

PRICE COUNTY

Phillips, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2019

PRICE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Price County
Phillips, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Price County, Wisconsin, as of and for the year ended December 31, 2019, 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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 9, 2020 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Price County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Price County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Baker Tilly US, LLP (formerly known as Baker Tilly Virchow Krause, LLP)
Eau Claire, Wisconsin
September 9, 2020

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2019

This section of Price County, Wisconsin's (the "county") annual financial statements presents the management's discussion and analysis of the county's financial performance during the year ended December 31, 2019. 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 \$823,990.
- > In governmental funds, the total fund balances decreased by \$99,251, while net position in the highway department enterprise fund decreased by \$26,550.
- > The county's long-term general obligation debt decreased by \$742,698 during 2019.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

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.
 - The proprietary fund accounts for the costs associated with the operation and maintenance of the county's highway department.
 - Fiduciary funds account for assets held as an agent for the clerk of courts, 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, and protective payee. 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2019

FINANCIAL ANALYSIS

THE COUNTY AS A WHOLE

Net position: The county's combined net position was \$39,609,838 on December 31, 2019.

The largest portion of the county's net position (84%) 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 \$5,661,483 at the end of this year.

Table 1
Net Position
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Current and other assets	\$ 15,427,783	\$ 15,841,022	\$ 3,798,372	\$ 4,736,054
Capital assets	32,374,393	33,062,483	4,279,554	4,012,001
Total Assets	47,802,176	48,903,505	8,077,926	8,748,055
Deferred Outflows of Resources	4,017,713	2,031,053	589,126	577,528
Liabilities	2,106,409	1,757,326	520,254	566,516
Noncurrent liabilities	5,364,657	4,260,712	714,621	899,025
Total Liabilities	7,471,066	6,018,038	1,234,875	1,465,541
Deferred Inflows of Resources	10,609,651	10,379,908	1,561,511	1,962,826
Net Position				
Net investment in capital assets	29,109,393	29,500,611	3,972,391	3,259,012
Restricted	866,571	1,625,850	-	362,564
Unrestricted	3,763,208	3,410,151	1,898,275	2,275,640
Total Net Position	<u>\$ 33,739,172</u>	<u>\$ 34,536,612</u>	<u>\$ 5,870,666</u>	<u>\$ 5,897,216</u>

Governmental activities net position decreased by \$797,440. Less than \$100,000 was net change in governmental activities. The majority of the net position decrease was attributed to changes within capital assets as well as changes in the net pension liability.

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

Net position (cont.): Business-type activities total net position decreased by \$26,550 due to grant funding received for previous years storm expenditures as well as construction projects were not able to be completed as budgeted due to unexpected maintenance projects and project engineering issues extending the project timelines.

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

Table 2
Change in Net Position
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Revenues				
Program revenues				
Charges for services	\$ 2,742,024	\$ 2,734,836	\$ 1,846,445	\$ 1,680,778
Operating grants and contributions	4,775,555	4,389,412	667,088	773,772
Capital grants and contributions	196,514	243,922	-	-
General revenues				
Property taxes	7,994,764	7,082,139	1,178,846	1,571,384
Sales tax	1,280,661	1,265,187	-	-
Grants and contributions not restricted to specific programs	686,459	638,393	-	-
Other	280,727	201,312	-	-
Total Revenues	<u>17,956,704</u>	<u>16,555,201</u>	<u>3,692,379</u>	<u>4,025,934</u>
Expenses				
General government	3,823,700	3,408,478	-	-
Public safety	3,677,187	3,532,696	-	-
Public works	1,704,265	1,625,970	-	-
Health and human services	7,250,542	7,013,460	-	-
Culture, recreation and education	867,974	862,099	-	-
Conservation and development	1,276,470	1,171,341	-	-
Interest and fiscal charges	108,415	63,528	-	-
Highway	-	-	3,764,520	3,122,721
Total Expenses	<u>18,708,553</u>	<u>17,677,572</u>	<u>3,764,520</u>	<u>3,122,721</u>
Change in position from operations	(751,849)	(1,122,371)	(72,141)	903,213
Transfers	(45,591)	584,178	45,591	(584,178)
Change in net position	(797,440)	(538,193)	(26,550)	319,035
Net Position – Beginning of Year	<u>34,536,612</u>	<u>35,074,805</u>	<u>5,897,216</u>	<u>5,578,181</u>
Net Position – End of Year	<u>\$ 33,739,172</u>	<u>\$ 34,536,612</u>	<u>\$ 5,870,666</u>	<u>\$ 5,897,216</u>

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

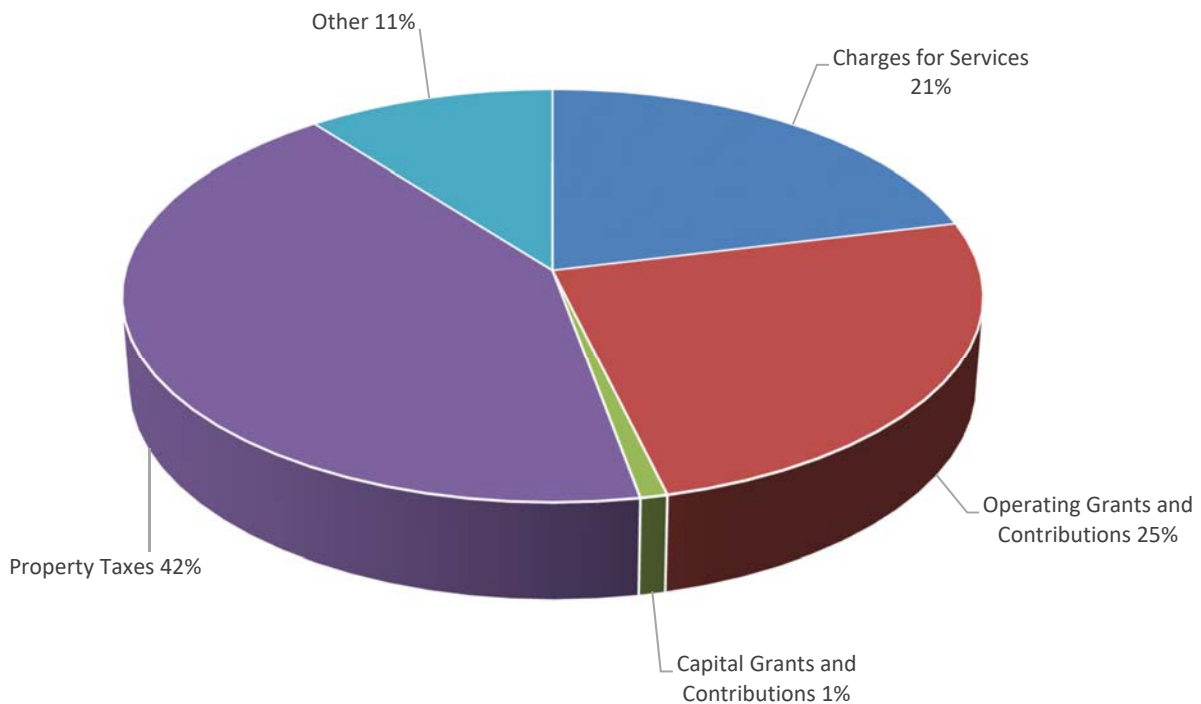
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The county's total revenues were \$21,649,083 for the year ended December 31, 2019. Property taxes accounted for 42% of total revenues for the year (See Figure 1). Another 47% came from other program revenues and the remainder from other general revenues.

