

**COUNTY OF SHEBOYGAN,  
WISCONSIN**

**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2017**



**WISCONSIN**

COUNTY OF SHEBOYGAN, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY:

Sheboygan County Finance Department

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**For the Year Ended December 31, 2017**

**TABLE OF CONTENTS**

<b>I. Introductory Section</b>	<b>Page No(s).</b>
a. Letter of Transmittal.....	2-5
b. GFOA Certificate of Achievement.....	6
c. Organizational Chart .....	7
d. Sheboygan County Board of Supervisors.....	8
e. Sheboygan County Offices and Departments.....	9
<b>II. Financial Section</b>	
a. Independent Auditors’ Report .....	11-13
b. Management’s Discussion and Analysis .....	14-26
c. Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	27
Statement of Activities .....	28
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	29-30
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	31-32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	33-36
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Public Health and Human Services.....	37
Statement of Net Position – Proprietary Funds .....	38-39
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	40-41
Statement of Cash Flows – Proprietary Funds .....	42-43
Statement of Net Position – Fiduciary Funds.....	44
Notes to the Financial Statements .....	45-81
d. Required Supplementary Information	
Schedule of Proportionate Share of Net Pension Asset – Wisconsin Retirement System .....	83
Schedule of Contributions – Wisconsin Retirement System.....	84
Notes to Required Supplementary Information.....	85
e. Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	89
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service .....	91
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects.....	93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Transportation .....	95

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**For the Year Ended December 31, 2017**

**TABLE OF CONTENTS (Continued)**

Combining Statement of Net Position – Internal Service Funds .....	97
Combining Statements of Revenues, Expenses and Changes in Net Position – Position – Internal Service Funds.....	98
Combining Statement of Cash Flows – Internal Service Funds .....	99-100
Statement of Changes in Assets and Liabilities – Fiduciary Funds.....	102

**III. Statistical Section**

Table I – Net Position by Component.....	105
Table II – Changes in Net Position .....	106-107
Table III – Fund Balances, Governmental Funds .....	108
Table IV – Changes in Fund Balances, Governmental Funds .....	109
Table V – Equalized Value of Taxable Property .....	110
Table VI– Direct and Aggregated Overlapping Tax Rates .....	111
Table VII – Principal Property Taxpayers .....	112
Table VIII – Property Tax Levied and Collections.....	113
Table IX – Ratio of Debt by Type Outstanding.....	114
Table X – Legal Debt Margin Information .....	115
Table XI – Computation of Direct, Overlapping and Underlying Debt .....	116
Table XII – Demographic and Economic Statistics.....	117
Table XIII – Principal Employers.....	118
Table XIV – Full-time Equivalent County Employees.....	119
Table XV – Operating Indicators by Program/Function.....	120
Table XVI – Capital Assets by Functional Area.....	121

## **INTRODUCTORY SECTION**



# SHEBOYGAN COUNTY

**Wendy A. Charnon**  
*Finance Director*

**Jeremy Fetterer**  
*Deputy Finance Director*

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June 25, 2018

Honorable Members of the Board of Supervisors and Citizens  
County of Sheboygan  
508 New York Ave  
Sheboygan, Wisconsin 53081

Ladies and Gentlemen:

State Statute, Administrative Rule 16, and the Securities and Exchange Commission (SEC) require counties to submit audited financial statements within certain time frames based upon their individual rules and regulations. Major federal and state programs impose additional audit requirements. Pursuant to the above, we hereby respectfully submit the Comprehensive Annual Financial Report (CAFR) of Sheboygan County, Wisconsin for the fiscal year ended December 31, 2017.

This report consists of management's representations concerning the finances for Sheboygan County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of Sheboygan County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Sheboygan County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief the financial report is accurate, complete and reliable in all material respects.

Schenck SC has audited Sheboygan County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Sheboygan County are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Sheboygan County's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP. Their report is presented as the first component of the financial section of this report.

The County is required to undergo a federally mandated "Single Audit" designed to meet special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The Single Audit Report is available in the County's separately issued Federal Awards and State Financial Assistance Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Sheboygan County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The County of Sheboygan is located in the eastern part of the state adjacent to Lake Michigan. It occupies 513 square miles. The County is comprised of 15 towns, 10 villages, and three cities and is 50 miles north of Milwaukee. Several major county highways as well as US highways 141 and 43 serve the County's transportation needs. Airline service to Chicago's O'Hare Airport, as well as other parts of Wisconsin, Illinois, and Iowa are available at Sheboygan County Memorial Airport.

The governing body of Sheboygan County is comprised of 25 County Board Supervisors, each serving two-year terms and elected by a majority of voters from their respective district. At the first session of each two-year term, the County Board elects a Chairperson and Vice-Chairperson to preside over proceedings of the County Board for the next two years.

Sheboygan County provides a full range of services, including police protection (Sheriff's Department), a county jail, nursing home care, highway and other infrastructure construction and repair, ownership and maintenance of the buildings at the University of Wisconsin Sheboygan campus, recreational facilities, marriage licensing, maintenance of vital records for births, deaths, real estate transfers, administration of the court system, district attorney's office, child support enforcement, health and human services, operation of the municipal airport and other activities. Sheboygan County also maintains a close working relationship with the Monarch Library System and the Sheboygan County Economic Development Corporation.

The annual budget serves as the foundation for financial planning and control. All departments and agencies are required to submit requests to the Finance Committee by mid-September. The Finance Committee's Budget is then sent to the County Board at its regularly scheduled October meeting. A legally required public hearing is held in late October. In early November the budget is formally adopted. The appropriated budget is adopted by appropriation units within departments. Departments are also aggregated into fund groupings. Appropriation units have been designated as "Wages & Benefits", "Operating Expenses", "Interdepartmental Charges", and "Capital Outlay". Departments may transfer funds within appropriation units as they see necessary. Transfers between appropriation units of the same department or between departments, however, need Finance Committee approval. Budget-to-actual comparisons are provided in this report for each department for which an appropriated annual budget has been adopted.

## **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Sheboygan County operates.

### ***Local Economy***

The County benefits from a mixed economic base of manufacturing, retail trades, services, agricultural, insurance and tourism. By far the largest economic sector is manufacturing. The unemployment rate as of December 31, 2017 was 2.3%, a decrease of 0.8% from 2016.

Economic signs continue to be positive as we move into 2018. Major expansion projects are now complete for Acuity Insurance (\$130M), and Wisconsin Sausage. Plans are still in motion for the Aurora Health Care construction of a new hospital, outpatient surgery center and medical office in Kohler, Wisconsin, with an estimated time of completion of 2021. The Kohler Company is undertaking efforts for the construction of another major golf course with a goal to be operational by 2020. Johnsonville Sausage is currently under construction for an expansion of their corporate headquarters in Sheboygan Falls and Master Gallery's, a cheese manufacturing company based in Plymouth, Wisconsin is currently building a new 150,000 square foot packaging and distribution facility in Oostburg, Wisconsin. Federal Express has announced plans for a new distribution center and the retail store Meijer has begun construction, both to be located in Sheboygan, Wisconsin.

Sheboygan County borders Lake Michigan and remains a top tourism destination, with \$223.7 million of direct visitor spending per the State of Wisconsin during 2016. This is an increase of 4.08% over last year. Sheboygan County features attractions of world-class golf, Lake Michigan sport fishing, numerous summer festivals, ice fishing and snowmobiling. In August of 2014, the County finalized the purchase of the Amsterdam Dunes. This purchase preserves for public access one of the last undeveloped stretches of beaches and dunes on the western shores of Lake Michigan. The County has been working with the Wisconsin Department of Natural Resources on the development of the Amsterdam Dunes Wetland Mitigation Bank which would allow the County to sell credits on the 78-acres of wetlands.

### ***Long-term Planning***

As part of long range planning, the County employs a five-year capital improvement program. The program identifies major capital improvement projects and the methods to finance them.

The most recent document identifies \$34,422,153 of projects over the next five years. Long-term financing is projected to fund approximately \$19 million. The balance will be funded by State and Federal dollars, donations and other internal funding sources. In 2018, the County has funded the remaining construction for the new Transportation Complex, the construction of a Building Services maintenance garage, along with other various Building Improvements.

### ***Major Initiatives***

The County Board enacted Ordinance Number 02 (2016/2017); adopting a half cent sales tax effective January 1, 2017. The ordinance also establishes a Transportation Fund in which all sales tax revenues are to be used for highway roadwork and highway capital equipment. Proceeds from the sales tax revenues in 2017 were able to contribute to the completion of 31.7 miles of roadway repairs and reconstruction. In addition, the County instituted a revenue sharing program with the municipalities of the County to aid in their transportation needs. \$1,500,000 was distributed to the municipalities based on their equalized value.

The County began construction on a Transportation Complex that will consolidate three Highway Shed locations and the main Administration location. Cost savings and efficiencies from this location consolidation are expected along with upgrading of the necessary maintenance areas for the highway equipment. Construction of the Transportation Complex was completed in May of 2018.

The County was party to the settlement of a Natural Resource Damage Assessment issued against a local company for the pollution of the Sheboygan River. The settlement entitles Sheboygan County to receive \$1,295,500 over a ten year term. The funds will be part of the reimbursement to the general fund for the purchase of the Amsterdam Dunes.



***Major Financial Policies***

Fund Balance: The County Board has adopted a minimum fund balance policy to maintain an unassigned fund balance of 5% to 10% of total county expenditures, less capital project expenditures. The Finance Committee in December of 2014 further refined the policy such that the General Fund unassigned fund balance be maintained at a minimum of 15% and a maximum of 30% of total governmental fund expenditures less capital project expenditures. As of the close of 2017, unassigned fund balance is at 20%.


***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Sheboygan, Wisconsin, for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This is the fourth consecutive year of being awarded this achievement. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my sincere appreciation to all staff that assisted with the preparation for the 2017 audit of Sheboygan County. In addition, I would like to recognize Schenck SC for their leadership in their role as independent auditor. The Board of Supervisors, Finance Committee, and County Administrator are to be commended for using sound business practices while conducting the financial operations of the County.

Respectfully,

  
\_\_\_\_\_  
Wendy A. Charnon  
Finance Director

  
\_\_\_\_\_  
Jeremy J. Fetterer  
Deputy Finance Director



Government Finance Officers Association

Certificate of  
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Presented to

**County of Sheboygan**  
**Wisconsin**

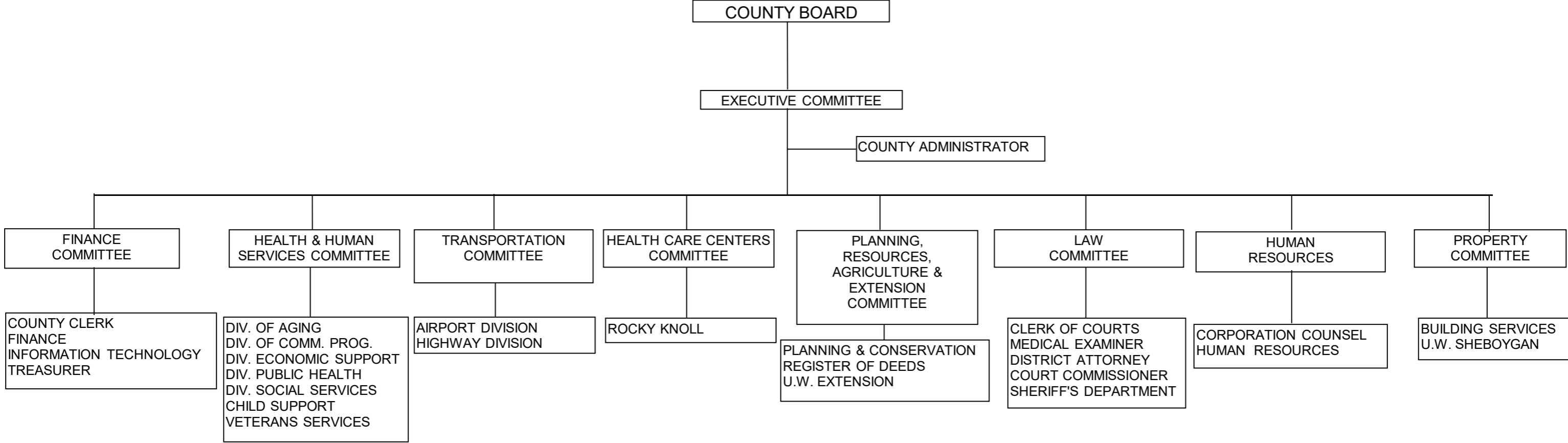
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO

**COUNTY OF SHEBOYGAN, WISCONSIN  
ORGANIZATIONAL CHART**



**COUNTY OF SHEBOYGAN, WISCONSIN**

**Board of Supervisors**

**Term Expires April, 2020**

Thomas Wegner ..... Chairperson

Vernon Koch..... Vice-Chairperson

Keith Abler

Paul A. Gruber

Steven Bauer

Brian Hilbelink

James Baumgart

Brian C. Hoffmann

Richard C. Bemis

Henry Nelson

Al Bosman

Charlette Nennig

Curt A. Brauer

Michael S. Ogea

Dawn Brulla

Roger R. Otten

Charles W. Conrardy

Edward J. Procek

Fran Damp

Roger L. TeStroete

Thomas V. Epping

Greg Weggeman

Jim Glavan

Robert Ziegelbauer

William C. Goehring

**SHEBOYGAN COUNTY OFFICES AND DEPARTMENTS**

Chief Administrative Officer

County Administrator ..... Adam N. Payne

Department Heads

Building Services ..... James TeBeest

Clerk of Courts\* ..... Melody Lorge

County Clerk\* ..... Jon Dolson

Court Commissioner ..... Ryan T. O'Rourke

Corporation Counsel\*\* ..... Atty. Carl Buesing

District Attorney\* ..... Joel Urmanski

Finance ..... Wendy A. Charnon

Health & Human Services ..... Thomas D. Eggebrecht

Health Care Centers ..... Kayla Clinton

Human Resources ..... Jean Gallimore

Information Technology ..... Chris Lewinski

Medical Examiner ..... David J. Leffin

Planning & Conservation ..... Aaron Brault

Register of Deeds\* ..... Ellen Schleicher

Sheriff\* ..... Cory Roeseler

Transportation ..... Greg Schnell

Treasurer\* ..... Laura M. Henning-Lorenz

University of Wisconsin-Extension\*\*\* ..... Cindy Sarkady

University of Wisconsin-Sheboygan\*\*\* ..... Jackie Joseph-Silverstein

Veteran's Service ..... Charlene Cobb

- \* Elected Position
- \*\* Contracted Employee
- \*\*\* State Employee

## **FINANCIAL SECTION**

## Independent auditors' report

To the County Board  
Sheboygan County, Wisconsin

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sheboygan County, Wisconsin (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Public Health and Human Services Fund for the year then ended in accordance 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 on pages 14 through 26 and the schedules relating to pensions on pages 83 through 85 be presented to supplement the basic financial statements. Such information, although not 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.

### **Other 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

## **REPORT ON SUMMARIZED FINANCIAL INFORMATION**

We have previously audited the Sheboygan County's 2016 financial statements, and our report dated June 16, 2017, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



## **OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Schenck SC". The signature is written in a cursive style.

Certified Public Accountants

Sheboygan, Wisconsin

June 21, 2018

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

As management of Sheboygan County, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources as of December 31, 2017 by \$177,675,631 (*net position*). Of this amount, \$45,574,246 (*unrestricted*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net position increased by \$6,727,747 due to the enactment of the County's half cent sales tax that by ordinance can only be utilized for Transportation Capital Projects, Transportation Capital Equipment and direct property tax relief.
- The property tax rate decreased \$0.1164 per \$1,000 of property value from the year ended December 31, 2017. A significant part of the 2017 levy decrease came from the reduction of debt service levy attained through the enactment of the half cent sales tax.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$25,747,927, a decrease of \$6,663,815. This was primarily due to the activities in the Capital Projects fund which decreased from prior year by \$7,474,912, the fund balance contribution to the construction of the new Transportation Complex of \$2,627,120 and the establishment of the new Transportation Fund that reported a fund balance of \$3,140,569 after the first year of operation. The General Fund reported a transfer of excess fund balance from Health & Human Services of \$734,705.
- As of December 31, 2017, assigned and unassigned fund balance of the Governmental Funds was \$19,120,604, or approximately 49% of total general fund expenditures.
- The County's total outstanding general obligation debt increased \$4,055,000.
- The financial statements for the year ended December 31, 2017 reflect net pension liability of \$2,364,373 along with deferred outflows of resources of \$18,294,016 and deferred inflows of resources of \$7,435,750 related to the County's participation in the Wisconsin Retirement System.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

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

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

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

Both of these government-wide financial statements distinguish functions of Sheboygan 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, public health and human services, education, and resource & development. The business-type activities of the County include a skilled health care facility (nursing home).

The government-wide financial statements can be found on pages 27-28 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Sheboygan County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. 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 funds 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 county's near-term financing requirements.

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

The County maintains 7 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Public Health & Human Services Special Revenue Fund, the Capital Projects Fund, the Transportation Fund, and the Debt Service Fund, all of which are

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

considered to be major funds. Data from the community development and public safety special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all its major governmental funds. As part of the basic governmental fund financial statements, budgetary comparison statements have been provided for the general and public health & human services special revenue fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 29-37 of this report.

**Proprietary funds:** Sheboygan County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses the enterprise fund to account for its nursing home. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its various insurance activities, information technology, printing services, and highway operations. Because these services predominantly benefit governmental rather than business-type functions they have been included within the *governmental activities* in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 38-43 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 statements because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 44 of this report.

**Notes to the basic financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45-81 of this report.

**Other information:** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, individual fund budget comparison information, and statistical tables are presented immediately following the required supplemental information. The required supplementary information can be found on pages 83-85, supplementary information can be found on pages 88-102, and the statistical tables can be found on pages 105-121.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position:** As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$177,675,631 at the close of 2017.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

**Net Position**

December 31, 2017 and 2016  
(Amounts expressed in \$1,000)

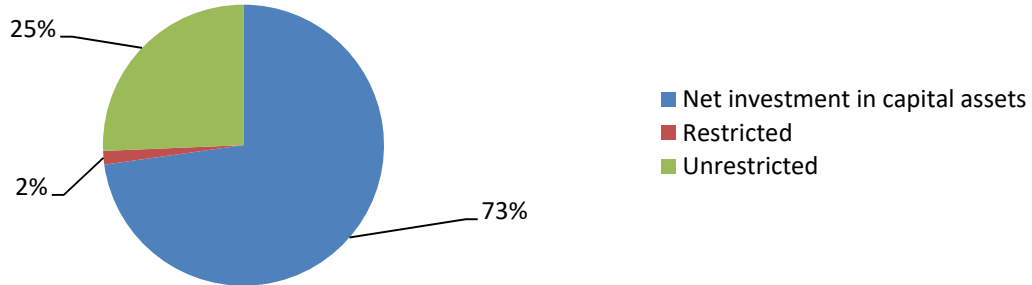
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets</b>						
Current and other assets	\$ 106,794	\$ 106,689	\$ 3,622	\$ 3,534	\$ 110,416	\$ 110,223
Capital assets	158,397	140,084	7,598	7,483	165,995	147,567
<b>Total Assets</b>	<b>265,191</b>	<b>246,773</b>	<b>11,220</b>	<b>11,017</b>	<b>276,411</b>	<b>257,790</b>
Deferred Outflows of Resources	15,609	22,260	2,685	3,949	18,294	26,209
<b>Liabilities</b>						
Current and other liabilities	13,597	9,152	579	721	14,176	9,873
Long-term liabilities	45,688	43,903	1,078	1,414	46,766	45,317
<b>Total Liabilities</b>	<b>59,285</b>	<b>53,055</b>	<b>1,657</b>	<b>2,135</b>	<b>60,942</b>	<b>55,190</b>
Deferred Inflows of Resources	54,313	55,521	1,774	2,340	56,087	57,861
<b>Net Position</b>						
Net investment in capital assets	121,726	113,937	7,598	7,483	129,324	121,420
Restricted	2,777	3,974			2,777	3,974
Unrestricted	42,699	42,546	2,875	3,008	45,574	45,554
<b>Total Net Position</b>	<b>\$ 167,202</b>	<b>\$ 160,457</b>	<b>\$ 10,473</b>	<b>\$ 10,491</b>	<b>\$ 177,675</b>	<b>\$ 170,948</b>

The largest portion of the County's net position (73%) reflects its net investment of \$129.3 million in capital assets (e.g. land, infrastructure, buildings, and equipment) less any related outstanding debt used to acquire those assets. 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 liquidated for these liabilities.

