

DUNN COUNTY, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

**DUNN COUNTY, WISCONSIN
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YEAR ENDED DECEMBER 31, 2017**

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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, 2017, 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, 2017, 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.

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.

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.

County Board
Dunn County, Wisconsin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2018 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 solely 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 effectiveness of 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 26, 2018

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, 2017

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, 2017 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, 2017, the assets and deferred outflows of resources of Dunn County exceeded its liabilities and deferred inflows of resources by \$108,895,753 (total net position). Of this amount \$23,047,386 (unrestricted net position) or 21.2% of the total, may be used to meet the County's ongoing obligations to citizen's and creditors.
- Dunn County's total net position decreased \$3,322,625 in 2017.
- At the close of the fiscal year, Dunn County governmental funds reported ending fund balances of \$18,131,496, a decrease of \$2,567,481 from the prior year. Approximately 50.1% of this total amount, or \$9,077,777, 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 \$9,077,777. This is 44.3% of the total general fund expenditures for the fiscal year.
- Dunn County's total outstanding debt for the year ended December 31, 2017 was \$35,495,000. All of the debt is general obligation debt which is 23.4% of the County's overall debt limit of \$151,703,720. This leaves an unused debt limit of \$116,208,720.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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 and deferred outflows of resources, less 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, 2017**

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, 2017**

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 \$108,895,753 as of December 31, 2017.

**Condensed Statement of Net Position
December 31, 2017 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 39,616,920	\$ 40,504,089	\$ 11,129,684	\$ 12,546,138	\$ 50,746,604	\$ 53,050,227
Capital Assets	93,806,476	94,844,410	27,253,823	27,571,402	121,060,299	122,415,812
Internal Balances	12,712,205	11,879,840	(12,712,205)	(11,879,840)	-	-
Total Assets	<u>146,135,601</u>	<u>147,228,339</u>	<u>25,671,302</u>	<u>28,237,700</u>	<u>171,806,903</u>	<u>175,466,039</u>
Deferred Outflows of Resources	<u>5,921,732</u>	<u>8,635,680</u>	<u>3,789,611</u>	<u>5,186,986</u>	<u>9,711,343</u>	<u>13,822,666</u>
Noncurrent Liabilities Outstanding	17,179,942	18,773,146	19,058,943	20,172,483	36,238,885	38,945,629
Other Liabilities	6,961,046	7,053,343	3,868,437	4,291,967	10,829,483	11,345,310
Total Liabilities	<u>24,140,988</u>	<u>25,826,489</u>	<u>22,927,380</u>	<u>24,464,450</u>	<u>47,068,368</u>	<u>50,290,939</u>
Deferred Inflows of Resources	<u>19,266,986</u>	<u>18,073,300</u>	<u>6,287,139</u>	<u>8,706,088</u>	<u>25,554,125</u>	<u>26,779,388</u>
Net Investment in Capital Assets	76,947,902	77,893,995	7,943,542	7,242,115	84,891,444	85,136,110
Restricted	900,867	912,166	56,056	56,056	956,923	968,222
Unrestricted	30,800,590	33,158,069	(7,753,204)	(7,044,023)	23,047,386	26,114,046
Total Net Position	<u>\$ 108,649,359</u>	<u>\$ 111,964,230</u>	<u>\$ 246,394</u>	<u>\$ 254,148</u>	<u>\$108,895,753</u>	<u>\$ 112,218,378</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

\$84,891,444 (78.0%) 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, 2017. In 2016 the percentage was 75.9%. 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.

\$23,047,386 (21.2%) of net position was unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. At December 31, 2016 unrestricted net position was \$26,114,046 (23.3%).

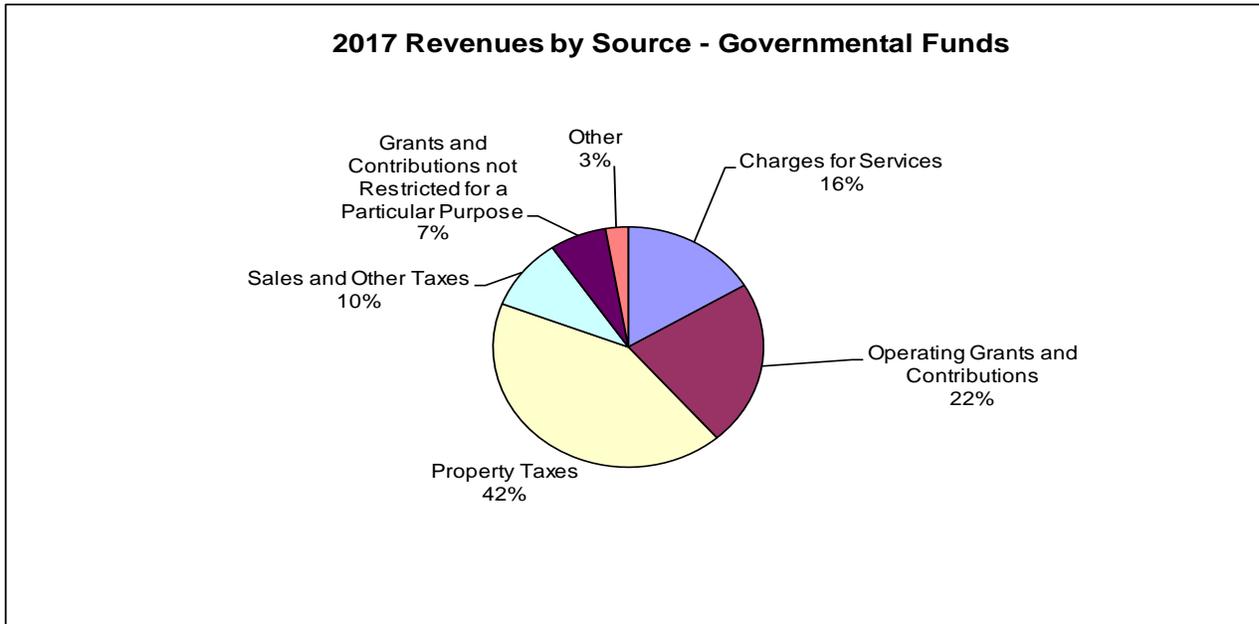
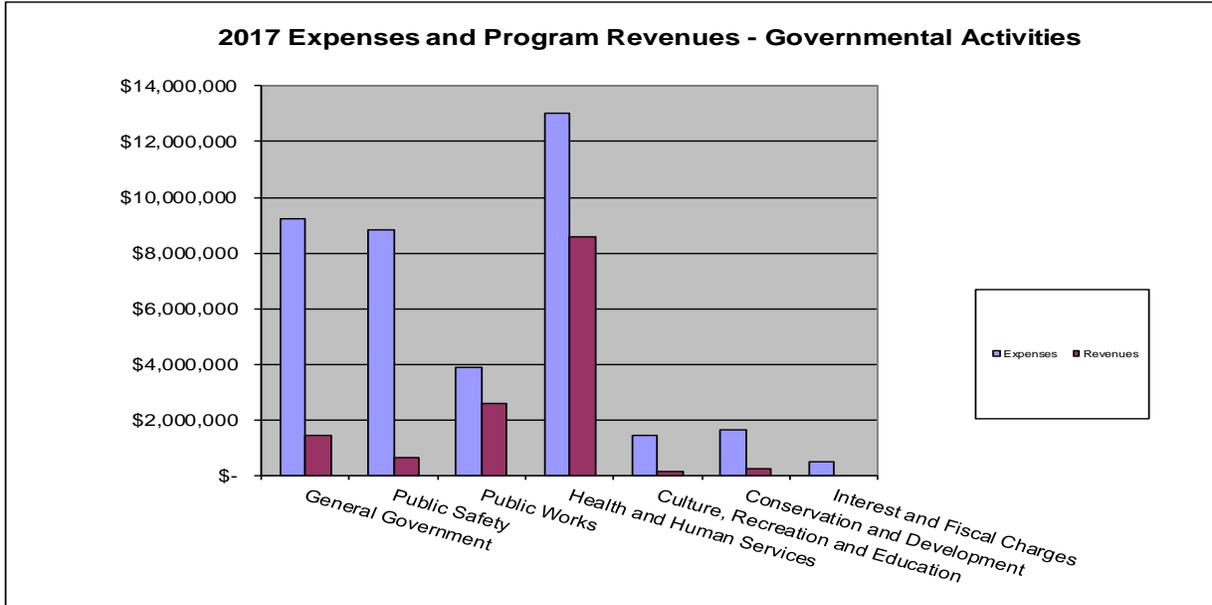
At the end of the current fiscal year, Dunn County is able to report positive balances in all categories of net position except for unrestricted net position of the business-type activities.

