

PORTAGE COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2014

PORTAGE COUNTY, WISCONSIN

December 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the County Board
Portage County, 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 Portage County, Wisconsin ("the County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 of 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 auditors consider internal control relevant to the 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 the 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 the County as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Social Improvement Special Revenue Fund, and the County Roads and Bridges Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

Report on Summarized Financial Information

We have previously audited Portage County's 2013 financial statements, and our report dated July 31, 2014, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the County's internal control over financial reporting and compliance.



Certified Public Accountants
Wausau, Wisconsin
September 14, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS



Portage County
Finance Department
1462 Strongs Avenue
Stevens Point, WI 54481

Management's Discussion and Analysis
December 31, 2014

As management of Portage County, we offer the readers of Portage County's financial statements this narrative overview and analysis of the financial activities of Portage County for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the notes to the financial statements.

Financial Highlights

- The assets of the County exceeded the liabilities and deferred inflows of resources as of December 31, 2014 by \$177,803,343 (net position). Of this amount, \$46,432,036 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors, \$21,218,150 are restricted for specific purposes (restricted net position), and \$110,153,157 is the net investment in capital assets.
- The County's total net position increased by \$4,090,481 primarily due to Highway infrastructure and other capital improvements.
- As of December 31, 2014, the County's governmental funds reported combined fund balances of \$50,355,061, an increase of \$3,101,744 in comparison with the prior year. Approximately 23% or \$11,658,379 of the combined fund balance is unassigned and available for use at the County's discretion and in accordance with policies.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Portage County's basic financial statements. Portage County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Portage County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Portage County's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Portage County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the County include highway operations, health care center, long term care services, and solid waste services.

The government-wide financial statements can be found on pages 11 - 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Portage County maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, social improvement, county roads and bridges, debt service, and capital improvement fund, all of which are considered to be major funds. Data from the other eight (8) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Portage County adopts an annual appropriated budget for all its governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general fund, social improvement fund, and county roads and bridges fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 14 - 22 of this report.

Proprietary funds. The County maintains different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Health Care Center, Solid Waste, and County Highway. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-funded health insurance, information technology, phone system, and self-funded workers compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Health Care Center, Solid Waste and County Highway funds. All of the proprietary funds are considered to be major funds of the County. The four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 - 28 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 29 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 55 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$177,803,343 at the close of 2014.

Portage County's Net Assets (in thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 104,210,778	\$ 99,090,317	\$ 7,541,629	\$ 7,870,637	\$ 111,752,407	\$ 106,960,954
Capital assets	107,933,837	98,537,857	8,698,339	9,427,994	116,632,176	107,965,851
Total Assets	212,144,615	197,628,174	16,239,968	17,298,631	228,384,583	214,926,805
Long-term liabilities						
outstanding	15,421,269	6,697,657	3,000,059	3,082,266	18,421,328	9,779,923
Other liabilities	4,974,259	4,036,727	1,156,760	1,681,565	6,131,019	5,718,292
Total Liabilities	20,395,528	10,734,384	4,156,819	4,763,831	24,552,347	15,498,215
Deferred Inflows of Resources	25,452,541	25,140,728	576,352	575,000	26,028,893	25,715,728
Net Position						
Net investment in						
capital assets	101,454,818	94,537,857	8,698,339	9,427,994	110,153,157	103,965,851
Restricted	21,214,052	20,508,443	4,098	4,098	21,218,150	20,512,541
Unrestricted	43,627,676	46,706,762	2,804,360	2,527,708	46,432,036	49,234,470
Total Net Position	\$ 166,296,546	\$ 161,753,062	\$ 11,506,797	\$ 11,959,800	\$ 177,803,343	\$ 173,712,862

By far the largest portion of the County's net position (62%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$46,432,036) may be used to meet the County's ongoing obligations to citizens and creditors.

Change in net position. Governmental activities increased the County's net position by \$4,543,484 thereby accounting for the total growth in net position of the County. Key elements of this increase are as follows:

Portage County's Change in Net Position						
(In thousands of dollars)						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for services	\$ 11,302,086	\$ 11,647,848	\$ 21,593,292	\$ 22,660,688	\$ 32,895,378	\$ 34,308,536
Operating grants and contributions	12,262,013	12,651,620	690,812	690,035	12,952,825	13,341,655
Capital grants and contributions	-	5,823,158	28,102	252,438	28,102	6,075,596
General Revenues						
Property taxes	25,020,513	23,793,921	642,683	1,036,859	25,663,196	24,830,780
Other taxes	5,784,929	5,555,013	-	-	5,784,929	5,555,013
Grants and contributions not restricted to specific programs	2,440,806	2,358,382	-	-	2,440,806	2,358,382
Other	3,739,095	686,915	256,661	(48,395)	3,995,756	638,520
Total Revenues	60,549,442	62,516,857	23,211,550	24,591,625	83,760,992	87,108,482
Expenses						
General government	9,010,482	8,630,341	-	-	9,010,482	8,630,341
Public safety	15,292,200	13,975,073	-	-	15,292,200	13,975,073
Public works	8,406,678	7,770,981	-	-	8,406,678	7,770,981
Health and human services	17,378,816	17,266,144	-	-	17,378,816	17,266,144
Culture and recreation	3,734,076	3,644,735	-	-	3,734,076	3,644,735
Conservation and development	1,841,935	1,929,372	-	-	1,841,935	1,929,372
Interest on long-term debt	341,771	70,397	-	-	341,771	70,397
Health care center	-	-	9,436,001	8,846,688	9,436,001	8,846,688
Solid waste	-	-	1,941,266	1,906,832	1,941,266	1,906,832
County highway	-	-	12,287,286	13,320,523	12,287,286	13,320,523
Total Expenses	56,005,958	53,287,043	23,664,553	24,074,043	79,670,511	77,361,086
Change in Net Position	4,543,484	9,229,814	(453,003)	517,582	4,090,481	9,747,396
Net Position - January 1	161,753,062	152,523,248	11,959,800	11,442,218	173,712,862	163,965,466
Net Position - December 31	\$ 166,296,546	\$ 161,753,062	\$ 11,506,797	\$ 11,959,800	\$ 177,803,343	\$ 173,712,862

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$50,355,061, an increase of \$3,101,744 from the prior year. Approximately \$38,696,682 or 77% of the combined fund balance is nonspendable, restricted, committed, or assigned for specific purposes, so is not available. This includes the following:

- Nonspendable fund balance of \$6,610,450, including \$5,710,814 for delinquent property taxes; and \$728,799 for advances to other funds.
- Restricted fund balance of \$6,770,766, including \$4,530,981 restricted for capital improvements to county roads, emergency communications and Enterprise Resource Planning system; \$112,426 restricted for Sheriff forfeiture program, \$765,747 restricted for the countywide emergency medical system; and \$52,200 restricted for debt service.
- Committed fund balance of \$18,740,648, mostly committed for capital improvements, county road projects, and equipment/ vehicle replacement funds.
- Assigned fund balance of \$6,574,818, including \$2,427,867 for capital projects and \$1,659,303 for health and human services programs.

The remaining \$11,658,379 or 23% of fund balance is unassigned, which means it is available for spending at the County's discretion.

General Fund

The general fund is the chief operating fund of the County. At the end of the current year, the general fund's unassigned fund balance was \$11,658,379 while total fund balance was \$23,056,502. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42% of total general fund expenditures, while total fund balance represents 84% of those same expenditures.

The fund balance of the County's general fund increased \$370,143 during the current year. Key factors for this increase are as follows:

- Savings in the county-wide EMS system.

Social Improvement Fund

The social improvement fund has a total fund balance of \$1,771,743, which is primarily assigned for use in high cost programs. The increase in the social improvement fund is due to decreased expenditures.

County Roads and Bridges Fund

The county roads and bridges fund has a total fund balance of \$3,378,744 which is all designated for future expenditures. The fund balance increased by \$562,051 during the current year.

Debt Service Fund

The debt service fund has a total fund balance of \$780,999, of which \$728,799 is nonspendable and \$52,200 is restricted for future expenditures. This is a decrease of \$226,185 from the prior year due to repayment of advances to the health care center and solid waste fund.

Capital Improvements Fund

The capital improvements fund has a total fund balance of \$12,853,077, of which \$4,530,981 is restricted for capital improvements to county roads, emergency communications, and Enterprise Resource Planning system, \$5,894,229 is committed for capital improvements, county road projects, and equipment/vehicle replacement funds and \$2,427,867 is assigned for various capital projects. This is an increase of \$318,463 from the prior year due to the issuance of long term debt to finance capital projects.

Proprietary funds. The County's proprietary funds provide the same type of information found in the County's government-wide financial statements, but in more detail.

Unrestricted net position of the Health Care Center at the end of the year amounted to \$1,308,918. The total decrease in net position was \$361,678.

Unrestricted net position of the Solid Waste fund at the end of the year amounted to \$977,603. The total increase in net position was \$403,503.

Unrestricted net position of the county highway fund at the end of the year amounted to \$915,262. The total increase in net position was \$30,107.

Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Generally the original budget is rarely modified. The County made modifications to its original budget in 2014 for additional grants received during the year, early budget deficit projections or changes requiring a budget modification.

During the year, actual revenues were less than budgeted revenues by \$499,117. Actual expenditures were less than budgeted expenditures by \$2,083,818 across all categories.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of yearend amounts to \$116,632,176 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress.

Major capital assets acquired or constructed during the year include:

- The continuation of County road projects.
- The purchase of equipment for the simulcast system for emergency communications.
- The purchase of software and the implementation of an Enterprise Resource Planning (ERP) system.
- The purchase of the 1039 Ellis Street property.

Portage County's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and improvements	\$ 13,512,667	\$ 13,471,384	\$ 7,412,604	\$ 7,412,604	\$ 20,925,271	\$ 20,883,988
Buildings	22,237,714	20,990,350	9,934,398	9,862,868	32,172,112	30,853,218
Machinery and equipment	10,453,521	10,183,926	15,365,026	15,674,284	25,818,547	25,858,210
Infrastructure	133,559,217	127,680,859	-	-	133,559,217	127,680,859
Construction in progress	6,218,277	1,853,778	22,901	445,278	6,241,178	2,299,056
Total	185,981,396	174,180,297	32,734,929	33,395,034	218,716,325	207,575,331
Less: Accumulated depreciation	78,047,559	75,642,440	24,036,590	23,967,040	102,084,149	99,609,480
Assets Net of Accumulated Depreciation	\$ 107,933,837	\$ 98,537,857	\$ 8,698,339	\$ 9,427,994	\$ 116,632,176	\$ 107,965,851

Long-term debt. At the end of the current fiscal year, the County had \$12,510,000 of general obligation promissory notes outstanding.

