

DUNN COUNTY, WISCONSIN
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2013

**DUNN COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	17
STATEMENT OF ACTIVITIES	18
BALANCE SHEET – GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	21
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	22
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	24
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	25
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	27
NOTES TO BASIC FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	57
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – HUMAN SERVICES FUND	61
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS	62
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	63
COMBINING AND INDIVIDUAL FUND STATEMENTS	
NONMAJOR GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	64
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	65
INTERNAL SERVICE FUNDS	
COMBINING STATEMENT OF NET POSITION	66
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	67
COMBINING STATEMENT OF CASH FLOWS	68
AGENCY FUNDS	
COMBINING BALANCE SHEET	69



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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, 2013, 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, 2013, and the respective changes in the financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 3.E. to the financial statements, in 2013 the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As discussed in Note 3.F. to the financial statements, the County restated beginning net position of the governmental activities to reflect the correction of an accounting error. Our opinion is not modified with respect to this matter.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

County Board
Dunn County, Wisconsin

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2014 on our consideration of the County's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 22, 2014

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, 2013

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, 2013 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, 2013, the assets and deferred outflows of resources of Dunn County exceeded its liabilities and deferred inflows of resources by \$98,764,431 (total net position). Of this amount \$19,228,702 (unrestricted net position) or 19.5% 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 by \$298,254 in 2013.
- At the close of the fiscal year, Dunn County governmental funds reported ending fund balances of \$26,570,560 an increase of \$10,190,390 from the prior year. Approximately 47% of this total amount, or \$12,529,730, 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 \$12,529,730. This is 62.0% of the total general fund expenditures for the fiscal year.
- Dunn County's total outstanding debt for the year ended December 31, 2013 was \$38,465,000. All of the debt is general obligation debt which is 29.4% of the County's overall debt limit of \$130,687,010. This leaves an unused debt limit of \$92,222,010.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

The government-wide financial statements can be found beginning on page 17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Dunn County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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 7 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 three 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, 2013**

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 57. Combining and individual fund statements and schedules can be found beginning on page 64.

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 \$98,764,431 as of December 31, 2013.

**Condensed Statement of Net Position
December 31, 2013 and 2012**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	\$46,035,975	\$38,202,220	\$13,975,146	\$24,897,455	\$ 60,011,121	\$63,099,675
Capital Assets	80,324,375	80,106,366	28,395,151	17,359,762	108,719,526	97,466,128
Internal Balances	6,782,136	4,619,058	(6,782,136)	(4,619,058)	-	-
Total Assets	<u>133,142,486</u>	<u>122,927,644</u>	<u>35,588,161</u>	<u>37,638,159</u>	<u>168,730,647</u>	<u>160,565,803</u>
Deferred Outflows of Resources	140,814	180,747	-	-	140,814	180,747
Noncurrent Liabilities Outstanding	17,018,979	8,578,606	23,183,517	24,097,254	40,202,496	32,675,860
Other Liabilities	5,712,301	5,657,946	3,754,280	3,382,785	9,466,581	9,040,731
Total Liabilities	<u>22,731,280</u>	<u>14,236,552</u>	<u>26,937,797</u>	<u>27,480,039</u>	<u>49,669,077</u>	<u>41,716,591</u>
Deferred Inflows of Resources	13,502,122	14,837,836	6,935,831	5,464,066	20,437,953	20,301,902
Net Investment in Capital Assets	73,116,578	72,218,305	5,417,963	8,497,281	78,534,541	80,715,586
Restricted	1,001,188	60,735	-	-	1,001,188	60,735
Unrestricted	22,932,132	21,754,963	(3,703,430)	(3,803,227)	19,228,702	17,951,736
Total Net Position	<u>\$97,049,898</u>	<u>\$94,034,003</u>	<u>\$ 1,714,533</u>	<u>\$ 4,694,054</u>	<u>\$ 98,764,431</u>	<u>\$98,728,057</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

\$78,534,541 (79.5%) 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, 2013. In 2012 the percentage was 82.3%. 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.

\$19,228,702 (19.5%) of net position was unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. At December 31, 2012 unrestricted net position was \$17,951,736 (18.2%).

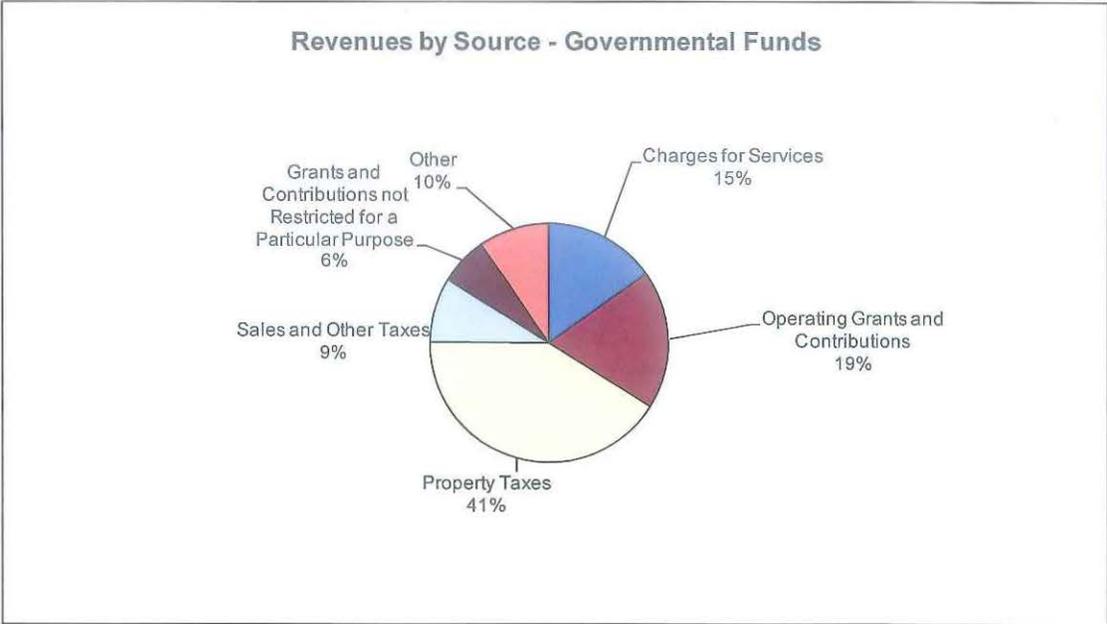
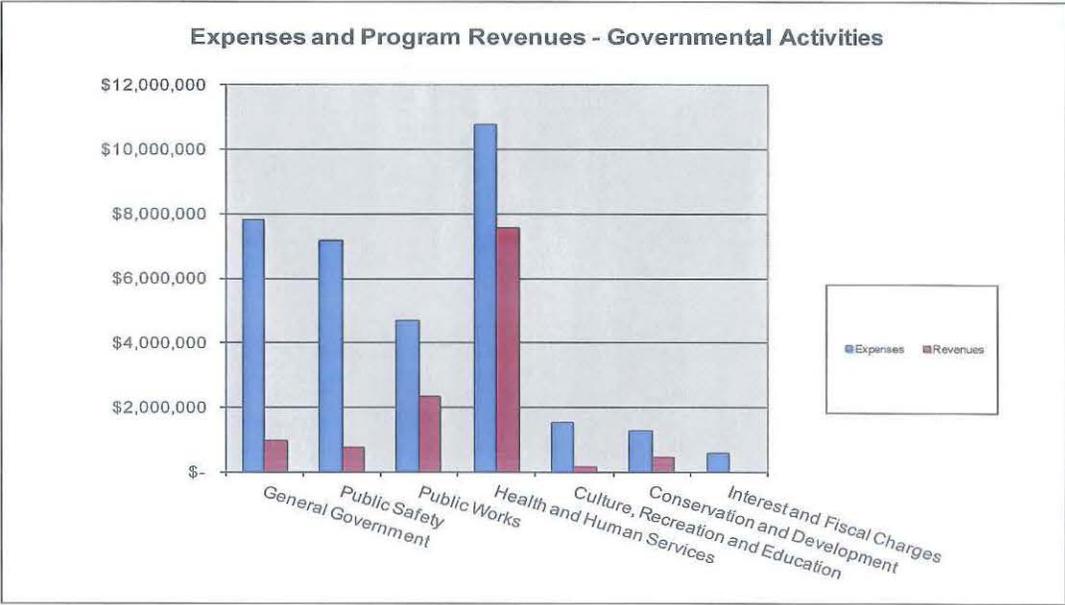
At the end of the current fiscal year, Dunn County is able to report positive balances in all categories of net position except for unrestricted net position of the business-type activities.

