

POLK COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014

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YEAR ENDED DECEMBER 31, 2014

PREPARED BY THE DEPARTMENT OF ADMINISTRATION POLK COUNTY, WISCONSIN

POLK COUNTY, WISCONSIN
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INTRODUCTORY SECTION

William Johnson IV, Chair
Polk County Board of Supervisors
100 Polk Plaza, Suite 170
Balsam Lake, WI 54810
Phone (715) 485-9237



Dana Frey
County Administrator
100 Polk Plaza, Suite 220
Balsam Lake, WI 54810
Phone (715) 485-9212

July 27, 2015

Polk County Board of Supervisors
100 Polk County Plaza
Balsam Lake, Wisconsin, 54810

Honorable Chair Johnson and Supervisors:

The Comprehensive Annual Financial Report (CAFR) for Polk County, Wisconsin (the County) is hereby submitted for the fiscal year ended December 31, 2014 as prepared by the County's Department of Administration. We have prepared this report in conformity with Generally Accepted Accounting Principles (GAAP), and adopting Governmental Accounting Standards Board Statement 34 (GASB34).

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds of the County. All disclosures necessary to allow the reader to understand the County's financial activities have been included.

The County is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The County has complied with the Single Audit requirements. This report will be available to elected officials, County management, bond rating agencies, and other financial institutions that have expressed an interest in Polk County's financial affairs and to the public through the County website.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Polk County's MD&A can be found immediately following the report of the independent auditors.

Polk County Government

Polk County was incorporated in 1858 and operates with a County Board/Administrator form of government under Wisconsin Statutes. There are 15 members of the Board of Supervisors, elected to two year terms beginning in April 2014 (reduced from 23 members following the 2014 election). Polk County had five standing committees comprised of County Board and citizen

members to provide policy advice to the full Board. Structurally, Polk County is organized into 23 departments, five of which are headed by an elected official.

Polk County is located in northwestern Wisconsin on the border with Minnesota, and is largely rural in character, with no city or village having a population greater than 3,000. The County provides a full range of services that include health and human services; tax assessment and collection; judicial, law enforcement and jail services; the construction and maintenance of highways and infrastructure; recreational facilities; cultural events; and general administrative services.

In 2010, the County hired its first county administrator and at the same time began a major program of strengthening fiscal controls enabled by that form of government. A concentrated review of programs, current expenditures and vacant positions continued with a realization of substantial savings including the elimination of any structural deficit. In this past two years, two new funds were implemented, one to completely fund sick leave payout liabilities for retirees and the second a revolving loan fund for capital improvements and investments in internal efficiencies. The County's unassigned fund balance was set at least 25 percent of General Fund expenditures. All together, these changes have greatly contributed to an improvement in the County's fiscal position and outlook.

Economic Condition and Outlook

Polk County is located along the historic and scenic St. Croix River Valley in the northwestern part of Wisconsin. The County has a diverse economy with a mix of agriculture, tourism, manufacturing, and services. Its proximity to the Minneapolis/St. Paul metropolitan area has served to provide a ready market for goods produced here as well as a demand for recreational activities centered around our 400 lakes and rivers, 100 mile trail network, and small town and rural charm. Despite the lingering effect of the greatest recession in 75 years, the economic condition and outlook for the County continues to be positive. The County is enjoying moderate growth from new commercial and residential/recreational development and tourism; this growth is expected to continue and expand on into the future.

Polk County has been one of the faster growing counties in Wisconsin, although that growth rate has recently slowed due to the past recession. The County's population increased by 7 percent over the past decade according to the 2010 Federal census, a full percentage point above the State average, to 44,205 in April, 2010. According to State of Wisconsin estimates, that population growth continued from 2010 to 2014, although by a negligible amount due to a small net outmigration offset by a natural increase in population (births over deaths).

The County's unemployment rate has greatly improved, with the unemployment rate falling from 6.4 percent in April 2014 to 4.7 percent in April 2015, with overall employment growing over three percent during that same period. County employment has now exceeded pre-recession levels. Improved retail activity also continues, with collections hitting record levels several times during the past year. Under Wisconsin law, counties may levy a one-half cent local sales tax on the same base as the State sales tax for sales within the county. In 2014 Polk County collected \$2,844,000 in sales taxes, a 14 percent increase over 2013 and an all-time record.

Polk County's tax base appears to be stabilizing following the disruption in the real estate market and despite a preponderance of residential real estate. Overall, the total equalized property value increased a modest 1.4 percent from \$4,084,905,800 in 2013 to \$4,144,282,200 in 2014 according to the Wisconsin Department of Revenue largely due to new construction. As indications are that the residential real estate market has recovered in the past year, we

anticipate that the County's equalized value will show some greater growth in future years. Despite past declines, the County remains in the top one-third of Wisconsin counties in per capita equalized value and the County's tax rate remains moderate, 36th highest among the 72 Wisconsin counties.

Tourism, a major component of the County's economic base, is showing strong growth, outperforming the state average on every indicator. Overall spending by visitors increased by over four percent from 2013 to 2014, from \$76.3 million to \$79.5 million, and tourism-related employment increased by nearly two percent according to the Wisconsin Department of Tourism. The County's agricultural sector also continues to prosper: the USDA estimates that Polk County farmers harvested over 5.1 million bushels of corn in 2014 and over 70,000 tons of hay. Manufacturing accounts for a large share of the county's economy and appears to have largely recovered from the recession with employment jumping over seven percent from 2012 to 2013. This is especially significant because manufacturing payroll accounts for the largest share of total payroll in Polk County. Finally, the County's health industry also continues to expand, with St. Croix Regional Medical Center constructing another clinic in northern Polk County this past year.

Polk County has taken steps to respond to this changing economic outlook and ensure stable finances into the future. The General Fund unassigned fund balance has been increased to over 25 percent of expenditures, all assigned or committed funds are reviewed at least annually, and two funds have been created, one to cover future liabilities from employee sick leave payouts on retirement, the other to provide funding for internal investments that result in future savings such investments in lighting to improve energy efficiency.

Other Operational Highlights

In addition to the financial management improvements mentioned above, other County departments also reached operational goals in 2014.

- ◆ The County continued to show prudent fiscal management, with no levy increase for the third year in a row and a stable and substantial fund balance.
- ◆ Despite an extreme winter, Polk County's Highway Department ended the year under budget and improved the overall quality rating of the County's road system.
- ◆ With the improvement of the overall real estate market, Polk County began an aggressive program to sell off tax forfeited property using an online auction tool. Three auctions were held in 2014, resulting in net revenues of \$324,239.
- ◆ Polk County also overhauled its website in 2014, replacing the old site with one that is far more customer focused along with mobile and social media support.
- ◆ The County also made significant changes to its compensation system in 2014, implementing a new, simplified classification system, a new wellness program and options to the current health insurance system including a high-deductible health plan with a health savings account.
- ◆ For the first time ever, Polk County now has a comprehensive database of all County-owned real property, including highway rights of way, tax forfeited property, forest property, and all other property. This inventory was accompanied by a new policy on

real property management including standardized lease provisions and forms for property that is rented to outside agencies.

Other Financial Information

Single Audit

As a recipient of federal, state, and local financial assistance, the County must have adequate internal controls and procedures to ensure financial integrity and to be in compliance with the applicable laws and regulations related to those programs. Our internal controls are evaluated periodically by management and the internal audit staff. In addition, our internal controls are subject to review annually by our Auditors.

As part of the County's Single Audit, described on page one, tests are made to determine the adequacy of the internal controls surrounding the federal financial assistance programs. For the fiscal year ended December 31, 2014, our auditors found no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations pertaining to the Single Audit.

The Office of Management and Budget's (OMB) Circular A-133 sets forth the audit requirements for state and local governments receiving federal assistance. It provides for a single independent audit of the financial operations, including the compliance with certain provisions of federal law and regulations. The requirements have been established to ensure that audits are made on an organizational-wide basis rather than a grant-by-grant basis. The grants for which these requirements apply are reported in the County's Schedule of Expenditures of Federal Awards.

Internal Controls

The County's system of internal controls is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs as noted above. Polk County has adopted an organic budget code, i.e. one which comprehensively governs the preparation, submission, and execution of the annual budget. The internal auditor administers a broad scope auditing program to review and evaluate the adequacy and effectiveness of the County's internal controls.

The General Government Committee consisted of five County Supervisors in 2014. The Committee (that succeeded the Finance Committee) reviews the annual audit report with the external auditors. The internal auditor, other County personnel, and representatives from our auditors meet periodically with the General Government Committee to discuss audit concerns.

In developing and evaluating the County's financial management system, consideration is given to the adequacy of the internal accounting controls. These controls provide reasonable, but not absolute, assurance in the following areas: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgeting Controls

Budgetary control is maintained at the fund level, and it is subject to periodic review by the County's administrator, finance manager and General Government Committee. Open encumbrances are reported as assignments of fund balance as of December 31, 2014. In addition, the County maintains budgetary controls at fund and department levels, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's governing body. Activities of the General, Special Revenue, Debt Service, and Capital Projects Funds are included in the annual appropriated budget. The County maintains a tracking system for all assigned and committed balances to help in budgetary control. All assigned and committed balances lapse unless the County Board acts to continue this assignment or commitment as part of the annual budget process.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

Long Term Financial Planning

Polk County policies require that the County undertake long term financial planning in conjunction with the annual budget process and as part of an annual review of the County's current and pending debt service obligations. The budget policy requires that the county administrator submit a budget with at least one forward year (the year following the budget year) estimate; current practice is to project revenues and expenditures for two years. The debt management policy requires that the finance manager annually prepare a debt affordability study that considers the ongoing ability of the County to meet all debt service obligations, necessitating an estimate of revenues and expenditures for the period for which such obligations are outstanding. In addition, the County also prepares a five-year plus capital improvement plan that considers the resources needed to meet these potential costs and demand for other expenditures.

These reviews have not identified any major gap between revenues and expenditures, and actions taken to fully fund the future retirement liability for sick leave payouts as well as capping that liability by shifting to a PTO policy improve the County's long term fiscal outlook. The County has taken steps to increase the unassigned General Fund balance to improve financial stability and to offset some of the need for future debt issuance for capital improvements, including Highway Department renovation or building construction. An increase in the sales tax reserve also serves a similar function. Finally, the decision to establish an asset protection and internal investment revolving loan fund will allow for funding projects with a demonstrable payback in terms of savings in operating costs such as energy efficiency projects.

Independent Audit

Wisconsin State Statutes require an audit to be made of the financial statements of the County by an independent auditor team. In addition to meeting the requirements in the state statutes, the audit must also meet the requirements of the federal Single Audit Act of 1984 and the Single Audit Amendment of 1996 and related OMB Circular A-133. These requirements have been met and the Auditor's opinion has been included in this report. The Auditor will also issue a management and compliance letter covering the testing of the County's system of internal

controls and compliance with applicable legal provisions. The management and compliance letter will not modify or affect this report on the financial statements.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Polk County for the year ended December 31, 2013. This is the sixth year the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Invitation and Acknowledgments

I invite you to read the remainder of this Comprehensive Annual Financial Report. Polk County provides a variety of services financed with various funds. It must follow specific rules and policies in the administration of these resources. If you have questions regarding any of the materials presented, please contact the department of administration. Our goal is to keep you well informed about your County's government.

I would like to recognize the professional contributions made by the staff of County departments, the finance manager and finance team, and the department of administration. This report would not have been completed without the efficient and dedicated services of the entire staff. I especially want to thank the General Government Committee, department heads, and the County Board of Supervisors for their interest and support in planning and conducting the financial activities in a responsible and progressive manner. The County's excellent financial status is a tribute to that involvement and commitment.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Dana Frey".

Dana Frey
Polk County Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

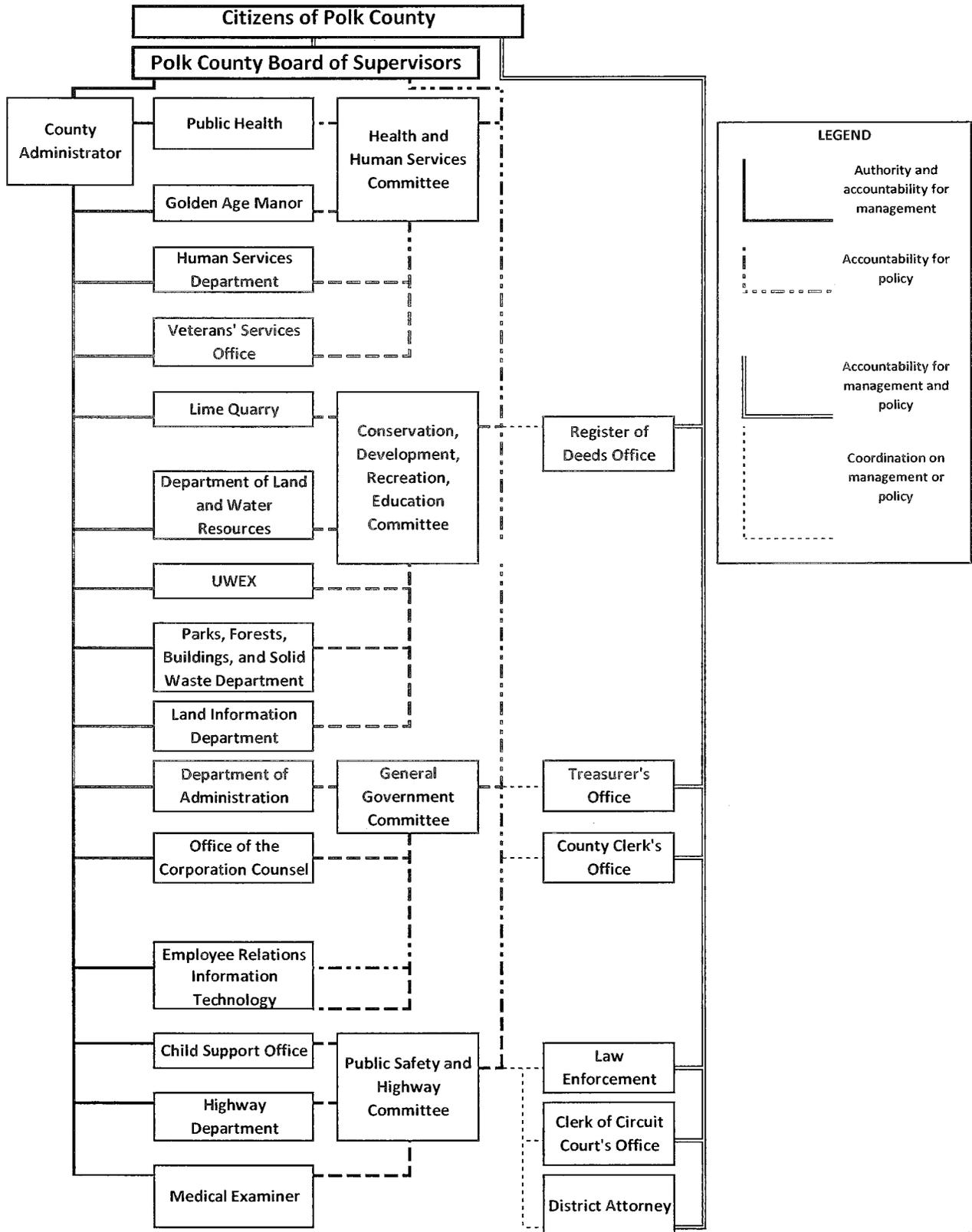
**Polk County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**POLK COUNTY, WISCONSIN
ORGANIZATIONAL CHART
DECEMBER 31, 2014**



**POLK COUNTY, WISCONSIN
LIST OF PRINCIPALS
DECEMBER 31, 2014**

List of Principals

Office	Name	Term Expires
Supervisors:		
1st District	William F. Johnson IV	April 2016
2nd District	Patricia Schmidt	April 2016
3rd District	Dean K. Johansen	April 2016
4th District	Josh Hallberg	April 2016
5th District	Craig Moriak	April 2016
6th District	Ken Sample	April 2016
7th District	Marvin Caspersen	April 2016
8th District	James S. Edgell	April 2016
9th District	Kim O'Connell	April 2016
10th District	Larry Jepsen	April 2016
11th District	Jay Luke	April 2016
12th District	Warren Nelson	April 2016
13th District	Russel Arcand	April 2016
14th District	John Bonneprise	April 2016
15th District	Joseph Demulling	April 2016
Officers:		
Elected:		
Circuit Judge, Branch 1	Molly E. GaleWyrick	July 2020
Circuit Judge, Branch 2	Jeff Anderson	July 2017
Clerk of Circuit Court	Jobie Bainbridge	December 2018
County Clerk	Carole Wondra	December 2016
County Treasurer	Amanda Nissen	December 2016
District Attorney	Daniel P. Steffen	December 2016
Register of Deeds	Laurie Anderson	December 2016
Sheriff	Peter Johnson	December 2018

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

County Board of Supervisors
Polk County, Wisconsin

Report on 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 Polk County, Wisconsin (the County) as of and for the year ended December 31, 2014, 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.

Auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 Polk County, Wisconsin as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedule of funding progress, as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Polk County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

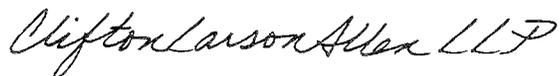
The combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

County Board of Supervisors
Polk County, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2015 on our consideration of Polk County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 27, 2015

REQUIRED SUPPLEMENTARY INFORMATION

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

As management of Polk County, Wisconsin (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Polk County for the year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 25 following this narrative.

FINANCIAL HIGHLIGHTS

- The assets of Polk County's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$78,356,798 (net position). Of this amount, \$60,423,376 represented the County's net investment in capital assets, \$2,142,700 was held for restricted purposes, and \$15,790,722 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$3,763,868. Net position related to the governmental activities and business-type activities of the County increased \$3,721,208 and \$42,660, respectively.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$16,531,297, an increase of \$1,213,226 from the previous year. The primary component of the increase was due to the operational results of the county sales tax, Public Health, and ADRC special revenue funds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,443,384 or 36.51% of total general fund expenditures.
- Golden Age Manor Nursing Home finished 2014 with an increase in net position of \$131,405, including depreciation.
- The lime quarry fund finished 2014 with net position decreasing \$88,745.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Polk County's basic financial statements. The 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 two government-wide financial statements are designed to provide readers with a broad overview of Polk County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Polk County's assets, liabilities and deferred inflows/outflows 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 County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal 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., uncollected taxes and earned but unused vacation leave).

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (Continued)

Both of the government-wide financial statements distinguish functions of Polk 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, transportation, sanitation, health and human services, culture, recreation and education, and conservation and development. The business-type activities of the County consist of a nursing home and lime quarry operations.

The government-wide financial statements can be found beginning on page 25 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. Polk 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.

Polk County maintains seventeen 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, the human services special revenue fund and the debt service fund, all of which are considered to be major funds. Data from the other fourteen 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.

The fund level financial statements can be found beginning on page 27 of this report.

Proprietary Funds – Polk County maintains two 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 its nursing home and its lime quarry operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Polk County uses internal service funds to account for its highway department operations and self-funded health insurance program.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Proprietary Funds (Continued) – Because all of 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 information for the nursing home and the lime quarry operations, both considered major funds. Conversely, the two 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 beginning on page 31 of this report.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement 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. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 35 of this report.

Notes to the 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 beginning on page 36 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets. Required supplementary information can be found beginning on page 66 of this report.

Following the basic government-wide and fund financial statements, accompanying notes, and required supplementary information, supplementary information has been provided as part of this report. The supplementary information includes combining statements for the nonmajor governmental funds and internal service funds, and individual fund statements for selected funds. This other supplementary information section begins on page 71.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Polk County, assets exceeded liabilities and deferred inflows of resources by \$80,412,321 at the close of the most recent fiscal year. The largest portion of Polk County's net position (78%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those assets that is 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. The following is a summary of the County's statement of net position:

**Condensed Statement of Net Position
December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 45,309,712	\$ 43,309,116	\$ 1,951,716	\$ 1,445,140	\$ 47,261,428	\$ 44,754,256
Capital Assets	77,286,791	78,949,356	2,416,945	2,466,986	79,703,736	81,416,342
Internal Balances	1,243,873	914,390	(1,243,873)	(914,390)	-	-
Total Assets	123,840,376	123,172,862	3,124,788	2,997,736	126,965,164	126,170,598
Noncurrent Liabilities Outstanding	16,069,920	18,926,950	410,076	363,688	16,479,996	19,290,638
Other Liabilities	7,669,710	8,066,410	659,189	621,185	8,328,899	8,687,595
Total Liabilities	23,739,630	26,993,360	1,069,265	984,873	24,808,895	27,978,233
Deferred Inflows of Resources	21,743,948	21,543,912	-	-	21,743,948	21,543,912
Net Position:						
Net Investment in Capital Assets	60,423,376	58,646,307	2,370,801	2,414,352	62,794,177	61,060,659
Restricted	2,142,700	2,035,978	10,288	16,575	2,152,988	2,052,553
Unrestricted	15,790,722	13,953,305	(325,566)	(418,064)	15,465,156	13,535,241
Total Net Position	\$ 78,356,798	\$ 74,635,590	\$ 2,055,523	\$ 2,012,863	\$ 80,412,321	\$ 76,648,453

An additional portion of Polk County's net position (3%) represents resources that are subject to other restrictions on how they may be used. The remaining \$15,465,156 of total net position (19%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2014, Polk County is able to report positive balances in all three categories of net position, for the government as a whole and for the governmental activities. The business-type activities report negative unrestricted net position.

