

POLK COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

**POLK COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2015**

PREPARED BY THE DEPARTMENT OF ADMINISTRATION POLK COUNTY, WISCONSIN

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INTRODUCTORY SECTION

Dean Johansen, Chair
Polk County Board of Supervisors
100 Polk Plaza, Suite 170
Balsam Lake, WI 54810
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Dana Frey
County Administrator
100 Polk Plaza, Suite 220
Balsam Lake, WI 54810
Phone (715) 485-9212

June 24, 2016

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, 2015 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 (GASB 34).

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 Uniform Grant Guidance. 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 2016 (reduced from 23 members beginning in 2014). 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 21 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. As part of this, all of the County's financial policies were rewritten and codified as part of the General Code. The County's unassigned fund balance was set at as least 25 percent of General Fund expenditures and separate reserves established to offset retirement liability and fund innovative projects. 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 2015, although by a negligible amount due to a small net outmigration offset by a natural increase in population (births over deaths).

The County's employment picture has greatly improved, with the overall employment now well above the pre-recession level. The unemployment rate did increase slightly, from 4.8 percent in April 2015 to 5.1 percent in April 2016, but that is solely attributable to increased labor force participation, also a healthy sign. Had the labor force not increased, the unemployment rate would have been 3.1 percent. 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 2015 Polk County collected \$2,892,612 in sales taxes, a 2.5 percent increase over 2014 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 2.1 percent from \$4,144,282,200 in 2014 to \$4,229,718,700 according to the Wisconsin Department of Revenue even after correction of past errors that overstated value; without that correction, the increase would have been 2.9 percent. 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 significant growth in next year and beyond. 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 three percent from 2014 to 2015, from \$79.5 million to \$82.6 million, and tourism-related employment increased as well 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 7.9 million bushels of corn in 2015 and over \$64 million worth of milk in 2012, the last year available. 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 2014 to 2015 (preliminary). 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, the County's largest employer, completing 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 39 percent of expenditures, all assigned or committed funds are reviewed at least annually, and two funds serve to cover future liabilities from employee sick leave payouts on retirement and 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 2015.

- ◆ The County continued to show prudent fiscal management, with no significant levy increase for the fourth year in a row and a stable and substantial fund balance.
- ◆ Polk County's Highway Department ended the year under budget and improved the overall quality rating of the County's road system while at the same time increasing fund balance significantly.
- ◆ 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 2015, resulting in net revenues of \$58,123.
- ◆ Following a 2014 website redesign, Polk County departments are making increased use of social media to improve communication with the public.
- ◆ Polk County has now fully implemented a three-year program budget with forward year estimates acting as budget ceilings by department. This year's budget documentation contained over 200 separate output and outcome indicators by program.
- ◆ A major reform implemented late in 2015 was a consolidation of the Public Health and Human Services Departments as well as the Medical Examiner into a new Community Services Division. This restructuring is intended to both improve efficiency and customer

service through better coordination among divisions. As part of this reorganization, the Behavioral Health Clinic was elevated to department-level and assigned a greater role in addressing the County's behavioral health issues.

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, 2015, 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) Uniform Grant Guidance 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 2015. 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, 2015. 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 additional years and for these expenditure amounts to serve as ceilings for the following years' budget preparation. 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 Uniform Grant Guidance. 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, 2014. This is the seventh 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 W. Frey".

Dana Frey
Polk County Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Polk County

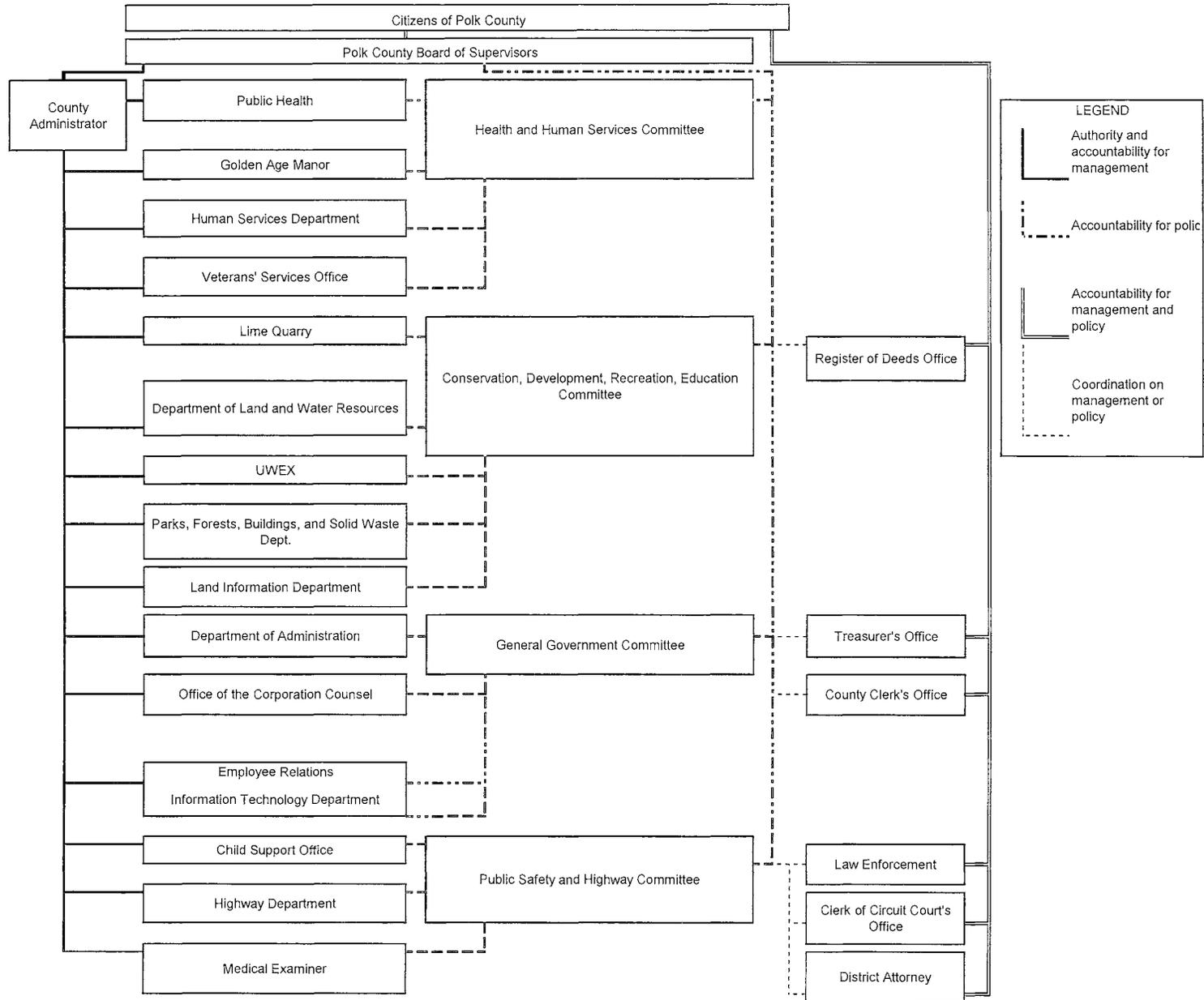
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

**POLK COUNTY, WISCONSIN
ORGANIZATIONAL CHART
DECEMBER 31, 2015**



**POLK COUNTY, WISCONSIN
LIST OF PRINCIPALS
DECEMBER 31, 2015**

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, 2015, 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, 2015, 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.

Emphasis of a Matter

Change in Accounting Principle

During the year ended December 31, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of GASB Statement No. 68, the County reported a restatement for the change in accounting principle (see Note 4.F). Our auditors' opinion was not modified with respect to the restatement.

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, pension 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.

County Board of Supervisors
Polk County, Wisconsin

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016 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
June 24, 2016

REQUIRED SUPPLEMENTARY INFORMATION

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

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, 2015. 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 and deferred outflows of resources of Polk County's governmental activities exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$93,014,845 (net position). Of this amount, \$67,255,721 represented the County's net investment in capital assets, \$5,934,353 was held for restricted purposes, and \$19,824,771 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 \$4,809,427 before the application of a \$7,793,097 change in accounting principle. Net position related to the governmental activities and business-type activities of the County increased \$4,680,162 and \$129,265, respectively.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$15,827,992, a decrease of \$703,305 from the previous year. The primary component of the decrease was due to the early pay off of the 2007 bond issue and the operational results of the general, county sales tax, community development block grant, and jail assessment fees special revenue funds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,698,838 or 36.52% of total general fund expenditures.
- Golden Age Manor Nursing Home finished 2015 with a decrease in net position of \$33,871, including depreciation.
- The lime quarry fund finished 2015 with net position increasing \$163,136.

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, 2015**

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 eighteen 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 fifteen 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, 2015**

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, pension schedules and a schedule of OPEB funding progress. Required supplementary information can be found beginning on page 70 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 77.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

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 \$93,014,845 at the close of the most recent fiscal year. The largest portion of Polk County's net position (72%) 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, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 50,103,211	\$ 45,309,712	\$ 1,992,113	\$ 1,951,716	\$ 52,095,324	\$ 47,261,428
Capital Assets	76,643,978	77,286,791	2,674,954	2,416,945	79,318,932	79,703,736
Internal Balances	594,007	1,243,873	(594,007)	(1,243,873)	-	-
Total Assets	127,341,196	123,840,376	4,073,060	3,124,788	131,414,256	126,965,164
Deferred Outflows of Resources	3,220,996	-	729,070	-	3,950,066	-
Noncurrent Liabilities Outstanding	12,074,856	16,069,920	531,844	410,076	12,606,700	16,479,996
Other Liabilities	6,954,098	7,669,710	647,114	659,189	7,601,212	8,328,899
Total Liabilities	19,028,954	23,739,630	1,178,958	1,069,265	20,207,912	24,808,895
Deferred Inflows of Resources	22,141,565	21,743,948	-	-	22,141,565	21,743,948
Net Position:						
Net Investment in Capital Assets	64,691,551	60,423,376	2,564,170	2,370,801	67,255,721	62,794,177
Restricted	5,217,794	2,142,700	716,559	10,288	5,934,353	2,152,988
Unrestricted	19,482,328	15,790,722	342,443	(325,566)	19,824,771	15,465,156
Total Net Position	\$ 89,391,673	\$ 78,356,798	\$ 3,623,172	\$ 2,055,523	\$ 93,014,845	\$ 80,412,321

An additional portion of Polk County's net position (6%) represents resources that are subject to other restrictions on how they may be used. The remaining \$19,824,771 of total net position (22%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2015, 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 and business-type activities.

The condensed statement of changes in net position shown on the following page shows that the County's total net position increased by \$4,809,427 during the current fiscal year before application of a \$7,793,097 change in accounting principle. The increase consisted of an increase in net position related to governmental activities in the amount of \$4,680,162 and an increase in net position related to business-type activities in the amount of \$129,265.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

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

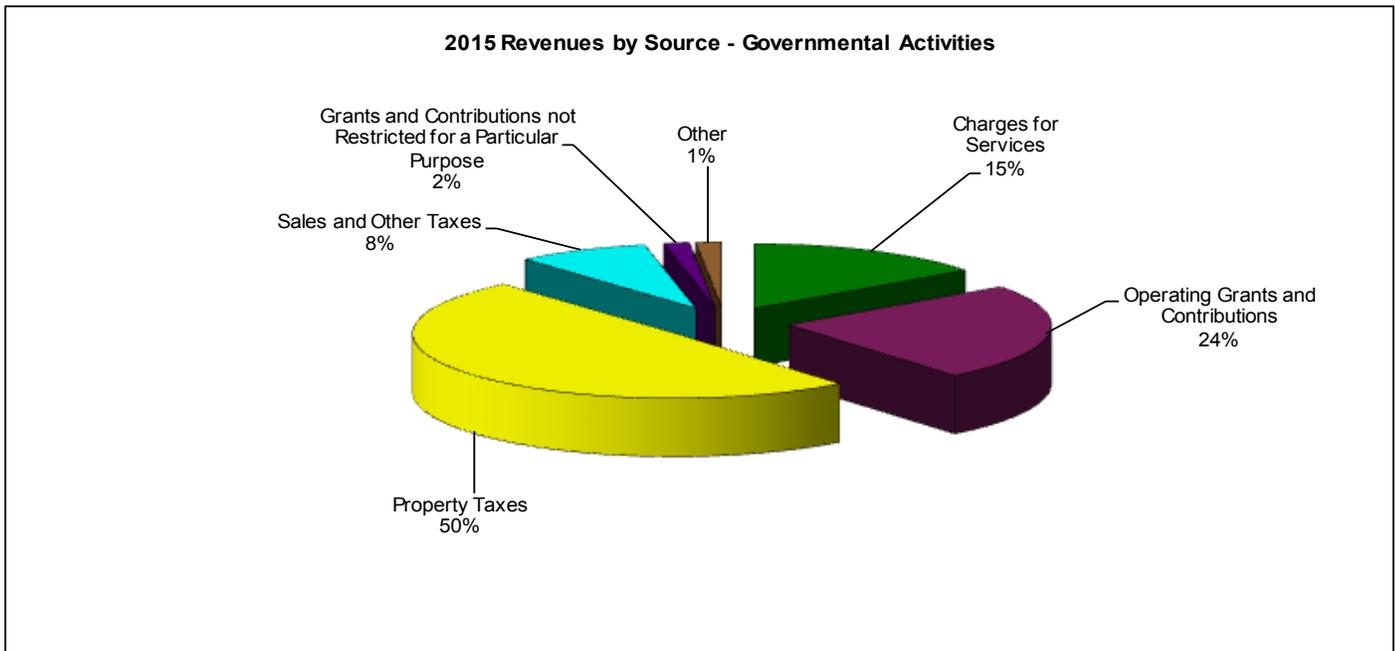
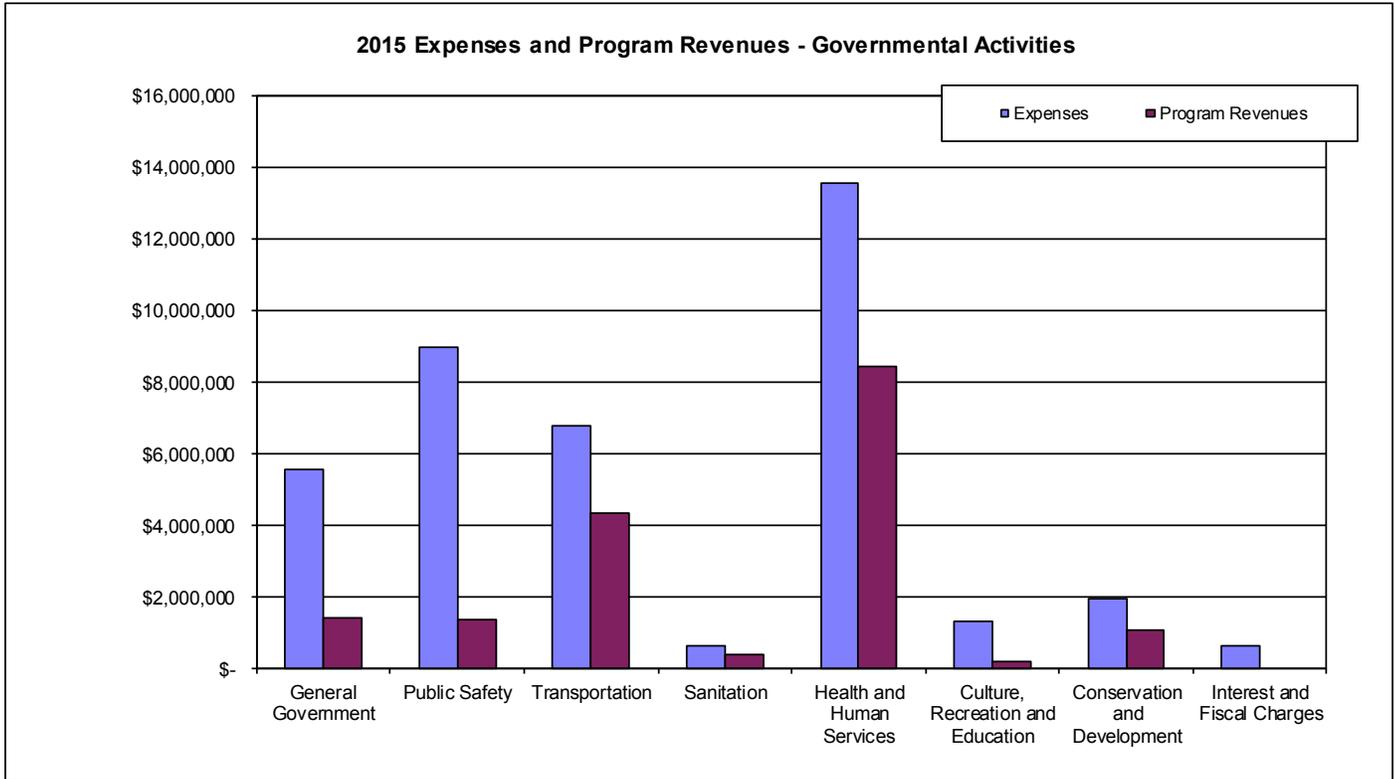
**Condensed Statement of Changes in Net Position
Years Ended December 31, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,586,799	\$ 9,092,912	\$ 7,265,707	\$ 7,535,702	\$ 13,852,506	\$ 16,628,614
Operating Grants and Contributions	10,673,073	8,703,610	1,095,283	998,419	11,768,356	9,702,029
General Revenues:						
Property Taxes	21,823,948	21,543,913	-	-	21,823,948	21,543,913
Other Taxes	3,600,668	3,663,141	-	-	3,600,668	3,663,141
State and Federal Aids not Restricted to Specific Programs	694,718	710,289	-	-	694,718	710,289
Unrestricted Investment Earnings	56,399	47,064	394	9	56,793	47,073
Other	634,865	100,380	29,699	35,184	664,564	135,564
Total Revenues	44,070,470	43,861,309	8,391,083	8,569,314	52,461,553	52,430,623
Expenses:						
General Government	5,564,085	6,254,818	-	-	5,564,085	6,254,818
Public Safety	8,975,910	8,601,409	-	-	8,975,910	8,601,409
Transportation	6,764,947	7,000,360	-	-	6,764,947	7,000,360
Sanitation	612,218	600,663	-	-	612,218	600,663
Health and Human Services	13,553,401	14,208,850	-	-	13,553,401	14,208,850
Culture, Recreation and Education	1,317,871	1,232,492	-	-	1,317,871	1,232,492
Conservation and Development	1,930,890	1,608,648	-	-	1,930,890	1,608,648
Interest and Fiscal Charges	623,463	754,538	-	-	623,463	754,538
Nursing Home	-	-	7,823,584	7,856,133	7,823,584	7,856,133
Lime Quarry	-	-	485,757	548,844	485,757	548,844
Total Expenses	39,342,785	40,261,778	8,309,341	8,404,977	47,652,126	48,666,755
Change in Net Position Before Transfers	4,727,685	3,599,531	81,742	164,337	4,809,427	3,763,868
Transfers	(47,523)	121,677	47,523	(121,677)	-	-
Change in Net Position	4,680,162	3,721,208	129,265	42,660	4,809,427	3,763,868
Net Position - Beginning of Year, As Originally Stated	78,356,798	70,349,267	2,055,523	1,372,559	80,412,321	71,721,826
Change in Accounting Principle (See Note 4.F)	6,354,713	-	1,438,384	-	7,793,097	-
Net Position - Beginning of Year, As Restated	84,711,511	74,635,590	3,493,907	2,012,863	88,205,418	76,648,453
Net Position - End of Year	\$ 89,391,673	\$ 78,356,798	\$ 3,623,172	\$ 2,055,523	\$ 93,014,845	\$ 80,412,321