Portage County's Outstanding Debt						
General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General Obligation Debt	\$12,510,000	\$4,000,000	\$ -	\$ -	\$ 12,510,000	\$ 4,000,000

The County's total debt increased by \$8,510,000 during the current fiscal year. During the current year, the County issued \$11,310,000 in new general obligation promissory notes.

Economic Factors and Next Year's Budgets and Rates

- The County planned for major federal and state revenue sources to remain flat.
- The County planned for the continuation of low interest rates for investments.
- The County estimated a modest increase in sales tax collections.
- The County increased the overall tax levy by \$313,865 for 2015 for the purpose of the county-wide emergency medical system, bridge & culvert aid, debt service, and general operating expenses.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of Portage County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Finance Director, Portage County Finance Department, 1462 Strongs Avenue, Stevens Point, WI 54481.

BASIC FINANCIAL STATEMENTS

PORTAGE COUNTY, WISCONSIN
Statement of Net Position
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Governmental Activities	Business-type Activities	Totals	
			2014	2013
ASSETS				
Cash and investments	\$ 48,689,771	\$ 2,418,670	\$ 51,108,441	\$ 49,067,154
Receivables				
Taxes	25,452,541	576,352	26,028,893	25,715,728
Delinquent taxes	6,493,810	-	6,493,810	6,911,630
Accounts	1,812,170	1,450,098	3,262,268	3,132,923
Loans	1,802,927	-	1,802,927	303,887
Internal balances	1,126,222	(1,126,222)	-	-
Due from other governments	2,263,993	633,488	2,897,481	3,344,455
Inventories and prepaid items	212,955	1,336,736	1,549,691	1,524,354
Restricted assets				
Cash and investments	-	2,252,507	2,252,507	2,223,266
Investment in Central Wisconsin Airport	16,356,389	-	16,356,389	14,737,557
Capital assets, nondepreciable				
Land	12,362,887	324,959	12,687,846	12,653,605
Construction in progress	6,218,277	22,901	6,241,178	2,299,056
Capital assets, depreciable				
Land improvements	1,149,780	7,087,645	8,237,425	8,230,383
Buildings and improvements	22,237,714	9,934,398	32,172,112	30,853,218
Machinery and equipment	10,453,521	15,365,026	25,818,547	25,858,210
Infrastructure	133,559,217	-	133,559,217	127,680,859
Less: Accumulated depreciation	(78,047,559)	(24,036,590)	(102,084,149)	(99,609,480)
TOTAL ASSETS	212,144,615	16,239,968	228,384,583	214,926,805
LIABILITIES				
Accounts payable	3,062,318	868,851	3,931,169	3,794,847
Accrued and other current liabilities	1,326,186	266,971	1,593,157	1,521,346
Accrued interest payable	19,545	5,746	25,291	13,426
Due to other governments	469,194	-	469,194	88,219
Unearned revenues	97,016	-	97,016	291,669
Resident trust fund payable	-	15,192	15,192	8,785
Long-term obligations				
Landfill post closure care	-	2,147,323	2,147,323	2,247,307
Due within one year	3,787,338	308,197	4,095,535	4,125,053
Due in more than one year	11,633,931	544,539	12,178,470	3,407,563
TOTAL LIABILITIES	20,395,528	4,156,819	24,552,347	15,498,215
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	25,452,541	576,352	26,028,893	25,715,728
NET POSITION				
Net investment in capital assets	101,454,818	8,698,339	110,153,157	103,965,851
Restricted	21,214,052	4,098	21,218,150	20,512,541
Unrestricted	43,627,676	2,804,360	46,432,036	49,234,470
TOTAL NET POSITION	\$ 166,296,546	\$ 11,506,797	\$ 177,803,343	\$ 173,712,862

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 9,010,482	\$ 1,813,316	\$ 351,040	\$ -
Public safety	15,292,200	2,463,630	801,772	-
Public works	8,406,678	3,360,046	1,869,746	-
Health and human services	17,378,816	2,842,598	8,782,343	-
Culture and recreation	3,734,076	461,644	145,334	-
Conservation and development	1,841,935	360,852	311,778	-
Interest and fiscal charges	341,771	-	-	-
Total Governmental Activities	56,005,958	11,302,086	12,262,013	-
Business-type Activities				
Health care center	9,436,001	7,411,366	461,562	28,102
Solid waste	1,941,266	1,969,504	229,250	-
County highway	12,287,286	12,212,422	-	-
Total Business-type Activities	23,664,553	21,593,292	690,812	28,102
Total	\$ 79,670,511	\$ 32,895,378	\$ 12,952,825	\$ 28,102

General revenues

Taxes

Property taxes, levied for general purposes

Sales tax

Other taxes

Federal and state grants and other contributions
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Total general revenues

Change in net position

Net position - January 1

Net position - December 31

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Totals	
		2014	2013

\$ (6,846,126)	\$ -	\$ (6,846,126)	\$ (6,493,546)
(12,026,798)	-	(12,026,798)	(10,681,475)
(3,176,886)	-	(3,176,886)	3,866,827
(5,753,875)	-	(5,753,875)	(5,497,958)
(3,127,098)	-	(3,127,098)	(3,085,966)
(1,169,305)	-	(1,169,305)	(1,201,902)
(341,771)	-	(341,771)	(70,397)
<u>(32,441,859)</u>	<u>-</u>	<u>(32,441,859)</u>	<u>(23,164,417)</u>

-	(1,534,971)	(1,534,971)	(756,567)
-	257,488	257,488	184,451
-	(74,864)	(74,864)	101,234
<u>-</u>	<u>(1,352,347)</u>	<u>(1,352,347)</u>	<u>(470,882)</u>

<u>(32,441,859)</u>	<u>(1,352,347)</u>	<u>(33,794,206)</u>	<u>(23,635,299)</u>
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25,020,513	642,683	25,663,196	24,830,780
5,534,608	-	5,534,608	5,290,272
250,321	-	250,321	264,741
2,440,806	-	2,440,806	2,358,382
979,772	139,746	1,119,518	376,005
2,759,323	14,098	2,773,421	262,515
-	102,817	102,817	-
<u>36,985,343</u>	<u>899,344</u>	<u>37,884,687</u>	<u>33,382,695</u>
<u>4,543,484</u>	<u>(453,003)</u>	<u>4,090,481</u>	<u>9,747,396</u>
<u>161,753,062</u>	<u>11,959,800</u>	<u>173,712,862</u>	<u>163,965,466</u>
<u>\$ 166,296,546</u>	<u>\$ 11,506,797</u>	<u>\$ 177,803,343</u>	<u>\$ 173,712,862</u>

PORTAGE COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2014

(With summarized financial information as of December 31, 2013)

	General	Social Improvement	County Roads and Bridges	Debt Service
ASSETS				
Cash and investments	\$ 16,675,646	\$ 1,066,593	\$ 3,352,744	\$ 52,200
Receivables				
Taxes	12,266,171	4,668,473	3,988,587	2,153,613
Delinquent taxes	6,493,810	-	-	-
Accounts, net	1,062,058	395,648	26,000	-
Loans	-	-	-	1,500,000
Due from other funds	294,866	-	-	-
Advance to other funds	-	-	-	728,799
Due from other governments	804,785	1,087,408	-	-
Inventories	41,671	-	-	-
Prepaid items	32,214	8,428	-	-
TOTAL ASSETS	\$ 37,671,221	\$ 7,226,550	\$ 7,367,331	\$ 4,434,612
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 475,836	\$ 288,088	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued and other current liabilities	1,048,102	178,619	-	-
Due to other governments	207,198	261,996	-	-
Unearned revenue	39,385	57,631	-	-
Total Liabilities	1,770,521	786,334	-	-
Deferred Inflows of Resources				
Property taxes	12,266,171	4,668,473	3,988,587	2,153,613
Delinquent taxes, including interest	578,027	-	-	-
Long-term loans receivable	-	-	-	1,500,000
Total Deferred Inflows of Resources	12,844,198	4,668,473	3,988,587	3,653,613
Fund Balances				
Nonspendable	5,784,699	8,428	-	728,799
Restricted	1,165,494	1,729	191,681	52,200
Committed	2,239,732	102,283	3,015,224	-
Assigned	2,208,198	1,659,303	171,839	-
Unassigned	11,658,379	-	-	-
Total Fund Balances	23,056,502	1,771,743	3,378,744	780,999
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 37,671,221	\$ 7,226,550	\$ 7,367,331	\$ 4,434,612

(Continued)

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
		2014	2013
\$ 13,019,295	\$ 8,366,376	\$ 42,532,854	\$ 38,976,824
625,000	1,750,697	25,452,541	25,140,728
-	-	6,493,810	6,911,630
-	209,558	1,693,264	1,241,253
-	302,927	1,802,927	303,887
-	-	294,866	197,119
-	-	728,799	952,781
-	364,376	2,256,569	2,434,548
-	-	41,671	42,491
-	2,372	43,014	33,861
<u>\$ 13,644,295</u>	<u>\$ 10,996,306</u>	<u>\$ 81,340,315</u>	<u>\$ 76,235,122</u>

\$ 166,218	\$ 71,620	\$ 1,001,762	\$ 1,356,886
-	294,866	294,866	94,287
-	62,200	1,288,921	1,218,627
-	-	469,194	88,219
-	-	97,016	110,233
<u>166,218</u>	<u>428,686</u>	<u>3,151,759</u>	<u>2,868,252</u>

625,000	1,750,697	25,452,541	25,140,728
-	-	578,027	668,938
-	302,927	1,802,927	303,887
<u>625,000</u>	<u>2,053,624</u>	<u>27,833,495</u>	<u>26,113,553</u>

-	88,524	6,610,450	6,926,005
4,530,981	828,681	6,770,766	5,380,847
5,894,229	7,489,180	18,740,648	13,297,677
2,427,867	107,611	6,574,818	9,963,959
-	-	11,658,379	11,684,829
<u>12,853,077</u>	<u>8,513,996</u>	<u>50,355,061</u>	<u>47,253,317</u>

<u>\$ 13,644,295</u>	<u>\$ 10,996,306</u>	<u>\$ 81,340,315</u>	<u>\$ 76,235,122</u>
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PORTAGE COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2014

(With summarized financial information as of December 31, 2013)

