

DUNN COUNTY, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2015

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

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INDEPENDENT AUDITORS' REPORT

Board of County Supervisors
Dunn County
Menomonie, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dunn County, Wisconsin (the County) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dunn County Housing Authority, which represents 100% percent of assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dunn County Housing Authority, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dunn County, Wisconsin as of December 31, 2015, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

During the year ended December 31, 2015, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. As a result of the implementation of GASB Statement No. 68, the County reported a restatement for the change in accounting principle (see Note 3.E). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and pension plan schedules, 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 the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

County Board
Dunn County, Wisconsin

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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2016 on our consideration of the County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 11, 2016

COUNTY OF DUNN



Department of Administration

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Administrative Coordinator
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS PREPARED YEAR ENDED DECEMBER 31, 2015

As financial managers for Dunn County, the staff of the Department of Administration offers readers of the Dunn County Financial Statements for the fiscal year ended December 31, 2015 this synopsis and analysis of the financial activities of the County of Dunn. We encourage readers to consider this information in conjunction with the more detailed statements, reports, and letters. These additional documents may all be found in the Department of Administration and will be made available for review upon request.

FINANCIAL HIGHLIGHTS

- As of December 31, 2015, the assets and deferred outflows of resources of Dunn County exceeded its liabilities and deferred inflows of resources by \$112,017,624 (total net position). Of this amount \$24,199,204 (unrestricted net position) or 21.6% of the total, may be used to meet the County's ongoing obligations to citizen's and creditors.
- Dunn County's total net position increased \$2,315,358 in 2015 after application of a change in accounting principle of \$7,622,832.
- At the close of the fiscal year, Dunn County governmental funds reported ending fund balances of \$21,656,544, a decrease of \$2,906,140 from the prior year. Approximately 68.1% of this total amount, or \$14,745,164, is available for spending at the County's discretion (unassigned fund balance).
- At the end of the year the unassigned fund balance for the general fund was \$14,745,164. This is 75.6% of the total general fund expenditures for the fiscal year.
- Dunn County's total outstanding debt for the year ended December 31, 2015 was \$40,725,000. All of the debt is general obligation debt which is 29.1% of the County's overall debt limit of \$140,129,825. This leaves an unused debt limit of \$99,404,825.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Dunn County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements which provide both long and short term financial information, 2) fund financial statements which focus on individual parts of the County in more detail, and 3) notes to the basic financial statements which provide even greater detail for some of the information in the government-wide and fund statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Dunn County's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Dunn County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of Dunn County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; public works; health and human services; culture, education and recreation; and conservation and development. The business-type activities of the County include highway, transit, and The Neighbors of Dunn County ("The Neighbors") facility operations.

The government-wide financial statements include not only Dunn County itself (known as the primary government), but also a legally separate housing authority for which Dunn County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 17 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. Dunn 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.

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

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 the County's near-term financing requirements.

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 County'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.

Dunn County maintains seven 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, the debt service fund and the capital projects fund which are considered to be major funds. Data for the other 3 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided as required supplemental information for the general fund and for each individual, major special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found beginning on page 19 of this report.

Proprietary Funds

Dunn 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 highway operations, transit commission operations, and The Neighbors facility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its various insurance activities. Because insurance activities predominantly benefit governmental functions of the County, they have been included within governmental activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the highway operations, The Neighbors operations and transit commission. The highway department and The Neighbors are considered to be major funds of the County.

The basic proprietary fund financial statements can be found beginning on page 23 of this report.

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

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 programs of Dunn County. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 28 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information found beginning on page 62. Combining and individual fund statements and schedules can be found beginning on page 71.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$112,017,624 as of December 31, 2015.

**Condensed Statement of Net Position
December 31, 2015 and 2014**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 42,964,977	\$ 45,449,049	\$ 14,607,100	\$ 13,684,930	\$ 57,572,077	\$ 59,133,979
Capital Assets	94,200,055	90,951,025	27,673,642	27,856,095	121,873,697	118,807,120
Internal Balances	10,443,720	8,267,678	(10,443,720)	(8,267,678)	-	-
Total Assets	<u>147,608,752</u>	<u>144,667,752</u>	<u>31,837,022</u>	<u>33,273,347</u>	<u>179,445,774</u>	<u>177,941,099</u>
Deferred Outflows of Resources	<u>2,552,721</u>	<u>100,881</u>	<u>1,485,492</u>	<u>-</u>	<u>4,038,213</u>	<u>100,881</u>
Noncurrent Liabilities Outstanding	20,942,456	22,690,465	21,434,806	22,357,267	42,377,262	45,047,732
Other Liabilities	5,404,970	6,777,000	2,785,713	3,202,478	8,190,683	9,979,478
Total Liabilities	<u>26,347,426</u>	<u>29,467,465</u>	<u>24,220,519</u>	<u>25,559,745</u>	<u>50,567,945</u>	<u>55,027,210</u>
Deferred Inflows of Resources	<u>14,078,100</u>	<u>14,115,018</u>	<u>6,820,318</u>	<u>6,820,318</u>	<u>20,898,418</u>	<u>20,935,336</u>
Net Investment in Capital Assets	76,735,703	75,015,982	6,346,825	5,544,251	83,082,528	80,560,233
Restricted	3,289,496	996,374	1,446,396	-	4,735,892	996,374
Unrestricted	29,710,748	25,173,794	(5,511,544)	(4,650,967)	24,199,204	20,522,827
Total Net Position	<u>\$ 109,735,947</u>	<u>\$ 101,186,150</u>	<u>\$ 2,281,677</u>	<u>\$ 893,284</u>	<u>\$ 112,017,624</u>	<u>\$ 102,079,434</u>

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

\$83,082,528 (74.2%) of the County's net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure etc.) less any related debt used to acquire those assets that is still outstanding at December 31, 2015. In 2014 the percentage was 78.9%. 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.

\$24,199,204 (21.6%) of net position was unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. At December 31, 2014 unrestricted net position was \$20,522,827 (20.1%).

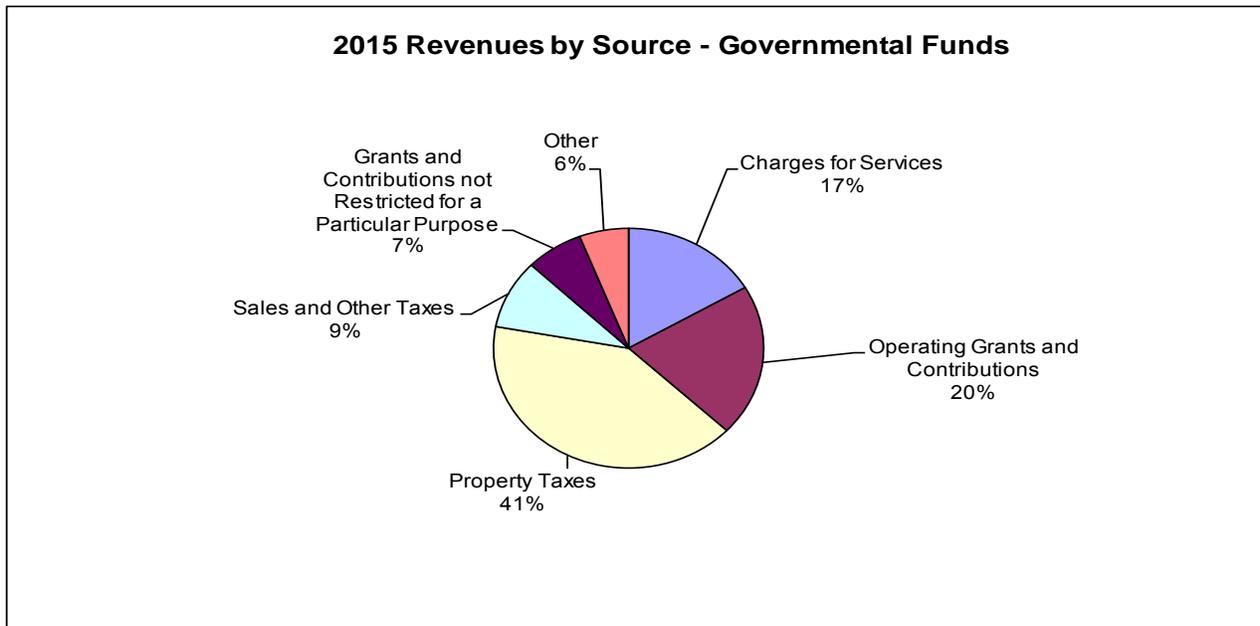
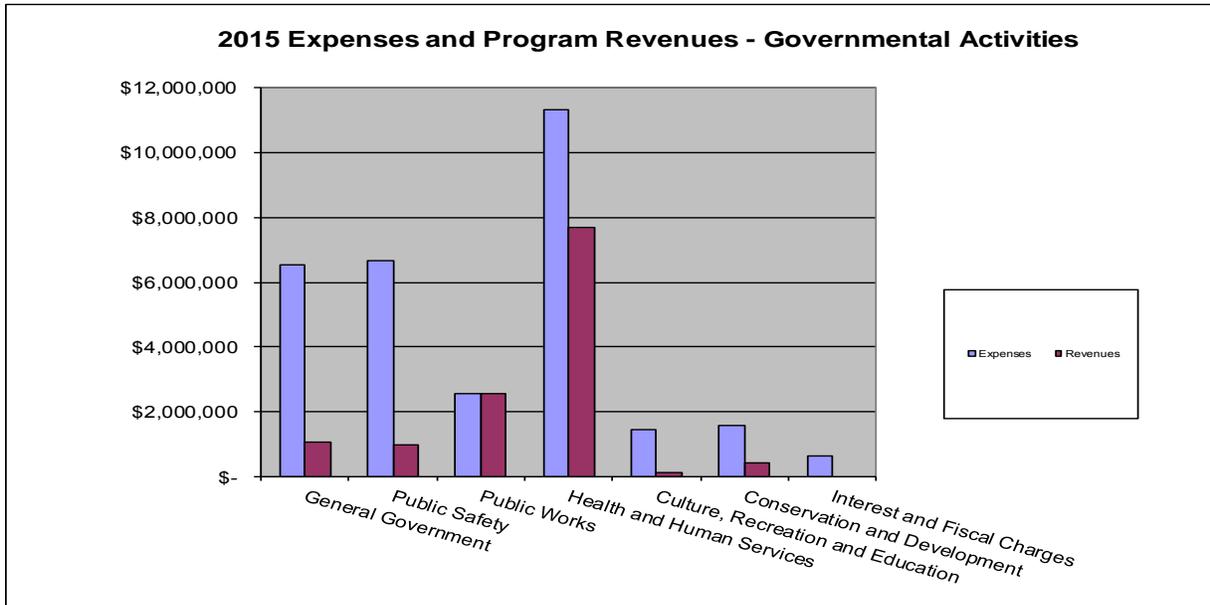
At the end of the current fiscal year, Dunn County is able to report positive balances in all categories of net position except for unrestricted net position of the business-type activities.

