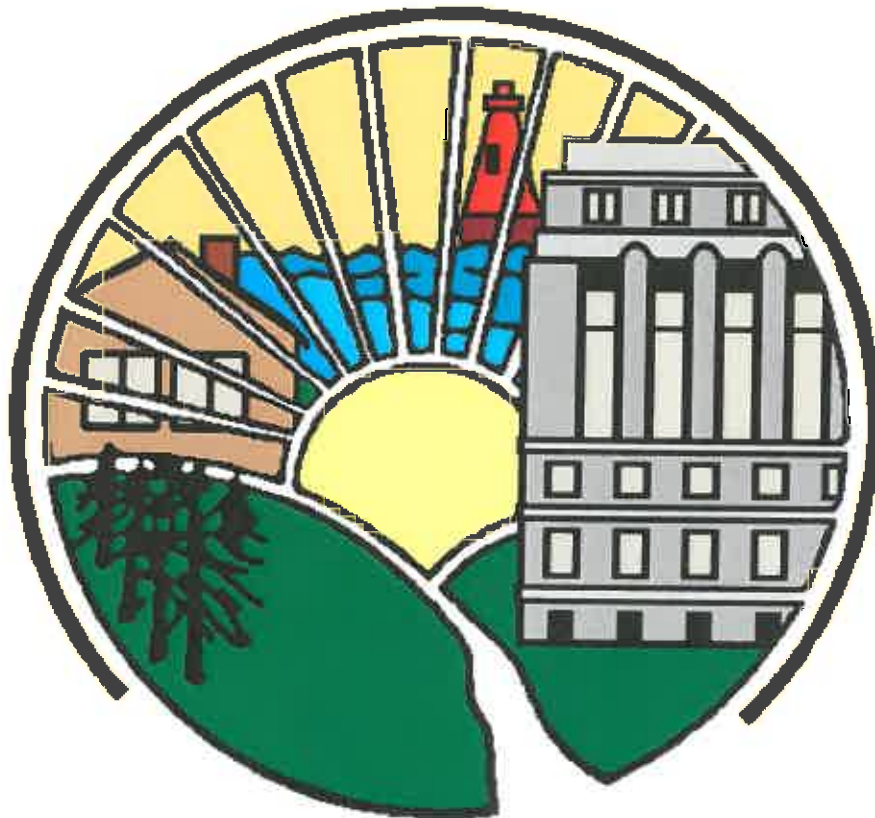


**COUNTY OF SHEBOYGAN,  
WISCONSIN**

**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2013**



COUNTY OF SHEBOYGAN, WISCONSIN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013

PREPARED BY:  
Sheboygan County Finance Department

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**SHEBOYGAN COUNTY, WISCONSIN**  
**For the Year Ended December 31, 2013**

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**SHEBOYGAN COUNTY, WISCONSIN**

For the Year Ended December 31, 2012

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## **INTRODUCTORY SECTION**

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# SHEBOYGAN COUNTY

**Terry A. Hanson**  
*Finance & Information Technology Director*

**Mary Wegmann**  
*Deputy Finance Director*

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June 30, 2014

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, 2013.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all funds of the County. It is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, our organization chart, list of elected County Board Members, and list of County offices and department heads. The financial section includes the Independent Auditor's Report on Basic Financial Statements, Management's Discussion and Analysis, and the basic financial statements. The supplementary information includes the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographics information, generally presented on a multi-year basis.

This report consists of management's representations concerning the finances of 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 an internal control framework that is designed both to protect the county's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls have 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 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 unqualified opinion that Sheboygan County's financial statements for the fiscal year ended December 31, 2013 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 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 County continues to rank among the top ten quality of life metros in the state.

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, operation of the municipal airport and other activities. Sheboygan County also maintains a close working relationship with the Eastern Shores 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 fit. 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***

For unemployment information the reader is referred to page 22 of the the Management Discussion and Analysis. Nearly one in ten of the 39,582 jobs created and retained with the support of Wisconsin Economic Development Corporation (WEDC) between July 2012 to July 2013 were in the County. The County continues to have a diversified workforce. Kohler Company and Bemis Manufacturing are international leaders in their respective industry sectors. Sargento Foods and Johnsonville Sausage are likewise nationally respected firms in the food sector. Acuity Insurance remains a nationally recognized company.

American Orthodontics, the largest privately held orthodontic manufacturer in the world, consolidated its manufacturing operations and corporate office to Sheboygan in early 2013. Additionally, other major employers have announced expansions to their facilities. Kohler Company announced an expansion of its generator division which will add 300 jobs. Vollrath Company recently completed its distribution center expansion and Acuity Insurance is in the process of expanding its corporate headquarters.

Sheboygan County remains a top tourism destination with attractions of world-class golf, Lake Michigan sport fishing, numerous summer festivals, ice fishing and snowmobiling. The County hosts the longest natural road racing facility at Road America. Golf courses within Sheboygan County are consistently ranked among the top 100 courses by *Golf Magazine*. Whistling Straits, ranked 3<sup>rd</sup>, will host the PGA and Ryder Cup in 2015 and 2020 respectively. Blackwolf Run, ranked 12<sup>th</sup>, hosted the LPGA tournament in 2012. With 28-miles of Lake Michigan coastline, the County hosts the largest gathering of freshwater surfers in the world and is also home to one of only four Olympic Sailing Centers in America. The County ranked 14<sup>th</sup> in the state for tourism dollars with direct spending of \$198 million, a 4% increase from 2012.

Equalized valuations for the County have exhibited a decline of 7% over the past five years, from \$8,924,002,800 in 2009 to \$8,297,900,300 in 2013. Building permits increased 19% from the prior year, (as reported by the US Census Bureau). The population, as estimated, is 114,922. Per capita household income increased slightly (3%) to \$52,967 (as reported by the US Census Bureau).

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

Sheboygan County maintains a fund balance policy which restricts the unassigned fund balance to between five and ten percent of the County's total budgeted expenditures for the upcoming budget year.

The County maintains a five-year capital improvement plan. The plan identifies major capital projects and the methods to finance them. The plan for the year 2013 included various infrastructure projects at Highway and Information Technology. In 2014 the focus will remain on infrastructure improvements including transportation improvements and a building addition at Public Health & Human Services. The Law Enforcement Center will be remodeled to accommodate a combined City/County Dispatch Center. Replacement of the radio system at the Sheriff's Department is expected to occur over two years commencing in 2014. Public Health & Human Services will also replace their business management software.

Operational studies have been completed at the Health Care Centers, the Department of Public Health & Human Services, the Sheriff's Department, Highway Department, Child Support and Information Technology, Human Resources and Clerk of Courts. These studies have proved to be a valuable tool to maximize operational efficiencies. Consolidation of our Airport and Highway departments into a transportation sector was finalized in 2013 to provide more efficient operations.

**Acknowledgements**

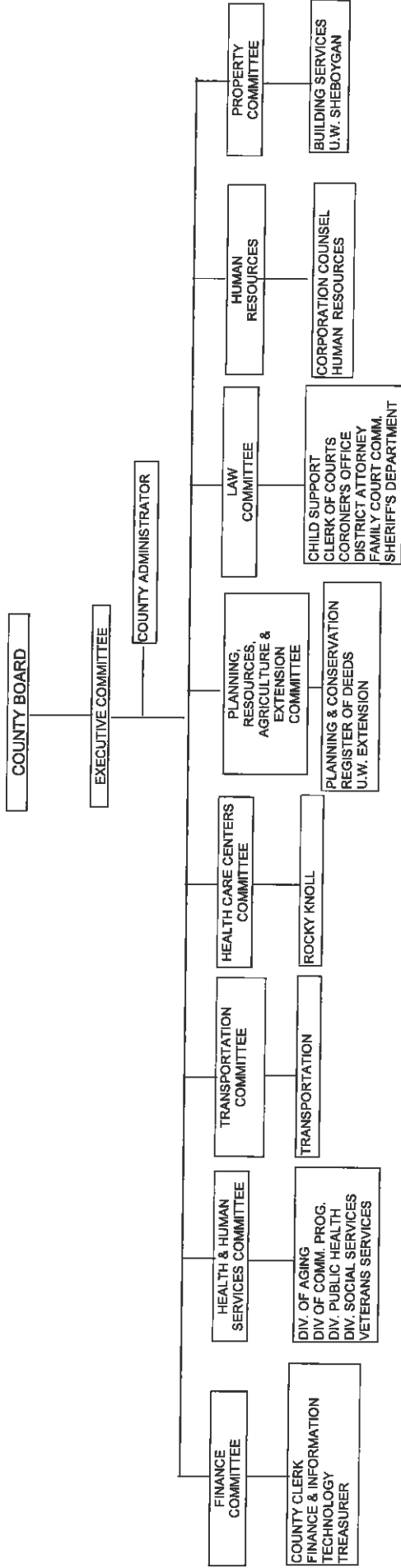
We would like to express our sincere appreciation to all staff who assisted with the preparation for the 2013 audit of Sheboygan County. In addition, we would like to recognize Schenck SC, who was invaluable in their role as independent auditor. The Board of Supervisors, Finance Committee and County Administrator are to be commended for using sound business practices while conducting the financial operations of the County.

Respectfully,

  
\_\_\_\_\_  
Terry A. Hanson  
Finance & Information Technology Director

  
\_\_\_\_\_  
Mary A. Wegmann  
Deputy Finance Director

COUNTY OF SHEBOYGAN, WISCONSIN  
ORGANIZATIONAL CHART



SHEBOYGAN COUNTY, WISCONSIN

Board of Supervisors

Term Expires April, 2016

Roger L. Te Stroete ..... Chairperson

Thomas Wegner..... Vice-Chairperson

Keith Abler

Devin LeMahieu

Steven Bauer

George Marthenze

James Baumgart

Libby Ogea

Richard C. Bemis

Roger R. Otten

Al Bosman

Edward J. Procek

Charles W. Conrardy

Fay Uraynar

Fran Damp

Jacob Van Dixhorn

Thomas V. Epping

Greg Weggeman

Jim Glavan

Kris Wheeler

William C. Goehring

Mark S. Winkel

Brian C. Hoffmann

Robert Ziegelbauer

Vernon Koch

**SHEBOYGAN COUNTY OFFICES AND DEPARTMENTS**

Chief Administrative Officer

County Administrator ..... Adam N. Payne

Department Heads

Building Services ..... James TeBeest  
Child Support Enforcement ..... James J. Graf  
Clerk of Courts\* ..... Nan Todd  
Coroner\* ..... David J. Leffin  
County Clerk\* ..... Jon Dolson  
Court Commissioner ..... Rebecca Persick  
Corporation Counsel\*\* ..... Atty. Carl Buesing  
District Attorney\* ..... Joe R. DeCecco  
Finance & Information Technology ..... Terry A. Hanson  
Health & Human Services ..... Thomas D. Eggebrecht  
Health Care Centers ..... Rachelle Vallesky  
Human Resources ..... Jean Gallimore  
Planning & Conservation ..... Aaron Brault  
Register of Deeds\* ..... Ellen Schleicher  
Sheriff\* ..... Todd W. Priebe  
Transportation ..... Greg Schnell  
Treasurer\* ..... Laura M. Henning-Lorenz  
University of Wisconsin-Extension ..... Sarah Tarjeson  
University of Wisconsin-Sheboygan\*\*\* ..... Jackie Joseph-Silverstein  
Veteran's Service ..... Charlene Cobb

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

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## **FINANCIAL SECTION**



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## 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 auditor considers 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund and public health and human service fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note C.9, the County recorded a prior period adjustment in the governmental funds and on the government-wide financial statements to increase both property taxes receivable and property tax revenue by \$456,993. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 23 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 and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relate 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, 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.



Certified Public Accountants  
Green Bay, Wisconsin  
June 27, 2014

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**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2013**

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, 2013.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded liabilities and deferred inflows of resources as of December 31, 2013 by \$137,020,282 (*net position*). Of this amount, \$28,229,111 (*unrestricted*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net position increased by \$6,948,616. The biggest contributor to the overall increase was the elimination of the accrual for other post-employment benefits of \$1,481,163, increased revenue recorded in interest and penalty on taxes (\$687,133) and a TIF district closure (\$174,958). Expenditures were underspent by \$708,032 (consulting, utilities and contingency fund). Public Health and Human Services recorded additional WIMCR (WI Medicaid Cost Reporting) revenue of \$406,221. Expenditures were under spent by \$799,078 in wages and benefits due to unplanned position retirements throughout the year and purchased services (psychiatrist).
- The property tax rate increased \$.1331 per \$1,000 of property value from the year ended December 31, 2013.
- As of December 31, 2013, the County's governmental funds reported combined ending fund balances of \$24,589,464, an increase of \$4,419,949. This is due primarily to unspent capital project funds (\$2,746,507) and increased revenue and under spent expenditures as noted above.
- As of December 31, 2013, assigned and unassigned fund balance of the Governmental Funds was \$17,839,780, or approximately 53% of total general fund expenditures.
- The County's outstanding general obligation debt increased \$2,255,000.

**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.

**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 and liabilities, with the difference between the two 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.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2013**

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 homes).

The government-wide financial statements can be found on pages 24-25 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 6 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 and the Debt Service Fund, all of which are 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.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2013**

The basic governmental fund financial statements can be found on pages 26-34 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 and 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 35-40 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 own 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 41 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 42-70 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. This information can be found on pages 71-97.

### **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 exceeded liabilities and deferred inflows of resources by \$137,020,282 at the close of 2013.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2013**

**Net Position**

December 31, 2013 and 2012  
(Amounts expressed in \$1,000)

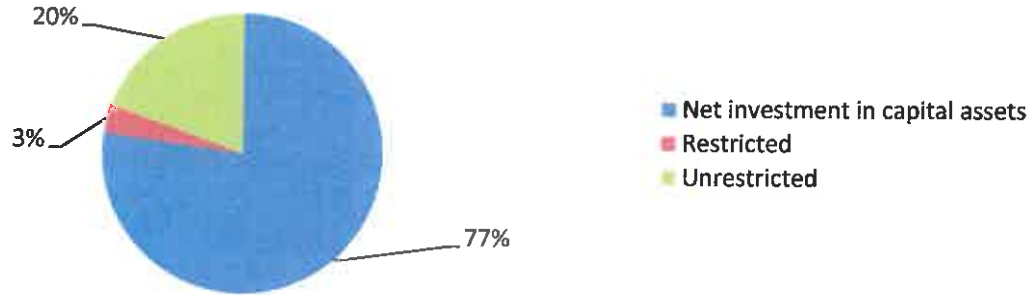
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 99,833	\$ 93,931	\$ 1,958	\$ 2,292	\$ 101,791	\$ 96,223
Capital assets	119,369	116,795	7,899	8,380	127,268	125,175
<b>Total Assets</b>	<b>219,202</b>	<b>210,726</b>	<b>9,857</b>	<b>10,672</b>	<b>229,059</b>	<b>221,398</b>
<b>Liabilities</b>						
Current and other liabilities	10,647	11,128	264	556	10,911	11,684
Long-term liabilities	33,782	32,799	862	1,648	34,644	34,447
<b>Total Liabilities</b>	<b>44,429</b>	<b>43,927</b>	<b>1,126</b>	<b>2,204</b>	<b>45,555</b>	<b>46,131</b>
Deferred Inflows of Resources	45,637	44,850	846	802	46,483	45,652
<b>Net Position</b>						
Net investment in capital assets	97,989	94,537	7,899	8,380	105,888	102,917
Restricted	2,904	3,802			2,904	3,802
Unrestricted (Deficit)	28,243	23,610	(14)	(714)	28,229	22,896
<b>Total Net Position</b>	<b>\$ 129,136</b>	<b>\$ 121,949</b>	<b>\$ 7,885</b>	<b>\$ 7,666</b>	<b>\$ 137,021</b>	<b>\$ 129,615</b>

The largest portion of the County's net position (77%) reflects its investment of \$106 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 (3%) 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, \$28,229,111, 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, 2013