**Condensed Statement of Activities
Year Ended December 31, 2013 and 2012**

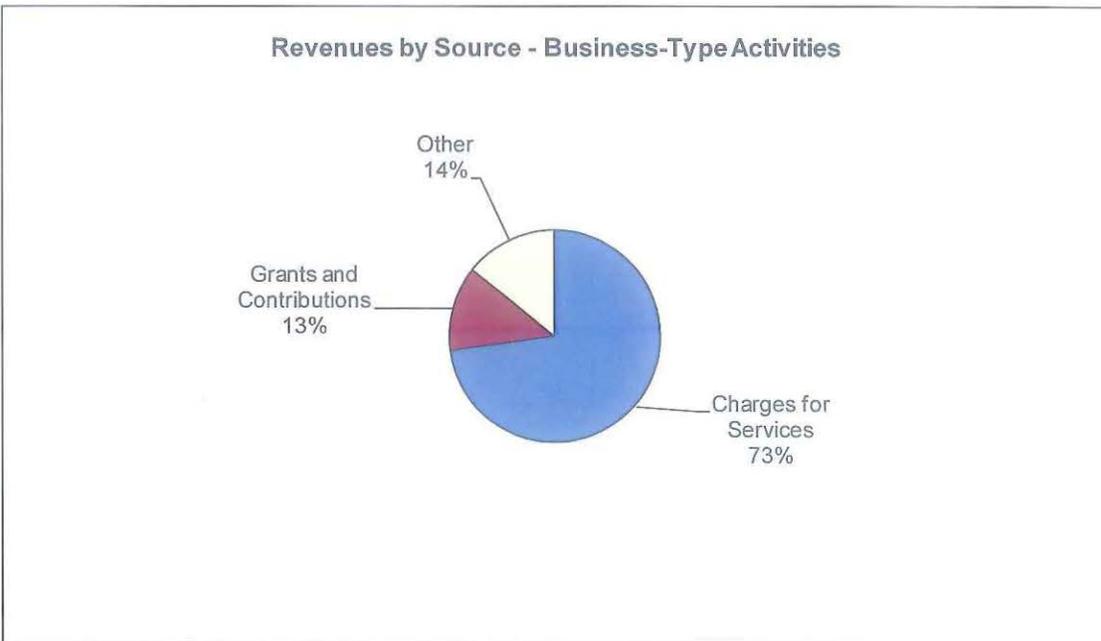
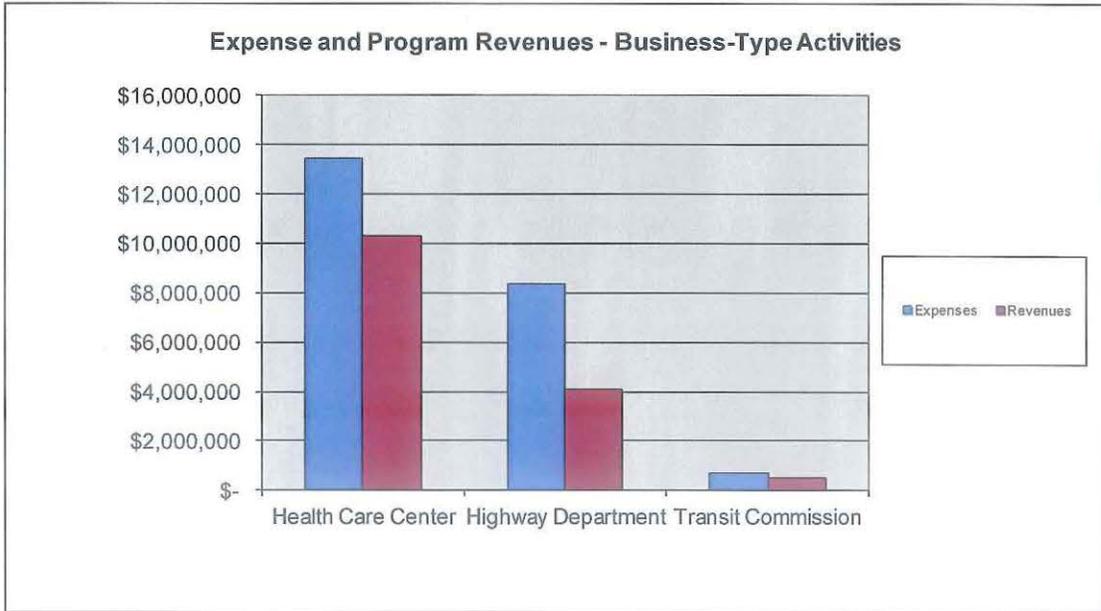
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,459,408	\$ 5,761,858	\$14,598,229	\$13,377,021	\$ 20,057,637	\$19,138,879
Operating Grants and Contributions	6,745,427	6,902,900	376,067	456,191	7,121,494	7,359,091
Capital Grants and Contributions	-	-	-	8,238	-	8,238
General Revenues:						
Property Taxes	13,082,906	12,885,966	5,464,066	5,340,210	18,546,972	18,226,176
Other Taxes	4,906,451	4,592,449	-	-	4,906,451	4,592,449
State and Federal Aids not Restricted to Specific Programs	2,358,292	2,366,167	2,221,222	2,762,043	4,579,514	5,128,210
Unrestricted Investment Earnings	31,386	103,193	1,997	-	33,383	103,193
Other	785,474	326,780	16,057	55,622	801,531	382,402
Total Revenues	<u>33,369,344</u>	<u>32,939,313</u>	<u>22,677,638</u>	<u>21,999,325</u>	<u>56,046,982</u>	<u>54,938,638</u>
Expenses:						
General Government	7,816,565	8,029,464	-	-	7,816,565	8,029,464
Public Safety	7,189,337	7,730,008	-	-	7,189,337	7,730,008
Public Works	4,698,544	2,874,982	-	-	4,698,544	2,874,982
Health and Human Services	10,766,389	10,905,569	-	-	10,766,389	10,905,569
Culture, Recreation and Education	1,519,233	1,236,180	-	-	1,519,233	1,236,180
Conservation and Development	1,282,707	1,269,555	-	-	1,282,707	1,269,555
Interest and Fiscal Charges	583,024	423,157	-	-	583,024	423,157
Health Care Center	-	-	13,444,710	11,217,588	13,444,710	11,217,588
Highway	-	-	8,334,440	8,147,053	8,334,440	8,147,053
Transit Commission	-	-	710,287	656,834	710,287	656,834
Total Expenses	<u>33,855,799</u>	<u>32,468,915</u>	<u>22,489,437</u>	<u>20,021,475</u>	<u>56,345,236</u>	<u>52,490,390</u>
Change in Net Position Before Transfers	(486,455)	470,398	188,201	1,977,850	(298,254)	2,448,248
Transfers	2,627,154	3,491,373	(2,627,154)	(3,491,373)	-	-
Change in Net Position	<u>2,140,699</u>	<u>3,961,771</u>	<u>(2,438,953)</u>	<u>(1,513,523)</u>	<u>(298,254)</u>	<u>2,448,248</u>
Net Position - Beginning of Year	94,034,003	90,072,232	4,694,054	6,207,577	98,728,057	96,279,809
Change in Accounting Principle	(74,310)	-	(540,568)	-	(614,878)	-
Prior Period Adjustment	949,506	-	-	-	949,506	-
Net Position - Beginning of Year - As Restated	<u>94,909,199</u>	<u>90,072,232</u>	<u>4,153,486</u>	<u>6,207,577</u>	<u>99,062,685</u>	<u>96,279,809</u>
Net Position - End of Year	<u>\$97,049,898</u>	<u>\$94,034,003</u>	<u>\$ 1,714,533</u>	<u>\$ 4,694,054</u>	<u>\$ 98,764,431</u>	<u>\$98,728,057</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

A review of the statement of activities can provide a concise picture of how the various functions/programs of Dunn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main services for funding governmental services are property taxes (41%) and operating grants/contributions (19%).



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**



**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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, 2013, the County's governmental funds reported combined ending fund balance of \$26,570,560 (\$16,380,170 in 2012), an increase of \$10,190,390 in comparison with the prior year (\$963,541 increase in 2012). Of the combined ending fund balances, \$12,529,730 or 47.2% constitutes unassigned fund balance that is available for spending at the County's discretion. The remainder of fund balance, \$14,040,830 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 \$12,529,730, while total fund balance reached \$16,059,184 (\$15,249,955 for 2012).

During the current year, the County's general fund balance increased by \$809,229 (\$644,321 increase in 2012). Key factors in this increase include:

- The County's final budget applied \$2,766,127 of fund balance towards 2013 expenditures.
- Actual general fund expenditures were \$3,186,524 less than planned, while the revenues were \$1,016,137 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 2013, after a \$12,949 transfer to the general fund and a \$101,775 transfer to the transit commission fund.

The fund balance of the debt service fund decreased by \$1,077 during fiscal year 2013, ending at \$29,290.

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 to finance these projects. Additional debt was issued subsequent to year end in the amount of \$7,150,000 to finance the remainder of these projects. The fund balance as of December 31, 2013 was \$9,216,342.

The other governmental funds had fund balances of \$1,265,744 which is an increase of \$165,896 from the prior year.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

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 2013 totaled \$6,418,640, down \$1,242,282 from the previous year.

The decrease in the net position of The Neighbors of Dunn County was \$1,849,342.

The increase in the net position of the highway department was \$680,722.

The decrease in the net position of the transit commission was \$73,662.

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 2013. Net position of the funds at year end and changes thereto during the year were as follows:

	Net Position at 12/31/13	Change During Year
Worker's Compensation Fund	\$ 1,782,370	\$ 151,691
Health Insurance Fund	1,812,643	(961,557)

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, 2013**

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 \$2,044,457, which consisted of increases in grants expenses and fund balance applied for projects not completed in 2012.

During the year, actual general fund revenues excluding fund balance applied was under budget by \$1,016,137 and actual general fund expenditures were \$3,186,524 under budget.

The main revenue budget variances included: home health care charges for services \$280,769 under budget, interest on investments \$65,156 under budget and grants that were in progress in the sheriff's department and emergency communications \$77,121 and \$561,000, respectively.

The main expenditure budget variances included (all less than budget): county manager \$1,309,455, emergency communication \$640,348, and sheriff \$318,126. Several of these budgets were for projects that were not completed and the budget was carried forward to the 2014 budget.

Some department budgets were over budget. There were no department budgets over by \$15,000 or more.

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, 2013 and 2012 was \$108,719,526 and \$97,466,128, respectively, (net of accumulated depreciation) as shown below:

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,730,453	\$ 2,671,703	\$ 418,120	\$ 448,166	\$ 3,148,573	\$ 3,119,869
Construction in Progress	1,048,925	1,150,728	-	9,675,156	1,048,925	10,825,884
Land Improvements	-	-	876,100	324,004	876,100	324,004
Buildings	11,108,692	10,973,536	21,121,025	1,689,313	32,229,717	12,662,849
Machinery and Shop Equipment	1,968,320	2,068,067	5,979,906	5,223,123	7,948,226	7,291,190
Roads	53,442,088	53,088,731	-	-	53,442,088	53,088,731
Bridges	10,025,897	10,153,601	-	-	10,025,897	10,153,601
Capital Assets, Net of Accumulated Depreciation	<u>\$80,324,375</u>	<u>\$80,106,366</u>	<u>\$28,395,151</u>	<u>\$17,359,762</u>	<u>\$108,719,526</u>	<u>\$97,466,128</u>

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

Major Capital Asset Events

Governmental Activities

- Fiscal year 2013 road and bridge projects.
- Sheriff department vehicles.

Business-Type Activities

- The Neighbors facility construction.
- Highway machinery and equipment.
- Solid Waste machinery and equipment.

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

Long-Term Obligations

At December 31, 2013, Dunn County had outstanding \$38,465,000 of long-term debt. A summary detail of this amount is shown below:

	Outstanding Debt at Year-End				
	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/13
General Obligation Debt					
G.O. Refunding Bonds	3/15/2004	10/1/2017	1.20-3.80%	\$ 7,980,000	\$ 3,335,000
G.O. Taxable Refunding Bonds	12/1/2005	10/1/2017	5.10-5.50%	3,840,000	1,715,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	22,050,000
G.O. Facility Improvement and Refunding Bor	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	10,000,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,365,000
Total General Obligation Debt					<u>\$ 38,465,000</u>

In addition, as of December 31, 2013 the County had a \$3,789,907 liability for vested compensated absences. Of this amount, \$2,290,368 (60%) is for governmental activities and the remaining \$1,499,539 (40%) is for business-type activities. As of December 31, 2012, the County had a \$3,873,592 liability for vested compensated absences. Of this amount, \$2,436,062 (63%) was for governmental activities and the remaining \$1,437,530 (37%) was for business-type activities. The County also had a liability recorded of \$738,526 and \$624,803 at December 31, 2013 and 2012, respectively, for other postemployment benefits.

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

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limit for the County is \$130,687,010, which is significantly in excess of the County's \$38,465,000 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, 2013**

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 2013 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 \$33,911,800 or 1.3% as compared to the State which experienced an overall negative growth of \$3,589,965,200 or -0.76% from 2012 to 2013. The following presents comparables with neighboring counties:

County	2012 Equalized Value	2013 Equalized Value	Percent Change
Barron	\$ 3,474,905,200	\$ 3,579,455,200	3.0%
Chippewa	4,572,364,300	4,653,303,700	1.8%
<u>Dunn</u>	<u>2,579,828,400</u>	<u>2,613,740,200</u>	<u>1.3%</u>
Eau Claire	6,722,050,200	6,907,862,700	2.8%
Pepin	542,351,000	550,723,900	1.5%
Pierce	2,745,713,700	2,724,148,700	-0.8%
St. Croix	6,930,949,400	7,154,298,100	3.2%

Dunn County is experiencing some pressure from the national economic situation. During 2013, foreclosures of real estate properties continued to increase which contributed to the decline in equalized values.