**Condensed Statement of Activities
Year Ended December 31, 2017 and 2016**

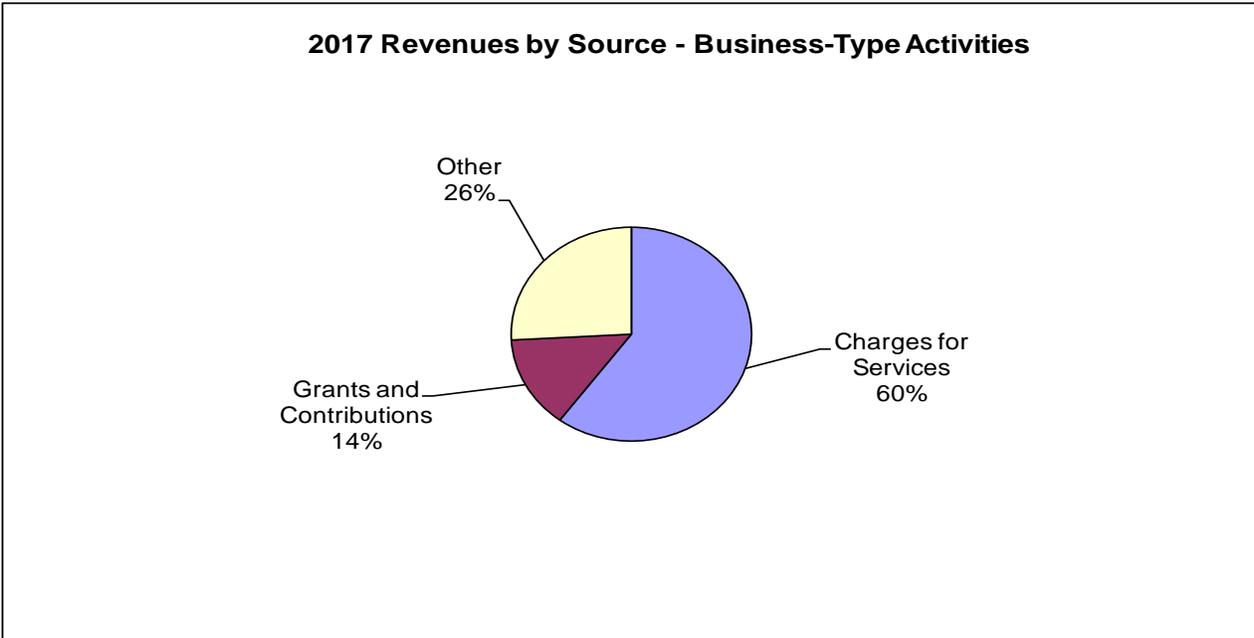
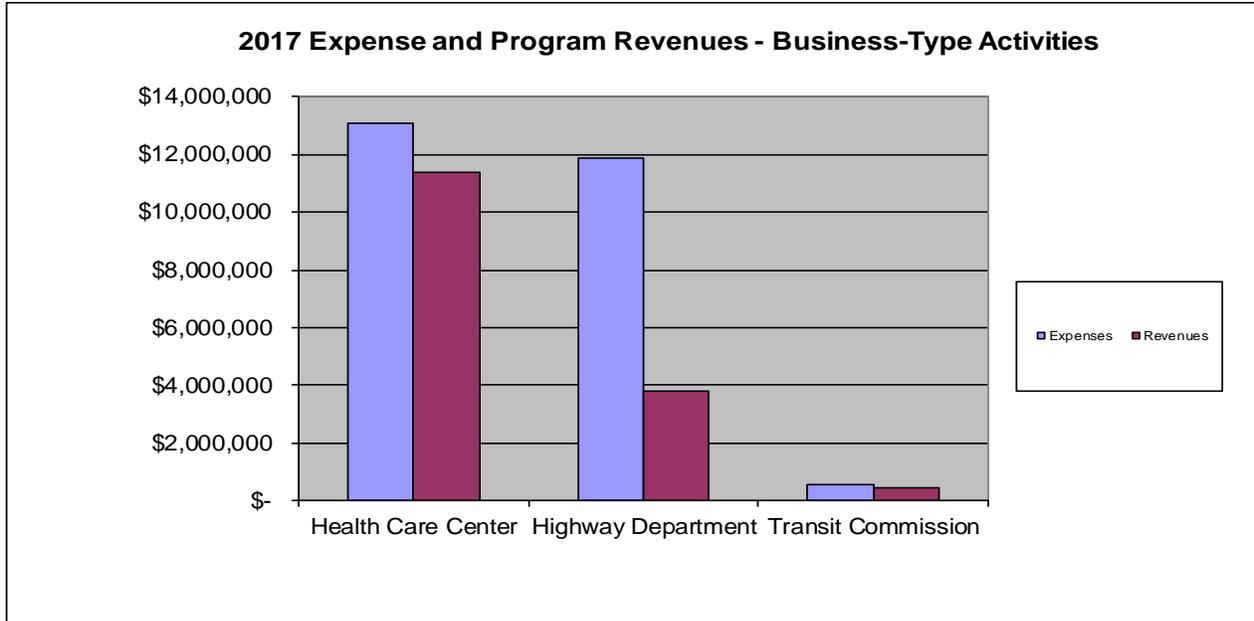
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,779,720	\$ 5,970,932	\$ 15,373,005	\$ 15,363,427	\$ 21,152,725	\$ 21,334,359
Operating Grants and Contributions	7,816,461	7,332,696	274,582	314,391	8,091,043	7,647,087
Capital Grants and Contributions	-	7,255	-	485,658	-	492,913
General Revenues:						
Property Taxes	12,606,994	11,960,582	6,755,432	6,820,318	19,362,426	18,780,900
Other Taxes	5,650,313	5,373,510	-	-	5,650,313	5,373,510
State and Federal Aids not Restricted to Specific Programs	2,390,083	2,394,501	3,297,521	2,631,919	5,687,604	5,026,420
Unrestricted Investment Earnings	170,002	112,537	871	124	170,873	112,661
Other	515,916	445,345	124,524	101,397	640,440	546,742
Total Revenues	<u>34,929,489</u>	<u>33,597,358</u>	<u>25,825,935</u>	<u>25,717,234</u>	<u>60,755,424</u>	<u>59,314,592</u>
Expenses:						
General Government	9,242,589	6,047,346	-	-	9,242,589	6,047,346
Public Safety	8,819,667	7,651,035	-	-	8,819,667	7,651,035
Public Works	3,901,150	4,119,040	-	-	3,901,150	4,119,040
Health and Human Services	13,021,657	11,492,828	-	-	13,021,657	11,492,828
Culture, Recreation and Education	1,431,912	1,421,167	-	-	1,431,912	1,421,167
Conservation and Development	1,616,038	1,615,167	-	-	1,616,038	1,615,167
Interest and Fiscal Charges	479,256	525,045	-	-	479,256	525,045
Health Care Center	-	-	13,109,386	14,227,611	13,109,386	14,227,611
Highway	-	-	11,904,934	11,354,334	11,904,934	11,354,334
Transit Commission	-	-	551,460	660,149	551,460	660,149
Total Expenses	<u>38,512,269</u>	<u>32,871,628</u>	<u>25,565,780</u>	<u>26,242,094</u>	<u>64,078,049</u>	<u>59,113,722</u>
Change in Net Position Before Transfers	(3,582,780)	725,614	260,155	(524,860)	(3,322,625)	200,754
Transfers	267,909	1,502,669	(267,909)	(1,502,669)	-	-
Change in Net Position	(3,314,871)	2,228,283	(7,754)	(2,027,529)	(3,322,625)	200,754
Net Position - Beginning of Year	111,964,230	109,735,947	254,148	2,281,677	112,218,378	112,017,624
Net Position - End of Year	<u>\$ 108,649,359</u>	<u>\$ 111,964,230</u>	<u>\$ 246,394</u>	<u>\$ 254,148</u>	<u>\$ 108,895,753</u>	<u>\$ 112,218,378</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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 (42%) and operating grants/contributions (22%).



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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, 2017, the County's governmental funds reported combined ending fund balance of \$18,131,496 (\$20,698,977 in 2016), a decrease of \$2,567,481 in comparison with the prior year (\$957,567 decrease in 2016). Of the combined ending fund balances, \$9,077,777 or 50.1% constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance, \$9,053,719 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 \$9,077,777, while total fund balance reached \$16,727,990 (\$17,337,932 for 2016).

During the current year, the County's general fund balance decreased by \$609,942 (\$214,394 increase in 2016). Key factors in this increase include:

- The County's final budget applied \$606,019 of fund balance towards 2017 expenditures.
- Actual general fund expenditures and other financing uses were \$224,855 more than planned, while the revenues and other financing sources were \$10,179 less 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 2017, after a \$500,776 transfer from the general fund, based on County policy to close out any human services fund balance or deficit at year end.

The debt service fund ended the year with a fund balance of \$66,036.

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, 2017 was \$405,876.

The other governmental funds had fund balances of \$931,594 which is a decrease of \$362,024 from the prior year.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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 2017 totaled \$8,094,563, up \$206,617 from the previous year.

The Neighbors of Dunn County had a decrease in net position of \$500,228.

The highway department had an increase in net position of \$732,846.

The transit commission had a decrease in net position of \$26,001.

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 2017. Net position of the funds at year end and changes thereto during the year were as follows:

	Net Position at 12/31/17	Change During Year
Worker's Compensation Fund	\$ 2,046,394	\$ 28,123
Health Insurance Fund	3,006,520	(580,700)

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, 2017**

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 \$27,311, which consisted of increases in grants expenses and fund balance applied for projects not completed in 2016.

During the year, actual general fund revenues and other financing sources excluding fund balance applied was under budget by \$10,179 and actual general fund expenditures and other financing uses were \$224,855 over budget.

The main expenditure budget variances included (all over budget): sheriff \$182,524, health and human services functions within the general fund (including the health department, child support, and veteran services) \$120,775, planning resources and development \$241,862 and the transfer out to the Human Services fund of \$500,776.

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, 2017 and 2016 was \$121,060,299 and \$122,415,812, respectively, (net of accumulated depreciation) as shown below:

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 3,164,359	\$ 2,956,950	\$ 418,120	\$ 418,120	\$ 3,582,479	\$ 3,375,070
Construction in Progress	1,300,568	4,745,512	-	-	1,300,568	4,745,512
Land Improvements	-	-	911,171	723,563	911,171	723,563
Buildings	21,543,190	22,207,661	19,816,576	20,458,959	41,359,766	42,666,620
Machinery and Shop Equipment	4,333,536	4,282,003	6,107,956	5,970,760	10,441,492	10,252,763
Roads	54,479,452	51,396,893	-	-	54,479,452	51,396,893
Bridges	8,985,371	9,255,391	-	-	8,985,371	9,255,391
Capital Assets, Net of Accumulated Depreciation	<u>\$ 93,806,476</u>	<u>\$ 94,844,410</u>	<u>\$27,253,823</u>	<u>\$27,571,402</u>	<u>\$121,060,299</u>	<u>\$ 122,415,812</u>

Major Capital Asset Events

Governmental Activities

- Fiscal year 2017 road and bridge projects.

Business-Type Activities

- Highway machinery and equipment.

