

PORTAGE COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

PORTAGE COUNTY, WISCONSIN
December 31, 2015

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December 31, 2015

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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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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.

Emphasis of Matter

As discussed in Note D.5, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedules relating to pensions on pages 61 and 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.

Report on Summarized Financial Information

We have previously audited Portage County's 2014 financial statements, and our report dated September 14, 2015, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Wausau, Wisconsin
September 26, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS



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

Management's Discussion and Analysis
December 31, 2015

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, 2015. 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, 2015 by \$191,324,602 (net position). Of this amount, \$47,098,520 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors, \$32,239,527 are restricted for specific purposes (restricted net position), and \$111,986,555 is the net investment in capital assets.
- The County's total net position increased by \$3,732,159 primarily due increased sales tax revenue, department budget savings, continuation of highway infrastructure projects, reduction of long-term obligations, and growth in the County's investment in Central Wisconsin Airport. A cumulative effect of change in accounting principle due to the implementation of GASB Statement No. 68 and GASB Statement No. 71 increased net position by an additional \$9,789,100.
- As of December 31, 2015, the County's governmental funds reported combined fund balances of \$48,680,166, a decrease of \$1,674,895 in comparison with the prior year. Approximately 24% or \$11,634,842 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 11 - 13 of this report.

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

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

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

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

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

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 60 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 \$191,324,602 at the close of 2015.

	Portage County's Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 109,063,233	\$ 104,210,778	\$ 9,097,304	\$ 7,541,629	\$ 118,160,537	\$ 111,752,407
Capital assets	108,338,680	107,933,837	8,472,982	8,698,339	116,811,662	116,632,176
Total Assets	217,401,913	212,144,615	17,570,286	16,239,968	234,972,199	228,384,583
Deferred Outflows of Resources	3,963,166	-	1,095,625	-	5,058,791	-
Long-term liabilities						
outstanding	13,050,137	15,421,269	2,847,960	3,000,059	15,898,097	18,421,328
Other liabilities	5,244,645	4,974,259	915,473	1,156,760	6,160,118	6,131,019
Total Liabilities	18,294,782	20,395,528	3,763,433	4,156,819	22,058,215	24,552,347
Deferred Inflows of Resources	25,988,405	25,452,541	659,768	576,352	26,648,173	26,028,893
Net Position						
Net investment in						
capital assets	103,513,573	101,454,818	8,472,982	8,698,339	111,986,555	110,153,157
Restricted	30,141,433	21,214,052	2,098,094	4,098	32,239,527	21,218,150
Unrestricted	43,426,886	43,627,676	3,671,634	2,804,360	47,098,520	46,432,036
Total Net Position	\$ 177,081,892	\$ 166,296,546	\$ 14,242,710	\$ 11,506,797	\$ 191,324,602	\$ 177,803,343

By far the largest portion of the County's net position (59%) 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 (17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$47,098,520) 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 \$3,229,326 thereby accounting for 87% of the total growth in net position of the County. A cumulative effect of change in accounting principle due to the implementation of GASB 68 and 71 increased total net position by an additional \$9,879,100. Key elements of this increase are as follows:

Portage County's Change in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for services	\$ 9,840,994	\$ 11,302,086	\$ 19,691,191	\$ 21,593,292	\$ 29,532,185	\$ 32,895,378
Operating grants and contributions	13,417,635	12,262,013	872,779	690,812	14,290,414	12,952,825
Capital grants and contributions	396,482	-	87,984	28,102	484,466	28,102
General Revenues						
Property taxes	25,409,002	25,020,513	576,352	642,683	25,985,354	25,663,196
Other taxes	6,138,410	5,784,929	-	-	6,138,410	5,784,929
Grants and contributions not restricted to specific programs	2,383,670	2,440,806	-	-	2,383,670	2,440,806
Other	1,148,810	3,739,095	67,278	256,661	1,216,088	3,995,756
Total Revenues	58,735,003	60,549,442	21,295,584	23,211,550	80,030,587	83,760,992
Expenses						
General government	9,386,607	9,010,482	-	-	9,386,607	9,010,482
Public safety	14,510,231	15,292,200	-	-	14,510,231	15,292,200
Public works	9,129,752	8,406,678	-	-	9,129,752	8,406,678
Health and human services	17,319,375	17,378,816	-	-	17,319,375	17,378,816
Culture and recreation	3,343,263	3,734,076	-	-	3,343,263	3,734,076
Conservation and development	1,671,892	1,841,935	-	-	1,671,892	1,841,935
Interest on long-term debt	144,557	341,771	-	-	144,557	341,771
Health care center	-	-	8,364,983	9,436,001	8,364,983	9,436,001
Solid waste	-	-	2,179,248	1,941,266	2,179,248	1,941,266
County highway	-	-	10,248,520	12,287,286	10,248,520	12,287,286
Total Expenses	55,505,677	56,005,958	20,792,751	23,664,553	76,298,428	79,670,511
Change in Net Position	3,229,326	4,543,484	502,833	(453,003)	3,732,159	4,090,481
Cumulative effect of change in accounting principle	7,556,020	-	2,233,080	-	9,789,100	-
Net Position - January 1	166,296,546	161,753,062	11,506,797	11,959,800	177,803,343	173,712,862
Net Position - December 31	\$ 177,081,892	\$ 166,296,546	\$ 14,242,710	\$ 11,506,797	\$ 191,324,602	\$ 177,803,343

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 \$48,680,166, a decrease of \$1,674,895 from the prior year. Approximately \$37,045,324 or 76% of the combined fund balance is nonspendable, restricted, committed, or assigned for specific purposes, so is not available. This includes the following:

- Nonspendable fund balance of \$6,227,409, including \$5,552,805 for delinquent property taxes; and \$498,610 for advances to other funds.
- Restricted fund balance of \$6,273,365, including \$4,162,199 restricted for capital improvements to county roads, emergency communications and Enterprise Resource Planning system; \$121,695 restricted for Sheriff forfeiture program, \$743,195 restricted for county-wide EMS/Ambulance system, and \$52,200 restricted for debt service.
- Committed fund balance of \$17,873,437, mostly committed for capital improvements, county road projects, and equipment/ vehicle replacement funds.
- Assigned fund balance of \$6,671,113, including \$2,187,372 for capital projects and \$1,702,042 for health and human services programs.

The remaining \$11,634,842 or 24% of fund balance is unassigned, which means it is available for spending at the County's discretion.

General Fund

The general fund is the chief operating fund of the County. At the end of the current year, the general fund's unassigned fund balance was \$11,634,842 while total fund balance was \$22,318,373. 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 46% of total general fund expenditures, while total fund balance represents 88% of those same expenditures.

The fund balance of the County's general fund decreased \$738,129 during the current year. Key factors for this decrease are as follows:

- Transfer of county-wide EMS system to a special revenue fund.

Social Improvement Fund

The social improvement fund has a total fund balance of \$1,929,829, which is primarily assigned for use in high cost programs. The increase in the social improvement fund is due to savings from decreased expenditures in the health and human services fund.

County Roads and Bridges Fund

The county roads and bridges fund has a total fund balance of \$3,788,721 which is all restricted, committed or assigned for future projects. The fund balance increased by \$409,977 during the current year for existing highway projects not completed in the fiscal year.

Debt Service Fund

The debt service fund has a total fund balance of \$550,810, of which \$498,610 is nonspendable and \$52,200 is restricted for future expenditures. This is a decrease of \$230,189 from the prior year due to repayment of advances to the health care center and solid waste fund.

Capital Improvements Fund

The capital improvements fund has a total fund balance of \$10,806,604, of which \$4,162,199 is restricted for capital improvements to county roads, emergency communications, and Enterprise Resource Planning system, \$4,457,033 is committed for capital improvements, county road projects, and equipment/vehicle replacement funds and \$2,187,372 is assigned for various capital projects. This is a decrease of \$2,046,473 from the prior year due to the completion of County Highway M project, Standing Rocks Park development project, continued implementation of the Enterprise Resource Planning system, and various building improvement projects.

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

Unrestricted net position of the Health Care Center at the end of the year amounted to \$1,429,259. The total decrease in net position was \$151,399.

Unrestricted net position of the Solid Waste fund at the end of the year amounted to \$1,155,113. The total increase in net position was \$84,140.

Unrestricted net position of the county highway fund at the end of the year amounted to \$1,285,003. The total increase in net position was \$370,410.

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 2015 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 \$376,864. Actual expenditures were less than budgeted expenditures by \$2,092,044 across all categories except health and human services.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of yearend amounts to \$116,811,662 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, vehicles, public domain infrastructure (highways and bridges), and construction in progress.

Major capital assets acquired or constructed during the year include:

- The continuation of County road projects, including the completion of County Highway M and County Highway EE.
- The completion of Standing Rocks Park development, including the addition of a snowmaking system.
- The continued implementation of an Enterprise Resource Planning (ERP) system.
- Parks land acquisition in the Town of Sharon – Steinhaugen Recreation Area.
- The completion of various building remodel improvements.

Capital Asset and Debt Administration (Continued)

Portage County's Capital Assets (net of accumulated depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land and improvements	\$ 14,446,874	\$ 13,512,667	\$ 7,412,604	\$ 7,412,604	\$ 21,859,478	\$ 20,925,271
Buildings	22,237,714	22,237,714	9,959,124	9,934,398	32,196,838	32,172,112
Machinery and equipment	10,738,584	10,453,521	15,487,022	15,365,026	26,225,606	25,818,547
Infrastructure	135,104,636	133,559,217	-	-	135,104,636	133,559,217
Construction in progress	6,465,869	6,218,277	22,901	22,901	6,488,770	6,241,178
Total	188,993,677	185,981,396	32,881,651	32,734,929	221,875,328	218,716,325
Less: Accumulated depreciation	80,654,997	78,047,559	24,408,669	24,036,590	105,063,666	102,084,149
Assets Net of Accumulated Depreciation	\$ 108,338,680	\$ 107,933,837	\$ 8,472,982	\$ 8,698,339	\$ 116,811,662	\$ 116,632,176

Long-term debt. At the end of the current fiscal year, the County had \$10,300,000 of general obligation promissory notes outstanding.

Portage County's Outstanding Debt General Obligation Debt and Revenue Bonds						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Debt	\$ 10,300,000	\$ 12,510,000	\$ -	\$ -	\$ 10,300,000	\$ 12,510,000

The County's total debt decreased by \$2,210,000 during the current fiscal year due to debt payments.

