government	\$ 3,154,481	\$ 2,950,232	\$ (2,674,021)	\$ (2,497,202)
Public safety	3,439,621	3,324,919	(3,254,062)	(3,130,836)
Public works	1,620,638	1,517,364	(1,314,761)	(1,175,751)
Health and human services	6,420,096	5,756,770	(2,765,564)	(2,155,044)
Culture, recreation and education	803,952	936,757	(641,480)	(798,771)
Conservation and development	1,206,065	1,074,879	440,132	1,909,472
Interest and fiscal charges	13,339	14,607	(13,339)	(14,607)
Business-type – highway	<u>3,976,758</u>	<u>3,252,632</u>	<u>(1,387,705)</u>	<u>(848,578)</u>
Totals	<u>\$ 20,634,950</u>	<u>\$ 18,828,160</u>	<u>\$ (11,610,800)</u>	<u>\$ (8,711,317)</u>

- > The cost of all governmental activities this year was \$16,658,192.
- > Some of the governmental cost totaling \$2,425,924 was paid by users of the County's governmental programs. Operating grants and intergovernmental revenues not restricted to specific programs totaled \$4,396,113.
- > Other sources of revenue included capital grants and contributions of \$213,736, investment income of \$40,223 and miscellaneous income of \$39,432.
- > The remainder of the County's governmental costs of \$9,542,754, however, was paid for by the County taxpayers and taxpayers of our state.
- > The cost of all business-type activities was \$3,976,758.
- > Some of the costs totaling \$1,886,978 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, 2016

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL FUNDS

The County completed the year with a total governmental fund balance of \$6,304,275.

- > The Commission on Aging and the Health Department transferred from the general fund grouping to the human services fund grouping on January 1, 2016, resulting in \$1,244,739 of fund balance being transferred from the general fund to human services fund.
- > The general fund had a decrease in fund balance of \$324,084 prior to the above transfer.
- > The human services fund had a decrease of \$273,819 in fund balance, prior to this transfer.

GENERAL FUND BUDGETARY HIGHLIGHTS

Price County's actual revenues exceeded the budgeted figures by \$278,394. This was due in part to forestry stumpage exceeding budget estimates by approximately \$50,000. The County saw an increase in funding from grants and state agencies through Land Information and County snowmobile trails.

General Government expenditures exceeded budget by \$278,981. The Office of Administration was over budget by \$56,800 due to a change in department's structure, personnel contracts, change in employee health insurance plans, and legal fees. The Office of Corporation Counsel changed to a department in the General Fund. This department was previously budgeted in the Health and Human Services Department and created an unbudgeted amount in the General Fund of \$91,712. Elections were over by \$19,000 due to it being a Presidential election year. We see this spike in cost every four years and budget is based on a four-year average. Finally an overage in Land Information of \$74,496 was offset by additional revenues received by that department. Land Information is a zero levied department, meaning they do not affect the County's levy dollars. It is fully funded by grants that are received and has its own designated funds.

Public Safety as a whole exceeded budget by \$83,310. Sheriff Department expenditures exceeded budget by \$57,381 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 incidents 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 lead to a large increase in the wage expense for the department.

In the Culture, Recreation, and Education area, the UW-Extension Department, actual expenditures were below budget by \$117,512 due to vacant positions within the department. With these positions vacant, less money was spent not only on wages and fringes but also on programs. The Land Conservation Department expenditures exceeded budget by \$47,295, 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 funds they receive from the state.

The County's Capital Outlay was increased to invest in Information and Technology updates throughout the County as well as an update to the Courthouse's elevator. The first project was for \$70,000 and was for Information Technology to replace switches that effect all County technology operations. Information Technology also upgraded the County's data back-up and storage. This project totaled \$400,000. Finally the Courthouse elevator project was done to update the elevator to code, and cost to the County was \$109,000 this year with the remainder of the project to be completed in 2017.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the 2016 year, the County had invested just over \$67 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 \$1,515,775 for governmental activities and \$806,289 for business-type activities.
- > The County recognized depreciation expense of \$1,788,717 for the governmental activities and \$381,103 for business-type activities during the fiscal year.

Table 4
Capital Assets
December 31, 2016 and 2015

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Land	\$ 2,629,677	\$ 2,629,677	\$ 5,131	\$ 5,131
Construction in progress	573,015	-	-	-
Building and improvements	8,843,253	8,843,253	3,296,954	3,149,959
Machinery and equipment	4,863,864	4,712,336	7,338,809	7,644,135
Infrastructure	39,459,002	38,747,740	-	-
Accumulated depreciation	<u>(26,968,221)</u>	<u>(25,242,297)</u>	<u>(6,070,809)</u>	<u>(6,484,258)</u>
Total Capital Assets	<u>\$ 29,400,590</u>	<u>\$ 29,690,709</u>	<u>\$ 4,570,085</u>	<u>\$ 4,314,967</u>

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end the County had \$2,972,536 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, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation notes	\$ 843,065	\$ 728,545	\$ -	\$ -
General obligation bonds	-	-	400,000	525,000
Capital leases	22,348	35,620	-	-
Compensated absences	611,450	550,526	124,876	122,645
Net OPEB obligation	169,674	142,195	-	-
Net pension (asset) liability	<u>660,269</u>	<u>(1,000,607)</u>	<u>140,854</u>	<u>(213,911)</u>
Totals	<u>\$ 2,306,806</u>	<u>\$ 456,279</u>	<u>\$ 665,730</u>	<u>\$ 433,734</u>

- > The County retired \$505,480 of outstanding general obligation debt.
- > The County issued \$495,000 of notes payable.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2016

FACTORS BEARING ON THE COUNTY'S FUTURE

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

For the second consecutive year the County realized a progressive increase in economic activity, as sales tax revenues continued to improve in 2016 and into 2017. 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 2016 and 2017. The same will be the case in 2018, being the fifth consecutive year with a zero levy cap. We have been able to balance our budget in 2016 and 2017 because of increased timber sales and increased sales tax revenue as well as utilizing the County's ability to borrow for construction and capitalized purchases.

The unknown health care environment has largely created a burden on the County. Our health insurance fund has dwindled away, causing the County to change to a fully funded health insurance plan. The decision to choose a fully funded health insurance plan was to reduce future risk of high cost claims on a self-funded plan.

One of our major revenue sources, timber stumpage has stabilized in 2016 after a higher than normal year in 2015. 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 through Performance Based Maintenance contracts. The Highway Commissioner has developed policies that coincide with state requirements to maximize the County's reimbursements. Modest progress in 2016 and 2017 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.

Construction has started as the County begins to remodel the Safety Building. The project is anticipated to have an 18-month construction time-line. Financing the project will be done by using existing borrowing capacity as well as utilizing cash in the County's Capital Improvement Fund.

In 2017, the County will mark its second 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. The County Administrator has also been tasked with exploring some difficult decision to balance the 2018 budget deficit.