## Primary Government Net Position at 2013



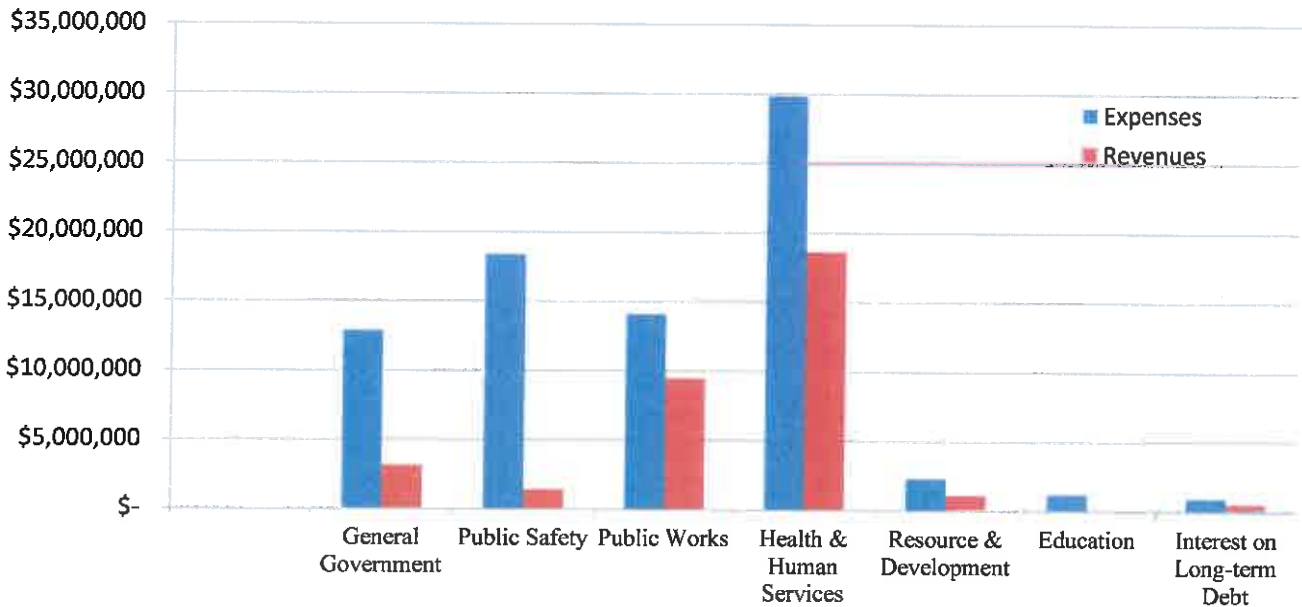
**Changes in Net Position**  
For the Years Ended December 31, 2013 and 2012  
(Amounts expressed in \$1,000)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 7,803	\$ 13,227	\$ 11,334	\$ 11,573	\$ 19,137	\$ 24,800
Operating grants & contributions	24,232	29,448	1,194	1,711	25,426	31,159
Capital grants and contributions	2,239	515	57		2,296	515
<b>Total program revenues</b>	<b>34,274</b>	<b>43,190</b>	<b>12,585</b>	<b>13,284</b>	<b>46,859</b>	<b>56,474</b>
General revenues:						
Property tax	45,126	44,308	802	687	45,928	44,995
Other taxes	9	13			9	13
Investment earnings	704	1,886			704	1,886
Nonspecific grants and contribution	3,572	3,558	12	1	3,584	3,559
Miscellaneous	1,679	1,518	10	34	1,689	1,552
<b>Total general revenues</b>	<b>51,090</b>	<b>51,283</b>	<b>824</b>	<b>722</b>	<b>51,914</b>	<b>52,005</b>
<b>Total Revenues</b>	<b>85,364</b>	<b>94,473</b>	<b>13,409</b>	<b>14,006</b>	<b>98,773</b>	<b>108,479</b>
<b>Expenses:</b>						
General government	12,876	13,271			12,876	13,271
Public safety	18,387	18,742			18,387	18,742
Public works	14,104	18,678			14,104	18,678
Public health and human services	29,859	30,664			29,859	30,664
Resources and development	2,314	6,384			2,314	6,384
Education	1,211	1,220			1,211	1,220
Interest on long-term debt	934	877			934	877
Health care centers			13,620	14,363	13,620	14,363
<b>Total Expenses</b>	<b>79,685</b>	<b>89,836</b>	<b>13,620</b>	<b>14,363</b>	<b>93,305</b>	<b>104,199</b>
Excess(deficiency) before transfers and special item	5,679	4,637	(211)	(357)	5,468	4,280
Special item - OPEB adjustment	1,062		419		1,481	
Transfers	(11)		11			
<b>Change in net position</b>	<b>6,730</b>	<b>4,637</b>	<b>219</b>	<b>(357)</b>	<b>6,949</b>	<b>4,280</b>
Cummulative effect of change in accounting principle		(308)				(308)
<b>Net Position - January 1</b>	<b>121,949</b>	<b>110,194</b>	<b>7,666</b>	<b>8,023</b>	<b>129,615</b>	<b>118,217</b>
Prior period adjustment	457	7,426			457	7,426
<b>Net Position - January 1 (Restated)</b>	<b>122,406</b>	<b>117,620</b>	<b>7,666</b>	<b>8,023</b>	<b>130,072</b>	<b>125,643</b>
<b>Net Position - December 31</b>	<b>\$ 129,136</b>	<b>\$ 121,949</b>	<b>\$ 7,885</b>	<b>\$ 7,666</b>	<b>\$ 137,021</b>	<b>\$ 129,615</b>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
**December 31, 2013**

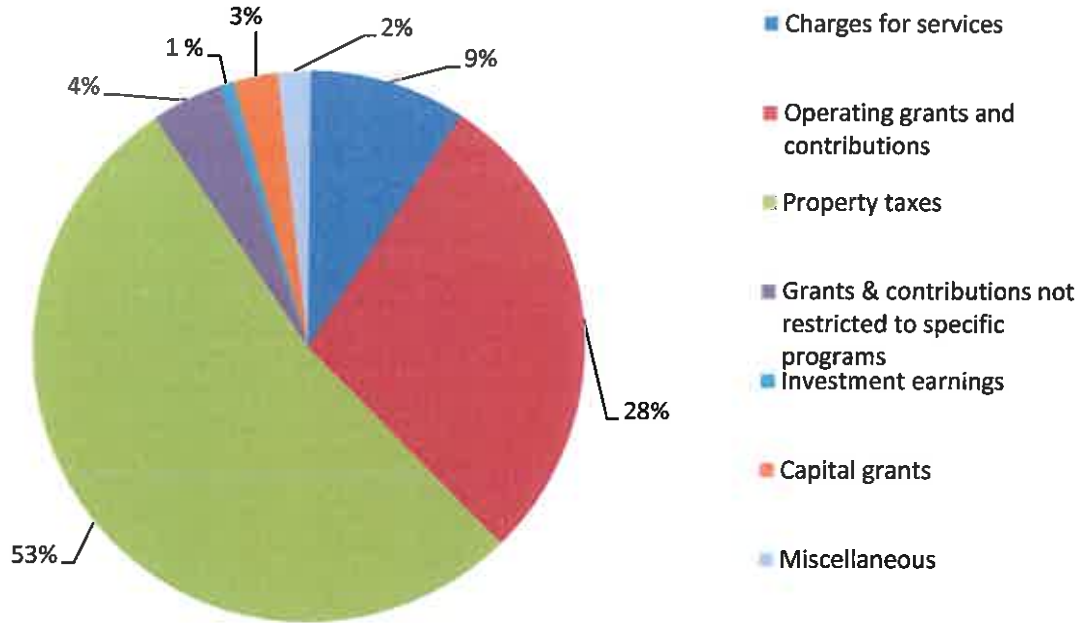
**Governmental activities:** Governmental activities increased the County's net assets by \$6,729,477. The largest contributor to the increase was the elimination of the OPEB obligation of \$1,062,255. Other factors contributing to this increase are as follows:

- **General Fund:**
  - Positive variance of \$687,133 in interest and penalty on taxes.
  - Positive variance of \$174,958 in TIF closure.
  - Positive variance in expenditure accounts of \$708,032. Largest contributors were unspent funds in consulting, utilities and contingency expense.
  
- **Public Health & Human Services:**
  - Positive variance of \$406,221 in WIMCR (WI Medicaid Cost Reporting) revenue.
  - Positive variance of \$692,819 in wages and benefits due to retirements and restructuring of the table of organization
  - Positive variance of \$106,259 in professional services (psychiatrist).
  
- **Capital Project:**
  - Positive variance of \$925,040 in unspent capital project expenditures. This is due to a transfer of funds from Public Health & Human Services for a building addition not completed at year-end.

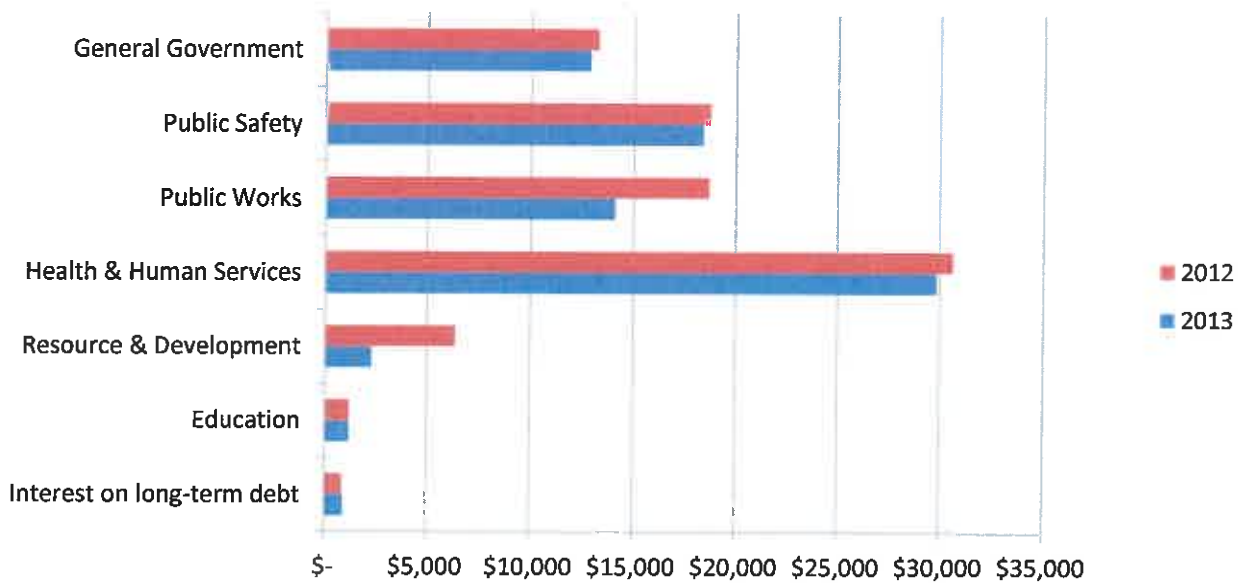


**COUNTY OF SHEBOYGAN, WISCONSIN**  
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**Revenues by Source - Governmental Activities**

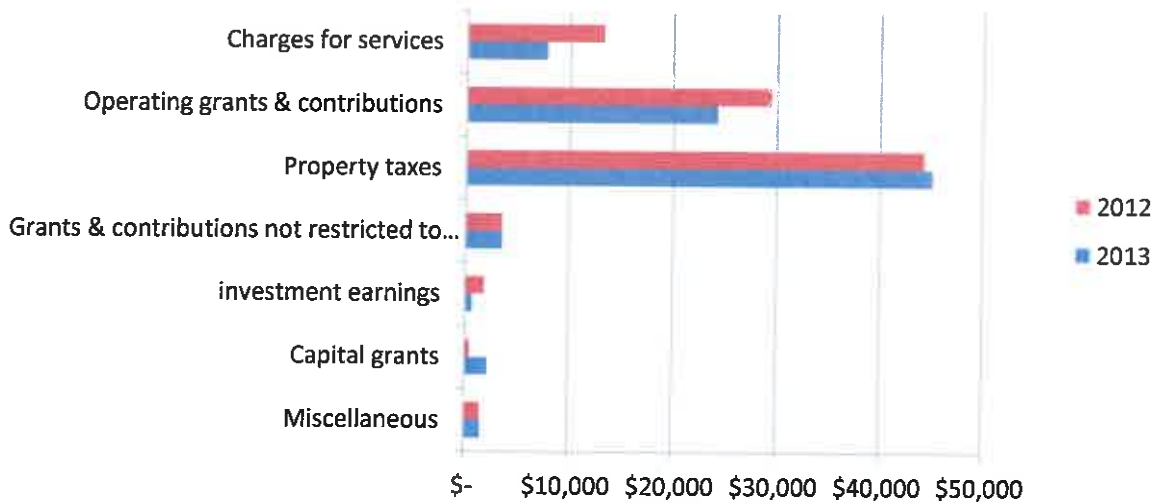


**Governmental Activities Functional Expenses for Years 2013 and 2012**  
**(Shown in Thousands of Dollars)**



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**Governmental Activities Revenues by Source for Years 2013 and 2012**  
**(Shown in Thousands of Dollars)**

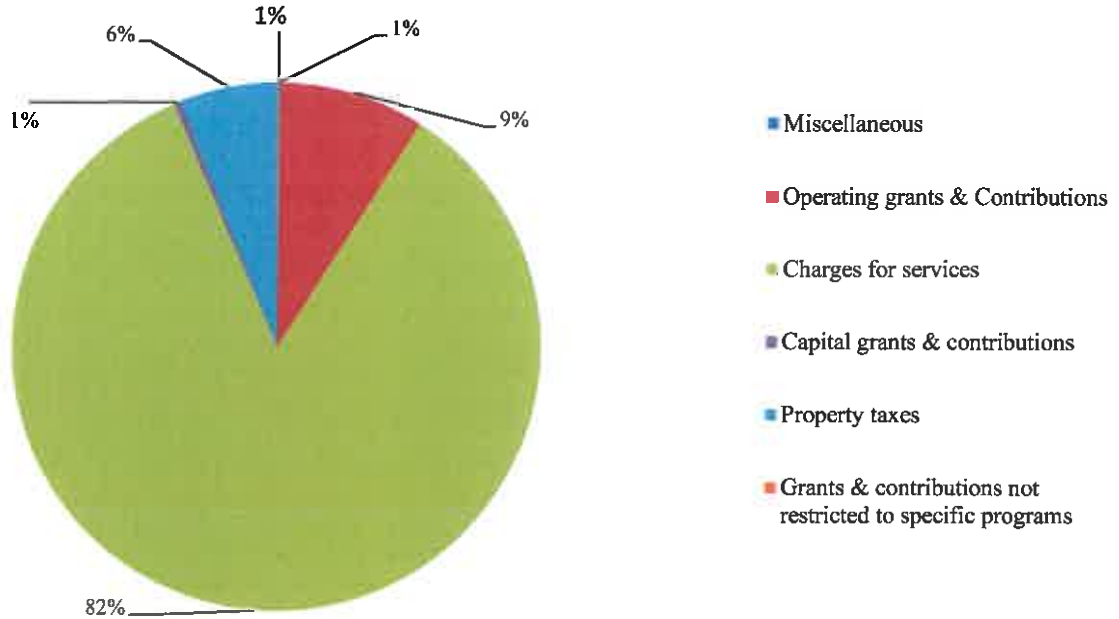


**Business-type Activities:** Rocky Knoll Health Care Center increased Sheboygan County's net position by \$219,139. The largest factor contributing to the increase was the elimination of the OPEB obligation of \$418,908. In general our health care center continues to reflect the trend of a declining market for skilled nursing care. As community members stay in their homes longer with the aid of home care services, health care centers offering 24-hour nursing care are being utilized less. Some actions taken to mitigate the loss are:

- Decreasing the total bed capacity to 157
- Preparing a business plan for submission to the County Board in consideration of expanding services to add an assisted living unit
- Adjusting staffing and operational expenses to reflect daily census

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**Revenues by Source - Business-Type Activity**



**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, 2013, the County's governmental funds reported combined ending fund balances of \$24,589,464 an increase of \$4,419,949. Of the combined ending fund balances, \$17,839,780 or 73% 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 (\$2,248,640), 2) prepayments that benefit periods beyond the end of the current year (\$144,903), 3) various individual fund commitments approved by the County Board (\$130,075), and 4) for grant or statutory provisions (\$4,226,066).

The General Fund is the chief operating fund of the County. At the end of the current year, assigned fund balance was \$884,861 and unassigned fund balance was \$13,837,437 while the total fund balance was \$17,939,667. 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

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fund balance of \$14,722,298 represents 43% of total general fund expenditures, while total fund balance represents 53% of that same amount.

During the current year the County's General Fund balance increased by \$650,245. This increase was due in part to interest and penalty on delinquent taxes and unspent consulting and contingency funds. Please refer to the "General Fund Budgetary Highlights" for a more detailed analysis of budgetary variances.

The Public Health and Human Services fund has a \$3,280,647 total fund balance. The department generated a large surplus in 2013 due to increased WIMCR (WI Medicaid Cost Reporting) revenue and employee retirements that were unknown during the budget cycle.

The Debt Service fund shows a deficit fund balance of \$192,432. This is due to interest rebates not being received for Build America and Recovery Zone Economic Development Bonds due to the federal government sequestration which occurred late in 2013.

The Capital Project fund has a \$2,404,916 fund balance. These restricted monies will be used to complete capital projects that are in progress at the end of 2013.

The nonmajor governmental funds have a combined fund balance of \$1,156,666, a decrease of \$34,044 from the prior year. This is due to the issuance of an additional loan through the County's revolving loan fund.

***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 has a unrestricted net position of \$98,663. As noted earlier this is due to the elimination of the OPEB (Other Post Employment Benefit) liability.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for expenditures was a \$141,980 increase in appropriations or a .4% increase over the original budget. This increase was due mainly to grant expenditures unknown at budget time.

During the year, actual expenditures were \$761,800 under budget. The major reason for the variances are as follows:

- Wages and benefits underspent \$138,775
- Consulting underspent \$267,210
- Contingency reserves underspent \$251,277

Differences between the original budget and the final amended budget for revenues amounted to a \$155,259 increase in funding sources due mainly to adjustments to operating grant revenue.

During the year, actual revenues were better than budget by \$16,369. This variance is due primarily to increased revenue as follows:

**COUNTY OF SHEBOYGAN, WISCONSIN**  
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- Operating grants (state shared revenue/computer aids, nonmotorized transportation and hazardous waste) increased \$129,301
- Interdepartmental revenue increased \$93,589 due to staffing changes
- Interest and penalty on taxes \$687,133

**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, 2013 was \$127,267,457 (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 \$5,699,389
- Vehicles, mostly Sheriff's squads, purchased at a cost of \$408,518 and disposal of squads totaling \$155,291
- Recreational trail upgrades of \$753,954

**Sheboygan County's Capital Assets**

(Amounts Expressed in \$1,000)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 9,598	\$ 9,612	\$ 32	\$ 32	\$ 9,630	\$ 9,644
Construction in progress	9,408	3,489			9,408	3,489
Buildings	62,980	62,981	14,637	14,615	77,617	77,596
Other improvements	10,920	10,721	707	674	11,627	11,395
Infrastructure	106,206	103,074			106,206	103,074
Machinery and equipment	16,862	16,582	4,678	4,590	21,540	21,172
Office furniture and equipment	27,503	26,920	855	855	28,358	27,775
Vehicles	11,207	10,659	199	199	11,406	10,858
Less Accumulated depreciation	(135,315)	(127,243)	(13,209)	(12,586)	(148,524)	(139,829)
<b>Total</b>	<b>\$ 119,369</b>	<b>\$ 116,795</b>	<b>\$ 7,899</b>	<b>\$ 8,379</b>	<b>\$ 127,268</b>	<b>\$ 125,174</b>

Additional information on Sheboygan County's capital assets can be found in Note C.4 on pages 58-59.