The condensed statement of changes in net position shown on the following page shows that the County's total net position increased by \$3,763,868 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$3,721,208 and an increase in net position related to business-type activities in the amount of \$42,660.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

The following is a summary of the changes in the County's net position:

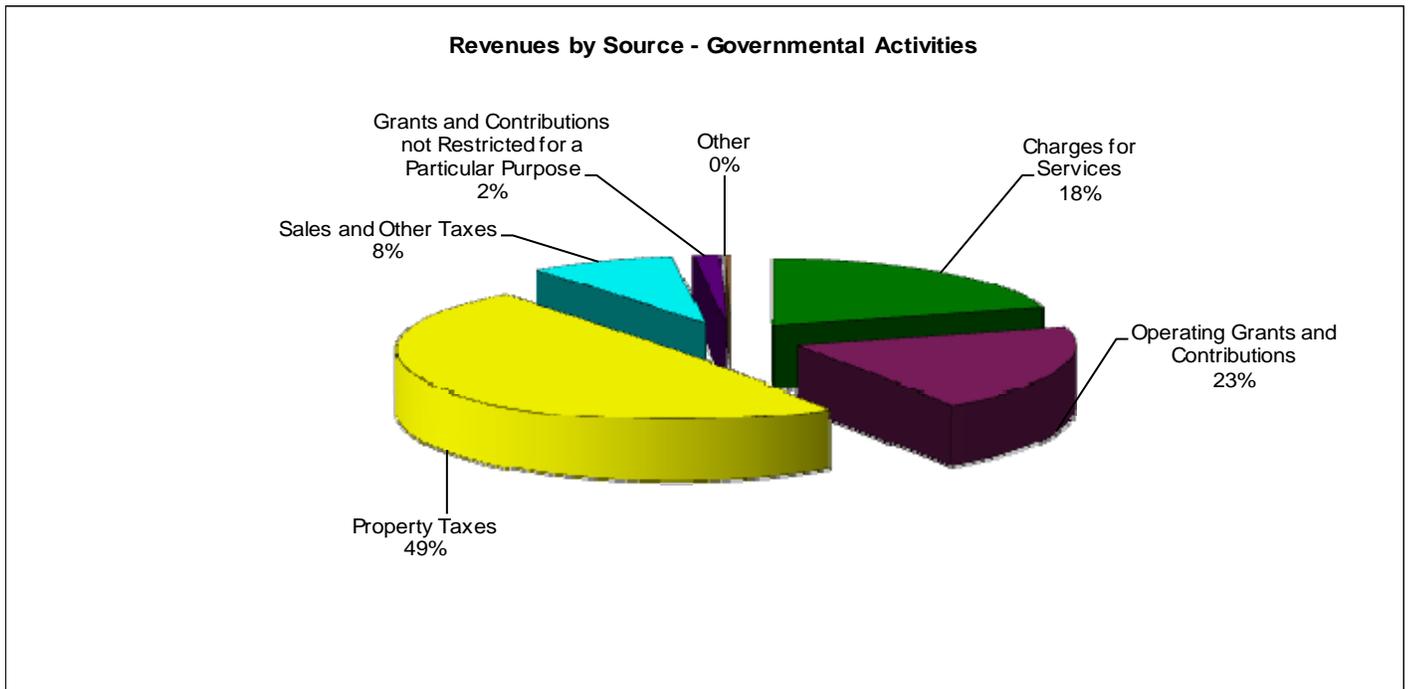
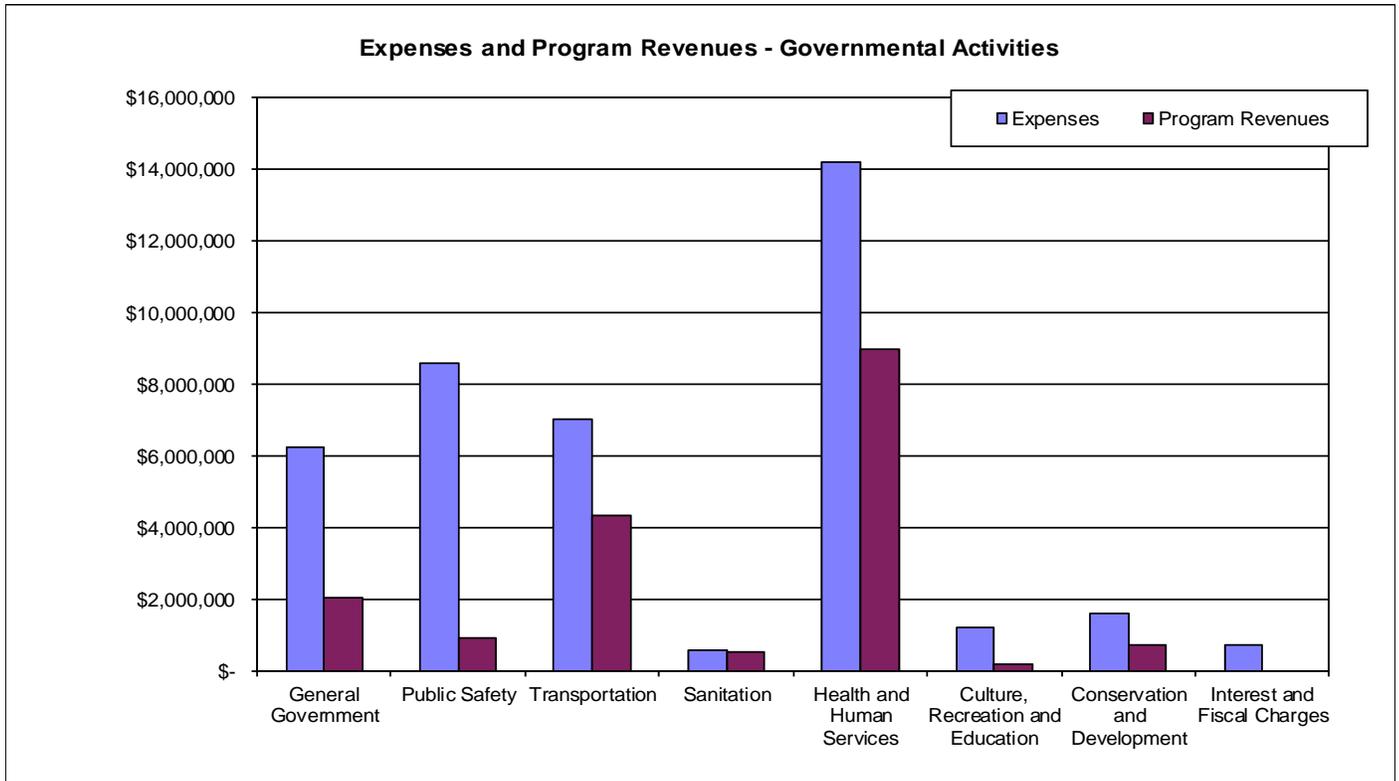
**Condensed Statement of Changes in Net Position
Years Ended December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 9,092,912	\$ 9,505,810	\$ 7,535,702	\$ 7,281,446	\$ 16,628,614	\$ 16,787,256
Operating Grants and Contributions	8,703,610	8,133,807	998,419	1,009,352	9,702,029	9,143,159
Capital Grants and Contributions	-	-	-	27,000	-	27,000
General Revenues:						
Property Taxes	21,543,913	21,654,312	-	-	21,543,913	21,654,312
Other Taxes	3,663,141	3,293,356	-	-	3,663,141	3,293,356
State and Federal Aids not Restricted to Specific Programs	710,289	719,836	-	-	710,289	719,836
Unrestricted Investment Earnings	47,064	91,447	9	743	47,073	92,190
Other	100,380	305,541	35,184	22,494	135,564	328,035
Total Revenues	<u>43,861,309</u>	<u>43,704,109</u>	<u>8,569,314</u>	<u>8,341,035</u>	<u>52,430,623</u>	<u>52,045,144</u>
Expenses:						
General Government	6,254,818	6,461,023	-	-	6,254,818	6,461,023
Public Safety	8,601,409	8,435,003	-	-	8,601,409	8,435,003
Transportation	7,000,360	7,077,304	-	-	7,000,360	7,077,304
Sanitation	600,663	596,617	-	-	600,663	596,617
Health and Human Services	14,208,850	14,660,528	-	-	14,208,850	14,660,528
Culture, Recreation and Education	1,232,492	1,276,871	-	-	1,232,492	1,276,871
Conservation and Development	1,608,648	1,793,764	-	-	1,608,648	1,793,764
Interest and Fiscal Charges	754,538	869,951	-	-	754,538	869,951
Nursing Home	-	-	7,856,133	7,557,747	7,856,133	7,557,747
Lime Quarry	-	-	548,844	417,114	548,844	417,114
Total Expenses	<u>40,261,778</u>	<u>41,171,061</u>	<u>8,404,977</u>	<u>7,974,861</u>	<u>48,666,755</u>	<u>49,145,922</u>
Change in Net Position Before Transfers	3,599,531	2,533,048	164,337	366,174	3,763,868	2,899,222
Transfers	121,677	8,677	(121,677)	(8,677)	-	-
Change in Net Position	<u>3,721,208</u>	<u>2,541,725</u>	<u>42,660</u>	<u>357,497</u>	<u>3,763,868</u>	<u>2,899,222</u>
Net Position - Beginning of Year	74,635,590	72,093,865	2,012,863	1,655,366	76,648,453	73,749,231
Net Position - End of Year	<u>\$ 78,356,798</u>	<u>\$ 74,635,590</u>	<u>\$ 2,055,523</u>	<u>\$ 2,012,863</u>	<u>\$ 80,412,321</u>	<u>\$ 76,648,453</u>

A review of the statement of activities can provide a concise picture of how the various functions/programs of Polk County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (49%), charges for services (18%), and operating grants/contributions (23%).

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

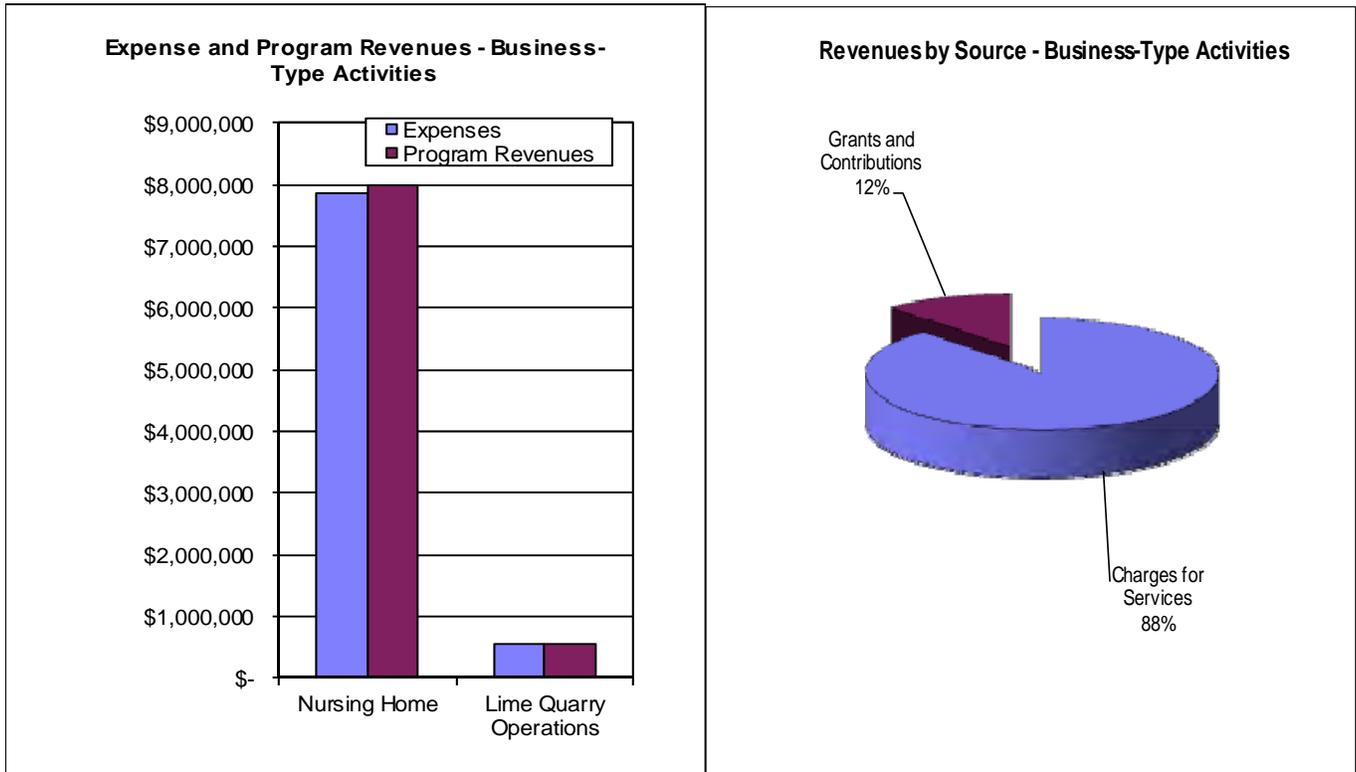
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)



**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

In the case of business-type activities, the data shows a considerably different picture. Charges for services (88%) replace property taxes as the primary revenue.



FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

As noted earlier, Polk 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 regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing Polk County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

Governmental Funds

At December 31, 2014, the County's governmental funds reported combined ending fund balances of \$16,531,297, an increase of \$1,213,226 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at 12/31/2014					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 4,499,302	\$ 201,127	\$ 16,693	\$ 966,109	\$ 8,443,384	\$ 14,126,615	\$ 781,326
Debt Service Fund	-	180,184	-	-	-	180,184	1,474
Nonmajor Funds:							
Special Revenue Funds	-	947,193	-	1,288,497	(11,192)	2,224,498	430,426
Total Fund Balances	\$ 4,499,302	\$ 1,328,504	\$ 16,693	\$ 2,254,606	\$ 8,432,192	\$ 16,531,297	\$ 1,213,226

Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

The general fund is the primary operating fund used to account for the governmental operations of Polk County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 61.1% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 36.5% of the same amount.

The general fund's total fund balance increased \$781,326 during the year; while the unassigned portion of the fund increased \$1,138,531. The increase in the unassigned balance was due to the positive variances in the general fund budget.

The County's human services fund had a \$-0- balance at year-end. This ending fund balance is due to a County Board resolution requiring the fund balance to be closed to the general fund at year end. A transfer from the general fund to the human fund in the amount of \$411,378 was required in 2014 to cover the deficit in the human services fund resulting from 2014 operations.

The debt service fund balance at December 31, 2014 totaled \$180,184. This balance is expected to be used to finance future debt service requirements.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

The aggregated other governmental funds column includes various special revenue and capital project funds. The accumulated fund balances of these funds increased \$430,426 during 2014, primarily due to the excess of revenues in the county sales tax fund over amounts applied by the County to reduce its levy. These funds are individually detailed in the supplementary information section of this report.

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS

Proprietary Funds

Polk County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As shown below, the net position of the enterprise-type proprietary funds at the end of 2014 totaled \$2,055,523, an increase of \$42,660 from the previous year's adjusted balance.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2014 and 2013**

	Nursing Home		Lime Quarry		Totals	
	2014	2013	2014	2013	2014	2013
Operating Revenues	\$ 6,999,787	\$ 6,776,890	\$ 560,099	\$ 527,050	\$ 7,559,886	\$ 7,303,940
Operating Expenses:						
Depreciation	176,904	159,993	108,687	109,086	285,591	269,079
Other	7,648,899	7,361,409	440,157	373,355	8,089,056	7,734,764
Nonoperating Income (Expense)	979,098	973,750	-	65,327	979,098	1,039,077
Income (Loss) Before Transfers	153,082	229,238	11,255	109,936	164,337	339,174
Transfers and Capital Contributions	(21,677)	5,323	(100,000)	13,000	(121,677)	18,323
Change in Net Position	131,405	234,561	(88,745)	122,936	42,660	357,497
Net Position - Beginning of Year	414,503	179,942	1,598,360	1,475,424	2,012,863	1,655,366
Net Position - End of Year	<u>\$ 545,908</u>	<u>\$ 414,503</u>	<u>\$ 1,509,615</u>	<u>\$ 1,598,360</u>	<u>\$ 2,055,523</u>	<u>\$ 2,012,863</u>

The increase in the net position of the nursing home was \$131,405. This increase is primarily due to a decrease in operating expenses related to daily patient services. As shown above, the change in net position was an increase of \$131,405 compared to an increase of \$234,561 in the previous year.

The net position of the lime quarry fund at December 31, 2014 totaled \$1,509,615, a decrease of \$88,745 from the previous year.

The County had two internal service funds during 2014. Net position of the funds at year-end and changes thereto during the year were as follows:

	Net Position at 12/31/14	Change During Year
Highway Department	\$ 6,991,692	\$ 325,157
Self-Funded Health Insurance	2,107,194	1,220,776

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

The County uses the highway department fund to account for road maintenance and construction and related services provided to the County, the State of Wisconsin, and local governmental units. Annual appropriations for services for the County and related state and federal aids received are initially recorded in the general fund and paid to the highway fund.

Revenues of the health insurance fund consist principally of charges to departments and retirees based on rates determined by the County. Any accumulated balance is considered in the rate determination process.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the budgetary comparison schedule for the general fund (in required supplementary information), the final 2014 general fund budget was amended for additional expenditures not originally included in adopted budget. The final actual revenues were \$21,622,279 which were \$725,086 more than the final budgeted revenues while the final actual expenditures were \$23,124,252 which were \$1,242,473 less than the final budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's net investment in capital assets for its governmental and business-type activities as of December 31, 2014 were \$77,286,791 and \$2,416,945, respectively, as shown below:

**Capital Assets (Net of Depreciation)
December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Not Subject to Depreciation:						
Land and Land Rights	\$ 1,820,390	\$ 2,018,294	\$ 171,162	\$ 174,441	\$ 1,991,552	\$ 2,192,735
Construction Work in Process	328,405	120,954	-	-	328,405	120,954
Subject to Depreciation:						
Land Improvements	82,202	96,149	13,641	14,403	95,843	110,552
Buildings and Improvements	20,485,872	21,278,206	1,239,401	1,137,570	21,725,273	22,415,776
Equipment and Vehicles	9,195,347	9,674,103	992,741	1,140,572	10,188,088	10,814,675
Highway Infrastructure	44,359,825	44,719,700	-	-	44,359,825	44,719,700
Other Infrastructure	1,014,750	1,041,949	-	-	1,014,750	1,041,949
Total	<u>\$ 77,286,791</u>	<u>\$ 78,949,355</u>	<u>\$ 2,416,945</u>	<u>\$ 2,466,986</u>	<u>\$ 79,703,736</u>	<u>\$ 81,416,341</u>

Additional information related to the County's capital assets is reported in Note 3.C following the financial statements.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Obligations

At December 31, 2014, Polk County had outstanding \$21,252,197 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations
December 31, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Total Outstanding	
	2014	2013	2014	2013	2014	2013
General Obligation Debt:						
Bonds	\$ 13,675,000	\$ 16,715,000	\$ -	\$ -	\$ 13,675,000	\$ 16,715,000
Notes	2,425,000	2,680,000	42,586	48,713	2,467,586	2,728,713
Subtotal	16,100,000	19,395,000	42,586	48,713	16,142,586	19,443,713
Other Long-Term Obligations:						
Capital Leases Payable	199,772	228,701	3,558	3,921	203,330	232,622
Forest Crop Loans Payable	158,494	209,792	-	-	158,494	209,792
Estimated Employee Leave	2,682,414	1,959,764	273,300	307,091	2,955,714	2,266,855
Other Postemployment Health Care Benefits	1,394,315	1,259,150	397,758	314,691	1,792,073	1,573,841
Total	\$ 20,534,995	\$ 23,052,407	\$ 717,202	\$ 674,416	\$ 21,252,197	\$ 23,726,823

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a County may not exceed 5 percent of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Polk County outstanding at December 31, 2014 totaled \$16,142,586, approximately 8 percent of the maximum legal limit of \$200,462,375. Additional information on Polk County's long-term debt is reported in Note 3.E following the financial statements.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2014**

CURRENTLY KNOWN FACTS

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids. For the 2014 budget year, Polk County utilized an operating levy rate of \$4.19, a debt levy rate of \$0.93, and a special purpose levy rate of \$0.16 for a total mill rate of \$5.27/\$1,000 of valuation. The operating levy limit under this restriction was \$4.81. The County's actual operating levy was \$0.62/\$1,000 under this levy limit. The levy limit related to property tax levy rates was suspended by the State for the 2012 and 2013 budget years.