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, 2016

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 5,836,174	\$ 803,190	\$ 6,639,364
Receivables			
Taxes receivable	6,518,640	1,562,244	8,080,884
Delinquent personal property taxes	769,945	-	769,945
Other receivables	93,578	11,607	105,185
Due from other governmental units	816,104	700,569	1,516,673
Internal balances	647,556	(647,556)	-
Inventories and prepaid items	285,034	728,186	1,013,220
Restricted assets			
Capital Assets (net of accumulated depreciation)			
Land	2,629,677	5,131	2,634,808
Construction in progress	573,015	-	573,015
Other capital assets, net of depreciation	<u>26,197,898</u>	<u>4,564,954</u>	<u>30,762,852</u>
Total Assets	<u>44,367,621</u>	<u>7,728,325</u>	<u>52,095,946</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>3,662,643</u>	<u>785,660</u>	<u>4,448,303</u>
Total Deferred Outflows of Resources	<u>3,662,643</u>	<u>785,660</u>	<u>4,448,303</u>
LIABILITIES			
Accounts payable	606,351	78,493	684,844
Accrued liabilities	495,226	69,776	565,002
Due to other governmental units	197,917	-	197,917
Deposits	42,312	-	42,312
Noncurrent Liabilities			
Due within one year	887,608	175,862	1,063,470
Due in more than one year	<u>1,419,198</u>	<u>489,868</u>	<u>1,909,066</u>
Total Liabilities	<u>3,648,612</u>	<u>813,999</u>	<u>4,462,611</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	6,931,316	1,639,301	8,570,617
Pension related amounts	<u>1,401,223</u>	<u>298,921</u>	<u>1,700,144</u>
Total Deferred Inflows of Resources	<u>8,332,539</u>	<u>1,938,222</u>	<u>10,270,761</u>
NET POSITION			
Net investment in capital assets	28,746,559	4,170,085	32,916,644
Restricted for:			
Dare	9,167	-	9,167
Jail assessment	13,364	-	13,364
Land information	160,373	-	160,373
Project lifesaver	11,082	-	11,082
Criminal forfeiture	3,767	-	3,767
COP risk reserve	3,178	-	3,178
Family planning	131,052	-	131,052
Specialized transportation	108,790	-	108,790
Debt service	3,076	-	3,076
Unrestricted	<u>6,858,705</u>	<u>1,591,679</u>	<u>8,450,384</u>
TOTAL NET POSITION	<u>\$ 36,049,113</u>	<u>\$ 5,761,764</u>	<u>\$ 41,810,877</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 3,154,481	\$ 294,782	\$ 185,678	\$ -
Public safety	3,439,621	98,613	44,810	42,136
Public works	1,620,638	161,654	-	144,223
Health and human services	6,420,096	566,587	3,087,945	-
Culture, education and recreation	803,952	144,472	18,000	-
Conservation and development	1,206,065	1,159,816	459,004	27,377
Interest and fiscal charges	13,339	-	-	-
Total Governmental Activities	<u>16,658,192</u>	<u>2,425,924</u>	<u>3,795,437</u>	<u>213,736</u>
Business-type Activities				
Highway department	<u>3,976,758</u>	<u>1,886,978</u>	<u>702,075</u>	<u>-</u>
Total Business-type Activities	<u>3,976,758</u>	<u>1,886,978</u>	<u>702,075</u>	<u>-</u>
Totals	<u>\$ 20,634,950</u>	<u>\$ 4,312,902</u>	<u>\$ 4,497,512</u>	<u>\$ 213,736</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for human services

 Property taxes, levied for debt service

 Property taxes, levied for highway purposes

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Miscellaneous

 Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (2,674,021)	\$ -	\$ (2,674,021)
(3,254,062)	-	(3,254,062)
(1,314,761)	-	(1,314,761)
(2,765,564)	-	(2,765,564)
(641,480)	-	(641,480)
440,132	-	440,132
<u>(13,339)</u>	<u>-</u>	<u>(13,339)</u>
<u>(10,223,095)</u>	<u>-</u>	<u>(10,223,095)</u>
<u>-</u>	<u>(1,387,705)</u>	<u>(1,387,705)</u>
<u>-</u>	<u>(1,387,705)</u>	<u>(1,387,705)</u>
<u>(10,223,095)</u>	<u>(1,387,705)</u>	<u>(11,610,800)</u>
3,631,851	-	3,631,851
2,047,217	-	2,047,217
400,000	-	400,000
-	1,860,817	1,860,817
1,254,066	-	1,254,066
600,676	-	600,676
40,223	-	40,223
<u>39,432</u>	<u>44,704</u>	<u>84,136</u>
<u>8,013,465</u>	<u>1,905,521</u>	<u>9,918,986</u>
<u>431,239</u>	<u>(431,239)</u>	<u>-</u>
(1,778,391)	86,577	(1,691,814)
<u>37,827,504</u>	<u>5,675,187</u>	<u>43,502,691</u>
<u>\$ 36,049,113</u>	<u>\$ 5,761,764</u>	<u>\$ 41,810,877</u>

See accompanying notes to financial statements.

PRICE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	<u>Combined General Fund</u>	<u>Combined Human Services Fund</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 5,529,821	\$ 233,701	\$ 3,076	\$ 5,766,598
Receivables				
Taxes	3,804,503	2,214,137	500,000	6,518,640
Delinquent personal property taxes	769,945	-	-	769,945
Other receivables	66,764	20,399	-	87,163
Due from other governments	445,581	370,523	-	816,104
Due from other funds	7,165	-	-	7,165
Inventories and prepaid items	285,034	-	-	285,034
Advances to other funds	<u>437,500</u>	<u>-</u>	<u>-</u>	<u>437,500</u>
TOTAL ASSETS	<u>\$ 11,346,313</u>	<u>\$ 2,838,760</u>	<u>\$ 503,076</u>	<u>\$ 14,688,149</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 198,076	\$ 408,275	\$ -	\$ 606,351
Accrued liabilities	265,029	89,119	-	354,148
Due to other governments	197,917	-	-	197,917
Due to other funds	36,377	15,606	-	51,983
Deposits	<u>42,312</u>	<u>-</u>	<u>-</u>	<u>42,312</u>
Total Liabilities	<u>739,711</u>	<u>513,000</u>	<u>-</u>	<u>1,252,711</u>
Deferred Inflows of Resources				
Unearned revenues	4,217,179	2,214,137	500,000	6,931,316
Unavailable revenues	<u>199,847</u>	<u>-</u>	<u>-</u>	<u>199,847</u>
Total Deferred Inflows of Resources	<u>4,417,026</u>	<u>2,214,137</u>	<u>500,000</u>	<u>7,131,163</u>
Fund Balances				
Nonspendable	1,292,632	-	-	1,292,632
Restricted	409,135	243,020	3,076	655,231
Committed	929,546	-	-	929,546
Assigned	152,116	1,064,410	-	1,216,526
Unassigned (deficit)	<u>3,406,147</u>	<u>(1,195,807)</u>	<u>-</u>	<u>2,210,340</u>
Total Fund Balances	<u>6,189,576</u>	<u>111,623</u>	<u>3,076</u>	<u>6,304,275</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 11,346,313</u>	<u>\$ 2,838,760</u>	<u>\$ 503,076</u>	<u>\$ 14,688,149</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, 2016

Total Fund Balances - Governmental Funds	\$ 6,304,275
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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
Construction in progress	573,015
Other capital assets	53,166,119
Less: Accumulated depreciation	(26,968,221)

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.

	199,847
--	---------

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

	3,662,643
--	-----------

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

	(1,401,223)
--	-------------

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

	189,787
--	---------

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	(843,065)
Compensated absences	(611,450)
Net pension liability	(660,269)
Lease payable	(22,348)
Other postemployment benefits	(169,674)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 36,049,113</u>
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PRICE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<u>Combined General Fund</u>	<u>Combined Human Services Fund</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 4,885,688	\$ 2,047,217	\$ 400,000	\$ 7,332,905
Intergovernmental	1,524,494	2,909,463	-	4,433,957
Licenses and permits	107,032	-	-	107,032
Fines, forfeitures and penalties	126,424	-	-	126,424
Public charges for services	1,572,271	563,470	-	2,135,741
Miscellaneous	180,790	134	-	180,924
Total Revenues	<u>8,396,699</u>	<u>5,520,284</u>	<u>400,000</u>	<u>14,316,983</u>
EXPENDITURES				
Current				
General government	2,794,209	-	-	2,794,209
Public safety	3,032,780	-	-	3,032,780
Public works	257,874	-	-	257,874
Health and human services	336,053	5,778,229	-	6,114,282
Culture, recreation and education	796,155	-	-	796,155
Conservation and development	1,003,912	-	-	1,003,912
Capital Outlay	822,623	268	-	822,891
Debt Service				
Principal	-	-	380,480	380,480
Interest and fiscal charges	-	-	16,131	16,131
Total Expenditures	<u>9,043,606</u>	<u>5,778,497</u>	<u>396,611</u>	<u>15,218,714</u>
Excess (deficiency) of revenues over expenditures	<u>(646,907)</u>	<u>(258,213)</u>	<u>3,389</u>	<u>(901,731)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	495,000	-	-	495,000
Transfers in	-	1,244,739	-	1,244,739
Transfers out	<u>(1,416,916)</u>	<u>(15,606)</u>	-	<u>(1,432,522)</u>
Total Other Financing Sources (Uses)	<u>(921,916)</u>	<u>1,229,133</u>	-	<u>307,217</u>
Net Change in Fund Balances	(1,568,823)	970,920	3,389	(594,514)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>7,758,399</u>	<u>(859,297)</u>	<u>(313)</u>	<u>6,898,789</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,189,576</u>	<u>\$ 111,623</u>	<u>\$ 3,076</u>	<u>\$ 6,304,275</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, 2016

