

**COUNTY OF SHEBOYGAN,
WISCONSIN**

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

FOR THE YEAR ENDED

DECEMBER 31, 2016



WISCONSIN

COUNTY OF SHEBOYGAN, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

PREPARED BY:

Sheboygan County Finance Department

COUNTY OF SHEBOYGAN, WISCONSIN
For the Year Ended December 31, 2016

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COUNTY OF SHEBOYGAN, WISCONSIN
For the Year Ended December 31, 2016

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INTRODUCTORY SECTION



SHEBOYGAN COUNTY

Wendy A. Charnon
Finance Director

Jeremy Fetterer
Deputy Finance Director

June 16, 2017

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, 2016.

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, 2016 are fairly presented in conformity with GAAP. Their report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

Sheboygan County provides a full range of services, including police protection (Sheriff's Department), a county jail, nursing home care, highway and other infrastructure construction and repair, ownership and maintenance of the buildings at the University of Wisconsin Sheboygan campus, recreational facilities, marriage licensing, maintenance of vital records for births, deaths, real estate transfers, administration of the court system, district attorney's office, child support enforcement, operation of the municipal airport and other activities. Sheboygan County also maintains a close working relationship with the Monarch Library System (formerly 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. The unemployment rate as of December 31, 2016 was 3.1%, a decrease of 0.3% from 2015.

Economic signs continue to be positive as we move into 2017. Plans have been announced for two notable projects in Sheboygan County. Aurora Health Care announced it has signed a letter of intent to lease property owned by the Kohler Company to construct a new hospital, outpatient surgery center and medical office and plans to be open sometime in 2021. Master Gallery's, a cheese manufacturing company based in Plymouth, Wisconsin announced plans to build a new 150,000 square foot packaging and distribution facility in Oostburg, Wisconsin.

Sheboygan County borders Lake Michigan and remains a top tourism destination, \$214.9 of direct visitor spending per the State of Wisconsin during 2015. 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. The County has been working with the Wisconsin Department of Natural Resources on the development of the Amsterdam Dunes Wetland Mitigation Bank which would allow the County to sell credits on the 78-acres of wetlands.

Long-term Planning

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

The most recent document identifies \$51,007,207 of projects over the next five years. Long-term financing is projected to fund approximately \$29 million. The balance will be funded by State and Federal dollars, donations and other internal funding sources. In 2017, the County has funded the construction for the new Transportation Complex, Security Enhancements for the County Courthouse along with other various Building Improvements.

Major Initiatives

The County completed the transfer of all Emergency Medical Communications (911 Center) from the City of Sheboygan including the construction of a new Communications Center. In January of 2017 the City of Sheboygan reimbursed the County of Sheboygan \$2.5M for Capital expenses regarding the transfer of these services.

The County has begun construction on a Transportation Complex that will consolidated three Highway Shed locations and the main Administration location. Cost savings and efficiencies from this location consolidation are expected along with upgrading of the necessary maintenance areas for the highway equipment. Construction for the Transportation Complex is funded in the 2017 and 2018 five year Capital Plan.

The County Board enacted Ordinance Number 02 (2016/2017), adopting a half cent sales tax effective January 1, 2017. Proceeds from the sales tax revenues are to be used for transportation projects and highway equipment.

Major Financial Policies

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

expenditures less capital project expenditures. As of the close of 2016, unassigned fund balance is at 23%.

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, 2015. This is the third consecutive year of being awarded this achievement. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

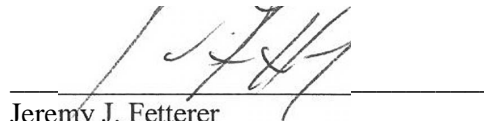
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my sincere appreciation to all staff that assisted with the preparation for the 2016 audit of Sheboygan County. In addition, I would like to recognize Schenck SC for their leadership in their role as independent auditor. The Board of Supervisors, Finance Committee, and County Administrator are to be commended for using sound business practices while conducting the financial operations of the County.

Respectfully,



Wendy A. Charnon
Finance Director



Jeremy J. Fetterer
Deputy Finance Director



Government Finance Officers Association

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

Presented to

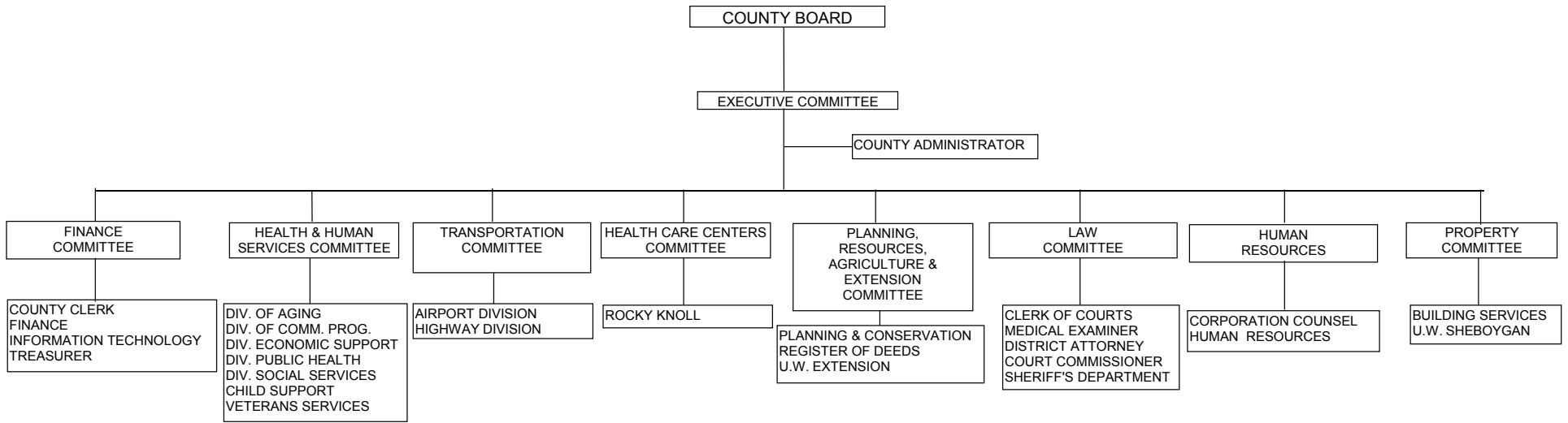
**County of Sheboygan
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

**COUNTY OF SHEBOYGAN, WISCONSIN
ORGANIZATIONAL CHART**



COUNTY OF SHEBOYGAN, WISCONSIN

Board of Supervisors

Term Expires April, 2018

Thomas WegnerChairperson

George Marthenze.....Vice-Chairperson

Keith Abler

Vernon Koch

Steven Bauer

Henry Nelson

James Baumgart

Libby Ogea

Richard C. Bemis

Roger R. Otten

Al Bosman

Edward J. Procek

Charles W. Conrardy

Roger L. TeStroete

Fran Damp

Fay Uraynar

Thomas V. Epping

Jacob Van Dixhorn

Jim Glavan

Greg Weggeman

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
Clerk of Courts*	Melody Lorge
County Clerk*	Jon Dolson
Court Commissioner	Ryan T. O'Rourke
Corporation Counsel**	Atty. Carl Buesing
District Attorney*	Joel Urmanski
Finance	Wendy A. Charnon
Health & Human Services	Thomas D. Eggebrecht
Health Care Centers	Rachelle Vallesky
Human Resources	Jean Gallimore
Information Technology	Chris Lewinski
Medical Examiner	David J. Leffin
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 Robson
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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Public Health and Human Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America

Change in Accounting Principle

As discussed in Note C.1 to the financial statements, in 2016 the County adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 26 and the schedules relating to pensions on pages 81 and 82 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are 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 16, 2017, 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.

Schenck SC

Certified Public Accountants
Sheboygan, Wisconsin
June 16, 2017

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

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, 2016.