The State of Wisconsin has imposed further limits on the County's property tax levy beginning with the 2008 budget year levy. Essentially, the legislation restricts the growth in the County's property taxes (except for debt service, libraries, road and bridge aid, and tax increments) to the greater of the percentage increase in the County's equalized value due to new construction or 2% (0% or net new construction only in 2013). The County approved a levy of \$21,825,016 for its 2014 budget, an increase of \$281,104 (1.3%) from the 2013 budget levy of \$21,543,912.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Polk County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Polk County Administration Office, 100 Polk County Plaza, Suite 220, Balsam Lake, Wisconsin, 54810.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Treasurer's Cash and Investments	\$ 15,876,456	\$ 393,447	\$ 16,269,903
Departmental Cash and Investments	26,311	1,200	27,511
Cash and Investments with Fiscal Agents	66,892	-	66,892
Taxes Receivable	25,588,497	-	25,588,497
Accounts Receivable	1,678,751	734,448	2,413,199
Due from Other Governments	668,206	477,700	1,145,906
Long-Term Receivables	875,971	-	875,971
Prepaid Items	8,250	18,409	26,659
Inventories	520,378	289,390	809,768
Internal Balances	1,243,873	(1,243,873)	-
Restricted Assets:			
Cash and Investments	-	37,122	37,122
Capital Assets:			
Capital Assets Not Being Depreciated	2,148,795	171,162	2,319,957
Capital Assets Being Depreciated	133,403,198	7,129,799	140,532,997
Accumulated Depreciation	(58,265,202)	(4,884,016)	(63,149,218)
Total Assets	<u>123,840,376</u>	<u>3,124,788</u>	<u>126,965,164</u>
LIABILITIES			
Vouchers and Accounts Payable	1,376,298	90,031	1,466,329
Accrued Payables	602,414	179,600	782,014
Accrued Interest Payable	61,775	37,501	99,276
Claims Incurred but not Reported	481,305	-	481,305
Unearned Revenue	76,458	18,097	94,555
Special Deposits	42,742	26,834	69,576
Long-Term Liabilities:			
Amounts Due Within One Year	5,028,718	307,126	5,335,844
Amounts Due in More Than One Year	16,069,920	410,076	16,479,996
Total Liabilities	<u>23,739,630</u>	<u>1,069,265</u>	<u>24,808,895</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes for Subsequent Year	<u>21,743,948</u>	<u>-</u>	<u>21,743,948</u>
NET POSITION			
Net Investment in Capital Assets	60,423,376	2,370,801	62,794,177
Restricted for:			
Debt Service	118,409	-	118,409
Economic and Housing Loan Programs	990,845	-	990,845
Other Purposes	1,033,446	10,288	1,043,734
Unrestricted	15,790,722	(325,566)	15,465,156
Total Net Position	<u>\$ 78,356,798</u>	<u>\$ 2,055,523</u>	<u>\$ 80,412,321</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS						
Primary Government:						
Governmental Activities:						
General Government	\$ 6,254,818	\$ 1,795,934	\$ 269,961	\$ (4,188,923)	\$ -	\$ (4,188,923)
Public Safety	8,601,409	685,028	249,800	(7,666,581)	-	(7,666,581)
Transportation	7,000,360	2,684,195	1,646,609	(2,669,556)	-	(2,669,556)
Sanitation	600,663	392,288	159,565	(48,810)	-	(48,810)
Health and Human Services	14,208,850	3,147,622	5,797,346	(5,263,882)	-	(5,263,882)
Culture, Recreation and Education	1,232,492	23,705	190,224	(1,018,563)	-	(1,018,563)
Conservation and Development	1,608,648	364,140	390,105	(854,403)	-	(854,403)
Interest and Fiscal Charges	754,538	-	-	(754,538)	-	(754,538)
Total Governmental Activities	<u>40,261,778</u>	<u>9,092,912</u>	<u>8,703,610</u>	<u>(22,465,256)</u>	<u>-</u>	<u>(22,465,256)</u>
Business-Type Activities:						
Nursing Home	7,856,133	6,975,603	998,419	-	117,889	117,889
Lime Quarry	548,844	560,099	-	-	11,255	11,255
Total Business-Type Activities	<u>8,404,977</u>	<u>7,535,702</u>	<u>998,419</u>	<u>-</u>	<u>129,144</u>	<u>129,144</u>
Total Primary Government	<u>\$ 48,666,755</u>	<u>\$ 16,628,614</u>	<u>\$ 9,702,029</u>	<u>(22,465,256)</u>	<u>129,144</u>	<u>(22,336,112)</u>
GENERAL REVENUES						
Taxes:						
Property Taxes				21,543,913	-	21,543,913
Sales Taxes				2,843,982	-	2,843,982
Other Taxes				819,159	-	819,159
State and Federal Aids Not Restricted to Specific Programs				710,289	-	710,289
Interest and Investment Earnings				47,064	9	47,073
Other				100,380	35,184	135,564
TRANSFERS				<u>121,677</u>	<u>(121,677)</u>	<u>-</u>
Total General Revenues and Transfers				<u>26,186,464</u>	<u>(86,484)</u>	<u>26,099,980</u>
CHANGE IN NET POSITION				<u>3,721,208</u>	<u>42,660</u>	<u>3,763,868</u>
Net Position - Beginning of Year				<u>74,635,590</u>	<u>2,012,863</u>	<u>76,648,453</u>
NET Position - END OF YEAR				<u>\$ 78,356,798</u>	<u>\$ 2,055,523</u>	<u>\$ 80,412,321</u>

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

**POLK COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS					
Treasurer's Cash and Investments	\$ 9,212,494	\$ 597,446	\$ 180,184	\$ 1,644,858	\$ 11,634,982
Departmental Cash and Investments	6,285	19,826	-	-	26,111
Cash Held by Fiscal Agents	66,892	-	-	-	66,892
Taxes Receivable	17,882,449	3,611,103	3,861,651	233,294	25,588,497
Accounts Receivable	437,089	281,662	-	918,124	1,636,875
Due from Other Funds	664,462	-	-	-	664,462
Prepaid Items	8,250	-	-	-	8,250
Long-Term Accounts Receivable	-	-	-	875,971	875,971
Advances to Other Funds	646,503	-	-	-	646,503
Total Assets	<u>\$ 28,924,424</u>	<u>\$ 4,510,037</u>	<u>\$ 4,041,835</u>	<u>\$ 3,672,247</u>	<u>\$ 41,148,543</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Vouchers and Accounts Payable	\$ 383,987	\$ 744,857	\$ -	\$ 169,159	\$ 1,298,003
Accrued Payables	352,606	116,684	-	43,742	513,032
Due to Other Funds	-	-	-	67,092	67,092
Unearned Revenues	-	17,967	-	58,491	76,458
Special Deposits	23,316	19,426	-	-	42,742
Total Liabilities	<u>759,909</u>	<u>898,934</u>	<u>-</u>	<u>338,484</u>	<u>1,997,327</u>
DEFERRED INFLOWS OF RESOURCES:					
Succeeding Year's Property Taxes	14,037,900	3,611,103	3,861,651	233,294	21,743,948
Unavailable Revenue - Long-Term Receivable	-	-	-	875,971	875,971
Total Deferred Inflows of Resources	<u>14,037,900</u>	<u>3,611,103</u>	<u>3,861,651</u>	<u>1,109,265</u>	<u>22,619,919</u>
FUND BALANCES					
Nonspendable	4,499,302	-	-	-	4,499,302
Restricted	201,127	-	180,184	947,193	1,328,504
Committed	16,693	-	-	-	16,693
Assigned	966,109	-	-	1,288,497	2,254,606
Unassigned	8,443,384	-	-	(11,192)	8,432,192
Total Fund Balances	<u>14,126,615</u>	<u>-</u>	<u>180,184</u>	<u>2,224,498</u>	<u>16,531,297</u>
Total Liabilities and Fund Balances	<u>\$ 28,924,424</u>	<u>\$ 4,510,037</u>	<u>\$ 4,041,835</u>	<u>\$ 3,672,247</u>	<u>\$ 41,148,543</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014**

Total Fund Balances - Governmental Funds \$ 16,531,297

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 1,802,671	
Land Improvements	575,040	
Buildings and Improvements	33,895,479	
Machinery and Equipment	11,253,097	
Infrastructure	76,918,289	
Other Infrastructure	1,353,910	
Construction Work-in-Progress	328,405	
Accumulated Depreciation	<u>(53,465,084)</u>	72,661,807

Some receivables are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

875,971

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. These liabilities consist of:

Bonds Payable	13,675,000	
Notes Payable	2,425,000	
Accrued Interest Payable	61,775	
Forest Crop Loans	158,494	
Capital Lease	199,772	
Other Postemployment Health Care Benefits	1,394,315	
Estimated Employee Leave Liability	<u>2,333,164</u>	(20,247,520)

Debt premiums are deferred in the statement of net position and amortized over the lives of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred.

Unamortized Bond Premiums		(563,643)
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Internal service funds are used by County management to account for highway department operations and to charge the costs of its self-funded health insurance program to functions. The assets and liabilities of the internal service funds are reported in governmental activities.

9,098,886

Net Position of Governmental Activities **\$ 78,356,798**

POLK COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 14,274,873	\$ 3,614,763	\$ 4,167,976	\$ 3,129,442	\$ 25,187,054
Intergovernmental	3,842,460	3,183,487	-	2,520,913	9,546,860
Licenses and Permits	297,241	-	-	47,137	344,378
Fines and Forfeits	120,421	-	-	41,723	162,144
Public Charges for Services	1,790,933	2,282,145	-	512,760	4,585,838
Intergovernmental Charges for Services	514,769	-	-	-	514,769
Miscellaneous:					
Interest	44,374	-	-	110	44,484
Rent	301,728	-	-	-	301,728
Other	435,480	-	-	23,388	458,868
Total Revenues	<u>21,622,279</u>	<u>9,080,395</u>	<u>4,167,976</u>	<u>6,275,473</u>	<u>41,146,123</u>
EXPENDITURES					
CURRENT					
General Government	6,095,060	-	-	9,945	6,105,005
Public Safety	7,503,077	-	-	150,875	7,653,952
Transportation	4,726,090	-	-	-	4,726,090
Sanitation	606,452	-	-	-	606,452
Health and Human Services	1,569,915	9,473,074	-	2,786,825	13,829,814
Culture, Recreation and Education	962,319	-	-	212,287	1,174,606
Conservation and Development	1,661,339	-	-	39,516	1,700,855
DEBT SERVICE					
Principal Retirement	-	-	3,323,929	51,298	3,375,227
Interest and Fiscal Charges	-	-	882,573	-	882,573
Total Expenditures	<u>23,124,252</u>	<u>9,473,074</u>	<u>4,206,502</u>	<u>3,250,746</u>	<u>40,054,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(1,501,973)	(392,679)	(38,526)	3,024,727	1,091,549
OTHER FINANCING SOURCES (USES)					
Transfers In	2,694,677	440,679	40,000	-	3,175,356
Transfers Out	(411,378)	(48,000)	-	(2,594,301)	(3,053,679)
Total Other Financing Sources (Uses)	<u>2,283,299</u>	<u>392,679</u>	<u>40,000</u>	<u>(2,594,301)</u>	<u>121,677</u>
NET CHANGE IN FUND BALANCES					
	781,326	-	1,474	430,426	1,213,226
Fund Balances - Beginning of Year	13,345,289	-	178,710	1,794,072	15,318,071
FUND BALANCES - END OF YEAR	<u>\$ 14,126,615</u>	<u>\$ -</u>	<u>\$ 180,184</u>	<u>\$ 2,224,498</u>	<u>\$ 16,531,297</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

Net Change in Fund Balances - Total Governmental Funds \$ 1,213,226

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 2,084,757	
Depreciation Expense Reported in the Statement of Activities	(3,515,721)	

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the proceeds from sales increase financial resources and trade-ins are not reflected in capital outlays. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year.

Net Book Value of Assets Disposed	(246,698)	(1,677,662)
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Receivables not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

10,991

Long-term debt and related obligations incurred in governmental funds are reported as revenues/other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net position and do not affect the statement of activities. Also, governmental funds report the effect of issuance costs, discounts, premiums and similar items when issued, whereas these amounts are deferred and amortized in the statement of activities. Such items are:

Amortization of Premiums on Bonds Issued		115,705
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Repayment of long-term debt and related items are reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Bond Principal Retirement	3,040,000	
Long-Term Notes Principal Retirement	255,000	
Capital Lease Principal Repayment	28,929	
Forest Crop Loan Paid	51,298	3,375,227

Internal service funds are used by County management to account for highway department operations and to charge the costs of its self-funded health insurance program to functions. The changes in net position of these internal service funds are allocated to governmental activities.

1,545,933

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Net Change in Accrued Interest Payable	12,330	
Net Change in Compensated Absences Liability	(739,377)	
Net Change in Other Postemployment Benefits	(135,165)	(862,212)

Change in Net Position of Governmental Activities **\$ 3,721,208**

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Totals</u>	Activities - Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ -	\$ 393,447	\$ 393,447	\$ 4,241,474
Departmental Cash and Investments	1,000	200	1,200	200
Accounts Receivable	670,597	63,851	734,448	41,876
Due from Other Governmental Units	477,700	-	477,700	668,206
Inventories	40,452	248,938	289,390	520,378
Prepaid Items	15,799	2,610	18,409	-
Total Current Assets	<u>1,205,548</u>	<u>709,046</u>	<u>1,914,594</u>	<u>5,472,134</u>
NONCURRENT ASSETS				
Restricted Cash and Investments	37,122	-	37,122	-
Capital Assets Not Being Depreciated	6,605	164,557	171,162	17,719
Capital Assets Being Depreciated	5,420,031	1,709,768	7,129,799	9,407,383
Less: Accumulated Depreciation	<u>3,904,194</u>	<u>979,822</u>	<u>4,884,016</u>	<u>4,800,118</u>
Net Capital Assets	<u>1,522,442</u>	<u>894,503</u>	<u>2,416,945</u>	<u>4,624,984</u>
Total Assets	<u>2,765,112</u>	<u>1,603,549</u>	<u>4,368,661</u>	<u>10,097,118</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	82,348	7,683	90,031	78,295
Accrued Wages Payable	173,141	6,459	179,600	89,382
Resident Trust Funds	26,834	-	26,834	-
Accrued Interest Payable	37,501	-	37,501	-
Due to Other Funds	597,370	-	597,370	-
Claims Incurred but not Reported	-	-	-	481,305
Unearned Revenues	-	18,097	18,097	-
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	229,526	33,235	262,761	261,461
Long-Term Notes	<u>44,365</u>	<u>-</u>	<u>44,365</u>	<u>-</u>
Total Current Liabilities	<u>1,191,085</u>	<u>65,474</u>	<u>1,256,559</u>	<u>910,443</u>
LONG-TERM LIABILITIES, (Net of Current Portion)				
Accrued Employee Leave	-	10,539	10,539	87,789
Advances from General Fund	646,503	-	646,503	-
Other Postemployment Health Care Benefits	379,837	17,921	397,758	-
Capital Lease	<u>1,779</u>	<u>-</u>	<u>1,779</u>	<u>-</u>
Total Long-Term Liabilities	<u>1,028,119</u>	<u>28,460</u>	<u>1,056,579</u>	<u>87,789</u>
Total Liabilities	<u>2,219,204</u>	<u>93,934</u>	<u>2,313,138</u>	<u>998,232</u>
NET POSITION				
Net Investment in Capital Assets	1,476,298	894,503	2,370,801	4,624,984
Restricted for Donation Funds	10,288	-	10,288	-
Unrestricted	<u>(940,678)</u>	<u>615,112</u>	<u>(325,566)</u>	<u>4,473,902</u>
Total Net Position	<u>\$ 545,908</u>	<u>\$ 1,509,615</u>	<u>\$ 2,055,523</u>	<u>\$ 9,098,886</u>

See accompanying Notes to Basic Financial Statements.

POLK COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Business-Type Activities - Enterprise Funds			Activities - Internal Service Funds
	Nursing Home	Lime Fund	Totals	
OPERATING REVENUES				
Charges for Services	\$ 6,975,603	\$ 560,099	\$ 7,535,702	\$ 13,364,280
Miscellaneous	24,184	-	24,184	426,260
Total Operating Revenues	<u>6,999,787</u>	<u>560,099</u>	<u>7,559,886</u>	<u>13,790,540</u>
OPERATING EXPENSES				
Daily Patient Services	4,325,553	-	4,325,553	-
Special Services	696,772	-	696,772	-
General Services	1,478,369	-	1,478,369	-
Other Cost Centers	229	-	229	-
Administrative Services	1,147,976	-	1,147,976	271,269
Lime Quarry Expenses	-	440,157	440,157	-
Transportation Services	-	-	-	6,213,565
Premiums and Claims	-	-	-	5,159,479
Unassigned:				
Depreciation and Depletion	176,904	108,687	285,591	600,294
Total Operating Expenses	<u>7,825,803</u>	<u>548,844</u>	<u>8,374,647</u>	<u>12,244,607</u>
OPERATING INCOME (LOSS)	(826,016)	11,255	(814,761)	1,545,933
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Transfer Program	1,004,706	-	1,004,706	-
Interest Revenue	9	-	9	-
Interest Expense on Long-Term Debt	(30,330)	-	(30,330)	-
Restricted Donations	(6,287)	-	(6,287)	-
Gain on Disposal of Capital Assets	11,000	-	11,000	-
Total Nonoperating Revenues (Expenses)	<u>979,098</u>	<u>-</u>	<u>979,098</u>	<u>-</u>
INCOME BEFORE TRANSFERS	153,082	11,255	164,337	1,545,933
TRANSFERS				
Transfers Out	<u>(21,677)</u>	<u>(100,000)</u>	<u>(121,677)</u>	<u>-</u>
CHANGE IN NET POSITION	131,405	(88,745)	42,660	1,545,933
Net Position - Beginning of Year	<u>414,503</u>	<u>1,598,360</u>	<u>2,012,863</u>	<u>7,552,953</u>
NET POSITION - END OF YEAR	<u>\$ 545,908</u>	<u>\$ 1,509,615</u>	<u>\$ 2,055,523</u>	<u>\$ 9,098,886</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Funds			Governmental
	Nursing Home	Lime Fund	Total	Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 6,926,587	\$ 516,394	\$ 7,442,981	\$ 7,353,785
Other Cash Received	24,184	-	24,184	-
Cash Received from Departments/Employees/Third-Parties	-	-	-	6,380,255
Cash Paid to Suppliers for Goods and Services	(3,770,949)	(306,626)	(4,077,575)	(8,385,434)
Cash Paid for Employee Services	(3,766,163)	(188,769)	(3,954,932)	(3,567,916)
Net Cash Provided (Used) by Operating Activities	(586,341)	20,999	(565,342)	1,780,690
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net Residents' Trust Funds Received (Paid)	(10,854)	-	(10,854)	-
Transfer In (Out)	(21,677)	(100,000)	(121,677)	-
Intergovernmental Transfer Program	527,006	-	527,006	-
Change in Cash Overdraft Funded by General County at Year-End	426,741	-	426,741	-
Net Cash Provided (Used) by Noncapital Financing Activities	921,216	(100,000)	821,216	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(213,116)	(14,596)	(227,712)	(649,605)
Cash Received from Sale of Capital Assets	8,500	-	8,500	45,771
Principal Paid on Advance from General Fund	(97,207)	-	(97,207)	-
Interest Paid on Advances from County	(29,715)	-	(29,715)	-
Principal Paid on Long-Term Notes	(11,878)	-	(11,878)	-
Interest on Long-Term Notes and Capital Leases	(2,342)	-	(2,342)	-
Net Cash Used by Capital and Related Financing Activities	(345,758)	(14,596)	(360,354)	(603,834)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	9	-	9	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,874)	(93,597)	(104,471)	1,176,856
Cash and Cash Equivalents - Beginning of Year	48,996	487,244	536,240	3,064,818
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 38,122</u>	<u>\$ 393,647</u>	<u>\$ 431,769</u>	<u>\$ 4,241,674</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (826,016)	\$ 11,255	\$ (814,761)	\$ 1,545,933
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Depletion	176,904	108,687	285,591	600,294
(Increase) Decrease in Asset Accounts:				
Resident Accounts Receivable	(49,017)	-	(49,017)	-
Other Accounts Receivable	-	(59,402)	(59,402)	(37,542)
Due from Other Governmental Units	-	-	-	77,202
Inventories	3,067	(41,046)	(37,979)	(21,970)
Prepaid Items	13,057	(6)	13,051	84,948
Increase (Decrease) in Liability Accounts:				
Unearned Revenues	-	15,697	15,697	(96,160)
Accounts Payable	29,688	(19,324)	10,364	(152,522)
Claims Incurred but not Reported	-	-	-	(210,357)
Accrued Wages Payable	20,831	1,007	21,838	19,147
Accrued Employee Leave	(35,736)	1,945	(33,791)	(16,727)
Other Postemployment Health Care Benefits	80,881	2,186	83,067	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (586,341)</u>	<u>\$ 20,999</u>	<u>\$ (565,342)</u>	<u>\$ 1,780,690</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ -	\$ 393,447	\$ 393,447	\$ 4,241,474
Departmental Cash and Investments	1,000	200	1,200	200
Restricted Cash and Investments	37,122	-	37,122	-
Cash and Cash Equivalents	<u>\$ 38,122</u>	<u>\$ 393,647</u>	<u>\$ 431,769</u>	<u>\$ 4,241,674</u>
NONCASH TRANSACTIONS				
Capital Assets Financed Through Capital Lease	\$ 5,337	\$ -	\$ 5,337	\$ -

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	<u>Agency Funds</u>
ASSETS	
Cash and Pooled Investments	\$ 975,515
Taxes Receivable	784,377
Special Assessments	<u>331</u>
Total Assets	<u><u>\$ 1,760,223</u></u>
LIABILITIES	
Due to Other Governments	\$ 1,356,341
Special Deposits	403,551
Districts/State Equities Uncollected Taxes	<u>331</u>
Total Liabilities	<u><u>\$ 1,760,223</u></u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Polk County, Wisconsin (the County) have been prepared in conformity with generally accepted accounting principles (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:

A. Financial Reporting Entity

Polk County is governed by a board of supervisors consisting of twenty-three elected members.