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.

Although Dunn County has not been impacted to the same level as other Wisconsin Counties by the state, national and global economic situation, the impact is being felt none the less. Unemployment continues to be a serious issue; interest earnings are low; assessed values of property continue to decline and a depressed economic atmosphere is being felt throughout the organization. The County continues to monitor activity at both the State and Federal levels.

Candidly, property owners as a whole have less discretionary income with which to absorb any increase in taxes, a situation of which the elected supervisors are most mindful. The County's collective bargaining agreements expired December 31, 2011, with the exception of the Power of Arrest. The Powers of Arrest have a 3 year contract with a 0% wage increase for both 2012 and 2013 and a 1% wage increase for 2014 and an expectation of limited increases in fringe benefit costs. The County Board is approaching the 2015 budget cautiously and conservatively with a long term goal and service oriented approach. Overall, the Board is most mindful of the economic conditions in the region.

**DUNN COUNTY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013**

The County will continue the philosophy of being fiscally conservative while mindful of service demands when developing the 2015 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.

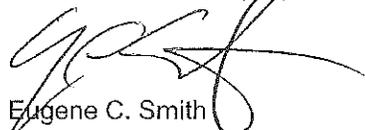
- On November 12, 2013, the Dunn County Board of Supervisors adopted a fiscal year 2014 budget in the amount of \$72,308,365.
- On November 12, 2013, the Dunn County Board of Supervisors adopted an overall county tax levy of \$20,881,521. Included in this amount was an operating levy of \$17,699,360, an increase of \$115,118 (0.7%) over the preceding year.

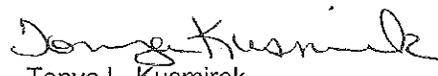
The County completed the new nursing home facility and, in efforts to continue providing services in a more efficient manner, the County is moving forward with renovations of the vacant building where client service departments will relocate to.

CONTACTING DUNN COUNTY

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

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


Eugene C. Smith
County Manager


Tonya L. Kusmirek
Finance Manager

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2013**

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
ASSETS				
Cash and Investments	\$ 28,137,859	\$ 2,131,449	\$ 30,269,308	\$ 57,925
Restricted Cash	-	308,622	308,622	64,781
Accounts Receivable (net)	607,003	1,975,113	2,582,116	15,451
Taxes Receivable	13,502,122	6,935,831	20,437,953	-
Delinquent Taxes Receivable	1,204,063	-	1,204,063	-
Loans Receivables	1,010,893	-	1,010,893	-
Internal Balances	6,782,136	(6,782,136)	-	-
Due From Other Governments	1,574,035	942,840	2,516,875	-
Inventory	-	1,664,736	1,664,736	-
Prepaid Items	-	16,555	16,555	750
Capital Assets:				
Land	2,730,453	418,120	3,148,573	-
Construction in Progress	1,048,925	-	1,048,925	-
Other Capital Assets, Net of Depreciation	76,544,997	27,977,031	104,522,028	-
Total Assets	<u>133,142,486</u>	<u>35,588,161</u>	<u>168,730,647</u>	<u>138,907</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	<u>140,814</u>	<u>-</u>	<u>140,814</u>	<u>-</u>
LIABILITIES				
Accounts Payable	1,192,636	659,065	1,851,701	-
Construction Contracts Payable	-	396,965	396,965	-
Accrued Liabilities	1,748,716	553,653	2,302,369	-
Accrued Interest Payable	158,935	195,125	354,060	-
Due to Other Governments	97,562	-	97,562	-
Unearned Revenue	33,536	166,332	199,868	-
Deposits	87,356	-	87,356	-
Patient Trust Funds Payable	-	6,490	6,490	-
Noncurrent Liabilities:				
Amounts Due Within One Year	2,393,560	1,776,650	4,170,210	-
Amounts Due in More Than One Year	17,018,979	23,183,517	40,202,496	22,579
Total Liabilities	<u>22,731,280</u>	<u>26,937,797</u>	<u>49,669,077</u>	<u>22,579</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent Year's Property Taxes	<u>13,502,122</u>	<u>6,935,831</u>	<u>20,437,953</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	73,116,578	5,417,963	78,534,541	-
Restricted				
Revolving Loan Programs	1,001,188	-	1,001,188	-
Other	-	-	-	42,202
Unrestricted	<u>22,932,132</u>	<u>(3,703,430)</u>	<u>19,228,702</u>	<u>74,126</u>
Total Net Position	<u>\$ 97,049,898</u>	<u>\$ 1,714,533</u>	<u>\$ 98,764,431</u>	<u>\$ 116,328</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	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	\$ 7,816,565	\$ 635,193	\$ 325,651	\$ (6,855,721)	\$ -	\$ (6,855,721)	\$ -
Public Safety	7,189,337	595,287	160,452	(6,433,598)	-	(6,433,598)	-
Public Works	4,698,544	2,163,516	176,271	(2,358,757)	-	(2,358,757)	-
Health and Human Services	10,766,389	1,833,997	5,724,029	(3,208,363)	-	(3,208,363)	-
Culture, Recreation and Education	1,519,233	134,485	5,612	(1,379,136)	-	(1,379,136)	-
Conservation and Development	1,282,707	96,930	353,412	(832,365)	-	(832,365)	-
Interest and Fiscal Charges	583,024	-	-	(583,024)	-	(583,024)	-
Total Governmental Activities	<u>33,855,799</u>	<u>5,459,408</u>	<u>6,745,427</u>	<u>(21,650,964)</u>	<u>-</u>	<u>(21,650,964)</u>	<u>-</u>
Business-Type Activities:							
Health Care Center	13,444,710	10,328,726	-	-	(3,115,984)	(3,115,984)	-
Highway	8,334,440	4,110,783	-	-	(4,223,657)	(4,223,657)	-
Transit Commission	710,287	158,720	376,067	-	(175,500)	(175,500)	-
Total Business-Type Activities	<u>22,489,437</u>	<u>14,598,229</u>	<u>376,067</u>	<u>-</u>	<u>(7,515,141)</u>	<u>(7,515,141)</u>	<u>-</u>
Total Primary Government	<u>\$ 56,345,236</u>	<u>\$ 20,057,637</u>	<u>\$ 7,121,494</u>	<u>(21,650,964)</u>	<u>(7,515,141)</u>	<u>(29,166,105)</u>	<u>-</u>
Component Unit:							
Housing Authority	<u>\$ 493,716</u>	<u>\$ -</u>	<u>\$ 425,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,673)</u>
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes				13,082,906	5,464,066	18,546,972	-
Property Taxes, Levied for Debt Purposes				1,754,974	-	1,754,974	-
Other Taxes				3,151,477	-	3,151,477	-
Intergovernmental Revenues not Restricted to Specific Progr				2,358,292	2,221,222	4,579,514	-
Investment Income				31,386	1,997	33,383	36
Miscellaneous				785,474	16,057	801,531	64,189
TRANSFERS				<u>2,627,154</u>	<u>(2,627,154)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers				<u>23,791,663</u>	<u>5,076,188</u>	<u>28,867,851</u>	<u>64,225</u>
CHANGE IN NET POSITION							
				<u>2,140,699</u>	<u>(2,438,953)</u>	<u>(298,254)</u>	<u>(4,448)</u>
Net Position - Beginning of Year				94,034,003	4,694,054	98,728,057	120,776
Change in Accounting Principle				(74,310)	(540,568)	(614,878)	-
Prior Period Adjustment				949,506	-	949,506	-
Net Position - Beginning of Year - As Restated				<u>94,909,199</u>	<u>4,153,486</u>	<u>99,062,685</u>	<u>120,776</u>
NET POSITION - END OF YEAR				<u>\$ 97,049,898</u>	<u>\$ 1,714,533</u>	<u>\$ 98,764,431</u>	<u>\$ 116,328</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS						
Cash and Investments	\$ 12,878,318	\$ 9,617	\$ 30,090	\$ 9,583,403	\$ 1,372,494	\$ 23,873,922
Receivables						
Taxes Receivable	8,522,305	2,948,151	2,023,666	-	8,000	13,502,122
Delinquent Taxes	1,204,063	-	-	-	-	1,204,063
Accounts	156,715	78,201	-	-	158,238	393,154
Loans	92,956	-	-	-	917,937	1,010,893
Due from Other Governments	850,362	677,710	-	-	45,963	1,574,035
Due from Other Funds	2,249,861	-	-	-	-	2,249,861
Advance to Other Funds	32,500	-	-	-	-	32,500
	<u>\$ 25,987,080</u>	<u>\$ 3,713,679</u>	<u>\$ 2,053,756</u>	<u>\$ 9,583,403</u>	<u>\$ 2,502,632</u>	<u>\$ 43,840,550</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 301,376	\$ 294,017	\$ 800	\$ 295,561	\$ 300,882	\$ 1,192,636
Accrued Liabilities	670,864	185,010	-	-	10,069	865,943
Deposits Payable	15,856	-	-	71,500	-	87,356
Due to Other Governments	15,393	82,169	-	-	-	97,562
Due to Other Funds	-	204,332	-	-	-	204,332
Unearned Revenues	33,536	-	-	-	-	33,536
Total Liabilities	<u>1,037,025</u>	<u>765,528</u>	<u>800</u>	<u>367,061</u>	<u>310,951</u>	<u>2,481,365</u>
Deferred Inflows of Resources:						
Subsequent Year's Property Taxes	8,522,305	2,948,151	2,023,666	-	8,000	13,502,122
Unavailable Loans Receivable	56,001	-	-	-	917,937	973,938
Unavailable Special Assessments	312,565	-	-	-	-	312,565
Total Deferred Inflows of Resources	<u>8,890,871</u>	<u>2,948,151</u>	<u>2,023,666</u>	<u>-</u>	<u>925,937</u>	<u>14,788,625</u>
Fund Balances:						
Nonspendable	763,327	-	-	-	-	763,327
Restricted	-	-	29,290	9,216,342	83,251	9,328,883
Committed	-	-	-	-	1,182,493	1,182,493
Assigned	2,766,127	-	-	-	-	2,766,127
Unassigned	12,529,730	-	-	-	-	12,529,730
Total Fund Balances	<u>16,059,184</u>	<u>-</u>	<u>29,290</u>	<u>9,216,342</u>	<u>1,265,744</u>	<u>26,570,560</u>
	<u>\$ 25,987,080</u>	<u>\$ 3,713,679</u>	<u>\$ 2,053,756</u>	<u>\$ 9,583,403</u>	<u>\$ 2,502,632</u>	<u>\$ 43,840,550</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,987,080</u>	<u>\$ 3,713,679</u>	<u>\$ 2,053,756</u>	<u>\$ 9,583,403</u>	<u>\$ 2,502,632</u>	<u>\$ 43,840,550</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, 2013**

