

POLK COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

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YEAR ENDED DECEMBER 31, 2016**

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**POLK COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016**

PREPARED BY THE DEPARTMENT OF ADMINISTRATION POLK COUNTY, WISCONSIN

INTRODUCTORY SECTION

Dean Johansen, Chair
Polk County Board of Supervisors
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Balsam Lake, WI 54810
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County Administrator
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Phone (715) 485-9212

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

Honorable Chair Johansen and Supervisors:

The Comprehensive Annual Financial Report (CAFR) for Polk County, Wisconsin (the County) is hereby submitted for the fiscal year ended December 31, 2016 as prepared by the County's Department of Administration. We have prepared this report in conformity with Generally Accepted Accounting Principles (GAAP), and adopting Governmental Accounting Standards Board Statement 34 (GASB34).

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

The County is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform 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 despite a population of about 44,000, 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. Polk County's budget currently contains projections for two additional years, projections that show a balanced budget with reasonable revenue and expenditure estimates. 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 20 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 2016, 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 has plummeted, from 5.0 percent in April 2016 to 3.6 percent in April 2017 despite a 1.6 percent growth in labor force. 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 2016 Polk County collected \$ \$3,081,233 on a cash basis in sales taxes, a 6.5 percent increase over 2015 and an all-time record.

Polk County's tax base is stabilizing following the disruption in the real estate market and despite a preponderance of residential real estate. Overall, the total equalized property value increased 1.4 percent from \$4,229,718,700 in 2015 to \$4,353,964,600 in 2016 according to the Wisconsin Department of Revenue. As indications are that the residential real estate market has recovered and new construction is increasing, 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, 37th 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 two percent from 2015 to 2016, to \$83.6 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 9.2 million bushels of corn in 2016 and manage nearly 43,000 head of cattle. Manufacturing accounts for a large share of the county's economy and appears to have largely recovered from the recession with employment stabilizing at around pre-recession levels. 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, starting construction on another clinic in neighboring Burnett 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 achieved operational goals in 2016.

- ◆ The County continued to show prudent fiscal management, with no significant levy increase for the fifth 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.
- ◆ Polk County's Human Services Department (now consolidated into the Community Services Division) was substantially under budget and the County's nursing home, Golden Age Manor, continues to be balanced on a cash basis (before depreciation).
- ◆ Polk County departments are making increased use of social media to improve communication with the public, with the Highway Department Facebook page now alerting travelers to road condition.
- ◆ Polk County has 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.

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, 2016, 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 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 2016. 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, 2016. 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 of the Uniform 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, 2015. This is the eighth 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

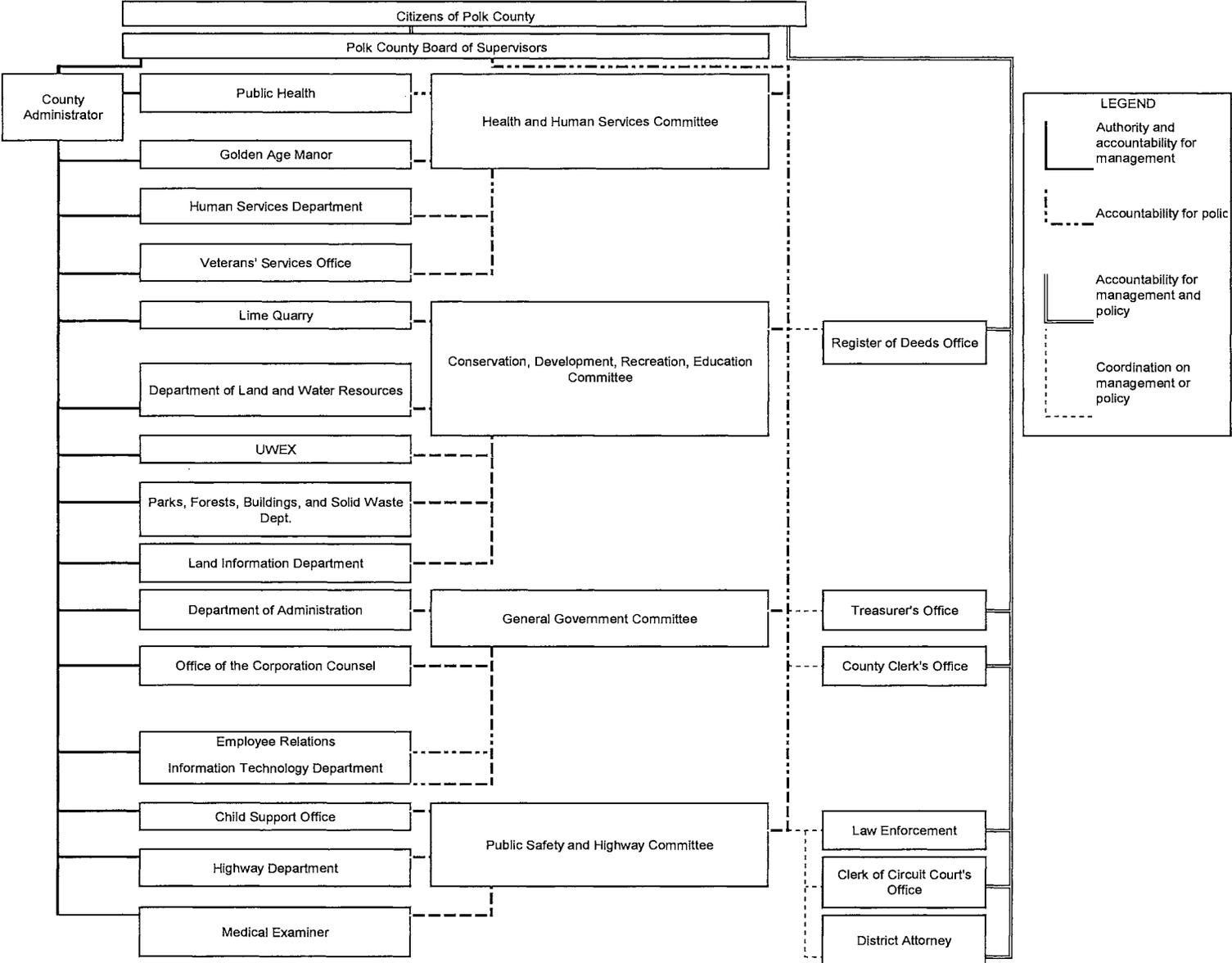
**Polk County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

**POLK COUNTY, WISCONSIN
ORGANIZATIONAL CHART
DECEMBER 31, 2016**



**POLK COUNTY, WISCONSIN
LIST OF PRINCIPALS
DECEMBER 31, 2016**

Office	Name	Term Expires
Supervisors:		
1st District	Brad Olson	April 2017
2nd District	Doug Route	April 2017
3rd District	Dean K. Johansen	April 2017
4th District	Chris Nelson	April 2017
5th District	Craig Moriak	April 2017
6th District	Brian Masters	April 2017
7th District	Michael Prichard	April 2017
8th District	James S. Edgell	April 2017
9th District	Kim O'Connell	April 2017
10th District	Larry Jepsen	April 2017
11th District	Jay Luke	April 2017
12th District	Warren Nelson	April 2017
13th District	Russell Arcand	April 2017
14th District	John Bonneprise	April 2017
15th District	Joseph Demulling	April 2017
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	Sharon Jorgenson	December 2016
County Treasurer	Amanda Nissen	December 2016
District Attorney	Jeffrey Kemp	December 2016
Register of Deeds	Sally Spanel	December 2016
Sheriff	Peter Johnson	December 2018

FINANCIAL SECTION

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, 2016, 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, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, 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.

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

County Board of Supervisors
Polk County, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017 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 21, 2017

REQUIRED SUPPLEMENTARY INFORMATION

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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, 2016. 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 \$95,733,529 (net position). Of this amount, \$69,333,392 represented the County's net investment in capital assets, \$2,151,032 was held for restricted purposes, and \$24,249,105 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 \$2,718,684. Net position related to the governmental activities and business-type activities of the County increased \$3,124,501 and decreased \$405,817, respectively.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$17,552,669, an increase of \$1,724,677 from the previous year. The primary component of the increase was the operational results of the general, county sales tax, and snowmobile/ATV Trails special revenue funds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,634,583 or 39.22% of total general fund expenditures.
- Golden Age Manor Nursing Home finished 2016 with a decrease in net position of \$235,969, including depreciation.
- The lime quarry fund finished 2016 with net position decreasing \$169,848 including depreciation.

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, 2016**

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, 2016**

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 36 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 37 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 75 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 82.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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 \$95,733,529 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 50,107,917	\$ 50,103,211	\$ 1,280,557	\$ 1,992,113	\$ 51,388,474	\$ 52,095,324
Capital Assets	75,916,826	76,643,978	2,507,628	2,674,954	78,424,454	79,318,932
Internal Balances	575,188	594,007	(575,188)	(594,007)	-	-
Total Assets	126,599,931	127,341,196	3,212,997	4,073,060	129,812,928	131,414,256
Deferred Outflows of Resources	11,286,266	3,220,996	2,466,024	729,070	13,752,290	3,950,066
Noncurrent Liabilities Outstanding	12,076,835	12,074,856	949,266	531,844	13,026,101	12,606,700
Other Liabilities	6,720,265	6,954,098	599,372	647,114	7,319,637	7,601,212
Total Liabilities	18,797,100	19,028,954	1,548,638	1,178,958	20,345,738	20,207,912
Deferred Inflows of Resources	26,572,923	22,141,565	913,028	-	27,485,951	22,141,565
Net Position:						
Net Investment in Capital Assets	66,825,764	64,691,551	2,507,628	2,564,170	69,333,392	67,255,721
Restricted	2,143,187	5,217,794	7,845	716,559	2,151,032	5,934,353
Unrestricted	23,547,223	19,482,328	701,882	342,443	24,249,105	19,824,771
Total Net Position	\$ 92,516,174	\$ 89,391,673	\$ 3,217,355	\$ 3,623,172	\$ 95,733,529	\$ 93,014,845

An additional portion of Polk County's net position (2%) represents resources that are subject to other restrictions on how they may be used. The remaining \$24,249,105 of total net position (25%) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of 2016, 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 \$2,718,684 during the current fiscal year. The increase consisted of an increase in net position related to governmental activities in the amount of \$3,124,501 and a decrease in net position related to business-type activities in the amount of \$405,817.

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)

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

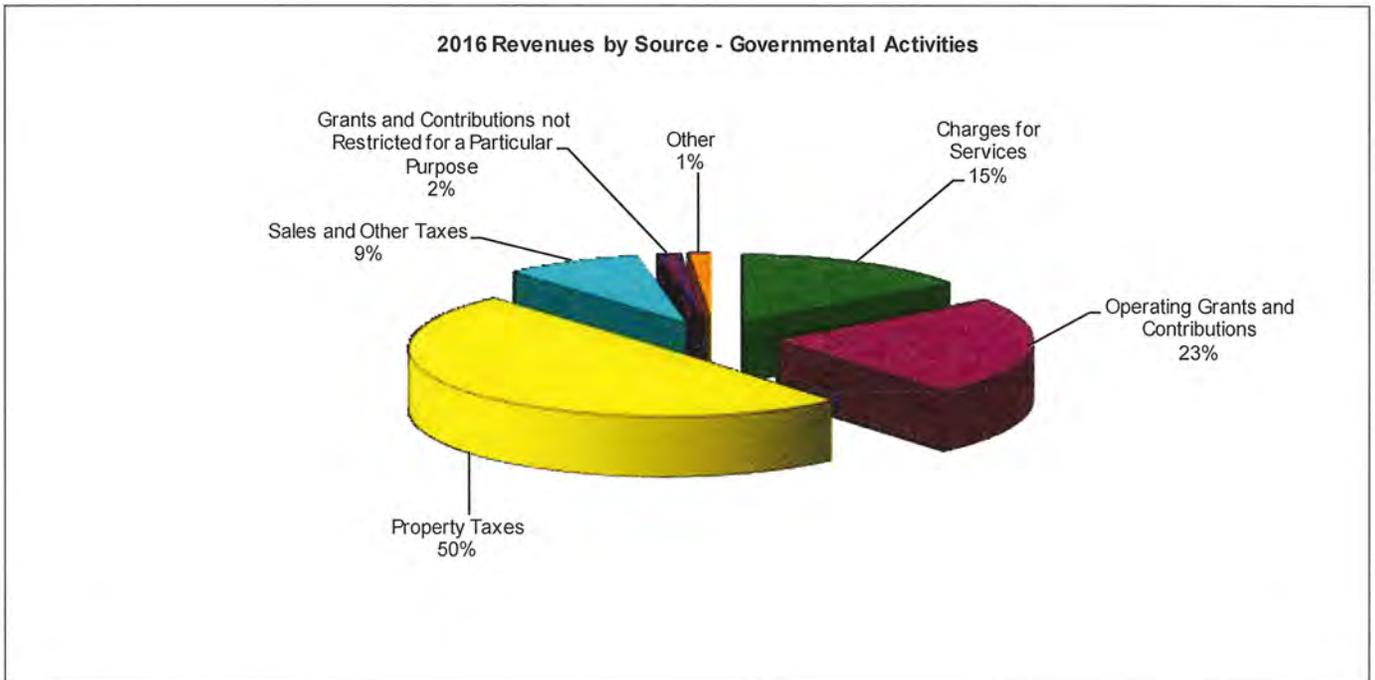
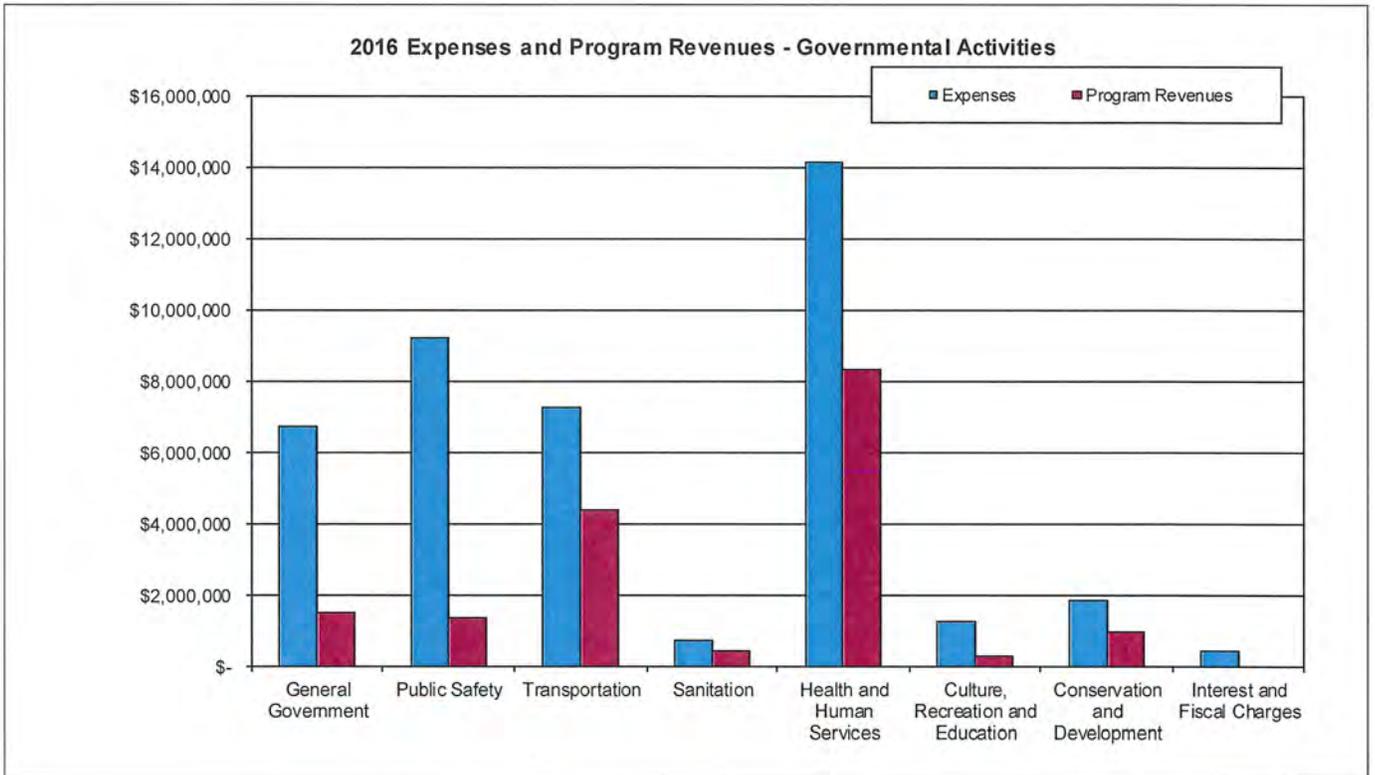
**Condensed Statement of Changes in Net Position
Years Ended December 31, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,691,032	\$ 6,586,799	\$ 7,409,874	\$ 7,265,707	\$ 14,100,906	\$ 13,852,506
Operating Grants and Contributions	10,626,373	10,673,073	1,153,030	1,095,283	11,779,403	11,768,356
General Revenues:						
Property Taxes	22,156,242	21,823,948	-	-	22,156,242	21,823,948
Other Taxes	3,822,177	3,600,668	-	-	3,822,177	3,600,668
State and Federal Aids not Restricted to Specific Programs	692,990	694,718	-	-	692,990	694,718
Unrestricted Investment Earnings	90,073	56,399	94	394	90,167	56,793
Other	559,799	634,865	31,895	29,699	591,694	664,564
Total Revenues	44,638,686	44,070,470	8,594,893	8,391,083	53,233,579	52,461,553
Expenses:						
General Government	6,728,101	5,564,085	-	-	6,728,101	5,564,085
Public Safety	9,192,660	8,975,910	-	-	9,192,660	8,975,910
Transportation	7,278,730	6,764,947	-	-	7,278,730	6,764,947
Sanitation	742,726	612,218	-	-	742,726	612,218
Health and Human Services	14,142,507	13,553,401	-	-	14,142,507	13,553,401
Culture, Recreation and Education	1,248,921	1,317,871	-	-	1,248,921	1,317,871
Conservation and Development	1,859,812	1,930,890	-	-	1,859,812	1,930,890
Interest and Fiscal Charges	442,405	623,463	-	-	442,405	623,463
Nursing Home	-	-	8,155,131	7,823,584	8,155,131	7,823,584
Lime Quarry	-	-	723,902	485,757	723,902	485,757
Total Expenses	41,635,862	39,342,785	8,879,033	8,309,341	50,514,895	47,652,126
Change in Net Position Before Transfers	3,002,824	4,727,685	(284,140)	81,742	2,718,684	4,809,427
Transfers	121,677	(47,523)	(121,677)	47,523	-	-
Change in Net Position	3,124,501	4,680,162	(405,817)	129,265	2,718,684	4,809,427
Net Position - Beginning of Year	89,391,673	84,711,511	3,623,172	3,493,907	93,014,845	88,205,418
Net Position - End of Year	\$ 92,516,174	\$ 89,391,673	\$ 3,217,355	\$ 3,623,172	\$ 95,733,529	\$ 93,014,845

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 (23%).