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

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

Long-Term Obligations

At December 31, 2017, Dunn County had outstanding \$35,495,000 of long-term debt. A summary detail of this amount is shown below:

	Outstanding Debt at Year-End		Interest Rates	Original Indebtedness	Balance 12/31/17
	Date of Issue	Final Maturity			
General Obligation Debt					
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	8,485,000
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	18,495,000
Total General Obligation Debt					<u>\$ 35,495,000</u>

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 \$151,703,720, which is significantly in excess of the County's \$35,495,000 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, 2017**

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 2017 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 \$122,727,700 or 4.2% as compared to the State which experienced an overall positive growth of \$20,860,217,600 or 4.1% from 2016 to 2017. The following presents comparables with neighboring counties:

County	2016 Equalized Value	2017 Equalized Value	Percent Change
Barron	\$ 3,967,773,800	\$ 4,104,693,800	3.5%
Chippewa	5,147,835,300	5,328,054,600	3.5%
<u>Dunn</u>	<u>2,911,346,700</u>	<u>3,034,074,400</u>	<u>4.2%</u>
Eau Claire	7,850,311,700	8,295,565,000	5.7%
Pepin	596,779,500	616,444,700	3.3%
Pierce	3,092,942,200	3,271,381,300	5.8%
St. Croix	8,592,656,500	9,195,173,600	7.0%

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 2019 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 2019 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 15, 2017, the Dunn County Board of Supervisors adopted a fiscal year 2018 expenditure budget in the amount of \$79,962,438 and revenue budget of \$80,031,024.
- On November 15, 2017, the Dunn County Board of Supervisors adopted an overall county tax levy of \$21,618,214. Included in this amount was an operating levy of \$18,741,202, an increase of \$194,345 over the preceding year.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2017**

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:

Paul Miller
County Manager

Keith Strey, CPA
Chief Financial Officer / County Auditor

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 18,298,419	\$ 2,803,000	\$ 21,101,419	\$ 70,936
Accounts Receivable (net)	733,314	971,760	1,705,074	1,621
Accrued Interest	65,753	-	65,753	-
Taxes Receivable	16,867,870	4,751,209	21,619,079	-
Delinquent Taxes Receivable	1,012,145	-	1,012,145	-
Loans Receivables	907,122	-	907,122	-
Internal Balances	12,712,205	(12,712,205)	-	-
Due From Other Governments	1,732,297	881,277	2,613,574	-
Inventory	-	1,648,039	1,648,039	-
Prepaid Items	-	5,115	5,115	-
Restricted Assets:				
Cash and Investments	-	69,284	69,284	25,446
Capital Assets:				
Land	3,164,359	418,120	3,582,479	-
Construction in Progress	1,300,568	-	1,300,568	-
Other Capital Assets, Net of Depreciation	89,341,549	26,835,703	116,177,252	-
Total Assets	<u>146,135,601</u>	<u>25,671,302</u>	<u>171,806,903</u>	<u>98,003</u>
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System Pension Related	5,921,732	3,789,611	9,711,343	-
LIABILITIES				
Accounts Payable	1,847,935	517,896	2,365,831	762
Accrued Liabilities	1,387,976	402,088	1,790,064	-
Accrued Interest Payable	115,221	175,050	290,271	-
Unearned Revenue	-	297,590	297,590	-
Deposits	79,565	-	79,565	-
Patient Trust Funds Payable	-	13,228	13,228	-
Noncurrent Liabilities:				
Wisconsin Retirement System Net Pension Liability	763,162	488,384	1,251,546	-
Other Postemployment Benefits Liability	258,735	113,680	372,415	-
Amounts Due Within One Year	2,508,452	1,860,521	4,368,973	-
Amounts Due in More Than One Year	17,179,942	19,058,943	36,238,885	23,315
Total Liabilities	<u>24,140,988</u>	<u>22,927,380</u>	<u>47,068,368</u>	<u>24,077</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	16,866,906	4,751,209	21,618,115	-
Wisconsin Retirement System Pension Related	2,400,080	1,535,930	3,936,010	-
Total Deferred Inflows of Resources	<u>19,266,986</u>	<u>6,287,139</u>	<u>25,554,125</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	76,947,902	7,943,542	84,891,444	-
Restricted	900,867	56,056	956,923	2,131
Unrestricted	30,800,590	(7,753,204)	23,047,386	71,795
Total Net Position	<u>\$ 108,649,359</u>	<u>\$ 246,394</u>	<u>\$108,895,753</u>	<u>\$ 73,926</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 9,242,589	\$ 938,716	\$ 480,882	\$ (7,822,991)	\$ -	\$ (7,822,991)	\$ -
Public Safety	8,819,667	398,414	230,170	(8,191,083)	-	(8,191,083)	-
Public Works	3,901,150	2,397,943	172,356	(1,330,851)	-	(1,330,851)	-
Health and Human Services	13,021,657	1,801,358	6,785,312	(4,434,987)	-	(4,434,987)	-
Culture, Recreation and Education	1,431,912	145,706	6,464	(1,279,742)	-	(1,279,742)	-
Conservation and Development	1,616,038	97,583	141,277	(1,377,178)	-	(1,377,178)	-
Interest and Fiscal Charges	479,256	-	-	(479,256)	-	(479,256)	-
Total Governmental Activities	<u>38,512,269</u>	<u>5,779,720</u>	<u>7,816,461</u>	<u>(24,916,088)</u>	<u>-</u>	<u>(24,916,088)</u>	<u>-</u>
Business-Type Activities:							
Health Care Center	13,109,386	11,405,242	-	-	(1,704,144)	(1,704,144)	-
Highway	11,904,934	3,812,240	-	-	(8,092,694)	(8,092,694)	-
Transit Commission	551,460	155,523	274,582	-	(121,355)	(121,355)	-
Total Business-Type Activities	<u>25,565,780</u>	<u>15,373,005</u>	<u>274,582</u>	<u>-</u>	<u>(9,918,193)</u>	<u>(9,918,193)</u>	<u>-</u>
Total Primary Government	<u>\$ 64,078,049</u>	<u>\$ 21,152,725</u>	<u>\$ 8,091,043</u>	<u>(24,916,088)</u>	<u>(9,918,193)</u>	<u>(34,834,281)</u>	<u>-</u>
Component Unit:							
Housing Authority	<u>\$ 383,227</u>	<u>\$ -</u>	<u>\$ 383,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes				12,606,994	6,755,432	19,362,426	-
Property Taxes, Levied for Debt Purposes				2,256,297	-	2,256,297	-
Other Taxes				3,394,016	-	3,394,016	-
Intergovernmental Revenues not Restricted to Specific Program				2,390,083	3,297,521	5,687,604	-
Investment Income				170,002	871	170,873	19
Miscellaneous				515,916	124,524	640,440	-
TRANSFERS				267,909	(267,909)	-	-
Total General Revenues and Transfers				<u>21,601,217</u>	<u>9,910,439</u>	<u>31,511,656</u>	<u>19</u>
CHANGE IN NET POSITION				(3,314,871)	(7,754)	(3,322,625)	519
Net Position - Beginning of Year				111,964,230	254,148	112,218,378	73,407
NET POSITION - END OF YEAR				<u>\$ 108,649,359</u>	<u>\$ 246,394</u>	<u>\$ 108,895,753</u>	<u>\$ 73,926</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 10,630,325	\$ -	\$ 66,036	\$ 864,465	\$ 843,783	\$ 12,404,609
Receivables						
Taxes Receivable	11,614,050	3,150,434	2,095,386	-	8,000	16,867,870
Delinquent Taxes	1,012,145	-	-	-	-	1,012,145
Accounts	202,572	70,856	-	-	246,743	520,171
Interest	65,753	-	-	-	-	65,753
Loans	52,147	-	-	-	854,975	907,122
Due from Other Governments	940,920	741,480	-	-	49,897	1,732,297
Due from Other Funds	285,859	-	-	-	-	285,859
Advance to Other Funds	4,864,036	-	-	-	-	4,864,036
	<u>\$ 29,667,807</u>	<u>\$ 3,962,770</u>	<u>\$ 2,161,422</u>	<u>\$ 864,465</u>	<u>\$ 2,003,398</u>	<u>\$ 38,659,862</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 753,592	\$ 349,247	\$ -	\$ 458,589	\$ 204,306	\$ 1,765,734
Accrued Liabilities	234,385	177,230	-	-	4,523	416,138
Deposits Payable	79,565	-	-	-	-	79,565
Due to Other Funds	-	285,859	-	-	-	285,859
Total Liabilities	<u>1,067,542</u>	<u>812,336</u>	<u>-</u>	<u>458,589</u>	<u>208,829</u>	<u>2,547,296</u>
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	11,613,086	3,150,434	2,095,386	-	8,000	16,866,906
Unavailable Loans Receivable	2,934	-	-	-	854,975	857,909
Unavailable Delinquent Taxes (County's Portion)	256,255	-	-	-	-	256,255
Total Deferred Inflows of Resources	<u>11,872,275</u>	<u>3,150,434</u>	<u>2,095,386</u>	<u>-</u>	<u>862,975</u>	<u>17,981,070</u>
Fund Balances:						
Nonspendable	5,619,926	-	-	-	-	5,619,926
Restricted	-	-	66,036	405,876	45,892	517,804
Committed	-	-	-	-	885,702	885,702
Assigned	2,030,287	-	-	-	-	2,030,287
Unassigned	9,077,777	-	-	-	-	9,077,777
Total Fund Balances	<u>16,727,990</u>	<u>-</u>	<u>66,036</u>	<u>405,876</u>	<u>931,594</u>	<u>18,131,496</u>
	<u>\$ 29,667,807</u>	<u>\$ 3,962,770</u>	<u>\$ 2,161,422</u>	<u>\$ 864,465</u>	<u>\$ 2,003,398</u>	<u>\$ 38,659,862</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,667,807</u>	<u>\$ 3,962,770</u>	<u>\$ 2,161,422</u>	<u>\$ 864,465</u>	<u>\$ 2,003,398</u>	<u>\$ 38,659,862</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, 2017**

