

**COUNTY OF SHEBOYGAN,
WISCONSIN**

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

FOR THE YEAR ENDED

DECEMBER 31, 2014



COUNTY OF SHEBOYGAN, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

PREPARED BY:

Sheboygan County Finance Department

COUNTY OF SHEBOYGAN, WISCONSIN
For the Year Ended December 31, 2014

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COUNTY OF SHEBOYGAN, WISCONSIN
For the Year Ended December 31, 2014

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INTRODUCTORY SECTION



SHEBOYGAN COUNTY

Wendy Ann Charnon
Finance Director

Mary Wegmann
Interim Finance Director

June 22, 2015

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, 2014.

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

Schenck SC has audited Sheboygan County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Sheboygan County are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Sheboygan County's financial statements for the fiscal year ended December 31, 2014 are fairly presented in conformity with GAAP. Their report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

The County benefits from a mixed economic base of manufacturing, retail trades, services, agricultural, insurance and tourism. By far the largest economic sector is manufacturing with the County tied for third highest concentration of manufacturing in the United States per the Bureau of Labor Statistics. The unemployment rate as of December 31, 2014 was 3.8%, a decrease of 1.2% from 2013.

During 2014, final funding was approved for restoring the first rail line in the State of Wisconsin. The project is a collaboration between the Wisconsin Department of Transportation, the County, City of Plymouth, Village of Kohler and several businesses to restore eleven miles of rail line between the City of Plymouth and the Village of Kohler. It is expected that the line will re-open in mid-2015.

Sheboygan County borders Lake Michigan and remains a top tourism destination, \$207.8 of direct visitor spending per the State of Wisconsin during 2014. It boasts attractions of world-class golf, Lake Michigan sport fishing, numerous summer festivals, ice fishing and snowmobiling. In August of 2014 purchase of the Amsterdam Dunes was finalized. This purchase preserves for public access one of the last undeveloped stretches of beaches and dunes on the western shores of Lake Michigan. Restoring up to 78-acres of wetlands will not only promote economic development in the county but will generate revenue to recoup the County's acquisition costs.

Long-term Planning

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

The most recent document identifies \$42,402,322 of projects over the next five years. Long-term financing is projected to fund approximately \$28 million. The balance will be funded by State and Federal dollars, donations and other internal funding sources. In 2015, the County has identified and funded the final installment of the combined dispatch center at the Sheriff's Department, the final installment of the Engineering Lab at the University of Wisconsin Sheboygan campus, continuation of infrastructure improvements for the Highway Department and initial funding for installation of a fiber optic network.

Major Initiatives

The County has commenced installation of a fiber optic network. The project is a partnership between the County, City of Sheboygan and the Sheboygan Area School District. Shared information technology projects will include shared data centers, shared disaster recovery site, shared network resources and combined hardware and software management. There is also the potential for adding private partnerships generating revenue to offset the maintenance cost and/or the implementation and construction costs.

Major Financial Policies

Fund Balance: The County Board has adopted a minimum fund balance policy to maintain an unassigned fund balance of 5% to 10% of total county expenditures, less capital project expenditures. The Finance Committee in December of 2014 further refined the policy such that the General Fund unassigned fund balance be maintained at a minimum of 15% and a maximum of 30% of total governmental fund expenditures less capital project expenditures. Unassigned fund balance is at 20%. The higher than expected general fund balance will provide the County additional flexibility when reviewing its 2016 budget needs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Sheboygan, Wisconsin, for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and

efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

I would like to express my sincere appreciation to all staff who assisted with the preparation for the 2014 audit of Sheboygan County. In addition, I 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,



Mary Wegmann
Interim Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

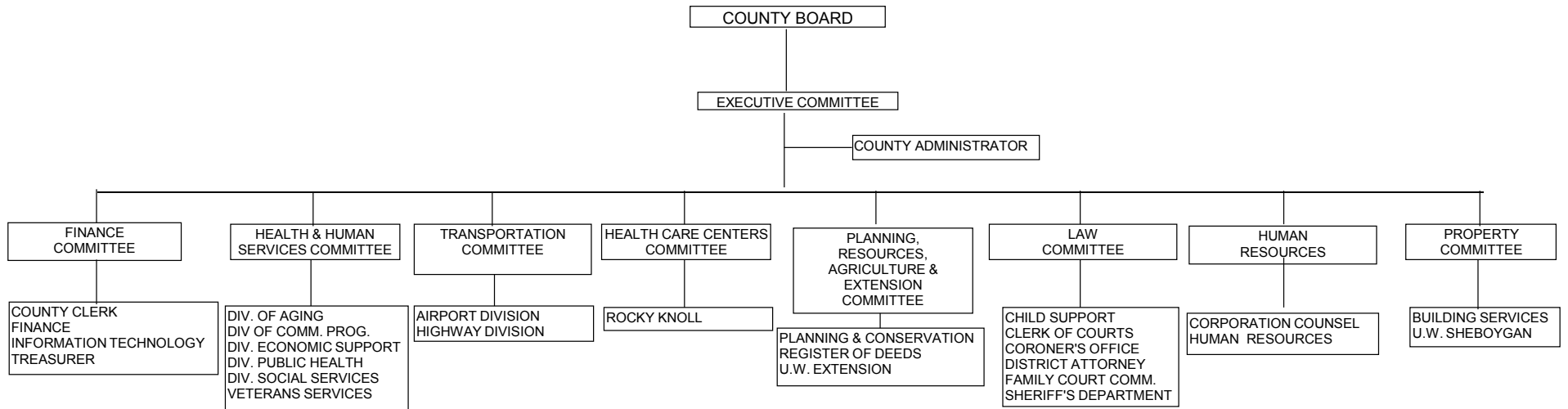
**County of Sheboygan
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**COUNTY OF SHEBOYGAN, WISCONSIN
ORGANIZATIONAL CHART**



COUNTY OF SHEBOYGAN, WISCONSIN

Board of Supervisors

Term Expires April, 2016

Roger L. Te Stroete.....Chairperson

Thomas WegnerVice-Chairperson

Keith Abler

Vernon Koch

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 Hilbelink

Robert Ziegelbauer

Brian C. Hoffmann

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* Melody Lorge
Coroner* David J. Leffin
County Clerk* Jon Dolson
Court Commissioner Rebecca Persick
Corporation Counsel** Atty. Carl Buesing
District Attorney* Joe R. DeCecco
Finance Wendy Charnon
Health & Human Services Thomas D. Eggebrecht
Health Care Centers Rachelle Vallesky
Human Resources Jean Gallimore
Information Technology Chris Lewinski
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*** Jane Jensen & Linda Lueder
University of Wisconsin-Sheboygan*** Jackie Joseph-Silverstein
Veteran's Service Charlene Cobb

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the County Board
Sheboygan County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sheboygan County, Wisconsin ("the County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 26 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 22, 2015, 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.

S chende SC

Certified Public Accountants
Green Bay, Wisconsin
June 22, 2015

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities and deferred inflows of resources as of December 31, 2014 by \$145,626,497 (*net position*). Of this amount, \$26,173,595(*unrestricted*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net position increased by \$8,606,215. The biggest contributors to the overall increase was the gain on sale of investments of \$1,473,423, increased revenue received from investment interest (\$155,000), interest and penalty on taxes (\$443,719) and donations received (\$313,423). Expenditures were underspent by \$997,862 in wages and benefits due to unplanned position retirements throughout the year, \$307,628 in consulting and psychiatric services and \$130,517 in unspent contingency funding.
- The property tax rate increased \$.1866 per \$1,000 of property value from the year ended December 31, 2014.
- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of \$32,385,784, an increase of \$7,796,320. This is due to unspent capital project funds (\$12,602,408). The General Fund reported an increase of \$739,981 due to a transfer of excess fund balance from Health & Human Services.
- As of December 31, 2014, assigned and unassigned fund balance of the Governmental Funds was \$16,681,380, or approximately 42% of total general fund expenditures.
- The County's total outstanding general obligation debt increased \$8,540,000.

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, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2014

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

Both of these government-wide financial statements distinguish functions of Sheboygan County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, public health and human services, education, and resource & development. The business-type activities of the County include a skilled health care facility (nursing home).

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

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

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

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

The County maintains 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 non major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all its 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, 2014

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

Proprietary funds: Sheboygan County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses the enterprise fund to account for its nursing home. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its various insurance activities, information technology 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 38-43 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's 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 44 of this report.

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45-73 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 76-108.

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 \$145,626,497 at the close of 2014.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2014

Net Position

December 31, 2014 and 2013
(Amounts expressed in \$1,000)

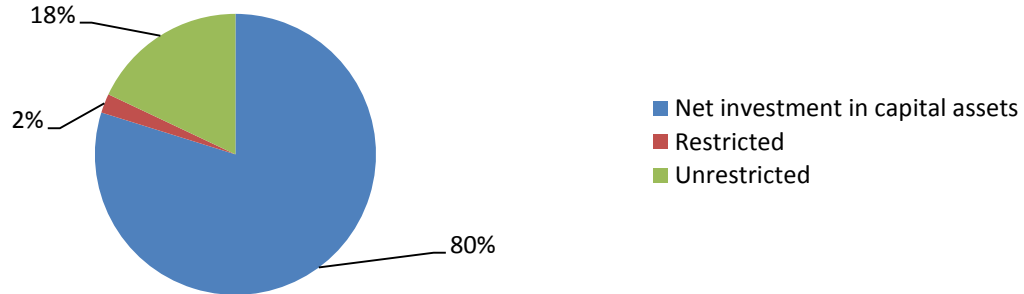
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 108,603	\$ 99,833	\$ 2,330	\$ 1,958	\$ 110,933	\$ 101,791
Capital assets	128,930	119,369	7,738	7,899	136,668	127,268
Total Assets	237,533	219,202	10,068	9,857	247,601	229,059
Liabilities						
Current and other liabilities	10,502	10,647	700	264	11,202	10,911
Long-term liabilities	42,919	33,782	795	862	43,714	34,644
Total Liabilities	53,421	44,429	1,495	1,126	54,916	45,555
Deferred Inflows of Resources	46,224	45,637	835	846	47,059	46,483
Net Position						
Net investment in capital assets	108,499	97,989	7,738	7,899	116,237	105,888
Restricted	3,215	2,904			3,215	2,904
Unrestricted (Deficit)	26,174	28,243		(14)	26,174	28,229
Total Net Position	\$ 137,888	\$ 129,136	\$ 7,738	\$ 7,885	\$ 145,626	\$ 137,021

The largest portion of the County's net position (80%) reflects its net investment of \$116.2 million in capital assets (e.g. land, infrastructure, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position, 2%, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation, including those passed by the County itself. The remaining balance of unrestricted net position, \$26,174,454, 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, 2014

Primary Government Net Position at 2014



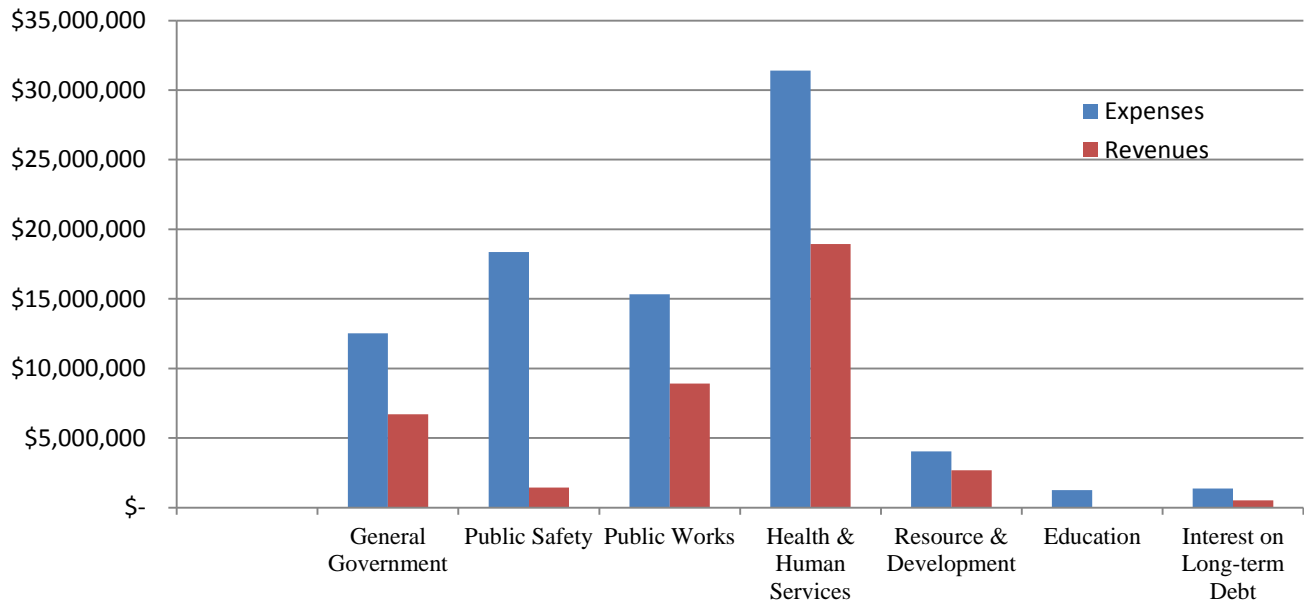
Changes in Net Position
For the Years Ended December 31, 2014 and 2013
(Amounts expressed in \$1,000)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 8,036	\$ 7,803	\$ 11,096	\$ 11,334	\$ 19,132	\$ 19,137
Operating grants & contributions	30,474	24,232	1,100	1,194	31,574	25,426
Capital grants and contributions	741	2,239	191	57	932	2,296
Total program revenues	<u>39,251</u>	<u>34,274</u>	<u>12,387</u>	<u>12,585</u>	<u>51,638</u>	<u>46,859</u>
General revenues:						
Property tax	45,155	45,126	846	802	46,001	45,928
Other taxes	4	9			4	9
Investment earnings	2,380	704	1		2,381	704
Gain on disposal of capital assets	7		4		11	
Nonspecific grants and contributions	3,862	3,572	263	12	4,125	3,584
Miscellaneous	1,908	1,679	23	10	1,931	1,689
Total general revenues	<u>53,316</u>	<u>51,090</u>	<u>1,137</u>	<u>824</u>	<u>54,453</u>	<u>51,914</u>
Total Revenues	<u>92,567</u>	<u>85,364</u>	<u>13,524</u>	<u>13,409</u>	<u>106,091</u>	<u>98,773</u>
Expenses:						
General government	12,042	12,876			12,042	12,876
Public safety	18,372	18,387			18,372	18,387
Public works	15,319	14,104			15,319	14,104
Public health and human services	31,397	29,859			31,397	29,859
Resources and development	4,035	2,314			4,035	2,314
Education	1,267	1,211			1,267	1,211
Interest on long-term debt	1,382	934			1,382	934
Health care centers			13,671	13,620	13,671	13,620
Total Expenses	<u>83,814</u>	<u>79,685</u>	<u>13,671</u>	<u>13,620</u>	<u>97,485</u>	<u>93,305</u>
Excess(deficiency) before transfers and special item	8,753	5,679	(147)	(211)	8,606	5,468
Special item - OPEB adjustment		1,062		419		1,481
Transfers		(11)		11		
Change in net position	<u>8,753</u>	<u>6,730</u>	<u>(147)</u>	<u>219</u>	<u>8,606</u>	<u>6,949</u>
Net Position - January 1	129,136	121,949	7,885	7,666	137,021	129,615
Prior period adjustment		457			-	457
Net Position - January 1 (Restated)		<u>122,406</u>		<u>8,023</u>	<u>137,021</u>	<u>130,072</u>
Net Position - December 31	<u>\$ 137,889</u>	<u>\$ 129,136</u>	<u>\$ 7,738</u>	<u>\$ 7,885</u>	<u>\$ 145,627</u>	<u>\$ 137,021</u>