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

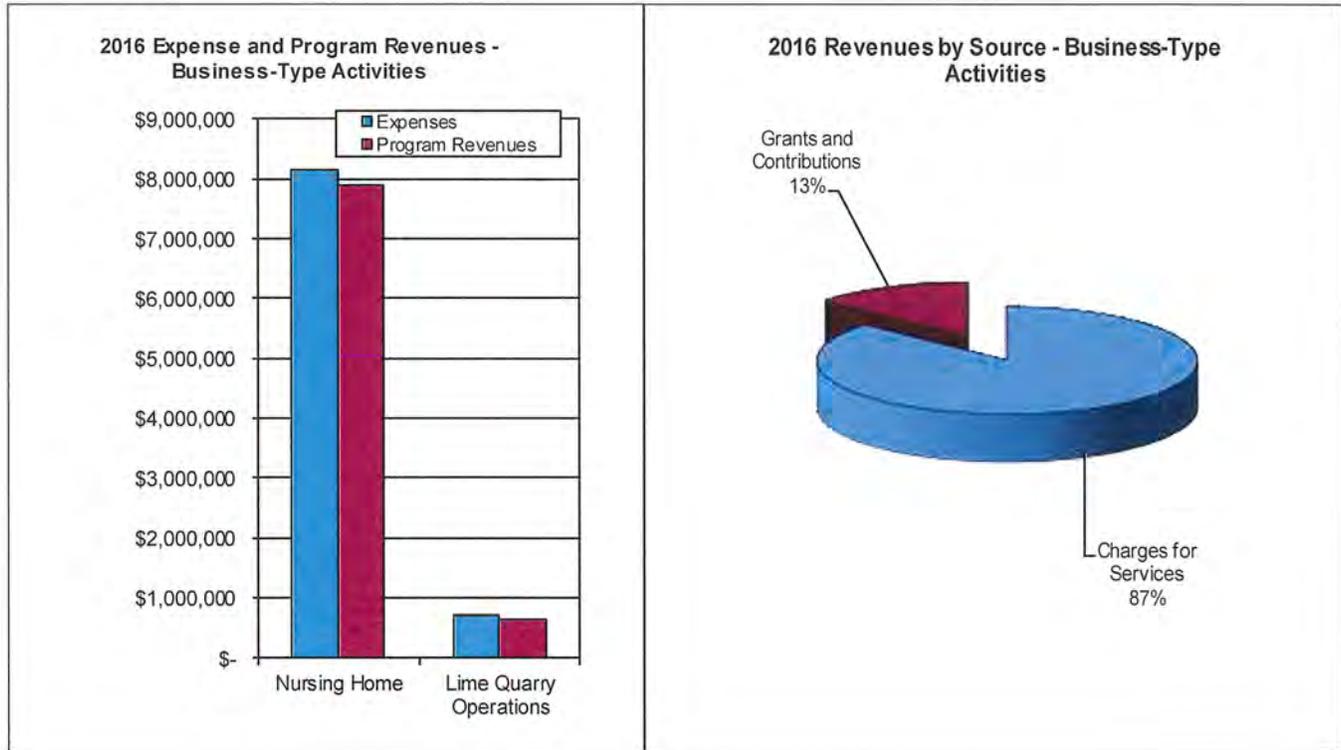
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE (CONTINUED)



**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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, 2016**

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

Governmental Funds (Continued)

At December 31, 2016, the County's governmental funds reported combined ending fund balances of \$17,552,669, an increase of \$1,724,677 from the previous year. The governmental funds comprising this balance are shown below:

	Fund Balances at 12/31/2016					Total	Current Year Change
	Nonspendable	Restricted	Committed	Assigned	Unassigned		
Major Funds:							
General Fund	\$ 4,575,103	\$ 62,013	\$ 15,363	\$ 1,153,685	\$ 9,634,583	\$ 15,440,747	\$ 1,437,005
Debt Service Fund	-	182,486	-	-	-	182,486	(1,044)
Nonmajor Funds:							
Special Revenue Funds	-	1,096,367	-	846,014	(12,945)	1,929,436	291,777
Capital Projects Funds	-	-	-	-	-	-	(3,061)
Total Fund Balances	<u>\$ 4,575,103</u>	<u>\$ 1,340,866</u>	<u>\$ 15,363</u>	<u>\$ 1,999,699</u>	<u>\$ 9,621,638</u>	<u>\$ 17,552,669</u>	<u>\$ 1,724,677</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 62.86% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 39.22% of the same amount.

The general fund's total fund balance increased \$1,437,005 during the year; while the unassigned portion of the fund increased \$935,745. 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 \$312,624 was required in 2016 to transfer the surplus in the human services fund resulting from 2016 operations.

The debt service fund balance at December 31, 2016 totaled \$182,486. 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, 2016**

The aggregated other governmental funds column includes various special revenue and capital project funds. The accumulated fund balances of these funds increased \$288,716 during 2016, 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 2016 totaled \$3,217,355, a decrease of \$405,817 from the previous year's adjusted balance.

**Condensed Statement of Changes in Net Position for Enterprise Funds
Years Ended December 31, 2016 and 2015**

	Nursing Home		Lime Quarry		Totals	
	2016	2015	2016	2015	2016	2015
Operating Revenues	\$ 6,787,715	\$ 6,715,713	\$ 654,054	\$ 579,693	\$ 7,441,769	\$ 7,295,406
Operating Expenses:						
Depreciation	179,808	180,384	108,596	112,443	288,404	292,827
Other	7,952,247	7,614,673	615,306	485,687	8,567,553	8,100,360
Nonoperating Income (Expense)	1,130,048	1,067,150	-	112,373	1,130,048	1,179,523
Income (Loss) Before Transfers	(214,292)	(12,194)	(69,848)	93,936	(284,140)	81,742
Transfers and Capital Contributions	(21,677)	(21,677)	(100,000)	69,200	(121,677)	47,523
Change in Net Position	(235,969)	(33,871)	(169,848)	163,136	(405,817)	129,265
Net Position - Beginning of Year	1,886,567	1,920,438	1,736,605	1,573,469	3,623,172	3,493,907
Net Position - End of Year	\$ 1,650,598	\$ 1,886,567	\$ 1,566,757	\$ 1,736,605	\$ 3,217,355	\$ 3,623,172

The overall decrease in the net position of the nursing home was \$235,969. This decrease is primarily due to the change in pension related items. As shown above, the change in net position was a decrease of \$235,969 compared to a decrease of \$33,871 in the previous year.

The net position of the lime quarry fund at December 31, 2016 totaled \$1,566,757, reflecting a decrease of \$169,848 from the previous year.

The County had two internal service funds during 2016. Net position of the funds at year-end and changes thereto during the year were as follows:

	Net Position at 12/31/16	Change During Year
Highway Department	\$ 8,303,199	\$ 91,063
Self-Funded Health Insurance	3,740,003	746,343

**POLK COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2016**

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 2016 general fund budget was amended for additional expenditures not originally included in adopted budget. The final actual revenues were \$22,615,394 which were \$108,786 greater than the final budgeted revenues while the final actual expenditures were \$24,564,261 which were \$1,181,130 less than the final budgeted expenditures. The more significant items contributing to revenues being more than budget include: \$40,576 for federal traffic aid which wasn't budgeted, \$19,327 more in Water Patrol aid than budgeted, and \$23,975 more in recycling aid than budgeted. The more significant items contributing to expenditures being less than budget include: \$106,504 unused budget for a general government other professional services for outside consulting, \$108,015 unspent budget for general government buildings/maintenance projects, and \$147,389 savings on property and liability insurance costs.

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, 2016 were \$75,916,826 and \$2,507,628, respectively, as shown below:

**Capital Assets (Net of Depreciation)
December 31, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Not Subject to Depreciation:						
Land and Land Rights	\$ 2,365,729	\$ 2,365,729	\$ 162,810	\$ 165,701	\$ 2,528,539	\$ 2,531,430
Construction Work in Process	59,226	54,636	-	-	59,226	54,636
Gravel Pits	185,565	185,565	-	-	185,565	185,565
Subject to Depreciation:						
Land Improvements	56,876	68,428	16,313	17,957	73,189	86,385
Buildings and Improvements	18,857,933	19,711,499	1,215,042	1,309,755	20,072,975	21,021,254
Equipment and Vehicles	8,647,831	8,567,166	1,113,463	1,181,541	9,761,294	9,748,707
Highway Infrastructure	44,783,114	44,703,304	-	-	44,783,114	44,703,304
Other Infrastructure	960,552	987,651	-	-	960,552	987,651
Total	<u>\$ 75,916,826</u>	<u>\$ 76,643,978</u>	<u>\$ 2,507,628</u>	<u>\$ 2,674,954</u>	<u>\$ 78,424,454</u>	<u>\$ 79,318,932</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, 2016**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Obligations

At December 31, 2016, Polk County had outstanding \$14,373,316 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total Outstanding	
	2016	2015	2016	2015	2016	2015
General Obligation Debt:						
Bonds	\$ 8,710,000	\$ 11,330,000	\$ -	\$ -	\$ 8,710,000	\$ 11,330,000
Other Long-Term Obligations:						
Capital Leases Payable	10,629	169,676	-	1,779	10,629	171,455
Forest Crop Loans Payable	87,683	150,017	-	-	87,683	150,017
Estimated Employee Leave	3,091,192	3,145,382	332,699	366,937	3,423,891	3,512,319
Other Postemployment Health Care Benefits	1,694,266	1,565,847	446,847	425,098	2,141,113	1,990,945
Total	<u>\$ 13,593,770</u>	<u>\$ 16,360,922</u>	<u>\$ 779,546</u>	<u>\$ 793,814</u>	<u>\$ 14,373,316</u>	<u>\$ 17,154,736</u>

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, 2016 totaled \$8,710,000, approximately 4 percent of the maximum legal limit of \$217,698,230. 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, 2016**

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 2016 budget year, Polk County utilized an operating levy rate of \$4.46, a debt levy rate of \$0.81, and a special purpose levy rate of \$0.17 for a total mill rate of \$5.44/\$1,000 of valuation.

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 percentage increase in the County's equalized value due to new construction. The County approved a levy of \$21,611,424 for its 2016 budget, an increase of \$441,302 (2.08%) from the 2015 budget levy of \$21,170,122.

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, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Treasurer's Cash and Investments	\$ 19,302,952	\$ 374,151	\$ 19,677,103
Departmental Cash and Investments	29,136	1,200	30,336
Cash and Investments with Fiscal Agents	49,455	-	49,455
Taxes Receivable	26,466,440	-	26,466,440
Accounts Receivable	2,036,235	635,151	2,671,386
Due from Other Governments	779,356	-	779,356
Long-Term Receivables	835,326	-	835,326
Prepaid Items	9,720	39,254	48,974
Inventories	599,297	195,000	794,297
Internal Balances	575,188	(575,188)	-
Restricted Assets:			
Cash and Investments	-	35,801	35,801
Capital Assets:			
Capital Assets Not Being Depreciated	2,610,520	162,810	2,773,330
Capital Assets Being Depreciated	138,240,079	7,494,784	145,734,863
Accumulated Depreciation	(64,933,773)	(5,149,966)	(70,083,739)
Total Assets	<u>126,599,931</u>	<u>3,212,997</u>	<u>129,812,928</u>
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	11,286,266	2,466,024	13,752,290
LIABILITIES			
Vouchers and Accounts Payable	1,206,094	88,371	1,294,465
Accrued Payables	770,010	211,433	981,443
Accrued Interest Payable	33,005	35,712	68,717
Claims Incurred but not Reported	250,511	-	250,511
Unearned Revenue	476,672	-	476,672
Special Deposits	53,866	27,956	81,822
Long-Term Liabilities:			
Amounts Due Within One Year	3,930,107	235,900	4,166,007
Amounts Due in More Than One Year	10,034,096	543,646	10,577,742
Wisconsin Retirement System Pension Related	2,042,739	405,620	2,448,359
Total Liabilities	<u>18,797,100</u>	<u>1,548,638</u>	<u>20,345,738</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes for Subsequent Year	22,333,420	-	22,333,420
Wisconsin Retirement System Pension Related	4,239,503	913,028	5,152,531
Total Deferred Inflows of Resources	<u>26,572,923</u>	<u>913,028</u>	<u>27,485,951</u>
NET POSITION			
Net Investment in Capital Assets	66,825,764	2,507,628	69,333,392
Restricted for:			
Debt Service	149,481	-	149,481
Economic and Housing Loan Programs	908,937	-	908,937
Other Purposes	1,084,769	7,845	1,092,614
Unrestricted	23,547,223	701,882	24,249,105
Total Net Position	<u>\$ 92,516,174</u>	<u>\$ 3,217,355</u>	<u>\$ 95,733,529</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position - Primary Government</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS						
Primary Government:						
Governmental Activities:						
General Government	\$ 6,728,101	\$ 898,259	\$ 615,565	\$ (5,214,277)	\$ -	\$ (5,214,277)
Public Safety	9,192,660	731,278	625,588	(7,835,794)	-	(7,835,794)
Transportation	7,278,730	2,464,716	1,946,456	(2,867,558)	-	(2,867,558)
Sanitation	742,726	278,026	151,750	(312,950)	-	(312,950)
Health and Human Services	14,142,507	1,696,538	6,637,687	(5,808,282)	-	(5,808,282)
Culture, Recreation and Education	1,248,921	22,030	269,756	(957,135)	-	(957,135)
Conservation and Development	1,859,812	600,185	379,571	(880,056)	-	(880,056)
Interest and Fiscal Charges	442,405	-	-	(442,405)	-	(442,405)
Total Governmental Activities	41,635,862	6,691,032	10,626,373	(24,318,457)	-	(24,318,457)
Business-Type Activities:						
Nursing Home	8,155,131	6,755,820	1,153,030	-	(246,281)	(246,281)
Lime Quarry	723,902	654,054	-	-	(69,848)	(69,848)
Total Business-Type Activities	8,879,033	7,409,874	1,153,030	-	(316,129)	(316,129)
Total Primary Government	<u>\$ 50,514,895</u>	<u>\$ 14,100,906</u>	<u>\$ 11,779,403</u>	(24,318,457)	(316,129)	(24,634,586)
GENERAL REVENUES						
Taxes:						
Property Taxes				22,156,242	-	22,156,242
Sales Taxes				3,095,290	-	3,095,290
Other Taxes				726,887	-	726,887
State and Federal Aids Not Restricted to Specific Programs				692,990	-	692,990
Interest and Investment Earnings				90,073	94	90,167
Other				559,799	31,895	591,694
TRANSFERS				121,677	(121,677)	-
Total General Revenues and Transfers				27,442,958	(89,688)	27,353,270
CHANGE IN NET POSITION						
Net Position - Beginning of Year				89,391,673	3,623,172	93,014,845
NET Position - END OF YEAR				<u>\$ 92,516,174</u>	<u>\$ 3,217,355</u>	<u>\$ 95,733,529</u>