The financial reporting of the County is defined by the GASB to consist of (a) the Primary Government, (b) organizations for which the Primary Government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Primary Government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States of America, these financial statements present Polk County (Primary Government) and its component units for which the County is financially accountable. There is financial accountability if the Primary Government appoints a voting majority of an organization's governing body and had the ability to impose its will on that governing body; or there is the potential for the organization to provide specific financial benefits or to impose specific financial burden on the Primary Government. Based on the criteria for determining component units, the County is not required to include any component units.

B. Government-Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds) as described on the following page.

POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the non-fiduciary activities of the Primary Government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for all financial resources of the General Government, except those required to be accounted for in another fund.

Human Services Fund – The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs. These programs are funded primarily by property taxes, committed through the Board approved levy, and restricted intergovernmental revenues.

Debt Service Fund – The Debt Service Fund is used to account for the payment of principal and interest payments on long-term debt, which are financed by property tax revenue restricted through bond documents.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major enterprise funds:

Nursing Home Fund – This fund accounts for the operations of the County's nursing home.

Lime Fund – This fund is used to account for the County's lime quarry operations.

The County had no other enterprise funds to report as nonmajor funds.

Additionally, the County reports the following fund types:

Internal Service Fund – This fund is used to account for the operations of the County's highway department and transactions of its self-funded health insurance program.

Agency Fund – This fund is used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. The following County departments maintain agency funds: district attorney (forfeiture funds), treasurer (employee trust accounts), circuit court (safe-keeping of all funds ordered held in trust by the circuit court) tax agency (advance tax collections for other governments) and sheriff (inmate cash accounts).

C. Measurement Focus and Basis of Accounting

The government-wide and the proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the County gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency fund financial statements have no measurement focus.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed 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 generally considers revenues reported in the governmental funds to be available if they are collected within sixty days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The County reports deferred inflows of resources on its statement of net position and fund balance sheets. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the County before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflow of resources or the liability for unearned revenue is removed from the statement of net position and fund balance sheet and revenue is recognized.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between governmental activities and business-type activities for services provided.

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 nursing home are charges for resident services. The principal operating revenues of the lime fund are charges for the sale of products generated by its operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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

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

1. Cash and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of County funds is restricted by state statutes. Available investments are limited to:

- a) Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b) Bonds or securities issued or guaranteed by the federal government.
- c) Bonds or securities of any County, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
- d) Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e) Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f) Bonds or securities issued under the authority of the municipality.
- g) The local government investment pool.
- h) Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the *Wisconsin Statutes*. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at fair value.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

2. Receivables and Payables

Property Taxes – Property taxes are levied prior to the end of the calendar year and are due and collectible in the following year. Property taxes attach an enforceable lien as of January 1. In addition to property taxes for the County, taxes are also collected for and remitted to the state. Taxes billed for the state are recorded as receivables and due other governmental units in the agency fund statement of net position. Since County property taxes are not considered available until January 1 of the year following the levy, they are recorded as deferred inflows of resources in the funds budgeted therefore.

The County is also responsible for the collection of all delinquent and postponed property taxes levied by the local taxing districts within its boundaries, except delinquent personal property taxes which are retained by the local municipal district. Real property taxes are payable in full to the local districts on or before January 31 or, alternatively, if over \$100, can be paid in two equal installments with the first installment payable on or before January 31 and the second installment payable on or before July 31. Personal property taxes and special assessments, special charges (including delinquent utility billings) and special taxes placed on the tax roll are payable in full on or before January 31. All uncollected items on the current tax roll, except delinquent personal property taxes, are turned over to the Polk County Treasurer for collection in February. The County subsequently settles in full with the local districts in August of the same year. All uncollected taxes returned to the County for collection are financed through the general fund. A portion of the general fund's equity balance is nonspendable for the County's investment in delinquent taxes.

Accounts Receivable – Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material, except for the Golden Age Manor Nursing Home Enterprise Fund which reports \$140,000 of allowances for uncollectible accounts.

Loans Receivable – The County has received federal and state grant funds for financing economic development and housing rehabilitation loans to various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed. No allowance for uncollectible accounts is necessary. It is the County's policy in the fund financial statements, to record deferred inflow of resources for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received. Any unspent loan repayments at year-end are presented as restricted fund balance in the fund financial statements.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

2. Receivables and Payables (Continued)

Interfund Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Inventories and Prepaid Items

All inventories are valued at cost using the average cost method for the highway department and first-in/first-out (FIFO) for its nursing home and lime enterprise funds. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

5. Capital Assets

Government-Wide Statements – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In the case of initial capitalization of infrastructure, the County retroactively implemented the reporting of this item when GASB Statement No. 34 was implemented. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of two years or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized.

**POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

5. Capital Assets (Continued)

Government-Wide Statements (Continued) – Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

Capital assets not being depreciated are land and construction in progress. Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$ 5,000	Not Applicable	Not Applicable
Land Improvements	5,000	Straight-Line	15-25 Years
Buildings and Improvements	5,000	Straight-Line	10-35 Years
Machinery and Equipment	5,000	Straight-Line	4-20 Years
Infrastructure	5,000	Straight-Line	25-50 Years

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governmental fund financial statements of the County report deferred inflows in connection with receivables that are not considered to be available to liquidate liabilities of the current period, as well as with property taxes received or reported as receivable before the period for which the property taxes are levied. Only property taxes are reported as deferred inflows of resources in the government-wide financial statements.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

7. Compensated Absences

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year-end are further discussed in Note 4.A.

8. Other Postemployment Benefits Payable

Under the provisions of various employee and union contracts the County provides a retirement program for certain employees which includes certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded on a pay as you go basis. This amount was actuarially determined in accordance with GASB 45.

9. Long-Term Obligations

In the government-wide financial statements and proprietary 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 type statement of net position. In the governmental fund financial statements, 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.

10. Equity Classifications

Fund equity, representing the difference between assets, liabilities and deferred inflows/outflows, is classified as follows in the County's financial statements:

Government-Wide and Proprietary Fund Statements – Fund equity is classified as net position in the government-wide and proprietary fund financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (Continued)

10. Equity Classifications (Continued)

Fund Financial Statements – In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. It is the County's policy that at the end of each fiscal, the County will maintain unassigned portion of fund balance for cash flow in a range equal to 20 – 35 percent of the General Fund operating expenditure budget.

Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year-end. Fund balance policy #910 dated May 20, 2008 was adopted by the County Board in order to establish a framework for fund balance in the general fund. The County Board retains the authority to assign fund balance and does so annually at the May Board of Commissioner meeting for the previous year-end. When restricted and unrestricted fund balance is available for expenditure, it is the County's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available of expenditure, it is the County's policy to use committed, assigned and finally unassigned fund balance.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

At December 31, 2014, the Family Court Counseling, nonmajor special revenue fund, had deficit fund balances of \$11,192. The County plans to eliminate this deficit through future public charges for services.

B. Expenditures in Excess of Budget

At December 31, 2014, the County had the following fund with expenditures in excess of the approved budget:

Fund	Budget	Actual	Difference
Human Services	\$ 8,671,465	\$ 9,473,074	\$ (801,609)

The excess of expenditures over budget was financed with current year revenue budget excess and existing fund balance.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2014, as shown in the financial statements, is as follows:

Governmental Funds	\$ 11,727,985
Proprietary Funds	4,673,443
Fiduciary Funds	975,515
Total Cash and Investments	<u>\$ 17,376,943</u>

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments

Deposits at Financial Institutions		
County Funds	\$ 15,185,981	
Deposits in State Local Governments		
Pooled-Investment Fund	<u>1,672,812</u>	\$ 16,858,793

Departmental Cash and Investments

Deposits at Financial Institutions		
Funds Held in Trust	403,551	
Petty Cash	<u>7,085</u>	410,636

Cash and Investments Held by Fiscal Agents

Cafeteria Plan	3,500	
Cash Held by Mutual Insurance Corporation	<u>66,892</u>	70,392

Restricted Cash and Investments

Deposits in Financial Institutions		
Funds Held in Trust		37,122
Total Cash and Investments at December 31, 2014		<u>\$ 17,376,943</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the Village to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the County's deposits may not be returned. At December 31, 2014, the County's deposits were not exposed to custodial credit risk.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

Interest rate risk for investments is that changes in interest rates will adversely affect the fair value of an investment. The County's policy is to invest its funds in accordance with provisions of the *Wisconsin Statutes* previously discussed in Note 1.D.1.

Deposits in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2014 was 92 days.

Credit risk for investments is the risk that an issuer of other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the *Wisconsin Statutes* previously discussed in Note 1.D.1.

B. Receivables/Deferred Inflows of Resources

1. Taxes Receivable

Taxes receivable at December 31, 2014 totaled \$26,372,874. The taxes receivable amount is broken out between \$25,588,497 (\$22,528,325 current and \$3,844,549 delinquent) for governmental funds and \$784,377 for Agency Funds.

Delinquent taxes receivable in the agency fund includes prior year delinquent special assessments and other charges due local taxing districts. These amounts will be remitted to the districts when collected by the County.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources (Continued)

2. Long-Term Receivables

Long-term receivables in the governmental funds at December 31, 2014 are further detailed as follows:

Housing Rehabilitation Loans – The County was awarded federal Community Development Block Grant (CDBG) Program grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received on the original loans have been recorded in a separate housing revolving loan fund and are being used to finance similar loans eligible under the program. At December 31, 2014 the County had seventy-one (70) loans outstanding under this program with an outstanding balance of \$875,971 at that date. These loans are deferred until such time as the property is transferred or sold, at which time collections are recorded back into the revolving loan fund.

3. Deferred Inflows of Resources and Unearned Revenue

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

	Unavailable	Unearned	Total as of 12/31/14
2014 Tax Levy	\$ -	\$ 21,743,948	\$ 21,743,948
Grants			
Human Services Fund	-	17,967	17,967
Bioterrorism	-	14,001	14,001
Lime Fund	-	18,097	18,097
Snowmobile/ATV Trails Fund	-	44,490	44,490
Long-Term Receivables			
Housing Rehabilitation Loans	875,971	-	875,971
Total	<u>\$ 875,971</u>	<u>\$ 21,838,503</u>	<u>\$ 22,714,474</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,000,575	\$ -	\$ 197,904	\$ 1,802,671
Construction Work in Progress:				
Roadways	120,954	328,405	120,954	328,405
Total Capital Assets Not Being Depreciated	2,121,529	328,405	318,858	2,131,076
Capital Assets Being Depreciated:				
Land Improvements	575,040	-	-	575,040
Buildings and Improvements	33,803,552	99,890	7,963	33,895,479
Equipment and Vehicles	11,483,685	301,930	532,518	11,253,097
Highway Infrastructure	75,631,203	1,475,486	188,400	76,918,289
Other Infrastructure	1,354,010	-	100	1,353,910
Total Capital Assets Being Depreciated	122,847,490	1,877,306	728,981	123,995,815
Total Capital Assets	124,969,019	2,205,711	1,047,839	126,126,891
Accumulated Depreciation:				
Land Improvements	530,563	7,829	-	538,392
Buildings and Improvements	13,218,704	851,597	6,373	14,063,928
Equipment and Vehicles	5,656,719	793,835	485,414	5,965,140
Highway Infrastructure	30,911,503	1,835,361	188,400	32,558,464
Other Infrastructure	312,061	27,099	-	339,160
Total Accumulated Depreciation	50,629,550	3,515,721	680,187	53,465,084
Net Capital Assets - General County	<u>\$ 74,339,469</u>	<u>\$ (1,310,010)</u>	<u>\$ 367,652</u>	<u>\$ 72,661,807</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Governmental Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Highway Department:				
Capital Assets Not Being Depreciated:				
Land	\$ 17,719	\$ -	\$ -	\$ 17,719
Capital Assets Being Depreciated:				
Land Improvements	153,100	-	-	153,100
Buildings and Improvements	1,239,836	-	-	1,239,836
Machinery and Equipment	7,721,039	695,829	430,712	7,986,156
Other Capital Assets	33,413	-	5,122	28,291
Total Capital Assets Being Depreciated	9,147,388	695,829	435,834	9,407,383
Total Capital Assets	9,165,107	695,829	435,834	9,425,102
Accumulated Depreciation:				
Land Improvements	101,428	6,118	-	107,546
Buildings and Improvements	546,478	39,037	-	585,515
Machinery and Equipment	3,878,829	555,139	351,043	4,082,925
Other Capital Assets	28,486	-	4,354	24,132
Total Accumulated Depreciation	4,555,221	600,294	355,397	4,800,118
Net Capital Assets - Highway Department	<u>\$ 4,609,886</u>	<u>\$ 95,535</u>	<u>\$ 80,437</u>	<u>\$ 4,624,984</u>
Governmental Activities:				
Capital Assets Not Being Depreciated	\$ 2,139,248	\$ 328,405	\$ 318,858	\$ 2,148,795
Capital Assets Being Depreciated	131,994,878	2,573,135	1,164,815	133,403,198
Total Capital Assets	134,134,126	2,901,540	1,483,673	135,551,993
Less: Accumulated Depreciation	55,184,771	4,116,015	1,035,584	58,265,202
Net Capital Assets - Governmental Activities	<u>\$ 78,949,355</u>	<u>\$ (1,214,475)</u>	<u>\$ 448,089</u>	<u>\$ 77,286,791</u>

Depreciation expense was charged to governmental functions as follows:

General County:

General Government	\$ 197,402
Public Safety	1,075,462
Transportation	1,835,361
Sanitation	15,613
Health and Human Services	313,229
Culture, Recreation and Education	68,981
Conservation and Development	9,673
Subtotal General County	<u>3,515,721</u>

Highway Department:

Transportation	600,294
Total	<u>\$ 4,116,015</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Nursing Home:				
Capital Assets Not Being Depreciated:				
Land	\$ 6,605	\$ -	\$ -	\$ 6,605
Capital Assets Being Depreciated:				
Land Improvements	103,386	3,098	-	106,484
Buildings and Improvements	3,299,821	189,284	-	3,489,105
Fixed Equipment	835,186	8,900	-	844,086
Equipment and Vehicles	1,004,406	19,671	43,721	980,356
Total Capital Assets Being Depreciated	<u>5,242,799</u>	<u>220,953</u>	<u>43,721</u>	<u>5,420,031</u>
Total Capital Assets	5,249,404	220,953	43,721	5,426,636
Accumulated Depreciation:				
Land Improvements	100,435	1,462	-	101,897
Buildings and Improvements	2,162,251	87,453	-	2,249,704
Fixed Equipment	684,169	37,245	-	721,414
Equipment and Vehicles	824,157	50,743	43,721	831,179
Total Accumulated Depreciation	<u>3,771,012</u>	<u>176,903</u>	<u>43,721</u>	<u>3,904,194</u>
Net Capital Assets - Nursing Home	<u>\$ 1,478,392</u>	<u>\$ 44,050</u>	<u>\$ -</u>	<u>\$ 1,522,442</u>
Lime Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 167,836	\$ -	\$ 3,279	\$ 164,557
Capital Assets Being Depreciated:				
Land Improvements	47,953	-	-	47,953
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	1,622,548	14,596	-	1,637,144
Total Capital Assets Being Depreciated	<u>1,695,172</u>	<u>14,596</u>	<u>-</u>	<u>1,709,768</u>
Total Capital Assets	1,863,008	14,596	3,279	1,874,325
Accumulated Depreciation:				
Land Improvements	36,501	2,398	-	38,899
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	813,242	103,010	-	916,252
Total Accumulated Depreciation	<u>874,414</u>	<u>105,408</u>	<u>-</u>	<u>979,822</u>
Net Capital Assets - Lime Fund	<u>\$ 988,594</u>	<u>\$ (90,812)</u>	<u>\$ 3,279</u>	<u>\$ 894,503</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated	\$ 174,441	\$ -	\$ 3,279	\$ 171,162
Capital Assets Being Depreciated	6,937,971	235,549	43,721	7,129,799
Total Capital Assets	<u>7,112,412</u>	<u>235,549</u>	<u>47,000</u>	<u>7,300,961</u>
Less: Accumulated Depreciation	4,645,426	282,311	43,721	4,884,016
Net Capital Assets - Business-Type Activities	<u>\$ 2,466,986</u>	<u>\$ (46,762)</u>	<u>\$ 3,279</u>	<u>\$ 2,416,945</u>

POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2014

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

Depreciation was charged to business-type activities as follows:

Nursing Home	\$ 176,903
Lime Operations	105,408
Total	\$ 282,311

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2014 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Family Court Counseling	\$ 11,519
General Fund	Public Health Funds	55,573
General Fund	Nursing Home Fund	597,370
	Total	\$ 664,462

The above interfund balances represent the general fund's temporary financing of the cash overdrafts in the related funds at year-end.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nursing Home Fund	\$ 646,503

Long-term advances due the general fund from the Polk County Nursing Home Enterprise Fund at December 31, 2014 totaled \$646,503. Proceeds of a general obligation bond issue (retired in 1989) were advanced to the enterprise fund in 1979 to finance a construction project. The Enterprise Fund is to repay the principal balance to the General Fund at the rate of \$11,500 per year with the final payment of \$9,000 due March 1, 2015. The balance at December 31, 2014 was \$9,000. On April 10, 1997 the General Fund advanced \$180,000 to the enterprise fund. The loan is to be paid off over 20 years with an interest rate of 6.75 percent, with annual principal installments of \$9,000. The balance at December 31, 2014 was \$9,000. A State Trust Fund loan dated September 27, 1995 issued for nursing home purposes was assumed by the County and treated as an advance to the Home. The advance is to be paid off over 20 years with interest at five percent, with annual installments of \$11,922. The balance at December 31, 2014 was \$11,922. On April 1, 2008, the General Fund advanced \$889,910 to the enterprise fund. The loan is to be paid-off over nine years with an interest rate of four percent and principal payments varying from \$20,341 to \$213,578. The balance at December 31, 2014 was \$616,581.

Interfund Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Sales Tax Fund (NM)	\$ 2,500,000
General Fund	Human Services Fund	48,000
General Fund	Golden Age Manor	21,677
General Fund	Jail Assessment Fund (NM)	25,000
General Fund	Lime Fund	100,000
Human Services Fund	General Fund	411,378
Human Services Fund	Drivers Improvement Fund (NM)	29,301
Debt Service Fund	Jail Assessment Fund (NM)	40,000
	Total	<u>\$ 3,175,356</u>

The transfer from the Nonmajor Governmental Funds to the General Fund consisted of the amounts applied to the 2014 budget. The Transfer to the Human Services Fund from the General Fund was to cover the 2014 fund balance deficit. The additional transfer to the Human Services Fund represented the application of driver improvement fees.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Interfund Transfers (Continued)

Transfers to the Debt Service Fund were to repay debt from the Nonmajor Governmental Funds.