COUNTY OF SHEBOYGAN, WISCONSIN
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(Unaudited)
December 31, 2014

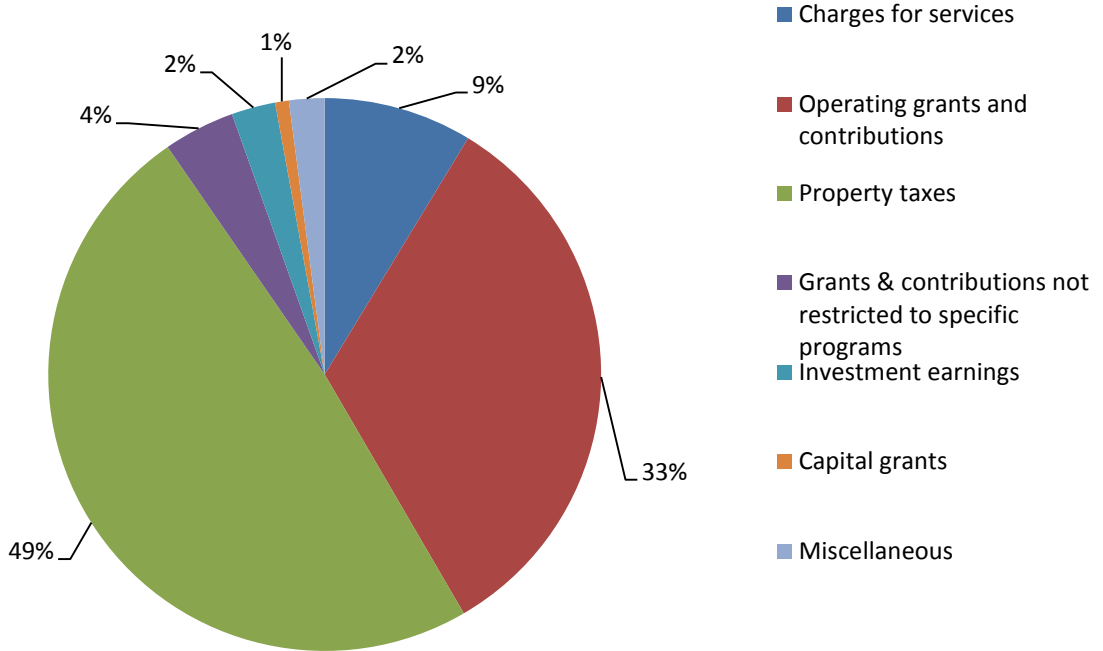
Governmental activities: Governmental activities increased the County's net position by \$8,753,450. Key elements of this increase are as follows:

- Positive variance of \$1,472,423 due to gain on sale of investments
- Positive variance of \$997,862 in wages & benefits due to retirements throughout the year
- Positive variance of \$443,719 in interest & penalties on taxes
- Positive variance of \$155,000 in interest income
- Positive variance in several operating expense accounts such as fuel and diesel due to the unexpectedly favorable fuel pricing
- Positive variance in purchased services, chiefly in consulting and psychiatric services
- Positive variance in intergovernmental revenue of \$388,523 for the Highway department due to intergovernmental agreements with several municipalities and the State of Wisconsin to relocate County Road LS.

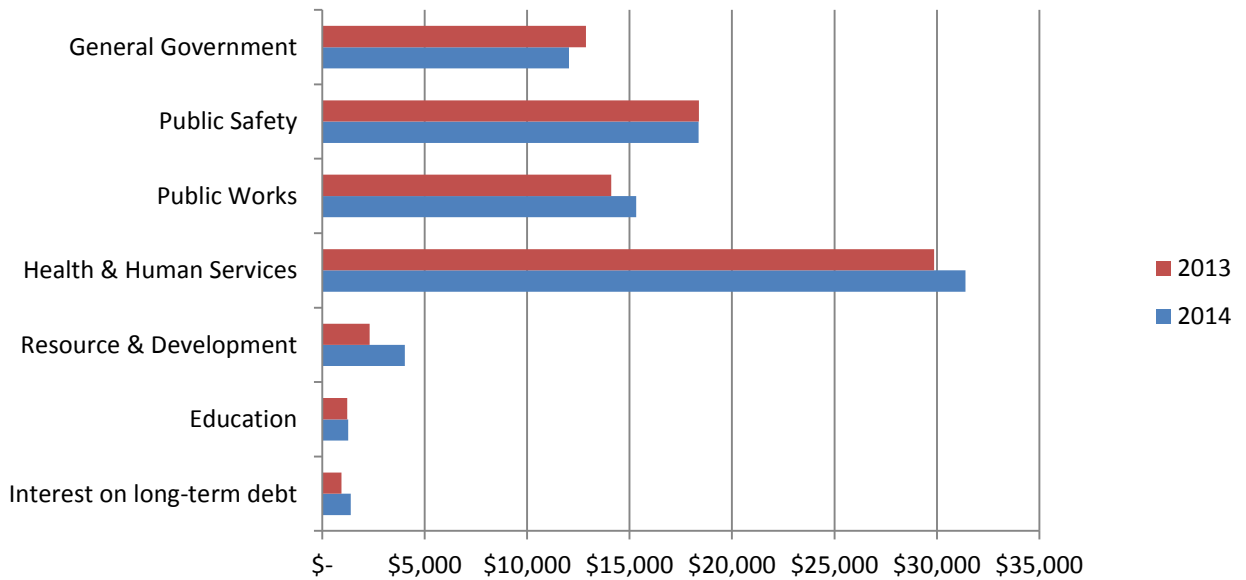


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Revenues by Source - Governmental Activities

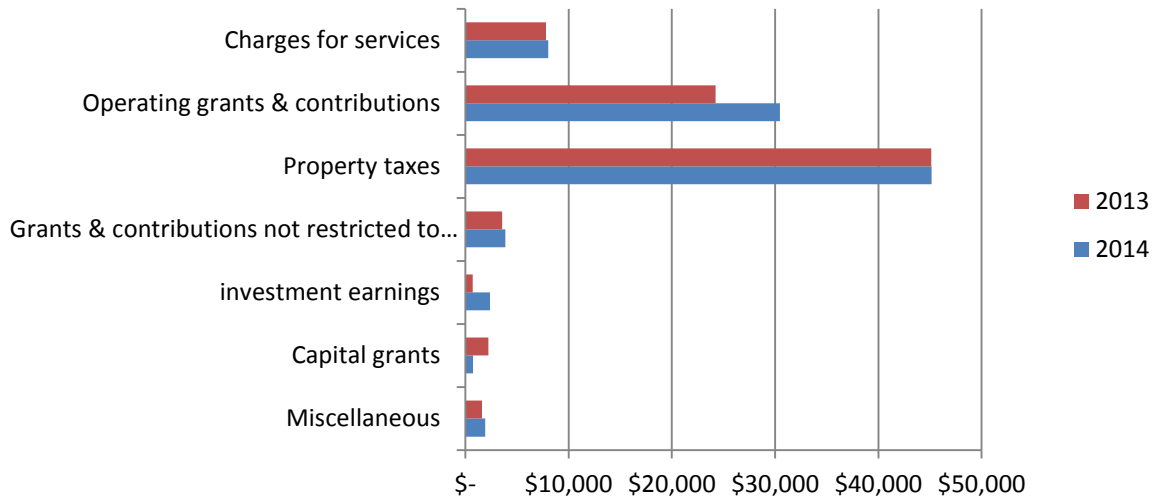


Governmental Activities Functional Expenses for Years 2014 and 2013
(Shown in Thousands of Dollars)



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Governmental Activities Revenues by Source for Years 2014 and 2013
(Shown in Thousands of Dollars)

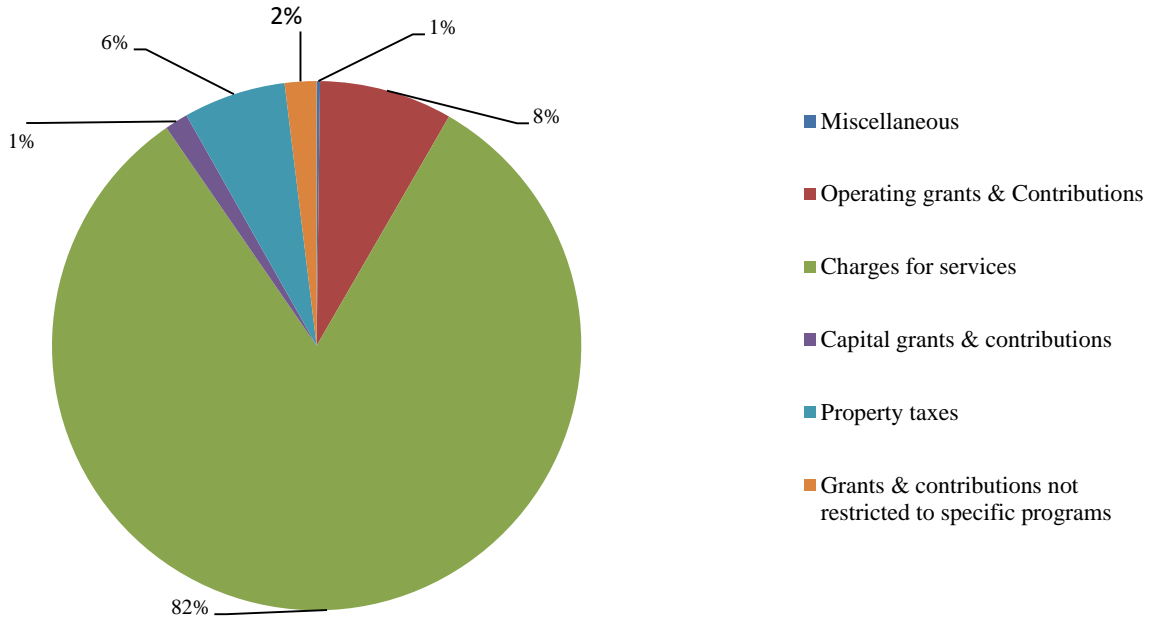


Business-type Activities: Rocky Knoll Health Care Center decreased Sheboygan County's net position by \$147,235. Declining reimbursement and census continue to be financial challenges for our long-term care facility and reflects the trend of a declining market for skilled nursing care. As community members 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 total bed capacity to 155 beds
- 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, 2014, the County's governmental funds reported combined ending fund balances of \$32,385,784 an increase of \$7,796,320. Of the combined ending fund balances, \$16,681,380 or 52% 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 (\$1,530,612), 2) prepayments that benefit periods beyond the end of the current year (\$84,773), 3) various individual fund commitments approved by the County Board (\$153,424), and 4) for grant or statutory provisions (\$13,935,595).

The General Fund is the chief operating fund of the County. At the end of the current year, assigned fund balance was \$524,183 and unassigned fund balance was \$15,592,319 while the total fund balance was \$18,679,648. 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 \$16,116,502 represents 41% of total general fund expenditures, while total fund balance represents 47% of that same amount.

During the current year the County's General Fund balance increased by \$739,981. This increase is due to a transfer of fund balance from the Health & Human Services fund of \$2,721,937 per the fund balance policy approved by the Finance Committee. Another significant budgetary action was the purchase of Amsterdam Dunes by County Board action in July of 2014 which utilized unassigned fund balance to purchase the property for a wetland mitigation bank and preservation area. For a more detailed analysis of budgetary variances, please refer to the "General Fund Budgetary Highlights" discussion below.

Public Health and Human Services fund revenues exceed expenditures by \$1,610,772 due mainly to increases in operating grants. As a result \$2,721,937 was transferred to the General Fund at the end of 2014.

The Debt Service fund has a fund balance of \$184,989. The increase was due to premiums received from debt issuance.

The Capital Project fund has a fund balance of \$12,602,408. These restricted monies will be used to complete capital projects that are in progress at the end of 2014.

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 net position decreased by \$14,280. This decrease is due to decreased census and declining revenues. The loss was mitigated by reducing both staffing and expenses as appropriate to maintain patient care.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures was a \$5,574,513 increase in appropriations or a 16% increase over the original budget. This increase was due to the usage of unassigned fund balance to purchase Amsterdam Dunes.

During the year, actual expenditures were \$492,728 under budget. The major reason for the variances are as follows:

- Wages and benefits underspent \$163,070
- Consulting underspent \$231,823
- Contingency reserves underspent \$130,517

Differences between the original budget and the final amended budget for revenues amounted to a \$1,072,235 increase in funding sources due mainly to adjustments to operating grant revenue.

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During the year, actual revenues were better than budget by \$1,850,271. This variance is due primarily to increased revenue as follows:

- Operating grants (nonmotorized transportation) increased \$954,000
- Gain on sale of investments \$1,473,423
- Interest income increased \$552,012

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, 2014 was \$136,668,256 (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 \$8,908,235
- Computer systems storage and software implementation at a cost of \$528,025
- Vehicles, mostly Sheriff's squads, purchased at a cost of \$402,767 and disposal of squads totaling \$140,799

Sheboygan County's Capital Assets

(Amounts Expressed in \$1,000)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 14,313	\$ 9,598	\$ 32	\$ 32	\$ 14,345	\$ 9,630
Construction in progress	5,852	9,408			5,852	9,408
Buildings	64,126	62,980	14,855	14,637	78,981	77,617
Other improvements	10,665	10,920	567	707	11,232	11,627
Infrastructure	118,511	106,206			118,511	106,206
Machinery and equipment	17,569	16,862	4,668	4,678	22,237	21,540
Office furniture and equipment	28,130	27,503	863	855	28,993	28,358
Vehicles	12,334	11,207	190	199	12,524	11,406
Less Accumulated depreciation	(142,570)	(135,315)	(13,437)	(13,209)	(156,007)	(148,524)
Total	\$ 128,930	\$ 119,369	\$ 7,738	\$ 7,899	\$ 136,668	\$ 127,268

Additional information on Sheboygan County's capital assets can be found in Note C.4 on pages 61-62.

Long-term debt: At the end of the current fiscal year, Sheboygan County had total debt outstanding of \$35,437,857 backed by the full faith and credit of the County.

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Sheboygan County's Outstanding Debt

	2014	2013
General obligation debt:		
Bonds	\$ 4,670,000	\$ 5,540,000
Notes	30,510,000	21,100,000
Total general obligation debt	35,180,000	26,640,000
Capital leases	135,817	223,452
Note payable	122,040	
Total debt	\$ 35,437,857	\$ 26,863,452

On January 7, 2014 the County issued General Obligation Promissory Notes in the amount of \$14,575,000. These notes will finance part of the cost of capital improvements within the County. On September 9, 2014, the County refunded the remaining balance of \$2,280,000 for the 2004 refunding bonds. This refunding was undertaken to reduce total debt service payments over the next five years by \$164,515 and obtain an economic gain of \$160,689. During the current year, Sheboygan County retired \$8,414,147 of outstanding debt.