Total Fund Balances - Governmental Funds **\$ 26,570,560**

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	\$ 134,078,543	
Accumulated Depreciation	(53,754,168)	80,324,375

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	312,565	
Loans Receivable	973,938	1,286,503

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	(16,415,000)	
Accrued Interest Payable	(158,935)	
Compensated Absences	(2,290,368)	
Other Postemployment Benefits	(557,218)	
Bond Premium	(156,722)	
Bond Discount	6,769	
Deferred Charge Resulting from the Refunding of Debt	140,814	(19,430,660)

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	3,595,013	
Less Allocated to Business-Type Activities	4,704,107	8,299,120

Net Position of Governmental Activities **\$ 97,049,898**

DUNN COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	General Fund	Human Services Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES						
Taxes	\$ 13,331,990	\$ 2,956,378	\$ 1,754,974	\$ -	\$ 8,000	\$ 18,051,342
Intergovernmental Revenues	4,062,203	4,785,722	-	-	227,946	9,075,871
Licenses and Permits	84,343	-	-	-	-	84,343
Fines and Forfeits	224,126	-	-	-	81,819	305,945
Public Charges for Services	2,090,407	799,543	-	-	1,410,518	4,300,468
Intergovernmental Charges for Services	49,004	-	-	-	542,649	591,653
Investment Income	30,344	-	332	703	-	31,379
Miscellaneous	781,057	-	-	-	250,341	1,031,398
Total Revenues	<u>20,653,474</u>	<u>8,541,643</u>	<u>1,755,306</u>	<u>703</u>	<u>2,521,273</u>	<u>33,472,399</u>
EXPENDITURES						
Current:						
General Government	7,555,152	-	-	4,250	-	7,559,402
Public Safety	7,515,628	-	-	-	35,000	7,550,628
Public Works	-	-	-	-	2,261,961	2,261,961
Health and Human Services	2,703,314	8,426,919	-	614,841	-	11,745,074
Culture, Recreation and Education	1,362,634	-	-	-	-	1,362,634
Conservation and Development	1,395,816	-	-	-	8,416	1,404,232
Debt Service:						
Principal Retirement	-	-	1,480,000	-	-	1,480,000
Interest and Fiscal Charges	-	-	339,451	126,493	-	465,944
Total Expenditures	<u>20,532,544</u>	<u>8,426,919</u>	<u>1,819,451</u>	<u>745,584</u>	<u>2,305,377</u>	<u>33,829,875</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>120,930</u>	<u>114,724</u>	<u>(64,145)</u>	<u>(744,881)</u>	<u>215,896</u>	<u>(357,476)</u>
OTHER FINANCING SOURCES (USES)						
Long-Term Debt Issued	-	-	1,515,000	9,850,000	-	11,365,000
Current Refunding Payment	-	-	(1,545,000)	-	-	(1,545,000)
Debt Premium	-	-	43,068	111,223	-	154,291
Transfers In	688,299	-	50,000	-	-	738,299
Transfers Out	-	(114,724)	-	-	(50,000)	(164,724)
Total Other Financing Sources (Uses)	<u>688,299</u>	<u>(114,724)</u>	<u>63,068</u>	<u>9,961,223</u>	<u>(50,000)</u>	<u>10,547,866</u>
NET CHANGE IN FUND BALANCES	809,229	-	(1,077)	9,216,342	165,896	10,190,390
Fund Balances - Beginning of Year	15,249,955	-	30,367	-	1,099,848	16,380,170
FUND BALANCES - END OF YEAR	<u>\$ 16,059,184</u>	<u>\$ -</u>	<u>\$ 29,290</u>	<u>\$ 9,216,342</u>	<u>\$ 1,265,744</u>	<u>\$ 26,570,560</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, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 10,190,390

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	\$ 949,529	
Depreciation Expense Reported in the Statement of Activities	(3,235,799)	
Contributed Capital from Business-Type Activities Reported as Transfers	2,553,579	
Loss on Disposal of Capital Assets	<u>(49,300)</u>	218,009

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. (103,055)

Long-term debt and related obligations incurred in governmental funds are reported as revenues/other financing sources, but are reported as an increase in outstanding long-term obligations in the statement of net position and do not affect the statement of activities. Also governmental funds report the effect of discounts, premiums and similar items when issued, whereas these amounts are amortized in the statement of activities. (11,519,291)

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

Bond Principal Retirement		3,025,000
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Internal service funds are used by County management to charge the costs of its self-funded health insurance and workers compensation programs to functions. The changes in net position of these internal service funds are allocated between governmental activities and business-type activities as follows:

Change in Net Position of Internal Service Funds	(809,866)	
Loss Allocated to Business-Type Activities	<u>1,196,671</u>	386,805

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	(75,293)	
Net Change in Compensated Absences Liability	145,694	
Amortization of Bond Premium	608	
Amortization of Bond Discount	(2,462)	
Amortization of Deferred Charges from the Refunding of Debt	(39,933)	
Net Change in Other Post Employment Benefits Payable	<u>(85,773)</u>	<u>(57,159)</u>

Change in Net Position of Governmental Activities \$ 2,140,699

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
ASSETS					
Current Assets:					
Cash and Investments	\$ 503,708	\$ 1,624,798	\$ 2,943	\$ 2,131,449	\$ 4,263,937
Restricted Assets - Cash	308,622	-	-	308,622	-
Taxes Receivable	500,000	6,435,831	-	6,935,831	-
Accounts Receivable, Net	1,969,192	1,045	4,876	1,975,113	213,849
Due from Other Governments	-	758,657	184,183	942,840	-
Inventory	55,435	1,609,301	-	1,664,736	-
Prepaid Expenses	4,545	3,713	8,297	16,555	-
Total Current Assets	<u>3,341,502</u>	<u>10,433,345</u>	<u>200,299</u>	<u>13,975,146</u>	<u>4,477,786</u>
Noncurrent Assets:					
Capital Assets (net)	21,457,888	6,746,432	190,831	28,395,151	-
Total Assets	<u>24,799,390</u>	<u>17,179,777</u>	<u>391,130</u>	<u>42,370,297</u>	<u>4,477,786</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	332,555	289,259	37,251	659,065	-
Construction Contracts Payable	396,965	-	-	396,965	-
Interest Payable	195,125	-	-	195,125	-
Accrued Expenses	351,122	198,422	4,109	553,653	882,773
Unearned Revenue	-	166,332	-	166,332	-
Vested Benefits	411,692	501,723	3,235	916,650	-
Patient Trust Fund Payable	6,490	-	-	6,490	-
Due to Other Funds	2,045,529	-	-	2,045,529	-
Bonds Payable	860,000	-	-	860,000	-
Total Current Liabilities	<u>4,599,478</u>	<u>1,155,736</u>	<u>44,595</u>	<u>5,799,809</u>	<u>882,773</u>
Noncurrent Liabilities:					
Bonds Payable	22,419,320	-	-	22,419,320	-
Advance from Other Funds	32,500	-	-	32,500	-
Vested Benefits	310,575	270,158	2,156	582,889	-
Other Post-Employment Benefits	154,573	26,735	-	181,308	-
Total Non-Current Liabilities	<u>22,916,968</u>	<u>296,893</u>	<u>2,156</u>	<u>23,216,017</u>	<u>-</u>
Total Liabilities	<u>27,516,446</u>	<u>1,452,629</u>	<u>46,751</u>	<u>29,015,826</u>	<u>882,773</u>
DEFERRED INFLOWS OF RESOURCES					
Subsequent Year's Property Taxes	500,000	6,435,831	-	6,935,831	-
NET POSITION					
Net Investment in Capital Assets	(1,519,300)	6,746,432	190,831	5,417,963	-
Unrestricted	(1,697,756)	2,544,885	153,548	1,000,677	3,595,013
Total Net Position	<u>\$ (3,217,056)</u>	<u>\$ 9,291,317</u>	<u>\$ 344,379</u>	<u>6,418,640</u>	<u>\$ 3,595,013</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(4,704,107)</u>	
Net Position - Business-Type Activities				<u>\$ 1,714,533</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, 2013

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Funds		Nonmajor		
	The Neighbors of Dunn County	Highway Department	Transit Commission	Totals	
OPERATING REVENUES	<u>\$ 10,328,726</u>	<u>\$ 4,110,783</u>	<u>\$ 158,720</u>	<u>\$ 14,598,229</u>	<u>\$ 8,229,604</u>
OPERATING EXPENSES					
Operation and Maintenance	11,959,865	7,131,598	625,486	19,716,949	678,788
Depreciation	741,119	747,251	84,738	1,573,108	-
Benefit Payments	-	-	-	-	7,873,913
Total Operating Expenses	<u>12,700,984</u>	<u>7,878,849</u>	<u>710,224</u>	<u>21,290,057</u>	<u>8,552,701</u>
OPERATING INCOME (LOSS)	<u>(2,372,258)</u>	<u>(3,768,066)</u>	<u>(551,504)</u>	<u>(6,691,828)</u>	<u>(323,097)</u>
NONOPERATING REVENUES (EXPENSES)					
General Property Taxes	500,000	4,964,066	-	5,464,066	-
Grant Funding	-	-	376,067	376,067	-
Intergovernmental Grants	726,700	1,494,522	-	2,221,222	-
Rental Income	44,199	-	-	44,199	-
Investment Income	1,997	-	-	1,997	13,231
Interest Expense and Amortization of Debt Premium	(86,103)	-	-	(86,103)	-
Investment Fees	(2,709)	-	-	(2,709)	-
Other Income (Expense)	-	57,961	-	57,961	-
Total Nonoperating Revenues	<u>1,184,084</u>	<u>6,516,549</u>	<u>376,067</u>	<u>8,076,700</u>	<u>13,231</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,188,174)</u>	<u>2,748,483</u>	<u>(175,437)</u>	<u>1,384,872</u>	<u>(309,866)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions to Governmental Activities	(485,818)	(2,067,761)	-	(2,553,579)	-
Transfers	(175,350)	-	101,775	(73,575)	(500,000)
Total Capital Contributions and Transfers	<u>(661,168)</u>	<u>(2,067,761)</u>	<u>101,775</u>	<u>(2,627,154)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	<u>(1,849,342)</u>	<u>680,722</u>	<u>(73,662)</u>	<u>(1,242,282)</u>	<u>(809,866)</u>
Net Position - Beginning of Year	(827,146)	8,610,595	418,041		4,404,879
Change in Accounting Principle	(540,568)	-	-		-
Net Position - Beginning of Year - As Restated	<u>(1,367,714)</u>	<u>8,610,595</u>	<u>418,041</u>		<u>4,404,879</u>
NET POSITION - END OF YEAR	<u>\$ (3,217,056)</u>	<u>\$ 9,291,317</u>	<u>\$ 344,379</u>		<u>\$ 3,595,013</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds				<u>(1,196,671)</u>	
Change in Net Position - Business-Type Activities				<u>\$ (2,438,953)</u>	