Net change in fund balances - total governmental funds	\$ (594,514)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	822,891
Some items reported as capital outlay were not capitalized	(35,114)
Capital assets transferred from business-type activities - infrastructure financed by the highway fund	567,039
Depreciation is reported in the government-wide financial statements	(1,788,717)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	160,959
Loss on disposal of capital assets is reported in the government-wide statements	(17,177)

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.	229
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(495,000)
Principal repaid	380,480
Lease principal repaid	13,272

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	(60,924)
Other post-employment benefits liability	(27,479)
Accrued interest on debt	2,792
Net pension liability and pension related deferred outflows/inflows of resources	(419,754)

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	<u>(287,374)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,778,391)</u></u>
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PRICE COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2016

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
ASSETS		
Current Assets		
Cash and investments	\$ 803,190	\$ 69,576
Receivables		
Taxes	1,562,244	-
Accounts	11,607	6,415
Due from other governments	700,569	-
Inventories and prepaid items	728,186	-
Due from other funds	-	44,818
Total Current Assets	<u>3,805,796</u>	<u>120,809</u>
Noncurrent Assets		
Restricted Assets		
Capital Assets		
Land	5,131	-
Capital assets being depreciated	10,635,763	-
Less: Accumulated depreciation	<u>(6,070,809)</u>	<u>-</u>
Total Noncurrent Assets	<u>4,570,085</u>	<u>-</u>
Total Assets	<u>8,375,881</u>	<u>120,809</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	<u>785,660</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>785,660</u>	<u>-</u>

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 78,493	\$ -
Accrued wages	67,701	-
Health insurance claims payable	-	141,078
Current portion of compensated absences	50,862	-
Accrued interest	2,075	-
Current portion of advances	87,500	-
Current portion of bonds payable	<u>125,000</u>	-
Total Current Liabilities	<u>411,631</u>	<u>141,078</u>
Noncurrent Liabilities		
Long-Term Debt		
Compensated absences	74,014	-
Advances from other funds	350,000	-
Bonds payable	275,000	-
Net pension liability	<u>140,854</u>	-
Total Noncurrent Liabilities	<u>839,868</u>	-
 Total Liabilities	 <u>1,251,499</u>	 <u>141,078</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	1,639,301	-
Pension related amounts	<u>298,921</u>	-
Total Deferred Inflows of Resources	<u>1,938,222</u>	-
NET POSITION		
Net investment in capital assets	4,170,085	-
Restricted for		
Unrestricted (deficit)	<u>1,801,735</u>	<u>(20,269)</u>
 TOTAL NET POSITION	 5,971,820	 <u>\$ (20,269)</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	 <u>(210,056)</u>	
 NET POSITION BUSINESS-TYPE ACTIVITIES	 <u>\$ 5,761,764</u>	

See accompanying notes to financial statements.

PRICE COUNTY

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

For the Year Ended December 31, 2016

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
OPERATING REVENUES	<u>\$ 1,886,978</u>	<u>\$ 2,250,309</u>
OPERATING EXPENSES		
Operation and maintenance	3,520,044	-
Depreciation	381,103	-
Claims and insurance expenses	-	2,655,786
Total Operating Expenses	<u>3,901,147</u>	<u>2,655,786</u>
Operating Loss	<u>(2,014,169)</u>	<u>(405,477)</u>
NONOPERATING REVENUES (EXPENSES)		
General property taxes	1,860,817	-
Intergovernmental grants	702,075	-
Interest and fiscal charges	(10,175)	-
Infrastructure construction expense for governmental activities	(567,039)	-
Investment income	-	684
Miscellaneous	44,704	-
Total Nonoperating Revenues (Expenses)	<u>2,030,382</u>	<u>684</u>
Income (Loss) Before Transfers	<u>16,213</u>	<u>(404,793)</u>
TRANSFERS		
Transfers in	<u>135,800</u>	<u>51,983</u>
Total Transfers	<u>135,800</u>	<u>51,983</u>
Change in Net Position	152,013	(352,810)
NET POSITION - Beginning of Year	<u>5,819,807</u>	<u>332,541</u>
NET POSITION (DEFICIT) - END OF YEAR	5,971,820	<u>\$ (20,269)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>(65,436)</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 86,577</u>	

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2016

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 1,846,921	\$ 2,366,477
Paid to suppliers for goods and services	(2,102,996)	(2,762,766)
Paid to employees for services	(1,290,952)	-
Net Cash Flows From Operating Activities	(1,547,027)	(396,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	684
Net Cash Flows From Investing Activities	-	684
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
General property taxes	1,860,817	-
Intergovernmental grants received	557,854	-
Payments on advances from other funds	(87,500)	-
Transfer from other funds	135,800	51,983
Other nonoperating income	44,704	-
Net Cash Flows From Noncapital Financing Activities	2,511,675	51,983
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt retired	(125,000)	-
Interest and fiscal charges paid	(10,800)	-
Infrastructure construction expenses paid for governmental activities	(567,039)	-
Acquisition and construction of capital assets	(726,189)	-
Proceeds from sale of capital assets	38,598	-
Net Cash Flows From Capital and Related Financing Activities	(1,390,430)	-
Net Change in Cash and Cash Equivalents	(425,782)	(343,622)
CASH AND CASH EQUIVALENTS - Beginning of Year	1,228,972	413,198
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 803,190	\$ 69,576

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (2,014,169)	\$ (405,477)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities		
Depreciation	381,103	-
Loss on disposal of assets	51,370	-
Changes in assets and liabilities		
Accounts receivable	-	(3,669)
Due from other governments	(29,064)	119,837
Inventories and prepaid items	115,553	90,000
Accounts payable	(117,371)	(196,980)
Accrued wages	16,973	-
Due to other governments	(28,640)	-
Accrued compensated absences	2,231	-
Unearned revenues	(10,990)	-
Pension related deferrals and liability	<u>85,977</u>	<u>-</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (1,547,027)</u>	<u>\$ (396,289)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 116,518
Taxes receivable	<u>276,067</u>
TOTAL ASSETS	<u><u>\$ 392,585</u></u>
LIABILITIES	
Due to other governments	\$ 276,067
Deposits	<u>116,518</u>
TOTAL LIABILITIES	<u><u>\$ 392,585</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, 2016

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	19
1. Deposits and Investments	19
2. Receivables	20
3. Inventories and Prepaid Items	21
4. Capital Assets	22
5. Deferred Outflows of Resources	22
6. Compensated Absences	23
7. Long-Term Obligations	23
8. Deferred Inflows of Resources	23
9. Equity Classifications	24
10. Pension	25
II Stewardship, Compliance, and Accountability	25
A. Excess Expenditures Over Appropriations	25
B. Limitations on the County's Tax Levy	26
III Detailed Notes on All Funds	26
A. Deposits and Investments	26
B. Receivables	27
C. Capital Assets	29
D. Interfund Receivables/Payables, Advances and Transfers	31
E. Long-Term Obligations	33
F. Lease Disclosures	35
G. Net Position/Fund Balances	35
IV Other Information	37
A. Employees' Retirement System	37
B. Risk Management	43
C. Commitments and Contingencies	44
D. Other Postemployment Benefits	45
E. Subsequent Events	47
F. 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, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

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

Fund Financial Statements (cont.)