Economic Factors and Next Year's Budgets and Rates

- The County planned for major federal and state revenue sources to remain flat.
- The County planned for the continuation of low interest rates for investments.
- The County estimated an increase in sales tax collections, along with an adjustment to better reflect the current collection rate. Sales tax collections have been steadily increasing and remain strong.
- 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 one percent increase in equalized value (net new construction) over the previous year, excluding debt service, bridge & culvert aid, and the county-wide emergency medical system. The County increased the overall tax levy by \$619,280 for 2015 for the purpose of the county-wide emergency medical system (\$142,392 increase), bridge & culvert aid (\$118,668 increase), debt service (\$130,900 increase), and general operating expenses (\$227,320).

All of these factors were considered in preparing the County's budget for the 2016 fiscal year.

Contacting the County's Financial Management

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

BASIC FINANCIAL STATEMENTS

PORTAGE COUNTY, WISCONSIN
Statement of Net Position
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Governmental Activities	Business-type Activities	Totals	
			2015	2014
ASSETS				
Cash and investments	\$ 45,521,367	\$ 2,768,897	\$ 48,290,264	\$ 51,108,441
Receivables				
Taxes	25,988,405	659,768	26,648,173	26,028,893
Delinquent taxes	6,195,505	-	6,195,505	6,493,810
Accounts	1,693,955	1,204,113	2,898,068	3,262,268
Loans	1,793,318	-	1,793,318	1,802,927
Internal balances	696,351	(696,351)	-	-
Due from other governments	5,288,301	548,763	5,837,064	2,897,481
Inventories and prepaid items	197,010	1,305,497	1,502,507	1,549,691
Restricted assets				
Cash and investments	-	2,308,599	2,308,599	2,252,507
Net pension asset	3,771,386	998,018	4,769,404	-
Investment in Central Wisconsin Airport	17,917,635	-	17,917,635	16,356,389
Capital assets, nondepreciable				
Land	12,899,927	324,959	13,224,886	12,687,846
Construction in progress	6,465,869	22,901	6,488,770	6,241,178
Capital assets, depreciable				
Land improvements	1,546,947	7,087,645	8,634,592	8,237,425
Buildings and improvements	22,237,714	9,959,124	32,196,838	32,172,112
Machinery and equipment	10,738,584	15,487,022	26,225,606	25,818,547
Infrastructure	135,104,636	-	135,104,636	133,559,217
Less: Accumulated depreciation	(80,654,997)	(24,408,669)	(105,063,666)	(102,084,149)
TOTAL ASSETS	217,401,913	17,570,286	234,972,199	228,384,583
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	3,963,166	1,095,625	5,058,791	-
LIABILITIES				
Accounts payable	3,240,462	619,706	3,860,168	3,931,169
Accrued and other current liabilities	1,434,631	276,615	1,711,246	1,593,157
Accrued interest payable	16,703	4,691	21,394	25,291
Due to other governments	237,327	-	237,327	469,194
Unearned revenues	315,522	3,475	318,997	97,016
Resident trust fund payable	-	10,986	10,986	15,192
Long-term obligations				
Landfill post closure care	-	2,064,822	2,064,822	2,147,323
Due within one year	3,472,748	285,340	3,758,088	4,095,535
Due in more than one year	9,577,389	497,798	10,075,187	12,178,470
TOTAL LIABILITIES	18,294,782	3,763,433	22,058,215	24,552,347
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	25,988,405	659,768	26,648,173	26,028,893
NET POSITION				
Net investment in capital assets	103,513,573	8,472,982	111,986,555	110,153,157
Restricted	30,141,433	2,098,094	32,239,527	21,218,150
Unrestricted	43,426,886	3,671,634	47,098,520	46,432,036
TOTAL NET POSITION	\$ 177,081,892	\$ 14,242,710	\$ 191,324,602	\$ 177,803,343

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, 2015

(With summarized financial information for the year ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 9,386,607	\$ 1,504,761	\$ 412,419	\$ -
Public safety	14,510,231	2,442,365	259,338	-
Public works	9,129,752	3,068,925	1,950,887	-
Health and human services	17,319,375	2,133,119	10,455,561	10,042
Culture and recreation	3,343,263	405,414	88,549	374,650
Conservation and development	1,671,892	286,410	250,881	11,790
Interest and fiscal charges	144,557	-	-	-
Total Governmental Activities	55,505,677	9,840,994	13,417,635	396,482
Business-type Activities				
Health care center	8,364,983	6,992,635	646,090	87,984
Solid waste	2,179,248	1,977,220	226,689	-
County highway	10,248,520	10,721,336	-	-
Total Business-type Activities	20,792,751	19,691,191	872,779	87,984
Total	\$ 76,298,428	\$ 29,532,185	\$ 14,290,414	\$ 484,466

General revenues

Taxes

Property taxes, levied for general purposes

Sales tax

Other taxes

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

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Total general revenues

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, as restated

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	
		2015	2014

\$ (7,469,427)	\$ -	\$ (7,469,427)	\$ (6,846,126)
(11,808,528)	-	(11,808,528)	(12,026,798)
(4,109,940)	-	(4,109,940)	(3,176,886)
(4,720,653)	-	(4,720,653)	(5,753,875)
(2,474,650)	-	(2,474,650)	(3,127,098)
(1,122,811)	-	(1,122,811)	(1,169,305)
(144,557)	-	(144,557)	(341,771)
<u>(31,850,566)</u>	<u>-</u>	<u>(31,850,566)</u>	<u>(32,441,859)</u>
-	(638,274)	(638,274)	(1,534,971)
-	24,661	24,661	257,488
-	472,816	472,816	(74,864)
<u>-</u>	<u>(140,797)</u>	<u>(140,797)</u>	<u>(1,352,347)</u>
<u>(31,850,566)</u>	<u>(140,797)</u>	<u>(31,991,363)</u>	<u>(33,794,206)</u>
25,409,002	576,352	25,985,354	25,663,196
5,931,529	-	5,931,529	5,534,608
206,881	-	206,881	250,321
2,383,670	-	2,383,670	2,440,806
736,352	60,303	796,655	1,119,518
412,458	6,975	419,433	2,773,421
-	-	-	102,817
<u>35,079,892</u>	<u>643,630</u>	<u>35,723,522</u>	<u>37,884,687</u>
<u>3,229,326</u>	<u>502,833</u>	<u>3,732,159</u>	<u>4,090,481</u>
166,296,546	11,506,797	177,803,343	173,712,862
7,556,020	2,233,080	9,789,100	-
<u>173,852,566</u>	<u>13,739,877</u>	<u>187,592,443</u>	<u>173,712,862</u>
<u>\$ 177,081,892</u>	<u>\$ 14,242,710</u>	<u>\$ 191,324,602</u>	<u>\$ 177,803,343</u>

PORTAGE COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	General	Social Improvement	County Roads and Bridges	Debt Service
ASSETS				
Cash and investments	\$ 16,580,318	\$ -	\$ 3,909,435	\$ 52,200
Receivables				
Taxes	12,159,566	4,739,037	4,199,406	2,284,513
Delinquent taxes	6,195,505	-	-	-
Accounts, net	911,353	297,044	-	-
Loans	-	-	-	1,500,000
Due from other funds	296,909	-	-	-
Advance to other funds	-	-	-	498,610
Due from other governments	827,765	2,908,793	-	-
Inventories	-	-	-	-
Prepaid items	74,731	7,328	-	-
TOTAL ASSETS	\$ 37,046,147	\$ 7,952,202	\$ 8,108,841	\$ 4,335,323
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 582,438	\$ 641,365	\$ 120,714	\$ -
Due to other funds	-	296,909	-	-
Accrued and other current liabilities	1,119,276	233,996	-	-
Due to other governments	180,079	57,248	-	-
Unearned revenue	211,321	53,818	-	-
Total Liabilities	2,093,114	1,283,336	120,714	-
Deferred Inflows of Resources				
Property taxes levied for subsequent year	12,159,566	4,739,037	4,199,406	2,284,513
Delinquent taxes, including interest	475,094	-	-	-
Long-term loans receivable	-	-	-	1,500,000
Total Deferred Inflows of Resources	12,634,660	4,739,037	4,199,406	3,784,513
Fund Balances				
Nonspendable	5,627,536	7,328	-	498,610
Restricted	403,613	1,729	105,082	52,200
Committed	2,244,270	218,730	3,425,201	-
Assigned	2,408,112	1,702,042	258,438	-
Unassigned	11,634,842	-	-	-
Total Fund Balances	22,318,373	1,929,829	3,788,721	550,810
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 37,046,147	\$ 7,952,202	\$ 8,108,841	\$ 4,335,323

(Continued)

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
		2015	2014
\$ 10,258,011	\$ 8,162,838	\$ 38,962,802	\$ 42,532,854
700,000	1,905,883	25,988,405	25,452,541
-	-	6,195,505	6,493,810
-	469,831	1,678,228	1,693,264
-	293,318	1,793,318	1,802,927
-	-	296,909	294,866
-	-	498,610	728,799
594,530	949,789	5,280,877	2,256,569
-	-	-	41,671
-	7,783	89,842	43,014
<u>\$ 11,552,541</u>	<u>\$ 11,789,442</u>	<u>\$ 80,784,496</u>	<u>\$ 81,340,315</u>

\$ 45,937	\$ 192,817	\$ 1,583,271	\$ 1,001,762
-	-	296,909	294,866
-	61,212	1,414,484	1,288,921
-	-	237,327	469,194
-	50,383	315,522	97,016
<u>45,937</u>	<u>304,412</u>	<u>3,847,513</u>	<u>3,151,759</u>

700,000	1,905,883	25,988,405	25,452,541
-	-	475,094	578,027
-	293,318	1,793,318	1,802,927
<u>700,000</u>	<u>2,199,201</u>	<u>28,256,817</u>	<u>27,833,495</u>

-	93,935	6,227,409	6,610,450
4,162,199	1,548,542	6,273,365	6,770,766
4,457,033	7,528,203	17,873,437	18,740,648
2,187,372	115,149	6,671,113	6,574,818
-	-	11,634,842	11,658,379
<u>10,806,604</u>	<u>9,285,829</u>	<u>48,680,166</u>	<u>50,355,061</u>

<u>\$ 11,552,541</u>	<u>\$ 11,789,442</u>	<u>\$ 80,784,496</u>	<u>\$ 81,340,315</u>
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PORTAGE COUNTY, WISCONSIN

Balance Sheet (Continued)