Moody's Investors Service assigned a Aa2 rating to the County for the 2014 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 legal margin for new debt for the County is \$395,243,134 which is significantly in excess of the County's \$35,180,000 in general obligation debt. The County's debt service fund has a fund balance of \$184,989 at December 31, 2014.

Additional information on Sheboygan County's long-term debt can be found in Note C.6 on page 64-67 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for December 2014 was 3.8% for the County. This compares to the State of Wisconsin's average unemployment rate of 4.7%. This is a decrease of 1.2% 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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(Unaudited)
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With the adoption of the budget for 2015, the County's operating rate of \$5.6423 represents a \$0.0452 increase from the prior year and conforms with the state statute requirements.

Contacting the County's Financial Management

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$50,270,049	\$172,978	\$50,443,027
Receivables			
Taxes	46,175,785	834,822	47,010,607
Accounts, net	1,284,551	996,825	2,281,376
Delinquent taxes	2,530,477		2,530,477
Delinquent special certificates	187,529		187,529
Interest	1,021,901		1,021,901
Loans	1,911,069		1,911,069
Internal balances	245,407	(245,407)	
Due from other governments	2,615,705	508,112	3,123,817
Prepays and inventory	2,360,529	62,127	2,422,656
Capital assets, nondepreciable			
Land	14,312,659	31,750	14,344,409
Construction in progress	5,851,989		5,851,989
Capital assets, depreciable			
Buildings	64,125,866	14,855,258	78,981,124
Improvements other than buildings	10,665,091	566,944	11,232,035
Infrastructure	118,510,702		118,510,702
Machinery and equipment	17,568,956	4,668,229	22,237,185
Office furniture and equipment	28,129,978	863,000	28,992,978
Vehicles	12,334,341	190,473	12,524,814
Less: Accumulated depreciation	(142,569,771)	(13,437,209)	(156,006,980)
Total Assets	237,532,813	10,067,902	247,600,715
Liabilities			
Accounts payable	3,704,785	243,912	3,948,697
Accrued compensation	1,907,496	456,446	2,363,942
Accrued and other current liabilities	3,249,552		3,249,552
Accrued interest payable	158,011		158,011
Due to other governments	1,362,084		1,362,084
Unearned revenue	119,697		119,697
Long-term obligations			
Due Within One Year	6,496,815	1,933	6,498,748
Due In More Than One Year	36,421,835	793,203	37,215,038
Total Liabilities	53,420,275	1,495,494	54,915,769
Deferred Inflows of Resources			
Property taxes	46,175,785	834,822	47,010,607
Grant advances	47,842		47,842
Total Deferred Inflows of Resources	46,223,627	834,822	47,058,449
Net Position			
Net investment in capital assets	108,499,362	7,738,445	116,237,807
Restricted For:			
Debt service	184,989		184,989
Land records	647,281		647,281
Jail assessment	151,502		151,502
Community development	2,231,323		2,231,323
Unrestricted (Deficit)	26,174,454	(859)	26,173,595
Total Net Position	\$137,888,911	\$7,737,586	\$145,626,497

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2014

Expenses	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 12,042,140	\$ 1,297,989	\$ 5,414,910	\$	\$ (5,329,241)	\$	\$ (5,329,241)
Public Safety	18,371,769	1,258,466	183,362		(16,929,941)		(16,929,941)
Public Works	15,318,503	252,031	7,980,589	684,504	(6,401,379)		(6,401,379)
Public Health and Human Services	31,397,333	3,373,679	15,508,562	56,000	(12,459,092)		(12,459,092)
Resources and Development	4,034,903	1,311,808	1,377,514		(1,345,581)		(1,345,581)
Education	1,267,117	26,224	9,584		(1,231,309)		(1,231,309)
Interest on Long-term Debt	1,382,275	516,013			(866,262)		(866,262)
	83,814,040	8,036,210	30,474,521	740,504	(44,562,805)		(44,562,805)
Business-Type Activities:							
Rocky Knoll	13,671,410	11,096,470	1,100,443	190,848		(1,283,649)	(1,283,649)
Total Primary Government	\$ 97,485,450	\$ 19,132,680	\$ 31,574,964	\$ 931,352	(44,562,805)	(1,283,649)	(45,846,454)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					39,013,400	846,238	39,859,638
Property taxes, levied for debt service					6,141,284		6,141,284
Other Taxes					3,967		3,967
Grants and Contributions Not Restricted to Specific Functions					3,862,683	262,423	4,125,106
Investment Earnings					2,380,252	665	2,380,917
Gain on disposal of capital assets					7,060	3,812	10,872
Miscellaneous					1,907,609	23,276	1,930,885
Total general revenues					53,316,255	1,136,414	54,452,669
Change in net position					8,753,450	(147,235)	8,606,215
Net Position - January 1					129,135,461	7,884,821	137,020,282
Net Position - December 31					\$137,888,911	\$7,737,586	\$145,626,497

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

COUNTY OF SHEBOYGAN, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2014

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Fund	Total Governmental Funds
Assets						
Cash and investments	\$ 23,252,814	\$ 1,341,724	\$ 184,989	\$ 12,670,363	\$ 410,168	\$ 37,860,058
Receivables						
Taxes	22,137,548	13,295,511	6,307,338			41,740,397
Accounts, net	312,723	705,751		158,764		1,177,238
Delinquent taxes	2,530,477					2,530,477
Delinquent special certificates	187,529					187,529
Interest	1,021,901					1,021,901
Loans	29,161				1,881,908	1,911,069
Due from other governments	1,580,446	318,763				1,899,209
Prepays and inventory	80,327	4,446				84,773
Total Assets	\$ 51,132,926	\$ 15,666,195	\$ 6,492,327	\$ 12,829,127	\$ 2,292,076	\$ 88,412,651
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 2,341,844	\$ 604,666	\$	\$ 226,719	\$	\$ 3,173,229
Accrued compensation	5,450,647					5,450,647
Accrued and other current liabilities	803,111	116,925				920,036
Due to other governments	343,259	1,018,825				1,362,084
Unearned revenue		119,697				119,697
Total Liabilities	8,938,861	1,860,113		226,719		11,025,693
Deferred Inflows of Resources						
Property taxes	22,137,548	13,295,511	6,307,338			41,740,397
County portion of delinquent taxes	1,331,027					1,331,027
Grant advance	45,842	2,000				47,842
Loans receivable					1,881,908	1,881,908
Total Deferred Inflows of Resources	23,514,417	13,297,511	6,307,338		1,881,908	45,001,174
Fund Balances						
Nonspendable	1,610,939	4,446				1,615,385
Restricted	798,783		184,989	12,602,408	349,415	13,935,595
Committed	153,424					153,424
Assigned	524,183	504,125			60,753	1,089,061
Unassigned	15,592,319					15,592,319
Total Fund Balances	18,679,648	508,571	184,989	12,602,408	410,168	32,385,784
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 51,132,926	\$ 15,666,195	\$ 6,492,327	\$ 12,829,127	\$ 2,292,076	\$ 88,412,651

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

COUNTY OF SHEBOYGAN, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2014

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on the previous page \$ 32,385,784

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 117,612,979

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

Delinquent taxes	1,331,027	
Loans receivable	1,881,908	3,212,935

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	\$ (35,180,000)	
Compensated absences	(1,883,718)	
Capital leases	(135,817)	
Note payable	(122,040)	
Bond premiums	(1,161,656)	
Accrued interest on long-term obligations	(158,011)	(38,641,242)

Receivable or (payable) to a business-type activity due to the lookback adjustment and consolidation of internal service funds 245,407

Internal service fund activities included in governmental activities 23,073,048

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 27) \$ 137,888,911

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 21,348,923	\$ 13,600,400	\$ 6,141,284		\$	\$ 41,090,607
Other Taxes	3,967					3,967
Intergovernmental	6,954,171	14,380,986		4,595,478		25,930,635
Licenses and permits	374,660	285,978				660,638
Fines, forfeits and penalties	293,855					293,855
Public charges for services	3,281,635	3,060,955			220	6,342,810
Miscellaneous	5,199,081	240,340	620,001	82,140	140,161	6,281,723
Total Revenues	37,456,292	31,568,659	6,761,285	4,677,618	140,381	80,604,235
Expenditures						
Current:						
General government	11,995,998					11,995,998
Public safety	16,977,085				27,715	17,004,800
Public works	415,655					415,655
Public health and human services	1,343,792	29,709,682				31,053,474
Resources and development	2,870,598				856,480	3,727,078
Education	617,580					617,580
Debt Service:						
Principal	2,421		6,020,000	111,726		6,134,147
Interest and other charges			1,328,558			1,328,558
Capital Outlay	5,270,712	248,205		10,943,490		16,462,407
Total Expenditures	39,493,841	29,957,887	7,348,558	11,055,216	884,195	88,739,697
Excess (deficiency) of revenues over expenditures	(2,037,549)	1,610,772	(587,273)	(6,377,598)	(743,814)	(8,135,462)
Other Financing Sources (Uses)						
Premium on long term debt issued			979,694			979,694
Long term debt issued	122,040		2,265,000	14,575,000		16,962,040
Capital leases	26,512					26,512
Payment to current noteholder			(2,280,000)			(2,280,000)
Transfers in	2,724,621			2,000,090		4,724,711
Transfers out	(95,643)	(4,382,848)			(2,684)	(4,481,175)
Total Other Financing Sources (Uses)	2,777,530	(4,382,848)	964,694	16,575,090	(2,684)	15,931,782
Net change in fund balances	739,981	(2,772,076)	377,421	10,197,492	(746,498)	7,796,320
Fund balances (deficit), January 1	17,939,667	3,280,647	(192,432)	2,404,916	1,156,666	24,589,464
Fund balances, December 31	\$ 18,679,648	\$ 508,571	\$ 184,989	\$ 12,602,408	\$ 410,168	\$ 32,385,784

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2014

Reconciliation to the Statement of Activities

Net Change in Fund Balances as show on previous page \$ 7,796,320

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

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

Capital assets reported as capital outlay in the governmental fund statements	\$ 16,462,407	
Capital assets financed by the Highway Internal Service Fund	369,787	
Depreciation expense reported in the statement of activities	<u>(7,614,192)</u>	
Amount by which capital outlays are greater than depreciation in current period		9,218,002

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. (812,302)

Governmental funds report special assessments as revenue in the year paid. However, special assessments are recognized as revenue in the year assessed on the statement of activities. Change in special assessments in the current year is: (751,667) (751,667)

Long-term debt proceeds are reported as an other financing source in the governmental funds but increases liabilities in the statement of net position. The amount of long-term debt proceeds in the current year are:

General obligation bonds and promissory notes issued	(16,840,000)	
Capital lease proceeds	(26,512)	
Note payable issued	<u>(122,040)</u>	(16,988,552)

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	8,300,000	
Capital lease retired	<u>114,147</u>	8,414,147

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	799,260	
Compensated absences	233,938	
Accrued interest	(53,721)	
Issuance and amortization of bond premiums	<u>(786,628)</u>	192,849

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to certain funds. The net revenue of the internal service funds is reported with governmental activities. 1,551,698

Additional (loss) revenue due to internal service fund look-back adjustments must be recognized in the government-wide statements. 132,955

Change in Net Position of Governmental Activities as reported in the Statement of Activities (see page 28) \$ 8,753,450

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 21,344,223	\$ 21,348,923	\$ 21,348,923	\$
Other taxes	6,320	6,320	3,967	(2,353)
	21,350,543	21,355,243	21,352,890	(2,353)
Intergovernmental				
General Government	4,154,657	4,154,657	4,256,135	101,478
Public Safety	187,634	223,800	183,362	(40,438)
Public Health & Human Services	1,207,937	1,207,937	1,127,576	(80,361)
Resources and Development	492,610	1,443,899	1,377,514	(66,385)
Education	4,922	4,922	9,584	4,662
	6,047,760	7,035,215	6,954,171	(81,044)
Licenses and permits				
General Government	104,470	104,470	108,687	4,217
Resources and Development	249,260	249,260	265,973	16,713
	353,730	353,730	374,660	20,930
Fines, Forfeits and Penalties				
General Government	319,000	319,000	288,611	(30,389)
Public Safety			100	100
Resources and Development	3,500	3,500	5,144	1,644
	322,500	322,500	293,855	(28,645)
Public Charges for Services				
General Government	1,732,898	1,732,898	1,553,579	(179,319)
Public Health and Human Services	25,650	25,650	26,436	786
Public Safety	1,122,646	1,122,646	1,258,146	135,500
Public Works	221,465	221,465	226,024	4,559
Resources and Development	198,450	201,161	191,226	(9,935)
Education	23,250	23,250	26,224	2,974
	3,324,359	3,327,070	3,281,635	(45,435)
Miscellaneous				
General Government	2,754,340	2,749,640	4,593,128	1,843,488
Public Safety	329,286	411,355	384,694	(26,661)
Public Works	5,140	5,140	6,744	1,604
Public Health and Human Services	300	300	2,920	2,620
Resources and Development	37,278	37,278	197,744	160,466
Education	8,550	8,550	13,851	5,301
	3,134,894	3,212,263	5,199,081	1,986,818
Total Revenues	34,533,786	35,606,021	37,456,292	1,850,271
EXPENDITURES				
General Government				
Treasurer				
Wages and benefits	367,018	386,543	378,699	7,844
Operating expenses	113,256	93,731	85,439	8,292
Interdepartmental charges	139,383	139,383	140,230	(847)
Capital outlay			362,476	(362,476)
	619,657	619,657	966,844	(347,187)
Register of Deeds				
Wages and benefits	367,541	367,541	367,526	15
Operating expenses	177,229	178,294	106,830	71,464
Interdepartmental charges	138,089	138,089	137,258	831
Capital outlay	11,000	9,935	8,988	947
	693,859	693,859	620,602	73,257

(Continued)