Figure 1: Sources of Price county, Wisconsin's Revenues for Fiscal Year 2019



PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

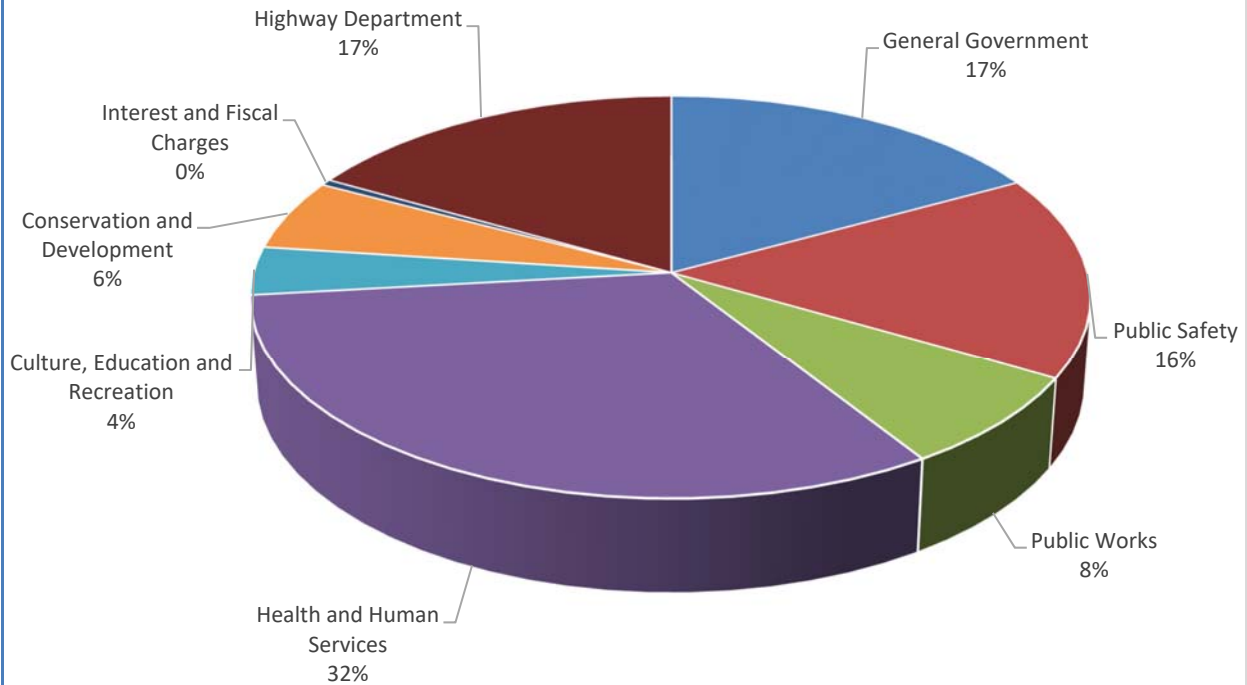
For the Year Ended December 31, 2019

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The total cost of all programs and services was \$22,473,073. The county's most significant expenses are related to health and human services (32%) (See Figure 2). Other activities of the county accounted for 68% of total costs.

Figure 2: Price county, Wisconsin's Expenses for Fiscal Year 2019



PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

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, 2019 and 2018

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Governmental Type				
General government	\$ 3,823,700	\$ 3,408,478	\$ (3,120,083)	\$ (2,783,564)
Public safety	3,677,187	3,532,696	(3,384,239)	(3,351,468)
Public works	1,704,265	1,625,970	(1,595,267)	(1,360,096)
Health and human services	7,250,542	7,013,460	(3,045,720)	(3,118,081)
Culture, recreation and education	867,974	862,099	(717,243)	(703,911)
Conservation and development	1,276,470	1,171,341	949,273	1,071,246
Interest and fiscal charges	108,415	63,528	(108,415)	(63,528)
Business-type – highway	<u>3,764,520</u>	<u>3,122,721</u>	<u>(1,250,987)</u>	<u>(668,171)</u>
Totals	<u>\$ 22,473,073</u>	<u>\$ 20,800,293</u>	<u>\$ (12,272,681)</u>	<u>\$ (10,977,573)</u>

- > The cost of all governmental activities this year was \$18,708,553.
- > Some of the governmental cost totaling \$2,742,024 was paid by users of the county's governmental programs. Operating grants and intergovernmental revenues not restricted to specific programs totaled \$5,462,014.
- > Other sources of revenue included capital grants and contributions of \$196,514, investment income of \$175,809 and miscellaneous income of \$104,918.
- > The remainder of the county's governmental costs of \$10,027,274, however, was paid for by the county taxpayers and taxpayers of our state.
- > The cost of all business-type activities was \$3,764,520.
- > Some of the costs totaling \$1,846,445 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL FUNDS

The county completed the year with a total governmental fund balance of \$4,350,647.

- > The general fund had a decrease in fund balance of \$542,726.
- > The human services fund had an increase of \$41,054 in fund balance.
- > The debt service fund had an increase of \$402,287 in fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

Price County's actual revenues exceed the budgeted figures by \$697,762. This is due in part to forestry stumpage exceeding budget estimates by approximately \$218,000. Earnings on investments also exceeded budget by approximately \$110,000. The county received a \$44,000 K-9 donation. There was also \$165,000 of sales of land and other county property that were not budgeted for.

Public Safety as a whole exceeded budget by \$109,048. This is due to the difficulties we have with recruitment and the absence of viable candidates to fill our vacancies within the sheriff office and the jail. In order to cover the shifts, it is necessary to hire additional casual employees as well as pay overtime or comp time causing wages, social security and WRS retirement to go over budget.

Conservation and Development budgeted expenditures were less than actual by \$119,998. Of this, \$68,000 was in the Forestry Department which had \$21,000 for equipment repair done by the County's Highway department. \$23,000 was final expense from an ATV grant that had split payment years. \$12,000 is from a sustainable forest grant where funds will be received in 2020. Another \$12,000 for reforestation that is done from timber proceeds. Dams was \$32,000 over budget, which consisted of charges from the County Highway department for equipment and fringe benefits for the Dams keeper. Land Conservation had \$15,000 which \$11,000 was for the DATCP C/S Grant and \$4,000 for LWRM plans.

Capital Outlay as a whole exceeded budget by \$669,873. The larger capital outlay projects for 2019 were the upgrade to the 911 system, two squad cars, a Bobcat toolcat and playground equipment for Solberg park. These item totaling \$400,000 were paid for by borrowing with the debt levy being paid in 2020. The remaining balance was 2020 capital projects that started in 2019, which were paid for by borrowing with the debt levy paid in 2021.

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the 2019 year, the county had invested over \$74 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 \$31 million for governmental activities and exceeded \$6 million for business-type activities.

- > Asset acquisitions totaled \$1,743,116 for governmental activities and \$815,086 for business-type activities.
- > The county recognized depreciation expense of \$1,895,049 for the governmental activities and \$365,729 for business-type activities during the fiscal year.

Table 4
Capital Assets
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Land	\$ 2,629,677	\$ 2,629,677	\$ 5,131	\$ 5,131
Construction in progress	97,638	206,857	143,872	176,526
Building and improvements	12,681,907	13,020,940	3,268,099	3,296,954
Machinery and equipment	5,399,054	5,197,389	7,750,514	7,139,053
Infrastructure	42,838,660	41,976,525	-	-
Accumulated depreciation	<u>(31,272,543)</u>	<u>(29,968,905)</u>	<u>(6,888,062)</u>	<u>(6,605,663)</u>
Total Capital Assets	<u>\$ 32,374,393</u>	<u>\$ 33,062,483</u>	<u>\$ 4,279,554</u>	<u>\$ 4,012,001</u>

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end, the county had \$3,572,163 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.F to the financial statements.

Table 5
Outstanding Long-Term Obligations
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation notes	\$ 3,265,000	\$ 3,561,872	\$ -	\$ -
General obligation bonds	-	-	307,163	752,989
Compensated absences	692,688	698,840	114,648	146,036
Net pension liability	<u>1,406,969</u>	<u>-</u>	<u>292,810</u>	<u>-</u>
Totals	<u>\$ 5,364,657</u>	<u>\$ 4,260,712</u>	<u>\$ 714,621</u>	<u>\$ 899,025</u>

- > The county retired \$742,698 of outstanding general obligation debt.
- > The county did not issued any long-term notes payable.
- > As of December 31, 2018, the county had a net pension asset of \$1,412,403.

PRICE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2019

FACTORS BEARING ON THE COUNTY'S FUTURE

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

For the fourth consecutive year, the county realized a progressive increase in economic activity, as sales tax revenues continued to improve in 2019 and into 2020. 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, there has been a zero operating levy budget for 2019 and 2020. The same will be the case in 2021, being the eighth consecutive year with a zero-levy cap. The county has been able to balance the budget in 2019 and 2020 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.

One of the major revenue sources, timber stumpage, has continued to be stable in 2019. An estimated \$3 million of outstanding timber stumpage contracts are to be filled within the next three years. The market outlook for timber is not as positive as we would hope and anticipate a plateau of the stumpage bids received during the 2020 - 2021 seasons.

In 2020, the county will mark its fifth year of implementing the county Administrator position. The position has proven to be a success from a management prospective. The county Administrator has continued the restructuring of departments to create efficient use of employee time and generate cost savings to the county. One of which was in the Jail and the Sheriff's office, by utilizing civilian dispatchers/jailers instead of deputies as dispatchers. The added burden now is on recruitment and the absence of viable candidates to fill our vacancies within the jail and sheriff office as well as social workers.

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including areas impacting the county. The county's evaluation of the effects of these events is ongoing; however, based on current information, it is believed this situation could result in a decrease in certain revenue sources and an increase in delinquencies or uncollectible accounts receivable that may affect the 2022 and future budgets.

The extent of the impact of COVID-19 on the county's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, and related governmental or other regulatory actions.

