

# Portage County, Wisconsin

## ANNUAL FINANCIAL REPORT

December 31, 2018

# Portage County, Wisconsin

DECEMBER 31, 2018

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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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, the 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 3 through 9 and the schedules relating to pensions on page 62 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### **Prior Year Summarized Financial information**

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated September 26, 2018, 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 from which the prior year summarized financial information was derived.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2019, 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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
July 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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# County of Portage

## Finance Department

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### Management's Discussion and Analysis December 31, 2018

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, 2018. We encourage readers to consider the information presented here in conjunction with the notes to the financial statements.

#### Financial Highlights

- The assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources as of December 31, 2018 by \$197,411,987 (net position). Of this amount, \$56,553,410 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors, \$25,860,459 are restricted for specific purposes (restricted net position), and \$115,018,118 is the net investment in capital assets.
- The County's total net position increased by \$3,425,382 primarily due to health insurance program savings, overall department budget savings, and an increase in net investment in capital assets.
- As of December 31, 2018, the County's governmental funds reported combined fund balances of \$45,951,673, a decrease of \$1,711,272 in comparison with the prior year. Approximately 29% or \$13,158,837 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, and solid waste services.

The government-wide financial statements can be found on pages 10 - 12 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 twelve (12) 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 improvements fund, all of which are considered to be major funds. Data from the other seven (7) 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 13 - 21 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, 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 three 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 22 - 31 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 32 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 33 - 61 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$197,411,987 at the close of 2018.

Portage County's Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 113,436,582	\$ 109,847,080	\$ 12,375,048	\$ 9,493,071	\$ 125,811,630	\$ 119,340,151
Capital assets	112,992,283	109,261,677	9,256,856	8,836,537	122,249,139	118,098,214
Total Assets	226,428,865	219,108,757	21,631,904	18,329,608	248,060,769	237,438,365
Deferred Outflows of Resources	8,184,840	9,509,932	2,213,762	2,607,763	10,398,602	12,117,695
Long-term liabilities						
outstanding	11,267,571	13,370,123	2,568,779	2,987,404	13,836,350	16,357,527
Other liabilities	4,954,572	4,525,064	1,155,724	1,074,929	6,110,296	5,599,993
Total Liabilities	16,222,143	17,895,187	3,724,503	4,062,333	19,946,646	21,957,520
Deferred Inflows of Resources	37,694,034	32,446,923	3,406,704	1,165,012	41,100,738	33,611,935
Net Position						
Net investment in						
capital assets	105,761,262	104,795,181	9,256,856	8,836,537	115,018,118	113,631,718
Restricted	24,656,170	22,117,263	1,204,289	-	25,860,459	22,117,263
Unrestricted	50,280,096	51,364,135	6,253,314	6,873,489	56,533,410	58,237,624
Total Net Position	\$ 180,697,528	\$ 178,276,579	\$ 16,714,459	\$ 15,710,026	\$ 197,411,987	\$ 193,986,605

By far the largest portion of the County's net position (58%) 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 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$56,533,410) 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 \$2,420,949 thereby accounting for 71% of the total growth in net position of the County. Key elements of this increase are as follows:

Portage County's Change in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 11,338,996	\$ 9,955,731	\$ 21,253,176	\$ 20,683,335	\$ 32,592,172	\$ 30,639,066
Operating grants and contributions	13,331,271	13,597,840	1,191,708	775,945	14,522,979	14,373,785
Capital grants and contributions	63,245	28,985	6,500	265,955	69,745	294,940
<b>General Revenues</b>						
Property taxes	28,622,514	27,067,621	100,000	100,000	28,722,514	27,167,621
Other taxes	7,039,689	6,521,997	-	-	7,039,689	6,521,997
Grants and contributions not restricted to specific programs	2,196,956	2,209,482	-	-	2,196,956	2,209,482
Other	1,678,009	1,228,099	29,604	23,875	1,707,613	1,251,974
<b>Total Revenues</b>	<b>64,270,680</b>	<b>60,609,755</b>	<b>22,580,988</b>	<b>21,849,110</b>	<b>86,851,668</b>	<b>82,458,865</b>
<b>Expenses</b>						
General government	10,015,822	10,184,725	-	-	10,015,822	10,184,725
Public safety	15,631,437	15,929,402	-	-	15,631,437	15,929,402
Public works	10,935,596	8,989,714	-	-	10,935,596	8,989,714
Health and human services	19,556,556	18,778,123	-	-	19,556,556	18,778,123
Culture and recreation	3,674,551	4,197,814	-	-	3,674,551	4,197,814
Conservation and development	1,868,478	1,970,414	-	-	1,868,478	1,970,414
Interest on long-term debt	167,291	167,089	-	-	167,291	167,089
Health care center	-	-	7,543,061	8,199,001	7,543,061	8,199,001
Solid waste	-	-	1,876,369	1,714,946	1,876,369	1,714,946
County highway	-	-	12,157,125	10,894,851	12,157,125	10,894,851
<b>Total Expenses</b>	<b>61,849,731</b>	<b>60,217,281</b>	<b>21,576,555</b>	<b>20,808,798</b>	<b>83,426,286</b>	<b>81,026,079</b>
<b>Increase in Net Position</b>						
before transfers	2,420,949	392,474	1,004,433	1,040,312	3,425,382	1,432,786
Transfers	-	(160,930)	-	160,930	-	-
<b>Change in Net Position</b>	<b>2,420,949</b>	<b>231,544</b>	<b>1,004,433</b>	<b>1,201,242</b>	<b>3,425,382</b>	<b>1,432,786</b>
Net Position - January 1	178,276,579	178,045,035	15,710,026	14,508,784	193,986,605	192,553,819
<b>Net Position - December 31</b>	<b>\$ 180,697,528</b>	<b>\$ 178,276,579</b>	<b>\$ 16,714,459</b>	<b>\$ 15,710,026</b>	<b>\$ 197,411,987</b>	<b>\$ 193,986,605</b>

## 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 \$45,951,673, a decrease of \$1,711,272 from the prior year. Approximately \$32,792,836 or 71% 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 \$4,285,714, including \$3,413,567 for delinquent property taxes.
- Restricted fund balance of \$1,894,176, including \$463,492 restricted for capital improvements; \$149,036 restricted for Sheriff forfeiture program, \$466,126 restricted for jail assessment expenditures, and \$135,972 restricted for debt service.
- Committed fund balance of \$18,103,752, mostly committed for capital improvements, county road projects, and equipment/ vehicle replacement funds.
- Assigned fund balance of \$8,509,194, including \$4,257,832 for capital projects and \$2,353,621 for health and human services programs.

The remaining \$13,158,837 or 29% 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 \$13,454,156 while total fund balance was \$22,069,872. 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 50% of total general fund expenditures, while total fund balance represents 82% of those same expenditures.

The fund balance of the County's general fund decreased \$92,303 during the current year. Key factors for this decrease are as follows:

- Tax deed property sales and delinquent property collections resulting in a decrease to deferred delinquent property taxes.
- Slight shortage in sales tax collections.
- Prior year budget carryover purchases for various projects.
- Planned equipment/vehicle replacement purchases.

### Social Improvement Fund

The social improvement fund has a total fund balance of \$2,605,036, which is primarily assigned for use in high cost programs. The increase in the social improvement fund is due to budget savings resulting from staff savings due to vacant positions.

### County Roads and Bridges Fund

The county roads and bridges fund has a total fund balance of \$3,261,692 which is all restricted, committed or assigned for future projects. The fund balance decreased by \$227,103 during the current year due to work completed for various highway projects.

### Debt Service Fund

The debt service fund has a total fund balance of \$135,972, which is restricted for future expenditures. This is a decrease of \$15,518 from the prior year due to debt issuance expenses.

### Capital Improvements Fund

The capital improvements fund has a total fund balance of \$8,631,983, of which \$463,492 is restricted for various capital improvements, \$3,910,659 is committed for capital improvements, county road projects, and equipment/vehicle replacement funds and \$4,257,832 is assigned for various capital projects. This is a decrease of \$1,335,610 from the prior year due to continuation of improvements completed at the library, existing highway projects, new government facility building concept/design planning, parks improvements, and the Simulcast/radio tower construction project.

**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 \$1,889,236. The total increase in net position was \$272,601.

Unrestricted net position of the Solid Waste fund at the end of the year amounted to \$1,823,181. The total increase in net position was \$67,392.

Unrestricted net position of the county highway fund at the end of the year amounted to \$1,380,531. The total increase in net position was \$330,663.

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**

The original budget is modified for unanticipated changes throughout the fiscal year by the County Board. The County made modifications to its original budget in 2018 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 \$310,985. Actual expenditures were less than budgeted expenditures by \$2,062,469 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 \$122,249,139 (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:

- Radio tower construction project.
- Significant completion of various highway and bridge projects, CTH G bridge replacement, and CTH S bridge replacement.
- Sheriff's forensic computer system.
- Tomorrow River Trail segment resurfacing project.
- Outdoor wood boiler.

## Capital Asset and Debt Administration (Continued)

Portage County's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 12,598,092	\$ 12,688,400	\$ 324,959	\$ 324,959	\$ 12,923,051	\$ 13,013,359
Land Improvements	1,602,339	1,583,220	7,089,018	7,087,645	8,691,357	8,670,865
Buildings and improvements	22,264,478	22,264,478	10,275,211	10,233,071	32,539,689	32,497,549
Machinery and equipment	9,483,777	8,688,567	15,858,645	14,830,083	25,342,422	23,518,650
Software	1,254,361	-	-	-	1,254,361	-
Infrastructure	142,645,740	138,537,196	-	-	142,645,740	138,537,196
Construction in progress	9,585,804	9,091,722	-	-	9,585,804	9,091,722
Total	199,434,591	192,853,583	33,547,833	32,475,758	232,982,424	225,329,341
Less: Accumulated depreciation	86,442,308	83,591,906	24,290,977	23,639,221	110,733,285	107,231,127
Assets Net of Accumulated Depreciation	\$ 112,992,283	\$ 109,261,677	\$ 9,256,856	\$ 8,836,537	\$ 122,249,139	\$ 118,098,214

**Long-term debt.** At the end of the current fiscal year, the County had \$9,135,000 of general obligation promissory notes outstanding.

Portage County's Outstanding Debt General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General Obligation Debt	\$ 8,335,000	\$ 9,135,000	\$ -	\$ -	\$ 8,335,000	\$ 9,135,000

The County's total debt decreased by \$880,000 during the current fiscal year due to debt payments of \$3,450,000 and issuance of new general obligation notes of \$2,650,000.