COUNTY OF SHEBOYGAN, WI
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Finance and IT - Finance Division				
Wages and benefits	855,365	855,365	826,057	29,308
Operating expenses	63,363	63,363	56,083	7,280
Interdepartmental charges	175,652	175,652	175,175	477
	<u>1,094,380</u>	<u>1,094,380</u>	<u>1,057,315</u>	<u>37,065</u>
Coroner				
Wages and benefits	76,507	76,507	59,701	16,806
Operating expenses	44,520	44,520	45,936	(1,416)
Interdepartmental charges	6,054	6,054	6,737	(683)
	<u>127,081</u>	<u>127,081</u>	<u>112,374</u>	<u>14,707</u>
County Board				
Wages and benefits	138,453	138,453	135,680	2,773
Operating expenses	56,908	56,908	57,283	(375)
Interdepartmental charges	26,351	26,351	26,262	89
	<u>221,712</u>	<u>221,712</u>	<u>219,225</u>	<u>2,487</u>
Family Court Commissioner				
Wages and benefits	242,613	242,613	234,395	8,218
Operating expenses	47,676	47,676	43,903	3,773
Interdepartmental charges	48,688	48,688	46,914	1,774
	<u>338,977</u>	<u>338,977</u>	<u>325,212</u>	<u>13,765</u>
Clerk of Courts				
Wages and benefits	1,263,661	1,263,661	1,218,686	44,975
Operating expenses	388,405	388,405	418,267	(29,862)
Interdepartmental charges	404,834	404,834	397,429	7,405
	<u>2,056,900</u>	<u>2,056,900</u>	<u>2,034,382</u>	<u>22,518</u>
District Attorney				
Wages and benefits	656,522	656,522	646,162	10,360
Operating expenses	41,238	41,238	41,509	(271)
Interdepartmental charges	243,086	243,086	233,360	9,726
	<u>940,846</u>	<u>940,846</u>	<u>921,031</u>	<u>19,815</u>
County Clerk				
Wages and benefits	194,991	194,991	192,641	2,350
Operating expenses	209,193	209,193	171,278	37,915
Interdepartmental charges	80,294	80,294	62,205	18,089
	<u>484,478</u>	<u>484,478</u>	<u>426,124</u>	<u>58,354</u>
Building Services				
Wages and benefits	1,484,098	1,484,098	1,450,870	33,228
Operating expenses	1,221,201	1,193,184	1,162,891	30,293
Interdepartmental charges	530,027	530,027	481,839	48,188
Capital outlay	12,150	205,139	278,252	(73,113)
	<u>3,247,476</u>	<u>3,412,448</u>	<u>3,373,852</u>	<u>38,596</u>
Human Resources				
Wages and benefits	309,471	309,471	309,475	(4)
Operating expenses	68,006	124,906	106,602	18,304
Interdepartmental charges	68,207	68,207	74,067	(5,860)
	<u>445,684</u>	<u>502,584</u>	<u>490,144</u>	<u>12,440</u>
Non-Departmental				
Wages and benefits	1,376	1,376		1,376
Operating expenses	1,625,836	1,568,716	1,503,043	65,673
Interdepartmental charges	104,061	104,281	59,977	44,304
	<u>1,731,273</u>	<u>1,674,373</u>	<u>1,563,020</u>	<u>111,353</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Corporation Counsel				
Wages and benefits	93,367	93,367	85,626	7,741
Operating expenses	209,086	209,086	210,178	(1,092)
Interdepartmental charges	23,812	23,812	21,136	2,676
	326,265	326,265	316,940	9,325
County Administrator				
Wages and benefits	176,519	176,519	179,650	(3,131)
Operating expenses	7,581	7,581	6,888	693
Interdepartmental charges	32,362	32,362	32,111	251
	216,462	216,462	218,649	(2,187)
Total General Government	12,545,050	12,710,022	12,645,714	64,308
Public Safety				
Sheriff				
Wages and benefits	11,696,849	11,709,424	11,772,088	(62,664)
Operating expenses	2,278,159	2,394,819	2,293,461	101,358
Interdepartmental charges	3,027,554	3,027,554	2,911,536	116,018
Capital outlay	328,115	319,699	304,825	14,874
Total Public Safety	17,330,677	17,451,496	17,281,910	169,586
Public Works				
Airport				
Wages and benefits	217,581	217,581	215,346	2,235
Operating expenses	101,179	101,179	101,977	(798)
Interdepartmental charges	97,041	97,041	98,332	(1,291)
Capital outlay	13,000	13,000	9,500	3,500
Total Public Works	428,801	428,801	425,155	3,646
Public Health and Human Services				
Child Support				
Wages and benefits	711,636	710,586	672,590	37,996
Operating expenses	136,158	137,208	130,468	6,740
Interdepartmental charges	373,093	373,093	342,018	31,075
	1,220,887	1,220,887	1,145,076	75,811
Veterans Services				
Wages and benefits	113,350	113,350	114,636	(1,286)
Operating expenses	15,709	15,709	15,473	236
Interdepartmental charges	23,846	23,846	22,718	1,128
	152,905	152,905	152,827	78
Veterans Commission				
Wages and benefits	4,387	4,387	2,767	1,620
Operating expenses	58,091	58,091	42,163	15,928
Interdepartmental charges	944	944	959	(15)
	63,422	63,422	45,889	17,533
Total Public Health and Human Services	1,437,214	1,437,214	1,343,792	93,422
Resources and Development				
Planning and Conservation				
Wages and benefits	856,049	856,049	836,491	19,558
Operating expenses	761,278	1,811,471	1,716,237	95,234
Interdepartmental charges	397,115	397,115	317,870	79,245
Principal	2,421	2,421	2,421	
Capital outlay	7,500	4,222,515	4,295,678	(73,163)
Total Resources and Development	2,024,363	7,289,571	7,168,697	120,874

COUNTY OF SHEBOYGAN, WI
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Education				
U.W. Sheboygan				
Operating expenses	93,500	143,137	112,280	30,857
Interdepartmental charges	18,944	33,574	53,863	(20,289)
Capital outlay	44,753			
	<u>157,197</u>	<u>176,711</u>	<u>166,143</u>	<u>10,568</u>
U.W. Extension				
Wages and benefits	130,632	130,632	126,885	3,747
Operating expenses	282,822	275,822	249,645	26,177
Interdepartmental charges	75,300	75,300	74,907	393
Capital outlay		11,000	10,993	7
	<u>488,754</u>	<u>492,754</u>	<u>462,430</u>	<u>30,324</u>
Total Education	<u>645,951</u>	<u>669,465</u>	<u>628,573</u>	<u>40,892</u>
Total Expenditures	<u>34,412,056</u>	<u>39,986,569</u>	<u>39,493,841</u>	<u>492,728</u>
Excess (deficiency) of revenues over expenditures	<u>121,730</u>	<u>(4,380,548)</u>	<u>(2,037,549)</u>	<u>2,342,999</u>
Other financing sources (uses)				
Long term debt issued			122,040	122,040
Capital leases			26,512	26,512
Transfers in			2,724,621	2,724,621
Transfers out	(150)	(1,016)	(95,643)	(94,627)
Net change in fund balance	<u>121,580</u>	<u>(4,381,564)</u>	<u>739,981</u>	<u>5,121,545</u>
Fund balance, January 1	17,939,667	17,939,667	17,939,667	
Fund balance, December 31	<u>\$ 18,061,247</u>	<u>\$ 13,558,103</u>	<u>\$ 18,679,648</u>	<u>\$ 5,121,545</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 13,600,400	\$ 13,600,400	\$ 13,600,400	\$
Intergovernmental	13,809,093	14,070,381	14,380,986	310,605
Licenses and permits	260,000	260,000	285,978	25,978
Public charges for services	2,997,231	2,997,231	3,060,955	63,724
Miscellaneous	205,763	210,567	240,340	29,773
Total Revenues	30,872,487	31,138,579	31,568,659	430,080
EXPENDITURES				
Community Programs				
Wages and benefits	3,228,166	3,228,166	3,070,261	157,905
Operating expenses	9,607,503	9,628,789	9,755,351	(126,562)
Interdepartmental charges	1,779,269	1,779,269	1,634,589	144,680
Capital outlay		134,761	152,813	(18,052)
	14,614,938	14,770,985	14,613,014	157,971
Elder Services				
Wages and benefits	288,123	292,839	292,513	326
Operating expenses	744,346	743,627	736,011	7,616
Interdepartmental charges	243,488	244,299	201,205	43,094
Capital outlay	70,000	78,841	95,392	(16,551)
	1,345,957	1,359,606	1,325,121	34,485
Public Health				
Wages and benefits	2,038,518	2,038,212	2,049,508	(11,296)
Operating expenses	223,525	218,577	229,121	(10,544)
Interdepartmental charges	1,070,422	1,072,972	986,713	86,259
	3,332,465	3,329,761	3,265,342	64,419
Social Services				
Wages and benefits	3,426,804	3,452,803	3,221,030	231,773
Operating expenses	3,936,927	4,027,448	3,456,234	571,214
Interdepartmental charges	1,689,129	1,686,329	1,582,057	104,272
	9,052,860	9,166,580	8,259,321	907,259
Economic Support				
Wages and benefits	1,513,598	1,513,598	1,456,582	57,016
Operating expenses	348,053	353,211	354,387	(1,176)
Interdepartmental charges	660,816	660,816	679,987	(19,171)
	2,522,467	2,527,625	2,490,956	36,669
Administration				
Wages and benefits	1,293,920	1,271,816	1,210,811	61,005
Operating expenses	216,013	218,339	200,969	17,370
Interdepartmental charges	(1,506,133)	(1,506,133)	(1,407,647)	(98,486)
	3,800	(15,978)	4,133	(20,111)
Total Expenditures	30,872,487	31,138,579	29,957,887	1,180,692
Excess of revenues over expenditures			1,610,772	1,610,772
Other financing uses				
Transfers out	(1,060,911)	(1,660,911)	(4,382,848)	
Net change in fund balance	(1,060,911)	(1,660,911)	(2,772,076)	(1,111,165)
Fund balance, January 1	3,280,647	3,280,647	3,280,647	
Fund balance, December 31	\$ 2,219,736	\$ 1,619,736	\$ 508,571	\$ (1,111,165)

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2014

	Enterprise Fund Rocky Knoll	Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and investments	\$ 172,978	\$ 12,409,991
Receivables (net)		
Taxes	834,822	4,435,388
Accounts	996,825	107,313
Due from external parties	508,112	716,496
Prepays and inventory	62,127	2,275,756
Total Current Assets	2,574,864	19,944,944
Noncurrent assets		
Capital assets, nondepreciable		
Land	31,750	2,047,461
Capital assets, depreciable		
Buildings	14,855,258	4,461,318
Improvements other than buildings	566,944	891,045
Machinery and equipment	4,668,229	13,125,568
Office furniture and equipment	863,000	10,793,336
Vehicles	190,473	9,295,079
Less Accumulated depreciation	(13,437,209)	(29,296,975)
Total Noncurrent Assets	7,738,445	11,316,832
Total Assets	10,313,309	31,261,776
Liabilities		
Current liabilities		
Accounts payable	243,912	531,556
Accrued and other current liabilities		2,329,516
Accrued compensation	456,446	253,079
Current maturities of long-term obligations	1,933	2,369
Total Current Liabilities	702,291	3,116,520
Noncurrent liabilities		
Long-term obligations	793,203	636,820
Total Liabilities	1,495,494	3,753,340
Deferred Inflows of Resources		
Property taxes	834,822	4,435,388
Net Position		
Net investment in capital assets	7,738,445	11,316,832
Unrestricted	244,548	11,756,216
Total Net Position	\$ 7,982,993	\$ 23,073,048

(Continued)

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2014

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	\$ 7,982,993
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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>(245,407)</u>
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Net Position of Business-Type Activities as Reported on the Government-wide Statement of Net Position	<u><u>\$ 7,737,586</u></u>
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The notes to the basic financial statements are an integral part of this statement.

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for services	\$ 11,096,470	\$ 26,709,957
Miscellaneous operating revenue	23,276	493,358
Total Operating Revenues	11,119,746	27,203,315
Operating Expenses		
Operation and maintenance	12,996,275	32,474,404
Depreciation	542,180	1,145,473
Total Operating Expenses	13,538,455	33,619,877
Operating loss	(2,418,709)	(6,416,562)
Nonoperating revenues		
Intergovernmental contracts/grants	1,100,443	2,951,640
Property tax appropriation	846,238	4,512,098
Investment income	665	
Donations	262,423	
Rental Income		30,401
Gain on disposal of capital assets	3,812	33,153
Total nonoperating revenues	2,213,581	7,527,292
Income (loss) before contributions and transfers	(205,128)	1,110,730
Capital contributions - County	155,483	684,504
Capital contributions - State	35,365	
Transfers In		2,989
Transfers Out		(246,525)
Change in net position	(14,280)	1,551,698
Net Position - January 1	7,997,273	21,521,350
Net Position - December 31	\$ 7,982,993	\$ 23,073,048

(Continued)

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended December 31, 2014

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	\$	(14,280)
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Amounts reported for business-type activities in the government-wide statement of activities are different because:

Change in revenue or expenses due to the look-back adjustment resulting from consolidation of the internal service funds		(132,955)
		<hr/>

Change in Net Position of Business-Type Activities as Reported on the Government-wide Statement of Activities	\$	(147,235)
		<hr/> <hr/>

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 10,968,805	\$ 5,333,090
Receipts from interfund services provided		19,482,629
Other operating cash receipts	23,276	2,396,249
Payments to suppliers	(3,169,740)	(12,572,937)
Other sources (uses) of cash	75,635	(433,081)
Payments to employees	(7,160,016)	(17,228,198)
Payments for interfund services used	(2,297,014)	(2,052,185)
Net cash used by operating activities	<u>(1,559,054)</u>	<u>(5,074,433)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental contracts/grants	1,100,443	2,951,640
Property tax appropriation received	846,238	4,512,098
Transfer in		2,989
Transfer out		(246,525)
Net cash provided by noncapital financing activities	<u>1,946,681</u>	<u>7,220,202</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of equipment	3,812	83,551
Purchases of capital assets	(191,167)	(1,666,659)
Net cash used by capital and related financing activities	<u>(187,355)</u>	<u>(1,583,108)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Donations	262,423	
Investment income	665	
Rental income		30,401
Net cash provided by investing activities	<u>263,088</u>	<u>30,401</u>
Net increase (decrease) in cash and cash equivalents	463,360	593,062
Cash and cash equivalents - January 1	(290,382)	11,816,929
Cash and cash equivalents - December 31	<u>\$ 172,978</u>	<u>\$ 12,409,991</u>

(Continued)

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (2,418,709)	\$ (6,416,562)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation (net of amortization)	542,180	1,145,473
Changes in assets and liabilities:		
Accounts receivable	(127,665)	8,654
Due from other governments	70,701	381,209
Prepays and inventories	4,934	(423,563)
Accounts payable	47,701	417,864
Accrued and other current liabilities		25,342
Accrued compensated absences	321,804	(212,850)
Net cash used by operating activities	<u>\$ (1,559,054)</u>	<u>\$ (5,074,433)</u>
Noncash investing, capital and financing activities		
Contribution of capital assets - County	155,483	684,504
Contribution of capital assets - State	35,365	

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position
Fiduciary Funds
December 31, 2014

	Agency Funds
Assets	
Current Assets	
Cash & Investments	\$ 830,208
Receivables (net)	1,543,293
Total Assets	\$ 2,373,501
 Liabilities	
Current Liabilities	
Accounts Payable	\$ 736,572
Deposits	93,636
Due to Other Governments	1,543,293
Total Liabilities	\$ 2,373,501

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

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 2014, payments from Sheboygan County to the Library System totaled \$1,176,941. 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, 2014

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, 2014

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, 2014

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 \$1,371,038.

c. Property Taxes Levied for the 2015 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, 2014

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, 2014

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. Non-union employees are not eligible to accumulate sick leave. For these employees the County provides an income protection plan. Thus, they receive no sick leave compensation upon termination.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at December 31, 2014, 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, 2014

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 two sources: loans receivable and delinquent property taxes. 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:

- 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.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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. By resolution, the County Board has authorized the County Administrator and the Finance Director to assign fund balance. By practice, the County Administrator and Finance Director recommend assigned fund balances to the Finance Committee for their approval. Requests include: 1) unused funds for projects or programs that span multiple calendar years, 2) donations specifically requested to be used for veterans services, and 3) maintenance of county recreational trails.
- Unassigned fund balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

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.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE B – STEWARDSHIP AND COMPLIANCE

1. Budgets and Budgetary Accounting

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE B – STEWARDSHIP AND COMPLIANCE (Continued)

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2014.