An additional portion of the County's net position, 2%, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation, including those passed by the County itself. The remaining balance of unrestricted net position, \$45,574,246, may be used to meet the County's ongoing obligations to its citizens and creditors.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

## Primary Government Net Position at 2017



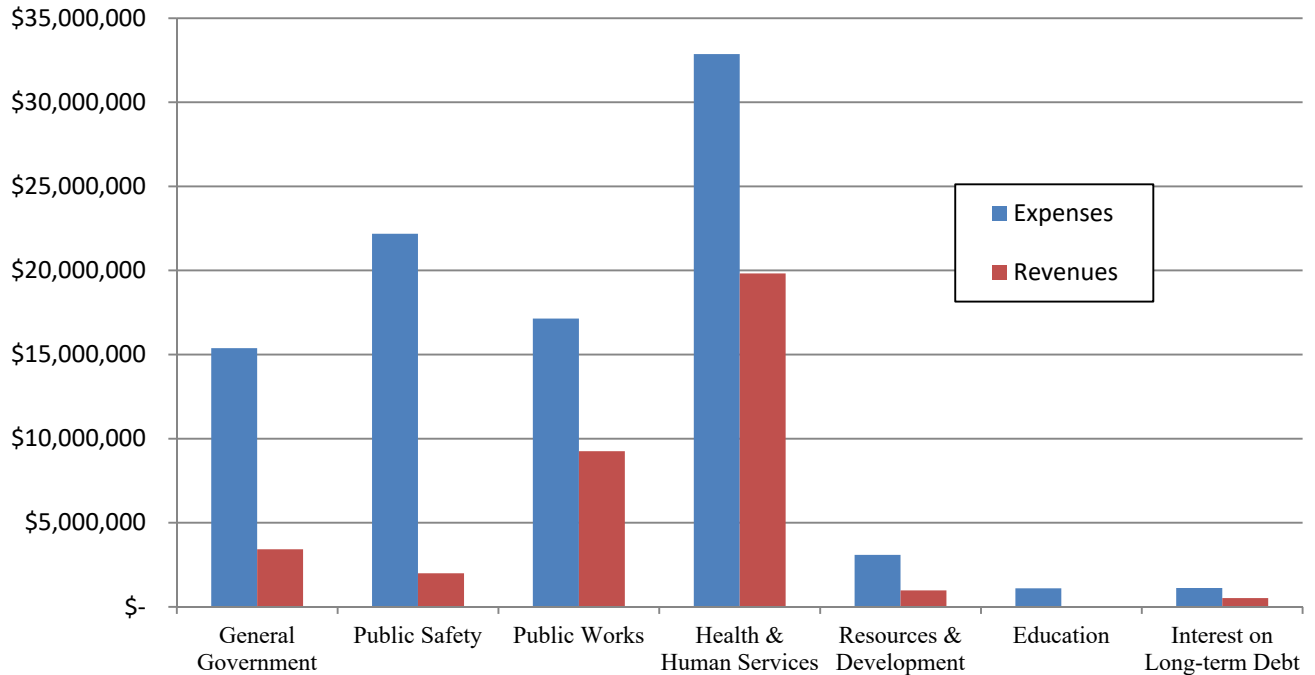
**Changes in Net Position**  
For the Years Ended December 31, 2017 and 2016  
(Amounts expressed in \$1,000)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9,533	\$ 8,602	\$ 11,052	\$ 11,481	\$ 20,585	\$ 20,083
Operating grants & contributions	26,095	28,141	1,315	1,142	27,410	29,283
Capital grants and contributions	384	198		522	384	720
Total program revenues	<u>36,012</u>	<u>36,941</u>	<u>12,367</u>	<u>13,145</u>	<u>48,379</u>	<u>50,086</u>
General revenues:						
Property tax	47,058	47,548	845	885	47,903	48,433
Other taxes	9,412	25			9,412	25
Nonspecific grants and contributions	3,900	3,938	1	5	3,901	3,943
Investment earnings	1,848	1,987	1	2	1,849	1,989
Gain on disposal of capital assets	1,035			9	1,035	9
Miscellaneous	937	1,181	6	55	943	1,236
Total general revenues	<u>64,190</u>	<u>54,679</u>	<u>853</u>	<u>956</u>	<u>65,043</u>	<u>55,635</u>
<b>Total Revenues</b>	<u>100,202</u>	<u>91,620</u>	<u>13,220</u>	<u>14,101</u>	<u>113,422</u>	<u>105,721</u>
<b>Expenses:</b>						
General government	15,379	16,506			15,379	16,506
Public safety	22,182	21,007			22,182	21,007
Public works	17,144	16,022			17,144	16,022
Public health and human services	32,865	33,763			32,865	33,763
Resources and development	3,089	2,339			3,089	2,339
Education	1,101	1,182			1,101	1,182
Interest on long-term debt	1,121	1,089			1,121	1,089
Health care centers			13,814	13,572	13,814	13,572
Total Expenses	<u>92,881</u>	<u>91,908</u>	<u>13,814</u>	<u>13,572</u>	<u>106,695</u>	<u>105,480</u>
Excess(deficiency) before transfers	7,321	(288)	(594)	529	6,727	241
Transfers	(575)		575			
Change in net position	<u>6,746</u>	<u>(288)</u>	<u>(19)</u>	<u>529</u>	<u>6,727</u>	<u>241</u>
Net Position - January 1	160,456	160,744	10,492	9,963	170,948	170,707
Net Position - December 31	<u>\$ 167,202</u>	<u>\$ 160,456</u>	<u>\$ 10,473</u>	<u>\$ 10,492</u>	<u>\$ 177,675</u>	<u>\$ 170,948</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

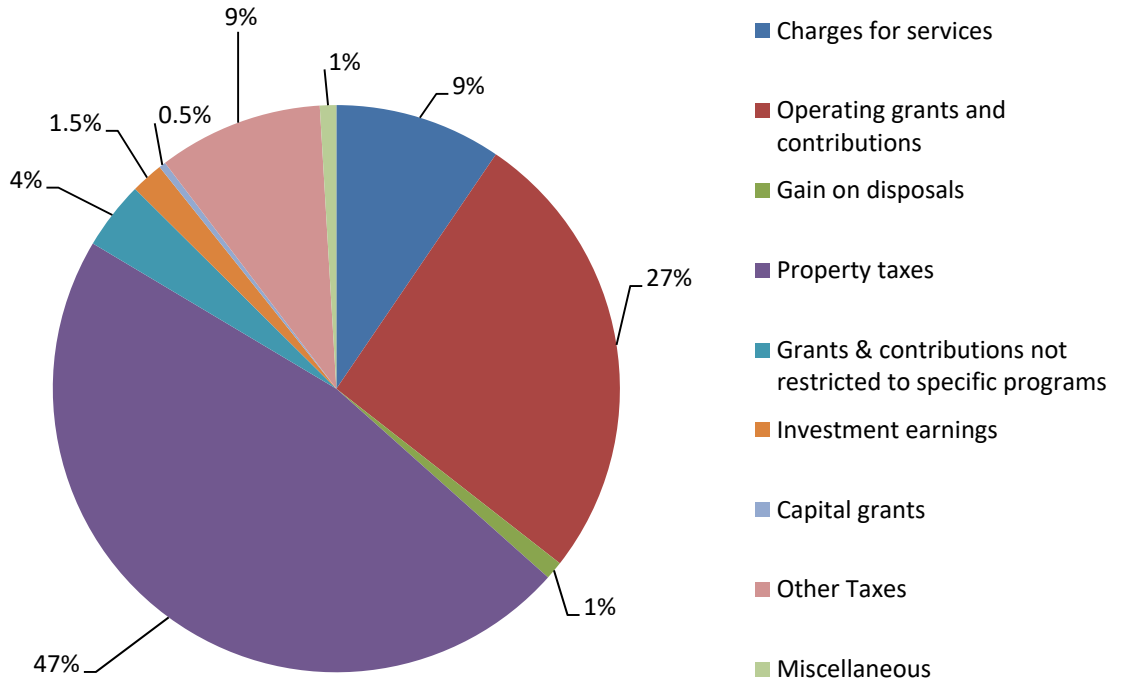
**Governmental activities:** Governmental activities increased the County's net position by \$6,746,144. Sheboygan County initiated a half cent sales tax on January 1, 2017 for the purpose of establishing a Transportation Fund. This is the primary reason for the increase to the net position of the governmental activities. Other influencing factors to the increase were:

- A decrease of \$897,000 in Public Health and Human Services expenditures
- \$1,026,300 increase in gain/loss on disposal of capital assets which included the sale of two highway sheds that are part of the consolidation of facilities with the construction of a new Transportation Complex to be completed in 2018.
- Enactment of the Sheboygan County half cent sales tax increased net position by \$3,141,000.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

**Revenues by Source - Governmental Activities**

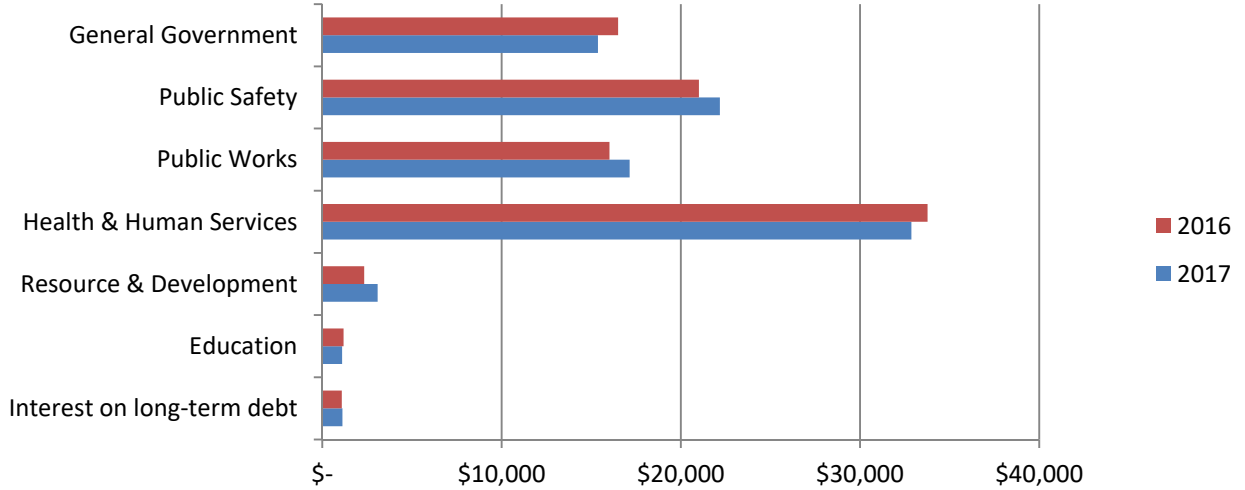


Governmental Activities between the 2016 and 2017 fiscal cycle are indicating an increase in net expenses of \$973,000. Although expenditures were higher in Public Safety by \$1,175,000 from overtime in corrections and increased inmate populations, the increase was offset by various reductions in the General Government and Health and Human Services activities. Public Works experienced an increase of \$1,122,000 and increased roadwork to 31.7 miles completed in 2017 versus 13.5 miles in 2016.



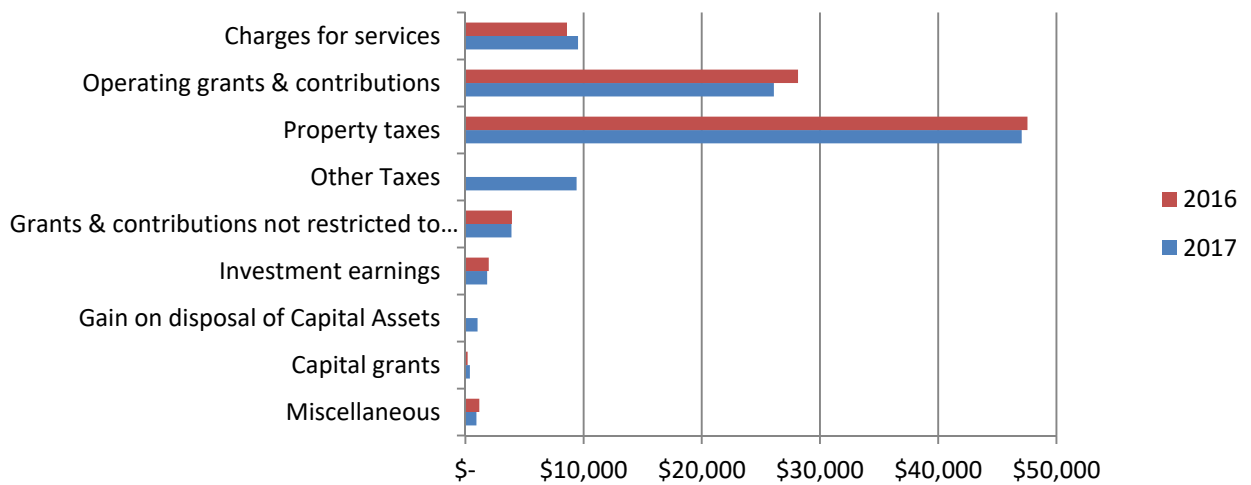
**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

**Governmental Activities Functional Expenses for Years 2017 and 2016**  
**(Shown in Thousands of Dollars)**



For the revenues of the Governmental Activities between the 2016 and 2017 fiscal cycle, the County experienced an increase of \$8,582,846 primarily from the enactment of the half cent sales tax.

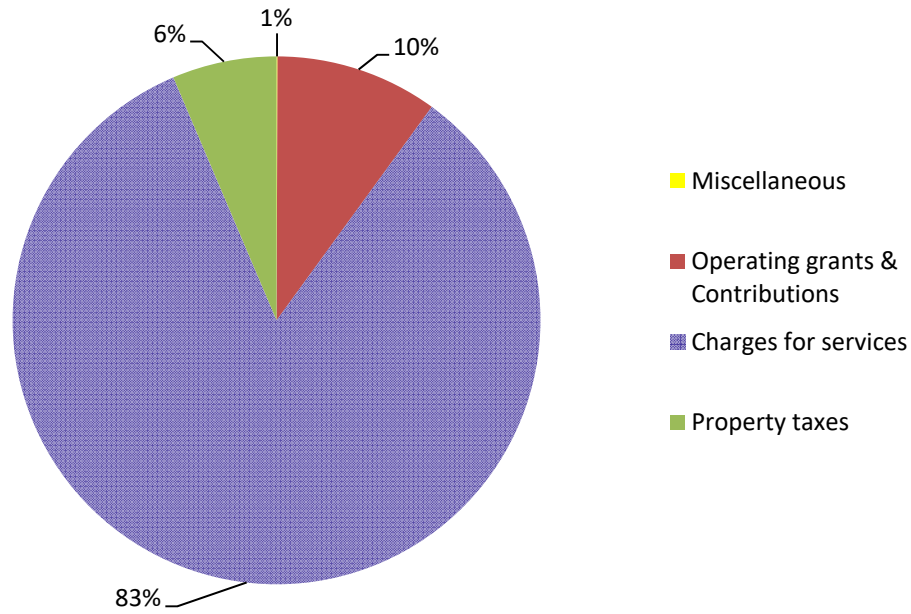
**Governmental Activities Revenues by Source for Years 2017 and 2016**  
**(Shown in Thousands of Dollars)**



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

**Business-type Activities:** Rocky Knoll Health Care Center decreased Sheboygan County's net position by \$18,397 compared to an increase of \$528,639 experienced in 2016. The facility continues to review operations with an emphasis on LEAN principles, identifying opportunities for gaining greater efficiencies and reducing wastes. The Rocky Knoll Health Care Center was awarded a Five Star Rating in Quality Measures as recognized by the Centers for Medicare and Medicaid Services.

**Revenues by Source - Business-Type Activities**



**Financial Analysis of Sheboygan County's Funds**

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

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

As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$25,747,927 a decrease of \$6,663,815. Of the combined ending fund balances, \$19,120,604 or 74% constitutes *assigned and unassigned fund balance* that is available for spending at the County's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it has already been committed for the following: 1) delinquent property taxes (\$954,999), 2) prepayments that benefit periods beyond the end of the current year

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

(\$50,184), 3) various individual fund commitments approved by the County Board (\$3,300,581), and 4) for grant or statutory provisions (\$1,191,967).

The General Fund is the chief operating fund of the County. At the end of the current year, assigned fund balance was \$3,344,874 and unassigned fund balance was \$16,185,605 while the total fund balance was \$21,486,916. As a measure of the general fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and the total fund balance to total fund expenditures. Assigned and unassigned fund balance of \$19,530,479 represents 50% of total general fund expenditures, while total fund balance represents 55% of that same amount.

During the current year the County's General Fund balance decreased by \$2,275,753. Per Fund Balance Policy approved by the Finance Committee, \$734,705 was the year-end transfer of fund balance from the Health & Human Services fund. In addition, by County Board approval, fund balance of \$2,627,120 was utilized for the construction of the new Transportation Complex. For a more detailed analysis of budgetary variances, please refer to the "General Fund Budgetary Highlights" discussion below.

Public Health and Human Services fund revenues exceed expenditures by \$872,421 due mainly to decreases in operating expense. As a result \$734,705 was transferred to the General Fund during 2017.

The Debt Service fund has a fund balance of \$544,083, a decrease of \$417,657 over the prior year.

The Capital Projects fund has a negative fund balance of \$1,129,592 due to timing of the borrowing taken January 10, 2018 for the completion of the Transportation Complex.

The Transportation Capital Projects fund has a fund balance of \$3,140,569. The 2017 fiscal year was the first year of operations for this fund that is by County Ordinance, the use of sales tax revenues for the purposes of the County's transportation infrastructure.

***Proprietary funds:*** Sheboygan County's proprietary funds provide the same type of information found in the County's government-wide financial statements but in more detail.

Rocky Knoll Health Care Center had a decreased in net position of \$58,785 compared to an increase of \$449,679 experienced in 2016. This decrease is due to changes in the Workers Compensation Insurance, staff shortages resulting in increased cost for CNA agency workers and the transition of the union contract into the Administrative Policies that changed dental insurance participations for single and family premiums.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for expenditures were a \$2,677,353 increase in appropriations or a 7% increase over the original budget. Key budget adjustments were:

- \$958,034 approved carryover from 2016 unfinished projects
- \$584,408 adjustment for Village of Kohler property tax settlement
- \$311,625 adjustment for final payment of the subscriber radio project

During the year, actual expenditures were \$182,724 under budget, a relatively even year of operations overall. Public Safety did experience a negative to budget variance of \$423,000 which is a result of

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

Correction Officer vacancies and increased inmate populations. This negative variance was offset by the Building Services positive variance of \$476,000 that resulted from delays in internal repairs and maintenance that was approved to carry forward for completion in 2018. The Clerk of Courts experienced increases in costs and ended with a negative variance to budget of \$137,696.

Differences between the original budget and the final amended budget for revenues amounted to a \$783,197 increase in funding sources primarily due to various grant adjustments during the year. During the year, actual revenues were better than budget by \$774,060.

**Capital Asset and Debt Administration**

**Capital assets:** Sheboygan County's investment in capital assets for its governmental and business-type activities as of December 31, 2017 was \$165,995,034 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure (highways and bridges), and construction in progress.

Major capital asset investment during the current year included the following:

- Highway construction projects at a cost of \$6,064,000
- New Transportation Complex in construction in progress on \$18,451,000. Completion of this complex is expected in June of 2018.
- Vehicles, mostly Sheriff's squads, purchased at a cost of \$357,000 and disposal of squads totaling \$208,000.

**Sheboygan County's Capital Assets**

(Amounts Expressed in \$1,000)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 15,453	\$ 15,530	\$ 32	\$ 32	\$ 15,485	\$ 15,562
Construction in progress	23,650	2,627			23,650	2,627
Buildings	69,712	70,035	15,696	15,480	85,408	85,515
Other improvements	11,646	11,628	624	624	12,270	12,252
Infrastructure	131,042	128,481			131,042	128,481
Machinery and equipment	19,745	18,280	4,385	4,730	24,130	23,010
Office furniture and equipment	30,078	30,818	970	832	31,048	31,650
Vehicles	13,740	13,257	164	164	13,904	13,421
Less Accumulated depreciation	(156,670)	(150,573)	(14,272)	(14,378)	(170,942)	(164,951)
<b>Total</b>	<b>\$ 158,396</b>	<b>\$ 140,083</b>	<b>\$ 7,599</b>	<b>\$ 7,484</b>	<b>\$ 165,995</b>	<b>\$ 147,567</b>

Additional information on Sheboygan County's capital assets can be found in Note C.5 on pages 65-66.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

**Long-term debt:** At the end of the current fiscal year, Sheboygan County had total debt outstanding of \$36,789,548 backed by the full faith and credit of the County.

Sheboygan County's Outstanding Debt

	2017	2016
General obligation debt:		
Bonds	\$ 3,895,000	\$ 6,130,000
Notes	32,890,000	26,600,000
Total general obligation debt	36,785,000	32,730,000
Capital leases	4,548	11,094
Total debt	\$ 36,789,548	\$ 32,741,094

On June 13, 2017 the County issued \$10,000,000 General Obligation Promissory Notes to finance part of the cost of capital improvements within the County including a new Transportation Complex. Moody's Investors Service assigned an Aa2 rating to the County for the 2017 promissory note issuance. Subsequent General Obligation Promissory Notes were issued on January 10, 2018 to conclude necessary funding for the new Transportation complex and to finance other Capital Projects approved in the Five Year Capital Plan for 2018.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current legal threshold for new debt for the County is \$461,442,305 which is significantly in excess of the County's \$36,785,000 in general obligation debt. The County's debt service fund has a fund balance of \$544,083 at December 31, 2017.

Additional information on Sheboygan County's long-term debt can be found in Note C.7 on page 68-70 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for December 2017 was 2.3% for the County, the fourth lowest in the State of Wisconsin. This is a decrease of .8% from the prior year. The average unemployment rate for the State of Wisconsin's was 2.7%.

The economic condition and outlook mirrors that of the state and region. The County continues to have a diversified mix of manufacturing, service industries, retailers, health services, and dairy farming. However, all of these activities reflect state and national economies and economic conditions.

In prior year, limits have been imposed on the property tax levy rates and actual levies on Wisconsin counties. The baseline for the first imposed tax rate limit 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 2017 budget year the County was allowed to increase the levy by net new construction under the actual tax levy freeze formula. Adjustments were also allowed for debt service payments and other specific items.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2017**

With the adoption of the budget for 2018, the County's operating rate of \$5.4522 represents a \$0.1918 decrease from the prior year and conforms to the state statute requirements.