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

<u>Reconciliation to the Statement of Net Position</u>	2015	2014
Total Fund Balances as shown on previous page	\$ 48,680,166	\$ 50,355,061
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	107,965,965	107,562,998
Investment in Central Wisconsin Airport is not a current financial resource and therefore is not reported in the funds.	17,917,635	16,356,389
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Delinquent taxes, including accrued interest	475,094	578,027
Loans receivable	1,793,318	1,802,927
The County's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	3,771,386	-
Deferred outflows of resources	3,963,166	-
Internal service funds are used by management to charge costs of various services to individual funds. Internal service funds are included in the governmental activities on the statement of net position.	5,582,002	5,081,958
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	\$ (10,300,000)	
Compensated absences	(2,562,831)	
Debt premium	(187,306)	
Accrued interest on long-term obligations	(16,703)	
	(13,066,840)	(15,440,814)
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 11)	\$ 177,081,892	\$ 166,296,546

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, 2015

(With summarized financial information for the year ended December 31, 2014)

	General	Social Improvement	County Roads and Bridges	Debt Service
Revenues				
Taxes	\$ 18,838,337	\$ 4,668,473	\$ 3,988,587	\$ 2,153,613
Intergovernmental	3,329,384	8,362,779	1,731,007	-
Licenses and permits	172,608	223,359	-	-
Fines and forfeits	243,245	73,939	-	-
Public charges for services	1,636,026	1,530,363	-	-
Intergovernmental charges for services	995,397	26,146	-	-
Miscellaneous	725,356	36,316	-	60,737
Total Revenues	25,940,353	14,921,375	5,719,594	2,214,350
Expenditures				
Current				
General government	8,805,231	-	-	-
Public safety	10,955,710	496,113	-	-
Public works	-	-	5,309,617	-
Health and human services	247,082	14,241,395	-	-
Culture and recreation	3,130,246	-	-	-
Conservation and development	1,588,465	-	-	-
Debt service				
Principal	-	-	-	2,210,000
Interest and fiscal charges	-	-	-	234,539
Capital outlay	496,426	-	-	-
Total Expenditures	25,223,160	14,737,508	5,309,617	2,444,539
Excess of Revenues Over (Under)				
Expenditures	717,193	183,867	409,977	(230,189)
Other Financing Sources (Uses)				
Long-term debt issued	-	-	-	-
Debt premium	-	-	-	-
Transfers in	153,836	106,486	-	-
Transfers out	(1,609,158)	(132,267)	-	-
Total Other Financing Sources (Uses)	(1,455,322)	(25,781)	-	-
Net Change in Fund Balances	(738,129)	158,086	409,977	(230,189)
Fund Balances - January 1	23,056,502	1,771,743	3,378,744	780,999
Fund Balance - December 31	\$ 22,318,373	\$ 1,929,829	\$ 3,788,721	\$ 550,810

(Continued)

Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
		2015	2014
\$ 625,000	\$ 1,750,697	\$ 32,024,707	\$ 31,405,535
594,530	1,765,752	15,783,452	14,788,749
-	-	395,967	320,622
-	68,325	385,509	376,073
-	1,793,402	4,959,791	5,228,389
-	9,289	1,030,832	1,010,639
10,042	540,432	1,372,883	3,969,493
<u>1,229,572</u>	<u>5,927,897</u>	<u>55,953,141</u>	<u>57,099,500</u>
-	163,420	8,968,651	8,824,745
-	2,681,842	14,133,665	14,082,487
-	-	5,309,617	5,183,572
-	2,813,551	17,302,028	16,247,916
-	-	3,130,246	3,422,085
-	121,295	1,709,760	1,605,516
-	-	2,210,000	2,800,000
-	-	234,539	419,698
4,119,456	35,217	4,651,099	13,023,418
<u>4,119,456</u>	<u>5,815,325</u>	<u>57,649,605</u>	<u>65,609,437</u>
<u>(2,889,884)</u>	<u>112,572</u>	<u>(1,696,464)</u>	<u>(8,509,937)</u>
-	-	-	11,310,000
-	-	-	280,960
843,411	765,747	1,869,480	1,945,795
-	(106,486)	(1,847,911)	(1,925,074)
<u>843,411</u>	<u>659,261</u>	<u>21,569</u>	<u>11,611,681</u>
<u>(2,046,473)</u>	<u>771,833</u>	<u>(1,674,895)</u>	<u>3,101,744</u>
<u>12,853,077</u>	<u>8,513,996</u>	<u>50,355,061</u>	<u>47,253,317</u>
<u>\$ 10,806,604</u>	<u>\$ 9,285,829</u>	<u>\$ 48,680,166</u>	<u>\$ 50,355,061</u>

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

<u>Reconciliation to the Statement of Activities</u>	2015	2014
Net Change in Fund Balances - Total Governmental Funds from previous page	\$ (1,674,895)	\$ 3,101,744
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures reported in governmental fund statements	4,457,276	14,284,668
Depreciation expense reported in the statement of activities	(3,703,624)	(3,662,395)
Amount by which capital asset purchases exceeds depreciation in current year	753,652	10,622,273
Loss on disposal of capital assets not recognized in the fund financial statements	(350,685)	(1,148,622)
The net income of the investment in Central Wisconsin Airport is reported with governmental activities	1,561,246	1,618,832
The County has taken out debt for public purpose that is to be paid for by outside parties. The amount incurred during the year and owed by outside parties is recorded as a long-term receivable rather than expense to the County.	-	1,500,000
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits decreased (increased) by:	73,992	(23,457)
Change in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan.	178,532	-
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:	2,210,000	2,800,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid; in the statement of activities interest is reported as it accrues.	2,842	(12,878)
Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:	-	(11,310,000)
Debt premium is reported as an other financing source in the fund financial statements but capitalized and amortized over the life of the bond issue in the government-wide financial statements.	87,140	(190,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent taxes, including accrued interest	(102,933)	(90,911)
Loans receivable	(9,609)	(960)
The net expenses of certain activities of internal service funds are reported with governmental activities	500,044	(2,322,382)
Change in Net Position of Governmental Activities as Reported on the Statement of Activities (pages 12 - 13)	<u>\$ 3,229,326</u>	<u>\$ 4,543,484</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, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 18,441,765	\$ 18,441,765	\$ 18,838,337	\$ 396,572
Intergovernmental	3,939,391	3,978,111	3,329,384	(648,727)
Licenses and permits	159,181	159,181	172,608	13,427
Fines and forfeits	226,500	226,500	243,245	16,745
Public charges for services	1,653,360	1,653,360	1,636,026	(17,334)
Intergovernmental charges for services	903,413	903,413	995,397	91,984
Miscellaneous	900,887	954,887	725,356	(229,531)
Total Revenues	26,224,497	26,317,217	25,940,353	(376,864)
Expenditures				
Current				
General government	9,238,774	9,663,109	8,805,231	857,878
Public safety	11,311,527	11,394,072	10,955,710	438,362
Health and human services	244,951	246,671	247,082	(411)
Culture and recreation	3,305,739	3,343,424	3,130,246	213,178
Conservation and development	2,148,928	2,163,928	1,588,465	575,463
Capital outlay	384,000	504,000	496,426	7,574
Total Expenditures	26,633,919	27,315,204	25,223,160	2,092,044
Excess of Revenues Over (Under) Expenditures	(409,422)	(997,987)	717,193	1,715,180
Other Financing Sources (Uses)				
Transfers in	21,569	122,651	153,836	31,185
Transfers out	(200,000)	(295,000)	(1,609,158)	(1,314,158)
Total Other Financing Sources (Uses)	(178,431)	(172,349)	(1,455,322)	(1,282,973)
Net Change in Fund Balance	(587,853)	(1,170,336)	(738,129)	432,207
Fund Balance - January 1	23,056,502	23,056,502	23,056,502	-
Fund Balance - December 31	\$ 22,468,649	\$ 21,886,166	\$ 22,318,373	\$ 432,207

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

PORTAGE COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Social Improvement
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,668,473	\$ 4,668,473	\$ 4,668,473	\$ -
Intergovernmental	8,067,649	8,534,553	8,362,779	(171,774)
Licenses and permits	207,154	207,154	223,359	16,205
Fines and forfeits	60,000	60,000	73,939	13,939
Public charges for services	1,462,561	1,462,561	1,530,363	67,802
Intergovernmental charges for services	31,000	31,000	26,146	(4,854)
Miscellaneous	20,146	20,146	36,316	16,170
Total Revenues	14,516,983	14,983,887	14,921,375	(62,512)
Expenditures				
Current				
Public safety	535,825	535,825	496,113	39,712
Health and human services	14,021,158	14,673,062	14,241,395	431,667
Total Expenditures	14,556,983	15,208,887	14,737,508	471,379
Excess of Revenues Over (Under) Expenditures	(40,000)	(225,000)	183,867	408,867
Other Financing Sources (Uses)				
Transfers in	40,000	40,000	106,486	66,486
Transfers out	-	(58,082)	(132,267)	(74,185)
Total Other Financing Sources (Uses)	40,000	(18,082)	(25,781)	(7,699)
Net Change in Fund Balance	-	(243,082)	158,086	401,168
Fund Balance - January 1	1,771,743	1,771,743	1,771,743	-
Fund Balance - December 31	\$ 1,771,743	\$ 1,528,661	\$ 1,929,829	\$ 401,168

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

PORTAGE COUNTY, WISCONSIN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

County Roads and Bridges

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,988,587	\$ 3,988,587	\$ 3,988,587	\$ -
Intergovernmental	1,869,960	1,869,960	1,731,007	(138,953)
Total Revenues	<u>5,858,547</u>	<u>5,858,547</u>	<u>5,719,594</u>	<u>(138,953)</u>
Expenditures				
Current				
Public works	<u>7,120,986</u>	<u>7,120,986</u>	<u>5,309,617</u>	<u>1,811,369</u>
Net Change in Fund Balance	(1,262,439)	(1,262,439)	409,977	1,672,416
Fund Balance - January 1	<u>3,378,744</u>	<u>3,378,744</u>	<u>3,378,744</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 2,116,305</u>	<u>\$ 2,116,305</u>	<u>\$ 3,788,721</u>	<u>\$ 1,672,416</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, 2015
(With summarized financial information as of December 31, 2014)