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, 2014 as follows:

	Wages & Benefits	Operating Expenses	Interdepartmental Charges	Capital Outlay
General Fund				
General Government				
Treasurer	\$	\$	\$ 847	\$ 362,476
Coroner		1,416	683	
County Board		375		
Clerk of Courts		29,862		
District Attorney		271		
Building Services				73,113
Human Resources	4		5,860	
Corporation Counsel		1,092		
County Administrator	3,131			
Public Safety				
Sheriff	62,664			
Public Works				
Airport		798	1,291	
Public Health & Human Services				
Veterans Services	1,286			
Veterans Commission			15	
Resources and Development				
Planning and Conservation				73,163
Education				
U.W. Sheboygan			20,289	
Special Revenue Funds				
Public Health and Human Services				
Community Programs		126,562		18,052
Elder Services				16,551
Public Health	11,296	10,544		
Economic Support		1,176	19,171	
Administration			98,486	

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, 2014

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 \$51,273,235 at December 31, 2014 as summarized below:

Petty cash funds	\$14,690
Deposits with financial institutions	708,806
Investments	
Repurchase agreements	2,452,843
Certificates of deposit	1,213,346
Federal agency securities	26,100,540
Municipal bonds	8,445,105
Wisconsin local government investment pool	<u>12,337,905</u>
Total	<u>\$51,273,235</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$50,443,027
Fiduciary Fund Statement of Net Position	
Agency fund	<u>830,208</u>
Total	<u>\$51,273,235</u>

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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

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

As of December 31, 2014, \$321,287 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On December 31, 2014, the County held repurchase agreement investments in the amount of \$2,452,843 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, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	Rating as of Year End			
			AAA	AA	A	Not Rated
Federal Home Loan Bank	\$ 15,099,506		\$ 15,099,506			
Federal Home Loan Mortgage Corp	1,334,907		1,334,907			
Federal National Mortgage Association	3,947,840		3,947,840			
Government National Mortgage Association	5,718,287					5,718,287
Certificates of deposit	1,213,346					1,213,346
Municipal Bonds	8,445,105		251,295	6,732,538	417,587	1,043,685
Wisconsin Local Government Investment Pool	12,337,905					12,337,905
Totals	\$ 48,096,896	\$	\$ 20,633,548	\$ 6,732,538	\$ 417,587	\$ 20,313,223

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	\$ 15,099,506	29.87%
Federal National Mortgage Association	Federal agency securities	3,947,840	7.80%
Government National Mortgage Association	Federal agency securities	5,718,287	11.31%
State of Wisconsin	Municipal bond	3,151,399	6.23%

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Federal Home Loan Bank	\$ 15,099,506				\$ 15,099,506
Federal Home Loan Mortgage Corp	1,334,907			1,334,907	
Federal National Mortgage Association	3,947,840				3,947,840
Government National Mortgage Association	5,718,287				5,718,287
Certificates of deposit	1,213,346			965,925	247,421
Municipal Bonds	8,445,105		692,611	2,931,253	4,821,241
Wisconsin Local Government Investment Pool	12,337,905	12,337,905			
Repurchase Agreement	2,452,843	2,452,843			
Totals	\$ 50,549,739	\$ 14,790,748	\$ 692,611	\$ 5,232,085	\$ 29,834,295

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Highly Sensitive Instruments	Fair Value at Year End
Federal Home Loan Bank	\$ 15,099,506
Federal Home Loan Mortgage Corp	1,334,907
Federal National Mortgage Association	3,947,840
Government National Mortgage Association	5,718,287

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

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 \$12,337,905 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, 2014, 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, 2014 for collection in 2015 are for the following:

State apportionment	\$ 1,460,280
County apportionment	<u>47,010,607</u>
Total	<u>\$48,470,887</u>

The above County apportionment of \$47,010,607 is for financing 2015 operations and will be transferred in 2015 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, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

On December 31, 2014, the County’s general fund showed an investment of \$2,530,477 in delinquent tax certificates. An aging of the delinquent taxes certificates follows:

Year Acquired	Total	County Share	County Purchased
2014	\$ 1,317,386	\$ 309,586	\$ 1,007,800
2013	628,027	146,958	481,069
2012	301,638	69,678	231,960
2011	168,588	38,775	129,813
2010	96,224	22,228	73,996
2009	9,819	2,376	7,443
2008	7,781	1,930	5,851
2007	209	55	154
2006	165	43	122
Prior to 2006	640	165	475
Delinquent property taxes at December 31, 2014	<u>\$ 2,530,477</u>	591,794	1,938,683
Less 60 day collections after December 31, 2014		<u>124,444</u>	<u>408,071</u>
County Share of Taxes		467,350	
Interest accrued		<u>863,677</u>	
Deferred Inferred Inflow of Resources		<u>\$ 1,331,027</u>	
Nonspendable Fund Balance (purchased equities of state and local governments)			<u>\$ 1,530,612</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 9,598,455	\$ 4,976,524	\$ 262,320	\$ 14,312,659
Construction in progress	9,408,001	11,112,228	14,668,240	5,851,989
Total capital assets, not being depreciated	<u>19,006,456</u>	<u>16,088,752</u>	<u>14,930,560</u>	<u>20,164,648</u>
Capital assets, being depreciated				
Buildings	62,979,816	1,146,050		64,125,866
Improvements other than buildings	10,919,905	35,148	289,962	10,665,091
Infrastructure	106,205,839	13,111,416	806,553	118,510,702
Machinery and equipment	16,860,881	776,928	68,853	17,568,956
Office furniture and equipment	27,503,340	628,980	2,342	28,129,978
Vehicles	11,207,395	1,533,460	406,514	12,334,341
Subtotals	<u>235,677,176</u>	<u>17,231,982</u>	<u>1,574,224</u>	<u>251,334,934</u>
Less accumulated depreciation for:				
Buildings	(41,004,852)	(1,927,923)		(42,932,775)
Improvements other than buildings	(7,659,469)	(506,137)	233,842	(7,931,764)
Infrastructure	(43,460,280)	(4,035,600)	862,416	(46,633,464)
Machinery and equipment	(11,947,192)	(531,321)	58,524	(12,419,989)
Office furniture and equipment	(24,028,257)	(875,840)	2,342	(24,901,755)
Vehicles	(7,214,735)	(882,844)	347,555	(7,750,024)
Subtotals	<u>(135,314,785)</u>	<u>(8,759,665)</u>	<u>1,504,679</u>	<u>(142,569,771)</u>
Total capital assets, being depreciated, net	<u>100,362,391</u>	<u>8,472,317</u>	<u>69,545</u>	<u>108,765,163</u>
Governmental activities capital assets, net	<u>\$ 119,368,847</u>	<u>\$ 24,561,069</u>	<u>\$ 15,000,105</u>	<u>128,929,811</u>
Less related long-term debt outstanding				<u>20,430,449</u>
Net investment in capital assets				<u>\$ 108,499,362</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 31,750	\$	\$	\$ 31,750
Capital assets, being depreciated:				
Buildings	14,637,060	277,524	59,326	14,855,258
Improvements other than buildings	706,599		139,655	566,944
Machinery and equipment	4,678,068	48,166	58,005	4,668,229
Office furniture and equipment	854,767	8,233		863,000
Vehicles	199,419	48,092	57,038	190,473
Subtotals	<u>21,075,913</u>	<u>382,015</u>	<u>314,024</u>	<u>21,143,904</u>
Less accumulated depreciation for:				
Buildings	(7,578,114)	(366,348)	59,326	(7,885,136)
Improvements other than buildings	(512,932)	(19,977)	139,654	(393,255)
Machinery and equipment	(4,307,257)	(91,754)	58,006	(4,341,005)
Office furniture and equipment	(612,915)	(62,520)		(675,435)
Vehicles	(197,835)	(1,581)	57,038	(142,378)
Subtotals	<u>(13,209,053)</u>	<u>(542,180)</u>	<u>314,024</u>	<u>(13,437,209)</u>
Total capital assets, being depreciated, net	<u>7,866,860</u>	<u>(160,165)</u>		<u>7,706,695</u>
Business-type activities capital assets, net	<u>\$ 7,898,610</u>	<u>\$ (160,165)</u>	<u>\$</u>	<u>7,738,445</u>
Less related long-term debt outstanding				
Investment in capital assets				<u>\$ 7,738,445</u>

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

Governmental activities:	
Public health and human services	\$ 173,449
Public works	4,204,724
Resources and development	303,688
Education	645,209
General government	836,848
Public safety	<u>1,450,274</u>
Total depreciation expense – governmental activities	7,614,192
Capital assets held by the County’s internal service funds are charged to various functions based on their usage of the assets	<u>1,145,473</u>
Total depreciation expense – governmental activities	<u>\$8,759,665</u>
Business-type activities:	
Rocky Knoll	<u>\$ 542,180</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Construction Commitment

The County has several unfinished construction projects in progress as of December 31, 2014. Major projects include Rocky Knoll improvements, Public Health and Human Services building addition, University of Wisconsin Sheboygan engineering lab and water main expansion, and combined dispatch center remodel and expansion. At year-end the County had contracts outstanding for work to be done of \$2,564,850. A combination of general obligation bonds, fund balance, and donations are financing these projects.

5. Interfund Transfers

Interfund transfers for the year ended December 31, 2014 were as follows:

	Transfer to:			Total
	General Fund	Capital Projects	Governmental Activities - Internal Service Funds	
Transfers from:				
General Fund	\$	\$ 92,654	\$ 2,989	\$ 95,643
Public Safety Special Revenue Fund	2,684			2,684
Public Health and Human Services	2,721,937	1,660,911		4,382,848
Governmental Activities - Internal Service Funds		246,525		246,525
	<u>\$ 2,724,621</u>	<u>\$ 2,000,090</u>	<u>\$ 2,989</u>	<u>\$ 4,727,700</u>

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, 2014

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, 2014:

	Outstanding 1/1/2014	Issued	Retired	Outstanding 12/31/2014	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 5,540,000	\$ 2,265,000	\$ 3,135,000	\$ 4,670,000	\$ 885,000
Notes	21,100,000	14,575,000	5,165,000	30,510,000	5,160,000
Total general obligation debt	26,640,000	16,840,000	8,300,000	35,180,000	6,045,000
Capital leases	223,452	26,512	114,147	135,817	118,574
Note payable		122,040		122,040	122,040
Bond premiums	375,028	979,694	193,066	1,161,656	180,989
Compensated absences	6,543,598	3,328,964	3,553,426	6,319,136	30,212
Governmental activities long-term obligations	<u>\$ 33,782,078</u>	<u>\$ 21,297,210</u>	<u>\$ 12,160,639</u>	<u>\$ 42,918,649</u>	<u>\$ 6,496,815</u>
Business-type activities:					
Compensated absences	\$ 862,389	\$ 579,744	\$ 646,997	\$ 795,136	\$ 1,933
Business-type activities long-term obligations	<u>\$ 862,389</u>	<u>\$ 579,744</u>	<u>\$ 646,997</u>	<u>\$ 795,136</u>	<u>\$ 1,933</u>

Total interest paid during the year on long-term debt totaled \$1,107,483.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Amount
Refunding bonds:	
\$3,455,000 - Series 2010, various amounts due through May 1, 2019; interest 1.85% to 3.42%	\$ 2,405,000
\$2,265,000 - Series 2014, various amounts due through December 1, 2019; interest 1.50% to 2%	2,265,000
	4,670,000
Notes:	
\$8,000,000 - Series 2008, various amounts due through May 1, 2018; interest 3.75% to 4.25%	2,585,000
\$4,185,000 - Series 2010, issued under the Recovery Zone Economic Development Bond program, various amounts due through May 1 2019, interest 3.10% to 4.55%	3,150,000
\$6,385,000 - Series 2010, issued under the Build America Bond Program, various amounts due through May 1, 2020; interest 2.05% to 3.85%	4,875,000
\$9,590,000 - Series 2013, various amounts due through May 1, 2018; interest 2%	5,655,000
\$14,575,000 - Series 2014, various amounts due through May 1, 2023; interest 2% to 4%	14,245,000
	30,510,000
Total outstanding general obligation debt	\$ 35,180,000

The annual principal and interest payments on general obligation debt as of December 31, 2014, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2015	\$ 6,045,000	\$ 1,001,810
2016	5,660,000	857,246
2017	5,365,000	718,658
2018	5,500,000	563,772
2019	4,125,000	411,232
2020	2,570,000	287,359
2021	1,895,000	198,700
2022	1,970,000	121,400
2023	2,050,000	41,000
	\$ 35,180,000	\$ 4,201,177

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, 2014

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 \$585,142 and is 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	26,512
	585,142
Less Accumulated Depreciation	(529,315)
Total	\$ 55,827

The annual principal and interest maturities are as follows:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2015	\$ 118,574	\$ 414	\$ 118,988
2016	6,149	1,112	7,261
2017	6,546	715	7,261
2018	4,548	294	4,842
	\$ 135,817	\$ 2,535	\$ 138,352

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Note Payable

During 2014, the County issued a note payable in the amount of \$122,040 to finance the acquisition of land and building. The stated interest rate is 1.5%. The note was paid in full during 2015.

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2014 was \$395,243,134 as follows:

Equalized valuation of the County		\$ 8,604,762,900
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		430,238,145
Total outstanding general obligation debt applicable to debt limitation	\$ 35,180,000	
Less: Amount available for financing general obligation debt		
Debt service fund	184,989	
Net outstanding general obligation debt applicable to debt limitation		34,995,011
Legal Margin for New Debt		\$ 395,243,134

Current Refunding

During 2014, the County currently refunded a general obligation bond issue from 2004. The County issued \$2,265,000 of general obligation refunding bonds to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next five years by \$164,515 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$160,689.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

7. Fund Equity

The County has a formal minimum fund balance policy. That policy is to maintain a general fund unassigned fund balance of 5% to 10% of total county expenditures, less capital projects expenditures. The unassigned fund balance at year end was \$15,592,319 or 12% of 2015 anticipated expenditures. County policy also indicates that the general fund unassigned fund balance be maintained at a minimum of 15% and a maximum of 30% of total governmental fund expenditures less capital project expenditures. The general fund unassigned fund balance at year end was 20%.