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 (50%), charges for services (15%), and operating grants/contributions (24%).

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

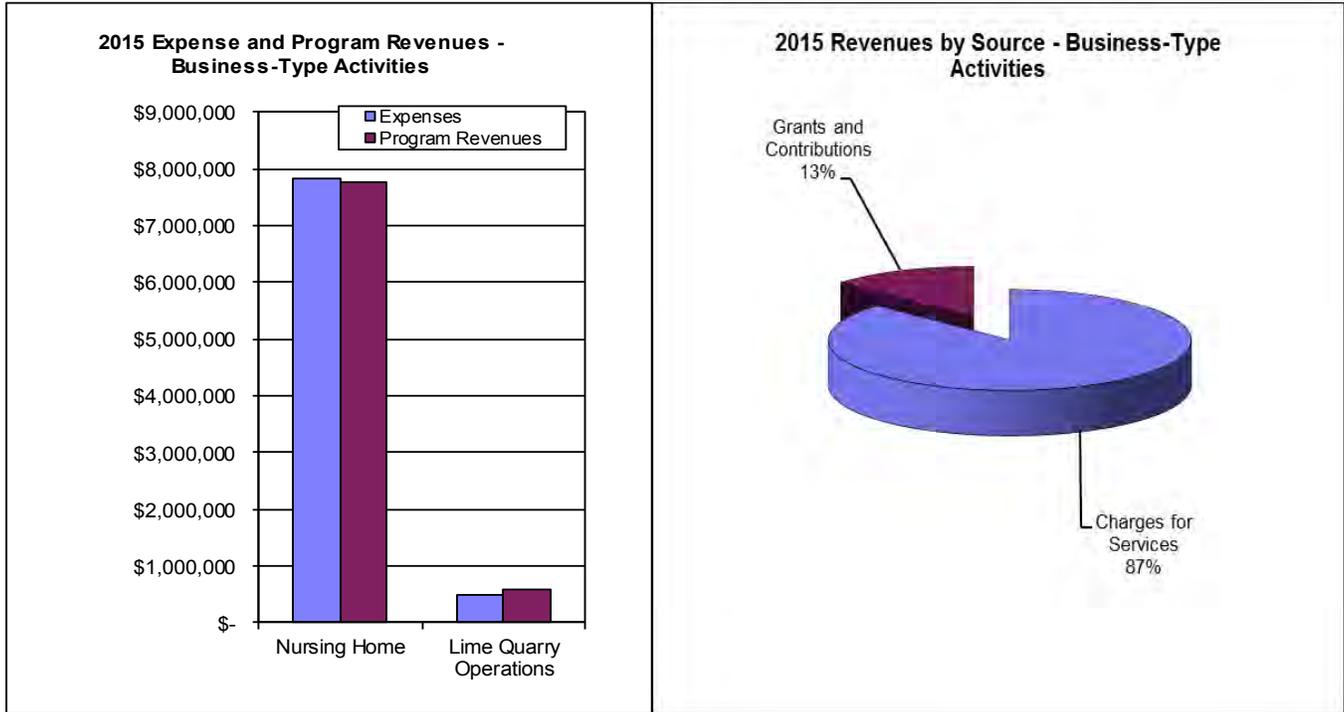
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)



**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

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 (87%) 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, 2015**

FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS (CONTINUED)

Governmental Funds (Continued)

At December 31, 2015, the County's governmental funds reported combined ending fund balances of \$15,827,992, a decrease of \$703,305 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at 12/31/2015					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 4,358,907	\$ 156,985	\$ 10,463	\$ 778,549	\$ 8,698,838	\$ 14,003,742	\$ (122,873)
Debt Service Fund	-	183,530	-	-	-	183,530	3,346
Nonmajor Funds:							
Special Revenue Funds	-	995,345	-	650,724	(8,410)	1,637,659	(586,839)
Capital Projects Funds	-	-	-	3,061	-	3,061	3,061
Total Fund Balances	<u>\$ 4,358,907</u>	<u>\$ 1,335,860</u>	<u>\$ 10,463</u>	<u>\$ 1,432,334</u>	<u>\$ 8,690,428</u>	<u>\$ 15,827,992</u>	<u>\$ (703,305)</u>

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 58.8% 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 decreased \$122,873 during the year; while the unassigned portion of the fund increased \$255,454. 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 to the general fund from the human service fund in the amount of \$52,117 was required in 2015 to transfer the surplus in the human services fund resulting from 2015 operations.

The debt service fund balance at December 31, 2015 totaled \$183,530. 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, 2015**

The aggregated other governmental funds column includes various special revenue and capital project funds. The accumulated fund balances of these funds decreased \$583,778 during 2015, primarily due to the excess of expenditures and other financing uses 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 2015 totaled \$3,623,172, an increase of \$129,265 from the previous year's adjusted balance.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2015 and 2014**

	Nursing Home		Lime Quarry		Totals	
	2015	2014	2015	2014	2015	2014
Operating Revenues	\$ 6,715,713	\$ 6,999,787	\$ 579,693	\$ 560,099	\$ 7,295,406	\$ 7,559,886
Operating Expenses:						
Depreciation	180,384	176,904	112,443	108,687	292,827	285,591
Other	7,614,673	7,648,899	485,687	440,157	8,100,360	8,089,056
Nonoperating Income (Expense)	1,067,150	979,098	112,373	-	1,179,523	979,098
Income (Loss) Before Transfers	(12,194)	153,082	93,936	11,255	81,742	164,337
Transfers and Capital Contributions	(21,677)	(21,677)	69,200	(100,000)	47,523	(121,677)
Change in Net Position	(33,871)	131,405	163,136	(88,745)	129,265	42,660
Net Position - Beginning of Year	545,908	414,503	1,509,615	1,598,360	2,055,523	2,012,863
Change in Accounting Principle (See Note 4.F)	1,374,530	-	63,854	-	1,438,384	-
Net Position - Beginning of Year, As Restated	1,920,438	414,503	1,573,469	1,598,360	3,493,907	2,012,863
Net Position - End of Year	\$ 1,886,567	\$ 545,908	\$ 1,736,605	\$ 1,509,615	\$ 3,623,172	\$ 2,055,523

The overall increase in the net position of the nursing home was \$1,340,659. This increase is primarily due to a change in accounting principle implemented during 2015. As shown above, the change in net position was a decrease of \$33,871 compared to an increase of \$131,405 in the previous year.

The net position of the lime quarry fund at December 31, 2015 totaled \$1,736,605, reflecting an increase of \$163,136 from the previous year plus an additional \$63,854 from a change in accounting principle.

The County had two internal service funds during 2015. Net position of the funds at year-end and changes thereto during the year were as follows:

	Net Position at 12/31/15	Change During Year
Highway Department	\$ 8,212,136	\$ 574,223
Self-Funded Health Insurance	2,993,660	886,466

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2015**

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 2015 general fund budget was amended for additional expenditures not originally included in adopted budget. The final actual revenues were \$21,883,775 which were \$239,533 more than the final budgeted revenues while the final actual expenditures were \$23,822,242 which were \$1,007,621 less than the final budgeted expenditures. The more significant items contributing to revenues being more than budget include: \$33,907 for federal traffic aid which wasn't budgeted, \$116,051 more in Land and Water Resource Management aid than budgeted and \$91,402 more in proceeds from sale of tax forfeited non-capital County assets than budgeted. The more significant items contributing to expenditures being less than budget include: \$73,055 unused budget for a general government supervisor position, \$196,715 savings on property and liability insurance costs, \$75,000 budgeted for citizen centered government project which will not occur until a future period, \$109,290 on retirement fund expenditures and \$84,556 in fuel savings.

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, 2015 were \$76,643,978 and \$2,674,954, respectively, as shown below:

**Capital Assets (Net of Depreciation)
December 31, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Not Subject to Depreciation:						
Land and Land Rights	\$ 2,365,729	\$ 1,820,390	\$ 165,701	\$ 171,162	\$ 2,531,430	\$ 1,991,552
Construction Work in Process	54,636	328,405	-	-	54,636	328,405
Subject to Depreciation:						
Land Improvements	68,428	82,202	17,957	13,641	86,385	95,843
Gravel Pits	185,565	-	-	1,239,401	185,565	1,239,401
Buildings and Improvements	19,711,499	20,485,872	1,309,755	-	21,021,254	20,485,872
Equipment and Vehicles	8,567,166	9,195,347	1,181,541	992,741	9,748,707	10,188,088
Highway Infrastructure	44,703,304	44,359,825	-	-	44,703,304	44,359,825
Other Infrastructure	987,651	1,014,750	-	-	987,651	1,014,750
Total	<u>\$ 76,643,978</u>	<u>\$ 77,286,791</u>	<u>\$ 2,674,954</u>	<u>\$ 2,416,945</u>	<u>\$ 79,318,932</u>	<u>\$ 79,703,736</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, 2015**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Obligations

At December 31, 2015, Polk County had outstanding \$17,154,736 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, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total Outstanding	
	2015	2014	2015	2014	2015	2014
General Obligation Debt:						
Bonds	\$ 11,330,000	\$ 13,675,000	\$ -	\$ -	\$ 11,330,000	\$ 13,675,000
Notes	-	2,425,000	-	42,586	-	2,467,586
Subtotal	11,330,000	16,100,000	-	42,586	11,330,000	16,142,586
Other Long-Term Obligations:						
Capital Leases Payable	169,676	199,772	1,779	3,558	171,455	203,330
Forest Crop Loans Payable	150,017	158,494	-	-	150,017	158,494
Estimated Employee Leave	3,145,382	2,682,414	366,937	273,300	3,512,319	2,955,714
Other Postemployment Health Care Benefits	1,565,847	1,394,315	425,098	397,758	1,990,945	1,792,073
Total	\$ 16,360,922	\$ 20,534,995	\$ 793,814	\$ 717,202	\$ 17,154,736	\$ 21,252,197

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, 2015 totaled \$11,330,000, approximately 6 percent of the maximum legal limit of \$203,686,110. 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, 2015**

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 2015 budget year, Polk County utilized an operating levy rate of \$4.32, a debt levy rate of \$0.96, and a special purpose levy rate of \$0.16 for a total mill rate of \$5.44/\$1,000 of valuation. The operating levy limit under this restriction was \$5.33. The County's actual operating levy was \$0.05/\$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 \$21,170,122 for its 2015 budget, an increase of \$186,118 (.89%) from the 2014 budget levy of \$20,984,004.