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, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 3,815,610	\$ 1,734,206	\$ 5,549,816
Receivables			
Taxes	8,171,635	1,178,846	9,350,481
Delinquent personal property taxes	1,118,348	-	1,118,348
Other receivables	333,812	-	333,812
Due from other governmental units	1,134,716	333,845	1,468,561
Internal balances	160,058	(160,058)	-
Inventories and prepaid items	693,604	711,533	1,405,137
Capital Assets (net of accumulated depreciation)			
Land	2,629,677	5,131	2,634,808
Construction in progress	97,638	143,872	241,510
Other capital assets, net of depreciation	<u>29,647,078</u>	<u>4,130,551</u>	<u>33,777,629</u>
Total Assets	<u>47,802,176</u>	<u>8,077,926</u>	<u>55,880,102</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>4,017,713</u>	<u>589,126</u>	<u>4,606,839</u>
Total Deferred Outflows of Resources	<u>4,017,713</u>	<u>589,126</u>	<u>4,606,839</u>
LIABILITIES			
Accounts payable	827,400	43,470	870,870
Accrued liabilities	417,135	76,784	493,919
Due to other governmental units	188,656	-	188,656
Short term notes payable	650,000	400,000	1,050,000
Deposits	23,218	-	23,218
Noncurrent Liabilities			
Due within one year	752,538	252,548	1,005,086
Due in more than one year	<u>4,612,119</u>	<u>462,073</u>	<u>5,074,192</u>
Total Liabilities	<u>7,471,066</u>	<u>1,234,875</u>	<u>8,705,941</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	8,633,690	1,188,786	9,822,476
Pension related amounts	<u>1,975,961</u>	<u>372,725</u>	<u>2,348,686</u>
Total Deferred Inflows of Resources	<u>10,609,651</u>	<u>1,561,511</u>	<u>12,171,162</u>
NET POSITION			
Net investment in capital assets	29,109,393	3,972,391	33,081,784
Restricted for:			
Dare	9,339	-	9,339
Jail assessment	19,604	-	19,604
Land information	320,482	-	320,482
Project lifesaver	9,931	-	9,931
Debt service	342,636	-	342,636
COP risk reserve	3,211	-	3,211
Family planning	48,218	-	48,218
Specialized transportation	112,474	-	112,474
Family counseling	676	-	676
Unrestricted	<u>3,763,208</u>	<u>1,898,275</u>	<u>5,661,483</u>
TOTAL NET POSITION	<u>\$ 33,739,172</u>	<u>\$ 5,870,666</u>	<u>\$ 39,609,838</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 3,823,700	\$ 322,490	\$ 381,127	\$ -
Public safety	3,677,187	117,463	138,491	36,994
Public works	1,704,265	108,998	-	-
Health and human services	7,250,542	539,232	3,665,590	-
Culture, education and recreation	867,974	145,531	5,200	-
Conservation and development	1,276,470	1,508,310	585,147	159,520
Interest and fiscal charges	<u>108,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>18,708,553</u>	<u>2,742,024</u>	<u>4,775,555</u>	<u>196,514</u>
Business-type Activities				
Highway department	<u>3,764,520</u>	<u>1,846,445</u>	<u>667,088</u>	<u>-</u>
Total Business-type Activities	<u>3,764,520</u>	<u>1,846,445</u>	<u>667,088</u>	<u>-</u>
Totals	<u>\$ 22,473,073</u>	<u>\$ 4,588,469</u>	<u>\$ 5,442,643</u>	<u>\$ 196,514</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>
\$ (3,120,083)	\$ -	\$ (3,120,083)
(3,384,239)	-	(3,384,239)
(1,595,267)	-	(1,595,267)
(3,045,720)	-	(3,045,720)
(717,243)	-	(717,243)
976,507	-	976,507
<u>(108,415)</u>	<u>-</u>	<u>(108,415)</u>
<u>(10,994,460)</u>	<u>-</u>	<u>(10,994,460)</u>
<u>-</u>	<u>(1,250,987)</u>	<u>(1,250,987)</u>
<u>-</u>	<u>(1,250,987)</u>	<u>(1,250,987)</u>
<u>(10,994,460)</u>	<u>(1,250,987)</u>	<u>(12,245,447)</u>
3,716,216	-	3,716,216
2,865,851	-	2,865,851
1,412,697	-	1,412,697
-	1,178,846	1,178,846
1,280,661	-	1,280,661
686,459	-	686,459
175,809	-	175,809
104,918	-	104,918
<u>10,242,611</u>	<u>1,178,846</u>	<u>11,421,457</u>
<u>(45,591)</u>	<u>45,591</u>	<u>-</u>
(797,440)	(26,550)	(823,990)
<u>34,536,612</u>	<u>5,897,216</u>	<u>40,433,828</u>
<u>\$ 33,739,172</u>	<u>\$ 5,870,666</u>	<u>\$ 39,609,838</u>

See accompanying notes to financial statements.

PRICE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	Combined General Fund	Combined Human Services Fund	Debt Service	Totals
ASSETS				
Cash and investments	\$ 2,822,974	\$ -	\$ 992,636	\$ 3,815,610
Receivables				
Taxes	3,826,577	2,744,648	1,600,410	8,171,635
Delinquent personal property taxes	1,118,348	-	-	1,118,348
Other receivables	163,510	170,302	-	333,812
Due from other governments	739,729	394,987	-	1,134,716
Due from other funds	827,042	-	-	827,042
Inventories and prepaid items	693,604	-	-	693,604
Advances to other funds	175,000	-	-	175,000
TOTAL ASSETS	<u>\$ 10,366,784</u>	<u>\$ 3,309,937</u>	<u>\$ 2,593,046</u>	<u>\$ 16,269,767</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 547,758	\$ 279,642	\$ -	\$ 827,400
Accrued liabilities	302,337	114,798	-	417,135
Due to other governments	183,671	4,985	-	188,656
Due to other funds	14,942	827,042	-	841,984
Deposits	23,218	-	-	23,218
Short-term notes payable	-	-	650,000	650,000
Total Liabilities	<u>1,071,926</u>	<u>1,226,467</u>	<u>650,000</u>	<u>2,948,393</u>
Deferred Inflows of Resources				
Unearned revenues	4,288,632	2,744,648	1,600,410	8,633,690
Unavailable revenues	337,037	-	-	337,037
Total Deferred Inflows of Resources	<u>4,625,669</u>	<u>2,744,648</u>	<u>1,600,410</u>	<u>8,970,727</u>
Fund Balances				
Nonspendable	1,619,210	-	-	1,619,210
Restricted	360,032	163,903	342,636	866,571
Committed	776,252	-	-	776,252
Assigned	152,378	-	-	152,378
Unassigned (deficit)	1,761,317	(825,081)	-	936,236
Total Fund Balances (Deficit)	<u>4,669,189</u>	<u>(661,178)</u>	<u>342,636</u>	<u>4,350,647</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,366,784</u>	<u>\$ 3,309,937</u>	<u>\$ 2,593,046</u>	<u>\$ 16,269,767</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, 2019

Total Fund Balances - Governmental Funds	\$ 4,350,647
--	--------------

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	97,638
Other capital assets	60,919,621
Less: Accumulated depreciation	(31,272,543)

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 delinquent property tax receivables.

337,037

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

(1,406,969)

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

4,017,713

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

(1,975,961)

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	(3,265,000)
Compensated absences	(692,688)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 33,739,172

PRICE COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	Combined General Fund	Combined Human Services Fund	Debt Service	<u>Totals</u>
REVENUES				
Taxes	\$ 4,931,160	\$ 2,865,851	\$ 1,412,697	\$ 9,209,708
Intergovernmental	2,042,217	3,405,985	-	5,448,202
Licenses and permits	128,112	-	-	128,112
Fines, forfeitures and penalties	124,684	-	-	124,684
Public charges for services	1,890,170	539,387	-	2,429,557
Miscellaneous	<u>597,938</u>	<u>20,991</u>	-	<u>618,929</u>
Total Revenues	<u>9,714,281</u>	<u>6,832,214</u>	<u>1,412,697</u>	<u>17,959,192</u>
EXPENDITURES				
Current				
General government	3,107,695	-	-	3,107,695
Public safety	3,304,771	-	-	3,304,771
Public works	254,999	-	-	254,999
Health and human services	373,589	6,786,141	-	7,159,730
Culture, recreation and education	777,718	-	-	777,718
Conservation and development	1,216,945	-	-	1,216,945
Capital Outlay	955,598	5,019	-	960,617
Debt Service				
Principal	-	-	296,872	296,872
Interest and fiscal charges	-	-	<u>108,415</u>	<u>108,415</u>
Total Expenditures	<u>9,991,315</u>	<u>6,791,160</u>	<u>405,287</u>	<u>17,187,762</u>
Excess (deficiency) of revenues over expenditures	<u>(277,034)</u>	<u>41,054</u>	<u>1,007,410</u>	<u>771,430</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	105,956	105,956
Transfers out	<u>(265,692)</u>	-	<u>(710,945)</u>	<u>(976,637)</u>
Total Other Financing Sources (Uses)	<u>(265,692)</u>	-	<u>(604,989)</u>	<u>(870,681)</u>
Net Change in Fund Balances	(542,726)	41,054	402,421	(99,251)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>5,211,915</u>	<u>(702,232)</u>	<u>(59,785)</u>	<u>4,449,898</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,669,189</u>	<u>\$ (661,178)</u>	<u>\$ 342,636</u>	<u>\$ 4,350,647</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, 2019

Net change in fund balances - total governmental funds	\$ (99,251)
--	-------------

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	960,617
Some items reported as capital outlay were not capitalized	(343,236)
Capital assets transferred from business-type activities - infrastructure financed by the highway fund	825,090
Depreciation is reported in the government-wide financial statements	(1,895,049)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	98,244
Net book value of assets retired	(333,756)

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.	122,512
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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.