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

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

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

The county reports the following major governmental funds:

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

The county reports the following major enterprise fund:

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

The county reports the following nonmajor governmental fund:

- Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to 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, 2016

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, 2016

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, 2016

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

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, 2016, 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 - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale - 2016 delinquent real estate taxes	October 2019

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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, 2016, 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 \$570,098.

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

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2016, the county has accrued two months of the subsequent year's collections as receivable.

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

3. Inventories and Prepaid Items

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

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

4. Capital Assets

Government-Wide Statements

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

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

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

Buildings	20-50 Years
Land Improvements	20-50 Years
Machinery and Equipment	5-15 Years
Infrastructure	20-75 Years

Fund Financial Statements

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

5. 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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.)

6. 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, 2016, are determined on the basis of current salary rates and include salary related payments.

7. 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, capital leases payable, accrued compensated absences, other post-employment benefits, and net pension (asset) liability.

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.

8. 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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. 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.
- 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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. Equity Classifications (cont.)

Fund Statements (cont.)

- 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.

10. Pension

For purposes of measuring the net pension asset (liability), 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.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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.

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 3,590,946	\$ 3,686,422	Custodial credit risk
LGIP	3,163,056	3,164,578	Credit risk
Petty cash	1,880	-	N/A
Total Deposits and Investments	\$ 6,755,882	\$ 6,851,000	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 6,639,364		
Per statement of assets and liabilities -			
agency funds			
Agency funds	116,518		
Total Deposits and Investments	\$ 6,755,882		

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2016, the banks had pledged various government securities in the amount of \$3,614,105 to secure the county's deposits.

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

Custodial Credit Risk

Deposits

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

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 \$479,300 in the general fund.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

B. RECEIVABLES (cont.)

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:

	Unearned	Unavailable	
Property taxes receivable	\$ 6,510,893	\$ -	
Delinquent property taxes receivable	-	199,847	
Deposits	420,423	-	
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 6,931,316	 \$ 199,847	

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, 2016, delinquent property taxes by year levied consists of the following:

	Totals	County Levied	County Purchased
Tax Certificates			
2016	\$ 436,038	\$ 115,748	\$ 320,290
2015	210,570	58,669	151,901
2014	84,674	22,296	62,378
2013	10,198	2,469	7,729
2012 and prior	3,094	665	2,429
Tax deeds	25,371	-	25,371
 Total Delinquent Property Taxes Receivable	 \$ 769,945	 \$ 199,847	 \$ 570,098

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

C. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,629,677	\$ -	\$ -	\$ 2,629,677
Construction in progress	-	573,015	-	573,015
Total Capital Assets Not Being Depreciated	<u>2,629,677</u>	<u>573,015</u>	<u>-</u>	<u>3,202,692</u>
Capital assets being depreciated				
Buildings and improvements	8,843,253	-	-	8,843,253
Machinery and equipment	4,712,336	231,498	79,970	4,863,864
Infrastructure	38,747,740	711,262	-	39,459,002
Total Capital Assets Being Depreciated	<u>52,303,329</u>	<u>942,760</u>	<u>79,970</u>	<u>53,166,119</u>
Total Capital Assets	<u>54,933,006</u>	<u>1,515,775</u>	<u>79,970</u>	<u>56,368,811</u>
Less: Accumulated depreciation for				
Buildings and improvements	(6,156,259)	(204,407)	-	(6,360,666)
Machinery and equipment	(2,940,743)	(352,554)	62,793	(3,230,504)
Infrastructure	(16,145,295)	(1,231,756)	-	(17,377,051)
Total Accumulated Depreciation	<u>(25,242,297)</u>	<u>(1,788,717)</u>	<u>62,793</u>	<u>(26,968,221)</u>
Net Capital Assets Being Depreciated	<u>27,061,032</u>	<u>(845,957)</u>	<u>17,177</u>	<u>26,197,898</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 29,690,709</u>	<u>\$ (272,942)</u>	<u>\$ 17,177</u>	<u>\$ 29,400,590</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 181,624
Public safety	127,005
Public works	1,339,457
Health and human services	6,929
Conservation and development	133,702
Total Governmental Activities Depreciation Expense	<u>\$ 1,788,717</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
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	3,149,959	146,995	-	3,296,954
Machinery and equipment	<u>7,644,135</u>	<u>659,294</u>	<u>964,620</u>	<u>7,338,809</u>
Total Capital Assets Being Depreciated	<u>10,794,094</u>	<u>806,289</u>	<u>964,620</u>	<u>10,635,763</u>
Total Capital Assets	<u>10,799,225</u>	<u>806,289</u>	<u>964,620</u>	<u>10,640,894</u>
Less: Accumulated depreciation for				
Buildings and improvements	(1,288,441)	(111,266)	-	(1,399,707)
Machinery and equipment	<u>(5,195,817)</u>	<u>(269,837)</u>	<u>794,552</u>	<u>(4,671,102)</u>
Total Accumulated Depreciation	<u>(6,484,258)</u>	<u>(381,103)</u>	<u>794,552</u>	<u>(6,070,809)</u>
Net Capital Assets Being Depreciated	<u>4,309,836</u>	<u>425,186</u>	<u>170,068</u>	<u>4,564,954</u>
Total Business-type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,314,967</u>	<u>\$ 425,186</u>	<u>\$ 170,068</u>	<u>\$ 4,570,085</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway department	<u>\$ 381,103</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services	\$ 7,165
Internal Service Fund - Health Insurance	Human Services	8,441
Internal Service Fund - Health Insurance	General Fund	<u>36,377</u>
Total - Fund Financial Statements		51,983
Less: Fund eliminations		(7,165)
Add: Interfund receivables created with internal service fund eliminations		210,056
Less: Government-wide eliminations		(44,818)
Add: Interfund advances		<u>437,500</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 647,556</u></u>

All amounts are due within one year.

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Highway	\$ 437,500	<u><u>\$ 350,000</u></u>
Total		<u><u>\$ 437,500</u></u>	

The principal purpose of this advance is to retire a portion of outstanding promissory 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, 2016

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	\$ 135,800	Fund capital improvements
Internal Service Fund - Health Insurance	General Fund	36,377	Budgeted health insurance contribution
Internal Service Fund - Health Insurance	Human Services	15,606	Budgeted health insurance contribution
Human Services	General Fund	<u>1,244,739</u>	Transfer aging and health departments to Human Services
Total - Fund Financial Statements		1,432,522	
Less: Fund eliminations		(1,244,739)	
Less: Government-wide eliminations		(51,983)	
Less: Infrastructure contributed by highway		<u>(567,039)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ (431,239)</u></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. The transfer of \$1,244,739 from the General Fund to the Human Services Fund moves fund balance related to aging and health programs to better align with the budget and management responsibilities of these programs.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 728,545	\$ 495,000	\$ 380,480	\$ 843,065	\$ 388,351
Sub-totals	<u>728,545</u>	<u>495,000</u>	<u>380,480</u>	<u>843,065</u>	<u>388,351</u>
Other Liabilities					
Compensated absences - vacation	324,437	294,872	318,126	301,183	301,183
Compensated absences - sick leave	226,089	283,028	198,850	310,267	184,802
Other post-employment benefits	142,195	27,479	-	169,674	-
Capital lease	35,620	-	13,272	22,348	13,272
Net pension (asset) liability	(1,000,607)	3,434,694	1,773,818	660,269	-
Total Other Liabilities	<u>(272,266)</u>	<u>4,040,073</u>	<u>2,304,066</u>	<u>1,463,741</u>	<u>499,257</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 456,279</u>	<u>\$ 4,535,073</u>	<u>\$ 2,684,546</u>	<u>\$ 2,306,806</u>	<u>\$ 887,608</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 525,000	\$ -	\$ 125,000	\$ 400,000	\$ 125,000
Sub-totals	<u>525,000</u>	<u>-</u>	<u>125,000</u>	<u>400,000</u>	<u>125,000</u>
Other Liabilities					
Compensated absences - vacation	59,545	-	8,683	50,862	50,862
Compensated absences - sick leave	63,100	10,914	-	74,014	-
Net pension (asset) liability	(213,911)	733,171	378,406	140,854	-
Total Other Liabilities	<u>(91,266)</u>	<u>744,085</u>	<u>387,089</u>	<u>265,730</u>	<u>50,862</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 433,734</u>	<u>\$ 744,085</u>	<u>\$ 512,089</u>	<u>\$ 665,730</u>	<u>\$ 175,862</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, 2016, was \$69,549,025. Total general obligation debt outstanding at year-end was \$1,243,065.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

