

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

**WASHBURN COUNTY, WISCONSIN  
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## INDEPENDENT AUDITORS' REPORT

Honorable Members of the Board of Supervisors  
Washburn County, Wisconsin

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn 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 Washburn County Industrial Development Agency, LTD., which represents 100% 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 Washburn County Industrial Development Agency, LTD., 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 from 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.

The County Board  
Washburn County

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Washburn 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.

**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***

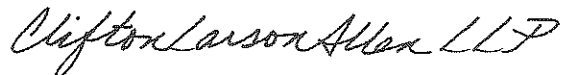
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The individual and combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The individual and combining fund statements have 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. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended December 31, 2012 which are not presented with the accompanying financial statements. In our report dated July 29, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The 2012 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 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain

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additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 individual and combining fund statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014 on our consideration of 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**

Rice Lake, Wisconsin  
September 25, 2014

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

As management of Washburn County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Washburn County for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the County's financial statements, which begin on page 14 following this narrative.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2013 include the following:

- The assets of Washburn County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$71,645,313 (net position). Of this amount, \$51,483,983 represented the County's net investment in capital assets, \$3,463,252 was held for restricted purposes, and \$16,698,078 was unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- During the fiscal year, the County's total net position increased by \$48,125. The increase in net position is primarily attributable to results of highway operations for the year.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$18,267,395, a decrease of \$1,373,754 from the previous year. The decrease was primarily attributable to the level of capital expenditures incurred during the year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,327,787 or 39.0% of total general fund expenditures.
- The County had general obligation debt outstanding at December 31, 2013 totaling \$1,930,000 a decrease of \$845,000 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to Washburn County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

**Government-Wide Financial Statements**

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

The *Statement of Net Position* presents information on all of Washburn County's assets, liabilities and deferred inflows/outflows 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 the County is improving or deteriorating.

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

Both of the government-wide financial statements are designed to distinguish functions of Washburn 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, recreation and education, and conservation and development. The County had no programs that were accounted for as business-type activities.

The government-wide financial statements can be found beginning on page 14 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. Washburn County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

Washburn County maintains twenty 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, the capital improvements program capital projects fund and the forestry special revenue fund, all of which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary Funds.** There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County had no activities accounted for in enterprise funds during the year. Washburn County uses internal service funds to account for its highway department operations and to allocate its copy machine costs. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found beginning on page 20 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Data from fiduciary funds are combined into a single aggregate presentation. Individual fund data for each fiduciary fund is provided in the form of combining statements elsewhere in this report.

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 24 of this report.

### **Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information on the general fund and major special revenue fund budgets as well as a schedule of funding progress for the other postemployment benefits. Required supplementary information can be found beginning on page 51 of this report. The combining statements referred to earlier in connection with nonmajor governmental and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 56 of this report.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Washburn County, assets exceeded liabilities by \$71,645,313 at the close of the most recent fiscal year. The largest portion of Washburn County's net position (71.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following is a summary of the County's statement of net position as of December 31, 2013 and 2012:

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

|                                  | Governmental Activities |               |
|----------------------------------|-------------------------|---------------|
|                                  | 2013                    | 2012          |
| Current Assets                   | \$ 34,155,886           | \$ 37,178,999 |
| Capital Assets                   | 53,413,983              | 51,498,695    |
| Other Noncurrent Assets          | 993,651                 | 928,695       |
| Total Assets                     | 88,563,520              | 89,606,389    |
| Long-Term Debt Outstanding       | 1,930,000               | 2,775,000     |
| Other Long-Term Obligations      | 2,361,183               | 2,133,868     |
| Other Liabilities                | 2,144,284               | 2,366,055     |
| Total Liabilities                | 6,435,467               | 7,274,923     |
| Deferred Inflows of Resources    | 10,482,740              | 10,734,278    |
| Net Position:                    |                         |               |
| Net Investment in Capital Assets | 51,483,983              | 48,719,378    |
| Restricted                       | 3,463,252               | 3,437,665     |
| Unrestricted                     | 16,698,078              | 19,440,145    |
| Total Net Position               | \$ 71,645,313           | \$ 71,597,188 |

An additional portion of Washburn County's net position (4.8%) represents resources that are subject to other restrictions on how they may be used. The remaining \$16,698,078 of total net position (23.3%) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position decreased \$48,125 during the current fiscal year.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

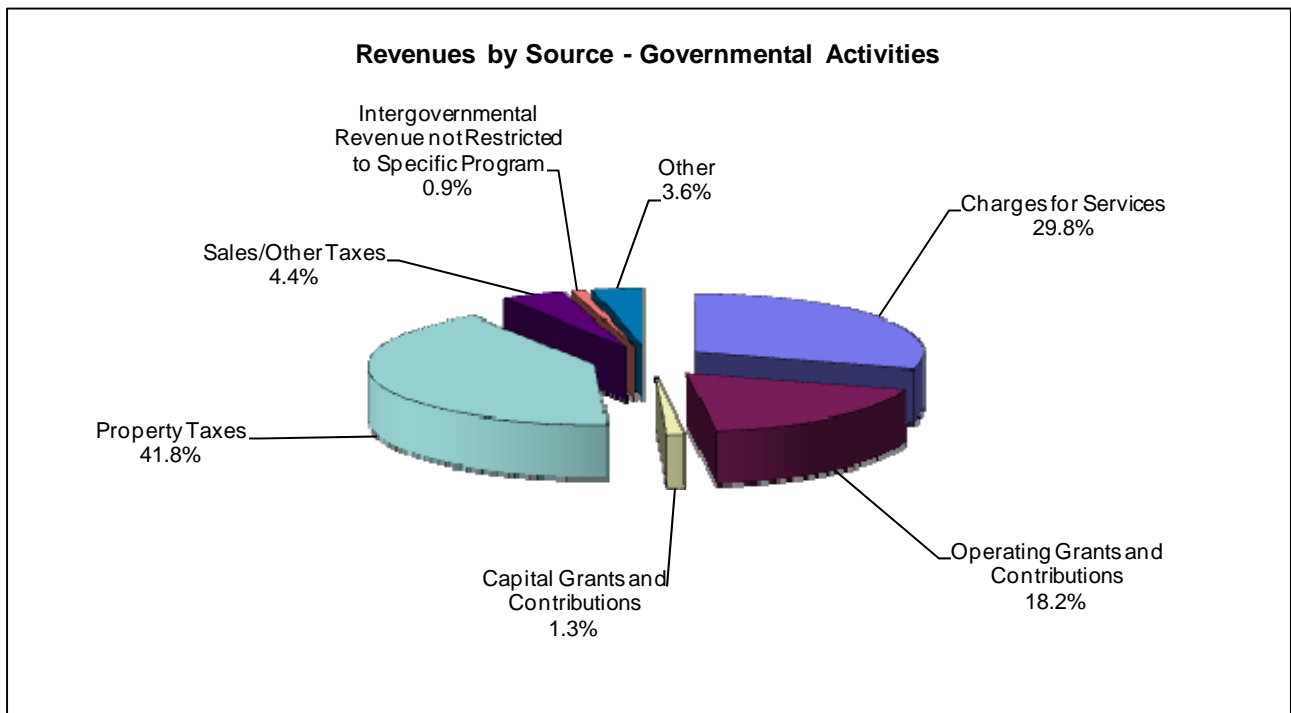
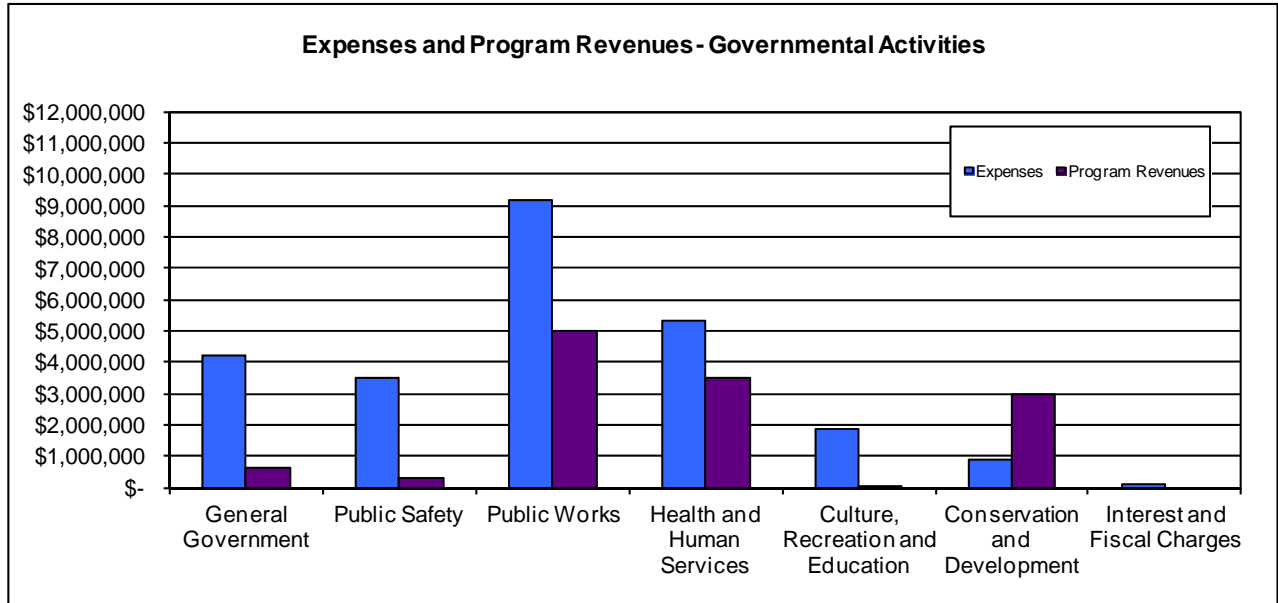
The following is a summary of the changes in the County's net position for the years ended December 31, 2013 and 2012:

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

|   | Governmental Activities |                  |
|---|-------------------------|------------------|
|   | 2013                    | 2012             |
| <b>REVENUES</b>   |                         |                  |
| Program Revenues:   |                         |                  |
| Charges for Services  | \$ 7,457,465            | \$ 6,099,226     |
| Operating Grants and Contributions                            | 4,567,996               | 4,851,784        |
| Capital Grants and Contributions                              | 317,999                 | 45,393           |
| General Revenues:   |                         |                  |
| Property Taxes  | 10,482,740              | 10,482,740       |
| Sales/Other Taxes   | 1,113,744               | 1,081,677        |
| State and Federal Aids not Restricted<br>to Specific Programs | 231,208                 | 225,527          |
| Other   | 913,843                 | 1,259,230        |
| Total Revenues  | 25,084,995              | 24,045,577       |
| <b>EXPENSES</b>   |                         |                  |
| General Government  | 4,207,973               | 3,974,409        |
| Public Safety   | 3,524,011               | 3,684,561        |
| Public Works  | 9,159,364               | 7,397,169        |
| Health and Human Services                                     | 5,328,408               | 5,487,388        |
| Culture, Recreation and Education                             | 1,837,855               | 1,928,845        |
| Conservation and Development                                  | 895,297                 | 1,354,830        |
| Interest and Fiscal Charges                                   | 83,962                  | 118,849          |
| Total Expenses  | 25,036,870              | 23,946,051       |
| <b>CHANGE IN NET POSITION</b>                                 | <b>\$ 48,125</b>        | <b>\$ 99,526</b> |

A review of the statement of activities can provide a concise picture of how the various functions/programs of Washburn County are funded. The following charts draw data from the statement of activities. For governmental activities the County's main sources for funding governmental services are property taxes (41.8%), operating grants/contributions (18.2%), and charges for services (29.8%).

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**



**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

**FINANCIAL ANALYSIS OF THE COUNTY'S MAJOR FUNDS**

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

**Governmental Funds**

The focus of the County's governmental funds is to provide information regarding near-term inflows, outflows and balances of spendable resources. Such information can be useful in assessing Washburn County's financing requirements. In particular, the level of unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$18,267,395, a decrease of \$1,373,754 over the previous year. The governmental funds comprising this balance are shown below:

|                                  | Fund Balance at December 31, 2013 |                     |                     |                     |                     | Total                | Change<br>During Year |
|----------------------------------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|
|                                  | Nonspendable                      | Restricted          | Committed           | Assigned            | Unassigned          |                      |                       |
| Major Funds                      |                                   |                     |                     |                     |                     |                      |                       |
| General Fund                     | \$ 1,472,184                      | \$ 70,245           | \$ -                | \$ 1,397,788        | \$ 4,327,787        | \$ 7,268,004         | \$ (693,677)          |
| Human Services Fund              | -                                 | -                   | 1,124,999           | -                   | -                   | 1,124,999            | 387,231               |
| Debt Service Fund                | -                                 | -                   | -                   | -                   | (370)               | (370)                | (2,668)               |
| Capital Improvement Program Fund | -                                 | -                   | 5,674,577           | -                   | -                   | 5,674,577            | (706,174)             |
| Forestry Fund                    | -                                 | 14,426              | 365,574             | -                   | -                   | 380,000              | 116,195               |
| Nonmajor Funds:                  |                                   |                     |                     |                     |                     |                      |                       |
| Special Revenue Funds            | 611                               | 2,469,930           | 1,349,644           | -                   | -                   | 3,820,185            | (474,661)             |
| Total Fund Balances              | <u>\$ 1,472,795</u>               | <u>\$ 2,554,601</u> | <u>\$ 8,514,794</u> | <u>\$ 1,397,788</u> | <u>\$ 4,327,417</u> | <u>\$ 18,267,395</u> | <u>\$ (1,373,754)</u> |

Restrictions of fund balances represent amounts that are not subject to appropriation or are legally restricted by outside parties for use for a specific purpose. Commitments and assignments of fund balance generally represent tentative management plans that are subject to change. The balance of the unassigned fund balance is not for specific purposes.

The general fund is the primary operating fund used to account for the governmental operations of Washburn County. As a measure of the general fund's liquidity, it may be useful to compare both total fund balance and unassigned fund balance to measures of operating volume such as fund expenditures or fund revenues. The total year-end general fund balance represented 65.5% of total general fund expenditures reported on the statement of revenues, expenditures and changes in fund balances while the unassigned balance represented 39.0% of the same amount.

The general fund's total fund balance decreased \$693,677 during the year; while the unassigned portion of the fund decreased \$9,333. The primary factor in the general fund decrease was due to a transfer to the capital improvements program fund to finance current year projects.

The County's human services fund increased \$387,231 in 2013. The primary factor in this increase was actual expenditures were less than budgeted.

The County's debt service fund balance reported a deficit balance of \$370 at December 31, 2013 due to the timing of debt service payments and receipt of related tax levy funding.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

The County had one major capital projects fund during the year. The capital improvements program fund, used by the County for funding the County's capital improvements projects, decreased \$706,174 during the year to a balance of \$5,674,577 at year end. The decrease can primarily be attributed to expenditures incurred for major dam reconstruction.

The forestry fund ended the year with a fund balance \$380,000.

The aggregated other governmental funds column includes various special revenue funds. The accumulated fund balances of these funds decreased \$474,661 during 2013 and had an accumulated fund balance of \$3,820,185 at year end. The main component of the current year decrease was the transfer out of the County Land Sales Fund to the Capital Improvement Program Fund. These funds are individually detailed in the supplementary information section of this report.

**Proprietary Funds**

Washburn County's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The County had no activities accounted for in enterprise funds during the year.

The County had two internal service funds during 2013. The County accounts for operations of its highway department and copy machine costs in its internal service funds. Net position of the internal service funds totaled \$12,819,130 at December 31, 2013, a decrease of \$707,912 from the previous year. Of that amount, \$9,969,112 was invested in capital assets. The remaining net position totaling \$2,850,018 were unrestricted.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

As shown in the *Budgetary Comparison Schedule* for the general fund (in required supplementary information), the final 2013 general fund budget was different than the original budget adopted by the County Board. The final budget reflects a projected decrease in the general fund balance during 2013 of \$1,377,488 while the actual amounts resulted in a decrease in the fund balance totaling \$693,677. The most significant positive budget expenditure variances were realized in the general government category of \$485,876 which is detailed out in Schedule B-2 of this report.

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Washburn County's investment in capital assets for its governmental activities as of December 31, 2013 amounted to \$53,413,983 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles and infrastructure. The net increase in the governmental activities capital assets during 2013 was \$1,915,288.

**Capital Assets (Net of Accumulated Depreciation)  
December 31, 2013 and 2012**

|                               | Governmental Activities |                      |
|-------------------------------|-------------------------|----------------------|
|                               | 2013                    | 2012                 |
| Land and Land Rights          | \$ 10,674,354           | \$ 10,617,956        |
| Gravel Pits and Quarries      | 348,600                 | 377,485              |
| Land Improvements             | 1,898,168               | 1,964,093            |
| Buildings and Improvements    | 8,651,176               | 9,052,431            |
| Machinery and Equipment       | 5,032,695               | 4,242,130            |
| Highway Infrastructure        | 22,436,210              | 24,347,084           |
| Construction Work in Progress | 4,372,780               | 897,516              |
| Total                         | <u>\$ 53,413,983</u>    | <u>\$ 51,498,695</u> |

Additional information related to the County's capital assets is reported in Note 2.C following the financial statements.