Reconciliation to the Statement of Net Position

	2014	2013
Total Fund Balances as shown on previous page	\$ 50,355,061	\$ 47,253,317
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	107,562,998	98,089,347
Investment in Central Wisconsin Airport is not a current financial resource and therefore is not reported in the funds.	16,356,389	14,737,557
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Delinquent taxes, including accrued interest	578,027	668,938
Loans receivable	1,802,927	303,887
Internal service funds are used by management to charge costs of various services to individual funds. Internal service funds are included in the governmental activities on the statement of net position.	5,081,958	7,404,340
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (12,510,000)	
Compensated absences	(2,636,823)	
Debt premium	(274,446)	
Accrued interest on long-term obligations	(19,545)	(6,704,324)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 11)	<u>\$ 166,296,546</u>	<u>\$ 161,753,062</u>

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	General	Social Improvement	County Roads and Bridges	Debt Service
Revenues				
Taxes	\$ 19,813,809	\$ 4,418,459	\$ 3,849,877	\$ 2,227,196
Intergovernmental	3,459,792	7,215,456	1,869,746	-
Licenses and permits	103,841	216,781	-	-
Fines and forfeits	243,559	67,567	-	-
Public charges for services	3,207,809	1,495,435	-	-
Intergovernmental charges for services	1,001,675	-	-	-
Miscellaneous	1,237,057	150,599	26,000	61,525
Total Revenues	29,067,542	13,564,297	5,745,623	2,288,721
Expenditures				
Current				
General government	8,746,674	-	-	-
Public safety	13,462,355	-	-	-
Public works	-	-	5,183,572	-
Health and human services	304,708	13,225,457	-	-
Culture and recreation	3,422,085	-	-	-
Conservation and development	1,513,386	-	-	-
Debt service				
Principal	-	-	-	2,800,000
Interest and fiscal charges	-	-	-	235,563
Capital outlay	144,903	-	-	-
Total Expenditures	27,594,111	13,225,457	5,183,572	3,035,563
Excess of Revenues Over (Under)				
Expenditures	1,473,431	338,840	562,051	(746,842)
Other Financing Sources (Uses)				
Long-term debt issued	-	-	-	-
Debt premium	-	-	-	-
Transfers in	160,925	23,232	-	520,657
Transfers out	(1,264,213)	(44,883)	-	-
Total Other Financing Sources (Uses)	(1,103,288)	(21,651)	-	520,657
Net Change in Fund Balances	370,143	317,189	562,051	(226,185)
Fund Balances - January 1	22,686,359	1,454,554	2,816,693	1,007,184
Fund Balance - December 31	\$ 23,056,502	\$ 1,771,743	\$ 3,378,744	\$ 780,999

(Continued)

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
		2014	2013
\$ 550,000	\$ 546,194	\$ 31,405,535	\$30,041,615
-	2,243,755	14,788,749	15,032,157
-	-	320,622	316,298
-	64,947	376,073	380,478
-	525,145	5,228,389	5,264,331
-	8,964	1,010,639	1,292,569
129,520	2,364,792	3,969,493	925,659
<u>679,520</u>	<u>5,753,797</u>	<u>57,099,500</u>	<u>53,253,107</u>

-	78,071	8,824,745	8,487,036
-	620,132	14,082,487	13,562,722
-	-	5,183,572	6,205,112
-	2,717,751	16,247,916	16,691,687
-	-	3,422,085	3,478,967
-	92,130	1,605,516	2,059,931
-	-	2,800,000	3,000,000
184,135	-	419,698	117,500
12,878,515	-	13,023,418	4,579,375
<u>13,062,650</u>	<u>3,508,084</u>	<u>65,609,437</u>	<u>58,182,330</u>

<u>(12,383,130)</u>	<u>2,245,713</u>	<u>(8,509,937)</u>	<u>(4,929,223)</u>
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11,310,000	-	11,310,000	-
280,960	-	280,960	-
1,236,978	4,003	1,945,795	583,427
(126,345)	(489,633)	(1,925,074)	(569,114)
<u>12,701,593</u>	<u>(485,630)</u>	<u>11,611,681</u>	<u>14,313</u>

318,463	1,760,083	3,101,744	(4,914,910)
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<u>12,534,614</u>	<u>6,753,913</u>	<u>47,253,317</u>	<u>52,168,227</u>
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<u>\$ 12,853,077</u>	<u>\$ 8,513,996</u>	<u>\$ 50,355,061</u>	<u>\$ 47,253,317</u>
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PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

<u>Reconciliation to the Statement of Activities</u>	2014	2013
Net Change in Fund Balances - Total Governmental Funds from previous page	\$ 3,101,744	\$ (4,914,910)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures reported in governmental fund statements	14,284,668	9,041,709
Capital grants received by County	-	5,823,158
Depreciation expense reported in the statement of activities	<u>(3,662,395)</u>	<u>(3,481,570)</u>
Amount by which capital asset purchases exceeds depreciation in current year	10,622,273	11,383,297
Loss on disposal of capital assets not recognized in the fund financial statements	(1,148,622)	(1,579,617)
The net income of the investment in Central Wisconsin Airport is reported with governmental activities	1,618,832	1,986,002
The County has taken out debt for public purpose that is to be paid for by outside parties. The amount incurred during the year and owed by outside parties is recorded as a long-term receivable rather than expense to the County	1,500,000	-
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased (increased) by:	(23,457)	104,816
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	2,800,000	3,000,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	(12,878)	3,125
Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:	(11,310,000)	-
Debt premium is reported as an other financing source in the fund financial statements but capitalized and amortized over the life of the bond issue in the government-wide financial statements.	(190,155)	43,978
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent taxes, including accrued interest	(90,911)	(166,982)
Loans receivable	(960)	(960)
The net expenses of certain activities of internal service funds are reported with governmental activities	<u>(2,322,382)</u>	<u>(628,935)</u>
Change in Net Position of Governmental Activities as Reported on the Statement of Activities (pages 12 - 13)	<u>\$ 4,543,484</u>	<u>\$ 9,229,814</u>

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 19,680,689	\$ 19,505,278	\$ 19,813,809	\$ 308,531
Intergovernmental	3,780,066	3,785,066	3,459,792	(325,274)
Licenses and permits	115,660	115,660	103,841	(11,819)
Fines and forfeits	226,500	226,500	243,559	17,059
Public charges for services	3,129,106	3,130,467	3,207,809	77,342
Intergovernmental charges for services	803,382	806,820	1,001,675	194,855
Miscellaneous	998,634	998,634	1,237,057	238,423
Total Revenues	28,734,037	28,568,425	29,067,542	499,117
Expenditures				
Current				
General government	9,618,713	9,629,405	8,746,674	882,731
Public safety	13,830,249	13,934,749	13,462,355	472,394
Public works	5,000	5,000	-	5,000
Health and human services	303,982	305,649	304,708	941
Culture and recreation	3,445,434	3,547,349	3,422,085	125,264
Conservation and development	1,579,041	1,600,370	1,513,386	86,984
Capital outlay	655,027	655,407	144,903	510,504
Total Expenditures	29,437,446	29,677,929	27,594,111	2,083,818
Excess of Revenues Over (Under) Expenditures	(703,409)	(1,109,504)	1,473,431	2,582,935
Other Financing Sources (Uses)				
Transfers in	20,721	47,207	160,925	113,718
Transfers out	(49,000)	(75,486)	(1,264,213)	(1,188,727)
Total Other Financing Sources (Uses)	(28,279)	(28,279)	(1,103,288)	(1,075,009)
Net Change in Fund Balance	(731,688)	(1,137,783)	370,143	1,507,926
Fund Balance - January 1	22,686,359	22,686,359	22,686,359	-
Fund Balance - December 31	\$ 21,954,671	\$ 21,548,576	\$ 23,056,502	\$ 1,507,926

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Social Improvement
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,346,132	\$ 4,418,459	\$ 4,418,459	\$ -
Intergovernmental	7,729,824	7,752,310	7,215,456	(536,854)
Licenses and permits	217,869	217,869	216,781	(1,088)
Fines and forfeits	72,000	72,000	67,567	(4,433)
Public charges for services	1,539,262	1,539,562	1,495,435	(44,127)
Miscellaneous	20,796	20,796	150,599	129,803
Total Revenues	13,925,883	14,020,996	13,564,297	(456,699)
Expenditures				
Current				
Health and human services	13,975,164	14,119,583	13,225,457	894,126
Excess of Revenues Over (Under) Expenditures	(49,281)	(98,587)	338,840	437,427
Other Financing Sources (Uses)				
Transfers in	40,000	40,000	23,232	(16,768)
Transfers out	-	-	(44,883)	(44,883)
Total Other Financing Sources (Uses)	40,000	40,000	(21,651)	(61,651)
Net Change in Fund Balance	(9,281)	(58,587)	317,189	375,776
Fund Balance - January 1	1,454,554	1,454,554	1,454,554	-
Fund Balance - December 31	\$ 1,445,273	\$ 1,395,967	\$ 1,771,743	\$ 375,776

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Roads and Bridges
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,835,360	\$ 3,849,877	\$ 3,849,877	\$ -
Intergovernmental	1,824,674	1,824,674	1,869,746	45,072
Miscellaneous	-	-	26,000	26,000
Total Revenues	<u>5,660,034</u>	<u>5,674,551</u>	<u>5,745,623</u>	<u>71,072</u>
Expenditures				
Current				
Public works	6,858,419	6,872,936	5,183,572	1,689,364
Net Change in Fund Balance	(1,198,385)	(1,198,385)	562,051	1,760,436
Fund Balance - January 1	<u>2,816,693</u>	<u>2,816,693</u>	<u>2,816,693</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 1,618,308</u>	<u>\$ 1,618,308</u>	<u>\$ 3,378,744</u>	<u>\$ 1,760,436</u>

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2014
(With summarized financial information as of December 31, 2013)