### 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 with slight increases.
- The County's levy is limited to equalized value growth over the previous year or zero percent. The County's levy is at the limit with a 1.81% increase in equalized value (net new construction) over the previous year, excluding debt service, bridge & culvert aid, levy approved by a referendum, and the county-wide emergency medical system. The County increased the overall tax levy by \$1,272,890 for 2019 of which an increase of \$214,712 was allowed for general operating expenses subject to the limit. The County also increased the levy by \$935,801 through an approved four year referendum to support the costs to operate the Portage County Health Care Center.

All of these factors were considered in preparing the County's budget for the 2019 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

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# Portage County, Wisconsin

## STATEMENT OF NET POSITION

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Totals	
			2018	2017
<b>ASSETS</b>				
Cash and investments	\$ 51,829,326	\$ 3,957,178	\$ 55,786,504	\$ 54,805,453
Receivables				
Taxes and special charges	28,913,295	1,035,801	29,949,096	28,676,206
Delinquent taxes	4,128,184	-	4,128,184	5,264,160
Accounts, net	1,889,371	1,135,226	3,024,597	2,738,214
Loans	1,046,781	-	1,046,781	1,796,781
Internal balances	(1,110,073)	1,110,073	-	-
Due from other governments	3,632,040	579,437	4,211,477	4,497,503
Inventories and prepaid items	970,787	1,242,308	2,213,095	1,461,092
Investment in Central Wisconsin Airport	17,676,737	-	17,676,737	17,940,561
Restricted assets				
Cash and investments	-	2,110,736	2,110,736	2,160,181
Net pension asset	4,460,134	1,204,289	5,664,423	-
Capital assets, nondepreciable	22,183,896	324,959	22,508,855	22,105,081
Capital assets, depreciable	90,808,387	8,931,897	99,740,284	95,993,133
<b>Total assets</b>	<b>226,428,865</b>	<b>21,631,904</b>	<b>248,060,769</b>	<b>237,438,365</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	8,184,840	2,213,762	10,398,602	12,117,695
<b>LIABILITIES</b>				
Accounts payable	1,716,730	476,299	2,193,029	2,400,450
Accrued and other current liabilities	1,684,158	351,443	2,035,601	1,909,202
Insurance claims payable	1,083,914	-	1,083,914	811,906
Due to other governments	182,039	-	182,039	188,679
Accrued interest payable	15,098	1,247	16,345	17,034
Special deposits	88,191	2,066	90,257	103,844
Unearned revenues	184,442	324,669	509,111	168,878
Long-term obligations				
Due within one year	4,806,089	272,170	5,078,259	4,848,726
Due in more than one year	6,461,482	537,276	6,998,758	8,078,244
Landfill post closure care	-	1,759,333	1,759,333	1,861,125
Net pension liability	-	-	-	1,569,432
<b>Total liabilities</b>	<b>16,222,143</b>	<b>3,724,503</b>	<b>19,946,646</b>	<b>21,957,520</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for subsequent year	28,913,295	1,035,801	29,949,096	28,676,206
Pension related amounts	8,780,739	2,370,903	11,151,642	4,935,729
<b>Total deferred inflows of resources</b>	<b>37,694,034</b>	<b>3,406,704</b>	<b>41,100,738</b>	<b>33,611,935</b>
<b>NET POSITION</b>				
Net investment in capital assets	105,761,262	9,256,856	115,018,118	113,631,718
Restricted	24,656,170	1,204,289	25,860,459	22,117,263
Unrestricted	50,280,096	6,253,314	56,533,410	58,237,624
<b>Total net position</b>	<b>\$ 180,697,528</b>	<b>\$ 16,714,459</b>	<b>\$ 197,411,987</b>	<b>\$ 193,986,605</b>

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, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 10,015,822	\$ 1,527,893	\$ 481,967	\$ -
Public safety	15,631,437	2,491,951	751,713	-
Public works	10,935,596	1,843,173	2,575,149	-
Health and human services	19,556,556	4,701,015	9,038,283	-
Culture and recreation	3,674,551	458,415	121,881	63,244
Conservation and development	1,868,478	279,986	362,278	1
Interest and fiscal charges	167,291	36,563	-	-
Total governmental activities	61,849,731	11,338,996	13,331,271	63,245
<b>BUSINESS-TYPE ACTIVITIES</b>				
Health care center	7,543,061	6,928,237	964,908	-
Solid waste	1,876,369	1,690,808	226,800	-
County highway	12,157,125	12,634,131	-	6,500
Total business-type activities	21,576,555	21,253,176	1,191,708	6,500
<b>Total</b>	<b>\$ 83,426,286</b>	<b>\$ 32,592,172</b>	<b>\$ 14,522,979</b>	<b>\$ 69,745</b>

General revenues  
 Taxes  
   Property taxes  
   Sales tax  
   Other taxes  
 Federal and state grants and other contributions  
   not restricted to specific functions  
 Interest and investment earnings  
 Miscellaneous

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	
		2018	2017
\$ (8,005,962)	\$ -	\$ (8,005,962)	\$ (8,161,102)
(12,387,773)	-	(12,387,773)	(12,609,421)
(6,517,274)	-	(6,517,274)	(5,196,445)
(5,817,258)	-	(5,817,258)	(5,579,558)
(3,031,011)	-	(3,031,011)	(3,601,626)
(1,226,213)	-	(1,226,213)	(1,319,484)
(130,728)	-	(130,728)	(167,089)
<u>(37,116,219)</u>	<u>-</u>	<u>(37,116,219)</u>	<u>(36,634,725)</u>
-	350,084	350,084	(353,410)
-	41,239	41,239	285,321
-	483,506	483,506	984,526
<u>-</u>	<u>874,829</u>	<u>874,829</u>	<u>916,437</u>
<u>(37,116,219)</u>	<u>874,829</u>	<u>(36,241,390)</u>	<u>(35,718,288)</u>
28,622,514	100,000	28,722,514	27,167,621
6,677,303	-	6,677,303	6,324,387
362,386	-	362,386	197,610
2,196,956	-	2,196,956	2,209,482
1,112,352	29,604	1,141,956	695,995
565,657	-	565,657	555,979
<u>39,537,168</u>	<u>129,604</u>	<u>39,666,772</u>	<u>37,151,074</u>
2,420,949	1,004,433	3,425,382	1,432,786
<u>178,276,579</u>	<u>15,710,026</u>	<u>193,986,605</u>	<u>192,553,819</u>
<u>\$ 180,697,528</u>	<u>\$ 16,714,459</u>	<u>\$ 197,411,987</u>	<u>\$ 193,986,605</u>

# Portage County, Wisconsin

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>General</u>	<u>Social Improvement</u>	<u>County Roads and Bridges</u>	<u>Debt Service</u>
<b>ASSETS</b>				
Cash and investments	\$ 17,643,553	\$ 1,981,327	\$ 3,001,763	\$ 85,679
Receivables				
Taxes and special charges	12,670,339	5,153,085	4,233,815	3,049,267
Delinquent taxes	4,128,184	-	-	-
Accounts, net	955,153	236,019	-	-
Loans	-	-	-	750,000
Due from other funds	1,002,737	-	-	-
Advance to other funds	-	-	-	50,293
Due from other governments	888,740	1,529,844	466,653	-
Inventories and prepaid items	57,621	67	-	-
	<u>37,346,327</u>	<u>8,900,342</u>	<u>7,702,231</u>	<u>3,935,239</u>
Total assets	<u>\$ 37,346,327</u>	<u>\$ 8,900,342</u>	<u>\$ 7,702,231</u>	<u>\$ 3,935,239</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 399,773	\$ 775,859	\$ 206,724	\$ -
Accrued and other current liabilities	1,279,739	306,453	-	-
Due to other funds	-	-	-	-
Due to other governments	182,744	(705)	-	-
Special deposits	79,762	-	-	-
Unearned revenues	73,628	60,614	-	-
	<u>2,015,646</u>	<u>1,142,221</u>	<u>206,724</u>	<u>-</u>
Total liabilities	<u>2,015,646</u>	<u>1,142,221</u>	<u>206,724</u>	<u>-</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	12,670,339	5,153,085	4,233,815	3,049,267
Delinquent taxes, including interest	590,470	-	-	-
Loans receivable	-	-	-	750,000
	<u>13,260,809</u>	<u>5,153,085</u>	<u>4,233,815</u>	<u>3,799,267</u>
Total deferred inflows of resources	<u>13,260,809</u>	<u>5,153,085</u>	<u>4,233,815</u>	<u>3,799,267</u>
Fund balances				
Nonspendable	3,471,188	67	-	-
Restricted	478,747	-	124,120	135,972
Committed	2,876,076	251,348	3,137,572	-
Assigned	1,789,705	2,353,621	-	-
Unassigned	13,454,156	-	-	-
	<u>22,069,872</u>	<u>2,605,036</u>	<u>3,261,692</u>	<u>135,972</u>
Total fund balances	<u>22,069,872</u>	<u>2,605,036</u>	<u>3,261,692</u>	<u>135,972</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,346,327</u>	<u>\$ 8,900,342</u>	<u>\$ 7,702,231</u>	<u>\$ 3,935,239</u>

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

Capital Improvements	Other Governmental Funds	Totals	
		2018	2017
\$ 8,685,473	\$ 8,525,045	\$ 39,922,840	\$ 41,051,538
930,500	2,876,289	28,913,295	28,576,206
-	-	4,128,184	5,264,160
-	588,872	1,780,044	1,571,194
-	296,781	1,046,781	1,796,781
-	-	1,002,737	-
-	-	50,293	98,535
92,779	654,024	3,632,040	3,832,141
-	757,526	815,214	53,814
<u>\$ 9,708,752</u>	<u>\$ 13,698,537</u>	<u>\$ 81,291,428</u>	<u>\$ 82,244,369</u>
\$ 146,269	\$ 144,425	\$ 1,673,050	\$ 1,601,730
-	72,558	1,658,750	1,563,739
-	1,002,737	1,002,737	-
-	-	182,039	188,679
-	8,429	88,191	102,196
-	50,200	184,442	166,474
<u>146,269</u>	<u>1,278,349</u>	<u>4,789,209</u>	<u>3,622,818</u>
930,500	2,876,289	28,913,295	28,576,206
-	-	590,470	585,619
-	296,781	1,046,781	1,796,781
<u>930,500</u>	<u>3,173,070</u>	<u>30,550,546</u>	<u>30,958,606</u>
-	814,459	4,285,714	4,515,334
463,492	691,845	1,894,176	5,628,690
3,910,659	7,928,097	18,103,752	18,621,660
4,257,832	108,036	8,509,194	6,413,299
-	(295,319)	13,158,837	12,483,962
<u>8,631,983</u>	<u>9,247,118</u>	<u>45,951,673</u>	<u>47,662,945</u>
<u>\$ 9,708,752</u>	<u>\$ 13,698,537</u>	<u>\$ 81,291,428</u>	<u>\$ 82,244,369</u>