**Contacting the County's Financial Management**

This financial report is designed to provide a general overview of Sheboygan County's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director, County of Sheboygan, 508 New York Avenue, Sheboygan, Wisconsin, 53081.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Net Position**  
**December 31, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$49,258,514	\$2,253,234	\$51,511,748
Receivables			
Taxes	47,850,269	670,883	48,521,152
Accounts, net	2,011,021	862,529	2,873,550
Delinquent taxes	1,591,648		1,591,648
Delinquent special certificates	98,340		98,340
Interest	585,074		585,074
Loans	2,018,900		2,018,900
Internal balances	224,173	(224,173)	
Due from other governments	1,402,590	15,941	1,418,531
Prepays and inventory	1,753,271	43,467	1,796,738
Capital assets, nondepreciable			
Land	15,453,174	31,750	15,484,924
Construction in progress	23,650,354		23,650,354
Capital assets, depreciable			
Buildings	69,711,987	15,695,545	85,407,532
Improvements other than buildings	11,646,201	624,035	12,270,236
Infrastructure	131,042,005		131,042,005
Machinery and equipment	19,744,565	4,384,980	24,129,545
Office furniture and equipment	30,078,361	969,799	31,048,160
Vehicles	13,740,061	163,721	13,903,782
Less: Accumulated depreciation	(156,669,595)	(14,271,909)	(170,941,504)
<b>Total Assets</b>	<b>265,190,913</b>	<b>11,219,802</b>	<b>276,410,715</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	15,608,801	2,685,215	18,294,016
<b>Liabilities</b>			
Accounts payable	7,449,646	73,881	7,523,527
Accrued compensation	3,227,418	505,302	3,732,720
Accrued and other current liabilities	1,316,690		1,316,690
Accrued interest payable	166,631		166,631
Due to other governments	1,280,813		1,280,813
Unearned revenue	155,581		155,581
Long-term obligations			
Due Within One Year	7,013,050	13,065	7,026,115
Due In More Than One Year	36,661,082	714,321	37,375,403
Net pension liability	2,013,490	350,883	2,364,373
<b>Total Liabilities</b>	<b>59,284,401</b>	<b>1,657,452</b>	<b>60,941,853</b>
<b>Deferred Inflows of Resources</b>			
Property taxes levied for subsequent year	47,850,269	670,883	48,521,152
Grant advances	130,345		130,345
Deferred inflows related to pension	6,332,254	1,103,496	7,435,750
<b>Total Deferred Inflows of Resources</b>	<b>54,312,868</b>	<b>1,774,379</b>	<b>56,087,247</b>
<b>Net Position</b>			
Net investment in capital assets	121,725,637	7,597,921	129,323,558
Restricted For:			
Debt service	377,452		377,452
Land records	566,932		566,932
Jail assessment	224,310		224,310
Community development	1,609,133		1,609,133
Unrestricted	42,698,981	2,875,265	45,574,246
<b>Total Net Position</b>	<b>\$167,202,445</b>	<b>\$10,473,186</b>	<b>\$177,675,631</b>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Activities**  
**For the Year Ended December 31, 2017**

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities:							
General Government	\$ 15,379,502	\$ 2,244,831	\$ 904,039	\$ 271,104	\$ (11,959,528)		\$ (11,959,528)
Public Safety	22,181,596	1,775,394	215,232		(20,190,970)		(20,190,970)
Public Works	17,143,803	274,963	8,911,341	66,795	(7,890,704)		(7,890,704)
Public Health and Human Services	32,865,513	4,181,401	15,596,474	46,010	(13,041,628)		(13,041,628)
Resources and Development	3,089,327	519,197	462,644		(2,107,486)		(2,107,486)
Education	1,101,291	19,599	4,922		(1,076,770)		(1,076,770)
Interest on Long-term Debt	1,120,775	517,594			(603,181)		(603,181)
	<u>92,881,807</u>	<u>9,532,979</u>	<u>26,094,652</u>	<u>383,909</u>	<u>(56,870,267)</u>		<u>(56,870,267)</u>
Business-Type Activities:							
Rocky Knoll	13,814,696	11,051,950	1,315,100			(1,447,646)	(1,447,646)
<b>Total Primary Government</b>	<u>\$ 106,696,503</u>	<u>\$ 20,584,929</u>	<u>\$ 27,409,752</u>	<u>\$ 383,909</u>	<u>(56,870,267)</u>	<u>(1,447,646)</u>	<u>(58,317,913)</u>
General Revenues							
Taxes:							
Property taxes, levied for general purposes					41,864,353	844,577	42,708,930
Property taxes, levied for debt service					5,194,825		5,194,825
Other Taxes					9,412,045		9,412,045
Grants and Contributions Not Restricted to Specific Functions					3,900,456	1,418	3,901,874
Investment Earnings					1,848,423	1,393	1,849,816
Gain on disposal of capital assets					1,034,862		1,034,862
Miscellaneous					936,996	6,312	943,308
Transfers In (Out)					(575,549)	575,549	
Total general revenues and transfers					<u>63,616,411</u>	<u>1,429,249</u>	<u>65,045,660</u>
<b>Change in net position</b>					6,746,144	(18,397)	6,727,747
<b>Net Position - January 1</b>					160,456,301	10,491,583	170,947,884
<b>Net Position - December 31</b>					<u>\$167,202,445</u>	<u>\$10,473,186</u>	<u>\$177,675,631</u>

The notes to the basic financial statements are an integral part of this statement



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**

	General	Public Health and Human Services	Debt Service	Capital Projects	Transportation	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 32,080,651	\$ 1,680,859	\$ 544,083	\$ 380,366	\$ 1,777,480	\$ 1,025,735	\$ 37,489,174
Receivables							
Taxes	26,475,975	13,621,937	4,780,956				44,878,868
Accounts, net	335,495	277,945			1,363,089		1,976,529
Delinquent taxes	1,591,648						1,591,648
Delinquent special certificates	98,340						98,340
Interest	585,074						585,074
Loans	1,396,001					622,899	2,018,900
Due from other governments	381,065	273,181					654,246
Prepays and inventory	50,184						50,184
<b>Total Assets</b>	<b>\$ 62,994,433</b>	<b>\$ 15,853,922</b>	<b>\$ 5,325,039</b>	<b>\$ 380,366</b>	<b>\$ 3,140,569</b>	<b>\$ 1,648,634</b>	<b>\$ 89,342,963</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 5,505,350	\$ 367,310	\$	\$ 1,509,958	\$	\$	\$ 7,382,618
Accrued compensation	6,638,369						6,638,369
Accrued and other current liabilities	330,648	14,053					344,701
Due to other governments	265,988	1,014,825					1,280,813
Unearned revenue		155,581					155,581
<b>Total Liabilities</b>	<b>12,740,355</b>	<b>1,551,769</b>		<b>1,509,958</b>			<b>15,802,082</b>
<b>Deferred Inflows of Resources</b>							
Property taxes levied for subsequent year	26,475,975	13,621,937	4,780,956				44,878,868
County portion of delinquent taxes	764,841						764,841
Grant advance	130,345						130,345
Loans receivable	1,396,001					622,899	2,018,900
<b>Total Deferred Inflows of Resources</b>	<b>28,767,162</b>	<b>13,621,937</b>	<b>4,780,956</b>			<b>622,899</b>	<b>47,792,954</b>
<b>Fund Balances</b>							
Nonspendable	1,005,183						1,005,183
Restricted	791,242		544,083			986,234	2,321,559
Committed	160,012				3,140,569		3,300,581
Assigned	3,344,874	680,216				39,501	4,064,591
Unassigned	16,185,605			(1,129,592)			15,056,013
<b>Total Fund Balances</b>	<b>21,486,916</b>	<b>680,216</b>	<b>544,083</b>	<b>(1,129,592)</b>	<b>3,140,569</b>	<b>1,025,735</b>	<b>25,747,927</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 62,994,433</b>	<b>\$ 15,853,922</b>	<b>\$ 5,325,039</b>	<b>\$ 380,366</b>	<b>\$ 3,140,569</b>	<b>\$ 1,648,634</b>	<b>\$ 89,342,963</b>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**December 31, 2017**

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on the previous page \$ 25,747,927

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 145,449,843

Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds

Delinquent taxes	764,841	
Loans receivable	2,018,900	2,783,741

The County's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements

Deferred outflows of resources	15,608,801	
Net pension liability	(2,013,490)	
Deferred inflows of resources	(6,332,254)	7,263,057

Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds

Bonds and notes payable	\$ (36,785,000)	
Compensated absences	(1,145,229)	
Capital leases	(4,548)	
Bond premiums	(1,257,294)	
Accrued interest on long-term obligations	(166,631)	(39,358,702)

Receivable or (payable) to a business-type activity due to the lookback adjustment and consolidation of internal service funds 224,173

Internal service fund activities included in governmental activities 25,092,406

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 27)	\$ 167,202,445
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The notes to the basic financial statements are an integral part of the statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

	General	Public Health and Human Services	Debt Service	Capital Projects	Transportation	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 24,692,836	\$ 13,350,139	\$ 5,194,825				\$ 43,237,800
Other taxes	21,185				9,390,860		9,412,045
Intergovernmental	5,134,929	15,583,474					20,718,403
Licenses and permits	396,477	305,000					701,477
Fines, forfeits and penalties	336,949						336,949
Public charges for services	4,034,769	3,876,169					7,910,938
Miscellaneous	3,885,171	196,920	550,450	77,519		437,528	5,147,588
<b>Total Revenues</b>	<b>38,502,316</b>	<b>33,311,702</b>	<b>5,745,275</b>	<b>77,519</b>	<b>9,390,860</b>	<b>437,528</b>	<b>87,465,200</b>
<b>Expenditures</b>							
Current:							
General government	14,332,710						14,332,710
Public safety	20,137,803					133,470	20,271,273
Public works	420,195				4,000,291		4,420,486
Public health and human services	270,937	32,379,497					32,650,434
Resources and development	2,162,254					77,836	2,240,090
Education	538,075						538,075
Debt Service:							
Principal	6,546		5,945,000				5,951,546
Interest and other charges	1,227		1,101,982				1,103,209
Capital Outlay	1,416,574	59,784		23,456,065			24,932,423
<b>Total Expenditures</b>	<b>39,286,321</b>	<b>32,439,281</b>	<b>7,046,982</b>	<b>23,456,065</b>	<b>4,000,291</b>	<b>211,306</b>	<b>106,440,246</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(784,005)</b>	<b>872,421</b>	<b>(1,301,707)</b>	<b>(23,378,546)</b>	<b>5,390,569</b>	<b>226,222</b>	<b>(18,975,046)</b>
<b>Other Financing Sources (Uses)</b>							
Premium on long term debt issued			281,725				281,725
Long term debt issued				10,000,000			10,000,000
Transfers in	1,322,105		602,325	5,903,634			7,828,064
Transfers out	(2,813,853)	(734,705)			(2,250,000)		(5,798,558)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,491,748)</b>	<b>(734,705)</b>	<b>884,050</b>	<b>15,903,634</b>	<b>(2,250,000)</b>		<b>12,311,231</b>
<b>Net change in fund balances</b>	<b>(2,275,753)</b>	<b>137,716</b>	<b>(417,657)</b>	<b>(7,474,912)</b>	<b>3,140,569</b>	<b>226,222</b>	<b>(6,663,815)</b>
<b>Fund balances, January 1</b>	<b>23,762,669</b>	<b>542,500</b>	<b>961,740</b>	<b>6,345,320</b>		<b>799,513</b>	<b>32,411,742</b>
<b>Fund balances, December 31</b>	<b>\$ 21,486,916</b>	<b>\$ 680,216</b>	<b>\$ 544,083</b>	<b>\$ (1,129,592)</b>	<b>\$ 3,140,569</b>	<b>\$ 1,025,735</b>	<b>\$ 25,747,927</b>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended December 31, 2017**

Reconciliation to the Statement of Activities

Net Change in Fund Balances as show on previous page \$ (6,663,815)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Capital assets reported as capital outlay in the governmental fund statements	\$ 26,667,428	
Capital assets financed by the Internal Service Fund	600,765	
Depreciation expense reported in the statement of activities	(9,110,079)	
Amount by which capital outlays are greater than depreciation in current period		18,158,114

In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source because they increase the financial resources. In the statement of activities, only the gain (or loss) on the sale of capital assets is reported. (155,393)

Governmental funds report special assessments as revenue in the year paid. However, special assessments are recognized as revenue in the year assessed on the statement of activities. Change in special assessments in the current year is: (55,085)

Changes in the net pension liability (asset) and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan. (2,669,188)

Long-term debt proceeds are reported as an other financing source in the governmental funds but increases liabilities in the statement of net position. The amount of long-term debt proceeds in the current year are:  
 General obligation bonds and promissory notes issued (10,000,000)

Repayment of principal on long-term debt is reported in the governmental funds as expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:

General obligation and notes payable retired	5,945,000	
Capital lease retired	<u>6,546</u>	5,951,546

Some expenses reported in the governmental funds required the use of current financial resources and, therefore, were reported as expenditures in governmental funds. However, the amounts were not included as expenses in the statement of activities since they were expensed in prior years. In addition, some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Loan repayment/issuance	340,293	
Compensated absences	326,508	
Accrued interest	(18,793)	
Issuance and amortization of bond premiums	<u>(31,811)</u>	616,197

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to certain funds. The net revenue of the internal service funds is reported with governmental activities. 1,604,156

Additional (loss) revenue due to internal service fund look-back adjustments must be recognized in the government-wide statements. (40,388)

Change in Net Position of Governmental Activities as reported in the Statement of Activities (see page 28) \$ 6,746,144

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 24,681,136	\$ 24,653,056	\$ 24,692,836	\$ 39,780
Other taxes	7,420	7,420	21,185	13,765
	<u>24,688,556</u>	<u>24,660,476</u>	<u>24,714,021</u>	<u>53,545</u>
Intergovernmental				
General Government	4,375,227	4,377,126	4,439,131	62,005
Public Safety	117,305	232,375	215,232	(17,143)
Public Health & Human Services	13,000	13,000	13,000	
Resources and Development	358,786	411,733	462,644	50,911
Education	4,922	4,922	4,922	
	<u>4,869,240</u>	<u>5,039,156</u>	<u>5,134,929</u>	<u>95,773</u>
Licenses and permits				
General Government	113,235	113,235	114,602	1,367
Resources and Development	272,100	272,100	281,875	9,775
	<u>385,335</u>	<u>385,335</u>	<u>396,477</u>	<u>11,142</u>
Fines, Forfeits and Penalties				
General Government	294,000	294,000	333,664	39,664
Public Safety			235	235
Resources and Development	5,100	5,100	3,050	(2,050)
	<u>299,100</u>	<u>299,100</u>	<u>336,949</u>	<u>37,849</u>
Public Charges for Services				
General Government	1,523,604	1,523,604	1,759,432	235,828
Public Safety	1,494,710	1,801,610	1,775,159	(26,451)
Public Works	236,244	236,244	246,307	10,063
Public Health and Human Services				
Resources and Development	132,200	134,107	234,272	100,165
Education	19,400	19,400	19,599	199
	<u>3,406,158</u>	<u>3,714,965</u>	<u>4,034,769</u>	<u>319,804</u>
Miscellaneous				
General Government	2,910,425	2,975,705	3,206,009	230,304
Public Safety	339,620	576,905	586,061	9,156
Public Works	7,640	17,640	17,027	(613)
Public Health and Human Services			5,411	5,411
Resources and Development	27,600	47,589	60,556	12,967
Education	11,385	11,385	10,107	(1,278)
	<u>3,296,670</u>	<u>3,629,224</u>	<u>3,885,171</u>	<u>255,947</u>
Total Revenues	<u>36,945,059</u>	<u>37,728,256</u>	<u>38,502,316</u>	<u>774,060</u>
<b>EXPENDITURES</b>				
General Government				
Treasurer				
Wages and benefits	405,331	405,331	402,057	3,274
Operating expenses	163,179	164,179	113,022	51,157
Interdepartmental charges	187,551	187,551	180,820	6,731
Capital outlay			121,654	(121,654)
	<u>756,061</u>	<u>757,061</u>	<u>817,553</u>	<u>(60,492)</u>
Register of Deeds				
Wages and benefits	389,427	389,427	358,754	30,673
Operating expenses	95,691	97,241	89,294	7,947
Interdepartmental charges	156,285	156,285	153,375	2,910
	<u>641,403</u>	<u>642,953</u>	<u>601,423</u>	<u>41,530</u>

(Continued)

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Finance				
Wages and benefits	1,175,562	1,163,834	1,092,591	71,243
Operating expenses	56,505	56,505	45,484	11,021
Interdepartmental charges	274,404	274,375	267,145	7,230
	<u>1,506,471</u>	<u>1,494,714</u>	<u>1,405,220</u>	<u>89,494</u>
Medical Examiner				
Wages and benefits	99,030	99,030	103,506	(4,476)
Operating expenses	46,222	61,222	64,469	(3,247)
Interdepartmental charges	33,706	33,706	34,382	(676)
	<u>178,958</u>	<u>193,958</u>	<u>202,357</u>	<u>(8,399)</u>
County Board				
Wages and benefits	127,498	127,498	123,463	4,035
Operating expenses	48,987	48,987	45,191	3,796
Interdepartmental charges	32,957	32,957	33,263	(306)
	<u>209,442</u>	<u>209,442</u>	<u>201,917</u>	<u>7,525</u>
Court Commissioner				
Wages and benefits	239,723	239,723	239,524	199
Operating expenses	50,776	50,776	44,950	5,826
Interdepartmental charges	60,167	60,167	59,791	376
	<u>350,666</u>	<u>350,666</u>	<u>344,265</u>	<u>6,401</u>
Clerk of Courts				
Wages and benefits	1,250,509	1,250,509	1,233,190	17,319
Operating expenses	423,731	423,731	638,149	(214,418)
Interdepartmental charges	443,282	443,282	430,616	12,666
Capital outlay		101,536	54,799	46,737
	<u>2,117,522</u>	<u>2,219,058</u>	<u>2,356,754</u>	<u>(137,696)</u>
District Attorney				
Wages and benefits	723,916	751,836	731,653	20,183
Operating expenses	49,846	51,745	76,464	(24,719)
Interdepartmental charges	233,398	242,678	218,210	24,468
Capital outlay	13,500	13,500		13,500
	<u>1,020,660</u>	<u>1,059,759</u>	<u>1,026,327</u>	<u>33,432</u>
County Clerk				
Wages and benefits	210,458	210,458	209,940	518
Operating expenses	143,635	143,635	143,032	603
Interdepartmental charges	93,254	93,254	89,157	4,097
	<u>447,347</u>	<u>447,347</u>	<u>442,129</u>	<u>5,218</u>
Building Services				
Wages and benefits	1,494,121	1,494,121	1,497,764	(3,643)
Operating expenses	1,292,899	1,452,845	1,061,526	391,319
Interdepartmental charges	460,597	460,597	437,437	23,160
Capital outlay	155,000	192,400	126,879	65,521
	<u>3,402,617</u>	<u>3,599,963</u>	<u>3,123,606</u>	<u>476,357</u>
Human Resources				
Wages and benefits	392,043	392,043	390,290	1,753
Operating expenses	86,202	86,202	73,933	12,269
Interdepartmental charges	109,317	109,317	109,449	(132)
	<u>587,562</u>	<u>587,562</u>	<u>573,672</u>	<u>13,890</u>
Non-Departmental				
Operating expenses	1,631,814	3,084,523	2,987,214	97,309
Interdepartmental charges	4,734	4,734	4,722	12
Interest		100	512	(412)
	<u>1,636,548</u>	<u>3,089,357</u>	<u>2,992,448</u>	<u>96,909</u>

(Continued)

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Corporation Counsel				
Wages and benefits	83,969	83,969	73,031	10,938
Operating expenses	219,124	219,124	224,616	(5,492)
Interdepartmental charges	10,606	10,606	14,490	(3,884)
	<u>313,699</u>	<u>313,699</u>	<u>312,137</u>	<u>1,562</u>
County Administrator				
Wages and benefits	181,524	193,252	191,928	1,324
Operating expenses	10,660	10,660	9,490	1,170
Interdepartmental charges	35,683	35,712	35,328	384
	<u>227,867</u>	<u>239,624</u>	<u>236,746</u>	<u>2,878</u>
Total General Government	<u>13,396,823</u>	<u>15,205,163</u>	<u>14,636,554</u>	<u>568,609</u>
Public Safety				
Sheriff				
Wages and benefits	13,120,048	13,256,891	13,601,818	(344,927)
Operating expenses	2,697,010	3,024,908	3,101,709	(76,801)
Interdepartmental charges	3,408,292	3,425,664	3,434,276	(8,612)
Capital outlay	544,868	697,664	690,210	7,454
Total Public Safety	<u>19,770,218</u>	<u>20,405,127</u>	<u>20,828,013</u>	<u>(422,886)</u>
Public Works				
Airport				
Wages and benefits	218,441	218,441	216,329	2,112
Operating expenses	104,044	116,594	102,421	14,173
Interdepartmental charges	110,547	110,547	101,445	9,102
Capital outlay	365,000	365,000	337,743	27,257
Total Public Works	<u>798,032</u>	<u>810,582</u>	<u>757,938</u>	<u>52,644</u>
Public Health and Human Services				
Veterans Services				
Wages and benefits	179,767	179,767	179,029	738
Operating expenses	21,489	21,489	18,463	3,026
Interdepartmental charges	64,296	64,296	63,620	676
	<u>265,552</u>	<u>265,552</u>	<u>261,112</u>	<u>4,440</u>
Veterans Commission				
Wages and benefits	3,222	3,222	484	2,738
Operating expenses	29,528	29,528	8,482	21,046
Interdepartmental charges	869	869	859	10
	<u>33,619</u>	<u>33,619</u>	<u>9,825</u>	<u>23,794</u>
Total Public Health and Human Services	<u>299,171</u>	<u>299,171</u>	<u>270,937</u>	<u>28,234</u>
Resources and Development				
Planning and Conservation				
Wages and benefits	849,297	899,297	843,605	55,692
Operating expenses	761,300	834,063	944,910	(110,847)
Interdepartmental charges	294,093	334,093	380,285	(46,192)
Interest			715	(715)
Capital outlay	47,959	94,750	85,289	9,461
Total Resources and Development	<u>1,952,649</u>	<u>2,162,203</u>	<u>2,254,804</u>	<u>(92,601)</u>

(Continued)

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Education				
U.W. Sheboygan				
Operating expenses	96,378	108,378	96,143	12,235
Interdepartmental charges	19,005	19,005	18,524	481
	<u>115,383</u>	<u>127,383</u>	<u>114,667</u>	<u>12,716</u>
U.W. Extension				
Wages and benefits	125,321	125,321	124,653	668
Operating expenses	269,925	269,925	226,546	43,379
Interdepartmental charges	64,170	64,170	72,209	(8,039)
	<u>459,416</u>	<u>459,416</u>	<u>423,408</u>	<u>36,008</u>
Total Education	<u>574,799</u>	<u>586,799</u>	<u>538,075</u>	<u>48,724</u>
Total Expenditures	<u>36,791,692</u>	<u>39,469,045</u>	<u>39,286,321</u>	<u>182,724</u>
Excess (deficiency) of revenues over expenditures	<u>153,367</u>	<u>(1,740,789)</u>	<u>(784,005)</u>	<u>956,784</u>
Other financing sources (uses)				
Transfers in		584,408	1,322,105	737,697
Transfers out		(2,813,853)	(2,813,853)	
Net change in fund balance	<u>153,367</u>	<u>(3,970,234)</u>	<u>(2,275,753)</u>	<u>1,694,481</u>
Fund balance, January 1	<u>23,762,669</u>	<u>23,762,669</u>	<u>23,762,669</u>	
Fund balance, December 31	<u>\$ 23,916,036</u>	<u>\$ 19,792,435</u>	<u>\$ 21,486,916</u>	<u>\$ 1,694,481</u>

The notes to the basic financial statements are an integral part of this statement.