	Health Care Center	Solid Waste	County Highway
ASSETS			
Current assets			
Cash and investments	\$ 1,017,007	\$ 1,170,691	\$ 230,972
Receivables			
Taxes	576,352	-	-
Accounts	857,136	359,741	233,221
Due from other governments	248,340	8,070	377,078
Inventories	67,575	-	1,245,413
Prepaid expenses	14,565	686	8,497
Total Current Assets	2,780,975	1,539,188	2,095,181
Noncurrent assets			
Restricted assets			
Cash and investments	15,192	2,237,315	-
Capital assets, nondepreciable			
Land	23,837	88,079	213,043
Construction in progress	22,901	-	-
Capital assets, depreciable			
Land improvements	203,893	6,296,827	586,925
Buildings	4,191,676	2,977,069	2,765,653
Machinery and equipment	2,718,597	413,161	12,233,268
Less: Accumulated depreciation	(5,073,466)	(8,240,958)	(10,722,166)
Net Capital Assets	2,087,438	1,534,178	5,076,723
Total Noncurrent Assets	2,102,630	3,771,493	5,076,723
TOTAL ASSETS	4,883,605	5,310,681	7,171,904
LIABILITIES			
Current Liabilities			
Accounts and claims payable	187,903	147,520	533,428
Accrued and other current liabilities	155,287	2,956	108,728
Accrued interest	5,746	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Compensated absences	129,009	1,973	177,215
Current maturities of advance from other funds	42,580	187,609	-
Total Current Liabilities	520,525	340,058	819,371
Noncurrent Liabilities			
Advance to other funds	189,200	309,410	-
Resident trust fund payable	15,192	-	-
Compensated absences	181,882	2,109	360,548
Post closure	-	2,147,323	-
Total Noncurrent Liabilities	386,274	2,458,842	360,548
TOTAL LIABILITIES	906,799	2,798,900	1,179,919
DEFERRED INFLOWS OF RESOURCES			
Property taxes	576,352	-	-
NET POSITION			
Net investment in capital assets	2,087,438	1,534,178	5,076,723
Restricted for			
Equipment replacement	4,098	-	-
Unrestricted	1,308,918	977,603	915,262
TOTAL NET POSITION	\$ 3,400,454	\$ 2,511,781	\$ 5,991,985

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities as reported on the Statement of Net Position (see page 11)

The notes to the basic financial statements are an integral part of this statement.

Total Enterprise Funds		Internal Service Funds	
2014	2013	2014	2013
\$ 2,418,670	\$ 2,505,001	\$ 6,156,917	\$ 7,585,329
576,352	575,000	-	-
1,450,098	1,357,164	118,906	534,506
633,488	902,578	7,424	7,329
1,312,988	1,198,296	-	-
23,748	37,433	128,270	212,273
<u>6,415,344</u>	<u>6,575,472</u>	<u>6,411,517</u>	<u>8,339,437</u>
2,252,507	2,223,266	-	-
324,959	324,959	-	-
22,901	445,278	-	-
7,087,645	7,087,645	-	-
9,934,398	9,862,868	-	-
15,365,026	15,674,284	635,451	612,301
(24,036,590)	(23,967,040)	(264,612)	(163,791)
<u>8,698,339</u>	<u>9,427,994</u>	<u>370,839</u>	<u>448,510</u>
<u>10,950,846</u>	<u>11,651,260</u>	<u>370,839</u>	<u>448,510</u>
<u>17,366,190</u>	<u>18,226,732</u>	<u>6,782,356</u>	<u>8,787,947</u>
868,851	1,217,558	2,060,556	1,220,403
266,971	267,027	37,265	35,692
5,746	6,759	-	-
-	102,832	-	-
-	181,436	-	-
308,197	312,486	-	-
230,189	223,983	-	-
<u>1,679,954</u>	<u>2,312,081</u>	<u>2,097,821</u>	<u>1,256,095</u>
498,610	728,798	-	-
15,192	8,785	-	-
544,539	522,473	-	-
2,147,323	2,247,307	-	-
<u>3,205,664</u>	<u>3,507,363</u>	<u>-</u>	<u>-</u>
<u>4,885,618</u>	<u>5,819,444</u>	<u>2,097,821</u>	<u>1,256,095</u>
<u>576,352</u>	<u>575,000</u>	<u>-</u>	<u>-</u>
8,698,339	9,427,994	370,839	448,510
4,098	4,098	-	-
<u>3,201,783</u>	<u>2,400,196</u>	<u>4,313,696</u>	<u>7,083,342</u>
11,904,220	11,832,288	<u>\$ 4,684,535</u>	<u>\$ 7,531,852</u>
<u>(397,423)</u>	<u>127,512</u>		
<u>\$ 11,506,797</u>	<u>\$ 11,959,800</u>		

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Health Care Center	Solid Waste	County Highway
Operating Revenues			
Public charges for services	\$ 7,377,600	\$ 1,969,504	\$ 29,996
Intergovernmental charges for services	-	-	12,176,020
Other operating revenues	57,727	-	6,406
Total Operating Revenues	7,435,327	1,969,504	12,212,422
Operating Expenses			
Operation and maintenance			
Salaries and fringe benefits	5,594,837	105,841	4,054,831
Contractual services	2,047,717	1,791,599	276,143
Supplies	865,362	5,094	4,553,264
Insurance and other fixed charges	187,470	(85,499)	2,765,100
Total Operation and Maintenance	8,695,386	1,817,035	11,649,338
Depreciation	214,188	94,380	635,794
Total Operating Expenses	8,909,574	1,911,415	12,285,132
Operating Income (Loss)	(1,474,247)	58,089	(72,710)
Nonoperating Revenues (Expenses)			
General property taxes	642,683	-	-
Intergovernmental aids	461,562	229,250	-
Interest income	659	714	-
Gain (loss) on disposal of capital assets	-	-	102,817
Net increase (decrease) in the fair value of investments	-	138,373	-
Interest and fiscal charges	(10,574)	(22,923)	-
Total Nonoperating Revenues (Expenses)	1,094,330	345,414	102,817
Net Income (Loss) before Contributions and Transfers	(379,917)	403,503	30,107
Capital contributions	18,239	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Position	(361,678)	403,503	30,107
Net Position - January 1	3,762,132	2,108,278	5,961,878
Net Position - December 31	\$ 3,400,454	\$ 2,511,781	\$ 5,991,985

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities as reported on the Statement of Activities (see pages 12-13)

The notes to the basic financial statements are an integral part of this statement.

Total Enterprise Funds		Internal Service Funds	
2014	2013	2014	2013
\$ 9,377,100	\$ 9,220,014	\$ -	\$ -
12,176,020	13,348,963	10,289,952	10,487,887
64,133	96,895	4,330	7,530
<u>21,617,253</u>	<u>22,665,872</u>	<u>10,294,282</u>	<u>10,495,417</u>
9,755,509	10,176,122	721,975	731,017
4,115,459	3,741,147	11,970,543	10,268,456
5,423,720	5,611,326	349,046	262,458
2,867,071	3,307,407	1,127	1,102
<u>22,161,759</u>	<u>22,836,002</u>	<u>13,042,691</u>	<u>11,263,033</u>
944,362	958,653	100,821	98,506
<u>23,106,121</u>	<u>23,794,655</u>	<u>13,143,512</u>	<u>11,361,539</u>
<u>(1,488,868)</u>	<u>(1,128,783)</u>	<u>(2,849,230)</u>	<u>(866,122)</u>
642,683	1,036,859	-	-
690,812	690,035	18,948	-
1,373	2,424	3,686	11,599
102,817	-	-	-
138,373	(50,819)	-	-
(33,497)	(39,487)	-	-
<u>1,542,561</u>	<u>1,639,012</u>	<u>22,634</u>	<u>11,599</u>
53,693	510,229	(2,826,596)	(854,523)
18,239	247,254	-	-
-	-	-	58,030
-	-	(20,721)	(72,343)
71,932	757,483	(2,847,317)	(868,836)
		<u>7,531,852</u>	<u>8,400,688</u>
		<u>\$ 4,684,535</u>	<u>\$ 7,531,852</u>
<u>(524,935)</u>	<u>(239,901)</u>		
<u>\$ (453,003)</u>	<u>\$ 517,582</u>		

PORTAGE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Health Care Center	Solid Waste	County Highway
Cash Flows from Operating Activities			
Cash received from customers	\$ 7,361,099	\$ 1,880,444	\$ 12,487,733
Cash payments to suppliers	(3,142,271)	(1,845,001)	(8,143,705)
Cash payments to employees	(5,611,090)	(111,140)	(4,015,558)
Miscellaneous income	57,727	-	6,406
Net Cash Provided (Used) by Operating Activities	(1,334,535)	(75,697)	334,876
Cash Flows from Noncapital Financing Activities			
General property taxes	642,683	-	-
Intergovernmental grants received	461,562	229,250	-
Transfers in (out)	-	-	-
Advance (retirement) of interfund payable	-	-	(102,832)
Net Cash Provided (Used) by Noncapital Financing Activities	1,104,245	229,250	(102,832)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(110,818)	-	(497,884)
Sale of capital assets	-	-	496,812
Capital contributions	18,239	-	-
Principal paid on long term advance	(40,843)	(183,139)	-
Interest paid on long term advance	(11,587)	(22,923)	-
Net Cash Used by Capital and Related Financing Activities	(145,009)	(206,062)	(1,072)
Cash Flows from Investing Activities			
Interest income received	659	714	-
Net increase (decrease) in the fair value of investments	-	138,373	-
Cash Flows Provided (Used) by Investing Activities	659	139,087	-
Change in Cash and Cash Equivalents	(374,640)	86,578	230,972
Cash and Cash Equivalents - January 1	1,406,839	3,321,428	-
Cash and Cash Equivalents - December 31	\$ 1,032,199	\$ 3,408,006	\$ 230,972
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,474,247)	\$ 58,089	\$ (72,710)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	214,188	94,380	635,794
Changes in assets and liabilities			
Accounts receivable	169,772	(88,990)	(173,716)
Due from other governments	(186,273)	(70)	455,433
Inventories and prepaid expenses	(13,528)	(67)	(87,412)
Accounts payable	(34,601)	(33,756)	(280,350)
Due to other governments	-	-	-
Accrued and other current liabilities	10,309	360	(10,725)
Resident trust fund payable	6,407	-	-
Unearned revenues	-	-	(181,436)
Post closure	-	(99,984)	-
Compensated absences	(26,562)	(5,659)	49,998
Net Cash Provided (Used) by Operating Activities	\$ (1,334,535)	\$ (75,697)	\$ 334,876
Noncash Investing, Capital and Financing Activities			
None			

The notes to the basic financial statements are an integral part of this statement.