**Long-term debt:** At the end of the current fiscal year, Sheboygan County had total debt outstanding of \$26,865,242 backed by the full faith and credit of the County.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Management's Discussion and Analysis**  
**(Unaudited)**  
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**Sheboygan County's Outstanding Debt**

	2013	2012
General obligation debt:		
Bonds	\$ 5,540,000	\$ 6,370,000
Notes	21,100,000	18,015,000
Total general obligation debt	26,640,000	24,385,000
Capital leases	223,452	377,178
Total debt	\$ 26,863,452	\$ 24,762,178

On June 11, 2013 the County issued General Obligation Promissory Notes in the amount of \$9,590,000. These notes will finance part of the cost of capital improvements within the County as well as refinancing the remaining balance of \$1,705,000 for the 2006 promissory notes. During the current year, Sheboygan County retired \$7,335,000 of outstanding debt.

Moody's Investors Service assigned a Aa2 rating to the County for the 2013 promissory note issuance.

State statutes limit the amount of general obligation debt the County may issue to 5% of its total equalized valuation. The current debt limitation for the County is \$426,335,055 which is significantly in excess of the County's \$26,640,000 in outstanding general obligation debt. The County's debt service fund had a deficit fund balance of \$192,432 at December 31, 2013. It is anticipated that the deficit will be funded from tax levy.

Additional information on Sheboygan County's long-term debt can be found in Note C.6 on page 61-64 of this report.

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

The unemployment rate for December 2013 was 5.0% for the County. This compares to the State of Wisconsin's average unemployment rate of 6.3%. This is a decrease of 1.6% from the prior year.

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 2014 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**  
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With the adoption of the budget for 2014, the County's operating rate of \$5.5971 represents a \$0.1866 increase from the prior year and conforms with the state statute requirements. The County will utilize \$1,060,000 of Public Health & Human Services fund balance to replace and enhance our medical records software.

**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, WI**  
**Statement of Net Position**  
**December 31, 2013**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$42,422,075	\$	\$42,422,075
Receivables			
Taxes	45,598,005	846,238	46,444,243
Accounts, net	730,045	869,160	1,599,205
Delinquent taxes	3,597,923		3,597,923
Delinquent special certificates	239,350		239,350
Interest	1,540,087		1,540,087
Loans	1,139,849		1,139,849
Internal balances	402,834	(402,834)	
Due from other governments	2,165,252	578,813	2,744,065
Prepays and inventory	1,997,096	67,061	2,064,157
Capital assets, nondepreciable			
Land	9,598,455	31,750	9,630,205
Construction in progress	9,408,001		9,408,001
Capital assets, depreciable			
Buildings	62,979,816	14,637,060	77,616,876
Improvements other than buildings	10,919,905	706,599	11,626,504
Infrastructure	106,205,839		106,205,839
Machinery and equipment	16,860,881	4,678,068	21,538,949
Office furniture and equipment	27,503,340	854,767	28,358,107
Vehicles	11,207,395	199,419	11,406,814
Less: Accumulated depreciation	(135,314,785)	(13,209,053)	(148,523,838)
<b>Total Assets</b>	<b>219,201,363</b>	<b>9,857,048</b>	<b>229,058,411</b>
<b>Liabilities</b>			
Accounts payable	2,963,941	196,211	3,160,152
Accrued compensation	2,191,712	67,389	2,259,101
Accrued and other current liabilities	3,852,079		3,852,079
Accrued interest payable	104,290		104,290
Due to other governments	1,413,913		1,413,913
Unearned revenue	121,029		121,029
Long-term obligations			
Due Within One Year	5,929,528	7,775	5,937,303
Due In More Than One Year	27,852,550	854,614	28,707,164
<b>Total Liabilities</b>	<b>44,429,042</b>	<b>1,125,989</b>	<b>45,555,031</b>
<b>Deferred Inflows of Resources</b>			
Property taxes	45,598,005	846,238	46,444,243
Grant advances	38,855		38,855
<b>Total Deferred Inflows of Resources</b>	<b>45,636,860</b>	<b>846,238</b>	<b>46,483,098</b>
<b>Net Position</b>			
Net investment in capital assets	97,988,763	7,898,610	105,887,373
Restricted For:			
Land records	622,283		622,283
Jail assessment	74,707		74,707
Community development	2,206,808		2,206,808
Unrestricted (Deficit)	28,242,900	(13,789)	28,229,111
<b>Total Net Position</b>	<b>\$129,135,461</b>	<b>\$7,884,821</b>	<b>\$137,020,282</b>

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

**County of Sheboygan, WI**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total
<b>Expenses</b>							
\$	12,875,999	\$ 1,616,854	\$ 1,013,682	\$ 510,123	\$ (9,735,340)	\$	(9,735,340)
	18,387,252	1,147,019	278,477		(16,961,756)		(16,961,756)
	14,103,660	268,194	7,511,117	1,677,709	(4,646,640)		(4,646,640)
	29,859,291	3,644,516	14,907,845	51,343	(11,255,587)		(11,255,587)
	2,314,399	587,717	512,776		(1,213,906)		(1,213,906)
	1,210,673	26,136	8,660		(1,175,877)		(1,175,877)
	934,299	512,382			(421,917)		(421,917)
	79,685,573	7,802,818	24,232,557	2,239,175	(45,411,023)		(45,411,023)
<b>Business-Type Activities:</b>							
	13,619,659	11,334,183	1,193,507	57,296		(1,034,673)	(1,034,673)
	93,305,232	19,137,001	25,426,064	2,296,471	(45,411,023)		(46,445,696)

**Primary Government**

**Governmental Activities:**

General Government  
Public Safety  
Public Works  
Public Health and Human Services  
Resources and Development  
Education  
Interest on Long-term Debt

**Business-Type Activities:**

Rocky Knoll  
Total Primary Government

<b>General Revenues</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					801,881		40,292,848
Property taxes, levied for debt service					5,634,832		5,634,832
Other Taxes					8,801		8,801
Grants and Contributions Not Restricted to Specific Functions					3,571,779	11,783	3,583,562
Investment Earnings					704,126	122	704,248
Miscellaneous					1,679,145	9,713	1,688,858
Special item - Other Post Employment Benefit Adjustment					1,062,255	418,908	1,481,163
Transfers					(11,405)	11,405	
Total general revenues, special item and transfers					52,140,500	1,253,812	53,394,312
<b>Change in net position</b>					6,729,477	219,139	6,948,616
<b>Net Position - January 1</b>					121,948,991	7,665,682	129,614,673
<b>Prior Period Adjustment</b>					456,993		456,993
<b>Net Position, January 1, Restated</b>					122,405,984	7,665,682	130,071,666
<b>Net Position - December 31</b>					\$129,135,461	\$7,884,821	\$137,020,282

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

**County of Sheboygan, WI**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2013**

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 22,637,322	\$ 4,406,242	\$	\$ 2,404,916	\$ 1,156,666	\$ 30,605,146
Receivables						
Taxes	21,344,223	13,600,400	6,141,284			41,085,907
Accounts, net	334,044	280,034				614,078
Delinquent taxes	3,597,923					3,597,923
Delinquent special certificates	239,350					239,350
Interest	1,540,087					1,540,087
Loans	57,201				1,082,648	1,139,849
Due from other funds	482,814					482,814
Due from other governments	741,947	325,600				1,067,547
Prepays and inventory	141,664	3,239				144,903
<b>Total Assets</b>	<b>\$ 51,116,575</b>	<b>\$ 18,615,515</b>	<b>\$ 6,141,284</b>	<b>\$ 2,404,916</b>	<b>\$ 2,239,314</b>	<b>\$ 80,517,604</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 2,363,753	\$ 486,468	\$	\$	\$	\$ 2,850,221
Accrued compensation	5,928,607					5,928,607
Accrued and other current liabilities	1,035,758	96,076				1,131,834
Due to other governments	383,018	1,030,895				1,413,913
Due to other funds			192,432			192,432
Unearned revenue		121,029				121,029
<b>Total Liabilities</b>	<b>9,711,136</b>	<b>1,734,468</b>	<b>192,432</b>			<b>11,638,036</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	21,344,223	13,600,400	6,141,284			41,085,907
County portion of delinquent taxes	2,082,694					2,082,694
Grant advance	38,855					38,855
Loans receivable					1,082,648	1,082,648
<b>Total Deferred Inflows of Resources</b>	<b>23,465,772</b>	<b>13,600,400</b>	<b>6,141,284</b>		<b>1,082,648</b>	<b>44,290,104</b>
<b>Fund Balances</b>						
Nonspendable	2,390,304	3,239				2,393,543
Restricted	696,990			2,404,916	1,124,160	4,226,066
Committed	130,075					130,075
Assigned	884,861	3,277,408			32,506	4,194,775
Unassigned (deficit)	13,837,437		(192,432)			13,645,005
<b>Total Fund Balances (Deficit)</b>	<b>17,939,667</b>	<b>3,280,647</b>	<b>(192,432)</b>	<b>2,404,916</b>	<b>1,156,666</b>	<b>24,589,464</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 51,116,575</b>	<b>\$ 18,615,515</b>	<b>\$ 6,141,284</b>	<b>\$ 2,404,916</b>	<b>\$ 2,239,314</b>	<b>\$ 80,517,604</b>

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

**County of Sheboygan, WI**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
December 31, 2013

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on the previous page \$ 24,589,464

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 109,207,279

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

Delinquent taxes	2,082,694	
Loans receivable	1,082,648	
		3,165,342

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	\$ (26,640,000)	
Compensated absences	(2,117,656)	
Capital leases	(223,452)	
Bond premiums	(375,028)	
Accrued interest on long-term obligations	(104,290)	
		(29,460,426)

Receivable or (payable) to a business-type activity due to the lookback adjustment and consolidation of internal service funds 112,452

Internal service fund activities included in governmental activities 21,521,350

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 24)	\$ 129,135,461
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The notes to the basic financial statements are an integral part of the statement.

**County of Sheboygan, WI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 21,766,352	\$ 13,331,732	\$ 5,634,832			\$ 40,732,916
Other Taxes	45,326					45,326
Intergovernmental	5,989,789	13,923,548		201,918		20,115,255
Licenses and permits	361,322	277,177				638,499
Fines, forfeits and penalties	298,137					298,137
Public charges for services	3,380,641	3,344,403			220	6,725,264
Miscellaneous	2,719,585	166,969	585,154	9,554	88,128	3,569,390
<b>Total Revenues</b>	<b>34,561,152</b>	<b>31,043,829</b>	<b>6,219,986</b>	<b>211,472</b>	<b>88,348</b>	<b>72,124,787</b>
<b>Expenditures</b>						
Current:						
General government	12,047,936					12,047,936
Public safety	17,163,043				10,385	17,173,428
Public works	401,438					401,438
Public health and human services	1,289,096	28,745,690				30,034,786
Resources and development	1,920,152				118,432	2,038,584
Education	574,150					574,150
Debt Service:						
Principal			5,630,000			5,630,000
Interest and other charges			932,073			932,073
Capital Outlay	488,762	70,878		8,054,935		8,614,575
<b>Total Expenditures</b>	<b>33,884,577</b>	<b>28,816,568</b>	<b>6,562,073</b>	<b>8,054,935</b>	<b>128,817</b>	<b>77,446,970</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>676,575</b>	<b>2,227,261</b>	<b>(342,087)</b>	<b>(7,843,463)</b>	<b>(40,469)</b>	<b>(5,322,183)</b>
<b>Other Financing Sources (Uses)</b>						
Capital contributions				1,657,631		1,657,631
Premium on long term debt issued			245,928			245,928
Long term debt issued			1,590,000	8,000,000		9,590,000
Payment to current noteholder			(1,731,522)			(1,731,522)
Transfers in:				932,339	6,425	938,764
Transfers out	(26,330)	(932,339)				(958,669)
<b>Total Other Financing Sources (Uses)</b>	<b>(26,330)</b>	<b>(932,339)</b>	<b>104,406</b>	<b>10,589,970</b>	<b>6,425</b>	<b>9,742,132</b>
<b>Net change in fund balances</b>	<b>650,245</b>	<b>1,294,922</b>	<b>(237,681)</b>	<b>2,746,507</b>	<b>(34,044)</b>	<b>4,419,949</b>
<b>Fund balances (deficit), January 1</b>	<b>16,832,429</b>	<b>1,985,725</b>	<b>45,249</b>	<b>(341,591)</b>	<b>1,190,710</b>	<b>19,712,522</b>
<b>Prior period adjustment</b>	<b>456,993</b>					<b>456,993</b>
<b>Fund balances (deficit), January 1 restated</b>	<b>17,289,422</b>	<b>1,985,725</b>	<b>45,249</b>	<b>(341,591)</b>	<b>1,190,710</b>	<b>20,169,515</b>
<b>Fund balances (deficit), December 31</b>	<b>\$ 17,939,667</b>	<b>\$ 3,280,647</b>	<b>\$ (192,432)</b>	<b>\$ 2,404,916</b>	<b>\$ 1,156,666</b>	<b>\$ 24,589,464</b>

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 Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended December 31, 2013**

Reconciliation to the Statement of Activities

Net Change in Fund Balances as show on previous page \$ 4,419,949

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 governmental fund statements	\$ 10,607,699	
Depreciation expense reported in the statement of activities	(7,897,957)	
Amount by which capital outlays are greater than depreciation in current period		2,709,742

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.

(864,154)

Governmental funds report special assessments are 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:

(538,857)

Capital loan proceeds are reported as an other financing source in the governmental funds but increases liabilities in the statement of net position. The amount of capital loan proceeds in the current year is:

General obligation promissory notes issued		(9,590,000)
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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	7,335,000	
Capital lease retired	153,726	
	7,488,726	7,488,726

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	48,593	
Compensated absences	376,824	
Accrued interest	24,592	
Amortization of bond premiums	(153,737)	
Other post-employment benefits	857,789	1,154,061

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.

2,176,243

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

(226,233)

Change in Net Position of Governmental Activities as reported in the Statement of Activities (see page 25)

\$ 6,729,477

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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 21,497,347	\$ 21,520,138	\$ 21,766,352	\$ 246,214
Other taxes	6,320	6,320	45,326	39,006
	<u>21,503,667</u>	<u>21,526,458</u>	<u>21,811,678</u>	<u>285,220</u>
Intergovernmental				
General Government	4,116,505	4,115,713	4,154,235	38,522
Public Safety	205,414	280,509	278,477	(2,032)
Public Health & Human Services	1,034,336	1,034,336	1,035,641	1,305
Resources and Development	496,803	520,454	512,776	(7,678)
Education	4,922	4,922	8,660	3,738
	<u>5,857,980</u>	<u>5,955,934</u>	<u>5,989,789</u>	<u>33,855</u>
Licenses and permits				
General Government	106,470	106,470	108,505	2,035
Resources and Development	246,385	246,385	252,817	6,432
	<u>352,855</u>	<u>352,855</u>	<u>361,322</u>	<u>8,467</u>
Fines, Forfeits and Penalties				
General Government	345,000	345,000	291,503	(53,497)
Public Safety			165	165
Resources and Development	3,500	3,500	6,469	2,969
	<u>348,500</u>	<u>348,500</u>	<u>298,137</u>	<u>(50,363)</u>
Public Charges for Services				
General Government	1,694,640	1,705,809	1,717,103	11,294
Public Health and Human Services	29,650	29,650	22,935	(6,715)
Public Safety	1,115,158	1,115,158	1,146,635	31,477
Public Works	239,670	239,670	239,351	(319)
Resources and Development	289,335	302,804	228,481	(74,323)
Education	20,350	20,350	26,136	5,786
	<u>3,388,803</u>	<u>3,413,441</u>	<u>3,380,641</u>	<u>(32,800)</u>
Miscellaneous				
General Government	2,535,944	2,545,812	2,143,425	(402,387)
Public Safety	352,225	352,233	426,703	74,470
Public Works	2,550	2,550	5,936	3,386
Public Health and Human Services	1,000	1,000	4,001	3,001
Resources and Development	37,950	37,950	121,564	83,614
Education	8,050	8,050	17,956	9,906
	<u>2,937,719</u>	<u>2,947,595</u>	<u>2,719,585</u>	<u>(228,010)</u>
Total Revenues	<u>34,389,524</u>	<u>34,544,783</u>	<u>34,561,152</u>	<u>16,369</u>
<b>EXPENDITURES</b>				
General Government				
Treasurer				
Wages and benefits	359,223	359,223	372,593	(13,370)
Operating expenses	117,493	117,493	76,399	41,094
Interdepartmental charges	142,810	159,826	146,434	13,392
Capital outlay	52,000	52,000	31,996	20,004
	<u>671,526</u>	<u>688,542</u>	<u>627,422</u>	<u>61,120</u>
Register of Deeds				
Wages and benefits	342,834	354,003	351,757	2,246
Operating expenses	173,259	173,259	175,796	(2,537)
Interdepartmental charges	145,031	145,031	139,594	5,437
	<u>661,124</u>	<u>672,293</u>	<u>667,147</u>	<u>5,146</u>