# Portage County, Wisconsin

BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	2018	2017
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION</b>		
Total fund balances as shown on previous page	\$ 45,951,673	\$ 47,662,945
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.	112,871,379	109,117,727
Long-term assets are not considered available; therefore, are not reported in the funds:		
Net pension asset	4,460,134	-
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	19,313,988	20,322,961
Net position of the internal service fund is reported in the statement of net position as governmental activities	9,978,922	8,918,445
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Deferred outflows related to pensions	8,184,840	9,509,932
Deferred inflows related to pensions	(8,780,739)	(3,870,717)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(8,335,000)	(9,135,000)
Premium on debt	(109,513)	(122,606)
Compensated absences	(2,823,058)	(2,881,731)
Net pension liability	-	(1,230,786)
Accrued interest on long-term obligations	(15,098)	(14,591)
Net position of governmental activities as reported on the statement of net position (see page 10)	\$ 180,697,528	\$ 178,276,579

*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, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Social Improvement</u>	<u>County Roads and Bridges</u>	<u>Debt Service</u>
<b>REVENUES</b>				
Taxes	\$ 20,078,358	\$ 5,153,085	\$ 4,366,164	\$ 2,754,871
Intergovernmental	3,422,381	7,464,862	2,575,149	-
Licenses and permits	188,448	258,184	-	-
Fines and forfeits	221,979	76,707	-	-
Public charges for services	1,797,254	4,135,103	-	-
Intergovernmental charges for services	1,107,322	28,544	-	-
Miscellaneous	879,104	46,574	-	790,751
Total revenues	<u>27,694,846</u>	<u>17,163,059</u>	<u>6,941,313</u>	<u>3,545,622</u>
<b>EXPENDITURES</b>				
Current				
General government	9,621,390	-	-	-
Public safety	11,665,336	487,717	-	-
Public works	-	-	9,797,132	-
Health and human services	223,119	16,483,119	-	-
Culture and recreation	3,274,136	-	-	-
Conservation and development	1,715,302	-	-	-
Debt service				
Principal	-	-	-	3,450,000
Interest and fiscal charges	-	-	37,725	187,268
Capital outlay	404,915	-	-	-
Total expenditures	<u>26,904,198</u>	<u>16,970,836</u>	<u>9,834,857</u>	<u>3,637,268</u>
Excess of revenues over (under) expenditures	<u>790,648</u>	<u>192,223</u>	<u>(2,893,544)</u>	<u>(91,646)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	2,618,988	31,012
Premium on debt issued	-	-	-	45,116
Transfers in	328,531	-	47,453	-
Transfers out	(1,211,482)	(103,838)	-	-
Total other financing sources (uses)	<u>(882,951)</u>	<u>(103,838)</u>	<u>2,666,441</u>	<u>76,128</u>
<b>Net change in fund balances</b>	<b>(92,303)</b>	<b>88,385</b>	<b>(227,103)</b>	<b>(15,518)</b>
<b>Fund balances - January 1</b>	<u>22,162,175</u>	<u>2,516,651</u>	<u>3,488,795</u>	<u>151,490</u>
<b>Fund balances - December 31</b>	<u><u>\$ 22,069,872</u></u>	<u><u>\$ 2,605,036</u></u>	<u><u>\$ 3,261,692</u></u>	<u><u>\$ 135,972</u></u>

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

Capital Improvements	Other Governmental Funds	Totals	
		2018	2017
\$ 879,500	\$ 2,876,289	\$ 36,108,267	\$ 33,742,245
63,244	1,903,990	15,429,626	15,669,165
-	-	446,632	435,492
-	63,955	362,641	367,901
-	1,590,425	7,522,782	6,128,532
-	8,013	1,143,879	1,078,215
20,500	659,000	2,395,929	1,328,518
<u>963,244</u>	<u>7,101,672</u>	<u>63,409,756</u>	<u>58,750,068</u>
-	90,001	9,711,391	9,486,171
-	3,205,371	15,358,424	15,074,844
-	-	9,797,132	5,490,778
-	2,887,368	19,593,606	18,477,930
-	-	3,274,136	3,251,013
-	124,231	1,839,533	1,787,468
-	-	3,450,000	2,425,000
-	-	224,993	214,899
<u>3,462,883</u>	<u>727,371</u>	<u>4,595,169</u>	<u>5,315,601</u>
<u>3,462,883</u>	<u>7,034,342</u>	<u>67,844,384</u>	<u>61,523,704</u>
<u>(2,499,639)</u>	<u>67,330</u>	<u>(4,434,628)</u>	<u>(2,773,636)</u>
-	-	2,650,000	2,100,000
-	-	45,116	29,781
1,211,482	-	1,587,466	260,943
<u>(47,453)</u>	<u>(196,453)</u>	<u>(1,559,226)</u>	<u>(394,855)</u>
<u>1,164,029</u>	<u>(196,453)</u>	<u>2,723,356</u>	<u>1,995,869</u>
<u>(1,335,610)</u>	<u>(129,123)</u>	<u>(1,711,272)</u>	<u>(777,767)</u>
<u>9,967,593</u>	<u>9,376,241</u>	<u>47,662,945</u>	<u>48,440,712</u>
<u>\$ 8,631,983</u>	<u>\$ 9,247,118</u>	<u>\$ 45,951,673</u>	<u>\$ 47,662,945</u>

# Portage County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>		
Net change in fund balances as shown on previous page	\$ (1,711,272)	\$ (777,767)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	7,834,646	5,350,148
Depreciation expense reported in the statement of activities	(3,921,517)	(3,782,475)
Net book value of disposals	(159,477)	(419,876)
The net income (loss) of the Investment in Central Wisconsin Airport is reported with governmental activities	(263,824)	(164,525)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	(745,149)	124,895
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt issued	(2,650,000)	(2,100,000)
Premium on debt issued	(45,116)	(29,781)
Principal repaid	3,450,000	2,425,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	(507)	156
Amortization of premiums, discounts and loss on advance refunding	58,209	47,654
Compensated absences	58,673	(190,158)
Net pension asset (liability)	5,690,920	1,220,706
Deferred outflows of resources related to pensions	(1,325,092)	(4,157,859)
Deferred inflows of resources related to pensions	(4,910,022)	1,288,406
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>1,060,477</u>	<u>1,397,020</u>
Change in net position of governmental activities as reported in the statement of activities (see pages 11 - 12)	<u>\$ 2,420,949</u>	<u>\$ 231,544</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, 2018  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 19,844,651	\$ 19,844,651	\$ 20,078,358	\$ 233,707	\$ 19,207,661
Intergovernmental	3,444,328	3,519,287	3,422,381	(96,906)	3,305,790
Licenses and permits	212,255	212,255	188,448	(23,807)	185,499
Fines and forfeits	230,391	230,391	221,979	(8,412)	233,120
Public charges for services	2,076,712	2,079,048	1,797,254	(281,794)	1,836,808
Intergovernmental charges for services	1,071,055	1,071,055	1,107,322	36,267	1,042,766
Miscellaneous	1,049,144	1,049,144	879,104	(170,040)	781,934
<b>Total revenues</b>	<b>27,928,536</b>	<b>28,005,831</b>	<b>27,694,846</b>	<b>(310,985)</b>	<b>26,593,578</b>
<b>EXPENDITURES</b>					
Current					
General government	10,302,968	10,415,611	9,621,390	794,221	9,356,597
Public safety	12,230,152	12,230,152	11,665,336	564,816	11,884,561
Health and human services	238,561	238,561	223,119	15,442	276,555
Culture and recreation	3,518,575	3,579,878	3,274,136	305,742	3,251,013
Conservation and development	1,901,286	1,964,421	1,715,302	249,119	1,632,739
Capital outlay	482,728	538,044	404,915	133,129	488,694
<b>Total expenditures</b>	<b>28,674,270</b>	<b>28,966,667</b>	<b>26,904,198</b>	<b>2,062,469</b>	<b>26,890,159</b>
Excess of revenues over (under) expenditures	(745,734)	(960,836)	790,648	1,751,484	(296,581)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	124,167	124,167	328,531	204,364	260,943
Transfers out	-	-	(1,211,482)	(1,211,482)	(160,930)
<b>Total other financing sources (uses)</b>	<b>124,167</b>	<b>124,167</b>	<b>(882,951)</b>	<b>(1,007,118)</b>	<b>100,013</b>
<b>Net change in fund balance</b>	<b>(621,567)</b>	<b>(836,669)</b>	<b>(92,303)</b>	<b>744,366</b>	<b>(196,568)</b>
<b>Fund balance - January 1</b>	<b>22,162,175</b>	<b>22,162,175</b>	<b>22,162,175</b>	<b>-</b>	<b>22,358,743</b>
<b>Fund balance - December 31</b>	<b>\$ 21,540,608</b>	<b>\$ 21,325,506</b>	<b>\$ 22,069,872</b>	<b>\$ 744,366</b>	<b>\$ 22,162,175</b>

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 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 5,153,085	\$ 5,153,085	\$ 5,153,085	\$ -	\$ 5,033,582
Intergovernmental	8,732,034	9,198,115	7,464,862	(1,733,253)	8,550,376
Licenses and permits	249,000	249,000	258,184	9,184	249,993
Fines and forfeits	73,000	73,000	76,707	3,707	70,529
Public charges for services	2,149,295	2,599,295	4,135,103	1,535,808	2,425,445
Intergovernmental charges for services	25,480	25,480	28,544	3,064	28,050
Miscellaneous	14,640	25,310	46,574	21,264	41,792
<b>Total revenues</b>	<b>16,396,534</b>	<b>17,323,285</b>	<b>17,163,059</b>	<b>(160,226)</b>	<b>16,399,767</b>
<b>EXPENDITURES</b>					
Current					
Public safety	554,334	554,334	487,717	66,617	529,614
Health and human services	15,842,200	16,778,281	16,483,119	295,162	15,127,560
<b>Total expenditures</b>	<b>16,396,534</b>	<b>17,332,615</b>	<b>16,970,836</b>	<b>361,779</b>	<b>15,657,174</b>
Excess of revenues over (under) expenditures	-	(9,330)	192,223	201,553	742,593
<b>OTHER FINANCING USES</b>					
Transfers out	(96,814)	(96,814)	(103,838)	(7,024)	(102,611)
<b>Net change in fund balance</b>	<b>(96,814)</b>	<b>(106,144)</b>	<b>88,385</b>	<b>194,529</b>	<b>639,982</b>
<b>Fund balance - January 1</b>	<b>2,516,651</b>	<b>2,516,651</b>	<b>2,516,651</b>	<b>-</b>	<b>1,876,669</b>
<b>Fund balance - December 31</b>	<b>\$ 2,419,837</b>	<b>\$ 2,410,507</b>	<b>\$ 2,605,036</b>	<b>\$ 194,529</b>	<b>\$ 2,516,651</b>