**Condensed Statement of Activities
Year Ended December 31, 2015 and 2014**

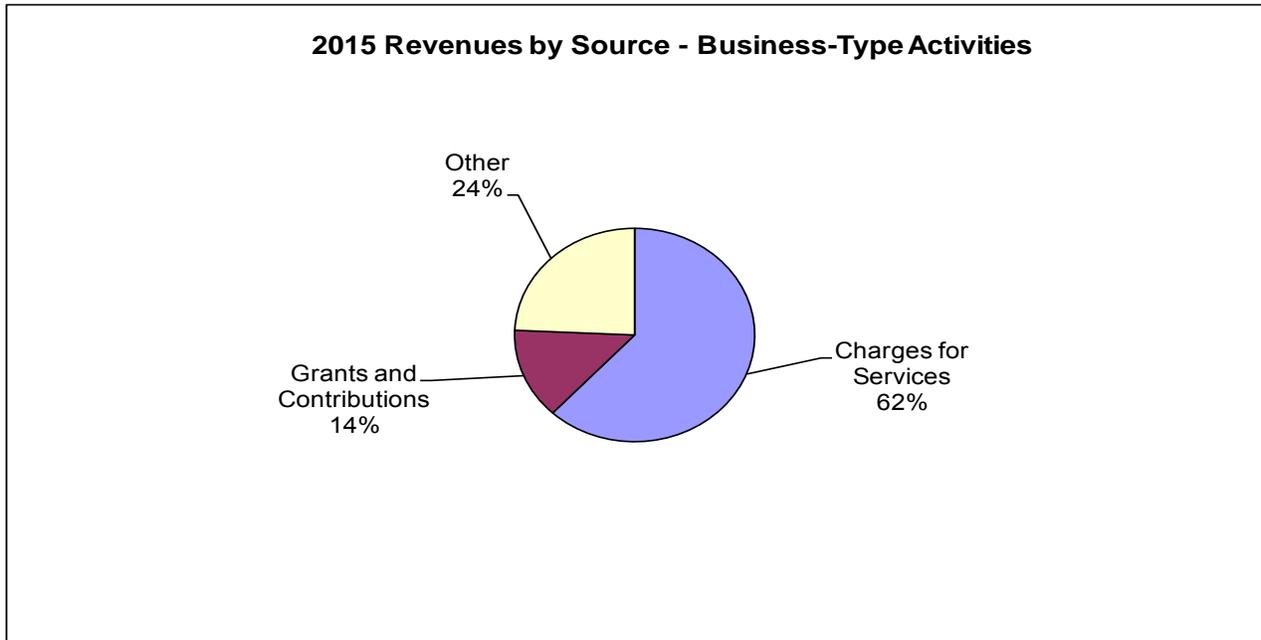
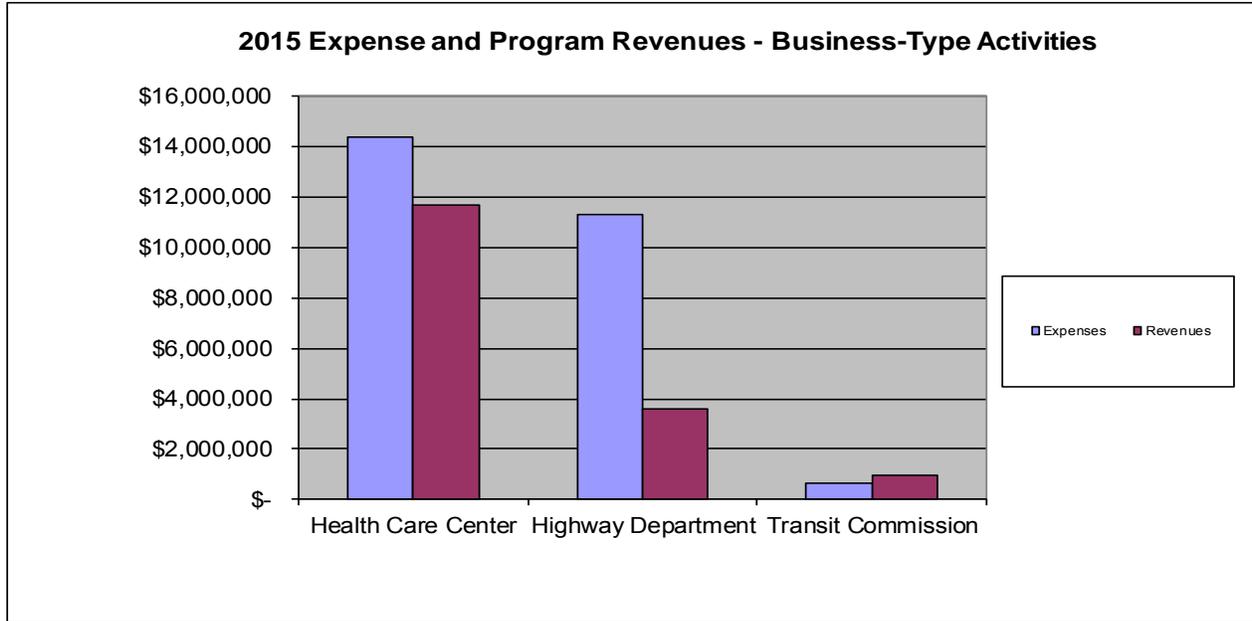
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,725,244	\$ 5,688,334	\$ 15,422,286	\$ 16,434,717	\$ 21,147,530	\$ 22,123,051
Operating Grants and Contributions	7,085,853	7,745,349	396,775	390,408	7,482,628	8,135,757
Capital Grants and Contributions	-	574,500	480,229	208,527	480,229	783,027
General Revenues:						
Property Taxes	11,918,001	11,478,457	6,825,379	6,941,931	18,743,380	18,420,388
Other Taxes	5,414,308	5,077,646	-	-	5,414,308	5,077,646
State and Federal Aids not Restricted to Specific Programs	2,384,600	2,369,163	2,545,029	2,403,539	4,929,629	4,772,702
Unrestricted Investment Earnings	13,890	86,358	-	113	13,890	86,471
Other	1,140,201	958,548	106,701	(613,112)	1,246,902	345,436
Total Revenues	<u>33,682,097</u>	<u>33,978,355</u>	<u>25,776,399</u>	<u>25,766,123</u>	<u>59,458,496</u>	<u>59,744,478</u>
Expenses:						
General Government	6,517,931	6,244,034	-	-	6,517,931	6,244,034
Public Safety	6,685,665	7,109,103	-	-	6,685,665	7,109,103
Public Works	2,577,493	1,525,167	-	-	2,577,493	1,525,167
Health and Human Services	11,336,736	11,029,851	-	-	11,336,736	11,029,851
Culture, Recreation and Education	1,443,059	1,580,425	-	-	1,443,059	1,580,425
Conservation and Development	1,592,894	1,505,306	-	-	1,592,894	1,505,306
Interest and Fiscal Charges	640,615	744,525	-	-	640,615	744,525
Health Care Center	-	-	14,388,838	14,226,057	14,388,838	14,226,057
Highway	-	-	11,330,947	11,747,598	11,330,947	11,747,598
Transit Commission	-	-	628,960	717,409	628,960	717,409
Total Expenses	<u>30,794,393</u>	<u>29,738,411</u>	<u>26,348,745</u>	<u>26,691,064</u>	<u>57,143,138</u>	<u>56,429,475</u>
Change in Net Position Before Transfers	2,887,704	4,239,944	(572,346)	(924,941)	2,315,358	3,315,003
Transfers	886,357	(103,692)	(886,357)	103,692	-	-
Change in Net Position	3,774,061	4,136,252	(1,458,703)	(821,249)	2,315,358	3,315,003
Net Position - Beginning of Year	101,186,150	97,049,898	893,284	1,714,533	102,079,434	98,764,431
Change in Accounting Principle	4,775,736	-	2,847,096	-	7,622,832	-
Net Position - Beginning of Year - As Restated	105,961,886	97,049,898	3,740,380	1,714,533	109,702,266	98,764,431
Net Position - End of Year	<u>\$ 109,735,947</u>	<u>\$ 101,186,150</u>	<u>\$ 2,281,677</u>	<u>\$ 893,284</u>	<u>\$ 112,017,624</u>	<u>\$ 102,079,434</u>

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

A review of the statement of activities can provide a concise picture of how the various functions/programs of Dunn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main services for funding governmental services are property taxes (41%) and operating grants/contributions (20%).



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



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Dunn County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of Dunn County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2015, the County's governmental funds reported combined ending fund balance of \$21,656,544 (\$24,562,684 in 2014), a decrease of \$2,906,140 in comparison with the prior year (\$2,007,876 decrease in 2014). Of the combined ending fund balances, \$14,745,164 or 68.1% constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance, \$6,911,380 is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the general fund was \$14,745,164, while total fund balance reached \$17,123,538 (\$16,805,765 for 2014).

During the current year, the County's general fund balance increased by \$317,773 (\$746,581 increase in 2014). Key factors in this increase include:

- The County's final budget applied \$1,291,724 of fund balance towards 2015 expenditures.
- Actual general fund expenditures and other financing uses were \$1,128,329 less than planned, while the revenues and other financing sources were \$481,168 more than planned. Fund balance increased by the difference between actual revenue and expenditures. Please refer to the section under budgetary analysis for an explanation of the larger expenditure variances, which resulted in less actual expenditures.

The human services fund expenditures equaled revenues for fiscal year 2015, after a \$862,839 transfer from the general fund and a \$95,971 transfer to the transit commission fund.

The fund balance of the debt service fund decreased by \$27,200 during fiscal year 2015, ending with a zero balance.

A capital projects fund was established during 2013 to account for remodel construction at the County Courthouse and former health care center facility as well as a new ERP system. Debt in the amount of \$9,850,000 was issued during 2013 and \$7,150,000 was issued during 2014 to finance these projects. The fund balance as of December 31, 2015 was \$3,208,783.

The other governmental funds had fund balances of \$1,324,223 which is a decrease of \$76,560 from the prior year.

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

Proprietary Funds

Dunn County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The net position of the enterprise-type proprietary funds at the end of 2015 totaled \$8,989,330, down \$277,997 from the previous year after application of a change in accounting principle of \$2,847,096.

The decrease in the net position of The Neighbors of Dunn County was \$1,048,817 after application of a change in accounting principle of \$1,701,606.

The increase in the net position of the highway department was \$297,174 after application of a change in accounting principle of \$1,124,427.

The increase in the net position of the transit commission was \$473,646 after application of a change in accounting principle of \$21,063.

The County uses the highway department fund to account for road maintenance and construction and related services provided to the County and to the State of Wisconsin and local governmental units.

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

	Net Position at 12/31/15	Change During Year
Worker's Compensation Fund	\$ 1,929,995	\$ 45,870
Health Insurance Fund	2,844,638	733,312

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.

Revenues of the workers compensation fund consist principally of charges to departments based on rates determined by the County's insurance carrier.

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

BUDGETARY ANALYSIS

Over the course of the year minor general fund budget amendments were made. The differences between the original budget and the final amended budget for the general fund expenditures amounted to \$939,086, which consisted of increases in grants expenses and fund balance applied for projects not completed in 2014.

During the year, actual general fund revenues and other financing sources excluding fund balance applied was over budget by \$481,168 and actual general fund expenditures and other financing uses were \$1,128,329 under budget.

The main revenue budget variances included: sales and use tax \$232,893 over budget and property sales \$331,972 over budget.

The main expenditure budget variances included (all less than budget): county manager \$394,353, sheriff \$278,292, emergency communication \$316,060, and health and human services \$236,318. Several of these budgets were for projects that were not completed and the budget was carried forward to the 2016 budget.

Some department budgets were over budget. See notes to required supplementary information for specifics of those departments over budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2015 and 2014 was \$121,873,697 and \$118,807,120, respectively, (net of accumulated depreciation) as shown below:

**Capital Assets at Year-End
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,836,358	\$ 2,822,202	\$ 418,120	\$ 418,120	\$ 3,254,478	\$ 3,240,322
Construction in Progress	6,091,848	13,356,090	683,540	83,254	6,775,388	13,439,344
Land Improvements	-	-	774,409	825,254	774,409	825,254
Buildings	22,811,631	10,753,171	19,809,878	20,464,792	42,621,509	31,217,963
Machinery and Shop Equipment	1,939,922	2,194,776	5,987,695	6,064,675	7,927,617	8,259,451
Roads	50,993,987	52,022,659	-	-	50,993,987	52,022,659
Bridges	9,526,309	9,802,127	-	-	9,526,309	9,802,127
Capital Assets, Net of Accumulated Depreciation	<u>\$ 94,200,055</u>	<u>\$ 90,951,025</u>	<u>\$27,673,642</u>	<u>\$27,856,095</u>	<u>\$121,873,697</u>	<u>\$ 118,807,120</u>

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

Major Capital Asset Events

Governmental Activities

- Fiscal year 2015 road and bridge projects.
- Government Center renovation project.
- Financial System.

Business-Type Activities

- Highway machinery and equipment.
- Transit Commission facility.

Additional information on Dunn County's capital assets can be found in Note 2.C.

Long-Term Obligations

At December 31, 2015, Dunn County had outstanding \$40,725,000 of long-term debt. A summary detail of this amount is shown below:

	Outstanding Debt at Year-End				
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/15
General Obligation Debt					
G.O. Taxable Promissory Note	8/17/2015	4/1/2017	2.35%	\$ 880,000	\$ 880,000
G.O. Promissory Note	8/17/2015	10/1/2017	1.55%	2,030,000	2,030,000
G.O. Facility and Management System Improvement Bonds	1/16/2014	10/1/2027	2.00-3.50%	7,150,000	7,150,000
G.O. Facility Improvement and Refunding Bond:	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	8,990,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,365,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	20,310,000
Total General Obligation Debt					<u>\$ 40,725,000</u>

In addition, as of December 31, 2015 the County had a \$4,033,385 liability for vested compensated absences. Of this amount, \$2,273,217 (56%) is for governmental activities and the remaining \$1,760,168 (44%) is for business-type activities. As of December 31, 2014, the County had a \$3,859,507 liability for vested compensated absences. Of this amount, \$2,176,717 (56%) was for governmental activities and the remaining \$1,682,790 (44%) was for business-type activities. The County also had a liability recorded of \$560,159 and \$645,021 at December 31, 2015 and 2014, respectively, for other postemployment benefits.