**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Public Health and Human Services**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 13,319,139	\$ 13,350,351	\$ 13,350,139	\$
Intergovernmental	15,449,349	15,650,633	15,583,474	(67,159)
Licenses and permits	326,286	326,286	305,000	(21,286)
Public charges for services	4,031,329	3,988,145	3,876,169	(111,976)
Miscellaneous	209,426	209,426	196,920	(12,506)
<b>Total Revenues</b>	<b>33,335,529</b>	<b>33,524,841</b>	<b>33,311,702</b>	<b>(212,927)</b>
<b>EXPENDITURES</b>				
Community Programs				
Wages and benefits	3,329,551	3,356,435	3,400,567	(44,132)
Operating expenses	10,625,901	10,661,848	10,333,000	328,848
Interdepartmental charges	1,956,888	1,962,348	1,888,135	74,213
	<b>15,912,340</b>	<b>15,980,631</b>	<b>15,621,702</b>	<b>358,929</b>
Elder Services				
Wages and benefits	366,219	399,898	380,431	19,467
Operating expenses	725,790	719,146	727,635	(8,489)
Interdepartmental charges	299,481	299,481	300,751	(1,270)
Capital outlay	81,000	81,000	59,234	21,766
	<b>1,472,490</b>	<b>1,499,525</b>	<b>1,468,051</b>	<b>31,474</b>
Public Health				
Wages and benefits	1,739,632	1,732,499	1,689,145	43,354
Operating expenses	105,735	112,620	119,850	(7,230)
Interdepartmental charges	1,014,774	1,014,774	961,595	53,179
	<b>2,860,141</b>	<b>2,859,893</b>	<b>2,770,590</b>	<b>89,303</b>
Social Services				
Wages and benefits	3,287,416	3,287,416	3,271,230	16,186
Operating expenses	4,073,171	4,100,907	3,692,219	408,688
Interdepartmental charges	1,910,718	2,002,716	1,857,479	145,237
	<b>9,271,305</b>	<b>9,391,039</b>	<b>8,820,928</b>	<b>570,111</b>
Economic Support				
Wages and benefits	2,074,475	2,074,475	2,077,860	(3,385)
Operating expenses	312,996	322,796	284,539	38,257
Interdepartmental charges	1,431,590	1,431,590	1,388,493	43,097
	<b>3,819,061</b>	<b>3,828,861</b>	<b>3,750,892</b>	<b>77,969</b>
Administration				
Wages and benefits	1,589,478	1,634,358	1,589,345	45,013
Operating expenses	277,467	239,787	121,943	117,844
Interdepartmental charges	(1,866,753)	(1,866,753)	(1,704,720)	(162,033)
Capital outlay			550	(550)
	<b>192</b>	<b>7,392</b>	<b>7,118</b>	<b>274</b>
<b>Total Expenditures</b>	<b>33,335,529</b>	<b>33,567,341</b>	<b>32,439,281</b>	<b>1,128,060</b>
Excess (deficiency) of revenues over expenditures		(42,500)	872,421	915,133
Other financing uses				
Transfers out			(734,705)	(734,705)
<b>Net change in fund balance</b>		<b>(42,500)</b>	<b>137,716</b>	<b>180,216</b>
Fund balance, January 1	542,500	542,500	542,500	
<b>Fund balance, December 31</b>	<b>\$ 542,500</b>	<b>\$ 500,000</b>	<b>\$ 680,216</b>	<b>\$ 180,216</b>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2017**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets</b>		
Current assets		
Cash and investments	\$ 2,253,234	\$ 11,769,340
Receivables (net)		
Taxes	670,883	2,971,401
Accounts	862,529	34,492
Due from external parties	15,941	748,344
Prepays and inventory	43,467	1,703,087
<b>Total Current Assets</b>	<b>3,846,054</b>	<b>17,226,664</b>
Noncurrent assets		
Capital assets, nondepreciable		
Land	31,750	3,095,083
Capital assets, depreciable		
Buildings	15,695,545	3,620,729
Improvements other than buildings	624,035	808,434
Machinery and equipment	4,384,980	14,026,197
Office furniture and equipment	969,799	4,584,078
Vehicles	163,721	10,144,020
Less Accumulated depreciation	(14,271,909)	(23,331,271)
<b>Total Noncurrent Assets</b>	<b>7,597,921</b>	<b>12,947,270</b>
<b>Total Assets</b>	<b>11,443,975</b>	<b>30,173,934</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	2,685,215	2,474,807
<b>Liabilities</b>		
Current liabilities		
Accounts payable	73,881	66,190
Accrued and other current liabilities		971,989
Accrued compensation	505,302	412,936
Current maturities of long-term obligations	13,065	17,364
<b>Total Current Liabilities</b>	<b>592,248</b>	<b>1,468,479</b>
Noncurrent liabilities		
Long-term obligations	714,321	641,648
Net pension liability	350,883	322,877
<b>Total Noncurrent Liabilities</b>	<b>1,065,204</b>	<b>964,525</b>
<b>Total Liabilities</b>	<b>1,657,452</b>	<b>2,433,004</b>
<b>Deferred Inflows of Resources</b>		
Property taxes levied for subsequent year	670,883	2,971,401
Deferred inflows related to pension	1,103,496	1,015,268
<b>Total Deferred Inflows of Resources</b>	<b>1,774,379</b>	<b>3,986,669</b>
<b>Net Position</b>		
Net investment in capital assets	7,597,921	12,947,270
Unrestricted	3,099,438	13,281,798
<b>Total Net Position</b>	<b>\$ 10,697,359</b>	<b>\$ 26,229,068</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**December 31, 2017**

Reconciliation of Proprietary Fund Statement of Net Position to the Government-wide Statement of Net Position

Total Net Position as shown on the previous page \$ 10,697,359

Amounts reported for business-type activities in the government-wide statement of net position are different because:

Change in revenue or expense due to the look-back adjustment resulting from consolidation of the internal service funds (224,173)

Net Position of Business-Type Activities as Reported on the Government-wide Statement of Net Position \$ 10,473,186

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>		
Charges for services	\$ 11,051,950	\$ 28,214,397
Miscellaneous operating revenue	6,312	307,826
<b>Total Operating Revenues</b>	<b>11,058,262</b>	<b>28,522,223</b>
<b>Operating Expenses</b>		
Operation and maintenance	13,300,218	32,363,781
Depreciation	554,866	1,143,526
<b>Total Operating Expenses</b>	<b>13,855,084</b>	<b>33,507,307</b>
<b>Operating loss</b>	<b>(2,796,822)</b>	<b>(4,985,084)</b>
<b>Nonoperating revenues (expenses)</b>		
Intergovernmental contracts/grants	1,315,100	3,044,134
Property tax appropriation	844,577	3,821,378
Investment income	1,393	
Donations	1,418	
Rental income		70,634
Gain on disposal of capital assets		876,229
<b>Total nonoperating revenues (expenses)</b>	<b>2,162,488</b>	<b>7,812,375</b>
<b>Income (loss) before contributions and transfers</b>	<b>(634,334)</b>	<b>2,827,291</b>
Capital contributions - County	575,549	337,899
Transfers Out		(2,029,506)
<b>Change in net position</b>	<b>(58,785)</b>	<b>1,135,684</b>
<b>Net Position - January 1</b>	<b>10,756,144</b>	<b>25,093,384</b>
<b>Net Position - December 31</b>	<b>\$ 10,697,359</b>	<b>\$ 26,229,068</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Revenues, Expenses and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

Reconciliation of Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position to the Government-wide Statement of Activities

Change in Net Position as shown on previous page	\$	(58,785)
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Amounts reported for business-type activities in the government-wide statement of activities are different because:

Change in revenue or expenses due to the look-back adjustment resulting from consolidation of the internal service funds		40,388
		<hr style="border: 1px solid black;"/>

Change in Net Position of Business-Type Activities as Reported on the Government-wide Statement of Activities	\$	(18,397)
		<hr style="border: 3px double black;"/>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 11,300,568	\$ 6,020,448
Receipts from interfund services provided		19,867,708
Other operating cash receipts	6,213	2,681,827
Payments to suppliers	(3,215,254)	(10,750,323)
Other sources of cash	508,780	420,886
Payments to employees	(7,979,829)	(20,052,017)
Payments for interfund services used	(2,222,912)	(1,990,252)
Net cash used by operating activities	<u>(1,602,434)</u>	<u>(3,801,723)</u>
<b>Cash flows from noncapital financing activities</b>		
Intergovernmental contracts/grants	1,315,100	3,044,134
Property tax appropriation received	844,577	3,821,378
Transfer out		(2,029,506)
Net cash provided by noncapital financing activities	<u>2,159,677</u>	<u>4,836,006</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from sale of equipment		1,133,087
Purchases of capital assets	(93,817)	(1,373,802)
Net cash used by capital and related financing activities	<u>(93,817)</u>	<u>(240,715)</u>
<b>Cash flows from investing activities</b>		
Donations	1,418	
Investment income	1,393	
Rental income		70,634
Net cash provided by investing activities	<u>2,811</u>	<u>70,634</u>
Net increase in cash and cash equivalents	466,237	864,202
Cash and cash equivalents - January 1	1,786,997	10,905,138
Cash and cash equivalents - December 31	<u>\$ 2,253,234</u>	<u>\$ 11,769,340</u>

(Continued)

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended December 31, 2017**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (2,796,822)	\$ (4,985,084)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation (net of amortization)	554,866	1,143,526
Change in pension related liabilities (assets) and deferred outflows/inflows of resources	512,212	468,472
Changes in assets and liabilities:		
Accounts receivable	248,518	47,762
Due from other external parties	(3,960)	(342,460)
Prepays and inventory	528	330,484
Accounts payable	(107,888)	(337,823)
Accrued compensated absences	(9,888)	(126,600)
Net cash used by operating activities	<u>\$ (1,602,434)</u>	<u>\$ (3,801,723)</u>
<b>Noncash investing, capital and financing activities</b>		
Contribution of capital assets - County	\$ 575,549	\$ 337,899

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Net Position**  
**Fiduciary Funds**  
**December 31, 2017**

	<b>Agency Funds</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash & Investments	\$ 1,061,457
Receivables (net)	375,785
<b>Total Assets</b>	<b>\$ 1,437,242</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 938,224
Deposits	123,233
Due to Other Governments	375,785
<b>Total Liabilities</b>	<b>\$ 1,437,242</b>

The notes to the basic financial statements are an integral part of this statement.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of Sheboygan County, Wisconsin (“the County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (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:

**1. Reporting Entity**

Sheboygan County is a municipal corporation governed by an elected 25 member board. In accordance with GAAP, the basic financial statements are required to include the County (the primary government) and any separate component units that have a significant operational or financial relationship with the County. The following circumstances set forth the County’s financial accountability for a legally separate organization:

- a. The County is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County.
- b. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The County has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

**2. Related Organization**

Sheboygan County is a member of the multicounty federated library system named Monarch Library System (formerly the Eastern Shores Library System). The Monarch Library System is the result of a merger between the Eastern Shores Library System which represented Sheboygan County and Ozaukee County, and the Mid-Wisconsin Library System, which comprised of Dodge County and Washington County. Funding for the Monarch Library System comes primarily from the State of Wisconsin, Sheboygan County, Ozaukee County, Dodge County and Washington County. Since the Monarch Library System is a related party organization of multiple counties and exercises substantial control of its own operations, it is not considered to be a component unit of Sheboygan County.

As a member of the Monarch Library System, Sheboygan County has the authority to appoint members to the Library System Board. The membership of the Library System Board is allocated among the member counties in the same proportion as the county’s population is to the total population of all the member counties. Each County appoints a county board member to the Library System board. In addition, one of the members is a member of the Mead Public Library Board, the library system’s resource library. The remaining Library System Board members are representatives of the member library boards and public members at large.

Payments to the Monarch Library System represent related party transactions, which are not considered to be “arm’s length transactions”. In 2017, payments from Sheboygan County to the

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Library System totaled \$1,246,032. Financial statements of the Monarch Library System can be obtained by contacting the Library System at: 4632 S. Taylor Drive, Sheboygan, WI. 53081.

**3. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Governmental funds include general, special revenue, debt service, and capital project funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

**GENERAL FUND**

This is the County's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**PUBLIC HEALTH AND HUMAN SERVICES**

This fund accounts for federal and state grants (other than capital grants) that are legally restricted for the nutritional, physical, social, mental, and economic needs of individual and families. Significant revenues are intergovernmental grants and public charges for services.

**DEBT SERVICE FUND**

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**CAPITAL PROJECTS FUND**

This fund accounts for the financial resources used for the acquisition or construction of major capital facilities and related assets.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

TRANSPORTATION FUND

This fund accounts for the financial resources used for the acquisition or construction of major transportation related capital facilities and related assets.

The County reports the following major enterprise fund:

ROCKY KNOLL HEALTH CARE CENTER

This fund accounts for the operation and maintenance of a long-term skilled care nursing facility.

The County reports the following non-major funds.

SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes. Non-major special revenue funds include the public safety and community development funds.

Additionally the County reports the following fund types:

INTERNAL SERVICE FUNDS account for insurance, information technology services, printing, and highway maintenance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

AGENCY FUNDS account for assets held for individuals by various departments and funds held for other governmental agencies. Agency funds include inmate, patient, third party, and other governmental agencies funds.

**4. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers grant revenues to be available if they are collected within 120 days and all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Agency funds have no measurement focus.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes, sales taxes, public charges for services, licenses and interest associated with the current period are considered susceptible to accrual and so have been recognized as revenues of the current period. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Other revenues such as licenses and permits, fines and forfeits, and miscellaneous revenues are recognized when received in cash or when measurable and available.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal services between governmental activities and business type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 revenue of the County's enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources are they are needed.

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

**a. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**b. Accounts Receivable**

Accounts receivable have been shown net of allowance for uncollectible accounts of \$1,311,509.

**c. Property Taxes Levied for the 2018 Budget**

Property taxes are recorded in the year levied as taxes receivable and as deferred inflow of resources. They are recognized as revenue in full in the succeeding year when services financed

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

by the levy are being provided. The General Fund makes all other funds whole for their tax levies and accounts for any deferred, uncollected, or delinquent amounts.

**d. Loans Receivable**

The County has received federal and state grant funds for economic development loan programs and has passed the funds to various businesses in the form of loans. The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectable accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the government funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

**e. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided and services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” in the fund financial statements. Noncurrent portions of the interfund receivables for governmental funds are reported as “advances to other funds” and are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental activities and business-type activities.

**f. Inventories**

Inventories are recorded at cost, which approximates market, using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable fund balance in the respective fund to indicate that they do not represent spendable available financial resources.

**g. Prepaid Items**

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable balances in the respective funds to indicate that they do not represent spendable available financial resources.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 an initial, individual cost of \$5,000 or more except for Rocky Knoll Health Care Center, which must have a unit of cost of \$1,000 or more and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 – 40 years
Improvements other than buildings	15 years
Infrastructure	15 – 50 years
Infrastructure improvements	5 – 15 years
Machinery and equipment	5 – 20 years
Office furniture and equipment	5 – 20 years
Vehicles	3 – 4 years

**i. Compensated Absences**

The County compensates all employees upon termination for unused vacation time. Generally, vacation pay is earned during the same calendar year it is used. Vacation banks are capped at 280 hours and the employee earns no additional vacation until the bank falls below the cap.

The County provides a Sick Pay Program to all employees. Beginning 1/1/2013 employees are eligible to receive up to nine (9) days per year. Upon termination of employment employees will be paid out 33 1/3% of their earned but unused sick pay. Prior to January 1, 2013, all County union employees except Local 1749 (Highway Department) who had earned but unused sick leave in the employee’s bank retain the value of that sick leave bank, converted to dollars at the employee’s regular rate of pay as of 12/31/2012. An employee’s “old sick leave” account is available for use by the employee as sick pay if the employee’s regular sick pay account has become exhausted. Upon termination, any balance remaining in the employee’s “old sick leave” account will be paid to the employee at 100% no matter when the termination of employment occurs. As of 12/31/2012, some employees were no longer eligible for the County’s Income Protection Program. Those employees (Public Health and Community Programs Professionals and Highway Department) received nineteen (19) days of sick pay in their accounts as a starting balance as of 1/1/2013. Non-union employees are not eligible to accumulate sick leave. For these employees the County provides an income protection plan. Thus, they receive no sick leave compensation upon termination.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at December 31, 2017, are determined on the basis of current salary in the government-wide and proprietary funds. Sick leave liabilities are determined on the basis of the dollar value of the “old sick banks” and pay-out value of the “new sick banks”. A liability for these amounts is reported in the governmental funds in the fund financial statements to the extent that the County has provided funding for leave to be taken in future years.

**j. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for the County portion of delinquent property taxes and loans receivable that will be recognized as inflows of resources in the subsequent year for which it was levied or when the time requirement is met.

**k. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the 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. Debt premiums and discounts are deferred and amortized over the life of the bonds. Bonds and notes payable are reported net of the applicable debt premium or discount. Debt issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

**l. Pensions**

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

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Fund Equity**

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance – Amounts that are constrained for specific purposes by action (ordinance) of the County Board. These constraints can only be removed or changed by the County Board using the same action that was used to create them.
- Assigned fund balance – Amounts that are constrained for specific purposes by action of County management. By resolution, the County Board has authorized the County Administrator and the Finance Director to assign fund balance. By practice, the County Administrator and Finance Director recommend assigned fund balances to the Finance Committee for their approval. Requests include: 1) unused funds for projects or programs that span multiple calendar years, 2) donations specifically requested to be used for veterans services, and 3) maintenance of county recreational trails.
- Unassigned fund balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County considers restricted amounts to be spent first when restricted, committed, assigned, and unassigned fund balances are available unless there are legal documents or contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the County will first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

Equity is classified as net position and displayed in three components:

- Net investment in capital assets – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.
- Restricted net position – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that is neither classified as restricted nor as net investment in capital assets.

n. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE B – STEWARDSHIP AND COMPLIANCE**

1. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to August 31, County departments, with liaison committee approval, submit their annual budget requests to the Finance Committee of the County Board for the calendar commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.
- c. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental and proprietary funds. Budget is defined as the originally approved budget plus or minus approved amendments. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
- d. During the year, formal budgetary integration is employed as a management control device for governmental and proprietary funds. The County did not adopt an annual budget for the Community Development and Public Safety Special Revenue Funds.
- e. The budget is prepared by fund and department level. The legal level of budgetary control is by appropriation unit, defined as groups of account classes within a department, including wages and benefits, operating expenses, interdepartmental charges, and capital outlay. Management can make transfers within an appropriation unit without the approval of the County Board. The amounts of the various appropriations and the purposes for such appropriations may not be changed unless authorized by two-thirds (2/3) vote of the Board, in accordance with Wis Stat. 65.90(5)(a), except that the Finance Committee may authorize expenditures, transfers, and variances without Board approval in the following circumstances:
  - Capital Outlay Reprioritizations. Upon request of a liaison committee, the Finance Committee may authorize capital outlay account expenditures for items in substitution for those budgeted, provided the expenditure does not exceed the amount budgeted for the deleted items.
  - Underfunded Appropriation Units. Upon request of a liaison committee, the Finance Committee may transfer funds between appropriation units of a department, so long as such transfers are not in excess of 10% of the funds originally provided for such department in the budget.
  - Contingency Account Transfers. The Finance Committee may, if approved by two-thirds (2/3) vote of the Committee, transfer funds from the Contingency Fund for underfunded or unbudgeted items of up to the lesser of \$25,000 or 10% of the Contingency Fund appropriation. All other transfers from the Contingency Fund may be made only by a majority vote of the County Board.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE B – STEWARDSHIP AND COMPLIANCE (Continued)**

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2017.

2. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2017 as follows:

	Wages & Benefits	Operating Expenses	Interdepartmental Charges	Debt Service Interest	Capital Outlay
<b>General Fund</b>					
<b>General Government</b>					
Treasurer	\$	\$	\$	\$	\$ 121,654
Medical Examiner	4,476	3,247	676		
County Board			306		
Clerk of Courts		214,418			
District Attorney		24,719			
Building Services	3,643				
Human Resources			132		
Non-Departmental				412	
Corporation Counsel		5,492	3,884		
<b>Public Safety</b>					
Sheriff	344,927	76,801	8,612		
<b>Resources and Development</b>					
Planning and Conservation		110,847	46,192	715	
<b>Education</b>					
U.W. Extension			8,039		
<b>Special Revenue Funds</b>					
<b>Public Health and Human Services</b>					
Community Programs	44,132				
Elder Services		8,489	1,270		
Public Health		7,230			
Economic Support	3,385				
Administration			162,033		550
<b>Debt Service Fund</b>					
Interest and other charges				100,082	
<b>Capital Project Fund</b>					
Capital					4,722,445

The above excess expenditures were funded using favorable revenue variances and other favorable expenditure variances.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE B – STEWARDSHIP AND COMPLIANCE (Continued)**

3. Deficit Fund Equity

The following fund had deficit fund balance as of December 31, 2017:

Fund	Deficit Fund Balance
Capital Projects	\$ 1,129,592

The County anticipates funding the above deficit from future revenues from the fund or from resources available in the General Fund

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS**

1. Cash and Investments

The County maintains cash and investment accounts, including pooled funds that are available for use by all funds. Each fund’s portion of these accounts is displayed in the financial statements as “Cash and investments”.

The County maintains its own investment policy which is in accordance with Wisconsin State Statutes. State statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of Wisconsin governmental units, time deposits with maturities of less than three years in any financial institution in Wisconsin, the State of Wisconsin Local Government Investment Pool, any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency, securities of an open-end management investment company or investment trust subject to various conditions and investment options and repurchase agreements with public depositories, with certain conditions. The County’s adopted investment policy is more restrictive than the state statutes in that it limits money market funds to maturities of less than one year and corporate debt obligations to 20% of total investible assets and/or 5% of total investible assets with any one corporate issuer.

The carrying amount of the County’s cash and investments totaled \$52,573,205 at December 31, 2017 as summarized below:

Petty cash funds	\$ 14,690
Deposits with financial institutions	6,700,471
Investments	
Repurchase agreements	8,962,985
Certificates of deposit	5,328,150
Federal agency securities	19,462,897
Municipal bonds	7,520,191
Wisconsin local government investment pool	<u>4,583,821</u>
Total	<u>\$ 52,573,205</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$51,511,748
Fiduciary Fund Statement of Net Position	
Cash and investments	<u>1,061,457</u>
Total	<u>\$52,573,205</u>

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the specific risks and the County’s policy related to the risk.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The County does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Also the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of December 31, 2017, \$6,590,796 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On December 31, 2017, the County held repurchase agreement investments in the amount of \$8,962,985 of which the underlying securities are held by the investment's counter party, not in the name of the County.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	Rating as of Year End			
			AAA	AA	A	Not Rated
Federal Home Loan Bank	\$ 6,785,635	\$	\$ 6,785,635	\$	\$	\$
Federal Farm Credit Bank	7,062,725		7,062,725			
Federal Home Loan Mortgage Corp	2,698,215		2,698,215			
Federal National Mortgage Association	2,184,478		2,184,478			
Government National Mortgage Association	731,844		731,844			
Certificates of deposit	5,328,150					5,328,150
Municipal bonds	7,520,191		623,818	6,751,480	144,893	
Wisconsin Local Government Investment Pool	4,583,821					4,583,821
<b>Totals</b>	<b>\$ 36,895,059</b>	<b>\$</b>	<b>\$ 20,086,715</b>	<b>\$ 6,751,480</b>	<b>\$ 144,893</b>	<b>\$ 9,911,971</b>

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total County investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Investments
Federal Home Loan Bank	Federal agency securities	\$ 6,785,635	14.80%
Federal Farm Credit Bank	Federal agency securities	7,062,725	15.40%
Federal Home Loan Mortgage Corp	Federal agency securities	2,698,215	5.88%
State of Wisconsin	Municipal bond	2,983,699	6.51%
Government National Mortgage Association	Repurchase Agreement	8,962,985	19.55%

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County’s investment portfolio is structured to provide a high total return giving consideration to risk and necessary availability of funds.

Information about the sensitivity of the fair values of the County’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County’s investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Bank	\$ 6,785,635		\$	\$ 2,194,245	\$ 4,591,390
Federal Farm Credit Bank	7,062,725		986,920	4,374,160	1,701,645
Federal Home Loan Mortgage Corp	2,698,215			1,215,710	1,482,505
Federal National Mortgage Association	2,184,478	746,298		1,438,180	
Government National Mortgage Association	731,844				731,844
Certificates of deposit	5,328,150	1,244,138	1,239,119	2,601,159	243,734
Municipal bonds	7,520,191	555,089	2,310,786	1,177,043	3,477,273
Wisconsin Local Government Investment Pool	4,583,821	4,583,821			
Repurchase agreements	8,962,985	8,962,985			
<b>Totals</b>	<b>\$ 45,858,044</b>	<b>\$ 16,092,331</b>	<b>\$ 4,536,825</b>	<b>\$ 13,000,497</b>	<b>\$ 12,228,391</b>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The County’s investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above):

Highly Sensitive Instruments	Fair Value at Year End
Federal Home Loan Bank	\$ 6,785,635
Federal Farm Credit Bank	7,062,725
Federal Home Loan Mortgage Corp	2,698,215
Federal National Mortgage Association	2,184,478
Government National Mortgage Association	731,844



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Investment in Wisconsin Local Government Investment Pool

The County has investments in the Wisconsin local government investment pool of \$4,583,821 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day’s notice. At December 31, 2017, the fair value of the County’s share of the LGIP’s assets was substantially equal to the carrying value.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following fair value measurements as of December 31, 2017:

Investments	Fair Value Measurements Using :		
	Level 1	Level 2	Level 3
Federal Agency Securities	\$	\$ 19,462,897	\$
Certificate of Deposit		5,328,150	
Municipal Bonds		7,520,191	
Total investments by fair value level	\$	\$ 32,311,238	\$

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred inflow of resources at year-end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's general fund in accordance with state statutes in order to provide the County with a statutory lien.

Property taxes recorded on December 31, 2017 for collection in 2018 are for the following:

County apportionment	\$ 48,521,152
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The above County apportionment of \$48,521,152 is for financing 2018 operations and will be transferred in 2018 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Delinquent Property Taxes – General Fund

Delinquent property taxes of the general fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

On December 31, 2017, the County’s general fund showed an investment of \$1,591,648 in delinquent tax certificates. An aging of the delinquent taxes certificates follows:

Year Acquired	Total	County Share	County Purchased
2017	\$ 920,419	\$ 230,105	\$ 690,314
2016	482,995	120,266	362,729
2015	154,671	37,585	117,086
2014	16,609	3,903	12,706
2013	7,726	1,808	5,918
2012	5,588	1,291	4,297
2011	2,267	521	1,746
2010	1,025	237	788
2009	2	-	2
2008	174	43	131
2007	172	45	127
Delinquent property taxes at December 31, 2017	<u>\$ 1,591,648</u>	395,804	1,195,844
Less 60 day collections after December 31, 2017		<u>79,543</u>	<u>240,845</u>
County Share of Taxes		316,261	
Interest accrued		<u>448,580</u>	
Deferred Inflow of Resources		<u>\$ 764,841</u>	
Nonspendable Fund Balance (purchased equities of state and local governments)			<u>\$ 954,999</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

4. Loans Receivable

The County's general fund has the following loans receivable detailed as follows:

\$72,609 issued 12/15/2016 to the Bay-Lake Regional Planning Commission. \$8,311 due annually through 2026, interest 3.0%.	\$	64,710
\$17,459 issued 12/22/2016 to the Village of Kohler, Wisconsin. \$3,616 due annually through 2021, interest 1.7%.		13,868
\$2,264 issued 12/22/2016 to the Village of Adell, Wisconsin. \$469 due annually through 2021, interest 1.7%.		1,798
\$20,125 issued 06/30/2017 to the Village of Howards Grove, Wisconsin. \$4,198 due annually through 2022, interest 1.7%.		20,125
\$1,295,500 issued 12/12/2017 to Tecumseh Products Company. Approximately \$37,336 due quarterly through 2027, interest adjusted quarterly to the Long-Term Applicable Federal Rate		1,295,500
Total Outstanding Loans Receivable	\$	1,396,001

Annual principal and interest maturities of the above outstanding loans receivable of \$1,396,001 are detailed below:

Year Ended December 31	Principal	Interest	Total
2018	\$127,841	\$38,095	\$165,938
2019	131,270	34,666	165,938
2020	134,967	30,969	165,938
2021	138,769	27,167	165,938
2022	138,595	23,257	161,853
2023	138,350	19,305	157,655
2024	142,344	15,310	157,655
2025	146,453	11,201	157,655
2026	150,681	6,973	157,655
2027	146,729	2,623	149,344
	\$1,396,001	\$209,567	\$1,605,569

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 15,529,788	\$ 72,724	\$ 149,338	\$ 15,453,174
Construction in progress	2,627,336	26,638,486	5,615,468	23,650,354
Total capital assets, not being depreciated	18,157,124	26,711,210	5,764,806	39,103,528
Capital assets, being depreciated				
Buildings	70,035,313	677,578	1,000,904	69,711,987
Improvements other than buildings	11,627,890	83,311	65,000	11,646,201
Infrastructure	128,480,877	3,082,929	521,801	131,042,005
Machinery and equipment	18,280,129	2,202,657	738,221	19,744,565
Office furniture and equipment	30,818,109	1,023,767	1,763,515	30,078,361
Vehicles	13,256,855	1,165,677	682,471	13,740,061
Subtotals	272,499,173	8,235,919	4,771,912	275,963,180
Less accumulated depreciation for:				
Buildings	(46,838,887)	(1,979,199)	818,350	(47,999,736)
Improvements other than buildings	(8,548,604)	(334,198)	65,000	(8,817,802)
Infrastructure	(55,483,742)	(4,786,522)	517,279	(59,752,985)
Machinery and equipment	(12,410,073)	(679,938)	626,257	(12,463,754)
Office furniture and equipment	(19,075,248)	(1,573,599)	1,722,685	(18,926,162)
Vehicles	(8,216,670)	(900,149)	407,663	(8,709,156)
Subtotals	(150,573,224)	(10,253,605)	4,157,234	(156,669,595)
Total capital assets, being depreciated, net	121,925,949	(2,017,686)	614,678	119,293,585
Governmental activities capital assets, net	\$ 140,083,073	\$ 24,693,524	\$ 6,379,484	158,397,113
Less related long-term debt outstanding				36,671,476
Net investment in capital assets				<u>\$ 121,725,637</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 31,750	\$	\$	\$ 31,750
Capital assets, being depreciated:				
Buildings	15,480,124	278,913	63,492	15,695,545
Improvements other than buildings	624,035			624,035
Machinery and equipment	4,729,733	221,644	566,397	4,384,980
Office furniture and equipment	832,398	168,809	31,408	969,799
Vehicles	163,721			163,721
Subtotals	21,830,011	669,366	661,297	21,838,080
Less accumulated depreciation for:				
Buildings	(8,654,524)	(417,898)	63,492	(9,008,930)
Improvements other than buildings	(432,090)	(20,819)		(452,909)
Machinery and equipment	(4,420,300)	(71,496)	566,397	(3,925,399)
Office furniture and equipment	(753,873)	(24,916)	31,408	(747,381)
Vehicles	(117,553)	(19,737)		(137,290)
Subtotals	(14,378,340)	(554,866)	661,297	(14,271,909)
Total capital assets, being depreciated, net	7,451,671	114,500		7,566,171
Business-type activities capital assets, net	<u>\$ 7,483,421</u>	<u>\$ 114,500</u>	<u>\$</u>	<u>7,597,921</u>
Less related long-term debt outstanding				
Investment in capital assets				<u>\$ 7,597,921</u>

Depreciation expense was charged to functions/programs of the County as follows:

<b>Governmental activities:</b>	
General government	\$ 985,137
Public safety	2,201,219
Public works	4,847,680
Public health and human services	273,877
Resources and development	237,137
Education	565,029
Total depreciation expense – governmental activities	9,110,079
Capital assets held by the County’s internal service funds are charged to various functions based on their usage of the assets	<u>1,143,526</u>
Total depreciation expense – governmental activities	<u>\$10,253,605</u>
<b>Business-type activities:</b>	
Rocky Knoll	<u>\$ 554,866</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Construction Commitment

The County has several unfinished construction projects in progress as of December 31, 2017. Major projects include construction of a transportation complex and courthouse entrance and security upgrades. At year-end the County had contracts outstanding for work to be done of \$2,317,440. A combination of general obligation bonds, fund balance, and intergovernmental revenue are financing these projects.

6. Interfund Transfers

Interfund transfers for the year ended December 31, 2017 were as follows:

	Transfer to:			Total
	General Fund	Debt Service	Capital Projects	
Transfers from:				
General Fund	\$	\$ 186,733	\$ 2,627,120	\$ 2,813,853
Public Health and Human Services	734,705			734,705
Transportation Fund	584,408	415,592	1,250,000	2,250,000
Governmental Activities - Internal Service Funds	2,992		2,026,514	2,029,506
	\$ 1,322,105	\$ 602,325	\$ 5,903,634	\$ 7,828,064

Transfers are used to move unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2017:

	Outstanding 1/1/2017	Issued	Retired	Outstanding 12/31/2017	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Bonds	\$ 6,130,000	\$	\$ 2,235,000	\$ 3,895,000	\$ 2,265,000
Notes	26,600,000	10,000,000	3,710,000	32,890,000	4,380,000
Total general obligation debt	32,730,000	10,000,000	5,945,000	36,785,000	6,645,000
Capital leases	11,094		6,546	4,548	4,548
Bond premiums	1,225,483	281,725	249,914	1,257,294	258,025
Compensated absences	5,965,772	3,444,826	3,783,308	5,627,290	105,477
Governmental activities long-term obligations	<u>\$ 39,932,349</u>	<u>\$ 13,726,551</u>	<u>\$ 9,984,768</u>	<u>\$ 43,674,132</u>	<u>\$ 7,013,050</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 703,561	\$ 686,594	\$ 662,769	\$ 727,386	\$ 13,065
Business-type activities long-term obligations	<u>\$ 703,561</u>	<u>\$ 686,594</u>	<u>\$ 662,769</u>	<u>\$ 727,386</u>	<u>\$ 13,065</u>

Total interest paid during the year on long-term debt totaled \$964,654.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Amount
<b>Refunding bonds:</b>	
\$3,455,000 - Series 2010, various amounts due through May 1, 2019; interest 2.87% to 3.42%	\$ 995,000
\$2,265,000 - Series 2014, various amounts due through December 1, 2019; interest 2%	935,000
\$3,265,000 - Series 2016, various amounts due through May 1, 2019; interest 2%	1,965,000
	3,895,000
<b>Notes:</b>	
\$6,385,000 - Series 2010, issued under the Build America Bond Program, various amounts due through May 1, 2020; interest 3.10% to 3.85%	2,510,000
\$9,590,000 - Series 2013, various amounts due through May 1, 2018; interest 2%	790,000
\$14,575,000 - Series 2014, various amounts due through May 1, 2023; interest 3% to 4%	10,890,000
\$9,500,000 - Series 2015, various amounts due through May 1, 2025; interest 2% to 3%	8,700,000
\$10,000,000 - Series 2017, various amounts due through May 1, 2027; interest 2% to 3%	10,000,000
	32,890,000
Total outstanding general obligation debt	\$ 36,785,000

The annual principal and interest payments on general obligation debt as of December 31, 2017, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2018	\$ 6,645,000	\$ 961,608
2019	6,175,000	800,042
2020	4,665,000	643,134
2021	4,030,000	512,175
2022	4,150,000	391,725
2023	4,280,000	261,050
2024	2,295,000	157,150
2025	2,360,000	87,325
2026	1,080,000	39,775
2027	1,105,000	13,813
	\$ 36,785,000	\$ 3,867,797

For governmental activities, other long-term liabilities are generally funded by the general fund.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Build America Bond

The general obligation debt issued on November 9, 2010 qualifies as Build America Bonds, as described in Section 54AA of the Internal Revenue Code. The interest on the debt is taxable as set forth in the regulations. The County is eligible to receive a 35% subsidy of the annual interest payment from the Federal government. In order to receive this subsidy it is necessary for the County to file a claim form semi-annually.

Capital Lease

In prior years, the County acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital leases is \$26,512 and is presented in the capital assets in the governmental activities. The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Vehicle	\$ 26,512
Less Accumulated Depreciation	(21,964)
Total	\$ 4,548

The annual principal and interest maturities are as follows:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2018	\$ 4,548	\$ 294	\$ 4,842

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2017 was \$425,201,388 as follows:

Equalized valuation of the County		\$ 9,228,846,100
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		461,442,305
Total outstanding general obligation debt applicable to debt limitation	\$ 36,785,000	
Less: Amount available for financing general obligation debt		
Debt service fund	544,083	
Net outstanding general obligation debt applicable to debt limitation		36,240,917
Legal Margin for New Debt		\$ 425,201,388

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

8. Fund Equity

The County has a formal minimum fund balance policy. That policy is to maintain a general fund unassigned fund balance of 5% to 10% of total county expenditures, less capital project and transportation fund expenditures. The unassigned fund balance at year end was \$16,185,605 or 13% of 2018 anticipated expenditures. County policy also indicates that the general fund unassigned fund balance be maintained at a minimum of 15% and a maximum of 30% of total governmental fund expenditures less capital project and transportation fund expenditures. The general fund unassigned fund balance at year end was 20% of the total governmental fund expenditures (excluding capital project and transportation fund expenditures).

Fund Statements

In the fund financial statements, portions of governmental fund balances are nonspendable because amounts are not in spendable form (such as inventory, prepaid items, or long-term receivables) or legally or contractually required to remain intact. At December 31, 2017 fund balance was nonspendable as follows:

General Fund	
Nonspendable	
Prepays and inventory	\$ 50,184
Delinquent property taxes	<u>954,999</u>
Total	<u>\$1,005,183</u>

Also in the fund financial statements, portions of governmental fund balances are restricted by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation. At December 31, 2017 fund balance was restricted as follows:

General Fund	
Restricted	
Jail assessment fees	\$224,310
Land record fees	<u>566,932</u>
Total	<u>\$791,242</u>
Debt Service Fund	
Restricted	
Debt Service	<u>\$ 544,084</u>
Community Development Fund	
Restricted	
Community development	<u>\$ 986,234</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Also in the fund financial statements portions of governmental fund balances are committed by County Board action. At December 31, 2017 fund balance was committed as follows:

General Fund	
Committed	
UW Extension funds	\$ 21,769
County airport funds	91,036
Planning and conservation programs	<u>47,207</u>
Total	<u>\$160,012</u>
 Transportation Fund	
Committed	
Transportation	<u>\$3,140,569</u>

Also in the fund financial statements portions of governmental fund balances are assigned by County Board action. At December 31, 2017 fund balance was assigned as follows:

General Fund	
Assigned	
Subsequent years' expenditures	\$472,916
Veterans Services programs	8,211
Planning and conservation programs	200,194
Capital Projects 2018 fund balance usage	<u>2,663,553</u>
Total	<u>\$ 3,344,874</u>
 Public Health and Human Services –	
Assigned	
Public health and human services programs	<u>\$680,216</u>
 Public Safety Fund	
Assigned	
Sheriff equipment funds	<u>\$39,501</u>

9. Airport Leases

The County oversees the overall operation of the airport and is lessor of the facility under various operating leases for periods ranging from 2017 through 2057. Although some operating leases extend as far as 2057, rates are re-negotiated annually. The table below represents the current annual negotiated rates by tenant category.

Industrial & commercial	\$ 83,055
Individual	21,625
Agricultural	<u>24,282</u>
	<u>\$128,962</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

10. Pension Plan

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (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.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR) which can be found at <http://etf.wi.gov/publications/cafr.htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

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

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and & Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period ending December 31, 2016, the WRS recognized \$2,756,258 in contributions from the County.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2017, the County reported a liability of \$2,364,373 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the County's proportion was 0.2868554%, which was a decrease of 0.00125191% from its proportion measured as of December 31, 2015.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

For the year ended December 31, 2017, the County recognized pension expense of \$ 6,142,392.

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 901,536	\$ 7,435,750
Net differences between projected and actual earnings on pension plan investments	11,769,102	
Changes in assumptions	2,472,044	
Changes in proportion and differences between employer contributions and proportionate share of contributions	175,262	
Employer contributions subsequent to the measurement date	2,976,072	
Total	<u>\$ 18,294,016</u>	<u>\$ 7,435,750</u>

\$2,976,072 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	Expense
2017	\$ 3,193,862
2018	3,193,862
2019	2,182,411
2020	(692,593)
2021	4,652
Total	<u>\$ 7,882,194</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

Actuarial Assumption

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

**Retirement Funds**

**Asset Allocation Targets and Expected Returns**

As of December 31, 2016

<u>Core Fund Asset Class</u>	Asset <u>Allocation %</u>	Destination Target Asset <u>Allocation %</u>	Long-Term Expected Nominal <u>Rate of Return %</u>	Long-Term Expected Real <u>Rate of Return %</u>
International Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5%	37%	4.2%	1.4%
Inflation Sensitive Assets	15.5%	20%	4.3%	1.5%
Real Estate	8%	7%	6.5%	3.6%
Private Equity/Debt	8%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
 <u>Variable Fund Asset Class</u>				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

*Single Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension liability (asset)	\$ 31,104,848	\$ 2,364,373	\$ (19,767,094)

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)**

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the WRS

At December 31, 2017 the County reported a payable of \$371,594 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE D – OTHER INFORMATION**

1. Risk Management

The County maintains an insurance program to safeguard its financial security by protecting its human, financial and property assets from the adverse impact of loss. Various techniques and programs are utilized to reduce the possibility of a loss from occurring and manage the adverse consequences should an event occur resulting in a loss, including safety and loss control practices, contractual risk transfer, self-insurance funding and the purchase of insurance.