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 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 4,366,164	\$ 4,366,164	\$ 4,366,164	\$ -	\$ 4,326,201
Intergovernmental	2,303,129	2,569,446	2,575,149	5,703	1,842,178
Total revenues	6,669,293	6,935,610	6,941,313	5,703	6,168,379
<b>EXPENDITURES</b>					
Current					
Public works	9,404,106	9,910,423	9,797,132	113,291	5,490,778
Debt service					
Interest and fiscal charges	30,000	30,000	37,725	(7,725)	-
Total expenditures	9,434,106	9,940,423	9,834,857	105,566	5,490,778
Excess of revenues over (under) expenditures	(2,764,813)	(3,004,813)	(2,893,544)	111,269	677,601
<b>OTHER FINANCING SOURCES</b>					
Long-term debt issued	2,581,263	2,581,263	2,618,988	37,725	-
Transfers in	-	-	47,453	47,453	-
Total other financing sources	2,581,263	2,581,263	2,666,441	85,178	-
<b>Net change in fund balance</b>	(183,550)	(423,550)	(227,103)	196,447	677,601
<b>Fund balance - January 1</b>	3,488,795	3,488,795	3,488,795	-	2,811,194
<b>Fund balance - December 31</b>	<u>\$ 3,305,245</u>	<u>\$ 3,065,245</u>	<u>\$ 3,261,692</u>	<u>\$ 196,447</u>	<u>\$ 3,488,795</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, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds		
	Health Care Center	Solid Waste	County Highway
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 1,819,370	\$ 1,389,083	\$ 748,725
Receivables			
Taxes and special charges	1,035,801	-	-
Customer accounts, net	812,848	281,889	40,489
Due from other governments	-	-	579,437
Inventories and prepaid items	55,868	571	1,185,869
Total current assets	<u>3,723,887</u>	<u>1,671,543</u>	<u>2,554,520</u>
Noncurrent assets			
Restricted assets			
Cash and investments	<u>2,066</u>	<u>2,108,670</u>	<u>-</u>
Other assets			
Net pension asset	<u>581,433</u>	<u>11,459</u>	<u>611,397</u>
Capital assets			
Nondepreciable	23,836	88,079	213,044
Depreciable	<u>1,455,470</u>	<u>1,074,212</u>	<u>6,402,215</u>
Total capital assets	<u>1,479,306</u>	<u>1,162,291</u>	<u>6,615,259</u>
Total assets	<u>5,786,692</u>	<u>4,953,963</u>	<u>9,781,176</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>1,060,423</u>	<u>22,292</u>	<u>1,131,047</u>

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

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ 3,957,178	\$ 3,479,367	\$ 11,906,486	\$ 10,274,548
1,035,801	100,000	-	-
1,135,226	1,112,707	109,327	54,313
579,437	665,362	-	-
1,242,308	1,247,400	155,573	159,878
7,949,950	6,604,836	12,171,386	10,488,739
2,110,736	2,160,181	-	-
1,204,289	-	-	-
324,959	324,959	-	-
8,931,897	8,511,578	120,904	143,950
9,256,856	8,836,537	120,904	143,950
20,521,831	17,601,554	12,292,290	10,632,689
2,213,762	2,607,763	-	-

# Portage County, Wisconsin

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Enterprise Funds		
	Health Care Center	Solid Waste	County Highway
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 196,342	\$ 148,318	\$ 131,639
Accrued and other current liabilities	168,553	6,518	176,372
Insurance claims payable	-	-	-
Special deposits	2,066	-	-
Unearned revenue	-	2	324,667
Accrued interest payable	1,247	-	-
Current portion of advance from other funds	50,293	-	-
Current portion of compensated absences	109,366	9,958	152,846
Total current liabilities	<u>527,867</u>	<u>164,796</u>	<u>785,524</u>
Long-term obligations, less current portion			
Advance from other funds	-	-	-
Compensated absences	188,795	32,636	315,845
Landfill postclosure care	-	1,759,333	-
Net pension liability	-	-	-
Total long-term liabilities	<u>188,795</u>	<u>1,791,969</u>	<u>315,845</u>
Total liabilities	<u>716,662</u>	<u>1,956,765</u>	<u>1,101,369</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes levied for subsequent year	1,035,801	-	-
Pension related amounts	1,144,677	22,559	1,203,667
Total deferred inflows of resources	<u>2,180,478</u>	<u>22,559</u>	<u>1,203,667</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,479,306	1,162,291	6,615,259
Restricted	581,433	11,459	611,397
Unrestricted	1,889,236	1,823,181	1,380,531
Total net position	<u>\$ 3,949,975</u>	<u>\$ 2,996,931</u>	<u>\$ 8,607,187</u>

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 10)

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

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ 476,299	\$ 747,434	\$ 43,680	\$ 51,286
351,443	321,000	25,408	24,463
-	-	1,083,914	811,906
2,066	1,648	-	-
324,669	2,404	-	-
1,247	2,443	-	-
50,293	48,242	-	-
272,170	275,197	-	-
<u>1,478,187</u>	<u>1,398,368</u>	<u>1,153,002</u>	<u>887,655</u>
-	50,293	-	-
537,276	512,436	-	-
1,759,333	1,861,125	-	-
-	338,646	-	-
<u>2,296,609</u>	<u>2,762,500</u>	<u>-</u>	<u>-</u>
<u>3,774,796</u>	<u>4,160,868</u>	<u>1,153,002</u>	<u>887,655</u>
1,035,801	100,000	-	-
2,370,903	1,065,012	-	-
<u>3,406,704</u>	<u>1,165,012</u>	<u>-</u>	<u>-</u>
9,256,856	8,836,537	120,904	143,950
1,204,289	-	-	-
5,092,948	6,046,900	11,018,384	9,601,084
15,554,093	14,883,437	<u>\$ 11,139,288</u>	<u>\$ 9,745,034</u>
1,160,366	826,589		
<u>\$ 16,714,459</u>	<u>\$ 15,710,026</u>		

# Portage County, Wisconsin

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

### PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds		
	Health Care Center	Solid Waste	County Highway
<b>OPERATING REVENUES</b>			
Public charges for services	\$ 6,911,846	\$ 1,606,832	\$ 6,380
Intergovernmental charges for services	-	-	12,608,907
Other	16,809	83,976	18,844
Total operating revenues	6,928,655	1,690,808	12,634,131
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	4,559,326	122,872	5,213,107
Contractual services	1,978,736	1,737,184	1,425,654
Supplies	705,483	11,408	4,609,150
Insurance and other fixed charges	295,259	(83,225)	448,089
Depreciation	178,755	91,574	597,649
Total operating expenses	7,717,559	1,879,813	12,293,649
Operating income (loss)	(788,904)	(189,005)	340,482
<b>NONOPERATING REVENUES (EXPENSES)</b>			
General property taxes	100,000	-	-
Intergovernmental aids	964,490	226,800	-
Interest income	7	290	-
Net increase in fair value of investments	-	29,307	-
Loss on disposal of capital assets	-	-	(16,319)
Interest and fiscal charges	(2,992)	-	-
Total nonoperating revenues (expenses)	1,061,505	256,397	(16,319)
Income before contributions and transfers	272,601	67,392	324,163
Capital contributions	-	-	6,500
Transfers in	-	-	-
Transfers out	-	-	-
<b>Change in net position</b>	272,601	67,392	330,663
<b>Net position - January 1</b>	3,677,374	2,929,539	8,276,524
<b>Net position - December 31</b>	\$ 3,949,975	\$ 2,996,931	\$ 8,607,187

Change in net position, per above

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 11 - 12)

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

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ 8,525,058	\$ 8,998,151	\$ -	\$ -
12,608,907	11,602,467	11,522,053	11,718,952
119,629	83,517	1,035	2,309
<u>21,253,594</u>	<u>20,684,135</u>	<u>11,523,088</u>	<u>11,721,261</u>
9,895,305	9,562,689	777,201	756,377
5,141,574	5,144,693	9,046,993	8,796,393
5,326,041	4,899,869	177,401	227,097
660,123	744,563	1,308	1,224
867,978	834,746	97,691	114,291
<u>21,891,021</u>	<u>21,186,560</u>	<u>10,100,594</u>	<u>9,895,382</u>
<u>(637,427)</u>	<u>(502,425)</u>	<u>1,422,494</u>	<u>1,825,879</u>
100,000	100,000	-	-
1,191,290	775,145	-	-
297	108	-	-
29,307	23,767	-	-
(16,319)	(16,358)	-	-
(2,992)	(7,721)	-	-
<u>1,301,583</u>	<u>874,941</u>	<u>-</u>	<u>-</u>
664,156	372,516	1,422,494	1,825,879
6,500	265,955	-	-
-	160,930	-	-
-	-	(28,240)	(27,018)
670,656	799,401	1,394,254	1,798,861
<u>14,883,437</u>	<u>14,084,036</u>	<u>9,745,034</u>	<u>7,946,173</u>
<u>\$ 15,554,093</u>	<u>\$ 14,883,437</u>	<u>\$ 11,139,288</u>	<u>\$ 9,745,034</u>
\$ 670,656	\$ 799,401		
333,777	401,841		
<u>\$ 1,004,433</u>	<u>\$ 1,201,242</u>		

# Portage County, Wisconsin

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds		
	Health Care Center	Solid Waste	County Highway
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 6,868,824	\$ 1,610,497	\$ 12,718,052
Cash paid for employee wages and benefits	(4,470,113)	(111,900)	(5,104,079)
Cash paid to suppliers	(3,033,832)	(1,839,171)	(6,300,307)
Miscellaneous operating income	16,809	83,976	18,844
Net cash provided (used) by operating activities	<u>(618,312)</u>	<u>(256,598)</u>	<u>1,332,510</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
General property taxes	100,000	-	-
Intergovernmental revenues	964,490	226,800	-
Resident funds	418	-	-
Transfer in (out)	-	-	-
Net cash provided (used) by noncapital financing activities	<u>1,064,908</u>	<u>226,800</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(7,488)	-	(1,371,554)
Capital contributions	-	-	6,500
Sale of capital assets	-	-	74,426
Principal paid on long-term advance	(48,242)	-	-
Interest paid on long-term advance	(4,188)	-	-
Net cash used by capital and related financing activities	<u>(59,918)</u>	<u>-</u>	<u>(1,290,628)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	7	290	-
Net increase in fair value of investments	-	29,307	-
Net cash provided by investing activities	<u>7</u>	<u>29,597</u>	<u>-</u>
<b>Change in cash and cash equivalents</b>	386,685	(201)	41,882
<b>Cash and cash equivalents - January 1</b>	<u>1,434,751</u>	<u>3,497,954</u>	<u>706,843</u>
<b>Cash and cash equivalents - December 31</b>	<u>\$ 1,821,436</u>	<u>\$ 3,497,753</u>	<u>\$ 748,725</u>