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, 2015**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Treasurer's Cash and Investments	\$ 16,914,925	\$ 337,002	\$ 17,251,927
Departmental Cash and Investments	36,201	1,200	37,401
Cash and Investments with Fiscal Agents	66,808	-	66,808
Taxes Receivable	25,952,029	-	25,952,029
Accounts Receivable	1,710,929	543,928	2,254,857
Due from Other Governments	627,104	-	627,104
Long-Term Receivables	803,112	-	803,112
Prepaid Items	260,075	27,128	287,203
Inventories	609,285	343,829	953,114
Internal Balances	594,007	(594,007)	-
Restricted Assets:			
Cash and Investments	-	32,196	32,196
Wisconsin Retirement System Pension Asset	3,122,743	706,830	3,829,573
Capital Assets:			
Capital Assets Not Being Depreciated	2,420,365	165,701	2,586,066
Capital Assets Being Depreciated	135,614,385	7,382,416	142,996,801
Accumulated Depreciation	(61,390,772)	(4,873,163)	(66,263,935)
Total Assets	<u>127,341,196</u>	<u>4,073,060</u>	<u>131,414,256</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	3,220,996	729,070	3,950,066
LIABILITIES			
Vouchers and Accounts Payable	985,796	128,729	1,114,525
Accrued Payables	700,522	196,153	896,675
Accrued Interest Payable	43,921	37,795	81,716
Claims Incurred but not Reported	356,232	-	356,232
Unearned Revenue	78,795	-	78,795
Special Deposits	50,015	22,467	72,482
Long-Term Liabilities:			
Amounts Due Within One Year	4,738,817	261,970	5,000,787
Amounts Due in More Than One Year	12,074,856	531,844	12,606,700
Total Liabilities	<u>19,028,954</u>	<u>1,178,958</u>	<u>20,207,912</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes for Subsequent Year	<u>22,141,565</u>	<u>-</u>	<u>22,141,565</u>
NET POSITION			
Net Investment in Capital Assets	64,691,551	2,564,170	67,255,721
Restricted for:			
Debt Service	139,609	-	139,609
Economic and Housing Loan Programs	884,522	-	884,522
Other Purposes	1,070,920	9,729	1,080,649
WRS Pension Asset	3,122,743	706,830	3,829,573
Unrestricted	19,482,328	342,443	19,824,771
Total Net Position	<u>\$ 89,391,673</u>	<u>\$ 3,623,172</u>	<u>\$ 93,014,845</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS/PROGRAMS	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
Primary Government:						
Governmental Activities:						
General Government	\$ 5,564,085	\$ 869,535	\$ 562,343	\$ (4,132,207)	\$ -	\$ (4,132,207)
Public Safety	8,975,910	780,527	570,842	(7,624,541)	-	(7,624,541)
Transportation	6,764,947	2,619,623	1,724,712	(2,420,612)	-	(2,420,612)
Sanitation	612,218	235,762	174,584	(201,872)	-	(201,872)
Health and Human Services	13,553,401	1,505,185	6,947,080	(5,101,136)	-	(5,101,136)
Culture, Recreation and Education	1,317,871	18,231	193,255	(1,106,385)	-	(1,106,385)
Conservation and Development	1,930,890	557,936	500,257	(872,697)	-	(872,697)
Interest and Fiscal Charges	623,463	-	-	(623,463)	-	(623,463)
Total Governmental Activities	<u>39,342,785</u>	<u>6,586,799</u>	<u>10,673,073</u>	<u>(22,082,913)</u>	<u>-</u>	<u>(22,082,913)</u>
Business-Type Activities:						
Nursing Home	7,823,584	6,686,014	1,095,283	-	(42,287)	(42,287)
Lime Quarry	485,757	579,693	-	-	93,936	93,936
Total Business-Type Activities	<u>8,309,341</u>	<u>7,265,707</u>	<u>1,095,283</u>	<u>-</u>	<u>51,649</u>	<u>51,649</u>
Total Primary Government	<u>\$ 47,652,126</u>	<u>\$ 13,852,506</u>	<u>\$ 11,768,356</u>	<u>(22,082,913)</u>	<u>51,649</u>	<u>(22,031,264)</u>
GENERAL REVENUES						
Taxes:						
Property Taxes				21,823,948	-	21,823,948
Sales Taxes				2,912,227	-	2,912,227
Other Taxes				688,441	-	688,441
State and Federal Aids Not Restricted to Specific Programs				694,718	-	694,718
Interest and Investment Earnings				56,399	394	56,793
Other				634,865	29,699	664,564
TRANSFERS				(47,523)	47,523	-
Total General Revenues and Transfers				<u>26,763,075</u>	<u>77,616</u>	<u>26,840,691</u>
CHANGE IN NET POSITION						
Net Position - Beginning of Year				78,356,798	2,055,523	80,412,321
Change in Accounting Principles (see Note 4.F)				6,354,713	1,438,384	7,793,097
Net Position - Beginning of Year, As Restated				<u>84,711,511</u>	<u>3,493,907</u>	<u>88,205,418</u>
NET Position - END OF YEAR				<u>\$ 89,391,673</u>	<u>\$ 3,623,172</u>	<u>\$ 93,014,845</u>

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

**POLK COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS					
Treasurer's Cash and Investments	\$ 9,765,676	\$ 110,865	\$ 183,530	\$ 1,244,201	\$ 11,304,272
Departmental Cash and Investments	6,285	29,716	-	-	36,001
Cash Held by Fiscal Agents	66,808	-	-	-	66,808
Taxes Receivable	18,464,241	3,885,545	3,287,152	315,091	25,952,029
Accounts Receivable	472,688	329,478	-	794,374	1,596,540
Due from Other Funds	109,250	-	-	-	109,250
Prepaid Items	7,075	-	-	-	7,075
Long-Term Accounts Receivable	-	-	-	803,112	803,112
Advances to Other Funds	541,369	-	-	-	541,369
Total Assets	<u>\$ 29,433,392</u>	<u>\$ 4,355,604</u>	<u>\$ 3,470,682</u>	<u>\$ 3,156,778</u>	<u>\$ 40,416,456</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Vouchers and Accounts Payable	\$ 362,981	\$ 277,754	\$ -	\$ 224,698	\$ 865,433
Accrued Payables	392,193	153,822	-	46,917	592,932
Due to Other Funds	-	-	-	56,612	56,612
Unearned Revenues	-	9,167	-	69,628	78,795
Special Deposits	20,699	29,316	-	-	50,015
Total Liabilities	<u>775,873</u>	<u>470,059</u>	<u>-</u>	<u>397,855</u>	<u>1,643,787</u>
DEFERRED INFLOWS OF RESOURCES:					
Succeeding Year's Property Taxes	14,653,777	3,885,545	3,287,152	315,091	22,141,565
Unavailable Revenue - Long-Term Receivable	-	-	-	803,112	803,112
Total Deferred Inflows of Resources	<u>14,653,777</u>	<u>3,885,545</u>	<u>3,287,152</u>	<u>1,118,203</u>	<u>22,944,677</u>
FUND BALANCES					
Nonspendable	4,358,907	-	-	-	4,358,907
Restricted	156,985	-	183,530	995,345	1,335,860
Committed	10,463	-	-	-	10,463
Assigned	778,549	-	-	653,785	1,432,334
Unassigned	8,698,838	-	-	(8,410)	8,690,428
Total Fund Balances	<u>14,003,742</u>	<u>-</u>	<u>183,530</u>	<u>1,640,720</u>	<u>15,827,992</u>
Total Liabilities and Fund Balances	<u>\$ 29,433,392</u>	<u>\$ 4,355,604</u>	<u>\$ 3,470,682</u>	<u>\$ 3,156,778</u>	<u>\$ 40,416,456</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, 2015**

Total Fund Balances - Governmental Funds \$ 15,827,992

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	\$ 2,348,010	
Land Improvements	575,040	
Buildings and Improvements	33,812,135	
Machinery and Equipment	11,627,707	
Infrastructure	78,818,976	
Other Infrastructure	1,353,910	
Construction Work-in-Progress	54,636	
Accumulated Depreciation	<u>(56,320,880)</u>	72,269,534

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. 803,112

Net Wisconsin Retirement System pension plan asset and related deferred outflows and inflows are recorded only on the Statement of Net Position. Balances at year-end are:

Net Pension Plan Asset		2,805,186
Deferred Outflows of Resources		2,893,448

Some liabilities are not due and payable in the current period and, therefore, are:

Bonds Payable	11,330,000	
Accrued Interest Payable	43,921	
Forest Crop Loans	150,017	
Capital Lease	169,676	
Other Postemployment Health Care Benefits	1,565,847	
Estimated Employee Leave Liability	<u>2,701,183</u>	(15,960,644)

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		(452,751)
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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. 11,205,796

Net Position of Governmental Activities **\$ 89,391,673**

See accompanying Notes to Basic Financial Statements.

POLK COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 14,709,641	\$ 3,611,103	\$ 3,861,651	\$ 3,242,221	\$ 25,424,616
Intergovernmental	4,027,452	4,501,702	-	2,838,637	11,367,791
Licenses and Permits	328,542	-	-	50,109	378,651
Fines and Forfeits	94,813	-	-	39,206	134,019
Public Charges for Services	1,543,789	919,807	-	440,611	2,904,207
Intergovernmental Charges for Services	550,299	-	-	-	550,299
Miscellaneous:					
Interest	56,285	-	-	114	56,399
Rent	299,688	-	-	-	299,688
Other	273,266	-	-	81,794	355,060
Total Revenues	<u>21,883,775</u>	<u>9,032,612</u>	<u>3,861,651</u>	<u>6,692,692</u>	<u>41,470,730</u>
EXPENDITURES					
CURRENT					
General Government	6,195,079	-	-	139,167	6,334,246
Public Safety	7,766,115	-	-	166,245	7,932,360
Transportation	4,811,387	-	-	-	4,811,387
Sanitation	598,049	-	-	-	598,049
Health and Human Services	1,598,002	9,011,901	-	3,024,388	13,634,291
Culture, Recreation and Education	1,079,857	-	-	180,224	1,260,081
Conservation and Development	1,773,753	-	-	121,563	1,895,316
DEBT SERVICE					
Principal Retirement	-	-	4,800,096	16,700	4,816,796
Interest and Fiscal Charges	-	-	752,209	-	752,209
Total Expenditures	<u>23,822,242</u>	<u>9,011,901</u>	<u>5,552,305</u>	<u>3,648,287</u>	<u>42,034,735</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(1,938,467)	20,711	(1,690,654)	3,044,405	(564,005)
OTHER FINANCING SOURCES (USES)					
Proceeds of Long-Term Debt	-	-	-	8,223	8,223
Transfers In	2,761,794	31,406	1,694,000	10,000	4,497,200
Transfers Out	(946,200)	(52,117)	-	(3,646,406)	(4,644,723)
Total Other Financing Sources (Uses)	<u>1,815,594</u>	<u>(20,711)</u>	<u>1,694,000</u>	<u>(3,628,183)</u>	<u>(139,300)</u>
NET CHANGE IN FUND BALANCES					
	(122,873)	-	3,346	(583,778)	(703,305)
Fund Balances - Beginning of Year	<u>14,126,615</u>	<u>-</u>	<u>180,184</u>	<u>2,224,498</u>	<u>16,531,297</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,003,742</u>	<u>\$ -</u>	<u>\$ 183,530</u>	<u>\$ 1,640,720</u>	<u>\$ 15,827,992</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, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ (703,305)

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	\$ 3,477,758	
Depreciation Expense Reported in the Statement of Activities	(3,528,561)	

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	<u>(341,470)</u>	(392,273)
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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. (72,859)

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset and related deferred outflows and inflows of resources. (9,858)

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:

Forest Crop Loan		(8,223)
Amortization of Premiums on Bonds Issued		110,892

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	2,345,000	
Long-Term Notes Principal Retirement	2,425,000	
Capital Lease Principal Repayment	30,096	
Forest Crop Loan Paid	<u>16,700</u>	4,816,796

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. 1,460,689

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	17,854	
Net Change in Compensated Absences Liability	(368,019)	
Net Change in Other Postemployment Benefits	<u>(171,532)</u>	<u>(521,697)</u>

Change in Net Position of Governmental Activities \$ 4,680,162

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Totals	
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ -	\$ 337,002	\$ 337,002	\$ 5,610,653
Departmental Cash and Investments	1,000	200	1,200	200
Accounts Receivable	508,415	35,513	543,928	114,389
Due from Other Governmental Units	-	-	-	627,104
Inventories	53,050	290,779	343,829	609,285
Prepaid Items	27,128	-	27,128	253,000
Total Current Assets	589,593	663,494	1,253,087	7,214,631
NONCURRENT ASSETS				
Restricted Cash and Investments	32,196	-	32,196	-
Capital Assets Not Being Depreciated	6,605	159,096	165,701	17,719
Capital Assets Being Depreciated	5,626,293	1,756,123	7,382,416	9,426,617
Less: Accumulated Depreciation	4,084,578	788,585	4,873,163	5,069,892
Net Capital Assets	1,548,320	1,126,634	2,674,954	4,374,444
RESTRICTED ASSETS				
Wisconsin Retirement System Pension Asset	675,452	31,378	706,830	317,557
Total Assets	2,845,561	1,821,506	4,667,067	11,906,632
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	696,704	32,366	729,070	327,548
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	108,772	19,957	128,729	120,363
Accrued Wages Payable	189,192	6,961	196,153	107,590
Resident Trust Funds	22,467	-	22,467	-
Accrued Interest Payable	37,795	-	37,795	-
Due to Other Funds	52,638	-	52,638	-
Claims Incurred but not Reported	-	-	-	356,232
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	210,513	49,678	260,191	316,728
Long-Term Notes	1,779	-	1,779	-
Total Current Liabilities	623,156	76,596	699,752	900,913
LONG-TERM LIABILITIES, (Net of Current Portion)				
Accrued Employee Leave	85,984	20,762	106,746	127,471
Advances from General Fund	541,369	-	541,369	-
Other Postemployment Health Care Benefits	405,189	19,909	425,098	-
Total Long-Term Liabilities	1,032,542	40,671	1,073,213	127,471
Total Liabilities	1,655,698	117,267	1,772,965	1,028,384
NET POSITION				
Net Investment in Capital Assets	1,437,536	1,126,634	2,564,170	4,374,444
Restricted for Donation Funds	9,729	-	9,729	-
Restricted for Pension Plan	675,452	31,378	706,830	317,557
Unrestricted	(236,150)	578,593	342,443	6,513,795
Total Net Position	\$ 1,886,567	\$ 1,736,605	\$ 3,623,172	\$ 11,205,796