On December 13, 2013 S & P's Rating Committee reviewed and assigned a rating of AA to Dunn County's general obligation debt. This is an upgrade from the previous rating of AA-.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limit for the County is \$140,129,825, which is significantly in excess of the County's \$40,725,000 in outstanding general obligation debt.

Additional information on Dunn County's long-term debt can be found in Note 2.E.

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

CURRENTLY KNOWN FACTS

Dunn County experienced an estimated growth in population of 4,143 residents from 2000 to 2010. Dunn County population increased 10% compared to 5.8% for Wisconsin as reported in the State of Wisconsin, Department of Workforce, Office of Economic Advisors, December 2015 Dunn County Workforce Profile. The trend of increasing population is expected to continue.

The Wisconsin Department of Revenue indicates that Dunn County's total equalized value increased by \$130,542,800 or 4.9% as compared to the State which experienced an overall positive growth of \$11,578,586,850 or 2.4% from 2014 to 2015. The following presents comparables with neighboring counties:

County	2014 Equalized Value	2015 Equalized Value	Percent Change
Barron	\$ 3,731,429,300	\$ 3,851,192,500	3.2%
Chippewa	4,776,638,200	4,971,654,200	4.1%
Dunn	2,672,053,700	2,802,596,500	4.9%
Eau Claire	7,173,688,100	7,499,941,900	4.5%
Pepin	546,022,900	565,217,100	3.5%
Pierce	2,807,114,900	2,996,430,700	6.7%
St. Croix	7,591,908,200	8,062,750,500	6.2%

Momentum West continues to impact economic growth for the counties of west central Wisconsin in a positive manner. The County's collaboration with four other west central Wisconsin counties in the I-94 Corridor Coalition in promoting development of multimodal transportation options from Eau Claire to the western boundary of Wisconsin and in cooperation with like efforts from within Minnesota.

The County Board is approaching the 2017 budget cautiously and conservatively with a long term goal and service oriented approach. The Board is currently building a long-term strategic plan for the County.

The County will continue the philosophy of being fiscally conservative while mindful of service demands when developing the 2017 budget. The goal adopted early in the process is to create a balanced budget which provides for the implementation of the mandates of the County and the policy expectations of the Board of Supervisors while meeting the requirements of law established by the State of Wisconsin Statutes.

- On November 10, 2015, the Dunn County Board of Supervisors adopted a fiscal year 2016 budget in the amount of \$76,137,966.
- On November 10, 2015, the Dunn County Board of Supervisors adopted an overall county tax levy of \$21,375,521. Included in this amount was an operating levy of \$17,978,864, no increase over the preceding year.

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

CONTACTING DUNN COUNTY

This financial report is designed to provide our citizens, taxpayers, other customers, investors and creditors with a general overview of Dunn County's finances. If you have questions about this report or need additional financial information contact the Dunn County Department of Administration, Dunn County Government Center, 800 Wilson Avenue, Menomonie, Wisconsin, 54751.

This document was prepared by and is respectfully submitted for public review by:

Eugene C. Smith
County Manager

Tonya L. Kusmirek
Finance Manager

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 22,406,697	\$ 2,337,150	\$ 24,743,847	\$ 71,848
Accounts Receivable (net)	435,326	938,379	1,373,705	1,844
Accrued Interest	59,864	-	59,864	-
Taxes Receivable	14,078,028	6,820,318	20,898,346	-
Delinquent Taxes Receivable	1,166,703	-	1,166,703	-
Loans Receivables	999,957	-	999,957	-
Internal Balances	10,443,720	(10,443,720)	-	-
Due From Other Governments	1,486,238	1,171,974	2,658,212	-
Inventory	-	1,871,432	1,871,432	-
Prepaid Items	-	8,557	8,557	554
Restricted Assets:				
Cash and Investments	-	68,950	68,950	23,072
Wisconsin Retirement System Pension Plan As	2,332,164	1,390,340	3,722,504	-
Capital Assets:				
Land	2,836,358	418,120	3,254,478	-
Construction in Progress	6,091,848	-	6,091,848	-
Other Capital Assets, Net of Depreciation	85,271,849	27,255,522	112,527,371	-
Total Assets	<u>147,608,752</u>	<u>31,837,022</u>	<u>179,445,774</u>	<u>97,318</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	60,948	-	60,948	-
Wisconsin Retirement System Pension Related	2,491,773	1,485,492	3,977,265	-
Total Deferred Outflows of Resources	<u>2,552,721</u>	<u>1,485,492</u>	<u>4,038,213</u>	<u>-</u>
LIABILITIES				
Accounts Payable	1,135,872	513,352	1,649,224	240
Accrued Liabilities	1,283,523	280,609	1,564,132	-
Accrued Interest Payable	137,532	186,425	323,957	-
Due to Other Governments	338,026	-	338,026	-
Unearned Revenue	3,030	-	3,030	-
Deposits	22,238	-	22,238	-
Patient Trust Funds Payable	-	12,894	12,894	-
Noncurrent Liabilities:				
Amounts Due Within One Year	2,484,749	1,792,433	4,277,182	-
Amounts Due in More Than One Year	20,942,456	21,434,806	42,377,262	23,051
Total Liabilities	<u>26,347,426</u>	<u>24,220,519</u>	<u>50,567,945</u>	<u>23,291</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	14,078,100	6,820,318	20,898,418	-
NET POSITION				
Net Investment in Capital Assets	76,735,703	6,346,825	83,082,528	-
Restricted	3,289,496	1,446,396	4,735,892	21
Unrestricted	29,710,748	(5,511,544)	24,199,204	74,006
Total Net Position	<u>\$ 109,735,947</u>	<u>\$ 2,281,677</u>	<u>\$ 112,017,624</u>	<u>\$ 74,027</u>

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
Primary Government:								
Governmental Activities:								
General Government	\$ 6,517,931	\$ 635,328	\$ 418,300	\$ -	\$ (5,464,303)	\$ -	\$ (5,464,303)	\$ -
Public Safety	6,685,665	677,983	309,217	-	(5,698,465)	-	(5,698,465)	-
Public Works	2,577,493	2,377,390	172,148	-	(27,955)	-	(27,955)	-
Health and Human Services	11,336,736	1,846,217	5,835,806	-	(3,654,713)	-	(3,654,713)	-
Culture, Recreation and Education	1,443,059	113,430	6,024	-	(1,323,605)	-	(1,323,605)	-
Conservation and Development	1,592,894	74,896	344,358	-	(1,173,640)	-	(1,173,640)	-
Interest and Fiscal Charges	640,615	-	-	-	(640,615)	-	(640,615)	-
Total Governmental Activities	<u>30,794,393</u>	<u>5,725,244</u>	<u>7,085,853</u>	<u>-</u>	<u>(17,983,296)</u>	<u>-</u>	<u>(17,983,296)</u>	<u>-</u>
Business-Type Activities:								
Health Care Center	14,388,838	11,642,208	58,931	-	-	(2,687,699)	(2,687,699)	-
Highway	11,330,947	3,615,278	-	-	-	(7,715,669)	(7,715,669)	-
Transit Commission	628,960	164,800	337,844	480,229	-	353,913	353,913	-
Total Business-Type Activities	<u>26,348,745</u>	<u>15,422,286</u>	<u>396,775</u>	<u>480,229</u>	<u>-</u>	<u>(10,049,455)</u>	<u>(10,049,455)</u>	<u>-</u>
Total Primary Government	<u>\$ 57,143,138</u>	<u>\$ 21,147,530</u>	<u>\$ 7,482,628</u>	<u>\$ 480,229</u>	<u>(17,983,296)</u>	<u>(10,049,455)</u>	<u>(28,032,751)</u>	<u>-</u>
Component Unit:								
Housing Authority	\$ 380,714	\$ -	\$ 315,067	\$ -	-	-	-	(65,647)
GENERAL REVENUES								
Taxes:								
Property Taxes, Levied for General Purposes					11,918,001	6,825,379	18,743,380	-
Property Taxes, Levied for Debt Purposes					2,196,945	-	2,196,945	-
Other Taxes					3,217,363	-	3,217,363	-
Intergovernmental Revenues not Restricted to Specific Programs					2,384,600	2,545,029	4,929,629	-
Investment Income					13,890	-	13,890	29
Miscellaneous					1,140,201	106,701	1,246,902	-
TRANSFERS					886,357	(886,357)	-	-
Total General Revenues and Transfers					<u>21,757,357</u>	<u>8,590,752</u>	<u>30,348,109</u>	<u>29</u>
CHANGE IN NET POSITION					3,774,061	(1,458,703)	2,315,358	(65,618)
Net Position - Beginning of Year					101,186,150	893,284	102,079,434	139,645
Change in Accounting Principle					4,775,736	2,847,096	7,622,832	-
Net Position - Beginning of Year - As Restated					<u>105,961,886</u>	<u>3,740,380</u>	<u>109,702,266</u>	<u>139,645</u>
NET POSITION - END OF YEAR					<u>\$ 109,735,947</u>	<u>\$ 2,281,677</u>	<u>\$ 112,017,624</u>	<u>\$ 74,027</u>

See accompanying Notes to Basic Financial Statements.

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

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 11,887,555	\$ 240,108	\$ 32,244	\$ 3,478,385	\$ 1,350,106	\$ 16,988,398
Receivables						
Taxes Receivable	8,978,546	2,948,151	2,143,331	-	8,000	14,078,028
Delinquent Taxes	1,166,703	-	-	-	-	1,166,703
Accounts	81,601	76,708	-	-	156,687	314,996
Interest	59,864	-	-	-	-	59,864
Loans	114,444	-	-	-	885,513	999,957
Due from Other Governments	1,021,254	419,940	-	-	45,044	1,486,238
Due from Other Funds	3,481,811	-	-	-	-	3,481,811
Advance to Other Funds	286,500	-	-	-	-	286,500
	<u>\$ 27,078,278</u>	<u>\$ 3,684,907</u>	<u>\$ 2,175,575</u>	<u>\$ 3,478,385</u>	<u>\$ 2,445,350</u>	<u>\$ 38,862,495</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 365,371	\$ 279,045	\$ -	\$ 267,633	\$ 221,278	\$ 1,133,327
Accrued Liabilities	396,572	117,195	-	1,969	6,336	522,072
Deposits Payable	22,238	-	-	-	-	22,238
Due to Other Governments	540	337,486	-	-	-	338,026
Due to Other Funds	-	-	32,244	-	-	32,244
Unearned Revenues	-	3,030	-	-	-	3,030
Total Liabilities	<u>784,721</u>	<u>736,756</u>	<u>32,244</u>	<u>269,602</u>	<u>227,614</u>	<u>2,050,937</u>
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	8,978,618	2,948,151	2,143,331	-	8,000	14,078,100
Unavailable Loans Receivable	9,334	-	-	-	885,513	894,847
Unavailable Special Assessments	182,067	-	-	-	-	182,067
Total Deferred Inflows of Resources	<u>9,170,019</u>	<u>2,948,151</u>	<u>2,143,331</u>	<u>-</u>	<u>893,513</u>	<u>15,155,014</u>
Fund Balances:						
Nonspendable	659,417	-	-	-	-	659,417
Restricted	-	-	-	3,208,783	71,819	3,280,602
Committed	-	-	-	-	1,252,404	1,252,404
Assigned	1,718,957	-	-	-	-	1,718,957
Unassigned	14,745,164	-	-	-	-	14,745,164
Total Fund Balances	<u>17,123,538</u>	<u>-</u>	<u>-</u>	<u>3,208,783</u>	<u>1,324,223</u>	<u>21,656,544</u>
	<u>\$ 27,078,278</u>	<u>\$ 3,684,907</u>	<u>\$ 2,175,575</u>	<u>\$ 3,478,385</u>	<u>\$ 2,445,350</u>	<u>\$ 38,862,495</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,078,278</u>	<u>\$ 3,684,907</u>	<u>\$ 2,175,575</u>	<u>\$ 3,478,385</u>	<u>\$ 2,445,350</u>	<u>\$ 38,862,495</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Total Fund Balances - Governmental Funds \$ 21,656,544

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:

Capital Assets	\$ 152,966,652	
Accumulated Depreciation	(58,766,597)	94,200,055

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:

Delinquent Taxes Receivable	182,067	
Loans Receivable	894,847	1,076,914

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

Net Pension Plan Asset	2,332,164	
Deferred Outflows of Resources	2,491,773	4,823,937

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	(20,415,000)	
Accrued Interest Payable	(137,532)	
Compensated Absences	(2,273,217)	
Other Postemployment Benefits	(419,905)	
Bond Premium	(320,928)	
Bond Discount	1,845	
Deferred Charge Resulting from the Refunding of Debt	60,948	(23,503,789)