E. Long-Term Obligations

Changes in Long-Term Obligations

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

	Balance 1/1/14	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Long-Term Debt					
Governmental Activities					
General Obligation Bonds	\$ 16,715,000	\$ -	\$ 3,040,000	\$ 13,675,000	\$ 2,345,000
General Obligation Notes	2,680,000	-	255,000	2,425,000	775,000
Add: Unamortized Bond Premiums	679,348	-	115,705	563,643	-
Business-Type Activities					
General Obligation Notes	48,713	-	6,127	42,586	42,586
Capital Lease	3,921	5,337	5,700	3,558	1,779
Total Long-Term Debt	<u>\$ 20,126,982</u>	<u>\$ 5,337</u>	<u>\$ 3,422,532</u>	<u>\$ 16,709,787</u>	<u>\$ 3,164,365</u>
Other Long-Term Obligations					
Governmental Activities					
Governmental Funds					
Forest Loans Payable	\$ 209,792	\$ -	\$ 51,298	\$ 158,494	\$ -
Capital Leases	228,701	-	28,929	199,772	-
Employee Leave Liability	1,593,787	2,333,164	1,593,787	2,333,164	1,647,257
Other Postemployment Health Care Benefits	1,259,150	227,843	92,678	1,394,315	-
Highway Internal Service Fund					
Employee Leave Liability	365,977	349,250	365,977	349,250	261,461
Total Other Long-Term Obligations	<u>\$ 3,657,407</u>	<u>\$ 2,910,257</u>	<u>\$ 2,132,669</u>	<u>\$ 4,434,995</u>	<u>\$ 1,908,718</u>
Business-Type Activities					
Nursing Home Enterprise Fund					
Employee Leave Liability	\$ 265,262	\$ 229,526	\$ 265,262	\$ 229,526	\$ 229,526
Other Postemployment Benefits	298,956	136,337	55,456	379,837	-
Lime Enterprise Fund					
Employee Leave Liability	41,829	43,774	41,829	43,774	33,235
Other Postemployment Health Care Benefits	15,735	3,682	1,496	17,921	-
Total Other Long-Term Obligations	<u>\$ 621,782</u>	<u>\$ 413,319</u>	<u>\$ 364,043</u>	<u>\$ 671,058</u>	<u>\$ 262,761</u>

Other long-term obligations for governmental activities are normally liquidated within the general fund and state aid forestry funds.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

Annual Requirements for Retirement. Long-term general obligation debt issues outstanding at December 31, 2014 and annual requirements for their retirement were as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:				
General Obligation Bonds:				
General Obligation Refunding Bonds, \$18,500,000, Issued 3/15/05, Due 12/1/21, Interest at 3.00%-5.00%.	2015	\$ 2,345,000	\$ 644,305	\$ 2,989,305
	2016	2,620,000	527,055	3,147,055
	2017	1,860,000	396,055	2,256,055
	2018	2,010,000	325,375	2,335,375
	2019	2,140,000	229,900	2,369,900
	2020 - 2021	2,700,000	152,000	2,852,000
Subtotal		<u>13,675,000</u>	<u>2,274,690</u>	<u>15,949,690</u>
General Obligation Promissory Notes, \$3,500,000, Issued 12/15/07, Due 12/1/17, Interest at 4.00%.	2015	775,000	97,000	872,000
	2016	810,000	66,000	876,000
	2017	840,000	33,600	873,600
Subtotal		<u>2,425,000</u>	<u>196,600</u>	<u>2,621,600</u>
Total Governmental Activities		16,100,000	2,471,290	18,571,290
Business-Type Activities (Nursing Home):				
General Obligation Notes:				
Bank Note, \$90,000, dated 12/31/05, semiannual payments of \$4,131 on 4/1 and 10/1, final payment 10/1/15.	2015	42,586	1,807	44,393
Total Business-Type Activities		<u>42,586</u>	<u>1,807</u>	<u>44,393</u>
Total General Obligation Debt		<u>\$ 16,142,586</u>	<u>\$ 2,473,097</u>	<u>\$ 18,615,683</u>

General Obligation Debt Limitation. Section 67.03 of the *Wisconsin Statutes* restricts County general obligation debt to 5 percent of the equalized value of all property in the County. At December 31, 2014, the County's debt limit amounted to \$200,462,375 and indebtedness subject to the limitation totaled \$16,142,586.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

Operating Leases. The County has entered into a number of leases for the use of equipment and vehicles. The 2014 expenditures for these leases was \$38,145. Minimum lease payments over the term of these leases are as follows:

<u>Year</u>	<u>Total</u>
2015	\$ 66,542
2016	60,390
2017	52,494
Total	<u>\$ 179,426</u>

Capital Leases. The County has entered into a lease for the use of a Caterpillar in the Highway Fund. The County also entered into a lease for the purchase of energy conservation equipment. Golden Age Manor also entered into a capital lease for equipment. The assets acquired through capital leases are as follows:

	<u>Governmental Funds</u>	<u>Highway Internal Service Fund</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Equipment	\$ 441,048	\$ 134,350	\$ 575,398	\$ 20,846
Less: Accumulated Depreciation	(92,346)	(86,599)	(178,945)	(20,846)
Total	<u>\$ 348,702</u>	<u>\$ 47,751</u>	<u>\$ 396,453</u>	<u>\$ -</u>

Minimum lease payments over the term of the lease are as follows:

<u>Year</u>	<u>Governmental Funds</u>	<u>Business- Type Activities</u>
2015	\$ 38,146	\$ 1,779
2016	38,146	1,779
2017	38,146	-
2018	38,146	-
2019	38,146	-
2020	47,363	-
Subtotal	<u>238,093</u>	<u>3,558</u>
Less: Interest	(38,321)	-
Total	<u>\$ 199,772</u>	<u>\$ 3,558</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt (Continued)

County Forest Loans. Under Section 28.11(8) of the *Wisconsin Statutes*, counties which have established and maintained a County forest are eligible to receive annual payments from the state as a non-interest bearing loan to be used for the purchase, development, preservation and maintenance of the County forest lands. On timber cut from lands entered as "County forest lands", the County shall pay a severance share of not less than 20 percent of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and County. These severance share payments shall be credited against the cumulative payments made by the state to the County. Severance share payments shall not exceed the balance due the state. The County shall also reimburse the state the amount previously paid to the County on any County forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The cumulative loan balance due the state by the County under this program was \$158,494 at December 31, 2014.

F. Conduit Debt

The County was a party to a "joint powers and parity agreement" in 2006 among Polk County, the Town of St. Croix Falls, the Town of Milltown, and the Village of Milltown (collectively referred to as the Municipalities), St. Croix Regional Medical Center, Inc. (the Obligor) and U.S. Bank National Association, a national banking association (the Lender) for the purpose of the issuance of \$13 million of health care facilities revenue bonds by the Municipalities to the Lender in May 2006 with the proceeds therefore to be used by the Obligor for capital improvements and debt refinancing. Bonds issued by the County totaled \$5.0 million (Series 2006A). The bonds are subject to repayment solely from payments received by the Lender from the Obligor in accordance with underlying mortgage assignments and related agreements. The bonds are special limited obligations of the Municipalities and do not constitute a moral or general obligation of the Municipalities. In addition, the County issued \$4.3 million of health care facilities revenues bonds Series 2006B in December 2006. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the collective debt was \$7,680,960 at June 30, 2014 per audited financial statements of the Obligor.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2014 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:						
General Fund						
Delinquent Taxes	\$ 3,844,549	\$ 3,844,549	\$ -	\$ -	\$ -	\$ -
Interfund Advances	646,503	646,503	-	-	-	-
Prepaid Items	8,250	8,250	-	-	-	-
Redactions	70,811	-	70,811	-	-	-
Federal Forfeiture	28,673	-	28,673	-	-	-
Veterans Services Grant	11,999	-	11,999	-	-	-
Veterans Relief Grant	5,706	-	5,706	-	-	-
Library Operations	15,437	-	15,437	-	-	-
Internet Services	50,315	-	50,315	-	-	-
Maintenance of Forest Roads	16,507	-	16,507	-	-	-
Wildlife Damage	1,679	-	1,679	-	-	-
Conservation Projects	10,463	-	-	10,463	-	-
Meth Donations	1,083	-	-	1,083	-	-
Wellness	5,147	-	-	5,147	-	-
Asset Protection and Internal Investment	488,620	-	-	-	488,620	-
Employee Retirement	333,129	-	-	-	333,129	-
Vehicle Fleet	70,812	-	-	-	70,812	-
Recycling	17,227	-	-	-	17,227	-
Vending Machines	11,752	-	-	-	11,752	-
County Equipment Replacement	6,130	-	-	-	6,130	-
County Building Improvements	38,439	-	-	-	38,439	-
Unassigned	8,443,384	-	-	-	-	8,443,384
Subtotal General Fund	<u>14,126,615</u>	<u>4,499,302</u>	<u>201,127</u>	<u>16,693</u>	<u>966,109</u>	<u>8,443,384</u>
Human Services Fund	-	-	-	-	-	-
Debt Service Fund	180,184	-	180,184	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	261,514	-	261,514	-	-	-
Family Court Counseling Program	(11,192)	-	-	-	-	(11,192)
Jail Assessment Fees Program	45,351	-	45,351	-	-	-
WHEAP Grant Program	16,908	-	16,908	-	-	-
Bioterrorism Consortium Program	63,100	-	63,100	-	-	-
Dog License Fund	1,471	-	1,471	-	-	-
Drivers Improvement Program	1,787	-	1,787	-	-	-
Park Dedication Program	19,725	-	19,725	-	-	-
Snowmobile/ATV Trails	67,315	-	67,315	-	-	-
State Aid Forestry Program	18,777	-	18,777	-	-	-
Lake Improvement Program	86,712	-	86,712	-	-	-
Community Development Block Grant Program	114,874	-	114,874	-	-	-
County Sales Tax Program	1,288,497	-	-	-	1,288,497	-
ADRC Fund	249,659	-	249,659	-	-	-
Subtotal Nonmajor Funds	<u>2,224,498</u>	<u>-</u>	<u>947,193</u>	<u>-</u>	<u>1,288,497</u>	<u>(11,192)</u>
Total Governmental Funds Balances at December 31, 2014	<u>\$ 16,531,297</u>	<u>\$ 4,499,302</u>	<u>\$ 1,328,504</u>	<u>\$ 16,693</u>	<u>\$ 2,254,606</u>	<u>\$ 8,432,192</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION

A. Employee Leave Liability

Employees earn one day of sick leave per month with a maximum accumulation of one hundred twenty (120) days, except for law enforcement employees who are not subject to the maximum accumulation. Employees eligible for retirement as defined by the Wisconsin Retirement System have the option, upon retirement, of receiving payment for one-half of their accumulated sick leave up to a maximum of forty-five days or electing to bank the equivalent of 67 percent of their accrued sick leave for payment of health insurance premiums. For members of the law enforcement bargaining unit, the County is to transfer the total value of the accrued sick leave to the retiree's VEBA account. At December 31, 2014, sick leave earned and not taken was approximately \$45,266 in the nursing home enterprise fund, \$21,077 in the lime quarry enterprise fund, \$175,579 in the highway department internal service fund and \$1,371,815 in the governmental funds determined on the basis of current salary rates. The County has used the 67 percent maximum liability for employees eligible for retirement to determine its estimated liability.

Vacation is granted to employees in varying amounts based on length of service. Vacation for part-time employees is prorated. Employees are allowed to carry over to the following year one-half of their current year vacation. The estimated value of unrecorded vacation leave at December 31, 2014, was \$184,260 in the nursing home enterprise fund, \$22,697 in the lime quarry enterprise fund, \$173,671 in the highway department internal service fund, and \$961,349 in the governmental funds.

B. Employee Retirement Plan

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

Prior to June 29, 2011, covered employees in the general/teacher/educational support personnel category were required by statute to contribute 6.5% of their salary (3.9% for executive and elected officials, 5.8% for protective occupations with social security, and 4.8% for protective occupations without social security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Employee Retirement Plan (Continued)

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.31%
Protective without Social Security	7.00%	13.91%

The payroll for County employees covered by the WRS for the year ended December 31, 2014 was \$20,067,237; the employer's total payroll was \$20,674,449. The total required contribution for the year ended December 31, 2014 was \$2,878,352. Actual contributions consisted of \$1,471,902, or 7.3 percent of payroll from the employer and \$1,406,450, or 7.0 percent of payroll from employees, which represents 100.0% of the required contribution. Total contributions for the years ending December 31, 2013 and 2012 were \$2,782,535 and \$2,593,004, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five year of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. OPEB Disclosure

The County provides health insurance benefits for certain retired employees under a single-employer fully-insured plan. The County provides benefits for retirees as required by state statutes. Active employees who retire from the County when eligible to receive a retirement benefit from the Wisconsin Retirement System (WRS) (or similar plan) and do not participate in any other coverage with respect to both themselves and their eligible dependent(s) under the County's health benefits program. Pursuant to the provisions of the plan, retirees are required to pay varying percentages of the total premium cost. As of January 1, 2014, there were approximately 26 retirees receiving health benefits from the County's health plan.

1. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of fund that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost of 2014, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual Required Contribution (ARC):	\$	394,157
Interest on Net OPEB Obligation		62,954
Adjustment to ARC		<u>(89,248)</u>
Annual OPEB Cost		367,863
Contributions During the Year		<u>(149,631)</u>
Change in Net OPEB Obligation		218,232
Net OPEB - Beginning of the Year		<u>1,573,841</u>
Net OPEB - End of the Year	\$	<u><u>1,792,073</u></u>
Governmental Activities	\$	1,394,315
Business-Type Activities		<u>397,758</u>
Total OPEB Payable	\$	<u><u>1,792,073</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2014	\$ 367,863	\$ 149,631	40.7 %	\$ 1,792,073
December 30, 2013	438,537	242,664	55.3	1,573,454
December 30, 2012	439,383	210,651	47.9	1,377,581

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. OPEB Disclosure (Continued)

2. Funding Status

The County currently has no assets that have been irrevocably deposited in the trust for future health benefits. Therefore, the actuarial value of assets is zero.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
1/1/14	\$ -	\$ 2,664,659	\$ 2,664,659	-%	\$ 18,839,690	14.1 %

3. Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent discount rate, which is based on the estimated long-term investment yield on the general assets of the County using an underlying long-term inflation assumption of 2.5 percent. The annual healthcare cost trend rate is 7.5 percent initially, reduced incrementally to an ultimate rate of 5.0 percent over ten years. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County.

The County's liability insurance is provided by Wisconsin County Mutual Insurance Corporation (Corporation). The Corporation is a nonprofit corporation established by the Wisconsin Counties Association to provide general, auto and other liability insurance, substantially at cost and up to stated amounts, for its member counties. Wisconsin counties in good standing with the Wisconsin Counties Association are eligible to be members of the Corporation. Polk County, together with fifty-four other counties, is a member of the Corporation. This policy is assessable; therefore, to the extent actual losses and loss adjustment expenses vary from recorded amounts, policyholders may be required to make additional premium payments at such times as any excess of deficiency of losses and loss adjustment expenses is known. To date, no additional assessments have been made. All contributions by the Counties to provide initial support for the Corporation have been returned to the Counties. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage in any of the past three fiscal years.

The County has established a self-funded health insurance program. This program is funded by "premiums" charged monthly to the various County departments based on actual participation by employees and by payments from current and retired employees for their share of the cost. The plan is administered on a contract basis by an outside party. Claims are paid by the administrator and are reimbursed by the County. Reinsurance for both specific and annual aggregate stop-loss coverage is provided. Specific stop-loss covers individual claims in excess of \$85,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$5,393,561. The fund had a balance at December 31, 2014 of \$2,107,194.

Changes in the claims liabilities for 2014 and 2013 for the health insurance fund were as follows:

	<u>2014</u>	<u>2013</u>
Estimated Claims Outstanding - January 1	\$ 691,662	\$ 426,642
Current Year Claims and Changes	4,886,350	6,245,405
Claim Payments	(5,096,707)	(5,980,385)
Estimated Claims Outstanding - December 31	<u>\$ 481,305</u>	<u>\$ 691,662</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Contingencies

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County's legal advisors 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.

F. Other Matters

During 2011, a CDBG grant funded loan program in the amount of \$3,046,000 was awarded to the County consisting of \$2,260,000 phase I project funding, \$786,000 phase II project funding and \$6,000 administration cost funding associated with an economic development project for Kapco Inc. The phase I and administration funding components of this loan were issued during 2012. The County's responsibility at the time was to receipt the grant funds and remit phase I funding to Kapco Inc. and remit the administrative funding to West Central Wisconsin Regional Planning Commission (WCWRPC) who was assigned administration for the loan. Accordingly as directed by the Wisconsin Department of Administration (WI DOA), the County would hold no financial or oversight responsibility once the loan was assigned to Regional Business Fund, Inc., a non-profit entity administered by WCWRPC. Phase II funding has not occurred to-date.

During 2014, WI DOA decided the loan would not be assigned to RBF, Inc. As a result, the County is now responsible for the oversight responsibilities as outlined in the terms of the grant agreement and for tracking the outstanding balance of the loan. The terms of the program call for loan forgiveness if Kapco Inc. accomplishes defined performance measures. Due to the likelihood of meeting those terms, the County considers the full amount of loan funds forgivable. As a result, the financial impact to the County is zero as the associated \$2,260,000 loan receivable is fully offset by an allowance for uncollectible balance. If at a future date, it becomes likely Kapco Inc. will default on the forgivable terms of the loan, a portion of the loan could become callable and due.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,333,231	\$ 14,333,231	\$ 14,274,873	\$ (58,358)
Intergovernmental	3,638,218	3,638,218	3,842,460	204,242
Licenses and Permits	311,010	311,010	297,241	(13,769)
Fines and Forfeits	116,700	116,700	120,421	3,721
Public Charges for Services	1,651,581	1,651,581	1,790,933	139,352
Intergovernmental Charges for Services	402,875	402,875	514,769	111,894
Miscellaneous:				
Interest	87,146	87,146	44,374	(42,772)
Rent	289,890	289,890	301,728	11,838
Other	66,542	66,542	435,480	368,938
Total Revenues	<u>20,897,193</u>	<u>20,897,193</u>	<u>21,622,279</u>	<u>725,086</u>
EXPENDITURES				
General Government				
Legislative	123,301	123,301	136,704	(13,403)
Judicial	1,140,712	1,140,712	1,161,471	(20,759)
Legal	661,155	661,155	605,038	56,117
General Administration	2,164,089	2,133,064	1,944,521	188,543
Financial Administration	228,852	228,852	231,062	(2,210)
General Buildings and Plant	1,367,068	1,367,068	1,340,843	26,225
Property Records and Control	341,914	453,823	315,223	138,600
Tax Deed Expense and Refunds	33,600	33,600	16,207	17,393
Property and Liability Insurance	469,034	469,034	301,376	167,658
Asset Protection Fund Expenditures	271,000	287,000	-	287,000
Employee Retirement Fund Expenditures	109,769	109,769	-	109,769
Fleet Expenditures	(59,496)	(50,136)	34,715	(84,851)
Other General Government	4,000	14,721	7,900	6,821
Total General Government	<u>6,854,998</u>	<u>6,971,963</u>	<u>6,095,060</u>	<u>876,903</u>
Public Safety				
Sheriff and Traffic	5,013,245	5,022,443	4,769,973	252,470
Emergency Service and Disaster Control	102,069	102,069	108,092	(6,023)
Corrections and Detention	2,646,456	2,646,456	2,625,012	21,444
Total Public Safety	<u>7,761,770</u>	<u>7,770,968</u>	<u>7,503,077</u>	<u>267,891</u>
Transportation Facilities				
Appropriations to Highway Department	4,726,090	4,726,090	4,726,090	-
Sanitation				
Recycling	561,502	578,499	550,637	27,862
Solid Waste Management	32,802	32,802	39,293	(6,491)
Clean Sweep	14,000	14,000	16,522	(2,522)
Total Sanitation	<u>608,304</u>	<u>625,301</u>	<u>606,452</u>	<u>18,849</u>

The Notes to the Required Supplementary Information are an integral part of this schedule.

(Continued)

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
Health and Human Services				
General Health	\$ 869,299	\$ 869,299	\$ 836,057	\$ 33,242
Social Services	546,657	546,657	576,966	(30,309)
Veterans	160,421	176,502	156,892	19,610
Total Health and Human Services	<u>1,576,377</u>	<u>1,592,458</u>	<u>1,569,915</u>	<u>22,543</u>
Culture, Recreation and Education				
Culture	577,441	606,878	594,388	12,490
Public Areas	119,345	119,345	94,516	24,829
Recreation Facilities	22,748	22,748	22,033	715
Education	262,023	262,023	251,382	10,641
Total Culture, Recreation, and Education	<u>981,557</u>	<u>1,010,994</u>	<u>962,319</u>	<u>48,675</u>
Conservation and Development				
Resource Conservation	736,560	757,879	768,185	(10,306)
Planning	31,274	31,274	31,274	-
Zoning	774,056	774,056	743,908	30,148
Public Housing	1,970	1,970	-	1,970
Economic Development	103,772	103,772	117,972	(14,200)
Total Conservation and Development	<u>1,647,632</u>	<u>1,668,951</u>	<u>1,661,339</u>	<u>7,612</u>
Total Expenditures	<u>24,156,728</u>	<u>24,366,725</u>	<u>23,124,252</u>	<u>1,242,473</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(3,259,535)	(3,469,532)	(1,501,973)	1,967,559
OTHER FINANCING SOURCES (USES)				
Transfers In	2,765,889	2,771,889	2,694,677	(77,212)
Transfers Out	(704,000)	(704,000)	(411,378)	292,622
Total Other Financing Sources (Uses)	<u>2,061,889</u>	<u>2,067,889</u>	<u>2,283,299</u>	<u>215,410</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,197,646)</u>	<u>\$ (1,401,643)</u>	781,326	<u>\$ 2,182,969</u>
Fund Balance - Beginning of Year			<u>13,345,289</u>	
FUND BALANCE - END OF YEAR			<u>\$ 14,126,615</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,614,763	\$ 3,614,763	\$ 3,614,763	\$ -
Intergovernmental	4,092,492	4,092,492	3,183,487	(909,005)
Public Charges for Services	968,201	968,201	2,282,145	1,313,944
Total Revenues	<u>8,675,456</u>	<u>8,675,456</u>	<u>9,080,395</u>	<u>404,939</u>
EXPENDITURES				
Health and Human Services	8,671,482	8,671,465	9,473,074	(801,609)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,974	3,991	(392,679)	(396,670)
OTHER FINANCING SOURCES (USES):				
Transfers In	44,000	44,000	440,679	396,679
Transfers Out	(48,000)	(48,000)	(48,000)	-
Total Other Financing Sources (Uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>392,679</u>	<u>396,679</u>
NET CHANGE IN FUND BALANCE	<u>\$ 47,974</u>	<u>\$ 47,991</u>	-	<u>\$ 9</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

The Notes to the Required Supplementary Information are an integral part of this schedule.

**POLK COUNTY, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2014**

BUDGETARY INFORMATION

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund and human services fund is derived from the County’s annual operating budget.

The County's annual operating budget is adopted in accordance with Chapter 65 of the *Wisconsin Statutes* and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County’s legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. Governmental funds incorporated in the annual budget include: general fund, debt service fund and special revenue funds (human services, public health, immunization, consolidated grant, radon grant, environmental health, ADRC, snowmobiles/ATV trails, jail assessment fees, family court counseling, dog license, drivers improvement, park dedication, lake improvement state aided forestry, sanitary systems grants and the County sales tax funds). Also, any capital project fund with a balance will be incorporated into the annual budget. The County exercises budgetary expenditure control at the fund level.

Budget amounts in the financial statements include both the original adopted budget and the final budget. Changes to the budget during the year, if any, generally include amendments authorized by the governing body, additions of approved carryover amounts and appropriations of revenues and other sources for specified expenditures/uses. Appropriated budget amounts in the general fund lapse at the end of the year unless specifically carried over for financing subsequent year expenditures.

Fund	Budget	Actual	Difference
Human Services	\$ 8,671,465	\$ 9,473,074	\$ (801,609)

The above overage was financed by department revenues in excess of budgeted amounts.