Principal repaid	296,872
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The increases and decreases in certain liabilities are recorded as expenses or reductions of expenses in the statement of activities. These changes are not recorded in the governmental funds because they do not provide or use current financial resources.

These amounts are the changes in the following liabilities:

Compensated absences	6,152
Net pension liability and pension related deferred outflows/inflows of resources	<u>(435,635)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (797,440)</u>
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See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of December 31, 2019

	<u>Enterprise Fund - Combined Highway</u>
ASSETS	
Current Assets	
Cash and investments	\$ 1,734,206
Receivables	
Taxes	1,178,846
Due from other governments	333,845
Inventories and prepaid items	711,533
Due from other funds	<u>14,942</u>
Total Current Assets	<u>3,973,372</u>
Noncurrent Assets	
Capital Assets	
Land	5,131
Construction in progress	143,872
Capital assets (at cost)	11,018,613
Less: Accumulated depreciation	<u>(6,888,062)</u>
Total Noncurrent Assets	<u>4,279,554</u>
Total Assets	<u>8,252,926</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	<u>589,126</u>
Total Deferred Outflows of Resources	<u>589,126</u>

Enterprise
Fund -
Combined
Highway

LIABILITIES

Current Liabilities

Accounts payable	\$ 43,470
Accrued wages	75,081
Short-term notes payable	400,000
Current portion of compensated absences	55,228
Accrued interest	1,703
Current portion of advances	87,500
Current portion of bonds payable	<u>197,320</u>
Total Current Liabilities	<u>860,302</u>

Noncurrent Liabilities

Long-Term Debt

Compensated absences	59,420
Advances from other funds	87,500
Bonds payable	109,843
Net pension liability	<u>292,810</u>
Total Noncurrent Liabilities	<u>549,573</u>

Total Liabilities

1,409,875

DEFERRED INFLOWS OF RESOURCES

Unearned revenues	1,188,786
Pension related amounts	<u>372,725</u>
Total Deferred Inflows of Resources	<u>1,561,511</u>

NET POSITION

Net investment in capital assets	3,972,391
Unrestricted	<u>1,898,275</u>

TOTAL NET POSITION

\$ 5,870,666

PRICE COUNTY

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

For the Year Ended December 31, 2019

	<u>Enterprise Fund - Combined Highway</u>
OPERATING REVENUES	\$ 1,846,445
OPERATING EXPENSES	
Operation and maintenance	3,380,513
Depreciation	<u>365,729</u>
Total Operating Expenses	<u>3,746,242</u>
 Operating Income (Loss)	 <u>(1,899,797)</u>
NONOPERATING REVENUES (EXPENSES)	
General property taxes	1,178,846
Intergovernmental grants	667,088
Interest and fiscal charges	(18,278)
Infrastructure construction expense for governmental activities	<u>(825,090)</u>
Total Nonoperating Revenues (Expenses)	<u>1,002,566</u>
 Income (Loss) Before Transfers	 <u>(897,231)</u>
TRANSFERS	
Transfers in	<u>870,681</u>
Total Transfers	<u>870,681</u>
 Change in Net Position	 (26,550)
 NET POSITION - Beginning of Year	 <u>5,897,216</u>
 NET POSITION - END OF YEAR	 <u>\$ 5,870,666</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended December 31, 2019

	Enterprise Fund - Combined Highway
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 1,894,560
Paid to suppliers for goods and services	(1,909,898)
Paid to employees for services	(1,306,092)
Net Cash Flows From Operating Activities	<u>(1,321,430)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
General property taxes	1,178,846
Intergovernmental grants received	667,088
Payments on advances from other funds	(87,500)
Transfer from other funds	870,681
Net Cash Flows From Noncapital Financing Activities	<u>2,629,115</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Short-term debt issued	400,000
Short-term debt retired	(400,000)
Long-term debt retired	(445,826)
Interest and fiscal charges paid	(21,257)
Proceeds from sale of capital assets	8,875
Infrastructure construction expenses paid for governmental activities	(825,090)
Acquisition and construction of capital assets	(633,282)
Net Cash Flows From Capital and Related Financing Activities	<u>(1,916,580)</u>
Net Change in Cash and Cash Equivalents	(608,895)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>2,343,101</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,734,206</u>

Enterprise
Fund -
Combined
Highway

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM
OPERATING ACTIVITIES**

Operating income (loss)	\$ (1,899,797)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities	
Depreciation	365,729
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Due from other governments	57,772
Due from other funds	(14,942)
Inventories and prepaid items	10,893
Accounts payable	(66,402)
Accrued wages	14,245
Accrued compensated absences	(31,388)
Unearned revenues	5,286
Pension related deferrals and liability	<u>237,174</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES

\$ (1,321,430)

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None

PRICE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 158,088
Taxes receivable	<u>80,004</u>
TOTAL ASSETS	<u><u>\$ 238,092</u></u>
LIABILITIES	
Due to other governments	\$ 80,004
Deposits	<u>158,088</u>
TOTAL LIABILITIES	<u><u>\$ 238,092</u></u>

See accompanying notes to financial statements.

PRICE COUNTY

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PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

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

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements

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

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

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

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

The county reports the following major governmental funds:

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

The county reports the following major enterprise fund:

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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 type:

Agency Funds - used to account for and report assets controlled by the county and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Agency
Sheriff
Clerk of Courts
Protective Payee

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the county's highway department and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for health and human services grants, some other expenditure driven grants, and certain 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

Fund Financial Statements (cont.)

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

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

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

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

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

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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.
- 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. See Note III.A for deposits subject to custodial credit risk as of December 31, 2019.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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, 2019, the fair value of the county's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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.)

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 - 2019 tax roll:

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full, or	January 31, 2020
First installment due	January 31, 2020
Second installment due	July 31, 2020
Personal property taxes in full	January 31, 2020
Tax sale - 2019 delinquent real estate taxes	October 2022

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.

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, 2019, 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 \$838,106.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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.)

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 Tuesday, December 31, 2019, the county has accrued two months of the subsequent year's collections as receivable.

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$25,000 for general capital assets and \$25,000 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 acquisition value at the date of donation.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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 (cont.)

Government-Wide Statements (cont.)

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

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

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

Fund Financial Statements

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

5. 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.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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* (cont.)

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, 2019, 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, net pension liabilities and accrued compensated absences.

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

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.

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.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Board of Supervisors . This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Supervisors that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board of Supervisors has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

See Note III. G. for further information.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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

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

10. Pension

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Combined General Fund	\$ 9,070,627	\$ 10,257,007	\$ 1,186,380
Combined Human Services Fund	6,766,419	6,791,160	24,741

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

B. LIMITATIONS ON THE COUNTY'S TAX LEVY

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS 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	\$ 1,330,267	\$ 2,111,535	Custodial credit risk
LGIP	4,375,857	4,375,857	Credit risk
Petty cash	1,780	-	N/A
 Total Deposits and Investments	 \$ 5,707,904	 \$ 6,487,392	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 5,549,816		
Per statement of assets and liabilities -			
agency funds			
Agency funds	158,088		
 Total Deposits and Investments	 \$ 5,707,904		

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, 2019, the county also had an irrevocable letter of credit in the amount of \$11,000,000 to secure the county's deposits.

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

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

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$674,537 in the general fund.

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

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable	\$ 8,164,633	\$ -
Delinquent property taxes receivable	-	337,037
Deposits	<u>469,057</u>	<u>-</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 8,633,690</u>	 <u>\$ 337,037</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

B. RECEIVABLES (cont.)

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. At December 31, 2019, delinquent property taxes by year levied consists of the following:

	<u>Totals</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax Certificates			
2019	\$ 633,391	\$ 168,794	\$ 464,597
2018	375,148	91,310	283,838
2017	61,636	15,952	45,684
2016	9,702	2,197	7,505
2015 and prior	10,518	1,989	8,529
Tax deeds	<u>27,953</u>	<u>-</u>	<u>27,953</u>
 Total Delinquent Property Taxes Receivable	 <u>\$ 1,118,348</u>	 <u>\$ 280,242</u>	 <u>\$ 838,106</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,629,677	\$ -	\$ -	\$ 2,629,677
Construction in progress	206,857	93,182	202,401	97,638
Total Capital Assets Not Being Depreciated	<u>2,836,534</u>	<u>93,182</u>	<u>202,401</u>	<u>2,727,315</u>
Capital assets being depreciated				
Buildings and improvements	13,020,940	92,013	431,046	12,681,907
Machinery and equipment	5,197,389	487,808	286,143	5,399,054
Infrastructure	<u>41,976,525</u>	<u>1,070,113</u>	<u>207,978</u>	<u>42,838,660</u>
Total Capital Assets Being Depreciated	<u>60,194,854</u>	<u>1,649,934</u>	<u>925,167</u>	<u>60,919,621</u>
Total Capital Assets	<u>63,031,388</u>	<u>1,743,116</u>	<u>1,127,568</u>	<u>63,646,936</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (6,749,519)	\$ (268,846)	\$ 231,022	\$ (6,787,343)
Machinery and equipment	(3,742,441)	(379,228)	230,019	(3,891,650)
Infrastructure	<u>(19,476,945)</u>	<u>(1,246,975)</u>	<u>130,370</u>	<u>(20,593,550)</u>
Total Accumulated Depreciation	<u>(29,968,905)</u>	<u>(1,895,049)</u>	<u>591,411</u>	<u>(31,272,543)</u>
Net Capital Assets Being Depreciated	<u>30,225,949</u>	<u>(245,115)</u>	<u>333,756</u>	<u>29,647,078</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,062,483</u>	<u>\$ (151,933)</u>	<u>\$ 536,157</u>	<u>\$ 32,374,393</u>