	Health Care Center	Solid Waste	County Highway
ASSETS			
Current assets			
Cash and investments	\$ 1,263,407	\$ 1,151,371	\$ 354,119
Receivables			
Taxes	659,768	-	-
Accounts	858,935	247,164	98,014
Due from other governments	-	5,530	543,233
Inventories	54,128	-	1,242,576
Prepaid expenses	1,679	1,385	5,729
Total Current Assets	<u>2,837,917</u>	<u>1,405,450</u>	<u>2,243,671</u>
Noncurrent assets			
Restricted assets			
Cash and investments	10,986	2,297,613	-
Net pension asset	532,137	9,297	456,584
Capital assets, nondepreciable			
Land	23,837	88,079	213,043
Construction in progress	22,901	-	-
Capital assets, depreciable			
Land improvements	203,893	6,296,827	586,925
Buildings	4,216,402	2,977,069	2,765,653
Machinery and equipment	2,805,017	413,161	12,268,844
Less: Accumulated depreciation	(5,282,618)	(8,335,340)	(10,790,711)
Net Capital Assets	<u>1,989,432</u>	<u>1,439,796</u>	<u>5,043,754</u>
Total Noncurrent Assets	<u>2,532,555</u>	<u>3,746,706</u>	<u>5,500,338</u>
TOTAL ASSETS	<u>5,370,472</u>	<u>5,152,156</u>	<u>7,744,009</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	591,584	9,729	494,312
LIABILITIES			
Current Liabilities			
Accounts and claims payable	145,674	166,497	307,535
Accrued and other current liabilities	140,853	3,342	132,420
Accrued interest	4,691	-	-
Unearned revenues	-	-	3,475
Compensated absences	111,370	1,875	172,095
Current maturities of advance from other funds	44,389	192,272	-
Total Current Liabilities	<u>446,977</u>	<u>363,986</u>	<u>615,525</u>
Noncurrent Liabilities			
Advance to other funds	144,811	117,138	-
Resident trust fund payable	10,986	-	-
Compensated absences	152,651	2,004	343,143
Post closure	-	2,064,822	-
Total Noncurrent Liabilities	<u>308,448</u>	<u>2,183,964</u>	<u>343,143</u>
TOTAL LIABILITIES	<u>755,425</u>	<u>2,547,950</u>	<u>958,668</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for subsequent year	659,768	-	-
NET POSITION			
Investment in capital assets	1,989,432	1,439,796	5,043,754
Restricted for			
Equipment replacement	4,451	-	-
Pension benefits	1,123,721	19,026	950,896
Unrestricted	1,429,259	1,155,113	1,285,003
TOTAL NET POSITION	<u>\$ 4,546,863</u>	<u>\$ 2,613,935</u>	<u>\$ 7,279,653</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 11)			

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

Total Enterprise Funds		Internal Service Funds	
2015	2014	2015	2014
\$ 2,768,897	\$ 2,418,670	\$ 6,558,565	\$ 6,156,917
659,768	576,352	-	-
1,204,113	1,450,098	15,727	118,906
548,763	633,488	7,424	7,424
1,296,704	1,312,988	-	-
8,793	23,748	107,168	128,270
<u>6,487,038</u>	<u>6,415,344</u>	<u>6,688,884</u>	<u>6,411,517</u>
2,308,599	2,252,507	-	-
998,018	-	-	-
324,959	324,959	-	-
22,901	22,901	-	-
7,087,645	7,087,645	-	-
9,959,124	9,934,398	-	-
15,487,022	15,365,026	775,586	635,451
(24,408,669)	(24,036,590)	(402,871)	(264,612)
<u>8,472,982</u>	<u>8,698,339</u>	<u>372,715</u>	<u>370,839</u>
<u>11,779,599</u>	<u>10,950,846</u>	<u>372,715</u>	<u>370,839</u>
<u>18,266,637</u>	<u>17,366,190</u>	<u>7,061,599</u>	<u>6,782,356</u>
1,095,625	-	-	-
619,706	868,851	1,657,191	2,060,556
276,615	266,971	20,147	37,265
4,691	5,746	-	-
3,475	-	-	-
285,340	308,197	-	-
236,661	230,189	-	-
<u>1,426,488</u>	<u>1,679,954</u>	<u>1,677,338</u>	<u>2,097,821</u>
261,949	498,610	-	-
10,986	15,192	-	-
497,798	544,539	-	-
2,064,822	2,147,323	-	-
<u>2,835,555</u>	<u>3,205,664</u>	<u>-</u>	<u>-</u>
<u>4,262,043</u>	<u>4,885,618</u>	<u>1,677,338</u>	<u>2,097,821</u>
659,768	576,352	-	-
8,472,982	8,698,339	372,715	370,839
4,451	4,098	-	-
2,093,643	-	-	-
<u>3,869,375</u>	<u>3,201,783</u>	<u>5,011,546</u>	<u>4,313,696</u>
<u>14,440,451</u>	<u>11,904,220</u>	<u>\$ 5,384,261</u>	<u>\$ 4,684,535</u>
(197,741)	(397,423)		
<u>\$ 14,242,710</u>	<u>\$ 11,506,797</u>		

PORTAGE COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Health Care Center	Solid Waste	County Highway
Operating Revenues			
Public charges for services	\$ 6,975,683	\$ 1,921,872	\$ 3,587
Intergovernmental charges for services	-	-	10,709,350
Other operating revenues	26,047	55,348	8,399
Total Operating Revenues	<u>7,001,730</u>	<u>1,977,220</u>	<u>10,721,336</u>
Operating Expenses			
Operation and maintenance			
Salaries and fringe benefits	5,146,956	113,944	4,125,745
Contractual services	2,009,627	2,020,916	276,045
Supplies	910,188	5,415	5,060,850
Insurance and other fixed charges	176,721	(68,913)	342,588
Total Operation and Maintenance	<u>8,243,492</u>	<u>2,071,362</u>	<u>9,805,228</u>
Depreciation	209,153	94,382	500,184
Total Operating Expenses	<u>8,452,645</u>	<u>2,165,744</u>	<u>10,305,412</u>
Operating Income (Loss)	<u>(1,450,915)</u>	<u>(188,524)</u>	<u>415,924</u>
Nonoperating Revenues (Expenses)			
General property taxes	576,352	-	-
Intergovernmental aids	643,970	226,689	-
Interest income	5	21	-
Gain (loss) on disposal of capital assets	-	-	(45,514)
Net increase (decrease) in the fair value of investments	-	60,277	-
Interest and fiscal charges	(8,795)	(14,323)	-
Total Nonoperating Revenues (Expenses)	<u>1,211,532</u>	<u>272,664</u>	<u>(45,514)</u>
Net Income (Loss) before Contributions and Transfers	<u>(239,383)</u>	<u>84,140</u>	<u>370,410</u>
Capital contributions	87,984	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Change in Net Position	<u>(151,399)</u>	<u>84,140</u>	<u>370,410</u>
Net Position - January 1, originally reported	3,400,454	2,511,781	5,991,985
Cumulative effect of change in accounting principle	<u>1,297,808</u>	<u>18,014</u>	<u>917,258</u>
Net Position - January 1, as restated	<u>4,698,262</u>	<u>2,529,795</u>	<u>6,909,243</u>
Net Position - December 31	<u>\$ 4,546,863</u>	<u>\$ 2,613,935</u>	<u>\$ 7,279,653</u>

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

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

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

Total Enterprise Funds		Internal Service Funds	
2015	2014	2015	2014
\$ 8,901,142	\$ 9,377,100	\$ -	\$ -
10,709,350	12,176,020	10,789,455	10,289,952
89,794	64,133	1,252	4,330
<u>19,700,286</u>	<u>21,617,253</u>	<u>10,790,707</u>	<u>10,294,282</u>
9,386,645	9,755,509	699,015	721,975
4,306,588	4,115,459	9,022,350	11,970,543
5,976,453	5,423,720	208,664	349,046
450,396	2,867,071	1,123	1,127
<u>20,120,082</u>	<u>22,161,759</u>	<u>9,931,152</u>	<u>13,042,691</u>
803,719	944,362	138,260	100,821
<u>20,923,801</u>	<u>23,106,121</u>	<u>10,069,412</u>	<u>13,143,512</u>
<u>(1,223,515)</u>	<u>(1,488,868)</u>	<u>721,295</u>	<u>(2,849,230)</u>
576,352	642,683	-	-
870,659	690,812	-	18,948
26	1,373	-	3,686
(45,514)	102,817	-	-
60,277	138,373	-	-
(23,118)	(33,497)	-	-
<u>1,438,682</u>	<u>1,542,561</u>	<u>-</u>	<u>22,634</u>
215,167	53,693	721,295	(2,826,596)
87,984	18,239	-	-
-	-	50,836	-
-	-	(72,405)	(20,721)
<u>303,151</u>	<u>71,932</u>	<u>699,726</u>	<u>(2,847,317)</u>
		4,684,535	7,531,852
		-	-
		<u>4,684,535</u>	<u>7,531,852</u>
		<u>\$ 5,384,261</u>	<u>\$ 4,684,535</u>
<u>199,682</u>	<u>(524,935)</u>		
<u>\$ 502,833</u>	<u>\$ (453,003)</u>		