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, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for Services	\$ 6,686,014	\$ 579,693	\$ 7,265,707	\$ 13,522,082
Miscellaneous	29,699	-	29,699	408,061
Total Operating Revenues	<u>6,715,713</u>	<u>579,693</u>	<u>7,295,406</u>	<u>13,930,143</u>
OPERATING EXPENSES				
Daily Patient Services	4,325,778	-	4,325,778	-
Special Services	734,264	-	734,264	-
General Services	1,440,622	-	1,440,622	-
Administrative Services	1,114,009	-	1,114,009	386,982
Lime Quarry Expenses	-	485,687	485,687	-
Transportation Services	-	-	-	5,981,032
Premiums and Claims	-	-	-	5,559,691
Depreciation and Depletion	180,384	112,443	292,827	641,749
Total Operating Expenses	<u>7,795,057</u>	<u>598,130</u>	<u>8,393,187</u>	<u>12,569,454</u>
OPERATING INCOME (LOSS)	(1,079,344)	(18,437)	(1,097,781)	1,360,689
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Transfer Program	1,095,842	-	1,095,842	-
Interest Revenue	394	-	394	-
Interest Expense on Long-Term Debt	(28,527)	-	(28,527)	-
Restricted Donations	(559)	-	(559)	-
Gain on Disposal of Capital Assets	-	112,373	112,373	-
Total Nonoperating Revenues (Expenses)	<u>1,067,150</u>	<u>112,373</u>	<u>1,179,523</u>	<u>-</u>
INCOME BEFORE TRANSFERS	(12,194)	93,936	81,742	1,360,689
TRANSFERS				
Transfer In	-	132,200	132,200	100,000
Transfers Out	(21,677)	(63,000)	(84,677)	-
Total Transfers and Capital Contributions	<u>(21,677)</u>	<u>69,200</u>	<u>47,523</u>	<u>100,000</u>
CHANGE IN NET POSITION	(33,871)	163,136	129,265	1,460,689
Net Position - Beginning of Year	545,908	1,509,615	2,055,523	9,098,886
Change in Accounting Principle	1,374,530	63,854	1,438,384	646,221
Net Position - Beginning of Year, Restated	<u>1,920,438</u>	<u>1,573,469</u>	<u>3,493,907</u>	<u>9,745,107</u>
NET POSITION - END OF YEAR	<u>\$ 1,886,567</u>	<u>\$ 1,736,605</u>	<u>\$ 3,623,172</u>	<u>\$ 11,205,796</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Nursing Home	Lime Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received for Services Provided	\$ 6,848,196	\$ 589,934	\$ 7,438,130	\$ 7,452,575
Cash Received from Interfund Charges	-	-	-	6,446,157
Other Cash Received	29,699	-	29,699	-
Cash Paid to Suppliers for Goods and Services	(3,733,485)	(288,989)	(4,022,474)	(8,837,942)
Cash Paid for Employee Services	(3,767,943)	(194,390)	(3,962,333)	(3,390,811)
Net Cash Provided (Used) by Operating Activities	(623,533)	106,555	(516,978)	1,669,979
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net Residents' Trust Funds Received	355,668	-	355,668	-
Net Residents' Trust Funds Paid	(360,594)	-	(360,594)	-
Transfer In (Out)	(21,677)	69,200	47,523	100,000
Intergovernmental Transfer Program	1,573,542	-	1,573,542	-
Change in Cash Overdraft Funded by General County at Year-End	(544,732)	-	(544,732)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,002,207	69,200	1,071,407	100,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(206,262)	(232,200)	(438,462)	(423,811)
Cash Received from Sale of Capital Assets	-	-	-	23,011
Principal Paid on Advance from General Fund	(105,134)	-	(105,134)	-
Interest Paid on Advances from County	(26,720)	-	(26,720)	-
Principal Paid on Long-Term Notes	(44,365)	-	(44,365)	-
Interest on Long-Term Notes and Capital Leases	(1,513)	-	(1,513)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(383,994)	(232,200)	(616,194)	(400,800)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	394	-	394	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,926)	(56,445)	(61,371)	1,369,179
Cash and Cash Equivalents - Beginning of Year	38,122	393,647	431,769	4,241,674
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 33,196</u>	<u>\$ 337,202</u>	<u>\$ 370,398</u>	<u>\$ 5,610,853</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			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)	\$ (1,064,900)	\$ (18,437)	\$ (1,083,337)	\$ 1,360,689
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Depletion	180,384	112,443	292,827	641,749
Net Change in WRS Pension Items	2,374	110	2,484	1,116
Loss (Gain) on Disposal of Capital Assets	-	-	-	9,590
(Increase) Decrease in Asset Accounts:				
Resident Accounts Receivable	147,755	-	147,755	-
Other Accounts Receivable	-	28,338	28,338	(72,513)
Due from Other Governmental Units	-	-	-	41,102
Inventories	(12,598)	(41,841)	(54,439)	(88,907)
Prepaid Items	(11,329)	2,610	(8,719)	(253,000)
Increase (Decrease) in Liability Accounts:				
Unearned Revenues	-	(18,097)	(18,097)	-
Accounts Payable	26,424	12,273	38,697	42,069
Claims Incurred but not Reported	-	-	-	(125,073)
Accrued Wages Payable	16,051	502	16,553	18,208
Accrued Employee Leave	66,954	26,666	93,620	94,949
Other Postemployment Health Care Benefits	25,352	1,988	27,340	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (623,533)</u>	<u>\$ 106,555</u>	<u>\$ (516,978)</u>	<u>\$ 1,669,979</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ -	\$ 337,002	\$ 337,002	\$ 5,610,653
Departmental Cash and Investments	1,000	200	1,200	200
Restricted Cash and Investments	32,196	-	32,196	-
Cash and Cash Equivalents	<u>\$ 33,196</u>	<u>\$ 337,202</u>	<u>\$ 370,398</u>	<u>\$ 5,610,853</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2015**

	<u>Agency Funds</u>
ASSETS	
Cash and Pooled Investments	\$ 871,629
Taxes Receivable	717,809
Special Assessments	<u>331</u>
Total Assets	<u><u>\$ 1,589,769</u></u>
LIABILITIES	
Due to Other Governments	\$ 1,279,649
Special Deposits	309,789
Districts/State Equities Uncollected Taxes	<u>331</u>
Total Liabilities	<u><u>\$ 1,589,769</u></u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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, 2015

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, 2015**

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, 2015**

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, 2015**

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, 2015**

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, 2015

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 classified as 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, 2015**

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 reports pension related items as deferred outflows of resources.

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, 2015**

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. Wisconsin Retirement System Pension Plan Benefits

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

10. 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.

POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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 its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

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, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

At December 31, 2015, the Family Court Counseling, nonmajor special revenue fund, had deficit fund balances of \$8,410. The County plans to eliminate this deficit through future public charges for services.

B. Expenditures in Excess of Budget

At December 31, 2015, the County had the following fund with expenditures in excess of the approved budget:

Fund	Budget	Actual	Difference
Human Services	\$ 8,889,467	\$ 9,011,901	\$ (122,434)

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, 2015, as shown in the financial statements, is as follows:

Governmental Funds	\$ 11,407,081	
Proprietary Funds	5,981,251	
Fiduciary Funds	871,629	
Total Cash and Investments	\$ 18,259,961	

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments

Deposits at Financial Institutions		
County Funds	\$ 16,164,796	
Deposits in State Local Governments		
Pooled-Investment Fund	1,672,812	\$ 17,837,608

Departmental Cash and Investments

Deposits at Financial Institutions		
Funds Held in Trust	309,788	
Petty Cash	10,061	319,849

Cash and Investments Held by Fiscal Agents

Cafeteria Plan	3,500	
Cash Held by Mutual Insurance Corporation	66,808	70,308

Restricted Cash and Investments

Deposits in Financial Institutions		
Funds Held in Trust		32,196
Total Cash and Investments at December 31, 2015		\$ 18,259,961

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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, 2015, the County's deposits were not exposed to custodial credit risk.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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 2015 was 76 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, 2015 totaled \$26,669,838. The taxes receivable amount is broken out between \$25,952,029 (\$22,141,565 current and \$3,810,464 delinquent) for governmental funds and \$717,809 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, 2015**

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, 2015 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, 2015 the County had seventy-one (70) loans outstanding under this program with an outstanding balance of \$803,112 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 12/31/15
2015 Tax Levy	\$ -	\$ 22,141,565	\$ 22,141,565
Grants			
Human Services Fund	-	9,167	9,167
Snowmobile/ATV Trails Fund	-	69,628	69,628
Long-Term Receivables			
Housing Rehabilitation Loans	803,112	-	803,112
Total	\$ 803,112	\$ 22,220,360	\$ 23,023,472

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,802,671	\$ 832,874	\$ 287,535	\$ 2,348,010
Construction Work in Progress:				
Roadways	328,405	54,636	328,405	54,636
Total Capital Assets Not Being Depreciated	2,131,076	887,510	615,940	2,402,646
Capital Assets Being Depreciated:				
Land Improvements	575,040	-	-	575,040
Buildings and Improvements	33,895,479	66,656	150,000	33,812,135
Equipment and Vehicles	11,253,097	682,510	307,900	11,627,707
Highway Infrastructure	76,918,289	2,169,487	268,800	78,818,976
Other Infrastructure	1,353,910	-	-	1,353,910
Total Capital Assets Being Depreciated	123,995,815	2,918,653	726,700	126,187,768
Total Capital Assets	126,126,891	3,806,163	1,342,640	128,590,414
Accumulated Depreciation:				
Land Improvements	538,392	7,656	-	546,048
Buildings and Improvements	14,063,928	853,578	115,430	14,802,076
Equipment and Vehicles	5,965,140	814,220	288,535	6,490,825
Highway Infrastructure	32,558,464	1,826,008	268,800	34,115,672
Other Infrastructure	339,160	27,099	-	366,259
Total Accumulated Depreciation	53,465,084	3,528,561	672,765	56,320,880
Net Capital Assets - General County	<u>\$ 72,661,807</u>	<u>\$ 277,602</u>	<u>\$ 669,875</u>	<u>\$ 72,269,534</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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
Gravel Pit	-	201,470	15,905	185,565
Buildings and Improvements	1,239,836	127,612	-	1,367,448
Machinery and Equipment	7,986,156	175,319	455,008	7,706,467
Other Capital Assets	28,291	-	14,254	14,037
Total Capital Assets Being Depreciated	<u>9,407,383</u>	<u>504,401</u>	<u>485,167</u>	<u>9,426,617</u>
Total Capital Assets	<u>9,425,102</u>	<u>504,401</u>	<u>485,167</u>	<u>9,444,336</u>
Accumulated Depreciation:				
Land Improvements	107,546	6,118	-	113,664
Buildings and Improvements	585,515	80,493	-	666,008
Machinery and Equipment	4,082,925	555,138	359,774	4,278,289
Other Capital Assets	24,132	-	12,201	11,931
Total Accumulated Depreciation	<u>4,800,118</u>	<u>641,749</u>	<u>371,975</u>	<u>5,069,892</u>
Net Capital Assets - Highway Department	<u>\$ 4,624,984</u>	<u>\$ (137,348)</u>	<u>\$ 113,192</u>	<u>\$ 4,374,444</u>
Governmental Activities:				
Capital Assets Not Being Depreciated	\$ 2,148,795	\$ 887,510	\$ 615,940	\$ 2,420,365
Capital Assets Being Depreciated	133,403,198	3,423,054	1,211,867	135,614,385
Total Capital Assets	<u>135,551,993</u>	<u>4,310,564</u>	<u>1,827,807</u>	<u>138,034,750</u>
Less: Accumulated Depreciation	<u>58,265,202</u>	<u>4,170,310</u>	<u>1,044,740</u>	<u>61,390,772</u>
Net Capital Assets - Governmental Activities	<u>\$ 77,286,791</u>	<u>\$ 140,254</u>	<u>\$ 783,067</u>	<u>\$ 76,643,978</u>

General County:

General Government	\$ 203,475
Public Safety	1,103,007
Transportation	1,826,008
Sanitation	17,499
Health and Human Services	307,844
Culture, Recreation and Education	60,531
Conservation and Development	10,197
Subtotal General County	<u>3,528,561</u>

Highway Department:

Transportation	641,749
Total	<u>\$ 4,170,310</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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	106,484	8,178	-	114,662
Buildings and Improvements	3,489,105	166,162	-	3,655,267
Fixed Equipment	844,086	26,752	-	870,838
Equipment and Vehicles	980,356	5,170	-	985,526
Total Capital Assets Being Depreciated	<u>5,420,031</u>	<u>206,262</u>	<u>-</u>	<u>5,626,293</u>
Total Capital Assets	5,426,636	206,262	-	5,632,898
Accumulated Depreciation:				
Land Improvements	101,897	1,464	-	103,361
Buildings and Improvements	2,249,704	95,808	-	2,345,512
Fixed Equipment	721,414	36,948	-	758,362
Equipment and Vehicles	831,179	46,164	-	877,343
Total Accumulated Depreciation	<u>3,904,194</u>	<u>180,384</u>	<u>-</u>	<u>4,084,578</u>
Net Capital Assets - Nursing Home	<u>\$ 1,522,442</u>	<u>\$ 25,878</u>	<u>\$ -</u>	<u>\$ 1,548,320</u>
Lime Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 164,557	\$ -	\$ 5,461	\$ 159,096
Capital Assets Being Depreciated:				
Land Improvements	47,953	-	-	47,953
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	1,637,144	397,200	350,845	1,683,499
Total Capital Assets Being Depreciated	<u>1,709,768</u>	<u>397,200</u>	<u>350,845</u>	<u>1,756,123</u>
Total Capital Assets	1,874,325	397,200	356,306	1,915,219
Accumulated Depreciation:				
Land Improvements	38,899	2,398	-	41,297
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	916,252	104,584	298,219	722,617
Total Accumulated Depreciation	<u>979,822</u>	<u>106,982</u>	<u>298,219</u>	<u>788,585</u>
Net Capital Assets - Lime Fund	<u>\$ 894,503</u>	<u>\$ 290,218</u>	<u>\$ 58,087</u>	<u>\$ 1,126,634</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated	\$ 171,162	\$ -	\$ 5,461	\$ 165,701
Capital Assets Being Depreciated	7,129,799	603,462	350,845	7,382,416
Total Capital Assets	<u>7,300,961</u>	<u>603,462</u>	<u>356,306</u>	<u>7,548,117</u>
Less: Accumulated Depreciation	<u>4,884,016</u>	<u>287,366</u>	<u>298,219</u>	<u>4,873,163</u>
Net Capital Assets - Business-Type Activities	<u>\$ 2,416,945</u>	<u>\$ 316,096</u>	<u>\$ 58,087</u>	<u>\$ 2,674,954</u>

POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

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:

Depreciation expense was charged to the following business-type activities:

Nursing Home	\$ 180,384
Lime Operations	106,982
Total	\$ 287,366

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2015 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Family Court Counseling	\$ 8,857
General Fund	Public Health Funds	47,755
General Fund	Nursing Home Fund	52,638
	Total	\$ 109,250

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, 2015**

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	\$ 541,369

Long-term advances due the general fund from the Polk County Nursing Home Enterprise Fund at December 31, 2015 totaled \$541,369. On April 1, 2008, the General Fund advanced \$889,910 to the enterprise fund. The loan is to be repaid over nine years with an interest rate of four percent and principal payments varying from \$20,341 to \$213,578.

Interfund Transfers

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Sales Tax Fund (NM)	\$ 2,600,000
General Fund	Human Services Fund	52,117
General Fund	Golden Age Manor	21,677
General Fund	Jail Assessment Fund (NM)	25,000
General Fund	Lime Fund	63,000
Human Services Fund	General Fund	
Human Services Fund	Drivers Improvement Fund (NM)	31,406
Human Services Fund	Sales Tax Fund (NM)	
Debt Service Fund	Jail Assessment Fund (NM)	40,000
Debt Service Fund	General Fund	704,000
Debt Service Fund	Sales Tax Fund (NM)	950,000
Nonmajor Governmental Funds	General Fund	10,000
Lime Fund	General Fund	132,200
Highway Internal Service Fund	General Fund	100,000
	Total	<u>\$ 4,729,400</u>

The transfer from the Nonmajor Governmental Funds to the General Fund consisted of the amounts applied to the 2015 budget. The Transfer to the Human Services Fund from the General Fund was to cover the 2015 fund balance deficit. The additional transfer to the Human Services Fund represented the application of driver improvement fees.