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

**POLK COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS					
Treasurer's Cash and Investments	\$ 10,948,374	\$ -	\$ 182,486	\$ 1,263,953	\$ 12,394,813
Departmental Cash and Investments	6,285	22,651	-	-	28,936
Cash Held by Fiscal Agents	49,455	-	-	-	49,455
Taxes Receivable	19,263,787	3,620,540	3,160,000	422,113	26,466,440
Accounts Receivable	374,626	660,898	-	998,053	2,033,577
Due from Other Funds	308,761	-	-	-	308,761
Prepaid Items	9,720	-	-	-	9,720
Long-Term Accounts Receivable	-	-	-	835,326	835,326
Advances to Other Funds	432,364	-	-	-	432,364
Total Assets	<u>\$ 31,393,372</u>	<u>\$ 4,304,089</u>	<u>\$ 3,342,486</u>	<u>\$ 3,519,445</u>	<u>\$ 42,559,392</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Vouchers and Accounts Payable	\$ 335,516	\$ 449,969	\$ -	\$ 172,791	\$ 958,276
Accrued Payables	454,727	144,934	-	55,570	655,231
Due to Other Funds	-	61,728	-	104,209	165,937
Unearned Revenues	-	4,667	-	-	4,667
Special Deposits	31,615	22,251	-	-	53,866
Total Liabilities	<u>821,858</u>	<u>683,549</u>	<u>-</u>	<u>332,570</u>	<u>1,837,977</u>
DEFERRED INFLOWS OF RESOURCES					
Succeeding Year's Property Taxes	15,130,767	3,620,540	3,160,000	422,113	22,333,420
Unavailable Revenue - Long-Term Receivable	-	-	-	835,326	835,326
Total Deferred Inflows of Resources	<u>15,130,767</u>	<u>3,620,540</u>	<u>3,160,000</u>	<u>1,257,439</u>	<u>23,168,746</u>
FUND BALANCES					
Nonspendable	4,575,103	-	-	-	4,575,103
Restricted	62,013	-	182,486	1,096,367	1,340,866
Committed	15,363	-	-	-	15,363
Assigned	1,153,685	-	-	846,014	1,999,699
Unassigned	9,634,583	-	-	(12,945)	9,621,638
Total Fund Balances	<u>15,440,747</u>	<u>-</u>	<u>182,486</u>	<u>1,929,436</u>	<u>17,552,669</u>
Total Liabilities and Fund Balances	<u>\$ 31,393,372</u>	<u>\$ 4,304,089</u>	<u>\$ 3,342,486</u>	<u>\$ 3,519,445</u>	<u>\$ 42,559,392</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, 2016**

Total Fund Balances - Governmental Funds \$ 17,552,669

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	33,854,017	
Machinery and Equipment	11,887,663	
Infrastructure	80,781,144	
Other Infrastructure	1,353,910	
Construction Work-in-Progress	59,226	
Accumulated Depreciation	<u>(59,768,219)</u>	71,090,791

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. 835,326

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

Deferred Outflows of Resources		10,110,825
Net Pension Plan Liability		(1,817,255)
Deferred Inflows of Resources		(3,793,809)

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

Bonds Payable	8,710,000	
Accrued Interest Payable	33,005	
Forest Crop Loans	87,683	
Capital Lease	10,629	
Other Postemployment Health Care Benefits	1,694,266	
Estimated Employee Leave Liability	<u>2,599,559</u>	(13,135,142)

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		(370,433)
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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.

12,043,202

Net Position of Governmental Activities		<u><u>\$ 92,516,174</u></u>
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POLK COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	General Fund	Human Services Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES					
Taxes	\$ 15,315,784	\$ 3,885,545	\$ 3,287,152	\$ 3,489,938	\$ 25,978,419
Intergovernmental	4,192,627	4,183,381	-	2,943,355	11,319,363
Licenses and Permits	363,489	-	-	45,390	408,879
Fines and Forfeits	110,463	-	-	39,776	150,239
Public Charges for Services	1,521,442	1,156,972	-	387,097	3,065,511
Intergovernmental Charges for Services	601,687	-	-	-	601,687
Miscellaneous:					
Interest	89,995	-	-	78	90,073
Rent	300,906	-	-	-	300,906
Other	119,001	-	-	44,257	163,258
Total Revenues	<u>22,615,394</u>	<u>9,225,898</u>	<u>3,287,152</u>	<u>6,949,891</u>	<u>42,078,335</u>
EXPENDITURES					
CURRENT					
General Government	6,518,050	-	-	151,871	6,669,921
Public Safety	7,751,378	-	-	168,448	7,919,826
Transportation	5,093,483	-	-	-	5,093,483
Sanitation	681,131	-	-	-	681,131
Health and Human Services	1,699,184	8,941,607	-	3,104,562	13,745,353
Culture, Recreation and Education	1,084,949	-	-	111,232	1,196,181
Conservation and Development	1,736,086	-	-	76,334	1,812,420
DEBT SERVICE					
Principal Retirement	-	-	2,792,557	79,557	2,872,114
Interest and Fiscal Charges	-	-	535,639	-	535,639
Total Expenditures	<u>24,564,261</u>	<u>8,941,607</u>	<u>3,328,196</u>	<u>3,692,004</u>	<u>40,526,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,948,867)	284,291	(41,044)	3,257,887	1,552,267
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	17,223	17,223
Transfers In	3,382,362	28,333	40,000	10,000	3,460,695
Transfers Out	(10,000)	(312,624)	-	(2,996,394)	(3,319,018)
Issuance of Capital Lease	13,510	-	-	-	13,510
Total Other Financing Sources (Uses)	<u>3,385,872</u>	<u>(284,291)</u>	<u>40,000</u>	<u>(2,969,171)</u>	<u>172,410</u>
NET CHANGE IN FUND BALANCES	1,437,005	-	(1,044)	288,716	1,724,677
Fund Balances - Beginning of Year	14,003,742	-	183,530	1,640,720	15,827,992
FUND BALANCES - END OF YEAR	<u>\$ 15,440,747</u>	<u>\$ -</u>	<u>\$ 182,486</u>	<u>\$ 1,929,436</u>	<u>\$ 17,552,669</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, 2016

Net Change in Fund Balances - Total Governmental Funds **\$ 1,724,677**

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 2,490,023	
Depreciation Expense Reported in the Statement of Activities	(3,667,431)	

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>(1,335)</u>	(1,178,743)
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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. 32,214

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. (1,198,873)

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:

Capital Lease		(13,510)
Forest Crop Loan		(17,223)
Amortization of Premiums on Bonds Issued		82,318

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	2,620,000	
Capital Lease Principal Repayment	172,557	
Forest Crop Loan Paid	<u>79,557</u>	2,872,114

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. 837,406

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	10,916	
Net Change in Compensated Absences Liability	101,624	
Net Change in Other Postemployment Benefits	<u>(128,419)</u>	(15,879)

Change in Net Position of Governmental Activities **\$ 3,124,501**

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Totals</u>	
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ -	\$ 374,151	\$ 374,151	6,908,139
Departmental Cash and Investments	1,000	200	1,200	200
Accounts Receivable	585,307	49,844	635,151	2,658
Due from Other Governmental Units	-	-	-	779,356
Inventories	45,681	149,319	195,000	599,297
Prepaid Items	39,254	-	39,254	-
Total Current Assets	<u>671,242</u>	<u>573,514</u>	<u>1,244,756</u>	<u>8,289,650</u>
NONCURRENT ASSETS				
Restricted Cash and Investments	35,801	-	35,801	-
Capital Assets Not Being Depreciated	6,605	156,205	162,810	203,284
Capital Assets Being Depreciated	5,707,210	1,787,574	7,494,784	9,788,305
Less: Accumulated Depreciation	<u>4,255,676</u>	<u>894,290</u>	<u>5,149,966</u>	<u>5,165,554</u>
Net Capital Assets	<u>1,458,139</u>	<u>1,049,489</u>	<u>2,507,628</u>	<u>4,826,035</u>
 Total Assets	 2,165,182	 1,623,003	 3,788,185	 13,115,685
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	2,358,182	107,842	2,466,024	1,175,441

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Totals</u>	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	\$ 81,964	\$ 6,407	\$ 88,371	\$ 247,818
Accrued Wages Payable	202,610	8,823	211,433	114,779
Resident Trust Funds	27,956	-	27,956	-
Accrued Interest Payable	35,712	-	35,712	-
Due to Other Funds	142,824	-	142,824	-
Claims Incurred but not Reported	-	-	-	250,511
Unearned Revenues	-	-	-	472,005
Current Portion of Long-Term Liabilities:				
Accrued Employee Leave	185,940	49,960	235,900	342,978
Total Current Liabilities	<u>677,006</u>	<u>65,190</u>	<u>742,196</u>	<u>1,428,091</u>
LONG-TERM LIABILITIES, (Net of Current Portion)				
Accrued Employee Leave	75,948	20,851	96,799	148,655
Advances from General Fund	432,364	-	432,364	-
Wisconsin Retirement System Pension Liability	388,658	16,962	405,620	225,484
Other Postemployment Health Care Benefits	425,436	21,411	446,847	-
Total Long-Term Liabilities	<u>1,322,406</u>	<u>59,224</u>	<u>1,381,630</u>	<u>374,139</u>
 Total Liabilities	 <u>1,999,412</u>	 <u>124,414</u>	 <u>2,123,826</u>	 <u>1,802,230</u>
DEFERRED INFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	873,354	39,674	913,028	445,694
NET POSITION				
Net Investment in Capital Assets	1,458,139	1,049,489	2,507,628	4,826,035
Restricted for Donation Funds	7,845	-	7,845	-
Unrestricted	184,614	517,268	701,882	7,217,167
Total Net Position	<u>\$ 1,650,598</u>	<u>\$ 1,566,757</u>	<u>\$ 3,217,355</u>	<u>\$ 12,043,202</u>

See accompanying Notes to Basic Financial Statements.

POLK COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016

	<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	\$ 6,755,820	\$ 654,054	\$ 7,409,874	\$ 13,842,652
Miscellaneous	31,895	-	31,895	73,247
Total Operating Revenues	<u>6,787,715</u>	<u>654,054</u>	<u>7,441,769</u>	<u>13,915,899</u>
OPERATING EXPENSES				
Daily Patient Services	4,357,475	-	4,357,475	-
Special Services	707,969	-	707,969	-
General Services	1,348,661	-	1,348,661	-
Other Cost Centers	5,713	-	5,713	-
Administrative Services	1,532,429	-	1,532,429	516,850
Lime Quarry Expenses	-	615,306	615,306	-
Transportation Services	-	-	-	6,372,890
Premiums and Claims	-	-	-	5,547,936
Depreciation and Depletion	179,808	108,596	288,404	620,817
Total Operating Expenses	<u>8,132,055</u>	<u>723,902</u>	<u>8,855,957</u>	<u>13,058,493</u>
OPERATING INCOME (LOSS)	<u>(1,344,340)</u>	<u>(69,848)</u>	<u>(1,414,188)</u>	<u>857,406</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Transfer Program	1,154,914	-	1,154,914	-
Interest Revenue	94	-	94	-
Interest Expense on Long-Term Debt	(23,076)	-	(23,076)	-
Restricted Donations	(1,884)	-	(1,884)	-
Total Nonoperating Revenues (Expenses)	<u>1,130,048</u>	<u>-</u>	<u>1,130,048</u>	<u>-</u>
INCOME BEFORE TRANSFERS	<u>(214,292)</u>	<u>(69,848)</u>	<u>(284,140)</u>	<u>857,406</u>
TRANSFERS				
Transfers Out	<u>(21,677)</u>	<u>(100,000)</u>	<u>(121,677)</u>	<u>(20,000)</u>
CHANGE IN NET POSITION	<u>(235,969)</u>	<u>(169,848)</u>	<u>(405,817)</u>	<u>837,406</u>
Net Position - Beginning of Year	<u>1,886,567</u>	<u>1,736,605</u>	<u>3,623,172</u>	<u>11,205,796</u>
NET POSITION - END OF YEAR	<u>\$ 1,650,598</u>	<u>\$ 1,566,757</u>	<u>\$ 3,217,355</u>	<u>\$ 12,043,202</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<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	\$ 6,678,928	\$ 639,723	\$ 7,318,651	\$ 8,053,104
Cash Received from Interfund Charges	-	-	-	6,294,279
Other Cash Received	31,895	-	31,895	-
Cash Paid to Suppliers for Goods and Services	(4,287,017)	(288,893)	(4,575,910)	(8,517,155)
Cash Paid for Employee Services	(3,421,753)	(182,230)	(3,603,983)	(3,441,450)
Net Cash Provided (Used) by Operating Activities	(997,947)	168,600	(829,347)	2,388,778
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net Residents' Trust Funds Received	3,605	-	3,605	-
Transfer Out	(21,677)	(100,000)	(121,677)	(20,000)
Intergovernmental Transfer Program	1,154,914	-	1,154,914	-
Change in Cash Overdraft Funded by General County at Year-End	90,186	-	90,186	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,227,028	(100,000)	1,127,028	(20,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(89,627)	(31,451)	(121,078)	(1,103,244)
Cash Received from Sale of Capital Assets	-	-	-	31,952
Principal Paid on Advance from General Fund	(109,005)	-	(109,005)	-
Interest Paid on Advances from County	(23,076)	-	(23,076)	-
Principal Paid on Long-Term Notes	(1,779)	-	(1,779)	-
Interest on Long-Term Notes and Capital Leases	(2,083)	-	(2,083)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(225,570)	(31,451)	(257,021)	(1,071,292)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	94	-	94	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,605	37,149	40,754	1,297,486
Cash and Cash Equivalents - Beginning of Year	33,196	337,202	370,398	5,610,853
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 36,801</u>	<u>\$ 374,351</u>	<u>\$ 411,152</u>	<u>\$ 6,908,339</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Nursing Home</u>	<u>Lime Fund</u>	<u>Total</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,344,340)	\$ (69,848)	\$ (1,414,188)	\$ 857,406
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Depletion	179,808	108,596	288,404	620,817
Net Change in WRS Pension Items	275,986	12,538	288,524	140,842
Loss (Gain) on Disposal of Capital Assets	-	-	-	(1,116)
(Increase) Decrease in Asset Accounts:				
Resident Accounts Receivable	(76,892)	-	(76,892)	-
Other Accounts Receivable	-	(14,331)	(14,331)	111,731
Due from Other Governmental Units	-	-	-	(152,252)
Inventories	7,369	141,460	148,829	9,988
Prepaid Items	(12,126)	-	(12,126)	253,000
Increase (Decrease) in Liability Accounts:				
Unearned Revenues	-	-	-	472,005
Accounts Payable	(26,808)	(13,550)	(40,358)	127,455
Claims Incurred but not Reported	-	-	-	(105,721)
Accrued Wages Payable	13,418	1,862	15,280	7,189
Accrued Employee Leave	(34,609)	371	(34,238)	47,434
Other Postemployment Health Care Benefits	20,247	1,502	21,749	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (997,947)</u>	<u>\$ 168,600</u>	<u>\$ (829,347)</u>	<u>\$ 2,388,778</u>
RECONCILIATION OF CASH AND INVESTMENTS TO CASH AND CASH EQUIVALENTS				
Cash and Investments per Statement of Net Position:				
Cash and Investments	\$ -	\$ 374,151	\$ 374,151	\$ 6,908,139
Departmental Cash and Investments	1,000	200	1,200	200
Restricted Cash and Investments	35,801	-	35,801	-
Cash and Cash Equivalents	<u>\$ 36,801</u>	<u>\$ 374,351</u>	<u>\$ 411,152</u>	<u>\$ 6,908,339</u>

See accompanying Notes to Basic Financial Statements.

**POLK COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	<u>Agency Funds</u>
ASSETS	
Cash and Pooled Investments	\$ 780,828
Taxes Receivable	739,564
Special Assessments	<u>331</u>
Total Assets	<u><u>\$ 1,520,723</u></u>
LIABILITIES	
Due to Other Governments	\$ 1,122,740
Special Deposits	397,652
Districts/State Equities Uncollected Taxes	<u>331</u>
Total Liabilities	<u><u>\$ 1,520,723</u></u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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 fifteen 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, 2016**

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, 2016**

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. The Nursing home fund separately issues financial statements.

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, 2016

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, 2016**

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, 2016**

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.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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)

Third-Party Reimbursement Agreements – Medicaid – The Home participates in the Medicaid program that is administrated by the Wisconsin Department of Health Services (DHS). Revenues for provided services are recognized by the Home as services are provided. Rates for services provided to residents under the Title XIX Wisconsin Medical Assistance Program are based on cost reports submitted by the Home and a formula determined by the Wisconsin Department of Health Services. Average Title XIX rates cannot exceed private pay rates. Title XIX rates are subject to retroactive adjustment. The State of Wisconsin Department of Human Services also provides additional reimbursement to county nursing facilities through the intergovernmental transfer program based on the shortfall between a facility's Medicaid reimbursement and the cost of providing the related care. These additional settlement amounts are reflected as non-operating gains. Amounts recognized were \$1,154,914 and \$1,095,842 during the years ended December 31, 2016 and 2015, respectively.

Medicare

By state statute, a nursing facility which participates in the Medicaid program must also participate in the Medicare program. This program is administered by the Centers for Medicare and Medicaid Services.