**Long-Term Obligations**

At December 31, 2013, Washburn County had outstanding \$4,291,183 of long-term debt and other long-term obligations. A summary detail of this amount, together with the net change from the previous year, is shown below:

**Outstanding Long-Term Obligations  
December 31, 2013 and 2012**

|                                       | Governmental Activities |                     | %      |
|---------------------------------------|-------------------------|---------------------|--------|
|                                       | 2013                    | 2012                |        |
| Long-Term Debt:                       |                         |                     |        |
| General Obligation Bonds              | \$ 1,930,000            | \$ 2,775,000        | -30.5% |
| Other Long-Term Obligations:          |                         |                     |        |
| Premium on Debt Issuance Cost         | -                       | 4,317               | -100.0 |
| Other Postemployment Benefits Payable | 1,202,993               | 976,021             | 23.3   |
| Compensated Absences                  | 1,158,190               | 1,157,847           | 0.0    |
| Total                                 | <u>\$ 4,291,183</u>     | <u>\$ 4,913,185</u> | -12.7  |

**WASHBURN COUNTY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013**

Under Wisconsin State Statutes, the outstanding general obligation long-term debt of a county may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. The applicable debt of Washburn County outstanding at December 31, 2013 totaled \$1,930,000 approximately 1.6% of the maximum legal limit of \$118,112,760. Additional information on Washburn County's long-term debt is reported in Note 2.E following the financial statements.

**CURRENTLY KNOWN FACTS**

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the County qualifies for one of the exceptions allowed under the statute. The statute establishes specific penalties for failure to meet the levy rate freeze requirements. Among the penalties for exceeding the limits is the reduction of state shared revenues and transportation aids. For the 2013 budget year, Washburn County utilized an operating levy rate of \$3.874, a debt levy rate of \$.456 and a special purpose levy rate of \$.087 for a total mill rate of \$4.417/\$1,000 of valuation. For the 2014 budget year, Washburn County utilized an operating levy rate of \$3.981, a debt levy rate of \$.445 and a special purpose levy rate of \$.092 for a total mill rate of \$4.518 /\$1,000 of valuation.

The State of Wisconsin has imposed further limits on the County's property taxes beginning with the 2006 budget year levy. Essentially, the new legislation restricts the growth in the County's property taxes (except for debt service) to the greater of the percentage increase in the County's equalization value due to new construction or 2%.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Washburn County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washburn County Clerk Office, P.O. Box 639, Shell Lake, Wisconsin 54871.



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

|                                      | Primary Government<br>Governmental<br>Activities | Component Unit<br>Industrial<br>Development Agency |
|--------------------------------------|--|--|
| <b>ASSETS</b>                        |  |  |
| Treasurer's Cash and Investments     | \$ 19,614,050                                    | \$ 1,164,146                                       |
| Taxes Receivable                     | 11,803,594                                       | -  |
| Accounts Receivable                  | 421,949  | -  |
| Due from Other Governments           | 1,307,537  | -  |
| Inventories                          | 949,051  | -  |
| Prepaid Expenses                     | 59,705   | -  |
| Long-Term Receivables                | 993,651  | 1,189,355  |
| Forgivable Loan                      | -  | 20,000   |
| Capital Assets:                      |  |  |
| Capital Assets Not Being Depreciated | 15,047,134                                       | -  |
| Capital Assets Being Depreciated     | 100,379,625                                      | -  |
| Accumulated Depreciation             | (62,012,776)                                     | -  |
| Total Assets                         | 88,563,520                                       | 2,373,501  |
| <b>LIABILITIES</b>                   |  |  |
| Vouchers and Accounts Payable        | 572,054  | -  |
| Accrued Liabilities                  | 362,382  | 6,700  |
| Payroll Deductions                   | 684,130  | -  |
| Accrued Interest Payable             | 24,954   | -  |
| Due to Other Governments             | 69,493   | -  |
| Unearned Revenue                     | 391,612  | -  |
| Special Deposits                     | 39,659   | -  |
| Long-Term Liabilities:               |  |  |
| Amounts Due Within One Year          | 429,734  | 25,138   |
| Amounts Due in More than One Year    | 3,861,449  | 668,669  |
| Total Liabilities                    | 6,435,467  | 700,507  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |  |
| Property Taxes for Subsequent Year   | 10,482,740                                       | -  |
| <b>NET POSITION</b>                  |  |  |
| Net Investment in Capital Assets     | 51,483,983                                       | -  |
| Restricted for:                      |  |  |
| Housing Loan Program                 | 950,346  | -  |
| Other Purposes                       | 2,512,906  | 1,672,994  |
| Unrestricted                         | 16,698,078                                       | -  |
| Total Net Position                   | \$ 71,645,313                                    | \$ 1,672,994                                       |

See accompanying Notes to Basic Financial Statements.

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

| Functions/Programs  |                      |                            |  |  | Net (Expense) Revenue and<br>Changes in Net Position |   |
|---|----------------------|----------------------------|--|--|--|---|
|   | Expenses             | Program Revenues           |  |  | Primary<br>Government-<br>Governmental<br>Activities | Component<br>Unit-<br>Industrial<br>Development<br>Agency |
|   |                      | Charges<br>For<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |   |
| <b>Primary Government:</b>                                  |                      |                            |  |  |  |   |
| Governmental Activities:                                    |                      |                            |  |  |  |   |
| General Government  | \$ 4,207,973         | \$ 324,642                 | \$ 116,413                               | \$ 200,000                             | \$ (3,566,918)                                       | \$ -  |
| Public Safety   | 3,524,011            | 209,843                    | 20,773                                   | 37,258                                 | (3,256,137)  | -   |
| Public Works  | 9,159,364            | 4,013,364                  | 878,039                                  | 80,741                                 | (4,187,220)  | -   |
| Health and Human Services                                   | 5,328,408            | 803,590                    | 2,674,580                                | -                                      | (1,850,238)  | -   |
| Culture, Recreation and Education                           | 1,837,855            | 1,749                      | -  | -                                      | (1,836,106)  | -   |
| Conservation and Development                                | 895,297              | 2,104,277                  | 878,191                                  | -                                      | 2,087,171  | -   |
| Interest and Fiscal Charges                                 | 83,962               | -                          | -  | -                                      | (83,962)   | -   |
| <b>Total Primary Government</b>                             | <b>\$ 25,036,870</b> | <b>\$ 7,457,465</b>        | <b>\$ 4,567,996</b>                      | <b>\$ 317,999</b>                      | <b>(12,693,410)</b>                                  | <b>-</b>  |
| <b>Component Unit:</b>                                      |                      |                            |  |  |  |   |
| Industrial Development Agency                               | \$ 146,065           | \$ 65,465                  | \$ -                                     | \$ -                                   | -  | (80,600)  |
| General Revenues:   |                      |                            |  |  |  |   |
| Taxes:  |                      |                            |  |  |  |   |
| Property Taxes, Levied for General Purposes                 |                      |                            |  |  | 10,482,740   | -   |
| County Sales Taxes  |                      |                            |  |  | 1,055,141  | -   |
| Other Taxes   |                      |                            |  |  | 58,603   | -   |
| State and Federal Aids not Restricted to Specific Functions |                      |                            |  |  | 231,208  | -   |
| Interest and Investment Earnings                            |                      |                            |  |  | 379,495  | 1,435   |
| Miscellaneous   |                      |                            |  |  | 534,348  | 300,000   |
| <b>Total General Revenues</b>                               |                      |                            |  |  | <b>12,741,535</b>                                    | <b>301,435</b>  |
| <b>CHANGE IN NET POSITION</b>                               |                      |                            |  |  | <b>48,125</b>  | <b>220,835</b>  |
| Net Position - Beginning of Year                            |                      |                            |  |  | 71,597,188   | 1,452,159   |
| <b>NET POSITION - END OF YEAR</b>                           |                      |                            |  |  | <b>\$ 71,645,313</b>                                 | <b>\$ 1,672,994</b>                                       |

See accompanying Notes to Basic Financial Statements.

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

|   | General<br>Fund      | Human<br>Services<br>Fund | Debt<br>Service<br>Fund | Capital<br>Improvements<br>Program<br>Fund | Forestry<br>Fund  | Other<br>Governmental<br>Funds | Totals               |
|---|----------------------|---------------------------|-------------------------|--|-------------------|--------------------------------|----------------------|
| <b>ASSETS</b>   |                      |                           |                         |  |                   |                                |                      |
| Treasurer's Cash and Investments  | \$ 5,895,011         | \$ 1,018,493              | \$ -                    | \$ 7,583,855                               | \$ 477,929        | \$ 3,830,679                   | \$ 18,805,967        |
| Taxes Receivable  | 8,936,967            | 1,161,338                 | 1,032,372               | -  | -                 | 672,917                        | 11,803,594           |
| Accounts Receivable   | 203,732              | 121,371                   | -                       | -  | 21,166            | 71,443                         | 417,712              |
| Due from Other Governmental Units   | 202,708              | 171,875                   | -                       | -  | 418,258           | 97,234                         | 890,075              |
| Due from Other Funds  | 275,355              | -                         | -                       | -  | -                 | -                              | 275,355              |
| Prepaid Expenses  | 58,119               | 70                        | -                       | -  | -                 | 611                            | 58,800               |
| Inventory   | 10,518               | -                         | -                       | -  | -                 | -                              | 10,518               |
| Long-Term Receivables   | 85,000               | -                         | -                       | -  | -                 | 908,651                        | 993,651              |
| Advances to Other Funds   | -                    | -                         | -                       | 552,167                                    | -                 | -                              | 552,167              |
| <b>Total Assets</b>   | <b>\$ 15,667,410</b> | <b>\$ 2,473,147</b>       | <b>\$ 1,032,372</b>     | <b>\$ 8,136,022</b>                        | <b>\$ 917,353</b> | <b>\$ 5,581,535</b>            | <b>\$ 33,807,839</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>        |                      |                           |                         |  |                   |                                |                      |
| <b>Liabilities:</b>   |                      |                           |                         |  |                   |                                |                      |
| Vouchers and Accounts Payable   | \$ 179,680           | \$ 106,981                | \$ -                    | \$ 9,987                                   | \$ 30,553         | \$ 108,020                     | \$ 435,221           |
| Payroll Deductions  | 392,901              | -                         | -                       | -  | 291,229           | -                              | 684,130              |
| Accrued Liabilities   | 114,518              | 69,829                    | -                       | 501  | 20,762            | 44,941                         | 250,551              |
| Due to Other Governmental Units   | 61,647               | -                         | -                       | -  | -                 | 7,846                          | 69,493               |
| Due to Other Funds  | 22,450               | -                         | 370                     | 2,450,957                                  | 131,802           | 14,031                         | 2,619,610            |
| Unearned Revenues   | 12,097               | 10,000                    | -                       | -  | 23,348            | 4,944                          | 50,389               |
| Special Deposits  | -                    | -                         | -                       | -  | 39,659            | -                              | 39,659               |
| <b>Total Liabilities</b>  | <b>783,293</b>       | <b>186,810</b>            | <b>370</b>              | <b>2,461,445</b>                           | <b>537,353</b>    | <b>179,782</b>                 | <b>4,149,053</b>     |
| <b>Deferred Inflows of Resources:</b>                                     |                      |                           |                         |  |                   |                                |                      |
| Succeeding Year's Property Taxes  | 7,616,113            | 1,161,338                 | 1,032,372               | -  | -                 | 672,917                        | 10,482,740           |
| Loans Receivable  | -                    | -                         | -                       | -  | -                 | 908,651                        | 908,651              |
| <b>Total Deferred Inflows of Resources</b>                                | <b>7,616,113</b>     | <b>1,161,338</b>          | <b>1,032,372</b>        | <b>-</b>                                   | <b>-</b>          | <b>1,581,568</b>               | <b>11,391,391</b>    |
| <b>Fund Balances:</b>   |                      |                           |                         |  |                   |                                |                      |
| Nonspendable  | 1,472,184            | -                         | -                       | -  | -                 | 611                            | 1,472,795            |
| Restricted  | 70,245               | -                         | -                       | -  | 14,426            | 2,469,930                      | 2,554,601            |
| Committed   | -                    | 1,124,999                 | -                       | 5,674,577                                  | 365,574           | 1,349,644                      | 8,514,794            |
| Assigned  | 1,397,788            | -                         | -                       | -  | -                 | -                              | 1,397,788            |
| Unassigned  | 4,327,787            | -                         | (370)                   | -  | -                 | -                              | 4,327,417            |
| <b>Total Fund Balances</b>  | <b>7,268,004</b>     | <b>1,124,999</b>          | <b>(370)</b>            | <b>5,674,577</b>                           | <b>380,000</b>    | <b>3,820,185</b>               | <b>18,267,395</b>    |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 15,667,410</b> | <b>\$ 2,473,147</b>       | <b>\$ 1,032,372</b>     | <b>\$ 8,136,022</b>                        | <b>\$ 917,353</b> | <b>\$ 5,581,535</b>            | <b>\$ 33,807,839</b> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2013**

**Total Fund Balances - Governmental Funds** \$ 18,267,395

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

|                               |                     |            |
|-------------------------------|---------------------|------------|
| Land                          | \$ 10,184,572       |            |
| Land Improvements             | 2,447,302           |            |
| Buildings and Improvements    | 8,023,222           |            |
| Machinery and Equipment       | 3,081,204           |            |
| Vehicles                      | 1,023,587           |            |
| Infrastructure                | 67,330,416          |            |
| Construction Work in Progress | 4,372,780           |            |
| Accumulated Depreciation      | <u>(53,018,212)</u> | 43,444,871 |

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. 908,651

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

|                                       |                |             |
|---------------------------------------|----------------|-------------|
| General Obligation Bonds Payable      | 1,930,000      |             |
| Accrued Interest Payable              | 24,954         |             |
| Compensated Absences                  | 857,701        |             |
| Other Postemployment Benefits Payable | <u>982,079</u> | (3,794,734) |

The highway department internal service fund is used by County management to account for highway-related services provided by the department to the County and other governmental units. The assets and liabilities of the highway department internal service fund is reported in governmental activities. 12,801,299

The copy machine internal service fund is used by County's management to charge the costs of the copy machines to departments/functions. The assets and liabilities of the copy machine fund is also reported in governmental activities. 17,831

**Net Position of Governmental Activities** \$ 71,645,313

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

|  | General<br>Fund     | Human<br>Services<br>Fund | Debt<br>Service<br>Fund | Capital<br>Improvements<br>Program<br>Fund | Forestry<br>Fund  | Other<br>Governmental<br>Funds | Totals               |
|--|---------------------|---------------------------|-------------------------|--|-------------------|--------------------------------|----------------------|
| <b>REVENUES:</b>   |                     |                           |                         |  |                   |                                |                      |
| Taxes  | \$ 8,976,936        | \$ 1,183,047              | \$ 1,082,372            | \$ -                                       | \$ -              | \$ 658,504                     | \$ 11,900,859        |
| Intergovernmental  | 1,576,012           | 1,883,988                 | -                       | 200,000                                    | 574,843           | 882,360                        | 5,117,203            |
| Licenses and Permits   | 133,455             | -                         | -                       | -  | -                 | 56,142                         | 189,597              |
| Fines, Forfeits and Penalties                                | 115,235             | 17,998                    | -                       | -  | -                 | 20,252                         | 153,485              |
| Public Charges for Services                                  | 410,295             | 513,647                   | -                       | -  | 1,769,743         | 250,840                        | 2,944,525            |
| Intergovernmental Charges for Services                       | 6,210               | -                         | -                       | -  | -                 | -                              | 6,210                |
| Miscellaneous  | 175,458             | 229,178                   | -                       | 7,660                                      | 15,181            | 591,637                        | 1,019,114            |
| <b>Total Revenues</b>  | <b>11,393,601</b>   | <b>3,827,858</b>          | <b>1,082,372</b>        | <b>207,660</b>                             | <b>2,359,767</b>  | <b>2,459,735</b>               | <b>21,330,993</b>    |
| <b>EXPENDITURES:</b>   |                     |                           |                         |  |                   |                                |                      |
| General Government   | 3,882,423           | -                         | -                       | 449,673                                    | -                 | -                              | 4,332,096            |
| Public Safety  | 3,489,475           | -                         | -                       | -  | -                 | 32,064                         | 3,521,539            |
| Public Works   | 2,401,879           | -                         | -                       | 3,326,822                                  | -                 | -                              | 5,728,701            |
| Health and Human Services                                    | 196,291             | 3,515,415                 | -                       | -  | -                 | 1,814,010                      | 5,525,716            |
| Culture, Recreation and Education                            | 472,794             | -                         | -                       | -  | 1,239,155         | 23,464                         | 1,735,413            |
| Conservation and Development                                 | 647,631             | -                         | -                       | -  | -                 | 292,251                        | 939,882              |
| Debt Service:  |                     |                           |                         |  |                   |                                |                      |
| Principal  | -                   | -                         | 991,801                 | -  | 74,151            | -                              | 1,065,952            |
| Interest and Fiscal Charges                                  | -                   | -                         | 93,239                  | -  | -                 | -                              | 93,239               |
| <b>Total Expenditures</b>                                    | <b>11,090,493</b>   | <b>3,515,415</b>          | <b>1,085,040</b>        | <b>3,776,495</b>                           | <b>1,313,306</b>  | <b>2,161,789</b>               | <b>22,942,538</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>303,108</b>      | <b>312,443</b>            | <b>(2,668)</b>          | <b>(3,568,835)</b>                         | <b>1,046,461</b>  | <b>297,946</b>                 | <b>(1,611,545)</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                     |                           |                         |  |                   |                                |                      |
| Issuance of Debt   | -                   | -                         | -                       | 146,801                                    | 74,151            | -                              | 220,952              |
| Transfers In   | 51,027              | 74,788                    | -                       | 2,715,860                                  | -                 | 10,266                         | 2,851,941            |
| Transfers Out  | (1,047,812)         | -                         | -                       | -  | (1,004,417)       | (782,873)                      | (2,835,102)          |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(996,785)</b>    | <b>74,788</b>             | <b>-</b>                | <b>2,862,661</b>                           | <b>(930,266)</b>  | <b>(772,607)</b>               | <b>237,791</b>       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>(693,677)</b>    | <b>387,231</b>            | <b>(2,668)</b>          | <b>(706,174)</b>                           | <b>116,195</b>    | <b>(474,661)</b>               | <b>(1,373,754)</b>   |
| Fund Balances, January 1                                     | 7,961,681           | 737,768                   | 2,298                   | 6,380,751                                  | 263,805           | 4,294,846                      | 19,641,149           |
| <b>FUND BALANCES, DECEMBER 31</b>                            | <b>\$ 7,268,004</b> | <b>\$ 1,124,999</b>       | <b>\$ (370)</b>         | <b>\$ 5,674,577</b>                        | <b>\$ 380,000</b> | <b>\$ 3,820,185</b>            | <b>\$ 18,267,395</b> |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
RECONCILIATION OF 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** **\$ (1,373,754)**