Total Enterprise Funds		Internal Service Funds	
2014	2013	2014	2013
\$ 21,729,276	\$ 22,876,840	\$ 10,709,787	\$ 10,397,163
(13,130,977)	(12,493,073)	(11,396,560)	(10,917,455)
(9,737,788)	(10,081,637)	(720,402)	(729,118)
64,133	96,895	-	-
<u>(1,075,356)</u>	<u>399,025</u>	<u>(1,407,175)</u>	<u>(1,249,410)</u>
642,683	1,036,859	-	-
690,812	690,035	18,948	-
-	-	(20,721)	(14,313)
<u>(102,832)</u>	<u>(667,960)</u>	<u>-</u>	<u>-</u>
<u>1,230,663</u>	<u>1,058,934</u>	<u>(1,773)</u>	<u>(14,313)</u>
(608,702)	(447,701)	(23,150)	(30,939)
496,812	5,635	-	-
18,239	247,254	-	-
(223,982)	(218,034)	-	-
(34,510)	(40,458)	-	-
<u>(352,143)</u>	<u>(453,304)</u>	<u>(23,150)</u>	<u>(30,939)</u>
1,373	2,424	3,686	11,599
138,373	(50,819)	-	-
<u>139,746</u>	<u>(48,395)</u>	<u>3,686</u>	<u>11,599</u>
(57,090)	956,260	(1,428,412)	(1,283,063)
<u>4,728,267</u>	<u>3,772,007</u>	<u>7,585,329</u>	<u>8,868,392</u>
<u>\$ 4,671,177</u>	<u>\$ 4,728,267</u>	<u>\$ 6,156,917</u>	<u>\$ 7,585,329</u>
\$ (1,488,868)	\$ (1,128,783)	\$ (2,849,230)	\$ (866,122)
944,362	958,653	100,821	98,506
(92,934)	589,784	415,600	(90,925)
269,090	(281,921)	(95)	-
(101,007)	56,152	84,003	(124,327)
(348,707)	99,012	840,153	(261,112)
-	-	-	(7,329)
(56)	50,510	1,573	1,899
6,407	(3,185)	-	-
(181,436)	132,261	-	-
(99,984)	(117,433)	-	-
17,777	43,975	-	-
<u>\$ (1,075,356)</u>	<u>\$ 399,025</u>	<u>\$ (1,407,175)</u>	<u>(1,249,410)</u>

PORTAGE COUNTY, WISCONSIN

Statement of Net Position

Fiduciary Fund - Agency Funds

December 31, 2014

(With summarized financial information as of December 31, 2013)

	Tax Agency	Sheriff	Social Improvement	Clerk of Courts	Totals	
					2014	2013
ASSETS						
Cash and cash equivalents	\$ 21,331,453	\$ 5,475	\$ 26,485	\$ 653,345	\$ 22,016,758	\$ 8,862,581
LIABILITIES						
Due to other governments	\$ 21,331,453	\$ -	\$ -	\$ -	\$ 21,331,453	\$ 8,159,441
Deposits payable	-	5,475	26,485	653,345	685,305	703,140
Total Liabilities	\$ 21,331,453	\$ 5,475	\$ 26,485	\$ 653,345	\$ 22,016,758	\$ 8,862,581

The notes to the basic financial statements are an integral part of this statement.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Portage County, Wisconsin ("the County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

1. Reporting Entity

Portage County is a municipal corporation governed by an elected 29-member board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. 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

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

SOCIAL IMPROVEMENT FUND

The social improvement fund is used to account for resources legally restricted to support the various human service programs. The significant revenues for this fund are property taxes, grants, and charges for services.

COUNTY ROADS AND BRIDGES FUND

The county roads and bridges fund is used to account for property taxes and intergovernmental grants received for general maintenance and improvements to the Portage County highway system. The significant revenues for this fund are property taxes and grants.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CAPITAL IMPROVEMENTS FUND

The capital improvements fund accounts for property taxes, long-term debt proceeds and other revenues to finance the County's capital improvement plan.

The County reports the following major enterprise funds:

HEALTH CARE CENTER

The health care center fund is used to account for the provision of skilled nursing home care services for aged and disabled residents.

SOLID WASTE

The solid waste fund is used to account for the provision of solid waste collection, disposal and the recycling services to County residents.

COUNTY HIGHWAY

The County highway fund is used to account for the operations of the County highway department. This is the general business function of the County highway which includes the maintenance and repair of County, Town, Village and State roads and bridges.

Additionally, the government reports the following funds:

Internal service funds account for self-funded health insurance, information technology, phone and self-funded workers' compensation services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

The County accounts for assets held for individuals by various departments, funds held for other governmental agencies and property taxes collected on behalf of county municipalities in *agency funds*.

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, county ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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 function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

4. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable of \$4,434,233 have been shown net of allowance for uncollectible accounts of \$1,171,965.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the governmental funds are reported as "advances to other funds" and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

d. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
<u>Assets</u>		
Land improvements	10 - 30	10 - 30
Buildings and improvements	25 - 40	25 - 40
Machinery and equipment	3 - 15	3 - 15
Infrastructure	50	-

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, long-term loans receivable and delinquent taxes including interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- Assigned fund balance - Amounts that are constrained for specific purposes by action of County management. The County Board has authorized the finance committee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that is subject to restrictions that are imposed 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.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- c. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- e. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2014.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and investments."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$75,377,706 on December 31, 2014 as summarized below:

Petty cash and cash on hand	\$ 5,185
Deposits with financial institutions	49,232,579
Investments	26,139,942
	<u>\$ 75,377,706</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and investments	\$ 51,108,441
Restricted cash and investments	2,252,507
Fiduciary Fund Statement of Net Position	
Agency funds	<u>22,016,758</u>
	<u>\$ 75,377,706</u>

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the County's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2014, \$42,868,615 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$38,974,920 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name.

Investments

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year-end for each investment type.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
US Treasury	\$ 2,766,875	\$2,766,875	\$ -	\$ -	\$ -
US Agency	14,708,427	-	14,708,427	-	-
Money Market Mutual Funds	978,741	-	-	-	978,741
Negotiable Certificates of Deposit	7,685,899	-	-	-	7,685,899
Totals	\$ 26,139,942	\$ 2,766,875	\$ 14,708,427	\$ -	\$ 8,664,640

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total County's investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total
Federal Home Loan Mortgage Corp.	Notes	\$ 4,647,020	18%
Federal National Mortgage Association	Notes	4,085,148	16%
Federal Farm Credit Bank	Notes	2,935,806	11%
Government National Mortgage Association	Notes	1,794,403	7%
Federal Home Loan Bank	Notes	1,246,050	5%

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Remaining maturities on the County's investments are as follows:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
US Treasury	\$ 2,766,875	\$ -	\$ 1,763,125	\$ 1,003,750	\$ -
US Agency	14,708,427	-	1,506,418	7,694,424	5,507,585
Money Market Mutual Funds	978,741	978,741	-	-	-
Negotiable Certificates of Deposit	7,685,899	4,247,464	1,956,483	1,481,952	-
Totals	\$ 26,139,942	\$ 5,226,205	\$ 5,226,026	\$ 10,180,126	\$ 5,507,585

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Investments	Fair Value at Year End
Mortgage backed securities. These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	<u>\$ 10,526,571</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred revenue at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's General Fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes of \$26,028,893 are recorded on December 31, 2014 for collection in 2015 for the County apportionment. The County apportionment is for financing 2015 operations and will be transferred in 2015 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes - General Fund

Delinquent property taxes of the General Fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2014, the County's General Fund showed an investment of \$6,493,810 in delinquent taxes as follows:

Year Purchased	Total	County Share	County Purchased
Prior to 2004	\$ 2,051	\$ 491	\$ 1,560
2005	3,290	787	2,503
2006	4,036	966	3,070
2007	5,972	1,430	4,542
2008	7,238	1,733	5,505
2009	19,967	4,780	15,187
2010	29,089	6,963	22,126
2011	82,918	19,848	63,070
2012	336,963	80,659	256,304
2013	1,118,124	267,647	850,477
Total tax certificates	1,609,648	385,304	1,224,344
Tax deeds	4,642,375	-	4,642,375
Interest on delinquent taxes	241,787	241,787	-
Delinquent Property Taxes at December 31, 2014	<u>\$ 6,493,810</u>	627,091	5,866,719
Less: 60 day collections		49,064	155,905
Deferred Inflow of Resources		<u>\$ 578,027</u>	
Nonspendable Fund Balance (purchased equities of other governments)			<u>\$ 5,710,814</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Restricted Assets

Restricted assets on December 31, 2014 totaled \$2,252,507 and consisted of cash and investments held for the following purposes:

Enterprise Fund

Health care center - client deposits	\$ 15,192
Solid waste - long-term care deposits	<u>2,237,315</u>
Total Restricted Assets	<u><u>\$ 2,252,507</u></u>

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,328,646	\$ 1,147,483	\$ 1,113,242	\$ 12,362,887
Construction in progress	1,853,778	5,299,972	935,473	6,218,277
Total capital assets, not being depreciated	14,182,424	6,447,455	2,048,715	18,581,164
Capital assets, being depreciated:				
Land improvements	1,142,738	7,042	-	1,149,780
Buildings and improvements	20,990,350	1,247,364	-	22,237,714
Machinery and equipment	10,183,926	342,340	72,745	10,453,521
Infrastructure	127,680,859	7,199,090	1,320,732	133,559,217
Subtotals	159,997,873	8,795,836	1,393,477	167,400,232
Less accumulated depreciation for:				
Land improvements	402,702	109,229	-	511,931
Buildings and improvements	7,694,774	511,573	-	8,206,347
Machinery and equipment	8,274,417	741,171	72,745	8,942,843
Infrastructure	59,270,547	2,401,243	1,285,352	60,386,438
Subtotals	75,642,440	3,763,216	1,358,097	78,047,559
Total capital assets, being depreciated, net	84,355,433	5,032,620	35,380	89,352,673
Governmental activities capital assets, net	\$ 98,537,857	\$ 11,480,075	\$ 2,084,095	107,933,837
Less related long-term debt outstanding				6,479,019
Net investment in capital assets				\$ 101,454,818

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 324,959	\$ -	\$ -	\$ 324,959
Construction in progress	445,278	-	422,377	22,901
Total capital assets, not being depreciated	770,237	-	422,377	347,860
Capital assets, being depreciated:				
Land improvements	7,087,645	-	-	7,087,645
Buildings and improvements	9,862,868	71,530	-	9,934,398
Machinery and equipment	15,674,284	976,285	1,285,543	15,365,026
Subtotals	32,624,797	1,047,815	1,285,543	32,387,069
Less accumulated depreciation for:				
Land improvements	6,991,566	23,063	-	7,014,629
Buildings	6,047,773	365,771	-	6,413,544
Machinery and equipment	10,927,701	555,528	874,812	10,608,417
Subtotals	23,967,040	944,362	874,812	24,036,590
Total capital assets, being depreciated, net	8,657,757	103,453	410,731	8,350,479
Business-type activities capital assets, net	\$ 9,427,994	\$ 103,453	\$ 833,108	\$ 8,698,339