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**General Fund**

**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Finance and IT - Finance Division</b>				
Wages and benefits	749,843	749,843	787,685	(37,842)
Operating expenses	81,714	81,714	71,643	10,071
Interdepartmental charges	190,437	190,437	184,158	6,279
	<u>1,021,994</u>	<u>1,021,994</u>	<u>1,043,486</u>	<u>(21,492)</u>
<b>Coroner</b>				
Wages and benefits	68,130	68,130	72,961	(4,831)
Operating expenses	45,280	48,730	49,677	(947)
Interdepartmental charges	5,429	5,429	5,661	(232)
	<u>118,839</u>	<u>122,289</u>	<u>128,299</u>	<u>(6,010)</u>
<b>County Board</b>				
Wages and benefits	149,165	149,165	135,973	13,192
Operating expenses	45,912	45,912	40,147	5,765
Interdepartmental charges	26,969	26,969	26,297	672
	<u>222,046</u>	<u>222,046</u>	<u>202,417</u>	<u>19,629</u>
<b>Family Court Commissioner</b>				
Wages and benefits	231,818	231,818	227,807	4,011
Operating expenses	48,365	48,365	50,964	(2,599)
Interdepartmental charges	68,930	68,930	51,197	17,733
	<u>349,113</u>	<u>349,113</u>	<u>329,968</u>	<u>19,145</u>
<b>Clerk of Courts</b>				
Wages and benefits	1,235,811	1,235,811	1,259,676	(23,865)
Operating expenses	421,147	421,147	374,100	47,047
Interdepartmental charges	437,232	437,232	430,264	6,968
	<u>2,094,190</u>	<u>2,094,190</u>	<u>2,064,040</u>	<u>30,150</u>
<b>District Attorney</b>				
Wages and benefits	646,130	646,130	641,283	4,847
Operating expenses	53,506	53,506	44,513	8,993
Interdepartmental charges	259,984	259,192	257,222	1,970
	<u>959,620</u>	<u>958,828</u>	<u>943,018</u>	<u>15,810</u>
<b>County Clerk</b>				
Wages and benefits	210,259	210,259	217,509	(7,250)
Operating expenses	142,770	161,063	164,194	(3,131)
Interdepartmental charges	62,771	62,771	55,993	6,778
	<u>415,800</u>	<u>434,093</u>	<u>437,696</u>	<u>(3,603)</u>
<b>Building Services</b>				
Wages and benefits	1,490,769	1,490,769	1,424,354	66,415
Operating expenses	1,106,148	1,099,296	1,029,262	70,034
Interdepartmental charges	577,176	577,176	566,584	10,592
Capital outlay	92,475	92,475	51,393	41,082
	<u>3,266,568</u>	<u>3,259,716</u>	<u>3,071,593</u>	<u>188,123</u>
<b>Human Resources</b>				
Wages and benefits	306,454	306,454	324,262	(17,808)
Operating expenses	89,836	114,836	87,701	27,135
Interdepartmental charges	71,744	71,744	61,220	10,524
	<u>468,034</u>	<u>493,034</u>	<u>473,183</u>	<u>19,851</u>
<b>Non-Departmental</b>				
Operating expenses	1,920,613	1,873,870	1,507,388	366,482
Interdepartmental charges	101,639	101,639	101,320	319
	<u>2,022,252</u>	<u>1,975,509</u>	<u>1,608,708</u>	<u>366,801</u>

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**General Fund**

**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Corporation Counsel				
Wages and benefits	91,251	91,251	90,553	698
Operating expenses	205,569	205,569	205,994	(425)
Interdepartmental charges	25,015	25,015	24,962	53
	<u>321,835</u>	<u>321,835</u>	<u>321,509</u>	<u>326</u>
County Administrator				
Wages and benefits	173,235	173,235	173,342	(107)
Operating expenses	7,365	7,365	5,228	2,137
Interdepartmental charges	34,660	34,660	34,270	390
	<u>215,260</u>	<u>215,260</u>	<u>212,840</u>	<u>2,420</u>
Total General Government	<u>12,808,201</u>	<u>12,828,742</u>	<u>12,131,326</u>	<u>697,416</u>
Public Safety				
Sheriff				
Wages and benefits	11,521,974	11,525,619	11,812,466	(286,847)
Operating expenses	2,272,193	2,297,791	2,266,723	31,068
Interdepartmental charges	3,177,403	3,177,403	3,083,854	93,549
Capital outlay	284,394	330,254	348,936	(18,682)
Total Public Safety	<u>17,255,964</u>	<u>17,331,067</u>	<u>17,511,979</u>	<u>(180,912)</u>
Public Works				
Airport				
Wages and benefits	215,730	209,435	206,151	3,284
Operating expenses	78,040	78,040	83,591	(5,551)
Interdepartmental charges	102,426	108,721	111,696	(2,975)
Total Public Works	<u>396,196</u>	<u>396,196</u>	<u>401,438</u>	<u>(5,242)</u>
Public Health and Human Services				
Child Support				
Wages and benefits	657,465	657,465	653,035	4,430
Operating expenses	70,583	70,583	70,196	387
Interdepartmental charges	368,181	368,181	357,565	10,616
Veterans Services				
Wages and benefits	111,237	111,237	110,767	470
Operating expenses	14,856	14,856	14,288	568
Interdepartmental charges	24,822	24,822	24,824	(2)
Veterans Commission				
Wages and benefits	4,387	4,387	4,338	49
Operating expenses	56,583	56,583	53,134	3,449
Interdepartmental charges	942	942	949	(7)
Total Public Health and Human Services	<u>1,309,056</u>	<u>1,309,056</u>	<u>1,289,096</u>	<u>19,960</u>
Resources and Development				
Planning and Conservation				
Wages and benefits	890,010	868,810	817,588	51,222
Operating expenses	799,727	823,378	753,659	69,719
Interdepartmental charges	433,531	433,531	348,905	84,626
Capital outlay	20,000	52,795	56,436	(3,641)
Total Resources and Development	<u>2,143,268</u>	<u>2,178,514</u>	<u>1,976,588</u>	<u>201,926</u>

**COUNTY OF SHEBOYGAN, WI**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Education				
U.W. Sheboygan				
Operating expenses	93,000	104,090	98,139	5,951
Interdepartmental charges	17,584	17,584	17,136	448
	<u>110,584</u>	<u>121,674</u>	<u>115,275</u>	<u>6,399</u>
U.W. Extension				
Wages and benefits	124,865	124,865	123,445	1,420
Operating expenses	277,834	277,834	257,018	20,816
Interdepartmental charges	78,429	78,429	78,412	17
	<u>481,128</u>	<u>481,128</u>	<u>458,875</u>	<u>22,253</u>
Total Education	<u>591,712</u>	<u>602,802</u>	<u>574,150</u>	<u>28,652</u>
Total Expenditures	<u>34,504,397</u>	<u>34,646,377</u>	<u>33,884,577</u>	<u>761,800</u>
Excess (deficiency) of revenues over expenditures	<u>(114,873)</u>	<u>(101,594)</u>	<u>676,575</u>	<u>778,169</u>
Other financing sources (uses)				
Transfers out	(26,500)	(26,500)	(26,330)	170
Net change in fund balance	<u>(141,373)</u>	<u>(128,094)</u>	<u>650,245</u>	<u>778,339</u>
Fund balance, January 1	<u>16,832,429</u>	<u>16,832,429</u>	<u>16,832,429</u>	
Prior period adjustment			456,993	456,993
Fund balance, January 1 restated			<u>17,289,422</u>	
Fund balance, December 31	<u>\$ 16,691,056</u>	<u>\$ 16,704,335</u>	<u>\$ 17,939,667</u>	<u>\$ 1,235,332</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, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 13,331,732	\$ 13,331,732	\$ 13,331,732	\$
Intergovernmental	12,927,192	12,927,192	13,923,548	996,356
Licenses and permits	260,000	260,000	277,177	17,177
Public charges for services	2,284,917	2,284,917	3,344,403	1,059,486
Miscellaneous	233,120	233,120	166,969	(66,151)
<b>Total Revenues</b>	<b>29,036,961</b>	<b>29,036,961</b>	<b>31,043,829</b>	<b>2,006,868</b>
<b>EXPENDITURES</b>				
Community Programs				
Wages and benefits	3,071,441	3,071,441	2,894,085	177,356
Operating expenses	8,057,537	8,057,537	9,193,749	(1,136,212)
Interdepartmental charges	1,907,176	1,907,176	1,597,200	309,976
	13,036,154	13,036,154	13,685,034	(648,880)
Elder Services				
Wages and benefits	312,669	287,669	288,269	(600)
Operating expenses	748,542	748,542	724,116	24,426
Interdepartmental charges	264,175	264,175	212,910	51,265
Capital outlay	70,000	95,000	64,179	30,821
	1,395,386	1,395,386	1,289,474	105,912
Public Health				
Wages and benefits	1,849,761	1,849,761	2,023,037	(173,276)
Operating expenses	235,288	235,288	346,728	(111,440)
Interdepartmental charges	1,122,483	1,122,483	982,128	140,355
	3,207,532	3,207,532	3,351,893	(144,361)
Social Services				
Wages and benefits	3,347,487	3,347,487	3,298,474	49,013
Operating expenses	3,910,667	3,910,667	3,333,940	576,727
Interdepartmental charges	1,848,457	1,848,457	1,658,723	189,734
	9,106,611	9,106,611	8,291,137	815,474
Economic Support				
Wages and benefits	1,347,496	1,347,496	1,293,810	53,686
Operating expenses	258,023	258,023	227,685	30,338
Interdepartmental charges	682,871	682,871	671,290	11,581
	2,288,390	2,288,390	2,192,785	95,605
Administration				
Wages and benefits	1,460,867	1,460,867	1,163,742	297,125
Operating expenses	270,999	264,300	103,979	160,321
Interdepartmental charges	(1,689,219)	(1,689,219)	(1,268,175)	(421,044)
Capital outlay		6,699	6,699	
	42,647	42,647	6,245	36,402
<b>Total Expenditures</b>	<b>29,076,720</b>	<b>29,076,720</b>	<b>28,816,568</b>	<b>260,152</b>
Excess (deficiency) of revenues over expenditures	(39,759)	(39,759)	2,227,261	2,267,020
Other financing (uses)				
Transfers out		(932,339)	(932,339)	
<b>Net change in fund balance</b>	<b>(39,759)</b>	<b>(972,098)</b>	<b>1,294,922</b>	<b>2,267,020</b>
Fund balance, January 1	1,985,725	1,985,725	1,985,725	
<b>Fund balance, December 31</b>	<b>\$ 1,945,966</b>	<b>\$ 1,013,627</b>	<b>\$ 3,280,647</b>	<b>\$ 2,267,020</b>

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

**County of Sheboygan, WI**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2013**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets</b>		
Cash and investments	\$	\$ 11,816,929
Receivables (net)		
Taxes	846,238	4,512,098
Accounts	869,160	115,967
Due from external parties	578,813	1,097,705
Due from other funds		567,147
Prepays and inventory	67,061	1,852,193
Capital assets, nondepreciable		
Land	31,750	1,730,751
Capital assets, depreciable		
Buildings	14,637,060	4,228,842
Improvements other than buildings	706,599	891,045
Machinery and equipment	4,678,068	12,501,548
Office furniture and equipment	854,767	10,760,438
Vehicles	199,419	8,487,140
Less Accumulated depreciation	(13,209,053)	(28,438,224)
<b>Total Assets</b>	<u>10,259,882</u>	<u>30,123,579</u>
<b>Liabilities</b>		
Accounts payable	196,211	113,692
Accrued and other current liabilities		2,720,245
Due to other funds	290,382	567,147
Accrued compensation	67,389	59,335
Long-term obligations		
Due within one year	7,775	461
Due in more than one year	854,614	629,251
<b>Total Liabilities</b>	<u>1,416,371</u>	<u>4,090,131</u>
<b>Deferred Inflows of Resources</b>		
Property taxes	846,238	4,512,098
<b>Net Position</b>		
Net investment in capital assets	7,898,610	10,161,540
Unrestricted	98,663	11,359,810
<b>Total Net Position</b>	<u>\$ 7,997,273</u>	<u>\$ 21,521,350</u>

**County of Sheboygan, WI**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**December 31, 2013**

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	\$ 7,997,273
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	<u>(112,452)</u>
Net Position of Business-Type Activities as Reported on the Government-wide Statement of Net Position	<u><u>\$ 7,884,821</u></u>

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

**County of Sheboygan, WI**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	<b>Enterprise Fund Rocky Knoll</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating Revenues</b>		
Charges for services	\$ 11,334,183	\$ 23,581,981
Miscellaneous operating revenue	9,713	1,193,323
<b>Total Operating Revenues</b>	<b>11,343,896</b>	<b>24,775,304</b>
<b>Operating Expenses</b>		
Operation and maintenance	13,222,374	29,379,214
Depreciation	623,518	1,079,109
<b>Total Operating Expenses</b>	<b>13,845,892</b>	<b>30,458,323</b>
<b>Operating loss</b>	<b>(2,501,996)</b>	<b>(5,683,019)</b>
<b>Nonoperating revenues (expenses)</b>		
Intergovernmental contracts/grants	1,193,507	2,667,647
Property tax appropriation	801,881	4,353,499
Investment income	122	
Donations	11,783	
Rental Income		31,228
Gain on disposal of capital assets		63,721
<b>Total nonoperating revenues</b>	<b>2,007,293</b>	<b>7,116,095</b>
<b>Income (loss) before contributions, special item and transfers</b>	<b>(494,703)</b>	<b>1,433,076</b>
Capital contributions - County	57,296	510,123
Capital contributions - State		20,078
Special Item - Other Post Employment Benefit Adjustment	418,908	204,466
Transfers In	11,405	8,500
<b>Change in net position</b>	<b>(7,094)</b>	<b>2,176,243</b>
<b>Net Position - January 1</b>	<b>8,004,367</b>	<b>19,345,107</b>
<b>Net Position - December 31</b>	<b>\$ 7,997,273</b>	<b>\$ 21,521,350</b>



**County of Sheboygan, WI**  
**Statement of Revenues, Expenses and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

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	\$	(7,094)
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		226,233
Change in Net Position of Business-Type Activities as Reported on the Government-wide Statement of Activities	\$	219,139

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

**County of Sheboygan, WI**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 11,546,754	\$ 5,482,063
Receipts from interfund services provided		16,444,700
Other operating cash receipts	9,713	2,849,213
Payments to suppliers	(3,136,459)	(10,506,203)
Other sources of cash	(573,077)	(39,460)
Payments to employees	(8,353,720)	(17,110,052)
Payments for interfund services used	(2,391,425)	(2,186,558)
Net cash used by operating activities	<u>(2,898,214)</u>	<u>(5,066,297)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Intergovernmental contracts/grants	1,193,507	2,667,647
Property tax appropriation received	801,881	4,353,499
Transfer in	11,405	8,500
Net cash provided by noncapital financing activities	<u>2,006,793</u>	<u>7,029,646</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of equipment		98,269
Purchases of capital assets	(84,974)	(1,311,848)
Net cash used by capital and related financing activities	<u>(84,974)</u>	<u>(1,213,579)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Donations	11,783	
Investment income	122	
Rental income		31,228
Net cash provided by investing activities	<u>11,905</u>	<u>31,228</u>
Net increase (decrease) in cash and cash equivalents	(964,490)	780,998
Cash and cash equivalents - January 1	674,108	11,035,931
Cash and cash equivalents - December 31	<u>\$ (290,382)</u>	<u>\$ 11,816,929</u>

(Continued)

**County of Sheboygan, WI**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (2,501,996)	\$ (5,683,019)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation (net of amortization)	623,519	1,079,110
Changes in assets and liabilities:		
Accounts receivable	212,571	671
Due from other governments	(563,936)	(300,448)
Prepays and inventories	(9,141)	259,095
Accounts payable	(23,950)	(305,982)
Accrued and other current liabilities		1,892
Accrued compensated absences and other post employment benefits	(635,281)	(117,616)
Net cash used by operating activities	<u>\$ (2,898,214)</u>	<u>\$ (5,066,297)</u>
<b>Noncash investing, capital and financing activities</b>		
Contribution of capital assets - State	\$	\$ 20,778
Contribution of capital assets - County	57,296	510,123

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

**County of Sheboygan, WI**  
**Statement of Net Position**  
**Fiduciary Funds**  
**December 31, 2013**

		<b>Agency Funds</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash & Investments	\$	663,553
Receivables (net)		1,450,011
<b>Total Assets</b>	\$	2,113,564
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$	601,043
Deposits		62,510
Due to Other Governments		1,450,011
<b>Total Liabilities</b>	\$	2,113,564

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

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**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

The basic financial statements of the 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 Eastern Shores Library System. The Eastern Shores Library System is a related party organization of both Sheboygan and Ozaukee County. Funding for this organization comes primarily from the State of Wisconsin, Sheboygan County and Ozaukee County. Since the Eastern Shores 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 Eastern Shores 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 Eastern Shores Library System represent related party transactions, which are not considered to be “arm’s length transactions”. In 2013, payments from Sheboygan County to the Library System totaled \$1,201,763. Financial statements of the Eastern Shores Library System can be obtained by contacting the Library System at: 4632 S. Taylor Drive, Sheboygan, WI.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

**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, 2013**

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

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.

**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 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.

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.



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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 amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. 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 \$1,337,269.