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

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

|  |                    |           |
|--|--------------------|-----------|
| Capital outlays reported in governmental fund statements     | \$ 3,959,001       |           |
| Depreciation expense reported in the statement of activities | <u>(2,467,528)</u> | 1,491,473 |

In the statement of activities, only the gain or loss on the disposal of capital assets is reported whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of capital assets disposed of during the year (17,589)

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. (15,727)

Long-term debt and related obligations incurred in governmental funds are reported as an increase in fund balance, but are reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. Such items incurred in the current year are:

|                        |                  |           |
|------------------------|------------------|-----------|
| Forest Crop Loans      | (74,151)         |           |
| State Trust Fund Loans | <u>(146,801)</u> | (220,952) |

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

|  |                |           |
|--|----------------|-----------|
| General Obligation Debt Principal Retirement | 845,000        |           |
| Forest Crop Loans Repaid                     | 74,151         |           |
| State Trust Fund Loans                       | <u>146,801</u> | 1,065,952 |

Internal service funds are used by the County's management to account for highway operations and to charge out copy machine costs. The change in net position of these internal service funds are allocated to governmental activities.

Total Change in Net Position (707,912)

Other postemployment benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.

Changes in Other Postemployment Benefits Payable (191,390)

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:

|   |                |               |
|---|----------------|---------------|
| Change in Accrued Interest Payable                | 9,277          |               |
| Change in Compensated Absences at Year End        | 8,747          |               |
| Change in Unamortized Bond Premium                | 4,317          |               |
| Change in Unamortized Debt Issuance Related Costs | <u>(4,317)</u> | <u>18,024</u> |

**Change in Net Position of Governmental Activities** **\$ 48,125**

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

|  | <u>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</u> |
|--|--|
| <b>ASSETS</b>  |  |
| <b>Current Assets:</b>                                 |  |
| Treasurer's Cash and Investments                       | \$ 808,083   |
| Accounts Receivable                                    | 4,237  |
| Due from Other Governmental Units                      | 417,462  |
| Due from Other Funds                                   | 2,344,255  |
| Inventories and Prepaid Expenses                       | 939,438  |
| Total Current Assets                                   | <u>4,513,475</u>   |
| <b>Noncurrent Assets:</b>                              |  |
| Capital Assets:  |  |
| Not Being Depreciated/Depleted                         | 489,782  |
| Being Depreciated/Depleted                             | 18,473,894   |
| Accumulated Depreciation                               | (8,994,564)  |
| Total Capital Assets                                   | <u>9,969,112</u>   |
| Total Assets   | <u>\$ 14,482,587</u>   |
| <b>LIABILITIES</b>                                     |  |
| <b>Current Liabilities:</b>                            |  |
| Accounts Payable                                       | \$ 136,833   |
| Accrued Liabilities                                    | 111,831  |
| Unearned Revenues                                      | 341,223  |
| Accrued Vacation and Sick Leave - Current              | 105,436  |
| Total Current Liabilities                              | <u>695,323</u>   |
| <b>Long-Term Liabilities (Net of Current Portion):</b> |  |
| Advance from Capital Projects Fund                     | 552,167  |
| Other Postemployment Benefits Payable                  | 220,914  |
| Accrued Vacation and Sick Leave                        | 195,053  |
| Total Long-Term Liabilities                            | <u>968,134</u>   |
| Total Liabilities                                      | <u>1,663,457</u>   |
| <b>NET POSITION</b>                                    |  |
| Net Investment in Capital Assets                       | 9,969,112  |
| Unrestricted   | 2,850,018  |
| Total Net Position                                     | <u>12,819,130</u>  |
| Total Liabilities and Net Position                     | <u>\$ 14,482,587</u>   |

See accompanying Notes to Basic Financial Statements.

**WASHBURN COUNTY, WISCONSIN  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2013**

|  | <u>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</u> |
|--|--|
| <b>OPERATING REVENUES</b>  | \$ 8,661,269   |
| <b>OPERATING EXPENSES</b>  | <u>9,374,199</u>   |
| <b>OPERATING LOSS BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b> | (712,930)  |
| <b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>                       |  |
| Transfers from General Fund                                      | 8,161  |
| Transfers to Capital Projects Fund                               | (25,000)   |
| Contributions from State   | <u>21,857</u>  |
| Total Transfers and Capital Contributions                        | <u>5,018</u>   |
| <b>CHANGE IN NET POSITION</b>                                    | (707,912)  |
| Net Position, January 1  | <u>13,527,042</u>  |
| <b>NET POSITION, DECEMBER 31</b>                                 | <u><u>\$ 12,819,130</u></u>  |

*See accompanying Notes to Basic Financial Statements.*



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

|   | <u>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</u> |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |   |
| Cash Received for Services Provided   | \$ 7,109,053  |
| Cash Paid to Suppliers for Goods and Services   | (4,946,467)   |
| Cash Paid for Employee Services   | <u>(3,337,789)</u>  |
| Net Cash Provided by (Used for) Operating Activities  | (1,175,203)   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>   |   |
| Transfer from General Fund  | 8,161   |
| Transfers to General Fund   | <u>(25,000)</u>   |
| Total Cash Flows Provided by (Used for) Noncapital Financing Activities                                   | (16,839)  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>  |   |
| Cash Paid for Acquisition of Capital Assets   | (1,368,175)   |
| Cash Received for Sale of Capital Assets  | <u>136,027</u>  |
| Net Cash Provided by (Used for) Capital and Related Financing Activities                                  | <u>(1,232,148)</u>  |
| <b>NET CHANGE IN CASH AND IN CASH EQUIVALENTS</b>   | (2,424,190)   |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>   | <u>3,232,273</u>  |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>   | <u><u>\$ 808,083</u></u>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b> |   |
| Operating Income (Loss)   | \$ (712,930)  |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:            |   |
| Depreciation  | 783,717   |
| Depletion of Gravel Pits  | 28,884  |
| (Increase) Decrease in Assets:  |   |
| Accounts Receivable   | 680   |
| Due from Governmental Units   | 396,742   |
| Prepaid Expenses  | (193)   |
| Inventories   | 81,554  |
| Due from Other Funds  | (1,949,638)   |
| Increase (Decrease) in Liabilities:   |   |
| Vouchers Payable  | (107,623)   |
| Unearned Revenue  | 263,616   |
| Due to Other Funds  | (11,471)  |
| Accrued Liabilities   | 15,877  |
| Other Postemployment Benefits Payable   | <u>35,582</u>   |
| Net Cash Provided by (Used for) Operating Activities  | <u><u>\$ (1,175,203)</u></u>  |

See accompanying Notes to Basic Financial Statements.

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

|                                  | <u>Agency<br/>Funds</u>  |
|----------------------------------|--------------------------|
| <b>ASSETS</b>                    |                          |
| Treasurer's Cash and Investments | \$ 111,192               |
| Taxes Receivable                 | <u>400,889</u>           |
| Total Assets                     | <u><u>\$ 512,081</u></u> |
| <b>LIABILITIES</b>               |                          |
| Vouchers Payable                 | \$ 2,489                 |
| Due to Other Governmental Units  | 400,889                  |
| Special Deposits                 | <u>108,703</u>           |
| Total Liabilities                | <u><u>\$ 512,081</u></u> |

*See accompanying Notes to Basic Financial Statements.*

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Washburn 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**

Washburn County is governed by a board of supervisors consisting of twenty-one elected members.

The financial reporting of the County is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government and a discretely presented component as described below. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see below for description) to emphasize that it is legally separate from the government.

**Washburn County Industrial Development Agency, Ltd.** Washburn County Industrial Development Agency, Ltd. (Agency) was organized in 1989 by the County when the County received intergovernmental funds to finance a loan to a private business. Proceeds received from the repayment of this loan are being used by the Agency to finance other loans to local businesses to promote industrial development. The Agency is governed by a seven-member board statutorily comprised of the county board chairman, finance committee chairman, county treasurer, corporation counsel and three public members appointed by the county board. The Agency receives no funding from, nor provides any funding to, the County. The Agency maintains its financial statements on a fiscal year ending June 30. Financial statements of the Agency for the year ending June 30, 2013 are presented in this report as a discretely presented component unit. The Agency's financial statements are separately audited and can be obtained from Washburn County.

**WASHBURN 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**

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. 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/outflows of resources, net position, fund equity, revenues, and expenditures/expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County did not report any enterprise funds for the year ended December 31, 2013.

**WASHBURN 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)**

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 funded by restricted funding sources. 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 charges.

**Capital Improvements Program Fund** – The Capital Improvement Program Fund, a capital projects fund, accounts for financial resources to be used for funding the County's capital improvement program projects.

**Forestry Fund** – The Forestry Fund, a special revenue fund, is used to account for the maintenance of the County's parks and forests. In addition to using restricted grant funding for these purposes, the County also commits public charges for services raised through the Forestry Fund's programming.

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

The County's proprietary funds consist solely of internal service funds to account for the operations of the County's highway department and its copy machine transactions.

The County's fiduciary funds consist of agency funds to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units.

**WASHBURN 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**

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets deferred inflows/outflows of resources 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are deemed to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Client billings for the human services programs are recognized when received. State and federal aids under cost reimbursement programs are generally recognized when earned if expected to be collected in the subsequent year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, miscellaneous taxes, cost reimbursement grant programs, public charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are generally considered to be measurable and available only when cash is received by the government.

The 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.

**WASHBURN 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**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investment of County funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. Bonds or securities of any county, city, drainage district, technical college district, County, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
- d. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- e. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- f. Bonds or securities issued under the authority of the municipality.
- g. The local government investment pool.
- h. Repurchase agreements with public depositories, with certain conditions.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Investment of most trust funds is regulated by Chapter 881 of the Wisconsin Statutes. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

Investments of the County are stated at fair value.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities Deferred Outflows/Inflows, 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 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.

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 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 are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**Loans Receivable.** The County has received federal grant funds for financing housing rehabilitation loans to various individuals. 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 since the County does expect such amounts to be material to the financial statements. It is the County's policy to record 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 recognized as revenue when received. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.



**WASHBURN 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 (Continued)**

**Interfund Balances** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statement as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Inventories and Prepaid Items**

All inventories are valued at cost using the average cost method for the highway department. Inventories of governmental funds, if material, are recorded as expenditures when consumed rather than when purchased.

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

**4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations may be required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

**5. Capital Assets**

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

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.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows 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<br>Threshold | Depreciation<br>Method | Estimated<br>Useful Life |
|----------------------------|-----------------------------|------------------------|--------------------------|
| Land                       | \$5,000                     | N/A                    | N/A                      |
| Highway Right-of-Ways      | 5,000                       | N/A                    | N/A                      |
| Land Improvements          | 5,000                       | Straight-line          | 15-40 Years              |
| Buildings and Improvements | 5,000                       | Straight-line          | 10-50 Years              |
| Machinery and Equipment    | 5,000                       | Straight-line          | 4-20 Years               |
| Vehicles                   | 5,000                       | Straight-line          | 3-5 Years                |
| Infrastructure             | 5,000                       | Straight-line          | 20-60 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 of Resources**

The County would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

**7. Deferred Inflows of Resources**

The County's governmental activities and governmental fund financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has two types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. The second type of deferred inflow of resources occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the County's year) under the modified accrual basis of accounting.

**WASHBURN 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)**

**8. Compensated Absences**

It is the County's policy to permit employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the County's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide and proprietary fund financial statements when earned. The County's policies and estimated liabilities at year end are further discussed in Note 3.A.

**9. Other Postemployment Benefits Payable**

Under the various employee and union contracts the County allows retired employees to enroll in the County's health insurance plan. The retired employees pay 100% of the premiums. The payable was actuarially determined, in accordance with GASB 45, at December 31, 2013. GASB 45 was implemented prospectively, meaning that the net OPEB obligation was zero at transition.

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**11. Defining Operating Revenues and Expenses**

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 water utility and sewer utility are charges to customers for sales and services. 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.

**12. Use of Restricted Resources**

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.

**WASHBURN 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)**

**13. Equity Classifications**

Fund equity, representing the difference between assets, deferred inflows/outflows of resources and liabilities, 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. It is the County's policy that at the end of each fiscal year, the County will maintain a minimum unassigned fund balance level between 20% and 33% of general fund expenditures.

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 Finance Committee 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

**WASHBURN 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 are reflected in the financial statements as follows:

|                    |                      |
|--------------------|----------------------|
| Governmental Funds | \$ 18,805,967        |
| Proprietary Funds  | 808,083              |
| Fiduciary Funds    | 111,192              |
|                    | <u>\$ 19,725,242</u> |

The above cash and investments consisted of the following:

|   |                      |
|---|----------------------|
| Deposits at Financial Institutions                          | \$ 6,445,885         |
| Investment in State Local Government Pooled-Investment Fund | 13,276,212           |
| Petty Cash  | 3,145                |
| Total Cash and Investments at December 31, 2013             | <u>\$ 19,725,242</u> |

**Deposits at Financial Institutions**

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the County to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund. Custodial credit risk for deposits is the risk that, in the event of failure, the County's deposits may not be returned.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions (Continued)**

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned. At December 31, 2013, the County's deposits were not exposed to custodial credit risk.

**Investments**

The County's investments at December 31, 2013 consisted of deposits in the following external investment pool:

**Investment 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 the 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.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The County's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed in Note 1.D.1.

The repurchase agreement money market investment, in the amount of \$5,996,017 is neither insured nor registered and held by the investment counterparty. However, the repurchase agreement money market investment is collateralized with securities pledged by the financial institution.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the County.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables**

**CDBG Housing Rehabilitation Loans.** The County has also received federal grants through the State of Wisconsin for the purpose of financing housing rehabilitation loans. Repayments received by the County on these loans are recorded in a separate special revenue fund and are to be used to finance similar housing rehabilitation loans. The County had one-hundred twenty-one (121) deferred mortgage loans outstanding at December 31, 2013 totaling \$908,651. These notes become due and payable in full only "in the event that the maker:

- A. No longer continues to occupy the premises securing this note as a full-time residence, or
- B. Transfers any legal or equitable interest in the mortgage premises to anyone for any reason."