PORTAGE COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	Health Care Center	Solid Waste	County Highway
Cash Flows from Operating Activities			
Cash received from customers	\$ 7,222,224	\$ 2,036,989	\$ 10,681,989
Cash payments to suppliers	(2,942,551)	(2,022,653)	(5,929,934)
Cash payments to employees	(5,208,260)	(113,761)	(4,124,578)
Miscellaneous income	26,047	55,348	8,399
Net Cash Provided (Used) by Operating Activities	<u>(902,540)</u>	<u>(44,077)</u>	<u>635,876</u>
Cash Flows from Noncapital Financing Activities			
General property taxes	576,352	-	-
Intergovernmental grants received	643,970	226,689	-
Transfers in (out)	-	-	-
Advance (retirement) of interfund payable	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,220,322</u>	<u>226,689</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(111,147)	-	(553,023)
Sale of capital assets	-	-	40,294
Capital contributions	87,984	-	-
Principal paid on long term advance	(42,580)	(187,609)	-
Interest paid on long term advance	(9,850)	(14,323)	-
Net Cash Used by Capital and Related Financing Activities	<u>(75,593)</u>	<u>(201,932)</u>	<u>(512,729)</u>
Cash Flows from Investing Activities			
Interest income received	5	21	-
Net increase (decrease) in the fair value of investments	-	60,277	-
Cash Flows Provided (Used) by Investing Activities	<u>5</u>	<u>60,298</u>	<u>-</u>
Change in Cash and Cash Equivalents	<u>242,194</u>	<u>40,978</u>	<u>123,147</u>
Cash and Cash Equivalents - January 1	<u>1,032,199</u>	<u>3,408,006</u>	<u>230,972</u>
Cash and Cash Equivalents - December 31	<u>\$ 1,274,393</u>	<u>\$ 3,448,984</u>	<u>\$ 354,119</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (1,450,915)	\$ (188,524)	\$ 415,924
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	209,153	94,382	500,184
Change in pension related assets and deferred outflows	174,087	(1,012)	(33,638)
Changes in assets and liabilities			
Accounts receivable	(1,799)	112,577	135,207
Due from other governments	248,340	2,540	(166,155)
Inventories and prepaid expenses	26,333	(699)	5,605
Accounts payable	(42,229)	18,977	(225,893)
Accrued and other current liabilities	(14,434)	386	23,692
Resident trust fund payable	(4,206)	-	-
Unearned revenues	-	-	3,475
Post closure	-	(82,501)	-
Compensated absences	(46,870)	(203)	(22,525)
Net Cash Provided (Used) by Operating Activities	<u>\$ (902,540)</u>	<u>\$ (44,077)</u>	<u>\$ 635,876</u>
Noncash Investing, Capital and Financing Activities			
Capital assets transferred to a different fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Total Enterprise Funds		Internal Service Funds	
2015	2014	2015	2014
\$ 19,941,202	\$ 21,729,276	\$ 10,893,886	\$ 10,709,787
(10,895,138)	(13,130,977)	(9,614,400)	(11,396,560)
(9,446,599)	(9,737,788)	(716,133)	(720,402)
89,794	64,133	-	-
(310,741)	(1,075,356)	563,353	(1,407,175)
576,352	642,683	-	-
870,659	690,812	-	18,948
-	-	(21,569)	(20,721)
-	(102,832)	-	-
1,447,011	1,230,663	(21,569)	(1,773)
(664,170)	(608,702)	(140,136)	(23,150)
40,294	496,812	-	-
87,984	18,239	-	-
(230,189)	(223,982)	-	-
(24,173)	(34,510)	-	-
(790,254)	(352,143)	(140,136)	(23,150)
26	1,373	-	3,686
60,277	138,373	-	-
60,303	139,746	-	3,686
406,319	(57,090)	401,648	(1,428,412)
4,671,177	4,728,267	6,156,917	7,585,329
\$ 5,077,496	\$ 4,671,177	\$ 6,558,565	6,156,917
\$ (1,223,515)	\$ (1,488,868)	\$ 721,295	\$ (2,849,230)
803,719	944,362	138,260	100,821
139,437	-	-	-
245,985	(92,934)	103,179	415,600
84,725	269,090	-	(95)
31,239	(101,007)	21,102	84,003
(249,145)	(348,707)	(403,365)	840,153
9,644	(56)	(17,118)	1,573
(4,206)	6,407	-	-
3,475	(181,436)	-	-
(82,501)	(99,984)	-	-
(69,598)	17,777	-	-
\$ (310,741)	\$ (1,075,356)	\$ 563,353	(1,407,175)
\$ -	\$ -	\$ -	\$ -

PORTAGE COUNTY, WISCONSIN

Statement of Net Position

Fiduciary Fund - Agency Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	Tax Agency	Sheriff	Social Improvement	Clerk of Courts	Totals	
					2015	2014
ASSETS						
Cash and cash equivalents	\$ 17,815,738	\$ 6,424	\$ 35,995	\$ 527,824	\$ 18,385,981	\$ 22,016,758
LIABILITIES						
Due to other governments	\$ 17,815,738	\$ -	\$ -	\$ -	\$ 17,815,738	\$ 21,331,453
Deposits payable	-	6,424	35,995	527,824	570,243	685,305
Total Liabilities	\$ 17,815,738	\$ 6,424	\$ 35,995	\$ 527,824	\$ 18,385,981	\$ 22,016,758

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

2. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

GENERAL FUND

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

SOCIAL IMPROVEMENT FUND

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

COUNTY ROADS AND BRIDGES FUND

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

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

CAPITAL IMPROVEMENTS FUND

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

The County reports the following major enterprise funds:

HEALTH CARE CENTER

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

SOLID WASTE

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

COUNTY HIGHWAY

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

Additionally, the government reports the following funds:

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

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

3. Measurement Focus and Basis of Accounting

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period 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, county ordinance forfeitures, public charges for services and interest. Other revenues such as licenses and permits, other fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed.

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

a. Cash and Investments

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

b. Accounts Receivable

Accounts receivable of \$5,362,949 have been shown net of allowance for uncollectible accounts of \$2,464,881.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Interfund Receivables and Payables

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

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

d. Inventories

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

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

e. Prepaid Items

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

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

f. Capital Assets

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

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

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

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Compensated Absences

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

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category in the government-wide statement of net position. The item is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

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

i. Long-term Obligations

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

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

j. Pensions

For purposes of measuring the net pension 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.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. 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.

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

5. Use of Estimates

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

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

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

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

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

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

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

The carrying amount of the County's cash and investments totaled \$68,984,844 on December 31, 2015 as summarized below:

Petty cash and cash on hand	\$ 7,800
Deposits with financial institutions	47,503,068
Investments	21,473,976
	\$ 68,984,844

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position	
Cash and investments	\$ 48,290,264
Restricted cash and investments	2,308,599
Fiduciary Fund Statement of Net Position	
Agency funds	18,385,981
	\$ 68,984,844

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

Custodial Credit Risk

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

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2015, \$40,316,242 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$31,550,000 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the County's name.

Investments

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

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
US Treasury	\$ 2,754,183	\$ 2,754,183	\$ -	\$ -	\$ -
US Agency	12,211,161	-	12,211,161	-	-
Money Market Mutual Funds	3,043,563	-	-	-	3,043,563
Negotiable Certificates of Deposit	3,465,069	-	-	-	3,465,069
Totals	\$ 21,473,976	\$ 2,754,183	\$ 12,211,161	\$ -	\$ 6,508,632

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount	Percent of Total
Federal Home Loan Mortgage Corp.	Notes	\$ 4,282,108	20%
Federal National Mortgage Association	Notes	2,269,179	11%
Federal Farm Credit Bank	Notes	2,944,134	14%
Government National Mortgage Association	Notes	1,469,739	7%
Federal Home Loan Bank	Notes	1,246,000	6%

Interest Rate Risk

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
US Treasury	\$ 2,754,183	\$ 1,753,553	\$ 1,000,630	\$ -	\$ -
US Agency	12,211,161	1,499,131	4,839,815	1,364,539	4,507,676
Money Market Mutual Funds	3,043,563	3,043,563	-	-	-
Negotiable Certificates of Deposit	3,465,069	1,967,956	998,793	498,320	-
Totals	\$ 21,473,976	\$ 8,264,203	\$ 6,839,238	\$ 1,862,859	\$ 4,507,676

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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>\$ 8,021,026</u>

2. Property Tax Apportionments

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

Property taxes of \$26,648,173 are recorded on December 31, 2015 for collection in 2016 for the County apportionment. The County apportionment is for financing 2016 operations and will be transferred in 2016 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes - General Fund

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

On December 31, 2015, the County's General Fund showed an investment of \$6,195,505 in delinquent taxes as follows:

Year Purchased	Total	County Share	County Purchased
2005 and prior	\$ 4,770	\$ 1,192	\$ 3,578
2006	3,759	940	2,819
2007	4,105	1,026	3,079
2008	4,728	1,182	3,546
2009	9,181	2,295	6,886
2010	10,615	2,654	7,961
2011	31,480	7,870	23,610
2012	49,582	12,395	37,187
2013	320,342	80,082	240,260
2014	836,474	209,110	627,364
Total tax certificates	1,275,036	318,746	956,290
Tax deeds	4,722,221	-	4,722,221
Interest on delinquent taxes	198,248	198,248	-
Delinquent Property Taxes at December 31, 2015	<u>\$ 6,195,505</u>	516,994	5,678,511
Less: 60 day collections		41,900	125,706
Deferred Inflow of Resources		<u>\$ 475,094</u>	
Nonspendable Fund Balance (purchased equities of other governments)			<u>\$ 5,552,805</u>

4. Restricted Assets

Restricted assets on December 31, 2015 totaled \$2,308,599 and consisted of cash and investments held for the following purposes:

Enterprise Funds

Health care center - client deposits	\$ 10,986
Solid waste - long-term care deposits	2,297,613
Total Restricted Assets	<u>\$ 2,308,599</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 12,362,887	\$ 747,417	\$ 210,377	\$ 12,899,927
Construction in progress	6,218,277	412,253	164,661	6,465,869
Total capital assets, not being depreciated	<u>18,581,164</u>	<u>1,159,670</u>	<u>375,038</u>	<u>19,365,796</u>
Capital assets, being depreciated:				
Land improvements	1,149,780	397,167	-	1,546,947
Buildings and improvements	22,237,714	-	-	22,237,714
Machinery and equipment	10,453,521	697,452	412,389	10,738,584
Infrastructure	133,559,217	2,389,919	844,500	135,104,636
Subtotals	<u>167,400,232</u>	<u>3,484,538</u>	<u>1,256,889</u>	<u>169,627,881</u>
Less accumulated depreciation for:				
Land improvements	511,931	146,960	-	658,891
Buildings and improvements	8,206,347	511,573	-	8,717,920
Machinery and equipment	8,942,843	687,344	389,945	9,240,242
Infrastructure	60,386,438	2,496,006	844,500	62,037,944
Subtotals	<u>78,047,559</u>	<u>3,841,883</u>	<u>1,234,445</u>	<u>80,654,997</u>
Total capital assets, being depreciated, net	<u>89,352,673</u>	<u>(357,345)</u>	<u>22,444</u>	<u>88,972,884</u>
Governmental activities capital assets, net	<u>\$ 107,933,837</u>	<u>\$ 802,325</u>	<u>\$ 397,482</u>	108,338,680
Less related long-term debt outstanding				(4,637,801)
Less capital related premium				<u>(187,306)</u>
Net investment in capital assets				<u>\$ 103,513,573</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 324,959	\$ -	\$ -	\$ 324,959
Construction in progress	22,901	-	-	22,901
Total capital assets, not being depreciated	<u>347,860</u>	<u>-</u>	<u>-</u>	<u>347,860</u>
Capital assets, being depreciated:				
Land improvements	7,087,645	-	-	7,087,645
Buildings and improvements	9,934,398	24,726	-	9,959,124
Machinery and equipment	15,365,026	639,444	517,448	15,487,022
Subtotals	<u>32,387,069</u>	<u>664,170</u>	<u>517,448</u>	<u>32,533,791</u>
Less accumulated depreciation for:				
Land improvements	7,014,629	20,830	-	7,035,459
Buildings	6,413,544	277,681	-	6,691,225
Machinery and equipment	10,608,417	505,208	431,640	10,681,985
Subtotals	<u>24,036,590</u>	<u>803,719</u>	<u>431,640</u>	<u>24,408,669</u>
Total capital assets, being depreciated, net	<u>8,350,479</u>	<u>(139,549)</u>	<u>85,808</u>	<u>8,125,122</u>
Business-type activities capital assets, net	<u>\$ 8,698,339</u>	<u>\$ (139,549)</u>	<u>\$ 85,808</u>	<u>\$ 8,472,982</u>