E. LONG-TERM OBLIGATIONS (cont.)

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, 2016</u>
Promissory Note	12/16/2013	10/1/2017	2.30%	\$ 250,000	\$ 62,343
Promissory Note	12/11/2014	10/1/2018	2.03	65,000	33,024
Promissory Note	12/15/2015	12/15/2018	1.85	335,000	252,698
Promissory Note	12/15/2016	12/15/2019	2.10	495,000	<u>495,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 843,065</u>

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2016</u>
G.O. Refunding Promissory Notes	9/28/2011	10/1/2019	1.50%	\$ 1,000,000	<u>\$ 400,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 400,000</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>
2017	\$ 388,351	\$ 17,329	\$ 125,000	\$ 8,300
2018	332,562	9,315	125,000	5,800
2019	<u>122,152</u>	<u>2,601</u>	<u>150,000</u>	<u>3,300</u>
Totals	<u>\$ 843,065</u>	<u>\$ 29,245</u>	<u>\$ 400,000</u>	<u>\$ 17,400</u>

Capital Leases

Refer to Note III. F.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

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

F. LEASE DISCLOSURES

Lessee - Capital Leases

In 2013 the County acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$63,950, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2016, are as follows:

<u>Years</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 13,272	\$ 558	\$ 13,830
2018	9,076	154	9,230
Totals	<u>\$ 22,348</u>	<u>\$ 712</u>	<u>\$ 23,060</u>

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,629,677
Construction in progress	573,015
Other capital assets, net of accumulated depreciation	26,197,898
Less: Long-term debt outstanding	(843,065)
Plus: Unspent capital related debt proceeds	211,382
Less: Capital lease outstanding	<u>(22,348)</u>
Total Net Investment in Capital Assets	<u>\$ 28,746,559</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

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, 2016, include the following:

	General Fund	Human Services	Nonmajor Fund - Debt Service	Totals
Fund Balances				
Nonspendable:				
Prepaid items	\$ 257,662	\$ -	\$ -	\$ 257,662
Inventories	27,372	-	-	27,372
Noncurrent interfunds	437,500	-	-	437,500
Delinquent taxes	570,098	-	-	570,098
Restricted for:				
Dare	9,167	-	-	9,167
Jail assessment	13,364	-	-	13,364
Land information	160,373	-	-	160,373
Project lifesaver	11,082	-	-	11,082
Criminal forfeiture	3,767	-	-	3,767
Capital projects	211,382	-	-	211,382
COP risk reserve	-	3,178	-	3,178
Family planning	-	131,052	-	131,052
Specialized transportation	-	108,790	-	108,790
Debt service	-	-	3,076	3,076
Committed to:				
Capital projects	929,546	-	-	929,546
Assigned to:				
Future general fund expenditures	42,150	-	-	42,150
Future commission on aging expenditures	-	523,365	-	523,365
Future health department expenditures	-	541,045	-	541,045
Future veterans relief expenditures	19,270	-	-	19,270
Future veterans service expenditures	25,064	-	-	25,064
Future library service expenditures	65,632	-	-	65,632
Unassigned (deficit):	3,406,147	(1,195,807)	-	2,210,340
Total Fund Balances	\$ 6,189,576	\$ 111,623	\$ 3,076	\$ 6,304,275

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 5,131
Other capital assets, net of accumulated depreciation	4,564,954
Less: Long-term debt outstanding	<u>(400,000)</u>
Total Net Investment in Capital Assets	<u>\$ 4,170,085</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

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 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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.

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>
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
2015	2.9	2

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 \$453,658 in contributions from the county.

Contribution rates as of December 31, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2016, the county reported a liability of \$801,123 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the county's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the county's proportion was 0.04930043%, which was a decrease of 0.00014517% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the county recognized pension expense of \$958,708.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2016, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,527	\$ 1,685,948
Changes in assumptions	560,500	-
Net differences between projected and actual earnings on pension plan investments	3,280,025	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,964	14,196
Employer contributions subsequent to the measurement date	455,287	-
Totals	\$ 4,448,303	\$ 1,700,144

\$455,287 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows 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
2017	\$ 1,037,348	\$ 411,439
2018	1,037,348	411,439
2019	1,037,348	411,439
2020	863,041	411,439
2021	17,931	54,388

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
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% - 5.6%
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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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.

Sensitivity of the county's proportionate share of the net pension liability to changes in the discount rate. The following presents the county's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the county's proportionate share of the net pension liability 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 liability (asset)	\$5,619,088	\$801,123	\$(2,961,795)

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://etf.wi.gov/publications/cafr.htm>.

At December 31, 2016, 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 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 \$100,000 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 of 95% of the attachment point.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

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

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

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 136,932	\$ 338,058
Current year claims and changes in estimates	2,987,618	1,627,387
Claim payments	<u>(2,786,492)</u>	<u>(1,824,367)</u>
Unpaid Claims - End of Year	<u>\$ 338,058</u>	<u>\$ 141,078</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, 2016, 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

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

D. OTHER POSTEMPLOYMENT BENEFITS

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

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

The county's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the county's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	20,796
Interest on net OPEB obligation		6,683
Adjustment to annual required contribution		<u>-</u>
Annual OPEB cost		27,479
Benefits paid by the employer		<u>-</u>
Increase in net OPEB obligation		27,479
Net OPEB Obligation - Beginning of Year		<u>142,195</u>
Net OPEB Obligation - End of Year	\$	<u><u>169,674</u></u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

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 2016 and the two preceding year(s) were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$ 18,486	7.43%	\$ 115,949
December 31, 2015	26,246	0%	142,195
December 31, 2016	27,479	0%	169,674

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)		0%
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, 2016

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, 2016, was 22 years.

E. SUBSEQUENT EVENTS

On February 21, 2017, the county issued general obligation promissory notes in the amount of \$300,000 with an interest rate of 2.5%, to be used for highway projects.