FINANCIAL HIGHLIGHTS

- Required for the financial statements ending December 31, 2015 was the change in accounting method regarding the recording of our pension asset (liability) through the Wisconsin Retirement System. This change is outlined in Statement Nos. 68 and 71 issued by the Governmental Accounting Standards Board (GASB). For the financial statements ending December 31, 2016 a recording of \$4,681,689 in net pension liability related to the Wisconsin Retirement System was recognized, with deferred outflows of resources of \$26,209,515 and deferred inflows of \$9,852,533.
- The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources as of December 31, 2016 by \$170,947,884 (*net position*). Of this amount, \$45,553,565 (*unrestricted*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net position increased by \$241,031 reflecting a relatively balanced year of operations.
- The property tax rate increased \$0.1282 per \$1,000 of property value from the year ended December 31, 2016. A significant part of the 2016 levy increase came from the combining and transfer of the 911 Emergency Dispatch services from the City of Sheboygan.
- As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$32,411,742, a decrease of \$5,091,124. This was primarily due to the activities in the Capital Projects fund which decreased from prior year by \$5,562,683 and the transfer of positive variances from closed projects to Debt Service of \$328,044. The General Fund reported a transfer of excess fund balance from Health & Human Services of \$713,948.
- As of December 31, 2016, assigned and unassigned fund balance of the Governmental Funds was \$22,175,455, or approximately 59% of total general fund expenditures.
- The County's total outstanding general obligation debt decreased \$5,905,000.

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.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

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

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

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

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

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

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

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

The County maintains 6 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Public Health & Human Services Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the community development and public safety special revenue funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

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

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

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

The basic proprietary fund financial statements can be found on pages 38-43 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45-79 of this report.

Other information: The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, individual fund budget comparison information, and statistical tables are presented immediately following the required supplemental information. The required supplementary information can be found on pages 81-83, supplementary information can be found on pages 86-98, and the statistical tables can be found on pages 101-117.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position: As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$170,947,884 at the close of 2016.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

Net Position

December 31, 2016 and 2015
(Amounts expressed in \$1,000)

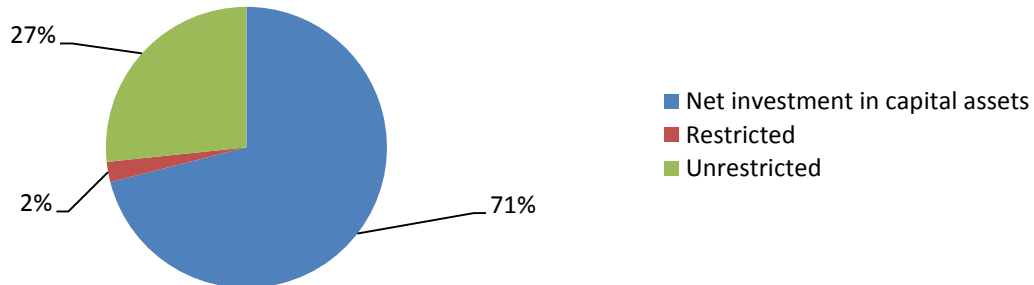
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 106,689	\$ 121,228	\$ 3,534	\$ 3,675	\$ 110,223	\$ 124,903
Capital assets	140,084	137,983	7,483	7,352	147,567	145,335
Total Assets	246,773	259,211	11,017	11,027	257,790	270,238
Deferred Outflows of Resources	22,260	6,251	3,949	1,119	26,209	7,370
Liabilities						
Current and other liabilities	9,152	11,005	721	605	9,873	11,610
Long-term liabilities	43,903	46,110	1,414	749	45,317	46,859
Total Liabilities	53,055	57,115	2,135	1,354	55,190	58,469
Deferred Inflows of Resources	55,521	47,603	2,340	829	57,861	48,432
Net Position						
Net investment in capital assets	113,937	113,184	7,483	7,352	121,420	120,536
Restricted	3,974	9,892		1,088	3,974	10,980
Unrestricted	42,546	37,668	3,008	1,523	45,554	39,191
Total Net Position	\$ 160,457	\$ 160,744	\$ 10,491	\$ 9,963	\$ 170,948	\$ 170,707

The largest portion of the County's net position (71%) reflects its net investment of \$121.4 million in capital assets (e.g. land, infrastructure, buildings, and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

An additional portion of the County's net position, 2%, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation, including those passed by the County itself. The remaining balance of unrestricted net position, \$45,553,565, 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, 2016

Primary Government Net Position at 2016



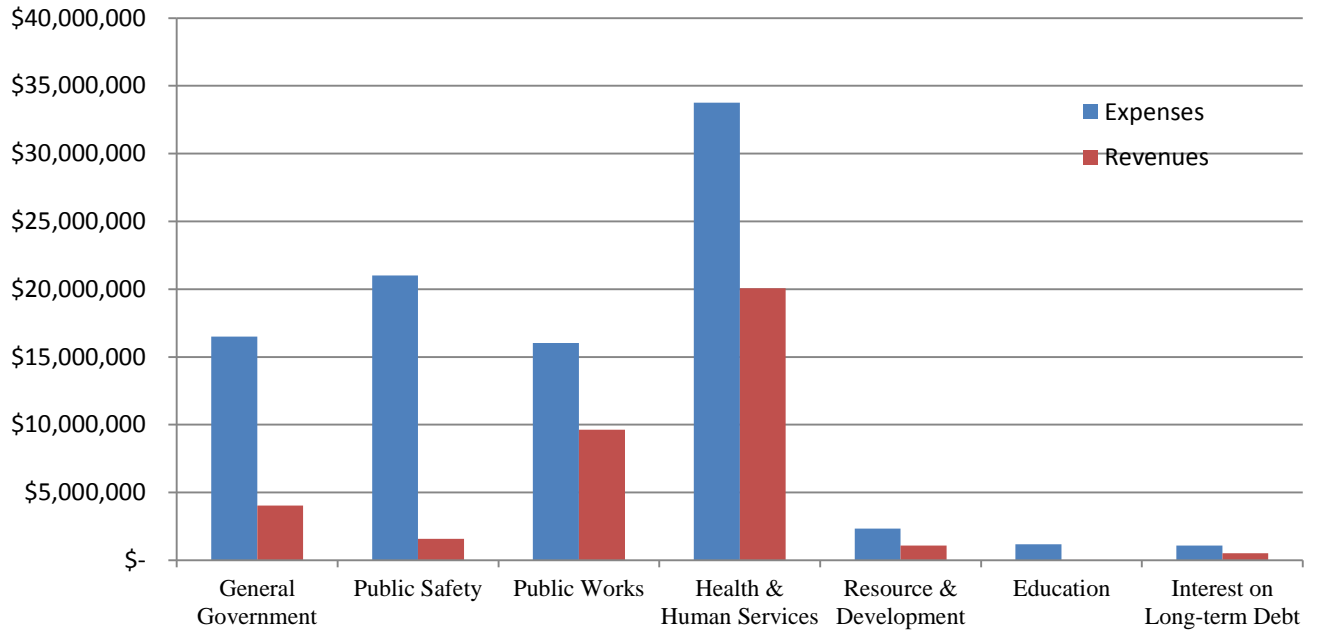
Changes in Net Position
For the Years Ended December 31, 2016 and 2015
(Amounts expressed in \$1,000)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 8,602	\$ 8,924	\$ 11,481	\$ 11,306	\$ 20,083	\$ 20,230
Operating grants & contributions	28,141	30,226	1,142	1,226	29,283	31,452
Capital grants and contributions	198	223	522		720	223
Total program revenues	36,941	39,373	13,145	12,532	50,086	51,905
General revenues:						
Property tax	47,548	46,233	885	835	48,433	47,068
Other taxes	25	11			25	11
Investment earnings	1,987	1,971	2		1,989	1,971
Gain on disposal of capital assets	-	5	9	3	9	8
Nonspecific grants and contributions	3,938	4,416	5	1	3,943	4,417
Miscellaneous	1,181	3,597	55	31	1,236	3,628
Total general revenues	54,679	56,233	956	870	55,635	57,103
Total Revenues	91,620	95,606	14,101	13,402	105,721	109,008
Expenses:						
General government	16,506	14,113			16,506	14,113
Public safety	21,007	18,541			21,007	18,541
Public works	16,022	15,972			16,022	15,972
Public health and human services	33,763	31,210			33,763	31,210
Resources and development	2,339	2,913			2,339	2,913
Education	1,182	1,213			1,182	1,213
Interest on long-term debt	1,089	1,106			1,089	1,106
Health care centers			13,572	13,377	13,572	13,377
Total Expenses	91,908	85,068	13,572	13,377	105,480	98,445
Excess(deficiency) before transfers	(288)	10,538	529	25	241	10,563
Transfers	-	(1)	-	1		
Change in net position	(288)	10,537	529	26	241	10,563
Net Position - January 1	160,744	150,207	9,963	9,937	170,707	160,144
Net Position - December 31	\$ 160,456	\$ 160,744	\$ 10,492	\$ 9,963	\$ 170,948	\$ 170,707