**c. Property Taxes Levied for the 2014 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 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.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

d. 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.

e. 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.

f. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

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.

g. 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 fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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
Vehicles	3 – 4 years

**h. 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. All non-union employees do not accumulate sick leave. For these employees the County provides an income protection plan. Thus, they receive no sick leave compensation upon termination.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at December 31, 2013, 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.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently does not have any items that qualify for reporting in this category.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, property taxes and grant advances. These amounts will be recognized as inflows of resources in the subsequent year for which it was levied or when the time requirement is met. The County also has an additional type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following source: loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**j. 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.

**k. 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:

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

- 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.
- 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 or resolution) 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. The County Board has authorized the County Administrator and the Finance Director to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned, unless committed by County Board action.
- Unassigned fund balance -- Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The County has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy GASB Statement No. 54 indicates that restricted funds be spent first, followed by committed, then assigned funds and finally unassigned funds.

**I. 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.

**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

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2013.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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, 2013 as follows:

	Wages & Benefits	Operating Expenses	Interdepartmental Charges	Capital Outlay
<b>General Fund</b>				
<b>General Government</b>				
Treasurer	\$ 13,370			\$
Register of Deeds		2,537		
Finance	37,842			
Coroner	4,831	947	232	
Family Court Commissioner		2,599		
Clerk of Courts	23,865			
County Clerk	7,250	3,131		
Human Resources	17,808			
Corporation Counsel		425		
County Administrator	107			
<b>Public Safety</b>				
Sheriff	286,847			18,682
<b>Public Works</b>				
Airport		5,551	2,975	
<b>Public Health &amp; Human Services</b>				
Veterans Services			2	
Veterans Commission			7	
<b>Resources and Development</b>				
Planning and Conservation				3,641
<b>Special Revenue Funds</b>				
<b>Public Health and Human Services</b>				
Community Programs		1,136,212		
Elder Services	600			
Public Health	173,276	111,440		
Administration			421,044	

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, 2013**

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

3. Deficit Fund Balance

The debt service fund had a deficit fund balance as of December 31, 2013 as follows:

Fund	Deficit Fund Balance
Major Governmental Fund	
Debt Service Fund	\$ 192,432

The County anticipates funding the above deficit from tax levy.

**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 \$43,085,628 at December 31, 2013 as summarized below:

Petty cash funds	\$14,715
Deposits with financial institutions	1,839,069
Investments	
Repurchase agreements	6,650,506
Federal agency securities	16,927,659
Mutual fund	9,428,660
Municipal bonds	8,058,907
Cash held by brokerage firm	17,138
Wisconsin local government investment pool	<u>148,974</u>
Total	<u>\$43,085,628</u>



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$42,422,075
Fiduciary Fund Statement of Net Position	
Agency fund	<u>663,553</u>
Total	<u>\$43,085,628</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.

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, 2013, \$881,703 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On December 31, 2013 the County held repurchase agreement investments in the amount of \$6,650,506 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, 2013**

**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 Farm Credit Bond	\$ 1,009,030		\$ 1,009,030			
Federal Home Loan Bank	5,158,781		5,158,781			
Federal National Mortgage Association	4,780,780		4,780,780			
Government National Mortgage Association	5,979,068		5,979,068			
Mutual Funds	9,428,660		4,625,167	4,803,493		
Municipal Bonds	8,058,907		238,208	7,413,444	407,255	
Cash Held with Brokerage Firm	17,138					17,138
Wisconsin Local Government Investment Pool	148,974					148,974
<b>Totals</b>	<b>\$ 34,581,338</b>	<b>\$</b>	<b>\$ 21,791,034</b>	<b>\$ 12,216,937</b>	<b>\$ 407,255</b>	<b>\$ 166,112</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	\$ 5,158,781	12.51%
Federal National Mortgage Association	Federal agency securities	4,780,780	11.59%
Government National Mortgage Association	Federal agency securities	5,979,068	14.50%
State of Wisconsin	Municipal bond	2,970,556	7.20%

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

**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 Farm Credit Bond	\$ 1,009,030				\$ 1,009,030
Federal Home Loan Bank	5,158,781				5,158,781
Federal National Mortgage Association	4,780,780				4,780,780
Government National Mortgage Association	5,979,068				5,979,068
Municipal Bonds	8,058,907			1,265,721	6,793,186
Mutual Funds	9,428,660	9,428,660			
Cash Held with Brokerage Firm	17,138	17,138			
Wisconsin Local Government Investment Pool	148,974	148,974			
Repurchase Agreement	6,650,506	6,650,506			
<b>Totals</b>	<b>\$ 41,231,844</b>	<b>\$ 16,245,278</b>		<b>\$ 1,265,721</b>	<b>\$ 23,720,845</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 Farm Credit Bond	\$ 1,009,030
Federal Home Loan Bank	5,158,781
Federal National Mortgage Association	4,780,780
Government National Mortgage Association	5,979,068

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

**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 \$148,974 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, 2013, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

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, 2013 for collection in 2014 are for the following:

State apportionment	\$ 1,447,032
County apportionment	<u>46,444,243</u>
Total	<u>\$47,891,275</u>

The above County apportionment of \$46,444,243 is for financing 2014 operations and will be transferred in 2014 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, 2013**

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

On December 31, 2013, the County’s general fund showed an investment of \$3,597,923 in delinquent tax certificates. An aging of the delinquent taxes certificates follows:

Year Acquired	Total	County Share	County Purchased
Prior to 2006	\$ 1,678	\$ 420	\$ 1,258
2006	12,766	3,294	9,472
2007	28,840	7,556	21,284
2008	110,053	27,293	82,760
2009	165,704	40,100	125,604
2010	285,073	65,852	219,221
2011	474,826	109,210	365,616
2012	841,212	194,320	646,892
2013	1,677,771	392,599	1,285,172
Delinquent property taxes at December 31, 2013	<u>\$ 3,597,923</u>	840,644	2,757,279
Less 60 day collections after December 31, 2013		<u>155,370</u>	<u>508,639</u>
County Share of Taxes		685,274	
Interest accrued		<u>1,397,420</u>	
Deferred Inferred Inflow of Resources		<u>\$ 2,082,694</u>	
Nonspendable Fund Balance (purchased equities of state and local governments)			<u>\$ 2,248,640</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 9,611,552	\$ 250,729	\$ 263,826	\$ 9,598,455
Construction in progress	3,489,448	8,210,847	2,292,294	9,408,001
Total capital assets, not being depreciated	13,101,000	8,461,576	2,556,120	19,006,456
Capital assets, being depreciated				
Buildings	62,979,816			62,979,816
Improvements other than buildings	10,721,342	198,563		10,919,905
Infrastructure	103,074,342	3,447,716	316,219	106,205,839
Machinery and equipment	16,582,148	448,560	169,827	16,860,881
Office furniture and equipment	26,920,019	599,278	15,957	27,503,340
Vehicles	10,659,409	1,050,996	503,010	11,207,395
Subtotals	230,937,076	5,745,113	1,005,013	235,677,176
Less accumulated depreciation for:				
Buildings	(39,083,055)	(1,921,797)		(41,004,852)
Improvements other than buildings	(7,130,441)	(529,028)		(7,659,469)
Infrastructure	(39,830,909)	(3,921,992)	292,621	(43,460,280)
Machinery and equipment	(11,543,810)	(548,200)	144,818	(11,947,192)
Office furniture and equipment	(22,900,466)	(1,143,748)	15,957	(24,028,257)
Vehicles	(6,754,556)	(912,300)	452,121	(7,214,735)
Subtotals	(127,243,237)	(8,977,065)	905,517	(135,314,785)
Total capital assets, being depreciated, net	103,693,839	(3,231,952)	99,496	100,362,391
Governmental activities capital assets, net	\$ 116,794,839	\$ 5,229,624	\$ 2,655,616	119,368,847
Less related long-term debt outstanding				21,380,084
Net investment in capital assets				\$ 97,988,763

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 31,750			\$ 31,750
Capital assets, being depreciated:				
Buildings	14,615,472	21,588		14,637,060
Improvements other than buildings	673,700	32,899		706,599
Machinery and equipment	4,590,283	87,785		4,678,068
Office furniture and equipment	854,767			854,767
Vehicles	199,419			199,419
Subtotals	20,933,641	142,272		21,075,913
Less accumulated depreciation for:				
Buildings	(7,209,538)	(368,576)		(7,578,114)
Improvements other than buildings	(488,618)	(24,314)		(512,932)
Machinery and equipment	(4,163,344)	(143,913)		(4,307,257)
Office furniture and equipment	(546,872)	(66,043)		(612,915)
Vehicles	(177,163)	(20,672)		(197,835)
Subtotals	(12,585,535)	(623,518)		(13,209,053)
Total capital assets, being depreciated, net	8,348,106	(481,246)		7,866,860
Business-type activities capital assets, net	\$ 8,379,856	\$ (481,246)		\$ 7,898,610
Less related long-term debt outstanding				
Net investment in capital assets				<u>\$ 7,898,610</u>

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

<b>Governmental activities:</b>	
Public health and human services	\$ 272,241
Public works	4,202,297
Resources and development	337,695
Education	646,468
General government	717,641
Public safety	<u>1,721,615</u>
Total depreciation expense – governmental activities	7,897,957
Capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets	<u>1,079,109</u>
Total depreciation expense – governmental activities	<u>\$8,977,065</u>
<b>Business-type activities:</b>	
Rocky Knoll	<u>\$ 623,518</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2013 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 482,814	\$
Debt Service Fund		192,432
Enterprise Fund - Rocky Knoll		290,382
Internal Service Funds - Employee Benefits & Insurance	567,147	
Internal Service Funds - Highway		567,147
Totals	\$ 1,049,961	\$ 1,049,961

Interfund transfers for the year ended December 31, 2013 were as follows:

	Transfer to:				
	Public Safety Special Revenue Fund	Capital Projects	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds	
Transfers from:					
General Fund	\$ 6,425	\$	\$ 11,405	\$ 8,500	\$ 26,330
Public Health and Human Services					932,339
		932,339			932,339
	\$ 6,425	\$ 932,339	\$ 11,405	\$ 8,500	\$ 958,669

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, 2013**

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

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2013:

	Outstanding 1/1/2013	Issued	Retired	Outstanding 12/31/2013	Due Within One Year
<b>Governmental activities:</b>					
General obligation debt					
Bonds	\$ 6,370,000		\$ 830,000	\$ 5,540,000	\$ 855,000
Notes	18,015,000	9,590,000	6,505,000	21,100,000	4,835,000
Total general obligation debt	24,385,000	9,590,000	7,335,000	26,640,000	5,690,000
Capital leases	377,178		153,726	223,452	111,726
Bond premiums	221,292	245,928	92,192	375,028	85,770
Compensated absences	6,753,029	3,388,516	3,597,947	6,543,598	42,032
Other postemployment benefits	1,062,255		1,062,255		
Governmental activities long-term obligations	\$ 32,798,754	\$ 13,224,444	\$ 12,241,120	\$ 33,782,078	\$ 5,929,528
<b>Business-type activities:</b>					
Compensated absences	\$ 1,229,214	\$ 290,661	\$ 657,486	\$ 862,389	\$ 7,775
Other postemployment benefits	418,908		418,908		
Business-type activities long-term obligations	\$ 1,648,122	\$ 290,661	\$ 1,076,394	\$ 862,389	\$ 7,775

Total interest paid during the year on long-term debt totaled \$833,195.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

**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>	
\$5,685,000 - Series 2004, various amounts due through December 1, 2019; interest 3.8% - 4.20%	\$ 2,685,000
\$3,455,000 - Series 2010, various amounts due through May 1, 2019; interest 1.55% to 3.42%	2,855,000
	5,540,000
<b>Notes:</b>	
\$8,820,000 - Series 2004, balance due May 1, 2014; interest 3.875%	805,000
\$8,000,000 - Series 2008, various amounts due through May 1, 2018; interest 3.75% to 4.25%	3,170,000
\$4,185,000 - Series 2010, issued under the Recovery Zone Economic Development Bond program, various amounts due through May 1 2019, interest 2.70% to 4.55%	3,740,000
\$6,385,000 - Series 2010, issued under the Build America Bond Program, various amounts due through May 1, 2020; interest 1.75% to 3.85%	5,645,000
\$9,590,000 - Series 2013, various amounts due through May 1, 2018; interest 2%	7,740,000
	21,100,000
Total outstanding general obligation debt	\$ 26,640,000

The annual principal and interest payments on all debt, except capital leases, compensated absences and other post-employment benefits as of December 31, 2013, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2014	\$ 5,690,000	\$ 721,478
2015	5,660,000	578,005
2016	4,235,000	451,009
2017	3,800,000	331,811
2018	3,905,000	206,412
2019	2,495,000	92,597
2020	855,000	16,459
	\$ 26,640,000	\$ 2,397,771

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, 2013**

**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.

Recovery Zone Economic Development Bonds

The general obligation debt issued on April 6, 2010 qualifies as Recovery Zone Economic Development 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 45% 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 \$573,551 and are presented in the capital assets in the governmental activities. The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Computer Equipment	\$558,630
Vehicle	14,921
	573,551
Less Accumulated Depreciation	(436,507)
Total	\$ 137,044

The annual principal and interest maturities are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Total
2014	\$ 111,726	\$ 111,726
2015	111,726	111,726
	\$ 223,452	\$ 223,452

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2013 was \$399,695,055 as follows:

Equalized valuation of the County	\$ 8,526,701,100
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	426,335,055
Total outstanding general obligation debt applicable to debt limitation	26,640,000
Legal Margin for New Debt	\$ 399,695,055

Advance Refunding

In prior years, the County advance refunded \$1,990,000 of various general obligation note issues. As a result, the refunded notes are also considered to be defeased and the liability has been removed from the County's Statement of Net Position.

At December 31, 2013, \$55,000 of outstanding general obligation notes are considered defeased, as summarized below:

	Balance Defeased	2014	Total Outstanding
General Obligation Notes			
Series 1999 Aa2	\$ 50,000	\$	\$
Series 2000 Aa2	660,000		
Series 2001 Aa2	155,000		
Series 2002 Aa2	270,000		
Series 2004 Aa2	350,000	55,000	55,000
Series 2006 Aa2	505,000		
Total	\$ 1,990,000	\$ 55,000	\$ 55,000

Current Refunding

During 2013, the County currently refunded a general obligation note issue from 2006. The County issued \$1,731,522 of general obligation promissory notes to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next three years by \$79,308 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$64,800.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

Other Postemployment Benefits

As of January 1, 2014, the County no longer provides group health insurance to retired employees. The result of this action results in an unfunded actuarial accrued liability (UAAL) of \$0.

7. Fund Equity

The County has a formal minimum fund balance policy. That policy is to maintain an unassigned fund balance of 5% to 10% of total county expenditures, less capital projects expenditures. The unassigned fund balance at year end was \$13,645,005 or 12% of 2014 anticipated 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, 2013 fund balance was nonspendable as follows:

General Fund	
Nonspendable	
Prepays and inventory	\$ 141,664
Delinquent property taxes	<u>2,248,640</u>
Total	<u>\$2,390,304</u>
Public Health and Human Services	
Nonspendable	
Prepays and inventory	<u>\$3,239</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, 2013 fund balance was restricted as follows:

General Fund	
Restricted	
Jail assessment fees	\$ 74,707
Land record fees	<u>622,283</u>
Total	<u>\$696,990</u>
Capital Project Fund	
Restricted	
Capital projects	<u>\$2,404,916</u>
Community Development Fund	
Restricted	
Community development	<u>\$ 1,124,160</u>

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

**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, 2013 fund balance was committed as follows:

General Fund	
Committed	
UW Extension funds	\$ 25,458
County airport funds	92,300
Planning and conservation programs	<u>12,317</u>
Total	<u>\$130,075</u>

Also in the fund financial statements portions of governmental fund balances are assigned by County Board action. At December 31, 2013 fund balance was assigned as follows:

General Fund	
Assigned	
Subsequent years' expenditures	\$ 89,679
Public health and human service building improvements	667,661
Veterans Services programs	2,103
Planning and conservation programs	<u>125,418</u>
Total	<u>\$ 884,861</u>

Public Health and Human Services	
Assigned	
Public health and human services programs	\$1,617,408
Public health and human services software replacement	1,060,000
Public health and human services building improvements	<u>600,000</u>
Total	<u>\$3,277,408</u>

Public Safety Fund	
Assigned	<u>\$32,506</u>

**8. 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 2013 through 2056. Although some operating leases extend as far as 2056, rates are re-negotiated annually. The table below represents the current annual negotiated rates by tenant category.

Industrial & commercial	\$ 85,858
Individual	19,895
Agricultural	<u>20,235</u>
	<u>\$124,988</u>

**9. Prior Period Adjustment**

The County determined that the general fund understated both taxes receivable and property tax revenue by \$456,993 in both the fund financial and government-wide financial statements per the 2012 County Annual Financial Report. As a result, ending fund balance in the general fund of the fund financial statements and ending net position of the governmental activities in the government wide financial statements increased by \$456,993.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

10. Special Item

Prior to 2013, the County reported a liability for post-employment benefits based on the implicit rate subsidy related to retirees that remained on the County's health insurance plan after retirement. Effective January 1, 2014, the County no longer allows retirees to remain on the County's group health insurance plan. Therefore, as of December 31, 2013, the County is no longer reporting a post-employment benefit liability. The net other post employment obligation as of December 31, 2012 totaled \$1,481,163.