Public Entity Risk Pool

During 1987, the County together with other counties in the State of Wisconsin, created the Wisconsin County Municipal Mutual Insurance Company (WCMIC), to provide liability insurance to its members. WCMIC also provides bodily and personal injury, and errors and omissions coverage for the County. WCMIC is governed by one entity-one vote and includes counties of varying size. Only member entities participate in governing WCMIC. The actuary for WCMIC determines the charge per \$1,000 of ratable governmental expenditures required to pay the expected losses and loss adjustment expenses on which premiums are based. The County's self-insured retention limit is \$250,000 aggregate.

Claims Liability - WCMIC	2016	2017
Liability, beginning of year	\$ 123,883	\$ 58,616
Current year claims and changes in estimates	(26,997)	35,594
Claim payments	(38,270)	(31,546)
Liability, end of year	<u>\$ 58,616</u>	<u>\$ 62,664</u>

Self-Insurance – Worker's Compensation

The County has also established a program for worker's compensation. All funds of the County participate in this program. Worker's Compensation is part of the Insurance Internal Service Fund and is maintained to provide for self-insured worker's compensation insurance coverage and employee safety and loss control programs. The County contracts with a third party claims administrator for the purpose of adjudicating worker's compensation claims. The County's excess insurance policy covers individual claims in excess of \$500,000. Settled claims have not exceeded the \$500,000 in any of the past four years. Costs associated with the worker's compensation program are billed to other County departments based on actual wages and include amounts necessary to fund current and prior year claims to be paid in the current year and in the future.

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

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE D – OTHER INFORMATION (Continued)**

Self-Insurance – Health and Dental Coverage

The County has also established a self-insurance program for health and dental claims. Claims are accounted for in the Insurance Internal Service Fund, and are processed by a third party claims administrator.

In 2016, Sheboygan County became a member of the Wisconsin County Associations/Group Health Trust (WCA/GHT), a third party claims administrator. Sheboygan County pays fees to the Group Health Trust (GHT) for the administration of the health insurance plan. As a participating member, Sheboygan County is not liable for the incurred but reported claims under the GHT plan.

WCA/GHT purchased stop-loss insurance for individual health insurance claims in excess of \$370,000. In addition, the health insurance claim payments shown below include self-funded dental payments of \$746,899.

All funds of the County participate in the health care coverage program. Amounts payable to the Insurance Internal Service Fund are based on estimates of the amounts necessary to pay prior and current year claims.

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

Claims Liability	2016	2017
Liabilities, beginning of year	\$ 1,625,000	\$ 297,319
Current year claims and changes in estimates	11,551,112	12,018,533
Claims payments	(12,878,793)	(12,027,607)
Liabilities, end of year	<u>\$ 297,319</u>	<u>\$ 288,246</u>

2. Contingencies

- a. The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.
- b. From time to time, the County is party to other various pending claims and legal proceeding. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operation.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2017**

**NOTE D – OTHER INFORMATION (Continued)**

3. Tax Levy Limit

Wisconsin Act 25 imposed a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period effective July 27, 2005. Subsequent legislation has extended the levy limit through 2017. The current law limits the increase in the maximum allowable tax levy to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2018 budget was 1.72%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, the Act allows the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

4. Subsequent Event

On December 19, 2017 the County Board authorized the issuance of \$6,680,000 of General Obligation Promissory Notes, dated January 10, 2018. The notes will be used to finance part of the cost of capital improvements within the County.

5. Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Schedule of Proportionate Share of the Net Pension Liability (Asset)**  
**Wisconsin Retirement System**  
**Last 10 Fiscal Years\***

Fiscal year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll (plan year)	Plan fiduciary net position as a percentage of the total pension liability (asset)
2015	0.292189%	\$ 7,176,953	\$ 38,151,964	102.74%
2016	0.288107%	\$ 4,681,689	\$ 38,308,649	98.20%
2017	0.286855%	\$ 2,364,373	\$ 39,654,337	99.12%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The County is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

See Notes to Required Supplementary Information

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Schedule of Contributions**  
**Wisconsin Retirement System**  
**Last 10 Fiscal Years\***

Fiscal year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll (fiscal year)	Contributions as a percentage of covered-employee payroll
2015	\$ 2,740,719	\$ 2,740,719	\$ -	\$ 38,308,649	7.15%
2016	\$ 2,756,258	\$ 2,756,258	\$ -	\$ 39,654,337	6.95%
2017	\$ 2,976,072	\$ 2,976,072	\$ -	\$ 40,662,448	7.32%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The County is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

See Notes to Required Supplementary Information



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to Required Supplementary Information**  
**December 31, 2017**

**NOTE A – WISCONSIN RETIREMENT**

There were no changes of benefit terms or assumptions for any participating employer in WRS.

## **SUPPLEMENTARY INFORMATION**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for the proceeds from specific revenue sources that are legally restricted to expenditures for specific purposes.

Public Safety – To account for donation and certain asset sales restricted for public safety improvements.

Community Development – To account for funds used to create business start-up or expansion. Repayments of approved loans go back into this fund to allow for future loans.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Balance Sheet**  
**NonMajor Governmental Funds**  
**December 31, 2017**

Special Revenue Funds		Total NonMajor Governmental Funds
Public Safety	Community Development	

**Assets**

Cash and investments	\$ 39,501	\$ 986,234	\$ 1,025,735
Receivables			
Loans		622,899	622,899
<b>Total Assets</b>	<b>\$ 39,501</b>	<b>\$ 1,609,133</b>	<b>\$ 1,648,634</b>

**Deferred Inflows of Resources and Fund Balances**

Deferred Inflows of Resources			
Loans receivable	\$	\$ 622,899	\$ 622,899
Fund Balances			
Restricted		986,234	986,234
Assigned	39,501		39,501
<b>Total Fund Balances</b>	<b>39,501</b>	<b>986,234</b>	<b>1,025,735</b>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 39,501</b>	<b>\$ 1,609,133</b>	<b>\$ 1,648,634</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - NonMajor Governmental Funds**  
**For the Year Ended December 31, 2017**

	<b>Special Revenue Funds</b>		<b>Total NonMajor Governmental Funds</b>
	<b>Public Safety</b>	<b>Community Development</b>	
<b>Revenues</b>			
Miscellaneous	\$ 135,636	\$ 301,892	\$ 437,528
<b>Expenditures</b>			
Current:			
Public safety	133,470		133,470
Resources and development		77,836	77,836
<b>Total Expenditures</b>	133,470	77,836	211,306
<b>Excess of revenues over expenditures</b>	2,166	224,056	226,222
<b>Net change in fund balances</b>	2,166	224,056	226,222
<b>Fund balances, January 1</b>	37,335	762,178	799,513
<b>Fund balances, December 31</b>	\$ 39,501	\$ 986,234	\$ 1,025,735

## **Debt Service Fund**

Debt Service funds account for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

**COUNTY OF SHEBOYGAN, WI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 5,194,825	\$ 5,194,825	\$ 5,194,825	\$
Miscellaneous	553,954	553,954	550,450	(3,504)
<b>Total Revenues</b>	<b>5,748,779</b>	<b>5,748,779</b>	<b>5,745,275</b>	<b>(3,504)</b>
<b>EXPENDITURES</b>				
Principal	5,945,000	5,945,000	5,945,000	
Interest and other charges	1,001,900	1,001,900	1,101,982	(100,082)
<b>Total Expenditures</b>	<b>6,946,900</b>	<b>6,946,900</b>	<b>7,046,982</b>	<b>(100,082)</b>
<b>Deficiency of revenues under expenditures</b>	<b>(1,198,121)</b>	<b>(1,198,121)</b>	<b>(1,301,707)</b>	<b>(103,586)</b>
<b>Other Financing Sources</b>				
Premium on long-term debt issued			281,725	281,725
Transfer in	602,325	602,325	602,325	
<b>Total Other Financing Sources</b>	<b>602,325</b>	<b>602,325</b>	<b>884,050</b>	<b>281,725</b>
<b>Net Change in Fund Balance</b>	<b>\$ (595,796)</b>	<b>\$ (595,796)</b>	<b>\$ (417,657)</b>	<b>\$ 178,139</b>

## **Capital Project Funds**

Capital project funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities.



**COUNTY OF SHEBOYGAN, WI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Projects**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,789,000	\$ 2,789,000	\$	\$ (2,789,000)
Miscellaneous	87,500	87,500	77,519	(9,981)
<b>Total Revenues</b>	<u>2,876,500</u>	<u>2,876,500</u>	<u>77,519</u>	<u>(2,798,981)</u>
<b>EXPENDITURES</b>				
Capital outlay	18,733,620	18,733,620	23,456,065	(4,722,445)
<b>Deficiency of revenues under expenditures</b>	<u>(15,857,120)</u>	<u>(15,857,120)</u>	<u>(23,378,546)</u>	<u>(7,521,426)</u>
<b>Other Financing Sources</b>				
Long-term debt issued	10,000,000	10,000,000	10,000,000	
Transfer in	5,857,120	5,857,120	5,903,634	46,514
<b>Total Other Financing Sources</b>	<u>15,857,120</u>	<u>15,857,120</u>	<u>15,903,634</u>	<u>46,514</u>
<b>Net Change in Fund Balance</b>	<u>\$</u>	<u>\$</u>	<u>\$ (7,474,912)</u>	<u>\$ (7,474,912)</u>

## **Transportation Fund**

The transportation fund is used to account for financial resources to be used for the acquisition or construction of major transportation related capital facilities and related assets.

**COUNTY OF SHEBOYGAN, WI**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Transportation**  
**For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
County Sales Tax	\$ 6,750,000	\$ 6,750,000	\$ 9,390,860	\$ 2,640,860
<b>EXPENDITURES</b>				
Public Works:				
Capital Outlay	3,000,000	3,000,000	2,500,289	499,711
Sales Tax Distribution	1,500,000	1,500,000	1,500,002	(2)
<b>Total Expenditures</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,000,291</b>	<b>499,709</b>
<b>Excess of revenues over expenditures</b>	<b>2,250,000</b>	<b>2,250,000</b>	<b>5,390,569</b>	<b>3,140,569</b>
<b>Other Financing Uses</b>				
Transfer out	(2,250,000)	(2,250,000)	(2,250,000)	
<b>Net Change in Fund Balance</b>	<b>\$</b>	<b>\$</b>	<b>\$ 3,140,569</b>	<b>\$ 3,140,569</b>

## **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis.

Employee Benefits & Insurance – To account for costs associated with the County’s self-insured employee benefits and property insurance funds.

Information Technology & Printing – To account for costs associated with providing hardware, software and printing services to other county departments and other governments.

Highway – To account for costs associated with providing street and highway maintenance to other governments and maintenance of county parking lots and recreational trails.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2017**

<b>Governmental Activities - Internal Service Funds</b>				
	<b>Employee Benefits &amp; Insurance</b>	<b>Information Technology &amp; Printing</b>	<b>Highway</b>	<b>Total</b>
<b>Assets</b>				
Current assets				
Cash and investments	\$ 8,822,653	\$ 1,160,569	\$ 1,786,118	\$ 11,769,340
Receivables (net)				
Taxes			2,971,401	2,971,401
Accounts	120	5,318	29,054	34,492
Due from external parties		466	747,878	748,344
Prepays and inventory	16,394	181,315	1,505,378	1,703,087
<b>Total Current Assets</b>	<b>8,839,167</b>	<b>1,347,668</b>	<b>7,039,829</b>	<b>17,226,664</b>
Noncurrent assets				
Capital assets, nondepreciable				
Land			3,095,083	3,095,083
Capital assets, depreciable				
Buildings		246,591	3,374,138	3,620,729
Land improvements		35,701	772,733	808,434
Machinery and equipment	5,700	66,089	13,954,408	14,026,197
Office furniture and equipment		4,559,223	24,855	4,584,078
Vehicles		17,149	10,126,871	10,144,020
Less Accumulated depreciation	(5,700)	(4,183,245)	(19,142,326)	(23,331,271)
<b>Total Noncurrent Assets</b>		<b>741,508</b>	<b>12,205,762</b>	<b>12,947,270</b>
<b>Total Assets</b>	<b>8,839,167</b>	<b>2,089,176</b>	<b>19,245,591</b>	<b>30,173,934</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension		209,064	2,265,743	2,474,807
<b>Liabilities</b>				
Current liabilities				
Accounts payable	20,379	31,468	14,343	66,190
Accrued and other current liabilities	971,989			971,989
Accrued compensation		35,031	377,905	412,936
Current maturities of long-term obligations			17,364	17,364
<b>Total Current Liabilities</b>	<b>992,368</b>	<b>66,499</b>	<b>409,612</b>	<b>1,468,479</b>
Noncurrent liabilities				
Long-term obligations		95,869	545,779	641,648
Net pension liability		26,898	295,979	322,877
<b>Total Noncurrent Liabilities</b>		<b>122,767</b>	<b>841,758</b>	<b>964,525</b>
<b>Total Liabilities</b>	<b>992,368</b>	<b>189,266</b>	<b>1,251,370</b>	<b>2,433,004</b>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for subsequent year			2,971,401	2,971,401
Deferred inflows related to pension		84,440	930,828	1,015,268
<b>Total Deferred Inflows of Resources</b>		<b>84,440</b>	<b>3,902,229</b>	<b>3,986,669</b>
<b>Net Position</b>				
Investment in capital assets		741,508	12,205,762	12,947,270
Unrestricted	7,846,799	1,283,026	4,151,973	13,281,798
<b>Total Net Position</b>	<b>\$ 7,846,799</b>	<b>\$ 2,024,534</b>	<b>\$ 16,357,735</b>	<b>\$ 26,229,068</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Employee Benefits &amp; Insurance</b>	<b>Information Technology &amp; Printing</b>	<b>Highway</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for services	\$ 13,527,978	\$ 2,153,253	\$ 12,533,166	\$ 28,214,397
Miscellaneous operating revenue	271,998	3,128	32,700	307,826
<b>Total Operating Revenues</b>	<b>13,799,976</b>	<b>2,156,381</b>	<b>12,565,866</b>	<b>28,522,223</b>
<b>Operating Expenses</b>				
Operation and maintenance	13,621,758	2,023,274	16,718,749	32,363,781
Depreciation		129,296	1,014,230	1,143,526
<b>Total Operating Expenses</b>	<b>13,621,758</b>	<b>2,152,570</b>	<b>17,732,979</b>	<b>33,507,307</b>
<b>Operating Income (Loss)</b>	<b>178,218</b>	<b>3,811</b>	<b>(5,167,113)</b>	<b>(4,985,084)</b>
<b>Nonoperating revenues (expenses)</b>				
Intergovernmental contracts/grants			3,044,134	3,044,134
Property tax appropriation			3,821,378	3,821,378
Rental income	67,022		3,612	70,634
Gain on disposal of capital assets			876,229	876,229
<b>Total nonoperating revenues (expenses)</b>	<b>67,022</b>		<b>7,745,353</b>	<b>7,812,375</b>
<b>Income before contributions and transfers</b>	<b>245,240</b>	<b>3,811</b>	<b>2,578,240</b>	<b>2,827,291</b>
Capital contributions - County		271,104	66,795	337,899
Transfers Out			(2,029,506)	(2,029,506)
<b>Change in net position</b>	<b>245,240</b>	<b>274,915</b>	<b>615,529</b>	<b>1,135,684</b>
<b>Net Position - January 1</b>	<b>7,601,559</b>	<b>1,749,619</b>	<b>15,742,206</b>	<b>25,093,384</b>
<b>Net Position - December 31</b>	<b>\$ 7,846,799</b>	<b>\$ 2,024,534</b>	<b>\$ 16,357,735</b>	<b>\$ 26,229,068</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

<b>Governmental Activities - Internal Service Funds</b>				
<b>Employee Benefits &amp; Insurance</b>	<b>Information Technology &amp; Printing</b>	<b>Highway</b>	<b>Total</b>	
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 113,955	\$ 43,641	\$ 5,862,852	\$ 6,020,448
Receipts from interfund services provided	11,122,449	2,107,957	6,637,302	19,867,708
Other operating cash receipts	2,617,343	3,128	61,356	2,681,827
Payments to suppliers	(715,605)	(1,300,699)	(8,734,019)	(10,750,323)
Other sources of cash	18,697	22,701	379,488	420,886
Payments to employees	(12,865,332)	(615,142)	(6,571,543)	(20,052,017)
Payments for interfund services used	(27,017)	(118,288)	(1,844,947)	(1,990,252)
Net cash provided (used) by operating activities	264,490	143,298	(4,209,511)	(3,801,723)
<b>Cash flows from noncapital financing activities</b>				
Intergovernmental contracts/grants			3,044,134	3,044,134
Property tax appropriation received			3,821,378	3,821,378
Transfer out			(2,029,506)	(2,029,506)
Net cash provided by financing activities			4,836,006	4,836,006
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets			1,133,087	1,133,087
Purchases of capital assets		(28,410)	(1,345,392)	(1,373,802)
Net cash used by capital and related financing activities		(28,410)	(212,305)	(240,715)
<b>Cash flows from investing activities</b>				
Rental income	67,022		3,612	70,634
Net cash provided by investing activities	67,022		3,612	70,634
Net decrease in cash and cash equivalents	331,512	114,888	417,802	864,202
Cash and cash equivalents - January 1	8,491,141	1,045,681	1,368,316	10,905,138
Cash and cash equivalents - December 31	\$ 8,822,653	\$ 1,160,569	\$ 1,786,118	\$ 11,769,340

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended December 31, 2017**

<b>Governmental Activities - Internal Service Funds</b>			
<b>Employee Benefits &amp; Insurance</b>	<b>Information Technology &amp; Printing</b>	<b>Highway</b>	<b>Total</b>

**Reconciliation of operating income (loss)  
to net cash provided (used)  
by operating activities:**

Operating income (loss)	\$ 178,218	\$ 3,811	\$ (5,167,113)	\$ (4,985,084)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation (net of amortization)		129,296	1,014,230	1,143,526
Change in pension related liabilities (assets) and deferred outflows/inflows of resources		32,441	436,031	468,472
Changes in assets and liabilities:				
Accounts receivable	53,772	(1,654)	(4,356)	47,762
Due from external parties		1,112	(343,572)	(342,460)
Prepays and inventory	54,307	(10,852)	287,029	330,484
Accounts payable and accrued expenses	13,803	(17,273)	(334,353)	(337,823)
Accrued compensated absences	(35,610)	6,417	(97,407)	(126,600)
Net cash provided (used) by operating activities	<u>\$ 264,490</u>	<u>\$ 143,298</u>	<u>\$ (4,209,511)</u>	<u>\$ (3,801,723)</u>

**Noncash investing, capital and financing activities**

Contribution of capital assets - County	\$ 271,104	\$ 66,795	\$ 337,899
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## **Agency Funds**

Clerk of Courts Fund – To account for the receipt and disbursement of court-ordered payments to third parties.

Sheriff Inmate Trust – To account for the receipt and disbursement of funds for persons incarcerated in the County jail and eligible for the Huber Law program.

Rocky Knoll Patient Fund – To account for funds deposited by patients and disbursed on their behalf at the Rocky Knoll Health Care Center.

Treasurer Trust Account – To account for collection and payment of funds deposited with the County Treasurer for burial expenses and payment of taxes to other governmental units.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Statement of Changes in Assets and Liabilities - Fiduciary Fund**  
**Agency Funds**  
**For the Year Ended December 31, 2017**

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<b>Clerk of Courts Fund</b>				
<b>Assets</b>				
Cash & investments	\$ 820,946	\$ 5,378,329	\$ 5,261,051	\$ 938,224
<b>Total Assets</b>	<u>820,946</u>	<u>5,378,329</u>	<u>5,261,051</u>	<u>938,224</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	820,946	10,970,747	10,853,469	938,224
<b>Total Liabilities</b>	<u>820,946</u>	<u>10,970,747</u>	<u>10,853,469</u>	<u>938,224</u>
<b>Sheriff Inmate Trust Fund</b>				
<b>Assets</b>				
Cash & investments	74,206	2,113,456	2,097,426	90,236
<b>Total Assets</b>	<u>74,206</u>	<u>2,113,456</u>	<u>2,097,426</u>	<u>90,236</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	74,206	2,113,456	2,097,426	90,236
<b>Total Liabilities</b>	<u>74,206</u>	<u>2,113,456</u>	<u>2,097,426</u>	<u>90,236</u>
<b>Rocky Knoll Patient Fund</b>				
<b>Assets</b>				
Cash & investments	29,469	478,361	477,123	30,707
<b>Total Assets</b>	<u>29,469</u>	<u>478,361</u>	<u>477,123</u>	<u>30,707</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	29,469	478,361	477,123	30,707
<b>Total Liabilities</b>	<u>29,469</u>	<u>478,361</u>	<u>477,123</u>	<u>30,707</u>
<b>Treasurer Trust Account</b>				
<b>Assets</b>				
Cash & investments	2,290			2,290
Receivables (net)	1,518,586	375,785	1,518,586	375,785
<b>Total Assets</b>	<u>1,520,876</u>	<u>375,785</u>	<u>1,518,586</u>	<u>378,075</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	2,290			2,290
Due to other governments	1,518,586	1,518,586	2,661,387	375,785
<b>Total Liabilities</b>	<u>1,520,876</u>	<u>1,518,586</u>	<u>2,661,387</u>	<u>378,075</u>
<b>All Agency Funds</b>				
<b>Assets</b>				
Cash & investments	926,911	7,970,146	7,835,600	1,061,457
Receivables (net)	1,518,586	375,785	1,518,586	375,785
<b>Total Assets</b>	<u>2,445,497</u>	<u>7,970,146</u>	<u>7,835,600</u>	<u>1,437,242</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	820,946	10,970,747	10,853,469	938,224
Deposits	105,965	2,591,817	2,574,549	123,233
Due to other governments	1,518,586	1,518,586	2,661,387	375,785
<b>Total Liabilities</b>	<u>\$ 2,445,497</u>	<u>\$ 15,081,150</u>	<u>\$ 16,089,405</u>	<u>\$ 1,437,242</u>

## **STATISTICAL SECTION**

## Statistical Section

This part of Sheboygan County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the overall financial well-being of the county.