**POLK COUNTY, WISCONSIN
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS
YEAR ENDED DECEMBER 31, 2014**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
1/1/14	\$ -	\$ 2,664,659	\$ 2,664,659	-	\$ 18,839,690	14.1 %
1/1/12	-	3,190,150	3,190,150	-	19,212,443	16.6
1/1/10	-	3,792,052	3,792,052	-	19,599,006	19.3

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Special Revenue Funds								
	Public Health	Family Court Counseling	Jail Assessment Fees	WHEAP Grant	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ ATV Trails
ASSETS									
Treasurer's Cash and Investments	\$ 236,717	\$ -	\$ 42,860	\$ 22,801	\$ 37,728	\$ 7,859	\$ -	\$ 19,725	\$ 112,003
Taxes Receivable	122,509	-	-	-	-	-	-	-	-
Accounts Receivable	124,608	327	2,491	-	41,300	-	1,787	-	-
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 483,834</u>	<u>\$ 327</u>	<u>\$ 45,351</u>	<u>\$ 22,801</u>	<u>\$ 79,028</u>	<u>\$ 7,859</u>	<u>\$ 1,787</u>	<u>\$ 19,725</u>	<u>\$ 112,003</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Vouchers Payable	\$ 21,703	\$ -	\$ -	\$ 5,893	\$ 327	\$ 6,388	\$ -	\$ -	\$ 198
Accrued Wages Payable	22,535	-	-	-	1,600	-	-	-	-
Due to Other Funds	55,573	11,519	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	14,001	-	-	-	44,490
Total Liabilities	<u>99,811</u>	<u>11,519</u>	<u>-</u>	<u>5,893</u>	<u>15,928</u>	<u>6,388</u>	<u>-</u>	<u>-</u>	<u>44,688</u>
DEFERRED INFLOWS OF RESOURCES									
Property Taxes for Subsequent Year	122,509	-	-	-	-	-	-	-	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>122,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	261,514	-	45,351	16,908	63,100	1,471	1,787	19,725	67,315
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(11,192)	-	-	-	-	-	-	-
Total Fund Balances	<u>261,514</u>	<u>(11,192)</u>	<u>45,351</u>	<u>16,908</u>	<u>63,100</u>	<u>1,471</u>	<u>1,787</u>	<u>19,725</u>	<u>67,315</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 483,834</u>	<u>\$ 327</u>	<u>\$ 45,351</u>	<u>\$ 22,801</u>	<u>\$ 79,028</u>	<u>\$ 7,859</u>	<u>\$ 1,787</u>	<u>\$ 19,725</u>	<u>\$ 112,003</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2014**

	Special Revenue Funds (Continued)					Total Nonmajor Governmental Funds
	State Aided Forestry Fund	Lake Improvement	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	
ASSETS						
Treasurer's Cash and Investments	\$ 5,720	\$ 86,712	\$ 114,874	\$ 862,314	\$ 95,545	\$ 1,644,858
Taxes Receivable	-	-	-	-	110,785	233,294
Accounts Receivable	13,057	-	-	426,183	308,371	918,124
Long-Term Receivables	-	-	875,971	-	-	875,971
Total Assets	<u>\$ 18,777</u>	<u>\$ 86,712</u>	<u>\$ 990,845</u>	<u>\$ 1,288,497</u>	<u>\$ 514,701</u>	<u>\$ 3,672,247</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ 134,650	\$ 169,159
Accrued Wages Payable	-	-	-	-	19,607	43,742
Due to Other Funds	-	-	-	-	-	67,092
Unearned Revenue	-	-	-	-	-	58,491
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,257</u>	<u>338,484</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes for Subsequent Year	-	-	-	-	110,785	233,294
Unavailable Revenue - Long-Term Receivables	-	-	875,971	-	-	875,971
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>875,971</u>	<u>-</u>	<u>110,785</u>	<u>1,109,265</u>
FUND BALANCES						
Restricted	18,777	86,712	114,874	-	249,659	947,193
Assigned	-	-	-	1,288,497	-	1,288,497
Unassigned	-	-	-	-	-	(11,192)
Total Fund Balances	<u>18,777</u>	<u>86,712</u>	<u>114,874</u>	<u>1,288,497</u>	<u>249,659</u>	<u>2,224,498</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,777</u>	<u>\$ 86,712</u>	<u>\$ 990,845</u>	<u>\$ 1,288,497</u>	<u>\$ 514,701</u>	<u>\$ 3,672,247</u>

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds								
	Public Health	Family Court Counseling	Jail Assessment Fees	WHEAP Grant	Bioterrorism Consortium	Dog License	Drivers Improvement	Park Dedication	Snowmobile/ ATV Trails
REVENUES									
Taxes	\$ 122,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	648,190	-	-	25,536	131,921	-	-	-	190,224
Licenses and Permits	-	-	-	-	-	18,591	28,546	-	-
Fines, Forfeits and Penalties	-	-	41,723	-	-	-	-	-	-
Public Charges for Services	502,915	9,845	-	-	-	-	-	-	-
Miscellaneous:									
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>1,273,614</u>	<u>9,845</u>	<u>41,723</u>	<u>25,536</u>	<u>131,921</u>	<u>18,591</u>	<u>28,546</u>	<u>-</u>	<u>190,224</u>
EXPENDITURES									
General Government	-	9,945	-	-	-	-	-	-	-
Public Safety	-	-	-	-	150,875	-	-	-	-
Health and Human Services	1,209,666	-	-	8,628	-	17,120	-	-	-
Culture, Recreation and Education	-	-	-	-	-	-	-	10,640	201,647
Conservation and Development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,209,666</u>	<u>9,945</u>	<u>-</u>	<u>8,628</u>	<u>150,875</u>	<u>17,120</u>	<u>-</u>	<u>10,640</u>	<u>201,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	63,948	(100)	41,723	16,908	(18,954)	1,471	28,546	(10,640)	(11,423)
OTHER FINANCING SOURCES (USES)									
Transfer Out	-	-	(65,000)	-	-	-	(29,301)	-	-
NET CHANGE IN FUND BALANCES	63,948	(100)	(23,277)	16,908	(18,954)	1,471	(755)	(10,640)	(11,423)
Fund Balances (Deficits) - Beginning of Year	197,566	(11,092)	68,628	-	82,054	-	2,542	30,365	78,738
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 261,514</u>	<u>\$ (11,192)</u>	<u>\$ 45,351</u>	<u>\$ 16,908</u>	<u>\$ 63,100</u>	<u>\$ 1,471</u>	<u>\$ 1,787</u>	<u>\$ 19,725</u>	<u>\$ 67,315</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds (Continued)					Total Nonmajor Governmental Funds
	State Aided Forestry Fund	Lake Improvement	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	
	\$ 51,298	\$ -	\$ -	\$ 2,843,982	\$ 111,653	\$ 3,129,442
	28,241	-	-	-	1,496,801	2,520,913
	-	-	-	-	-	47,137
	-	-	-	-	-	41,723
	-	-	-	-	-	512,760
REVENUES						
Taxes						
Intergovernmental	-	-	110	-	-	110
Licenses and Permits	-	-	23,120	-	268	23,388
Fines, Forfeits and Penalties	79,539	-	23,230	2,843,982	1,608,722	6,275,473
Public Charges for Services						
Miscellaneous:						
Interest	-	-	-	-	-	9,945
Other	-	-	-	-	-	150,875
Total Revenues	-	-	-	-	1,551,411	2,786,825
EXPENDITURES						
General Government	-	-	-	-	-	212,287
Public Safety	24,250	2,570	12,696	-	-	39,516
Health and Human Services						
Culture, Recreation and Education	51,298	-	-	-	-	51,298
Conservation and Development	75,548	2,570	12,696	-	1,551,411	3,250,746
Debt Service						
Principal Retirement	3,991	(2,570)	10,534	2,843,982	57,311	3,024,727
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(2,500,000)	-	(2,594,301)
OTHER FINANCING SOURCES (USES)						
Transfer Out	3,991	(2,570)	10,534	343,982	57,311	430,426
NET CHANGE IN FUND BALANCES	14,786	89,282	104,340	944,515	192,348	1,794,072
Fund Balances (Deficits) - Beginning of Year						
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 18,777</u>	<u>\$ 86,712</u>	<u>\$ 114,874</u>	<u>\$ 1,288,497</u>	<u>\$ 249,659</u>	<u>\$ 2,224,498</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
PUBLIC HEALTH SPECIAL REVENUE FUND
DECEMBER 31, 2014**

	Birth To Three	Suicide Prevention	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
ASSETS												
Treasurer's Cash and Investments	\$ 34,988	\$ 18,628	\$ -	\$ 69,184	\$ -	\$ 48,863	\$ 4,068	\$ -	\$ 7,154	\$ -	\$ 53,832	\$ 236,717
Taxes Receivable	122,509	-	-	-	-	-	-	-	-	-	-	122,509
Accounts Receivable	11,690	-	9,614	5,791	43,694	2,758	75	24,453	10,481	621	15,431	124,608
Total Assets	<u>\$ 169,187</u>	<u>\$ 18,628</u>	<u>\$ 9,614</u>	<u>\$ 74,975</u>	<u>\$ 43,694</u>	<u>\$ 51,621</u>	<u>\$ 4,143</u>	<u>\$ 24,453</u>	<u>\$ 17,635</u>	<u>\$ 621</u>	<u>\$ 69,263</u>	<u>\$ 483,834</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES												
Vouchers Payable	\$ 12,340	\$ 2,794	\$ 139	\$ -	\$ 4,712	\$ 376	\$ -	\$ 214	\$ 700	\$ -	\$ 428	\$ 21,703
Accrued Wages Payable	4,045	-	3,813	1,567	4,006	4,252	-	419	953	145	3,335	22,535
Due to Other Fund	-	-	1,631	-	18,456	-	-	35,037	-	449	-	55,573
Total Liabilities	<u>16,385</u>	<u>2,794</u>	<u>5,583</u>	<u>1,567</u>	<u>27,174</u>	<u>4,628</u>	<u>-</u>	<u>35,670</u>	<u>1,653</u>	<u>594</u>	<u>3,763</u>	<u>99,811</u>
DEFERRED INFLOWS OF RESOURCES												
Property Taxes for Subsequent Year	122,509	-	-	-	-	-	-	-	-	-	-	122,509
FUND BALANCE (DEFICIT)												
Restricted	<u>30,293</u>	<u>15,834</u>	<u>4,031</u>	<u>73,408</u>	<u>16,520</u>	<u>46,993</u>	<u>4,143</u>	<u>(11,217)</u>	<u>15,982</u>	<u>27</u>	<u>65,500</u>	<u>261,514</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 169,187</u>	<u>\$ 18,628</u>	<u>\$ 9,614</u>	<u>\$ 74,975</u>	<u>\$ 43,694</u>	<u>\$ 51,621</u>	<u>\$ 4,143</u>	<u>\$ 24,453</u>	<u>\$ 17,635</u>	<u>\$ 621</u>	<u>\$ 69,263</u>	<u>\$ 483,834</u>

POLK COUNTY, WISCONSIN
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC HEALTH SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2014

	Birth To Three	Suicide Prevention	WIC	Health Screening	Tobacco Coalition	Family Planning	MCH Car Seat	Immunization	Consolidated Grant Fund	Radon Grant Fund	Environmental Health Fund	Total
REVENUES												
Taxes	\$ 122,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,509
Intergovernmental	88,837	33,919	206,301	13,287	182,077	45,537	75	-	70,522	7,635	-	648,190
Public Charges for Services	50,974	-	-	75,213	-	138,519	-	38,368	-	-	199,841	502,915
Total Revenues	<u>262,320</u>	<u>33,919</u>	<u>206,301</u>	<u>88,500</u>	<u>182,077</u>	<u>184,056</u>	<u>75</u>	<u>38,368</u>	<u>70,522</u>	<u>7,635</u>	<u>199,841</u>	<u>1,273,614</u>
EXPENDITURES												
Health and Human Services	<u>262,539</u>	<u>33,683</u>	<u>204,560</u>	<u>63,509</u>	<u>174,988</u>	<u>183,056</u>	<u>123</u>	<u>38,208</u>	<u>59,233</u>	<u>7,646</u>	<u>182,121</u>	<u>1,209,666</u>
NET CHANGE IN FUND BALANCE	(219)	236	1,741	24,991	7,089	1,000	(48)	160	11,289	(11)	17,720	63,948
Fund Balance (Deficit) - Beginning of Year	<u>30,512</u>	<u>15,598</u>	<u>2,290</u>	<u>48,417</u>	<u>9,431</u>	<u>45,993</u>	<u>4,191</u>	<u>(11,377)</u>	<u>4,693</u>	<u>38</u>	<u>47,780</u>	<u>197,566</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 30,293</u>	<u>\$ 15,834</u>	<u>\$ 4,031</u>	<u>\$ 73,408</u>	<u>\$ 16,520</u>	<u>\$ 46,993</u>	<u>\$ 4,143</u>	<u>\$ (11,217)</u>	<u>\$ 15,982</u>	<u>\$ 27</u>	<u>\$ 65,500</u>	<u>\$ 261,514</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2014**

	Highway Department	Health Insurance Fund	Totals
ASSETS			
CURRENT ASSETS			
Treasurer's Cash and Investments	\$ 1,652,975	\$ 2,588,499	\$ 4,241,474
Petty Cash Funds	200	-	200
Accounts Receivable	41,876	-	41,876
Due from Other Governmental Units	668,206	-	668,206
Inventory	520,378	-	520,378
Total Current Assets	2,883,635	2,588,499	5,472,134
NONCURRENT ASSETS			
Capital Assets Not Being Depreciated	17,719	-	17,719
Capital Assets Being Depreciated	9,407,383	-	9,407,383
Less: Accumulated Depreciation	4,800,118	-	4,800,118
Net Capital Assets	4,624,984	-	4,624,984
Total Assets	7,508,619	2,588,499	10,097,118
LIABILITIES			
CURRENT LIABILITIES			
Vouchers and Accounts Payable	78,295	-	78,295
Claims Incurred but not Reported	-	481,305	481,305
Accrued Wages Payable	89,382	-	89,382
Accrued Employee Leave	261,461	-	261,461
Total Current Liabilities	429,138	481,305	910,443
LONG-TERM LIABILITIES, (Net of Current Portion)			
Accrued Employee Leave	87,789	-	87,789
Total Liabilities	516,927	481,305	998,232
NET POSITION			
Net Investment in Capital Assets	4,624,984	-	4,624,984
Unrestricted	2,366,708	2,107,194	4,473,902
Total Net Position	\$ 6,991,692	\$ 2,107,194	\$ 9,098,886

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2014**

	Highway Department	Self-Funded Health Insurance	Totals
OPERATING REVENUES			
Charges for Services	\$ 7,347,076	\$ 6,017,204	\$ 13,364,280
Other	63,209	363,051	426,260
Total Operating Revenues	<u>7,410,285</u>	<u>6,380,255</u>	<u>13,790,540</u>
OPERATING EXPENSES			
Transportation	6,797,132	-	6,797,132
Premiums and Claims	-	5,159,479	5,159,479
Administrative and General Expenses	271,269	-	271,269
Change in Accrued Employee Leave Liabilities	16,727	-	16,727
Total Operating Expenses	<u>7,085,128</u>	<u>5,159,479</u>	<u>12,244,607</u>
CHANGE IN NET POSITION	325,157	1,220,776	1,545,933
Net Position - Beginning of Year	<u>6,666,535</u>	<u>886,418</u>	<u>7,552,953</u>
NET POSITION - END OF YEAR	<u>\$ 6,991,692</u>	<u>\$ 2,107,194</u>	<u>\$ 9,098,886</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2014**

	Highway Department	Health Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Services Provided	\$ 7,353,785	\$ 6,380,255	\$ 13,734,040
Cash Paid to Suppliers for Goods and Services	(3,015,598)	(5,369,836)	(8,385,434)
Cash Paid for Employee Services	(3,567,916)	-	(3,567,916)
Net Cash Provided by Operating Activities	<u>770,271</u>	<u>1,010,419</u>	<u>1,780,690</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Sale of Capital Assets	45,771	-	45,771
Cash Paid for Acquisition of Capital Assets	(649,605)	-	(649,605)
Net Cash Used for Capital and Related Financing Activities	<u>(603,834)</u>	<u>-</u>	<u>(603,834)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	166,437	1,010,419	1,176,856
Cash and Cash Equivalents - Beginning of Year	<u>1,486,738</u>	<u>1,578,080</u>	<u>3,064,818</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,653,175</u>	<u>\$ 2,588,499</u>	<u>\$ 4,241,674</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 325,157	\$ 1,220,776	\$ 1,545,933
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	600,294	-	600,294
Loss (Gain) on Disposal of Capital Assets	(11,556)	-	(11,556)
(Increase) Decrease in Asset Accounts:			
Accounts Receivable	(37,542)	-	(37,542)
Due from Other Governmental Units	77,202	-	77,202
Inventories	(21,970)	-	(21,970)
Prepaid Items	84,948	-	84,948
Increase (Decrease) in Liability Accounts:			
Accounts Payable	(152,522)	-	(152,522)
Claims Incurred but not Reported	-	(210,357)	(210,357)
Unearned Revenue	(96,160)	-	(96,160)
Wages Payable	19,147	-	19,147
Accrued Employee Leave	(16,727)	-	(16,727)
Net Cash Provided by Operating Activities	<u>\$ 770,271</u>	<u>\$ 1,010,419</u>	<u>\$ 1,780,690</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	<u>Balance</u> <u>January 01, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
District Attorney				
<u>Assets</u>				
Cash and Pooled Investments	\$ 3,753	\$ 95,704	\$ 94,987	\$ 4,470
<u>Liabilities</u>				
Special Deposits	\$ 3,753	\$ 95,704	\$ 94,987	\$ 4,470
Treasurer				
<u>Assets</u>				
Cash and Pooled Investments	\$ 520,592	\$ 16,603,726	\$ 16,552,354	\$ 571,964
<u>Liabilities</u>				
Due to Other Governments	\$ 520,592	\$ 16,603,726	\$ 16,552,354	\$ 571,964
Circuit Court				
<u>Assets</u>				
Cash and Pooled Investments	\$ 418,345	\$ 2,804,213	\$ 2,842,538	\$ 380,020
<u>Liabilities</u>				
Special Deposits	\$ 418,345	\$ 2,804,213	\$ 2,842,538	\$ 380,020
Tax Agency				
<u>Assets</u>				
Cash and Pooled Investments	\$ 310	\$ 50,041,450	\$ 50,041,760	\$ -
Taxes Receivable	693,233	22,528,325	22,437,181	784,377
Special Assessments	331	-	-	331
Total Assets	<u>\$ 693,874</u>	<u>\$ 72,569,775</u>	<u>\$ 72,478,941</u>	<u>\$ 784,708</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 693,543	\$ 22,528,015	\$ 22,437,181	\$ 784,377
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	<u>\$ 693,874</u>	<u>\$ 22,528,015</u>	<u>\$ 22,437,181</u>	<u>\$ 784,708</u>

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2014**

	<u>Balance</u> <u>January 01, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
Sheriff				
<u>Assets</u>				
Cash and Pooled Investments	\$ 15,537	\$ 338,144	\$ 334,620	\$ 19,061
<u>Liabilities</u>				
Special Deposits	\$ 15,537	\$ 338,144	\$ 334,620	\$ 19,061
Total Agency Funds				
<u>Assets</u>				
Cash and Pooled Investments	\$ 958,537	\$ 69,883,237	\$ 69,866,259	\$ 975,515
Taxes Receivable	693,233	22,528,325	22,437,181	784,377
Special Assessments	331	-	-	331
Total Assets	<u>\$ 1,652,101</u>	<u>\$ 92,411,562</u>	<u>\$ 92,303,440</u>	<u>\$ 1,760,223</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 1,214,135	\$ 39,131,741	\$ 38,989,535	\$ 1,356,341
Special Deposits	437,635	3,238,061	3,272,145	403,551
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	<u>\$ 1,652,101</u>	<u>\$ 42,369,802</u>	<u>\$ 42,261,680</u>	<u>\$ 1,760,223</u>

STATISTICAL SECTION (UNAUDITED)

STATISTICAL INFORMATION SECTION (UNAUDITED)