Internal service funds are used by County management to charge the costs of its self-funded health insurance and workers compensation programs to functions. The assets and liabilities of the internal service funds are allocated between governmental activities and business-type activities as follows:

Total Net Position of Internal Service Funds	4,774,633	
Less Allocated to Business-Type Activities	6,707,653	11,482,286

Net Position of Governmental Activities \$ 109,735,947

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

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 12,333,516	\$ 2,948,151	\$ 2,196,945	\$ -	\$ 8,000	\$ 17,486,612
Intergovernmental Revenues	4,340,775	4,923,708	-	-	172,148	9,436,631
Licenses and Permits	74,896	-	-	-	-	74,896
Fines and Forfeits	227,456	-	-	-	74,936	302,392
Public Charges for Services	2,071,457	879,538	-	-	1,699,929	4,650,924
Intergovernmental Charges for Services	53,393	-	-	-	500,485	553,878
Investment Income	12,431	-	64	1,370	-	13,865
Miscellaneous	1,108,347	-	-	-	214,422	1,322,769
Total Revenues	<u>20,222,271</u>	<u>8,751,397</u>	<u>2,197,009</u>	<u>1,370</u>	<u>2,669,920</u>	<u>33,841,967</u>
EXPENDITURES						
Current:						
General Government	6,494,081	-	-	1,843,339	-	8,337,420
Public Safety	7,455,907	-	-	-	88,014	7,543,921
Public Works	-	-	-	-	2,584,344	2,584,344
Health and Human Services	2,608,231	9,518,265	-	1,278,184	-	13,404,680
Culture, Recreation and Education	1,429,540	-	-	-	-	1,429,540
Conservation and Development	1,521,656	-	-	-	74,122	1,595,778
Debt Service:						
Principal Retirement	-	-	1,605,000	-	-	1,605,000
Interest and Fiscal Charges	-	-	651,453	-	-	651,453
Total Expenditures	<u>19,509,415</u>	<u>9,518,265</u>	<u>2,256,453</u>	<u>3,121,523</u>	<u>2,746,480</u>	<u>37,152,136</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>712,856</u>	<u>(766,868)</u>	<u>(59,444)</u>	<u>(3,120,153)</u>	<u>(76,560)</u>	<u>(3,310,169)</u>
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	2,910,000	-	-	2,910,000
Current Refunding Payment	-	-	(2,910,000)	-	-	(2,910,000)
Transfers In	500,000	862,839	32,244	-	-	1,395,083
Transfers Out	(895,083)	(95,971)	-	-	-	(991,054)
Total Other Financing Sources (Uses)	<u>(395,083)</u>	<u>766,868</u>	<u>32,244</u>	<u>-</u>	<u>-</u>	<u>404,029</u>
NET CHANGE IN FUND BALANCES	317,773	-	(27,200)	(3,120,153)	(76,560)	(2,906,140)
Fund Balances - Beginning of Year	16,805,765	-	27,200	6,328,936	1,400,783	24,562,684
FUND BALANCES - END OF YEAR	<u>\$ 17,123,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,208,783</u>	<u>\$ 1,324,223</u>	<u>\$ 21,656,544</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ (2,906,140)

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	\$ 5,838,041	
Depreciation Expense Reported in the Statement of Activities	(3,352,619)	
Contributed Capital from Business-Type Activities Reported as Transfers	982,328	
Loss on Disposal of Capital Assets	<u>(218,720)</u>	3,249,030

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. (159,870)

Pension expenditures in the governmental funds are measured by current year employer 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. 48,201

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 discounts, premiums and similar items when issued, whereas these amounts are amortized in the statement of activities. (2,910,000)

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		4,515,000
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Internal service funds are used by County management to charge the costs of its self-funded health insurance and workers compensation programs to functions. The changes in net position of these internal service funds are allocated between governmental activities and business-type activities as follows:

Change in Net Position of Internal Service Funds	779,182	
Loss Allocated to Business-Type Activities	<u>1,180,706</u>	1,959,888

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	24,994	
Net Change in Compensated Absences Liability	(96,500)	
Amortization of Bond Premium	28,239	
Amortization of Bond Discount	(2,462)	
Amortization of Deferred Charges from the Refunding of Debt	(39,933)	
Net Change in Other Post Employment Benefits Payable	<u>63,614</u>	<u>(22,048)</u>

Change in Net Position of Governmental Activities \$ 3,774,061

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
ASSETS					
Current Assets:					
Cash and Investments	\$ -	\$ 2,337,150	\$ -	\$ 2,337,150	\$ 5,418,299
Taxes Receivable	-	6,820,318	-	6,820,318	-
Accounts Receivable, Net	911,708	19,004	7,667	938,379	120,330
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	564,749	607,225	1,171,974	-
Inventory	51,304	1,820,128	-	1,871,432	-
Prepaid Expenses	5,792	-	2,765	8,557	-
Total Current Assets	968,804	11,561,349	617,657	13,147,810	5,538,629
Restricted Assets:					
Restricted Cash	68,950	-	-	68,950	-
Wisconsin Retirement System Pension Plan Asset	830,956	549,098	10,286	1,390,340	-
Total Restricted Assets	899,906	549,098	10,286	1,459,290	-
Noncurrent Assets:					
Capital Assets (net)	20,014,089	6,801,207	858,346	27,673,642	-
Total Assets	21,882,799	18,911,654	1,486,289	42,280,742	5,538,629
DEFERRED OUTFLOWS OF RESOURCES					
Wisconsin Retirement System Pension Plan Related	887,824	586,678	10,990	1,485,492	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	129,923	244,961	138,468	513,352	2,545
Interest Payable	186,425	-	-	186,425	-
Accrued Expenses	156,052	122,194	2,363	280,609	761,451
Vested Benefits	287,175	606,938	3,320	897,433	-
Patient Trust Fund Payable	12,894	-	-	12,894	-
Due to Other Funds	3,330,498	-	119,069	3,449,567	-
Bonds Payable	895,000	-	-	895,000	-
Total Current Liabilities	4,997,967	974,093	263,220	6,235,280	763,996
Noncurrent Liabilities:					
Bonds Payable	20,431,817	-	-	20,431,817	-
Advance from Other Funds	32,500	-	254,000	286,500	-
Vested Benefits	532,197	326,813	3,725	862,735	-
Other Post-Employment Benefits	95,564	44,690	-	140,254	-
Total Non-Current Liabilities	21,092,078	371,503	257,725	21,721,306	-
Total Liabilities	26,090,045	1,345,596	520,945	27,956,586	763,996
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	-	6,820,318	-	6,820,318	-
NET POSITION					
Net Investment in Capital Assets	(1,312,728)	6,801,207	858,346	6,346,825	-
Restricted	887,012	549,098	10,286	1,446,396	-
Unrestricted	(2,893,706)	3,982,113	107,702	1,196,109	4,774,633
Total Net Position	\$ (3,319,422)	\$ 11,332,418	\$ 976,334	8,989,330	\$ 4,774,633
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				(6,707,653)	
Net Position - Business-Type Activities				\$ 2,281,677	

See accompanying Notes to Basic Financial Statements.

DUNN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor	Totals	
	The Neighbors of Dunn County	Highway Department	Transit Commission		
OPERATING REVENUES	<u>\$ 11,642,208</u>	<u>\$ 3,615,278</u>	<u>\$ 164,800</u>	<u>\$ 15,422,286</u>	<u>\$ 8,730,099</u>
OPERATING EXPENSES					
Operation and Maintenance	12,279,042	10,249,055	525,773	23,053,870	1,011,592
Depreciation	744,125	621,850	103,121	1,469,096	-
Benefit Payments	-	-	-	-	6,448,920
Total Operating Expenses	<u>13,023,167</u>	<u>10,870,905</u>	<u>628,894</u>	<u>24,522,966</u>	<u>7,460,512</u>
OPERATING INCOME (LOSS)	<u>(1,380,959)</u>	<u>(7,255,627)</u>	<u>(464,094)</u>	<u>(9,100,680)</u>	<u>1,269,587</u>
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	-	6,825,379	-	6,825,379	-
Grant Funding and Contributions	58,931	-	337,844	396,775	-
Intergovernmental Grants	905,301	1,639,728	-	2,545,029	-
Rental Income	12,983	-	-	12,983	-
Investment Income	-	-	-	-	9,595
Interest Expense and Amortization of Debt Premium	(645,073)	-	-	(645,073)	-
Other Income (Expense)	-	70,022	23,696	93,718	-
Total Nonoperating Revenues	<u>332,142</u>	<u>8,535,129</u>	<u>361,540</u>	<u>9,228,811</u>	<u>9,595</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,048,817)</u>	<u>1,279,502</u>	<u>(102,554)</u>	<u>128,131</u>	<u>1,279,182</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Grants and Contributions	-	-	480,229	480,229	-
Contributions to Governmental Activities	-	(982,328)	-	(982,328)	-
Transfers In	-	-	95,971	95,971	-
Transfers Out	-	-	-	-	(500,000)
Total Capital Contributions and Transfers	<u>-</u>	<u>(982,328)</u>	<u>576,200</u>	<u>(406,128)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	<u>(1,048,817)</u>	<u>297,174</u>	<u>473,646</u>	<u>(277,997)</u>	<u>779,182</u>
Net Position - Beginning of Year	(3,972,211)	9,910,817	481,625		3,995,451
Change in Accounting Principle	1,701,606	1,124,427	21,063		-
Net Position - Beginning of Year - As Restated	<u>(2,270,605)</u>	<u>11,035,244</u>	<u>502,688</u>		<u>3,995,451</u>
NET POSITION - END OF YEAR	<u>\$ (3,319,422)</u>	<u>\$ 11,332,418</u>	<u>\$ 976,334</u>		<u>\$ 4,774,633</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(1,180,706)</u>	
Change in Net Position - Business-Type Activities				<u>\$ (1,458,703)</u>	

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ -	\$ 3,905,710	\$ 157,494	\$ 4,063,204	\$ 8,763,028
Cash Received from Residents and Third Party Payors	13,450,667	-	-	13,450,667	-
Cash Paid to Suppliers for Goods and Services	(3,448,426)	(2,751,150)	(362,397)	(6,561,973)	-
Cash Paid to Employees for Services	(9,157,260)	(7,793,736)	(77,538)	(17,028,534)	-
Cash Paid for Insurance Claims	-	-	-	-	(1,510,867)
Cash Paid to Third Party Administrator	-	-	-	-	(5,981,729)
Net Cash Provided by (Used for) Operating Activities	<u>844,981</u>	<u>(6,639,176)</u>	<u>(282,441)</u>	<u>(6,076,636)</u>	<u>1,270,432</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General Property Taxes	-	6,825,379	-	6,825,379	-
State Highway Aids	-	1,639,728	-	1,639,728	-
State Transportation Aids	-	-	355,544	355,544	-
Cash Flow Borrowing from (Repayment to) Other Funds	789,486	-	-	789,486	-
Nonoperating Income	-	70,022	-	70,022	-
Transfers from (to) Other Funds	-	-	95,971	95,971	(500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>789,486</u>	<u>8,535,129</u>	<u>451,515</u>	<u>9,776,130</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Grant Funding	-	-	66,603	66,603	-
Proceeds from Sale of Capital Assets	-	140,095	-	140,095	-
Cash Paid for Capital Contributions to Governmental Activities	-	(982,328)	-	(982,328)	-
Interfund Received from (Paid to) Other Funds	-	-	177,312	177,312	-
Acquisition and Construction of Capital Assets	-	(851,281)	(600,287)	(1,451,568)	-
Payment of Bond Principal	(880,000)	-	-	(880,000)	-
Payment of Bond Interest	(754,500)	-	-	(754,500)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,634,500)</u>	<u>(1,693,514)</u>	<u>(356,372)</u>	<u>(3,684,386)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Noncash Equivalent Certificates of Deposit Matured	-	-	-	-	600,137
Noncash Equivalent Certificates of Deposits Purchased	-	-	-	-	(1,275,079)
Investment Income	-	-	-	-	9,595
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(665,347)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(33)	202,439	(187,298)	15,108	105,085
Cash and Cash Equivalents - Beginning of Year	<u>68,983</u>	<u>2,134,711</u>	<u>187,298</u>	<u>2,390,992</u>	<u>3,819,540</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 68,950</u>	<u>\$ 2,337,150</u>	<u>\$ -</u>	<u>\$ 2,406,100</u>	<u>\$ 3,924,625</u>