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

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2015:

	Balance 1/1/15	Issued	Retired	Balance 12/31/15	Amounts Due Within One Year
Long-Term Debt					
Governmental Activities					
General Obligation Bonds	\$ 13,675,000	\$ -	\$ 2,345,000	\$ 11,330,000	\$ 2,620,000
General Obligation Notes	2,425,000	-	2,425,000	-	-
Add: Unamortized Bond Premiums	563,643	-	110,892	452,751	-
Business-Type Activities					
General Obligation Notes	42,586	-	42,586	-	-
Capital Lease	3,558	-	1,779	1,779	1,779
Total Long-Term Debt	<u>\$ 16,709,787</u>	<u>\$ -</u>	<u>\$ 4,925,257</u>	<u>\$ 11,784,530</u>	<u>\$ 2,621,779</u>
Other Long-Term Obligations					
Governmental Activities					
Governmental Funds					
Forest Loans Payable	\$ 158,494	\$ 8,223	\$ 16,700	\$ 150,017	\$ -
Capital Leases	199,772	-	30,096	169,676	31,308
Employee Leave Liability	2,333,164	2,701,183	2,333,164	2,701,183	1,770,781
Other Postemployment Health Care Benefits	1,394,315	312,440	140,908	1,565,847	-
Highway Internal Service Fund					
Employee Leave Liability	349,250	444,199	349,250	444,199	316,728
Total Other Long-Term Obligations Governmental Activities	<u>\$ 4,434,995</u>	<u>\$ 3,466,045</u>	<u>\$ 2,870,118</u>	<u>\$ 5,030,922</u>	<u>\$ 2,118,817</u>
Business-Type Activities					
Nursing Home Enterprise Fund					
Employee Leave Liability	\$ 229,526	\$ 296,497	\$ 229,526	\$ 296,497	\$ 210,513
Other Postemployment Benefits	379,837	46,089	20,737	405,189	-
Lime Enterprise Fund					
Employee Leave Liability	43,774	70,440	43,774	70,440	49,678
Other Postemployment Health Care Benefits	17,921	3,618	1,630	19,909	-
Total Other Long-Term Obligations Business-Type Activities	<u>\$ 671,058</u>	<u>\$ 416,644</u>	<u>\$ 295,667</u>	<u>\$ 792,035</u>	<u>\$ 260,191</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, 2015**

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, 2015 and annual requirements for their retirement were as follows:

	Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:				
General Obligation Bonds:				
General Obligation Refunding Bonds,	2016	\$ 2,620,000	\$ 527,055	\$ 3,147,055
\$18,500,000, Issued 3/15/05, Due 12/1/21,	2017	1,860,000	396,055	2,256,055
Interest at 3.00%-5.00%.	2018	2,010,000	325,375	2,335,375
	2019	2,140,000	229,900	2,369,900
	2020	2,200,000	128,250	2,328,250
	2021	500,000	23,750	523,750
Total General Obligation Debt		<u>\$ 11,330,000</u>	<u>\$ 1,630,385</u>	<u>\$ 12,960,385</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, 2015, the County's debt limit amounted to \$203,686,110 and indebtedness subject to the limitation totaled \$11,330,000.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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 2015 expenditures for these leases was \$70,914. Minimum lease payments over the term of these leases are as follows:

Year	<u>Total</u>
2016	\$ 66,542
2017	60,390
2018	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	(110,055)	(98,019)	(208,074)	(20,846)
Total	<u>\$ 330,993</u>	<u>\$ 36,331</u>	<u>\$ 367,324</u>	<u>\$ -</u>

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

Year	<u>Governmental Funds</u>	<u>Business- Type Activities</u>
2016	\$ 38,146	\$ 1,779
2017	38,146	-
2018	38,146	-
2019	38,146	-
2020	38,146	-
Subtotal	<u>190,730</u>	<u>1,779</u>
Less: Interest	(21,054)	-
Total	<u>\$ 169,676</u>	<u>\$ 1,779</u>

POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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 \$150,017 at December 31, 2015.

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 \$6,400,536 at June 30, 2015 per audited financial statements of the Obligor.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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, 2015 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	\$ 3,810,463	\$ 3,810,463	\$ -	\$ -	\$ -	\$ -
Interfund Advances	541,369	541,369	-	-	-	-
Prepaid Items	7,075	7,075	-	-	-	-
Redactions	70,000	-	70,000	-	-	-
Federal Forfeiture	22,223	-	22,223	-	-	-
Veterans Services Grant	12,298	-	12,298	-	-	-
Veterans Relief Grant	11,206	-	11,206	-	-	-
Donations	2,450	-	2,450	-	-	-
Internet Services	20,000	-	20,000	-	-	-
Maintenance of Forest Roads	16,540	-	16,540	-	-	-
Wildlife Damage	2,268	-	2,268	-	-	-
Conservation Projects	10,463	-	-	10,463	-	-
Asset Protection and Internal Investment	269,879	-	-	-	269,879	-
Employee Retirement	333,129	-	-	-	333,129	-
Vehicle Fleet	97,361	-	-	-	97,361	-
Recycling	17,227	-	-	-	17,227	-
Vending Machines	12,465	-	-	-	12,465	-
County Building Improvement	31,823	-	-	-	31,823	-
County Equipment Replacement	16,665	-	-	-	16,665	-
Unassigned	8,698,838	-	-	-	-	8,698,838
Subtotal General Fund	<u>14,003,742</u>	<u>4,358,907</u>	<u>156,985</u>	<u>10,463</u>	<u>778,549</u>	<u>8,698,838</u>
Debt Service Fund	183,530	-	183,530	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	258,480	-	258,480	-	-	-
Family Court Counseling Program	(8,410)	-	-	-	-	(8,410)
Jail Assessment Fees Program	19,557	-	19,557	-	-	-
WHEAP Grant Program	25,030	-	25,030	-	-	-
Bioterrorism Consortium Program	55,541	-	55,541	-	-	-
Drivers Improvement Program	1,658	-	1,658	-	-	-
Park Dedication Program	7,655	-	7,655	-	-	-
Snowmobile/ATV Trails	92,416	-	92,416	-	-	-
State Aid Forestry Program	23,787	-	23,787	-	-	-
Lake Improvement Program	83,279	-	83,279	-	-	-
Grant Program	81,410	-	81,410	-	-	-
County Sales Tax Program	650,724	-	-	-	650,724	-
ADRC Fund	346,532	-	346,532	-	-	-
Capital Projects Fund:						
LIDAR Project	3,061	-	-	-	3,061	-
Subtotal Nonmajor Funds	<u>1,640,720</u>	<u>-</u>	<u>995,345</u>	<u>-</u>	<u>653,785</u>	<u>(8,410)</u>
Total Governmental Funds Balances at December 31, 2015	<u>\$ 15,827,992</u>	<u>\$ 4,358,907</u>	<u>\$ 1,335,860</u>	<u>\$ 10,463</u>	<u>\$ 1,432,334</u>	<u>\$ 8,690,428</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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, 2015, sick leave earned and not taken was approximately \$95,528 in the nursing home enterprise fund, \$41,524 in the lime quarry enterprise fund, \$286,112 in the highway department internal service fund and \$1,860,804 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, 2015, was \$200,969 in the nursing home enterprise fund, \$28,916 in the lime quarry enterprise fund, \$158,087 in the highway department internal service fund, and \$840,379 in the governmental funds.

B. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

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

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

The WRS also provides death and disability benefits for employees.

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the fiscal reporting period January 1, 2015 through December 31, 2015, the WRS recognized \$1,429,056 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.80%	6.80%
Executives and Elected Officials	7.70%	7.70%
Protective with Social Security	6.80%	9.63%
Protective without Social Security	6.80%	13.23%

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.60%	7%
2006	0.8	3.0
2007	3.00	10.0
2008	6.60	-
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

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

At December 31, 2015, the County reported an asset of \$3,829,573 for its proportionate share of the net pension asset. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2014, the County's proportion was 0.15590987 percent, which was a decrease of 0.0048819 from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$1,528,196. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)**

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 555,169	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,854,464	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	111,377	-
County Contributions Subsequent to the Measurement Date	1,429,056	-
Total	<u>\$ 3,950,066</u>	<u>\$ -</u>

\$1,429,056 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	Pension Expense Amount
2015	\$ 494,644
2016	494,644
2017	494,644
2018	494,644
2019	494,644
Thereafter	47,790

POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and
 Deferred Inflows of Resources Related to Pensions (Continued)**

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset):	December 31, 2014
Actuarial Cost Method:	Frozen Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	5.0%

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

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

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

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (Continued)**

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	5%	70%	5%
International Equity	23%	6%	30%	6%
Fixed Income	36%	2%	N/A	N/A
Inflation Sensitive Assets	20%	2%	N/A	N/A
Real Estate	7%	4%	N/A	N/A
Private Equity/Debt	7%	7%	N/A	N/A
Multi-Asset	6%	4%	N/A	N/A
Cash	-20%	1%	N/A	N/A
Totals	100%		100%	

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,803,885	\$ (3,829,573)	\$ (15,386,483)

POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2015

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

**Pension Assets, Pension Expense, and Deferred Outflows of Resources and
 Deferred Inflows of Resources Related to Pensions (Continued)**

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

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 2015, 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	71,296
Adjustment to ARC	(103,214)
Annual OPEB Cost	362,239
Contributions During the Year	(163,367)
Change in Net OPEB Obligation	198,872
Net OPEB - Beginning of the Year	1,792,073
Net OPEB - End of the Year	\$ 1,990,945
Governmental Activities	\$ 1,565,847
Business-Type Activities	425,098
Total OPEB Payable	\$ 1,990,945

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. OPEB Disclosure (Continued)

1. Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/2015	\$ 362,239	\$ 163,367	45.1 %	\$ 1,990,945
12/30/2014	367,863	149,631	40.7	1,792,073
12/30/2013	438,537	242,664	55.3	1,573,454

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.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. OPEB Disclosure (Continued)

3. Actuarial Methods and Assumptions (Continued)

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.

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 \$5,559,691. The fund had a balance at December 31, 2015 of \$2,993,660.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Changes in the claims liabilities for 2015 and 2014 for the health insurance fund were as follows:

	2015	2014
Estimated Claims Outstanding - January 1	\$ 481,305	\$ 691,662
Current Year Claims and Changes	4,585,101	4,886,350
Claim Payments	(4,710,174)	(5,096,707)
Estimated Claims Outstanding - December 31	<u>\$ 356,232</u>	<u>\$ 481,305</u>

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. Change in Accounting Principle

During the year ended December 31, 2015, the County adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. These pronouncements require the restatement of the December 31, 2014, net position of the governmental activities as follows:

	Governmental Activities	Business-Type Activities	Internal Service Fund	Lime Fund	Nursing Home
Net Position, December 31, 2014, as Previously Reported	\$ 78,356,798	\$ 2,055,523	\$ 9,098,886	\$ 1,509,615	\$ 545,908
Cumulative Affect of Application of GASB 68, Net Pension Liability (Asset)	5,169,175	1,170,038	525,662	51,941	1,118,097
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for County Contributions Made to the Plan During Fiscal Year Ending December 31, 2014	1,185,538	268,346	120,559	11,913	256,433
Net Position, December 31, 2014, as Restated	<u>\$ 84,711,511</u>	<u>\$ 3,493,907</u>	<u>\$ 9,745,107</u>	<u>\$ 1,573,469</u>	<u>\$ 1,920,438</u>

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 14,774,070	\$ 14,774,070	\$ 14,709,641	\$ (64,429)
Intergovernmental	3,814,756	3,814,756	4,027,452	212,696
Licenses and Permits	300,842	300,842	328,542	27,700
Fines and Forfeits	117,900	117,900	94,813	(23,087)
Public Charges for Services	1,577,684	1,577,684	1,543,789	(33,895)
Intergovernmental Charges for Services	541,505	541,505	550,299	8,794
Miscellaneous:				
Interest	85,950	85,950	56,285	(29,665)
Rent	290,985	290,985	299,688	8,703
Other	140,550	140,550	273,266	132,716
Total Revenues	<u>21,644,242</u>	<u>21,644,242</u>	<u>21,883,775</u>	<u>239,533</u>
EXPENDITURES				
General Government				
Legislative	153,940	153,940	143,698	10,242
Judicial	1,162,424	1,162,424	1,265,583	(103,159)
Legal	669,800	669,800	627,864	41,936
General Administration	2,181,702	2,181,702	2,012,029	169,673
Financial Administration	244,806	244,806	239,440	5,366
General Buildings and Plant	1,341,880	1,386,449	1,221,497	164,952
Property Records and Control	336,374	437,500	356,596	80,904
Tax Deed Expense and Refunds	26,600	26,600	10,042	16,558
Property and Liability Insurance	469,034	469,034	272,319	196,715
Asset Protection Fund Expenditures	96,000	96,000	21,000	75,000
Employee Retirement Fund Expenditures	109,290	109,290	-	109,290
Fleet Expenditures	54,496	54,496	21,146	33,350
Other General Government	4,000	15,752	3,865	11,887
Total General Government	<u>6,850,346</u>	<u>7,007,793</u>	<u>6,195,079</u>	<u>812,714</u>
Public Safety				
Sheriff and Traffic	5,136,828	5,165,501	5,066,039	99,462
Emergency Service and Disaster Control	105,975	105,975	110,960	(4,985)
Corrections and Detention	2,655,415	2,655,415	2,589,116	66,299
Total Public Safety	<u>7,898,218</u>	<u>7,926,891</u>	<u>7,766,115</u>	<u>160,776</u>
Transportation Facilities				
Appropriations to Highway Department	4,811,387	4,811,387	4,811,387	-
Sanitation				
Recycling	574,679	591,906	511,319	80,587
Solid Waste Management	32,922	32,922	56,526	(23,604)
Clean Sweep	14,000	14,000	-	14,000
Recycling Equipment Replacement	30,000	30,000	30,204	(204)
Total Sanitation	<u>651,601</u>	<u>668,828</u>	<u>598,049</u>	<u>70,779</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Health and Human Services				
General Health	\$ 852,072	\$ 852,072	\$ 855,981	\$ (3,909)
Social Services	559,856	559,856	590,921	(31,065)
Veterans	161,294	180,805	151,100	29,705
Total Health and Human Services	<u>1,573,222</u>	<u>1,592,733</u>	<u>1,598,002</u>	<u>(5,269)</u>
Culture, Recreation and Education				
Culture	683,826	683,826	685,641	(1,815)
Public Areas	122,021	122,021	118,247	3,774
Recreation Facilities	22,748	22,748	23,463	(715)
Education	279,062	279,062	252,506	26,556
Total Culture, Recreation, and Education	<u>1,107,657</u>	<u>1,107,657</u>	<u>1,079,857</u>	<u>27,800</u>
Conservation and Development				
Resource Conservation	795,352	824,001	875,286	(51,285)
Planning	31,274	31,274	30,823	451
Zoning	754,527	754,527	762,872	(8,345)
Economic Development	104,772	104,772	104,772	-
Total Conservation and Development	<u>1,685,925</u>	<u>1,714,574</u>	<u>1,773,753</u>	<u>(59,179)</u>
Total Expenditures	<u>24,578,356</u>	<u>24,829,863</u>	<u>23,822,242</u>	<u>1,007,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,934,114)	(3,185,621)	(1,938,467)	1,247,154
OTHER FINANCING SOURCES (USES)				
Transfers In	3,978,298	3,978,298	2,761,794	(1,216,504)
Transfers Out	(1,945,909)	(2,045,909)	(946,200)	1,099,709
Total Other Financing Sources (Uses)	<u>2,032,389</u>	<u>1,932,389</u>	<u>1,815,594</u>	<u>(116,795)</u>
NET CHANGE IN FUND BALANCE	\$ (901,725)	\$ (1,253,232)	(122,873)	\$ 1,130,359
Fund Balance - Beginning of Year			<u>14,126,615</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 14,003,742</u></u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		(Negative)
REVENUES				
Taxes	\$ 3,611,103	\$ 3,611,103	\$ 3,611,103	\$ -
Intergovernmental	4,159,942	4,159,942	4,501,702	341,760
Public Charges for Services	1,126,422	1,126,422	919,807	(206,615)
Total Revenues	<u>8,897,467</u>	<u>8,897,467</u>	<u>9,032,612</u>	<u>135,145</u>
EXPENDITURES				
Health and Human Services	8,889,467	8,889,467	9,011,901	(122,434)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,000	8,000	20,711	12,711
OTHER FINANCING SOURCES (USES):				
Transfers In	40,000	40,000	31,406	(8,594)
Transfers Out	(48,000)	(48,000)	(52,117)	(4,117)
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(20,711)</u>	<u>(12,711)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</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
SCHEDULE OF PROPORTIONATE SHARE OF
WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET
LAST TEN FISCAL YEARS**

	<u>Measurement Date 12/31/14</u>
County's proportion of the net pension liability (asset)	0.15590987%
County's proportionate share of the net pension liability (asset)	\$ (3,829,573)
County's covered-employee payroll	\$ 20,067,237
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-19.08%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

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

**POLK COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS**

	2015
Contractually Required Contribution	\$ 1,429,056
Contributions in Relation to the Contractually Required Contributions	(1,429,056)
Contribution Deficiency (Excess)	\$ -
 County's Covered-Employee Payroll	 \$ 20,138,336
 Contributions as a Percentage of Covered Employee Payroll	 7.10%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions. There were no changes in the assumptions.