Receivables have been recorded in the special revenue fund in the amount of the outstanding balances on these loans and were equally offset by deferred inflows of resources recorded therein. Revenue is recognized in the special revenue fund as collections are received on these loans.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

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

**Governmental Activities**

|   | Beginning<br>Balance | Increases    | Decreases | Ending<br>Balance |
|---|----------------------|--------------|-----------|-------------------|
| <b>General County Assets:</b>                 |                      |              |           |                   |
| Capital Assets Not Being Depreciated:         |                      |              |           |                   |
| Land  | \$ 1,625,959         | \$ -         | \$ -      | \$ 1,625,959      |
| Highway Right-of-Ways                         | 8,502,215            | 56,398       | -         | 8,558,613         |
| Construction Work in Progress                 | 897,516              | 3,550,117    | 74,853    | 4,372,780         |
| Total Capital Assets Not<br>Being Depreciated | 11,025,690           | 3,606,515    | 74,853    | 14,557,352        |
| Capital Assets Being Depreciated:             |                      |              |           |                   |
| Land Improvements                             | 2,355,574            | 91,728       | -         | 2,447,302         |
| Buildings and Improvements                    | 7,968,223            | 54,999       | -         | 8,023,222         |
| Machinery and Equipment                       | 2,941,713            | 145,290      | 5,799     | 3,081,204         |
| Vehicles                                      | 1,063,972            | 135,322      | 175,707   | 1,023,587         |
| Highway Infrastructure:                       |                      |              |           |                   |
| Roadways                                      | 64,214,592           | -            | -         | 64,214,592        |
| Bridges                                       | 1,408,186            | -            | -         | 1,408,186         |
| Structures                                    | 1,707,638            | -            | -         | 1,707,638         |
| Total Capital Assets Being<br>Depreciated     | 81,659,898           | 427,339      | 181,506   | 81,905,731        |
| Total Capital Assets                          | 92,685,588           | 4,033,854    | 256,359   | 96,463,083        |
| Accumulated Depreciation:                     |                      |              |           |                   |
| Land Improvements                             | 1,122,191            | 112,334      | -         | 1,234,525         |
| Buildings and Improvements                    | 3,398,926            | 179,100      | -         | 3,578,026         |
| Equipment and Vehicles                        | 3,210,152            | 265,220      | 163,917   | 3,311,455         |
| Highway Infrastructure                        | 42,983,332           | 1,910,874    | -         | 44,894,206        |
| Total Accumulated Depreciation                | 50,714,601           | 2,467,528    | 163,917   | 53,018,212        |
| Net Capital Assets -                          |                      |              |           |                   |
| Governmental Activities                       | \$ 41,970,987        | \$ 1,566,326 | \$ 92,442 | \$ 43,444,871     |



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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

|   | Beginning<br>Balance | Increases           | Decreases         | Ending<br>Balance    |
|---|----------------------|---------------------|-------------------|----------------------|
| <b>Highway Department:</b>                      |                      |                     |                   |                      |
| Capital Assets Not Being Depreciated:           |                      |                     |                   |                      |
| Land  | \$ 489,782           | \$ -                | \$ -              | \$ 489,782           |
| Capital Assets Being Depreciated:               |                      |                     |                   |                      |
| Land Improvements                               | 1,132,983            | -                   | -                 | 1,132,983            |
| Gravel Pits and Quarries*                       | 377,485              | -                   | 28,885            | 348,600              |
| Buildings and Improvements                      | 6,903,069            | -                   | -                 | 6,903,069            |
| Machinery and Equipment                         | 9,915,193            | 1,492,203           | 1,345,073         | 10,062,323           |
| Total Capital Assets Being<br>Depreciated       | <u>18,328,730</u>    | <u>1,492,203</u>    | <u>1,373,958</u>  | <u>18,446,975</u>    |
| Total Capital Assets                            | 18,818,512           | 1,492,203           | 1,373,958         | 18,936,757           |
| Accumulated Depreciation:                       |                      |                     |                   |                      |
| Land Improvements                               | 402,273              | 45,319              | -                 | 447,592              |
| Buildings and Improvements                      | 2,419,935            | 277,154             | -                 | 2,697,089            |
| Machinery and Equipment                         | 6,473,682            | 457,888             | 1,106,876         | 5,824,694            |
| Total Accumulated Depreciation                  | <u>9,295,890</u>     | <u>780,361</u>      | <u>1,106,876</u>  | <u>8,969,375</u>     |
| Net Capital Assets -<br>Highway Department      | <u>\$ 9,522,622</u>  | <u>\$ 711,842</u>   | <u>\$ 267,082</u> | <u>\$ 9,967,382</u>  |
| <b>Copy Machine Fund:</b>                       |                      |                     |                   |                      |
| Capital Assets Being Depreciated:               |                      |                     |                   |                      |
| Machinery and Equipment                         | \$ 26,919            | \$ -                | \$ -              | \$ 26,919            |
| Accumulated Depreciation:                       |                      |                     |                   |                      |
| Machinery and Equipment                         | 21,833               | 3,356               | -                 | 25,189               |
| Net Capital Assets -<br>Copy Machine Fund       | <u>\$ 5,086</u>      | <u>\$ (3,356)</u>   | <u>\$ -</u>       | <u>\$ 1,730</u>      |
| <b>Total County:</b>                            |                      |                     |                   |                      |
| Capital Assets Not Being Depreciated            | \$ 11,515,472        | \$ 3,606,515        | \$ 74,853         | \$ 15,047,134        |
| Capital Assets Being Depreciated                | 100,015,547          | 1,919,542           | 1,555,464         | 100,379,625          |
| Total Capital Assets                            | <u>111,531,019</u>   | <u>5,526,057</u>    | <u>1,630,317</u>  | <u>115,426,759</u>   |
| Accumulated Depreciation                        | 60,032,324           | 3,251,245           | 1,270,793         | 62,012,776           |
| Net Capital Assets -<br>Governmental Activities | <u>\$ 51,498,695</u> | <u>\$ 2,274,812</u> | <u>\$ 359,524</u> | <u>\$ 53,413,983</u> |

\*Highway department gravel pits and quarries are subject to depletion.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

**Governmental Activities (Continued)**

Depreciation was charged to governmental functions as follows:

|                                   | General<br>County Assets | Internal<br>Service Funds | Total               |
|-----------------------------------|--------------------------|---------------------------|---------------------|
| General Government                | \$ 192,127               | \$ -                      | \$ 192,127          |
| Public Safety                     | 58,846                   | -                         | 58,846              |
| Transportation                    | 1,909,290                | 783,717                   | 2,693,007           |
| Health and Human Services         | 34,744                   | -                         | 34,744              |
| Culture, Recreation and Education | 139,329                  | -                         | 139,329             |
| Conservation and Development      | 133,192                  | -                         | 133,192             |
|                                   | <u>\$ 2,467,528</u>      | <u>\$ 783,717</u>         | <u>\$ 3,251,245</u> |

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2013 was as follows:

**Due to/from Other Funds**

| Receivable Fund               | Payable Fund                     | Amount              | Purpose       |
|-------------------------------|----------------------------------|---------------------|---------------|
| General Fund                  | Debt Service Fund                | \$ 370              | Cash Flow     |
| General Fund                  | Wildlife Damage                  | 14,031              | Cash Flow     |
| General Fund                  | Capital Improvement Program Fund | 260,954             | Gravel Pits   |
| Highway Internal Service Fund | General Fund                     | 22,450              | 2013 Expenses |
| Highway Internal Service Fund | Forestry Fund                    | 131,802             | 2013 Expenses |
| Highway Internal Service Fund | Capital Improvement Program Fund | 2,190,003           | 2013 Expenses |
|                               |                                  | <u>\$ 2,619,610</u> |               |

**Advances from/to Other Funds**

As of December 31, 2013 the County's capital improvements capital projects fund had advanced the highway department internal service fund \$552,167 for the acquisition of gravel pit sites. The highway department will repay the advance at a rate of approximately \$0.50 per yard of gravel extracted until paid in full.

**WASHBURN 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)**

**Interfund Transfers**

| <u>Fund Transferred To</u> | <u>Fund Transferred From</u> | <u>Amount</u>       | <u>Purpose</u>        |
|----------------------------|------------------------------|---------------------|-----------------------|
| General Fund               | Solid Waste Fund             | \$ 26,027           | 2013 Expenses         |
| General Fund               | Copy Machine Fund (ISF)      | 25,000              | 2013 Expenses         |
| Public Health Fund         | General Fund                 | 6,616               | Sick/Vacation Payouts |
| Human Services Fund        | General Fund                 | 17,942              | Sick/Vacation Payouts |
| Child Support              | Human Services Fund          | 56,846              | 2013 Expenses         |
| Unit on Aging              | General Fund                 | 3,650               | Sick/Vacation Payouts |
| Capital Improvement Fund   | Forestry Fund                | 1,004,417           | Capital Projects      |
| Capital Improvement Fund   | General Fund                 | 1,011,443           | Capital Projects      |
| Capital Improvement Fund   | County Land Sale Fund        | 700,000             | Capital Projects      |
| Highway Department (ISF)   | General Fund                 | 8,161               | Sick/Vacation Payouts |
|                            |                              | <u>\$ 2,860,102</u> |                       |

The County Board approved a resolution in 2001 that allows annual transfers from the public health, human services, council on aging, and certain functions in the forestry fund to the general fund at the end of each year based on management discretion. These transfers are subject to any purpose restrictions or commitments.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the County for the year ended December 31, 2013 were as follows:

|  | Balances<br>1/1/13  | Additions         | Reductions          | Balances<br>12/31/13 | Amounts<br>Due Within<br>One Year |
|--|---------------------|-------------------|---------------------|----------------------|-----------------------------------|
| <b>Long-Term Debt:</b>   |                     |                   |                     |                      |                                   |
| <b>Governmental Activities:</b>                                    |                     |                   |                     |                      |                                   |
| General Obligation Bonds   | \$ 2,775,000        | \$ -              | \$ 845,000          | \$ 1,930,000         | \$ 195,000                        |
| <b>Other Long-Term Obligations:<br/>(Governmental Activities):</b> |                     |                   |                     |                      |                                   |
| Governmental Funds:  |                     |                   |                     |                      |                                   |
| Forest Crop Loans Payable  | -                   | 74,151            | 74,151              | -                    | -                                 |
| State Trust Fund Loans   | -                   | 146,801           | 146,801             | -                    | -                                 |
| Compensated Absences   | 866,448             | -                 | 8,747               | 857,701              | 129,298                           |
| Other Postemployment Benefits Payable                              | 790,689             | 233,551           | 42,161              | 982,079              | -                                 |
| Highway Internal Service Fund:                                     |                     |                   |                     |                      |                                   |
| Compensated Absences   | 291,399             | 9,090             | -                   | 300,489              | 105,436                           |
| Other Postemployment Benefits Payable                              | 185,332             | 43,421            | 7,839               | 220,914              | -                                 |
| Total Other Long-Term Liabilities                                  | <u>2,133,868</u>    | <u>507,014</u>    | <u>279,699</u>      | <u>2,361,183</u>     | <u>234,734</u>                    |
| Total Long-Term Liabilities  | <u>\$ 4,908,868</u> | <u>\$ 507,014</u> | <u>\$ 1,124,699</u> | <u>\$ 4,291,183</u>  | <u>\$ 429,734</u>                 |

The County's estimated liability for employee leave is discussed in Note 3.A.

The County's general obligation bonds and forest crop loans are liquidated by the debt service fund and forestry fund, respectively. Compensated absences and other postemployment benefits payable are generally liquidated by the general fund and highway department internal service fund.

**WASHBURN 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 Debt**

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

|  | <u>Year</u> | <u>Principal</u> | <u>Interest</u>     | <u>Total</u>      |
|--|-------------|------------------|---------------------|-------------------|
| General Obligation Refunding Bonds,<br>\$3,000,000, issued 1/15/06<br>due 3/1/22, interest at 4.00%-4.375% | 2014        | \$ 195,000       | \$ 74,863           | \$ 269,863        |
|  | 2015        | 205,000          | 66,363              | 271,363           |
|  | 2016        | 215,000          | 57,303              | 272,303           |
|  | 2017        | 225,000          | 48,100              | 273,100           |
|  | 2018        | 235,000          | 38,900              | 273,900           |
|  | 2019-2022   | 855,000          | 59,900              | 914,900           |
|  |             |                  | <u>\$ 1,930,000</u> | <u>\$ 345,429</u> |

General Obligation Debt Limitation. Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the County. At December 31, 2013, the County's debt limit amounted to \$118,112,760 and indebtedness subject to the limitation totaled \$1,930,000.

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

**County Forest Loans**

Under Section 28.11(8) of the Wisconsin Statutes, counties which have established and maintained a county forest are eligible to receive annual payments from the state as a noninterest bearing loan to be used for the purchase, development, preservation and maintenance of the county forest lands. On timber cut from lands entered as "county forest lands", the county shall pay a severance share of not less than 20% of the actual stumpage sales value of timber. A higher rate of payment may be applied if agreed upon by the state and county. These severance share payments shall be credited against the cumulative payments made by the state to the county. Severance share payments shall not exceed the balance due the state. The county shall also reimburse the state the amount previously paid to the county on any county forest land withdrawn from the program; except that the state may waive all or part of such reimbursement if it finds that the lands are withdrawn for a higher public use or that the amount of such reimbursement is unreasonable when compared to the value of the land.

The County had completely repaid its liability under this program at December 31, 2013.

**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 |
|---|--------------|--------------|------------|-----------|-----------|------------|
| <b>Major Funds:</b>                     |              |              |            |           |           |            |
| General Fund                            |              |              |            |           |           |            |
| Delinquent Taxes                        | \$ 1,318,547 | \$ 1,318,547 | \$ -       | \$ -      | \$ -      | \$ -       |
| Inventories/Prepayments                 | 68,637       | 68,637       | -          | -         | -         | -          |
| Long-Term Note Receivable               | 85,000       | 85,000       | -          | -         | -         | -          |
| Register of Deeds - Public Access Funds | 20,433       | -            | 20,433     | -         | -         | -          |
| Register of Deeds - PEASSN              | 49,812       | -            | 49,812     | -         | -         | -          |
| Sick Leave Liability                    | 665,140      | -            | -          | -         | 665,140   | -          |
| HSD Youth                               | 250,000      | -            | -          | -         | 250,000   | -          |
| Memorials-Donations                     | 6,515        | -            | -          | -         | 6,515     | -          |
| Unclaimed Funds                         | 299          | -            | -          | -         | 299       | -          |
| Health Insurance Excess                 | 237,274      | -            | -          | -         | 237,274   | -          |
| Special Projects-Old Hwy Cleanup        | 15,089       | -            | -          | -         | 15,089    | -          |
| Special Projects-Superior Days          | 2,000        | -            | -          | -         | 2,000     | -          |
| IT Capital Equipment Fund               | 20,188       | -            | -          | -         | 20,188    | -          |
| Property & Insurance-Deductibles        | 50,000       | -            | -          | -         | 50,000    | -          |
| Maps & Plats                            | 45,120       | -            | -          | -         | 45,120    | -          |
| County Cars                             | 105,206      | -            | -          | -         | 105,206   | -          |
| Veterans                                | 957          | -            | -          | -         | 957       | -          |
| Unassigned                              | 4,327,787    | -            | -          | -         | -         | 4,327,787  |
| Sub-Total General Fund:                 | 7,268,004    | 1,472,184    | 70,245     | -         | 1,397,788 | 4,327,787  |
| Committed for Human Services Programs   | 1,124,999    | -            | -          | 1,124,999 | -         | -          |
| Forestry Department Programs            | 380,000      | -            | 14,426     | 365,574   | -         | -          |
| Debt Service                            | (370)        | -            | -          | -         | -         | (370)      |
| Capital Improvements Program Fund:      |              |              |            |           |           |            |
| Committed for Capital Projects          | 5,674,577    | -            | -          | 5,674,577 | -         | -          |
| Sub-Total Major Funds:                  | 14,447,210   | 1,472,184    | 84,671     | 7,165,150 | 1,397,788 | 4,327,417  |

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

**NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Governmental Fund Balances (Continued)**

|  | <u>Total</u>         | <u>Nonspendable</u> | <u>Restricted</u>   | <u>Committed</u>    | <u>Assigned</u>     | <u>Unassigned</u>   |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Nonmajor Funds:</b>   |                      |                     |                     |                     |                     |                     |
| Special Revenue Funds:   |                      |                     |                     |                     |                     |                     |
| Public Health Fund:  |                      |                     |                     |                     |                     |                     |
| Committed for Health Services Programs                                 | \$ 105,319           | \$ -                | \$ -                | \$ 105,319          | \$ -                | \$ -                |
| Child Support Fund   | 48,901               | -                   | -                   | 48,901              | -                   | -                   |
| Committed for ADRC Programs  | 36,512               | -                   | -                   | 36,512              | -                   | -                   |
| Council on Aging Fund:   |                      |                     |                     |                     |                     |                     |
| Inventories/Prepayments  | 611                  | 611                 | -                   | -                   | -                   | -                   |
| Restricted for the DOT Medical Escort Program                          | 17,410               | -                   | 17,410              | -                   | -                   | -                   |
| Committed for Aging Services   | 159,177              | -                   | -                   | 159,177             | -                   | -                   |
| Restricted for CDBG Revolving Loan Program                             | 41,695               | -                   | 41,695              | -                   | -                   | -                   |
| Development Fund:  |                      |                     |                     |                     |                     |                     |
| Impact Fees Restricted for Environmental<br>and Capital Improvements   | 664,919              | -                   | 664,919             | -                   | -                   | -                   |
| Committed for Building Project   | 660,504              | -                   | -                   | 660,504             | -                   | -                   |
| Restricted for Animal Control Program                                  | 1,911                | -                   | -                   | 1,911               | -                   | -                   |
| County Land Sales Fund   |                      |                     |                     |                     |                     |                     |
| Committed for Dam Maintenance  | 337,320              | -                   | -                   | 337,320             | -                   | -                   |
| Restricted for Jail Assessments Fee Funded Projects                    | 30,146               | -                   | 30,146              | -                   | -                   | -                   |
| Sheriff Special Activity Fund:   |                      |                     |                     |                     |                     |                     |
| Donor Restrictions for Sheriff Operations                              | 22,908               | -                   | 22,908              | -                   | -                   | -                   |
| Restricted for Environmental and Socioeconomic<br>Impact Fund Projects | 1,002,041            | -                   | 1,002,041           | -                   | -                   | -                   |
| Restricted for County Trunk D Project                                  | 518,811              | -                   | 518,811             | -                   | -                   | -                   |
| Solid Waste Projects   |                      |                     |                     |                     |                     |                     |
| Restricted by Contract Agreements for<br>Solid Waste Improvements      | 172,000              | -                   | 172,000             | -                   | -                   | -                   |
| Sub-Total Nonmajor Funds:  | <u>3,820,185</u>     | <u>611</u>          | <u>2,469,930</u>    | <u>1,349,644</u>    | <u>-</u>            | <u>-</u>            |
| Total Governmental Fund Balances at<br>December 31, 2013               | <u>\$ 18,267,395</u> | <u>\$ 1,472,795</u> | <u>\$ 2,554,601</u> | <u>\$ 8,514,794</u> | <u>\$ 1,397,788</u> | <u>\$ 4,327,417</u> |

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

**NOTE 3 OTHER INFORMATION**

**A. Employee Vacation, Sick Leave and Compensatory Time**

**Non-Highway Department Employees.** Employees earn vacation in varying amounts depending upon length of service. Vacation earned one year is available to the employees the following year. The liability at December 31, 2013 for employees accrued vacation benefits was estimated at \$129,298.