### Contents

### Tables

#### **Financial Trends**

**I-IV**

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

#### **Revenue Capacity**

**V-VIII**

These schedules contain information to help the reader access the county's most significant local revenue source, the property tax.

#### **Debt Capacity**

**IX-XI**

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue new debt in the future.

#### **Demographic and Economic Information**

**XII-XIII**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

#### **Operating Information**

**XIV-XVI**

These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table I**

**Net Position by Component**

**Last Ten Fiscal Years**

**(Accrual Basis of Accounting)**

**(000's)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 78,593	\$ 86,256	\$ 88,965	\$ 93,177	\$ 94,537	\$ 97,989	\$ 108,499	\$ 113,184	\$ 113,937	\$ 121,726
Restricted	1,361	685	757	1,995	3,802	2,904	3,215	9,892	3,974	2,777
Unrestricted	13,243	9,110	12,397	15,022	23,610	28,243	26,174	37,668	42,546	42,699
<b>Total Governmental Activities Net Position</b>	<b>\$ 93,197</b>	<b>\$ 96,051</b>	<b>\$ 102,119</b>	<b>\$ 110,194</b>	<b>\$ 121,949</b>	<b>\$ 129,136</b>	<b>\$ 137,888</b>	<b>\$ 160,744</b>	<b>\$ 160,457</b>	<b>\$ 167,202</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 11,435	\$ 11,039	\$ 9,651	\$ 9,083	\$ 8,380	\$ 7,899	\$ 7,738	\$ 7,352	\$ 7,483	\$ 7,598
Restricted								1,088		
Unrestricted (Deficit)	5,208	4,350	1,672	(1,060)	(714)	(14)		1,523	3,008	2,875
<b>Total Business-type Activities Net Position</b>	<b>\$ 16,643</b>	<b>\$ 15,389</b>	<b>\$ 11,323</b>	<b>\$ 8,023</b>	<b>\$ 7,666</b>	<b>\$ 7,885</b>	<b>\$ 7,738</b>	<b>\$ 9,963</b>	<b>\$ 10,491</b>	<b>\$ 10,473</b>
<b>Total Primary Government</b>										
Net investment in capital assets	\$ 90,028	\$ 97,295	\$ 98,616	\$ 102,260	\$ 102,917	\$ 105,888	\$ 116,237	\$ 120,536	\$ 121,420	\$ 129,324
Restricted	1,361	685	757	1,995	3,802	2,904	3,215	10,980	3,974	2,777
Unrestricted	18,451	13,460	14,069	13,962	22,896	28,229	26,174	39,191	45,554	45,574
<b>Total Primary Government Net Position</b>	<b>\$ 109,840</b>	<b>\$ 111,440</b>	<b>\$ 113,442</b>	<b>\$ 118,217</b>	<b>\$ 129,615</b>	<b>\$ 137,021</b>	<b>\$ 145,626</b>	<b>\$ 170,707</b>	<b>\$ 170,948</b>	<b>\$ 177,675</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(000's)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government	\$ 12,857	\$ 12,959	\$ 11,980	\$ 17,749	\$ 13,271	\$ 12,876	\$ 12,042	\$ 14,113	\$ 16,506	\$ 15,380
Public safety	18,124	19,572	19,067	17,060	18,742	18,387	18,372	18,541	21,007	22,182
Public works	21,644	17,290	15,599	16,819	18,678	14,104	15,319	15,972	16,022	17,144
Public health and human services	41,349	34,716	32,133	30,561	30,664	29,859	31,397	31,210	33,763	32,864
Resources and development	3,318	3,534	2,669	2,976	6,384	2,314	4,035	2,913	2,339	3,089
Education	1,213	1,365	1,372	572	1,220	1,211	1,267	1,213	1,182	1,101
Interest on long term debt	1,284	1,176	1,416	1,091	877	934	1,382	1,106	1,089	1,121
Total governmental activities expenses	99,789	90,612	84,236	86,828	89,836	79,685	83,814	85,068	91,908	92,881
Business-type activities:										
Rocky Knoll	19,790	18,401	17,489	16,449	14,363	13,620	13,671	13,377	13,572	13,815
Total business-type activities expenses	19,790	18,401	17,489	16,449	14,363	13,620	13,671	13,377	13,572	13,815
Total primary government expenses	\$ 119,579	\$ 109,013	\$ 101,725	\$ 103,277	\$ 104,199	\$ 93,305	\$ 97,485	\$ 98,445	\$ 105,480	\$ 106,696
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General government	\$ 2,323	\$ 2,854	\$ 2,873	\$ 2,095	\$ 1,154	\$ 1,616	\$ 1,298	\$ 1,961	\$ 1,914	\$ 2,245
Public safety	1,752	1,545	1,706	1,611	1,159	1,147	1,258	1,334	1,337	1,775
Public works	4,697	2,008	225	4,384	5,995	268	252	349	104	275
Public health and human services	5,616	3,579	3,116	2,558	2,259	3,645	3,374	4,063	4,235	4,181
Resources and development	318	457	90	331	2,118	588	1,312	666	472	519
Education	20	19	20	23	28	26	26	32	21	20
Interest on long term debt	547	548	547	542	515	512	516	518	519	517
Operating grants and contributions	40,770	37,176	27,226	28,396	29,448	24,233	30,474	30,226	28,141	26,095
Capital grants and contributions			3,308	2,042	515	2,239	741	223	198	384
Total governmental activities program revenues	\$ 56,043	\$ 48,186	\$ 39,111	\$ 41,982	\$ 43,191	\$ 34,274	\$ 39,251	\$ 39,372	\$ 36,941	\$ 36,011
Business-type activities:										
Charges for Services:										
Rocky Knoll	12,273	12,155	12,161	11,641	11,573	11,334	11,096	11,306	11,481	11,052
Operating grants and contributions	908	1,071	1,156	1,403	1,711	1,194	1,100	1,226	1,142	1,315
Capital grants and contributions			44			57	191		522	
Total business-type activities program revenues	\$ 13,181	\$ 13,226	\$ 13,361	\$ 13,044	\$ 13,284	\$ 12,585	\$ 12,387	\$ 12,532	\$ 13,145	\$ 12,367
Net (expense) revenue										
Governmental activities	(43,746)	(42,426)	(45,125)	(44,846)	(46,645)	(45,411)	(44,563)	(45,696)	(54,967)	(56,870)
Business-type activities	(6,609)	(5,175)	(4,128)	(3,405)	(1,079)	(1,035)	(1,284)	(845)	(427)	(1,448)
Total primary government net expense	\$ (50,355)	\$ (47,601)	\$ (49,253)	\$ (48,251)	\$ (47,724)	\$ (46,446)	\$ (45,847)	\$ (46,541)	\$ (55,394)	\$ (58,318)

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table II  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(000's)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 40,121	\$ 41,241	\$ 41,873	\$ 44,053	\$ 44,308	\$ 45,126	\$ 45,155	\$ 46,233	\$ 47,548	\$ 47,059
Other taxes	37	5	13	7	13	8	4	11	25	9,412
Grants and contributions	287	404	5,019	4,214	3,558	3,572	3,862	4,416	3,938	3,901
Investment earnings	3,033	1,665	1,409	1,861	1,886	704	2,380	1,971	1,987	1,848
Miscellaneous	2,569	2,004	1,237	1,555	1,518	1,679	1,915	3,603	1,181	1,972
Special item - Other Post Employment Benefit Adjustment						1,062				
Transfers	(10)	(39)	1,642	1,231		(11)		(1)		(576)
<b>Total governmental activities</b>	<b>46,037</b>	<b>45,280</b>	<b>51,193</b>	<b>52,921</b>	<b>51,283</b>	<b>52,140</b>	<b>53,316</b>	<b>56,233</b>	<b>54,679</b>	<b>63,616</b>
Business-type activities:										
Property taxes	4,638	3,033	2,354	1,327	687	802	846	835	885	845
Grants and contributions	16		45		1	12	262	1	5	1
Investment earnings	993	796	(746)	10			1		2	1
Miscellaneous	50	53	51		34	10	28	35	64	6
Special item - Other Post Employment Benefit Adjustment						419				
Transfers	10	39	(1,642)	(1,231)		11		1		576
<b>Total business-type activities</b>	<b>5,707</b>	<b>3,921</b>	<b>62</b>	<b>106</b>	<b>722</b>	<b>1,254</b>	<b>1,137</b>	<b>872</b>	<b>956</b>	<b>1,429</b>
<b>Total primary government</b>	<b>\$ 51,744</b>	<b>\$ 49,201</b>	<b>\$ 51,255</b>	<b>\$ 53,027</b>	<b>\$ 52,005</b>	<b>\$ 53,394</b>	<b>\$ 54,453</b>	<b>\$ 57,105</b>	<b>\$ 55,635</b>	<b>\$ 65,045</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,291	\$ 2,854	\$ 6,068	\$ 8,075	\$ 4,638	\$ 6,729	\$ 8,753	\$ 10,537	\$ (288)	\$ 6,746
Cumulative effect of change in accounting principle					(308)			12,318		
Prior period adjustment					7,426	457				
Business-type activities	(902)	(1,254)	(4,066)	(3,299)	(357)	219	(147)	27	529	(19)
Cumulative effect of change in accounting principle								2,199		
<b>Total primary government</b>	<b>\$ 1,389</b>	<b>\$ 1,600</b>	<b>\$ 2,002</b>	<b>\$ 4,776</b>	<b>\$ 11,399</b>	<b>\$ 7,405</b>	<b>\$ 8,606</b>	<b>\$ 25,081</b>	<b>\$ 241</b>	<b>\$ 6,727</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table III**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

Note - Starting January 1, 2011, the County implemented GASB #54

	2008	2009	2010
General Fund			
Reserved	\$ 3,862,901	\$ 3,494,013	\$ 4,496,632
Unreserved			
Undesignated	10,537,880	8,540,003	6,699,183
Total General Fund	14,400,781	12,034,016	11,195,815
All Other Governmental Funds			
Reserved	310,707	43,828	105,780
Unreserved, Reported in			
Special Revenue	1,121,532	1,590,330	4,172,817
Capital Project	371,954	(1,831,905)	9,993,591
Total All Other Governmental Funds	1,804,193	(197,747)	14,272,188
Total Governmental Funds	\$ 16,204,974	\$ 11,836,269	\$ 25,468,003

	2011	2012	2013	2014	2015	2016	2017
General Fund							
Nonspendable	\$ 3,884,805	\$ 3,264,149	\$ 2,390,304	\$ 1,610,939	\$ 1,428,033	\$ 1,154,224	\$ 1,005,183
Restricted	449,898	575,873	696,990	798,783	880,688	858,852	791,242
Committed	106,249	193,156	130,075	153,424	172,780	153,973	160,012
Assigned	491,373	296,114	884,861	524,183	2,643,631	3,767,583	3,344,874
Unassigned	12,053,878	12,503,137	13,837,437	15,592,319	18,633,273	17,828,037	16,185,605
Total General Fund	16,986,203	16,832,429	17,939,667	18,679,648	23,758,405	23,762,669	21,486,916
All Other Governmental Funds							
Nonspendable	4,514	3,386	3,239	4,446			
Restricted	6,454,266	1,220,854	3,529,076	13,136,812	13,017,557	8,069,238	1,530,317
Committed	91,035						3,140,569 *
Assigned	1,015,533	1,997,444	3,309,914	564,878	726,904	579,835	719,717
Unassigned (Deficit)		(341,591)	(192,432)				(1,129,592)
Total All Other Governmental Funds	7,565,348	2,880,093	6,649,797	13,706,136	13,744,461	8,649,073	4,261,011
Total Governmental Funds	\$ 24,551,551	\$ 19,712,522	\$ 24,589,464	\$ 32,385,784	\$ 37,502,866	\$ 32,411,742	\$ 25,747,927

\* 2017 change in All Other Governmental Funds Committed fund balance is due to the implementation of a 5% sales tax in 2017 maintained in the County's Transportation Fund.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table IV**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
Property taxes	\$ 35,580,946	\$ 36,656,290	\$ 37,407,898	\$ 39,709,291	\$ 39,860,037	\$ 40,732,916	\$ 41,090,607	\$ 41,792,813	\$ 43,135,516	\$ 43,237,800
Other taxes	36,698	5,139	13,253	11,321	13,456	45,326	3,967	11,496	24,726	9,412,045
Intergovernmental	31,662,198	28,971,676	26,963,208	25,655,129	26,595,361	20,115,255	25,930,635	24,779,280	22,159,823	20,718,403
Licenses and permits	545,820	455,440	636,825	642,810	684,457	638,499	660,638	667,105	675,737	701,477
Fines, forfeits and penalties	475,550	439,987	390,900	347,215	321,971	298,137	293,855	318,962	330,169	336,949
Public charges for services	8,885,434	6,596,150	6,108,140	5,482,940	5,949,188	6,725,264	6,342,810	7,327,394	7,356,665	7,910,938
Capital contributions			351,211	530,904		1,657,631				
Miscellaneous	6,902,538	5,217,426	4,871,100	4,965,385	5,262,851	3,569,390	6,281,723	7,949,315	5,523,990	5,147,588
Total revenues	84,089,184	78,342,108	76,742,535	77,344,995	78,687,321	73,782,418	80,604,235	82,846,365	79,206,626	87,465,200
<b>EXPENDITURES</b>										
Current:										
General government	12,165,322	12,404,604	12,282,498	12,249,378	12,631,381	12,047,936	11,995,998	13,404,576	14,110,906	14,332,710
Public safety	16,135,935	16,828,653	17,181,813	16,897,512	17,124,160	17,173,428	17,004,800	17,575,231	19,103,312	20,271,273
Public works	439,617	406,082	517,580	425,726	417,404	401,438	415,655	528,951	476,568	4,420,486
Public health and human services	40,755,689	34,075,160	31,627,594	31,089,131	31,280,061	30,034,786	31,053,474	31,030,377	33,030,480	32,650,434
Resources and development	2,883,054	3,289,917	2,326,357	3,049,303	6,519,403	2,038,584	3,727,078	2,750,605	2,224,613	2,240,090
Education	654,389	659,461	647,719	569,657	575,560	574,150	617,580	602,949	565,076	538,075
Debt Service										
Principal	7,230,000	5,460,000	8,718,754	5,390,000	5,425,000	5,630,000	6,134,147	6,285,614	5,896,149	5,951,546
Interest and other charges	1,305,486	1,161,564	1,272,110	1,057,895	904,219	932,073	1,328,558	1,129,015	1,079,250	1,103,209
Capital Outlay	9,488,554	8,286,894	8,126,484	8,917,756	8,686,049	8,614,575	16,462,407	14,458,933	8,456,722	24,932,423
Total expenditures	91,058,046	82,572,335	82,700,909	79,646,358	83,563,237	77,446,970	88,739,697	87,766,251	84,943,076	106,440,246
Excess (deficiency) of revenues over expenditures	(6,968,862)	(4,230,227)	(5,958,374)	(2,301,363)	(4,875,916)	(3,664,552)	(8,135,462)	(4,919,886)	(5,736,450)	(18,975,046)
<b>OTHER FINANCING SOURCES (USES)</b>										
Premium on long term debt issued	130,295		135,442			245,928	979,694	453,755	72,745	281,725
Long-term debt issued	8,000,000		17,840,000			9,590,000	16,962,040	9,500,000	3,265,000	10,000,000
Capital leases							26,512		(3,280,000)	
Payment to current noteholder						(1,731,522)	(2,280,000)			
Transfers in	141,635	114,066	1,695,207	5,309,182	151,656	938,764	4,724,711	2,873,441	1,800,002	7,828,064
Transfers out	(199,395)	(252,544)	(80,541)	(3,924,271)	(114,769)	(958,669)	(4,481,175)	(2,790,228)	(1,212,421)	(5,798,558)
Total other financing sources (uses)	8,072,535	(138,478)	19,590,108	1,384,911	36,887	8,084,501	15,931,782	10,036,968	645,326	12,311,231
Net change in fund balances	\$ 1,103,673	\$ (4,368,705)	\$ 13,631,734	\$ (916,452)	\$ (4,839,029)	\$ 4,419,949	\$ 7,796,320	\$ 5,117,082	\$ (5,091,124)	\$ (6,663,815)
Debt service as a percentage of noncapital expenditures	10.5%	8.9%	13.4%	9.1%	8.5%	9.5%	10.3%	10.1%	9.1%	8.7%

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table V**

**Equalized Value of Taxable Property (1)**

**Last Ten Fiscal Years**

Tax Year Ended December 31	Budget Year Ended December 31	Real Estate				Personal Property	Less: Tax Incremental Districts (2)	Total	General County Tax Rate (3)
		Residential	Commercial	Manufacturing	All Other				
2008	2009	6,858,239,200	1,418,934,000	388,954,600	305,965,500	271,308,300	376,324,400	8,867,077,200	4.9996
2009	2010	6,835,667,000	1,531,815,800	397,398,700	302,209,300	268,449,200	411,537,200	8,924,002,800	4.9554
2010	2011	6,667,282,500	1,431,334,200	400,198,000	267,743,400	259,037,400	356,636,800	8,668,958,700	5.2310
2011	2012	6,600,372,700	1,384,228,500	397,180,600	268,411,100	244,287,700	319,048,600	8,575,432,000	5.2774
2012	2013	6,356,373,400	1,361,176,300	406,929,800	264,626,700	262,221,600	221,203,100	8,430,124,700	5.4105
2013	2014	6,162,019,800	1,407,669,500	416,568,200	270,640,300	269,803,300	228,800,800	8,297,900,300	5.5971
2014	2015	6,220,495,100	1,398,486,000	447,610,000	269,485,700	268,686,100	272,900,200	8,331,862,700	5.6423
2015	2016	6,226,857,900	1,404,001,900	457,888,400	284,921,900	271,416,100	264,542,500	8,380,543,700	5.7705
2016	2017	6,303,790,800	1,426,483,400	464,712,800	286,486,200	273,644,300	290,216,200	8,464,901,300	5.6541
2017	2018	6,620,945,700	1,540,226,300	485,009,400	295,514,100	287,150,600	329,522,100	8,899,324,000	5.4522

Source: Bureau of Property Tax, Wisconsin Department of Revenue

(1) Equalized value is actual value determined by the State of Wisconsin Department of Revenue, Bureau of Property Tax

(2) Equalized values are reduced by tax increment district value increments for apportioning County taxes.