**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	2012	2013
Liability, beginning of year	\$ 134,400	\$ 34,763
Current year claims and changes in estimates	70,181	14,377
Claim payments	(169,818)	(7,694)
Liability, end of year	<u>\$ 34,763</u>	<u>\$ 41,446</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. An excess insurance policy covers individual claims in excess of the County's \$500,000 self-insured retention up to \$500,000 per claim. Settled claims have not exceeded the commercial coverage in any of the past three years. Costs associated with the worker's compensation program are billed to other County

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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. At December 31, 2013, the County has established a future claims insurance reserve in the amount of \$341,105 to fund the estimated liability for the County’s self-insured retention limits.

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.

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.

The uninsured risk of loss is \$250,000 per individual claim for health insurance. The County has purchased stop-loss insurance for claims in excess of those amounts. In addition, the health insurance claim payments shown below include self-funded dental payments of \$645,473.

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 reasonable estimable. Liabilities include an amount for claims that have been incurred, but not reported.

Claims Liability	2012	2013
Liabilities, beginning of year	\$ 2,400,623	\$ 2,130,421
Current year claims and changes in estimates	10,673,909	9,285,020
Claims payments	(10,944,111)	(10,176,501)
Liabilities, end of year	<u>\$ 2,130,421</u>	<u>\$ 1,238,940</u>

2. Retirement Commitments

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



**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

work nine or ten months per year (e.g. teacher contracts), but expected to return year after year are considered to have met the one-year requirement.

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

	2013	
	Employee	Employer
General (including Teachers)	6.65%	6.65%
Executives & elected officials	7.00%	7.00%
Protective with Social Security	6.65%	13.35%
Protective without Social Security	6.65%	15.95%

The payroll for Sheboygan County employees covered by WRS for the year ended December 31, 2013, was \$37,448,701; the employer's total payroll was \$39,431,319. The total required contribution for the year ended December 31, 2013 was \$5,130,351 which consisted of \$2,638,900 or 7.0% percent of covered payroll from the employer and \$2,491,450 or 6.7% of covered payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$4,539,825 and \$4,584,275 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials, 54 for protective occupation employees with less than 25 years of service and 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation 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 become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report, which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**COUNTY OF SHEBOYGAN, WISCONSIN**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

3. 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.

4. 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 2013. 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 2014 budget was .85%. 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.

5. Subsequent Event

On December 17, 2013 the County Board authorized the issuance of \$14,575,000 of General Obligation Promissory Notes, dated January 7, 2014. The notes will be used to finance part of the cost of capital improvements within the County.

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## **SUPPLEMENTARY SECTION**

## **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, WI  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013**

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Public Safety	Community Development	
<b>Assets</b>			
Cash and investments	\$ 32,506	\$ 1,124,160	\$ 1,156,666
Receivables			
Loans		1,082,648	1,082,648
<b>Total Assets</b>	<u>\$ 32,506</u>	<u>\$ 2,206,808</u>	<u>\$ 2,239,314</u>
<b>Deferred Inflows of Resources and Fund Balances</b>			
Deferred Inflows of Resources			
Loans receivable		\$ 1,082,648	\$ 1,082,648
Fund Balances			
Restricted		1,124,160	1,124,160
Assigned	32,506		32,506
<b>Total Fund Balances</b>	<u>32,506</u>	<u>1,124,160</u>	<u>1,156,666</u>
<b>Total Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 32,506</u>	<u>\$ 2,206,808</u>	<u>\$ 2,239,314</u>

**County of Sheboygan, WI**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - NonMajor Governmental Funds**  
**For the Year Ended December 31, 2013**

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Public Safety	Community Development	
<b>Revenues</b>			
Public charges for services	\$ 220		\$ 220
Miscellaneous	21,141	66,987	88,128
<b>Total Revenues</b>	<u>21,361</u>	<u>66,987</u>	<u>88,348</u>
<b>Expenditures</b>			
Current:			
Public safety	10,385		10,385
Resources and development		118,432	118,432
<b>Total Expenditures</b>	<u>10,385</u>	<u>118,432</u>	<u>128,817</u>
<b>Excess of revenues (deficiency) over expenditures</b>	<u>10,976</u>	<u>(51,445)</u>	<u>(40,469)</u>
<b>Other Financing Sources</b>			
Transfers in	6,425		6,425
<b>Total Other Financing Sources</b>	<u>6,425</u>		<u>6,425</u>
<b>Net change in fund balances</b>	<u>17,401</u>	<u>(51,445)</u>	<u>(34,044)</u>
<b>Fund balances, January 1</b>	<u>15,105</u>	<u>1,175,605</u>	<u>1,190,710</u>
<b>Fund balances, December 31</b>	<u>\$ 32,506</u>	<u>\$ 1,124,160</u>	<u>\$ 1,156,666</u>

## **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**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service**  
**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 5,634,832	\$ 5,634,832	\$ 5,634,832	\$
Miscellaneous	634,647	634,647	585,154	(49,493)
Total revenues	6,269,479	6,269,479	6,219,986	(49,493)
<b>EXPENDITURES</b>				
Principal	5,437,766	5,437,766	5,630,000	(192,234)
Interest and other charges	878,184	878,184	932,073	(53,889)
Total Expenditures	6,315,950	6,315,950	6,562,073	(246,123)
Excess (deficiency) of revenues over expenditures	(46,471)	(46,471)	(342,087)	(295,616)
<b>Other Financing Sources (Uses)</b>				
Premium on long term debt issued			245,928	245,928
Long term debt issued			1,590,000	1,590,000
Payments to current noteholder			(1,731,522)	(1,731,522)
<b>Total Other Financing Sources (Uses)</b>			104,406	104,406
<b>Net Change in Fund Balance</b>	\$ (46,471)	\$ (46,471)	\$ (237,681)	\$ (191,210)

## **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**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Projects**  
**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,228,000	\$ 3,228,000	\$ 201,918	\$ (3,026,082)
Miscellaneous	51,975	51,975	9,554	(42,421)
Total revenues	3,279,975	3,279,975	211,472	(3,068,503)
<b>EXPENDITURES</b>				
Capital outlay	8,979,975	8,979,975	8,054,935	925,040
<b>Deficiency of revenues under expenditures</b>	(5,700,000)	(5,700,000)	(7,843,463)	(2,143,463)
<b>Other Financing Sources</b>				
Long-term debt issued	4,000,000	4,000,000	8,000,000	4,000,000
Capital contributions			1,657,631	1,657,631
Transfer in		932,339	932,339	
<b>Total Other Financing Sources</b>	4,000,000	4,932,339	10,589,970	5,657,631
<b>Net Change in Fund Balance</b>	\$ (1,700,000)	\$ (767,661)	\$ 2,746,507	\$ 3,514,168

## **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, WI**  
**Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2013**

<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>				
Cash and investments	\$ 10,614,753	\$ 1,202,176		\$ 11,816,929
Receivables (net)				
Taxes			4,512,098	4,512,098
Accounts	107,798	1,151	7,018	115,967
Due from external parties		826	1,096,879	1,097,705
Due from other funds	567,147			567,147
Prepays and inventory	23,181	216,820	1,612,192	1,852,193
Capital assets, nondepreciable				
Land			1,730,751	1,730,751
Capital assets, depreciable				
Buildings		74,706	4,154,136	4,228,842
Land improvements		51,265	839,780	891,045
Machinery and equipment	5,700		12,495,848	12,501,548
Office furniture and equipment	39,777	10,661,003	59,658	10,760,438
Vehicles		30,738	8,456,402	8,487,140
Less Accumulated depreciation	(45,477)	(9,959,410)	(18,433,337)	(28,438,224)
<b>Total Assets</b>	<b>11,312,879</b>	<b>2,279,275</b>	<b>16,531,425</b>	<b>30,123,579</b>
<b>Liabilities</b>				
Accounts payable		44,120	69,572	113,692
Accrued and other current liabilities	2,720,245			2,720,245
Accrued compensation		3,536	55,799	59,335
Due to other funds			567,147	567,147
Long-term obligations				
Due within one year		461		461
Due in more than one year		148,551	480,700	629,251
<b>Total Liabilities</b>	<b>2,720,245</b>	<b>196,668</b>	<b>1,173,218</b>	<b>4,090,131</b>
<b>Deferred Inflows of Resources</b>				
Property taxes			4,512,098	4,512,098
<b>Net Position</b>				
Net investment in capital assets		858,302	9,303,238	10,161,540
Unrestricted	8,592,634	1,224,305	1,542,871	11,359,810
<b>Total Net Position</b>	<b>\$ 8,592,634</b>	<b>\$ 2,082,607</b>	<b>\$ 10,846,109</b>	<b>\$ 21,521,350</b>

**Sheboygan County, WI**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2013**

	<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	\$ 13,002,659	\$ 1,994,105	\$ 8,585,217	\$ 23,581,981
Miscellaneous operating revenue	1,161,181	6,584	25,558	1,193,323
<b>Total Operating Revenues</b>	<u>14,163,840</u>	<u>2,000,689</u>	<u>8,610,775</u>	<u>24,775,304</u>
<b>Operating Expenses</b>				
Operation and maintenance	12,877,635	1,812,967	14,688,612	29,379,214
Depreciation		264,911	814,198	1,079,109
<b>Total Operating Expenses</b>	<u>12,877,635</u>	<u>2,077,878</u>	<u>15,502,810</u>	<u>30,458,323</u>
<b>Operating income (loss)</b>	<u>1,286,205</u>	<u>(77,189)</u>	<u>(6,892,035)</u>	<u>(5,683,019)</u>
<b>Nonoperating revenues</b>				
Intergovernmental contracts/grants			2,667,647	2,667,647
Property tax appropriation			4,353,499	4,353,499
Rental Income	30,120		1,108	31,228
Gain on disposal of capital assets			63,721	63,721
<b>Total nonoperating revenues</b>	<u>30,120</u>		<u>7,085,975</u>	<u>7,116,095</u>
<b>Income (loss) before contributions and transfers</b>	<u>1,316,325</u>	<u>(77,189)</u>	<u>193,940</u>	<u>1,433,076</u>
Capital contributions - County		510,123		510,123
Capital contributions - State			20,078	20,078
Special Item - Other Post Employment Benefit Adjustment		28,692	175,774	204,466
Transfers In			8,500	8,500
<b>Change in net position</b>	<u>1,316,325</u>	<u>461,626</u>	<u>398,292</u>	<u>2,176,243</u>
<b>Net Position - January 1</b>	<u>7,276,309</u>	<u>1,620,981</u>	<u>10,447,817</u>	<u>19,345,107</u>
<b>Net Position - December 31</b>	<u>\$ 8,592,634</u>	<u>\$ 2,082,607</u>	<u>\$ 10,846,109</u>	<u>\$ 21,521,350</u>

**County of Sheboygan, WI**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2013**

Governmental Activities - Internal Service Funds			
Employee Benefits & Insurance	Information Technology & Printing	Highway	Total

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 567,900	\$ 52,900	\$ 4,861,263	\$ 5,482,063
Receipts from interfund services provided	10,789,580	1,942,216	3,712,904	16,444,700
Other operating cash receipts	2,788,228	6,584	54,401	2,849,213
Payments to suppliers	(2,087,957)	(1,032,406)	(7,385,840)	(10,506,203)
Other sources of cash	251,777	49,317	(340,554)	(39,460)
Payments to employees	(10,889,370)	(547,144)	(5,673,538)	(17,110,052)
Payments for interfund services used		(214,482)	(1,972,076)	(2,186,558)
Net cash provided (used) by operating activities	1,420,158	256,985	(6,743,440)	(5,066,297)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Intergovernmental contracts/grants			2,667,647	2,667,647
Property tax appropriation received			4,353,499	4,353,499
Transfer in			8,500	8,500
Net cash provided (used) by financing activities			7,029,646	7,029,646

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from sale of capital assets			98,269	98,269
Purchases of capital assets		(12,430)	(1,299,418)	(1,311,848)
Net cash used by capital and related financing activities		(12,430)	(1,201,149)	(1,213,579)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Rental income	30,120		1,108	31,228
Net cash provided by investing activities	30,120		1,108	31,228
Net increase (decrease) in cash and cash equivalents	1,450,278	244,555	(913,835)	780,998
Cash and cash equivalents - January 1	9,731,622	957,621	346,688	11,035,931
Cash and cash equivalents - December 31	\$ 11,181,900	\$ 1,202,176	\$ (567,147)	\$ 11,816,929

**County of Sheboygan, WI**  
**Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Year Ended December 31, 2013**

<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)	\$ 1,286,205	\$ (77,189)	\$ (6,892,035)	\$ (5,683,019)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation (net of amortization)		264,911	814,199	1,079,110
Changes in assets and liabilities:				
Accounts receivable	(18,132)	1,010	17,793	671
Due from other governments		(672)	(299,776)	(300,448)
Inventories and prepayments	249,885	49,989	(40,779)	259,095
Accounts payable and accrued expenses	(99,692)	38,802	(245,092)	(305,982)
Accrued and other current liabilities	1,892			1,892
Accrued compensated absences and other post employment benefits		(19,866)	(97,750)	(117,616)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,420,158</b>	<b>\$ 256,985</b>	<b>\$ (6,743,440)</b>	<b>\$ (5,066,297)</b>
Contribution of capital assets - State			\$ 20,778	\$ 20,778
Contribution of capital assets - County		\$ 510,123		510,123



## **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.

Land and Water Trust Account – To account for funds deposited and disbursed on behalf of the 7-Mile Creek Watershed project.

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, WI**  
**Statement of Changes in Assets and Liabilities - Fiduciary Fund**  
**Agency Funds**  
**December 31, 2013**

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>Clerk of Courts Fund</b>				
<b>Assets</b>				
Cash & investments	\$ 504,557	\$ 5,385,167	\$ 5,288,681	\$ 601,043
<b>Total Assets</b>	<u>504,557</u>	<u>5,385,167</u>	<u>5,288,681</u>	<u>601,043</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	504,557	9,776,885	9,680,399	601,043
<b>Total Liabilities</b>	<u>504,557</u>	<u>9,776,885</u>	<u>9,680,399</u>	<u>601,043</u>
<b>Sheriff Inmate Trust Fund</b>				
<b>Assets</b>				
Cash & investments	22,181	793,010	780,084	35,107
<b>Total Assets</b>	<u>22,181</u>	<u>793,010</u>	<u>780,084</u>	<u>35,107</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	22,181	977,160	964,234	35,107
<b>Total Liabilities</b>	<u>22,181</u>	<u>977,160</u>	<u>964,234</u>	<u>35,107</u>
<b>Rocky Knoll Patient Fund</b>				
<b>Assets</b>				
Cash & investments	21,812	79,818	78,112	23,518
<b>Total Assets</b>	<u>21,812</u>	<u>79,818</u>	<u>78,112</u>	<u>23,518</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	21,812	26,339	24,633	23,518
<b>Total Liabilities</b>	<u>21,812</u>	<u>26,339</u>	<u>24,633</u>	<u>23,518</u>
<b>Land and Water Trust Account</b>				
<b>Assets</b>				
Cash & investments	1,475	4,199	4,079	1,595
<b>Total Assets</b>	<u>1,475</u>	<u>4,199</u>	<u>4,079</u>	<u>1,595</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	1,475	4,079	3,959	1,595
<b>Total Liabilities</b>	<u>1,475</u>	<u>4,079</u>	<u>3,959</u>	<u>1,595</u>

(Continued)

**County of Sheboygan, WI**  
**Statement of Changes in Assets and Liabilities - Fiduciary Fund**  
**Agency Funds**  
**December 31, 2013**

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<b>Treasurer Trust Account</b>				
<b>Assets</b>				
Cash & investments	2,290			2,290
Receivables (net)	1,493,364	1,450,011	1,493,364	1,450,011
<b>Total Assets</b>	<u>1,493,364</u>	<u>1,450,011</u>	<u>1,493,364</u>	<u>1,450,011</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Deposits	2,290			2,290
Due to other governments	1,493,364	1,399,124	1,442,477	1,450,011
<b>Total Liabilities</b>	<u>1,493,364</u>	<u>1,399,124</u>	<u>1,442,477</u>	<u>1,450,011</u>
<b>All Agency Funds</b>				
<b>Assets</b>				
Cash & investments	552,315	6,262,194	6,150,956	663,553
Receivables (net)	1,493,364	1,450,011	1,442,477	1,450,011
<b>Total Assets</b>	<u>2,045,679</u>	<u>6,262,194</u>	<u>6,150,956</u>	<u>2,113,564</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	504,557	9,776,885	9,680,399	601,043
Deposits	47,758	1,007,578	992,826	62,510
Due to other governments	1,493,364	1,399,124	1,442,477	1,450,011
<b>Total Liabilities</b>	<u>2,045,679</u>	<u>12,183,587</u>	<u>12,115,702</u>	<u>2,113,564</u>