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, 2014 fund balance was nonspendable as follows:

General Fund	
Nonspendable	
Prepays and inventory	\$ 80,327
Delinquent property taxes	<u>1,530,612</u>
Total	<u>\$1,610,939</u>
Public Health and Human Services	
Nonspendable	
Prepays and inventory	<u>\$4,446</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, 2014 fund balance was restricted as follows:

General Fund	
Restricted	
Jail assessment fees	\$151,502
Land record fees	<u>647,281</u>
Total	<u>\$798,783</u>
Debt Service Fund	
Restricted	
Debt Service	<u>\$ 184,989</u>
Capital Project Fund	
Restricted	
Capital projects	<u>\$12,602,408</u>
Community Development Fund	
Restricted	
Community development	<u>\$ 349,415</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

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, 2014 fund balance was committed as follows:

General Fund	
Committed	
UW Extension funds	\$ 18,458
County airport funds	93,070
Planning and conservation programs	<u>41,896</u>
Total	<u>\$153,424</u>

Also in the fund financial statements portions of governmental fund balances are assigned by County Board action. At December 31, 2014 fund balance was assigned as follows:

General Fund	
Assigned	
Subsequent years' expenditures	\$ 345,331
Veterans Services programs	2,258
Planning and conservation programs	<u>176,594</u>
Total	<u>\$ 524,183</u>
Public Health and Human Services –	
Assigned	
Public health and human services programs	<u>\$504,125</u>
Public Safety Fund	
Assigned	
Sheriff equipment funds	<u>\$60,753</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 2014 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>\$125,988</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

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	2013	2014
Liability, beginning of year	\$ 34,763	\$ 41,446
Current year claims and changes in estimates	14,377	51,288
Claim payments	(7,694)	(17,701)
Liability, end of year	<u>\$ 41,446</u>	<u>\$ 75,033</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 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, 2014, 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.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE D – OTHER INFORMATION (Continued)

Self-Insurance – Health and Dental Coverage

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

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 \$630,406.

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	2013	2014
Liabilities, beginning of year	\$ 2,130,421	\$ 1,238,940
Current year claims and changes in estimates	9,285,020	10,687,717
Claims payments	(10,176,501)	(10,301,657)
Liabilities, end of year	<u>\$ 1,238,940</u>	<u>\$ 1,625,000</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 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.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2014

NOTE D – OTHER INFORMATION (Continued)

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:

	2014	
	Employee	Employer
General (including Teachers)	7.00%	7.00%
Executives & elected officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for Sheboygan County employees covered by WRS for the year ended December 31, 2014, was \$38,151,964; the employer's total payroll was \$39,534,425. The total required contribution for the year ended December 31, 2014 was \$5,494,476 which consisted of \$2,821,541 or 7.75% percent of covered payroll from the employer and \$2,672,935 or 7.0% of covered payroll from employees. Total contributions for the years ending December 31, 2013 and 2012 were \$5,130,351 and \$4,539,825 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, 2014

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 2015. 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 2015 budget was .72%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, the Act allows the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

5. Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The County is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this Statement are effective for financial statements for the year ending December 31, 2015.

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, WISCONSIN
Combining Balance Sheet
NonMajor Governmental Funds
December 31, 2014

	Special Revenue Funds		Total NonMajor Governmental Funds
	Public Safety	Community Development	
Assets			
Cash and investments	\$ 60,753	\$ 349,415	\$ 410,168
Receivables			
Loans		1,881,908	1,881,908
Total Assets	<u>\$ 60,753</u>	<u>\$ 2,231,323</u>	<u>\$ 2,292,076</u>
Deferred Inflows of Resources and Fund Balances			
Deferred Inflows of Resources			
Loans receivable		\$ 1,881,908	\$ 1,881,908
Fund Balances			
Restricted		349,415	349,415
Assigned	60,753		60,753
Total Fund Balances	<u>60,753</u>	<u>349,415</u>	<u>410,168</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 60,753</u>	<u>\$ 2,231,323</u>	<u>\$ 2,292,076</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenditures, and Changes
in Fund Balances - NonMajor Governmental Funds
For the Year Ended December 31, 2014

	Special Revenue Funds		Total NonMajor Governmental Funds
	Public Safety	Community Development	
Revenues			
Public charges for services	\$ 220		\$ 220
Miscellaneous	58,426	81,735	140,161
Total Revenues	<u>58,646</u>	<u>81,735</u>	<u>140,381</u>
Expenditures			
Current:			
Public safety	27,715		27,715
Resources and development		856,480	856,480
Total Expenditures	<u>27,715</u>	<u>856,480</u>	<u>884,195</u>
Excess of revenues (deficiency) over expenditures	<u>30,931</u>	<u>(774,745)</u>	<u>(743,814)</u>
Other Financing Uses			
Transfers out	<u>(2,684)</u>		<u>(2,684)</u>
Net change in fund balances	<u>28,247</u>	<u>(774,745)</u>	<u>(746,498)</u>
Fund balances, January 1	<u>32,506</u>	<u>1,124,160</u>	<u>1,156,666</u>
Fund balances, December 31	<u>\$ 60,753</u>	<u>\$ 349,415</u>	<u>\$ 410,168</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 6,141,284	\$ 6,141,284	\$ 6,141,284	\$
Miscellaneous	618,373	618,373	620,001	1,628
Total revenues	6,759,657	6,759,657	6,761,285	1,628
EXPENDITURES				
Principal	5,690,000	5,690,000	6,020,000	(330,000)
Interest and other charges	1,069,657	1,069,657	1,328,558	(258,901)
Total Expenditures	6,759,657	6,759,657	7,348,558	(588,901)
Excess (deficiency) of revenues over expenditures			(587,273)	(587,273)
Other Financing Sources (Uses)				
Premium on long term debt issued			979,694	979,694
Long term debt issued			2,265,000	2,265,000
Payments to current noteholder			(2,280,000)	(2,280,000)
Total Other Financing Sources (Uses)			964,694	964,694
Net Change in Fund Balance	\$	\$	\$ 377,421	\$ 377,421

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,582,021	\$ 5,582,021	\$ 4,595,478	\$ (986,543)
Miscellaneous	335,000	335,000	82,140	(252,860)
Total revenues	1,917,021	5,917,021	4,677,618	(1,239,403)
EXPENDITURES				
Principal	111,726	111,726	111,726	
Capital outlay	10,250,182	14,250,182	10,943,490	3,306,692
Total expenditures	10,361,908	14,361,908	11,055,216	3,306,692
Deficiency of revenues under expenditures	(8,444,887)	(8,444,887)	(6,377,598)	2,067,289
Other Financing Sources				
Long-term debt issued	5,733,976	5,733,976	14,575,000	8,841,024
Transfer in	1,220,911	1,820,911	2,000,090	179,179
Total Other Financing Sources	6,954,887	7,554,887	16,575,090	9,020,203
Net Change in Fund Balance	\$ (1,490,000)	\$ (890,000)	\$ 10,197,492	\$ 11,087,492

Internal Service Funds

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

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

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position
Internal Service Funds
December 31, 2014

	Governmental Activities - Internal Service Funds			
	Employee Benefits & Insurance	Information Technology & Printing	Highway	Total
Assets				
Current assets				
Cash and investments	\$ 10,608,239	\$ 1,279,100	\$ 522,652	\$ 12,409,991
Receivables (net)				
Taxes			4,435,388	4,435,388
Accounts	71,655	1,801	33,857	107,313
Due from external parties		1,419	715,077	716,496
Prepays and inventory	285,538	176,045	1,814,173	2,275,756
Total Current Assets	10,965,432	1,458,365	7,521,147	19,944,944
Noncurrent assets				
Capital assets, nondepreciable				
Land			2,047,461	2,047,461
Capital assets, depreciable				
Buildings		74,706	4,386,612	4,461,318
Land improvements		51,265	839,780	891,045
Machinery and equipment	5,700		13,119,868	13,125,568
Office furniture and equipment	39,777	10,693,901	59,658	10,793,336
Vehicles		30,738	9,264,341	9,295,079
Less Accumulated depreciation	(45,477)	(10,222,698)	(19,028,800)	(29,296,975)
Total Noncurrent Assets		627,912	10,688,920	11,316,832
Total Assets	10,965,432	2,086,277	18,210,067	31,261,776
Liabilities				
Current liabilities				
Accounts payable	291,341	28,965	211,250	531,556
Accrued and other current liabilities	2,329,516			2,329,516
Accrued compensation		23,990	229,089	253,079
Current maturities of long-term obligations			2,369	2,369
Total Current Liabilities	2,620,857	52,955	442,708	3,116,520
Noncurrent liabilities				
Long-term obligations		122,188	514,632	636,820
Total Liabilities	2,620,857	175,143	957,340	3,753,340
Deferred Inflows of Resources				
Property taxes			4,435,388	4,435,388
Net Position				
Investment in capital assets		627,912	10,688,920	11,316,832
Unrestricted	8,344,575	1,283,222	2,128,419	11,756,216
Total Net Position	8,344,575	1,911,134	12,817,339	23,073,048

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2014

Governmental Activities - Internal Service Funds				
	Employee Benefits & Insurance	Information Technology & Printing	Highway	Total
Operating Revenues				
Charges for services	\$ 12,240,836	\$ 2,002,031	\$ 12,467,090	\$ 26,709,957
Miscellaneous operating revenue	459,486	1,479	32,393	493,358
Total Operating Revenues	<u>12,700,322</u>	<u>2,003,510</u>	<u>12,499,483</u>	<u>27,203,315</u>
Operating Expenses				
Operation and maintenance	12,975,534	1,742,382	17,756,488	32,474,404
Depreciation		265,630	879,843	1,145,473
Total Operating Expenses	<u>12,975,534</u>	<u>2,008,012</u>	<u>18,636,331</u>	<u>33,619,877</u>
Operating loss	<u>(275,212)</u>	<u>(4,502)</u>	<u>(6,136,848)</u>	<u>(6,416,562)</u>
Nonoperating revenues				
Intergovernmental contracts/grants			2,951,640	2,951,640
Property tax appropriation			4,512,098	4,512,098
Rental Income	27,153		3,248	30,401
Gain on disposal of capital assets		162	32,991	33,153
Total nonoperating revenues	<u>27,153</u>	<u>162</u>	<u>7,499,977</u>	<u>7,527,292</u>
Income (loss) before contributions and transfers	<u>(248,059)</u>	<u>(4,340)</u>	<u>1,363,129</u>	<u>1,110,730</u>
Capital contributions - County			684,504	684,504
Transfers In			2,989	2,989
Transfers Out		(167,133)	(79,392)	(246,525)
Change in net position	<u>(248,059)</u>	<u>(171,473)</u>	<u>1,971,230</u>	<u>1,551,698</u>
Net Position - January 1	<u>8,592,634</u>	<u>2,082,607</u>	<u>10,846,109</u>	<u>21,521,350</u>
Net Position - December 31	<u>\$ 8,344,575</u>	<u>\$ 1,911,134</u>	<u>\$ 12,817,339</u>	<u>\$ 23,073,048</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2014

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 274,964	\$ 56,017	\$ 5,002,109	\$ 5,333,090
Receipts from interfund services provided	10,125,131	1,945,364	7,412,134	19,482,629
Other operating cash receipts	2,336,370	1,479	58,400	2,396,249
Payments to suppliers	(1,781,263)	(1,095,517)	(9,696,157)	(12,572,937)
Other sources of cash	(653,086)	40,183	179,822	(433,081)
Payments to employees	(10,902,930)	(496,074)	(5,829,194)	(17,228,198)
Payments for interfund services used		(172,317)	(1,879,868)	(2,052,185)
Net cash provided (used) by operating activities	(600,814)	279,135	(4,752,754)	(5,074,433)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Intergovernmental contracts/grants			2,951,640	2,951,640
Property tax appropriation received			4,512,098	4,512,098
Transfer in			2,989	2,989
Transfer out		(167,133)	(79,392)	(246,525)
Net cash provided (used) by financing activities		(167,133)	7,387,335	7,220,202

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from sale of capital assets		162	83,389	83,551
Purchases of capital assets		(35,240)	(1,631,419)	(1,666,659)
Net cash used by capital and related financing activities		(35,078)	(1,548,030)	(1,583,108)

CASH FLOWS FROM INVESTING ACTIVITIES

Rental income	27,153		3,248	30,401
Net cash provided by investing activities	27,153		3,248	30,401
Net increase (decrease) in cash and cash equivalents	(573,661)	76,924	1,089,799	593,062
Cash and cash equivalents - January 1	11,181,900	1,202,176	(567,147)	11,816,929
Cash and cash equivalents - December 31	\$ 10,608,239	\$ 1,279,100	\$ 522,652	\$ 12,409,991

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended December 31, 2014

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

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

Operating loss	\$ (275,212)	\$ (4,502)	\$ (6,136,848)	\$ (6,416,562)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation (net of amortization)		265,630	879,843	1,145,473
Changes in assets and liabilities:				
Accounts receivable	36,143	(650)	(26,839)	8,654
Due from external parties		(593)	381,802	381,209
Prepays and inventory	(262,357)	40,775	(201,981)	(423,563)
Accounts payable and accrued expenses	291,341	(15,155)	141,678	417,864
Accrued and other current liabilities			25,342	25,342
Accrued compensated absences and other post employment benefits	(390,729)	(6,370)	184,249	(212,850)
Net cash provided (used) by operating activities	<u>\$ (600,814)</u>	<u>\$ 279,135</u>	<u>\$ (4,752,754)</u>	<u>\$ (5,074,433)</u>
Contribution of capital assets - County			\$ 684,504	\$ 684,504

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, WISCONSIN
Statement of Changes in Assets and Liabilities - Fiduciary Fund
Agency Funds
December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Clerk of Courts Fund				
Assets				
Cash & investments	\$ 601,043	\$ 6,755,136	\$ 6,619,607	\$ 736,572
Total Assets	<u>601,043</u>	<u>6,755,136</u>	<u>6,619,607</u>	<u>736,572</u>
Liabilities				
Current Liabilities				
Accounts Payable	601,043	12,167,066	12,031,537	736,572
Total Liabilities	<u>601,043</u>	<u>12,167,066</u>	<u>12,031,537</u>	<u>736,572</u>
Sheriff Inmate Trust Fund				
Assets				
Cash & investments	35,107	1,077,626	1,055,132	57,601
Total Assets	<u>35,107</u>	<u>1,077,626</u>	<u>1,055,132</u>	<u>57,601</u>
Liabilities				
Current Liabilities				
Deposits	35,107	1,100,460	1,077,966	57,601
Total Liabilities	<u>35,107</u>	<u>1,100,460</u>	<u>1,077,966</u>	<u>57,601</u>
Rocky Knoll Patient Fund				
Assets				
Cash & investments	23,518	80,412	70,185	33,745
Total Assets	<u>23,518</u>	<u>80,412</u>	<u>70,185</u>	<u>33,745</u>
Liabilities				
Current Liabilities				
Deposits	23,518	78,207	67,980	33,745
Total Liabilities	<u>23,518</u>	<u>78,207</u>	<u>67,980</u>	<u>33,745</u>
Land and Water Trust Account				
Assets				
Cash & investments	1,595		1,595	
Total Assets	<u>1,595</u>		<u>1,595</u>	
Liabilities				
Current Liabilities				
Deposits	1,595		1,595	
Total Liabilities	<u>1,595</u>		<u>1,595</u>	

(Continued)

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Changes in Assets and Liabilities - Fiduciary Fund
Agency Funds
December 31, 2014