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 335,229
Public safety	106,683
Public works	1,347,113
Health and human services	11,041
Conservation and development	<u>94,983</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,895,049</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated/amortized				
Land	\$ 5,131	\$ -	\$ -	\$ 5,131
Construction in progress	<u>176,526</u>	<u>129,700</u>	<u>162,354</u>	<u>143,872</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>181,657</u>	<u>129,700</u>	<u>162,354</u>	<u>149,003</u>
Capital assets being depreciated				
Buildings and improvements	3,296,954	37,070	65,925	3,268,099
Machinery and equipment	<u>7,139,053</u>	<u>648,316</u>	<u>36,855</u>	<u>7,750,514</u>
Total Capital Assets Being Depreciated	<u>10,436,007</u>	<u>685,386</u>	<u>102,780</u>	<u>11,018,613</u>
Total Capital Assets	<u>10,617,664</u>	<u>815,086</u>	<u>265,134</u>	<u>11,167,616</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (1,640,899)	\$ (121,384)	\$ 65,925	\$ (1,696,358)
Machinery and equipment	<u>(4,964,764)</u>	<u>(244,345)</u>	<u>17,405</u>	<u>(5,191,704)</u>
Total Accumulated Depreciation	<u>(6,605,663)</u>	<u>(365,729)</u>	<u>83,330</u>	<u>(6,888,062)</u>
Net Capital Assets Being Depreciated	<u>3,830,344</u>	<u>319,657</u>	<u>19,450</u>	<u>4,130,551</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 4,012,001</u>	<u>\$ 449,357</u>	<u>\$ 181,804</u>	<u>\$ 4,279,554</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway department	<u>\$ 365,729</u>
Total Business-type Activities Depreciation Expense	<u>\$ 365,729</u>

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services	\$ 827,042
Highway Fund	General Fund	<u>14,942</u>
Total - Fund Financial Statements		841,984
Less: Fund eliminations		(827,042)
Less: Interfund advances		<u>(175,000)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ (160,058)</u>

All amounts are due within one year.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

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

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	\$ 175,000	\$ 87,500
Total		<u>\$ 175,000</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.

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	\$ 153,300	Fund capital improvements
Highway	Debt Service	710,945	Transfer for debt payment
Highway	General Fund	6,436	Transfer for bridge and culvert aid
Debt Service	General Fund	<u>105,956</u>	Transfer for safety building interest
Total - Fund Financial Statements		976,637	
Less: Fund eliminations		(105,956)	
Less: Infrastructure contributed by highway		<u>(825,090)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 45,591</u>	

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

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

E. SHORT-TERM DEBT ACTIVITY

The county issued short-term debt of \$1,050,000 during 2019. The debt was used for short-term financing in the highway and debt service funds. The note payable was due and paid on March 19, 2020 in one single principal and interest payment. The county paid interest of 3.25% on the note.

Short-term debt activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Promissory note	\$ 400,000	\$ -	\$ 400,000	\$ -
Promissory note	400,000	-	400,000	-
Promissory note	<u>-</u>	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
Totals	<u>\$ 800,000</u>	<u>\$ 1,050,000</u>	<u>\$ 800,000</u>	<u>\$ 1,050,000</u>

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation notes from direct borrowings and direct placements	\$ 3,561,872	\$ -	\$ 296,872	\$ 3,265,000	\$ 235,000
Sub-totals	<u>3,561,872</u>	<u>-</u>	<u>296,872</u>	<u>3,265,000</u>	<u>235,000</u>
Other Liabilities					
Compensated absences - vacation	336,213	317,806	312,607	341,412	341,412
Compensated absences - sick leave	362,627	177,260	188,611	351,276	176,126
Net pension liability	<u>-</u>	<u>1,406,969</u>	<u>-</u>	<u>1,406,969</u>	<u>-</u>
Total Other Liabilities	<u>698,840</u>	<u>1,902,035</u>	<u>501,218</u>	<u>2,099,657</u>	<u>517,538</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 4,260,712</u>	<u>\$ 1,902,035</u>	<u>\$ 798,090</u>	<u>\$ 5,364,657</u>	<u>\$ 752,538</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
General obligation notes from direct borrowings and direct placements	<u>602,989</u>	<u>-</u>	<u>295,826</u>	<u>307,163</u>	<u>197,320</u>
Sub-totals	<u>752,989</u>	<u>-</u>	<u>445,826</u>	<u>307,163</u>	<u>197,320</u>
Other Liabilities					
Compensated absences - vacation	63,409	-	8,181	55,228	55,228
Compensated absences - sick leave	82,627	-	23,207	59,420	-
Net pension liability	<u>-</u>	<u>292,810</u>	<u>-</u>	<u>292,810</u>	<u>-</u>
Total Other Liabilities	<u>146,036</u>	<u>292,810</u>	<u>31,388</u>	<u>407,458</u>	<u>55,228</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 899,025</u>	<u>\$ 292,810</u>	<u>\$ 477,214</u>	<u>\$ 714,621</u>	<u>\$ 252,548</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, 2019, was \$72,048,895. Total general obligation debt outstanding at year end was \$3,572,163.

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 from Direct Borrowing or Direct Placement</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2019</u>
Promissory Note	11/13/2018	10/16/2033	3.35%	\$ 3,500,000	<u>\$ 3,265,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 3,265,000</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities

General Obligation Debt from Direct Borrowing or Direct Placement	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Promissory Note	12/29/2017	4/15/2020	2.25%	\$ 300,000	\$ 100,788
Promissory Note	10/16/2018	12/13/2021	3.25	300,000	<u>206,375</u>
Total Business-type Activities - General Obligation Debt					<u><u>\$ 307,163</u></u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Notes from Direct Borrowings and Direct Placements		Business-type Activities General Obligation Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2020	\$ 235,000	\$ 108,199	\$ 197,320	\$ 9,090
2021	235,000	99,919	109,843	3,615
2022	235,000	91,937	-	-
2023	235,000	83,955	-	-
2024	235,000	76,184	-	-
2025-2029	1,175,000	260,263	-	-
2030-2033	<u>915,000</u>	<u>64,474</u>	<u>-</u>	<u>-</u>
Totals	<u><u>\$ 3,265,000</u></u>	<u><u>\$ 784,931</u></u>	<u><u>\$ 307,163</u></u>	<u><u>\$ 12,705</u></u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences and net pension liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The county's outstanding notes payable from business type activities of \$100,788 contains provisions that in an event of default, outstanding amounts become immediately due and payable.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

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

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 2,629,677
Construction in progress	97,638
Other capital assets, net of accumulated depreciation	29,647,078
Less: Long-term debt outstanding	<u>(3,265,000)</u>
Total Net Investment in Capital Assets	<u>\$ 29,109,393</u>

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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, 2019, include the following:

	General Fund	Human Services	Debt Service	Totals
Fund Balances				
Nonspendable:				
Prepaid items	\$ 668,049	\$ -	\$ -	\$ 668,049
Inventories	25,555	-	-	25,555
Noncurrent interfunds	87,500	-	-	87,500
Delinquent taxes	838,106	-	-	838,106
Sub-total	1,619,210	-	-	1,619,210
Restricted for:				
Debt service	-	-	342,636	342,636
Dare	9,339	-	-	9,339
Jail Assessment	19,604	-	-	19,604
Land information	320,482	-	-	320,482
Project lifesaver	9,931	-	-	9,931
Family counseling	676	-	-	676
COP risk reserve	-	3,211	-	3,211
Family planning	-	48,218	-	48,218
Specialized transportation	-	112,474	-	112,474
Sub-total	360,032	163,903	342,636	866,571
Committed to:				
Capital projects	776,252	-	-	776,252
Sub-total	776,252	-	-	776,252
Assigned to:				
Future general fund expenditures	78,811	-	-	78,811
Futures veterans service expenditures	54,081	-	-	54,081
Future library service expenditures	19,486	-	-	19,486
Sub-total	152,378	-	-	152,378
Unassigned (deficit):	1,761,317	(825,081)	-	936,236
Total Fund Balances	\$ 4,669,189	\$ (661,178)	\$ 342,636	\$ 4,350,647

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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
Construction in progress	143,872
Other capital assets, net of accumulated depreciation	4,130,551
Less: Long-term debt outstanding	<u>(307,163)</u>
Total Net Investment in Capital Assets	<u>\$ 3,972,391</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 (880 hours teachers and school district educational support employees) 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 executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

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>
2009	(2.1)%	(42.0)%
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. 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 \$490,309 in contributions from the county.