Employees earn one day (7.5 hours) of sick leave per month with a maximum accumulation of 75 days (600 hours). Retiring employees with five to ten years of service are paid one-half of accumulated sick leave while employees with ten or more years of service receive actual accumulation up to the 75 day maximum. The estimated liability for accumulated sick leave at December 31, 2013 was \$728,403.

**Highway Department Employees.** Vacation and sick leave accrued to highway department employees totaled \$300,489 on December 31, 2013 and are reflected as liabilities in the internal service fund.

**B. Employee Retirement Plan**

All eligible Washburn County employees participate in the Wisconsin Retirement System (WRS), 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 hours for teachers and school district educational support employees) 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, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.



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

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**B. Employee Retirement Plan (Continued)**

Effective the first day of the pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials.

Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provide for an existing collective bargaining agreement. Contribution rates for 2013 are:

|   | <u>Employee</u> | <u>Employer</u> | <u>Duty<br/>Disability</u> |
|---|-----------------|-----------------|----------------------------|
| <b>General</b>                            | 6.65%           | 6.65%           | 0.00%                      |
| <b>Executives &amp; Elected Officials</b> | 7.00%           | 7.00%           | 0.00%                      |
| <b>Protective with Social Security</b>    | 6.65%           | 9.75%           | 1.90%                      |
| <b>Protective without Social Security</b> | 6.65%           | 12.35%          | 1.90%                      |

The payroll for County employees covered by the WRS for the year ended December 31, 2013 was \$7,789,959 and the employer's total payroll was \$7,830,548. The total required contribution for the year ended December 31, 2013 was \$1,120,809, which consisted of \$601,982, or 7.7% of payroll from the employer and \$518,827, or 6.7% of payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$928,000 and \$932,420, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) 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. A final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment and submitting application 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. Participants who initially become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

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

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. 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.

**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. Coverage may continue after 65 if the retiree pays 100% of the post-65 premium. The post-65 retiree premium is assumed to be entirely self-sustaining (i.e. not subsidized). As of June 30, 2013, there were approximately 145 active participants and 14 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 \$50,000 to the plan. This contribution was in the form of an implicit rate subsidy.

**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               | \$ 296,036                 |
| Interest on Net OPEB Obligation            | 29,281                     |
| Adjustment to Annual Required Contribution | <u>(48,345)</u>            |
| Annual OPEB Cost (Expense)                 | 276,972                    |
| Contributions Made                         | <u>(50,000)</u>            |
| Increase in Net OPEB Obligation            | 226,972                    |
| Net OPEB Obligation- Beginning of Year     | 976,021                    |
| Net OPEB Obligation- End of Year           | <u><u>\$ 1,202,993</u></u> |

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

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB<br>Cost | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net<br>OPEB<br>Obligation |
|-------------------------|------------------------|---|---------------------------|
| 12/31/13                | \$ 276,972             | 18.1%   | \$ 1,202,993              |
| 12/31/12                | 284,649                | 33.4  | 976,021                   |
| 12/31/11                | 288,068                | 24.0  | 786,372                   |

**Funded Status and Funding Progress**

As of June 30, 2013, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$2,158,458. The annual payroll for active employees covered by the plan in the actuarial valuation for fiscal year 2013 was \$7,789,959 for a ratio of the UAAL to covered payroll of 27.7%.

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 and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

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

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Actuarial Methods and Assumptions (Continued)**

In the June 30, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3% interest discount rate of return, 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 6.4%, reduced by decrements to an ultimate rate of 4.4% by the year 2083. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period is less than 30 years.

**D. Other Organizations**

County officials appoint some or all of the governing board members of the following organizations which are not considered to be component units.

**Joint Venture**

**Waste Management Group.** Washburn County and Burnett County have jointly established the Waste Management Group to construct, operate and maintain solid waste management facilities under Wisconsin Statutes 66.30. Each member county appoints five members of the board of directors. The operating and capital budgets are funded by user charges with shortfalls funded by the participating members. The County's transactions relating to the Waste Management Group are reported in the recycling special revenue fund. Financial statements of the Waste Management Group can be obtained from its offices at 1400 South River Street, Spooner, Wisconsin.

**Jointly Governed Organization**

**Northwest Regional Planning Commission.** The County, in conjunction with Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer and Taylor counties, and major cities within these counties, has created the Northwest Regional Planning Commission (NWRPC). NWRPC's governing body is comprised of two members from each of the ten counties and a representative from each major city. The County's representatives are appointed by the county board chairperson and approved by the county board.

**Other**

**Washburn County Housing Authority.** The County is responsible for the appointment of the board members of Washburn County Housing Authority (Housing Authority). The County, however, cannot, without cause, remove appointed members prior to completion of their five-year term. The County receives no funding from, nor provides any funding to, the Housing Authority. The County is not considered to be financially accountable for the Housing Authority and, accordingly, the Housing Authority is not considered to be a component unit of the County.

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

**NOTE 3 OTHER INFORMATION (CONTINUED)**

**E. Risk Management**

The County is exposed to various risks of loss related to torts; thefts of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains commercial insurance coverage to cover each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this commercial coverage in any of the last three years.

**F. Contingencies**

**State and Federal Grant Programs**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**WASHBURN COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2013**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>REVENUES:</b>   |                     |                     |                     |   |
| Taxes  | \$ 8,840,337        | \$ 8,840,337        | \$ 8,976,936        | \$ 136,599  |
| Intergovernmental  | 1,599,086           | 1,602,007           | 1,576,012           | (25,995)  |
| Licenses and Permits   | 160,109             | 160,109             | 133,455             | (26,654)  |
| Fines, Forfeits and Penalties                                | 85,200              | 85,200              | 115,235             | 30,035  |
| Public Charges for Services                                  | 379,723             | 379,723             | 410,295             | 30,572  |
| Intergovernmental Charges for Services                       | 10,000              | 10,000              | 6,210               | (3,790)   |
| Miscellaneous  | 256,115             | 256,115             | 175,458             | (80,657)  |
| Total Revenues   | <u>11,330,570</u>   | <u>11,333,491</u>   | <u>11,393,601</u>   | <u>60,110</u>   |
| <b>EXPENDITURES:</b>   |                     |                     |                     |   |
| General Government   | 4,383,925           | 4,368,299           | 3,882,423           | 485,876   |
| Public Safety  | 3,432,542           | 3,568,217           | 3,489,475           | 78,742  |
| Public Works   | 2,428,638           | 2,428,638           | 2,401,879           | 26,759  |
| Health and Human Services                                    | 188,766             | 197,108             | 196,291             | 817   |
| Culture, Recreation and Education                            | 506,343             | 506,343             | 472,794             | 33,549  |
| Conservation and Development                                 | 678,317             | 680,299             | 647,631             | 32,668  |
| Total Expenditures   | <u>11,618,531</u>   | <u>11,748,904</u>   | <u>11,090,493</u>   | <u>658,411</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | (287,961)           | (415,413)           | 303,108             | 718,521   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                     |                     |                     |   |
| Transfers In   | 136,240             | 228,831             | 51,027              | (177,804)   |
| Transfers Out  | (1,190,846)         | (1,190,906)         | (1,047,812)         | 143,094   |
| Total Other Financing Sources (Uses)                         | <u>(1,054,606)</u>  | <u>(962,075)</u>    | <u>(996,785)</u>    | <u>(34,710)</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | (1,342,567)         | (1,377,488)         | (693,677)           | 683,811   |
| Fund Balance, January 1                                      | <u>7,961,681</u>    | <u>7,961,681</u>    | <u>7,961,681</u>    | <u>-</u>  |
| <b>FUND BALANCE, DECEMBER 31</b>                             | <u>\$ 6,619,114</u> | <u>\$ 6,584,193</u> | <u>\$ 7,268,004</u> | <u>\$ 683,811</u>   |

See Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES FUND  
YEAR ENDED DECEMBER 31, 2013**

|  | Budgeted Amounts  |                   | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---------------------|---|
|  | Original          | Final             |                     |   |
| <b>REVENUES:</b>   |                   |                   |                     |   |
| Taxes  | \$ 1,183,047      | \$ 1,183,047      | \$ 1,183,047        | \$ -  |
| Intergovernmental  | 2,113,577         | 2,113,577         | 1,883,988           | (229,589)   |
| Fines, Forfeits and Penalties                                | 20,083            | 20,083            | 17,998              | -   |
| Public Charges for Services                                  | 240,898           | 240,898           | 513,647             | 272,749   |
| Miscellaneous  | 426,279           | 426,279           | 229,178             | (197,101)   |
| Total Revenues   | <u>3,983,884</u>  | <u>3,983,884</u>  | <u>3,827,858</u>    | <u>(153,941)</u>  |
| <b>EXPENDITURES:</b>   |                   |                   |                     |   |
| Health and Human Services                                    | <u>4,044,975</u>  | <u>4,062,917</u>  | <u>3,515,415</u>    | <u>547,502</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | (61,091)          | (79,033)          | 312,443             | 393,561   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                   |                   |                     |   |
| Transfers In   | <u>61,091</u>     | <u>79,033</u>     | <u>74,788</u>       | <u>(4,245)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                            | -                 | -                 | 387,231             | 389,316   |
| Fund Balance, January 1                                      | <u>737,768</u>    | <u>737,768</u>    | <u>737,768</u>      | <u>-</u>  |
| <b>FUND BALANCE, DECEMBER 31</b>                             | <u>\$ 737,768</u> | <u>\$ 737,768</u> | <u>\$ 1,124,999</u> | <u>\$ 389,316</u>   |

See Notes to Required Supplementary Information.



**WASHBURN COUNTY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FORESTRY FUND  
YEAR ENDED DECEMBER 31, 2013**

|  | Budgeted Amounts  |                   | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| <b>REVENUES:</b>   |                   |                   |                   |   |
| Intergovernmental  | \$ 659,128        | \$ 667,128        | \$ 574,843        | \$ (92,285)   |
| Public Charges for Services                                  | 1,593,700         | 1,593,700         | 1,769,743         | 176,043   |
| Other Revenues   | 50,793            | 50,793            | 15,181            | (35,612)  |
| Total Revenues   | <u>2,303,621</u>  | <u>2,311,621</u>  | <u>2,359,767</u>  | <u>48,146</u>   |
| <b>EXPENDITURES:</b>   |                   |                   |                   |   |
| Culture, Recreation and Education                            | 1,297,051         | 1,313,360         | 1,239,155         | 74,205  |
| Debt Service - Principal                                     | -                 | -                 | 74,151            | (74,151)  |
| Total Expenditures   | <u>1,297,051</u>  | <u>1,313,360</u>  | <u>1,313,306</u>  | <u>54</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> |                   |                   |                   |   |
|  | 1,006,570         | 998,261           | 1,046,461         | 48,200  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                   |                   |                   |   |
| Long-Term Debt Issued  | -                 | -                 | 74,151            | 74,151  |
| Transfers In   | -                 | 8,309             | -                 | (8,309)   |
| Transfers Out  | (990,570)         | (990,570)         | (1,004,417)       | (13,847)  |
| Total Other Financing Sources (Uses)                         | <u>(990,570)</u>  | <u>(982,261)</u>  | <u>(930,266)</u>  | <u>51,995</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            |                   |                   |                   |   |
|  | 16,000            | 16,000            | 116,195           | 100,195   |
| Fund Balance, January 1                                      | <u>263,805</u>    | <u>263,805</u>    | <u>263,805</u>    | <u>-</u>  |
| <b>FUND BALANCE, DECEMBER 31</b>                             | <u>\$ 279,805</u> | <u>\$ 279,805</u> | <u>\$ 380,000</u> | <u>\$ 100,195</u>   |

See Notes to Required Supplementary Information.

**WASHBURN COUNTY, WISCONSIN  
SCHEDULE OF FUNDING PROGRESS**

| <b>Funding Progress</b>        |  |   |                          |                          |                           |   |
|--------------------------------|--|---|--------------------------|--------------------------|---------------------------|---|
| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
| 6/30/2013                      | \$ -                                   | \$ 2,158,458                                      | \$ 2,158,458             | - %                      | \$7,789,959               | 27.7 %  |
| 6/30/2010                      | -                                      | 2,244,230   | 2,244,230                | -                        | 7,287,729                 | 30.8  |
| 6/30/2009                      | -                                      | 2,140,822   | 2,140,822                | -                        | 7,294,327                 | 29.3  |

See Notes to Required Supplementary Information.

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

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

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

|   | Special Revenue Funds |                  |                                    |                   |                   |                  |                     |                  |
|---|-----------------------|------------------|------------------------------------|-------------------|-------------------|------------------|---------------------|------------------|
|   | Public Health         | Child Support    | Aging & Disability Resource Center | Council on Aging  | CDBG Grant Fund   | Wildlife Damage  | Development Fund    | Animal Control   |
| <b>ASSETS</b>   |                       |                  |                                    |                   |                   |                  |                     |                  |
| Treasurer's Cash and Investments  | \$ 132,853            | \$ 4,005         | \$ 7,932                           | \$ 209,040        | \$ 41,695         | \$ -             | \$ 1,325,423        | \$ 1,950         |
| Taxes Receivable  | 361,239               | 12,926           | -                                  | 280,952           | -                 | -                | -                   | 17,800           |
| Accounts Receivable   | 3,139                 | 246              | 22,238                             | 7,158             | -                 | -                | -                   | 1,070            |
| Due from Other Governmental Units   | -                     | 51,258           | 20,064                             | 2,448             | -                 | 23,464           | -                   | -                |
| Loans Receivable  | -                     | -                | -                                  | -                 | 908,651           | -                | -                   | -                |
| Prepaid Expenses  | -                     | -                | -                                  | 611               | -                 | -                | -                   | -                |
| <b>Total Assets</b>   | <b>\$ 497,231</b>     | <b>\$ 68,435</b> | <b>\$ 50,234</b>                   | <b>\$ 500,209</b> | <b>\$ 950,346</b> | <b>\$ 23,464</b> | <b>\$ 1,325,423</b> | <b>\$ 20,820</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                       |                  |                                    |                   |                   |                  |                     |                  |
| <b>Liabilities:</b>   |                       |                  |                                    |                   |                   |                  |                     |                  |
| Vouchers Payable  | \$ 382                | \$ 112           | \$ 7,367                           | \$ 32,279         | \$ -              | \$ 4,624         | \$ -                | \$ 1,109         |
| Accrued Liabilities   | 22,310                | 6,496            | 6,355                              | 9,780             | -                 | -                | -                   | -                |
| Due to Other Governmental Units   | 3,037                 | -                | -                                  | -                 | -                 | 4,809            | -                   | -                |
| Due to Other Funds  | -                     | -                | -                                  | -                 | -                 | 14,031           | -                   | -                |
| Unearned Revenue  | 4,944                 | -                | -                                  | -                 | -                 | -                | -                   | -                |
| <b>Total Liabilities</b>  | <b>30,673</b>         | <b>6,608</b>     | <b>13,722</b>                      | <b>42,059</b>     | <b>-</b>          | <b>23,464</b>    | <b>-</b>            | <b>1,109</b>     |
| <b>Deferred Inflows of Resources:</b>                                     |                       |                  |                                    |                   |                   |                  |                     |                  |
| Succeeding Year's Property Taxes  | 361,239               | 12,926           | -                                  | 280,952           | -                 | -                | -                   | 17,800           |
| Loans Receivable  | -                     | -                | -                                  | -                 | 908,651           | -                | -                   | -                |
| <b>Total Deferred Inflows of Resources</b>                                | <b>361,239</b>        | <b>12,926</b>    | <b>-</b>                           | <b>280,952</b>    | <b>908,651</b>    | <b>-</b>         | <b>-</b>            | <b>17,800</b>    |
| <b>Fund Balances:</b>   |                       |                  |                                    |                   |                   |                  |                     |                  |
| Nonspendable  | -                     | -                | -                                  | 611               | -                 | -                | -                   | -                |
| Restricted  | -                     | -                | -                                  | 17,410            | 41,695            | -                | 664,919             | -                |
| Committed   | 105,319               | 48,901           | 36,512                             | 159,177           | -                 | -                | 660,504             | 1,911            |
| <b>Total Fund Balances</b>  | <b>105,319</b>        | <b>48,901</b>    | <b>36,512</b>                      | <b>177,198</b>    | <b>41,695</b>     | <b>-</b>         | <b>1,325,423</b>    | <b>1,911</b>     |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 497,231</b>     | <b>\$ 68,435</b> | <b>\$ 50,234</b>                   | <b>\$ 500,209</b> | <b>\$ 950,346</b> | <b>\$ 23,464</b> | <b>\$ 1,325,423</b> | <b>\$ 20,820</b> |