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
Treasurer Trust Account				
Assets				
Cash & investments	2,290			2,290
Receivables (net)	1,450,011	1,494,937	1,401,655	1,543,293
Total Assets	<u>1,452,301</u>	<u>1,494,937</u>	<u>1,401,655</u>	<u>1,545,583</u>
Liabilities				
Current Liabilities				
Deposits	2,290			2,290
Due to other governments	1,450,011	1,450,011	1,356,729	1,543,293
Total Liabilities	<u>1,452,301</u>	<u>1,450,011</u>	<u>1,356,729</u>	<u>1,545,583</u>
All Agency Funds				
Assets				
Cash & investments	663,553	7,913,174	7,746,519	830,208
Receivables (net)	1,450,011	1,494,937	1,401,655	1,543,293
Total Assets	<u>2,113,564</u>	<u>7,913,174</u>	<u>7,746,519</u>	<u>2,373,501</u>
Liabilities				
Current Liabilities				
Accounts payable	601,043	12,167,066	12,031,537	736,572
Deposits	62,510	1,178,667	1,147,541	93,636
Due to other governments	1,450,011	1,450,011	1,356,729	1,543,293
Total Liabilities	<u>2,113,564</u>	<u>14,795,744</u>	<u>14,535,807</u>	<u>2,373,501</u>

STATISTICAL SECTION

Statistical Section

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

Contents

Tables

Financial Trends

I-IV

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

Revenue Capacity

V-VIII

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

Debt Capacity

IX-XI

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

Demographic and Economic Information

XII-XIII

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

Operating Information

XIV-XVI

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

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

COUNTY OF SHEBOYGAN, WISCONSIN

Table I

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(000's)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 56,499	\$ 63,360	\$ 74,827	\$ 78,593	\$ 86,256	\$ 88,965	\$ 93,177	\$ 94,537	\$ 97,989	\$ 108,499
Restricted	1,056	1,288	2,322	1,361	685	757	1,995	3,802	2,904	3,215
Unrestricted	23,137	22,840	13,757	13,243	9,110	12,397	15,022	23,610	28,243	26,174
Total Governmental Activities Net Position	\$ 80,692	\$ 87,488	\$ 90,906	\$ 93,197	\$ 96,051	\$ 102,119	\$ 110,194	\$ 121,949	\$ 129,136	\$ 137,888
Business-type Activities										
Net investment in capital assets	\$ 16,711	\$ 15,931	\$ 12,197	\$ 11,435	\$ 11,039	\$ 9,651	\$ 9,083	\$ 8,380	\$ 7,899	\$ 7,738
Restricted										
Unrestricted (Deficit)	4,363	4,665	5,347	5,208	4,350	1,672	(1,060)	(714)	(14)	
Total Business-type Activities Net Position	\$ 21,074	\$ 20,596	\$ 17,544	\$ 16,643	\$ 15,389	\$ 11,323	\$ 8,023	\$ 7,666	\$ 7,885	\$ 7,738
Total Primary Government										
Net investment in capital assets	\$ 73,210	\$ 79,291	\$ 87,024	\$ 90,028	\$ 97,295	\$ 98,616	\$ 102,260	\$ 102,917	\$ 105,888	\$ 116,237
Restricted	1,056	1,288	2,322	1,361	685	757	1,995	3,802	2,904	3,215
Unrestricted	27,500	27,505	19,104	18,451	13,460	14,069	13,962	22,896	28,229	26,174
Total Primary Government Net Position	\$ 101,766	\$ 108,084	\$ 108,450	\$ 109,840	\$ 111,440	\$ 113,442	\$ 118,217	\$ 129,615	\$ 137,021	\$ 145,626

COUNTY OF SHEBOYGAN, WISCONSIN

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 12,244	\$ 15,543	\$ 12,461	\$ 12,857	\$ 12,959	\$ 11,980	\$ 17,749	\$ 13,271	\$ 12,876	\$ 12,042
Public safety	16,199	14,535	17,813	18,124	19,572	19,067	17,060	18,742	18,387	18,372
Public works	15,570	14,612	17,225	21,644	17,290	15,599	16,819	18,678	14,104	15,319
Public health and human services	44,127	46,215	49,515	41,349	34,716	32,133	30,561	30,664	29,859	31,397
Resources and development	2,492	2,624	2,633	3,318	3,534	2,669	2,976	6,384	2,314	4,035
Education	1,050	637	1,220	1,213	1,365	1,372	572	1,220	1,211	1,267
Interest on long term debt	1,809	1,708	1,452	1,284	1,176	1,416	1,091	877	934	1,382
Total governmental activities expenses	93,491	95,874	102,319	99,789	90,612	84,236	86,828	89,836	79,685	83,814
Business-type activities:										
Rocky Knoll	32,763	30,049	22,584	19,790	18,401	17,489	16,449	14,363	13,620	13,671
Total business-type activities expenses	32,763	30,049	22,584	19,790	18,401	17,489	16,449	14,363	13,620	13,671
Total primary government expenses	\$ 126,254	\$ 125,923	\$ 124,903	\$ 119,579	\$ 109,013	\$ 101,725	\$ 103,277	\$ 104,199	\$ 93,305	\$ 97,485
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 2,124	\$ 329	\$ 2,435	\$ 2,323	\$ 2,854	\$ 2,873	\$ 2,095	\$ 1,154	\$ 1,616	\$ 1,298
Public safety	1,462	1,396	1,670	1,752	1,545	1,706	1,611	1,159	1,147	1,258
Public works	653	935	578	4,697	2,008	225	4,384	5,995	268	252
Public health and human services	4,338	5,446	5,781	5,616	3,579	3,116	2,558	2,259	3,645	3,374
Resources and development	281	258	522	318	457	90	331	2,118	588	1,312
Education	14	25	15	20	19	20	23	28	26	26
Interest on long term debt	544	545	544	547	548	547	542	515	512	516
Operating grants and contributions	41,299	46,218	47,653	40,770	37,176	27,226	28,396	29,448	24,233	30,474
Capital grants and contributions	-	-	-	-	-	3,308	2,042	515	2,239	741
Total governmental activities program revenues	\$ 50,715	\$ 55,152	\$ 59,198	\$ 56,043	\$ 48,186	\$ 39,111	\$ 41,982	\$ 43,191	\$ 34,274	\$ 39,251
Business-type activities:										
Charges for Services:										
Rocky Knoll	23,797	19,761	13,542	12,273	12,155	12,161	11,641	11,573	11,334	11,096
Operating grants and contributions	3,429	2,454	1,811	908	1,071	1,156	1,403	1,711	1,194	1,100
Capital grants and contributions	-	-	-	-	-	44	-	57	191	191
Total business-type activities program revenues	\$ 27,226	\$ 22,215	\$ 15,353	\$ 13,181	\$ 13,226	\$ 13,361	\$ 13,044	\$ 13,284	\$ 12,585	\$ 12,387
Net (expense) revenue										
Governmental activities	(42,776)	(40,722)	(43,121)	(43,746)	(42,426)	(45,125)	(44,846)	(46,645)	(45,411)	(44,563)
Business-type activities	(5,537)	(7,834)	(7,231)	(6,609)	(5,175)	(4,128)	(3,405)	(1,079)	(1,035)	(1,284)
Total primary government net expense	\$ (48,313)	\$ (48,556)	\$ (50,352)	\$ (50,355)	\$ (47,601)	\$ (49,253)	\$ (48,251)	\$ (47,724)	\$ (46,446)	\$ (45,847)

COUNTY OF SHEBOYGAN, WISCONSIN

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 37,899	\$ 38,185	\$ 39,518	\$ 40,121	\$ 41,241	\$ 41,873	\$ 44,053	\$ 44,308	\$ 45,126	\$ 45,155
Other taxes	96	1,271	16	37	5	13	7	13	8	4
Grants and contributions	599	2,158	352	287	404	5,019	4,214	3,558	3,572	3,862
Investment earnings	2,208	2,599	3,190	3,033	1,665	1,409	1,861	1,886	704	2,380
Miscellaneous	2,636	3,696	3,675	2,569	2,004	1,237	1,555	1,518	1,679	1,915
Special item - Other Post Employment Benefit Adjustment									1,062	
Transfers	(22)	(392)	(211)	(10)	(39)	1,642	1,231		(11)	
Total governmental activities	43,416	47,517	46,540	46,037	45,280	51,193	52,921	51,283	52,140	53,316
Business-type activities:										
Property taxes	5,022	6,070	5,860	4,638	3,033	2,354	1,327	687	802	846
Grants and contributions			3	16		45		1	12	262
Investment earnings	774	895	(1,896)	993	796	(746)	10			1
Miscellaneous				50	53	51		34	10	28
Special item - Other Post Employment Benefit Adjustment									419	
Transfers	22	392	211	10	39	(1,642)	(1,231)		11	
Total business-type activities	5,818	7,357	4,178	5,707	3,921	62	106	722	1,254	1,137
Total primary government	\$ 49,234	\$ 54,874	\$ 50,718	\$ 51,744	\$ 49,201	\$ 51,255	\$ 53,027	\$ 52,005	\$ 53,394	\$ 54,453
Change in Net Position										
Governmental activities	\$ 640	\$ 6,795	\$ 3,419	\$ 2,291	\$ 2,854	\$ 6,068	\$ 8,075	\$ 4,638	\$ 6,729	\$ 8,753
Cumulative effect of change in accounting principle								(308)		
Prior period adjustment								7,426	457	
Business-type activities	281	(477)	(3,053)	(902)	(1,254)	(4,066)	(3,299)	(357)	219	(147)
Total primary government	\$ 921	\$ 6,318	\$ 366	\$ 1,389	\$ 1,600	\$ 2,002	\$ 4,776	\$ 11,399	\$ 7,405	\$ 8,606

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

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

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 3,884,805	\$ 3,264,149	\$ 2,390,304	\$ 1,610,939
Restricted	449,898	575,873	696,990	798,783
Committed	106,249	193,156	130,075	153,424
Assigned	491,373	296,114	884,861	524,183
Unassigned	12,053,878	12,503,137	13,837,437	15,592,319
Total General Fund	16,986,203	16,832,429	17,939,667	18,679,648
All Other Governmental Funds				
Nonspendable	4,514	3,386	3,239	4,446
Restricted	6,454,266	1,220,854	3,529,076	13,136,812
Committed	91,035			
Assigned	1,015,533	1,997,444	3,309,914	564,878
Unassigned (Deficit)		(341,591)	(192,432)	
Total All Other Governmental Funds	7,565,348	2,880,093	6,649,797	13,706,136
Total Governmental Funds	\$ 24,551,551	\$ 19,712,522	\$ 24,589,464	\$ 32,385,784

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Property Taxes	\$ 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	\$ 41,090,607
Other Taxes	6,867	15,323	16,424	36,698	5,139	13,253	11,321	13,456	45,326	3,967
Intergovernmental	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	25,930,635
Licenses and permits	380,988	491,825	544,460	545,820	455,440	636,825	642,810	684,457	638,499	660,638
Fines, forfeits and penalties	423,624	420,313	441,781	475,550	439,987	390,900	347,215	321,971	298,137	293,855
Public charges for services	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	6,342,810
Capital Contributions						351,211	530,904		1,657,631	
Miscellaneous	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	6,281,723
Total revenues	80,246,931	88,611,751	91,105,878	84,089,184	78,342,108	76,742,535	77,344,995	78,687,321	73,782,418	80,604,235
EXPENDITURES										
Current:										
General government	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	11,995,998
Public safety	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	17,004,800
Public works	454,261	423,073	471,200	439,617	406,082	517,580	425,726	417,404	401,438	415,655
Public health and human services	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	31,053,474
Resources and development	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	3,727,078
Education	593,669	633,679	593,176	654,389	659,461	647,719	569,657	575,560	574,150	617,580
Debt Service										
Principal	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	6,134,147
Interest and other charges	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	1,328,558
Capital Outlay	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	16,462,407
Total expenditures	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	88,739,697
Excess (deficiency) of revenues over expenditures	(3,723,907)	(4,605,905)	(5,313,233)	(6,968,862)	(4,230,227)	(5,958,374)	(2,301,363)	(4,875,916)	(3,664,552)	(8,135,462)
OTHER FINANCING SOURCES (USES)										
Premium on long term debt issued		85,038		130,295		135,442			245,928	979,694
Long-term debt issued		7,255,000		8,000,000		17,840,000			9,590,000	16,962,040
Capital leases										26,512
Payment to current noteholder									(1,731,522)	(2,280,000)
Transfers in	1,479,602	774,848	3,029,828	141,635	114,066	1,695,207	5,309,182	151,656	938,764	4,724,711
Transfers out	(1,645,940)	(895,614)	(2,783,912)	(199,395)	(252,544)	(80,541)	(3,924,271)	(114,769)	(958,669)	(4,481,175)
Total other financing sources (uses)	(166,338)	7,219,272	245,916	8,072,535	(138,478)	19,590,108	1,384,911	36,887	8,084,501	15,931,782
Net change in fund balances	\$ (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	\$ 7,796,320
Debt service as a percentage of noncapital expenditures	9.7%	11.6%	11.0%	10.5%	8.9%	13.4%	9.1%	8.5%	9.5%	10.3%

COUNTY OF SHEBOYGAN, WISCONSIN

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	Commercial	Manufacturing	All Other				
2005	2006	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	2007	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	2008	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	2009	6,858,239,200	1,418,934,000	388,954,600	305,965,500	271,308,300	376,324,400	8,867,077,200	4.9996
2009	2010	6,835,667,000	1,531,815,800	397,398,700	302,209,300	268,449,200	411,537,200	8,924,002,800	4.9554
2010	2011	6,667,282,500	1,431,334,200	400,198,000	267,743,400	259,037,400	356,636,800	8,668,958,700	5.2310
2011	2012	6,600,372,700	1,384,228,500	397,180,600	268,411,100	244,287,700	319,048,600	8,575,432,000	5.2774
2012	2013	6,356,373,400	1,361,176,300	406,929,800	264,626,700	262,221,600	221,203,100	8,430,124,700	5.4105
2013	2014	6,162,019,800	1,407,669,500	416,568,200	270,640,300	269,803,300	228,800,800	8,297,900,300	5.5971
2014	2015	6,220,495,100	1,398,486,000	447,610,000	269,485,700	268,686,100	272,900,200	8,331,862,700	5.6423

Source: Bureau of Property Tax, Wisconsin Department of Revenue

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

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

(3) Per \$1,000 value

COUNTY OF SHEBOYGAN, WISCONSIN
Table VI
Direct and Aggregated Overlapping Tax Rates
Last Ten Fiscal Years

MUNICIPALITIES	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	2014 TAX RATE FOR YEAR 2015
Direct Sheboygan County Tax Rate	\$ 5.95	\$ 5.64	\$ 5.25	\$ 5.00	\$ 4.96	\$ 5.23	\$ 5.28	\$ 5.41	\$ 5.60	\$ 5.64
TOWNSHIPS										
Greenbush	\$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	14.55-17.12
Herman	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	15.11-17.48
Holland	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	17.35-17.74
Lima	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	15.85-17.71
Lyndon	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	17.05-18.79
Mitchell	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	15.51-17.55
Mosel	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	16.75-18.55
Plymouth	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	13.88-14.60
Rhine	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	15.29-17.13
Russell	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	16.03-17.61
Scott	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	15.93-17.45
Sheboygan	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	17.88-19.55
Sheboygan Falls	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	15.50-17.37
Sherman	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	16.32-17.85
Wilson	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	16.56-18.61
VILLAGE										
Adell	21.39	21.83	22.28	21.22	21.97	21.04	21.09	21.33	21.72	21.47
Cascade	23.36	22.00	21.56	14.96	16.66	18.62	18.57	19.45	20.02	18.07
Cedar Grove	27.60	26.42	25.87	20.19	20.62	21.47	21.42	21.95	22.80	22.62
Elkhart Lake	22.70	23.30	24.25	17.83	17.81	17.57	17.31	17.7	18.53	17.99
Glenbeulah	21.72	20.49	20.87	20.12	17.17	18.11	17.82	19.12	19.71	18.93
Howards Grove	23.30	22.38	23.22	17.29	18.33	19.95	18.92	19.415	20.09	18.66
Kohler	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	19.14-20.98
Oostburg	19.74	20.07	20.51	21.03	20.37	19.95	20.36	21.36	22.44	21.51
Random Lake	19.37	20.18	20.45	19.81	20.22	20.30	20.13	20.51	21.06	21.16
Waldo	21.89	22.26	22.88	23.38	25.06	21.78	22.24	22.53	23.68	22.49
CITY										
Plymouth	24.08	24.04	18.74	18.89	19.97	21.22	21.22	22.19	22.72	20.73
Sheboygan	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	23.62-26.15
Sheboygan Falls	23.20	22.92	24.11	17.81	18.83	19.99	20.59	20.98	22.01	21.79