Depreciation expense was charged to functions of the County as follows:

Governmental activities	
General government	\$ 351,220
Public safety	554,300
Public works	2,401,242
Health and human services	162,966
Culture and recreation	287,738
Conservation and development	5,750
Total depreciation expense - governmental activities	\$ 3,763,216
Business-type activities	
Health care center	\$ 214,188
Solid waste	94,380
County highway	635,794
Total depreciation expense - business-type activities	\$ 944,362

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2014, are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General	\$ 294,866	\$ -
Special Revenue Fund		
Portage House	-	294,866
Subtotal	<u>294,866</u>	<u>294,866</u>
Long Term Advances for Repayment of General		
Obligation Debt		
Debt Service Fund	728,799	-
Enterprise Funds		
Health Care Center	-	231,780
Solid Waste	-	497,019
Subtotal	<u>728,799</u>	<u>728,799</u>
Totals	<u>\$ 1,023,665</u>	1,023,665
Less: Government-wide eliminations		(294,866)
Less: Internal service fund eliminations		397,423
Internal Balances - Government-wide Financial Statements		<u>\$ 1,126,222</u>

Annual payments due on the long term advances for repayment of general obligation debt, as of December 31, 2014, are detailed below:

Year Ended December 31	Health Care Center		Solid Waste		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	42,580	9,851	187,609	14,323	230,189	24,174
2016	44,389	8,041	192,272	9,660	236,661	17,701
2017	46,276	6,154	117,138	2,714	163,414	8,868
2018	48,242	4,188	-	-	48,242	4,188
2019	50,293	2,137	-	-	50,293	2,137
	<u>\$ 231,780</u>	<u>\$ 30,371</u>	<u>\$ 497,019</u>	<u>\$ 26,697</u>	<u>\$ 728,799</u>	<u>\$ 57,068</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2014 were as follows:

	Transfers In	Transfers Out
General	\$ 160,925	\$ 1,264,213
Social improvement	23,232	44,883
Debt service	520,657	-
Capital improvements	1,236,978	126,345
Internal service	-	20,721
Nonmajor governmental funds	4,003	489,633
Subtotals	<u>1,945,795</u>	<u>1,945,795</u>
Less: Government-wide eliminations	(1,945,795)	(1,945,795)
Transfers per Statement of Activities	<u>\$ -</u>	<u>\$ -</u>

The purpose of transfers of \$1,945,795 is summarized below:

Social improvement and ADRC surpluses returned to the general fund	\$ 140,204
Industrial park transfer for debt service	394,312
Fund additional capital projects	1,236,978
Reimbursement for health insurance administration	20,721
Debt premium transferred to debt service	126,345
Move funds related to various grant programs	27,235
	<u>\$ 1,945,795</u>

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2014:

	Outstanding 1/1/14	Issued	Retired	Outstanding 12/31/14	Due Within One Year
Governmental activities:					
General Obligation Debt					
Notes	\$ 4,000,000	\$ 11,310,000	\$ 2,800,000	\$ 12,510,000	\$ 2,210,000
Debt premium	84,291	280,960	90,805	274,446	87,140
Compensated absences	2,613,366	52,190	28,733	2,636,823	1,490,198
Governmental activities Long-term obligations	<u>\$ 6,697,657</u>	<u>\$ 11,643,150</u>	<u>\$ 2,919,538</u>	<u>\$ 15,421,269</u>	<u>\$ 3,787,338</u>
Business-type activities:					
Landfill					
Long-term care	\$ 2,247,307	\$ -	\$ 99,984	\$ 2,147,323	\$ -
Compensated absences	834,959	17,777	-	852,736	308,197
Business-type activities Long-term obligations	<u>\$ 3,082,266</u>	<u>\$ 17,777</u>	<u>\$ 99,984</u>	<u>\$ 3,000,059</u>	<u>\$ 308,197</u>

Total interest paid during the year on long-term debt totaled \$235,564.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Notes

\$8,675,000 issued 2011; \$1,200,000 due in 2015; interest 2.00%	\$ 1,200,000
\$1,500,000 issued 2014; \$750,000 due in 2018 and 2019; interest 2.00% to 2.875%	1,500,000
\$9,810,000 issued 2014; \$1,010,000 to \$2,500,000 due annually through 2019; interest 1.00% to 2.00%	<u>9,810,000</u>
Total Outstanding General Obligation Debt	<u><u>\$ 12,510,000</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$12,510,000 on December 31, 2014 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2015	\$ 2,210,000	\$ 234,538	\$ 2,444,538
2016	2,375,000	200,438	2,575,438
2017	2,425,000	152,938	2,577,938
2018	3,250,000	116,563	3,366,563
2019	2,250,000	51,563	2,301,563
	<u>\$ 12,510,000</u>	<u>\$ 756,040</u>	<u>\$ 13,266,040</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2014 was \$247,265,685 as follows:

Equalized valuation of the County	\$ 5,194,469,700
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	259,723,485
Total outstanding general obligation debt applicable to debt limitation	\$ 12,510,000
Debt service fund	<u>52,200</u>
Net outstanding general obligation debt applicable to debt limitation	12,457,800
Legal Margin for New Debt	<u><u>\$ 247,265,685</u></u>

8. Closure Care Liability

The County was required per Wisconsin Statutes to submit long term care (LTC) and closure estimates of the landfill to 40 years beyond its closure effective for 2008. The life of the landfill was estimated at 40 years through 2047.

The Wisconsin Department of Natural Resources (DNR) calculated the payments the County must make based on the currently approved annual LTC cost estimate of between \$62,727 and \$164,307 per year and a 40 year period. Using these estimates and an inflation rate of 2%, and the County's total liability for LTC costs is estimated to be \$2,147,323.

The payments are deposited in local banks annually. As of December 31, 2014 the County has deposits of \$2,237,315 and has recorded a liability of \$2,147,323.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

9. Fund Equity

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. At December 31, 2014, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 73,885
Delinquent property taxes	<u>5,710,814</u>
Total General Fund Nonspendable Fund Balance	<u>5,784,699</u>
Special Revenue Funds	
Nonspendable:	
Social Improvement	
Prepaid items	<u>8,428</u>
Industrial park	
Prepaid items	<u>33</u>
Portage House	
Prepaid items	<u>40</u>
ADRC	
Prepaid items	2,299
Endowment principal	<u>86,152</u>
Total ADRC Fund Nonspendable Fund Balance	<u>88,451</u>
Debt Service Fund	
Nonspendable	
Advance to other funds	<u>728,799</u>
Total Nonspendable Fund Balance	<u><u>\$ 6,610,450</u></u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

In the fund financial statements, portions of governmental fund balances are not available for appropriation or a legally restricted for use for a specific purpose. At December 31, 2014, restricted fund balance was as follows:

General Fund	
Restricted for	
Sheriff forfeitures	\$ 112,426
County-wide EMS/Ambulance System	765,747
Redaction	33,524
Public access system	121,022
DNR safety program	3,867
State trail	13,939
Central Wisconsin Windshed Partnership	114,969
Total General Fund Restricted Fund Balance	<u>1,165,494</u>
Special Revenue Funds	
Restricted for	
Social Improvement	
Health plus	<u>1,729</u>
County Roads and Bridges	
Bridge aid	<u>191,681</u>
CDBG	
Community development	<u>3,240</u>
REDRLF	
Community development	<u>45,835</u>
ADRC	
Endowment interest	10,347
Nutrition program	121,062
Bartkowiak estate	42,152
Total ADRC Restricted Fund Balance	<u>173,561</u>
Jail Assessment	
Jail assessment	<u>462,917</u>
Land Records	
Land records modernization	<u>143,128</u>
Debt Service Fund	
Restricted for	
Retirement of long-term debt	<u>52,200</u>
Capital Improvements Fund	
Restricted for	
Capital improvements	<u>4,530,981</u>
Total Restricted Fund Balance	<u>\$ 6,770,766</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2014, General Fund balance was committed as follows:

General Fund	
Committed for	
Elections	\$ 114,948
Internal Audit	27,458
County Board Legal Services	15,000
Expert witness	16,983
District Attorney Carryover	27,245
Miscellaneous Benefits	431,429
Equipment Replacement	76,516
Facilities Budget Carryover	92,786
Facilities Vehicle Replacement	20,000
Sheriff Donations	30,788
Juvenile Detention Program	355,127
Sheriff - Vehicle Replacement	124,753
Inmate Welfare Program	15,763
Sheriff Fuel	64,800
Sheriff Budget Carryover	39,545
Sheriff Range Improvements	8,655
Veterans Donations	957
Library Memorial Bequests	7,906
Library Trust Donations	1,936
Library Budget Carryover	8,359
Library Vehicle Replacement	31,065
Parks Equipment Replacement	63,038
Parks Misc Donations	4,986
Parks Nature Center Donations	841
Hydroplant Fund	64,144
Pulpwood & Firewood	55,092
Parks Fuel	11,544
Parks Budget Carryover	37,685
Land Preservation Fund	261,928
Buena Vista Project	1,043
Vehicle Replacement	18,517
Land Conservation Auto Cad	7,348
Tree Planter Fund	17,045
Planning - Professional Services	30,000
Unreserved Fund Balance-Transitional Funding	82,764
Auto Pool - Vehicle Replacement	46,738
Photocopy - Equipment Replacement	25,000
Total Committed Fund Balance	<u>\$ 2,239,732</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

At December 31, 2014, fund balance of special revenue funds was committed as follows:

Special Revenue Funds	
Committed for:	
Social Improvement	
Tobacco Free Coalition	\$ 16,338
Prevention Donations I	34,991
Prevention Donations II	18,625
Dental Program	22,329
HHS Budget Carryover	10,000
Total Social Improvement	<u>102,283</u>
County Roads and Bridges	
General shop maintenance	300,000
Construction projects	2,315,224
General highway maintenance	400,000
Total County Roads and Bridges	<u>3,015,224</u>
Industrial park	<u>6,913,371</u>
Portage House	<u>106,446</u>
ADRC	
Lincoln Center	80,032
Vehicle replacement	183,883
Adult Day Center	101,366
Holly Shoppe	33,034
Future ADRC projects	15,848
ADRC budget carryover	1,000
Project lifesaver	17,150
Fuel reserve	3,569
Volunteer caregivers	33,481
Total ADRC	<u>469,363</u>
Total Committed Fund Balance	<u>\$ 10,606,687</u>