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2013**

	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	\$ -	\$ 5,534,572	\$ 165,662	\$ 5,700,234	\$ 8,362,620
Cash Received from Residents and Third Party Payors	10,105,384	-	-	10,105,384	-
Cash Paid to Suppliers for Goods and Services	(4,018,867)	(673,327)	(559,937)	(5,252,131)	-
Cash Paid to Employees for Services	(8,087,109)	(6,442,501)	(71,405)	(14,601,015)	-
Cash Paid for Insurance Claims	-	-	-	-	(846,586)
Cash Paid to Third Party Administrator	-	-	-	-	(7,666,016)
Net Cash Provided by (Used for) Operating Activities	<u>(2,000,592)</u>	<u>(1,581,256)</u>	<u>(465,680)</u>	<u>(4,047,528)</u>	<u>(149,982)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
General Property Taxes	500,000	3,492,301	-	3,992,301	-
State Highway Aids	-	1,494,522	-	1,494,522	-
State Transportation Aids	-	-	331,588	331,588	-
Cash Flow Borrowing from (Repayment to) Other Funds	966,407	-	-	966,407	-
Nonoperating Income	-	8,446	-	8,446	-
Transfers from (to) Other Funds	-	-	101,775	101,775	(500,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>1,466,407</u>	<u>4,995,269</u>	<u>433,363</u>	<u>6,895,039</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from Sale of Capital Assets	-	49,515	-	49,515	-
Cash Paid for Capital Contributions to Governmental Activities	-	(2,067,761)	-	(2,067,761)	-
Acquisition and Construction of Capital Assets	(12,689,084)	(643,426)	(7,737)	(13,340,247)	-
Payment of Bond Issuance Costs	(406,788)	-	-	(406,788)	-
Transfers from (to) Other Funds	(93,007)	-	-	(93,007)	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(13,188,879)</u>	<u>(2,661,672)</u>	<u>(7,737)</u>	<u>(15,858,288)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Noncash Equivalent Certificates of Deposit Matured	-	-	-	-	687,818
Noncash Equivalent Certificates of Deposits Purchased	-	-	-	-	(905,259)
Investment Income	1,997	-	-	1,997	13,231
Net Cash Provided by (Used for) Investing Activities	<u>1,997</u>	<u>-</u>	<u>-</u>	<u>1,997</u>	<u>(204,210)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(13,721,067)</u>	<u>752,341</u>	<u>(40,054)</u>	<u>(13,008,780)</u>	<u>(854,192)</u>
Cash and Cash Equivalents - Beginning of Year	14,533,397	872,457	42,997	15,448,851	4,211,793
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 812,330</u>	<u>\$ 1,624,798</u>	<u>\$ 2,943</u>	<u>\$ 2,440,071</u>	<u>\$ 3,357,601</u>

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013**

	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	\$ 503,708	\$ 1,624,798	\$ 2,943	\$ 2,131,449	\$ 4,263,937
Restricted Cash	308,622	-	-	308,622	-
Less: Noncash Equivalents	-	-	-	-	(906,336)
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 812,330</u>	<u>\$ 1,624,798</u>	<u>\$ 2,943</u>	<u>\$ 2,440,071</u>	<u>\$ 3,357,601</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,372,258)	\$ (3,768,066)	\$ (551,504)	\$ (6,691,828)	\$ (323,097)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Rental Income Received	44,199	-	-	44,199	-
Nursing Home Appeals and Intergovernmental Program Transfers Received	726,700	-	-	726,700	-
Noncash Items Included in Income:					
Depreciation	856,352	747,251	84,738	1,688,341	-
(Gain)/Loss on Disposal of Capital Assets	-	48,356	-	48,356	-
(Increase) Decrease in Assets:					
Accounts Receivable	(994,241)	(475)	6,942	(987,774)	133,016
Inventory	(3,625)	(51,923)	-	(55,548)	-
Due from Other Governments	-	(73,765)	-	(73,765)	-
Prepaid Expenses	(186)	3,712	2,766	6,292	-
Increase (Decrease) in Liabilities:					
Accounts Payable	(402,176)	8,907	(9,206)	(402,475)	-
Accrued Liabilities	49,239	13,052	571	62,862	40,099
Unearned Revenue	-	1,498,029	-	1,498,029	-
Patient Trust Payable	(876)	-	-	(876)	-
Vested Benefits	72,515	(6,334)	13	66,194	-
Other Post-Employment Benefits	23,765	-	-	23,765	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,000,592)</u>	<u>\$ (1,581,256)</u>	<u>\$ (465,680)</u>	<u>\$ (4,047,528)</u>	<u>\$ (149,982)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital Asset Trade-ins	\$ -	\$ 11,595	\$ -	\$ 11,595	\$ -

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013**

	Agency Funds
ASSETS	
Cash and Investments	\$ 2,545,005
Taxes Receivable	443,567
Due from Other Governments	1,014
Other Receivables	147,222
Total Assets	\$ 3,136,808
LIABILITIES	
Accounts Payable	\$ 158,408
Deposits Payable	213,783
Due to Other Governments	2,764,617
Total Liabilities	\$ 3,136,808

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013**

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, 2013. 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, liabilities, deferred inflows of resources, net position, fund equity, revenues, and expenditures/expenses.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013**

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, 2013**

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 are payments between governmental activities and business-type activities for services provided.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of The 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, 2013**

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, 2013, 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, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

The policy does not address concentration of credit risk.

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2013, the fair value of the LGIP's assets was substantially equal to the County's share as reported in these statements.

DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013

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 \$165,778 at December 31, 2013.

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, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

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

5. Capital Assets

Government-Wide Statements. Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual costs as shown below and an estimated useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

**DUNN COUNTY, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

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 as deferred outflows of resources in the government-wide financial statements.

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 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. 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.

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. 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 Statements. Fund equity is classified as net position in the government-wide 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.

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County's cash and investments balances at December 31, 2013 is as follows:

Governmental Funds	\$23,873,922
Proprietary Funds	6,704,008
Fiduciary Funds	2,545,005
Total Cash and Investments	\$33,122,935

The above cash and investments balances consisted of the following:

	<u>Carrying Amount</u>
Demand and Time Deposits	\$23,372,071
U.S. Agencies	285,935
Other Government Agencies	1,543,306
Corporate Bonds	752,355
LGIP	7,168,256
Petty Cash	1,012
Total Cash and Investments	\$33,122,935

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.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The County's investments at December 31, 2013 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 2013 was 70 days.

Custodial Credit Risk

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

As of December 31, 2013, the County's total bank balances were not exposed to custodial credit risk because they were fully insured and collateralized.

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, 2013, the County's investments were rated as follows:

<u>Type</u>	<u>Credit Quality Rating</u>	<u>Amount</u>
LGIP Pool Investment Fund	Not Rated	\$ 7,168,256
Federal Home Loan Mortgage Corporation	AAA	55,971
Federal National Mortgage Association	AAA	214,254
General Electric Capital Corporation	AA+	752,355
Government Mortgage National Association	AAA	15,710

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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, 2013, the investment portfolio was concentrated as follows:

<u>Type</u>	<u>Amount</u>	<u>Percentage</u>
Federal Home Loan Mortgage Corporation	\$ 55,971	0.57%
Federal National Mortgage Association	214,254	2.20%
Government National Mortgage Association	15,710	0.16%
General Electric Capital Corporation Bonds	752,355	7.72%
Other Government Agency Bonds and Notes	1,543,306	15.83%
LGIP Pool Investment Fund	7,168,256	73.52%
	<u>\$ 9,749,852</u>	<u>100.00%</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2013, the County's investments were as follows:

<u>Type</u>	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
LGIP Pool Investment Fund	\$ 7,168,256	\$ 7,168,256	\$ -	\$ -	\$ -
Domestic Corporate Debt	752,355	-	752,355	-	-
U.S. Government Agencies	285,935	-	-	14,853	271,082
Other Government Agencies	1,543,306	76,840	-	780,288	686,178
Total	<u>\$ 9,749,852</u>	<u>\$ 7,245,096</u>	<u>\$ 752,355</u>	<u>\$ 795,141</u>	<u>\$ 957,260</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 \$40,000 as of December 31, 2013. The snowmobile club loan is offset by a deferred inflow in the fund financial statements. When loan payments are received, revenue is recognized, and the receivable and deferred balances are reduced.

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, 2013, the County had ninety-two (92) loans outstanding totaling \$917,937.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Governmental Activities

Capital assets activity for the year ended December 31, 2013 was as follows:

	Balance	Increases	Decreases	Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,671,703	\$ 58,750	\$ -	\$ 2,730,453
Construction in Progress:	1,150,728	2,513,744	(2,615,547)	1,048,925
Total Capital Assets Not Being Depreciated	3,822,431	2,572,494	(2,615,547)	3,779,378
Capital Assets Being Depreciated:				
Buildings	19,417,748	485,818	-	19,903,566
Machinery and Equipment	5,241,541	366,482	(265,874)	5,342,149
Roads	87,894,488	2,615,547	(626,100)	89,883,935
Bridges	15,091,201	78,314	-	15,169,515
Total Capital Assets Being Depreciated	127,644,978	3,546,161	(891,974)	130,299,165
Total Capital Assets	131,467,409	6,118,655	(3,507,521)	134,078,543
Accumulated Depreciation:				
Buildings	(8,444,212)	(350,662)	-	(8,794,874)
Machinery and Equipment	(3,173,474)	(416,929)	216,574	(3,373,829)
Roads	(34,805,757)	(2,262,190)	626,100	(36,441,847)
Bridges	(4,937,600)	(206,018)	-	(5,143,618)
Total Accumulated Depreciation	(51,361,043)	(3,235,799)	842,674	(53,754,168)
Net Capital Assets	\$80,106,366	\$ 2,882,856	\$ (2,664,847)	\$ 80,324,375

Depreciation expense was charged to governmental functions as follows:

Primary Government:	
General Government	\$ 476,345
Public Safety	136,454
Public Works, which includes the depreciation of roads and bridges	2,468,208
Health and Human Services	5,418
Culture, Recreation and Education	44,066
Conservation and Development	105,308
Total Depreciation Expense, Governmental Activities	<u>\$ 3,235,799</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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	\$ 50,246	\$ -	\$ (30,046)	\$ 20,200
Construction Work in Progress	9,675,156	-	(9,675,156)	-
Total Capital Assets Not Being Depreciated	9,725,402	-	(9,705,202)	20,200
Capital Assets Being Depreciated:				
Land Improvements	352,663	658,998	(352,663)	658,998
Buildings	4,615,348	20,246,593	(4,615,078)	20,246,863
Fixed Equipment	986,958	1,211,073	(893,782)	1,304,249
Major Moveable Equipment	1,222,555	-	(1,138,625)	83,930
Total Capital Assets Being Depreciated	7,177,524	22,116,664	(7,000,148)	22,294,040
Accumulated Depreciation:				
Land Improvements	(296,607)	(32,950)	296,607	(32,950)
Buildings and Improvements	(4,456,160)	(578,474)	4,456,160	(578,474)
Fixed Equipment	(911,465)	(128,614)	875,297	(164,782)
Major Moveable Equipment	(1,045,377)	(1,081)	966,312	(80,146)
Total Accumulated Depreciation	(6,709,609)	(741,119)	6,594,376	(856,352)
Net Capital Assets - The Neighbors	<u>\$10,193,317</u>	<u>\$21,375,545</u>	<u>\$ (10,110,974)</u>	<u>\$ 21,457,888</u>
Highway:				
Capital Assets Not Being Depreciated:				
Land	\$ 397,920	\$ -	\$ -	\$ 397,920
Capital Assets Being Depreciated:				
Land Improvements	624,080	-	-	624,080
Buildings and Improvements	3,110,543	-	-	3,110,543
Machinery and Equipment	13,089,202	643,426	(275,604)	13,457,024
Total Capital Assets Being Depreciated	16,823,825	643,426	(275,604)	17,191,647
Accumulated Depreciation:				
Land Improvements	(356,132)	(17,896)	-	(374,028)
Buildings and Improvements	(1,580,418)	(77,489)	-	(1,657,907)
Machinery and Equipment	(8,386,582)	(651,866)	227,248	(8,811,200)
Total Accumulated Depreciation	(10,323,132)	(747,251)	227,248	(10,843,135)
Net Capital Assets - Highway	<u>\$ 6,898,613</u>	<u>\$ (103,825)</u>	<u>\$ (48,356)</u>	<u>\$ 6,746,432</u>
Transit Commission:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 349,340	\$ 7,737	\$ -	\$ 357,077
Accumulated Depreciation:				
Machinery and Equipment	(81,508)	(84,738)	-	(166,246)
Net Capital Assets - Transit Commission	<u>\$ 267,832</u>	<u>\$ (77,001)</u>	<u>\$ -</u>	<u>\$ 190,831</u>
Capital Assets Not Being Depreciated	\$10,123,322	\$ -	\$ (9,705,202)	\$ 418,120
Capital Assets Being Depreciated	24,350,689	22,767,827	(7,275,752)	39,842,764
Total Capital Assets	34,474,011	22,767,827	(16,980,954)	40,260,884
Accumulated Depreciation	(17,114,249)	(1,573,108)	6,821,624	(11,865,733)
Net Capital Assets - Business-Type Activities	<u>\$17,359,762</u>	<u>\$21,194,719</u>	<u>\$ (10,159,330)</u>	<u>\$ 28,395,151</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Business-Type Activities (Continued)

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

The Neighbors	\$ 741,119
Highway	747,251
Transit Commission	84,738
	<u>\$ 1,573,108</u>

D. Interfund Receivables, Payables and Transfers

Advance to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	The Neighbors of Dunn County	\$ 32,500

The purpose of the advance to The Neighbors of Dunn County is the purchase of a new phone system in 2009.

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	The Neighbors of Dunn County	\$ 2,045,529
General Fund	Human Services Fund	204,332
Add: Enterprise Share of Internal Service Fund Net Position		4,704,107
Total - Government-Wide Statement of Net Position		<u>\$ 6,953,968</u>

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

Transfers

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activity:		
General Fund	\$ 688,299	\$ -
Debt Service Fund	50,000	-
Human Services Fund	-	(114,724)
Other Nonmajor Governmental Funds	-	(50,000)
Workers Compensation Internal Service Fund	-	(200,000)
Health Insurance Internal Service Fund	-	(300,000)
Total Governmental Activity	<u>738,299</u>	<u>(664,724)</u>
Business-Type Activity:		
Transit Commission	101,775	-
The Neighbors of Dunn County	-	(175,350)
Subtotal	<u>840,074</u>	<u>(840,074)</u>
Governmental Activity Eliminations	(913,649)	913,649
Transfer of Infrastructure from the Highway Department and The Neighbors	(2,553,579)	2,553,579
Total - Government-Wide Statement of Activities	<u>\$ (2,627,154)</u>	<u>\$ 2,627,154</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables and Transfers (Continued)

Transfers (Continued)

Generally, transfers 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.

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, 2013:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable:					
General Obligation Debt	\$ 8,075,000	\$ 11,365,000	\$ (3,025,000)	\$ 16,415,000	\$ 1,545,000
Added: Deferred Premium	3,039	154,291	(608)	156,722	N/A
Less: Deferred Amounts					
Discounts	(9,231)	-	2,462	(6,769)	N/A
Deferred Charge on Refunding	(180,747)	-	39,933	(140,814)	N/A
Subtotal	<u>7,888,061</u>	<u>11,519,291</u>	<u>(2,983,213)</u>	<u>16,424,139</u>	<u>1,545,000</u>
Other Liabilities:					
Compensated Absences	2,436,062	775,242	(920,936)	2,290,368	848,560
Other Post Employment Benefits Payable	471,445	172,004	(86,231)	557,218	-
	<u>2,907,507</u>	<u>947,246</u>	<u>(1,007,167)</u>	<u>2,847,586</u>	<u>848,560</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 10,795,568</u>	<u>\$ 12,466,537</u>	<u>\$ (3,990,380)</u>	<u>\$ 19,271,725</u>	<u>\$ 2,393,560</u>
Business-Type Activities					
Bonds and Notes Payable:					
General Obligation Health Care Center Debt	\$ 22,050,000	\$ -	\$ -	\$ 22,050,000	\$ 860,000
Plus: Premium on Debt	1,338,512	-	(109,192)	1,229,320	-
Other Liabilities:					
Compensated Absences	1,437,530	857,857	(795,848)	1,499,539	916,650
Other Post Employment Benefits Payable	153,358	56,008	(28,058)	181,308	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 24,979,400</u>	<u>\$ 913,865</u>	<u>\$ (933,098)</u>	<u>\$ 24,960,167</u>	<u>\$ 1,776,650</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, 2013**

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, 2013, was \$130,687,010. Total general obligation debt outstanding at the year-end was \$38,465,000.

Annual Requirements for Retirement. Long-Term general obligation debt issues outstanding at December 31, 2013 and annual requirements for their retirement were as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/13
General Obligation Debt					
G.O. Refunding Bonds	3/15/2004	10/1/2017	1.20-3.80%	\$ 7,980,000	\$ 3,335,000
G.O. Taxable Refunding Bonds	12/1/2005	10/1/2017	5.10-5.50%	3,840,000	1,715,000
G.O. Health Care Center Bonds	6/25/2012	4/1/2032	2.00-4.00%	22,050,000	22,050,000
G.O. Facility Improvement and Refunding Bonds	8/6/2013	10/1/2026	2.00-3.25%	10,000,000	10,000,000
G.O. Taxable Facility Improvement Bonds	8/6/2013	10/1/2026	2.50-3.80%	1,365,000	1,365,000
Total General Obligation Debt					<u>\$ 38,465,000</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
2014	\$ 2,405,000	\$ 1,299,441	\$ 3,704,441
2015	2,485,000	1,194,218	3,679,218
2016	2,560,000	1,119,074	3,679,074
2017	2,670,000	1,037,409	3,707,409
2018	1,940,000	947,810	2,887,810
2019-2023	10,510,000	3,932,950	14,442,950
2024-2028	9,855,000	2,089,198	11,944,198
2029-2032	6,040,000	495,200	6,535,200
	<u>\$ 38,465,000</u>	<u>\$ 12,115,299</u>	<u>\$ 50,580,299</u>

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Current Year Borrowing

On August 6, 2013, the County issued \$10,000,000 G.O. Facility Improvement and Refunding Bonds for the purpose of building renovations at the old health care center and the government center, along with ERP system upgrades. A portion of this debt issue also refunded the Series 2003 G.O. Refunding Bonds. The transaction resulted in an economic gain of \$87,421 and future debt services savings of \$91,220. The new bonds accrue interest at 2.00% to 3.25% and are payable in semi-annual installments due April 1 and October 1, with the final installment due October 1, 2026.

On August 6, 2013, the County also issued \$1,365,000 G.O. Taxable Facility Improvement Bonds for the purpose of building renovations at the old health care center. The bonds accrue interest at 2.50% to 3.80% and are payable in semi-annual installments due April 1 and October 1, with the final installment due October 1, 2026.

Subsequent Borrowing

On January 16, 2014, the County issued \$7,150,000 G.O. Facility and Management System Improvement Bonds for the purpose of building renovations and ERP system upgrades. The bonds accrue interest at 2.00% to 3.50% and are payable in semi-annual installments due April 1 and October 1, with the final installment due October 1, 2027.

Other Debt Information

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

Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of the debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow in the government-wide statements. Amortization for 2013 was \$39,933.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 consisted of the following:

	Total	Nonspendable	Restricted	Committed	Assigned	Unassigned
Major Funds:						
General Fund:						
Delinquent Taxes	\$ 730,827	\$ 730,827	\$ -	\$ -	\$ -	\$ -
Advances to Other Funds	32,500	32,500	-	-	-	-
Subsequent Years Budget - Administration	1,352,281	-	-	-	1,352,281	-
Carryover Funds:						
Information Technology	322,565	-	-	-	322,565	-
Land Information	121,860	-	-	-	121,860	-
Human Resources	29,000	-	-	-	29,000	-
Risk Management	2,127	-	-	-	2,127	-
Finance	78,121	-	-	-	78,121	-
County Manager	89,500	-	-	-	89,500	-
UW-Extension	6,792	-	-	-	6,792	-
Emergency Communications	540,905	-	-	-	540,905	-
Emergency Management	35,000	-	-	-	35,000	-
Environmental Services	8,879	-	-	-	8,879	-
Criminal Justice Collaborative	20,000	-	-	-	20,000	-
Public Works - Facilities	17,925	-	-	-	17,925	-
Register of Deeds	115,591	-	-	-	115,591	-
Sheriff	24,090	-	-	-	24,090	-
Veteran's Office	1,491	-	-	-	1,491	-
Unassigned	12,529,730	-	-	-	-	12,529,730
Subtotal General Fund	16,059,184	763,327	-	-	2,766,127	12,529,730
Debt Service Fund	29,290	-	29,290	-	-	-
Capital Projects Fund	9,216,342	-	9,216,342	-	-	-
Nonmajor Funds:						
Special Revenue Funds:						
Jail Assessment Fund	94,842	-	-	94,842	-	-
Solid Waste Fund	1,087,651	-	-	1,087,651	-	-
Community Development Block Grant (CDBG) Fund	83,251	-	83,251	-	-	-
	1,265,744	-	83,251	1,182,493	-	-
Total Governmental Funds Balances at December 31, 2013	<u>\$ 26,570,560</u>	<u>\$ 763,327</u>	<u>\$ 9,328,883</u>	<u>\$ 1,182,493</u>	<u>\$ 2,766,127</u>	<u>\$ 12,529,730</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, 2013**

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, 2013.