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

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ 21,197,373	\$ 21,099,553	\$ 11,468,074	\$ 12,206,261
(9,686,092)	(9,179,111)	(776,256)	(752,813)
(11,173,310)	(11,155,586)	(8,956,995)	(9,154,896)
119,629	83,517	-	-
<u>457,600</u>	<u>848,373</u>	<u>1,734,823</u>	<u>2,298,552</u>
100,000	100,000	-	-
1,191,290	775,145	-	-
418	(7,045)	-	-
-	160,930	(28,240)	(27,018)
<u>1,291,708</u>	<u>1,029,030</u>	<u>(28,240)</u>	<u>(27,018)</u>
(1,379,042)	(1,199,950)	(74,645)	-
6,500	265,955	-	-
74,426	27,563	-	-
(48,242)	(163,414)	-	-
(4,188)	(8,868)	-	-
<u>(1,350,546)</u>	<u>(1,078,714)</u>	<u>(74,645)</u>	<u>-</u>
297	108	-	-
29,307	23,767	-	-
<u>29,604</u>	<u>23,875</u>	<u>-</u>	<u>-</u>
428,366	822,564	1,631,938	2,271,534
<u>5,639,548</u>	<u>4,816,984</u>	<u>10,274,548</u>	<u>8,003,014</u>
<u>\$ 6,067,914</u>	<u>\$ 5,639,548</u>	<u>\$ 11,906,486</u>	<u>\$ 10,274,548</u>

# Portage County, Wisconsin

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Funds		
	Health Care Center	Solid Waste	County Highway
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (788,904)	\$ (189,005)	\$ 340,482
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	178,755	91,574	597,649
Change in liability (asset) and deferred outflows and inflows of resources			
Pension	74,835	7	82,115
Change in operating assets and liabilities			
Accounts receivables	(43,022)	3,663	16,840
Due from other governments	-	-	85,925
Inventories and prepaid items	2,873	(571)	2,790
Accounts payable	(57,227)	(71,441)	(142,467)
Accrued and other current liabilities	9,902	2,394	18,147
Insurance claims payable	-	-	-
Unearned revenue	-	2	322,263
Landfill postclosure care	-	(101,792)	-
Compensated absences	4,476	8,571	8,766
Net cash provided (used) by operating activities	<u>\$ (618,312)</u>	<u>\$ (256,598)</u>	<u>\$ 1,332,510</u>
Reconciliation of cash and cash equivalents to the statement of net position			
Cash and cash equivalents in current assets	\$ 1,819,370	\$ 1,389,083	\$ 748,725
Cash and cash equivalents in restricted assets	2,066	2,108,670	-
Total cash and cash equivalents	<u>\$ 1,821,436</u>	<u>\$ 3,497,753</u>	<u>\$ 748,725</u>
Noncash capital and related financing activities			
None			

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

<b>Totals</b>		<b>Governmental Activities - Internal Service Funds</b>	
<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
\$ (637,427)	\$ (502,425)	\$ 1,422,494	\$ 1,825,879
867,978	834,746	97,691	114,291
156,957	458,137	-	-
(22,519)	306,205	(55,014)	485,000
85,925	192,730	-	-
5,092	(80,192)	4,305	(70,494)
(271,135)	74,698	(7,606)	(38,517)
30,443	19,576	945	3,564
-	-	272,008	(21,171)
322,265	(157,270)	-	-
(101,792)	(203,697)	-	-
21,813	(94,135)	-	-
<u>\$ 457,600</u>	<u>\$ 848,373</u>	<u>\$ 1,734,823</u>	<u>\$ 2,298,552</u>
\$ 3,957,178	\$ 3,479,367	\$ 11,906,486	\$ 10,274,548
2,110,736	2,160,181	-	-
<u>\$ 6,067,914</u>	<u>\$ 5,639,548</u>	<u>\$ 11,906,486</u>	<u>\$ 10,274,548</u>

# Portage County, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 DECEMBER 31, 2018  
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Social Improvement</u>	<u>Clerk of Courts</u>	<u>Totals</u>	
					<u>2018</u>	<u>2017</u>
<b>ASSETS</b>						
Current assets						
Cash and investments	<u>\$ 17,248,392</u>	<u>\$ 7,229</u>	<u>\$ 14,081</u>	<u>\$ 541,118</u>	<u>\$ 17,810,820</u>	<u>\$ 16,283,393</u>
<b>LIABILITIES</b>						
Current liabilities						
Deposits payable	\$ -	\$ 7,229	\$ 14,081	\$ 541,118	\$ 562,428	\$ 551,813
Due to other governments	<u>17,248,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,248,392</u>	<u>15,731,580</u>
Total liabilities	<u>\$ 17,248,392</u>	<u>\$ 7,229</u>	<u>\$ 14,081</u>	<u>\$ 541,118</u>	<u>\$ 17,810,820</u>	<u>\$ 16,283,393</u>

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

# Portage County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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## NOTE 1: 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 government 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:

### A. REPORTING ENTITY

The 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 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 in GASB Statement No. 61.

### B. 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. The County's investment in the airport is based on the respective equalized value of each county, revised every five years (last revision was in 2016). The ratio stated in terms of a percentage is:

Marathon County	65%
Portage County	35%

The current CWA Board is made up of four members from Marathon County and three members from Portage County. Each County Finance Committee approves the CWA budget annually and the CWA Board is responsible for overseeing operations and fiscal management. 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 \$750,000 on the statement of net position reflects the outstanding principal owed by CWA.

Portage County made no additional contributions in 2018 to CWA. All activities were finance by airport revenues.

Investment - December 31, 2018	<u>\$ 17,676,737</u>
Portage County contributed capital	\$ 839,661
Portage County share of net position	16,837,076
	<u>\$ 17,676,737</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Information pertaining to the total activity of the Central Wisconsin Airport as of and for the year ended December 31, 2018, is as follows:

	<u>2018</u>
Total assets	\$ 58,179,801
Deferred outflows of resources	344,322
Total assets and deferred inflows of resources	<u>\$ 58,524,123</u>
Total liabilities	\$ 7,399,863
Deferred inflows of resources	<u>378,763</u>
Net position	
Net investment in capital assets	46,745,184
Restricted	1,453,043
Unrestricted net position	2,547,270
Total net position	<u>50,745,497</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 58,524,123</u>
Operating revenues	\$ 3,297,056
Operating expenses	<u>5,831,241</u>
Operating loss	(2,534,185)
Nonoperating revenue	710,181
Capital contributions	<u>1,066,630</u>
Decrease in net position	(757,374)
Net position - January 1	<u>51,502,871</u>
Net position - December 31	<u>\$ 50,745,497</u>

### C. RELATED ORGANIZATIONS

The County's officials are also responsible for appointing the members of the Boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. Therefore, these organizations are not included in the County's reporting entity. The County Board appoints some or all of the members of the following related organizations:

Portage County Housing Authority

### D. 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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 primary 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.

### **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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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Additionally, the County reports the following fund types:

- ▶ *Internal Service Fund* accounts for self-funded health insurance, information technology, and self-funded workers' compensation services provided to other departments or agencies of the County, or to the 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 an *Agency Funds*.

### **E. 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 and fiduciary 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.

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 except for human services, victim witness, and other reimbursable grants, for which available is defined as 180 days. This exception is necessary because the funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditures. 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, public charges for services and interest. Other revenues such as licenses and permits, 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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs 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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### **F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE**

#### **1. 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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. 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.

#### **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 a deferred inflows of resources 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 \$29,949,096 are recorded on December 31, 2018 for collection in 2019 for the County apportionment. The County apportionment is for financing 2019 operations and will be transferred in 2019 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

#### **3. Accounts Receivable**

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. Accounts receivable of \$4,547,843 have been shown net of allowance for uncollectible accounts of \$1,523,246.

#### **4. Restricted Assets**

Restricted assets are cash and cash equivalents whose use is limited by legal requirements or internal County requirements.

#### **5. Loans Receivable**

The County has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

#### **6. 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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

### 7. 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.

### 8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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.

### 9. 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 a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004, are not reported in the basic financial statements.

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:

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

### 10. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or 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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### 11. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for loans receivable and delinquent taxes, including interest. These inflows are recognized as revenues in the government-wide financial statements.

### 12. 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.

### 13. Pensions

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

### 14. 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.
- ▶ **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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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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.

### **G. SALES TAX**

The County collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The County's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

### **H. 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.

### **I. PRIOR YEAR INFORMATION**

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the County's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

### **J. RECLASSIFICATIONS**

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

# Portage County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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## NOTE 2: STEWARDSHIP AND COMPLIANCE

### A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. During October, the County Executive 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.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all 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.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department in the General Fund and total fund expenditures for all other funds. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
5. 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, 2018.

### B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2018 as follows:

<u>Funds</u>	<u>Excess Expenditures</u>
General Fund	
General government	
Family Court Commissioner	\$ 16,914
Debt Service Fund	13,010

### C. 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 2018 and 2019 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2018 budget was 1.37%. The actual limit for the County for the 2019 budget was 1.806%. 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, 2018

### NOTE 3: DETAILED NOTES ON ALL FUNDS

#### A. 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 on 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 \$75,708,060 on December 31, 2018 as summarized below:

Petty cash and cash on hand	\$ 9,742
Deposits with financial institutions	42,299,303
Investments	33,399,015
	<u>\$ 75,708,060</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 55,786,504
Restricted cash and investments	2,110,736
Fiduciary fund statement of net position	
Cash and investments	17,810,820
	<u>\$ 75,708,060</u>

#### Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
U.S. Treasury securities	\$ 6,868,162	\$ 1,074,088	\$ -
Government National Mortgage Association	-	860,317	-
Federal National Mortgage Association	-	6,445,710	-
Federal Home Loan Mortgage Corporation	-	5,890,030	-
Federal Home Loan Banks	-	3,455,529	-
Federal Farm Credit Bank System	-	2,302,906	-
Money market mutual funds	952,658	-	-
Negotiable certificates of deposit	-	5,549,615	-
	<u>\$ 7,820,820</u>	<u>\$ 25,578,195</u>	<u>\$ -</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.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 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 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. This coverage has been considered in determining custodial credit risk.