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Total	
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and Investments per Statement of Net Position	\$ -	\$ 2,337,150	\$ -	\$ 2,337,150	\$ 5,418,299
Restricted Cash	68,950	-	-	68,950	-
Less: Noncash Equivalents	-	-	-	-	(1,493,674)
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 68,950</u>	<u>\$ 2,337,150</u>	<u>\$ -</u>	<u>\$ 2,406,100</u>	<u>\$ 3,924,625</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (1,380,959)	\$ (7,255,627)	\$ (464,094)	\$ (9,100,680)	\$ 1,269,587
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Change in Pension Asset	(17,174)	(11,349)	(213)	(28,736)	-
Rental Income Received	12,983	-	-	12,983	-
Grants and Contributions	58,931	-	-	58,931	-
Nursing Home Appeals and Intergovernmental Program Transfers Received	905,301	-	-	905,301	-
Noncash Items Included in Income:					
Depreciation	744,125	621,850	103,121	1,469,096	-
(Gain)/Loss on Disposal of Capital Assets	-	48,526	-	48,526	-
(Increase) Decrease in Assets:					
Accounts Receivable	831,244	76,839	(7,306)	900,777	32,929
Inventory	5,283	(213,960)	-	(208,677)	-
Due from Other Funds	-	28,538	-	28,538	-
Due from Other Governments	-	185,055	-	185,055	-
Prepaid Expenses	(717)	-	2,766	2,049	-
Increase (Decrease) in Liabilities:					
Accounts Payable	(183,314)	(640)	83,378	(100,576)	2,545
Accrued Liabilities	(180,106)	(123,144)	(2,070)	(305,320)	(34,629)
Patient Trust Payable	(33)	-	-	(33)	-
Vested Benefits	63,894	4,736	1,977	70,607	-
Other Post-Employment Benefits	(14,477)	-	-	(14,477)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 844,981</u>	<u>\$ (6,639,176)</u>	<u>\$ (282,441)</u>	<u>\$ (6,076,636)</u>	<u>\$ 1,270,432</u>

See accompanying Notes to Basic Financial Statements.

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

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	\$ 3,661,837
Taxes Receivable	477,175
Due from Other Governments	143,430
Other Receivables	<u>7</u>
Total Assets	<u><u>\$ 4,282,449</u></u>
LIABILITIES	
Accounts Payable	\$ 177,911
Deposits Payable	212,480
Due to Other Governments	<u>3,892,058</u>
Total Liabilities	<u><u>\$ 4,282,449</u></u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Dunn County (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. Reporting Entity

Dunn County is governed by a board of supervisors consisting of 29 elected members. This report includes all of significant operations under the control of the Dunn County Board of Supervisors and includes all of the funds of Dunn County. The County's major operations include police protection, the jail, highways, health and human services, The Neighbors of Dunn County health care center ("The Neighbors"), and solid waste and recycling.

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. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. This report includes the following component unit:

Discretely Presented Component Unit

The government-wide financial statements include the Dunn County Housing Authority as a component unit. The housing authority is a legally separate organization. The board of the housing authority is appointed by the County board chairperson. Wisconsin Statutes provide for circumstances whereby the County can impose its will on the housing authority and also create a potential financial benefit to or burden on the County.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit (Continued)

As a component unit, the housing authority's financial statements have been presented as a discrete column in the financial statements. It is reported in a separate column to emphasize that it is legally separate from the County. The housing authority is a separate entity established to administer a housing program for low and moderate income families. It is funded by federal and state grants. The information presented is for the fiscal year ended March 31, 2015. Separately issued financial statements of the Dunn County Housing Authority may be obtained from the housing authority's office at 1421 Stout Road, Menomonie, Wisconsin. See Note 2 G. for additional housing authority disclosures.

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 below:

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 are 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

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 operating fund of the County. It is used to account for all financial resources of the County, except those required to be accounted for in another fund.

Human Services Fund – The Human Services Fund, a special revenue fund, is used to account for various County human services programs. The major revenue sources include taxes and intergovernmental revenues. Through the human services programs, the County provides mental health, developmental disabilities and alcoholism and drug abuse rehabilitation services to residents of the County and administers the various social services and income maintenance programs provided by and through the County.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of governmental funds.

Capital Projects Fund – The Capital Projects Fund is used to account for the various capital project expenditures and relating financing.

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

The County reports the following major enterprise funds:

The Neighbors of Dunn County – This fund accounts for the operations of The Neighbors health care center.

Highway Department Fund – This fund accounts for highway maintenance and construction.

The Transit Commission is reported as a nonmajor fund. The County had no other enterprise funds to report as nonmajor funds.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

Internal Service Funds - These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost reimbursement basis. The County's internal service funds are used to account for transactions of its self-funded health insurance and workers compensation program.

Agency Fund – This fund accounts 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: tax agency (advance tax collections for other governments), treasurer (employee trust accounts), clerk of courts (safe-keeping of all funds ordered held in trust), sheriff (inmate cash accounts), UW extension (education accounts), and district attorney (forfeiture funds).

C. Measurement Focus and Basis of Accounting

The government-wide financial statements 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 and liabilities 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. Fiduciary funds do not have a measurement focus.

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, except for reimbursement grants from the State of Wisconsin, for which available is defined as 180 days. 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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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. An exception to this general rule is 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 Neighbors are charges for resident services. The principal operating revenues of the highway fund are charges for the sale of products generated by its operations and routine maintenance. 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.

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

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.

The County has adopted an investment policy. That policy follows the state statute for allowable investments except that the County's policy limits time deposits to one year or less, while the state statutes allow deposits that mature in three years or less. The policy also limits securities to those that mature in 3 years or less while state statutes limits maturities to seven years or less.

The County's investment policy requires that deposits be collateralized for any amounts in excess of insured amounts. At December 31, 2015, the County had no deposits that were not insured or collateralized. The policy also requires that certificates of deposit and repurchase agreements be collateralized with securities with a market value of 102% or more of the certificates of deposits or repurchase agreements, or 100% if the certificates or repurchase agreements mature in five days or less.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

The policy addresses credit risk by following statutory requirements that limit securities to those have the highest or second highest rating of a nationally recognized rating agency.

The policy addresses interest rate risk by stating that investments shall be managed to maintain liquidity to meet the County's cash needs and to limit market risks as well as limiting deposits and securities to the maturities described above.

The policy does not address concentration of credit risk.

Overall, the County maintains control over its monetary resources through the treasurer's office. A central account is used to track the majority of fund transactions. Interest income on commingled investments of the County's accounting funds is allocated to the general fund. Separate accounts for specific purposes are held by the Clerk of Courts, District Attorney, Land Conservation, Sheriff's Department, The Neighbors, UW Extension, and Office on Aging.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the LGIP's assets was substantially equal to the County's share as reported in these statements.

DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/
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 to other governmental units in the agency fund balance sheet. 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 Dunn 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 classified as nonspendable for the County's investment in delinquent taxes.

Accounts Receivable. Accounts receivable in all funds have been adjusted for known uncollectible amounts. No allowance for uncollectible taxes on delinquent taxes has been provided because of the County's demonstrated ability to recover most losses through the sale of the applicable property. The provision for uncollectible patient accounts in The Neighbors of Dunn County Fund was \$132,333 at December 31, 2015.

Loans Receivable. The County has used local funds and grant funds for economic development loan programs. The County records a loan receivable when the loan has been made and funds have been disbursed. The amounts recorded as loans receivable have not been reduced by an allowance for uncollectible accounts. It is the County's policy to record, in the fund financial statements, deferred inflows 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 generally recognized as revenue when accrued. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are valued at cost based on the first in/first out (FIFO) method using the consumption method of accounting. Year-end inventory was not significant. The inventories of the enterprise funds are valued at the lower of cost, determined on the FIFO method for The Neighbors and on the average cost method for the highway department and are generally used for construction or operation and maintenance work. They are not for resale.

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. Restricted cash consists of unspent debt proceeds as well as funds held in a custodial account for The Neighbors residents. Such balances are maintained in separate bank accounts.

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. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of one year 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.

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

Government-Wide Statements (Continued). 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	N/A	N/A
Land Improvements	5,000	Straight-line	12-30 Years
Buildings	5,000	Straight-line	4-50 Years
Equipment	5,000	Straight-line	4-20 Years
Vehicles	5,000	Straight-line	5 Years
Roads	25,000	Straight-line	25 Years
Bridges	25,000	Straight-line	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 deferred refunding charges and pension plan related items as deferred outflows of resources in the government-wide financial statements.

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used.

Accumulated vacation and sick leave liabilities at December 31, 2015 are determined on the basis of current salary rates.

8. Other Postemployment Benefits Payable

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

9. Wisconsin Retirement System Pension Plan Benefits

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

10. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Long-Term Obligations (Continued)

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts are shown as an increase or decrease in the liability section and gains/losses are shown as a deferred inflow/outflow in the statement of net position.

11. Equity Classifications

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

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

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Equity Classifications

Fund Financial Statements (Continued). Committed fund balance is required to be established, modified, or rescinded by resolution of the County Board prior to each year end. Based on resolution of the County Board, the County Manager has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for expenditure, it is the County's practice to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for expenditure, it is the County's practice to use committed, assigned and finally unassigned fund balance.

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2015 is as follows:

Governmental Funds	\$16,988,398
Proprietary Funds	7,824,399
Fiduciary Funds	3,661,837
Total Cash and Investments	\$28,474,634

The above cash and investments balances consisted of the following:

	Carrying Amount
Demand and Time Deposits	\$ 9,771,345
U.S. Agencies	4,384,721
Other Government Agencies	6,252,236
Municipal Bonds	1,443,411
Corporate Bonds	2,200,771
LGIP	4,421,138
Petty Cash	1,012
Total Cash and Investments	\$28,474,634

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. The County's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to an additional \$250,000 for demand accounts. In addition, funds held in trust for individuals are subject to coverage in the name of the beneficiary in whose name the trust fund is held. 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 County to collateralize its deposits that exceed the amount of coverage provided under federal depository insurance and the State Guarantee Fund.

Investments

The County's investments at December 31, 2015 consisted of deposits in the following external investment pool:

Deposits in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2015 was 76 days.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to the County.

As of December 31, 2015, the County's total bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk (Continued)

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its instruments or collateral securities that are in the possession of an outside party.

The County did not have any investments exposed to custodial credit risk at year-end.

Credit Risk

Credit risk is the risk that an investor or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2015, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
LGIP Pool Investment Fund	Not Rated	\$ 4,421,138
Federal Home Loan Mortgage Corporation	Not Rated	37,202
Federal Home Loan Bank	Aaa	2,903,279
Federal National Mortgage Association	Aaa	3,299,353
U.S. Treasuries	Aaa	4,384,721
Government Mortgage National Association	AAA	12,402
Government Agency Bonds and Notes	AA, A1, Aa1, Aa2, Aa3	1,443,411
Corporate Bonds and Notes	Aa1, A1, Aa2, Aa3	2,200,771

Concentration of Credit Risk

Concentration of credit risk is the risk of loss due attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2015, the investment portfolio was concentrated as follows:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	\$ 37,202	0.20%
Federal Home Loan Bank	2,903,279	15.52%
Federal National Mortgage Association	3,299,353	17.64%
Government National Mortgage Association	12,402	0.07%
U.S. Treasuries	4,384,721	23.44%
Government Agency Bonds and Notes	1,443,411	7.72%
Corporate Bonds and Notes	2,200,771	11.77%
LGIP Pool Investment Fund	4,421,138	23.64%
	<u>\$ 18,702,277</u>	<u>100.00%</u>

There are no corporate bonds and notes with any one issuer in excess of five percent.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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, 2015, the County's investments were as follows:

Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
LGIP Pool Investment Fund	\$ 4,421,138	\$ 4,421,138	\$ -	\$ -	\$ -
Domestic Corporate Debt	2,200,771	-	767,564	1,433,207	-
Municipal Bonds	1,443,411	-	-	1,159,519	283,892
U.S. Government Treasuries	4,384,721	-	-	4,384,721	-
Other Government Agencies	6,252,236	2,903,279	3,026,945	139,983	182,029
Total	<u>\$ 18,702,277</u>	<u>\$ 7,324,417</u>	<u>\$ 3,794,509</u>	<u>\$ 7,117,430</u>	<u>\$ 465,921</u>

B. Receivables

Snowmobile Association Loan. Loans receivable include a loan to the Dunn County Snowmobile Association for the purchase of a new trail groomer. The outstanding balance of the loan to the snowmobile club was \$81,000 as of December 31, 2015.