## **STATISTICAL SECTION**

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## 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, WI**  
**Table I**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(000's)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 56,946	\$ 56,499	\$ 63,360	\$ 74,827	\$ 78,593	\$ 86,256	\$ 88,965	\$ 93,177	\$ 94,537	\$ 97,989
Restricted	1,516	1,056	1,288	2,322	1,361	685	757	1,995	3,802	2,904
Unrestricted	21,591	23,137	22,840	13,757	13,243	9,110	12,397	15,022	23,610	28,243
<b>Total Governmental Activities Net Position</b>	<b>\$ 80,053</b>	<b>\$ 80,692</b>	<b>\$ 87,488</b>	<b>\$ 90,906</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>Business-type Activities</b>										
Net investment in capital assets	\$ 17,693	\$ 16,711	\$ 15,931	\$ 12,197	\$ 11,435	\$ 11,039	\$ 9,651	\$ 9,083	\$ 8,380	\$ 7,899
Restricted	3,100	4,363	4,665	5,347	5,208	4,350	1,672	(1,060)	(714)	(14)
Unrestricted (Deficit)	20,793	21,074	20,596	17,544	16,643	15,389	11,323	8,023	7,666	7,885
<b>Total Business-type Activities Net Position</b>	<b>\$ 17,693</b>	<b>\$ 16,711</b>	<b>\$ 15,931</b>	<b>\$ 12,197</b>	<b>\$ 11,435</b>	<b>\$ 11,039</b>	<b>\$ 9,651</b>	<b>\$ 9,083</b>	<b>\$ 8,380</b>	<b>\$ 7,899</b>
<b>Total Primary Government</b>										
Net investment in capital assets	\$ 74,639	\$ 73,210	\$ 79,291	\$ 87,024	\$ 90,028	\$ 97,295	\$ 98,616	\$ 102,260	\$ 102,917	\$ 105,888
Restricted	1,516	1,056	1,288	2,322	1,361	685	757	1,995	3,802	2,904
Unrestricted	24,691	27,500	27,505	19,104	18,451	13,460	14,069	13,962	22,896	28,229
<b>Total Primary Government Net Position</b>	<b>\$ 100,846</b>	<b>\$ 101,766</b>	<b>\$ 108,084</b>	<b>\$ 108,450</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>

County of Sheboygan, WI  
 Table II  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)  
 (000's)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government										
Public safety	\$ 11,361	\$ 12,244	\$ 15,543	\$ 12,461	\$ 12,857	\$ 12,959	\$ 11,980	\$ 17,749	\$ 13,271	\$ 12,876
Public works	16,110	16,199	14,535	17,813	18,124	19,572	19,067	17,060	18,742	18,387
Public health and human services	13,768	15,570	14,612	17,225	21,644	17,290	15,599	16,819	18,678	14,104
Resources and development	39,593	44,127	46,215	49,515	41,349	34,716	32,133	30,561	30,664	29,859
Education	2,338	2,492	2,624	2,633	3,318	3,534	2,669	2,976	6,384	2,314
Interest on long term debt	920	1,050	637	1,220	1,213	1,365	1,372	572	1,220	1,211
Total governmental activities expenses	2,226	1,809	1,708	1,452	1,284	1,176	1,416	1,091	877	934
Business-type activities:										
Rocky Knoll	86,316	93,491	95,874	102,319	99,789	90,612	84,236	86,828	89,836	79,685
Total business-type activities expenses	33,538	32,763	30,049	22,584	19,790	18,401	17,489	16,449	14,363	13,620
Total primary government expenses	33,538	32,763	30,049	22,584	19,790	18,401	17,489	16,449	14,363	13,620
<b>Program Revenues</b>	\$ 119,854	\$ 126,254	\$ 125,923	\$ 124,903	\$ 119,579	\$ 109,013	\$ 101,725	\$ 103,277	\$ 104,199	\$ 93,305
Governmental activities:										
Charges for Services:										
General government	\$ 2,239	\$ 2,124	\$ 329	\$ 2,435	\$ 2,323	\$ 2,854	\$ 2,873	\$ 2,095	\$ 1,154	\$ 1,616
Public safety	1,417	1,462	1,396	1,670	1,752	1,545	1,706	1,611	1,159	1,147
Public works	792	653	935	578	4,697	2,008	225	4,384	5,995	268
Public health and human services	1,224	4,338	5,446	5,781	5,616	3,579	3,116	2,558	2,259	3,645
Resources and development	244	281	258	522	318	457	90	331	2,118	588
Education		14	25	15	20	19	20	23	28	26
Interest on long term debt	532	544	545	544	547	548	547	542	515	512
Operating grants and contributions	39,088	41,299	46,218	47,653	40,770	37,176	27,226	28,396	29,448	24,233
Capital grants and contributions										
Total governmental activities program revenues	\$ 45,536	\$ 50,715	\$ 55,152	\$ 59,198	\$ 56,043	\$ 48,186	\$ 39,111	\$ 41,982	\$ 43,191	\$ 34,274
Business-type activities:										
Charges for Services:										
Rocky Knoll	24,561	23,797	19,761	13,542	12,273	12,155	12,161	11,641	11,573	11,334
Operating grants and contributions	3,983	3,429	2,454	1,811	908	1,071	1,156	1,403	1,711	1,194
Capital grants and contributions							44			57
Total business-type activities program revenues	\$ 28,544	\$ 27,226	\$ 22,215	\$ 15,353	\$ 13,181	\$ 13,226	\$ 13,361	\$ 13,044	\$ 13,284	\$ 12,585
Net (expense) revenue										
Governmental activities	(40,780)	(42,776)	(40,722)	(43,121)	(43,746)	(42,426)	(45,125)	(44,846)	(46,645)	(45,411)
Business-type activities	(4,994)	(5,537)	(7,834)	(7,231)	(6,609)	(5,175)	(4,128)	(3,405)	(1,079)	(1,035)
Total primary government net expense	\$ (45,774)	\$ (48,313)	\$ (48,556)	\$ (50,352)	\$ (50,355)	\$ (47,601)	\$ (49,253)	\$ (48,251)	\$ (47,724)	\$ (46,446)



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 37,669	\$ 37,899	\$ 38,185	\$ 39,518	\$ 40,121	\$ 41,241	\$ 41,873	\$ 44,053	\$ 44,308	\$ 45,126
Other taxes	28	96	1,271	16	37	5	13	7	13	8
Grants and contributions	1,162	599	2,158	352	287	404	5,019	4,214	3,558	3,572
Investment earnings	1,928	2,208	2,599	3,190	3,033	1,665	1,409	1,861	1,886	704
Miscellaneous	2,142	2,636	3,696	3,675	2,569	2,004	1,237	1,555	1,518	1,679
Special item - Other Post Employment Benefit Adjustment	(5,685)	(22)	(392)	(211)	(10)	(39)	1,642	1,231		1,062
Transfers	37,244	43,416	47,517	46,540	46,037	45,280	51,193	52,921	51,283	52,140
Total governmental activities	5,237	5,022	6,070	5,860	4,638	3,033	2,354	1,327	687	802
Business-type activities:	162			3	16		45		1	12
Property taxes	382	774	895	(1,896)	993	796	(746)	10		
Grants and contributions										
Investment earnings										
Miscellaneous	5				50	53	51		34	10
Special item - Other Post Employment Benefit Adjustment										
Transfers	5,685	22	392	211	10	39	(1,642)	(1,231)		419
Total business-type activities	11,471	5,818	7,357	4,178	5,707	3,921	62	106	722	1,254
Total primary government	\$ 48,715	\$ 49,234	\$ 54,874	\$ 50,718	\$ 51,744	\$ 49,201	\$ 51,255	\$ 53,027	\$ 52,005	\$ 53,394
Change in Net Position	\$ (3,536)	\$ 640	\$ 6,795	\$ 3,419	\$ 2,291	\$ 2,854	\$ 6,068	\$ 8,075	\$ 4,638	\$ 6,729
Governmental activities									(308)	
Cumulative effect of change in accounting principle									7,426	457
Prior period adjustment	6,477	281	(477)	(3,053)	(902)	(1,254)	(4,066)	(3,299)	(357)	219
Business-type activities	2,941	921	6,318	366	1,389	1,600	2,002	4,776	11,399	7,405
Total primary government										

**County of Sheboygan, WI**  
**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

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$ 2,833,626	\$ 2,924,213	\$ 3,211,867	\$ 4,137,892	\$ 3,862,901	\$ 3,494,013	\$ 4,496,632
Unreserved							
Undesignated	11,684,358	13,242,702	14,521,668	11,523,443	10,537,880	8,540,003	6,699,183
Total General Fund	14,517,984	16,166,915	17,733,535	15,661,335	14,400,781	12,034,016	11,195,815
All Other Governmental Funds							
Reserved	4,295,243	1,376,762	1,675,407	295,405	310,707	43,828	105,780
Unreserved, Reported in							
Special Revenue	2,632,270	635,128	759,676	783,295	1,121,532	1,590,330	4,172,817
Capital Project	(623,554)	(623,554)		(1,638,734)	371,954	(1,831,905)	9,993,591
Total All Other Governmental Funds	6,927,513	1,388,336	2,435,083	(560,034)	1,804,193	(197,747)	14,272,188
Total Governmental Funds	\$ 21,445,497	\$ 17,555,251	\$ 20,168,618	\$ 15,101,301	\$ 16,204,974	\$ 11,836,269	\$ 25,468,003

	2011	2012	2013
General Fund			
Nonspendable	\$ 3,884,805	\$ 3,264,149	\$ 2,390,304
Restricted	449,898	575,873	696,990
Committed	106,249	193,156	130,075
Assigned	491,373	296,114	884,861
Unassigned	12,053,878	12,503,137	13,837,437
Total General Fund	16,986,203	16,832,429	17,939,667
All Other Governmental Funds			
Nonspendable	4,514	3,386	3,239
Restricted	6,454,266	1,220,854	3,529,076
Committed	91,035		
Assigned	1,015,533	1,997,444	3,309,914
Unassigned (Deficit)	(341,591)	(341,591)	(192,432)
Total All Other Governmental Funds	7,565,348	2,880,093	6,649,797
Total Governmental Funds	\$ 24,551,551	\$ 19,712,522	\$ 24,589,464

County of Sheboygan, WI

Table IV

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES</b>										
Property Taxes	\$ 32,359,865	\$ 33,830,938	\$ 34,001,062	\$ 35,118,472	\$ 35,580,946	\$ 36,656,290	\$ 37,407,898	\$ 39,709,291	\$ 39,860,037	\$ 40,732,916
Other Taxes	28,583	6,867	15,323	16,424	36,698	5,139	13,253	11,321	13,456	45,326
Intergovernmental	31,147,439	32,076,654	35,866,757	38,399,690	31,662,198	28,971,676	26,963,208	25,655,129	26,595,361	20,115,255
Licenses and permits	367,705	380,988	491,825	544,460	545,820	455,440	636,825	642,810	684,457	638,499
Fines, forfeits and penalties	480,554	423,624	420,313	441,781	475,550	439,987	390,900	347,215	321,971	298,137
Public charges for services	7,110,098	7,734,284	8,802,457	9,039,679	8,885,434	6,596,150	6,108,140	5,482,940	5,949,188	6,725,264
Miscellaneous	5,365,745	5,793,576	9,014,014	7,545,372	6,902,538	5,217,426	4,871,100	4,965,385	5,262,851	3,569,390
Total revenues	76,859,989	80,246,931	88,611,751	91,105,878	84,089,184	78,342,108	76,391,324	76,814,091	78,687,321	72,124,787
<b>EXPENDITURES</b>										
Current:										
General government	10,725,377	11,238,860	11,569,968	11,650,072	12,165,322	12,404,604	12,282,498	12,249,378	12,631,381	12,047,936
Public safety	14,165,548	14,369,903	14,709,748	15,733,765	16,135,935	16,828,653	17,181,813	16,897,512	17,124,160	17,173,428
Public works	444,791	454,261	423,073	471,200	439,617	406,082	517,580	425,726	417,404	401,438
Public health and human services	39,410,237	43,947,265	46,154,545	49,178,458	40,755,689	34,075,160	31,627,594	31,089,131	31,280,061	30,034,786
Resources and development	2,140,720	2,320,354	2,676,265	2,581,319	2,883,054	3,289,917	2,326,357	3,049,303	6,519,403	2,038,584
Education	572,387	593,669	633,679	593,176	654,389	659,461	647,719	569,657	575,560	574,150
Debt Service										
Principal	8,546,793	6,005,000	8,480,000	8,319,230	7,230,000	5,460,000	8,718,754	5,390,000	5,425,000	5,630,000
Interest and other charges	1,883,288	1,794,413	1,546,315	1,572,519	1,305,486	1,161,564	1,272,110	1,057,895	904,219	932,073
Capital Outlay	3,642,339	3,247,113	7,024,063	6,319,372	9,488,554	8,286,894	8,126,484	8,917,756	8,686,049	8,614,575
Total expenditures	81,531,480	83,970,838	93,217,656	96,419,111	91,058,046	82,572,335	82,700,909	79,646,358	83,563,237	77,446,970
Excess (deficiency) of revenues over expenditures	(4,671,491)	(3,723,907)	(4,605,905)	(5,313,233)	(6,968,862)	(4,230,227)	(6,309,585)	(2,832,267)	(4,875,916)	(5,322,183)
<b>OTHER FINANCING SOURCES (USES)</b>										
Capital contributions										
Premium on long term debt issued	138,308		85,038		130,295		351,211	530,904		1,657,631
Long-term debt issued	14,505,000		7,255,000		8,000,000		135,442			245,928
Payment to current noteholder							17,840,000			9,590,000
Transfers in	842,072	1,479,602	774,848	3,029,828	141,635	114,066	1,695,207	5,309,182	151,656	(1,731,522)
Transfers out	(6,573,489)	(1,645,940)	(895,614)	(2,783,912)	(199,395)	(252,544)	(80,541)	(3,924,271)	(114,769)	(938,764)
Total other financing sources (uses)	8,911,891	(166,338)	7,219,272	245,916	8,072,535	(138,478)	19,941,319	1,915,815	36,887	(938,669)
Net change in fund balances	\$ 4,240,400	\$ (3,890,245)	\$ 2,613,367	\$ (5,067,317)	\$ 1,103,673	\$ (4,368,705)	\$ 13,631,734	\$ (916,452)	\$ (4,839,029)	\$ 4,419,949
Debt service as a percentage of noncapital expenditures	13.4%	9.7%	11.6%	11.0%	10.5%	8.9%	13.4%	9.1%	8.5%	9.5%

**County of Sheboygan, WI**  
**Table V**  
**Equalized Value of Taxable Property (1)**  
**Last Ten Fiscal Years**  
**(000's)**

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		Manufacturing						All Other
		Commercial	Manufacturing	Commercial	Manufacturing					
2004	\$ 5,190,443,400	\$ 1,083,292,700	\$ 370,499,800	\$ 255,344,400	\$ 205,906,600	\$ 265,410,000	\$ 6,840,076,900	6.2804		
2005	5,689,964,000	1,218,882,700	378,605,900	263,230,900	209,210,400	297,214,300	7,462,679,600	5.9458		
2006	6,205,058,400	1,299,440,800	382,320,100	277,587,500	217,350,400	324,397,700	8,057,359,500	5.6362		
2007	6,638,643,100	1,365,391,900	390,240,900	288,516,400	234,908,300	370,664,000	8,547,036,600	5.2487		
2008	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	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	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	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	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	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		

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 WI**  
**Table VI**  
**Direct and Aggregated Overlapping Tax Rates**  
**Last Ten Fiscal Years**