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

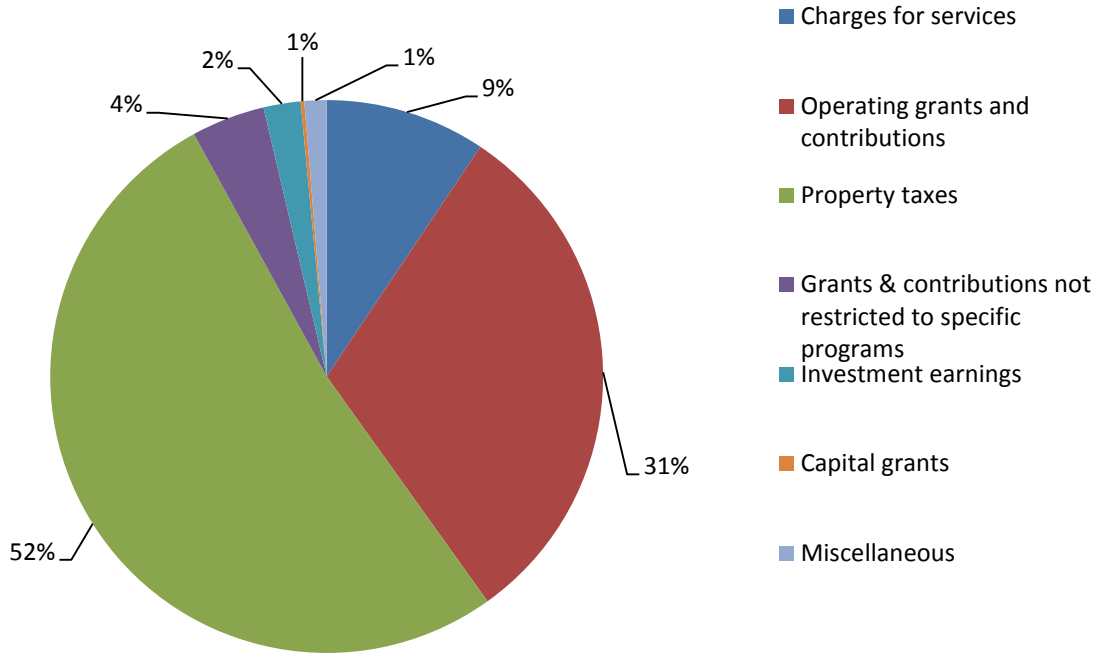
Governmental activities: Governmental activities decreased the County's net position by \$287,608, a relatively balanced year of operations. A couple of elements of this decrease are:

- Negative investment valuation of \$494,545.
- Positive variance of \$364,599 in unspent contingency funds
- Increase in charges for Services of \$171,893 for Public Health and Human Services

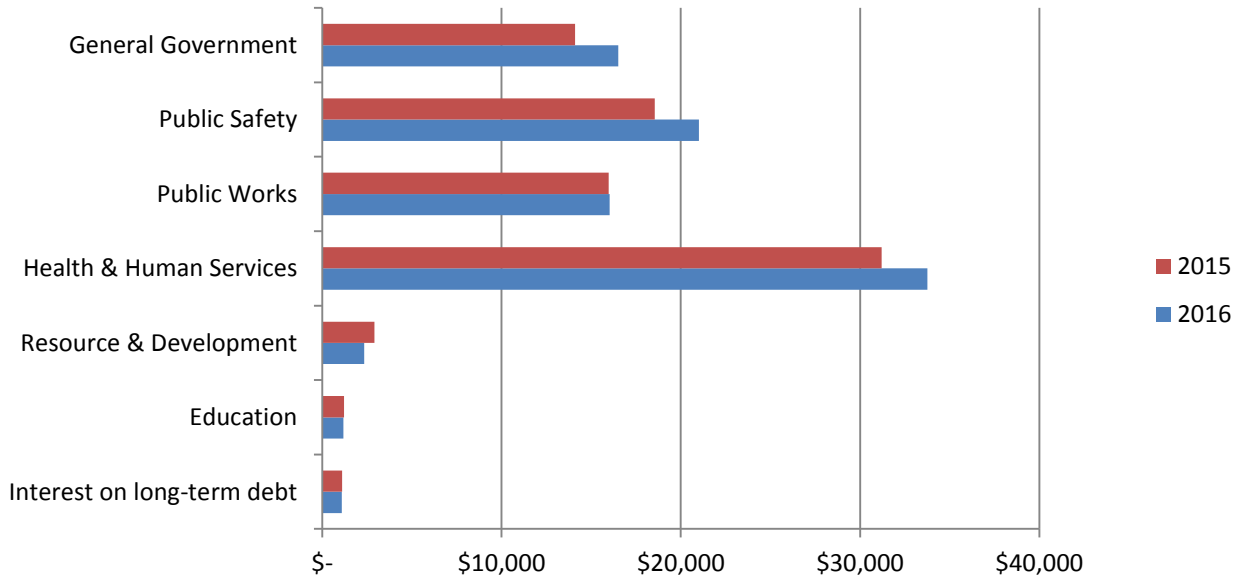


COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

Revenues by Source - Governmental Activities



Governmental Activities Functional Expenses for Years 2016 and 2015
(Shown in Thousands of Dollars)

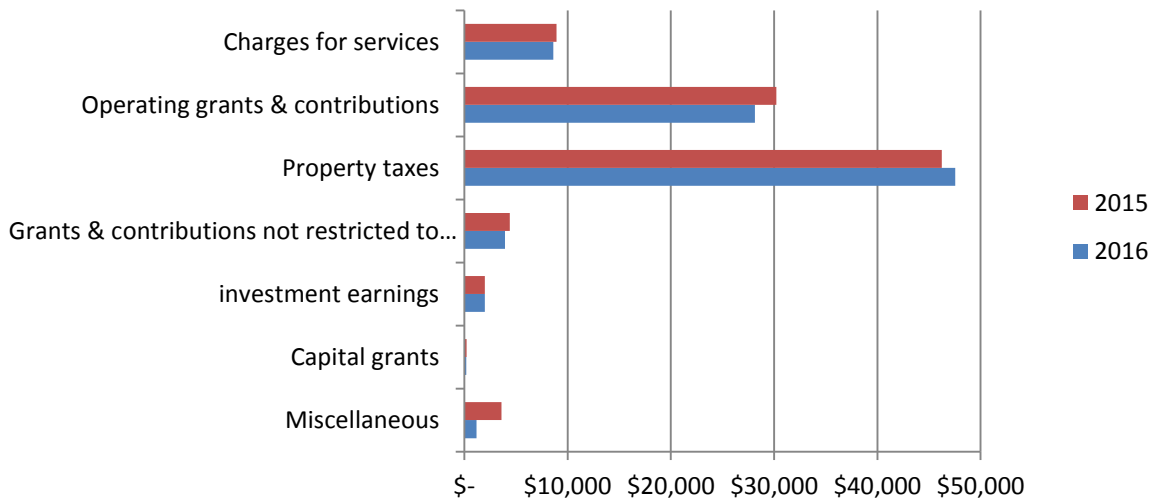


COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
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Governmental Activities between the 2015 and 2016 fiscal cycle are indicating an increase in net expenses of \$9,270,553. The major influences to this increase are:

- Recognition of \$2,408,633 in net pension expense as required by GASB Statement Nos. 68 and 71
- First full year of operations for the newly combined emergency dispatch system represents an approximate \$1,180,000 increase
- Offsetting grant revenue in 2015 from receipt of the Stewardship Grant in the amount of \$2,442,500
- Additional noncapital equipment for the subscriber radio project of \$1,360,873
- Increased expenses for Health and Human Services of \$1,365,734 for new positions, expansion of residential settings for AODA clients, and inpatient counseling and therapy

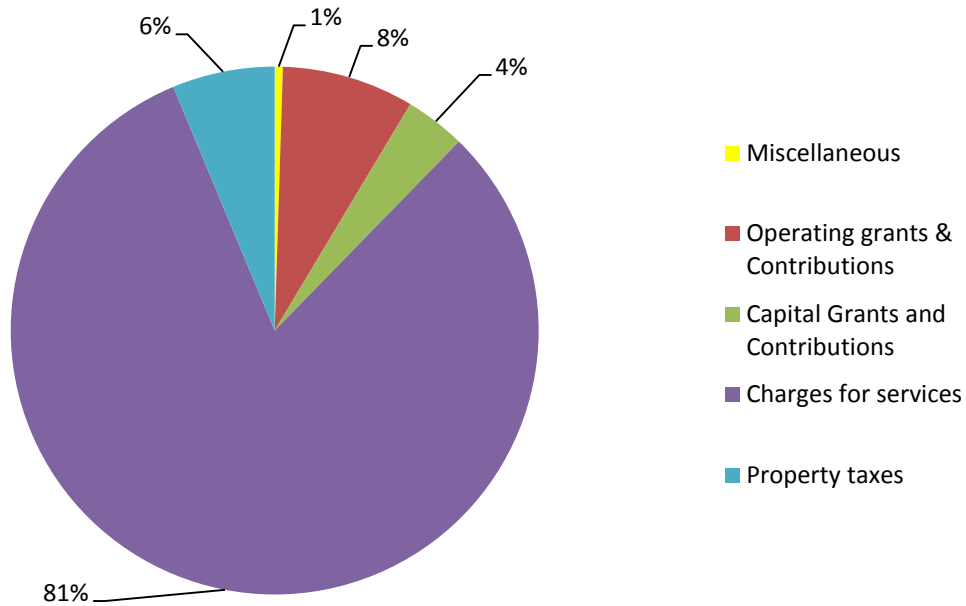
Governmental Activities Revenues by Source for Years 2016 and 2015
(Shown in Thousands of Dollars)



Business-type Activities: Rocky Knoll Health Care Center increased Sheboygan County's net position by \$528,639 compared to \$25,846 in 2015. The facility continues to review operations with an emphasis on LEAN principles, identifying opportunities for gaining greater efficiencies and reducing wastes.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

Revenues by Source - Business-Type Activities



Financial Analysis of Sheboygan County's Funds

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

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

As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$32,411,742 a decrease of \$5,091,124. Of the combined ending fund balances, \$22,175,455 or 68% 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 (\$1,073,844), 2) prepayments that benefit periods beyond the end of the current year (\$80,380), 3) various individual fund commitments approved by the County Board (\$153,973), and 4) for grant or statutory provisions (\$8,928,090).

The General Fund is the chief operating fund of the County. At the end of the current year, assigned fund balance was \$3,767,583 and unassigned fund balance was \$17,828,037 while the total fund balance was \$23,762,669. As a measure of the general fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and the total fund balance to total fund expenditures. Assigned and unassigned fund balance of \$21,595,620 represents 57% of total general fund expenditures, while total fund balance represents 63% of that same amount.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
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During the current year the County's General Fund balance increased by \$4,264 reflecting a relatively even year of operations. Per Fund Balance Policy approved by the Finance Committee, \$713,948 was the year-end transfer of fund balance from the Health & Human Services fund. 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 \$638,378 due mainly to increases in operating grants. As a result \$713,948 was transferred to the General Fund during 2016. \$75,570 represents use of donated funds from a prior year.

The Debt Service fund has a fund balance of \$961,740, an increase of \$309,743 over the prior year. The increase was due to savings from a refunding of \$57,745 and a transfer from the Capital Projects fund of \$328,044.

The Capital Projects fund has a fund balance of \$6,345,320. These restricted monies will be used to complete capital projects that are in progress at the end of 2016.

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 increased Sheboygan County's net position by \$528,639 compared to an increase of \$25,846 in 2015. This increase is due to implementing LEAN principles to increase efficiencies and reducing wastes through a robust recycling program.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures were a \$3,670,899 increase in appropriations or a 10% increase over the original budget. Key budget adjustments were:

- \$2,516,972 adjustment for Resolution #33 for the funding of subscriber radios
- \$179,500 adjustment for purchase of properties on Pennsylvania Avenue
- \$105,817 adjustment for property tax software project
- \$152,971 adjustment for restoration of rail line

During the year, actual expenditures were \$1,655,954 under budget. The major factor contributing to this was the subscriber radios project requiring \$1,156,098 less general fund support approved through Resolution #33. Other noted savings were recognized by departments with vacancy savings of \$115,337 and \$265,263 of building service maintenance projects not completed at the end of 2016 which were carried to 2017.

Differences between the original budget and the final amended budget for revenues amounted to a \$1,440,556 increase in funding sources primarily due to reimbursements from municipalities for their prorated portion of the subscriber radios in the amount of \$1,018,000. During the year, actual revenues were slightly better than budget by \$50,600.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
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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, 2016 was \$147,566,494 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure (highways and bridges), and construction in progress.

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

- Highway construction projects at a cost of \$5,389,637
- Health Care Center roof and flooring replacement at a cost of \$522,219
- Purchase and replacement of County-wide radio and emergency communication infrastructure and equipment at a cost of \$8,827,735
- Completion of the combined dispatch center project at the Law Enforcement Center at a cost of \$1,291,436
- Vehicles, mostly Sheriff's squads, purchased at a cost of \$222,887 and disposal of squads totaling \$116,345

Sheboygan County's Capital Assets

(Amounts Expressed in \$1,000)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2016	2016	2015
Land	\$ 15,530	\$ 14,987	\$ 32	\$ 32	\$ 15,562	\$ 15,019
Construction in progress	2,627	11,215			2,627	11,215
Buildings	70,035	68,220	15,480	14,958	85,515	83,178
Other improvements	11,628	11,491	624	567	12,252	12,058
Infrastructure	128,481	122,969			128,481	122,969
Machinery and equipment	18,280	17,699	4,730	4,680	23,010	22,379
Office furniture and equipment	30,818	21,534	832	873	31,650	22,407
Vehicles	13,257	12,870	164	190	13,421	13,060
Less Accumulated depreciation	(150,573)	(143,002)	(14,378)	(13,947)	(164,951)	(156,949)
Total	\$ 140,083	\$ 137,983	\$ 7,484	\$ 7,353	\$ 147,567	\$ 145,336

Additional information on Sheboygan County's capital assets can be found in Note C.4 on pages 63-64.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

Long-term debt: At the end of the current fiscal year, Sheboygan County had total debt outstanding of \$32,741,094 backed by the full faith and credit of the County.

Sheboygan County's Outstanding Debt

	2016	2015
General obligation debt:		
Bonds	\$ 6,130,000	\$ 3,785,000
Notes	26,600,000	34,850,000
Total general obligation debt	32,730,000	38,635,000
Capital leases	11,094	17,243
Total debt	\$ 32,741,094	\$ 38,652,243

On February 16, 2016 the County issued refunding bonds in the amount of \$3,265,000. The proceeds were used to refund the General Obligation Promissory Notes dated July 8, 2008 and the Taxable General Obligation Promissory notes Series 2010B dated April 6, 2010. The County issued \$10,000,000 General Obligation Promissory Notes June 13, 2017 to finance part of the cost of capital improvements within the County including a new Transportation Complex. Moody's Investors Service assigned an Aa2 rating to the County for the 2017 promissory note issuance.