At December 31, 2014, fund balance of the capital improvements fund was committed as follows:

Capital Improvements Fund	
Committed for	
Capital Projects	<u>\$ 5,894,229</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Also, in the fund financial statements, portions of government fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2014, fund balance assigned was as follows:

General Fund	
Assigned for	
Finance department - budget carryover	\$ 85,000
Disability insurance	124,863
General liability	436,497
Sales tax	<u>1,561,838</u>
Total Assigned Fund Balance	<u><u>\$ 2,208,198</u></u>
Special Revenue Funds	
Assigned for	
Social improvement	
Administration	\$ 2,500
Public health	3,495
MH/SMI donations	994
Child welfare	2,500
Foster care coordination	1,105
Juvenile opportunity program	744
HHS high cost	1,725,347
Less amount by which assignments exceed available fund balance	<u>(77,382)</u>
Total Social Improvement Assignments	<u><u>1,659,303</u></u>
County roads and bridges	<u>171,839</u>
ADRC	
RSVP	30,601
Foster Grandparent Program	7,166
Senior Center	16,277
Walk Club	136
Pool tables	849
Transportation	6,377
Nutrition program	5,205
Nutrition program - Rosholt	1,920
Adult Day Center	2,817
Adult Day Center/EB trust	1,464
Community resources	7,250
Loan closet	24,265
Rous Memorial	5,582
Less amount by which assignments exceed available fund balance	<u>(2,298)</u>
Total ARDC Assignments	<u><u>107,611</u></u>
Total Assigned Fund Balance	<u><u>\$ 1,938,753</u></u>
Capital Projects Fund	
Assigned for	
Capital improvements	<u><u>\$ 2,427,867</u></u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Net position reported on the government-wide statement of net position at December 31, 2014 include the following restricted assets:

Governmental Activities	
Restricted for	
Debt service	\$ 2,280,999
Community development	352,002
Investment in Central Wisconsin Airport	16,356,389
Endowment principal	86,152
Sheriff forfeitures	112,426
County-wide EMS/Ambulance System	765,747
Redaction	33,524
Public access system	121,022
DNR safety program	3,867
State trail	13,939
Central Wisconsin Windshed Partnership	114,969
Health plus	1,729
Bridge aid	191,681
Endowment interest	10,347
Nutrition program	121,062
Bartkowiak estate	42,152
Jail assessment	462,917
Land records modernization	143,128
Total Governmental Activities Restricted Net Position	<u>21,214,052</u>
Business-type Activities	
Equipment replacement	<u>4,098</u>
Total Restricted Net Position	<u>\$ 21,218,150</u>

10. Minimum Fund Balance Policy

The County Board has adopted a policy that unassigned fund balance in the amount of 15%-25% of the operating expenditures from the General Fund, any special revenue fund requiring tax levy to operate, and the debt service fund be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Actual 2014 Expenditures	\$	52,353,766
Minimum Fund Balance %		(x) 15% - 25%
Minimum Fund Balance Amount		<u>\$7,853,066 to \$13,088,444</u>

The County's General Fund unassigned fund balance of \$11,658,379 is within the range of the above minimum fund balance amount.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for 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. All employees initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for 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. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

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

Contribution rates for 2014 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for County employees covered by the WRS for the year ended December 31, 2014 was \$25,495,091; the employer's total payroll was \$25,682,304. The total required contribution for the year ended December 31, 2014 was \$3,696,314, which consisted of \$1,909,163, or 7.49% of covered payroll from the employer and \$1,787,151, or 7.01% of covered payroll from employees. Total contributions for the years ended December 31, 2013 and 2012 were \$3,403,127 and \$3,018,322, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest year's earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

2. 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 participated in a public entity risk pool called the Wisconsin County Mutual Insurance Corporation (WCMIC) to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omissions; and workers' compensation. Settled claims have not exceeded available coverage in any of the three prior years.

The County has chosen to establish risk financing funds for risks associated with the employee's health and worker's compensation insurance plans. These risk financing funds are accounted for as internal service funds where assets are set aside for claim settlements. A premium is charged to each fund that accounts for part-time or full-time employees.

Wisconsin County Mutual Insurance Corporation

Portage County, along with several other Wisconsin counties, jointly participates in the WCMIC for general and automobile liability insurance. This company began operation on January 1, 1988.

The governing body is made up of 12 directors elected by the participating counties. The governing body has the authority to adopt its own budget and control the financial affairs of the corporation.

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

Health

Portage County will provide health insurance coverage for its employees for up to \$120,000 per person per insured event. Portage County obtains independent coverage for insured events in excess of the \$120,000 limit. Changes in the claims liability account for 2013 and 2014 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Payments	Liability December 31
2013	\$ 1,097,640	\$ 8,623,151	\$ 8,977,305	\$ 743,486
2014	743,486	9,580,211	9,235,376	1,088,321

Worker's Compensation

Portage County will maintain worker's compensation coverage for its employees for up to \$300,000 per occurrence. Portage County obtains independent coverage for insured occurrences in excess of the \$300,000 limit. The County also has as an aggregate limit of \$2,000,000 per year. Any claims in excess of this in one year are independently insured. Changes in the claims liability amount for 2013 and 2014 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2013	\$ 330,091	\$ 272,103	\$ 196,210	\$ 405,984
2014	405,984	804,453	286,923	923,514

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

Liabilities of these funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of pay-outs and other economic and social factors.

3. Equity Investment in Joint Venture

The Central Wisconsin Airport (CWA) was created by Wisconsin Statute 114, which allows for the creation of multi-governmental agreements as is operated as a joint venture between Marathon and Portage Counties. The CWA Board is made up of seven members whose appointments are based on the respective equalized value of each county, revised every five years (last revision was in 2011). The ratio stated in terms of a percentage is:

Marathon County	66%
Portage County	34%

The current CWA board is made up of four members from Marathon County and three members from Portage County. Each County approves the CWA budget annually and the CWA board is responsible for overseeing operations and fiscal management and can make budget changes up to \$50,000 without prior approval of the Counties. Since Marathon County appoints a majority of the board and is financially accountable for CWA, CWA is reported as a discretely presented component unit in Marathon County's financial statements.

During 2014, Portage County issued General Obligation Notes of \$1,500,000, due through 2019, to finance capital improvement projects at CWA. CWA will reimburse Portage County for the principal and interest amount from passenger fares. A receivable of \$1,500,000 on the statement of net position reflects the outstanding principal owed by CWA.

Portage County made no additional contributions in 2014 to CWA. All activities were financed by airport revenues.

Investment - December 31, 2014	<u>\$ 16,356,389</u>
Portage County contributed capital	\$ 839,661
Portage County share of net position	<u>15,516,728</u>
	<u>\$ 16,356,389</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

Information pertaining to the total activity of the Central Wisconsin Airport as of and for the year ended December 31, 2014, is as follows:

	2014
Total Assets	\$ 56,330,692
Deferred Outflows of Resources	\$ 10,082
Total Liabilities	\$ 8,233,745
Net Position	
Net investment in capital assets	44,763,596
Restricted	2,611,711
Unrestricted net position	731,722
Total Net Position	48,107,029
Total Liabilities and Net Position	\$ 56,340,774
Operating revenues	\$ 3,721,685
Operating expenses	4,584,879
Operating loss	(863,194)
Nonoperating revenue (expenses)	23,012
Capital contributions	5,601,453
Increase in Net Position	4,761,271
Net Position - January 1	43,345,758
Net Position - December 31	\$ 48,107,029

4. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2014 and 2015 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2014 budget was 1.24%. The actual limit for the County for the 2015 budget was 1.26%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2014

NOTE D - OTHER INFORMATION (Continued)

5. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under OMB Circular A-133 has been conducted but final acceptance is still pending. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

- b. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

6. Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific resources (other than trust or major capital projects) that are legally restricted to expenditures for specified purposes. The County uses special revenue funds for the following activities:

CDBG - To account for activities related to Community Development Block Grant funds received by the County.

REDRLF - To account for activities related to Rural Economic Development Revolving Loan funds received by the County.

Industrial Park - To account for activities within the County's Industrial Park, including maintenance, marketing of property, and sale of properties. Funds received are to be used for debt retirement and the administration of the project.

Portage House - To account for the operations associated with the operations of the Portage House. Funding is provided primarily through grants.

ADRC - To account for the operations associated with providing services to Older Americans. Funding is provided primarily through grants and donations.

Ambulance – To account for the operations of the county-wide ambulance service operated by Portage County

Jail Assessment - To account for jail assessments received by the County. This program is intended to provide counties with financial resources that are restricted for jail related equipment, construction or jail debt service.

Land Records - To account for fees collected by the Register of Deeds, per State Statues, to be used for records modernization projects.

Financial information is presented as follows:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

PORTAGE COUNTY, WISCONSIN

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue				
	CDBG	REDRLF	Industrial Park	Portage House	ADRC
ASSETS					
Cash and investments	\$ 3,240	\$ 45,835	\$ 6,915,047	\$ -	\$ 794,696
Receivables					
Taxes	-	-	-	-	556,384
Accounts	-	-	-	200,867	337
Loans	302,927	-	-	-	-
Due from other governments	-	-	-	219,199	145,177
Prepaid items	-	-	33	40	2,299
TOTAL ASSETS	\$ 306,167	\$ 45,835	\$ 6,915,080	\$ 420,106	\$ 1,498,893
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,676	\$ 9,580	\$ 52,138
Accrued and other current liabilities	-	-	-	9,174	51,385
Due to other funds	-	-	-	294,866	-
Total Liabilities	-	-	1,676	313,620	103,523
Deferred Inflows of Resources					
Property taxes	-	-	-	-	556,384
Long-term loans receivable	302,927	-	-	-	-
Total Deferred Inflows of Resources	302,927	-	-	-	556,384
Fund Balances					
Nonspendable	-	-	33	40	88,451
Restricted	3,240	45,835	-	-	173,561
Committed	-	-	6,913,371	106,446	469,363
Assigned	-	-	-	-	107,611
Total Fund Balances	3,240	45,835	6,913,404	106,486	838,986
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 306,167	\$ 45,835	\$ 6,915,080	\$ 420,106	\$ 1,498,893

Special Revenue (Continued)			Total Nonmajor Governmental Funds
Ambulance	Jail Assessment	Land Records	2014
\$ -	\$ 463,773	\$ 143,785	\$ 8,366,376
1,194,313	-	-	1,750,697
-	7,370	984	209,558
-	-	-	302,927
-	-	-	364,376
-	-	-	2,372
<u>\$ 1,194,313</u>	<u>\$ 471,143</u>	<u>\$ 144,769</u>	<u>\$ 10,996,306</u>