The Home is paid under the Medicare prospective payment system (PPS) for residents who are Medicare eligible. The PPS is a per diem price-based system.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

A summary of resident service revenues and contractual adjustments is as follows:

	2016	2015
Total Resident Service Revenue	\$ 7,390,632	\$ 7,446,572
Contractual Adjustments		
Medicare	942,494	896,921
Provision for Bad Debts	9,468	112,043
Other	(317,150)	(248,406)
Total Contractual Adjustments	634,812	760,558
Net Resident Service Revenue	\$ 6,755,820	\$ 6,686,014

During the years ended December 31, 2016 and 2015, the occupancy percentages and the percentages of residents covered under the Medicare and Medicaid programs were as follows:

**POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016**

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)

	2016	2015
Total Occupancy	89.4%	91.2%
Medicaid	72.7%	78.2%
Medicare	5.4%	5.3%

Contributions

From time to time the Home receives contributions from individuals and private organizations. Revenue contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

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.

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.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2016**

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. The County reports pension related items and property taxes as deferred inflows of resources in the government-wide financial statements.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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.

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.

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, 2016

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, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

At December 31, 2016, the Family Court Counseling and Jail Assessment Fees, nonmajor special revenue funds, had deficit fund balances of \$7,278 and \$5,667 respectively. The County plans to eliminate these deficit through future public charges for services.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2016, as shown in the financial statements, is as follows:

Governmental Funds	\$ 12,473,204
Proprietary Funds	7,319,491
Fiduciary Funds	780,828
Total Cash and Investments	<u>\$ 20,573,523</u>

The above cash and investments balances consisted of the following:

Treasurer's Cash and Investments

Deposits at Financial Institutions		
County Funds	\$ 8,818,853	
Deposits in State Local Governments		
Pooled-Investment Fund	<u>11,260,178</u>	\$ 20,079,031

Departmental Cash and Investments

Deposits at Financial Institutions		
Funds Held in Trust	397,651	
Petty Cash	<u>8,085</u>	405,736

Cash and Investments Held by Fiscal Agents

Cafeteria Plan	3,500	
Cash Held by Mutual Insurance Corporation	<u>49,455</u>	52,955

Restricted Cash and Investments

Deposits at Financial Institutions		
Funds Held in Trust		35,801
Total Cash and Investments at December 31, 2016		<u>\$ 20,573,523</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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, 2016, the County's deposits were not exposed to custodial credit risk.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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 2016 was 70 days.

Credit Risk

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.

As of December 31, 2016, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Rating</u>	<u>Amount</u>
Local Government Investment Pool	Not Rated	\$ 11,260,178
Total		<u>\$ 11,260,178</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of December 31, 2016, the County's investments maturities were all within one year.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements

The County uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The County follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the County has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The County's assets in the State Investment Fund (LGIP) are measured at amortized cost.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources

1. Taxes Receivable

Taxes receivable at December 31, 2016 totaled \$27,206,004. The taxes receivable amount is broken out between \$26,466,440 (\$22,333,420 current and \$4,133,020 delinquent) for governmental funds and \$739,564 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.

2. Resident Receivables

Resident receivables reported as current assets by the County at December 31, 2016 and 2015 consisted of the following:

	2016	2015
Receivable from Residents and Their Insurance Carriers	\$ 394,882	\$ 269,242
Receivable from Medicare	65,286	88,235
Receivable from Medicaid	265,139	290,938
Total Resident Receivables	725,307	648,415
Less: Allowance for Doubtful Accounts	(140,000)	(140,000)
Resident Receivables, Net	\$ 585,307	\$ 508,415

3. Long-Term Receivables

Long-term receivables in the governmental funds at December 31, 2016 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, 2016 the County had seventy-one (70) loans outstanding under this program with an outstanding balance of \$835,326 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.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables/Deferred Inflows of Resources (Continued)

4. 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:

	<u>Unavailable</u>	<u>Unearned</u>	<u>12/31/16</u>
2016 Tax Levy	\$ -	\$ 22,333,420	\$ 22,333,420
Grants			
Human Services Fund	-	4,667	4,667
Highway Fund	-	472,005	472,005
Long-Term Receivables			
Housing Rehabilitation Loans	835,326	-	835,326
Total	<u>\$ 835,326</u>	<u>\$ 22,810,092</u>	<u>\$ 23,645,418</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
General County Assets:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,348,010	\$ -	\$ -	\$ 2,348,010
Construction Work in Progress:				
Roadways	54,636	59,226	54,636	59,226
Total Capital Assets Not Being Depreciated	2,402,646	59,226	54,636	2,407,236
Capital Assets Being Depreciated:				
Land Improvements	575,040	-	-	575,040
Buildings and Improvements	33,812,135	41,882	-	33,854,017
Equipment and Vehicles	11,627,707	481,383	221,427	11,887,663
Highway Infrastructure	78,818,976	1,962,168	-	80,781,144
Other Infrastructure	1,353,910	-	-	1,353,910
Total Capital Assets Being Depreciated	126,187,768	2,485,433	221,427	128,451,774
Total Capital Assets	128,590,414	2,544,659	276,063	130,859,010
Accumulated Depreciation:				
Land Improvements	546,048	5,739	-	551,787
Buildings and Improvements	14,802,076	854,260	-	15,656,336
Equipment and Vehicles	6,490,825	897,975	220,092	7,168,708
Highway Infrastructure	34,115,672	1,882,358	-	35,998,030
Other Infrastructure	366,259	27,099	-	393,358
Total Accumulated Depreciation	56,320,880	3,667,431	220,092	59,768,219
Net Capital Assets - General County	<u>\$ 72,269,534</u>	<u>\$ (1,122,772)</u>	<u>\$ 55,971</u>	<u>\$ 71,090,791</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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
Gravel Pit	185,565	-	-	185,565
	<u>203,284</u>	<u>-</u>	<u>-</u>	<u>203,284</u>
Capital Assets Being Depreciated:				
Land Improvements	153,100	-	-	153,100
Buildings and Improvements	1,367,448	-	-	1,367,448
Machinery and Equipment	7,706,467	1,172,634	625,381	8,253,720
Other Capital Assets	14,037	-	-	14,037
Total Capital Assets Being Depreciated	<u>9,241,052</u>	<u>1,172,634</u>	<u>625,381</u>	<u>9,788,305</u>
Total Capital Assets	<u>9,444,336</u>	<u>1,172,634</u>	<u>625,381</u>	<u>9,991,589</u>
Accumulated Depreciation:				
Land Improvements	113,664	5,813	-	119,477
Buildings and Improvements	666,008	49,171	7,983	707,196
Machinery and Equipment	4,278,289	565,833	517,172	4,326,950
Other Capital Assets	11,931	-	-	11,931
Total Accumulated Depreciation	<u>5,069,892</u>	<u>620,817</u>	<u>525,155</u>	<u>5,165,554</u>
Net Capital Assets - Highway Department	<u>\$ 4,374,444</u>	<u>\$ 551,817</u>	<u>\$ 100,226</u>	<u>\$ 4,826,035</u>
Governmental Activities:				
Capital Assets Not Being Depreciated	\$ 2,605,930	\$ 59,226	\$ 54,636	\$ 2,610,520
Capital Assets Being Depreciated	135,428,820	3,658,067	846,808	138,240,079
Total Capital Assets	<u>138,034,750</u>	<u>3,717,293</u>	<u>901,444</u>	<u>140,850,599</u>
Less: Accumulated Depreciation	<u>61,390,772</u>	<u>4,288,248</u>	<u>745,247</u>	<u>64,933,773</u>
Net Capital Assets - Governmental Activities	<u>\$ 76,643,978</u>	<u>\$ (570,955)</u>	<u>\$ 156,197</u>	<u>\$ 75,916,826</u>

Depreciation expense was charged to governmental functions as follows:

General County:

General Government	\$ 210,955
Public Safety	1,158,998
Transportation	1,882,358
Sanitation	36,152
Health and Human Services	304,403
Culture, Recreation and Education	58,168
Conservation and Development	16,397
Subtotal General County	<u>3,667,431</u>

Highway Department:

Transportation	620,817
Total	<u>\$ 4,288,248</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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	114,662	-	-	114,662
Buildings and Improvements	3,655,267	17,247	-	3,672,514
Fixed Equipment	870,838	50,826	-	921,664
Equipment and Vehicles	985,526	21,554	8,710	998,370
Total Capital Assets Being Depreciated	<u>5,626,293</u>	<u>89,627</u>	<u>8,710</u>	<u>5,707,210</u>
Total Capital Assets	5,632,898	89,627	8,710	5,713,815
Accumulated Depreciation:				
Land Improvements	103,361	1,644	-	105,005
Buildings and Improvements	2,345,512	111,960	-	2,457,472
Fixed Equipment	758,362	26,220	-	784,582
Equipment and Vehicles	877,343	39,984	8,710	908,617
Total Accumulated Depreciation	<u>4,084,578</u>	<u>179,808</u>	<u>8,710</u>	<u>4,255,676</u>
Net Capital Assets - Nursing Home	<u>\$ 1,548,320</u>	<u>\$ (90,181)</u>	<u>\$ -</u>	<u>\$ 1,458,139</u>
Lime Fund:				
Capital Assets Not Being Depreciated:				
Land	\$ 159,096	\$ -	\$ 2,891	\$ 156,205
Capital Assets Being Depreciated:				
Land Improvements	47,953	-	-	47,953
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	1,683,499	31,451	-	1,714,950
Total Capital Assets Being Depreciated	<u>1,756,123</u>	<u>31,451</u>	<u>-</u>	<u>1,787,574</u>
Total Capital Assets	1,915,219	31,451	2,891	1,943,779
Accumulated Depreciation:				
Land Improvements	41,297	-	-	41,297
Buildings and Improvements	24,671	-	-	24,671
Machinery and Equipment	722,617	105,705	-	828,322
Total Accumulated Depreciation	<u>788,585</u>	<u>105,705</u>	<u>-</u>	<u>894,290</u>
Net Capital Assets - Lime Fund	<u>\$ 1,126,634</u>	<u>\$ (74,254)</u>	<u>\$ 2,891</u>	<u>\$ 1,049,489</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated	\$ 165,701	\$ -	\$ 2,891	\$ 162,810
Capital Assets Being Depreciated	7,382,416	121,078	8,710	7,494,784
Total Capital Assets	<u>7,548,117</u>	<u>121,078</u>	<u>11,601</u>	<u>7,657,594</u>
Less: Accumulated Depreciation	<u>4,873,163</u>	<u>285,513</u>	<u>8,710</u>	<u>5,149,966</u>
Net Capital Assets - Business-Type Activities	<u>\$ 2,674,954</u>	<u>\$ (164,435)</u>	<u>\$ 2,891</u>	<u>\$ 2,507,628</u>

**POLK COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2016**

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	\$ 179,808
Lime Operations	105,705
Total	\$ 285,513

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2016 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Jail Assessment Fees	\$ 5,667
General Fund	Family Court Counseling	7,128
General Fund	WHEAP	49,386
General Fund	Human Services	61,728
General Fund	Public Health Funds	42,028
General Fund	Nursing Home Fund	142,824
	Total	\$ 308,761

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, 2016**

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	\$ 432,364

Long-term advances due the general fund from the Polk County Nursing Home Enterprise Fund at December 31, 2016 totaled \$432,364. 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)	\$ 2,900,000
General Fund	Human Services Fund	312,624
General Fund	Golden Age Manor	21,677
General Fund	Jail Assessment Fund (NM)	25,000
General Fund	Lime Fund	100,000
General Fund	Lidar	3,061
General Fund	Highway Fund	20,000
Human Services Fund	Drivers Improvement Fund (NM)	28,333
Debt Service Fund	Jail Assessment Fund (NM)	40,000
Nonmajor Governmental Funds	General Fund	10,000
	Total	<u>\$ 3,460,695</u>

The transfer from the Nonmajor Governmental Funds to the General Fund consisted of the amounts applied to the 2016 budget. The Transfer from the Human Services Fund to the General Fund was to transfer surplus fund balance in accordance with County policy. 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, 2016**

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, 2016:

	Balance 1/1/16	Issued	Retired	Balance 12/31/16	Due Within One Year
Long-Term Debt					
Governmental Activities					
General Obligation Bonds	\$ 11,330,000	\$ -	\$ 2,620,000	\$ 8,710,000	\$ 1,860,000
Add: Unamortized Bond Premiums	452,751	-	82,318	370,433	-
Business-Type Activities					
Capital Lease	1,779	-	1,779	-	-
Total Long-Term Debt	<u>\$ 11,784,530</u>	<u>\$ -</u>	<u>\$ 2,704,097</u>	<u>\$ 9,080,433</u>	<u>\$ 1,860,000</u>
Other Long-Term Obligations					
Governmental Activities					
Governmental Funds					
Forest Loans Payable	\$ 150,017	\$ 17,223	\$ 79,557	\$ 87,683	\$ -
Capital Leases	169,676	13,510	172,557	10,629	-
Employee Leave Liability	2,701,183	2,599,559	2,701,183	2,599,559	1,727,129
Other Postemployment Health Care Benefits	1,565,847	241,946	113,527	1,694,266	-
Highway Internal Service Fund					
Employee Leave Liability	444,199	491,633	444,199	491,633	342,978
Total Other Long-Term Obligations Governmental Activities	<u>\$ 5,030,922</u>	<u>\$ 3,363,871</u>	<u>\$ 3,511,023</u>	<u>\$ 4,883,770</u>	<u>\$ 2,070,107</u>
Business-Type Activities					
Nursing Home Enterprise Fund					
Employee Leave Liability	\$ 296,497	\$ 261,888	\$ 296,497	\$ 261,888	\$ 185,940
Other Postemployment Health Care Benefits	405,189	47,263	27,016	425,436	-
Lime Enterprise Fund					
Employee Leave Liability	70,440	70,811	70,440	70,811	49,960
Other Postemployment Health Care Benefits	19,909	2,830	1,328	21,411	-
Total Other Long-Term Obligations Business-Type Activities	<u>\$ 792,035</u>	<u>\$ 382,792</u>	<u>\$ 395,281</u>	<u>\$ 779,546</u>	<u>\$ 235,900</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, 2016**

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, 2016 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,	2017	\$ 1,860,000	\$ 396,055	\$ 2,256,055
\$18,500,000, Issued 3/15/05, Due 12/1/21,	2018	2,010,000	325,375	2,335,375
Interest at 3.00%-5.00%.	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>\$ 8,710,000</u>	<u>\$ 1,103,330</u>	<u>\$ 9,813,330</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, 2016, the County's debt limit amounted to \$217,698,230 and indebtedness subject to the limitation totaled \$8,710,000.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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 2016 expenditures for these leases was \$60,390. Minimum lease payments over the term of these leases are as follows:

Year	<u>Total</u>
2017	\$ 99,107
2018	97,457
Total	<u>\$ 196,564</u>

Capital Leases. The County has entered into a lease for the use of a Polaris Utility Task Vehicle in the General Fund. The asset acquired through capital lease is as follows:

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Equipment	\$ 18,405	\$ 18,405
Less: Accumulated Depreciation	(2,761)	(2,761)
Total	<u>\$ 15,644</u>	<u>\$ 15,644</u>

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

<u>Year</u>	<u>Governmental Funds</u>
2017	\$ 2,881
2018	2,881
2019	2,881
2020	2,881
Subtotal	<u>11,524</u>
Less: Interest	(895)
Total	<u>\$ 10,629</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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 \$87,683 at December 31, 2016.

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 \$4,175,606 at June 30, 2016 per audited financial statements of the Obligor.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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, 2016 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	\$ 4,133,019	\$ 4,133,019	\$ -	\$ -	\$ -	\$ -
Interfund Advances	432,364	432,364	-	-	-	-
Prepaid Items	9,720	9,720	-	-	-	-
Federal Forfeiture	22,449	-	22,449	-	-	-
Veterans Services Grant	11,987	-	11,987	-	-	-
Veterans Relief Grant	13,816	-	13,816	-	-	-
Maintenance of Forest Roads	12,564	-	12,564	-	-	-
Wildlife Damage	1,197	-	1,197	-	-	-
Conservation Projects	15,363	-	-	15,363	-	-
Asset Protection and Internal Investment	645,078	-	-	-	645,078	-
Employee Retirement	333,129	-	-	-	333,129	-
Vehicle Fleet	114,432	-	-	-	114,432	-
Recycling	6,613	-	-	-	6,613	-
Vending Machines	12,433	-	-	-	12,433	-
County Building Improvement	42,000	-	-	-	42,000	-
Unassigned	9,634,583	-	-	-	-	9,634,583
Subtotal General Fund	<u>15,440,747</u>	<u>4,575,103</u>	<u>62,013</u>	<u>15,363</u>	<u>1,153,685</u>	<u>9,634,583</u>
Debt Service Fund	182,486	-	182,486	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Public Health Programs	237,816	-	237,816	-	-	-
Family Court Counseling Program	(7,278)	-	-	-	-	(7,278)
Jail Assessment Fees Program	(5,667)	-	-	-	-	(5,667)
WHEAP Grant Program	9,999	-	9,999	-	-	-
Bioterrorism Consortium Program	60,068	-	60,068	-	-	-
Park Dedication Program	4,901	-	4,901	-	-	-
Snowmobile/ATV Trails	253,694	-	253,694	-	-	-
State Aid Forestry Program	29,429	-	29,429	-	-	-
Lake Improvement Program	70,526	-	70,526	-	-	-
Community Development Block Grant Program	73,611	-	73,611	-	-	-
County Sales Tax Program	846,014	-	-	-	846,014	-
ADRC Fund	356,323	-	356,323	-	-	-
Subtotal Nonmajor Funds	<u>1,929,436</u>	<u>-</u>	<u>1,096,367</u>	<u>-</u>	<u>846,014</u>	<u>(12,945)</u>
Total Governmental Funds Balances at December 31, 2016	<u>\$ 17,552,669</u>	<u>\$ 4,575,103</u>	<u>\$ 1,340,866</u>	<u>\$ 15,363</u>	<u>\$ 1,999,699</u>	<u>\$ 9,621,638</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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, 2016, sick leave earned and not taken was approximately \$70,071 in the nursing home enterprise fund, \$41,702 in the lime quarry enterprise fund, \$297,311 in the highway department internal service fund and \$1,744,860 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, 2016, was \$191,817 in the nursing home enterprise fund, \$29,109 in the lime quarry enterprise fund, \$194,322 in the highway department internal service fund, and \$854,699 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, 2016**

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, 2016 through December 31, 2016, the WRS recognized \$1,369,334 in contributions from the employer.