Housing Rehabilitation Loans. The County has been awarded federal Community Development Block Grant (CDBG) Program funds for the purpose of financing housing rehabilitation loans. Repayments received on the original loans are to be recorded in a separate housing revolving loan fund and are to be used to finance similar loans eligible under the program. At December 31, 2015, the County had eighty-five (85) loans outstanding totaling \$885,513.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,822,202	\$ 14,156	\$ -	\$ 2,836,358
Construction in Progress:	13,356,090	6,567,021	(13,831,263)	6,091,848
Total Capital Assets Not Being Depreciated	16,178,292	6,581,177	(13,831,263)	8,928,206
Capital Assets Being Depreciated:				
Buildings	19,903,566	12,708,575	(500,650)	32,111,491
Machinery and Equipment	5,679,150	185,552	(25,365)	5,839,337
Roads	89,873,889	1,176,328	(194,000)	90,856,217
Bridges	15,231,401	-	-	15,231,401
Total Capital Assets Being Depreciated	130,688,006	14,070,455	(720,015)	144,038,446
Total Capital Assets	146,866,298	20,651,632	(14,551,278)	152,966,652
Accumulated Depreciation:				
Buildings	(9,150,395)	(479,894)	330,429	(9,299,860)
Machinery and Equipment	(3,484,374)	(440,407)	25,366	(3,899,415)
Roads	(37,851,230)	(2,156,500)	145,500	(39,862,230)
Bridges	(5,429,274)	(275,818)	-	(5,705,092)
Total Accumulated Depreciation	(55,915,273)	(3,352,619)	501,295	(58,766,597)
Net Capital Assets	<u>\$90,951,025</u>	<u>\$17,299,013</u>	<u>\$ (14,049,983)</u>	<u>\$ 94,200,055</u>

Depreciation expense was charged to governmental functions as follows:

Primary Government:	
General Government	\$ 418,889
Public Safety	193,039
Public Works, which includes the depreciation of roads and bridges	2,432,318
Health and Human Services	120,439
Culture, Recreation and Education	43,194
Conservation and Development	144,740
Total Depreciation Expense, Governmental Activities	<u>\$ 3,352,619</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
The Neighbors of Dunn County:				
Capital Assets Not Being Depreciated:				
Land	\$ 20,200	\$ -	\$ -	\$ 20,200
Capital Assets Being Depreciated:				
Land Improvements	658,998	-	-	658,998
Buildings	20,246,593	-	-	20,246,593
Fixed Equipment	1,337,804	-	-	1,337,804
Major Moveable Equipment	62,909	-	-	62,909
Total Capital Assets Being Depreciated	22,306,304	-	-	22,306,304
Accumulated Depreciation:				
Land Improvements	(65,900)	(32,949)	-	(98,849)
Buildings and Improvements	(1,156,948)	(578,474)	-	(1,735,422)
Fixed Equipment	(295,615)	(130,833)	-	(426,448)
Major Moveable Equipment	(49,827)	(1,869)	-	(51,696)
Total Accumulated Depreciation	(1,568,290)	(744,125)	-	(2,312,415)
Net Capital Assets - The Neighbors	<u>\$20,758,214</u>	<u>\$ (744,125)</u>	<u>\$ -</u>	<u>\$ 20,014,089</u>
Highway:				
Capital Assets Not Being Depreciated:				
Land	\$ 397,920	\$ -	\$ -	\$ 397,920
Capital Assets Being Depreciated:				
Land Improvements	624,080	-	-	624,080
Buildings and Improvements	3,110,543	-	-	3,110,543
Machinery and Equipment	14,133,914	852,253	(471,746)	14,514,421
Total Capital Assets Being Depreciated	17,868,537	852,253	(471,746)	18,249,044
Accumulated Depreciation:				
Land Improvements	(391,924)	(17,896)	-	(409,820)
Buildings and Improvements	(1,735,396)	(76,440)	-	(1,811,836)
Machinery and Equipment	(9,378,740)	(645,745)	400,384	(9,624,101)
Total Accumulated Depreciation	(11,506,060)	(740,081)	400,384	(11,845,757)
Net Capital Assets - Highway	<u>\$ 6,760,397</u>	<u>\$ 112,172</u>	<u>\$ (71,362)</u>	<u>\$ 6,801,207</u>
Transit Commission:				
Capital Assets Not Being Depreciated:				
Construction Work in Progress	\$ 83,254	\$ 600,286	\$ -	\$ 683,540
Capital Assets Being Depreciated:				
Machinery and Equipment	542,249	-	(16,465)	525,784
Accumulated Depreciation:				
Machinery and Equipment	(288,019)	(103,121)	40,162	(350,978)
Net Capital Assets - Transit Commission	<u>\$ 337,484</u>	<u>\$ 497,165</u>	<u>\$ 23,697</u>	<u>\$ 858,346</u>
Capital Assets Not Being Depreciated	\$ 501,374	\$ 600,286	\$ -	\$ 1,101,660
Capital Assets Being Depreciated	40,717,090	852,253	(488,211)	41,081,132
Total Capital Assets	41,218,464	1,452,539	(488,211)	42,182,792
Accumulated Depreciation	(13,362,369)	(1,587,327)	440,546	(14,509,150)
Net Capital Assets - Business-Type Activities	<u>\$27,856,095</u>	<u>\$ (134,788)</u>	<u>\$ (47,665)</u>	<u>\$ 27,673,642</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

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

The Neighbors	\$ 744,125
Highway	740,081
Transit Commission	103,121
	<u>\$ 1,587,327</u>

D. Interfund Receivables, Payables and Transfers

Advance to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	The Neighbors of Dunn County	\$ 32,500
General Fund	Transit Commission	254,000
		<u>\$ 286,500</u>

The purpose of the advance to The Neighbors of Dunn County is the purchase of a new phone system in 2009. The purpose of the advance issued to the Transit Commission in 2014 and additional amount in 2015 is for the construction of a transit facility. The Transit Commission advance will be repaid within 10 years.

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	The Neighbors of Dunn County	\$ 3,330,498
General Fund	Debt Service Fund	32,244
General Fund	Transit Commission	119,069
Add: Enterprise Share of Internal Service Fund Net Position		6,707,653
		<u>\$ 10,189,464</u>

The purpose of the interfund payable in The Neighbors of Dunn County, debt service fund, and transit commission fund is because of overdrafts in pooled cash in the respective payable funds. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Transfers

	Transfer In	Transfer Out
Governmental Activity:		
General Fund	\$ 500,000	\$ (895,083)
Human Services Fund	862,839	(95,971)
Workers Compensation Internal Service Fund	-	(200,000)
Health Insurance Internal Service Fund	-	(300,000)
Total Governmental Activity	1,395,083	(1,491,054)
Business-Type Activity:		
Transit Commission	95,971	-
Subtotal	1,491,054	(1,491,054)
Governmental Activity Eliminations	(1,395,083)	1,395,083
Transfer of Infrastructure from the Highway Department and The Neighbors	(982,328)	982,328
	\$ (886,357)	\$ 886,357

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use the unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

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

	Balance 12/31/14	Issued	Retired	Balance 12/31/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 22,020,000	\$ 2,910,000	\$ (4,515,000)	\$ 20,415,000	\$ 1,665,000
Added: Premium	349,167	-	(28,239)	320,928	N/A
Less:					
Discounts	(4,307)	-	2,462	(1,845)	N/A
Deferred Charge on Refunding	(100,881)	-	39,933	(60,948)	N/A
Subtotal	<u>22,263,979</u>	<u>2,910,000</u>	<u>(4,500,844)</u>	<u>20,673,135</u>	<u>1,665,000</u>
Other Liabilities:					
Compensated Absences	2,176,717	868,785	(772,285)	2,273,217	819,749
Other Post Employment Benefits Payable	483,519	-	(63,614)	419,905	-
	<u>2,660,236</u>	<u>868,785</u>	<u>(835,899)</u>	<u>2,693,122</u>	<u>819,749</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 24,924,215</u>	<u>\$ 3,778,785</u>	<u>\$ (5,336,743)</u>	<u>\$ 23,366,257</u>	<u>\$ 2,484,749</u>
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Health Care Center Debt	\$ 21,190,000	\$ -	\$ (880,000)	\$ 20,310,000	\$ 895,000
Plus: Premium on Debt	1,121,844	-	(105,027)	1,016,817	N/A
Other Liabilities:					
Compensated Absences	1,682,790	861,254	(783,876)	1,760,168	897,433
Other Post Employment Benefits Payable	161,502	-	(21,248)	140,254	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 24,156,136</u>	<u>\$ 861,254</u>	<u>\$ (1,790,151)</u>	<u>\$ 23,227,239</u>	<u>\$ 1,792,433</u>

All general obligation notes and bonds are backed by the full faith and credit of the County. Bonds and notes in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Long-Term Debt

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2015, was \$140,129,825. Total general obligation debt outstanding at the year-end was \$40,725,000.

Annual Requirements for Retirement. Long-Term general obligation debt issues outstanding at December 31, 2015 and annual requirements for their retirement were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/15
General Obligation Debt					
G.O. Taxable Promissory Note	8/17/2015	4/1/2017	2.35%	\$ 880,000	\$ 880,000
G.O. Promissory Note	8/17/2015	10/1/2017	1.55%	2,030,000	2,030,000
G.O. Facility and Management System Improvement Bonds	1/16/2014	10/1/2027	2.00-3.50%	7,150,000	7,150,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	8,990,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,365,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	20,310,000
Total General Obligation Debt					<u>\$ 40,725,000</u>

Minimum annual principal and interest payments required to retire long-term debt, not including compensated absences payable are as follows.

Years	General Obligation Debt		
	Principal	Interest	Total
2016	\$ 2,560,000	\$ 1,261,712	\$ 3,821,712
2017	2,670,000	1,200,795	3,870,795
2018	2,575,000	1,146,910	3,721,910
2019	2,635,000	1,084,835	3,719,835
2020	2,705,000	1,020,923	3,725,923
2021-2025	14,790,000	3,861,428	18,651,428
2026-2030	9,650,000	1,454,362	11,104,362
2031-2032	3,140,000	126,800	3,266,800
	<u>\$ 40,725,000</u>	<u>\$ 11,157,765</u>	<u>\$ 51,882,765</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Year Borrowing

On August 17, 2015, the County issued \$880,000 G.O. Taxable Promissory Note to refund the 2005 G.O. Taxable Refunding Bonds. The bonds accrue interest at 2.35% and are payable in semi-annual installments due April 1 and October 1, with the final installment due April 1, 2017. This refunding transaction resulted in an economic gain of \$21,375 and future debt service savings of \$21,902.

On August 17, 2015, the County issued \$2,030,000 G.O. Promissory Note to refund the 2004 G.O. Refunding Bonds. The bonds accrue interest at 1.55% and are payable in semi-annual installments due April 1 and October 1, with the final installment due October 1, 2017. This refunding transaction resulted in an economic gain of \$68,847 and future debt service savings of \$70,273.

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributed to governmental activities will be liquidated primarily by the general fund.

Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow in the government-wide statements. Amortization for 2015 was \$39,933.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at December 31, 2015 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 372,917	\$ 372,917	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	286,500	286,500	-	-	-	-
Subsequent Years Budget - Administration	1,010,620	-	-	-	1,010,620	-
Subsequent Years Budget - Home Health Care	18,730	-	-	-	18,730	-
Carryover Funds:						
Administration	247,720	-	-	-	247,720	-
UW-Extension	19,191	-	-	-	19,191	-
Fair	15,000	-	-	-	15,000	-
Land Conservation	28,488	-	-	-	28,488	-
Emergency Management	166,500	-	-	-	166,500	-
Corporation Counsel	7,500	-	-	-	7,500	-
Public Health	113,091	-	-	-	113,091	-
Register of Deeds	86,948	-	-	-	86,948	-
Sheriff	781	-	-	-	781	-
Veteran's Office	4,388	-	-	-	4,388	-
Unassigned	14,745,164	-	-	-	-	14,745,164
Subtotal General Fund	<u>17,123,538</u>	<u>659,417</u>	<u>-</u>	<u>-</u>	<u>1,718,957</u>	<u>14,745,164</u>
Human Services Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Capital Projects Fund	3,208,783	-	3,208,783	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Jail Assessment Fund	78,173	-	-	78,173	-	-
Solid Waste Fund	1,174,231	-	-	1,174,231	-	-
Community Development Block Grant (CDBG) Fund	71,819	-	71,819	-	-	-
	<u>1,324,223</u>	<u>-</u>	<u>71,819</u>	<u>1,252,404</u>	<u>-</u>	<u>-</u>
Total Governmental Funds Balances at December 31, 2015	<u>\$ 21,656,544</u>	<u>\$ 659,417</u>	<u>\$ 3,280,602</u>	<u>\$ 1,252,404</u>	<u>\$ 1,718,957</u>	<u>\$ 14,745,164</u>

G. Component Unit

This report contains the Dunn County Housing Authority (Housing Authority), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Component Unit (Continued)

1. Basis of Accounting/Measurement Flows

The Housing Authority follows the accrual basis of accounting and the flow of economic resources measurement focus.