Total Fund Balances - Governmental Funds \$ 18,131,496

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	\$ 157,039,226	
Accumulated Depreciation	(63,232,750)	93,806,476

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 (County's Portion)	256,255	
Loans Receivable	857,909	1,114,164

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

Net Pension Liability	(763,162)	
Deferred Outflows of Resources	5,921,732	
Deferred Inflows of Resources	(2,400,080)	2,758,490

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	(17,000,000)	
Accrued Interest Payable	(115,221)	
Compensated Absences	(2,423,944)	
Other Postemployment Benefits	(258,735)	
Bond Premium	(264,450)	(20,062,350)

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	5,052,914	
Less Allocated to Business-Type Activities	7,848,169	12,901,083

Net Position of Governmental Activities \$108,649,359

DUNN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 12,926,003	\$ 3,091,501	\$ 2,256,297	\$ -	\$ 8,134	\$ 18,281,935
Intergovernmental Revenues	4,515,736	5,482,647	-	-	172,356	10,170,739
Licenses and Permits	96,598	-	-	-	-	96,598
Fines and Forfeits	237,161	-	-	-	79,632	316,793
Public Charges for Services	1,454,268	1,503,354	-	-	1,557,829	4,515,451
Intergovernmental Charges for Services	46,569	-	-	-	497,662	544,231
Investment Income	169,383	-	83	-	-	169,466
Miscellaneous	440,990	15,847	-	-	360,642	817,479
Total Revenues	<u>19,886,708</u>	<u>10,093,349</u>	<u>2,256,380</u>	<u>-</u>	<u>2,676,255</u>	<u>34,912,692</u>
EXPENDITURES						
Current:						
General Government	7,068,394	-	-	1,661,551	-	8,729,945
Public Safety	8,313,056	-	-	-	7,109	8,320,165
Public Works	-	-	-	-	2,907,056	2,907,056
Health and Human Services	2,094,586	10,499,619	-	-	-	12,594,205
Culture, Recreation and Education	1,371,942	-	-	-	-	1,371,942
Conservation and Development	1,647,896	-	-	-	74,114	1,722,010
Debt Service:						
Principal Retirement	-	-	1,750,000	-	-	1,750,000
Interest and Fiscal Charges	-	-	490,344	-	-	490,344
Total Expenditures	<u>20,495,874</u>	<u>10,499,619</u>	<u>2,240,344</u>	<u>1,661,551</u>	<u>2,988,279</u>	<u>37,885,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(609,166)</u>	<u>(406,270)</u>	<u>16,036</u>	<u>(1,661,551)</u>	<u>(312,024)</u>	<u>(2,972,975)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	500,000	500,776	50,000	-	-	1,050,776
Transfers Out	(500,776)	(94,506)	-	-	(50,000)	(645,282)
Total Other Financing Sources (Uses)	<u>(776)</u>	<u>406,270</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>405,494</u>
NET CHANGE IN FUND BALANCES	<u>(609,942)</u>	<u>-</u>	<u>66,036</u>	<u>(1,661,551)</u>	<u>(362,024)</u>	<u>(2,567,481)</u>
Fund Balances - Beginning of Year	17,337,932	-	-	2,067,427	1,293,618	20,698,977
FUND BALANCES - END OF YEAR	<u>\$ 16,727,990</u>	<u>\$ -</u>	<u>\$ 66,036</u>	<u>\$ 405,876</u>	<u>\$ 931,594</u>	<u>\$ 18,131,496</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, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ (2,567,481)

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 3,280,172	
Depreciation Expense Reported in the Statement of Activities	(4,653,339)	
Contributed Capital from Business-Type Activities Reported as Transfers	362,415	
Loss on Disposal of Capital Assets	<u>(27,182)</u>	(1,037,934)

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. 16,797

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/liability and related deferred outflows and inflows of resources. (1,095,353)

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 1,750,000

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	(552,577)	
Loss Allocated to Business-Type Activities	<u>214,371</u>	(338,206)

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	7,696	
Net Change in Compensated Absences Liability	(112,367)	
Amortization of Bond Premium	28,239	
Amortization of Deferred Charges from the Refunding of Debt	(24,847)	
Net Change in Other Post Employment Benefits Payable	<u>58,585</u>	<u>(42,694)</u>

Change in Net Position of Governmental Activities \$ (3,314,871)

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor Transit Commission	Totals	
	The Neighbors of Dunn County	Highway Department			
ASSETS					
Current Assets:					
Cash and Investments	\$ -	\$ 2,575,521	\$ 227,479	\$ 2,803,000	\$ 5,893,810
Taxes Receivable	-	4,751,209	-	4,751,209	-
Accounts Receivable, Net	961,084	7,532	3,144	971,760	213,143
Due from Other Governments	-	806,549	74,728	881,277	-
Inventory	54,297	1,593,742	-	1,648,039	-
Prepaid Expenses	5,115	-	-	5,115	-
Total Current Assets	<u>1,020,496</u>	<u>9,734,553</u>	<u>305,351</u>	<u>11,060,400</u>	<u>6,106,953</u>
Restricted Assets:					
Restricted Cash	69,284	-	-	69,284	-
Noncurrent Assets:					
Capital Assets (net)	<u>18,525,837</u>	<u>7,434,417</u>	<u>1,293,569</u>	<u>27,253,823</u>	<u>-</u>
Total Assets	<u>19,615,617</u>	<u>17,168,970</u>	<u>1,598,920</u>	<u>38,383,507</u>	<u>6,106,953</u>
DEFERRED OUTFLOWS OF RESOURCES					
Wisconsin Retirement System Pension Plan Related	<u>2,309,947</u>	<u>1,424,983</u>	<u>54,681</u>	<u>3,789,611</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	185,255	302,249	30,392	517,896	82,201
Interest Payable	175,050	-	-	175,050	-
Accrued Expenses	238,340	161,105	2,643	402,088	971,838
Unearned Revenue	-	297,590	-	297,590	-
Vested Benefits	340,591	573,011	1,919	915,521	-
Patient Trust Fund Payable	13,228	-	-	13,228	-
Bonds Payable	945,000	-	-	945,000	-
Total Current Liabilities	<u>1,897,464</u>	<u>1,333,955</u>	<u>34,954</u>	<u>3,266,373</u>	<u>1,054,039</u>
Noncurrent Liabilities:					
Bonds Payable	18,365,281	-	-	18,365,281	-
Advance from Other Funds	4,660,836	-	203,200	4,864,036	-
Vested Benefits	383,114	308,545	2,003	693,662	-
Wisconsin Retirement System Net Pension Plan Liability	297,693	183,644	7,047	488,384	-
Other Post-Employment Benefits	73,848	39,832	-	113,680	-
Total Non-Current Liabilities	<u>23,780,772</u>	<u>532,021</u>	<u>212,250</u>	<u>24,525,043</u>	<u>-</u>
Total Liabilities	<u>25,678,236</u>	<u>1,865,976</u>	<u>247,204</u>	<u>27,791,416</u>	<u>1,054,039</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	-	4,751,209	-	4,751,209	-
Wisconsin Retirement System Pension Plan Related	<u>936,222</u>	<u>577,546</u>	<u>22,162</u>	<u>1,535,930</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>936,222</u>	<u>5,328,755</u>	<u>22,162</u>	<u>6,287,139</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	(784,444)	7,434,417	1,293,569	7,943,542	-
Restricted	56,056	-	-	56,056	-
Unrestricted	<u>(3,960,506)</u>	<u>3,964,805</u>	<u>90,666</u>	<u>94,965</u>	<u>5,052,914</u>
Total Net Position	<u>\$ (4,688,894)</u>	<u>\$ 11,399,222</u>	<u>\$ 1,384,235</u>	<u>8,094,563</u>	<u>\$ 5,052,914</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(7,848,169)</u>	
Net Position - Business-Type Activities				<u>\$ 246,394</u>	

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, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor Transit Commission	Totals	
	The Neighbors of Dunn County	Highway Department			
OPERATING REVENUES	\$ 11,405,242	\$ 3,812,240	\$ 155,523	\$ 15,373,005	\$ 8,442,793
OPERATING EXPENSES					
Operation and Maintenance	11,642,532	11,104,824	480,813	23,228,169	1,134,829
Depreciation	744,126	701,221	69,799	1,515,146	-
Benefit Payments	-	-	-	-	7,383,598
Total Operating Expenses	<u>12,386,658</u>	<u>11,806,045</u>	<u>550,612</u>	<u>24,743,315</u>	<u>8,518,427</u>
OPERATING INCOME (LOSS)	<u>(981,416)</u>	<u>(7,993,805)</u>	<u>(395,089)</u>	<u>(9,370,310)</u>	<u>(75,634)</u>
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	-	6,755,432	-	6,755,432	-
Grant Funding and Contributions	-	-	274,582	274,582	-
Intergovernmental Grants	1,088,111	2,209,410	-	3,297,521	-
Rental Income	300	-	-	300	-
Investment Income	871	-	-	871	23,057
Interest Expense and Amortization of Debt Premium	(608,094)	-	-	(608,094)	-
Other Income (Expense)	-	124,224	-	124,224	-
Total Nonoperating Revenues	<u>481,188</u>	<u>9,089,066</u>	<u>274,582</u>	<u>9,844,836</u>	<u>23,057</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(500,228)</u>	<u>1,095,261</u>	<u>(120,507)</u>	<u>474,526</u>	<u>(52,577)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Contributions to Governmental Activities	-	(362,415)	-	(362,415)	-
Transfers In	-	-	94,506	94,506	-
Transfers Out	-	-	-	-	(500,000)
Total Capital Contributions and Transfers	<u>-</u>	<u>(362,415)</u>	<u>94,506</u>	<u>(267,909)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	(500,228)	732,846	(26,001)	206,617	(552,577)
Net Position - Beginning of Year	<u>(4,188,666)</u>	<u>10,666,376</u>	<u>1,410,236</u>		<u>5,605,491</u>
NET POSITION - END OF YEAR	<u>\$ (4,688,894)</u>	<u>\$ 11,399,222</u>	<u>\$ 1,384,235</u>		<u>\$ 5,052,914</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(214,371)</u>	
Change in Net Position - Business-Type Activities				<u>\$ (7,754)</u>	