\$ -	\$ 8,226	\$ -	\$ 71,620
-	-	1,641	62,200
-	-	-	294,866
-	8,226	1,641	428,686

1,194,313	-	-	1,750,697
-	-	-	302,927
<u>1,194,313</u>	-	-	<u>2,053,624</u>

-	-	-	88,524
-	462,917	143,128	828,681
-	-	-	7,489,180
-	-	-	107,611
-	462,917	143,128	8,513,996

<u>\$ 1,194,313</u>	<u>\$ 471,143</u>	<u>\$ 144,769</u>	<u>\$ 10,996,306</u>
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PORTAGE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue				
	CDBG	REDRLF	Industrial Park	Portage House	ADRC
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 36,524	\$ 509,670
Intergovernmental	-	-	-	597,311	1,645,444
Fines and forfeits	-	-	-	-	-
Public charges for services	-	-	-	595	446,246
Intergovernmental charges for services	-	-	-	-	8,964
Miscellaneous	961	16	2,190,744	300	172,771
Total Revenues	961	16	2,190,744	634,730	2,783,095
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	597,312	-
Health and human services	-	-	-	-	2,717,751
Conservation and development	-	-	92,130	-	-
Total Expenditures	-	-	92,130	597,312	2,717,751
Excess of Revenues Over (Under) Expenditures	961	16	2,098,614	37,418	65,344
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	4,003
Transfers out	-	-	(394,312)	-	(95,321)
Total Other Financing Sources (Uses)	-	-	(394,312)	-	(91,318)
Net Change in Fund Balances	961	16	1,704,302	37,418	(25,974)
Fund Balances - January 1	2,279	45,819	5,209,102	69,068	864,960
Fund Balances - December 31	\$ 3,240	\$ 45,835	\$ 6,913,404	\$ 106,486	\$ 838,986

Special Revenue (Continued)			Total Nonmajor Governmental Funds
Ambulance	Jail Assessment	Land Records	2014
\$ -	\$ -	\$ -	\$ 546,194
-	-	1,000	2,243,755
-	64,947	-	64,947
-	-	78,304	525,145
-	-	-	8,964
-	-	-	2,364,792
-	64,947	79,304	5,753,797
-	-	78,071	78,071
-	22,820	-	620,132
-	-	-	2,717,751
-	-	-	92,130
-	22,820	78,071	3,508,084
-	42,127	1,233	2,245,713
-	-	-	4,003
-	-	-	(489,633)
-	-	-	(485,630)
-	42,127	1,233	1,760,083
-	420,790	141,895	6,753,913
\$ -	\$ 462,917	\$ 143,128	\$ 8,513,996

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The County uses internal service fund accounting for the following activities:

Self-funded Health Insurance - This fund is used to account for operations of the County's self-funded health insurance fringe benefits provided to employees.

Information Technology - This fund is to account for the accumulation and allocation of costs associated with electronic data processing department.

Phone - This fund is used to account for operation of the County's phone system and charges to the user departments.

Self-funded Workers' Compensation - This fund is used to account for operations of the County's self-funded workers' compensation benefits provided to employees.

Financial information is presented as follows:

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Net Position

Combining Statement of Cash Flows

PORTAGE COUNTY, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2014

(With summarized financial information as of December 31, 2013)

	Self-Funded Health Insurance	Information Technology	Phone
ASSETS			
Current assets			
Cash and investments	\$ 4,108,297	\$ 198,457	\$ 36,483
Receivables			
Accounts	104,878	-	-
Due from other governments	-	7,424	-
Prepaid items	53,499	74,386	-
Total Current Assets	4,266,674	280,267	36,483
Noncurrent assets			
Capital assets, depreciable			
Machinery and equipment	-	619,503	15,948
Less: Accumulated depreciation	-	(263,017)	(1,595)
Total Noncurrent Assets	-	356,486	14,353
TOTAL ASSETS	4,266,674	636,753	50,836
LIABILITIES			
Current Liabilities			
Accounts and claims payable	1,088,321	47,153	-
Accrued and other current liabilities	19,625	15,922	-
TOTAL LIABILITIES	1,107,946	63,075	-
NET POSITION			
Net investment in capital assets	-	356,486	14,353
Unrestricted	3,158,728	217,192	36,483
TOTAL NET POSITION	\$ 3,158,728	\$ 573,678	\$ 50,836

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2014	2013

\$ 1,813,680	\$ 6,156,917	\$ 7,585,329
14,028	118,906	534,506
-	7,424	7,329
385	128,270	212,273
<u>1,828,093</u>	<u>6,411,517</u>	<u>8,339,437</u>
-	635,451	612,301
-	(264,612)	(163,791)
-	<u>370,839</u>	<u>448,510</u>
<u>1,828,093</u>	<u>6,782,356</u>	<u>8,787,947</u>
925,082	2,060,556	1,220,403
1,718	37,265	35,692
<u>926,800</u>	<u>2,097,821</u>	<u>1,256,095</u>
-	370,839	448,510
<u>901,293</u>	<u>4,313,696</u>	<u>7,083,342</u>
<u>\$ 901,293</u>	<u>\$ 4,684,535</u>	<u>\$ 7,531,852</u>

PORTAGE COUNTY, WISCONSIN
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2014
(With summarized financial information for the year ended December 31, 2013)

	Self-Funded Health Insurance	Information Technology	Phone
Operating Revenues			
Intergovernmental charges for services	\$ 8,429,570	\$ 1,289,368	\$ 124,565
Other operating revenues	-	600	3,045
Total Operating Revenues	8,429,570	1,289,968	127,610
Operating Expenses			
Operation and maintenance			
Salaries and fringe benefits	1,810	642,226	-
Contractual services	10,676,107	303,851	120,194
Supplies	1,035	286,464	34,474
Insurance and other fixed charges	-	1,015	-
Total Operation and Maintenance	10,678,952	1,233,556	154,668
Depreciation	-	99,226	1,595
Total Operating Expenses	10,678,952	1,332,782	156,263
Operating Income (Loss)	(2,249,382)	(42,814)	(28,653)
Nonoperating Revenues			
Intergovernmental aids	-	18,948	-
Interest income	2,745	-	-
Total Nonoperating Revenues	2,745	18,948	-
Net Income (Loss) Before Transfers	(2,246,637)	(23,866)	(28,653)
Transfers in	-	-	-
Transfers out	(20,721)	-	-
Change in Net Position	(2,267,358)	(23,866)	(28,653)
Net Position - January 1	5,426,086	597,544	79,489
Net Position - December 31	\$ 3,158,728	\$ 573,678	\$ 50,836

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2014	2013

\$	446,449	\$ 10,289,952	\$ 10,487,887
	685	4,330	7,530
	<u>447,134</u>	<u>10,294,282</u>	<u>10,495,417</u>

	77,939	721,975	731,017
	870,391	11,970,543	10,268,456
	27,073	349,046	262,458
	112	1,127	1,102
	<u>975,515</u>	<u>13,042,691</u>	<u>11,263,033</u>
	-	100,821	98,506
	<u>975,515</u>	<u>13,143,512</u>	<u>11,361,539</u>
	<u>(528,381)</u>	<u>(2,849,230)</u>	<u>(866,122)</u>

	-	18,948	-
	941	3,686	11,599
	<u>941</u>	<u>22,634</u>	<u>11,599</u>

	(527,440)	(2,826,596)	(854,523)
	-	-	58,030
	<u>-</u>	<u>(20,721)</u>	<u>(72,343)</u>

	(527,440)	(2,847,317)	(868,836)
	<u>1,428,733</u>	<u>7,531,852</u>	<u>8,400,688</u>

\$	<u>901,293</u>	\$ <u>4,684,535</u>	\$ <u>7,531,852</u>
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PORTAGE COUNTY, WISCONSIN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2014

(With summarized financial information for the year ended December 31, 2013)

	Self-Funded Health Insurance	Information Technology	Phone
Cash Flows from Operating Activities			
Cash received from customers	\$ 8,844,793	\$ 1,290,273	\$ 128,747
Cash payments to suppliers	(10,385,806)	(511,007)	(173,778)
Cash payments to employees	(2,268)	(640,391)	-
Net Cash Provided (Used) by Operating Activities	<u>(1,543,281)</u>	<u>138,875</u>	<u>(45,031)</u>
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	(20,721)	-	-
Intergovernmental grants	-	18,948	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(20,721)</u>	<u>18,948</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(7,202)	(15,948)
Cash Flows from Investing Activities			
Interest income received	2,745	-	-
Change in Cash and Cash Equivalents	<u>(1,561,257)</u>	<u>150,621</u>	<u>(60,979)</u>
Cash and Cash Equivalents - January 1	<u>5,669,554</u>	<u>47,836</u>	<u>97,462</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 4,108,297</u></u>	<u><u>\$ 198,457</u></u>	<u><u>\$ 36,483</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (2,249,382)	\$ (42,814)	\$ (28,653)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	99,226	1,595
Changes in assets and liabilities			
Accounts receivable	415,223	400	1,137
Prepaid items	(53,499)	78,985	201
Due from other governments	-	(95)	-
Accounts and claims payable	344,835	1,338	(19,311)
Accrued and other current liabilities	(458)	1,835	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (1,543,281)</u></u>	<u><u>\$ 138,875</u></u>	<u><u>\$ (45,031)</u></u>
Noncash Investing, Capital and Financing Activities			
None			

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2014	2013
\$ 445,974	\$ 10,709,787	\$ 10,397,163
(325,969)	(11,396,560)	(10,917,455)
(77,743)	(720,402)	(729,118)
<u>42,262</u>	<u>(1,407,175)</u>	<u>(1,249,410)</u>
-	(20,721)	(14,313)
-	18,948	-
-	(1,773)	(14,313)
-	(23,150)	(30,939)
941	3,686	11,599
43,203	(1,428,412)	(1,283,063)
<u>1,770,477</u>	<u>7,585,329</u>	<u>8,868,392</u>
<u>\$ 1,813,680</u>	<u>\$ 6,156,917</u>	<u>\$ 7,585,329</u>
\$ (528,381)	\$ (2,849,230)	\$ (866,122)
-	100,821	98,506
(1,160)	415,600	(90,925)
58,316	84,003	(124,327)
-	(95)	(7,329)
513,291	840,153	(261,112)
196	1,573	1,899
<u>\$ 42,262</u>	<u>\$ (1,407,175)</u>	<u>\$ (1,249,410)</u>