2. Deposits and Investments

The Housing Authority's cash and investments consist of deposit in financial institutions covered by the Federal Deposit Insurance Corporation or similar coverage. None of the housing authority's deposits were exposed to custodial credit risk at March 31, 2015.

3. Economic Dependency

The public housing programs are economically dependent on annual contributions and grants from the United States Department of Housing and Urban Development. This revenue is subject to federal government budget appropriations and potential funding reductions.

NOTE 3 OTHER INFORMATION

A. 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.

**DUNN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

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

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

The WRS also provides death and disability benefits for employees.

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

During the fiscal reporting period January 1, 2015 through December 31, 2015, the WRS recognized \$1,498,650 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

	<u>Employee</u>	<u>Employer</u>
General	6.80%	6.80%
Executives & Elected Officials	7.70%	7.70%
Protective with Social Security	6.80%	12.13%
Protective without Social Security	6.80%	15.73%

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

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

At December 31, 2015, the County reported an asset of \$3,722,504 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2014, the County's proportion was 0.15155089 percent, which was a decrease of 0.00544667 from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$1,491,873. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Description	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	\$ 539,647
Actual Earnings on Pension Plan Investments	1,802,616
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	136,352
County Contributions Subsequent to the Measurement Date	1,498,650
Total	\$ 3,977,265

\$1,498,650 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Expense Amount
2015	\$ 486,029
2016	486,029
2017	486,029
2018	486,029
2019	486,029
Thereafter	48,470

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

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

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

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

Asset Class	Core Asset Allocation	
	Target Allocation	Expected Real Rate of Return
Domestic Equity	21%	5.3%
International Equity	23%	5.7%
Fixed Income	36%	1.7%
Inflation Sensitive Assets	20%	2.3%
Real Estate	7%	4.2%
Private Equity/Debt	7%	6.9%
Multi-Asset	6%	3.9%
Cash	-20%	0.9%
Totals	100%	

**DUNN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,501,826	\$ (3,722,504)	\$ (14,956,306)

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The County engaged an actuary to determine the County's liability for postemployment healthcare benefits other than pensions as of January 1, 2014.

Single-Employer Plan Description

Previously, all employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree medical plan if they pay 100% of the retiree premium. As of January 1, 2015, the County no longer provides retiree health benefits for those retiring after January 1, 2015. As of January 1, 2014 there were no active participants and 6 retired participants receiving benefits from the County's health plans.

Funding Policy

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2015, the County contributed an estimated \$38,712 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the County's net OPEB obligation.

Annual Required Contribution	\$ 35,516
Interest on Net OPEB Obligation	25,801
Adjustment to Annual Required Contribution	(107,467)
Annual OPEB Cost (Expense)	(46,150)
Employer Contributions Made	(38,712)
Increase (Decrease) in Net OPEB Obligation	(84,862)
Net OPEB Obligation - Beginning of Year	645,021
Net OPEB Obligation - End of Year	\$ 560,159

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ (46,150)	\$ 38,712	-83.9%	\$560,159
12/31/2014	(57,989)	35,516	-61.2	645,021
12/31/2013	228,012	114,289	50.1	738,526

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$150,160, or 0.7% of covered payroll in the amount of \$21,605,222.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of 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, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 9.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2023. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2015 was 6 years.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County purchases insurance from Wisconsin County Municipal Insurance Corporation (WCMIC) to provide coverage for losses for torts and errors and omissions. Summary financial information of WCMIC as of December 31, 2015 can be obtained directly from WCMIC's offices. The County's deductible is \$50,000 per occurrence and \$150,000 in the aggregate. It purchases coverage from the Local Government Property Insurance Fund for theft and property damage. Settled claims have not exceeded the coverage in any of the past three years, nor were there significant reductions in coverage compared to the prior year. The risks related to workers compensation and health insurance are accounted for and financed by the County in the worker compensation and health insurance internal service funds.

Self Insurance

For workers compensation claims, the uninsured risk of loss is \$250,000 per incident and \$500,000 in the aggregate for a policy year. The County has purchased coverage from WCMIC for claims in excess of these amounts. Settled claims have not exceeded this coverage in any of the past three years.

For health insurance claims, the uninsured risk of loss is \$9,447,520 in the aggregate for a policy year. The County has purchased commercial coverage for claims in excess of this amount. Settled claims have not exceeded this coverage in any of the past three years.

All funds participate in the risk management program. Amounts payable to the workers compensation fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. Amounts payable to the health insurance fund are determined by the County's third party administrator.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Claims Liability

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

	Workers Compensation		Health Insurance	
	2015	2014	2015	2014
Estimated Claims Outstanding January 1	\$ 320,320	\$ 189,525	\$ 475,760	\$ 693,248
Current Year Claims and Changes	470,691	310,832	6,989,821	7,235,144
Claim Payments	(483,054)	(180,037)	(7,012,087)	(7,452,632)
Estimated Claims Outstanding Dec. 31	<u>\$ 307,957</u>	<u>\$ 320,320</u>	<u>\$ 453,494</u>	<u>\$ 475,760</u>

D. Commitments and 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.

Grants. The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowances, if any, would be immaterial.

E. Change in Accounting Principle

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

	Governmental Activities	Business-Type Activities	The Neighbors of Dunn County	Highway Department	Transit Commission
Net Position, December 31, 2014, as Previously Reported	\$ 101,186,150	\$ 893,284	\$ (3,972,211)	\$ 9,910,817	\$ 481,625
Cumulative Affect of Application of GASB 68, Net Pension Liability (Asset)	3,877,826	2,311,800	1,381,679	913,018	17,103
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for County Contributions Made to the Plan During Fiscal Year Ending December 31, 2014	897,910	535,296	319,927	211,409	3,960
Restated	<u>\$ 105,961,886</u>	<u>\$ 3,740,380</u>	<u>\$ (2,270,605)</u>	<u>\$ 11,035,244</u>	<u>\$ 502,688</u>

REQUIRED SUPPLEMENTARY INFORMATION

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
TAXES				
General Property Taxes	\$ 8,962,337	\$ 8,962,337	\$ 9,116,153	\$ 153,816
Forest Cropland Taxes	23,300	23,300	24,369	1,069
Sales and Use Taxes	2,582,000	2,582,000	2,814,893	232,893
Penalty for Land Use Change	500	500	3,189	2,689
Interest and Penalties on Taxes	374,000	374,000	374,912	912
Total Taxes	<u>11,942,137</u>	<u>11,942,137</u>	<u>12,333,516</u>	<u>391,379</u>
INTERGOVERNMENTAL REVENUES				
Shared Revenue from State	2,309,103	2,309,103	2,339,483	30,380
Tax Exempt Computers	65,000	65,000	45,117	(19,883)
State Court Grants	218,564	227,564	271,544	43,980
Law Enforcement Grants	135,412	144,372	137,774	(6,598)
Victim Witness Grants	84,344	84,344	90,310	5,966
Emergency Government	67,500	67,500	171,443	103,943
Wisconsin Fund Private Sewage Grant	10,000	10,000	-	(10,000)
Health Grants	346,052	346,052	306,555	(39,497)
Child Support	530,824	530,824	538,982	8,158
Veterans Service Officer	10,850	10,850	11,463	613
Indirect Cost Reimbursement	46,000	46,000	-	(46,000)
Snowmobile Trails	72,675	72,675	55,098	(17,577)
District Fair Grants	5,000	5,000	6,024	1,024
Forest Crop	22,500	22,500	22,624	124
WI Farmers Fund	100,000	100,000	90,254	(9,746)
Soil and Water Resource Grants	219,847	219,847	182,293	(37,554)
Farm Security and Rural Investment	30,000	30,000	12,456	(17,544)
Wildlife Damage Abatement	40,000	40,000	15,561	(24,439)
Fish and Game Grants	2,325	2,325	1,294	(1,031)
DNR Lakes Management	-	19,894	1,376	(18,518)
DNR Payments in Lieu of Taxes	38,500	38,500	41,124	2,624
Total Intergovernmental Revenues	<u>4,354,496</u>	<u>4,392,350</u>	<u>4,340,775</u>	<u>(51,575)</u>
LICENSES AND PERMITS				
Zoning Permits and Fees	23,120	23,120	55,650	32,530
Fire Number Fees	5,000	5,000	4,570	(430)
Stormwater Review Fees	600	600	-	(600)
Sanitary Permits	42,900	42,900	-	(42,900)
Nonmetallic Mining Fees	16,000	16,000	14,676	(1,324)
Total Licenses and Permits	<u>87,620</u>	<u>87,620</u>	<u>74,896</u>	<u>(12,724)</u>

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES (CONTINUED)				
FINES AND FORFEITURES				
County Ordinance Forfeitures	\$ 93,000	\$ 93,000	\$ 90,186	\$ (2,814)
County Share State Fines and Forfeitures	130,000	130,000	137,270	7,270
Total Fines and Forfeitures	<u>223,000</u>	<u>223,000</u>	<u>227,456</u>	<u>4,456</u>
PUBLIC CHARGES FOR SERVICES				
Probate Fees	12,000	12,000	18,833	6,833
District Attorney Charges	6,000	6,000	23,607	17,607
Clerk Fees	5,625	5,625	7,798	2,173
Court Fees and Costs	10,000	10,000	9,722	(278)
Guardian Ad Litem Fees	55,000	55,000	58,451	3,451
Family Mediation Fees	8,000	8,000	9,160	1,160
Other Court Fees	195,000	195,000	208,560	13,560
Medical Examiner	18,000	18,000	24,890	6,890
Land Information	65,936	65,936	52,170	(13,766)
Law Enforcement Fees	112,800	112,800	73,711	(39,089)
Emergency Management	-	178,860	75,969	(102,891)
Board of Prisoners	264,000	264,000	317,267	53,267
Inmate Revenue	84,000	84,000	111,210	27,210
Child Support	5,000	5,000	5,401	401
Public Health	434,639	434,639	368,449	(66,190)
Home Health	644,874	644,874	589,469	(55,405)
Veteran's	1,300	1,300	3,360	2,060
UW Extension	7,403	9,403	23,188	13,785
Fair Revenues	91,800	91,800	90,242	(1,558)
Snowmobile Association Loan Repayment	20,000	20,000	-	(20,000)
In Rem Revenue	15,000	15,000	-	(15,000)
Total Public Charges and Services	<u>2,056,377</u>	<u>2,237,237</u>	<u>2,071,457</u>	<u>(165,780)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
IT Support	46,556	46,556	33,822	(12,734)
Tax Collection Fees	8,600	8,600	17,381	8,781
Data Processing Fees	-	-	2,190	2,190
Total Intergovernmental Charges for Services	<u>55,156</u>	<u>55,156</u>	<u>53,393</u>	<u>(1,763)</u>

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
INVESTMENT INCOME				
Interest on Investments	\$ 48,900	\$ 48,900	\$ 12,431	\$ (36,469)
MISCELLANEOUS REVENUES				
Rent	325,903	325,903	311,690	(14,213)
Property Sales	30,000	30,000	361,972	331,972
Insurance Recoveries	40,000	40,000	30,125	(9,875)
Donations	20,000	20,800	24,266	3,466
Gain/Loss on Sale of Tax Deeds	-	-	14,362	14,362
Miscellaneous Revenues	335,000	338,000	365,932	27,932
Total Miscellaneous Revenues	<u>750,903</u>	<u>754,703</u>	<u>1,108,347</u>	<u>353,644</u>
Total Revenues	<u>19,518,589</u>	<u>19,741,103</u>	<u>20,222,271</u>	<u>481,168</u>
EXPENDITURES				
GENERAL GOVERNMENT				
County Board	54,458	54,458	53,788	670
Boards and Commissions	85,890	85,890	68,536	17,354
Circuit Court Judge	481,982	481,982	522,236	(40,254)
Circuit Court Clerk	900,943	900,943	840,518	60,425
Corporation Counsel	338,021	338,021	305,704	32,317
District Attorney	451,663	451,663	450,005	1,658
County Manager	3,813,342	4,047,460	3,653,107	394,353
County Clerk	237,611	237,611	192,267	45,344
Treasurer	175,809	175,809	173,934	1,875
Register of Deeds	245,693	341,991	233,986	108,005
Total General Government	<u>6,785,412</u>	<u>7,115,828</u>	<u>6,494,081</u>	<u>621,747</u>
PUBLIC SAFETY				
Sheriff	6,337,327	6,413,244	6,134,952	278,292
Medical Examiner	92,465	92,465	109,308	(16,843)
Emergency Management	143,995	322,855	261,768	61,087
Emergency Communication	1,116,656	1,265,939	949,879	316,060
Total Public Safety	<u>7,690,443</u>	<u>8,094,503</u>	<u>7,455,907</u>	<u>638,596</u>