As of December 31, 2018, \$41,431,276 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$40,440,038 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name.

### Credit Risk

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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
U.S. Treasury securities	\$ 7,942,250	\$ 7,942,250	\$ -	\$ -	\$ -
Government National Mortgage Association	860,317	860,317	-	-	-
Federal National Mortgage Association	6,445,710	-	6,445,710	-	-
Federal Home Loan Mortgage Corporation	5,890,030	-	5,890,030	-	-
Federal Home Loan Banks	3,455,529	-	3,455,529	-	-
Federal Farm Credit Bank System	2,302,906	-	2,302,906	-	-
Money market mutual funds	952,658	-	-	-	952,658
Negotiable certificates of deposit	5,549,615	-	-	-	5,549,615
<b>Totals</b>	<b>\$ 33,399,015</b>	<b>\$ 8,802,567</b>	<b>\$ 18,094,175</b>	<b>\$ -</b>	<b>\$ 6,502,273</b>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### 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 total County investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal National Mortgage Association	Notes	\$ 6,445,710	19%
Federal Home Loan Banks	Notes	3,455,529	10%
Federal Farm Credit Bank	Notes	2,302,906	7%
Federal Home Loan Mortgage Corporation	Notes	5,890,030	18%

### 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.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury securities	\$ 7,942,250	\$ 4,422,181	\$ 3,520,069	\$ -	\$ -
Government National Mortgage Association	860,317	-	-	-	860,317
Federal National Mortgage Association	6,445,710	1,714,695	2,510,312	1,525,298	695,405
Federal Home Loan Mortgage Corporation	5,890,030	2,163,366	960,296	2,006,568	759,800
Federal Home Loan Banks	3,455,529	2,312,413	-	954,936	188,180
Federal Farm Credit Bank System	2,302,906	1,481,070	-	608,586	213,250
Money market mutual funds	952,658	952,658	-	-	-
Negotiable certificates of deposit	5,549,615	1,190,940	1,425,768	2,932,907	-
Totals	<u>\$ 33,399,015</u>	<u>\$ 14,237,323</u>	<u>\$ 8,416,445</u>	<u>\$ 8,028,295</u>	<u>\$ 2,716,952</u>

### 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>\$ 13,196,057</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### B. 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, 2018, the County's General Fund showed an investment of \$4,128,184 in delinquent taxes as follows:

Year Purchased	Total	County Share	County Purchased
2008 and prior	\$ 11,607	\$ 2,984	\$ 8,623
2009	3,280	843	2,437
2010	3,700	951	2,749
2011	16,674	4,286	12,388
2012	5,169	1,329	3,840
2013	65,734	16,898	48,836
2014	39,264	10,093	29,171
2015	68,353	17,571	50,782
2016	264,057	67,879	196,178
2017	764,147	196,433	567,714
Total tax certificates	1,241,985	319,267	922,718
Tax deeds	2,546,255	-	2,546,255
Special charges	36,828	-	36,828
Interest on delinquent taxes	303,116	303,116	-
Delinquent property taxes at December 31, 2018	<u>\$ 4,128,184</u>	622,383	3,505,801
Less: 60 day collections		31,913	92,234
Deferred inflow of resources		<u>\$ 590,470</u>	
Nonspendable fund balance (purchased equities of other governments)			<u>\$ 3,413,567</u>

### C. RESTRICTED ASSETS

Restricted assets on December 31, 2018 totaled \$2,160,181 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise funds		
Health Care Center	\$ 2,066	To account for client deposits
Solid Waste	<u>2,108,670</u>	To account for long-term care deposits
Total	<u>\$ 2,110,736</u>	

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 12,688,400	\$ -	\$ 90,308	\$ 12,598,092
Construction in progress	9,091,722	4,219,862	3,725,780	9,585,804
Total capital assets, nondepreciable	<u>21,780,122</u>	<u>4,219,862</u>	<u>3,816,088</u>	<u>22,183,896</u>
Capital assets, depreciable:				
Land improvements	1,583,220	19,119	-	1,602,339
Buildings and improvements	22,264,478	-	-	22,264,478
Machinery and equipment	8,688,567	1,066,022	270,812	9,483,777
Software	-	1,254,361	-	1,254,361
Infrastructure	138,537,196	5,075,707	967,163	142,645,740
Subtotals	<u>171,073,461</u>	<u>7,415,209</u>	<u>1,237,975</u>	<u>177,250,695</u>
Less accumulated depreciation for:				
Land improvements	958,463	142,572	-	1,101,035
Buildings and improvements	9,754,565	503,291	-	10,257,856
Machinery and equipment	7,263,972	740,435	265,694	7,738,713
Software	-	98,076	-	98,076
Infrastructure	65,614,906	2,534,834	903,112	67,246,628
Subtotals	<u>83,591,906</u>	<u>4,019,208</u>	<u>1,168,806</u>	<u>86,442,308</u>
Total capital assets, depreciable, net	<u>87,481,555</u>	<u>3,396,001</u>	<u>69,169</u>	<u>90,808,387</u>
Governmental activities capital assets, net	<u>\$ 109,261,677</u>	<u>\$ 7,615,863</u>	<u>\$ 3,885,257</u>	112,992,283
Less: Capital related debt				7,121,508
Less: Debt premium				<u>109,513</u>
Net investment in capital assets				<u>\$ 105,761,262</u>
<b>Business-type activities:</b>				
Capital assets, nondepreciable:				
Land	\$ 324,959	\$ -	\$ -	\$ 324,959
Capital assets, depreciable:				
Land improvements	7,087,645	1,373	-	7,089,018
Buildings and improvements	10,233,071	42,140	-	10,275,211
Machinery and equipment	15,095,603	1,335,529	572,487	15,858,645
Subtotals	<u>32,416,319</u>	<u>1,379,042</u>	<u>572,487</u>	<u>33,222,874</u>
Less accumulated depreciation for:				
Land improvements	7,068,927	916	-	7,069,843
Buildings and improvements	7,252,850	275,923	-	7,528,773
Machinery and equipment	9,582,964	591,139	481,742	9,692,361
Subtotals	<u>23,904,741</u>	<u>867,978</u>	<u>481,742</u>	<u>24,290,977</u>
Total capital assets, depreciable, net	<u>8,511,578</u>	<u>511,064</u>	<u>90,745</u>	<u>8,931,897</u>
Business-type activities capital assets, net	<u>\$ 8,836,537</u>	<u>\$ 511,064</u>	<u>\$ 90,745</u>	<u>\$ 9,256,856</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Governmental activities	
General government	\$ 368,649
Public safety	600,630
Public works	2,498,140
Health and human services	155,677
Culture and recreation	282,521
Conservation and development	15,900
Subtotal	<u>3,921,517</u>

Capital assets held by County's internal service fund are charged to various functions based on their usage of the assets	97,691
Total depreciation expense - governmental activities	<u>\$ 4,019,208</u>

Business-type activities	
Health Care center	\$ 178,755
Solid waste	91,574
County highway	597,649
Total depreciation expense - business-type activities	<u>\$ 867,978</u>

### E. 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, 2018 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General	\$ 1,002,737	\$ -
County-wide EMS/Ambulance System	-	1,002,737
Subtotal	<u>1,002,737</u>	<u>1,002,737</u>
Long-term advances for repayment of General obligation debt		
Governmental fund		
Debt Service	\$ 50,293	\$ -
Enterprise fund		
Health Care Center	-	50,293
Subtotal	<u>50,293</u>	<u>50,293</u>
Totals	<u>\$ 1,053,030</u>	1,053,030
Less: Government-wide eliminations		(1,002,737)
Less: Internal service fund eliminations		<u>(1,160,366)</u>
Internal balances - Government-wide statements		<u>\$ (1,110,073)</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Annual payments due on the long-term advances as of December 31, 2018, are detailed below:

Year Ended	Principal	Interest	Total
December 31, 2019	\$ 50,293	\$ 2,137	\$ 52,430

Interfund transfers for the year ended December 31, 2018 were as follows:

Fund	Transfer In	Transfer Out
General	\$ 328,531	\$ 1,211,482
Social Improvement	-	103,838
County roads and bridges	47,453	-
Capital Improvements	1,211,482	47,453
ADRC	-	196,453
Internal Service	-	28,240
Subtotal	1,587,466	1,587,466
Less: government-wide eliminations	(1,587,466)	(1,587,466)
Transfers per statement of activities	\$ -	\$ -

Interfund transfers were made for the following purposes:

Social improvement surpluses returned to the General Fund	\$ 103,838
Reimbursement for health insurance administration	28,240
To fund additional parks capital projects	40,847
To fund additional county road projects	47,453
To close out year end for ADRC	196,453
To fund additional capital projects	1,170,635
	<u>\$ 1,587,466</u>

### F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2018:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Notes	\$ 9,135,000	\$ 2,650,000	\$ 3,450,000	\$ 8,335,000	\$ 3,700,000
Debt premium	122,606	45,116	58,209	109,513	-
Compensated absences	2,881,731	54,397	113,070	2,823,058	1,106,089
Governmental activities Long-term obligations	<u>\$ 12,139,337</u>	<u>\$ 2,749,513</u>	<u>\$ 3,621,279</u>	<u>\$ 11,267,571</u>	<u>\$ 4,806,089</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 787,633	\$ 21,813	\$ -	\$ 809,446	\$ 272,170

Total interest paid during the year on long-term debt totaled \$173,090.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

### General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
General obligation notes	3/5/14	12/1/19	1.00% - 2.00%	\$ 9,810,000	\$ 1,500,000
General obligation notes	3/5/14	12/1/19	2.00% - 2.875%	1,500,000	750,000
General obligation notes	11/22/16	6/1/20	1.00% - 1.15%	1,535,000	1,535,000
General obligation notes	12/1/17	6/1/20	2.00%	2,100,000	1,900,000
General obligation notes	11/20/18	6/1/21	3.00%	2,650,000	2,650,000
Total outstanding general obligation debt					<u>\$ 8,335,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$8,335,000 on December 31, 2018 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,700,000	\$ 172,632	\$ 3,872,632
2020	3,310,000	76,139	3,386,139
2021	1,325,000	19,875	1,344,875
	<u>\$ 8,335,000</u>	<u>\$ 268,646</u>	<u>\$ 8,603,646</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, 2018 was \$289,069,437 as follows:

Equalized valuation of the County		\$ 5,945,369,300
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>297,268,465</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 8,335,000	
Less: Amounts available for financing general obligation debt		
Debt Service Fund	<u>135,972</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>8,199,028</u>
Legal margin for new debt		<u>\$ 289,069,437</u>