On May 16, 2017, the county obtained a construction loan for \$3,800,000 with an interest rate of 2.5% for the safety building expansion and renovation project. The county has not taken any draws on the loan to the date of this report. Also in 2017, the county entered into a contract for construction management for project costs not to exceed \$4,000,000.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > 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. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*

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, 2016

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 4,813,622	\$ 4,885,688	\$ 72,066
Intergovernmental	1,447,301	1,524,494	77,193
Licenses and permits	101,385	107,032	5,647
Fines, forfeitures and penalties	112,450	126,424	13,974
Public charges for services	1,494,160	1,572,271	78,111
Miscellaneous	149,387	180,790	31,403
Total Revenues	<u>8,118,305</u>	<u>8,396,699</u>	<u>278,394</u>
EXPENDITURES			
General Government			
County board	60,850	58,610	2,240
Executive and finance	58,420	68,502	(10,082)
Administration	429,165	485,965	(56,800)
Circuit court	419,506	433,291	(13,785)
Family court commissioner	18,692	21,965	(3,273)
Legal services	-	91,712	(91,712)
Coroner	60,034	81,636	(21,602)
County clerk	81,149	87,382	(6,233)
Information technology	273,780	288,744	(14,964)
Elections	19,350	38,922	(19,572)
County treasurer	141,220	133,322	7,898
District attorney	172,290	160,366	11,924
Register of deeds	134,309	131,612	2,697
Land information	40,300	114,796	(74,496)
Tax lister	59,838	61,449	(1,611)
Surveyor	10,905	11,052	(147)
Buildings and grounds	511,420	524,883	(13,463)
Contingency	24,000	-	24,000
Total General Government	<u>2,515,228</u>	<u>2,794,209</u>	<u>(278,981)</u>
Public Safety			
Sheriff	1,958,510	2,015,891	(57,381)
Jail	890,422	904,508	(14,086)
Local emergency planning committee	18,596	12,018	6,578
Emergency government	81,202	99,980	(18,778)
Traffic safety commission	740	383	357
Total Public Safety	<u>2,949,470</u>	<u>3,032,780</u>	<u>(83,310)</u>
Public Works			
Airport	280,479	257,874	22,605
Total Public Works	<u>280,479</u>	<u>257,874</u>	<u>22,605</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, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES (cont.)			
Health and Human Services			
Long-term support	\$ 204,875	\$ 190,860	\$ 14,015
Veterans services	140,599	101,033	39,566
Veterans relief	7,400	9,064	(1,664)
Dog license	33,511	35,096	(1,585)
Total Health and Human Services	<u>386,385</u>	<u>336,053</u>	<u>50,332</u>
Culture, Recreation and Education			
Library	300,596	300,687	(91)
Tourism department	105,569	101,866	3,703
University extension	227,840	110,328	117,512
Parks	7,500	6,500	1,000
County snowmobile trails	184,005	231,300	(47,295)
Fair and historical society	21,000	21,000	-
County ATV trails	27,345	23,937	3,408
County walking trails	4,610	537	4,073
Total Culture, Recreation and Education	<u>878,465</u>	<u>796,155</u>	<u>82,310</u>
Conservation and Development			
County forestry	411,737	463,969	(52,232)
County dams	52,101	70,208	(18,107)
Land conservation	219,072	246,430	(27,358)
Zoning	166,895	145,364	21,531
State forestry	41,240	44,758	(3,518)
Other economic development and planning	33,183	33,183	-
Total Conservation and Development	<u>924,228</u>	<u>1,003,912</u>	<u>(79,684)</u>
Capital Outlay			
Buildings and grounds	36,000	169,607	(133,607)
Information technology	-	470,695	(470,695)
Land information	3,000	311	2,689
Sheriff	68,000	105,897	(37,897)
Airport	-	13,500	(13,500)
Zoning	24,000	30,756	(6,756)
Dams	40,000	12,359	27,641
County forestry	18,000	19,498	(1,498)
Total Capital Outlay	<u>189,000</u>	<u>822,623</u>	<u>(633,623)</u>
Total Expenditures	<u>8,123,255</u>	<u>9,043,606</u>	<u>(920,351)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,950)</u>	<u>(646,907)</u>	<u>(641,957)</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, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OTHER FINANCING SOURCES (USES)			
Debt issued	\$ -	\$ 495,000	\$ 495,000
Transfers in	40,000	-	(40,000)
Transfers out	<u>(35,050)</u>	<u>(1,416,916)</u>	<u>(1,381,866)</u>
Total Other Financing Sources (Uses)	<u>4,950</u>	<u>(921,916)</u>	<u>(926,866)</u>
Net Change in Fund Balance	-	(1,568,823)	(1,568,823)
FUND BALANCE - Beginning of Year	<u>7,758,399</u>	<u>7,758,399</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 7,758,399</u>	<u>\$ 6,189,576</u>	<u>\$ (1,568,823)</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 HUMAN SERVICES FUND
 For the Year Ended December 31, 2016

	Budgeted Amounts Original and Final	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 2,047,217	\$ 2,047,217	\$ -
Intergovernmental	3,135,691	2,909,463	(226,228)
Public charges for services	675,797	563,470	(112,327)
Miscellaneous	11	134	123
Total Revenues	<u>5,858,716</u>	<u>5,520,284</u>	<u>(338,432)</u>
EXPENDITURES			
Health and Human Services			
Safe and stable plan	33,310	33,325	(15)
Children and youth	1,487,142	1,620,321	(133,179)
Economic support	437,136	360,806	76,330
Long term support	2,152,763	2,061,243	91,520
General public health	601,544	573,995	27,549
WIC	120,125	130,165	(10,040)
Family planning	485,258	484,800	458
Oral health	60,911	68,209	(7,298)
Aging administration	50,338	48,832	1,506
Nutrition congregate	156,571	151,132	5,439
Home delivered meals	97,588	89,280	8,308
Transportation	10,800	16,583	(5,783)
Escort	88,307	55,763	32,544
Benefit specialist	67,225	74,407	(7,182)
Wellness	1,742	1,412	330
Caregiver	7,956	7,956	-
Total Health and Human Services	<u>5,858,716</u>	<u>5,778,229</u>	<u>80,487</u>
Capital Outlay			
Aging administration	-	268	(268)
Total Expenditures	<u>5,858,716</u>	<u>5,778,497</u>	<u>80,219</u>
Excess (deficiency) of revenues over expenditures	-	(258,213)	(418,651)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,244,739	1,244,739
Transfers out	-	(15,606)	(15,606)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,229,133</u>	<u>1,229,133</u>
Net change in fund balance	-	970,920	970,920
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(859,297)</u>	<u>(859,297)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (859,297)</u>	<u>\$ 111,623</u>	<u>\$ 970,920</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, 2016

<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) LIABILITY -
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2016

WRS Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension Asset / Liability	County's Proportionate Share of the Net Pension (Asset) / Liability	County's Covered Payroll	County's Proportionate Share of the Pension Asset / Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/15	0.04930043%	\$ 801,123	\$ 6,223,917	12.87%	98.20%
12/31/14	0.04944560%	(1,214,518)	6,155,115	19.73%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS -
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2016

County Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	\$ 455,287	\$ 455,287	\$ -	6,424,021	7.09%
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, 2016

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, 2016

	General Fund	Capital Improvements	Veterans Relief	Veterans Service	Price County Library Service
ASSETS					
Cash and investments	\$ 4,620,773	\$ 929,546	\$ 18,796	\$ 66,415	\$ 65,632
Taxes receivable	3,279,019	-	6,700	89,420	299,826
Delinquent personal property taxes receivable	769,945	-	-	-	-
Other receivables	64,733	-	474	-	-
Due from other governments	445,581	-	-	-	-
Due from other funds	7,165	-	-	-	-
Inventories and prepaid items	257,662	-	-	-	-
Advances to other funds	437,500	-	-	-	-
TOTAL ASSETS	\$ 9,882,378	\$ 929,546	\$ 25,970	\$ 155,835	\$ 365,458
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 124,551	\$ -	\$ -	\$ 1,487	\$ -
Accrued liabilities	256,556	-	-	3,487	-
Due to other governments	197,617	-	-	-	-
Due to other funds	-	-	-	36,377	-
Deposits	42,312	-	-	-	-
Total Liabilities	<u>621,036</u>	<u>-</u>	<u>-</u>	<u>41,351</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenues	3,691,695	-	6,700	89,420	299,826
Unavailable revenues	199,847	-	-	-	-
Total Deferred Inflows of Resources	<u>3,891,542</u>	<u>-</u>	<u>6,700</u>	<u>89,420</u>	<u>299,826</u>
Fund Balances (Deficit)					
Nonspendable	1,265,260	-	-	-	-
Restricted	197,753	-	-	-	-
Committed	-	929,546	-	-	-
Assigned	42,150	-	19,270	25,064	65,632
Unassigned (deficit)	3,864,637	-	-	-	-
Total Fund Balances (Deficit)	<u>5,369,800</u>	<u>929,546</u>	<u>19,270</u>	<u>25,064</u>	<u>65,632</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,882,378	\$ 929,546	\$ 25,970	\$ 155,835	\$ 365,458