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

Governmental activities	
General government	\$ 368,339
Public safety	486,663
Public works	2,496,006
Health and human services	170,466
Culture and recreation	316,128
Conservation and development	4,281
Total depreciation expense - governmental activities	<u>\$ 3,841,883</u>
Business-type activities	
Health care center	\$ 209,153
Solid waste	94,382
County highway	500,184
Total depreciation expense - business-type activities	<u>\$ 803,719</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

6. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2015, are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General	\$ 296,909	\$ -
Special Revenue Fund		
Social improvement	-	296,909
Subtotal	<u>296,909</u>	<u>296,909</u>
Long Term Advances for Repayment of General Obligation Debt		
Debt Service Fund	498,610	-
Enterprise Funds		
Health Care Center	-	189,200
Solid Waste	-	309,410
Subtotal	<u>498,610</u>	<u>498,610</u>
Totals	<u>\$ 795,519</u>	795,519
Less: Government-wide eliminations		(296,909)
Less: Internal service fund eliminations		197,741
Internal Balances - Government-wide Financial Statements		<u>\$ 696,351</u>

Annual payments due on the long term advances for repayment of general obligation debt, as of December 31, 2015, are detailed below:

Year Ended December 31	Health Care Center		Solid Waste		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 44,389	\$ 8,041	\$ 192,272	\$ 9,660	\$ 236,661	\$ 17,701
2017	46,276	6,154	117,138	2,714	163,414	8,868
2018	48,242	4,188	-	-	48,242	4,188
2019	50,293	2,137	-	-	50,293	2,137
	<u>\$ 189,200</u>	<u>\$ 20,520</u>	<u>\$ 309,410</u>	<u>\$ 12,374</u>	<u>\$ 498,610</u>	<u>\$ 32,894</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfers In	Transfers Out
General	\$ 153,836	\$ 1,609,158
Social improvement	106,486	132,267
Capital improvements	843,411	-
Internal service	50,836	72,405
Nonmajor governmental funds	765,747	106,486
Subtotals	1,920,316	1,920,316
Less: Government-wide eliminations	(1,920,316)	(1,920,316)
Transfers per Statement of Activities	\$ -	\$ -

The purpose of transfers of \$1,920,316 is summarized below:

Social improvement surpluses returned to the general fund	\$ 132,267
Transfer prior year ambulance fund balance to new fund	765,747
Fund additional capital projects	843,411
Record the closure of the portage house fund into the social improvement fund	106,486
Reimbursement for health insurance administration	21,569
Record the closure of the phone internal service fund into the information technology internal service fund	50,836
	\$ 1,920,316

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
Notes	\$ 12,510,000	\$ -	\$ 2,210,000	\$ 10,300,000	\$ 2,375,000
Debt premium	274,446	-	87,140	187,306	46,827
Compensated absences	2,636,823	83,708	157,700	2,562,831	1,050,921
Governmental activities Long-term obligations	\$ 15,421,269	\$ 83,708	\$ 2,454,840	\$ 13,050,137	\$ 3,472,748
Business-type activities:					
Landfill					
Long-term care	\$ 2,147,323	\$ -	\$ 82,501	\$ 2,064,822	\$ -
Compensated absences	852,736	-	69,598	783,138	285,340
Business-type activities Long-term obligations	\$ 3,000,059	\$ -	\$ 152,099	\$ 2,847,960	\$ 285,340

Total interest paid during the year on long-term debt totaled \$234,539.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Notes

\$1,500,000 issued 2014; \$750,000 due in 2018 and 2019; interest 2.00% to 2.875%	\$ 1,500,000
\$9,810,000 issued 2014; \$1,500,000 to \$2,500,000 due annually through 2019; interest 1.50% to 2.00%	<u>8,800,000</u>
Total Outstanding General Obligation Debt	<u><u>\$ 10,300,000</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$10,300,000 on December 31, 2015 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2016	\$ 2,375,000	\$ 200,438	\$ 2,575,438
2017	2,425,000	152,938	2,577,938
2018	3,250,000	116,563	3,366,563
2019	2,250,000	51,563	2,301,563
	<u>\$ 10,300,000</u>	<u>\$ 521,502</u>	<u>\$ 10,821,502</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, 2015 was \$256,962,705 as follows:

Equalized valuation of the County	\$ 5,344,210,100
Statutory limitation percentage	<u>(x) 5%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	267,210,505
Total outstanding general obligation debt applicable to debt limitation	\$ 10,300,000
Debt service fund	<u>52,200</u>
Net outstanding general obligation debt applicable to debt limitation	10,247,800
Legal Margin for New Debt	<u><u>\$ 256,962,705</u></u>

8. Closure Care Liability

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

The Wisconsin Department of Natural Resources (DNR) calculated the payments the County must make based on the currently approved annual LTC cost estimate of between \$62,727 and \$164,307 per year and a 40 year period. Using these estimates and an inflation rate of 2%, and the County's total liability for LTC costs is estimated to be \$2,064,822.

The payments are deposited in local banks annually. As of December 31, 2015 the County has deposits of \$2,297,613 and has recorded a liability of \$2,064,822.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

9. Pension Plan

a. 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.

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 State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

b. 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:

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

c. 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. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,890,321 in contributions from the County.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

At December 31, 2015, the County reported an asset of \$4,769,404 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was 0.19417237%, which was a decrease of 0.00221034% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$1,866,512.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 691,415
Net differences between projected and actual earnings on pension plan investments	2,309,576
Changes in proportion and differences between employer contributions and proportionate share of contributions	65,357
Employer contributions subsequent to the measurement date	1,992,443
Total	\$ 5,058,791

\$1,992,443 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 asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2015	\$ 699,090
2016	699,090
2017	699,090
2018	699,090
2019	269,988

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

e. Actuarial Assumption

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

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

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

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

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:

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

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension asset (liability)	\$ (13,455,312)	\$ 4,769,404	\$ 19,162,549

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

f. Payable to the WRS

At December 31, 2015 the County reported a payable of \$308,718 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

10. Fund Equity

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. At December 31, 2015, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Inventories and prepaid items	\$ 74,731
Delinquent property taxes	<u>5,552,805</u>
Total General Fund Nonspendable Fund Balance	<u>5,627,536</u>
Special Revenue Funds	
Nonspendable:	
Social Improvement	
Prepaid items	<u>7,328</u>
County-wide EMS/Ambulance System	
Prepaid items	<u>6,297</u>
Industrial park	
Prepaid items	<u>29</u>
ADRC	
Prepaid items	1,457
Endowment principal	<u>86,152</u>
Total ADRC Fund Nonspendable Fund Balance	<u>87,609</u>
Debt Service Fund	
Nonspendable	
Advance to other funds	<u>498,610</u>
Total Nonspendable Fund Balance	<u>\$ 6,227,409</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

In the fund financial statements, portions of governmental fund balances are not available for appropriation or a legally restricted for use for a specific purpose. At December 31, 2015, restricted fund balance was as follows:

General Fund		
Restricted for		
Sheriff forfeitures	\$	121,695
Public access system		168,112
DNR safety program		4,872
State trail		16,768
Central Wisconsin Windshed Partnership		92,166
Total General Fund Restricted Fund Balance		<u>403,613</u>
Special Revenue Funds		
Restricted for		
Social Improvement		
Health plus		<u>1,729</u>
County Roads and Bridges		
Bridge aid		<u>105,082</u>
CDBG		
Community development		<u>12,816</u>
REDRLF		
Community development		<u>45,849</u>
ADRC		
Endowment interest		20,680
Nutrition program		131,683
Barkowskiak estate		31,819
Total ADRC Restricted Fund Balance		<u>184,182</u>
County-wide EMS/Ambulance System		
EMS/Ambulance operations		304,553
Vehicle and equipment replacement		<u>438,642</u>
Total Ambulance Restricted Fund Balance		<u>743,195</u>
Jail Assessment		
Jail assessment		<u>474,517</u>
Land Records		
Land records modernization		<u>87,983</u>
Debt Service Fund		
Restricted for		
Retirement of long-term debt		<u>52,200</u>
Capital Improvements Fund		
Restricted for		
Capital improvements		<u>4,162,199</u>
Total Restricted Fund Balance	\$	<u><u>6,273,365</u></u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2015, General Fund balance was committed as follows:

General Fund	
Committed for	
Elections	\$ 165,894
Internal Audit	49,699
County Board Legal Services	15,000
Expert witness	16,983
District Attorney Carryover	16,234
Miscellaneous Benefits	433,677
Equipment Replacement	89,541
Facilities Budget Carryover	66,223
Sheriff Donations	58,712
Juvenile Detention Program	355,127
Sheriff - Vehicle Replacement	60,254
Inmate Welfare Program	18,061
Sheriff Fuel	64,800
Sheriff Budget Carryover	121,200
Sheriff Range Improvements	8,655
Emergency Management Budget Carryover	5,864
Veterans Donations	38,151
Library Memorial Bequests	5,099
Library Trust Donations	6,219
Library Budget Carryover	11,559
Library Vehicle Replacement	31,065
Parks Equipment Replacement	90,388
Parks Misc Donations	26,936
Parks Nature Center Donations	841
Hydroplant Fund	78,880
Pulpwood & Firewood	55,092
Parks Fuel	11,544
UW Extension Budget Carryover	5,800
Land Preservation Fund	128,928
Planning Budget Carryover	12,045
Buena Vista Project	1,043
Vehicle Replacement	21,917
Land Conservation Auto Cad	9,078
Tree Planter Fund	16,878
Planning - Professional Services	30,000
Unreserved Fund Balance - Transitional Funding	45,145
Auto Pool - Vehicle Replacement	46,738
Photocopy - Equipment Replacement	25,000
Total Committed Fund Balance	<u>\$ 2,244,270</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