MUNICIPALITIES	2004 TAX RATE FOR YEAR 2005	2005 TAX RATE FOR YEAR 2006	2006 TAX RATE FOR YEAR 2007	2007 TAX RATE FOR YEAR 2008	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
<b>Direct Sheboygan County Tax Rate</b>	<b>\$ 6.28</b>	<b>\$ 5.95</b>	<b>\$ 5.64</b>	<b>\$ 5.25</b>	<b>\$ 5.00</b>	<b>\$ 5.00</b>	<b>\$ 4.96</b>	<b>\$ 5.28</b>	<b>\$ 5.41</b>	<b>\$ 5.60</b>
<b>TOWNSHIPS</b>										
Greenbush	\$16.16 - 16.95	\$15.80 - 17.02	\$15.72 - 17.04	\$17.40 - 18.64	\$17.58 - 19.17	\$17.37 - 19.13	\$13.59 - 15.35	\$13.81 - 16.06	\$14.02 - 16.39	\$15.22 - 17.95
Herman	16.41 - 19.64	16.67 - 19.25	16.68 - 19.00	17.55 - 20.49	17.31 - 20.46	18.62 - 21.34	14.46 - 18.41	14.14 - 17.28	14.94 - 17.98	15.72 - 18.52
Holland	19.60 - 21.08	19.38 - 21.01	15.22 - 16.04	14.80 - 15.80	14.55 - 16.29	16.10 - 16.73	16.47 - 16.71	16.43 - 16.78	16.79 - 17.05	17.54 - 17.97
Lima	20.12 - 22.44	14.40 - 15.10	14.02 - 14.61	14.49 - 15.77	15.19 - 17.17	15.49 - 16.58	15.24 - 16.05	15.27 - 16.66	16.27 - 16.89	17.72 - 18.78
Lyndon	25.10 - 27.74	16.16 - 18.80	16.05 - 16.66	16.64 - 18.00	17.80 - 19.89	18.48 - 19.63	17.08 - 17.67	16.98 - 18.36	17.67 - 18.67	18.46 - 19.78
Mitchell	20.56 - 22.19	21.01 - 22.05	14.70 - 15.64	14.85 - 15.87	15.18 - 17.23	16.11 - 17.24	15.86 - 16.24	15.88 - 16.45	16.61 - 17.45	17.30 - 18.33
Mosel	20.01 - 20.74	19.13 - 19.45	19.06 - 20.21	19.34 - 20.26	19.79 - 20.03	15.71 - 16.42	18.04 - 18.40	16.87 - 18.02	17.77 - 18.52	18.24 - 18.78
Plymouth	20.56 - 21.24	14.50 - 16.51	14.62 - 14.72	14.15 - 14.62	13.83 - 14.27	14.61 - 15.00	13.80 - 15.31	13.61 - 15.30	14.61 - 16.08	15.13 - 16.54
Rhine	20.36 - 24.41	22.35 - 26.12	23.10 - 26.33	23.73 - 27.70	13.93 - 19.34	15.18 - 17.37	14.61 - 18.55	14.49 - 17.64	15.23 - 18.18	15.91 - 18.70
Russell	17.86 - 19.79	18.00 - 20.07	18.16 - 20.03	18.87 - 20.87	18.89 - 21.03	20.41 - 22.11	15.58 - 18.04	15.24 - 17.88	15.78 - 18.20	16.47 - 18.07
Scott	16.09 - 17.45	16.38 - 17.83	17.07 - 17.76	16.09 - 17.14	15.76 - 16.95	16.58 - 17.48	16.41 - 16.62	16.32 - 16.53	16.85 - 18.22	17.44 - 18.21
Sheboygan	19.72 - 22.36	18.60 - 21.34	18.22 - 21.39	19.39 - 22.23	19.88 - 22.38	20.22 - 22.52	17.35 - 19.22	18.05 - 19.68	17.84 - 20.13	18.72 - 19.94
Sheboygan Falls	21.70 - 25.95	13.48 - 15.36	13.58 - 15.64	14.63 - 16.60	14.58 - 16.79	15.26 - 17.12	15.33 - 17.77	15.42 - 16.96	16.09 - 17.26	16.50 - 17.60
Sherman	17.21 - 20.17	17.60 - 19.11	18.05 - 19.50	18.05 - 19.56	14.35 - 16.12	14.98 - 15.89	16.40 - 16.90	16.37 - 16.94	16.91 - 17.24	17.89 - 18.33
Wilson	18.56 - 21.20	15.04 - 17.91	15.69 - 18.64	16.58 - 19.10	16.70 - 18.91	17.38 - 19.53	15.91 - 18.33	15.91 - 18.68	16.39 - 18.75	17.05 - 18.89
<b>VILLAGE</b>										
Adell	22.58	21.39	21.83	22.28	21.22	21.97	21.04	21.09	21.33	21.72
Cascade	22.5	23.36	22.00	21.56	14.96	16.66	18.62	18.57	19.45	20.02
Cedar Grove	28.32	27.60	26.42	25.87	20.19	20.62	21.47	21.42	21.95	22.80
Elkhart Lake	22.54	22.70	23.30	24.25	17.83	17.81	17.57	17.31	17.7	18.53
Glenbeulah	21.57	21.72	20.49	20.87	20.12	17.17	18.11	17.82	19.12	19.71
Howards Grove	24.01	23.30	22.38	23.22	17.29	18.33	19.95	18.92	19.415	20.09
Kohler	21.94 - 22.96	21.38 - 23.46	17.05 - 21.84	17.38 - 19.90	16.61 - 18.67	19.41 - 20.87	18.15 - 20.06	18.45 - 19.95	19.74 - 20.41	21.00 - 22.08
Oostburg	27.57	19.74	20.07	20.51	21.03	20.37	19.95	20.36	21.36	22.44
Random Lake	20.13	19.37	20.18	20.45	19.81	20.22	20.30	20.13	20.51	21.06
Waldo	23.78	21.89	22.26	22.88	23.38	25.06	21.78	22.24	22.53	23.68
<b>CITY</b>										
Plymouth	23.09	24.08	24.04	18.74	18.89	19.97	21.22	21.22	22.19	22.72
Sheboygan	29.92 - 31.67	30.35 - 31.12	23.53 - 24.20	24.54 - 24.58	23.72 - 24.19	23.72 - 24.62	24.66 - 24.97	24.66 - 25.56	24.86 - 25.84	25.24 - 26.48
Sheboygan Falls	24.48	23.20	22.92	24.11	17.81	18.83	19.99	20.59	20.98	22.01

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

**County of Sheboygan, WI**  
**Table VII**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Company	2004			2013		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
Kohler Co	\$ 94,599,975	1	1.3830%	\$ 108,278,700	1	1.3049%
Kohler Co (HID)	32,119,200	4	0.4696%	48,646,900	2	0.5863%
Acuity Insurance Co	35,961,200	2	0.5257%	43,298,300	3	0.5218%
Wal-Mart Stores Inc				40,070,100	4	0.4829%
Sargento Foods Inc	19,948,900	6	0.2916%	34,589,500	5	0.4168%
Bemis Mfg Co.				25,024,500	6	0.3016%
SNH Medical Office	13,310,800	7	0.1946%	20,415,700	7	0.2460%
J L French LLC				17,465,800	8	0.2105%
St Nicholas Hospital				14,822,300	9	0.1786%
PJR Properties LLC	29,850,800	3		14,661,300	10	0.1767%
Blue Harbor Resort	15,327,700	5	0.2241%			
Bayview Memorial, LLC	12,818,100	8	0.1874%			
Aurora Health Care	11,470,100	9	0.1677%			
Plastics Engineering Co	11,235,600	10	0.1643%			
Country Villae Apts LLC						
<b>Total Equalized Value Sheboygan County</b>	<b>\$ 276,642,375</b>		<b>3.6080%</b>	<b>\$ 367,273,100</b>		<b>4.4261%</b>
	<b>\$ 6,840,076,900</b>			<b>\$ 8,297,900,300</b>		

Source: Sheboygan County Treasurer's Office

**County of Sheboygan, WI**  
**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
2003								
2004	2004	\$ 156,300,038	\$ 153,674,580	98.32%	98.32%	2,625,296	\$ 156,299,876	100.00%
2005	2005	166,560,297	164,097,090	98.52%	98.52%	2,461,998	166,559,088	100.00%
2006	2006	167,679,743	165,802,674	98.88%	98.88%	1,871,505	167,674,179	100.00%
2007	2007	173,240,997	171,428,202	98.95%	98.95%	1,789,581	173,217,783	99.99%
2008	2008	180,657,129	178,430,060	98.77%	98.77%	2,131,266	180,561,326	99.95%
2009	2009	183,261,601	181,081,662	98.81%	98.81%	2,042,341	183,124,003	99.92%
2010	2010	191,439,278	188,640,599	98.54%	98.54%	2,557,478	191,198,077	99.87%
2011	2011	197,237,966	194,487,393	98.61%	98.61%	2,341,220	196,828,613	99.79%
2012	2012	195,917,128	193,671,580	98.85%	98.85%	1,522,784	195,194,364	99.63%
2013	2013	194,572,586	192,894,815	99.14%	99.14%	381,033	193,275,848	99.33%

Source: Sheboygan County Treasurer's Office

**County of Sheboygan, WI**  
**Table IX**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

YEAR	Governmental Activities		TOTAL PRIMARY GOVERNMENT	EQUALIZED VALUE (000's)	RATIO TO TOTAL EQUALIZED VALUE	ESTIMATED POPULATION	PER CAPITA
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES					
2004	\$ 11,330,000	\$ 34,695,000	\$ 46,025,000	\$ 6,840,077	0.67%	113,223	\$ 406.50
2005	10,815,000	29,205,000	40,020,000	7,462,680	0.54%	113,650	352.13
2006	10,235,000	28,560,000	38,795,000	8,057,360	0.48%	113,830	340.82
2007	9,630,000	20,880,000	30,510,000	8,547,037	0.36%	114,113	267.37
2008	9,000,000	22,280,000	31,280,000	8,867,077	0.35%	114,458	273.29
2009	8,355,000	17,465,000	25,820,000	8,924,003	0.29%	114,560	225.38
2010	7,965,000	27,235,000	35,200,000	8,668,959	0.41%	115,507	304.74
2011	7,170,000	22,640,000	29,810,000	8,575,432	0.35%	115,569	257.94
2012	6,370,000	18,015,000	24,385,000	8,651,327	0.28%	114,973	212.09
2013	5,540,000	21,100,000	26,640,000	8,526,701	0.31%	114,922	231.81



**County of Sheboygan, WI**  
**Table X**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008
Equalized Value	\$ 6,840,076,900	\$ 7,462,679,600	\$ 8,057,359,500	\$ 8,547,036,600	\$ 8,867,077,200
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	342,003,845	373,133,980	402,867,975	427,351,830	443,353,860
Amount of Debt Applicable to Debt Limitation Less: Amount Available in Debt Service Funds	46,025,000 337,166	40,020,000 316,941	38,795,000 433,028	30,510,000 285,641	31,280,000 304,377
Net Debt Applicable to the Debt Margin	45,687,834	39,703,059	38,361,972	30,224,359	30,975,623
Legal Debt Margin (Debt Capacity)	\$ 296,316,011	\$ 333,430,921	\$ 364,506,003	\$ 397,127,471	\$ 412,378,237
Percent of Debt Capacity Used	13.36%	10.64%	9.52%	7.07%	6.99%
	2009	2010	2011	2012	2013
Equalized Value	\$ 8,924,002,800	\$ 8,668,958,700	\$ 8,575,432,000	\$ 8,651,327,800	\$ 8,526,701,100
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	446,200,140	433,447,935	428,771,600	432,566,390	426,335,055
Amount of Debt Applicable to Debt Limitation Less: Amount Available in Debt Service Funds	25,820,000 36,200	35,200,000 86,385	29,810,000 86,385	24,385,000 45,249	26,640,000 26,640,000
Net Debt Applicable to the Debt Margin	25,783,800	35,113,615	29,723,615	24,339,751	26,640,000
Legal Debt Margin (Debt Capacity)	\$ 420,416,340	\$ 398,334,320	\$ 399,047,985	\$ 408,226,639	\$ 399,695,055
Percent of Debt Capacity Used	5.78%	8.10%	6.93%	5.63%	6.25%

**County of Sheboygan, WI**  
**Table XI**  
**Computation of Direct, Overlapping and Underlying Debt**  
**December 31, 2013**

	Number of Entities	Amount of Debt	Applicable to Sheboygan County	
			Percent	Amount
Sheboygan County				
Total General Obligation Debt		\$ 26,640,000		
<b>OVERLAPPING DEBT:</b>				
Lakeshore VTAE District	1	\$ 25,255,000	62.84%	15,870,242
Moraine Park Technical College District	1	26,315,000	0.03%	7,895
Total Overlapping Debt				<u>15,878,137</u>
<b>UNDERLYING DEBT:</b>				
Cities	3	\$ 64,456,077	100%	64,456,077
Villages	10	\$ 20,313,383	100%	20,313,383
Townships	15	\$ 4,421,736	100%	4,421,736
School Districts	13	\$ 133,306,298	varies	92,383,508
Total Sanitary Districts	1	\$ 1,341,162	100%	<u>1,341,162</u>
Total Underlying Debt				<u>214,672,139</u>
<b>TOTAL DIRECT GENERAL OBLIGATION, OVERLAPPING AND UNDERLYING DEBT</b>				<u><u>\$ 257,190,276</u></u>

Source: Robert W Baird

**County of Sheboygan, WI**  
**Table XII**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
2004	115,447	\$ 3,803,666	\$ 33,594	4.50%
2005	116,075	3,944,941	34,711	4.00%
2006	116,348	4,170,742	36,640	3.90%
2007	117,045	4,323,164	37,885	4.10%
2008	117,472	4,706,007	40,691	4.50%
2009	117,556	4,396,263	38,042	9.30%
2010	115,507	4,447,253	38,516	8.70%
2011	115,569	4,595,577	39,910	6.40%
2012	114,973	5,148,376	44,779	6.60%
2013	114,922	*	*	5.00%

Source: Wisconsin's Worknet  
 \* Information not available

**County of Sheboygan, WI**  
**Table XIII**  
**Principal Employers**  
**Current Year and Nine Years Ago**

	2013			2005		
	Estimated Employment	Rank	Percentage of Total County Employment	Estimated Employment	Rank	
Kohler Co	3,000	1	5.2%	7,500	1	
Bemis Manufacturing	1,600	2	2.8%	2,000	2	
J L French LLC	1,325	3	2.3%	1,200	5	
Aurora Medical Group	1,350	4	2.3%	850	8	
Sheboygan Area School District	1,274	5	2.2%	1,434	3	
Johnsonville Sausage LLC	933	6	1.6%	650	9	
St Nicholas Hospital	875	7	1.5%			
Acuity Insurance CO.	827	8	1.4%	575	10	
County of Sheboygan	825	9	1.4%	1,223	4	
Wal-Mart Associates, Inc	735	10	1.3%			
Sargento Foods				1,200	6	
Sheboygan Memorial Medical Center				900	7	
Total Estimated County Workforce	57,900					

Source: State of Wisconsin Worknet

**County of Sheboygan, WI**  
**Table XIV**  
**Full-time Equivalent County Employees**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government	168	171	171	172	169	171	170	169	145	149
Public Safety	177	177	177	178	176	178	177	171	172	174
Public Works	122	127	122	120	118	113	111	102	94	90
Public Health and Human Services	223	220	222	227	217	211	204	207	195	202
Resources and Development	24	24	28	23	32	30	27	26	23	22
Education	4	4	4	4	4	4	4	3	3	4
Health Care Centers (1)	563	530	451	368	265	263	264	256	211	214
<b>Total</b>	<b>1,281</b>	<b>1,253</b>	<b>1,175</b>	<b>1,264</b>	<b>1,150</b>	<b>1,141</b>	<b>1,127</b>	<b>1,103</b>	<b>843</b>	<b>1,004</b>

Source: Sheboygan County Payroll Records

(1) Sunny Ridge Nursing Home sold in 2007.

**County of Sheboygan, WI**  
**Table XV**  
**Operating Indicators by Program/Function**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Prisoners bookings - Adult	4,865	4,878	4,973	5,170	5,254	5,058	4,266	4,093	4,591	3,706
Prisoners bookings - Juvenile	365	395	420	456	410	399	355	385	318	351
Total complaints (1)	27,252	26,718	26,780	28,371	35,832	36,634	33,499		33,221	40,292
<b>Courts</b>										
Case filings	26,086	24,873	19,413	17,194	17,068	17,920	15,294	13,276	14,060	13,312
Criminal cases prosecuted	3,801	3,840	3,800	3,696	3,601	3,282	2,737	2,273	2,303	2,371
Non-criminal cases	2,986	2,914	2,591	2,806	3,024	3,154	2,549	1,850	2,266	2,160
Jury trials	54	51	44	56	56	44	41	38	37	29
Family Court Commissioner hearings	1,241	819	843	813	802	822	771	752	920	989
Mediation referrals	253	292	277	283	257	289	297	270	262	272
<b>Coroner</b>										
Death Investigations	650	557	735	550	485	490	508	523	568	543
Cremations Permits Issued	330	353	356	361	428	424	407	471	502	539
<b>Register of Deeds</b>										
Real estate documents processed	37,903	36,356	32,758	29,938	27,789	30,395	27,057	23,950	29,308	27,819
Vital records filed	3,399	3,524	3,620	3,431	3,515	3,404	3,215	3,290	3,255	3,385
Military discharge records	53	46	52	97	54	123	133	122	150	122
Genealogical searches	1,058	1,049	880	777	639	464	727	682	735	717
<b>Planning and Conservation</b>										
Sanitary permits	198	203	183	208	216	156	142	145	137	161
Shoreland permits	141	134	102	127	83	88	83	56	68	87
Certified Survey Maps Reviewed	64	64	64	82	46	39	40	33	45	38
<b>County Clerk</b>										
Marriage Licenses/Domestic Partnerships	802	763	772	748	737	745	620	612	664	669
Passport Applications	238	490	1,121	1,605	856	682	770	636	827	844
<b>Public Health &amp; Human Services (2)</b>										
Senior Meals Provided		42,324	41,099	56,614	57,242	50,918	51,889	52,146	57,146	53,232
Health Inspections						1,148	836	1,178	934	846
Child Abuse and Neglect Referrals	1,216	1,278	1,305	1,262	1,286	1,051	1,125	1,109	1,196	1,243
Average WIC Participants per Month	1,819	1,856	2,024	2,119	2,205	2,382	2,284	2,186	2,197	2,127
Communicable Disease Cases (Confirmed)	676	554	640	549	623	706	624	612	616	638
Immunizations Given (3)	7,669	8,095	7,472	8,441	12,205	18,493	12,234	6,853	5,047	2,194
<b>Health Care Centers (4)</b>										
Total Patient Days	161,974	154,799	123,764	77,288	61,736	59,380	58,480	53,975	52,233	48,815
Patient Meals Served	476,994	449,703	379,719	220,293	169,125	172,479	168,534	153,888	151,710	131,982
<b>Highway (5)</b>										
Miles of roads resurfaced		14	17	14	23	19	14	27	25	20
Miles of roads seal coated		15	13	14	17	13	8	10	11	13
Asphalt Produced (tons)		90,122	101,000	86,067	78,000	57,000	48,500	74,161	76,737	68,336
Gravel Production (tons)		261,194	290,803	213,401	209,000	226,287	180,002	109,810	168,889	150,514

(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) During 2004 to 2006, the County operated two nursing homes. Sunny Ridge was sold in 2007.

(5) Information tracked starting in 2005.

**County of Sheboygan, WI**  
**Table XVI**  
**Capital Assets by Functional Area**  
**Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>	5	5	5	5	5	5	5	5	5	5
Buildings (excludes Public Safety and Business-type operations)										
<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)	40	41	41	42	42	42	43	43	42	42
<b>Health Care Centers</b>										
Facilities	2	2	2	1	1	1	1	1	1	1
Number of Beds (1)	460	460	423	195	195	195	195	175	165	157
<b>Highway</b>										
County lane miles	451	451	451	451	451	451	451	451	451	451
Garages/Shops	7	7	7	7	7	7	7	6	6	6
County bridges	76	76	76	76	76	76	76	76	76	76

(1) During 2004 to 2006, the County operated two nursing homes. Sunny Ridge was sold in 2007.