### G. POSTCLOSURE 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 \$1,759,333.

The payments are deposited in local banks annually. As of December 31, 2018 the County has deposits of \$2,108,670 and has recorded a liability of \$1,759,333.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### H. PENSION PLAN

#### 1. Plan Description

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

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

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

#### 2. Post-Retirement Adjustments

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

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2	4

### 3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2018, the WRS recognized \$2,007,536 in contributions from the County.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2018, the County reported an asset of \$5,664,423 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.19077793%, which was an increase of 0.00036802% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$2,492,265.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,196,788	\$ 3,366,420
Net differences between projected and actual earnings on pension plan investments	-	7,785,222
Changes in assumptions	1,119,179	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,099	-
Employer contributions subsequent to the measurement date	2,007,536	-
Total	<u>\$ 10,398,602</u>	<u>\$ 11,151,642</u>

\$2,007,536 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2019	\$ 648,054
2020	(23,709)
2021	(1,932,198)
2022	(1,466,338)
2023	13,615
Total	<u>\$ (2,760,576)</u>

### 5. Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2016
Measurement date of net pension liability (asset):	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

	<b>Current Asset Allocation %</b>	<b>Long-term Expected Nominal Rate of Return %</b>	<b>Long-term Expected Real Rate of Return %</b>
<u>Core Fund Asset Class</u>			
Global equities	50%	8.2%	5.3%
Fixed income	24.5%	4.2%	1.4%
Inflation sensitive assets	15.5%	3.8%	1.0%
Real estate	8%	6.5%	3.6%
Private equity/debt	8%	9.4%	6.5%
Multi-asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
<u>Variable Fund Asset Class</u>			
U.S. equities	70%	7.5%	4.6%
International equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

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

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

**Single Discount Rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

**Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
County's proportionate share of the net pension liability (asset)	\$ 14,655,796	\$ (5,664,423)	\$ (21,108,418)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

### 6. Payables to the Pension Plan

At December 31, 2018, the County reported a payable of \$474,446 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

### I. FUND EQUITY

#### Nonspendable Fund Balance

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, 2018, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaids	\$ 57,621
Delinquent property taxes	3,413,567
Total General Fund nonspendable fund balance	<u>3,471,188</u>
Special revenue funds	
Nonspendable	
Social improvement	
Inventories and prepaids	67
ADRC	
Koskenlinna endowment principal	56,932
County-wide EMS/Ambulance System	
Inventories and prepaids	<u>757,527</u>
Total nonspendable fund balance	<u>\$ 4,285,714</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2018, restricted fund balance was as follows:

#### General Fund

##### Restricted for

Sheriff forfeitures	\$ 149,036
DNR safety program	4,227
Public access system	186,007
State trail	19,148
Central Wisconsin Winshed Partnership	120,329
Total General Fund restricted fund balance	<u>478,747</u>

#### Special revenue funds

##### Restricted for

##### County roads and bridges

Bridge aid	<u>124,120</u>
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##### ADRC

Koskenlinna endowment interest	4,647
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Bartkowiak estate - senior programs	42,152
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Nutrition program	28,507
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Total ADRC restricted fund balance	<u>75,306</u>
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##### Land records

Land records modernization	<u>95,746</u>
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Jail assessment	<u>466,126</u>
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##### CDBG

Community development	<u>8,527</u>
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##### REDRLF

Community development	<u>46,140</u>
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#### Debt service fund

##### Restricted for

Retirement of long-term debt	<u>135,972</u>
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#### Capital improvements fund

##### Restricted for

Capital improvements	<u>463,492</u>
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#### Total restricted fund balance

\$ 1,894,176

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2018, fund balance was committed as follows:

#### General Fund

##### Committed for

SCLS improvement	\$	8,359
Elections		133,862
Legal services		15,000
Internal audit		57,264
Expert witness		18,878
Miscellaneous benefits		403,266
General liability		385,933
Equipment replacement		52,143
Facilities vehicle replacement		32,500
Sheriff donations		92,380
Juvenile detention program		355,127
Sheriff vehicle replacement		61,493
Sheriff fuel		64,800
Sheriff range improvements		26,431
Inmate welfare program		29,198
Veterans donations		60,857
Library memorial bequests		3,912
Library vehicle replacement		31,065
Parks miscellaneous donations		27,947
Parks fuel		11,544
Parks hydroplant fund		79,502
Parks pulpwood and firewood		40,128
Parks equipment replacement		110,401
Parks boat launch		56,207
Planning and Zoning professional services		30,000
Tree planter fund		17,158
Land conservation		6,693
Planning and Zoning vehicle replacement		32,117
Planning and Zoning water quality		5,000
Transitional funds		565,145
Auto Pool vehicle replacement		46,738
Land preservation fund		15,028
Total General Fund committed fund balance		<u>2,876,076</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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Special revenue funds	
Social Improvement	
Prevention donations I	63,954
Dental program	80,907
Portage House	<u>106,487</u>
Total Social Improvement committed fund balance	<u>251,348</u>
County Roads and Bridges	
General shop maintenance	300,000
General highway maintenance	400,000
General construction projects	<u>2,437,572</u>
Total County Roads and Bridges committed fund balance	<u>3,137,572</u>
ADRC	
Lincoln Center	44,116
Adult Day Center	82,167
Project Lifesaver	26,461
Volunteer caregivers	39,615
Vehicle replacement	206,006
Future projects	<u>23,098</u>
Total ADRC committed fund balance	<u>421,463</u>
Industrial park	<u>7,506,634</u>
Capital improvements fund	
Committed for	
CIP projects	<u>3,910,659</u>
Total committed fund balance	<u>\$ 18,103,752</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2018, fund balance was assigned as follows:

General Fund	
Assigned for sales tax	\$ 1,581,612
Assigned for carryover purchase orders	208,093
Subtotal	<u>1,789,705</u>
Special revenue funds	
Assigned for	
Social Improvement	
Administration	2,500
Public health	3,495
MH/SMI donations	994
Child welfare donations	2,500
Foster care coordination	1,105
HHS high cost	2,343,027
Total Social Improvement assigned fund balance	<u>2,353,621</u>
ADRC	
RSVP	33,865
Senior center	17,262
Loan closet	27,802
Rous Memorial	5,582
Dementia care specialist	7,000
2019 expenditures	500
Carryover purchase orders	16,025
Total ADRC assigned fund balance	<u>108,036</u>
County-wide EMS/Ambulance System	
Carryover purchase orders	82,851
Less amounts by which assignments exceed available fund balance	<u>(82,851)</u>
Total County-wide EMS/Ambulance System assigned fund balance	<u>-</u>
Capital Projects Funds	
Assigned for	
Capital Improvements	
Capital improvements	3,168,805
Carryover purchase orders	1,089,027
Total Capital Improvements assigned fund balance	<u>4,257,832</u>
Total	<u>\$ 8,509,194</u>

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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### Minimum General Fund Balance Policy

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

Actual 2018 expenditures	\$	64,087,477
Minimum fund balance %		(x) 15% - 25%
Minimum fund balance amount		<u>\$9,613,122 to \$16,021,869</u>

The County's unassigned General Fund balance of \$13,454,156 is within the minimum fund balance range shown above.

### Net Position

The County reports restricted net position at December 31, 2018 as follows:

#### Governmental activities

##### Restricted for

Sheriff forfeitures	\$	149,036
DNR safety program		4,227
Public access system		186,007
State trail		19,148
Central Wisconsin Winshed Partnership		120,329
Bridge aid		124,120
Koskenlinna endowment		61,579
Bartkowiak estate - senior programs		42,152
Nutrition program		28,507
Land records modernization		95,746
Jail assessment		466,126
Net pension asset		4,460,134
Community development		351,448
Investment in Central Wisconsin Airport		17,676,737
Debt service		870,874
Total governmental activities restricted net position		<u>24,656,170</u>

#### Business-type activities

##### Restricted for

Net pension asset		<u>1,204,289</u>
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Total restricted net position \$ 25,860,459

## NOTE 4: OTHER INFORMATION

### A. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation; and health care for 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 exceed available coverage in any of the three prior years.

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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The County has chosen to establish risk financing funds for risks associated with the employee's health and workers' compensation plans. These risk financing funds are accounted for as internal services 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.

In addition to the above, the County has established separate internal service funds for the following risk management programs:

### **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, 1968.

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, 2018 can be obtained directly from WCMIC's offices.

### **Health Self-Insurance Fund**

County employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to County departments, employees and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2018, the fund had a balance of \$8,919,989.

The claims liability of \$688,193 reported in the fund at December 31, 2018 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

	<b>Liability January 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Liability December 31</b>
2018	\$ 628,293	\$ 6,552,279	\$ 6,492,379	\$ 688,193
2017	650,030	6,752,684	6,774,421	628,293

### **Workers' Compensation Fund**

The County maintains a worker's compensation fund to provide for worker's compensation insurance coverage and employee safety and loss control programs. The County contracts with WCMIC, who acts as a third party claims administrator, for the purpose of adjusting worker's compensation claims. The program is supplemented by stop loss protection, which limits the County's annual liability to \$350,000 per occurrence and \$500,000 in aggregate. Fund expenses consist of payments to a third-party administrator for medical claims and lost wages, stop loss insurance premiums, and administrative fees. On December 31, 2018, the fund had a balance of \$1,401,776.

The claims liability of \$395,721 reported in the fund at December 31, 2018 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are as follows:

# Portage County, Wisconsin

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2018	\$ 183,613	\$ 391,944	\$ 179,836	\$ 395,721
2017	183,047	342,149	341,583	183,613

### B. CONTINGENCIES

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 the Uniform Guidance 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.

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 the 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.

### C. SUBSEQUENT EVENT

On July 10, 2019, the County issued \$10,890,000 in General Obligation Notes. The debt will be used to finance a county highway building project (\$8,325,000) and highway improvement projects (\$2,565,000).

### D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement improves the information that is disclosed in notes to the governmental financial statements related to debt. This statement is effective for reporting periods beginning after June 15, 2018. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. This statement is effective for reporting periods beginning after December 15, 2018.