(3) Per \$1,000 value

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table VI**

**Direct and Aggregated Overlapping Tax Rates  
Last Ten Fiscal Years**

MUNICIPALITIES	2008 TAX RATE FOR YEAR 2009	2009 TAX RATE FOR YEAR 2010	2010 TAX RATE FOR YEAR 2011	2011 TAX RATE FOR YEAR 2012	2012 TAX RATE FOR YEAR 2013	2013 TAX RATE FOR YEAR 2014	2014 TAX RATE FOR YEAR 2015	2015 TAX RATE FOR YEAR 2016	2016 TAX RATE FOR YEAR 2017	2017 TAX RATE FOR YEAR 2018
Direct Sheboygan County Tax Rate	\$ 5.00	\$ 4.96	\$ 5.23	\$ 5.28	\$ 5.41	\$ 5.60	\$ 5.64	\$ 5.77	\$ 5.65	\$ 5.45
<b>TOWNSHIPS</b>										
Greenbush	\$17.58 - 19.17	\$17.37 - 19.13	\$13.59 - 15.35	\$13.81 - 16.06	\$14.02 - 16.39	\$15.22 - 17.95	14.55-17.12	14.76-17.12	14.62-17.18	14.08-16.80
Herman	17.31 - 20.46	18.62 - 21.34	14.46 - 18.41	14.14 - 17.28	14.94 - 17.98	15.72 - 18.52	15.11-17.48	15.28-17.15	15.52-17.51	15.08-17.13
Holland	14.55 - 16.29	16.10 - 16.73	16.47 - 16.71	16.43 - 16.78	16.79 - 17.05	17.54 - 17.97	17.35-17.74	17.57-18.15	16.44-17.88	16.02-17.20
Lima	15.19 - 17.17	15.49 - 16.58	15.24 - 16.05	15.27 - 16.66	16.27 - 16.89	17.72 - 18.78	15.85-17.71	15.52-17.38	15.28-17.26	14.42-16.24
Lyndon	17.80 - 19.89	18.48 - 19.63	17.08 - 17.67	16.98 - 18.36	17.67 - 18.67	18.46 - 19.78	17.05-18.79	16.86-18.73	16.83-18.81	16.21-18.04
Mitchell	15.18 - 17.23	16.11 - 17.24	15.86 - 16.24	15.88 - 16.45	16.61 - 17.45	17.30 - 18.33	15.51-17.55	15.23-17.59	15.13-17.67	14.72-17.44
Mosel	19.79 - 20.03	15.71 - 16.42	18.04 - 18.40	16.87 - 18.02	17.77 - 18.52	18.24 - 18.78	16.75-18.55	16.20-18.14	15.52-17.06	15.45-16.16
Plymouth	13.83 - 14.27	14.61 - 15.00	13.80 - 15.31	13.61 - 15.30	14.61 - 16.08	15.13 - 16.54	13.88-14.60	14.41-14.44	14.28-14.30	13.57-13.79
Rhine	13.93 - 19.34	15.18 - 17.37	14.61 - 18.55	14.49 - 17.64	15.23 - 18.18	15.91 - 18.70	15.29-17.13	15.49-17.02	15.25-16.45	14.39-15.87
Russell	18.89 - 21.03	20.41 - 22.11	15.58 - 18.04	15.24 - 17.88	15.78 - 18.20	16.47 - 18.07	16.03-17.61	16.21-17.73	15.90-17.10	14.99-16.47
Scott	15.76 - 16.95	16.58 - 17.48	16.41 - 16.62	16.32 - 16.53	16.85 - 18.22	17.44 - 18.21	15.93-17.45	15.71-17.01	15.43-16.20	14.88-15.73
Sheboygan	19.88 - 22.38	20.22 - 22.52	17.35 - 19.22	18.05 - 19.68	17.84 - 20.13	18.72 - 19.94	17.88-19.55	17.63-19.23	17.42-18.16	16.83-17.37
Sheboygan Falls	14.58 - 16.79	15.26 - 17.12	15.33 - 17.77	15.42 - 16.96	16.09 - 17.26	16.50 - 17.60	15.50-17.37	15.14-17.03	14.79-16.74	14.21-16.03
Sherman	14.35 - 16.12	14.98 - 15.89	16.40 - 16.90	16.37 - 16.94	16.91 - 17.24	17.89 - 18.33	16.32-17.85	15.91-17.78	15.65-17.35	15.19-16.88
Wilson	16.70 - 18.91	17.38 - 19.53	15.91 - 18.33	15.91 - 18.68	16.39 - 18.75	17.05 - 18.89	16.56-18.61	16.58-18.48	16.28-17.36	15.87-16.71
<b>VILLAGE</b>										
Adell	21.22	21.97	21.04	21.09	21.33	21.72	21.47	21.03	20.36	19.71
Cascade	14.96	16.66	18.62	18.57	19.45	20.02	18.07	17.87	17.62	16.92
Cedar Grove	20.19	20.62	21.47	21.42	21.95	22.80	22.62	22.95	22.68	21.95
Elkhart Lake	17.83	17.81	17.57	17.31	17.7	18.53	17.99	18.2	17.86	17.4
Glenbeulah	20.12	17.17	18.11	17.82	19.12	19.71	18.93	19.27	19.44	18.33
Howards Grove	17.29	18.33	19.95	18.92	19.415	20.09	18.66	18.14	17.5	17.34
Kohler	16.61 - 18.67	19.41 - 20.87	18.15 - 20.06	18.45 - 19.95	19.74 - 20.41	21.00 - 22.08	19.14-20.98	19.72-20.46	20.09-20.52	19.10-20.00
Oostburg	21.03	20.37	19.95	20.36	21.36	22.44	21.51	21.6	21.4	20.64
Random Lake	19.81	20.22	20.30	20.13	20.51	21.06	21.16	20.58	19.17	19.13
Waldo	23.38	25.06	21.78	22.24	22.53	23.68	22.49	21.91	21.77	20.85
<b>CITY</b>										
Plymouth	18.89	19.97	21.22	21.22	22.19	22.72	20.73	20.28	20.22	19.68
Sheboygan	23.72 - 24.19	23.72 - 24.62	24.66 - 24.97	24.66 - 25.56	24.86 - 25.84	25.24 - 26.48	23.62-26.15	24.45-25.85	24.13-24.89	23.51-23.86
Sheboygan Falls	17.81	18.83	19.99	20.59	20.98	22.01	21.79	21.46	21.18	20.25

Source: Sheboygan County Treasurer's Office (Tax rate sheet)

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table VII**

**Principal Property Taxpayers  
Current Year and Nine Years Ago**

Company	2008			2017		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
Kohler Co	\$ 143,216,500	1	1.6151%	\$ 146,912,800	1	1.6508%
Acuity Insurance Co	45,978,600	2	0.5185%	68,318,700	2	0.7677%
Sargento Foods Inc				40,700,400	3	0.4573%
Wal-Mart Stores Inc	40,799,000	3	0.4601%	39,508,700	4	0.4440%
Bemis Mfg Co.	22,968,900	5	0.2590%	28,521,900	5	0.3205%
Johnsonville Sausage				23,083,400	6	0.2594%
St Nicholas Hospital	14,076,500	9	0.1588%	20,944,700	7	0.2354%
Morrelle Warehousing LLC				18,241,600	8	0.2050%
Nemak (JL French)	13,015,900	10	0.1468%	14,896,100	9	0.1674%
PJR Properties LLC				14,782,100	10	0.1661%
Blue Harbor Resort	38,340,200	4	0.4324%			
Aurora Health Care	17,734,000	6	0.2000%			
JFM1 LLC	15,679,400	7	0.1768%			
Country Village Apts LLC	14,980,000	8	0.1689%			
	<u>\$ 366,789,000</u>		<u>4.1365%</u>	<u>\$ 415,910,400</u>		<u>4.6735%</u>
Total Equalized Value Sheboygan County	<u>\$ 8,867,077,200</u>			<u>\$ 8,899,324,000</u>		

Source: Robert W. Baird for 2017 and Sheboygan County Treasurer's Office for 2008

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table VIII**  
**Property Tax Levied and Collections**  
**Last Ten Fiscal Years**

Tax Roll Year	For Fiscal Year Ended December 31	Taxes Levied for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collected To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2008	180,657,129	178,430,060	98.77%	2,226,895	180,656,955	100.00%
2008	2009	183,261,601	181,081,662	98.81%	2,179,937	183,261,599	100.00%
2009	2010	191,439,278	188,640,599	98.54%	2,797,654	191,438,253	100.00%
2010	2011	197,237,966	194,487,393	98.61%	2,748,306	197,235,699	100.00%
2011	2012	195,917,128	193,671,580	98.85%	2,239,960	195,911,540	100.00%
2012	2013	194,572,586	192,894,815	99.14%	1,670,045	194,564,860	100.00%
2013	2014	197,644,230	196,326,845	99.33%	1,300,776	197,627,621	99.99%
2014	2015	193,689,789	192,549,556	99.41%	985,562	193,535,118	99.92%
2015	2016	194,144,196	193,200,662	99.51%	460,539	193,661,201	99.75%
2016	2017	191,324,730	190,404,311	99.52%		190,404,311	99.52%

Source: Sheboygan County Treasurer's Office - Delinquent Certificate Balances Report

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table IX**  
**Ratio of Debt by Type Outstanding and General Bonded Debt**  
**Last Ten Fiscal Years**

YEAR	Governmental Activities					TOTAL ALL DEBT	EQUALIZED VALUE (000's) (2)	RATIO OF DEBT TO TOTAL EQUALIZED VALUE	ESTIMATED POPULATION	PER CAPITA INCOME \$	PERCENTAGE OF PERSONAL INCOME (1)	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES	CAPITAL LEASES	NOTE PAYABLE	BOND PREMIUM							
2008	9,000,000	22,280,000			264,390	31,544,390	8,867,077	0.36%	114,458	40,691	0.68%	275.60
2009	8,355,000	17,465,000			230,537	26,050,537	8,924,003	0.29%	114,560	38,042	0.60%	227.40
2010	7,965,000	27,235,000			323,699	35,523,699	8,668,959	0.41%	115,507	38,516	0.80%	307.55
2011	7,170,000	22,640,000	530,904		272,430	30,613,334	8,575,432	0.36%	115,569	39,910	0.66%	264.89
2012	6,370,000	18,015,000	377,178		221,292	24,983,470	8,430,125	0.30%	114,973	44,779	0.49%	217.30
2013	5,540,000	21,100,000	223,452		375,028	27,238,480	8,297,900	0.33%	114,922	46,508	0.51%	237.02
2014	4,670,000	30,510,000	135,817	122,040	1,161,656	36,599,513	8,331,863	0.44%	115,290	46,328	0.69%	317.46
2015	3,785,000	34,850,000	17,243		1,434,422	40,086,665	8,380,544	0.48%	115,569	45,896	0.76%	346.86
2016	6,130,000	26,600,000	11,094		1,225,483	33,966,577	8,464,901	0.40%	115,427	47,930	0.61%	294.27
2017	3,895,000	32,890,000	4,548		1,257,294	38,046,842	8,899,324	0.43%	115,344	*	*	329.86

YEAR	TOTAL GROSS BONDED DEBT	LESS DEBT SERVICE FUND @	TOTAL NET BONDED DEBT	NET DEBT		
				TO TOTAL EQUALIZED VALUE	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2008	31,544,390	304,377	31,240,013	0.35%	0.67%	272.94
2009	26,050,537	36,200	26,014,337	0.29%	0.60%	227.08
2010	35,523,699	86,385	35,437,314	0.41%	0.80%	306.80
2011	30,082,430	46,471	30,035,959	0.35%	0.65%	259.90
2012	24,606,292	45,249	24,561,043	0.29%	0.48%	213.62
2013	27,015,028	(192,432)	27,207,460	0.33%	0.51%	236.75
2014	36,341,656	184,989	36,156,667	0.43%	0.68%	313.61
2015	40,069,422	651,997	39,417,425	0.47%	0.74%	341.07
2016	33,955,483	961,740	32,993,743	0.39%	0.60%	285.84
2017	38,042,294	544,083	37,498,211	0.42%	*	325.10

Sources:

(1) - See Table XII - Demographic and Economic Statistics

(2) - Equalized values are reduced by tax increment district value increments for apportioning County taxes.

\* Information not available

@ Amount available for repayment of governmental general obligation bonds

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table X**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012
Equalized Value	\$ 8,867,077,200	\$ 8,924,002,800	\$ 8,668,958,700	\$ 8,575,432,000	\$ 8,651,327,800
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	443,353,860	446,200,140	433,447,935	428,771,600	432,566,390
Amount of Debt Applicable to Debt Limitation	31,280,000	25,820,000	35,200,000	30,340,904	24,762,178
Less: Amount Available in Debt Service Funds	304,377	36,200	86,385	86,385	45,249
Net Debt Applicable to the Debt Margin	30,975,623	25,783,800	35,113,615	30,254,519	24,716,929
Legal Debt Margin ( Debt Capacity )	<u>\$ 412,378,237</u>	<u>\$ 420,416,340</u>	<u>\$ 398,334,320</u>	<u>\$ 398,517,081</u>	<u>\$ 407,849,461</u>
Percent of Debt Capacity Used	6.99%	5.78%	8.10%	7.06%	5.71%
	2013	2014	2015	2016	2017
Equalized Value	\$ 8,526,701,100	\$ 8,604,762,900	\$ 8,645,086,200	\$ 8,755,117,500	\$ 9,228,846,100
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	426,335,055	430,238,145	432,254,310	437,755,875	461,442,305
Amount of Debt Applicable to Debt Limitation	26,863,452	35,180,000	38,635,000	32,730,000	36,785,000
Less: Amount Available in Debt Service Funds		184,989	651,997	961,740	544,083
Net Debt Applicable to the Debt Margin	26,863,452	34,995,011	37,983,003	31,768,260	36,240,917
Legal Debt Margin ( Debt Capacity )	<u>\$ 399,471,603</u>	<u>\$ 395,243,134</u>	<u>\$ 394,271,307</u>	<u>\$ 405,987,615</u>	<u>\$ 425,201,388</u>
Percent of Debt Capacity Used	6.30%	8.13%	8.79%	7.26%	7.85%

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table XI**  
**Computation of Direct, Overlapping and Underlying Debt**  
**December 31, 2017**

	Number of Entities	Amount of Debt	Applicable to Sheboygan County	
			Percent*	Amount
Sheboygan County				
General obligation debt				\$ 36,785,000
Capital leases				4,548
Bond premium				<u>1,257,294</u>
Total Direct Debt				<u>38,046,842</u>
OVERLAPPING DEBT:				
Lakeshore VTAE District	1	\$ 30,040,000	61.02%	18,330,408
Moraine Park Technical College District	1	<u>27,330,000</u>	0.03%	<u>8,199</u>
Total Overlapping Debt	2	<u>57,370,000</u>	32.14%	<u>18,338,607</u>
UNDERLYING DEBT:				
Cities	3	\$ 67,739,579	100%	67,739,579
Villages	10	23,409,444	100%	23,409,444
Townships	15	3,429,565	100%	3,429,565
School Districts	13	187,735,508	varies	127,765,125
Sanitary Districts	4	<u>1,347,161</u>	100%	<u>1,347,161</u>
Total Underlying Debt	45	<u>\$ 283,661,257</u>	varies	<u>223,690,874</u>
TOTAL DIRECT, OVERLAPPING AND UNDERLYING DEBT				<u><u>\$ 280,076,323</u></u>

Source: Robert W Baird

\*Sheboygan County - Overlap percentage is based upon the number of Sheboygan County residents served as a percentage of total population served.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table XII**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
2008	114,458	4,706,007	40,691	6.00%
2009	114,560	4,396,263	38,042	9.30%
2010	115,507	4,447,253	38,516	8.20%
2011	115,569	4,595,577	39,910	6.90%
2012	114,973	5,148,376	44,779	6.10%
2013	114,922	5,344,757	46,508	5.00%
2014	115,290	5,341,196	46,328	3.80%
2015	115,569	5,304,168	45,896	3.40%
2016	115,427	5,532,445	47,930	3.10%
2017	115,344	*	*	2.30%

Source: Population - US Census Bureau (estimate)

Personal Income - U.S Bureau of Economic Analysis per ALFRED

Unemployment Rate - Bureau of Labor Statistics for Sheboygan County, WI extracted February 27, 2018 and April 17, 2018 for December 2017

\* Information not available

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table XIII**

**Principal Employers**

**Current Year and Nine Years Ago**

	2017			2008	
	<u>Estimated Employment</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Estimated Employment</u>	<u>Rank</u>
Kohler Co	7,362	1	12.1%	7,500	1
Bemis Manufacturing	1,650	2	2.7%	1,800	2
Sheboygan Memorial Medical Center	1,434	3	2.4%	600	10
Sargento Foods	1,300	4	2.1%	620	9
Sheboygan Area School District	1,257	5	2.1%	1,518	3
Nemak (JL French)	1,160	6	1.9%	1,325	4
Johnsonville Sausage LLC	1,053	7	1.7%		
Gardner Denver Thomas Products	1,000	8	1.6%		
Acuity Insurance CO.	898	9	1.5%		
County of Sheboygan	862	10	1.4%	904	5
Rockline Industries					
Piggly Wiggly				900	6
Sheboygan Clinic (Aurora)				850	7
St Nicholas Hospital				840	8
Total Estimated County Workforce	60,703				

Source: Robert W. Baird for 2017 and 2008 and Bureau of Labor Statistics - Sheboygan, WI - third quarter 2016

**COUNTY OF SHEBOYGAN, WISCONSIN**

**Table XIV**

**Full-time Equivalent County Employees <sup>(1)</sup>  
Last Ten Fiscal Years**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General Government	169	171	170	169	127	122	119	123	124	125
County Treasurer	5	7	7	10	6	6	5	7	7	7
Register of Deeds	8	8	8	7	7	7	7	7	7	7
Finance	10	10	10	10	15	15	17	15	15	18
Medical Examiner	6	6	6	7	4	4	1	2	2	2
County Board	36	36	36	36	5	4	3	3	3	3
Court Commissioner	3	3	3	3	3	4	5	3	3	3
Clerk of Courts	29	29	28	27	24	22	23	24	24	23
District Attorney	15	15	15	14	13	13	13	13	14	14
County Clerk	4	4	4	4	4	4	4	4	4	4
Building Services	30	31	31	29	30	29	29	30	30	29
Human Resources	4	4	4	4	4	4	4	5	5	5
Corporation Counsel	1	1	1	1	1	1	1	1	1	1
County Administrator	2	2	2	2	2	2	2	2	2	2
Information Technology	16	15	15	15	9	7	5	7	7	7
Public Safety	176	178	177	171	166	168	170	179	186	191
Public Works	118	113	111	102	90	86	82	86	93	93
Public Health and Human Services	217	211	204	207	189	198	198	195	195	194
Resources and Development	32	30	27	26	15	15	14	14	14	15
Education	4	4	4	3	3	3	3	4	4	3
Health Care Center	265	263	264	256	170	158	146	145	137	141
<b>Total</b>	<b>981</b>	<b>970</b>	<b>957</b>	<b>934</b>	<b>760</b>	<b>750</b>	<b>732</b>	<b>746</b>	<b>753</b>	<b>762</b>

Source: Sheboygan County Payroll Records

(1) Data shown for 2008 - 2011 represent employee head count. Data shown for 2012 - 2017 represent full-time equivalent (FTE).

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table XV**  
**Operating Indicators by Program/Function**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Prisoners bookings - Adult	5,254	5,058	4,266	4,093	4,591	3,706	3,742	3,424	3,335	3,411
Prisoners bookings - Juvenile	410	399	355	385	318	351	274	430	392	455
Total complaints (1)	35,832	36,634	33,499		33,221	40,292	39,426	42,814	46,523	31,428
<b>Courts</b>										
Case filings	17,068	17,920	15,294	13,276	14,060	13,312	13,180	13,638	15,389	15,395
Criminal cases	3,601	3,282	2,737	2,273	2,303	2,371	2,330	2,270	2,217	2,190
Non-criminal cases	5,934	7,216	6,044	5,009	5,646	4,848	5,589	6,579	7,823	7,703
Jury trials	56	44	41	38	37	29	38	42	33	45
Family Court Commissioner hearings	802	822	771	752	920	989	984	874	835	881
Mediation referrals	257	289	297	270	262	272	252	207	228	232
<b>Medical Examiner</b>										
Death Investigations	485	490	508	523	568	543	262	265	282	266
Cremations Permits Issued	428	424	407	471	502	539	540	577	625	628
<b>Register of Deeds</b>										
Real estate documents processed	27,789	30,395	27,057	23,950	29,308	27,819	19,056	21,030	22,399	21,609
Vital records filed	3,515	3,404	3,215	3,290	3,255	3,385	3,016	3,329	3,269	3,141
Military discharge records	54	123	133	122	150	122	94	83	42	35
Genealogical searches	639	464	727	682	735	717	437	326	363	379
<b>Planning and Conservation</b>										
Sanitary permits	216	156	142	145	137	161	183	180	170	167
Shoreland permits	83	88	83	56	68	87	88	94	106	91
Certified Survey Maps Reviewed	46	39	40	33	45	38	46	46	48	46
<b>County Clerk</b>										
Marriage Licenses/Domestic Partnerships	737	745	620	612	664	669	670	667	631	642
Passport Applications	856	682	770	636	827	844	876	973	844	1,311
<b>Public Health &amp; Human Services</b>										
Senior Meals Provided	57,242	50,918	51,889	52,146	57,146	53,232	53,358	51,083	48,046	46,533
Health Inspections (2)		1,148	836	1,178	934	846	959	909	718	1,000
Child Abuse and Neglect Referrals	1,286	1,051	1,125	1,109	1,196	1,243	1,092	1,172	1,071	1,268
Average WIC Participants per Month	2,205	2,382	2,284	2,186	2,197	2,127	1,952	1,887	1,823	1,771
Communicable Disease Cases (Confirmed)	623	706	624	612	616	638	596	550	707	903
Immunizations Given (3) (4)	12,205	18,493	12,234	6,853	5,047	2,194	1,418	508	73	10
<b>Health Care Centers</b>										
Total Patient Days	61,736	59,380	58,480	53,975	52,233	48,815	47,081	47,162	49,166	48,715
Patient Meals Served	169,125	172,479	168,534	153,888	151,710	131,982	140,361	141,006	146,531	145,635
<b>Highway</b>										
Miles of roads resurfaced	23	19	14	27	25	20	18	11	13	32
Miles of roads seal coated	17	13	8	10	11	13	-	14	14	13
Asphalt Produced (tons)	78,000	57,000	48,500	74,161	76,737	68,336	38,479	64,558	62,848	135,791
Gravel Production (tons)	209,000	226,287	180,002	109,810	168,889	150,514	168,668	163,289	207,076	210,040

(1) In 2011, crime record software was replaced with new system and were unable to retrieve information.

(2) Information not available.

(3) Reduction in immunizations reflects revised program eligibility rules

(4) Due to changes in health care and funding rules, immunizations are now expected to be provided by primary care physicians.

The Lakeshore Community Health Center provides backup for families who do not have a medical home or health insurance.

Source: Sheboygan County Department Annual Reports and Sheboygan County Department Internal Reports

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Table XVI**  
**Capital Assets by Functional Area**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Buildings (excludes Public Safety and Business-type operations)	5	5	5	5	5	5	5	5	5	5
<b>Public Safety</b>										
Facilities	2	2	2	2	2	2	2	2	2	2
Jail Capacity	314	314	314	314	314	314	314	314	314	314
Squads (includes marked and unmarked)	42	42	43	43	42	42	42	45	45	45
<b>Health Care Centers</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Number of Beds	195	195	195	175	165	157	155	154	149	149
<b>Highway</b>										
County lane miles	451	451	451	451	451	451	451	451	451	451
Garages/Shops	7	7	7	6	6	6	6	6	6	4
County bridges	76	76	76	76	76	76	75	75	75	75

Source: Sheboygan County Department Annual Reports and Sheboygan County Department Internal Reports