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND

As of December 31, 2016

	Airport	State Forestry	Dog Licenses	Capital Projects	Total Combined General Fund
ASSETS					
Cash	\$ (302,740)	\$ (54,070)	\$ (35,380)	\$ 220,849	\$ 5,529,821
Taxes receivable	96,632	1,500	31,406	-	3,804,503
Delinquent personal property taxes receivable	-	-	-	-	769,945
Other receivables	702	-	855	-	66,764
Due from other governments	-	-	-	-	445,581
Due from other funds	-	-	-	-	7,165
Inventories and prepaid items	27,372	-	-	-	285,034
Advances to other funds	-	-	-	-	437,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,500</u>
TOTAL ASSETS	\$ (178,034)	\$ (52,570)	\$ (3,119)	\$ 220,849	\$ 11,346,313
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 4,016	\$ -	\$ 3,460	\$ 64,562	\$ 198,076
Accrued liabilities	3,096	1,890	-	-	265,029
Due to other governments	-	-	300	-	197,917
Due to other funds	-	-	-	-	36,377
Deposits	-	-	-	-	42,312
Total Liabilities	<u>7,112</u>	<u>1,890</u>	<u>3,760</u>	<u>64,562</u>	<u>739,711</u>
Deferred Inflows of Resources					
Unearned revenues	96,632	1,500	31,406	-	4,217,179
Unavailable revenues	-	-	-	-	199,847
Total Deferred Inflows of Resources	<u>96,632</u>	<u>1,500</u>	<u>31,406</u>	<u>-</u>	<u>4,417,026</u>
Fund Balances (Deficit)					
Nonspendable	27,372	-	-	-	1,292,632
Restricted	-	-	-	211,382	409,135
Committed	-	-	-	-	929,546
Assigned	-	-	-	-	152,116
Unassigned (deficit)	(309,150)	(55,960)	(38,285)	(55,095)	3,406,147
Total Fund Balances (Deficit)	<u>(281,778)</u>	<u>(55,960)</u>	<u>(38,285)</u>	<u>156,287</u>	<u>6,189,576</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ (178,034)	\$ (52,570)	\$ (3,119)	\$ 220,849	\$ 11,346,313

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2016

	General Fund	Capital Improvements	Commission on Aging	Health Department	Veterans Relief	Veterans Service	Price County Library Service
REVENUES							
Taxes	\$ 4,331,028	\$ -	\$ -	\$ -	\$ 5,500	\$ 132,099	\$ 300,596
Intergovernmental	1,474,916	-	-	-	-	8,520	-
Licenses and permits	98,400	-	-	-	-	-	-
Fines, forfeitures and penalties	126,424	-	-	-	-	-	-
Public charges for services	1,437,472	-	-	-	2,059	-	-
Miscellaneous	147,592	-	-	-	-	-	-
Total Revenues	<u>7,615,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,559</u>	<u>140,619</u>	<u>300,596</u>
EXPENDITURES							
Current							
General government	2,794,209	-	-	-	-	-	-
Public safety	3,032,780	-	-	-	-	-	-
Public works	9,000	-	-	-	-	-	-
Health and human services	190,860	-	-	-	9,064	101,033	-
Culture, recreation and education	495,468	-	-	-	-	-	300,687
Conservation and development	959,154	-	-	-	-	-	-
Capital Outlay	136,521	-	-	-	-	-	-
Total Expenditures	<u>7,617,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,064</u>	<u>101,033</u>	<u>300,687</u>
Excess (deficiency) of revenues over expenditures	<u>(2,160)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,505)</u>	<u>39,586</u>	<u>(91)</u>
OTHER FINANCING SOURCES (USES)							
Long-term debt issued	-	-	-	-	-	-	-
Transfers in	12,359	679,011	-	-	-	-	-
Transfers out	<u>(742,511)</u>	<u>(148,159)</u>	<u>(569,713)</u>	<u>(675,026)</u>	<u>-</u>	<u>(36,377)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(730,152)</u>	<u>530,852</u>	<u>(569,713)</u>	<u>(675,026)</u>	<u>-</u>	<u>(36,377)</u>	<u>-</u>
Net change in fund balance	<u>(732,312)</u>	<u>530,852</u>	<u>(569,713)</u>	<u>(675,026)</u>	<u>(1,505)</u>	<u>3,209</u>	<u>(91)</u>
FUND BALANCES (DEFICIT) - Beginning 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>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 5,369,800</u>	<u>\$ 929,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,270</u>	<u>\$ 25,064</u>	<u>\$ 65,632</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2016

	Airport	State Forestry	Dog Licenses	Capital Projects	Eliminations	Total Combined General Fund
REVENUES						
Taxes	\$ 93,379	\$ -	\$ 23,086	\$ -	\$ -	\$ 4,885,688
Intergovernmental	-	41,058	-	-	-	1,524,494
Licenses and permits	-	-	8,632	-	-	107,032
Fines, forfeitures and penalties	-	-	-	-	-	126,424
Public charges for services	132,740	-	-	-	-	1,572,271
Miscellaneous	33,198	-	-	-	-	180,790
Total Revenues	<u>259,317</u>	<u>41,058</u>	<u>31,718</u>	<u>-</u>	<u>-</u>	<u>8,396,699</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	2,794,209
Public safety	-	-	-	-	-	3,032,780
Public works	248,874	-	-	-	-	257,874
Health and human services	-	-	35,096	-	-	336,053
Leisure activities	-	-	-	-	-	796,155
Conservation and development	-	44,758	-	-	-	1,003,912
Capital Outlay	13,500	-	-	672,602	-	822,623
Total Expenditures	<u>262,374</u>	<u>44,758</u>	<u>35,096</u>	<u>672,602</u>	<u>-</u>	<u>9,043,606</u>
Excess (deficiency) of revenues over expenditures	<u>(3,057)</u>	<u>(3,700)</u>	<u>(3,378)</u>	<u>(672,602)</u>	<u>-</u>	<u>(646,907)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	495,000	-	495,000
Transfers in	13,500	-	-	50,000	(754,870)	-
Transfers out	-	-	-	-	754,870	(1,416,916)
Total Other Financing Sources (Uses)	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>545,000</u>	<u>-</u>	<u>(921,916)</u>
Net change in fund balance	10,443	(3,700)	(3,378)	(127,602)	-	(1,568,823)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(292,221)</u>	<u>(52,260)</u>	<u>(34,907)</u>	<u>283,889</u>	<u>-</u>	<u>7,758,399</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (281,778)</u>	<u>\$ (55,960)</u>	<u>\$ (38,285)</u>	<u>\$ 156,287</u>	<u>\$ -</u>	<u>\$ 6,189,576</u>