This part of Polk County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

**POLK COUNTY, WISCONSIN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 41,455,678	\$ 46,730,441	\$ 41,266,442	\$ 46,207,346	\$ 48,488,858	\$ 51,858,738	\$ 55,031,898	\$ 56,816,037	\$ 58,646,307	\$ 60,423,376
Restricted	7,068,909	3,996,100	4,665,633	6,081,467	5,505,652	4,343,713	1,836,833	1,895,118	2,035,978	2,142,700
Unrestricted	9,214,409	9,284,786	13,167,400	10,452,228	10,609,059	12,494,772	14,498,234	14,315,819	13,953,305	15,790,722
Total Governmental Activities Net Position	<u>\$ 57,738,996</u>	<u>\$ 60,011,327</u>	<u>\$ 59,099,475</u>	<u>\$ 62,741,041</u>	<u>\$ 64,603,569</u>	<u>\$ 68,697,223</u>	<u>\$ 71,366,965</u>	<u>\$ 73,026,974</u>	<u>\$ 74,635,590</u>	<u>\$ 78,356,798</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 1,703,099	\$ 1,972,013	\$ 1,827,263	\$ 2,484,395	\$ 2,613,636	\$ 2,577,897	\$ 2,445,058	\$ 2,225,795	\$ 2,414,352	\$ 2,370,801
Restricted	246,481	7,278	7,585	8,554	8,363	9,416	9,334	8,179	16,575	10,288
Unrestricted	338,486	(190,217)	516,188	464,555	(171,492)	(523,487)	(958,285)	(578,608)	(418,064)	(325,566)
Total Business-Type Activities Net Position	<u>\$ 2,288,066</u>	<u>\$ 1,789,074</u>	<u>\$ 2,351,036</u>	<u>\$ 2,957,504</u>	<u>\$ 2,450,507</u>	<u>\$ 2,063,826</u>	<u>\$ 1,496,107</u>	<u>\$ 1,655,366</u>	<u>\$ 2,012,863</u>	<u>\$ 2,055,523</u>
Primary Government										
Net Investment in Capital Assets	\$ 43,158,777	\$ 48,702,454	\$ 43,093,705	\$ 48,691,741	\$ 51,102,494	\$ 54,436,635	\$ 57,476,956	\$ 59,041,832	\$ 61,060,659	\$ 62,794,177
Restricted	7,315,390	4,003,378	4,673,218	6,090,021	5,514,015	4,353,129	1,846,167	1,903,297	2,052,553	2,152,988
Unrestricted	9,552,895	9,094,569	13,683,588	10,916,783	10,437,567	11,971,285	13,539,949	13,737,211	13,535,241	15,465,156
Total Primary Government Net Position	<u>\$ 60,027,062</u>	<u>\$ 61,800,401</u>	<u>\$ 61,450,511</u>	<u>\$ 65,698,545</u>	<u>\$ 67,054,076</u>	<u>\$ 70,761,049</u>	<u>\$ 72,863,072</u>	<u>\$ 74,682,340</u>	<u>\$ 76,648,453</u>	<u>\$ 80,412,321</u>

Source: Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses										
Governmental Activities:										
General Government	\$ 4,834,543	\$ 5,352,721	\$ 5,471,872	\$ 6,424,455	\$ 5,733,530	\$ 5,507,320	\$ 6,314,503	\$ 5,992,133	\$ 6,461,023	\$ 6,254,818
Public Safety	7,237,714	7,776,461	8,180,089	8,167,662	8,631,257	8,780,818	8,408,712	8,973,030	8,435,003	8,601,409
Highways and Streets (Transportation)	6,008,417	6,557,830	3,841,920	2,310,324	3,798,082	3,019,534	4,702,288	6,691,594	7,077,304	7,000,360
Sanitation	526,447	640,739	540,487	637,182	549,887	666,128	548,441	704,064	596,617	600,663
Health and Human Services	16,665,564	16,707,944	18,144,081	19,363,901	16,876,948	16,319,148	15,464,511	14,384,772	14,660,528	14,208,850
Culture, Recreation, and Education	1,213,937	1,290,621	1,173,784	1,125,183	1,254,068	1,334,688	1,457,225	1,124,100	1,276,871	1,232,492
Conservation and Development	1,983,740	1,855,069	3,307,960	2,101,770	2,468,742	1,857,848	4,000,359	2,121,849	1,793,764	1,608,648
Interest and Fiscal Charges	1,145,864	1,495,782	1,425,633	1,532,154	1,456,759	1,369,263	1,262,235	1,156,058	869,951	754,538
Total Governmental Activities Expenses	<u>39,616,226</u>	<u>41,677,167</u>	<u>42,085,826</u>	<u>41,662,631</u>	<u>40,769,273</u>	<u>38,854,747</u>	<u>42,158,274</u>	<u>41,147,600</u>	<u>41,171,061</u>	<u>40,261,778</u>
Business-Type Activities:										
Nursing Home	6,766,674	6,684,569	6,834,530	6,928,868	7,284,381	7,849,407	8,035,922	7,638,206	7,557,747	7,856,133
Lime Fund	546,184	570,237	523,753	604,804	422,303	446,771	775,716	677,335	417,114	548,844
Total Business-Type Activities Expenses	<u>7,312,858</u>	<u>7,254,806</u>	<u>7,358,283</u>	<u>7,533,672</u>	<u>7,706,684</u>	<u>8,296,178</u>	<u>8,811,638</u>	<u>8,315,541</u>	<u>7,974,861</u>	<u>8,404,977</u>
Total Primary Government Expenses	<u>\$ 46,929,084</u>	<u>\$ 48,931,973</u>	<u>\$ 49,444,109</u>	<u>\$ 49,196,303</u>	<u>\$ 48,475,957</u>	<u>\$ 47,150,925</u>	<u>\$ 50,969,912</u>	<u>\$ 49,463,141</u>	<u>\$ 49,145,922</u>	<u>\$ 48,666,755</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 948,377	\$ 1,420,293	\$ 884,035	\$ 990,568	\$ 955,304	\$ 922,565	\$ 1,066,665	\$ 1,379,892	\$ 1,578,062	\$ 1,795,934
Public Safety	963,255	660,882	761,165	577,491	532,307	490,346	488,409	445,090	629,752	685,028
Highways and Streets (Transportation)	2,236,294	2,264,197	-	-	-	-	2,169,805	2,127,520	2,630,831	2,684,195
Sanitation	493,888	436,322	456,805	442,283	324,405	429,287	498,089	381,967	342,539	392,288
Health and Human Services	2,893,139	2,520,216	3,933,413	4,265,691	3,816,849	3,415,937	3,177,372	3,677,788	4,027,798	3,147,622
Culture, Recreation, and Education	138,766	49,630	7,875	9,228	13,956	14,085	20,169	29,570	18,863	23,705
Conservation and Development	480,002	643,445	649,037	564,543	425,047	598,995	340,694	355,258	277,965	364,140
Operating Grants and Contributions	13,040,076	13,053,621	11,779,062	12,295,347	10,260,542	10,520,776	11,059,492	8,681,802	8,133,807	8,703,610
Capital Grants and Contributions	773,249	476,977	144,889	432,327	206,698	-	46,133	-	-	-
Total Governmental Activities Program Revenues	<u>21,967,046</u>	<u>21,525,583</u>	<u>18,616,281</u>	<u>19,577,478</u>	<u>16,535,108</u>	<u>16,391,991</u>	<u>18,866,828</u>	<u>17,078,887</u>	<u>17,639,617</u>	<u>17,796,522</u>

**POLK COUNTY, WISCONSIN
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues (Continued)										
Business-Type Activities:										
Charges for Services										
Nursing Home	\$ 5,723,068	\$ 5,862,082	\$ 6,030,222	\$ 6,436,210	\$ 6,665,519	\$ 6,713,618	\$ 6,653,013	\$ 6,699,236	\$ 6,754,396	\$ 6,975,603
Lime Operations	738,718	593,509	595,678	645,209	439,408	466,864	717,181	775,679	527,050	560,099
Operating Grants and Contributions	724,036	426,488	626,132	1,062,323	682,594	782,927	902,005	1,102,005	1,009,352	998,419
Capital Grants and Contributions	-	-	-	-	121,782	123,548	-	-	27,000	-
Total Business-Type Activities Program Revenues	<u>7,185,822</u>	<u>6,882,079</u>	<u>7,252,032</u>	<u>8,143,742</u>	<u>7,909,303</u>	<u>8,086,957</u>	<u>8,272,199</u>	<u>8,576,920</u>	<u>8,317,798</u>	<u>8,534,121</u>
Total Primary Government Program Revenues	<u>\$ 29,152,868</u>	<u>\$ 28,407,662</u>	<u>\$ 25,868,313</u>	<u>\$ 27,721,220</u>	<u>\$ 24,444,411</u>	<u>\$ 24,478,948</u>	<u>\$ 27,139,027</u>	<u>\$ 25,655,807</u>	<u>\$ 25,957,415</u>	<u>\$ 26,330,643</u>
Governmental Activities	\$ (17,649,180)	\$ (20,151,584)	\$ (23,469,545)	\$ (22,085,153)	\$ (24,234,165)	\$ (22,462,756)	\$ (23,291,446)	\$ (24,068,713)	\$ (23,531,444)	\$ (22,465,256)
Business-Type Activities	(127,036)	(372,727)	(106,251)	610,070	202,619	(209,221)	(539,439)	261,379	342,937	129,144
Total Primary Government Net Expense	<u>\$ (17,776,216)</u>	<u>\$ (20,524,311)</u>	<u>\$ (23,575,796)</u>	<u>\$ (21,475,083)</u>	<u>\$ (24,031,546)</u>	<u>\$ (22,671,977)</u>	<u>\$ (23,830,885)</u>	<u>\$ (23,807,334)</u>	<u>\$ (23,188,507)</u>	<u>\$ (22,336,112)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 15,835,840	\$ 16,588,575	\$ 17,371,757	\$ 19,782,472	\$ 20,149,085	\$ 21,171,147	\$ 21,664,675	\$ 21,546,877	\$ 21,654,312	\$ 21,543,913
Sales Tax	2,404,386	2,325,915	2,364,052	2,349,149	2,178,514	2,353,827	2,365,174	2,461,037	2,491,207	2,843,982
Other Taxes	613,468	581,223	566,036	552,252	635,737	917,729	816,702	817,480	802,149	819,159
State and Federal Aids not Restricted to Specific Programs	733,277	731,873	943,732	1,034,960	1,006,885	926,775	793,767	703,168	719,836	710,289
Interest and Investment Earnings	512,636	1,080,779	970,661	746,581	446,870	184,439	122,413	182,131	91,447	47,064
Miscellaneous (Other)	843,547	965,550	934,937	1,211,305	879,602	802,493	145,906	102,618	305,541	100,380
Transfers	(706,570)	150,000	(593,482)	50,000	800,000	200,000	52,551	-	8,677	121,677
Total Governmental Activities	<u>20,236,584</u>	<u>22,423,915</u>	<u>22,557,693</u>	<u>25,726,719</u>	<u>26,096,693</u>	<u>26,556,410</u>	<u>25,961,188</u>	<u>25,813,311</u>	<u>26,073,169</u>	<u>26,186,464</u>
Business-Type Activities:										
Interest & Investment earnings	-	277	151	54	56	112	115	1,083	743	9
Miscellaneous (Other)	129,266	23,458	74,580	46,344	90,328	22,428	24,156	20,345	22,494	35,184
Transfers	706,570	(150,000)	593,482	(50,000)	(800,000)	(200,000)	(52,551)	-	(8,677)	(121,677)
Total Business-Type Activities	<u>835,836</u>	<u>(126,265)</u>	<u>668,213</u>	<u>(3,602)</u>	<u>(709,616)</u>	<u>(177,460)</u>	<u>(28,280)</u>	<u>21,428</u>	<u>14,560</u>	<u>(86,484)</u>
Total Primary Government	<u>\$ 21,072,420</u>	<u>\$ 22,297,650</u>	<u>\$ 23,225,906</u>	<u>\$ 25,723,117</u>	<u>\$ 25,387,077</u>	<u>\$ 26,378,950</u>	<u>\$ 25,932,908</u>	<u>\$ 25,834,739</u>	<u>\$ 26,087,729</u>	<u>\$ 26,099,980</u>
Change in Net Position										
Governmental Activities	\$ 2,587,404	\$ 2,272,331	\$ (911,852)	\$ 3,641,566	\$ 1,862,528	\$ 4,093,654	\$ 2,669,742	\$ 1,744,598	\$ 2,541,725	\$ 3,721,208
Business-Type Activities	708,800	(498,992)	561,962	606,468	(506,997)	(386,681)	(567,719)	282,807	357,497	42,660
Total Primary Government	<u>\$ 3,296,204</u>	<u>\$ 1,773,339</u>	<u>\$ (349,890)</u>	<u>\$ 4,248,034</u>	<u>\$ 1,355,531</u>	<u>\$ 3,706,973</u>	<u>\$ 2,102,023</u>	<u>\$ 2,027,405</u>	<u>\$ 2,899,222</u>	<u>\$ 3,763,868</u>
Source: Polk County, Wisconsin Department of Administration.										

POLK COUNTY, WISCONSIN
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,557,869	\$ 5,524,416	\$ 5,208,013	\$ 5,165,065	\$ 4,499,302
Restricted (Reserved 2005 - 2009)	2,333,609	2,466,608	2,864,044	4,887,963	6,297,290	157,907	186,340	249,386	229,141	201,127
Committed	-	-	-	-	-	227,429	174,157	106,487	16,693	16,693
Assigned (Designated (2005 - 2009))	1,208,708	1,686,316	-	-	854,379	18,887	147,509	1,301,536	629,537	966,109
Unassigned (Undesignated (2005 - 2009))	3,721,002	4,484,426	5,358,447	4,118,693	2,878,036	6,635,325	7,254,080	6,739,432	7,304,853	8,443,384
Total General Fund	\$ 7,263,319	\$ 8,637,350	\$ 8,222,491	\$ 9,006,656	\$ 10,029,705	\$ 12,597,417	\$ 13,286,502	\$ 13,604,854	\$ 13,345,289	\$ 14,126,615
All Other Government Funds										
Nonspendable										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,528	\$ -	\$ -	\$ -
Restricted (Reserved 2005 - 2009)										
Special Revenue Funds	641,793	427,097	427,097	427,097	484,715	1,109,341	601,693	662,157	860,649	947,193
Debt Service Fund	-	-	-	-	208,954	210,238	172,383	177,871	178,710	180,184
Capital Projects Fund	-	-	-	-	-	249,885	251,768	34	-	-
Assigned (Designated 2005 - 2009)										
Special Revenue Funds	1,303,457	1,208,386	938,135	1,365,634	564,847	-	592,271	803,308	944,515	1,288,497
Debt Service Funds	59,321	27,327	127,745	120,625	-	-	-	-	-	-
Capital Project Funds	4,374,343	1,458,206	4,509,533	2,682,383	2,002,742	-	-	-	-	-
Unassigned (Undesignated 2005 - 2009)										
Special Revenue Funds	-	-	(57,579)	(4,917)	(64,764)	(100,100)	(103,544)	(35,645)	(11,092)	(11,192)
Capital Project Funds	-	-	-	(91,478)	26,322	-	-	-	-	-
Total All Other Government Funds	\$ 6,378,914	\$ 3,121,016	\$ 5,944,931	\$ 4,499,344	\$ 3,222,816	\$ 1,469,364	\$ 1,532,099	\$ 1,607,725	\$ 1,972,782	\$ 2,404,682

Source Polk County, Wisconsin Department of Administration.

NOTE: The County implemented GASB 54 in fiscal year 2010, resulting in significant reclassification of the components of fund balance. Years prior to 2010 have not been restated.

POLK COUNTY, WISCONSIN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues										
Taxes	\$18,853,694	\$19,495,713	\$20,401,122	\$22,793,100	\$23,017,227	\$24,448,405	\$24,886,825	\$24,927,433	\$24,970,655	\$25,187,054
Intergovernmental	14,621,779	14,154,843	12,853,361	14,228,871	11,424,333	10,843,688	12,063,915	9,275,868	8,987,560	9,546,860
Licenses and Permits	610,678	556,246	400,730	352,188	345,693	346,787	316,946	319,409	330,106	344,378
Fines and Forfeits	303,903	271,497	296,075	304,443	200,019	174,802	190,724	174,697	170,883	162,144
Public Charges for Services	4,739,049	4,467,305	5,822,600	5,905,314	5,214,784	4,936,560	4,741,229	5,241,578	5,407,973	4,585,838
Intergovernmental Charges for Services	220,625	671,850	163,879	222,013	262,856	244,316	315,457	246,274	299,629	514,769
Miscellaneous										
Interest	500,561	1,014,265	962,241	734,245	440,389	180,040	115,753	94,242	87,947	44,484
Rent	319,860	347,769	311,078	315,473	256,725	249,065	276,473	285,891	289,903	301,728
Donations	49,574	-	-	-	-	-	-	-	-	-
Other	832,875	768,053	554,566	623,548	657,964	639,666	193,478	133,978	340,294	458,868
Total Revenues	41,052,598	41,747,541	41,765,652	45,479,195	41,819,990	42,063,329	43,100,800	40,699,370	40,884,950	41,146,123
Expenditures										
General Government	4,783,903	5,413,330	5,415,332	5,939,748	5,564,733	5,465,416	5,623,938	5,782,212	6,444,674	6,105,005
Public Safety	8,067,462	10,651,816	7,173,053	7,283,881	7,295,803	7,318,040	7,536,613	7,391,208	7,620,602	7,653,952
Highways and Streets (Transportation)	4,631,400	4,623,548	3,808,917	5,279,370	4,388,483	4,114,719	4,197,022	4,294,698	4,593,952	4,726,090
Sanitation	508,080	556,242	521,563	586,046	540,805	566,838	711,023	556,663	607,817	606,452
Health and Human Services	16,806,591	16,645,492	17,676,026	18,939,148	16,259,546	15,611,398	15,087,819	14,536,614	14,301,854	13,829,814
Culture and Recreation	1,092,279	1,223,930	1,195,621	1,338,301	1,342,130	1,330,898	1,385,898	1,174,919	1,219,646	1,174,606
Conservation and Development	2,112,990	1,901,047	2,464,990	2,043,575	2,418,535	1,735,431	4,019,799	2,094,840	1,769,182	1,700,855
Capital Outlay	-	-	748,278	999,107	385,107	122,276	-	-	-	-
Debt Service:										
Principal	1,275,000	1,240,000	1,726,274	2,014,946	2,335,335	2,696,627	2,685,462	4,947,284	3,230,334	3,375,227
Interest	1,056,207	1,524,189	1,425,193	1,498,780	1,432,637	1,373,060	1,262,181	1,153,148	1,000,074	882,573
Other Charges	189,516	1,814	58,387	2,172	-	-	-	29,810	-	-
Total Expenditures	40,523,428	43,781,408	42,213,634	45,925,074	41,963,114	40,334,703	42,509,755	41,961,396	40,788,135	40,054,574
Excess (Deficiency) of Revenues Over (Under) Expenditures	529,170	(2,033,867)	(447,982)	(445,879)	(143,124)	1,728,626	591,045	(1,262,026)	96,815	1,091,549

POLK COUNTY, WISCONSIN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Financing Sources (Uses)										
Transfers In	\$ 2,628,768	\$ 3,409,025	\$ 2,680,012	\$ 4,608,714	\$ 6,011,988	\$ 3,471,302	\$ 2,439,729	\$ 2,721,306	\$ 2,625,320	\$ 3,175,356
Transfers Out	(3,335,338)	(3,259,025)	(3,418,219)	(5,432,480)	(6,395,566)	(4,393,891)	(2,287,178)	(2,971,306)	(2,616,643)	(3,053,679)
Long-Term Debt Issued	24,100,000	-	3,500,000	608,223	273,223	8,223	8,224	1,873,223	-	-
Premium on Issuance of Debt	1,391,809	-	95,245	-	-	-	-	32,781	-	-
Payment to Escrow Agent	(19,775,801)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,009,438</u>	<u>150,000</u>	<u>2,857,038</u>	<u>(215,543)</u>	<u>(110,355)</u>	<u>(914,366)</u>	<u>160,775</u>	<u>1,656,004</u>	<u>8,677</u>	<u>121,677</u>
Net Change in Fund Balances	<u>\$ 5,538,608</u>	<u>\$ (1,883,867)</u>	<u>\$ 2,409,056</u>	<u>\$ (661,422)</u>	<u>\$ (253,479)</u>	<u>\$ 814,260</u>	<u>\$ 751,820</u>	<u>\$ 393,978</u>	<u>\$ 105,492</u>	<u>\$ 1,213,226</u>
Debt Service as a Percentage of Noncapital Expenditures	6.22%	6.32%	7.74%	7.83%	9.06%	10.12%	10.44%	15.42%	10.94%	11.21%

Source: Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN
EQUALIZED VALUE OF ALL PROPERTY BY ASSESSMENT CLASS
LAST TEN FISCAL YEARS**

Fiscal Year	Residential Equalized Value	Commercial Equalized Value	Manufacturing Equalized Value	Agricultural Equalized Value	Undeveloped Equalized Value	Forest Equalized Value	Other Equalized Value	Personal Property Equalized Value	Total Equalized Value	Total Equalized Value Excl. TID	Total Direct Tax Rate
2005	\$ 2,984,740,300	\$ 249,738,400	\$ 75,581,400	\$ 31,827,900	\$ 39,116,700	\$ 301,590,900	\$ 112,893,600	\$ 42,068,000	\$ 3,837,557,200	\$ 3,753,151,400	4.22
2006	3,373,148,900	274,874,700	77,766,500	31,204,800	36,800,800	315,492,800	118,668,100	46,070,100	4,274,026,700	4,176,942,500	3.97
2007	3,744,121,400	304,359,000	78,688,700	33,258,100	48,290,600	345,389,700	119,978,700	50,498,900	4,724,585,100	4,614,309,200	3.77
2008	3,939,230,800	324,504,200	84,940,200	35,610,400	52,148,300	373,222,400	123,657,500	55,721,700	4,989,035,500	4,872,444,200	4.06
2009	3,982,446,200	342,068,500	87,383,800	36,981,100	52,049,500	376,293,900	123,048,500	61,609,600	5,061,881,100	4,942,198,400	4.08
2010	3,784,739,800	338,732,100	92,266,300	37,874,800	49,880,300	356,456,500	128,697,800	63,872,300	4,852,519,900	4,733,746,500	4.47
2011	3,508,281,300	336,740,200	90,077,900	37,440,900	48,400,800	338,065,300	127,082,200	58,858,000	4,544,946,600	4,432,825,200	4.87
2012	3,204,965,300	325,935,700	87,431,500	35,914,100	39,471,600	277,517,300	124,091,500	55,811,000	4,151,138,000	4,031,492,000	5.37
2013	3,143,570,000	337,778,500	88,500,500	34,138,900	39,576,800	261,737,200	122,458,400	57,145,500	4,084,905,800	3,970,704,700	5.37
2014	3,170,059,200	354,837,500	101,938,300	33,919,200	37,749,700	262,851,500	119,331,200	63,595,600	4,144,282,200	4,009,247,500	5.44

Source: Polk County Treasurers' Office and the State of Wisconsin.