**POLK COUNTY, WISCONSIN
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED DECEMBER 31, 2015**

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	\$ 8,889,467	\$ 9,011,901	\$ (122,434)

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
CURRENT AND TWO PRECEDING VALUATIONS**

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, 2015**

	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	\$ 261,201	\$ -	\$ 17,686	\$ 27,431	\$ 59,195	\$ 6,076	\$ -	\$ 7,655	\$ 162,426
Taxes Receivable	122,367	-	-	-	-	-	-	-	-
Accounts Receivable	83,571	447	1,871	-	-	-	1,658	-	63
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 467,139</u>	<u>\$ 447</u>	<u>\$ 19,557</u>	<u>\$ 27,431</u>	<u>\$ 59,195</u>	<u>\$ 6,076</u>	<u>\$ 1,658</u>	<u>\$ 7,655</u>	<u>\$ 162,489</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Vouchers Payable	\$ 14,864	\$ -	\$ -	\$ 2,401	\$ 57	\$ 6,076	\$ -	\$ -	\$ 445
Accrued Wages Payable	23,673	-	-	-	3,597	-	-	-	-
Due to Other Funds	47,755	8,857	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	69,628
Total Liabilities	<u>86,292</u>	<u>8,857</u>	<u>-</u>	<u>2,401</u>	<u>3,654</u>	<u>6,076</u>	<u>-</u>	<u>-</u>	<u>70,073</u>
DEFERRED INFLOWS OF RESOURCES									
Property Taxes for Subsequent Year	122,367	-	-	-	-	-	-	-	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>122,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	258,480	-	19,557	25,030	55,541	-	1,658	7,655	92,416
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(8,410)	-	-	-	-	-	-	-
Total Fund Balances	<u>258,480</u>	<u>(8,410)</u>	<u>19,557</u>	<u>25,030</u>	<u>55,541</u>	<u>-</u>	<u>1,658</u>	<u>7,655</u>	<u>92,416</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 467,139</u>	<u>\$ 447</u>	<u>\$ 19,557</u>	<u>\$ 27,431</u>	<u>\$ 59,195</u>	<u>\$ 6,076</u>	<u>\$ 1,658</u>	<u>\$ 7,655</u>	<u>\$ 162,489</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2015**

	Special Revenue Funds (Continued)							Total Nonmajor Governmental Funds
	State Aided Forestry Fund	Lake Improvement	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Total Special Revenue Funds	LIDAR Capital Project Fund	
ASSETS								
Treasurer's Cash and Investments	\$ 23,787	\$ 83,279	\$ 105,432	\$ 205,176	\$ 281,796	\$ 1,241,140	\$ 3,061	\$ 1,244,201
Taxes Receivable	-	-	-	-	110,785	233,152	81,939	315,091
Accounts Receivable	-	-	-	445,548	261,216	794,374	-	794,374
Long-Term Receivables	-	-	803,112	-	-	803,112	-	803,112
Total Assets	<u>\$ 23,787</u>	<u>\$ 83,279</u>	<u>\$ 908,544</u>	<u>\$ 650,724</u>	<u>\$ 653,797</u>	<u>\$ 3,071,778</u>	<u>\$ 85,000</u>	<u>\$ 3,156,778</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Vouchers Payable	\$ -	\$ -	\$ 24,022	\$ -	\$ 176,833	\$ 224,698	\$ -	\$ 224,698
Accrued Wages Payable	-	-	-	-	19,647	46,917	-	46,917
Due to Other Funds	-	-	-	-	-	56,612	-	56,612
Unearned Revenue	-	-	-	-	-	69,628	-	69,628
Total Liabilities	<u>-</u>	<u>-</u>	<u>24,022</u>	<u>-</u>	<u>196,480</u>	<u>397,855</u>	<u>-</u>	<u>397,855</u>
DEFERRED INFLOWS OF RESOURCES								
Property Taxes for Subsequent Year	-	-	-	-	110,785	233,152	81,939	315,091
Unavailable Revenue - Long-Term Receivables	-	-	803,112	-	-	803,112	-	803,112
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>803,112</u>	<u>-</u>	<u>110,785</u>	<u>1,036,264</u>	<u>81,939</u>	<u>1,118,203</u>
FUND BALANCES								
Restricted	23,787	83,279	81,410	-	346,532	995,345	-	995,345
Assigned	-	-	-	650,724	-	650,724	3,061	653,785
Unassigned	-	-	-	-	-	(8,410)	-	(8,410)
Total Fund Balances	<u>23,787</u>	<u>83,279</u>	<u>81,410</u>	<u>650,724</u>	<u>346,532</u>	<u>1,637,659</u>	<u>3,061</u>	<u>1,640,720</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,787</u>	<u>\$ 83,279</u>	<u>\$ 908,544</u>	<u>\$ 650,724</u>	<u>\$ 653,797</u>	<u>\$ 3,071,778</u>	<u>\$ 85,000</u>	<u>\$ 3,156,778</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015**

	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	645,062	-	-	142,003	158,686	-	-	-	193,255
Licenses and Permits	-	-	-	-	-	18,832	31,277	-	-
Fines, Forfeits and Penalties	-	-	39,206	-	-	-	-	-	-
Public Charges for Services	430,601	10,010	-	-	-	-	-	-	-
Miscellaneous:									
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>1,198,172</u>	<u>10,010</u>	<u>39,206</u>	<u>142,003</u>	<u>158,686</u>	<u>18,832</u>	<u>31,277</u>	<u>-</u>	<u>193,255</u>
EXPENDITURES									
General Government	-	7,228	-	-	-	-	-	-	-
Public Safety	-	-	-	-	166,245	-	-	-	-
Health and Human Services	1,201,206	-	-	133,881	-	20,303	-	-	-
Culture, Recreation and Education	-	-	-	-	-	-	-	12,070	168,154
Conservation and Development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,201,206</u>	<u>7,228</u>	<u>-</u>	<u>133,881</u>	<u>166,245</u>	<u>20,303</u>	<u>-</u>	<u>12,070</u>	<u>168,154</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,034)	2,782	39,206	8,122	(7,559)	(1,471)	31,277	(12,070)	25,101
OTHER FINANCING SOURCES (USES)									
Transfer In	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	(65,000)	-	-	-	(31,406)	-	-
Proceeds of Long-Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(65,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,406)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,034)	2,782	(25,794)	8,122	(7,559)	(1,471)	(129)	(12,070)	25,101
Fund Balances (Deficits) - Beginning of Year	261,514	(11,192)	45,351	16,908	63,100	1,471	1,787	19,725	67,315
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 258,480</u>	<u>\$ (8,410)</u>	<u>\$ 19,557</u>	<u>\$ 25,030</u>	<u>\$ 55,541</u>	<u>\$ -</u>	<u>\$ 1,658</u>	<u>\$ 7,655</u>	<u>\$ 92,416</u>

POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds (Continued)					Total Special Revenue Funds	LIDAR Capital Project Fund	Total Nonmajor Governmental Funds
	State Aided Forestry Fund	Lake Improvement	Community Development Block Grant	County Sales Tax Fund	ADRC Fund			
REVENUES								
Taxes	\$ 16,700	\$ -	\$ -	\$ 2,912,227	\$ 110,785	\$ 3,162,221	\$ 80,000	\$ 3,242,221
Intergovernmental	-	-	-	-	1,654,631	2,793,637	45,000	2,838,637
Licenses and Permits	-	-	-	-	-	50,109	-	50,109
Fines, Forfeits and Penalties	-	-	-	-	-	39,206	-	39,206
Public Charges for Services	-	-	-	-	-	440,611	-	440,611
Miscellaneous:								
Interest	-	-	114	-	-	114	-	114
Other	-	-	81,339	-	455	81,794	-	81,794
Total Revenues	16,700	-	81,453	2,912,227	1,765,871	6,567,692	125,000	6,692,692
EXPENDITURES								
General Government	-	-	-	-	-	7,228	131,939	139,167
Public Safety	-	-	-	-	-	166,245	-	166,245
Health and Human Services	-	-	-	-	1,668,998	3,024,388	-	3,024,388
Culture, Recreation and Education	-	-	-	-	-	180,224	-	180,224
Conservation and Development	3,213	3,433	114,917	-	-	121,563	-	121,563
Debt Service								
Principal Retirement	16,700	-	-	-	-	16,700	-	16,700
Total Expenditures	19,913	3,433	114,917	-	1,668,998	3,516,348	131,939	3,648,287
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,213)	(3,433)	(33,464)	2,912,227	96,873	3,051,344	(6,939)	3,044,405
OTHER FINANCING SOURCES (USES)								
Transfer In	-	-	-	-	-	-	10,000	10,000
Transfer Out	-	-	-	(3,550,000)	-	(3,646,406)	-	(3,646,406)
Proceeds of Long-Term Debt	8,223	-	-	-	-	8,223	-	8,223
Total Other Financing Sources (Uses)	8,223	-	-	(3,550,000)	-	(3,638,183)	10,000	(3,628,183)
NET CHANGE IN FUND BALANCES	5,010	(3,433)	(33,464)	(637,773)	96,873	(586,839)	3,061	(583,778)
Fund Balances (Deficits) - Beginning of Year	18,777	86,712	114,874	1,288,497	249,659	2,224,498	-	2,224,498
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 23,787</u>	<u>\$ 83,279</u>	<u>\$ 81,410</u>	<u>\$ 650,724</u>	<u>\$ 346,532</u>	<u>\$ 1,637,659</u>	<u>\$ 3,061</u>	<u>\$ 1,640,720</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
PUBLIC HEALTH SPECIAL REVENUE FUND
DECEMBER 31, 2015**

	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	\$ 48,401	\$ 22,456	\$ -	\$ 60,777	\$ 13,484	\$ 37,060	\$ 4,243	\$ -	\$ 18,914	\$ -	\$ 55,866	\$ 261,201
Taxes Receivable	122,367	-	-	-	-	-	-	-	-	-	-	122,367
Accounts Receivable	9,435	600	13,016	6,501	804	1,160	-	28,361	4,733	1,345	17,616	83,571
Total Assets	<u>\$ 180,203</u>	<u>\$ 23,056</u>	<u>\$ 13,016</u>	<u>\$ 67,278</u>	<u>\$ 14,288</u>	<u>\$ 38,220</u>	<u>\$ 4,243</u>	<u>\$ 28,361</u>	<u>\$ 23,647</u>	<u>\$ 1,345</u>	<u>\$ 73,482</u>	<u>\$ 467,139</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES												
Vouchers Payable	\$ 8,462	\$ 600	\$ 1,319	\$ 15	\$ 1,905	\$ 1,055	\$ -	\$ 659	\$ 285	\$ -	\$ 564	\$ 14,864
Accrued Wages Payable	4,033	-	3,848	1,688	4,068	3,578	-	513	1,833	163	3,949	23,673
Due to Other Fund	-	-	4,211	-	-	-	-	42,369	-	1,155	-	47,755
Total Liabilities	12,495	600	9,378	1,703	5,973	4,633	-	43,561	2,118	1,318	4,513	86,292
DEFERRED INFLOWS OF RESOURCES												
Property Taxes for Subsequent Year	122,367	-	-	-	-	-	-	-	-	-	-	122,367
FUND BALANCE (DEFICIT)												
Restricted	45,341	22,456	3,638	65,575	8,315	33,587	4,243	(15,200)	21,529	27	68,969	258,480
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 180,203</u>	<u>\$ 23,056</u>	<u>\$ 13,016</u>	<u>\$ 67,278</u>	<u>\$ 14,288</u>	<u>\$ 38,220</u>	<u>\$ 4,243</u>	<u>\$ 28,361</u>	<u>\$ 23,647</u>	<u>\$ 1,345</u>	<u>\$ 73,482</u>	<u>\$ 467,139</u>

**POLK COUNTY, WISCONSIN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 PUBLIC HEALTH SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2015**

	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	115,571	33,029	212,864	14,353	134,874	45,537	100	-	81,099	7,635	-	645,062
Public Charges for Services	42,743	-	-	35,354	-	103,492	-	41,530	-	-	207,482	430,601
Total Revenues	<u>280,823</u>	<u>33,029</u>	<u>212,864</u>	<u>49,707</u>	<u>134,874</u>	<u>149,029</u>	<u>100</u>	<u>41,530</u>	<u>81,099</u>	<u>7,635</u>	<u>207,482</u>	<u>1,198,172</u>
EXPENDITURES												
Health and Human Services	265,775	26,407	213,257	57,540	143,079	162,435	-	45,513	75,552	7,635	204,013	1,201,206
NET CHANGE IN FUND BALANCE	15,048	6,622	(393)	(7,833)	(8,205)	(13,406)	100	(3,983)	5,547	-	3,469	(3,034)
Fund Balance (Deficit) - Beginning of Year	30,293	15,834	4,031	73,408	16,520	46,993	4,143	(11,217)	15,982	27	65,500	261,514
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 45,341</u>	<u>\$ 22,456</u>	<u>\$ 3,638</u>	<u>\$ 65,575</u>	<u>\$ 8,315</u>	<u>\$ 33,587</u>	<u>\$ 4,243</u>	<u>\$ (15,200)</u>	<u>\$ 21,529</u>	<u>\$ 27</u>	<u>\$ 68,969</u>	<u>\$ 258,480</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015**