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 \$437,755,875 which is significantly in excess of the County's \$32,730,000 in general obligation debt. The County's debt service fund has a fund balance of \$961,740 at December 31, 2016.

Additional information on Sheboygan County's long-term debt can be found in Note C.6 on page 66-69 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for December 2016 was 3.1% for the County. This compares to the State of Wisconsin's average unemployment rate of 3.7%. This is a decrease of .3% 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 2016 budget year the County was allowed to increase the levy by net new construction under the actual tax levy freeze formula. Adjustments were also allowed for debt service payments and other specific items.

COUNTY OF SHEBOYGAN, WISCONSIN
Management's Discussion and Analysis
(Unaudited)
December 31, 2016

With the adoption of the budget for 2017, the County's operating rate of \$5.6541 represents a \$0.1164 increase from the prior year and conforms to the state statute requirements.

Contacting the County's Financial Management

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$46,582,377	\$1,786,997	\$48,369,374
Receivables			
Taxes	47,016,478	844,577	47,861,055
Accounts, net	1,367,499	1,111,048	2,478,547
Delinquent taxes	1,650,192		1,650,192
Delinquent special certificates	100,160		100,160
Interest	602,095		602,095
Loans	1,678,607		1,678,607
Internal balances	264,561	(264,561)	
Due from other governments	5,313,573	11,981	5,325,554
Prepays and inventory	2,113,953	43,995	2,157,948
Capital assets, nondepreciable			
Land	15,529,788	31,750	15,561,538
Construction in progress	2,627,336		2,627,336
Capital assets, depreciable			
Buildings	70,035,313	15,480,124	85,515,437
Improvements other than buildings	11,627,890	624,035	12,251,925
Infrastructure	128,480,877		128,480,877
Machinery and equipment	18,280,129	4,729,733	23,009,862
Office furniture and equipment	30,818,109	832,398	31,650,507
Vehicles	13,256,855	163,721	13,420,576
Less: Accumulated depreciation	(150,573,224)	(14,378,340)	(164,951,564)
Total Assets	246,772,568	11,017,458	257,790,026
Deferred Outflows of Resources			
Deferred outflows related to pension	22,260,092	3,949,423	26,209,515
Liabilities			
Accounts payable	3,102,933	181,769	3,284,702
Accrued compensation	3,067,526	539,016	3,606,542
Accrued and other current liabilities	1,353,558		1,353,558
Accrued interest payable	147,838		147,838
Due to other governments	1,359,292		1,359,292
Unearned revenue	120,779		120,779
Long-term obligations			
Due Within One Year	6,375,209	34,416	6,409,625
Due In More Than One Year	33,557,140	669,145	34,226,285
Net pension liability	3,970,983	710,706	4,681,689
Total Liabilities	53,055,258	2,135,052	55,190,310
Deferred Inflows of Resources			
Property taxes levied for subsequent year	47,016,478	844,577	47,861,055
Grant advances	147,759		147,759
Deferred inflows related to pension	8,356,864	1,495,669	9,852,533
Total Deferred Inflows of Resources	55,521,101	2,340,246	57,861,347
Net Position			
Net investment in capital assets	113,936,816	7,483,421	121,420,237
Restricted For:			
Debt service	813,902		813,902
Land records	612,466		612,466
Jail assessment	246,386		246,386
Community development	2,301,328		2,301,328
Unrestricted	42,545,403	3,008,162	45,553,565
Total Net Position	\$160,456,301	\$10,491,583	\$170,947,884

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, 2016

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 16,506,037	\$ 1,913,517	\$ 2,037,987	\$ 76,809	\$ (12,477,724)	\$	\$ (12,477,724)
Public Safety	21,007,177	1,337,265	248,012		(19,421,900)		(19,421,900)
Public Works	16,021,977	104,227	9,524,055		(6,393,695)		(6,393,695)
Public Health and Human Services	33,762,510	4,235,144	15,712,753	121,591	(13,693,022)		(13,693,022)
Resources and Development	2,339,353	471,669	613,676		(1,254,008)		(1,254,008)
Education	1,181,732	21,284	4,922		(1,155,526)		(1,155,526)
Interest on Long-term Debt	1,089,476	518,963			(570,513)		(570,513)
	<u>91,908,262</u>	<u>8,602,069</u>	<u>28,141,405</u>	<u>198,400</u>	<u>(54,966,388)</u>		<u>(54,966,388)</u>
Business-Type Activities:							
Rocky Knoll	13,572,345	11,481,092	1,142,000	522,219		(427,034)	(427,034)
Total Primary Government	<u>\$ 105,480,607</u>	<u>\$ 20,083,161</u>	<u>\$ 29,283,405</u>	<u>\$ 720,619</u>	<u>(54,966,388)</u>	<u>(427,034)</u>	<u>(55,393,422)</u>
General Revenues							
Taxes:							
Property taxes, levied for general purposes					41,236,076	885,197	42,121,273
Property taxes, levied for debt service					6,311,747		6,311,747
Other Taxes					24,726		24,726
Grants and Contributions Not Restricted to Specific Functions					3,938,607	4,837	3,943,444
Investment Earnings					1,986,794	1,784	1,988,578
Gain on disposal of capital assets						8,562	8,562
Miscellaneous					1,180,830	55,293	1,236,123
Total general revenues					<u>54,678,780</u>	<u>955,673</u>	<u>55,634,453</u>
Change in net position					(287,608)	528,639	241,031
Net Position - January 1					160,743,909	9,962,944	170,706,853
Net Position - December 31					<u>\$160,456,301</u>	<u>\$10,491,583</u>	<u>\$170,947,884</u>

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

COUNTY OF SHEBOYGAN, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2016

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Fund	Total Governmental Funds
Assets						
Cash and investments	\$ 30,047,023		\$ 961,740	\$ 3,868,963	\$ 799,513	\$ 35,677,239
Receivables						
Taxes	24,681,136	13,319,139	5,194,825			43,195,100
Accounts, net	528,392	756,855				1,285,247
Delinquent taxes	1,650,192					1,650,192
Delinquent special certificates	100,160					100,160
Interest	602,095					602,095
Loans	139,457				1,539,150	1,678,607
Due from other funds	217,704					217,704
Due from other governments	881,607	1,463,878		2,562,204		4,907,689
Prepays and inventory	80,380					80,380
Total Assets	\$ 58,928,146	\$ 15,539,872	\$ 6,156,565	\$ 6,431,167	\$ 2,338,663	\$ 89,394,413
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 2,338,921	\$ 274,152		\$ 85,847		\$ 2,698,920
Accrued compensation	6,398,624					6,398,624
Accrued and other current liabilities	316,127	29,833				345,960
Due to other funds		217,704				217,704
Due to other governments	323,527	1,035,765				1,359,292
Unearned revenue		120,779				120,779
Total Liabilities	9,377,199	1,678,233		85,847		11,141,279
Deferred Inflows of Resources						
Property taxes levied for subsequent year	24,681,136	13,319,139	5,194,825			43,195,100
County portion of delinquent taxes	819,926					819,926
Grant advance	147,759					147,759
Loans receivable	139,457				1,539,150	1,678,607
Total Deferred Inflows of Resources	25,788,278	13,319,139	5,194,825		1,539,150	45,841,392
Fund Balances						
Nonspendable	1,154,224					1,154,224
Restricted	858,852		961,740	6,345,320	762,178	8,928,090
Committed	153,973					153,973
Assigned	3,767,583	542,500			37,335	4,347,418
Unassigned	17,828,037					17,828,037
Total Fund Balances	23,762,669	542,500	961,740	6,345,320	799,513	32,411,742
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 58,928,146	\$ 15,539,872	\$ 6,156,565	\$ 6,431,167	\$ 2,338,663	\$ 89,394,413

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, 2016

Reconciliation to the Statement of Net Position

Total Fund Balances as shown on the previous page \$ 32,411,742

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 127,447,122

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

Delinquent taxes	819,926	
Loans receivable	1,678,607	2,498,533

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

Deferred outflows of resources	22,260,092	
Net pension liability	(3,970,983)	
Deferred inflows of resources	(8,356,864)	9,932,245

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	\$ (32,730,000)	
Compensated absences	(1,471,737)	
Capital leases	(11,094)	
Bond premiums	(1,225,483)	
Accrued interest on long-term obligations	(147,838)	(35,586,152)

Receivable or (payable) to a business-type activity due to the lookback adjustment and consolidation of internal service funds 264,561

Internal service fund activities included in governmental activities 23,488,250

Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 27)	\$ 160,456,301
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The notes to the basic financial statements are an integral part of the statement.