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

COUNTY OF SHEBOYGAN, WISCONSIN

Table VII

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

Company	2006			2014		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
Kohler Co	\$ 103,370,675	1	1.3852%	\$ 112,298,300	1	1.3478%
Acuity Insurance Co	43,339,100	2	0.5807%	42,744,100	2	0.5130%
Kohler Co (HID)	36,647,300	4	0.4911%	42,502,800	3	0.5101%
Wal-Mart Stores Inc				39,969,200	4	0.4797%
Sargento Foods Inc				40,163,000	5	0.4820%
Bemis Mfg Co.	18,480,700	5	0.2476%	29,140,600	6	0.3497%
SNH Medical Office				19,896,800	7	0.2388%
JL French LLC				15,446,900	8	0.1854%
Morrelle Warehousing LLC				19,071,800	9	0.2289%
PJR Properties LLC				13,928,800	10	0.1672%
Blue Harbor Resort	36,105,200	3				
Aurora Health Care	16,700,200	6	0.2238%			
JFM1 LLC ET AL	16,450,500	7	0.2204%			
Country Villae Apts LLC	14,106,700	8	0.1890%			
Plastics Engineering Co	13,837,600	9	0.1854%			
St Nicholas Hospital	12,720,100	10	0.1704%			
	<u>\$ 311,758,075</u>		<u>3.6938%</u>	<u>\$ 375,162,300</u>		<u>4.5027%</u>
Total Equalized Value Sheboygan County	<u>\$ 7,462,679,600</u>			<u>\$ 8,331,862,700</u>		

Source: Sheboygan County Treasurer's Office

COUNTY OF SHEBOYGAN, WISCONSIN

Table VIII

**Property Tax Levied and Collections
Last Ten Fiscal Years**

Tax Roll Year	For Fiscal Year Ended December 31	Taxes Levied for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collected To Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2005	166,560,297	164,097,090	98.52%	2,463,036	166,560,126	100.00%
2005	2006	167,679,743	165,802,674	98.88%	1,876,904	167,679,578	100.00%
2006	2007	173,240,997	171,428,202	98.95%	1,812,623	173,240,825	100.00%
2007	2008	180,657,129	178,430,060	98.77%	2,220,631	180,650,691	100.00%
2008	2009	183,261,601	181,081,662	98.81%	2,170,120	183,251,782	99.99%
2009	2010	191,439,278	188,640,599	98.54%	2,732,461	191,373,060	99.97%
2010	2011	197,237,966	194,487,393	98.61%	2,639,862	197,127,255	99.94%
2011	2012	195,917,128	193,671,580	98.85%	1,991,224	195,662,804	99.87%
2012	2013	194,572,586	192,894,815	99.14%	1,166,074	194,060,889	99.74%
2013	2014	197,644,230	196,326,845	99.33%	-	196,326,845	99.33%

Source: Sheboygan County Treasurer's Office

COUNTY OF SHEBOYGAN, WISCONSIN

Table IX

**Ratio of Debt by Type Outstanding
Last Ten Fiscal Years**

YEAR	Governmental Activities					TOTAL ALL DEBT	EQUALIZED VALUE (000's) (2)	RATIO TO TOTAL EQUALIZED VALUE	ESTIMATED POPULATION	PER CAPITA	PERCENTAGE OF PERSONAL INCOME (1)
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES	CAPITAL LEASES	NOTE PAYABLE	BOND PREMIUM						
2005	\$ 10,815,000	\$ 29,205,000	\$	\$	\$ *	\$40,020,000	\$ 7,462,680	0.54%	113,650	\$352.13	1.01%
2006	10,235,000	28,560,000			183,342	38,978,342	8,057,360	0.48%	113,830	342.43	0.93%
2007	9,630,000	20,880,000			162,519	30,672,519	8,547,037	0.36%	114,113	268.79	0.71%
2008	9,000,000	22,280,000			264,390	31,544,390	8,867,077	0.36%	114,458	275.60	0.67%
2009	8,355,000	17,465,000			230,537	26,050,537	8,924,003	0.29%	114,560	227.40	0.59%
2010	7,965,000	27,235,000			323,699	35,523,699	8,668,959	0.41%	115,507	307.55	0.80%
2011	7,170,000	22,640,000	530,904		272,430	30,613,334	8,575,432	0.36%	115,569	264.89	0.67%
2012	6,370,000	18,015,000	377,178		221,292	24,983,470	8,430,125	0.30%	114,973	217.30	0.49%
2013	5,540,000	21,100,000	223,452		375,028	27,238,480	8,297,900	0.33%	114,922	237.02	0.51%
2014	4,670,000	30,510,000	135,817	122,040	1,161,656	36,599,513	8,331,863	0.44%	115,290	317.46	*

Sources:

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

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

* Information not available

COUNTY OF SHEBOYGAN, WISCONSIN

Table X

Legal Debt Margin Information

Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Equalized Value	\$ 7,462,679,600	\$ 8,057,359,500	\$ 8,547,036,600	\$ 8,867,077,200	\$ 8,924,002,800
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	373,133,980	402,867,975	427,351,830	443,353,860	446,200,140
Amount of Debt Applicable to Debt Limitation	40,020,000	38,795,000	30,510,000	31,280,000	25,820,000
Less: Amount Available in Debt Service Funds	316,941	433,028	285,641	304,377	36,200
Net Debt Applicable to the Debt Margin	39,703,059	38,361,972	30,224,359	30,975,623	25,783,800
Legal Debt Margin (Debt Capacity)	\$ 333,430,921	\$ 364,506,003	\$ 397,127,471	\$ 412,378,237	\$ 420,416,340
Percent of Debt Capacity Used	10.64%	9.52%	7.07%	6.99%	5.78%

	2010	2011	2012	2013	2014
Equalized Value	\$ 8,668,958,700	\$ 8,575,432,000	\$ 8,651,327,800	\$ 8,526,701,100	\$ 8,604,762,900
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	433,447,935	428,771,600	432,566,390	426,335,055	430,238,145
Amount of Debt Applicable to Debt Limitation	35,200,000	30,340,904	24,762,178	26,863,452	35,180,000
Less: Amount Available in Debt Service Funds	86,385	86,385	45,249		184,989
Net Debt Applicable to the Debt Margin	35,113,615	30,254,519	24,716,929	26,863,452	34,995,011
Legal Debt Margin (Debt Capacity)	\$ 398,334,320	\$ 398,517,081	\$ 407,849,461	\$ 399,471,603	\$ 395,243,134
Percent of Debt Capacity Used	8.10%	7.06%	5.71%	6.30%	8.13%

COUNTY OF SHEBOYGAN, WISCONSIN
Table XI
Computation of Direct, Overlapping and Underlying Debt
December 31, 2014

	Number of Entities	Amount of Debt	Applicable to Sheboygan County	
			Percent	Amount
Sheboygan County				
General obligation debt				\$ 35,180,000
Capital leases				135,817
Note payable				122,040
Bond premium				<u>1,161,656</u>
Total Direct Debt				<u>36,599,513</u>
OVERLAPPING DEBT:				
Lakeshore VTAE District	1	\$ 21,580,000	62.84%	13,560,872
Moraine Park Technical College District	1	25,275,000	0.03%	<u>7,583</u>
Total Overlapping Debt				<u>13,568,455</u>
UNDERLYING DEBT:				
Cities	3	\$ 67,128,288	100%	67,128,288
Villages	10	\$ 27,843,468	100%	27,843,468
Townships	15	\$ 3,097,910	100%	3,097,910
School Districts	13	\$ 129,447,284	varies	<u>90,858,757</u>
Total Underlying Debt				<u>188,928,423</u>
TOTAL DIRECT, OVERLAPPING AND UNDERLYING DEBT				<u><u>\$ 239,096,391</u></u>

Source: EMMA, Communities and School Districts

COUNTY OF SHEBOYGAN, WISCONSIN

Table XII

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
2005	116,075	\$ 3,944,941	\$ 34,711	3.70%
2006	116,348	4,170,742	36,640	3.60%
2007	117,045	4,323,164	37,885	3.90%
2008	117,472	4,706,007	40,691	6.00%
2009	117,556	4,396,263	38,042	9.30%
2010	115,507	4,447,253	38,516	8.20%
2011	115,569	4,595,577	39,910	6.90%
2012	114,973	5,148,376	44,779	6.10%
2013	114,922	5,344,757	46,508	5.00%
2014	115,290	*	*	3.80%

Source: Population - US Census Bureau (estimate)

Personal Income - Wisconsin's Worknet

Unemployment Rate - Bureau of Labor Statistics for Sheboygan County, WI extracted April 17, 2015

* Information not available

COUNTY OF SHEBOYGAN, WISCONSIN

Table XIII

Principal Employers

Current Year and Nine Years Ago

	2014			2006	
	<u>Estimated Employment</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Estimated Employment</u>	<u>Rank</u>
Kohler Co	3,000	1	4.9%	7,500	1
Sheboygan Area School District	1,274	2	2.1%	1,434	3
Bemis Manufacturing	1,269	3	2.1%	2,000	2
Sargento Foods	1,063	4	1.7%	1,200	5
J L French LLC	950	5	1.6%	1,200	6
Johnsonville Sausage LLC	930	6	1.5%		
County of Sheboygan	839	7	1.4%	1,223	4
Sheboygan Memorial Medical Center	835	8	1.4%	900	7
Acuity Insurance CO.	813	9	1.3%		
Aurora Medical Group	800	10	1.3%	850	8
St Nicholas Hospital				650	10
Freshbrands Inc.				750	9
Total Estimated County Workforce	61,100				

Source: Robert W. Baird for 2014 and 2006 data and Bureau of Labor Statistics - Sheboygan, WI - All Employees

COUNTY OF SHEBOYGAN, WISCONSIN

Table XIV

Full-time Equivalent County Employees

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	171	171	172	169	171	170	169	145	149	116
Public Safety	177	177	178	176	178	177	171	172	174	170
Public Works	127	122	120	118	113	111	102	94	90	86
Public Health and Human Services	220	222	227	217	211	204	207	195	202	196
Resources and Development	24	28	23	32	30	27	26	23	22	15
Education	4	4	4	4	4	4	3	3	4	3
Health Care Centers (1)	530	451	368	265	263	264	256	211	214	146
Total	1,253	1,175	1,092	981	970	957	934	843	855	732

Source: Sheboygan County Payroll Records

(1) Sunny Ridge Nursing Home sold in 2007.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Prisoners bookings - Adult	4,878	4,973	5,170	5,254	5,058	4,266	4,093	4,591	3,706	3,742
Prisoners bookings - Juvenile	395	420	456	410	399	355	385	318	351	274
Total complaints (1)	26,718	26,780	28,371	35,832	36,634	33,499		33,221	40,292	39,426
Courts										
Case filings	24,873	19,413	17,194	17,068	17,920	15,294	13,276	14,060	13,312	13,180
Criminal cases	3,840	3,800	3,696	3,601	3,282	2,737	2,273	2,303	2,371	2,330
Non-criminal cases	13,703	7,993	5,648	5,934	7,216	6,044	5,009	5,646	4,848	5,589
Jury trials	51	44	56	56	44	41	38	37	29	38
Family Court Commissioner hearings	819	843	813	802	822	771	752	920	989	984
Mediation referrals	292	277	283	257	289	297	270	262	272	252
Coroner										
Death Investigations	557	735	550	485	490	508	523	568	543	262
Cremations Permits Issued	353	356	361	428	424	407	471	502	539	540
Register of Deeds										
Real estate documents processed	36,356	32,758	29,938	27,789	30,395	27,057	23,950	29,308	27,819	19,056
Vital records filed	3,524	3,620	3,431	3,515	3,404	3,215	3,290	3,255	3,385	3,016
Military discharge records	46	52	97	54	123	133	122	150	122	94
Genealogical searches	1,049	880	777	639	464	727	682	735	717	437
Planning and Conservation										
Sanitary permits	203	183	208	216	156	142	145	137	161	183
Shoreland permits	134	102	127	83	88	83	56	68	87	88
Certified Survey Maps Reviewed	64	64	82	46	39	40	33	45	38	46
County Clerk										
Marriage Licenses/Domestic Partnerships	763	772	748	737	745	620	612	664	669	670
Passport Applications	490	1,121	1,605	856	682	770	636	827	844	876
Public Health & Human Services										
Senior Meals Provided	42,324	41,099	56,614	57,242	50,918	51,889	52,146	57,146	53,232	53,358
Health Inspections (2)					1,148	836	1,178	934	846	959
Child Abuse and Neglect Referrals	1,278	1,305	1,262	1,286	1,051	1,125	1,109	1,196	1,243	1,092
Average WIC Participants per Month	1,856	2,024	2,119	2,205	2,382	2,284	2,186	2,197	2,127	1,952
Communicable Disease Cases (Confirmed)	554	640	549	623	706	624	612	616	638	596
Immunizations Given (3)	8,095	7,472	8,441	12,205	18,493	12,234	6,853	5,047	2,194	1,418
Health Care Centers (4)										
Total Patient Days	154,799	123,764	77,288	61,736	59,380	58,480	53,975	52,233	48,815	47,081
Patient Meals Served	449,703	379,719	220,293	169,125	172,479	168,534	153,888	151,710	131,982	140,361
Highway										
Miles of roads resurfaced	14	17	14	23	19	14	27	25	20	8
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	38,479
Gravel Production (tons)	261,194	290,803	213,401	209,000	226,287	180,002	109,810	168,889	150,514	168,668

(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 2005 and 2006, the County operated two nursing homes. Sunny Ridge was sold in 2007.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Buildings (excludes Public Safety and Business-type operations)	5	5	5	5	5	5	5	5	5	5
Public Safety										
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)	41	41	42	42	42	43	43	42	42	42
Health Care Centers										
Facilities	2	2	1	1	1	1	1	1	1	1
Number of Beds (1)	460	423	195	195	195	195	175	165	157	155
Highway										
County lane miles	451	451	451	451	451	451	451	451	451	451
Garages/Shops	7	7	7	7	7	7	6	6	6	6
County bridges	76	76	76	76	76	76	76	76	76	75

(1) During 2005 and 2006, the County operated two nursing homes. Sunny Ridge was sold in 2007.