Contribution rates for the plan year reported as of December 31, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.7%	6.7%
Protective with Social Security	6.7%	10.7%
Protective without Social Security	6.7%	14.9%

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

At December 31, 2019, the county reported a liability of \$1,699,779 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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, 2018, the county's proportion was 0.04777765%, which was an increase of 0.00020785% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019, the county recognized pension expense of \$1,163,122.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, 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	\$ 1,323,870	\$ 2,340,126
Changes in assumptions	286,520	-
Net differences between projected and actual earnings on pension plan investments	2,482,411	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,311	8,560
Employer contributions subsequent to the measurement date	486,727	-
Totals	\$ 4,606,839	\$ 2,348,686

\$486,727 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, 2020. 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 and Deferred Inflows of Resources (net)
2020	\$ 643,612
2021	170,657
2022	277,735
2023	679,422

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

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>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.1%	5.5%
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
<u>Variable Fund Asset Class</u>			
U.S Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

Single discount rate. A single discount rate of 7.00% 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 7.00% and a long term bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 6,755,099	\$ 1,699,779	\$ (2,059,244)

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, 2019, the county reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

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

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 eighteen county directors and two municipal 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, 2019, can be obtained directly from WCMIC's offices.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

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

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

D. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including areas impacting the county. The county's evaluation of the effects of these events is ongoing; however, based on current information, it is believed this situation could result in a decrease in certain revenue sources and an increase in delinquencies or uncollectible accounts receivable.

The extent of the impact of COVID-19 on the county's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, and related governmental or other regulatory actions.

On January 16, 2020, the county issued general obligation promissory notes in the amount of \$300,000 with an interest rate of 1.65%. This amount will be used for highway construction projects. Principal and interest are due annually through December 15, 2022.

On March 17, 2020, the county issued general obligation promissory notes in the amount of \$1,000,000 with an interest rate of 1.05%. This amount will be used for highway construction projects. Principal and interest are due on March 31, 2021.

PRICE COUNTY

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

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

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

- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- > Statement 90, *Majority Equity Interests*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,970,855	\$ 4,971,499	\$ 4,931,160	\$ (40,339)
Intergovernmental	1,392,950	1,893,317	2,042,217	148,900
Licenses and permits	113,723	113,723	128,112	14,389
Fines, forfeitures and penalties	129,530	129,530	124,684	(4,846)
Public charges for services	1,677,050	1,687,700	1,890,170	202,470
Miscellaneous	178,750	220,750	597,938	377,188
Total Revenues	<u>8,462,858</u>	<u>9,016,519</u>	<u>9,714,281</u>	<u>697,762</u>
EXPENDITURES				
General Government				
County board	52,980	52,980	54,990	(2,010)
Executive and finance	70,300	70,300	75,843	(5,543)
Administration	511,711	511,711	539,859	(28,148)
Circuit court	437,385	446,788	445,145	1,643
Family court commissioner	22,022	22,022	18,011	4,011
Legal services	104,153	104,153	102,261	1,892
Coroner	64,267	64,267	65,189	(922)
County clerk	93,499	93,499	92,233	1,266
Information technology	323,499	323,499	326,284	(2,785)
Elections	21,500	21,500	11,576	9,924
County treasurer	67,335	67,335	66,973	362
District attorney	159,763	169,184	162,306	6,878
Illegal taxes and refunds	-	-	982	(982)
Register of deeds	143,561	143,561	167,263	(23,702)
Land information	71,650	297,200	260,070	37,130
Tax lister	71,717	71,717	72,401	(684)
Surveyor	11,520	22,170	22,920	(750)
Buildings and grounds	580,101	580,101	623,389	(43,288)
Contingency	46,934	28,753	-	28,753
Total General Government	<u>2,853,897</u>	<u>3,090,740</u>	<u>3,107,695</u>	<u>(16,955)</u>
Public Safety				
Sheriff	2,102,768	2,116,048	2,182,150	(66,102)
Jail	951,696	951,696	994,933	(43,237)
Local emergency planning committee	16,150	16,150	14,739	1,411
Emergency government	97,994	111,494	112,886	(1,392)
Traffic safety commission	335	335	63	272
Total Public Safety	<u>3,168,943</u>	<u>3,195,723</u>	<u>3,304,771</u>	<u>(109,048)</u>
Public Works				
Airport	266,254	266,254	254,999	11,255
Total Public Works	<u>266,254</u>	<u>266,254</u>	<u>254,999</u>	<u>11,255</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Health and Human Services				
Long-term support	\$ 225,962	\$ 225,962	\$ 209,296	\$ 16,666
Veterans services	91,605	91,605	95,011	(3,406)
Dog license	<u>46,326</u>	<u>46,326</u>	<u>69,282</u>	<u>(22,956)</u>
Total Health and Human Services	<u>363,893</u>	<u>363,893</u>	<u>373,589</u>	<u>(9,696)</u>
Culture, Recreation and Education				
Library	317,775	317,775	335,275	(17,500)
Tourism department	30,000	30,000	46,759	(16,759)
University extension	102,710	102,710	83,947	18,763
Parks	5,000	5,000	5,000	-
County snowmobile trails	182,450	262,450	261,794	656
Fair and historical society	21,000	21,000	21,000	-
County ATV trails	<u>27,410</u>	<u>27,410</u>	<u>23,943</u>	<u>3,467</u>
Total Culture, Recreation and Education	<u>686,345</u>	<u>766,345</u>	<u>777,718</u>	<u>(11,373)</u>
Conservation and Development				
County forestry	446,170	585,941	657,719	(71,778)
County dams	60,037	60,037	94,315	(34,278)
Land conservation	223,353	223,353	238,519	(15,166)
Zoning	148,812	148,812	148,777	35
State forestry	49,204	49,204	48,085	1,119
Other economic development and planning	<u>29,600</u>	<u>29,600</u>	<u>29,530</u>	<u>70</u>
Total Conservation and Development	<u>957,176</u>	<u>1,096,947</u>	<u>1,216,945</u>	<u>(119,998)</u>
Capital Outlay				
Buildings and grounds	46,500	46,500	135,181	(88,681)
Information technology	23,500	23,500	279,537	(256,037)
General public buildings	50,000	50,000	22,680	27,320
Land information	16,850	16,850	16,056	794
Sheriff	17,500	46,220	71,250	(25,030)
Emergency communication (other share)	-	-	181,761	(181,761)
Elections	-	-	146,338	(146,338)
Zoning	5,000	5,000	5,000	-
County forestry	<u>15,000</u>	<u>97,655</u>	<u>97,795</u>	<u>(140)</u>
Total Capital Outlay	<u>174,350</u>	<u>285,725</u>	<u>955,598</u>	<u>(669,873)</u>
Total Expenditures	<u>8,470,858</u>	<u>9,065,627</u>	<u>9,991,315</u>	<u>(925,688)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,000)</u>	<u>(49,108)</u>	<u>(277,034)</u>	<u>(227,926)</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 13,000	\$ 54,108	\$ -	\$ (54,108)
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(265,692)</u>	<u>(260,692)</u>
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>49,108</u>	<u>(265,692)</u>	<u>(314,800)</u>
Net Change in Fund Balance	-	-	(542,726)	(542,726)
FUND BALANCE - Beginning of Year	<u>5,211,915</u>	<u>5,211,915</u>	<u>5,211,915</u>	-
FUND BALANCE - END OF YEAR	<u><u>\$ 5,211,915</u></u>	<u><u>\$ 5,211,915</u></u>	<u><u>\$ 4,669,189</u></u>	<u><u>\$ (542,726)</u></u>