**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2013**

|   | Special Revenue Funds (Continued) |                            |                                |  |                   |                   |                        | Totals              |
|---|-----------------------------------|----------------------------|--------------------------------|--|-------------------|-------------------|------------------------|---------------------|
|   | County<br>Land<br>Sales           | Jail<br>Assessment<br>Fees | Sheriff<br>Special<br>Activity | Environmental &<br>Socioeconomic<br>Impact | County<br>Trunk D | Recycling<br>Fund | Solid<br>Waste<br>Fund |                     |
| <b>ASSETS</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Treasurer's Cash and Investments  | \$ 339,695                        | \$ 29,638                  | \$ 24,085                      | \$ 1,002,041                               | \$ 518,811        | \$ -              | \$ 193,511             | \$ 3,830,679        |
| Taxes Receivable  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 672,917             |
| Accounts Receivable   | 1,495                             | 1,429                      | 1,771                          | 11,647                                     | -                 | -                 | 21,250                 | 71,443              |
| Due from Other Governmental Units   | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 97,234              |
| Loans Receivable  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 908,651             |
| Prepaid Expenses  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 611                 |
| <b>Total Assets</b>   | <b>\$ 341,190</b>                 | <b>\$ 31,067</b>           | <b>\$ 25,856</b>               | <b>\$ 1,013,688</b>                        | <b>\$ 518,811</b> | <b>\$ -</b>       | <b>\$ 214,761</b>      | <b>\$ 5,581,535</b> |
| <b>LIABILITIES AND FUND BALANCES</b>  |                                   |                            |                                |  |                   |                   |                        |                     |
| <b>Liabilities:</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Vouchers Payable  | \$ 3,870                          | \$ 921                     | 2,948                          | \$ 11,647                                  | \$ -              | \$ -              | \$ 42,761              | \$ 108,020          |
| Accrued Liabilities   | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 44,941              |
| Due to Other Governmental Units   | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 7,846               |
| Due to Other Funds  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 14,031              |
| Unearned Revenue  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 4,944               |
| <b>Total Liabilities</b>  | <b>3,870</b>                      | <b>921</b>                 | <b>2,948</b>                   | <b>11,647</b>                              | <b>-</b>          | <b>-</b>          | <b>42,761</b>          | <b>179,782</b>      |
| <b>Deferred Inflows of Resources:</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Succeeding Year's Property Taxes  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 672,917             |
| Loans Receivable  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 908,651             |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>-</b>                          | <b>-</b>                   | <b>-</b>                       | <b>-</b>                                   | <b>-</b>          | <b>-</b>          | <b>-</b>               | <b>1,581,568</b>    |
| <b>Fund Balances:</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Nonspendable  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 611                 |
| Restricted  | -                                 | 30,146                     | 22,908                         | 1,002,041                                  | 518,811           | -                 | 172,000                | 2,469,930           |
| Committed   | 337,320                           | -                          | -                              | -  | -                 | -                 | -                      | 1,349,644           |
| <b>Total Fund Balances</b>  | <b>337,320</b>                    | <b>30,146</b>              | <b>22,908</b>                  | <b>1,002,041</b>                           | <b>518,811</b>    | <b>-</b>          | <b>172,000</b>         | <b>3,820,185</b>    |
| <b>Total Liabilities, Deferred Inflows<br/>of Resources and Fund Balances</b> | <b>\$ 341,190</b>                 | <b>\$ 31,067</b>           | <b>\$ 25,856</b>               | <b>\$ 1,013,688</b>                        | <b>\$ 518,811</b> | <b>\$ -</b>       | <b>\$ 214,761</b>      | <b>\$ 5,581,535</b> |

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

|  | Special Revenue Funds |                  |                                    |                   |                  |                 |                     |                 |
|--|-----------------------|------------------|------------------------------------|-------------------|------------------|-----------------|---------------------|-----------------|
|  | Public Health         | Child Support    | Aging & Disability Resource Center | Council on Aging  | CDBG Grant Fund  | Wildlife Damage | Development Fund    | Animal Control  |
| <b>REVENUES:</b>   |                       |                  |                                    |                   |                  |                 |                     |                 |
| Taxes  | \$ 355,359            | \$ -             | \$ -                               | \$ 285,345        | \$ -             | \$ -            | \$ -                | \$ 17,800       |
| Intergovernmental  | 193,242               | 234,587          | 127,002                            | 220,692           | -                | 23,464          | -                   | -               |
| Licenses and Permits                                     | -                     | -                | -                                  | -                 | -                | -               | 37,323              | 18,819          |
| Fines, Forfeits and Penalties                            | -                     | -                | -                                  | -                 | -                | -               | -                   | -               |
| Public Charges for Services                              | 73,425                | 1,878            | 75,657                             | 80,876            | -                | -               | -                   | -               |
| Miscellaneous:   |                       |                  |                                    |                   |                  |                 |                     |                 |
| Interest   | -                     | -                | -                                  | 1                 | 27               | -               | -                   | -               |
| Loan Repayments  | -                     | -                | -                                  | -                 | 54,908           | -               | -                   | -               |
| Sale of County Property                                  | -                     | -                | -                                  | 3,600             | -                | -               | -                   | -               |
| Donations  | 198,308               | 26,448           | 10                                 | 26,003            | -                | -               | -                   | -               |
| Other  | 27                    | -                | 15                                 | 55,865            | -                | -               | -                   | -               |
| Total Revenues   | <u>820,361</u>        | <u>262,913</u>   | <u>202,684</u>                     | <u>672,382</u>    | <u>54,935</u>    | <u>23,464</u>   | <u>37,323</u>       | <u>36,619</u>   |
| <b>EXPENDITURES:</b>                                     |                       |                  |                                    |                   |                  |                 |                     |                 |
| Public Safety  | -                     | -                | -                                  | -                 | -                | -               | -                   | -               |
| Health and Human Services                                | 781,037               | 205,080          | 186,302                            | 604,843           | -                | -               | -                   | 36,748          |
| Culture, Recreation and Education                        | -                     | -                | -                                  | -                 | -                | 23,464          | -                   | -               |
| Conservation and Development                             | -                     | -                | -                                  | -                 | 24,020           | -               | -                   | -               |
| Total Expenditures                                       | <u>781,037</u>        | <u>205,080</u>   | <u>186,302</u>                     | <u>604,843</u>    | <u>24,020</u>    | <u>23,464</u>   | <u>-</u>            | <u>36,748</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | 39,324                | 57,833           | 16,382                             | 67,539            | 30,915           | -               | 37,323              | (129)           |
| <b>OTHER FINANCING SOURCES (USES):</b>                   |                       |                  |                                    |                   |                  |                 |                     |                 |
| Transfers In   | 6,616                 | -                | -                                  | 3,650             | -                | -               | -                   | -               |
| Transfers Out  | -                     | (56,846)         | -                                  | -                 | -                | -               | -                   | -               |
| Total Other Financing Sources (Uses)                     | <u>6,616</u>          | <u>(56,846)</u>  | <u>-</u>                           | <u>3,650</u>      | <u>-</u>         | <u>-</u>        | <u>-</u>            | <u>-</u>        |
| <b>NET CHANGE IN FUND BALANCES</b>                       | 45,940                | 987              | 16,382                             | 71,189            | 30,915           | -               | 37,323              | (129)           |
| Fund Balances, January 1                                 | 59,379                | 47,914           | 20,130                             | 106,009           | 10,780           | -               | 1,288,100           | 2,040           |
| <b>FUND BALANCES, DECEMBER 31</b>                        | <u>\$ 105,319</u>     | <u>\$ 48,901</u> | <u>\$ 36,512</u>                   | <u>\$ 177,198</u> | <u>\$ 41,695</u> | <u>\$ -</u>     | <u>\$ 1,325,423</u> | <u>\$ 1,911</u> |



**WASHBURN COUNTY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013**

|  | Special Revenue Funds (Continued) |                            |                                |  |                   |                   |                        | Totals              |
|--|-----------------------------------|----------------------------|--------------------------------|--|-------------------|-------------------|------------------------|---------------------|
|  | County<br>Land<br>Sales           | Jail<br>Assessment<br>Fees | Sheriff<br>Special<br>Activity | Environmental &<br>Socioeconomic<br>Impact | County<br>Trunk D | Recycling<br>Fund | Solid<br>Waste<br>Fund |                     |
| <b>REVENUES:</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Taxes  | \$ -                              | \$ -                       | \$ -                           | \$ -                                       | \$ -              | \$ -              | \$ -                   | \$ 658,504          |
| Intergovernmental  | -                                 | -                          | -                              | -  | -                 | 83,373            | -                      | 882,360             |
| Licenses and Permits   | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 56,142              |
| Fines, Forfeits and Penalties                                | -                                 | 20,252                     | -                              | -  | -                 | -                 | -                      | 20,252              |
| Public Charges for Services                                  | 19,004                            | -                          | -                              | -  | -                 | -                 | -                      | 250,840             |
| Miscellaneous:   |                                   |                            |                                |  |                   |                   |                        |                     |
| Interest   | -                                 | -                          | -                              | 591  | 262               | -                 | -                      | 881                 |
| Loan Repayments  | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 54,908              |
| Sale of County Property                                      | 67,295                            | -                          | -                              | -  | -                 | -                 | -                      | 70,895              |
| Donations  | -                                 | -                          | 10,634                         | -  | -                 | -                 | -                      | 261,403             |
| Other  | -                                 | -                          | -                              | 45,892                                     | -                 | 16,751            | 85,000                 | 203,550             |
| <b>Total Revenues</b>  | <b>86,299</b>                     | <b>20,252</b>              | <b>10,634</b>                  | <b>46,483</b>                              | <b>262</b>        | <b>100,124</b>    | <b>85,000</b>          | <b>2,459,735</b>    |
| <b>EXPENDITURES:</b>   |                                   |                            |                                |  |                   |                   |                        |                     |
| Public Safety  | -                                 | 20,274                     | 11,790                         | -  | -                 | -                 | -                      | 32,064              |
| Health and Human Services                                    | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 1,814,010           |
| Culture, Recreation and Education                            | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 23,464              |
| Conservation and Development                                 | 38,560                            | -                          | -                              | 46,446                                     | -                 | 100,124           | 83,101                 | 292,251             |
| <b>Total Expenditures</b>                                    | <b>38,560</b>                     | <b>20,274</b>              | <b>11,790</b>                  | <b>46,446</b>                              | <b>-</b>          | <b>100,124</b>    | <b>83,101</b>          | <b>2,161,789</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>47,739</b>                     | <b>(22)</b>                | <b>(1,156)</b>                 | <b>37</b>                                  | <b>262</b>        | <b>-</b>          | <b>1,899</b>           | <b>297,946</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                                   |                            |                                |  |                   |                   |                        |                     |
| Transfers In   | -                                 | -                          | -                              | -  | -                 | -                 | -                      | 10,266              |
| Transfers Out  | (700,000)                         | -                          | -                              | -  | -                 | -                 | (26,027)               | (782,873)           |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(700,000)</b>                  | <b>-</b>                   | <b>-</b>                       | <b>-</b>                                   | <b>-</b>          | <b>-</b>          | <b>(26,027)</b>        | <b>(772,607)</b>    |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>(652,261)</b>                  | <b>(22)</b>                | <b>(1,156)</b>                 | <b>37</b>                                  | <b>262</b>        | <b>-</b>          | <b>(24,128)</b>        | <b>(474,661)</b>    |
| Fund Balances, January 1                                     | 989,581                           | 30,168                     | 24,064                         | 1,002,004                                  | 518,549           | -                 | 196,128                | 4,294,846           |
| <b>FUND BALANCES, DECEMBER 31</b>                            | <b>\$ 337,320</b>                 | <b>\$ 30,146</b>           | <b>\$ 22,908</b>               | <b>\$ 1,002,041</b>                        | <b>\$ 518,811</b> | <b>\$ -</b>       | <b>\$ 172,000</b>      | <b>\$ 3,820,185</b> |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED BALANCE SHEET  
DECEMBER 31, 2013  
(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2012)**