	Highway Department	Health Insurance Fund	Totals
ASSETS			
CURRENT ASSETS			
Treasurer's Cash and Investments	\$ 2,260,761	\$ 3,349,892	\$ 5,610,653
Petty Cash Funds	200	-	200
Accounts Receivable	114,389	-	114,389
Due from Other Governmental Units	627,104	-	627,104
Inventory	609,285	-	609,285
Prepaid Items	253,000	-	253,000
Total Current Assets	<u>3,864,739</u>	<u>3,349,892</u>	<u>7,214,631</u>
NONCURRENT ASSETS			
Capital Assets Not Being Depreciated	17,719	-	17,719
Capital Assets Being Depreciated	9,426,617	-	9,426,617
Less: Accumulated Depreciation	5,069,892	-	5,069,892
Net Capital Assets	<u>4,374,444</u>	<u>-</u>	<u>4,374,444</u>
RESTRICTED ASSETS			
Wisconsin Retirement System Pension Asset	<u>317,557</u>	<u>-</u>	<u>317,557</u>
Total Assets	8,556,740	3,349,892	11,906,632
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	327,548	-	327,548
LIABILITIES			
CURRENT LIABILITIES			
Vouchers and Accounts Payable	120,363	-	120,363
Claims Incurred but not Reported	-	356,232	356,232
Accrued Wages Payable	107,590	-	107,590
Accrued Employee Leave	316,728	-	316,728
Total Current Liabilities	<u>544,681</u>	<u>356,232</u>	<u>900,913</u>
LONG-TERM LIABILITIES, (Net of Current Portion)			
Accrued Employee Leave	<u>127,471</u>	<u>-</u>	<u>127,471</u>
Total Liabilities	<u>672,152</u>	<u>356,232</u>	<u>1,028,384</u>
NET POSITION			
Net Investment in Capital Assets	4,374,444	-	4,374,444
Restricted for Pension	317,557	-	317,557
Unrestricted	3,520,135	2,993,660	6,513,795
Total Net Position	<u>\$ 8,212,136</u>	<u>\$ 2,993,660</u>	<u>\$ 11,205,796</u>

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2015**

	Highway Department	Self-Funded Health Insurance	Totals
OPERATING REVENUES			
Charges for Services	\$ 7,431,010	\$ 6,091,072	\$ 13,522,082
Other	52,976	355,085	408,061
Total Operating Revenues	<u>7,483,986</u>	<u>6,446,157</u>	<u>13,930,143</u>
OPERATING EXPENSES			
Transportation	6,606,054	-	6,606,054
Premiums and Claims	-	5,559,691	5,559,691
Administrative and General Expenses	386,982	-	386,982
Change in Accrued Employee Leave Liabilities	16,727	-	16,727
Total Operating Expenses	<u>7,009,763</u>	<u>5,559,691</u>	<u>12,569,454</u>
OPERATING INCOME	474,223	886,466	1,360,689
Transfers In	<u>100,000</u>	<u>-</u>	<u>100,000</u>
CHANGE IN NET POSITION	574,223	886,466	1,460,689
Net Position - Beginning of Year	6,991,692	2,107,194	9,098,886
Change in Accounting Principle	646,221	-	646,221
Net Position - Beginning of Year, Restated	<u>7,637,913</u>	<u>2,107,194</u>	<u>9,745,107</u>
NET POSITION - END OF YEAR	<u>\$ 8,212,136</u>	<u>\$ 2,993,660</u>	<u>\$ 11,205,796</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2015**

	Highway Department	Health Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Services Provided	\$ 7,452,575	\$ -	\$ 7,452,575
Cash Received from Interfund Charges	-	6,446,157	6,446,157
Cash Paid to Suppliers for Goods and Services	(3,153,178)	(5,684,764)	(8,837,942)
Cash Paid for Employee Services	(3,390,811)	-	(3,390,811)
Net Cash Provided by Operating Activities	<u>908,586</u>	<u>761,393</u>	<u>1,669,979</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Sale of Capital Assets	23,011	-	23,011
Cash Paid for Acquisition of Capital Assets	(423,811)	-	(423,811)
Net Cash Used for Capital and Related Financing Activities	<u>(400,800)</u>	<u>-</u>	<u>(400,800)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	607,786	761,393	1,369,179
Cash and Cash Equivalents - Beginning of Year	<u>1,653,175</u>	<u>2,588,499</u>	<u>4,241,674</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,260,961</u>	<u>\$ 3,349,892</u>	<u>\$ 5,610,853</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 474,223	\$ 886,466	\$ 1,360,689
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	641,749	-	641,749
Net Change in Wisconsin Pension System Related Items	1,116	-	1,116
Loss (Gain) on Disposal of Capital Assets	9,590	-	9,590
(Increase) Decrease in Asset Accounts:			
Accounts Receivable	(72,513)	-	(72,513)
Due from Other Governmental Units	41,102	-	41,102
Inventories	(88,907)	-	(88,907)
Prepaid Items	(253,000)	-	(253,000)
Increase (Decrease) in Liability Accounts:			
Accounts Payable	42,069	-	42,069
Claims Incurred but not Reported	-	(125,073)	(125,073)
Unearned Revenue	-	-	-
Wages Payable	18,208	-	18,208
Accrued Employee Leave	94,949	-	94,949
Net Cash Provided by Operating Activities	<u>\$ 908,586</u>	<u>\$ 761,393</u>	<u>\$ 1,669,979</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2015**

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>
District Attorney				
<u>Assets</u>				
Cash and Pooled Investments	\$ 4,470	\$ 91,296	\$ 93,628	\$ 2,138
<u>Liabilities</u>				
Special Deposits	\$ 4,470	\$ 91,296	\$ 93,628	\$ 2,138
Treasurer				
<u>Assets</u>				
Cash and Pooled Investments	\$ 571,964	\$ 5,574,706	\$ 5,584,830	\$ 561,840
<u>Liabilities</u>				
Due to Other Governments	\$ 571,964	\$ 5,574,706	\$ 5,584,830	\$ 561,840
Circuit Court				
<u>Assets</u>				
Cash and Pooled Investments	\$ 380,020	\$ 2,527,836	\$ 2,614,508	\$ 293,348
<u>Liabilities</u>				
Special Deposits	\$ 380,020	\$ 2,527,836	\$ 2,614,508	\$ 293,348
Tax Agency				
<u>Assets</u>				
Cash and Pooled Investments	\$ -	\$ 49,671,265	\$ 49,671,265	\$ -
Taxes Receivable	784,377	22,859,374	22,925,942	717,809
Special Assessments	331	-	-	331
Total Assets	\$ 784,708	\$ 72,530,639	\$ 72,597,207	\$ 718,140
<u>Liabilities</u>				
Due to Other Governments	\$ 784,377	\$ 22,859,374	\$ 22,925,942	\$ 717,809
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	\$ 784,708	\$ 22,859,374	\$ 22,925,942	\$ 718,140

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2015**

	<u>Balance</u> <u>January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2015</u>
Sheriff				
<u>Assets</u>				
Cash and Pooled Investments	\$ 19,061	\$ 345,291	\$ 350,049	\$ 14,303
<u>Liabilities</u>				
Special Deposits	\$ 19,061	\$ 345,291	\$ 350,049	\$ 14,303
Total Agency Funds				
<u>Assets</u>				
Cash and Pooled Investments	\$ 975,515	\$ 58,210,394	\$ 58,314,280	\$ 871,629
Taxes Receivable	784,377	22,859,374	22,925,942	717,809
Special Assessments	331	-	-	331
Total Assets	<u>\$ 1,760,223</u>	<u>\$ 81,069,768</u>	<u>\$ 81,240,222</u>	<u>\$ 1,589,769</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 1,356,341	\$ 28,434,080	\$ 28,510,772	\$ 1,279,649
Special Deposits	403,551	2,964,423	3,058,185	309,789
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	<u>\$ 1,760,223</u>	<u>\$ 31,398,503</u>	<u>\$ 31,568,957</u>	<u>\$ 1,589,769</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>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>	<u>2015</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 64,691,551
Restricted	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	5,217,794
Unrestricted	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	19,482,328
Total Governmental Activities Net Position	<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>	<u>\$ 89,391,673</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 2,564,170
Restricted	7,278	7,585	8,554	8,363	9,416	9,334	8,179	16,575	10,288	716,559
Unrestricted	(190,217)	516,188	464,555	(171,492)	(523,487)	(958,285)	(578,608)	(418,064)	(325,566)	342,443
Total Business-Type Activities Net Position	<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>	<u>\$ 3,623,172</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 67,255,721
Restricted	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	5,934,353
Unrestricted	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	19,824,771
Total Primary Government Net Position	<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>	<u>\$ 93,014,845</u>

Source: Polk County, Wisconsin Department of Administration.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 5,564,085
Public Safety	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	8,975,910
Highways and Streets (Transportation)	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	6,764,947
Sanitation	640,739	540,487	637,182	549,887	666,128	548,441	704,064	596,617	600,663	612,218
Health and Human Services	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	13,553,401
Culture, Recreation, and Education	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	1,317,871
Conservation and Development	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	1,930,890
Interest and Fiscal Charges	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	623,463
Total Governmental Activities Expenses	<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>	<u>39,342,785</u>
Business-Type Activities:										
Nursing Home	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	7,823,584
Lime Fund	570,237	523,753	604,804	422,303	446,771	775,716	677,335	417,114	548,844	485,757
Total Business-Type Activities Expenses	<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>	<u>8,309,341</u>
Total Primary Government Expenses	<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>	<u>\$ 47,652,126</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 1,420,293	\$ 884,035	\$ 990,568	\$ 955,304	\$ 922,565	\$ 1,066,665	\$ 1,379,892	\$ 1,578,062	\$ 1,795,934	\$ 869,535
Public Safety	660,882	761,165	577,491	532,307	490,346	488,409	445,090	629,752	685,028	780,527
Highways and Streets (Transportation)	2,264,197	-	-	-	-	2,169,805	2,127,520	2,630,831	2,684,195	2,619,623
Sanitation	436,322	456,805	442,283	324,405	429,287	498,089	381,967	342,539	392,288	235,762
Health and Human Services	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	1,505,185
Culture, Recreation, and Education	49,630	7,875	9,228	13,956	14,085	20,169	29,570	18,863	23,705	18,231
Conservation and Development	643,445	649,037	564,543	425,047	598,995	340,694	355,258	277,965	364,140	557,936
Operating Grants and Contributions	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	10,673,073
Capital Grants and Contributions	476,977	144,889	432,327	206,698	-	46,133	-	-	-	-
Total Governmental Activities Program Revenues	<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>	<u>17,259,872</u>

Unaudited

(Continued)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues (Continued)										
Business-Type Activities:										
Charges for Services										
Nursing Home	\$ 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	\$ 6,686,014
Lime Operations	593,509	595,678	645,209	439,408	466,864	717,181	775,679	527,050	560,099	579,693
Operating Grants and Contributions	426,488	626,132	1,062,323	682,594	782,927	902,005	1,102,005	1,009,352	998,419	1,095,283
Capital Grants and Contributions	-	-	-	121,782	123,548	-	-	27,000	-	-
Total Business-Type Activities Program Revenues	6,882,079	7,252,032	8,143,742	7,909,303	8,086,957	8,272,199	8,576,920	8,317,798	8,534,121	8,360,990
Total Primary Government Program Revenues	\$ 28,407,662	\$ 25,868,313	\$ 27,721,220	\$ 24,444,411	\$ 24,478,948	\$ 27,139,027	\$ 25,655,807	\$ 25,957,415	\$ 26,330,643	\$ 25,620,862
Governmental Activities	\$ (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)	\$ (22,082,913)
Business-Type Activities	(372,727)	(106,251)	610,070	202,619	(209,221)	(539,439)	261,379	342,937	129,144	51,649
Total Primary Government Net Expense	\$ (20,524,311)	\$ (23,575,796)	\$ (21,475,083)	\$ (24,031,546)	\$ (22,671,977)	\$ (23,830,885)	\$ (23,807,334)	\$ (23,188,507)	\$ (22,336,112)	\$ (22,031,264)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 21,823,948
Sales Tax	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	2,912,227
Other Taxes	581,223	566,036	552,252	635,737	917,729	816,702	817,480	802,149	819,159	688,441
State and Federal Aids not Restricted to Specific Programs	731,873	943,732	1,034,960	1,006,885	926,775	793,767	703,168	719,836	710,289	694,718
Interest and Investment Earnings	1,080,779	970,661	746,581	446,870	184,439	122,413	182,131	91,447	47,064	56,399
Miscellaneous (Other)	965,550	934,937	1,211,305	879,602	802,493	145,906	102,618	305,541	100,380	634,865
Transfers	150,000	(593,482)	50,000	800,000	200,000	52,551	-	8,677	121,677	(47,523)
Total Governmental Activities	22,423,915	22,557,693	25,726,719	26,096,693	26,556,410	25,961,188	25,813,311	26,073,169	26,186,464	26,763,075
Business-Type Activities:										
Interest & Investment earnings	277	151	54	56	112	115	1,083	743	9	394
Miscellaneous (Other)	23,458	74,580	46,344	90,328	22,428	24,156	20,345	22,494	35,184	29,699
Transfers	(150,000)	593,482	(50,000)	(800,000)	(200,000)	(52,551)	-	(8,677)	(121,677)	47,523
Total Business-Type Activities	(126,265)	668,213	(3,602)	(709,616)	(177,460)	(28,280)	21,428	14,560	(86,484)	77,616
Total Primary Government	\$ 22,297,650	\$ 23,225,906	\$ 25,723,117	\$ 25,387,077	\$ 26,378,950	\$ 25,932,908	\$ 25,834,739	\$ 26,087,729	\$ 26,099,980	\$ 26,840,691
Change in Net Position										
Governmental Activities	\$ 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	\$ 4,680,162
Business-Type Activities	(498,992)	561,962	606,468	(506,997)	(386,681)	(567,719)	282,807	357,497	42,660	129,265
Total Primary Government	\$ 1,773,339	\$ (349,890)	\$ 4,248,034	\$ 1,355,531	\$ 3,706,973	\$ 2,102,023	\$ 2,027,405	\$ 2,899,222	\$ 3,763,868	\$ 4,809,427

Source: Polk County, Wisconsin Department of Administration.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 5,557,869	\$ 5,524,416	\$ 5,208,013	\$ 5,165,065	\$ 4,499,302	\$ 4,358,907
Restricted (Reserved 2005 - 2009)	2,466,608	2,864,044	4,887,963	6,297,290	157,907	186,340	249,386	229,141	201,127	156,985
Committed	-	-	-	-	227,429	174,157	106,487	16,693	16,693	10,463
Assigned (Designated (2005 - 2009))	1,686,316	-	-	854,379	18,887	147,509	1,301,536	629,537	966,109	778,549
Unassigned (Undesignated (2005 - 2009))	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	8,698,838
Total General Fund	\$ 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	\$ 14,003,742
All Other Government Funds										
Nonspendable										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,528	\$ -	\$ -	\$ -	\$ -
Restricted (Reserved 2005 - 2009)										
Special Revenue Funds	427,097	427,097	427,097	484,715	1,109,341	601,693	662,157	860,649	947,193	995,345
Debt Service Fund	-	-	-	208,954	210,238	172,383	177,871	178,710	180,184	183,530
Capital Projects Fund	-	-	-	-	249,885	251,768	34	-	-	-
Assigned (Designated 2005 - 2009)										
Special Revenue Funds	1,208,386	938,135	1,365,634	564,847	-	592,271	803,308	944,515	1,288,497	650,724
Debt Service Funds	27,327	127,745	120,625	-	-	-	-	-	-	-
Capital Project Funds	1,458,206	4,509,533	2,682,383	2,002,742	-	-	-	-	-	3,061
Unassigned (Undesignated 2005 - 2009)										
Special Revenue Funds	-	(57,579)	(4,917)	(64,764)	(100,100)	(103,544)	(35,645)	(11,092)	(11,192)	(8,410)
Capital Project Funds	-	-	(91,478)	26,322	-	-	-	-	-	-
Total All Other Government Funds	\$ 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	\$ 1,824,250