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

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED HUMAN SERVICES FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,866,495	\$ 2,865,851	\$ 2,865,851	\$ -
Intergovernmental	3,092,985	3,371,985	3,405,985	34,000
Public charges for services	500,322	508,322	539,387	31,065
Miscellaneous	20,261	20,261	20,991	730
Total Revenues	<u>6,480,063</u>	<u>6,766,419</u>	<u>6,832,214</u>	<u>65,795</u>
EXPENDITURES				
Health and Human Services				
Safe and stable plan	33,310	33,310	33,351	(41)
Children and youth	2,162,022	2,162,022	2,150,492	11,530
Economic support	400,505	410,332	376,712	33,620
Long term support	594,876	849,876	1,210,583	(360,707)
General public health	2,108,961	1,843,490	1,481,688	361,802
WIC	108,598	108,598	115,827	(7,229)
Family planning	490,845	777,845	865,070	(87,225)
Oral health	70,798	70,798	65,787	5,011
Aging administration	51,273	51,273	61,342	(10,069)
Nutrition congregate	162,202	162,202	158,162	4,040
Home delivered meals	75,724	75,724	62,091	13,633
Transportation	19,735	19,735	16,520	3,215
Escort	118,434	118,434	92,726	25,708
Benefit specialist	72,891	72,891	83,280	(10,389)
Wellness	1,731	1,731	2,323	(592)
Caregiver	8,158	8,158	10,187	(2,029)
Total Health and Human Services	<u>6,480,063</u>	<u>6,766,419</u>	<u>6,786,141</u>	<u>(19,722)</u>
Capital Outlay				
Aging administration	-	-	5,019	(5,019)
Total Expenditures	<u>6,480,063</u>	<u>6,766,419</u>	<u>6,791,160</u>	<u>(24,741)</u>
Net change in fund balance	-	-	41,054	41,054
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(702,232)</u>	<u>(702,232)</u>	<u>(702,232)</u>	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (702,232)</u>	<u>\$ (702,232)</u>	<u>\$ (661,178)</u>	<u>\$ 41,054</u>

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, 2019

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
12/31/18	0.04777765%	\$ 1,699,779	\$ 6,609,566	25.72%	96.45%
12/31/17	0.04756980%	(1,412,403)	6,493,596	21.75%	102.93%
12/31/16	0.04735687%	390,334	6,424,021	6.08%	99.12%
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, 2019

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
12/31/19	\$ 486,727	\$ 486,727	\$ -	\$ 6,670,891	7.30%
12/31/18	490,313	490,313	-	6,609,566	7.42%
12/31/17	486,517	486,517	-	6,493,596	7.49%
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, 2019

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 and occurred within the fiscal year.

The county is required to present the last ten 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. Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

SUPPLEMENTARY INFORMATION

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2019

	General Fund	Capital Improvements	Veterans Service	Price County Library Service
ASSETS				
Cash and investments	\$ 3,457,626	\$ 776,252	\$ 60,901	\$ 19,486
Receivables				
Taxes	3,266,829	-	85,804	303,377
Delinquent personal property taxes	1,118,348	-	-	-
Other receivables	160,761	-	43	-
Due from other governments	697,293	-	-	-
Due from other funds	827,042	-	-	-
Inventories and prepaid items	668,049	-	-	-
Advances to other funds	175,000	-	-	-
TOTAL ASSETS	\$ 10,370,948	\$ 776,252	\$ 146,748	\$ 322,863
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 230,399	\$ -	\$ 3,690	\$ -
Accrued liabilities	293,357	-	3,173	-
Due to other governments	183,671	-	-	-
Due to other funds	14,942	-	-	-
Deposits	23,218	-	-	-
Total Liabilities	<u>745,587</u>	<u>-</u>	<u>6,863</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	3,728,884	-	85,804	303,377
Unavailable revenues	337,037	-	-	-
Total Deferred Inflows of Resources	<u>4,065,921</u>	<u>-</u>	<u>85,804</u>	<u>303,377</u>
Fund Balances (Deficit)				
Nonspendable	1,593,655	-	-	-
Restricted	360,032	-	-	-
Committed	-	776,252	-	-
Assigned	78,811	-	54,081	19,486
Unassigned (deficit)	3,526,942	-	-	-
Total Fund Balances (Deficit)	<u>5,559,440</u>	<u>776,252</u>	<u>54,081</u>	<u>19,486</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,370,948	\$ 776,252	\$ 146,748	\$ 322,863

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND
As of December 31, 2019

	Airport	State Forestry	Dog Licenses	Capital Projects	Total Combined General Fund
ASSETS					
Cash	\$ (414,345)	\$ (56,705)	\$ (54,513)	\$ (965,728)	\$ 2,822,974
Receivables					
Taxes	121,119	6,356	43,092	-	3,826,577
Delinquent personal property taxes	-	-	-	-	1,118,348
Other receivables	2,630	-	76	-	163,510
Due from other governments	-	-	-	42,436	739,729
Due from other funds	-	-	-	-	827,042
Inventories and prepaid items	25,555	-	-	-	693,604
Advances to other funds	-	-	-	-	175,000
TOTAL ASSETS	\$ (265,041)	\$ (50,349)	\$ (11,345)	\$ (923,292)	\$ 10,366,784
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,538	\$ -	\$ 1,200	\$ 309,931	\$ 547,758
Accrued liabilities	3,385	2,422	-	-	302,337
Due to other governments	-	-	-	-	183,671
Due to other funds	-	-	-	-	14,942
Deposits	-	-	-	-	23,218
Total Liabilities	<u>5,923</u>	<u>2,422</u>	<u>1,200</u>	<u>309,931</u>	<u>1,071,926</u>
Deferred Inflows of Resources					
Unearned revenues	121,119	6,356	43,092	-	4,288,632
Unavailable revenues	-	-	-	-	337,037
Total Deferred Inflows of Resources	<u>121,119</u>	<u>6,356</u>	<u>43,092</u>	<u>-</u>	<u>4,625,669</u>
Fund Balances (Deficit)					
Nonspendable	25,555	-	-	-	1,619,210
Restricted	-	-	-	-	360,032
Committed	-	-	-	-	776,252
Assigned	-	-	-	-	152,378
Unassigned (deficit)	<u>(417,638)</u>	<u>(59,127)</u>	<u>(55,637)</u>	<u>(1,233,223)</u>	<u>1,761,317</u>
Total Fund Balances (Deficit)	<u>(392,083)</u>	<u>(59,127)</u>	<u>(55,637)</u>	<u>(1,233,223)</u>	<u>4,669,189</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ (265,041)	\$ (50,349)	\$ (11,345)	\$ (923,292)	\$ 10,366,784

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2019

	General Fund	Capital Improvements	Veterans Service	Price County Library Service
REVENUES				
Taxes	\$ 4,399,199	\$ -	\$ 82,855	\$ 304,775
Intergovernmental	1,989,112	-	8,836	-
Licenses and permits	121,268	-	-	-
Fines, forfeitures and penalties	124,684	-	-	-
Public charges for services	1,801,219	-	1,226	-
Miscellaneous	542,162	-	-	-
Total Revenues	<u>8,977,644</u>	<u>-</u>	<u>92,917</u>	<u>304,775</u>
EXPENDITURES				
Current				
General government	3,107,695	-	-	-
Public safety	3,304,771	-	-	-
Public works	9,000	-	-	-
Health and human services	214,296	-	95,011	-
Culture, recreation and education	442,443	-	-	335,275
Conservation and development	1,168,860	-	-	-
Capital Outlay	233,499	-	-	-
Total Expenditures	<u>8,480,564</u>	<u>-</u>	<u>95,011</u>	<u>335,275</u>
Excess (deficiency) of revenues over expenditures	<u>497,080</u>	<u>-</u>	<u>(2,094)</u>	<u>(30,500)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	177,118	-	-
Transfers out	<u>(183,554)</u>	<u>(259,256)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(183,554)</u>	<u>(82,138)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	313,526	(82,138)	(2,094)	(30,500)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>5,245,914</u>	<u>858,390</u>	<u>56,175</u>	<u>49,986</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 5,559,440</u>	<u>\$ 776,252</u>	<u>\$ 54,081</u>	<u>\$ 19,486</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2019

	<u>Airport</u>	<u>State Forestry</u>	<u>Dog Licenses</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total Combined General Fund</u>
REVENUES						
Taxes	\$ 106,754	\$ 6,274	\$ 31,303	\$ -	\$ -	\$ 4,931,160
Intergovernmental	-	44,269	-	-	-	2,042,217
Licenses and permits	-	-	6,844	-	-	128,112
Fines, forfeitures and penalties	-	-	-	-	-	124,684
Public charges for services	87,725	-	-	-	-	1,890,170
Miscellaneous	46,776	-	9,000	-	-	597,938
Total Revenues	<u>241,255</u>	<u>50,543</u>	<u>47,147</u>	<u>-</u>	<u>-</u>	<u>9,714,281</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	3,107,695
Public safety	-	-	-	-	-	3,304,771
Public works	245,999	-	-	-	-	254,999
Health and human services	-	-	64,282	-	-	373,589
Leisure activities	-	-	-	-	-	777,718
Conservation and development	-	48,085	-	-	-	1,216,945
Capital Outlay	-	-	-	722,099	-	955,598
Total Expenditures	<u>245,999</u>	<u>48,085</u>	<u>64,282</u>	<u>722,099</u>	<u>-</u>	<u>9,991,315</u>
Excess (deficiency) of revenues over expenditures	<u>(4,744)</u>	<u>2,458</u>	<u>(17,135)</u>	<u>(722,099)</u>	<u>-</u>	<u>(277,034)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	(177,118)	-
Transfers out	-	-	-	-	177,118	(265,692)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(265,692)</u>
Net change in fund balance	<u>(4,744)</u>	<u>2,458</u>	<u>(17,135)</u>	<u>(722,099)</u>	<u>-</u>	<u>(542,726)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(387,339)</u>	<u>(61,585)</u>	<u>(38,502)</u>	<u>(511,124)</u>	<u>-</u>	<u>5,211,915</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (392,083)</u>	<u>\$ (59,127)</u>	<u>\$ (55,637)</u>	<u>\$ (1,233,223)</u>	<u>\$ -</u>	<u>\$ 4,669,189</u>