Notes: Total Equalized Value based on County's debt limit WI Statutes restricts to 5%.

**POLK COUNTY, WISCONSIN
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
DIRECT PROPERTY TAX RATES										
Operating Levy	\$ 3.53	\$ 3.25	\$ 3.04	\$ 3.32	\$ 3.29	\$ 3.58	\$ 3.84	\$ 4.19	\$ 4.17	\$ 4.32
Debt Levy	0.55	0.57	0.60	0.60	0.68	0.78	0.86	1.02	1.04	0.96
Special Purpose Levy	0.14	0.15	0.13	0.14	0.11	0.11	0.17	0.16	0.16	0.16
Total Direct County Tax Rate	\$ 4.22	\$ 3.97	\$ 3.77	\$ 4.06	\$ 4.08	\$ 4.47	\$ 4.87	\$ 5.37	\$ 5.37	\$ 5.44
INDIRECT PROPERTY TAX RATES ¹										
Cities of:										
Amery	\$ 22.31	\$ 21.33	\$ 20.99	\$ 22.13	\$ 22.52	\$ 24.93	\$ 26.46	\$ 27.34	\$ 27.92	\$ 28.83
St Croix Falls	19.54	18.73	18.06	18.47	18.88	20.21	21.74	23.13	23.34	23.69
Villages of:										
Balsam Lake	18.73	17.09	16.60	17.68	18.00	19.54	21.45	22.42	22.78	23.34
Centuria	18.07	17.58	17.54	18.12	19.02	20.83	22.25	23.48	24.33	25.35
Clayton	23.13	22.61	21.03	22.05	22.55	23.97	23.69	24.79	26.78	27.66
Clear Lake	20.05	18.11	17.14	18.61	19.03	20.48	21.97	22.81	23.99	25.40
Dresser	20.42	20.52	19.65	20.18	20.73	22.54	23.54	25.24	25.92	27.54
Frederic	20.04	21.94	21.57	20.72	20.76	23.09	24.25	23.87	21.93	23.49
Luck	20.54	19.99	18.99	19.96	20.74	22.57	22.57	23.66	24.67	24.31
Milltown	21.28	19.89	19.50	20.35	21.55	23.92	25.45	26.96	28.32	29.11
Osceola	18.99	18.52	17.33	17.58	17.89	18.67	20.42	23.00	23.70	24.06
Turtle Lake	27.26	26.69	25.04	21.47	21.27	22.71	23.43	24.94	26.34	29.90

**POLK COUNTY, WISCONSIN
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Towns of:										
Alden	\$ 16.59	\$ 15.94	\$ 15.19	\$ 15.74	\$ 15.94	\$ 16.94	\$ 18.33	\$ 19.38	\$ 20.09	\$ 20.46
Apple River	15.68	14.38	14.21	15.19	15.58	17.22	18.58	19.11	19.23	20.09
Balsam Lake	14.65	13.91	13.61	14.23	14.76	16.12	17.58	18.52	18.75	19.25
Beaver	16.88	15.64	14.79	14.73	15.46	16.43	17.79	18.26	19.00	19.64
Black Brook	17.67	16.18	15.77	17.10	17.25	18.99	20.13	20.56	20.83	21.60
Bone Lake	15.77	15.25	14.41	15.07	15.25	16.82	16.91	17.52	18.31	18.60
Clam Falls	18.98	19.00	19.24	18.07	17.78	20.05	21.50	21.32	21.71	21.31
Clayton	19.53	18.11	17.02	17.76	17.99	19.75	19.63	20.53	21.82	22.56
Clear Lake	17.25	14.95	15.08	17.83	18.11	19.92	21.20	21.93	22.65	24.25
Eureka	16.24	15.58	15.06	15.42	16.02	17.60	19.23	20.39	20.61	21.29
Farmington	16.69	16.09	15.12	15.11	15.32	15.85	17.67	19.46	19.99	20.09
Garfield	16.39	15.49	15.28	16.38	16.66	18.42	19.37	20.05	20.13	21.11
Georgetown	14.49	13.35	13.28	13.89	14.50	15.87	17.58	18.38	18.86	19.54
Johnstown	16.48	15.20	14.33	14.24	14.86	15.87	17.27	17.79	18.62	19.23
Laketown	17.26	16.59	15.65	16.31	16.81	18.22	18.49	19.40	20.02	20.32
Lincoln	16.29	15.36	15.17	16.55	16.84	18.86	19.73	20.06	19.92	20.92
Lorain	16.52	16.34	16.55	15.73	15.58	17.56	18.42	18.15	19.04	18.70
Luck	16.03	15.50	14.79	15.38	15.61	17.13	17.38	17.98	18.74	19.03
McKinley	18.37	16.87	15.91	16.58	16.84	18.37	19.18	19.45	20.43	20.59
Milltown	15.45	14.23	14.19	14.67	15.25	16.70	18.55	19.45	19.90	20.67
Osceola	15.83	15.37	14.54	14.71	14.99	15.79	17.26	18.94	19.31	19.37
St Croix Falls	15.94	15.27	14.81	15.50	16.11	17.49	18.91	20.28	20.30	20.65
Sterling	15.85	15.44	14.94	15.27	15.77	17.12	18.22	19.42	19.64	19.87
West Sweden	17.68	17.41	17.67	16.73	16.51	18.54	19.39	19.23	20.27	19.96

Note: The taxes shown for overlapping governments are the Full Value Rates - Gross. This rate is the total property tax divided by the full value of all taxable general property in the municipality, including tax increment financing districts. The total property tax includes state taxes and special charges, special purpose district taxes and school taxes (elementary, secondary, and technical college). It reflects the amount of surplus funds applied (if any) by a district to reduce any of the above mentioned apportionments or charges. It does not include special assessments and charges to individuals, delinquent taxes, omitted taxes, forest crop taxes, managed forest land or occupational taxes.

¹ Source: Town, Village, and City Taxes, Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services.

Source: Polk County, Wisconsin Treasurer and Department of Administration.

**POLK COUNTY, WISCONSIN
PRINCIPAL PROPERTY TAXPAYERS
TAXES PAYABLE IN 2014 AND NINE YEARS AGO**

Taxpayer	Property Classification	2014				2005			
		Rank	Net Tax	Equalized Assessed Value	% of Total Equalized Assessed Values	Rank	Net Tax	Equalized Assessed Value	% of County Total Tax Capacity
Greenwhey Energy	Commercial	1	\$ 343,035	\$ 13,982,300	0.3 %	-	\$ -	\$ -	- %
Wal-Mart Real Estate Business Trust	Commercial	2	232,245	11,694,500	0.3	-	-	-	-
Menards, Inc.	Commercial	3	179,057	9,017,000	0.2	-	-	-	-
Cardinal Glass Industries	Manufacturing	4	170,755	6,458,600	0.2	2	107,303	5,042,300	0.1
Amery Assisted Living Partners LLC	Commercial	5	130,518	4,937,400	0.1	-	-	-	-
Turtle Lake Properties, LLC	Manufacturing	6	119,208	4,860,800	0.1	-	-	-	-
A & K Realty	Manufacturing	7	118,954	4,500,200	0.1	-	-	-	-
Polaris Industries	Manufacturing	8	113,922	5,276,200	0.1	7	67,291	3,741,100	0.1
Osceola Rentals LLC	Commercial	9	92,041	4,270,100	0.1	3	102,686	5,653,800	0.1
Bamfam Family Limited Partnership	Commercial	10	90,096	4,541,700	0.1	6	68,535	3,671,600	0.1
Horst M Rechelbacher	Commercial		-	-	-	1	115,627	6,383,200	0.2
WTG Investments	Commercial		-	-	-	4	74,975	4,016,600	0.1
Plastech Corporation	Manufacturing		-	-	-	5	72,068	3,386,600	0.1
Ronald Anderson *	Commercial		-	-	-	8	64,507	1,429,400	0.0
Bishop Millwork	Manufacturing		-	-	-	9	61,758	3,501,800	0.1
Brunkow Hardwood Corp *	Productive Forest Lands		-	-	-	10	61,633	3,787,600	0.1
			-	-	-				-
Totals			\$ 1,589,830	\$ 69,538,800	1.7 %		\$ 796,383	\$ 40,614,000	1.1 %
Total Equalized Assessed Valuation				\$ 4,144,282,200			\$ 3,837,557,200		

Source: Polk County Treasurer's Office and Wisconsin Department of Revenue (Total Equalized Assessed Valuation)

Note: Greenwhey Energy, Wal-Mart Real Estate Business Trust, Menards, Inc., Amery Assisted Living Partners LLC, Turtle Lake Properties, LLC, and A & K Realty were not in the top ten tax payers in 2005.

The above starred (*) properties have at least one parcel that has agricultural assessments. Per state law, no fair market value is calculated on any parcel with agricultural assessments. This may skew the Equalized Assessed Values lower.

**POLK COUNTY, WISCONSIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Tax Year Ended December 31	Total Tax Levy for Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/2014	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	\$ 61,171,244	\$ 60,022,786	98.1 %	\$ 1,147,795	\$ 61,170,581	100.0 %
2006	2005	64,721,871	63,405,297	98.0	1,316,369	64,721,666	100.0
2007	2006	68,254,221	66,663,429	97.7	1,585,401	68,248,830	100.0
2008	2007	74,199,719	72,213,730	97.3	1,973,306	74,187,036	100.0
2009	2008	75,568,798	73,202,535	96.9	2,351,330	75,553,865	100.0
2010	2009	77,932,085	75,689,018	97.1	2,220,640	77,909,658	100.0
2011	2010	78,226,788	76,199,360	97.4	1,981,821	78,181,181	99.9
2012	2011	76,470,563	74,690,540	97.7	1,528,283	76,218,823	99.7
2013	2012	76,829,929	75,171,532	97.8	859,978	76,031,510	99.0
2014	2013	78,076,145	76,607,653	98.1	-	76,607,653	98.1

Source: Polk County, Wisconsin Treasurer's Office.

Notes: Because 2014 taxes are based on 2013 values, the collections in subsequent years will be zero due to the way the collection dates fall.

**POLK COUNTY, WISCONSIN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Personal Income	Percent of Personal Income	Population (a)	Debt Per Capita
	General Obligation Bonds	General Obligation Notes	Capital Leases	Loans	General Obligation Notes	Capital Leases					
2005	\$ 26,690,000	\$ 7,140,000	\$ 32,608	\$ 600,191	\$ 1,088,319	\$ -	\$ 35,551,118	\$ 1,203,109,000	3.0 %	44,613	\$ 797
2006	25,710,000	6,880,000	12,569	588,430	1,019,501	-	34,210,500	1,211,378,000	2.8	44,784	764
2007	24,585,000	9,890,000	149,658	-	950,988	-	35,575,646	1,267,634,000	2.8	44,265	804
2008	23,290,000	9,280,000	223,106	895,643	75,566	-	33,764,315	1,350,159,000	2.5	44,270	763
2009	22,120,000	8,205,000	423,036	849,975	70,662	12,573	31,681,246	1,370,940,000	2.3	44,275	716
2010	20,795,000	6,975,000	373,403	736,190	65,534	16,525	28,961,652	1,394,775,000	2.1	44,205	655
2011	20,166,587	5,970,000	283,241	579,647	60,172	12,573	27,072,220	1,459,689,000	1.9	44,040	615
2012	20,295,054	2,950,000	256,510	357,317	54,575	8,376	23,921,832	1,427,232,000	1.7	43,610	549
2013	16,715,000	2,680,000	228,701	209,792	48,713	3,921	19,886,127	1,443,460,500 *	1.4	43,476	457
2014	14,238,643	2,425,000	199,772	158,494	42,586	3,558	17,068,053	1,435,346,250 *	1.2	43,437	393

Source: Polk County, Wisconsin Department of Administration.

Note: * Indicates estimate based on the two previous years or percent change from prior year.

**POLK COUNTY, WISCONSIN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Outstanding Debt			Percentage of Estimated Actual Taxable Value (1) of Property	Personal Income	Percent of Personal Income	Population (a)	Debt Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total					
2005	\$ 26,690,000	\$ 50,209	\$ 26,639,791	0.7 %	\$ 1,203,109,000	2.2 %	43,886	\$ 607
2006	25,710,000	59,321	25,650,679	0.6	1,211,378,000	2.1	44,613	575
2007	24,585,000	27,327	24,557,673	0.5	1,267,634,000	1.9	44,784	548
2008	23,290,000	128,144	23,161,856	0.5	1,350,159,000	1.7	44,265	523
2009	22,120,000	172,383	21,947,617	0.4	1,370,940,000	1.6	44,270	496
2010	20,795,000	210,238	20,584,762	0.4	1,394,775,000	1.5	44,205	466
2011	20,166,587	172,383	19,994,204	0.4	1,365,744,750	1.5	44,229	452
2012	20,295,054	177,871	20,117,183	0.5	1,427,232,000	1.4	43,610	461
2013	16,715,000	178,711	16,536,289	0.4	1,443,460,500 *	1.1	43,476	380
2014	14,238,643	180,184	14,058,459	0.3	1,435,346,250 *	1.0	43,437	324

Source: Polk County, Wisconsin Department of Administration.

Note: (1) See the Schedule of Equalized Value of All Property by Assessment Class on page 88 for property value data.

* Indicates estimate based on the two previous years or percent changes from prior year.

**POLK COUNTY, WISCONSIN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014**

<u>Jurisdiction</u>	<u>Total GO. Bonds Outstanding (1)</u>	<u>Percent (2)</u>	<u>Applicable to Polk County Amount</u>
Underlying Debt:			
Cities of:			
Amery	\$ 3,992,553	100.0 %	\$ 3,992,553
St. Croix Falls	5,270,000	100.0	5,270,000
Total Cities	9,262,553		9,262,553
Villages of:			
Balsam Lake	1,963,562	100.0	1,963,562
Centuria	780,171	100.0	780,171
Clayton	499,951	100.0	499,951
Clear Lake	1,418,743	100.0	1,418,743
Dresser	1,066,593	100.0	1,066,593
Frederic	1,412,758	100.0	1,412,758
Luck	585,897	100.0	585,897
Milltown	650,167	100.0	650,167
Osceola	4,418,917	100.0	4,418,917
Total Villages	12,796,759		12,796,759
Townships of:			
Garfield	325,768	100.0	325,768
Luck	34,550	100.0	34,550
Milltown	21,007	100.0	21,007
Osceola	445,815	100.0	445,815
Sterling	75,866	100.0	75,866
West Sweden	118,625	100.0	118,625
Total Townships	1,021,631		1,021,631

**POLK COUNTY, WISCONSIN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (CONTINUED)
DECEMBER 31, 2014**

<u>Jurisdiction</u>	<u>Total GO. Bonds Outstanding (1)</u>	<u>Percent (2)</u>	<u>Applicable to Polk County Amount</u>
Underlying Debt:			
School Districts of:			
Amery	\$ 10,825,000	97.0 %	\$ 10,500,250
Clayton	961,459	71.0	682,636
Clear Lake	14,510,000	70.0	10,157,000
Cumberland	2,924,000	4.0	116,960
Frederic	3,268,672	72.0	2,353,444
Grantsburg	3,278,091	4.0	131,124
Luck	1,628,045	100.0	1,628,045
Osceola	15,009,363	94.0	14,108,801
St. Croix Falls	9,420,000	100.0	9,420,000
Turtle Lake	2,014,035	47.0	946,596
Unity	3,155,834	100.0	3,155,834
Total School Districts	66,994,499		53,200,690
Underlying Debt Subtotal:	90,075,442		76,281,633
Overlapping Debt:			
Direct Debt:			
Polk County			
General Obligation Bonds	14,238,643	100.0	14,238,643
General Obligation Notes	2,425,000	100.0	2,425,000
State Trust Fund Loans	-	100.0	-
Forest Loans Payable	158,494	100.0	158,494
Capital Leases	199,772	100.0	199,772
Overlapping Debt Subtotal:	17,021,909		17,021,909
Total	\$ 107,097,351		\$ 93,303,542

Notes: (1) Does not include Revenue Debt, Special Assessment Debt, Tax Increment Debt, or State Aid and Tax Anticipation Certificates.

(2) Determined by the portion of property subject to taxation in Polk County.

Source: Polk County, Wisconsin Department of Administration.

**POLK COUNTY, WISCONSIN
COMPUTATION OF LEGAL DEBT LIMITATION
DECEMBER 31, 2014**

	<u>Amount</u>	<u>Percent</u>
Total Taxable Market Value	\$ 4,009,247,500	
Debt limit- 5% of Total Market Value	200,462,375	100.0%
Amount of Debt Applicable to 5% Debt Limit: Total Bonded Debt	<u>\$ 16,142,586 *</u>	
Total Amount of Debt Applicable to Debt Limit	<u>16,142,586</u>	<u>8.05%</u>
Legal Debt Margin	<u><u>\$ 184,319,789</u></u>	<u><u>91.95%</u></u>

Source: Polk County, Wisconsin Department of Administration.

Note: * For the purposes of this table the total bonded debt excludes the previously issued capital leases.

**POLK COUNTY, WISCONSIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (b)	Area (Sq. Mi.) (d)	Density (Person/Sq. Mi.)	Number of Households (a)	Unemployment Rate (c)
2005	44,613	\$ 1,203,109,000	\$ 26,968	960	46	23,522	5.6%
2006	44,784	1,211,378,000	27,049	960	47	23,980	5.7
2007	44,265	1,267,634,000	28,637	960	46	24,334	5.9
2008	44,270	1,350,159,000	30,498	960	46	24,298	7.3
2009	44,275	1,370,940,000	30,964	960	46	24,642	10.2
2010	44,205	1,394,775,000	31,552	960	46	24,248	7.9
2011	44,040	1,365,744,750	31,011	960	46	24,218	7.8
2012	43,610	1,427,232,000	32,727	960	45	24,233	8.0
2013	43,476	1,443,460,500	33,201	960	45	24,278	6.9
2014	43,437	1,435,346,250	33,044	960	45	24,179	5.9

Sources: (a) Polk County, Wisconsin Department of Administration.
 (b) U.S. Census.
 (c) Bureau of Economic Analysis.
 (d) U.S. Department of Labor - Bureau of Labor Statistics.

**POLK COUNTY, WISCONSIN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Fiscal Year 2014 (a) (b)</u>		<u>Fiscal Year 2005 (a) (b) (d)</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>% of Total County Employment</u>
Advanced Food Products LLC	161	1.0 %	146	1.0 %
County of Polk	424	2.7	616	4.1
St Croix Regional Medical Center	540	3.5	418	2.8
Masterson Personnel Inc	1,059	6.8	630	4.2
Amery Regional Medical Center Inc	302	1.9	198	1.3
Unity School District	148	0.9	170	1.1
Wal-Mart	330	2.1	400	2.7
Tenere	326	2.1	-	-
Scientific Molding Corp LTC (SMC)	318	2.0	-	-
Osceola Medical Center	285	1.8	299	2.0
	<u>3,893</u>	<u>25.0 %</u>	<u>2,877</u>	<u>19.2 %</u>

Source: (a) Department of Administration.

(b) Wisconsin Department of Employment and Economic Development.

(d) 2005 total county employment amount is estimated as data was unavailable.

**POLK COUNTY, WISCONSIN
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Health and Welfare</u>	<u>Culture and Recreation</u>	<u>Total</u>
2005	60	79	39	139	22	339
2006	64	84	39	138	21	346
2007	64	81	39	132	26	342
2008	67	77	38	135	26	343
2009	66	80	38	132	28	345
2010	65	77	37	128	27	334
2011	67	76	36	119	28	326
2012	67	76	37	118	29	327
2013	61	77	37	117	32	324
2014	61	78	37	108	30	314

Source: Polk County, Wisconsin Department of Administration; Adopted Budget.

Note: Employee count is based on authorized Full-Time Equivalent (FTE) positions.

**POLK COUNTY, WISCONSIN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
Number of Cities	2	2	2	2	2	2	2	2	2	2
Number of Towns	24	24	24	24	24	24	24	24	24	24
Number of Villages	10	10	10	10	10	10	10	10	10	10
Public Safety										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Licensed Deputies	26	26	27	27	27	27	27	27	27	28
Highways and Streets										
Miles of County Roads:										
Bituminous	330.85	330.85	330.85	329.77	329.77	329.77	329.77	329.77	329.77	329.77
Culture and Recreation										
Number of County Parks	5	5	5	5	5	5	5	5	5	5
Number of State Parks	1	1	2	2	2	2	2	2	2	2
Number of Branch Libraries	10	10	10	10	10	10	10	10	10	10
Number of Items Available to Citizens	203,169	204,880	206,218	224,496	226,116	236,289	256,387	253,869	228,831	225,018

Source: Polk County, Wisconsin Government Center.

**POLK COUNTY, WISCONSIN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	18	18
Highways and Streets										
Streets (Miles)	330.85	330.85	330.85	329.77	329.77	329.77	329.77	329.77	329.77	329.77
Culture and Recreation										
Parks Acreage	220	220	220	220	220	220	220	220	220	260
County Parks	5	5	5	5	5	5	5	5	5	5

Source: Polk County, Wisconsin Government Center.