Contribution rates as of December 31, 2016 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.60%	6.60%
Executives and Elected Officials	6.60%	6.60%
Protective with Social Security	6.60%	9.49%
Protective without Social Security	6.60%	13.29%

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.80%	3.00%
2007	3.0	10.0
2008	6.60	-
2009	(2.10)	(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
2015	2.9	2.0

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

At December 31, 2016, the County reported a liability of \$2,448,359 for its proportionate share of the net pension liability. 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, 2015. 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, 2015, the County's proportion was 0.15067007 percent, which was a decrease of 0.0052398 from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the County recognized pension expense of \$1,481,528. At December 31, 2016, 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, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liability, Expense, 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	\$ 414,194	\$ 5,152,531
Changes of Assumptions	1,712,979	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,024,284	-
Difference between actual and proportionate share of actual employer contributions	231,499	-
County Contributions Subsequent to the Measurement Date	1,369,334	-
Total	<u>\$ 13,752,290</u>	<u>\$ (5,152,531)</u>

\$1,369,334 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, 2017. 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
2016	\$ 1,968,678
2017	1,968,678
2018	1,968,678
2019	1,429,775
2020	(105,384)
Thereafter	-

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	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 2013 using experience from 2010 – 2012. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 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, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liability, Expense, 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%	5.3%	70%	5.3%
International Equity	23%	5.7%	30%	5.7%
Fixed Income	36%	1.7%	N/A	N/A
Inflation Sensitive Assets	20%	2.3%	N/A	N/A
Real Estate	7%	4.2%	N/A	N/A
Private Equity/Debt	7%	6.9%	N/A	N/A
Multi-Asset	6%	3.9%	N/A	N/A
Cash	-20%	0.9%	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)	\$ 17,172,840	\$ 2,448,359	\$ (9,051,722)

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets, Liability, Expense, 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 16-10.

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, 2016, there were approximately 23 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 2016, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual Required Contribution (ARC):	\$ 319,639
Interest on Net OPEB Obligation	69,683
Adjustment to ARC	<u>(106,404)</u>
Annual OPEB Cost	282,918
Contributions During the Year	<u>(132,750)</u>
Change in Net OPEB Obligation	150,168
Net OPEB - Beginning of the Year	1,990,945
Net OPEB - End of the Year	<u>\$ 2,141,113</u>
Governmental Activities	\$ 1,694,266
Business-Type Activities	<u>446,847</u>
Total OPEB Payable	<u>\$ 2,141,113</u>

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

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
12/31/2016	\$ 282,918	\$ 132,750	46.9 %	\$ 2,141,113
12/31/2015	362,239	163,367	45.1	1,990,945
12/31/2014	367,863	149,631	40.7	1,792,073

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)
1/1/16	\$ -	\$ 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, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. OPEB Disclosure (Continued)

3. Actuarial Methods and Assumptions (Continued)

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5 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 6.75 percent initially, reduced incrementally to an ultimate rate of 5.0 percent over seven 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 \$95,000. The current attachment point for annual aggregate stop-loss coverage has been set at \$5,246,261. The fund had a balance at December 31, 2016 of \$3,740,003.

**POLK COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

Changes in the claims liabilities for 2016 and 2015 for the health insurance fund were as follows:

	2016	2015
Estimated Claims Outstanding - January 1	\$ 356,232	\$ 481,305
Current Year Claims and Changes	4,451,405	4,585,101
Claim Payments	(4,557,126)	(4,710,174)
Estimated Claims Outstanding - December 31	\$ 250,511	\$ 356,232

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.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 15,399,922	\$ 15,399,922	\$ 15,315,784	\$ (84,138)
Intergovernmental	4,035,289	4,035,289	4,192,627	157,338
Licenses and Permits	292,091	292,091	363,489	71,398
Fines and Forfeits	139,050	139,050	110,463	(28,587)
Public Charges for Services	1,503,736	1,503,736	1,521,442	17,706
Intergovernmental Charges for Services	571,840	571,840	601,687	29,847
Miscellaneous:				
Interest	43,695	43,695	89,995	46,300
Rent	292,985	292,985	300,906	7,921
Other	153,000	228,000	119,001	(108,999)
Total Revenues	<u>22,431,608</u>	<u>22,506,608</u>	<u>22,615,394</u>	<u>108,786</u>
EXPENDITURES				
General Government				
Legislative	156,314	156,314	131,934	24,380
Judicial	1,234,845	1,234,845	1,276,588	(41,743)
Legal	713,083	713,083	669,662	43,421
General Administration	2,292,548	2,292,548	2,105,364	187,184
Financial Administration	251,702	251,702	254,591	(2,889)
General Buildings and Plant	1,346,033	1,394,521	1,292,941	101,580
Property Records and Control	384,734	384,734	337,725	47,009
Tax Deed Expense and Refunds	20,850	20,850	3,568	17,282
Property and Liability Insurance	532,034	532,034	384,647	147,387
Asset Protection Fund Expenditures	350,000	425,000	37,250	387,750
Fleet Expenditures	58,877	58,877	19,587	39,290
Other General Government	31,000	33,465	4,193	29,272
Total General Government	<u>7,372,020</u>	<u>7,497,973</u>	<u>6,518,050</u>	<u>979,923</u>
Public Safety				
Sheriff and Traffic	4,988,193	5,010,620	5,065,623	(55,003)
Emergency Service and Disaster Control	131,254	131,254	112,732	18,522
Corrections and Detention	2,698,104	2,698,104	2,573,023	125,081
Total Public Safety	<u>7,817,551</u>	<u>7,839,978</u>	<u>7,751,378</u>	<u>88,600</u>
Transportation Facilities				
Appropriations to Highway Department	5,093,483	5,093,483	5,093,483	-
Sanitation				
Recycling	585,468	602,491	495,024	107,467
Solid Waste Management	42,252	42,252	71,212	(28,960)
Clean Sweep	14,600	14,600	18,485	(3,885)
Recycling Equipment Replacement	86,000	86,000	96,410	(10,410)
Total Sanitation	<u>728,320</u>	<u>745,343</u>	<u>681,131</u>	<u>64,212</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, 2016**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Health and Human Services				
General Health	\$ 879,089	\$ 879,089	\$ 873,230	\$ 5,859
Social Services	592,493	592,493	650,363	(57,870)
Veterans	173,294	196,798	175,591	21,207
Total Health and Human Services	<u>1,644,876</u>	<u>1,668,380</u>	<u>1,699,184</u>	<u>(30,804)</u>
Culture, Recreation and Education				
Culture	709,522	709,522	710,838	(1,316)
Public Areas	135,044	135,044	103,914	31,130
Recreation Facilities	22,748	22,748	26,947	(4,199)
Education	279,260	279,260	243,250	36,010
Total Culture, Recreation, and Education	<u>1,146,574</u>	<u>1,146,574</u>	<u>1,084,949</u>	<u>61,625</u>
Conservation and Development				
Resource Conservation	825,161	846,419	825,261	21,158
Planning	31,274	32,274	31,228	1,046
Zoning	769,195	769,195	773,825	(4,630)
Economic Development	104,772	105,772	105,772	-
Total Conservation and Development	<u>1,730,402</u>	<u>1,753,660</u>	<u>1,736,086</u>	<u>17,574</u>
Total Expenditures	<u>25,533,226</u>	<u>25,745,391</u>	<u>24,564,261</u>	<u>1,181,130</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,101,618)	(3,238,783)	(1,948,867)	1,289,916
OTHER FINANCING SOURCES (USES)				
Transfers In	3,247,710	3,247,710	3,382,362	134,652
Transfers Out	(243,444)	(243,444)	(10,000)	233,444
Issuance of Capital Lease	-	-	13,510	13,510
Total Other Financing Sources (Uses)	<u>3,004,266</u>	<u>3,004,266</u>	<u>3,385,872</u>	<u>381,606</u>
NET CHANGE IN FUND BALANCE	\$ (97,352)	\$ (234,517)	1,437,005	\$ 1,671,522
Fund Balance - Beginning of Year			<u>14,003,742</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 15,440,747</u></u>	

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

(Continued)

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,885,545	\$ 3,885,545	\$ 3,885,545	\$ -
Intergovernmental	4,159,942	4,159,942	4,183,381	23,439
Public Charges for Services	1,126,422	1,126,422	1,156,972	30,550
Total Revenues	<u>9,171,909</u>	<u>9,171,909</u>	<u>9,225,898</u>	<u>53,989</u>
EXPENDITURES				
Health and Human Services	9,211,909	9,211,909	8,941,607	270,302
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,000)	(40,000)	284,291	324,291
OTHER FINANCING SOURCES (USES):				
Transfers In	40,000	40,000	28,333	(11,667)
Transfers Out	-	-	(312,624)	(312,624)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>40,000</u>	<u>(284,291)</u>	<u>(324,291)</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***

	2015	2016
County's proportion of the net pension liability (asset)	0.15590987%	0.15067007%
County's proportionate share of the net pension liability (asset)	\$ (3,829,573)	\$ 2,448,359
County's covered-employee payroll	\$ 20,067,237	\$ 20,138,336
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-19.08%	12.16%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%

*The amounts presented for each fiscal year were determined as of 12/31 that occurred within the fiscal year.

*Shown prospectively from year of implementation.

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

	2015	2016
Contractually Required Contribution	\$ 1,429,056	\$ 1,369,334
Contributions in Relation to the Contractually Required Contributions	(1,429,056)	(1,369,334)
Contribution Deficiency (Excess)	\$ -	\$ -
 County's Covered-Employee Payroll	 \$ 20,138,336	 \$ 19,861,318
 Contributions as a Percentage of Covered Employee Payroll	 7.10%	 6.89%

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.

*Shown prospectively from year of implementation.

**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)	UAAAL as a Percentage of Covered Payroll ((b-1)/c)
1/1/16	\$ -	\$ 2,298,105	\$ 2,298,105	- %	\$ 20,998,936	10.9 %
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

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

**POLK COUNTY, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2016**

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.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	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	\$ 174,699	\$ -	\$ -	\$ -	\$ 16,389	\$ -	\$ -	\$ 4,901	\$ 209,956
Taxes Receivable	128,073	-	-	-	-	-	-	-	-
Accounts Receivable	142,173	-	-	60,596	48,089	-	-	-	43,932
Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 444,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,596</u>	<u>\$ 64,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,901</u>	<u>\$ 253,888</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Vouchers Payable	\$ 8,830	\$ 150	\$ -	\$ 1,211	\$ -	\$ -	\$ -	\$ -	\$ 194
Accrued Wages Payable	28,198	-	-	-	4,410	-	-	-	-
Due to Other Funds	42,028	7,128	5,667	49,386	-	-	-	-	-
Total Liabilities	<u>79,056</u>	<u>7,278</u>	<u>5,667</u>	<u>50,597</u>	<u>4,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194</u>
DEFERRED INFLOWS OF RESOURCES									
Property Taxes for Subsequent Year	128,073	-	-	-	-	-	-	-	-
Unavailable Revenue - Long-Term Receivables	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>128,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	237,816	-	-	9,999	60,068	-	-	4,901	253,694
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(7,278)	(5,667)	-	-	-	-	-	-
Total Fund Balances	<u>237,816</u>	<u>(7,278)</u>	<u>(5,667)</u>	<u>9,999</u>	<u>60,068</u>	<u>-</u>	<u>-</u>	<u>4,901</u>	<u>253,694</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 444,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,596</u>	<u>\$ 64,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,901</u>	<u>\$ 253,888</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2016**

	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			
ASSETS								
Treasurer's Cash and Investments	\$ 29,429	\$ 72,193	\$ 90,773	\$ 386,410	\$ 279,203	\$ 1,263,953	\$ -	\$ 1,263,953
Taxes Receivable	-	-	-	-	110,785	238,858	183,255	422,113
Accounts Receivable	-	-	-	459,604	243,659	998,053	-	998,053
Long-Term Receivables	-	-	835,326	-	-	835,326	-	835,326
Total Assets	<u>\$ 29,429</u>	<u>\$ 72,193</u>	<u>\$ 926,099</u>	<u>\$ 846,014</u>	<u>\$ 633,647</u>	<u>\$ 3,336,190</u>	<u>\$ 183,255</u>	<u>\$ 3,519,445</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Vouchers Payable	\$ -	\$ 1,667	\$ 17,162	\$ -	\$ 143,577	\$ 172,791	\$ -	\$ 172,791
Accrued Wages Payable	-	-	-	-	22,962	55,570	-	55,570
Due to Other Funds	-	-	-	-	-	104,209	-	104,209
Total Liabilities	<u>-</u>	<u>1,667</u>	<u>17,162</u>	<u>-</u>	<u>166,539</u>	<u>332,570</u>	<u>-</u>	<u>332,570</u>
DEFERRED INFLOWS OF RESOURCES								
Property Taxes for Subsequent Year	-	-	-	-	110,785	238,858	183,255	422,113
Unavailable Revenue - Long-Term Receivables	-	-	835,326	-	-	835,326	-	835,326
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>835,326</u>	<u>-</u>	<u>110,785</u>	<u>1,074,184</u>	<u>183,255</u>	<u>1,257,439</u>
FUND BALANCES								
Restricted	29,429	70,526	73,611	-	356,323	1,096,367	-	1,096,367
Assigned	-	-	-	846,014	-	846,014	-	846,014
Unassigned	-	-	-	-	-	(12,945)	-	(12,945)
Total Fund Balances	<u>29,429</u>	<u>70,526</u>	<u>73,611</u>	<u>846,014</u>	<u>356,323</u>	<u>1,929,436</u>	<u>-</u>	<u>1,929,436</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,429</u>	<u>\$ 72,193</u>	<u>\$ 926,099</u>	<u>\$ 846,014</u>	<u>\$ 633,647</u>	<u>\$ 3,336,190</u>	<u>\$ 183,255</u>	<u>\$ 3,519,445</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016**

	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	\$ 122,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	654,947	-	-	251,561	172,975	-	-	-	269,756
Licenses and Permits	-	-	-	-	-	18,715	26,675	-	-
Fines, Forfeits and Penalties	-	-	39,776	-	-	-	-	-	-
Public Charges for Services	375,733	11,064	-	300	-	-	-	-	-
Miscellaneous:									
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	1,153,047	11,064	39,776	251,861	172,975	18,715	26,675	-	269,756
EXPENDITURES									
General Government	-	9,932	-	-	-	-	-	-	-
Public Safety	-	-	-	-	168,448	-	-	-	-
Health and Human Services	1,173,711	-	-	266,892	-	18,715	-	-	-
Culture, Recreation and Education	-	-	-	-	-	-	-	2,754	108,478
Conservation and Development	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Total Expenditures	1,173,711	9,932	-	266,892	168,448	18,715	-	2,754	108,478
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,664)	1,132	39,776	(15,031)	4,527	-	26,675	(2,754)	161,278
OTHER FINANCING SOURCES (USES)									
Transfer In	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	(65,000)	-	-	-	(28,333)	-	-
Proceeds of Long-Term Debt	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(65,000)	-	-	-	(28,333)	-	-
NET CHANGE IN FUND BALANCES	(20,664)	1,132	(25,224)	(15,031)	4,527	-	(1,658)	(2,754)	161,278
Fund Balances (Deficits) - Beginning of Year	258,480	(8,410)	19,557	25,030	55,541	-	1,658	7,655	92,416
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 237,816	\$ (7,278)	\$ (5,667)	\$ 9,999	\$ 60,068	\$ -	\$ -	\$ 4,901	\$ 253,694

POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds (Continued)						LIDAR Capital Project Fund	Total Nonmajor Governmental Funds
	State Aided Forestry Fund	Lake Improvement	Community Development Block Grant	County Sales Tax Fund	ADRC Fund	Total Special Revenue Funds		
REVENUES								
Taxes	\$ 79,557	\$ -	\$ -	\$ 3,095,290	\$ 110,785	\$ 3,407,999	\$ 81,939	\$ 3,489,938
Intergovernmental	-	-	-	-	1,544,116	2,893,355	50,000	2,943,355
Licenses and Permits	-	-	-	-	-	45,390	-	45,390
Fines, Forfeits and Penalties	-	-	-	-	-	39,776	-	39,776
Public Charges for Services	-	-	-	-	-	387,097	-	387,097
Miscellaneous:								
Interest	-	-	78	-	-	78	-	78
Other	-	-	44,123	-	134	44,257	-	44,257
Total Revenues	<u>79,557</u>	<u>-</u>	<u>44,201</u>	<u>3,095,290</u>	<u>1,655,035</u>	<u>6,817,952</u>	<u>131,939</u>	<u>6,949,891</u>
EXPENDITURES								
General Government	-	-	-	-	-	9,932	141,939	151,871
Public Safety	-	-	-	-	-	168,448	-	168,448
Health and Human Services	-	-	-	-	1,645,244	3,104,562	-	3,104,562
Culture, Recreation and Education	-	-	-	-	-	111,232	-	111,232
Conservation and Development	11,581	12,753	52,000	-	-	76,334	-	76,334
Debt Service								
Principal Retirement	79,557	-	-	-	-	79,557	-	79,557
Total Expenditures	<u>91,138</u>	<u>12,753</u>	<u>52,000</u>	<u>-</u>	<u>1,645,244</u>	<u>3,550,065</u>	<u>141,939</u>	<u>3,692,004</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,581)	(12,753)	(7,799)	3,095,290	9,791	3,267,887	(10,000)	3,257,887
OTHER FINANCING SOURCES (USES)								
Transfer In	-	-	-	-	-	-	10,000	10,000
Transfer Out	-	-	-	(2,900,000)	-	(2,993,333)	(3,061)	(2,996,394)
Proceeds of Long-Term Debt	17,223	-	-	-	-	17,223	-	17,223
Total Other Financing Sources (Uses)	<u>17,223</u>	<u>-</u>	<u>-</u>	<u>(2,900,000)</u>	<u>-</u>	<u>(2,976,110)</u>	<u>6,939</u>	<u>(2,969,171)</u>
NET CHANGE IN FUND BALANCES	5,642	(12,753)	(7,799)	195,290	9,791	291,777	(3,061)	288,716
Fund Balances (Deficits) - Beginning 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>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 29,429</u>	<u>\$ 70,526</u>	<u>\$ 73,611</u>	<u>\$ 846,014</u>	<u>\$ 356,323</u>	<u>\$ 1,929,436</u>	<u>\$ -</u>	<u>\$ 1,929,436</u>

**POLK COUNTY, WISCONSIN
COMBINING BALANCE SHEET
PUBLIC HEALTH SPECIAL REVENUE FUND
DECEMBER 31, 2016**

	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	\$ 33,162	\$ 22,456	\$ -	\$ 38,027	\$ -	\$ 16,244	\$ 6,829	\$ -	\$ -	\$ -	\$ 57,981	\$ 174,699
Taxes Receivable	128,073	-	-	-	-	-	-	-	-	-	-	128,073
Accounts Receivable	31,219	-	21,487	34,213	5,341	1,194	-	5,899	26,500	1,245	15,075	142,173
Total Assets	<u>\$ 192,454</u>	<u>\$ 22,456</u>	<u>\$ 21,487</u>	<u>\$ 72,240</u>	<u>\$ 5,341</u>	<u>\$ 17,438</u>	<u>\$ 6,829</u>	<u>\$ 5,899</u>	<u>\$ 26,500</u>	<u>\$ 1,245</u>	<u>\$ 73,056</u>	<u>\$ 444,945</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES												
Vouchers Payable	\$ 3,890	\$ -	\$ 3,290	\$ -	\$ 232	\$ 64	\$ -	\$ 283	\$ -	\$ -	\$ 1,071	\$ 8,830
Accrued Wages Payable	4,841	-	5,810	663	4,952	4,293	-	612	2,322	198	4,507	28,198
Due to Other Fund	-	-	10,009	-	7,327	-	-	19,818	3,854	1,020	-	42,028
Total Liabilities	<u>8,731</u>	<u>-</u>	<u>19,109</u>	<u>663</u>	<u>12,511</u>	<u>4,357</u>	<u>-</u>	<u>20,713</u>	<u>6,176</u>	<u>1,218</u>	<u>5,578</u>	<u>79,056</u>
DEFERRED INFLOWS OF RESOURCES												
Property Taxes for Subsequent Year	128,073	-	-	-	-	-	-	-	-	-	-	128,073
FUND BALANCE (DEFICIT)												
Restricted	<u>55,650</u>	<u>22,456</u>	<u>2,378</u>	<u>71,577</u>	<u>(7,170)</u>	<u>13,081</u>	<u>6,829</u>	<u>(14,814)</u>	<u>20,324</u>	<u>27</u>	<u>67,478</u>	<u>237,816</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	<u>\$ 192,454</u>	<u>\$ 22,456</u>	<u>\$ 21,487</u>	<u>\$ 72,240</u>	<u>\$ 5,341</u>	<u>\$ 17,438</u>	<u>\$ 6,829</u>	<u>\$ 5,899</u>	<u>\$ 26,500</u>	<u>\$ 1,245</u>	<u>\$ 73,056</u>	<u>\$ 444,945</u>

**POLK COUNTY, WISCONSIN
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 PUBLIC HEALTH SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2016**

	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	\$ 122,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,367
Intergovernmental	114,121	-	215,686	31,276	145,035	45,537	3,164	-	92,493	7,635	-	654,947
Public Charges for Services	24,240	-	-	21,925	-	88,333	-	36,856	-	-	204,379	375,733
Total Revenues	<u>260,728</u>	<u>-</u>	<u>215,686</u>	<u>53,201</u>	<u>145,035</u>	<u>133,870</u>	<u>3,164</u>	<u>36,856</u>	<u>92,493</u>	<u>7,635</u>	<u>204,379</u>	<u>1,153,047</u>
EXPENDITURES												
Health and Human Services	<u>250,419</u>	<u>-</u>	<u>216,946</u>	<u>47,199</u>	<u>160,520</u>	<u>154,376</u>	<u>578</u>	<u>36,470</u>	<u>93,698</u>	<u>7,635</u>	<u>205,870</u>	<u>1,173,711</u>
NET CHANGE IN FUND BALANCE	10,309	-	(1,260)	6,002	(15,485)	(20,506)	2,586	386	(1,205)	-	(1,491)	(20,664)
Fund Balance (Deficit) - Beginning 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>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 55,650</u>	<u>\$ 22,456</u>	<u>\$ 2,378</u>	<u>\$ 71,577</u>	<u>\$ (7,170)</u>	<u>\$ 13,081</u>	<u>\$ 6,829</u>	<u>\$ (14,814)</u>	<u>\$ 20,324</u>	<u>\$ 27</u>	<u>\$ 67,478</u>	<u>\$ 237,816</u>

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
PUBLIC HEALTH FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 657,410	\$ 122,367	\$ 122,367	\$ -
Intergovernmental	623,880	623,880	654,947	31,067
Public Charges for Services	589,293	488,109	375,733	(112,376)
Total Revenues	<u>1,870,583</u>	<u>1,234,356</u>	<u>1,153,047</u>	<u>(81,309)</u>
EXPENDITURES				
Health and Human Services	800,497	1,234,356	1,173,711	60,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,070,086	-	(20,664)	(20,664)
OTHER FINANCING SOURCES (USES):				
Transfers In	535,043	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 1,605,129</u>	<u>\$ -</u>	<u>(20,664)</u>	<u>\$ (20,664)</u>
Fund Balance - Beginning of Year			<u>258,480</u>	
FUND BALANCE - END OF YEAR			<u>\$ 237,816</u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 FAMILY COURT COUNSELING FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public Charges for Services	\$ 9,000	\$ 9,000	\$ 11,064	\$ 2,064
EXPENDITURES				
General Government	9,000	9,000	9,932	(932)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,132	<u>\$ 1,132</u>
Fund Balance - Beginning of Year			(8,410)	
FUND BALANCE - END OF YEAR			<u>\$ (7,278)</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
JAIL ASSESSMENT FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines, Forfeits and Penalties	\$ 40,000	\$ 40,000	\$ 39,776	\$ 40,000
OTHER FINANCING SOURCES (USES):				
Transfers Out	(65,000)	(65,000)	(65,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	(25,224)	<u>\$ 40,000</u>
Fund Balance - Beginning of Year			19,557	
FUND BALANCE - END OF YEAR			<u>\$ (5,667)</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
WHEAP FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 199,338	\$ 199,338	\$ 251,561	\$ 52,223
Public Charges for Services	-	-	300	300
Total Revenues	199,338	199,338	251,861	52,523
EXPENDITURES				
Health and Human Services	199,338	199,338	266,892	(67,554)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(15,031)	<u>\$ (15,031)</u>
Fund Balance - Beginning of Year			25,030	
FUND BALANCE - END OF YEAR			<u>\$ 9,999</u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 BIOTERRORISM FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 166,369	\$ 166,369	\$ 172,975	\$ 6,606
EXPENDITURES				
Public Safety	166,369	166,369	168,448	2,079
NET CHANGE IN FUND BALANCE	<u>\$ 166,369</u>	<u>\$ 166,369</u>	4,527	<u>\$ 6,606</u>
Fund Balance - Beginning of Year			55,541	
FUND BALANCE - END OF YEAR			<u>\$ 60,068</u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 DOG LICENSE FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 23,850	\$ 23,850	\$ 18,715	\$ (5,135)
EXPENDITURES				
Health and Human Services	23,850	23,850	18,715	5,135
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
DRIVER'S IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 40,000	\$ 40,000	\$ 26,675	\$ (13,325)
OTHER FINANCING SOURCES (USES):				
Transfers Out	(40,000)	(40,000)	(28,333)	11,667
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(1,658)	<u>\$ (1,658)</u>
Fund Balance - Beginning of Year			1,658	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
PARK DEDICATION FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Culture, Recreation and Education	\$ 38,000	\$ 38,000	\$ 2,754	\$ 35,246
NET CHANGE IN FUND BALANCE	<u>\$ (38,000)</u>	<u>\$ (38,000)</u>	(2,754)	<u>\$ 35,246</u>
Fund Balance - Beginning of Year			7,655	
FUND BALANCE - END OF YEAR			<u>\$ 4,901</u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 SNOWMOBILE AND ATV FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 111,290	\$ 111,290	\$ 269,756	\$ 158,466
EXPENDITURES				
Culture, Recreation and Education	111,290	111,290	108,478	2,812
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	161,278	<u>\$ 161,278</u>
Fund Balance - Beginning of Year			92,416	
FUND BALANCE - END OF YEAR			<u>\$ 253,694</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
STATE AIDED FORESTRY FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 79,557	\$ 79,557
EXPENDITURES				
Conservation and Development	8,227	8,227	11,581	(3,354)
Principal Retirement	-	-	79,557	(79,557)
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	17,223	17,223
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	5,642	<u>\$ 17,223</u>
Fund Balance - Beginning of Year			<u>23,787</u>	
FUND BALANCE - END OF YEAR			<u><u>\$ 29,429</u></u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 LAKE IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Conservation and Development	\$ 15,000	\$ 15,000	\$ 12,753	\$ 2,247
NET CHANGE IN FUND BALANCE	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	(12,753)	<u>\$ 2,247</u>
Fund Balance - Beginning of Year			83,279	
FUND BALANCE - END OF YEAR			<u>\$ 70,526</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous:				
Interest	\$ -	\$ -	\$ 78	\$ 78
Other	5,000	5,000	44,123	39,123
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>44,201</u>	<u>39,201</u>
EXPENDITURES				
Conservation and Development	5,000	5,000	52,000	(47,000)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(7,799)	<u>\$ (7,799)</u>
Fund Balance - Beginning of Year			<u>81,410</u>	
FUND BALANCE - END OF YEAR			<u>\$ 73,611</u>	

**POLK COUNTY, WISCONSIN
 BUDGETARY COMPARISON SCHEDULE
 COUNTY SALES TAX FUND
 YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,900,000	\$ 2,900,000	\$ 3,095,290	\$ 195,290
OTHER FINANCING SOURCES (USES):				
Transfers Out	(2,900,000)	(2,900,000)	(2,900,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	195,290	<u>\$ 195,290</u>
Fund Balance - Beginning of Year			650,724	
FUND BALANCE - END OF YEAR			<u>\$ 846,014</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
ADRC FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 110,785	\$ 110,785	\$ 110,785	\$ -
Intergovernmental	1,458,832	1,458,832	1,544,116	85,284
Miscellaneous:				
Other	600	117,058	134	(116,924)
Total Revenues	<u>1,570,217</u>	<u>1,686,675</u>	<u>1,655,035</u>	<u>(31,640)</u>
EXPENDITURES				
Health and Human Services	<u>1,557,841</u>	<u>1,674,299</u>	<u>1,645,244</u>	<u>29,055</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,376</u>	<u>\$ 12,376</u>	9,791	<u>\$ (2,585)</u>
Fund Balance - Beginning of Year			<u>346,532</u>	
FUND BALANCE - END OF YEAR			<u>\$ 356,323</u>	

**POLK COUNTY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
LIDAR FUND
YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 81,939	\$ 81,939	\$ 81,939	\$ -
Intergovernmental	50,000	50,000	50,000	-
Total Revenues	<u>131,939</u>	<u>131,939</u>	<u>131,939</u>	<u>-</u>
EXPENDITURES				
General Government	141,939	141,939	141,939	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	(10,000)	(10,000)	-
OTHER FINANCING SOURCES (USES):				
Transfers In	10,000	10,000	10,000	-
Transfers Out	-	-	(3,061)	(3,061)
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>6,939</u>	<u>(3,061)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(3,061)	<u>\$ (3,061)</u>
Fund Balance - Beginning of Year			<u>3,061</u>	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016**

	Highway Department	Health Insurance Fund	Totals
ASSETS			
CURRENT ASSETS			
Treasurer's Cash and Investments	\$ 2,917,625	\$ 3,990,514	\$ 6,908,139
Petty Cash Funds	200	-	200
Accounts Receivable	2,658	-	2,658
Due from Other Governmental Units	779,356	-	779,356
Inventory	599,297	-	599,297
Total Current Assets	<u>4,299,136</u>	<u>3,990,514</u>	<u>8,289,650</u>
NONCURRENT ASSETS			
Capital Assets Not Being Depreciated	203,284	-	203,284
Capital Assets Being Depreciated	9,788,305	-	9,788,305
Less: Accumulated Depreciation	5,165,554	-	5,165,554
Net Capital Assets	<u>4,826,035</u>	<u>-</u>	<u>4,826,035</u>
Total Assets	9,125,171	3,990,514	13,115,685
DEFERRED OUTFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	1,175,441	-	1,175,441
LIABILITIES			
CURRENT LIABILITIES			
Vouchers and Accounts Payable	247,818	-	247,818
Claims Incurred but not Reported	-	250,511	250,511
Unearned Revenue	472,005	-	472,005
Accrued Wages Payable	114,779	-	114,779
Accrued Employee Leave	342,978	-	342,978
Total Current Liabilities	<u>1,177,580</u>	<u>250,511</u>	<u>1,428,091</u>
LONG-TERM LIABILITIES, (Net of Current Portion)			
Wisconsin Retirement Pension Related Liability	225,484	-	225,484
Accrued Employee Leave	148,655	-	148,655
Total Long-Term Liabilities	<u>374,139</u>	<u>-</u>	<u>374,139</u>
Total Liabilities	<u>1,551,719</u>	<u>250,511</u>	<u>1,802,230</u>
DEFERRED INFLOWS OF RESOURCES			
Wisconsin Retirement System Pension Related	445,694	-	445,694
NET POSITION			
Net Investment in Capital Assets	4,826,035	-	4,826,035
Unrestricted	3,477,164	3,740,003	7,217,167
Total Net Position	<u>\$ 8,303,199</u>	<u>\$ 3,740,003</u>	<u>\$ 12,043,202</u>

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2016**

	Highway Department	Self-Funded Health Insurance	Totals
OPERATING REVENUES			
Charges for Services	\$ 7,558,199	\$ 6,284,453	\$ 13,842,652
Other	63,421	9,826	73,247
Total Operating Revenues	<u>7,621,620</u>	<u>6,294,279</u>	<u>13,915,899</u>
OPERATING EXPENSES			
Transportation	6,976,980	-	6,976,980
Premiums and Claims	-	5,547,936	5,547,936
Administrative and General Expenses	516,850	-	516,850
Change in Accrued Employee Leave Liabilities	16,727	-	16,727
Total Operating Expenses	<u>7,510,557</u>	<u>5,547,936</u>	<u>13,058,493</u>
OPERATING INCOME	111,063	746,343	857,406
Transfers Out	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CHANGE IN NET POSITION	91,063	746,343	837,406
Net Position - Beginning of Year	<u>8,212,136</u>	<u>2,993,660</u>	<u>11,205,796</u>
NET POSITION - END OF YEAR	<u>\$ 8,303,199</u>	<u>\$ 3,740,003</u>	<u>\$ 12,043,202</u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2016**