## REQUIRED SUPPLEMENTARY INFORMATION

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# Portage County, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
 WISCONSIN RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.19172370%	\$ (4,769,404)	\$ 25,526,690	18.68%	102.74%
12/31/15	0.19263050%	3,122,612	25,674,743	12.16%	98.20%
12/31/16	0.19040991%	1,569,432	25,821,853	6.08%	99.12%
12/31/17	0.19077793%	(5,664,423)	26,985,404	20.99%	102.93%

SCHEDULE OF CONTRIBUTIONS  
 WISCONSIN RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 1,838,550	\$ 1,838,550	\$ -	\$ 25,674,743	7.16%
12/31/16	1,792,829	1,792,829	-	25,821,853	6.94%
12/31/17	1,958,395	1,958,395	-	26,985,404	7.26%
12/31/18	2,007,536	2,007,536	-	27,749,711	7.23%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There were no changes of benefit terms or assumptions for any participating employer in the WRS.

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

SUPPLEMENTARY INFORMATION

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# Portage County, Wisconsin

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	<b>Special Revenue</b>			
	<b>CDBG</b>	<b>REDRLF</b>	<b>Industrial Park</b>	<b>ADRC</b>
<b>ASSETS</b>				
Cash and investments	\$ 8,527	\$ 46,140	\$ 7,386,229	\$ 496,830
Receivables				
Taxes and special charges	-	-	-	714,811
Accounts	-	-	127,881	19,643
Loans	296,781	-	-	-
Due from other governments	-	-	-	338,694
Inventories and prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 305,308</b>	<b>\$ 46,140</b>	<b>\$ 7,514,110</b>	<b>\$ 1,569,978</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 7,476	\$ 103,617
Accrued and other current liabilities	-	-	-	67,182
Due to other funds	-	-	-	-
Special deposits	-	-	-	8,429
Unearned revenues	-	-	-	14,202
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7,476</b>	<b>193,430</b>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	-	-	714,811
Loans receivable	296,781	-	-	-
<b>Total deferred inflows of resources</b>	<b>296,781</b>	<b>-</b>	<b>-</b>	<b>714,811</b>
Fund balances				
Nonspendable	-	-	-	56,932
Restricted	8,527	46,140	-	75,306
Committed	-	-	7,506,634	421,463
Assigned	-	-	-	108,036
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>8,527</b>	<b>46,140</b>	<b>7,506,634</b>	<b>661,737</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 305,308</b>	<b>\$ 46,140</b>	<b>\$ 7,514,110</b>	<b>\$ 1,569,978</b>

<b>County-wide EMS/Ambulance System</b>	<b>Jail Assessment</b>	<b>Land Records</b>	<b>Total</b>
\$ -	\$ 464,115	\$ 123,204	\$ 8,525,045
2,161,478	-	-	2,876,289
439,337	2,011	-	588,872
-	-	-	296,781
315,330	-	-	654,024
757,526	-	-	757,526
<u>\$ 3,673,671</u>	<u>\$ 466,126</u>	<u>\$ 123,204</u>	<u>\$ 13,698,537</u>
\$ 32,012	\$ -	\$ 1,320	\$ 144,425
2,918	-	2,458	72,558
1,002,737	-	-	1,002,737
-	-	-	8,429
12,318	-	23,680	50,200
<u>1,049,985</u>	<u>-</u>	<u>27,458</u>	<u>1,278,349</u>
2,161,478	-	-	2,876,289
-	-	-	296,781
<u>2,161,478</u>	<u>-</u>	<u>-</u>	<u>3,173,070</u>
757,527	-	-	814,459
-	466,126	95,746	691,845
-	-	-	7,928,097
-	-	-	108,036
(295,319)	-	-	(295,319)
<u>462,208</u>	<u>466,126</u>	<u>95,746</u>	<u>9,247,118</u>
<u>\$ 3,673,671</u>	<u>\$ 466,126</u>	<u>\$ 123,204</u>	<u>\$ 13,698,537</u>

# Portage County, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Special Revenue</b>			
	<b>CDBG</b>	<b>REDRLF</b>	<b>Industrial Park</b>	<b>ADRC</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 714,811
Intergovernmental	-	-	-	1,892,782
Fines and forfeits	-	-	-	-
Public charges for services	-	-	-	205,638
Intergovernmental charges for services	-	-	-	8,013
Miscellaneous	34	186	422,434	226,731
<b>Total revenues</b>	<b>34</b>	<b>186</b>	<b>422,434</b>	<b>3,047,975</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Health and human services	-	-	-	2,887,368
Conservation and development	226	-	124,005	-
Capital outlay	-	-	10,891	109,974
<b>Total expenditures</b>	<b>226</b>	<b>-</b>	<b>134,896</b>	<b>2,997,342</b>
Excess of revenues over (under) expenditures	(192)	186	287,538	50,633
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	(196,453)
<b>Net change in fund balances</b>	<b>(192)</b>	<b>186</b>	<b>287,538</b>	<b>(145,820)</b>
<b>Fund balances - January 1</b>	<b>8,719</b>	<b>45,954</b>	<b>7,219,096</b>	<b>807,557</b>
<b>Fund balances - December 31</b>	<b>\$ 8,527</b>	<b>\$ 46,140</b>	<b>\$ 7,506,634</b>	<b>\$ 661,737</b>

<b>County-wide EMS/Ambulance System</b>	<b>Jail Assessment</b>	<b>Land Records</b>	<b>Total</b>
\$ 2,161,478	\$ -	\$ -	\$ 2,876,289
-	-	11,208	1,903,990
-	63,955	-	63,955
1,302,035	-	82,752	1,590,425
-	-	-	8,013
9,615	-	-	659,000
<u>3,473,128</u>	<u>63,955</u>	<u>93,960</u>	<u>7,101,672</u>
-	-	90,001	90,001
3,199,226	6,145	-	3,205,371
-	-	-	2,887,368
-	-	-	124,231
<u>543,750</u>	<u>62,756</u>	<u>-</u>	<u>727,371</u>
<u>3,742,976</u>	<u>68,901</u>	<u>90,001</u>	<u>7,034,342</u>
(269,848)	(4,946)	3,959	67,330
<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,453)</u>
(269,848)	(4,946)	3,959	(129,123)
<u>732,056</u>	<u>471,072</u>	<u>91,787</u>	<u>9,376,241</u>
<u>\$ 462,208</u>	<u>\$ 466,126</u>	<u>\$ 95,746</u>	<u>\$ 9,247,118</u>

# Portage County, Wisconsin

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2018

	Self-Funded Health Insurance	Information Technology	Self-Funded Workers' Compensation	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 9,519,932	\$ 615,052	\$ 1,771,502	\$ 11,906,486
Receivables				
Accounts	88,250	-	21,077	109,327
Inventories and prepaid items	-	147,970	7,603	155,573
Total current assets	<u>9,608,182</u>	<u>763,022</u>	<u>1,800,182</u>	<u>12,171,386</u>
Capital assets				
Depreciable	-	120,904	-	120,904
Total assets	<u>9,608,182</u>	<u>883,926</u>	<u>1,800,182</u>	<u>12,292,290</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	-	43,680	-	43,680
Accrued and other current liabilities	-	22,723	2,685	25,408
Insurance claims payable	688,193	-	395,721	1,083,914
Total current liabilities	<u>688,193</u>	<u>66,403</u>	<u>398,406</u>	<u>1,153,002</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	120,904	-	120,904
Unrestricted	8,919,989	696,619	1,401,776	11,018,384
Total net position	<u>\$ 8,919,989</u>	<u>\$ 817,523</u>	<u>\$ 1,401,776</u>	<u>\$ 11,139,288</u>

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

# Portage County, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<b>Self-Funded Health Insurance</b>	<b>Information Technology</b>	<b>Self-Funded Workers' Compensation</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Intergovernmental charges for services	\$ 8,775,980	\$ 2,275,428	\$ 470,645	\$ 11,522,053
Other	-	1,035	-	1,035
Total operating revenues	<u>8,775,980</u>	<u>2,276,463</u>	<u>470,645</u>	<u>11,523,088</u>
<b>OPERATING EXPENSES</b>				
Salaries and fringe benefits	2,054	700,284	74,863	777,201
Contractual services	7,474,104	1,099,600	473,289	9,046,993
Supplies	1,395	175,715	291	177,401
Insurance and other fixed charges	-	1,183	125	1,308
Depreciation	-	97,691	-	97,691
Total operating expenses	<u>7,477,553</u>	<u>2,074,473</u>	<u>548,568</u>	<u>10,100,594</u>
<b>Operating income (loss)</b>	1,298,427	201,990	(77,923)	1,422,494
Transfers out	<u>(28,240)</u>	<u>-</u>	<u>-</u>	<u>(28,240)</u>
<b>Change in net position</b>	1,270,187	201,990	(77,923)	1,394,254
<b>Net position - January 1</b>	<u>7,649,802</u>	<u>615,533</u>	<u>1,479,699</u>	<u>9,745,034</u>
<b>Net position - December 31</b>	<u><u>\$ 8,919,989</u></u>	<u><u>\$ 817,523</u></u>	<u><u>\$ 1,401,776</u></u>	<u><u>\$ 11,139,288</u></u>

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

# Portage County, Wisconsin

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Self-Funded Health Insurance	Information Technology	Self-Funded Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 8,722,398	\$ 2,276,463	\$ 469,213	\$ 11,468,074
Cash paid for employee wages and benefits	(2,054)	(699,659)	(74,543)	(776,256)
Cash paid to suppliers	(7,415,599)	(1,285,434)	(255,962)	(8,956,995)
Net cash provided by operating activities	<u>1,304,745</u>	<u>291,370</u>	<u>138,708</u>	<u>1,734,823</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer out	<u>(28,240)</u>	<u>-</u>	<u>-</u>	<u>(28,240)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	<u>-</u>	<u>(74,645)</u>	<u>-</u>	<u>(74,645)</u>
<b>Change in cash and cash equivalents</b>	<b>1,276,505</b>	<b>216,725</b>	<b>138,708</b>	<b>1,631,938</b>
<b>Cash and cash equivalents - January 1</b>	<b>8,243,427</b>	<b>398,327</b>	<b>1,632,794</b>	<b>10,274,548</b>
<b>Cash and cash equivalents - December 31</b>	<b><u>\$ 9,519,932</u></b>	<b><u>\$ 615,052</u></b>	<b><u>\$ 1,771,502</u></b>	<b><u>\$ 11,906,486</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,298,427	\$ 201,990	\$ (77,923)	\$ 1,422,494
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	-	97,691	-	97,691
Change in operating assets and liabilities				
Accounts receivables	(53,582)	-	(1,432)	(55,014)
Inventories and prepaid items	-	(1,330)	5,635	4,305
Accounts payable	-	(7,606)	-	(7,606)
Accrued and other current liabilities	-	625	320	945
Insurance claims payable	59,900	-	212,108	272,008
Net cash provided by operating activities	<u>\$ 1,304,745</u>	<u>\$ 291,370</u>	<u>\$ 138,708</u>	<u>\$ 1,734,823</u>

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