|  | 2013                 | 2012                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| Treasurer's Cash and Investments   | \$ 5,895,011         | \$ 6,237,044         |
| Current Taxes Receivable   | 7,618,420            | 7,558,817            |
| Tax Certificates   | 1,318,547            | 1,552,071            |
| Accounts Receivable  | 203,732              | 193,588              |
| Due from Other Governments   | 202,708              | 235,117              |
| Due from Other Funds   | 275,355              | 295,361              |
| Inventory  | 10,518               | 12,472               |
| Prepaid Items:   |                      |                      |
| Prepaid Expenses   | 12,648               | 40,894               |
| Prepaid Insurance  | 45,471               | 294,744              |
| Long-Term Note Receivable  | 85,000               | -                    |
|  | <u>\$ 15,667,410</u> | <u>\$ 16,420,108</u> |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>   |                      |                      |
| <b>Liabilities:</b>  |                      |                      |
| Vouchers and Accounts Payable  | \$ 179,680           | \$ 236,670           |
| Payroll Deductions   | 392,901              | 312,728              |
| Accrued Liabilities  | 114,518              | 281,549              |
| Due to Other Governments   | 61,647               | 52,097               |
| Due to Other Funds   | 22,450               | -                    |
| Unearned Revenue   | 12,097               | 16,566               |
| Total Liabilities  | <u>783,293</u>       | <u>899,610</u>       |
| <br><b>Deferred Inflows of Resources:</b>                                |                      |                      |
| Succeeding Year's Property Taxes   | 7,616,113            | 7,558,817            |
| <br><b>Fund Balance:</b>   |                      |                      |
| Nonspendable   | 1,472,184            | 1,900,181            |
| Restricted   | 70,245               | 77,885               |
| Assigned   | 1,397,788            | 1,646,495            |
| Unassigned   | 4,327,787            | 4,337,120            |
| Total Fund Balance   | <u>7,268,004</u>     | <u>7,961,681</u>     |
| <br>Total Liabilities, Deferred Inflows<br>of Resources and Fund Balance | <u>\$ 15,667,410</u> | <u>\$ 16,420,108</u> |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|                                      | 2013             |                  | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual   |
|--------------------------------------|------------------|------------------|---|------------------|
|                                      | Final<br>Budget  | Actual           |   |                  |
| <b>REVENUES:</b>                     |                  |                  |   |                  |
| <b>Taxes:</b>                        |                  |                  |   |                  |
| Property:                            |                  |                  |   |                  |
| General Property Taxes               | \$ 7,558,817     | \$ 7,558,817     | \$ -  | \$ 7,454,813     |
| Forest Cropland Taxes From Districts | 9,400            | 11,634           | 2,234   | 9,804            |
| Sales and Use:                       |                  |                  |   |                  |
| County Sales Tax                     | 982,000          | 1,055,141        | 73,141  | 1,020,061        |
| Retained Sales Tax Applied           | 120              | 123              | 3   | -                |
| Real Estate Transfer Fees            | 40,000           | 46,846           | 6,846   | 51,812           |
| Interest and Penalties on Taxes      | 250,000          | 304,375          | 54,375  | 284,145          |
| Total Taxes                          | <u>8,840,337</u> | <u>8,976,936</u> | <u>136,599</u>  | <u>8,820,635</u> |
| <b>Intergovernmental:</b>            |                  |                  |   |                  |
| Federal Grants:                      |                  |                  |   |                  |
| Homeland Security Equipment Grant    | 30,149           | 37,258           | 7,109   | 36,457           |
| Aid in Lieu of Taxes                 | 9,000            | 10,410           | 1,410   | 10,667           |
| Emergency Government                 | 6,435            | 6,786            | 351   | 6,577            |
| Federal Aids Secondary               | 80,741           | 80,741           | -   | 3,936            |
| Wireless 911 Grant                   | -                | -                | -   | 5,000            |
| Jail Literacy Grant                  | 7,421            | 1,000            | (6,421)   | 3,000            |
| State Shared Taxes:                  |                  |                  |   |                  |
| Shared Revenue                       | 141,854          | 141,169          | (685)   | 141,461          |
| Tax Exempt Computer Aids             | -                | 8,945            | 8,945   | 3,962            |
| State Grants:                        |                  |                  |   |                  |
| Aid for Courts                       | 52,275           | 52,275           | -   | 52,275           |
| Victim/Witness Program               | 30,886           | 32,839           | 1,953   | 31,283           |
| Septic Systems                       | 35,000           | 8,382            | (26,618)  | 9,588            |
| Veterans Service Officer             | 13,500           | 15,069           | 1,569   | 14,239           |
| Probation and Parole                 | 20,000           | 15,862           | (4,138)   | 20,699           |
| Guardian Ad Litem                    | 15,031           | 15,437           | 406   | 15,031           |
| Snowmobile and ATV Enforcement       | 9,000            | 4,339            | (4,661)   | 3,967            |
| County Trunk Highways                | 878,039          | 878,039          | -   | 899,497          |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|                                       | 2013             |                  | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual   |
|---------------------------------------|------------------|------------------|---|------------------|
|                                       | Final<br>Budget  | Actual           |   |                  |
| <b>REVENUES: (CONTINUED)</b>          |                  |                  |   |                  |
| <b>Intergovernmental: (Continued)</b> |                  |                  |   |                  |
| State Grants: (Continued)             |                  |                  |   |                  |
| Soil and Water Resource Management    | \$ 199,206       | \$ 165,110       | \$ (34,096)   | \$ 127,267       |
| AIS and Buffer Restoration Grants     | -                | -                | -   | 57,983           |
| Computer and Hazmat Equipment Grant   | -                | -                | -   | 243              |
| Law Enforcement Training              | 8,170            | 8,648            | 478   | 9,880            |
| Land Information Board Grants         | 300              | 23,019           | 22,719  | 7,843            |
| Forest Crop/Managed Forest Aides      | 28,000           | 27,642           | (358)   | 27,591           |
| Severance and Withdrawal Taxes        | 17,000           | 15,602           | (1,398)   | 13,874           |
| Payment in Lieu of Taxes              | 20,000           | 27,440           | 7,440   | 27,972           |
| Total Intergovernmental               | <u>1,602,007</u> | <u>1,576,012</u> | <u>(25,995)</u>   | <u>1,530,292</u> |
| <b>Licenses and Permits:</b>          |                  |                  |   |                  |
| Licenses:                             |                  |                  |   |                  |
| Conservation License Fees             | 250              | 181              | (69)  | 216              |
| Marriage License Revenue              | 5,000            | 4,865            | (135)   | 5,690            |
| Permits:                              |                  |                  |   |                  |
| Zoning Fees                           | 154,859          | 128,409          | (26,450)  | 140,887          |
| Total Licenses and Permits            | <u>160,109</u>   | <u>133,455</u>   | <u>(26,654)</u>   | <u>146,793</u>   |
| <b>Fines, Forfeits and Penalties:</b> |                  |                  |   |                  |
| Law and Ordinance Violations:         |                  |                  |   |                  |
| County Share of Fines and Forfeitures | 85,200           | 115,235          | 30,035  | 103,632          |
| <b>Public Charges for Services:</b>   |                  |                  |   |                  |
| General Government:                   |                  |                  |   |                  |
| Treasurer's Fees                      | 200              | 229              | 29  | 348              |
| Register of Deeds Fees                | 109,000          | 136,450          | 27,450  | 158,194          |
| Land Modernization Fees               | 33,500           | 30,438           | (3,062)   | 33,234           |
| Surveyor Fees                         | 1,800            | 594              | (1,206)   | 1,921            |
| Court Fees and Costs                  | 22,000           | 38,210           | 16,210  | 27,177           |
| Register in Probate Fees              | 7,000            | 12,601           | 5,601   | 9,337            |
| Assessment of Property Fees           | 1,000            | 1,460            | 460   | 798              |
| Land Records                          | 1,500            | 651              | (849)   | 930              |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|   | 2013            |          | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual |
|---|-----------------|----------|---|----------------|
|   | Final<br>Budget | Actual   |   |                |
| <b>REVENUES: (CONTINUED)</b>                    |                 |          |   |                |
| <b>Public Charges for Services: (Continued)</b> |                 |          |   |                |
| General Government: (Continued)                 |                 |          |   |                |
| Family Counseling Fees                          | \$ 1,500        | \$ 1,750 | \$ 250  | \$ 1,580       |
| Guardian Ad Litem Reimbursement                 | 40,000          | 63,800   | 23,800  | 46,012         |
| District Attorney Fees                          | 1,300           | 1,621    | 321   | 1,616          |
| Coroner   | 12,150          | 12,400   | 250   | 5,050          |
| Public Safety:                                  |                 |          |   |                |
| Sheriff Fees                                    | 53,000          | 34,830   | (18,170)  | 47,405         |
| Inmate Phone                                    | 6,000           | 5,839    | (161)   | 6,932          |
| Electric Monitor Revenue                        | 23,500          | 12,244   | (11,256)  | 16,579         |
| Board of Prisoners - Huber Law                  | 7,000           | 7,580    | 580   | 3,457          |
| Drug Enforcement                                | 3,000           | -        | (3,000)   | -              |
| County Numbering System                         | 8,000           | 3,600    | (4,400)   | 3,530          |
| Patrolling County Fair                          | 1,000           | -        | (1,000)   | 679            |
| Prisoner Medical Reimbursements                 | 20,000          | 10,263   | (9,737)   | 8,799          |
| Health and Human Services:                      |                 |          |   |                |
| Veteran Service Fees                            | 14,500          | 21,290   | 6,790   | 14,409         |
| Child Support Fees                              | -               | -        | -   | 7,328          |
| Culture, Recreation and Education:              |                 |          |   |                |
| UWEX Extension Fees                             | 2,000           | 1,749    | (251)   | 2,643          |
| Conservation and Development:                   |                 |          |   |                |
| Soil and Water Revenue                          | 10,773          | 12,696   | 1,923   | 8,350          |
| Total Public Charges for Services               | 379,723         | 410,295  | 30,572  | 406,308        |
| <b>Intergovernmental Charges for Services:</b>  |                 |          |   |                |
| Smart Growth Planning                           | 10,000          | 6,210    | (3,790)   | 19,063         |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|                                   | 2013              |                   | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual    |
|-----------------------------------|-------------------|-------------------|---|-------------------|
|                                   | Final<br>Budget   | Actual            |   |                   |
| <b>REVENUES: (CONTINUED)</b>      |                   |                   |   |                   |
| <b>Miscellaneous</b>              |                   |                   |   |                   |
| Interest:                         |                   |                   |   |                   |
| Temporary Investments             | \$ 176,180        | \$ 74,239         | \$ (101,941)  | \$ 331,609        |
| Rent:                             |                   |                   |   |                   |
| Buildings                         | 12,204            | 11,402            | (802)   | 12,204            |
| County Dam Site                   | 7,000             | -                 | (7,000)   | 5,000             |
| Property Sales:                   |                   |                   |   |                   |
| Sale of General Capital Assets    | -                 | 13,175            | 13,175  | 7,000             |
| Sale of Sheriff Department Cars   | 15,000            | 8,829             | (6,171)   | 11,481            |
| Sale of Maps and Plats            | 10,010            | 6,376             | (3,634)   | 11,762            |
| Sale of CSM's                     | 2,900             | 3,223             | 323   | 2,725             |
| Other:                            |                   |                   |   |                   |
| County Cars Revenue               | 29,871            | 30,160            | 289   | 30,801            |
| Insurance Recoveries              | -                 | 79                | 79  | 1,204             |
| Refund of Prior Year Expenditures | -                 | -                 | -   | 50                |
| Donations                         | 2,500             | 2,050             | (450)   | 1,400             |
| Disposal Fee Payment              | -                 | 19,392            | 19,392  | 12,981            |
| Miscellaneous                     | 450               | 6,533             | 6,083   | 5,690             |
| Total Miscellaneous Revenues      | <u>256,115</u>    | <u>175,458</u>    | <u>(80,657)</u>   | <u>433,907</u>    |
| <b>Total Revenues</b>             | <b>11,333,491</b> | <b>11,393,601</b> | <b>60,110</b>   | <b>11,460,630</b> |
| <b>EXPENDITURES:</b>              |                   |                   |   |                   |
| <b>General Government:</b>        |                   |                   |   |                   |
| Legislative:                      |                   |                   |   |                   |
| Board                             | 84,556            | 64,646            | 19,910  | 68,898            |
| Judicial:                         |                   |                   |   |                   |
| Judge                             | 90,500            | 142,893           | (52,393)  | 122,853           |
| Juvenile Court                    |                   |                   |   |                   |
| Clerk of Courts                   | 294,706           | 285,133           | 9,573   | 293,283           |
| Register in Probate               | 68,721            | 71,879            | (3,158)   | 68,041            |
| Family Court Commissioner         | 28,650            | 28,158            | 492   | 27,458            |
| Coroner                           | 27,146            | 36,405            | (9,259)   | 26,938            |
| Legal:                            |                   |                   |   |                   |
| District Attorney                 | 136,568           | 113,509           | 23,059  | 138,459           |
| Family Counseling                 | 3,500             | 3,905             | (405)   | 1,858             |
| Criminal Justice Coordinator      | 77,078            | 71,256            | 5,822   | 73,181            |
| Corporation Counsel               | 147,705           | 146,948           | 757   | 146,393           |
| Victim/Witness Coordinator        | 65,686            | 62,893            | 2,793   | 61,051            |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|  | 2013            |            | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual |
|--|-----------------|------------|---|----------------|
|  | Final<br>Budget | Actual     |   |                |
| <b>EXPENDITURES: (CONTINUED)</b>         |                 |            |   |                |
| <b>General Government: (Continued)</b>   |                 |            |   |                |
| General Administration:                  |                 |            |   |                |
| Clerk                                    | \$ 99,717       | \$ 107,295 | \$ (7,578)  | \$ 94,456      |
| Administration                           | 255,921         | 246,463    | 9,458   | 245,600        |
| Contracted Services                      | 13,751          | 1,020      | 12,731  | 1,750          |
| Elections                                | 25,450          | 14,098     | 11,352  | 40,541         |
| Information Technology                   | 660,965         | 610,822    | 50,143  | 523,024        |
| Information Technology Capital Equipment | 66,000          | 139,554    | (73,554)  | 65,409         |
| Central Postage                          | 44,950          | 24,397     | 20,553  | 34,566         |
| Financial Administration:                |                 |            |   |                |
| Accounting and Auditing                  | 220,655         | 207,619    | 13,036  | 191,189        |
| Treasurer                                | 221,598         | 218,841    | 2,757   | 149,489        |
| Assessment of Property                   | 7,540           | 3,255      | 4,285   | 2,966          |
| Purchasing                               | 127,061         | 117,130    | 9,931   | 122,867        |
| General Building and Plant:              |                 |            |   |                |
| Annex - Spooner                          | 46,901          | 41,173     | 5,728   | 42,905         |
| Annex - Shell Lake                       | 91,610          | 96,219     | (4,609)   | 92,616         |
| Annex - City of Spooner                  | 44,201          | 36,711     | 7,490   | 37,166         |
| Courthouse                               | 301,004         | 325,864    | (24,860)  | 294,650        |
| Building Repair                          | 21,399          | 15,579     | 5,820   | 18,763         |
| Wayside                                  | 59,839          | 38,833     | 21,006  | 44,913         |
| Memorials                                | 2,500           | 2,315      | 185   | 130            |
| Property Records and Control:            |                 |            |   |                |
| Register of Deeds                        | 171,205         | 148,671    | 22,534  | 136,564        |
| Surveyor                                 | 318,059         | 321,423    | (3,364)   | 313,815        |
| Land Record's Office                     | 72,740          | 69,200     | 3,540   | 116,706        |
| Maps and Plats                           | 2,110           | -          | 2,110   | 10,216         |
| Other General Government:                |                 |            |   |                |
| County Owned Cars Expense                | 29,871          | 8,919      | 20,952  | 25,832         |
| Property and Liability Insurance         | 98,436          | 59,397     | 39,039  | 55,914         |
| Contingency:                             |                 |            |   |                |
| Other                                    | 340,000         | -          | 340,000   | -              |
| Total General Government                 | 4,368,299       | 3,882,423  | 485,876   | 3,690,460      |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|  | 2013             |                  | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual   |
|--|------------------|------------------|---|------------------|
|  | Final<br>Budget  | Actual           |   |                  |
| <b>EXPENDITURES: (CONTINUED)</b>         |                  |                  |   |                  |
| <b>Public Safety:</b>                    |                  |                  |   |                  |
| Sheriff                                  | \$ 1,819,987     | \$ 1,803,754     | \$ 16,233   | \$ 1,827,547     |
| Fire Suppression                         | 100              | 2,736            | (2,636)   | -                |
| Jail Expenses                            | 1,669,492        | 1,596,568        | 72,924  | 1,626,285        |
| Highway Safety                           | 1,000            | -                | 1,000   | 150              |
| County Numbering System                  | 7,700            | 3,088            | 4,612   | 2,477            |
| Emergency Government                     | 65,042           | 78,283           | (13,241)  | 65,648           |
| Emergency Communications                 | 4,896            | 5,046            | (150)   | 4,900            |
| Total Public Safety                      | <u>3,568,217</u> | <u>3,489,475</u> | <u>78,742</u>   | <u>3,527,007</u> |
| <b>Public Works:</b>                     |                  |                  |   |                  |
| Transportation Facilities:               |                  |                  |   |                  |
| Appropriations to Highway Department [1] | 2,387,438        | 2,387,438        | -   | 2,384,683        |
| Other Transportation:                    |                  |                  |   |                  |
| Transit Commission                       | 500              | 359              | 141   | 428              |
| Airport                                  | 5,700            | 5,700            | -   | 5,700            |
| Total Transportation Facilities          | <u>2,393,638</u> | <u>2,393,497</u> | <u>141</u>  | <u>2,390,811</u> |
| Sanitation:                              |                  |                  |   |                  |
| Wisconsin Fund Grant                     | <u>35,000</u>    | <u>8,382</u>     | <u>26,618</u>   | <u>9,588</u>     |
| Total Public Works                       | <u>2,428,638</u> | <u>2,401,879</u> | <u>26,759</u>   | <u>2,400,399</u> |
| <b>Health and Human Services:</b>        |                  |                  |   |                  |
| Health:                                  |                  |                  |   |                  |
| Wellness Program                         | 9,842            | 5,791            | 4,051   | 1,846            |
| Human Services:                          |                  |                  |   |                  |
| AODA Program                             | 7,560            | 7,500            | 60  | 7,566            |
| Veterans:                                |                  |                  |   |                  |
| Veterans Service                         | 133,717          | 139,104          | (5,387)   | 135,216          |
| Veterans Commission                      | 34,939           | 34,231           | 708   | 38,001           |
| Deceased Veterans Affairs                | 11,050           | 9,665            | 1,385   | 9,626            |
| Total Health and Human Services          | <u>197,108</u>   | <u>196,291</u>   | <u>817</u>  | <u>192,255</u>   |

[1] See Schedule C-4



**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|  | 2013              |                   | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual    |
|--|-------------------|-------------------|---|-------------------|
|  | Final<br>Budget   | Actual            |   |                   |
| <b>EXPENDITURES: (CONTINUED)</b>                             |                   |                   |   |                   |
| <b>Culture, Recreation and Education:</b>                    |                   |                   |   |                   |
| Culture:   |                   |                   |   |                   |
| Library  | \$ 250,790        | \$ 232,794        | \$ 17,996   | \$ 224,090        |
| Historical Society   | 17,200            | 17,200            | -   | 17,200            |
| Recreation:  |                   |                   |   |                   |
| Fairs  | 43,760            | 43,760            | -   | 43,325            |
| Education:   |                   |                   |   |                   |
| University Extension   | 194,593           | 179,040           | 15,553  | 183,596           |
| Total Culture, Recreation and Education                      | <u>506,343</u>    | <u>472,794</u>    | <u>33,549</u>   | <u>468,211</u>    |
| <b>Conservation and Development:</b>                         |                   |                   |   |                   |
| Resource Conservation:                                       |                   |                   |   |                   |
| Dam Maintenance  | 27,840            | 36,089            | (8,249)   | 59,434            |
| Soil and Water Conservation                                  | 200,956           | 207,295           | (6,339)   | 266,306           |
| Aquatic Invasive Species                                     | 65,905            | 17,076            | 48,829  | -                 |
| Power Line Related Expenditures                              | 300               | -                 | 300   | -                 |
| Planning:  |                   |                   |   |                   |
| Regional Planning Commission                                 | 23,867            | 23,867            | -   | 23,867            |
| Zoning:  |                   |                   |   |                   |
| Zoning   | 183,910           | 186,674           | (2,764)   | 183,427           |
| Economic Development:  |                   |                   |   |                   |
| Economic Development Corporation and Tourism                 | 172,046           | 172,046           | -   | 171,187           |
| ITBEC Contribution   | 3,000             | 3,000             | -   | 3,000             |
| Community Action Programs                                    | 2,475             | 1,584             | 891   | 770               |
| Total Conservation and Development                           | <u>680,299</u>    | <u>647,631</u>    | <u>32,668</u>   | <u>707,991</u>    |
| <b>Total Expenditures</b>                                    | <u>11,748,904</u> | <u>11,090,493</u> | <u>658,411</u>  | <u>10,986,323</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(415,413)</b>  | <b>303,108</b>    | <b>718,521</b>  | <b>474,307</b>    |