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
EXPENDITURES (CONTINUED)				
HEALTH AND HUMAN SERVICES				
Health	\$ 1,385,805	\$ 1,466,304	\$ 1,229,986	\$ 236,318
Home Care	663,874	663,874	609,753	54,121
Child Support	606,005	606,005	575,917	30,088
Veteran Service	198,780	200,728	192,575	8,153
Total Health and Human Services	<u>2,854,464</u>	<u>2,936,911</u>	<u>2,608,231</u>	<u>328,680</u>
CULTURE, EDUCATION, AND RECREATION				
Fair Board	210,639	210,639	171,559	39,080
U.W. Extensions	286,921	321,141	301,949	19,192
Outside Organization	188,650	188,650	188,591	59
Library	759,442	759,442	759,441	1
Auditorium, Convention	8,000	8,000	8,000	-
Total Culture, Education, and Recreation	<u>1,453,652</u>	<u>1,487,872</u>	<u>1,429,540</u>	<u>58,332</u>
CONSERVATION AND DEVELOPMENT				
Planning Resources and Development	<u>1,669,420</u>	<u>1,757,363</u>	<u>1,521,656</u>	<u>235,707</u>
Total Expenditures	<u>20,453,391</u>	<u>21,392,477</u>	<u>19,509,415</u>	<u>1,883,062</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(934,802)	(1,651,374)	712,856	2,364,230
OTHER FINANCING SOURCES AND USES				
Transfers In	500,000	500,000	500,000	-
Transfers Out	-	(140,350)	(895,083)	(754,733)
Total Other Financing Sources and Uses	<u>500,000</u>	<u>359,650</u>	<u>(395,083)</u>	<u>(754,733)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (434,802)</u>	<u>\$ (1,291,724)</u>	317,773	<u>\$ 1,609,497</u>
Fund Balance - Beginning of Year			<u>16,805,765</u>	
FUND BALANCE - END OF YEAR			<u>\$ 17,123,538</u>	

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – HUMAN SERVICES FUND
YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,948,151	\$ 2,948,151	\$ 2,948,151	\$ -
Intergovernmental Revenues	4,888,258	5,688,273	4,923,708	(764,565)
Public Charges for Services	812,541	907,751	879,538	(28,213)
Total Revenues	<u>8,648,950</u>	<u>9,544,175</u>	<u>8,751,397</u>	<u>(792,778)</u>
EXPENDITURES				
Health and Human Services	<u>8,664,970</u>	<u>9,908,590</u>	<u>9,518,265</u>	<u>390,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,020)	(364,415)	(766,868)	(402,453)
OTHER FINANCING SOURCES (USES):				
Transfers In	16,020	364,415	862,839	498,424
Transfers Out	-	-	(95,971)	(95,971)
Total Other Financing Sources (Uses)	<u>16,020</u>	<u>364,415</u>	<u>766,868</u>	<u>402,453</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 Required Supplementary Information are an integral part of this schedule.

DUNN COUNTY, WISCONSIN
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2014**	\$ -	\$ 150,160	\$ 150,160	0.0%	\$21,605,222	0.7%
1/1/2012	-	2,207,376	2,207,376	0.0	21,217,170	10.4
1/1/2011	-	1,693,576	1,693,576	0.0	21,515,681	7.9

**There were significant plan provisions since the last valuation date of 1/1/2012. Beginning January 1, 2015, the County no longer provides retiree health benefits for those retiring on or after January 1, 2015. They will be allowed to continue coverage with the County's plan through COBRA. Current retirees will be allowed to remain on the plan until they reach the age of 65. The County is not providing subsidies to participants impacted by this change.

**DUNN COUNTY, WISCONSIN
 SCHEDULE OF PROPORTIONATE SHARE OF
 WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN ASSET
 LAST TEN FISCAL YEARS***

	2015
County's proportion of the net pension liability (asset)	0.15155089%
County's proportionate share of the net pension liability (asset)	\$ (3,722,504)
County's covered-employee payroll	\$ 19,744,668
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-18.85%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

*This schedule is presented prospectively from implementation.

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

	2015
Contractually Required Contribution	\$ 1,498,650
Contributions in Relation to the Contractually Required Contributions	(1,498,650)
Contribution Deficiency (Excess)	\$ -
 County's Covered-Employee Payroll	 \$ 21,336,514
 Contributions as a Percentage of Covered Employee Payroll	 7.02%

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.

*This schedule is presented prospectively from implementation

**DUNN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

BUDGETARY INFORMATION

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

The County's annual operating budget is adopted in accordance with Chapter 65 of the Wisconsin Statutes and on a basis consistent with generally accepted accounting principles. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. The County's legal budget is adopted at the major function level in the general fund (i.e., general government) and at the fund level in all other funds. The County exercises budgetary expenditure control at the department level.

Budget amounts in the financial statements include both 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.

Expenditures exceeded annual final budgets as follows:

	Final Budget	Actual	Variance
	<u> </u>	<u> </u>	<u> </u>
General Government			
Circuit Court Judge	\$ 481,982	\$ 522,236	\$ (40,254)
Public Safety			
Medical Examiner	92,465	109,308	(16,843)

COMBINING AND INDIVIDUAL FUND STATEMENTS

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 71,607	\$ 1,182,016	\$ 96,483	\$ 1,350,106
Taxes Receivable	-	8,000	-	8,000
Accounts Receivable	6,566	150,121	-	156,687
Loans Receivable	-	-	885,513	885,513
Due from Other Governments	-	45,044	-	45,044
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 78,173</u>	<u>\$ 1,385,181</u>	<u>\$ 981,996</u>	<u>\$ 2,445,350</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 196,614	\$ 24,664	\$ 221,278
Accrued Liabilities	-	6,336	-	6,336
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	202,950	24,664	227,614
Deferred Inflows of Resources:				
Subsequent Year's Property Taxes	-	8,000	-	8,000
Unavailable Loans Receivable	-	-	885,513	885,513
Total Deferred Inflows of Resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	8,000	885,513	893,513
Fund Balances:				
Restricted	-	-	71,819	71,819
Committed	78,173	1,174,231	-	1,252,404
Total Fund Balances	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	78,173	1,174,231	71,819	1,324,223
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 78,173</u>	<u>\$ 1,385,181</u>	<u>\$ 981,996</u>	<u>\$ 2,445,350</u>

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

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 8,000	\$ -	\$ 8,000
Intergovernmental Revenues	-	172,148	-	172,148
Fines and Forfeits	74,936	-	-	74,936
Public Charges for Services	-	1,699,929	-	1,699,929
Intergovernmental Charges for Services	-	500,485	-	500,485
Miscellaneous:				
Interest Income	-	-	25	25
Loan Repayments	-	-	37,421	37,421
Other Revenues	-	176,976	-	176,976
Total Revenues	<u>74,936</u>	<u>2,557,538</u>	<u>37,446</u>	<u>2,669,920</u>
EXPENDITURES				
Current:				
Public Safety	88,014	-	-	88,014
Public Works	-	2,584,344	-	2,584,344
Conservation and Development	-	-	74,122	74,122
Total Expenditures	<u>88,014</u>	<u>2,584,344</u>	<u>74,122</u>	<u>2,746,480</u>
NET CHANGE IN FUND BALANCES	(13,078)	(26,806)	(36,676)	(76,560)
Fund Balances - Beginning of Year	<u>91,251</u>	<u>1,201,037</u>	<u>108,495</u>	<u>1,400,783</u>
FUND BALANCES - END OF YEAR	<u>\$ 78,173</u>	<u>\$ 1,174,231</u>	<u>\$ 71,819</u>	<u>\$ 1,324,223</u>

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

	Workers Compensation Fund	Health Insurance Fund	Totals
ASSETS			
Cash and Investments	\$ 2,237,952	\$ 3,180,347	\$ 5,418,299
Accounts Receivable	-	120,330	120,330
Total Assets	2,237,952	3,300,677	5,538,629
LIABILITIES			
Accounts Payable	-	2,545	2,545
Accrued Liabilities	307,957	453,494	761,451
Total Liabilities	307,957	456,039	763,996
NET POSITION - UNRESTRICTED	\$ 1,929,995	\$ 2,844,638	\$ 4,774,633

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

	Workers Compensation Fund	Health Insurance Fund	Totals
OPERATING REVENUES			
Charges to County Departments	\$ 713,658	\$ 8,016,441	\$ 8,730,099
OPERATING EXPENSES			
Administration	3,500	1,008,092	1,011,592
Benefit Payments	467,191	5,981,729	6,448,920
Total Operating Expenses	470,691	6,989,821	7,460,512
OPERATING INCOME (LOSS)	242,967	1,026,620	1,269,587
NONOPERATING REVENUES			
Investment Income	2,903	6,692	9,595
INCOME (LOSS) BEFORE TRANSFERS	245,870	1,033,312	1,279,182
Transfers Out	(200,000)	(300,000)	(500,000)
CHANGE IN NET POSITION	45,870	733,312	779,182
Net Position - Beginning of Year	1,884,125	2,111,326	3,995,451
NET POSITION - END OF YEAR	<u>\$ 1,929,995</u>	<u>\$ 2,844,638</u>	<u>\$ 4,774,633</u>

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

	Workers Compensation	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from County Departments	\$ 713,658	\$ 8,049,370	\$ 8,763,028
Cash Paid to Employees for Insurance Claims	(483,054)	(1,027,813)	(1,510,867)
Cash Paid to Third Party Administrator	-	(5,981,729)	(5,981,729)
Net Cash Provided by (Used for) Operating Activities	<u>230,604</u>	<u>1,039,828</u>	<u>1,270,432</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Noncash Equivalent Certificates of Deposit Matured	-	600,137	600,137
Noncash Equivalent Certificates of Deposits Purchased	-	(1,275,079)	(1,275,079)
Investment Income	2,903	6,692	9,595
Net Cash Provided by (Used for) Investing Activities	<u>2,903</u>	<u>(668,250)</u>	<u>(665,347)</u>
NET CHANGE IN CASH AND CASH AND CASH EQUIVALENTS	33,507	71,578	105,085
Cash and Cash Equivalents - Beginning of Year	<u>2,204,445</u>	<u>1,615,095</u>	<u>3,819,540</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,237,952</u>	<u>\$ 1,686,673</u>	<u>\$ 3,924,625</u>
Cash and Investments per Statement of Net Position	\$ 2,237,952	\$ 3,180,347	\$ 5,418,299
Noncash Equivalents	-	(1,493,674)	(1,493,674)
Cash and Cash Equivalents	<u>\$ 2,237,952</u>	<u>\$ 1,686,673</u>	<u>\$ 3,924,625</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 242,967	\$ 1,026,620	\$ 1,269,587
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
(Increase) Decrease in Assets:			
Change in Receivables	-	32,929	32,929
Increase (Decrease) in Liabilities:			
Change in Accrued Liabilities	<u>(12,363)</u>	<u>(22,266)</u>	<u>(34,629)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 230,604</u>	<u>\$ 1,039,828</u>	<u>\$ 1,270,432</u>

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2015**

	Tax Collections	Treasurer	Clerk of Courts	Sheriff	UW Extension	District Attorney	Totals
ASSETS							
Cash and Investments	\$ 3,193,211	\$ 54,270	\$ 362,411	\$ 38,245	\$ 1,400	\$ 12,300	\$ 3,661,837
Taxes Receivable	477,175	-	-	-	-	-	477,175
Due from Other Governments	-	143,430	-	-	-	-	143,430
Other Receivables	-	7	-	-	-	-	7
Total Assets	<u>\$ 3,670,386</u>	<u>\$ 197,707</u>	<u>\$ 362,411</u>	<u>\$ 38,245</u>	<u>\$ 1,400</u>	<u>\$ 12,300</u>	<u>\$ 4,282,449</u>
LIABILITIES							
Accounts Payable	\$ -	\$ 177,911	\$ -	\$ -	\$ -	\$ -	\$ 177,911
Deposits Payable	-	2,705	157,830	38,245	1,400	12,300	212,480
Due to Other Governments	3,670,386	17,091	204,581	-	-	-	3,892,058
Total Liabilities	<u>\$ 3,670,386</u>	<u>\$ 197,707</u>	<u>\$ 362,411</u>	<u>\$ 38,245</u>	<u>\$ 1,400</u>	<u>\$ 12,300</u>	<u>\$ 4,282,449</u>