PRICE COUNTY

COMBINING BALANCE SHEET - HUMAN SERVICES FUND
As of December 31, 2016

	<u>Human Services</u>	<u>Commission on Aging</u>	<u>Health Department</u>	<u>Total Combined Human Services Fund</u>
ASSETS				
Cash and investments	\$ (972,053)	\$ 632,201	\$ 573,553	\$ 233,701
Taxes receivable	1,608,505	146,763	458,869	2,214,137
Other receivables	-	20,399	-	20,399
Due from other governments	<u>226,422</u>	<u>-</u>	<u>144,101</u>	<u>370,523</u>
TOTAL ASSETS	<u>\$ 862,874</u>	<u>\$ 799,363</u>	<u>\$ 1,176,523</u>	<u>\$ 2,838,760</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 388,264	\$ 13,041	\$ 6,970	\$ 408,275
Accrued liabilities	58,734	7,404	22,981	89,119
Due to other funds	<u>-</u>	<u>-</u>	<u>15,606</u>	<u>15,606</u>
Total Liabilities	<u>446,998</u>	<u>20,445</u>	<u>45,557</u>	<u>513,000</u>
Deferred Inflows of Resources				
Unearned revenues	<u>1,608,505</u>	<u>146,763</u>	<u>458,869</u>	<u>2,214,137</u>
Fund Balances (Deficit)				
Restricted	3,178	108,790	131,052	243,020
Assigned	-	523,365	541,045	1,064,410
Unassigned (deficit)	<u>(1,195,807)</u>	<u>-</u>	<u>-</u>	<u>(1,195,807)</u>
Total Fund Balances (Deficit)	<u>(1,192,629)</u>	<u>632,155</u>	<u>672,097</u>	<u>111,623</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 862,874</u>	<u>\$ 799,363</u>	<u>\$ 1,176,523</u>	<u>\$ 2,838,760</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - HUMAN SERVICES FUND
For the Year Ended December 31, 2016

	Human Services	Commission on Aging	Health Department	Total Combined Human Services Fund
REVENUES				
Taxes	\$ 1,471,003	\$ 139,711	\$ 436,503	\$ 2,047,217
Intergovernmental	1,868,756	258,944	781,763	2,909,463
Public charges for services	402,599	109,291	51,580	563,470
Miscellaneous	5	129	-	134
Total Revenues	<u>3,742,363</u>	<u>508,075</u>	<u>1,269,846</u>	<u>5,520,284</u>
EXPENDITURES				
Current				
Health and human services	4,075,695	445,365	1,257,169	5,778,229
Capital Outlay	-	268	-	268
Total Expenditures	<u>4,075,695</u>	<u>445,633</u>	<u>1,257,169</u>	<u>5,778,497</u>
Excess (deficiency) of revenues over expenditures	<u>(333,332)</u>	<u>62,442</u>	<u>12,677</u>	<u>(258,213)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	569,713	675,026	1,244,739
Transfers out	-	-	(15,606)	(15,606)
Total Other Financing Sources (Uses)	<u>-</u>	<u>569,713</u>	<u>659,420</u>	<u>1,229,133</u>
Net change in fund balance	<u>(333,332)</u>	<u>632,155</u>	<u>672,097</u>	<u>970,920</u>
FUND BALANCES (DEFICIT) -				
Beginning of Year	<u>(859,297)</u>	<u>-</u>	<u>-</u>	<u>(859,297)</u>
FUND BALANCES (DEFICIT) -				
END OF YEAR	<u>\$ (1,192,629)</u>	<u>\$ 632,155</u>	<u>\$ 672,097</u>	<u>\$ 111,623</u>

PRICE COUNTY

COMBINING STATEMENT OF NET POSITION - HIGHWAY FUND
As of December 31, 2016

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
ASSETS				
Current Assets				
Cash and investments	\$ 942,629	\$ (6,543)	\$ (132,896)	\$ 803,190
Receivables				
Taxes	1,562,244	-	-	1,562,244
Accounts	11,607	-	-	11,607
Due from other governments	700,569	-	-	700,569
Inventories and prepaid items	728,186	-	-	728,186
Total Current Assets	<u>3,945,235</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>3,805,796</u>
Noncurrent Assets				
Capital Assets				
Land	5,131	-	-	5,131
Capital assets being depreciated	10,635,763	-	-	10,635,763
Less: Accumulated depreciation	<u>(6,070,809)</u>	<u>-</u>	<u>-</u>	<u>(6,070,809)</u>
Total Noncurrent Assets	<u>4,570,085</u>	<u>-</u>	<u>-</u>	<u>4,570,085</u>
Total Assets	<u>8,515,320</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>8,375,881</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>785,660</u>	<u>-</u>	<u>-</u>	<u>785,660</u>
LIABILITIES				
Current Liabilities				
Accounts payable	78,493	-	-	78,493
Accrued wages	67,701	-	-	67,701
Current portion of compensated absences	50,862	-	-	50,862
Accrued interest	2,075	-	-	2,075
Current portion of advances	87,500	-	-	87,500
Current portion of bonds payable	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Total Current Liabilities	<u>411,631</u>	<u>-</u>	<u>-</u>	<u>411,631</u>
Noncurrent Liabilities				
Compensated absences	74,014	-	-	74,014
Advances from other funds	350,000	-	-	350,000
Net pension liability	140,854	-	-	140,854
Bonds payable	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>275,000</u>
Total Noncurrent Liabilities	<u>839,868</u>	<u>-</u>	<u>-</u>	<u>839,868</u>
Total Liabilities	<u>1,251,499</u>	<u>-</u>	<u>-</u>	<u>1,251,499</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	1,639,301	-	-	1,639,301
Pension related amounts	<u>298,921</u>	<u>-</u>	<u>-</u>	<u>298,921</u>
Total Deferred Inflows of Resources	<u>1,938,222</u>	<u>-</u>	<u>-</u>	<u>1,938,222</u>
NET POSITION				
Net Investment in capital assets	4,170,085	-	-	4,170,085
Unrestricted (deficit)	<u>1,941,174</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>1,801,735</u>
TOTAL NET POSITION	<u>\$ 6,111,259</u>	<u>\$ (6,543)</u>	<u>\$ (132,896)</u>	<u>\$ 5,971,820</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT) -
HIGHWAY FUND

For the Year Ended December 31, 2016

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
OPERATING REVENUES	\$ 1,886,978	\$ -	\$ -	\$ 1,886,978
OPERATING EXPENSES				
Operation and maintenance	3,441,986	-	78,058	3,520,044
Depreciation	381,103	-	-	381,103
Total Operating Expenses	<u>3,823,089</u>	<u>-</u>	<u>78,058</u>	<u>3,901,147</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	1,860,817	-	-	1,860,817
Intergovernmental grants	702,075	-	-	702,075
Interest and fiscal charges	(10,175)	-	-	(10,175)
Infrastructure construction expense for governmental activities	(567,039)	-	-	(567,039)
Miscellaneous	44,704	-	-	44,704
Total Nonoperating Revenues (Expenses)	<u>2,030,382</u>	<u>-</u>	<u>-</u>	<u>2,030,382</u>
 Income (Loss) Before Transfers	 <u>94,271</u>	 <u>-</u>	 <u>(78,058)</u>	 <u>16,213</u>
TRANSFERS				
Transfers in	<u>135,800</u>	<u>-</u>	<u>-</u>	<u>135,800</u>
 Change in Net Position	 230,071	 -	 (78,058)	 152,013
NET POSITION (DEFICIT) - Beginning of Year	<u>5,881,188</u>	<u>(6,543)</u>	<u>(54,838)</u>	<u>5,819,807</u>
 NET POSITION (DEFICIT) - END OF YEAR	 <u>\$ 6,111,259</u>	 <u>\$ (6,543)</u>	 <u>\$ (132,896)</u>	 <u>\$ 5,971,820</u>

PRICE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2016

	<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	\$ -	\$ 11,038	\$ 79,234	\$ 9,970	\$ 16,276	\$ 116,518
Taxes receivable	<u>276,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,067</u>
TOTAL ASSETS	<u>\$ 276,067</u>	<u>\$ 11,038</u>	<u>\$ 79,234</u>	<u>\$ 9,970</u>	<u>\$ 16,276</u>	<u>\$ 392,585</u>
LIABILITIES						
Due to other governments	\$ 276,067	\$ -	\$ -	\$ -	\$ -	\$ 276,067
Deposits	<u>-</u>	<u>11,038</u>	<u>79,234</u>	<u>9,970</u>	<u>16,276</u>	<u>116,518</u>
TOTAL LIABILITIES	<u>\$ 276,067</u>	<u>\$ 11,038</u>	<u>\$ 79,234</u>	<u>\$ 9,970</u>	<u>\$ 16,276</u>	<u>\$ 392,585</u>