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Public Health and Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 23,382,967	\$ 13,440,802	\$ 6,311,747			\$ 43,135,516
Other taxes	24,726					24,726
Intergovernmental	5,582,425	15,699,753		877,645		22,159,823
Licenses and permits	390,695	285,042				675,737
Fines, forfeits and penalties	330,169					330,169
Public charges for services	3,406,575	3,949,870			220	7,356,665
Miscellaneous	3,990,409	272,097	580,345	199,083	482,056	5,523,990
Total Revenues	37,107,966	33,647,564	6,892,092	1,076,728	482,276	79,206,626
Expenditures						
Current:						
General government	14,110,906					14,110,906
Public safety	19,071,092				32,220	19,103,312
Public works	476,568					476,568
Public health and human services	261,292	32,769,188				33,030,480
Resources and development	2,089,378				135,235	2,224,613
Education	565,076					565,076
Debt Service:						
Principal	6,149		5,890,000			5,896,149
Interest and other charges	1,112		1,078,138			1,079,250
Capital Outlay	1,229,046	239,998		6,987,678		8,456,722
Total Expenditures	37,810,619	33,009,186	6,968,138	6,987,678	167,455	84,943,076
Excess (deficiency) of revenues over expenditures	(702,653)	638,378	(76,046)	(5,910,950)	314,821	(5,736,450)
Other Financing Sources (Uses)						
Premium on long term debt issued			72,745			72,745
Long term debt issued			3,265,000			3,265,000
Payments to current noteholder			(3,280,000)			(3,280,000)
Transfers in	795,647		328,044	676,311		1,800,002
Transfers out	(88,730)	(713,948)		(328,044)	(81,699)	(1,212,421)
Total Other Financing Sources (Uses)	706,917	(713,948)	385,789	348,267	(81,699)	645,326
Net change in fund balances	4,264	(75,570)	309,743	(5,562,683)	233,122	(5,091,124)
Fund balances, January 1	23,758,405	618,070	651,997	11,908,003	566,391	37,502,866
Fund balances, December 31	\$ 23,762,669	\$ 542,500	\$ 961,740	\$ 6,345,320	\$ 799,513	\$ 32,411,742

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, 2016

Reconciliation to the Statement of Activities

Net Change in Fund Balances as show on previous page \$ (5,091,124)

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	\$ 8,456,722	
Capital assets financed by the Internal Service Fund	1,423,436	
Depreciation expense reported in the statement of activities	<u>(8,233,365)</u>	
Amount by which capital outlays are greater than depreciation in current period		1,646,793

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. (158,618)

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: (336,392)

Changes in the net pension liability (asset) and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan. (2,408,635)

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 (3,265,000)

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

General obligation and notes payable retired	9,170,000	
Capital lease retired	<u>6,149</u>	9,176,149

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	(133,319)	
Compensated absences	87,897	
Accrued interest	(11,338)	
Issuance and amortization of bond premiums	<u>208,939</u>	152,179

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. 76,000

Additional (loss) revenue due to internal service fund look-back adjustments must be recognized in the government-wide statements. (78,960)

Change in Net Position of Governmental Activities as reported in the Statement of Activities (see page 28) \$ (287,608)