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	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	\$ -	\$ 1,846,922	\$ 157,057	\$ 2,003,979	\$ 8,808,556
Cash Received from Residents and Third Party Payors	12,510,392	-	-	12,510,392	-
Cash Paid to Suppliers for Goods and Services	(3,279,460)	(5,453,003)	(443,373)	(9,175,836)	-
Cash Paid to Employees for Services	(8,238,747)	(5,633,932)	(74,773)	(13,947,452)	-
Cash Paid for Insurance Claims	-	-	-	-	(7,196,579)
Cash Paid to Third Party Administrator	-	-	-	-	(1,129,735)
Net Cash Provided by (Used for) Operating Activities	<u>992,185</u>	<u>(9,240,013)</u>	<u>(361,089)</u>	<u>(8,608,917)</u>	<u>482,242</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General Property Taxes	-	8,759,655	-	8,759,655	-
State Highway Aids	-	2,209,410	-	2,209,410	-
State Transportation Aids	-	-	327,841	327,841	-
Cash Flow Borrowing from (Repayment to) Other Funds	643,394	-	-	643,394	-
Nonoperating Income	-	124,224	-	124,224	-
Transfers from (to) Other Funds	-	-	94,506	94,506	(500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>643,394</u>	<u>11,093,289</u>	<u>422,347</u>	<u>12,159,030</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Sale of Capital Assets	-	115,493	-	115,493	-
Cash Paid for Capital Contributions to Governmental Activities	-	(362,415)	-	(362,415)	-
Interfund Received from (Paid to) Other Funds	-	-	(25,400)	(25,400)	-
Acquisition and Construction of Capital Assets	-	(1,253,412)	-	(1,253,412)	-
Payment of Bond Principal	(920,000)	-	-	(920,000)	-
Payment of Bond Interest	(714,000)	-	-	(714,000)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,634,000)</u>	<u>(1,500,334)</u>	<u>(25,400)</u>	<u>(3,159,734)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Noncash Equivalent Certificates of Deposit Matured	-	-	-	-	327
Investment Income	871	-	-	871	23,057
Net Cash Provided by (Used for) Investing Activities	<u>871</u>	<u>-</u>	<u>-</u>	<u>871</u>	<u>23,384</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>2,450</u>	<u>352,942</u>	<u>35,858</u>	<u>391,250</u>	<u>5,626</u>
Cash and Cash Equivalents - Beginning of Year	<u>66,834</u>	<u>2,222,579</u>	<u>191,621</u>	<u>2,481,034</u>	<u>4,389,454</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 69,284</u>	<u>\$ 2,575,521</u>	<u>\$ 227,479</u>	<u>\$ 2,872,284</u>	<u>\$ 4,395,080</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

	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	\$ -	\$ 2,575,521	\$ 227,479	\$ 2,803,000	\$ 5,893,810
Restricted Cash	69,284	-	-	69,284	-
Less: Noncash Equivalents	-	-	-	-	(1,498,730)
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 69,284</u>	<u>\$ 2,575,521</u>	<u>\$ 227,479</u>	<u>\$ 2,872,284</u>	<u>\$ 4,395,080</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (981,416)	\$ (7,993,805)	\$ (395,089)	\$ (9,370,310)	\$ (75,634)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Net Change in Wisconsin Pension System Related Items:					
Asset / Liability	(276,494)	(162,277)	251	(438,520)	-
Deferred Outflows of Resources	870,834	543,094	(16,553)	1,397,375	-
Deferred Inflows of Resources	(272,147)	(150,440)	7,861	(414,726)	-
Rental Income Received	300	-	-	300	-
Nursing Home Appeals and Intergovernmental Program Transfers Received	1,088,111	-	-	1,088,111	-
Noncash Items Included in Income:					
Depreciation	744,126	701,221	69,799	1,515,146	-
(Gain)/Loss on Disposal of Capital Assets	-	(59,648)	-	(59,648)	-
(Increase) Decrease in Assets:					
Accounts Receivable	19,896	(4,380)	1,534	17,050	365,763
Inventory	(1,835)	(159,102)	-	(160,937)	-
Due from Other Governments	-	(111,649)	-	(111,649)	-
Prepaid Expenses	5,758	-	-	5,758	-
Increase (Decrease) in Liabilities:					
Accounts Payable	(13,527)	109,190	(31,569)	64,094	(51,766)
Accrued Liabilities	(46,681)	(29,588)	68	(76,201)	243,879
Unearned Revenue	-	(1,849,289)	-	(1,849,289)	-
Due to Other Governments	(3,157)	-	-	(3,157)	-
Patient Trust Payable	2,450	-	-	2,450	-
Vested Benefits	(127,312)	(64,321)	2,609	(189,024)	-
Other Post-Employment Benefits	(16,721)	(9,019)	-	(25,740)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 992,185</u>	<u>\$ (9,240,013)</u>	<u>\$ (361,089)</u>	<u>\$ (8,608,917)</u>	<u>\$ 482,242</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash and Investments	<u>\$ 3,874,558</u>
LIABILITIES	
Accounts Payable	\$ 43
Deposits Payable	379,016
Due to Other Governments	<u>3,495,499</u>
Total Liabilities	<u>\$ 3,874,558</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017**

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, 2017. 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, 2017**

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, 2017**

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, 2017**

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, 2017**

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, 2017, 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, 2017**

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. 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. These investments are reported at amortized cost.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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 \$196,671 at December 31, 2017.

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, 2017**

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 acquisition 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, 2017**

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. Property taxes and pension related items are reported as deferred inflows of resources in the government-wide and proprietary fund financial statements.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 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, 2017**

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, 2017**

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, 2017 is as follows:

Governmental Funds	\$ 12,404,609
Proprietary Funds	8,766,094
Fiduciary Funds	3,874,558
Total Cash and Investments	<u>\$ 25,045,261</u>

The above cash and investments balances consisted of the following:

	Carrying Amount
Demand and Time Deposits	\$ 8,807,804
U.S. Agencies	8,797,412
Other Government Agencies	448,929
Municipal Bonds	1,311,531
Corporate Bonds	2,282,140
LGIP	3,396,645
Petty Cash	800
Total Cash and Investments	<u>\$ 25,045,261</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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.

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, 2017, the County's total bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

Investments

The County's investments at December 31, 2017 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 2017 was 43 days.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (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, 2017, the County’s investments were rated as follows:

Type	Credit Quality Rating	Amount
LGIP Pool Investment Fund	Not Rated	\$ 3,396,645
Federal Home Loan Mortgage Corporation	Not Rated	296,582
Federal National Mortgage Association	Aaa	144,058
U.S. Treasuries	Aaa	8,797,412
Government Mortgage National Association	AAA	8,289
Government Agency Bonds and Notes	AA, A1, Aa1, Aa2, Aa3	1,311,531
Corporate Bonds and Notes	Aa1, A1, Aa2, Aa3	2,282,140

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, 2017, the investment portfolio was concentrated as follows:

Type	Amount	Percentage
Federal Home Loan Mortgage Corporation	\$ 296,582	1.83%
Federal National Mortgage Association	144,058	0.89%
Government National Mortgage Association	8,289	0.05%
U.S. Treasuries	8,797,412	54.18%
Government Agency Bonds and Notes	1,311,531	8.08%
Corporate Bonds and Notes	2,282,140	14.06%
LGIP Pool Investment Fund	3,396,645	20.92%
	<u>\$ 16,236,657</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, 2017**

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, 2017, 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	\$ 3,396,645	\$ 3,396,645	\$ -	\$ -	\$ -
Domestic Corporate Debt	2,282,140	1,211,915	152,898	917,327	-
Municipal Bonds	1,311,531	658,707	391,470	261,354	-
U.S. Government Treasuries	8,797,412	1,095,618	573,226	7,128,568	-
Other Government Agencies	448,929	-	341,012	-	107,917
Total	\$ 16,236,657	\$ 6,362,885	\$ 1,458,606	\$ 8,307,249	\$ 107,917

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

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

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

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

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

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

**DUNN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Assets of the County measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 8,797,412	\$ -	\$ -	\$ 8,797,412
Other Government Agenci	448,929	-	-	448,929
Municipal Bonds	1,311,531	-	-	1,311,531
Corporate Bonds	2,282,140	-	-	2,282,140
	<u>\$ 12,840,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,840,012</u>
Investments measured at amortized cost - LGIP Funds				3,396,645
Total Investments				<u>\$ 16,236,657</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 \$41,000 as of December 31, 2017.