	Highway Department	Health Insurance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received for Services Provided	\$ 8,053,104	\$ -	\$ 8,053,104
Cash Received from Interfund Charges	-	6,294,279	6,294,279
Cash Paid to Suppliers for Goods and Services	(2,863,498)	(5,653,657)	(8,517,155)
Cash Paid for Employee Services	(3,441,450)	-	(3,441,450)
Net Cash Provided by Operating Activities	<u>1,748,156</u>	<u>640,622</u>	<u>2,388,778</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(20,000)	-	(20,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash Received from Sale of Capital Assets	31,952	-	31,952
Cash Paid for Acquisition of Capital Assets	(1,103,244)	-	(1,103,244)
Net Cash Used for Capital and Related Financing Activities	<u>(1,071,292)</u>	<u>-</u>	<u>(1,071,292)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	656,864	640,622	1,297,486
Cash and Cash Equivalents - Beginning of Year	<u>2,260,961</u>	<u>3,349,892</u>	<u>5,610,853</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,917,825</u></u>	<u><u>\$ 3,990,514</u></u>	<u><u>\$ 6,908,339</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 111,063	\$ 746,343	\$ 857,406
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	620,817	-	620,817
Net Change in Wisconsin Pension System Related Items	140,842	-	140,842
Loss (Gain) on Disposal of Capital Assets	(1,116)	-	(1,116)
(Increase) Decrease in Asset Accounts:			
Accounts Receivable	111,731	-	111,731
Due from Other Governmental Units	(152,252)	-	(152,252)
Inventories	9,988	-	9,988
Prepaid Items	253,000	-	253,000
Increase (Decrease) in Liability Accounts:			
Accounts Payable	127,455	-	127,455
Claims Incurred but not Reported	-	(105,721)	(105,721)
Unearned Revenue	472,005	-	472,005
Wages Payable	7,189	-	7,189
Accrued Employee Leave	47,434	-	47,434
Net Cash Provided by Operating Activities	<u><u>\$ 1,748,156</u></u>	<u><u>\$ 640,622</u></u>	<u><u>\$ 2,388,778</u></u>

**POLK COUNTY, WISCONSIN
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES – ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>Balance</u> <u>January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2016</u>
District Attorney				
<u>Assets</u>				
Cash and Pooled Investments	\$ 2,138	\$ 65,767	\$ 59,687	\$ 8,218
<u>Liabilities</u>				
Special Deposits	\$ 2,138	\$ 65,767	\$ 59,687	\$ 8,218
Treasurer				
<u>Assets</u>				
Cash and Pooled Investments	\$ 561,840	\$ 5,503,599	\$ 5,682,263	\$ 383,176
<u>Liabilities</u>				
Due to Other Governments	\$ 561,840	\$ 5,503,599	\$ 5,682,263	\$ 383,176
Circuit Court				
<u>Assets</u>				
Cash and Pooled Investments	\$ 293,348	\$ 1,719,266	\$ 1,640,529	\$ 372,085
<u>Liabilities</u>				
Special Deposits	\$ 293,348	\$ 1,719,266	\$ 1,640,529	\$ 372,085
Tax Agency				
<u>Assets</u>				
Cash and Pooled Investments	\$ -	\$ 49,276,869	\$ 49,276,869	\$ -
Taxes Receivable	717,809	23,073,315	23,051,560	739,564
Special Assessments	331	-	-	331
Total Assets	<u>\$ 718,140</u>	<u>\$ 72,350,184</u>	<u>\$ 72,328,429</u>	<u>\$ 739,895</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 717,809	\$ 23,073,315	\$ 23,051,560	\$ 739,564
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	<u>\$ 718,140</u>	<u>\$ 23,073,315</u>	<u>\$ 23,051,560</u>	<u>\$ 739,895</u>

**POLK COUNTY, WISCONSIN
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES – ALL AGENCY FUNDS (CONTINUED)
 YEAR ENDED DECEMBER 31, 2016**

	<u>Balance</u> <u>January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2016</u>
Sheriff				
<u>Assets</u>				
Cash and Pooled Investments	\$ 14,303	\$ 323,565	\$ 320,519	\$ 17,349
<u>Liabilities</u>				
Special Deposits	\$ 14,303	\$ 323,565	\$ 320,519	\$ 17,349
 Total Agency Funds				
<u>Assets</u>				
Cash and Pooled Investments	\$ 871,629	\$ 56,889,066	\$ 56,979,867	\$ 780,828
Taxes Receivable	717,809	23,073,315	23,051,560	739,564
Special Assessments	331	-	-	331
Total Assets	\$ 1,589,769	\$ 79,962,381	\$ 80,031,427	\$ 1,520,723
<u>Liabilities</u>				
Due to Other Governments	\$ 1,279,649	\$ 28,576,914	\$ 28,733,823	\$ 1,122,740
Special Deposits	309,789	2,108,598	2,020,735	397,652
District/State Equities & Uncollected Taxes	331	-	-	331
Total Liabilities	\$ 1,589,769	\$ 30,685,512	\$ 30,754,558	\$ 1,520,723

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>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>	<u>2016</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 66,825,764
Restricted	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	2,143,187
Unrestricted	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	23,547,223
Total Governmental Activities Net Position	<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>	<u>\$ 92,516,174</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 2,507,628
Restricted	7,585	8,554	8,363	9,416	9,334	8,179	16,575	10,288	716,559	7,845
Unrestricted	516,188	464,555	(171,492)	(523,487)	(958,285)	(578,608)	(418,064)	(325,566)	342,443	701,882
Total Business-Type Activities Net Position	<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>	<u>\$ 3,217,355</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 69,333,392
Restricted	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	2,151,032
Unrestricted	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	24,249,105
Total Primary Government Net Position	<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>	<u>\$ 95,733,529</u>

Source: Polk County, Wisconsin Department of Administration.

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

	<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>	<u>2016</u>
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 6,728,101
Public Safety	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	9,192,660
Highways and Streets (Transportation)	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	7,278,730
Sanitation	540,487	637,182	549,887	666,128	548,441	704,064	596,617	600,663	612,218	742,726
Health and Human Services	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	14,142,507
Culture, Recreation, and Education	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	1,248,921
Conservation and Development	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	1,859,812
Interest and Fiscal Charges	1,425,633	1,532,154	1,456,759	1,369,263	1,262,235	1,156,058	869,951	754,538	623,463	442,405
Total Governmental Activities Expenses	<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>	<u>41,635,862</u>
Business-Type Activities:										
Nursing Home	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	8,155,131
Lime Fund	523,753	604,804	422,303	446,771	775,716	677,335	417,114	548,844	485,757	723,902
Total Business-Type Activities Expenses	<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>	<u>8,879,033</u>
Total Primary Government Expenses	<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>	<u>\$ 50,514,895</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 884,035	\$ 990,568	\$ 955,304	\$ 922,565	\$ 1,066,665	\$ 1,379,892	\$ 1,578,062	\$ 1,795,934	\$ 869,535	\$ 898,259
Public Safety	761,165	577,491	532,307	490,346	488,409	445,090	629,752	685,028	780,527	731,278
Highways and Streets (Transportation)	-	-	-	-	2,169,805	2,127,520	2,630,831	2,684,195	2,619,623	2,464,716
Sanitation	456,805	442,283	324,405	429,287	498,089	381,967	342,539	392,288	235,762	278,026
Health and Human Services	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	1,696,538
Culture, Recreation, and Education	7,875	9,228	13,956	14,085	20,169	29,570	18,863	23,705	18,231	22,030
Conservation and Development	649,037	564,543	425,047	598,995	340,694	355,258	277,965	364,140	557,936	600,185
Operating Grants and Contributions	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	10,626,373
Capital Grants and Contributions	144,889	432,327	206,698	-	46,133	-	-	-	-	-
Total Governmental Activities Program Revenues	<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>	<u>17,317,405</u>

Unaudited

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues (Continued)										
Business-Type Activities:										
Charges for Services										
Nursing Home	\$ 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	\$ 6,755,820
Lime Operations	595,678	645,209	439,408	466,864	717,181	775,679	527,050	560,099	579,693	654,054
Operating Grants and Contributions	626,132	1,062,323	682,594	782,927	902,005	1,102,005	1,009,352	998,419	1,095,283	1,153,030
Capital Grants and Contributions	-	-	121,782	123,548	-	-	27,000	-	-	-
Total Business-Type Activities Program Revenues	<u>7,252,032</u>	<u>8,143,742</u>	<u>7,909,303</u>	<u>8,086,957</u>	<u>8,272,199</u>	<u>8,576,920</u>	<u>8,317,798</u>	<u>8,534,121</u>	<u>8,360,990</u>	<u>8,562,904</u>
Total Primary Government Program Revenues	<u>\$ 25,868,313</u>	<u>\$ 27,721,220</u>	<u>\$ 24,444,411</u>	<u>\$ 24,478,948</u>	<u>\$ 27,139,027</u>	<u>\$ 25,655,807</u>	<u>\$ 25,957,415</u>	<u>\$ 26,330,643</u>	<u>\$ 25,620,862</u>	<u>\$ 25,880,309</u>
Governmental Activities	\$ (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)	\$ (24,318,457)
Business-Type Activities	(106,251)	610,070	202,619	(209,221)	(539,439)	261,379	342,937	129,144	51,649	(316,129)
Total Primary Government Net Expense	<u>\$ (23,575,796)</u>	<u>\$ (21,475,083)</u>	<u>\$ (24,031,546)</u>	<u>\$ (22,671,977)</u>	<u>\$ (23,830,885)</u>	<u>\$ (23,807,334)</u>	<u>\$ (23,188,507)</u>	<u>\$ (22,336,112)</u>	<u>\$ (22,031,264)</u>	<u>\$ (24,634,586)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 22,156,242
Sales Tax	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	3,095,290
Other Taxes	566,036	552,252	635,737	917,729	816,702	817,480	802,149	819,159	688,441	726,887
State and Federal Aids not Restricted to Specific Programs	943,732	1,034,960	1,006,885	926,775	793,767	703,168	719,836	710,289	694,718	692,990
Interest and Investment Earnings	970,661	746,581	446,870	184,439	122,413	182,131	91,447	47,064	56,399	90,073
Miscellaneous (Other)	934,937	1,211,305	879,602	802,493	145,906	102,618	305,541	100,380	634,865	559,799
Transfers	(593,482)	50,000	800,000	200,000	52,551	-	8,677	121,677	(47,523)	121,677
Total Governmental Activities	<u>22,557,693</u>	<u>25,726,719</u>	<u>26,096,693</u>	<u>26,556,410</u>	<u>25,961,188</u>	<u>25,813,311</u>	<u>26,073,169</u>	<u>26,186,464</u>	<u>26,763,075</u>	<u>27,442,958</u>
Business-Type Activities:										
Interest & Investment earnings	151	54	56	112	115	1,083	743	9	394	94
Miscellaneous (Other)	74,580	46,344	90,328	22,428	24,156	20,345	22,494	35,184	29,699	31,895
Transfers	593,482	(50,000)	(800,000)	(200,000)	(52,551)	-	(8,677)	(121,677)	47,523	(121,677)
Total Business-Type Activities	<u>668,213</u>	<u>(3,602)</u>	<u>(709,616)</u>	<u>(177,460)</u>	<u>(28,280)</u>	<u>21,428</u>	<u>14,560</u>	<u>(86,484)</u>	<u>77,616</u>	<u>(89,688)</u>
Total Primary Government	<u>\$ 23,225,906</u>	<u>\$ 25,723,117</u>	<u>\$ 25,387,077</u>	<u>\$ 26,378,950</u>	<u>\$ 25,932,908</u>	<u>\$ 25,834,739</u>	<u>\$ 26,087,729</u>	<u>\$ 26,099,980</u>	<u>\$ 26,840,691</u>	<u>\$ 27,353,270</u>
Change in Net Position										
Governmental Activities	\$ (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	\$ 3,124,501
Business-Type Activities	561,962	606,468	(506,997)	(386,681)	(567,719)	282,807	357,497	42,660	129,265	(405,817)
Total Primary Government	<u>\$ (349,890)</u>	<u>\$ 4,248,034</u>	<u>\$ 1,355,531</u>	<u>\$ 3,706,973</u>	<u>\$ 2,102,023</u>	<u>\$ 2,027,405</u>	<u>\$ 2,899,222</u>	<u>\$ 3,763,868</u>	<u>\$ 4,809,427</u>	<u>\$ 2,718,684</u>

Source: Polk County, Wisconsin Department of Administration.

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

	<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>	<u>2016</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 5,557,869	\$ 5,524,416	\$ 5,208,013	\$ 5,165,065	\$ 4,499,302	\$ 4,358,907	\$ 4,575,103
Restricted (Reserved 2005 - 2009)	2,864,044	4,887,963	6,297,290	157,907	186,340	249,386	229,141	201,127	156,985	62,013
Committed	-	-	-	227,429	174,157	106,487	16,693	16,693	10,463	15,363
Assigned (Designated (2005 - 2009)	-	-	854,379	18,887	147,509	1,301,536	629,537	966,109	778,549	1,153,685
Unassigned (Undesignated (2005 - 2009)	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	9,634,583
Total General Fund	<u>\$ 8,222,491</u>	<u>\$ 9,006,656</u>	<u>\$ 10,029,705</u>	<u>\$ 12,597,417</u>	<u>\$ 13,286,502</u>	<u>\$ 13,604,854</u>	<u>\$ 13,345,289</u>	<u>\$ 14,126,615</u>	<u>\$ 14,003,742</u>	<u>\$ 15,440,747</u>
All Other Government Funds										
Nonspendable										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ 17,528	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted (Reserved 2005 - 2009)										
Special Revenue Funds	427,097	427,097	484,715	1,109,341	601,693	662,157	860,649	947,193	995,345	1,096,367
Debt Service Fund	-	-	208,954	210,238	172,383	177,871	178,710	180,184	183,530	182,486
Capital Projects Fund	-	-	-	249,885	251,768	34	-	-	-	-
Assigned (Designated 2005 - 2009)										
Special Revenue Funds	938,135	1,365,634	564,847	-	592,271	803,308	944,515	1,288,497	650,724	846,014
Debt Service Funds	127,745	120,625	-	-	-	-	-	-	-	-
Capital Project Funds	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)	(12,945)
Capital Project Funds	-	(91,478)	26,322	-	-	-	-	-	-	-
Total All Other Government Funds	<u>\$ 5,944,931</u>	<u>\$ 4,499,344</u>	<u>\$ 3,222,816</u>	<u>\$ 1,469,364</u>	<u>\$ 1,532,099</u>	<u>\$ 1,607,725</u>	<u>\$ 1,972,782</u>	<u>\$ 2,404,682</u>	<u>\$ 1,824,250</u>	<u>\$ 2,111,922</u>

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$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	\$25,978,419
Intergovernmental	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	11,319,363
Licenses and Permits	400,730	352,188	345,693	346,787	316,946	319,409	330,106	344,378	378,651	408,879
Fines and Forfeits	296,075	304,443	200,019	174,802	190,724	174,697	170,883	162,144	134,019	150,239
Public Charges for Services	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	3,065,511
Intergovernmental Charges for Services	163,879	222,013	262,856	244,316	315,457	246,274	299,629	514,769	550,299	601,687
Miscellaneous										
Interest	962,241	734,245	440,389	180,040	115,753	94,242	87,947	44,484	56,399	90,073
Rent	311,078	315,473	256,725	249,065	276,473	285,891	289,903	301,728	299,688	300,906
Other	554,566	623,548	657,964	639,666	193,478	133,978	340,294	458,868	355,060	163,258
Total Revenues	41,765,652	45,479,195	41,819,990	42,063,329	43,100,800	40,699,370	40,884,950	41,146,123	41,470,730	42,078,335
Expenditures										
General Government	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	6,669,921
Public Safety	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	7,919,826
Highways and Streets (Transportation)	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	5,093,483
Sanitation	521,563	586,046	540,805	566,838	711,023	556,663	607,817	606,452	598,049	681,131
Health and Human Services	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	13,745,353
Culture and Recreation	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	1,196,181
Conservation and Development	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	1,812,420
Capital Outlay	748,278	999,107	385,107	122,276	-	-	-	-	-	-
Debt Service:										
Principal	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	2,872,114
Interest	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	535,639
Other Charges	58,387	2,172	-	-	-	29,810	-	-	-	-
Total Expenditures	42,213,634	45,925,074	41,963,114	40,334,703	42,509,755	41,961,396	40,788,135	40,054,574	42,034,735	40,526,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(447,982)	(445,879)	(143,124)	1,728,626	591,045	(1,262,026)	96,815	1,091,549	(564,005)	1,552,267