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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 23,502,714	\$ 23,317,513	\$ 23,382,967	\$ 65,454
Other taxes	6,620	6,620	24,726	18,106
	<u>23,509,334</u>	<u>23,324,133</u>	<u>23,407,693</u>	<u>83,560</u>
Intergovernmental				
General Government	4,376,185	4,579,156	4,702,815	123,659
Public Safety	124,937	235,857	248,012	12,155
Public Health & Human Services	13,000	13,000	13,000	
Resources and Development	496,715	610,473	613,676	3,203
Education	4,922	4,922	4,922	
	<u>5,015,759</u>	<u>5,443,408</u>	<u>5,582,425</u>	<u>139,017</u>
Licenses and permits				
General Government	107,000	107,000	112,102	5,102
Resources and Development	263,700	263,700	278,593	14,893
	<u>370,700</u>	<u>370,700</u>	<u>390,695</u>	<u>19,995</u>
Fines, Forfeits and Penalties				
General Government	289,000	289,000	327,859	38,859
Public Safety			285	285
Resources and Development	5,700	5,700	2,025	(3,675)
	<u>294,700</u>	<u>294,700</u>	<u>330,169</u>	<u>35,469</u>
Public Charges for Services				
General Government	1,497,770	1,502,170	1,632,503	130,333
Public Safety	1,245,346	1,317,438	1,325,852	8,414
Public Works	233,805	233,805	235,842	2,037
Resources and Development	196,500	196,500	191,094	(5,406)
Education	16,900	16,900	21,284	4,384
	<u>3,190,321</u>	<u>3,266,813</u>	<u>3,406,575</u>	<u>139,762</u>
Miscellaneous				
General Government	2,838,049	3,874,969	3,537,960	(337,009)
Public Safety	347,502	396,698	337,931	(58,767)
Public Works	2,640	20,140	20,080	(60)
Public Health and Human Services			4,140	4,140
Resources and Development	37,420	55,420	74,545	19,125
Education	10,385	10,385	15,753	5,368
	<u>3,235,996</u>	<u>4,357,612</u>	<u>3,990,409</u>	<u>(367,203)</u>
Total Revenues	<u>35,616,810</u>	<u>37,057,366</u>	<u>37,107,966</u>	<u>50,600</u>
Expenditures				
General Government				
Treasurer				
Wages and benefits	386,575	386,575	380,941	5,634
Operating expenses	124,049	126,551	141,185	(14,634)
Interdepartmental charges	132,035	135,241	112,996	22,245
Capital outlay		105,817	283,369	(177,552)
	<u>642,659</u>	<u>754,184</u>	<u>918,491</u>	<u>(164,307)</u>
Register of Deeds				
Wages and benefits	376,169	376,169	384,464	(8,295)
Operating expenses	136,572	138,822	52,880	85,942
Interdepartmental charges	137,799	141,005	140,755	250
	<u>650,540</u>	<u>655,996</u>	<u>578,099</u>	<u>77,897</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Finance				
Wages and benefits	1,132,425	1,130,825	1,053,962	76,863
Operating expenses	57,404	59,004	53,095	5,909
Interdepartmental charges	257,981	265,088	232,523	32,565
	<u>1,447,810</u>	<u>1,454,917</u>	<u>1,339,580</u>	<u>115,337</u>
Medical Examiner				
Wages and benefits	93,285	93,285	99,970	(6,685)
Operating expenses	44,104	44,104	57,975	(13,871)
Interdepartmental charges	22,605	23,157	25,063	(1,906)
	<u>159,994</u>	<u>160,546</u>	<u>183,008</u>	<u>(22,462)</u>
County Board				
Wages and benefits	131,837	131,837	129,493	2,344
Operating expenses	61,327	61,327	59,542	1,785
Interdepartmental charges	23,536	23,716	23,544	172
	<u>216,700</u>	<u>216,880</u>	<u>212,579</u>	<u>4,301</u>
Court Commissioner				
Wages and benefits	233,170	233,170	234,602	(1,432)
Operating expenses	49,315	49,315	41,163	8,152
Interdepartmental charges	65,367	67,023	56,060	10,963
	<u>347,852</u>	<u>349,508</u>	<u>331,825</u>	<u>17,683</u>
Clerk of Courts				
Wages and benefits	1,232,748	1,276,779	1,263,997	12,782
Operating expenses	376,318	376,318	487,752	(111,434)
Interdepartmental charges	454,581	466,843	439,334	27,509
Capital outlay	175,000	175,000	73,463	101,537
	<u>2,238,647</u>	<u>2,294,940</u>	<u>2,264,546</u>	<u>30,394</u>
District Attorney				
Wages and benefits	685,218	685,218	696,739	(11,521)
Operating expenses	52,609	52,609	49,426	3,183
Interdepartmental charges	215,688	221,577	217,753	3,824
	<u>953,515</u>	<u>959,404</u>	<u>963,918</u>	<u>(4,514)</u>
County Clerk				
Wages and benefits	195,663	195,663	198,401	(2,738)
Operating expenses	169,426	173,826	245,660	(71,834)
Interdepartmental charges	64,907	66,179	73,598	(7,419)
	<u>429,996</u>	<u>435,668</u>	<u>517,659</u>	<u>(81,991)</u>
Building Services				
Wages and benefits	1,470,209	1,470,209	1,478,988	(8,779)
Operating expenses	1,249,477	1,290,955	1,022,940	268,015
Interdepartmental charges	470,873	481,610	479,384	2,226
Capital outlay		149,495	145,694	3,801
	<u>3,190,559</u>	<u>3,392,269</u>	<u>3,127,006</u>	<u>265,263</u>
Human Resources				
Wages and benefits	374,010	374,010	384,832	(10,822)
Operating expenses	80,723	80,723	77,699	3,024
Interdepartmental charges	99,583	102,192	80,519	21,673
	<u>554,316</u>	<u>556,925</u>	<u>543,050</u>	<u>13,875</u>
Non-Departmental				
Operating expenses	1,959,858	4,496,563	3,102,439	1,394,124
Interdepartmental charges	1,177	1,177	1,359	(182)
	<u>1,961,035</u>	<u>4,497,740</u>	<u>3,103,798</u>	<u>1,393,942</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Corporation Counsel				
Wages and benefits	81,349	81,349	82,474	(1,125)
Operating expenses	214,946	214,946	214,210	736
Interdepartmental charges	23,766	24,318	14,491	9,827
	<u>320,061</u>	<u>320,613</u>	<u>311,175</u>	<u>9,438</u>
County Administrator				
Wages and benefits	177,591	177,591	179,335	(1,744)
Operating expenses	10,219	10,219	8,576	1,643
Interdepartmental charges	30,389	31,122	30,787	335
	<u>218,199</u>	<u>218,932</u>	<u>218,698</u>	<u>234</u>
Total General Government	<u>13,331,883</u>	<u>16,268,522</u>	<u>14,613,432</u>	<u>1,655,090</u>
Public Safety				
Sheriff				
Wages and benefits	12,689,091	12,755,677	13,012,134	(256,457)
Operating expenses	2,622,448	2,810,085	2,792,904	17,181
Interdepartmental charges	3,220,221	3,300,264	3,266,054	34,210
Capital outlay	470,400	476,330	480,907	(4,577)
Total Public Safety	<u>19,002,160</u>	<u>19,342,356</u>	<u>19,551,999</u>	<u>(209,643)</u>
Public Works				
Airport				
Wages and benefits	215,123	215,123	218,955	(3,832)
Operating expenses	101,327	125,327	139,968	(14,641)
Interdepartmental charges	115,545	128,806	117,645	11,161
Total Public Works	<u>431,995</u>	<u>469,256</u>	<u>476,568</u>	<u>(7,312)</u>
Public Health and Human Services				
Veterans Services				
Wages and benefits	181,429	181,429	181,417	12
Operating expenses	16,801	16,801	21,116	(4,315)
Interdepartmental charges	40,606	41,603	48,299	(6,696)
	<u>238,836</u>	<u>239,833</u>	<u>250,832</u>	<u>(10,999)</u>
Veterans Commission				
Wages and benefits	4,387	4,387	2,131	2,256
Operating expenses	40,309	40,309	7,422	32,887
Interdepartmental charges	927	927	907	20
	<u>45,623</u>	<u>45,623</u>	<u>10,460</u>	<u>35,163</u>
Total Public Health and Human Services	<u>284,459</u>	<u>285,456</u>	<u>261,292</u>	<u>24,164</u>
Resources and Development				
Planning and Conservation				
Wages and benefits	860,068	860,068	823,952	36,116
Operating expenses	931,069	1,037,297	949,739	87,558
Interdepartmental charges	313,957	320,273	321,836	(1,563)
Interest			1,112	(1,112)
Capital outlay	7,500	228,850	221,227	7,623
Total Resources and Development	<u>2,112,594</u>	<u>2,446,488</u>	<u>2,317,866</u>	<u>128,622</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Education				
U.W. Sheboygan				
Operating expenses	88,006	93,006	85,149	7,857
Interdepartmental charges	27,264	42,520	41,852	668
Capital outlay	27,000	27,000	24,386	2,614
	<u>142,270</u>	<u>162,526</u>	<u>151,387</u>	<u>11,139</u>
U.W. Extension				
Wages and benefits	130,836	130,836	120,725	10,111
Operating expenses	282,820	282,820	259,931	22,889
Interdepartmental charges	76,657	78,313	57,419	20,894
	<u>490,313</u>	<u>491,969</u>	<u>438,075</u>	<u>53,894</u>
Total Education	<u>632,583</u>	<u>654,495</u>	<u>589,462</u>	<u>65,033</u>
Total Expenditures	<u>35,795,674</u>	<u>39,466,573</u>	<u>37,810,619</u>	<u>1,655,954</u>
Excess (deficiency) of revenues over expenditures	<u>(178,864)</u>	<u>(2,409,207)</u>	<u>(702,653)</u>	<u>1,706,554</u>
Other financing sources (uses)				
Transfers in		81,699	795,647	713,948
Transfers out		(90,995)	(88,730)	2,265
Net change in fund balance	<u>(178,864)</u>	<u>(2,418,503)</u>	<u>4,264</u>	<u>2,422,767</u>
Fund balance, January 1	<u>23,758,405</u>	<u>23,758,405</u>	<u>23,758,405</u>	
Fund balance, December 31	<u>\$ 23,579,541</u>	<u>\$ 21,339,902</u>	<u>\$ 23,762,669</u>	<u>\$ 2,422,767</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, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 13,358,463	\$ 13,440,802	\$ 13,440,802	\$
Intergovernmental	15,103,358	15,830,720	15,699,753	(130,967)
Licenses and permits	282,000	282,000	285,042	3,042
Public charges for services	4,017,034	3,747,984	3,949,870	201,886
Miscellaneous	524,355	292,355	272,097	(20,258)
Total Revenues	33,285,210	33,593,861	33,647,564	53,703
Expenditures				
Community Programs				
Wages and benefits	3,110,276	3,135,202	3,256,023	(120,821)
Operating expenses	10,958,069	11,063,947	10,594,288	469,659
Interdepartmental charges	1,754,629	1,793,555	1,774,091	19,464
	15,822,974	15,992,704	15,624,402	368,302
Elder Services				
Wages and benefits	319,204	362,970	374,586	(11,616)
Operating expenses	742,561	757,661	698,146	59,515
Interdepartmental charges	265,464	271,300	269,654	1,646
Capital outlay	375,000	130,000	122,228	7,772
	1,702,229	1,521,931	1,464,614	57,317
Public Health				
Wages and benefits	1,718,543	1,715,241	1,777,996	(62,755)
Operating expenses	134,420	152,145	143,175	8,970
Interdepartmental charges	974,620	996,425	950,650	45,775
	2,827,583	2,863,811	2,871,821	(8,010)
Social Services				
Wages and benefits	3,144,117	3,149,273	3,323,904	(174,631)
Operating expenses	4,151,940	4,441,801	4,210,634	231,167
Interdepartmental charges	1,723,705	1,763,770	1,720,667	43,103
	9,019,762	9,354,844	9,255,205	99,639
Economic Support				
Wages and benefits	2,164,382	2,216,808	2,049,317	167,491
Operating expenses	316,820	288,020	288,094	(74)
Interdepartmental charges	1,368,524	1,403,365	1,334,763	68,602
	3,849,726	3,908,193	3,672,174	236,019
Administration				
Wages and benefits	1,444,294	1,444,294	1,448,202	(3,908)
Operating expenses	319,053	290,960	247,975	42,985
Interdepartmental charges	(1,700,411)	(1,759,545)	(1,692,977)	(66,568)
Capital outlay		118,070	117,770	300
	62,936	93,779	120,970	(27,191)
Total Expenditures	33,285,210	33,735,262	33,009,186	726,076
Excess (deficiency) of revenues over expenditures		(141,401)	638,378	779,779
Other financing uses				
Transfers out			(713,948)	(713,948)
Net change in fund balance		(141,401)	(75,570)	65,831
Fund balance, January 1	618,070	618,070	618,070	
Fund balance, December 31	\$ 618,070	\$ 476,669	\$ 542,500	\$ 65,831