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, 2017, the County had seventy-seven (77) loans outstanding totaling \$854,975.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities

Capital assets activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,956,950	\$ 207,409	\$ -	\$ 3,164,359
Construction in Progress:	4,745,512	2,744,315	(6,189,259)	1,300,568
Total Capital Assets Not Being Depreciated	7,702,462	2,951,724	(6,189,259)	4,464,927
Capital Assets Being Depreciated:				
Buildings	32,111,491	25,000	-	32,136,491
Machinery and Equipment	8,425,446	665,863	(175,284)	8,916,025
Roads	92,483,023	6,189,259	(2,381,900)	96,290,382
Bridges	15,231,401	-	-	15,231,401
Total Capital Assets Being Depreciated	148,251,361	6,880,122	(2,557,184)	152,574,299
Total Capital Assets	155,953,823	9,831,846	(8,746,443)	157,039,226
Accumulated Depreciation:				
Buildings	(9,903,830)	(689,471)	-	(10,593,301)
Machinery and Equipment	(4,143,443)	(587,148)	148,102	(4,582,489)
Roads	(41,086,130)	(3,106,700)	2,381,900	(41,810,930)
Bridges	(5,976,010)	(270,020)	-	(6,246,030)
Total Accumulated Depreciation	(61,109,413)	(4,653,339)	2,530,002	(63,232,750)
Net Capital Assets	\$ 94,844,410	\$ 5,178,507	\$ (6,216,441)	\$ 93,806,476

Depreciation expense was charged to governmental functions as follows:

Primary Government:	
General Government	\$ 632,966
Public Safety	238,542
Public Works, which includes the depreciation of roads and bridges	3,378,209
Health and Human Services	242,642
Culture, Recreation and Education	56,132
Conservation and Development	104,848
Total Depreciation Expense, Governmental Activities	<u>\$ 4,653,339</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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	<u>22,306,304</u>	<u>-</u>	<u>-</u>	<u>22,306,304</u>
Accumulated Depreciation:				
Land Improvements	(131,799)	(32,950)	-	(164,749)
Buildings and Improvements	(2,313,896)	(578,474)	-	(2,892,370)
Fixed Equipment	(551,116)	(124,668)	-	(675,784)
Major Moveable Equipment	(59,730)	(8,034)	-	(67,764)
Total Accumulated Depreciation	<u>(3,056,541)</u>	<u>(744,126)</u>	<u>-</u>	<u>(3,800,667)</u>
Net Capital Assets - The Neighbors	<u>\$ 19,269,963</u>	<u>\$ (744,126)</u>	<u>\$ -</u>	<u>\$ 18,525,837</u>
Highway:				
Capital Assets Not Being Depreciated:				
Land	\$ 397,920	\$ -	\$ -	\$ 397,920
Capital Assets Being Depreciated:				
Land Improvements	624,080	246,050	-	870,130
Buildings and Improvements	3,149,233	30,921	-	3,180,154
Machinery and Equipment	14,938,120	976,440	(372,294)	15,542,266
Total Capital Assets Being Depreciated	<u>18,711,433</u>	<u>1,253,411</u>	<u>(372,294)</u>	<u>19,592,550</u>
Accumulated Depreciation:				
Land Improvements	(427,716)	(25,492)	-	(453,208)
Buildings and Improvements	(1,888,238)	(69,270)	-	(1,957,508)
Machinery and Equipment	(9,855,328)	(606,459)	316,450	(10,145,337)
Total Accumulated Depreciation	<u>(12,171,282)</u>	<u>(701,221)</u>	<u>316,450</u>	<u>(12,556,053)</u>
Net Capital Assets - Highway	<u>\$ 6,938,071</u>	<u>\$ 552,190</u>	<u>\$ (55,844)</u>	<u>\$ 7,434,417</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Transit Commission:				
Capital Assets Being Depreciated:				
Buildings	\$ 1,278,048	\$ -	\$ -	\$ 1,278,048
Machinery and Equipment	546,741	-	-	546,741
Total Capital Assets Being Depreciated	1,824,789	-	-	1,824,789
Accumulated Depreciation:				
Buildings	(12,781)	(25,560)	-	(38,341)
Machinery and Equipment	(448,640)	(44,239)	-	(492,879)
Total Accumulated Depreciation	(461,421)	(69,799)	-	(531,220)
Net Capital Assets - Transit Commission	\$ 1,363,368	\$ (69,799)	\$ -	\$ 1,293,569
Capital Assets Not Being Depreciated	\$ 418,120	\$ -	\$ -	\$ 418,120
Capital Assets Being Depreciated	42,842,526	1,253,411	(372,294)	43,723,643
Total Capital Assets	43,260,646	1,253,411	(372,294)	44,141,763
Accumulated Depreciation	(15,689,244)	(1,515,146)	316,450	(16,887,940)
Net Capital Assets - Business-Type Activities	\$ 27,571,402	\$ (261,735)	\$ (55,844)	\$ 27,253,823

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

The Neighbors	\$ 744,126
Highway	701,221
Transit Commission	69,799
	<u>\$ 1,515,146</u>

D. Interfund Receivables, Payables and Transfers

Advance to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	The Neighbors of Dunn County	\$ 4,660,836
General Fund	Transit Commission	203,200
		<u>\$ 4,864,036</u>

The purpose of the advance to The Neighbors of Dunn County includes \$32,500 for the purchase of a new phone system in 2009 and the remainder due to overdrafts in pooled cash. 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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Human Services Fund	\$ 285,859
Add: Enterprise Share of Internal Service Fund Net Position		7,848,169
		<u>\$ 8,134,028</u>

The purpose of the interfund payable in the human services fund is because of short-term overdrafts in pooled cash. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Transfers

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activity:		
General Fund	\$ 500,000	\$ (500,776)
Debt Service Fund	50,000	-
Human Services Fund	500,776	(94,506)
Other Nonmajor Governmental Funds	-	(50,000)
Workers Compensation Internal Service Fund	-	(200,000)
Health Insurance Internal Service Fund	-	(300,000)
Total Governmental Activity	<u>1,050,776</u>	<u>(1,145,282)</u>
Business-Type Activity:		
Transit Commission	94,506	-
Subtotal	<u>1,145,282</u>	<u>(1,145,282)</u>
Governmental Activity Eliminations	(1,050,776)	1,050,776
Transfer of Infrastructure from the Highway Department and The Neighbors	(362,415)	362,415
	<u>\$ (267,909)</u>	<u>\$ 267,909</u>

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. The transfers from the internal service funds to the general fund are budgeted amounts to cover administrative costs of the internal service funds.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017:

	Balance 12/31/16	Issued	Retired	Balance 12/31/17	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 18,750,000	\$ -	\$ (1,750,000)	\$ 17,000,000	\$ 1,630,000
Added: Premium	292,689	-	(28,239)	264,450	N/A
Subtotal	<u>19,042,689</u>	<u>-</u>	<u>(1,778,239)</u>	<u>17,264,450</u>	<u>1,630,000</u>
Other Liabilities:					
Compensated Absences	2,311,577	943,487	(831,120)	2,423,944	878,452
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 21,354,266</u>	<u>\$ 943,487</u>	<u>\$ (2,609,359)</u>	<u>\$ 19,688,394</u>	<u>\$ 2,508,452</u>
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Health Care Center Debt	\$ 19,415,000	\$ -	\$ (920,000)	\$ 18,495,000	\$ 945,000
Plus: Premium on Debt	914,287	-	(99,006)	815,281	N/A
Other Liabilities:					
Compensated Absences	1,798,207	845,986	(1,035,010)	1,609,183	915,521
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 22,127,494</u>	<u>\$ 845,986</u>	<u>\$ (2,054,016)</u>	<u>\$ 20,919,464</u>	<u>\$ 1,860,521</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, 2017**

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, 2017, was \$151,703,720. Total general obligation debt outstanding at the year-end was \$35,495,000.

Annual Requirements for Retirement. Long-Term general obligation debt issues outstanding at December 31, 2017 and annual requirements for their retirement were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/17
General Obligation Debt					
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	8,485,000
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	18,495,000
Total General Obligation Debt					<u>\$ 35,495,000</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
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	2,775,000	954,923	3,729,923
2022	2,860,000	872,198	3,732,198
2023-2027	14,540,000	2,851,370	17,391,370
2028-2032	7,405,000	764,100	8,169,100
	<u>\$ 35,495,000</u>	<u>\$ 8,695,259</u>	<u>\$ 44,190,259</u>

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 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	\$ 755,890	\$ 755,890	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	4,864,036	4,864,036	-	-	-	-
Subsequent Years Budget - Administration	1,102,036	-	-	-	1,102,036	-
Carryover Funds:						
Administration	682,942	-	-	-	682,942	-
Human Resources	17,460	-	-	-	17,460	-
Fair	15,000	-	-	-	15,000	-
Land Conservation	700	-	-	-	700	-
Emergency Communications	149,900	-	-	-	149,900	-
Register of Deeds	61,011	-	-	-	61,011	-
Sheriff	1,238	-	-	-	1,238	-
Unassigned	9,077,777	-	-	-	-	9,077,777
Subtotal General Fund	16,727,990	5,619,926	-	-	2,030,287	9,077,777
Debt Service Fund	66,036	-	66,036	-	-	-
Capital Projects Fund	405,876	-	405,876	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Jail Assessment Fund	105,237	-	-	105,237	-	-
Solid Waste Fund	780,465	-	-	780,465	-	-
Community Development Block Grant (CDBG) Fund	45,892	-	45,892	-	-	-
	<u>931,594</u>	<u>-</u>	<u>45,892</u>	<u>885,702</u>	<u>-</u>	<u>-</u>
Total Governmental Funds Balances at December 31, 2017	<u>\$ 18,131,496</u>	<u>\$ 5,619,926</u>	<u>\$ 517,804</u>	<u>\$ 885,702</u>	<u>\$ 2,030,287</u>	<u>\$ 9,077,777</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, 2017**

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, 2017.

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, 2017**

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, 2017 through December 31, 2017, the WRS recognized \$1,589,892 in contributions from the employer.

Contribution rates as of December 31, 2017 are:

	<u>Employee</u>	<u>Employer</u>
General	6.80%	6.80%
Executives & Elected Officials	6.80%	6.80%
Protective with Social Security	6.80%	10.60%
Protective without Social Security	6.80%	14.90%

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2015	2.9	2.0
2016	0.5	(5.0)

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

At December 31, 2017, the County reported a liability of \$1,251,546 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. The County's proportion of the net pension liability was based on the most recent 3-year average contributions made by the employer. At December 31, 2016, the County's proportion was 0.15184284 percent, which was an increase of 0.00050555 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the County recognized pension expense of \$3,261,211. At December 31, 2017, 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, 2017**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 477,215	\$ (3,936,010)
Changes of Assumptions	1,308,541	-
Actual Earnings on Pension Plan Investments	6,229,807	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	105,888	-
County Contributions Subsequent to the Measurement Date	1,589,892	-
Total	<u>\$ 9,711,343</u>	<u>\$ (3,936,010)</u>

\$1,589,892 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	Expense Amount
2017	\$ 1,700,448
2018	1,700,448
2019	1,153,976
2020	(371,671)
2021	2,240
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2016 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, 2017**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%*

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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		Variable Asset Allocation	
	Target Allocation	Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	45%	5.4%	N/A	N/A
U.S. Equities	N/A	N/A	70%	4.7%
International Equity	N/A	N/A	30%	5.6%
Fixed Income	37%	1.4%	N/A	N/A
Inflation Sensitive Assets	20%	1.5%	N/A	N/A
Real Estate	7%	3.6%	N/A	N/A
Private Equity/Debt	7%	6.5%	N/A	N/A
Multi-Asset	4%	3.7%	N/A	N/A
Totals	120%		100%	

**DUNN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2017**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Assets/Liabilities, 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 liability. 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 liability.