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$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	\$25,424,616
Intergovernmental	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	11,367,791
Licenses and Permits	556,246	400,730	352,188	345,693	346,787	316,946	319,409	330,106	344,378	378,651
Fines and Forfeits	271,497	296,075	304,443	200,019	174,802	190,724	174,697	170,883	162,144	134,019
Public Charges for Services	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	2,904,207
Intergovernmental Charges for Services	671,850	163,879	222,013	262,856	244,316	315,457	246,274	299,629	514,769	550,299
Miscellaneous										
Interest	1,014,265	962,241	734,245	440,389	180,040	115,753	94,242	87,947	44,484	56,399
Rent	347,769	311,078	315,473	256,725	249,065	276,473	285,891	289,903	301,728	299,688
Other	768,053	554,566	623,548	657,964	639,666	193,478	133,978	340,294	458,868	355,060
Total Revenues	<u>41,747,541</u>	<u>41,765,652</u>	<u>45,479,195</u>	<u>41,819,990</u>	<u>42,063,329</u>	<u>43,100,800</u>	<u>40,699,370</u>	<u>40,884,950</u>	<u>41,146,123</u>	<u>41,470,730</u>
Expenditures										
General Government	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	6,334,246
Public Safety	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	7,932,360
Highways and Streets (Transportation)	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	4,811,387
Sanitation	556,242	521,563	586,046	540,805	566,838	711,023	556,663	607,817	606,452	598,049
Health and Human Services	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	13,634,291
Culture and Recreation	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	1,260,081
Conservation and Development	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	1,895,316
Capital Outlay	-	748,278	999,107	385,107	122,276	-	-	-	-	-
Debt Service:										
Principal	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	4,816,796
Interest	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	752,209
Other Charges	1,814	58,387	2,172	-	-	-	29,810	-	-	-
Total Expenditures	<u>43,781,408</u>	<u>42,213,634</u>	<u>45,925,074</u>	<u>41,963,114</u>	<u>40,334,703</u>	<u>42,509,755</u>	<u>41,961,396</u>	<u>40,788,135</u>	<u>40,054,574</u>	<u>42,034,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,033,867)	(447,982)	(445,879)	(143,124)	1,728,626	591,045	(1,262,026)	96,815	1,091,549	(564,005)

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

	<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>	<u>2015</u>
Other Financing Sources (Uses)										
Transfers In	\$ 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	\$ 4,497,200
Transfers Out	(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)	(4,644,723)
Long-Term Debt Issued	-	3,500,000	608,223	273,223	8,223	8,224	1,873,223	-	-	8,223
Premium on Issuance of Debt	-	95,245	-	-	-	-	32,781	-	-	-
Total Other Financing Sources (Uses)	<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>	<u>(139,300)</u>
Net Change in Fund Balances	<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>	<u>\$ (703,305)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.32%	7.74%	7.83%	9.06%	10.12%	10.44%	15.42%	10.94%	11.21%	14.44%

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
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
2015	3,296,441,200	337,355,400	85,016,700	34,378,800	36,797,900	252,321,200	123,297,000	64,110,500	4,229,718,700	4,073,722,200	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%.

The equalized value is prepared by the Wisconsin Department of Revenue, Bureau of Property Tax. These values include Tax Increment Districts (TID) which are not included in the taxable property upon which County taxes are levied.

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

	<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>	<u>2015</u>
DIRECT PROPERTY TAX RATES										
Operating Levy	\$ 3.25	\$ 3.04	\$ 3.32	\$ 3.29	\$ 3.58	\$ 3.84	\$ 4.19	\$ 4.17	\$ 4.32	\$ 4.46
Debt Levy	0.57	0.60	0.60	0.68	0.78	0.86	1.02	1.04	0.96	0.81
Special Purpose Levy	0.15	0.13	0.14	0.11	0.11	0.17	0.16	0.16	0.16	0.17
Total Direct County Tax Rate	\$ 3.97	\$ 3.77	\$ 4.06	\$ 4.08	\$ 4.47	\$ 4.87	\$ 5.37	\$ 5.37	\$ 5.44	\$ 5.44

INDIRECT PROPERTY TAX RATES ¹

Cities of:

Amery	\$ 21.33	\$ 20.99	\$ 22.13	\$ 22.52	\$ 24.93	\$ 26.46	\$ 27.34	\$ 27.92	\$ 28.83	\$ 28.04
St Croix Falls	18.73	18.06	18.47	18.88	20.21	21.74	23.13	23.34	23.69	21.09

Villages of:

Balsam Lake	17.09	16.60	17.68	18.00	19.54	21.45	22.42	22.78	23.34	22.52
Centuria	17.58	17.54	18.12	19.02	20.83	22.25	23.48	24.33	25.35	24.59
Clayton	22.61	21.03	22.05	22.55	23.97	23.69	24.79	26.78	27.66	24.55
Clear Lake	18.11	17.14	18.61	19.03	20.48	21.97	22.81	23.99	25.40	21.54
Dresser	20.52	19.65	20.18	20.73	22.54	23.54	25.24	25.92	27.54	24.96
Frederic	21.94	21.57	20.72	20.76	23.09	24.25	23.87	21.93	23.49	23.37
Luck	19.99	18.99	19.96	20.74	22.57	22.57	23.66	24.67	24.31	25.64
Milltown	19.89	19.50	20.35	21.55	23.92	25.45	26.96	28.32	29.11	29.05
Osceola	18.52	17.33	17.58	17.89	18.67	20.42	23.00	23.70	24.06	22.97
Turtle Lake	26.69	25.04	21.47	21.27	22.71	23.43	24.94	26.34	29.90	23.75

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Towns of:										
Alden	\$ 15.94	\$ 15.19	\$ 15.74	\$ 15.94	\$ 16.94	\$ 18.33	\$ 19.38	\$ 20.09	\$ 20.46	\$ 19.40
Apple River	14.38	14.21	15.19	15.58	17.22	18.58	19.11	19.23	20.09	19.18
Balsam Lake	13.91	13.61	14.23	14.76	16.12	17.58	18.52	18.75	19.25	17.80
Beaver	15.64	14.79	14.73	15.46	16.43	17.79	18.26	19.00	19.64	18.22
Black Brook	16.18	15.77	17.10	17.25	18.99	20.13	20.56	20.83	21.60	20.69
Bone Lake	15.25	14.41	15.07	15.25	16.82	16.91	17.52	18.31	18.60	18.67
Clam Falls	19.00	19.24	18.07	17.78	20.05	21.50	21.32	21.71	21.31	20.67
Clayton	18.11	17.02	17.76	17.99	19.75	19.63	20.53	21.82	22.56	21.13
Clear Lake	14.95	15.08	17.83	18.11	19.92	21.20	21.93	22.65	24.25	23.50
Eureka	15.58	15.06	15.42	16.02	17.60	19.23	20.39	20.61	21.29	19.30
Farmington	16.09	15.12	15.11	15.32	15.85	17.67	19.46	19.99	20.09	19.35
Garfield	15.49	15.28	16.38	16.66	18.42	19.37	20.05	20.13	21.11	20.11
Georgetown	13.35	13.28	13.89	14.50	15.87	17.58	18.38	18.86	19.54	18.57
Johnstown	15.20	14.33	14.24	14.86	15.87	17.27	17.79	18.62	19.23	17.81
Laketown	16.59	15.65	16.31	16.81	18.22	18.49	19.40	20.02	20.32	19.93
Lincoln	15.36	15.17	16.55	16.84	18.86	19.73	20.06	19.92	20.92	20.17
Lorain	16.34	16.55	15.73	15.58	17.56	18.42	18.15	19.04	18.70	17.95
Luck	15.50	14.79	15.38	15.61	17.13	17.38	17.98	18.74	19.03	19.60
McKinley	16.87	15.91	16.58	16.84	18.37	19.18	19.45	20.43	20.59	20.41
Milltown	14.23	14.19	14.67	15.25	16.70	18.55	19.45	19.90	20.67	19.50
Osceola	15.37	14.54	14.71	14.99	15.79	17.26	18.94	19.31	19.37	17.95
St Croix Falls	15.27	14.81	15.50	16.11	17.49	18.91	20.28	20.30	20.65	18.49
Sterling	15.44	14.94	15.27	15.77	17.12	18.22	19.42	19.64	19.87	17.90
West Sweden	17.41	17.67	16.73	16.51	18.54	19.39	19.23	20.27	19.96	19.18

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 2015 AND NINE YEARS AGO**

Taxpayer	Property Classification	2015				2006			
		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	\$ 360,762	\$ 14,127,600	0.3 %	-	\$ -	\$ -	- %
Wal-Mart Real Estate Business Trust	Commercial	2	240,128	11,356,400	0.3	-	-	-	-
Menards, Inc.	Commercial	3	185,134	8,756,300	0.2	-	-	-	-
Cardinal Glass Industries	Manufacturing	4	143,346	5,581,800	0.1	2	114,596	5,641,500	0.1
Amery Assisted Living Partners LLC	Commercial	5	131,338	5,114,400	0.1	-	-	-	-
Turtle Lake Properties, LLC	Manufacturing	6	124,086	4,861,000	0.1	-	-	-	-
Polaris Industries	Manufacturing	7	111,048	5,275,800	0.1	6	67,222	3,801,300	0.1
A & K Realty	Manufacturing	8	105,407	4,105,300	0.1	-	-	-	-
Bamfam Family Limited Partnership	Commercial	9	93,150	4,410,400	0.1	4	70,616	3,932,600	0.1
Osceola Rentals LLC	Commercial	10	91,220	4,341,000	0.1	3	105,833	5,984,800	0.1
Horst M Rechelbacher	Commercial		-	-	-	1	119,137	6,759,500	0.2
Plastech Corporation	Manufacturing		-	-	-	5	68,787	3,386,300	0.1
R & D Properties of Savage LLP	Commercial		-	-	-	7	64,154	3,894,100	0.1
Northwire Inc.	Manufacturing		-	-	-	8	59,199	3,347,600	0.1
Bishop Millwork	Manufacturing		-	-	-	9	57,173	3,548,500	0.1
Advanced Food Products	Manufacturing		-	-	-	10	53,325	3,157,500	0.1
									-
Totals			\$ 1,585,619	\$ 67,930,000	1.6 %		\$ 780,043	\$ 43,453,700	1.0 %
Total Equalized Assessed Valuation				\$ 4,229,718,700				\$ 4,274,026,700	

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 taxpayers in 2006.

**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	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 12/31/2015	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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
2015	2104	74,670,786	73,162,784	98.0	-	73,162,784	98.0

Source: Polk County, Wisconsin Treasurer's Office.

Notes: Because 2015 taxes are based on 2014 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					
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	13,675,000	2,425,000	199,772	158,494	42,535	-	16,500,801	1,435,346,250	1.1	43,437	380
2015	11,330,000	1,650,000	169,677	150,017	-	-	13,299,694	1,439,403,375	0.9	43,441	306

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					
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	13,675,000	180,184	13,494,816	0.3	1,435,346,250 *	0.9	43,437	311
2015	11,330,000	183,530	11,146,470	0.3	1,439,403,375	0.8	43,441	257

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, 2015**

<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	\$ 4,328,543	100.0 %	\$ 4,328,543
St. Croix Falls	4,620,886	100.0	4,620,886
Total Cities	8,949,429		8,949,429
Villages of:			
Balsam Lake	1,637,761	100.0	1,637,761
Centuria	695,390	100.0	695,390
Clayton	398,171	100.0	398,171
Clear Lake	1,203,023	100.0	1,203,023
Dresser	963,253	100.0	963,253
Frederic	1,554,278	100.0	1,554,278
Luck	1,314,339	100.0	1,314,339
Milltown	561,196	100.0	561,196
Osceola	4,268,081	100.0	4,268,081
Total Villages	12,595,492		12,595,492
Townships of:			
Alden	542,182	100.0	542,182
Farmington	408,515	100.0	408,515
Garfield	350,051	100.0	350,051
Georgetown	110,000	100.0	110,000
Johnstown	96,217	100.0	96,217
Luck	49,135	100.0	49,135
Osceola	417,797	100.0	417,797
Sterling	44,450	100.0	44,450
West Sweden	164,978	100.0	164,978
Total Townships	2,183,325		2,183,325

**POLK COUNTY, WISCONSIN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (CONTINUED)
DECEMBER 31, 2015**

<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	\$ 9,110,000	97.0 %	\$ 8,836,700
Clayton	565,000	71.0	401,150
Clear Lake	13,890,000	70.0	9,723,000
Cumberland	1,674,000	4.0	66,960
Frederic	4,105,116	72.0	2,955,684
Grantsburg	2,162,019	4.0	86,481
Luck	1,498,237	100.0	1,498,237
Osceola	13,700,000	94.0	12,878,000
St. Croix Falls	8,640,000	100.0	8,640,000
Turtle Lake	1,835,137	47.0	862,514
Unity	2,155,834	100.0	2,155,834
Total School Districts	59,335,343		48,104,560
Underlying Debt Subtotal:	83,063,589		71,832,806
Overlapping Debt:			
Direct Debt:			
Polk County			
General Obligation Bonds	11,330,000	100.0	11,330,000
Forest Loans Payable	150,017	100.0	150,017
Capital Leases	169,676	100.0	169,676
Overlapping Debt Subtotal:	11,649,693		11,649,693
Total	\$ 94,713,282		\$ 84,982,483

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, 2015**

	Amount	Percent
Total Taxable Market Value	\$ 4,073,722,200	
Debt limit- 5% of Total Market Value	203,686,110	100.0%
Amount of Debt Applicable to 5% Debt Limit: Total Bonded Debt	\$ 11,330,000 *	
Total Amount of Debt Applicable to Debt Limit	11,330,000	5.56%
Legal Debt Margin	\$ 192,356,110	94.44%

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)
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
2015	43,441	1,439,403,375	33,135	960	45	24,279	5.2

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 2015 (a) (b)</u>		<u>Fiscal Year 2006 (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	1.1 %
County of Polk	424	2.7	616	4.7
St Croix Regional Medical Center	540	3.5	418	3.2
Masterson Personnel Inc.	1,059	6.8	630	4.8
Amery Regional Medical Center Inc.	302	1.9	198	1.5
Unity School District	148	0.9	170	1.3
Wal-Mart	330	2.1	400	3.0
Tenere	326	2.1	-	-
Scientific Molding Corp LTC (SMC)	318	2.0	-	-
Osceola Medical Center	285	1.8	299	2.3
	<u>3,893</u>	<u>25.0 %</u>	<u>2,877</u>	<u>21.9 %</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>
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
2015	60	78	37	102	36	313

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>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>	<u>2015</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	23
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	219,608

Source: Polk County, Wisconsin Government Center.

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

	<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>	<u>2015</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	329.77	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	260	279
County Parks	5	5	5	5	5	5	5	5	5	5

Source: Polk County, Wisconsin Government Center.