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. Employees' Retirement System

All eligible County employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 for teachers) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 for teachers) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Prior to June 29, 2011, the employee required contribution to the plan could be made by the employer on behalf of the employee. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. Effective the first day of the pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers and Executives and Elected Officials. The employer may not pay the employee required contribution unless provided for in an existing collective bargaining agreement.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

A. Employees' Retirement System (Continued)

Contribution rates for 2013 were as follows:

	<u>Employee</u>	<u>Employer</u>
General	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	11.65%
Protective without Social Security	6.65%	14.25%

The payroll for County employees covered by the system for the year ended December 31, 2013 was \$19,658,808; the employer's total payroll was \$20,722,645. The total required contribution for the year ended December 31, 2013 was \$2,845,178 or 14.47% of covered payroll. Of this amount, \$1,537,085 or 7.82% was contributed by the employer and \$1,308,093 6.65% was contributed by the employee. Total contributions for the years ended December 31, 2012 and 2011 were \$2,575,580 and \$2,643,041, respectively, equal to the required contributions for each year.

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

For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

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

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2012.

Single-Employer Plan Description

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, 2012 there were approximately 333 active participants and 11 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 2013, the County contributed an estimated \$114,289 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	\$ 227,850
Interest on Net OPEB Obligation	24,992
Adjustment to Annual Required Contribution	(24,830)
Annual OPEB Cost (Expense)	228,012
Employer Contributions Made	(114,289)
Increase in Net OPEB Obligation	113,723
Net OPEB Obligation - Beginning of Year	624,803
Net OPEB Obligation - End of Year	\$ 738,526

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 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
12/31/2013	\$228,012	\$ 114,289	50.1%	\$738,526
12/31/2012	227,973	80,706	35.4	624,803
12/31/2011	173,694	80,445	46.3	477,536

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$2,207,376, or 10.4% of covered payroll in the amount of \$21,217,170.

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, 2013 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 16.1%, reduced by decrements to an ultimate rate of 5.5% by the year 2020. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2013 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 \$8,654,182 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, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Claims Liability

Changes in the claims liabilities for 2013 and 2012 for the health insurance fund were as follows:

	Workers Compensation		Health Insurance	
	2013	2012	2013	2012
Estimated Claims Outstanding January 1	\$ 388,688	\$ 215,670	\$ 453,986	\$ 626,678
Current Year Claims and Changes	207,897	710,102	8,344,804	7,386,920
Claim Payments	(407,060)	(537,084)	(8,105,542)	(7,559,612)
Estimated Claims Outstanding Dec. 31	<u>\$ 189,525</u>	<u>\$ 388,688</u>	<u>\$ 693,248</u>	<u>\$ 453,986</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.

Construction Contracts. At December 31, 2013, the County is committed to a number of contracts for the completion of The Neighbors building, along with renovation of the old health care center and government center. The County's remaining commitment under these contracts is \$11,414,450.

E. Change in Accounting Principle

Dunn County has adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. GASB Statement No. 65 impacted financial reporting by establishing accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets or liabilities. The impact of adoptions of previous statements resulted in the Balance Sheet, Statement of Net Assets, and the Statement of Revenues, Expenses, and Changes in Net Assets becoming the Balance Sheet, Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position. Additionally items previously reported as assets or liabilities have been reclassified and reported as deferred inflows and outflows. As a result of the adoption of this new standard, unamortized bond issue costs as of January 1, 2013, of \$74,310 in the governmental activities and \$540,568 in the business-type activities were expensed as a restatement to beginning net position.

**DUNN COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2013**

NOTE 3 OTHER INFORMATION (CONTINUED)

E. Change in Accounting Principle (Continued)

The table below summarizes the impact of the standard on beginning net position as of January 1, 2013:

	<u>Pre-Adoption Balance</u>	<u>Change</u>	<u>Post-Adoption Balance</u>
Other Assets:			
Unamortized Debt Issuance Costs - The Neighbors	\$ 540,568	\$ (540,568)	\$ -
Unamortized Debt Issuance Costs - Business-Type Activities	540,568	(540,568)	-
Unamortized Debt Issuance Costs - Governmental Activities	74,310	(74,310)	-
Net Position:			
The Neighbors - Unrestricted	(827,146)	(540,568)	(1,367,714)
Business-Type Activities - Unrestricted	4,694,054	(540,568)	4,153,486
Governmental Activities - Unrestricted	94,034,003	(74,310)	93,959,693

F. Prior Period Adjustment

Prior to 2013, a revolving loan program administered by a third party on the behalf of Dunn County was not properly reported in the County's financial statements. The 2013 financial statements were adjusted to correct this error and include the revolving loan program activity. The adjustment resulted in an increase to beginning net position of \$949,506.

REQUIRED SUPPLEMENTARY INFORMATION

DUNN COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
TAXES				
General Property Taxes	\$ 10,121,528	\$ 10,121,528	\$ 10,180,513	\$ 58,985
Tax Increment	-	-	122,567	122,567
Forest Cropland Taxes	27,000	27,000	33,331	6,331
Sales and Use Taxes	2,397,048	2,397,048	2,552,129	155,081
Penalty for Land Use Change	1,000	1,000	1,780	780
Interest and Penalties on Taxes	500,000	500,000	441,670	(58,330)
Total Taxes	13,046,576	13,046,576	13,331,990	285,414
INTERGOVERNMENTAL REVENUES				
Shared Revenue from State	2,293,099	2,293,099	2,292,497	(602)
Tax Exempt Computers	39,000	39,000	65,795	26,795
State Court Grants	192,900	192,900	188,779	(4,121)
Law Enforcement Grants	76,000	170,318	93,197	(77,121)
Victim Witness Grants	66,986	66,986	80,919	13,933
Emergency Government	103,932	103,932	67,255	(36,677)
Emergency Communications	-	561,000	-	(561,000)
Wisconsin Fund Private Sewage Grant	10,000	10,000	13,128	3,128
Health Grants	328,781	328,781	323,133	(5,648)
Child Support	540,035	540,035	521,477	(18,558)
Veterans Service Officer	10,700	10,700	10,805	105
Indirect Cost Reimbursement	46,000	46,000	-	(46,000)
Snowmobile Trails	72,675	92,636	88,394	(4,242)
District Fair Grants	5,000	5,000	5,612	612
Forest Crop	22,000	22,000	22,603	603
WI Farmers Fund	20,000	20,000	20,000	-
Soil and Water Resource Grants	175,231	191,951	208,290	16,339
Farm Security and Rural Investment	20,000	20,000	-	(20,000)
Wildlife Damage Abatement	40,000	40,000	14,431	(25,569)
Fish and Game Grants	2,325	2,325	-	(2,325)
DNR Lakes Management	-	25,000	-	(25,000)
DNR Payments in Lieu of Taxes	40,000	40,000	45,888	5,888
Total Intergovernmental Revenues	4,104,664	4,821,663	4,062,203	(759,460)
LICENSES AND PERMITS				
Zoning Permits and Fees	50,000	50,000	61,129	11,129
Fire Number Fees	4,000	4,000	5,595	1,595
Stormwater Review Fees	600	600	409	(191)
Nonmetallic Mining Fees	16,000	16,000	17,210	1,210
Total Licenses and Permits	70,600	70,600	84,343	13,743

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
FINES AND FORFEITURES				
County Ordinance Forfeitures	\$ 100,000	\$ 100,000	\$ 92,366	\$ (7,634)
County Share State Fines and Forfeitures	125,000	125,000	131,760	6,760
Total Fines and Forfeitures	<u>225,000</u>	<u>225,000</u>	<u>224,126</u>	<u>(874)</u>
PUBLIC CHARGES FOR SERVICES				
Probate Fees	12,000	12,000	12,912	912
District Attorney Charges	6,500	6,500	10,229	3,729
Clerk Fees	5,950	5,950	6,659	709
Register of Deed Fees	39,500	124,764	38,205	(86,559)
Court Fees and Costs	20,000	20,000	7,557	(12,443)
Guardian Ad Litem Fees	52,000	52,000	50,859	(1,141)
Family Mediation Fees	8,000	8,000	9,203	1,203
Other Court Fees	207,900	207,900	198,457	(9,443)
Medical Examiner	18,000	18,000	28,379	10,379
Land Information	62,500	62,500	61,332	(1,168)
Law Enforcement Fees	146,000	146,000	91,939	(54,061)
Board of Prisoners	290,000	290,000	312,547	22,547
Inmate Revenue	104,550	107,604	80,603	(27,001)
Child Support	6,000	6,000	4,785	(1,215)
Public Health	447,005	494,906	396,130	(98,776)
Home Health	901,673	911,673	630,904	(280,769)
Veteran's	1,300	1,300	2,635	1,335
Parks	14,620	14,620	12,000	(2,620)
UW Extension	4,057	3,650	8,755	5,105
Fair Revenues	86,600	86,600	93,730	7,130
Snowmobile Association Loan Repayment	20,000	20,000	20,000	-
In Rem Revenue	11,000	11,000	12,587	1,587
Total Public Charges and Services	<u>2,465,155</u>	<u>2,610,967</u>	<u>2,090,407</u>	<u>(520,560)</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
IT Support	46,556	46,556	33,350	(13,206)
Tax Collection Fees	12,700	12,700	13,939	1,239
Data Processing Fees	-	-	1,715	1,715
Total Intergovernmental Charges for Services	<u>59,256</u>	<u>59,256</u>	<u>49,004</u>	<u>(10,252)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
INVESTMENT INCOME				
Interest on Investments	\$ 95,500	\$ 95,500	\$ 30,344	\$ (65,156)
MISCELLANEOUS REVENUES				
Rent	313,949	313,949	321,333	7,384
Property Sales	22,500	22,500	15,711	(6,789)
Insurance Recoveries	50,000	50,000	40,651	(9,349)
Donations	35,200	35,200	24,111	(11,089)
Gain/Loss on Sale of Tax Deeds	-	-	46,325	46,325
Miscellaneous Revenues	318,400	318,400	332,926	14,526
Total Miscellaneous Revenues	<u>740,049</u>	<u>740,049</u>	<u>781,057</u>	<u>41,008</u>
 Total Revenues	 <u>20,806,800</u>	 <u>21,669,611</u>	 <u>20,653,474</u>	 <u>(1,016,137)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
County Board	55,228	55,228	49,880	5,348
Boards and Commissions	85,890	85,890	62,842	23,048
Circuit Court Judge	461,102	461,102	473,663	(12,561)
Circuit Court Clerk	871,061	871,061	854,521	16,540
Corporation Counsel	366,449	382,449	345,039	37,410
District Attorney	414,972	414,972	409,192	5,780
County Manager	3,603,584	4,644,796	3,335,341	1,309,455
County Clerk	258,986	258,986	205,662	53,324
Treasurer	207,001	207,001	183,436	23,565
Facilities	1,506,152	1,514,637	1,406,374	108,263
Register of Deeds	270,122	355,386	229,202	126,184
Total General Government	<u>8,100,547</u>	<u>9,251,508</u>	<u>7,555,152</u>	<u>1,696,356</u>
PUBLIC SAFETY				
Sheriff	6,460,371	6,480,425	6,162,299	318,126
Medical Examiner	106,507	106,507	100,800	5,707
Emergency Management	160,070	160,070	113,964	46,106
Emergency Communication	1,046,393	1,778,913	1,138,565	640,348
Total Public Safety	<u>7,773,341</u>	<u>8,525,915</u>	<u>7,515,628</u>	<u>1,010,287</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
HEALTH AND HUMAN SERVICES				
Health	\$ 1,335,048	\$ 1,382,949	\$ 1,271,705	\$ 111,244
Home Care	901,669	911,669	719,718	191,951
Child Support	585,469	585,469	526,865	58,604
Veteran Service	188,173	188,173	185,026	3,147
Total Health and Human Services	<u>3,010,359</u>	<u>3,068,260</u>	<u>2,703,314</u>	<u>364,946</u>
CULTURE, EDUCATION, AND RECREATION				
Fair Board	179,894	179,894	184,552	(4,658)
U.W. Extensions	269,699	282,393	266,038	16,355
Outside Organization	168,302	168,302	168,302	-
Library	736,993	736,993	736,992	1
Auditorium, Convention	6,750	6,750	6,750	-
Total Culture, Education, and Recreation	<u>1,361,638</u>	<u>1,374,332</u>	<u>1,362,634</u>	<u>11,698</u>
CONSERVATION AND DEVELOPMENT				
Planning Resources and Development	<u>1,428,726</u>	<u>1,499,053</u>	<u>1,395,816</u>	<u>103,237</u>
Total Expenditures	<u>21,674,611</u>	<u>23,719,068</u>	<u>20,532,544</u>	<u>3,186,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(867,811)	(2,049,457)	120,930	2,170,387
OTHER FINANCING SOURCES AND USES				
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>688,299</u>	<u>188,299</u>
NET CHANGE IN FUND BALANCE	<u>\$ (367,811)</u>	<u>\$ (1,549,457)</u>	809,229	<u>\$ 2,358,686</u>
Fund Balance - Beginning of Year			<u>15,249,955</u>	
FUND BALANCE - END OF YEAR			<u>\$ 16,059,184</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,956,378	\$ 2,956,378	\$ 2,956,378	\$ -
Intergovernmental Revenues	5,274,882	5,246,977	4,785,722	(461,255)
Public Charges for Services	806,840	879,977	799,543	(80,434)
Total Revenues	<u>9,038,100</u>	<u>9,083,332</u>	<u>8,541,643</u>	<u>(541,689)</u>
EXPENDITURES				
Health and Human Services	<u>9,038,100</u>	<u>9,083,332</u>	<u>8,426,919</u>	<u>656,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	114,724	114,724
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	<u>(114,724)</u>	<u>(114,724)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 2,207,376	\$2,207,376	0.0%	\$21,217,170	10.4%
1/1/2011	-	1,693,576	1,693,576	0.0	21,515,681	7.9
1/1/2010	-	1,779,836	1,779,836	0.0	20,889,011	8.5