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)	\$ 16,464,910	\$ 1,251,546	\$ (10,463,431)

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 17-16.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2016.

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 2017, the County contributed an estimated \$21,501 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	\$ 21,501
Interest on Net OPEB Obligation	18,270
Adjustment to Annual Required Contribution	(102,595)
Annual OPEB Cost (Expense)	<u>(62,824)</u>
Employer Contributions Made	<u>(21,501)</u>
Increase (Decrease) in Net OPEB Obligation	(84,325)
Net OPEB Obligation - Beginning of Year	456,740
Net OPEB Obligation - End of Year	<u><u>\$ 372,415</u></u>

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 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
12/31/2017	\$ (62,824)	\$ 21,501	-34.2%	\$372,415
12/31/2016	(81,919)	21,500	-26.2	456,740
12/31/2015	(46,150)	38,712	-83.9	560,159

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$74,090, or 0.0% of covered payroll.

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, 2016 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, 2017 was 5 years.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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, 2017 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, 2017**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Claims Liability

Changes in the claims liabilities for 2017 and 2016 for the health insurance fund were as follows:

	Workers Compensation		Health Insurance	
	2017	2016	2017	2016
Estimated Claims Outstanding January 1	\$ 273,928	\$ 307,957	\$ 454,031	\$ 453,494
Current Year Claims and Changes	519,934	379,540	7,998,493	6,965,621
Claim Payments	(528,442)	(413,569)	(7,746,106)	(6,965,084)
Estimated Claims Outstanding Dec. 31	<u>\$ 265,420</u>	<u>\$ 273,928</u>	<u>\$ 706,418</u>	<u>\$ 454,031</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.

REQUIRED SUPPLEMENTARY INFORMATION

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
TAXES				
General Property Taxes	\$ 9,497,989	\$ 9,497,989	\$ 9,531,987	\$ 33,998
Forest Cropland Taxes	46,200	46,200	52,734	6,534
Sales and Use Taxes	2,837,200	2,837,200	3,001,089	163,889
Penalty for Land Use Change	1,000	1,000	2,153	1,153
Interest and Penalties on Taxes	319,520	319,520	338,040	18,520
Total Taxes	<u>12,701,909</u>	<u>12,701,909</u>	<u>12,926,003</u>	<u>224,094</u>
INTERGOVERNMENTAL REVENUES				
Shared Revenue from State	2,339,108	2,339,108	2,340,408	1,300
Tax Exempt Computers	45,000	45,000	49,675	4,675
State Court Grants	220,151	220,151	241,784	21,633
Land Information	97,064	97,064	98,064	1,000
Law Enforcement Grants	156,766	156,766	168,692	11,926
Victim Witness Grants	172,862	172,862	180,488	7,626
Emergency Government	70,500	70,500	61,478	(9,022)
Health Grants	338,154	338,154	321,599	(16,555)
Child Support	531,764	531,764	587,098	55,334
Veterans Service Officer	10,800	10,800	10,713	(87)
Indirect Cost Reimbursement	46,000	46,000	-	(46,000)
Land Conservation Grants	416,283	416,283	383,255	(33,028)
District Fair Grants	6,300	6,300	6,464	164
Forest Crop	-	-	22,805	22,805
DNR Payments in Lieu of Taxes	46,000	46,000	43,213	(2,787)
Total Intergovernmental Revenues	<u>4,496,752</u>	<u>4,496,752</u>	<u>4,515,736</u>	<u>18,984</u>
LICENSES AND PERMITS				
Zoning Permits and Fees	120,500	120,500	78,182	(42,318)
Fire Number Fees	5,500	5,500	4,938	(562)
Stormwater Review Fees	350	350	-	(350)
Nonmetallic Mining Fees	16,000	16,000	13,478	(2,522)
Total Licenses and Permits	<u>142,350</u>	<u>142,350</u>	<u>96,598</u>	<u>(45,752)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
FINES AND FORFEITURES				
County Ordinance Forfeitures	\$ 90,000	\$ 90,000	\$ 91,843	\$ 1,843
County Share State Fines and Forfeitures	125,000	125,000	145,318	20,318
Total Fines and Forfeitures	<u>215,000</u>	<u>215,000</u>	<u>237,161</u>	<u>22,161</u>
PUBLIC CHARGES FOR SERVICES				
Probate Fees	9,000	9,000	12,356	3,356
District Attorney Charges	4,500	4,500	9,772	5,272
County Manager Fees	-	-	15	15
Clerk Fees	9,000	9,000	27,093	18,093
Register of Deed Fees	255,000	255,000	277,936	22,936
Court Fees and Costs	-	-	618	618
Guardian Ad Litem Fees	60,000	60,000	66,827	6,827
Family Mediation Fees	9,000	9,000	8,350	(650)
Other Court Fees	200,250	200,250	233,053	32,803
Medical Examiner	28,000	28,000	23,053	(4,947)
Land Information	53,286	53,286	54,771	1,485
Law Enforcement Fees	75,300	75,300	62,748	(12,552)
Board of Prisoners	170,000	170,000	131,581	(38,419)
Inmate Revenue	207,000	207,000	101,400	(105,600)
Child Support	5,000	5,000	4,402	(598)
Public Health	385,085	385,085	293,472	(91,613)
Veteran's	1,450	1,450	130	(1,320)
UW Extension	-	-	39,104	39,104
Fair Revenues	88,375	88,375	106,602	18,227
Snowmobile Association Loan Repayment	22,000	22,000	-	(22,000)
Conservation and Development	1,000	1,000	985	(15)
Total Public Charges and Services	<u>1,583,246</u>	<u>1,583,246</u>	<u>1,454,268</u>	<u>(128,978)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
IT Support	42,720	42,720	35,805	(6,915)
Tax Collection Fees	15,000	15,000	10,764	(4,236)
Total Intergovernmental Charges for Services	<u>57,720</u>	<u>57,720</u>	<u>46,569</u>	<u>(11,151)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
INVESTMENT INCOME				
Interest on Investments	\$ 141,200	\$ 141,200	\$ 169,383	\$ 28,183
MISCELLANEOUS REVENUES				
Rent	264,572	264,572	260,973	(3,599)
Property Sales	-	-	1,531	1,531
Insurance Recoveries	67,000	67,000	61,532	(5,468)
Donations	62,538	62,538	67,733	5,195
Gain/Loss on Sale of Tax Deeds	122,000	122,000	16,712	(105,288)
Miscellaneous Revenues	42,600	42,600	32,509	(10,091)
Total Miscellaneous Revenues	<u>558,710</u>	<u>558,710</u>	<u>440,990</u>	<u>(117,720)</u>
Total Revenues	<u>19,896,887</u>	<u>19,896,887</u>	<u>19,886,708</u>	<u>(10,179)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
County Board	101,097	101,097	111,257	(10,160)
Boards and Commissions	98,903	110,739	35,458	75,281
Circuit Court Judge	140,652	146,352	164,921	(18,569)
Circuit Court Clerk	1,301,834	1,301,834	1,233,361	68,473
Corporation Counsel	354,503	354,503	334,517	19,986
District Attorney	596,116	372,023	367,125	4,898
County Manager	5,772,997	4,249,959	4,121,354	128,605
County Clerk	236,996	242,296	238,217	4,079
Treasurer	205,104	205,104	199,836	5,268
Register of Deeds	235,359	322,307	262,348	59,959
Total General Government	<u>9,043,561</u>	<u>7,406,214</u>	<u>7,068,394</u>	<u>337,820</u>
PUBLIC SAFETY				
Sheriff	6,541,876	7,033,844	7,216,368	(182,524)
Medical Examiner	353,892	94,000	39,734	54,266
Emergency Management	154,798	154,798	116,500	38,298
Emergency Communication	1,053,084	1,251,584	940,454	311,130
Total Public Safety	<u>8,103,650</u>	<u>8,534,226</u>	<u>8,313,056</u>	<u>221,170</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
HEALTH AND HUMAN SERVICES				
Health	\$ 1,345,328	\$ 1,119,838	\$ 1,279,184	\$ (159,346)
Child Support	657,531	658,531	610,815	47,716
Veteran Service	194,733	195,442	204,587	(9,145)
Total Health and Human Services	<u>2,197,592</u>	<u>1,973,811</u>	<u>2,094,586</u>	<u>(120,775)</u>
CULTURE, EDUCATION, AND RECREATION				
Fair Board	193,049	202,249	140,133	62,116
U.W. Extensions	289,071	299,568	252,116	47,452
Outside Organization	161,634	161,634	191,634	(30,000)
Library	788,059	788,059	788,059	-
Total Culture, Education, and Recreation	<u>1,431,813</u>	<u>1,451,510</u>	<u>1,371,942</u>	<u>79,568</u>
CONSERVATION AND DEVELOPMENT				
Planning Resources and Development	<u>1,502,155</u>	<u>1,406,034</u>	<u>1,647,896</u>	<u>(241,862)</u>
Total Expenditures	<u>22,278,771</u>	<u>20,771,795</u>	<u>20,495,874</u>	<u>275,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(2,381,884)	(874,908)	(609,166)	265,742
OTHER FINANCING SOURCES AND USES				
Transfers In	500,000	500,000	500,000	-
Transfers Out	-	-	(500,776)	(500,776)
Total Other Financing Sources and Uses	<u>500,000</u>	<u>500,000</u>	<u>(776)</u>	<u>(500,776)</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (1,881,884)</u>	<u>\$ (374,908)</u>	(609,942)	<u>\$ (235,034)</u>
Fund Balance - Beginning of Year			<u>17,337,932</u>	
FUND BALANCE - END OF YEAR			<u>\$ 16,727,990</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,091,501	\$ 3,091,501	\$ 3,091,501	\$ -
Intergovernmental Revenues	5,181,040	5,181,040	5,482,647	301,607
Public Charges for Services	1,775,654	1,775,654	1,503,354	(272,300)
Other Revenues	173,631	173,631	15,847	(157,784)
Total Revenues	<u>10,221,826</u>	<u>10,221,826</u>	<u>10,093,349</u>	<u>(128,477)</u>
EXPENDITURES				
Health and Human Services	<u>10,221,826</u>	<u>10,221,826</u>	<u>10,499,619</u>	<u>(277,793)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(406,270)	(406,270)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	500,776	500,776
Transfers Out	-	-	(94,506)	(94,506)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>406,270</u>	<u>406,270</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			<u>-</u>	
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)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2016	\$ -	\$ 74,090	\$ 74,090	0.0%	\$ -	0.0%
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