**WASHBURN COUNTY, WISCONSIN  
GENERAL FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|   | 2013                |                     | Variance With<br>Final Budget<br>Positive<br>(Negative) | 2012<br>Actual      |
|---|---------------------|---------------------|---|---------------------|
|   | Final<br>Budget     | Actual              |   |                     |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |   |                     |
| <b>Transfers In:</b>                        |                     |                     |   |                     |
| Forestry Fund                               | \$ 167,591          | \$ -                | \$ (167,591)  | \$ 70,981           |
| Solid Waste Fund                            | 36,240              | 26,027              | (10,213)  | -                   |
| Highway Department Internal Service Fund    | 25,000              | 25,000              | -   | -                   |
| Total Transfers In                          | <u>228,831</u>      | <u>51,027</u>       | <u>(177,804)</u>  | <u>70,981</u>       |
| <b>Transfers Out:</b>                       |                     |                     |   |                     |
| Council on Aging Fund                       | -                   | (3,650)             | (3,650)   | -                   |
| Highway Department Fund                     | (41,903)            | (8,161)             | 33,742  | (41,903)            |
| Public Health Fund                          | (10,500)            | (6,616)             | 3,884   | (10,500)            |
| Human Services Fund                         | -                   | (17,942)            | (17,942)  | -                   |
| Capital Improvement Fund                    | (1,138,503)         | (1,011,443)         | 127,060   | -                   |
| Total Transfers Out                         | <u>(1,190,906)</u>  | <u>(1,047,812)</u>  | <u>143,094</u>  | <u>(52,403)</u>     |
| <b>Total Other Financing Sources (Uses)</b> | <u>(962,075)</u>    | <u>(996,785)</u>    | <u>(34,710)</u>   | <u>18,578</u>       |
| <b>NET CHANGE IN FUND BALANCE</b>           | (1,377,488)         | (693,677)           | 683,811   | 492,885             |
| Fund Balance, January 1                     | <u>7,961,681</u>    | <u>7,961,681</u>    | -   | <u>7,468,796</u>    |
| <b>FUND BALANCE, DECEMBER 31</b>            | <u>\$ 6,584,193</u> | <u>\$ 7,268,004</u> | <u>\$ 683,811</u>                                       | <u>\$ 7,961,681</u> |

**WASHBURN COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2013  
(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2012)**

|   | Highway              | Copy             | Totals               |                      |
|---|----------------------|------------------|----------------------|----------------------|
|   | Department           | Machine          | 2013                 | 2012                 |
| <b>ASSETS</b>                             |                      |                  |                      |                      |
| <b>Current Assets:</b>                    |                      |                  |                      |                      |
| Treasurer's Cash and Investments          | \$ 791,982           | \$ 16,101        | \$ 808,083           | \$ 3,232,273         |
| Accounts Receivable                       | 4,237                | -                | 4,237                | 4,917                |
| Due from Other Governments                | 417,462              | -                | 417,462              | 814,204              |
| Due from Other Funds                      | 2,344,255            | -                | 2,344,255            | 394,617              |
| Prepaid Expenses                          | 905                  | -                | 905                  | 712                  |
| Inventories                               | 938,533              | -                | 938,533              | 1,020,087            |
| Total Current Assets                      | <u>4,497,374</u>     | <u>16,101</u>    | <u>4,513,475</u>     | <u>5,466,810</u>     |
| <b>Noncurrent Assets:</b>                 |                      |                  |                      |                      |
| <b>Capital Assets:</b>                    |                      |                  |                      |                      |
| Not Being Depreciated/Depleted            | 489,782              | -                | 489,782              | 489,782              |
| Being Depreciated/Depleted                | 18,446,975           | 26,919           | 18,473,894           | 18,355,649           |
| Accumulated Depreciation                  | <u>(8,969,375)</u>   | <u>(25,189)</u>  | <u>(8,994,564)</u>   | <u>(9,317,723)</u>   |
| Total Capital Assets                      | <u>9,967,382</u>     | <u>1,730</u>     | <u>9,969,112</u>     | <u>9,527,708</u>     |
| Total Assets                              | <u>\$ 14,464,756</u> | <u>\$ 17,831</u> | <u>\$ 14,482,587</u> | <u>\$ 14,994,518</u> |
| <b>LIABILITIES</b>                        |                      |                  |                      |                      |
| <b>Current Liabilities:</b>               |                      |                  |                      |                      |
| Accounts Payable                          | \$ 136,833           | \$ -             | \$ 136,833           | \$ 244,456           |
| Accrued Liabilities                       | 111,831              | -                | 111,831              | 105,044              |
| Unearned Revenues                         | 341,223              | -                | 341,223              | 77,607               |
| Accrued Vacation and Sick Leave - Current | 105,436              | -                | 105,436              | 100,262              |
| Total Current Liabilities                 | <u>695,323</u>       | <u>-</u>         | <u>695,323</u>       | <u>527,369</u>       |
| <b>Long-Term Liabilities:</b>             |                      |                  |                      |                      |
| Advance from Capital Projects Fund        | 552,167              | -                | 552,167              | 563,638              |
| Other Postemployment Benefits Payable     | 220,914              | -                | 220,914              | 185,332              |
| Accrued Vacation and Sick Leave           | 195,053              | -                | 195,053              | 191,137              |
| Total Long-Term Liabilities               | <u>968,134</u>       | <u>-</u>         | <u>968,134</u>       | <u>940,107</u>       |
| Total Liabilities                         | 1,663,457            | -                | 1,663,457            | 1,467,476            |
| <b>NET POSITION</b>                       |                      |                  |                      |                      |
| Net Investment in Capital Assets          | 9,967,382            | 1,730            | 9,969,112            | 9,527,708            |
| Unrestricted                              | <u>2,833,917</u>     | <u>16,101</u>    | <u>2,850,018</u>     | <u>3,999,334</u>     |
| Total Net Position                        | <u>12,801,299</u>    | <u>17,831</u>    | <u>12,819,130</u>    | <u>13,527,042</u>    |
| Total Liabilities and Net Position        | <u>\$ 14,464,756</u> | <u>\$ 17,831</u> | <u>\$ 14,482,587</u> | <u>\$ 14,994,518</u> |

**WASHBURN COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012)**

|   | Highway<br>Department | Copy<br>Machine | Totals        |               |
|---|-----------------------|-----------------|---------------|---------------|
|   |                       |                 | 2013          | 2012          |
| <b>OPERATING REVENUES</b>   | \$ 8,655,730          | \$ 5,539        | \$ 8,661,269  | \$ 5,469,794  |
| <b>OPERATING EXPENSES</b>   | 9,364,795             | 9,404           | 9,374,199     | 6,264,886     |
| <b>OPERATING INCOME (LOSS) BEFORE<br/>CAPITAL CONTRIBUTIONS AND TRANSFERS</b> | (709,065)             | (3,865)         | (712,930)     | (795,092)     |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>                                   |                       |                 |               |               |
| Transfers from General Fund   | 8,161                 | -               | 8,161         | 41,903        |
| Transfers from Capital Projects Fund  | -                     | -               | -             | 146,801       |
| Transfers to General Fund   | -                     | (25,000)        | (25,000)      | -             |
| Contributions from State  | 21,857                | -               | 21,857        | -             |
| Total Capital Contributions and Transfers                                     | 30,018                | (25,000)        | 5,018         | 188,704       |
| <b>CHANGE IN NET POSITION</b>   | (679,047)             | (28,865)        | (707,912)     | (606,388)     |
| Net Position, January 1   | 13,480,346            | 46,696          | 13,527,042    | 14,133,430    |
| <b>NET POSITION, DECEMBER 31</b>  | \$ 12,801,299         | \$ 17,831       | \$ 12,819,130 | \$ 13,527,042 |

**WASHBURN COUNTY, WISCONSIN  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2012)**

|  | Highway               | Copy             | Totals                |                     |
|--|-----------------------|------------------|-----------------------|---------------------|
|  | Department            | Machine          | 2013                  | 2012                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                       |                  |                       |                     |
| Cash Received for Services Provided  | \$ 7,103,169          | \$ 5,884         | \$ 7,109,053          | \$ 5,962,327        |
| Cash Paid to Suppliers for Goods and Services  | (4,940,419)           | (6,048)          | (4,946,467)           | (2,075,036)         |
| Cash Paid for Employee Services  | (3,337,789)           | -                | (3,337,789)           | (3,027,565)         |
| Net Cash Provided by (Used for) Operating Activities   | (1,175,039)           | (164)            | (1,175,203)           | 859,726             |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |                       |                  |                       |                     |
| Transfer from General Fund   | 8,161                 | -                | 8,161                 | 41,903              |
| Transfers from Capital Projects Fund   | -                     | -                | -                     | 146,801             |
| Transfers to General Fund  | -                     | (25,000)         | (25,000)              | -                   |
| Net Cash Provided by (Used for) Noncapital Financing Activities                                | 8,161                 | (25,000)         | (16,839)              | 188,704             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                               |                       |                  |                       |                     |
| Cash Paid for Acquisition of Capital Assets  | (1,368,175)           | -                | (1,368,175)           | (500,866)           |
| Cash Received for Sale of Capital Assets   | 136,027               | -                | 136,027               | -                   |
| Cash Paid County on Advance for Gravel Pits  | -                     | -                | -                     | (10,647)            |
| Net Cash Used for Capital and Related Financing Activities                                     | (1,232,148)           | -                | (1,232,148)           | (511,513)           |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                    | (2,399,026)           | (25,164)         | (2,424,190)           | 536,917             |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>  | 3,191,008             | 41,265           | 3,232,273             | 2,695,356           |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>  | <u>\$ 791,982</u>     | <u>\$ 16,101</u> | <u>\$ 808,083</u>     | <u>\$ 3,232,273</u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b> |                       |                  |                       |                     |
| Operating Income (Loss)  | \$ (709,065)          | \$ (3,865)       | \$ (712,930)          | \$ (795,092)        |
| Depreciation   | 780,361               | 3,356            | 783,717               | 737,667             |
| Depletion of Gravel Pits   | 28,884                | -                | 28,884                | 25,016              |
| (Increase) Decrease in Assets:   |                       |                  |                       |                     |
| Accounts Receivable  | 335                   | 345              | 680                   | 44,533              |
| Due from Governmental Units  | 396,742               | -                | 396,742               | (153,233)           |
| Prepaid Expenses   | (193)                 | -                | (193)                 | 97                  |
| Inventories  | 81,554                | -                | 81,554                | 111,272             |
| Due from Other Funds   | (1,949,638)           | -                | (1,949,638)           | 601,233             |
| Increase (Decrease) in Liabilities:  |                       |                  |                       |                     |
| Vouchers Payable   | (107,623)             | -                | (107,623)             | 180,625             |
| Unearned Revenue   | 263,616               | -                | 263,616               | 77,607              |
| Due to Other Funds   | (11,471)              | -                | (11,471)              | -                   |
| Accrued Liabilities  | 15,877                | -                | 15,877                | 13,421              |
| Other Postemployment Benefits Payable  | 35,582                | -                | 35,582                | 32,014              |
| Unused Vested Employee Benefits  | -                     | -                | -                     | (15,434)            |
| Net Cash Provided by (Used for) Operating Activities   | <u>\$ (1,175,039)</u> | <u>\$ (164)</u>  | <u>\$ (1,175,203)</u> | <u>\$ 859,726</u>   |

**WASHBURN COUNTY, WISCONSIN  
HIGHWAY DEPARTMENT INTERNAL SERVICE FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2012)**

|   | 2013                 | 2012                 |
|---|----------------------|----------------------|
| <b>OPERATING REVENUES:</b>  |                      |                      |
| Charges For Services:   |                      |                      |
| County Highway [1]  | \$ 4,620,333         | \$ 3,195,975         |
| State Highway   | 1,251,166            | 969,184              |
| Other Local Highways  | 983,074              | 902,639              |
| County Departments  | 1,499,856            | 129,016              |
| Non-Governmental Customers  | 5,371                | 7,503                |
| Other Services  | 289,148              | 257,711              |
| Sale of Fixed Assets  | 1,067                | -                    |
| Miscellaneous Revenue   | 5,715                | 186                  |
| Total Operating Revenues  | 8,655,730            | 5,462,214            |
| <b>OPERATING EXPENSES:</b>  |                      |                      |
| Administration and General:   |                      |                      |
| Administration  | 251,300              | 316,249              |
| Patrol Superintendent   | 128,019              | 122,246              |
| Radio Expense   | 669                  | 2,373                |
| Public Liability Insurance  | 19,877               | 18,592               |
| Transportation Cost Pools:  |                      |                      |
| Machinery Operations  | 170,434              | 162,240              |
| Services Provided:  |                      |                      |
| County:   |                      |                      |
| General Maintenance   | 2,249,078            | 2,268,952            |
| Reconstruction and Betterments  | 1,910,568            | 483,413              |
| Winter Maintenance  | 727,748              | 694,075              |
| State:  |                      |                      |
| Highway Maintenance and Construction  | 1,246,304            | 990,859              |
| Equipment and Salt Storage  | 121,467              | 111,147              |
| County Aid Bridge Construction  | -                    | 6,551                |
| Local Districts   | 985,512              | 900,056              |
| Local Departments   | 1,499,856            | 129,016              |
| Non-Governmental Customers  | 5,371                | 7,503                |
| Other Postemployment Benefits   | 35,582               | 32,014               |
| Amortization of State Contributions Included Above  | 13,010               | 11,187               |
| Total Operating Expenses  | 9,364,795            | 6,256,473            |
| <b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>   | <b>(709,065)</b>     | <b>(794,259)</b>     |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>   |                      |                      |
| Transfers from General Fund   | 8,161                | 41,903               |
| Transfers from Capital Projects Fund  | -                    | 146,801              |
| Contributions from State  | 21,857               | -                    |
| Total Capital Contributions and Transfers   | 30,018               | 188,704              |
| <b>CHANGE IN NET POSITION</b>   | <b>(679,047)</b>     | <b>(605,555)</b>     |
| Net Position, January 1   | 13,480,346           | 14,085,901           |
| <b>NET POSITION, DECEMBER 31</b>  | <b>\$ 12,801,299</b> | <b>\$ 13,480,346</b> |
| [1] Charges to County for Highway Maintenance and Construction Consisted of the Following Payments from the General Fund: |                      |                      |
| County Appropriations   | \$ 1,428,658         | \$ 1,481,250         |
| State Transportation Aids   | 878,039              | 899,497              |
| Federal and State Project Revenues  | 80,741               | 3,936                |
| Total General Fund  | 2,387,438            | 2,384,683            |
| Charges to Capital Projects Fund  | 2,232,895            | 811,292              |
| Total County Highway Charges for Services   | <b>\$ 4,620,333</b>  | <b>\$ 3,195,975</b>  |

WASHBURN COUNTY, WISCONSIN  
 AGENCY FUND  
 COMBINING STATEMENT OF NET POSITION  
 DECEMBER 31, 2013

|                                  | <u>Tax Agency</u> | <u>Juvenile Restitution</u> | <u>Representative Payee</u> | <u>Clerk of Courts</u> | <u>Sheriff</u>  | <u>District Attorney</u> | <u>DNR Licenses</u> | <u>Totals</u>     |
|----------------------------------|-------------------|-----------------------------|-----------------------------|------------------------|-----------------|--------------------------|---------------------|-------------------|
| <b>ASSETS</b>                    |                   |                             |                             |                        |                 |                          |                     |                   |
| Treasurer's Cash and Investments | \$ -              | \$ 48                       | \$ 2,489                    | \$ 104,283             | \$ 3,808        | \$ 465                   | \$ 99               | \$ 111,192        |
| Taxes Receivable                 | 400,889           | -                           | -                           | -                      | -               | -                        | -                   | 400,889           |
| <b>Total Assets</b>              | <u>\$ 400,889</u> | <u>\$ 48</u>                | <u>\$ 2,489</u>             | <u>\$ 104,283</u>      | <u>\$ 3,808</u> | <u>\$ 465</u>            | <u>\$ 99</u>        | <u>\$ 512,081</u> |
| <b>LIABILITIES</b>               |                   |                             |                             |                        |                 |                          |                     |                   |
| Vouchers Payable                 | \$ -              | \$ -                        | \$ 2,489                    | \$ -                   | \$ -            | \$ -                     | \$ -                | \$ 2,489          |
| Due to Other Governmental Units  | 400,889           | -                           | -                           | -                      | -               | -                        | -                   | 400,889           |
| Special Deposits                 | -                 | 48                          | -                           | 104,283                | 3,808           | 465                      | 99                  | 108,703           |
| <b>Total Liabilities</b>         | <u>\$ 400,889</u> | <u>\$ 48</u>                | <u>\$ 2,489</u>             | <u>\$ 104,283</u>      | <u>\$ 3,808</u> | <u>\$ 465</u>            | <u>\$ 99</u>        | <u>\$ 512,081</u> |