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

**DUNN COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2013**

BUDGETARY INFORMATION

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

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

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

Expenditures exceeded annual final budgets as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government			
Circuit Court Judge	\$ 461,102	\$ 473,663	\$ (12,561)
Culture, Recreation and Education			
Fair Board	179,894	184,552	(4,658)

COMBINING AND INDIVIDUAL FUND STATEMENTS

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>Jail Assessment</u>	<u>Solid Waste</u>	<u>CDBG</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash	\$ 92,069	\$ 1,197,174	\$ 83,251	\$ 1,372,494
Taxes Receivable	-	8,000	-	8,000
Accounts Receivable	7,252	150,986	-	158,238
Loans Receivable	-	-	917,937	917,937
Due from Other Governments	40	45,923	-	45,963
	<u>40</u>	<u>45,923</u>	<u>-</u>	<u>45,963</u>
 Total Assets	 <u>\$ 99,361</u>	 <u>\$ 1,402,083</u>	 <u>\$ 1,001,188</u>	 <u>\$ 2,502,632</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 4,519	\$ 296,363	\$ -	\$ 300,882
Accrued Liabilities	-	10,069	-	10,069
Total Liabilities	<u>4,519</u>	<u>306,432</u>	<u>-</u>	<u>310,951</u>
 Deferred Inflows of Resources:				
Subsequent Year's Property Taxes	-	8,000	-	8,000
Unavailable Loans Receivable	-	-	917,937	917,937
Total Deferred Inflows of Resources	<u>-</u>	<u>8,000</u>	<u>917,937</u>	<u>925,937</u>
 Fund Balances:				
Restricted	-	-	83,251	83,251
Committed	94,842	1,087,651	-	1,182,493
Total Fund Balances	<u>94,842</u>	<u>1,087,651</u>	<u>83,251</u>	<u>1,265,744</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 99,361</u>	 <u>\$ 1,402,083</u>	 <u>\$ 1,001,188</u>	 <u>\$ 2,502,632</u>

**DUNN COUNTY, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Jail Assessment	Solid Waste	CDBG	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 8,000	\$ -	\$ 8,000
Intergovernmental Revenues	-	176,271	51,675	227,946
Fines and Forfeits	81,819	-	-	81,819
Public Charges for Services	-	1,410,518	-	1,410,518
Intergovernmental Charges for Services	-	542,649	-	542,649
Miscellaneous:				
Interest Income	-	-	7	7
Loan Repayments	-	-	39,985	39,985
Other Revenues	-	210,349	-	210,349
Total Revenues	<u>81,819</u>	<u>2,347,787</u>	<u>91,667</u>	<u>2,521,273</u>
EXPENDITURES				
Current:				
Public Safety	35,000	-	-	35,000
Public Works	-	2,261,961	-	2,261,961
Conservation and Development	-	-	8,416	8,416
Total Expenditures	<u>35,000</u>	<u>2,261,961</u>	<u>8,416</u>	<u>2,305,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	46,819	85,826	83,251	215,896
OTHER FINANCING SOURCES (USES)				
Transfers Out	(50,000)	-	-	(50,000)
NET CHANGE IN FUND BALANCES	(3,181)	85,826	83,251	165,896
Fund Balances - Beginning of Year	98,023	1,001,825	-	1,099,848
FUND BALANCES - END OF YEAR	<u>\$ 94,842</u>	<u>\$ 1,087,651</u>	<u>\$ 83,251</u>	<u>\$ 1,265,744</u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2013**

	<u>Workers Compensation Fund</u>	<u>Health Insurance Fund</u>	<u>Totals</u>
ASSETS			
Cash and Investments	\$ 1,971,895	\$ 2,292,042	\$ 4,263,937
Accounts Receivable	-	213,849	213,849
Total Assets	<u>1,971,895</u>	<u>2,505,891</u>	<u>4,477,786</u>
 LIABILITIES			
Accrued Liabilities	<u>189,525</u>	<u>693,248</u>	<u>882,773</u>
 NET POSITION - UNRESTRICTED	 <u><u>\$ 1,782,370</u></u>	 <u><u>\$ 1,812,643</u></u>	 <u><u>\$ 3,595,013</u></u>

**DUNN COUNTY, WISCONSIN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION – INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2013**

	Workers Compensation Fund	Health Insurance Fund	Totals
OPERATING REVENUES			
Charges to County Departments	<u>\$ 557,703</u>	<u>\$ 7,671,901</u>	<u>\$ 8,229,604</u>
OPERATING EXPENSES			
Administration	-	678,788	678,788
Benefit Payments	<u>207,897</u>	<u>7,666,016</u>	<u>7,873,913</u>
Total Operating Expenses	<u>207,897</u>	<u>8,344,804</u>	<u>8,552,701</u>
OPERATING INCOME (LOSS)	349,806	(672,903)	(323,097)
NONOPERATING REVENUES			
Investment Income	<u>1,885</u>	<u>11,346</u>	<u>13,231</u>
INCOME (LOSS) BEFORE TRANSFERS	351,691	(661,557)	(309,866)
Transfers Out	<u>(200,000)</u>	<u>(300,000)</u>	<u>(500,000)</u>
CHANGE IN NET POSITION	151,691	(961,557)	(809,866)
Net Position - Beginning of Year	<u>1,630,679</u>	<u>2,774,200</u>	<u>4,404,879</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,782,370</u></u>	<u><u>\$ 1,812,643</u></u>	<u><u>\$ 3,595,013</u></u>

**DUNN COUNTY, WISCONSIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2013**

	Workers Compensation	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from County Departments	\$ 557,703	\$ 7,804,917	\$ 8,362,620
Cash Paid to Employees for Insurance Claims	(407,060)	(439,526)	(846,586)
Cash Paid to Third Party Administrator	-	(7,666,016)	(7,666,016)
Net Cash Provided by (Used for) Operating Activities	<u>150,643</u>	<u>(300,625)</u>	<u>(149,982)</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	-	687,818	687,818
Noncash Equivalent Certificates of Deposits Purchased	-	(905,259)	(905,259)
Investment Income	1,885	11,346	13,231
Net Cash Provided by (Used for) Investing Activities	<u>1,885</u>	<u>(206,095)</u>	<u>(204,210)</u>
NET CHANGE IN CASH AND CASH AND CASH EQUIVALENTS	(47,472)	(806,720)	(854,192)
Cash and Cash Equivalents - Beginning of Year	<u>2,019,367</u>	<u>2,192,426</u>	<u>4,211,793</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,971,895</u>	<u>\$ 1,385,706</u>	<u>\$ 3,357,601</u>
Cash and Investments per Statement of Net Position	\$ 1,971,895	\$ 2,292,042	\$ 4,263,937
Noncash Equivalents	-	(906,336)	(906,336)
Cash and Cash Equivalents	<u>\$ 1,971,895</u>	<u>\$ 1,385,706</u>	<u>\$ 3,357,601</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 349,806	\$ (672,903)	\$ (323,097)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
(Increase) Decrease in Assets:			
Change in Receivables	-	133,016	133,016
Increase (Decrease) in Liabilities:			
Change in Accrued Liabilities	<u>(199,163)</u>	<u>239,262</u>	<u>40,099</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 150,643</u>	<u>\$ (300,625)</u>	<u>\$ (149,982)</u>

**DUNN COUNTY, WISCONSIN
COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2013**

	Tax Collections	Treasurer	Clerk of Courts	Sheriff	UW Extension	District Attorney	Totals
ASSETS							
Cash and Investments	\$ 2,062,195	\$ 62,920	\$ 370,073	\$ 36,407	\$ 1,280	\$ 12,130	\$ 2,545,005
Taxes Receivable	443,567	-	-	-	-	-	443,567
Due from Other Governments	-	1,014	-	-	-	-	1,014
Other Receivables	-	147,222	-	-	-	-	147,222
Total Assets	<u>\$ 2,505,762</u>	<u>\$ 211,156</u>	<u>\$ 370,073</u>	<u>\$ 36,407</u>	<u>\$ 1,280</u>	<u>\$ 12,130</u>	<u>\$ 3,136,808</u>
LIABILITIES							
Accounts Payable	\$ 513	\$ 157,895	\$ -	\$ -	\$ -	\$ -	\$ 158,408
Deposits Payable	-	2,705	161,261	36,407	1,280	12,130	213,783
Due to Other Governments	2,505,249	50,556	208,812	-	-	-	2,764,617
Total Liabilities	<u>\$ 2,505,762</u>	<u>\$ 211,156</u>	<u>\$ 370,073</u>	<u>\$ 36,407</u>	<u>\$ 1,280</u>	<u>\$ 12,130</u>	<u>\$ 3,136,808</u>