At December 31, 2015, fund balance of special revenue funds was committed as follows:

Committed for:

Social Improvement	
Tobacco Free Coalition	\$ 16,338
Prevention Donations I	34,991
Prevention Donations II	18,625
Dental Program	27,097
HHS Budget Carryover	15,192
Portage House	106,487
Total Social Improvement	<u>218,730</u>
County Roads and Bridges	
General shop maintenance	300,000
Construction projects	2,725,201
General highway maintenance	400,000
Total County Roads and Bridges	<u>3,425,201</u>
Industrial park	<u>7,031,787</u>
ADRC	
Lincoln Center	80,032
Vehicle replacement	158,627
Adult Day Center	81,609
Holly Shoppe	28,931
Future ADRC projects	15,848
ADRC budget carryover	73,172
Project lifesaver	18,174
Fuel reserve	3,569
Volunteer caregivers	36,454
Total ADRC	<u>496,416</u>
Total Committed Fund Balance	<u>\$ 11,172,134</u>

At December 31, 2015, fund balance of the capital improvements fund was committed as follows:

Capital Improvements Fund	
Committed for	
Capital Projects	<u>\$ 4,457,033</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Also, in the fund financial statements, portions of government fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2015, fund balance assigned was as follows:

General Fund	
Assigned for	
Human resources - budget carryover	\$ 5,000
Finance department - budget carryover	56,900
Justice Programs - budget carryover	600
General liability	468,245
Sales tax	1,877,367
Total Assigned Fund Balance	<u>\$ 2,408,112</u>
Special Revenue Funds	
Assigned for	
Social improvement	
Administration	\$ 2,500
Public health	3,495
MH/SMI donations	994
Child welfare	2,500
Foster care coordination	1,104
Juvenile opportunity program	744
HHS high cost	1,688,034
2016 expenditures	2,671
Total Social Improvement Assignments	<u>1,702,042</u>
County roads and bridges	<u>258,438</u>
ADRC	
RSVP	31,864
Foster Grandparent Program	7,166
Senior Center	16,277
Walk Club	136
Pool tables	849
Transportation	6,376
Nutrition program	5,205
Nutrition program - Rosholt	2,248
Adult Day Center	2,817
Adult Day Center/EB trust	1,464
Community resources	7,250
Loan closet	25,371
Rous Memorial	5,582
Dementia care specialist	3,500
Less amount by which assignments exceed available fund balance	<u>(956)</u>
Total ARDC Assignments	<u>115,149</u>
Total Assigned Fund Balance	<u>\$ 2,075,629</u>
Capital Projects Fund	
Assigned for	
Capital improvements	<u>\$ 2,187,372</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Net position reported on the government-wide statement of net position at December 31, 2015 include the following restricted assets:

Governmental Activities

Restricted for

Debt service	\$ 2,050,810
Community development	351,983
Investment in Central Wisconsin Airport	17,917,635
Pension benefits	7,734,552
Endowment principal	86,152
Sheriff forfeitures	121,695
County-wide EMS/Ambulance System	743,195
Public access system	168,112
DNR safety program	4,872
State trail	16,768
Central Wisconsin Windshed Partnership	92,166
Health plus	1,729
Bridge aid	105,082
Endowment interest	20,680
Nutrition program	131,683
Bartkowiak estate	31,819
Jail assessment	474,517
Land records modernization	87,983
Total Governmental Activities Restricted Net Position	30,141,433

Business-type Activities

Pension benefits	2,093,643
Equipment replacement	4,451
Total Business-Type Activities Restricted Net Position	2,098,094

Total Restricted Net Position	\$ 32,239,527
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11. Minimum Fund Balance Policy

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

Actual 2015 Expenditures	\$ 53,188,709
Minimum Fund Balance %	(x) 15% - 25%
Minimum Fund Balance Amount	\$7,978,306 to \$13,297,177

The County's General Fund unassigned fund balance of \$11,634,842 is within the range of the above minimum fund balance amount.

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION

1. Risk Management

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

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

Wisconsin County Mutual Insurance Corporation

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

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

Summary financial information of WCMIC as of December 31, 2015 can be obtained directly from WCMIC's offices.

Health

Portage County will provide health insurance coverage for its employees for up to \$120,000 per person per insured event. Portage County obtains independent coverage for insured events in excess of the \$120,000 limit. Changes in the claims liability account for 2014 and 2015 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Payments	Liability December 31
2014	\$ 743,486	\$ 9,580,211	\$ 9,235,376	\$ 1,088,321
2015	1,088,321	6,899,336	7,266,688	720,969

Worker's Compensation

Portage County will maintain worker's compensation coverage for its employees for up to \$300,000 per occurrence. Portage County obtains independent coverage for insured occurrences in excess of the \$300,000 limit. The County also has as an aggregate limit of \$2,000,000 per year. Any claims in excess of this in one year are independently insured. Changes in the claims liability amount for 2014 and 2015 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2014	\$ 405,984	\$ 804,453	\$ 286,923	\$ 923,514
2015	923,514	158,342	255,159	826,697

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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

2. Equity Investment in Joint Venture

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

Marathon County	66%
Portage County	34%

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

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

Portage County made no additional contributions in 2015 to CWA. All activities were financed by airport revenues.

Investment - December 31, 2015	<u>\$ 17,917,635</u>
Portage County contributed capital	\$ 839,661
Portage County share of net position	<u>17,077,974</u>
	<u>\$ 17,917,635</u>

PORTAGE COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

Information pertaining to the total activity of the Central Wisconsin Airport as of and for the year ended December 31, 2015, is as follows:

	2015
Total Assets	<u>\$ 62,110,888</u>
Deferred Outflows of Resources	<u>\$ 158,865</u>
Total Liabilities	<u>\$ 9,570,827</u>
Net Position	
Net investment in capital assets	47,865,403
Restricted	2,359,436
Unrestricted net position	<u>2,474,087</u>
Total Net Position	<u>52,698,926</u>
Total Liabilities and Net Position	<u>\$ 62,269,753</u>
Operating revenues	\$ 3,605,712
Operating expenses	<u>4,744,910</u>
Operating loss	(1,139,198)
Nonoperating revenue (expenses)	31,718
Capital contributions	<u>5,388,819</u>
Increase in Net Position	4,281,339
Net Position - January 1	<u>48,417,587</u>
Net Position - December 31	<u>\$ 52,698,926</u>

3. 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 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2016 budget was 1.26%. The actual limit for the County for the 2016 budget was 1.00%. 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, 2015

NOTE D - OTHER INFORMATION (Continued)

4. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. An audit under 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.
- b. From time to time, the County is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

5. Cumulative Effect of Change in Accounting Principles

The County has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

	Governmental Activities	Business-type Activities			Total	Total
		Health Care Center	Solid Waste	County Highway		
Net Pension Asset	\$ 5,962,321	\$ 1,051,321	\$ 14,113	\$ 714,631	\$ 1,780,065	\$ 7,742,386
Deferred Outflows of Resources	1,593,699	246,487	3,901	202,627	453,015	2,046,714
Total Cumulative Effect of Change in Accounting Principle	\$ 7,556,020	\$ 1,297,808	\$ 18,014	\$ 917,258	\$ 2,233,080	\$ 9,789,100

6. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

PORTAGE COUNTY, WISCONSIN
 Schedule of Proportionate Share of the Net Pension Asset
 Wisconsin Retirement System
 Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.19417237%
Proportionate share of the net pension asset	\$ 4,769,404
Covered-employee payroll	\$ 25,526,690
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

PORTAGE COUNTY, WISCONSIN
 Schedule of Contributions
 Wisconsin Retirement System
 Last 10 Fiscal Years*

	2015
Contractually required contributions	\$ 1,890,321
Contributions in relation to the contractually required contributions	\$ 1,890,321
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 25,526,691
Contributions as a percentage of covered-employee payroll	7.41%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

PORTAGE COUNTY, WISCONSIN
Notes to Required Supplementary Information
December 31, 2015

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

County-wide EMS/Ambulance System – To account for the operations of the county-wide EMS/ambulance service operated by Portage County. Funding is provided primarily through public charges for services and property tax levy.

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

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

Financial information is presented as follows:

Combining Balance Sheet

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

PORTAGE COUNTY, WISCONSIN

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2015

	Special Revenue				
	CDBG	REDRLF	Industrial Park	Portage House	ADRC
ASSETS					
Cash and investments	\$ 12,816	\$ 45,849	\$ 7,033,589	\$ -	\$ 165,253
Receivables					
Taxes	-	-	-	-	569,178
Accounts	-	-	-	-	35,021
Loans	293,318	-	-	-	-
Due from other governments	-	-	-	-	823,117
Prepaid items	-	-	29	-	1,457
TOTAL ASSETS	\$ 306,134	\$ 45,849	\$ 7,033,618	\$ -	\$ 1,594,026
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 1,802	\$ -	\$ 48,113
Accrued and other current liabilities	-	-	-	-	58,358
Unearned revenue	-	-	-	-	35,021
Total Liabilities	-	-	1,802	-	141,492
Deferred Inflows of Resources					
Property taxes	-	-	-	-	569,178
Long-term loans receivable	293,318	-	-	-	-
Total Deferred Inflows of Resources	293,318	-	-	-	569,178
Fund Balances					
Nonspendable	-	-	29	-	87,609
Restricted	12,816	45,849	-	-	184,182
Committed	-	-	7,031,787	-	496,416
Assigned	-	-	-	-	115,149
Total Fund Balances	12,816	45,849	7,031,816	-	883,356
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 306,134	\$ 45,849	\$ 7,033,618	\$ -	\$ 1,594,026

Special Revenue (Continued)			Total Nonmajor Governmental Funds
County-wide EMS/Ambulance System	Jail Assessment	Land Records	2015
\$ 323,472	\$ 492,116	\$ 89,743	\$ 8,162,838
1,336,705	-	-	1,905,883
432,269	2,493	48	469,831
-	-	-	293,318
126,672	-	-	949,789
6,297	-	-	7,783
<u>\$ 2,225,415</u>	<u>\$ 494,609</u>	<u>\$ 89,791</u>	<u>\$ 11,789,442</u>