Unaudited

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

	<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>	<u>2016</u>
Other Financing Sources (Uses)										
Transfers In	\$ 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	\$ 3,460,695
Transfers Out	(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)	(3,319,018)
Long-Term Debt Issued	3,500,000	608,223	273,223	8,223	8,224	1,873,223	-	-	8,223	30,733
Premium on Issuance of Debt	95,245	-	-	-	-	32,781	-	-	-	-
Total Other Financing Sources (Uses)	<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>	<u>172,410</u>
Net Change in Fund Balances	<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>	<u>\$ 1,724,677</u>
 Debt Service as a Percentage of Noncapital Expenditures	 7.74%	 7.83%	 9.06%	 10.12%	 10.44%	 15.42%	 10.94%	 11.21%	 14.44%	 8.96%

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
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
2016	3,412,664,900	343,396,200	91,635,100	34,799,600	36,047,000	248,311,300	123,028,100	64,082,400	4,353,964,600	4,216,878,900	6.21

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>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>	<u>2016</u>
DIRECT PROPERTY TAX RATES										
Operating Levy	\$ 3.04	\$ 3.32	\$ 3.29	\$ 3.58	\$ 3.84	\$ 4.19	\$ 4.17	\$ 4.32	\$ 4.46	\$ 5.30
Debt Levy	0.60	0.60	0.68	0.78	0.86	1.02	1.04	0.96	0.81	0.75
Special Purpose Levy	0.13	0.14	0.11	0.11	0.17	0.16	0.16	0.16	0.17	0.16
Total Direct County Tax Rate	\$ 3.77	\$ 4.06	\$ 4.08	\$ 4.47	\$ 4.87	\$ 5.37	\$ 5.37	\$ 5.44	\$ 5.44	\$ 6.21
INDIRECT PROPERTY TAX RATES ¹										
Cities of:										
Amery	\$ 20.99	\$ 22.13	\$ 22.52	\$ 24.93	\$ 26.46	\$ 27.34	\$ 27.92	\$ 28.83	\$ 28.04	\$ 27.65
St Croix Falls	18.06	18.47	18.88	20.21	21.74	23.13	23.34	23.69	21.09	22.92
Villages of:										
Balsam Lake	16.60	17.68	18.00	19.54	21.45	22.42	22.78	23.34	22.52	22.58
Centuria	17.54	18.12	19.02	20.83	22.25	23.48	24.33	25.35	24.59	24.54
Clayton	21.03	22.05	22.55	23.97	23.69	24.79	26.78	27.66	24.55	24.73
Clear Lake	17.14	18.61	19.03	20.48	21.97	22.81	23.99	25.40	21.54	28.13
Dresser	19.65	20.18	20.73	22.54	23.54	25.24	25.92	27.54	24.96	25.68
Frederic	21.57	20.72	20.76	23.09	24.25	23.87	21.93	23.49	23.37	23.43
Luck	18.99	19.96	20.74	22.57	22.57	23.66	24.67	24.31	25.64	25.49
Milltown	19.50	20.35	21.55	23.92	25.45	26.96	28.32	29.11	29.05	28.99
Osceola	17.33	17.58	17.89	18.67	20.42	23.00	23.70	24.06	22.97	22.71
Turtle Lake	25.04	21.47	21.27	22.71	23.43	24.94	26.34	29.90	23.75	27.10

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

	<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>	<u>2016</u>
Towns of:										
Alden	\$ 15.19	\$ 15.74	\$ 15.94	\$ 16.94	\$ 18.33	\$ 19.38	\$ 20.09	\$ 20.46	\$ 19.40	\$ 18.95
Apple River	14.21	15.19	15.58	17.22	18.58	19.11	19.23	20.09	19.18	18.90
Balsam Lake	13.61	14.23	14.76	16.12	17.58	18.52	18.75	19.25	17.80	18.11
Beaver	14.79	14.73	15.46	16.43	17.79	18.26	19.00	19.64	18.22	18.18
Black Brook	15.77	17.10	17.25	18.99	20.13	20.56	20.83	21.60	20.69	20.01
Bone Lake	14.41	15.07	15.25	16.82	16.91	17.52	18.31	18.60	18.67	18.28
Clam Falls	19.24	18.07	17.78	20.05	21.50	21.32	21.71	21.31	20.67	20.52
Clayton	17.02	17.76	17.99	19.75	19.63	20.53	21.82	22.56	21.13	21.19
Clear Lake	15.08	17.83	18.11	19.92	21.20	21.93	22.65	24.25	23.50	23.37
Eureka	15.06	15.42	16.02	17.60	19.23	20.39	20.61	21.29	19.30	19.77
Farmington	15.12	15.11	15.32	15.85	17.67	19.46	19.99	20.09	19.35	18.92
Garfield	15.28	16.38	16.66	18.42	19.37	20.05	20.13	21.11	20.11	19.61
Georgetown	13.28	13.89	14.50	15.87	17.58	18.38	18.86	19.54	18.57	18.92
Johnstown	14.33	14.24	14.86	15.87	17.27	17.79	18.62	19.23	17.81	17.84
Laketown	15.65	16.31	16.81	18.22	18.49	19.40	20.02	20.32	19.93	19.69
Lincoln	15.17	16.55	16.84	18.86	19.73	20.06	19.92	20.92	20.17	19.43
Lorain	16.55	15.73	15.58	17.56	18.42	18.15	19.04	18.70	17.95	18.26
Luck	14.79	15.38	15.61	17.13	17.38	17.98	18.74	19.03	19.60	18.75
McKinley	15.91	16.58	16.84	18.37	19.18	19.45	20.43	20.59	20.41	19.30
Milltown	14.19	14.67	15.25	16.70	18.55	19.45	19.90	20.67	19.50	19.54
Osceola	14.54	14.71	14.99	15.79	17.26	18.94	19.31	19.37	17.95	17.84
St Croix Falls	14.81	15.50	16.11	17.49	18.91	20.28	20.30	20.65	18.49	19.11
Sterling	14.94	15.27	15.77	17.12	18.22	19.42	19.64	19.87	17.90	18.19
West Sweden	17.67	16.73	16.51	18.54	19.39	19.23	20.27	19.96	19.18	19.08

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 2016 AND NINE YEARS AGO**

Taxpayer	Property Classification	2016				2007			
		Rank	Net Tax	Equalized Assessed Value	% of Total Equalized Assessed Values	Rank	Net Tax	Equalized Assessed Value	% of County Total Tax Capacity
Greenwey Energy	Commercial	1	\$ 334,456	\$ 14,118,700	0.3 %	-	\$ -	\$ -	- %
Wal-Mart Real Estate Business Trust	Commercial	2	230,436	11,216,800	0.3	1	141,459	8,200,700	0.2
Menards, Inc.	Commercial	3	177,661	8,648,600	0.2	-	-	-	-
Cardinal Glass Industries	Manufacturing	4	143,575	5,581,900	0.1	3	113,150	5,641,400	0.1
Amery Assisted Living Partners LLC	Commercial	5	131,725	5,121,600	0.1	9	62,056	3,094,000	0.1
Osceola Rentals LLC	Commercial	6	129,803	6,202,200	0.1	4	102,561	6,288,700	0.1
Turtle Lake Properties, LLC	Manufacturing	7	115,102	4,860,800	0.1	-	-	-	-
Polaris Industries	Manufacturing	8	111,201	5,308,300	0.1	8	62,658	3,841,900	0.1
A & K Realty	Manufacturing	9	105,573	4,105,400	0.1	-	-	-	-
Schaffer Rentals LLC	Commercial	10	101,039	3,826,600	0.1	-	-	-	-
Horst M Rechelbacher	Commercial		-	-	-	2	117,885	7,250,800	0.2
Mikbrico	Commercial		-	-	-	5	71,019	4,352,660	0.1
R & D Properties of Savage LLP	Commercial		-	-	-	6	6,868	4,318,900	0.1
Plastech Corporation	Manufacturing		-	-	-	7	67,919	3,386,300	0.1
Bishop Millwork	Manufacturing		-	-	-	10	55,365	3,555,800	0.1
Totals			\$ 1,580,571	\$ 68,990,900	1.6 %		\$ 800,940	\$ 49,931,160	1.1 %
Total Equalized Assessed Valuation				\$ 4,353,964,600				\$ 4,724,585,100	

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

Note: Greenwey Energy, Menards, Inc., Turtle Lake Properties, LLC, and A & K Realty were not in the top ten taxpayers in 2007.

**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 12/31/2016	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 68,254,221	\$ 66,663,429	97.7	\$ 1,585,602	\$ 68,249,031	100.0%
2008	2007	74,199,719	72,213,730	97.3	1,979,358	74,193,088	100.0
2009	2008	75,568,798	73,202,535	96.9	2,387,625	75,590,160	100.0
2010	2009	77,932,085	75,689,018	97.1	2,228,964	77,917,982	100.0
2011	2010	78,226,788	76,199,360	97.4	2,013,969	78,213,329	100.0
2012	2011	76,470,563	74,690,540	97.7	1,748,575	76,439,115	100.0
2013	2012	76,829,929	75,171,532	97.8	1,623,593	76,795,125	100.0
2014	2013	78,076,145	76,607,653	98.1	1,174,047	77,781,700	99.6
2015	2104	74,670,786	73,162,784	98.0	550,205	73,162,784	98.0
2016	2015	75,715,161	74,163,951	98.0	-	74,163,951	98.0

Source: Polk County, Wisconsin Treasurer's Office.

Notes: Because 2016 taxes are based on 2015 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	Unamortized Bond Premiums	General Obligation Notes	Capital Leases					
2007	\$ 24,585,000	\$ 9,890,000	\$ 149,658	\$ -	\$ 1,258,845	\$ 950,988	\$ -	\$ 36,834,491	\$ 1,267,634,000	2.9 %	44,784	\$ 822
2008	23,290,000	9,280,000	223,106	895,643	1,159,530	75,566	-	34,923,845	1,350,159,000	2.6	44,265	789
2009	22,120,000	8,205,000	423,036	849,975	1,060,215	70,662	12,573	32,741,461	1,370,940,000	2.4	44,270	740
2010	20,795,000	6,975,000	373,403	736,190	960,901	65,534	16,525	29,922,553	1,394,775,000	2.1	44,275	676
2011	20,166,587	5,970,000	283,241	579,647	861,587	60,172	12,573	27,933,807	1,459,689,000	1.9	44,205	632
2012	20,295,054	2,950,000	256,510	357,317	795,054	54,575	8,376	24,716,886	1,427,232,000	1.7	44,040	561
2013	16,715,000	2,680,000	228,701	209,792	679,348	48,713	3,921	20,565,475	1,443,460,500	1.4	43,610	472
2014	13,675,000	2,425,000	199,772	158,494	563,643	42,535	3,558	17,068,002	1,435,346,250	1.2	43,476	393
2015	11,330,000	-	169,677	150,017	452,751	-	1,779	12,104,224	1,439,403,375	0.8	43,437	279
2016	8,710,000	-	10,629	87,683	370,433	-	-	9,178,745	1,437,374,813	0.6	43,441	211

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					
2007	\$ 24,585,000	\$ 27,327	\$ 24,557,673	0.5%	\$ 1,350,159,000	1.8%	44,784	\$ 548
2008	23,290,000	128,144	23,161,856	0.5	1,370,940,000	1.7	44,265	523
2009	22,120,000	172,383	21,947,617	0.4	1,394,775,000	1.6	44,270	496
2010	20,795,000	210,238	20,584,762	0.4	1,459,689,000	1.4	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	1,435,346,250 *	1.2	43,476	380
2014	13,675,000	180,184	13,494,816	0.3	1,439,403,375	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
2016	8,710,000	185,367	8,524,633	0.2	1,437,374,813	0.6	43,481	196

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, 2016**

<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	\$ 4,139,975	100.0 %	\$ 4,139,975
St. Croix Falls	3,856,155	100.0	3,856,155
Total Cities	7,996,130		7,996,130
Villages of:			
Balsam Lake	1,829,192	100.0	1,829,192
Centuria	606,221	100.0	606,221
Clayton	430,021	100.0	430,021
Clear Lake	1,095,644	100.0	1,095,644
Dresser	840,861	100.0	840,861
Frederic	1,374,525	100.0	1,374,525
Luck	1,274,699	100.0	1,274,699
Milltown	569,774	100.0	569,774
Osceola	3,831,920	100.0	3,831,920
Total Villages	11,852,857		11,852,857
Townships of:			
Alden	493,540	100.0	493,540
Farmington	287,844	100.0	287,844
Garfield	395,299	100.0	395,299
Georgetown	89,487	100.0	89,487
Johnstown	-	100.0	-
Luck	38,251	100.0	38,251
Osceola	388,378	100.0	388,378
Sterling	25,384	100.0	25,384
West Sweden	114,823	100.0	114,823
Total Townships	1,997,098		1,997,098

**POLK COUNTY, WISCONSIN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (CONTINUED)
DECEMBER 31, 2016**

<u>Jurisdiction</u>	<u>Total GO. Bonds Outstanding (1)</u>	<u>Percent (2)</u>	<u>Applicable to Polk County Amount</u>
School Districts of:			
Amery	\$ 7,245,000	97.0 %	\$ 7,027,650
Clayton	350,000	71.0	248,500
Clear Lake	13,240,000	70.0	9,268,000
Cumberland	639,000	4.0	25,560
Frederic	3,401,948	72.0	2,449,403
Grantsburg	1,216,432	4.0	48,657
Luck	3,421,828	100.0	3,421,828
Osceola	12,285,000	94.0	11,547,900
St. Croix Falls	7,825,000	100.0	7,825,000
Turtle Lake	1,648,311	47.0	774,706
Unity	17,605,834	100.0	17,605,834
Total School Districts	68,878,353		60,243,038
Underlying Debt Subtotal:	90,724,438		82,089,123
Overlapping Debt:			
Direct Debt:			
Polk County			
General Obligation Bonds	11,330,000	100.0	11,330,000
General Obligation Notes	1,650,000	100.0	1,650,000
Forest Loans Payable	169,677	100.0	169,777
Capital Leases	13,510	100.0	13,510
Overlapping Debt Subtotal:	13,163,187		13,163,287
Total	\$ 103,887,625		\$ 95,252,410

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, 2016**

	Amount	Percent
Total Taxable Market Value	\$ 4,353,964,600	
Debt limit- 5% of Total Market Value	217,698,230	100.0%
Amount of Debt Applicable to 5% Debt Limit: Total Bonded Debt	\$ 8,710,000 *	
Total Amount of Debt Applicable to Debt Limit	8,710,000	4.00%
Legal Debt Margin	\$ 208,988,230	96.00%

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)
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	1,394,775,000	31,503	960	46	24,642	10.2
2010	44,205	1,459,689,000	33,021	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	1,435,346,250	33,015	960	45	24,278	6.9
2014	43,437	1,439,403,375	33,138	960	45	24,179	5.9
2015	43,441	1,439,403,375	33,135	960	45	24,279	5.2
2016	43,481	1,437,374,813	33,058	960	45	24,307	5.0

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>Type of Business</u>	<u>Fiscal Year 2016 (a) (b)</u>		<u>Fiscal Year 2007 (a) (b) (d)</u>	
	<u>Employees</u>	<u>% of Total County Employment</u>	<u>Employees</u>	<u>% of Total County Employment</u>
Accommodation and food services	1,136	8.8 %	1,604	11.8 %
Administrative and support and waste management and remediation services	544	4.2	319	2.3
Agriculture, forestry, fishing and hunting	9	0.1	9	0.1
Arts, entertainment, and recreation	394	3.1	254	1.9
Construction	365	2.8	603	4.4
Finance and insurance	266	2.1	398	2.9
Health care and social assistance	2,548	19.7	2,261	16.6
Information	131	1.0	373	2.7
Manufacturing	4,130	32.0	4,138	30.5
Mining	-	-	40	0.3
Other services (except public administration)	484	3.7	545	4.0
Professional, scientific, and technical services	297	2.3	271	2.0
Real estate and rental and leasing	70	0.5	85	0.6
Retail trade	1,853	14.4	2,024	14.9
Transportation and warehousing	132	1.0	169	1.2
Utilities	86	0.7	114	0.8
Wholesale trade	398	3.1	340	2.5
	<u>12,843</u>	<u>99.5 %</u>	<u>13,547</u>	<u>99.7 %</u>

Source: (a) Department of Administration.

(b) Wisconsin Department of Employment and Economic Development.

(d) 2007 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>
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
2016	58	78	37	102	36	312

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>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>	<u>2016</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	27	27	27	27	27	27	27	23	34
Highways and Streets										
Miles of County Roads:										
Bituminous	330.85	330.85	329.77	329.77	329.77	329.77	329.77	329.77	329.77	330
Culture and Recreation										
Number of County Parks	5	5	5	5	5	5	5	5	5	5
Number of State Parks	1	2	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	204,880	206,218	224,496	226,116	236,289	256,387	253,869	228,831	219,608	220,314

Source: Polk County, Wisconsin Government Center.

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

	<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>	<u>2016</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	24
Highways and Streets										
Streets (Miles)	330.85	329.77	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	260	279	279
County Parks	5	5	5	5	5	5	5	5	5	5

Source: Polk County, Wisconsin Government Center.