PRICE COUNTY

COMBINING BALANCE SHEET - HUMAN SERVICES FUND
As of December 31, 2019

	Human Services	Commission on Aging	Health Department	Eliminations	Total Combined Human Services Fund
ASSETS					
Cash and investments	\$ (1,131,187)	\$ 626,401	\$ 504,786	\$ -	\$ -
Receivables					
Taxes	2,262,184	126,902	355,562	-	2,744,648
Other receivables	-	170,302	-	-	170,302
Due from other governments	219,918	-	175,069	-	394,987
TOTAL ASSETS	\$ 1,350,915	\$ 923,605	\$ 1,035,417	\$ -	\$ 3,309,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 253,681	\$ 22,099	\$ 3,862	\$ -	\$ 279,642
Accrued liabilities	80,079	8,590	26,129	-	114,798
Due to other governments	-	-	4,985	-	4,985
Due to other funds	827,042	-	-	-	827,042
Total Liabilities	<u>1,160,802</u>	<u>30,689</u>	<u>34,976</u>	<u>-</u>	<u>1,226,467</u>
Deferred Inflows of Resources					
Unearned revenues	2,262,184	126,902	355,562	-	2,744,648
Total Deferred Inflows of Resources	<u>2,262,184</u>	<u>126,902</u>	<u>355,562</u>	<u>-</u>	<u>2,744,648</u>
Fund Balances (Deficit)					
Restricted	3,211	112,474	48,218	-	163,903
Assigned	-	653,540	596,661	(1,250,201)	-
Unassigned (deficit)	(2,075,282)	-	-	1,250,201	(825,081)
Total Fund Balances (Deficit)	<u>(2,072,071)</u>	<u>766,014</u>	<u>644,879</u>	<u>-</u>	<u>(661,178)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,350,915	\$ 923,605	\$ 1,035,417	\$ -	\$ 3,309,937

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - HUMAN SERVICES FUND
For the Year Ended December 31, 2019

	Human Services	Commission on Aging	Health Department	Total Combined Human Services Fund
REVENUES				
Taxes	\$ 2,303,015	\$ 125,945	\$ 436,891	\$ 2,865,851
Intergovernmental	2,124,451	280,808	1,000,726	3,405,985
Public charges for services	375,679	104,976	58,732	539,387
Miscellaneous	24	20,967	-	20,991
Total Revenues	<u>4,803,169</u>	<u>532,696</u>	<u>1,496,349</u>	<u>6,832,214</u>
EXPENDITURES				
Current				
Health and human services	4,688,075	486,631	1,611,435	6,786,141
Capital Outlay	-	5,019	-	5,019
Total Expenditures	<u>4,688,075</u>	<u>491,650</u>	<u>1,611,435</u>	<u>6,791,160</u>
Net change in fund balance	115,094	41,046	(115,086)	41,054
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(2,187,165)</u>	<u>724,968</u>	<u>759,965</u>	<u>(702,232)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (2,072,071)</u>	<u>\$ 766,014</u>	<u>\$ 644,879</u>	<u>\$ (661,178)</u>

PRICE COUNTY

COMBINING STATEMENT OF NET POSITION - HIGHWAY FUND
As of December 31, 2019

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
ASSETS				
Current Assets				
Cash and investments	\$ 982,513	\$ 300,000	\$ 451,693	\$ 1,734,206
Receivables				
Taxes	1,178,846	-	-	1,178,846
Due from other funds	14,942	-	-	14,942
Due from other governments	333,845	-	-	333,845
Inventories and prepaid items	711,533	-	-	711,533
Total Current Assets	<u>3,221,679</u>	<u>300,000</u>	<u>451,693</u>	<u>3,973,372</u>
Noncurrent Assets				
Capital Assets				
Land	5,131	-	-	5,131
Construction in progress	143,872	-	-	143,872
Capital assets being depreciated	11,018,613	-	-	11,018,613
Less: Accumulated depreciation	<u>(6,888,062)</u>	<u>-</u>	<u>-</u>	<u>(6,888,062)</u>
Total Noncurrent Assets	<u>4,279,554</u>	<u>-</u>	<u>-</u>	<u>4,279,554</u>
Total Assets	<u>7,501,233</u>	<u>300,000</u>	<u>451,693</u>	<u>8,252,926</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>589,126</u>	<u>-</u>	<u>-</u>	<u>589,126</u>
LIABILITIES				
Current Liabilities				
Accounts payable	43,470	-	-	43,470
Accrued wages	75,081	-	-	75,081
Short-term notes payable	400,000	-	-	400,000
Current portion of compensated absences	55,228	-	-	55,228
Accrued interest	1,703	-	-	1,703
Current portion of advances	87,500	-	-	87,500
Current portion of bonds payable	197,320	-	-	197,320
Total Current Liabilities	<u>860,302</u>	<u>-</u>	<u>-</u>	<u>860,302</u>
Noncurrent Liabilities				
Compensated absences	59,420	-	-	59,420
Advances from other funds	87,500	-	-	87,500
Net pension liability	292,810	-	-	292,810
Bonds payable	109,843	-	-	109,843
Total Noncurrent Liabilities	<u>549,573</u>	<u>-</u>	<u>-</u>	<u>549,573</u>
Total Liabilities	<u>1,409,875</u>	<u>-</u>	<u>-</u>	<u>1,409,875</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	1,188,786	-	-	1,188,786
Pension related amounts	372,725	-	-	372,725
Total Deferred Inflows of Resources	<u>1,561,511</u>	<u>-</u>	<u>-</u>	<u>1,561,511</u>
NET POSITION				
Net Investment in capital assets	3,972,392	-	-	3,972,392
Unrestricted	1,146,581	300,000	451,693	1,898,274
TOTAL NET POSITION	<u>\$ 5,118,973</u>	<u>\$ 300,000</u>	<u>\$ 451,693</u>	<u>\$ 5,870,666</u>

PRICE COUNTY

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

For the Year Ended December 31, 2019

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Eliminations</u>	<u>Total Combined Highway Fund</u>
OPERATING REVENUES	\$ 1,846,445	\$ -	\$ -	\$ -	\$ 1,846,445
OPERATING EXPENSES					
Operation and maintenance	3,380,513	-	-	-	3,380,513
Depreciation	365,729	-	-	-	365,729
Total Operating Expenses	<u>3,746,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,746,242</u>
Operating Loss	<u>(1,899,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,899,797)</u>
NONOPERATING REVENUES (EXPENSES)					
General property taxes	1,178,846	-	-	-	1,178,846
Intergovernmental grants	667,088	-	-	-	667,088
Interest and fiscal charges	(18,278)	-	-	-	(18,278)
Infrastructure construction expense for governmental activities	(825,090)	-	-	-	(825,090)
Total Nonoperating Revenues (Expenses)	<u>1,002,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,002,566</u>
Loss Before Transfers	<u>(897,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(897,231)</u>
TRANSFERS					
Transfers in	870,681	51,365	404,904	(456,269)	870,681
Transfers out	(456,269)	-	-	456,269	-
Total Transfers	<u>414,412</u>	<u>51,365</u>	<u>404,904</u>	<u>-</u>	<u>870,681</u>
Change in Net Position	<u>(482,819)</u>	<u>51,365</u>	<u>404,904</u>	<u>-</u>	<u>(26,550)</u>
NET POSITION - Beginning of Year	<u>5,601,792</u>	<u>248,635</u>	<u>46,789</u>	<u>-</u>	<u>5,897,216</u>
NET POSITION - END OF YEAR	<u>\$ 5,118,973</u>	<u>\$ 300,000</u>	<u>\$ 451,693</u>	<u>\$ -</u>	<u>\$ 5,870,666</u>

PRICE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2019

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Clerk of Courts</u>	<u>Protective Payee</u>	<u>Totals</u>
ASSETS					
Cash and investments	\$ -	\$ 12,407	\$ 134,369	\$ 11,312	\$ 158,088
Taxes receivable	<u>80,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,004</u>
TOTAL ASSETS	<u>\$ 80,004</u>	<u>\$ 12,407</u>	<u>\$ 134,369</u>	<u>\$ 11,312</u>	<u>\$ 238,092</u>
LIABILITIES					
Due to other governments	\$ 80,004	\$ -	\$ -	\$ -	\$ 80,004
Deposits	<u>-</u>	<u>12,407</u>	<u>134,369</u>	<u>11,312</u>	<u>158,088</u>
TOTAL LIABILITIES	<u>\$ 80,004</u>	<u>\$ 12,407</u>	<u>\$ 134,369</u>	<u>\$ 11,312</u>	<u>\$ 238,092</u>