**There were significant changes in 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 ASSET / LIABILITY
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Measurement Date: December 31,

	2014	2015	2016
County's proportion of the net pension liability (asset)	0.15155089%	0.15133729%	0.15184284%
County's proportionate share of the net pension liability (asset)	\$ (3,722,504)	\$ 2,459,201	\$ 1,251,546
County's covered payroll	\$ 19,744,668	\$ 21,336,516	\$ 21,305,587
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-18.85%	11.53%	5.87%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%

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

DUNN COUNTY, WISCONSIN
SCHEDULE OF CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Fiscal Year Ended: December 31,	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 1,498,650	\$ 1,472,744	\$ 1,589,892
Contributions in Relation to the Contractually Required Contributions	<u>(1,498,650)</u>	<u>(1,472,744)</u>	<u>(1,589,892)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's Covered Payroll	 \$ 21,336,516	 \$ 21,305,587	 \$ 21,490,071
 Contributions as a Percentage of Covered Payroll	 7.02%	 6.91%	 7.40%

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.

**DUNN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017**

BUDGETARY INFORMATION

GASB Statement No. 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 general fund final budgets as follows:

	Final Budget	Actual	Variance
General Fund:			
General Government			
County Board	\$ 101,097	\$ 111,257	\$ (10,160)
Circuit Court Judge	146,352	164,921	(18,569)
Public Safety			
Sheriff	7,033,844	7,216,368	(182,524)
Health and Human Services			
Health	1,119,838	1,279,184	(159,346)
Veteran Service	195,442	204,587	(9,145)
Culture, Recreation and Education			
Outside Organization	161,634	191,634	(30,000)
Conservation and Development			
Planning Resources and Development	1,406,034	1,647,896	(241,862)
Human Services Fund:			
Health and Human Services	10,221,826	10,499,619	(277,793)

COMBINING AND INDIVIDUAL FUND STATEMENTS

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 105,237	\$ 686,414	\$ 52,132	\$ 843,783
Taxes Receivable	-	8,000	-	8,000
Accounts Receivable	-	246,743	-	246,743
Loans Receivable	-	-	854,975	854,975
Due from Other Governments	-	49,897	-	49,897
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 105,237</u>	<u>\$ 991,054</u>	<u>\$ 907,107</u>	<u>\$ 2,003,398</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 198,066	\$ 6,240	\$ 204,306
Accrued Liabilities	-	4,523	-	4,523
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	202,589	6,240	208,829
Deferred Inflows of Resources:				
Subsequent Year's Property Taxes	-	8,000	-	8,000
Unavailable Loans Receivable	-	-	854,975	854,975
Total Deferred Inflows of Resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	8,000	854,975	862,975
Fund Balances:				
Restricted	-	-	45,892	45,892
Committed	105,237	780,465	-	885,702
Total Fund Balances	<u>105,237</u>	<u>780,465</u>	<u>45,892</u>	<u>931,594</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 105,237</u>	<u>\$ 991,054</u>	<u>\$ 907,107</u>	<u>\$ 2,003,398</u>

**DUNN COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 8,134	\$ -	\$ 8,134
Intergovernmental Revenues	-	172,356	-	172,356
Fines and Forfeits	79,632	-	-	79,632
Public Charges for Services	-	1,557,829	-	1,557,829
Intergovernmental Charges for Services	-	497,662	-	497,662
Miscellaneous:				
Interest Income	-	-	536	536
Loan Repayments	-	-	17,654	17,654
Other Revenues	-	342,452	-	342,452
Total Revenues	<u>79,632</u>	<u>2,578,433</u>	<u>18,190</u>	<u>2,676,255</u>
EXPENDITURES				
Current:				
Public Safety	7,109	-	-	7,109
Public Works	-	2,907,056	-	2,907,056
Conservation and Development	-	-	74,114	74,114
Total Expenditures	<u>7,109</u>	<u>2,907,056</u>	<u>74,114</u>	<u>2,988,279</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	72,523	(328,623)	(55,924)	(312,024)
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCES	22,523	(328,623)	(55,924)	(362,024)
Fund Balances - Beginning of Year	<u>82,714</u>	<u>1,109,088</u>	<u>101,816</u>	<u>1,293,618</u>
FUND BALANCES - END OF YEAR	<u>\$ 105,237</u>	<u>\$ 780,465</u>	<u>\$ 45,892</u>	<u>\$ 931,594</u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2017**

	Workers Compensation Fund	Health Insurance Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Investments	\$ 2,311,814	\$ 3,581,996	\$ 5,893,810
Accounts Receivable	-	213,143	213,143
Total Assets	<u>2,311,814</u>	<u>3,795,139</u>	<u>6,106,953</u>
 LIABILITIES			
Accounts Payable	-	82,201	82,201
Accrued Liabilities	265,420	706,418	971,838
Total Liabilities	<u>265,420</u>	<u>788,619</u>	<u>1,054,039</u>
 NET POSITION - UNRESTRICTED	 <u>\$ 2,046,394</u>	 <u>\$ 3,006,520</u>	 <u>\$ 5,052,914</u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION – INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2017**

	Workers Compensation Fund	Health Insurance Fund	Totals
OPERATING REVENUES			
Charges to County Departments	\$ 724,105	\$ 7,718,688	\$ 8,442,793
OPERATING EXPENSES			
Administration	5,094	1,129,735	1,134,829
Benefit Payments	514,840	6,868,758	7,383,598
Total Operating Expenses	519,934	7,998,493	8,518,427
OPERATING INCOME (LOSS)	204,171	(279,805)	(75,634)
NONOPERATING REVENUES			
Gain/Loss on Investments	23,952	(895)	23,057
INCOME (LOSS) BEFORE TRANSFERS	228,123	(280,700)	(52,577)
Transfers Out	(200,000)	(300,000)	(500,000)
CHANGE IN NET POSITION	28,123	(580,700)	(552,577)
Net Position - Beginning of Year	2,018,271	3,587,220	5,605,491
NET POSITION - END OF YEAR	\$ 2,046,394	\$ 3,006,520	\$ 5,052,914

**DUNN COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2017**

	<u>Workers Compensation</u>	<u>Health Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from County Departments	\$ 724,105	\$ 8,084,451	\$ 8,808,556
Cash Paid to Employees for Insurance Claims	(528,442)	(6,668,137)	(7,196,579)
Cash Paid to Third Party Administrator	-	(1,129,735)	(1,129,735)
Net Cash Provided by (Used for) Operating Activities	<u>195,663</u>	<u>286,579</u>	<u>482,242</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	-	327	327
Investment Income	23,952	(895)	23,057
Net Cash Provided by (Used for) Investing Activities	<u>23,952</u>	<u>(568)</u>	<u>23,384</u>
NET CHANGE IN CASH AND CASH AND CASH EQUIVALENTS	19,615	(13,989)	5,626
Cash and Cash Equivalents - Beginning of Year	<u>2,292,199</u>	<u>2,097,255</u>	<u>4,389,454</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,311,814</u>	<u>\$ 2,083,266</u>	<u>\$ 4,395,080</u>
Cash and Investments per Statement of Net Position	\$ 2,311,814	\$ 3,581,996	\$ 5,893,810
Noncash Equivalents	-	(1,498,730)	(1,498,730)
Cash and Cash Equivalents	<u>\$ 2,311,814</u>	<u>\$ 2,083,266</u>	<u>\$ 4,395,080</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 204,171	\$ (279,805)	\$ (75,634)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
(Increase) Decrease in Assets:			
Change in Receivables	-	365,763	365,763
Increase (Decrease) in Liabilities:			
Change in Accounts Payable	-	(51,766)	(51,766)
Change in Accrued Liabilities	(8,508)	252,387	243,879
Net Cash Provided by (Used for) Operating Activities	<u>\$ 195,663</u>	<u>\$ 286,579</u>	<u>\$ 482,242</u>

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2017**

	Tax Collections	Treasurer	Clerk of Courts	Sheriff	District Attorney	Totals
ASSETS						
Cash and Investments	<u>\$ 2,874,553</u>	<u>\$ 422,551</u>	<u>\$ 537,631</u>	<u>\$ 27,523</u>	<u>\$ 12,300</u>	<u>\$ 3,874,558</u>
LIABILITIES						
Accounts Payable	\$ -	\$ 43	\$ -	\$ -	\$ -	\$ 43
Deposits Payable	-	2,710	336,483	27,523	12,300	379,016
Due to Other Governments	2,874,553	419,798	201,148	-	-	3,495,499
Total Liabilities	<u>\$ 2,874,553</u>	<u>\$ 422,551</u>	<u>\$ 537,631</u>	<u>\$ 27,523</u>	<u>\$ 12,300</u>	<u>\$ 3,874,558</u>