\$ 125,303	\$ 17,599	\$ -	\$ 192,817
1,046	-	1,808	61,212
12,869	2,493	-	50,383
<u>139,218</u>	<u>20,092</u>	<u>1,808</u>	<u>304,412</u>

1,336,705	-	-	1,905,883
-	-	-	293,318
<u>1,336,705</u>	<u>-</u>	<u>-</u>	<u>2,199,201</u>

6,297	-	-	93,935
743,195	474,517	87,983	1,548,542
-	-	-	7,528,203
-	-	-	115,149
<u>749,492</u>	<u>474,517</u>	<u>87,983</u>	<u>9,285,829</u>

<u>\$ 2,225,415</u>	<u>\$ 494,609</u>	<u>\$ 89,791</u>	<u>\$ 11,789,442</u>
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PORTAGE COUNTY, WISCONSIN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2015

	Special Revenue				
	CDBG	REDRLF	Industrial Park	Portage House	ADRC
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 556,384
Intergovernmental	-	-	-	-	1,745,216
Fines and forfeits	-	-	-	-	-
Public charges for services	-	-	-	-	270,053
Intergovernmental charges for services	-	-	-	-	9,289
Miscellaneous	11,792	14	237,491	-	276,979
Total Revenues	11,792	14	237,491	-	2,857,921
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Health and human services	-	-	-	-	2,813,551
Conservation and development	2,216	-	119,079	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	2,216	-	119,079	-	2,813,551
Excess of Revenues Over (Under)					
Expenditures	9,576	14	118,412	-	44,370
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(106,486)	-
Total Other Financing Sources (Uses)	-	-	-	(106,486)	-
Net Change in Fund Balances	9,576	14	118,412	(106,486)	44,370
Fund Balances - January 1	3,240	45,835	6,913,404	106,486	838,986
Fund Balances - December 31	\$ 12,816	\$ 45,849	\$ 7,031,816	\$ -	\$ 883,356

Special Revenue (Continued)			Total Nonmajor Governmental Funds
County-wide EMS/Ambulance System	Jail Assessment	Land Records	2015
\$ 1,194,313	\$ -	\$ -	\$ 1,750,697
-	-	20,536	1,765,752
-	68,325	-	68,325
1,435,610	-	87,739	1,793,402
-	-	-	9,289
14,156	-	-	540,432
<u>2,644,079</u>	<u>68,325</u>	<u>108,275</u>	<u>5,927,897</u>
-	-	163,420	163,420
2,625,117	56,725	-	2,681,842
-	-	-	2,813,551
-	-	-	121,295
35,217	-	-	35,217
<u>2,660,334</u>	<u>56,725</u>	<u>163,420</u>	<u>5,815,325</u>
<u>(16,255)</u>	<u>11,600</u>	<u>(55,145)</u>	<u>112,572</u>
765,747	-	-	765,747
-	-	-	(106,486)
<u>765,747</u>	<u>-</u>	<u>-</u>	<u>659,261</u>
749,492	11,600	(55,145)	771,833
-	462,917	143,128	8,513,996
<u>\$ 749,492</u>	<u>\$ 474,517</u>	<u>\$ 87,983</u>	<u>\$ 9,285,829</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

Financial information is presented as follows:

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Net Position

Combining Statement of Cash Flows

PORTAGE COUNTY, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2015

(With summarized financial information as of December 31, 2014)

	Self-Funded Health Insurance	Information Technology	Phone
ASSETS			
Current assets			
Cash and investments	\$ 4,561,904	\$ 146,857	\$ -
Receivables			
Accounts	-	-	-
Due from other governments	-	7,424	-
Prepaid items	-	107,168	-
Total Current Assets	<u>4,561,904</u>	<u>261,449</u>	<u>-</u>
Noncurrent assets			
Capital assets, depreciable			
Machinery and equipment	-	775,586	-
Less: Accumulated depreciation	-	(402,871)	-
Total Noncurrent Assets	<u>-</u>	<u>372,715</u>	<u>-</u>
TOTAL ASSETS	<u>4,561,904</u>	<u>634,164</u>	<u>-</u>
LIABILITIES			
Current Liabilities			
Accounts and claims payable	720,969	109,525	-
Accrued and other current liabilities	910	17,302	-
TOTAL LIABILITIES	<u>721,879</u>	<u>126,827</u>	<u>-</u>
NET POSITION			
Investment in capital assets	-	372,715	-
Unrestricted	3,840,025	134,622	-
TOTAL NET POSITION	<u>\$ 3,840,025</u>	<u>\$ 507,337</u>	<u>\$ -</u>

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2015	2014

\$ 1,849,804	\$ 6,558,565	\$ 6,156,917
15,727	15,727	118,906
-	7,424	7,424
-	107,168	128,270
<u>1,865,531</u>	<u>6,688,884</u>	<u>6,411,517</u>

-	775,586	635,451
-	(402,871)	(264,612)
-	<u>372,715</u>	<u>370,839</u>
<u>1,865,531</u>	<u>7,061,599</u>	<u>6,782,356</u>

826,697	1,657,191	2,060,556
1,935	20,147	37,265
<u>828,632</u>	<u>1,677,338</u>	<u>2,097,821</u>

-	372,715	370,839
<u>1,036,899</u>	<u>5,011,546</u>	<u>4,313,696</u>
<u>\$ 1,036,899</u>	<u>\$ 5,384,261</u>	<u>\$ 4,684,535</u>

PORTAGE COUNTY, WISCONSIN

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Self-Funded Health Insurance	Information Technology	Phone
Operating Revenues			
Intergovernmental charges for services	\$ 8,774,862	\$ 1,567,775	\$ -
Other operating revenues	-	1,252	-
Total Operating Revenues	<u>8,774,862</u>	<u>1,569,027</u>	<u>-</u>
Operating Expenses			
Operation and maintenance			
Salaries and fringe benefits	1,650	615,760	-
Contractual services	8,069,948	730,389	-
Supplies	398	200,788	-
Insurance and other fixed charges	-	1,007	-
Total Operation and Maintenance	<u>8,071,996</u>	<u>1,547,944</u>	<u>-</u>
Depreciation	-	138,260	-
Total Operating Expenses	<u>8,071,996</u>	<u>1,686,204</u>	<u>-</u>
Operating Income (Loss)	<u>702,866</u>	<u>(117,177)</u>	<u>-</u>
Nonoperating Revenues			
Intergovernmental aids	-	-	-
Interest income	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss) Before Transfers	702,866	(117,177)	-
Transfers in	-	50,836	-
Transfers out	<u>(21,569)</u>	<u>-</u>	<u>(50,836)</u>
Change in Net Position	681,297	(66,341)	(50,836)
Net Position - January 1	<u>3,158,728</u>	<u>573,678</u>	<u>50,836</u>
Net Position - December 31	<u>\$ 3,840,025</u>	<u>\$ 507,337</u>	<u>\$ -</u>

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2015	2014

\$ 446,818	\$ 10,789,455	\$ 10,289,952
-	1,252	4,330
<u>446,818</u>	<u>10,790,707</u>	<u>10,294,282</u>

81,605	699,015	721,975
222,013	9,022,350	11,970,543
7,478	208,664	349,046
116	1,123	1,127
<u>311,212</u>	<u>9,931,152</u>	<u>13,042,691</u>
-	138,260	100,821
<u>311,212</u>	<u>10,069,412</u>	<u>13,143,512</u>
<u>135,606</u>	<u>721,295</u>	<u>(2,849,230)</u>

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

135,606	721,295	(2,826,596)
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-	50,836	-
-	(72,405)	(20,721)

135,606	699,726	(2,847,317)
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<u>901,293</u>	<u>4,684,535</u>	<u>7,531,852</u>
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<u>\$ 1,036,899</u>	<u>\$ 5,384,261</u>	<u>\$ 4,684,535</u>
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PORTAGE COUNTY, WISCONSIN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2015

(With summarized financial information for the year ended December 31, 2014)

	Self-Funded Health Insurance	Information Technology	Phone
Cash Flows from Operating Activities			
Cash received from customers	\$ 8,879,740	\$ 1,569,027	\$ -
Cash payments to suppliers	(8,384,199)	(902,594)	-
Cash payments to employees	(20,365)	(614,380)	-
Net Cash Provided (Used) by Operating Activities	<u>475,176</u>	<u>52,053</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities			
Transfers in (out)	(21,569)	36,483	(36,483)
Intergovernmental grants	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(21,569)</u>	<u>36,483</u>	<u>(36,483)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(140,136)	-
Cash Flows from Investing Activities			
Interest income received	-	-	-
Change in Cash and Cash Equivalents	453,607	(51,600)	(36,483)
Cash and Cash Equivalents - January 1	<u>4,108,297</u>	<u>198,457</u>	<u>36,483</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 4,561,904</u></u>	<u><u>\$ 146,857</u></u>	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 702,866	\$ (117,177)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	138,260	-
Changes in assets and liabilities			
Accounts receivable	104,878	-	-
Prepaid items	53,499	(32,782)	-
Due from other governments	-	-	-
Accounts and claims payable	(367,352)	62,372	-
Accrued and other current liabilities	(18,715)	1,380	-
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 475,176</u></u>	<u><u>\$ 52,053</u></u>	<u><u>\$ -</u></u>
Noncash Investing, Capital and Financing Activities			
Capital assets transferred to a different fund	\$ -	\$ 14,353	\$ (14,353)

Self-Funded Workers' Compensation	Total Internal Service Funds	
	2015	2014

\$ 445,119	\$ 10,893,886	\$ 10,709,787
(327,607)	(9,614,400)	(11,396,560)
(81,388)	(716,133)	(720,402)
<u>36,124</u>	<u>563,353</u>	<u>(1,407,175)</u>

-	(21,569)	(20,721)
-	-	18,948

-	(21,569)	(1,773)
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-	(140,136)	(23,150)
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-	-	3,686
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36,124	401,648	(1,428,412)
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<u>1,813,680</u>	<u>6,156,917</u>	<u>7,585,329</u>
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<u>\$ 1,849,804</u>	<u>\$ 6,558,565</u>	<u>\$ 6,156,917</u>
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\$ 135,606	\$ 721,295	\$ (2,849,230)
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-	138,260	100,821
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(1,699)	103,179	415,600
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385	21,102	84,003
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-	-	(95)
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(98,385)	(403,365)	840,153
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217	(17,118)	1,573
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<u>\$ 36,124</u>	<u>\$ 563,353</u>	<u>\$ (1,407,175)</u>
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<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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