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, 2016

	Enterprise Fund Rocky Knoll	Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and investments	\$ 1,786,997	\$ 10,905,138
Receivables (net)		
Taxes	844,577	3,821,378
Accounts	1,111,048	82,252
Due from external parties	11,981	405,884
Prepays and inventory	43,995	2,033,573
Total Current Assets	3,798,598	17,248,225
Noncurrent assets		
Capital assets, nondepreciable		
Land	31,750	3,104,201
Capital assets, depreciable		
Buildings	15,480,124	4,436,971
Improvements other than buildings	624,035	851,407
Machinery and equipment	4,729,733	13,605,882
Office furniture and equipment	832,398	5,085,297
Vehicles	163,721	9,748,363
Less Accumulated depreciation	(14,378,340)	(24,196,170)
Total Noncurrent Assets	7,483,421	12,635,951
Total Assets	11,282,019	29,884,176
Deferred Outflows of Resources		
Deferred outflows related to pension	3,949,423	3,606,655
Liabilities		
Current liabilities		
Accounts payable	181,769	404,013
Accrued and other current liabilities		1,007,598
Accrued compensation	539,016	491,951
Current maturities of long-term obligations	34,416	62,952
Total Current Liabilities	755,201	1,966,514
Noncurrent liabilities		
Long-term obligations	669,145	608,034
Net pension liability	710,706	644,720
Total Noncurrent Liabilities	1,379,851	1,252,754
Total Liabilities	2,135,052	3,219,268
Deferred Inflows of Resources		
Property taxes levied for subsequent year	844,577	3,821,378
Deferred inflows related to pension	1,495,669	1,356,801
Total Deferred Inflows of Resources	2,340,246	5,178,179
Net Position		
Net investment in capital assets	7,483,421	12,635,951
Unrestricted	3,272,723	12,457,433
Total Net Position	\$ 10,756,144	\$ 25,093,384

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2016

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

Total Net Position as shown on the previous page \$ 10,756,144

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 (264,561)

Net Position of Business-Type Activities as Reported on the Government-wide Statement of Net Position \$ 10,491,583

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, 2016

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
Operating Revenues		
Charges for services	\$ 11,481,092	\$ 23,318,161
Miscellaneous operating revenue	55,293	483,550
Total Operating Revenues	11,536,385	23,801,711
Operating Expenses		
Operation and maintenance	13,088,206	29,959,061
Depreciation	563,099	1,019,688
Total Operating Expenses	13,651,305	30,978,749
Operating loss	(2,114,920)	(7,177,038)
Nonoperating revenues (expenses)		
Intergovernmental contracts/grants	1,142,000	2,884,184
Property tax appropriation	885,197	4,404,378
Investment income	1,784	
Donations	4,837	
Rental income		65,298
Gain (loss) on disposal of capital assets	8,562	(2,335)
Total nonoperating revenues (expenses)	2,042,380	7,351,525
Income (loss) before contributions and transfers	(72,540)	174,487
Capital contributions - County	522,219	76,809
Transfers In		60,995
Transfers Out		(648,576)
Change in net position	449,679	(336,285)
Net Position - January 1	10,306,465	25,429,669
Net Position - December 31	\$ 10,756,144	\$ 25,093,384

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended December 31, 2016

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	\$	449,679
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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		78,960
		78,960

Change in Net Position of Business-Type Activities as Reported on the Government-wide Statement of Activities	\$	528,639
		528,639

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, 2016

	Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
Cash flows from operating activities		
Receipts from customers and users	\$ 11,349,638	\$ 6,813,151
Receipts from interfund services provided		14,336,156
Other operating cash receipts	54,654	2,698,770
Payments to suppliers	(2,971,459)	(8,697,774)
Other sources of cash	473,432	565,066
Other uses of cash		(1,272,695)
Payments to employees	(7,861,155)	(19,046,393)
Payments for interfund services used	(2,185,006)	(2,155,967)
Net cash used by operating activities	<u>(1,139,896)</u>	<u>(6,759,686)</u>
Cash flows from noncapital financing activities		
Intergovernmental contracts/grants	1,142,000	2,884,184
Property tax appropriation received	885,197	4,404,378
Transfer in		60,995
Transfer out		(648,576)
Net cash provided by noncapital financing activities	<u>2,027,197</u>	<u>6,700,981</u>
Cash flows from capital and related financing activities		
Proceeds from sale of equipment	9,733	141,868
Purchases of capital assets	(172,820)	(1,698,794)
Net cash used by capital and related financing activities	<u>(163,087)</u>	<u>(1,556,926)</u>
Cash flows from investing activities		
Donations	4,837	
Investment income	1,784	
Rental income		65,298
Net cash provided by investing activities	<u>6,621</u>	<u>65,298</u>
Net increase (decrease) in cash and cash equivalents	730,835	(1,550,333)
Cash and cash equivalents - January 1	1,056,162	12,455,471
Cash and cash equivalents - December 31	<u>\$ 1,786,997</u>	<u>\$ 10,905,138</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2016

Enterprise Fund Rocky Knoll	Governmental Activities - Internal Service Funds
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Reconciliation of operating loss to net cash used by operating activities:

Operating loss	\$ (2,114,920)	\$ (7,177,038)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation (net of amortization)	563,099	1,019,688
Change in pension related liabilities (assets) and deferred outflows/inflows of resources	463,737	412,285
Changes in assets and liabilities:		
Accounts receivable	(132,093)	46,366
Due from other governments	2,124	82,844
Prepays and inventory	7,570	67,028
Accounts payable	88,705	(48,817)
Accrued compensated absences	(18,118)	(1,162,042)
Net cash used by operating activities	\$ (1,139,896)	\$ (6,759,686)

Noncash investing, capital and financing activities

Contribution of capital assets - County	\$ 522,219	\$ 76,809
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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, 2016

	Agency Funds
Assets	
Current Assets	
Cash & Investments	\$ 926,911
Receivables (net)	1,518,586
Total Assets	\$ 2,445,497
 Liabilities	
Current Liabilities	
Accounts Payable	\$ 820,946
Deposits	105,965
Due to Other Governments	1,518,586
Total Liabilities	\$ 2,445,497

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, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Sheboygan County, Wisconsin (“the County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the County are described below:

1. Reporting Entity

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

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

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

2. Related Organization

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

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

Payments to the Monarch Library System represent related party transactions, which are not considered to be “arm’s length transactions”. In 2016, payments from Sheboygan County to the

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Library System totaled \$1,220,465. Financial statements of the Monarch Library System can be obtained by contacting the Library System at: 4632 S. Taylor Drive, Sheboygan, WI. 53081.

3. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service, and capital project funds. Proprietary funds include enterprise and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

GENERAL FUND

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

PUBLIC HEALTH AND HUMAN SERVICES

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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. Agency funds include inmate, patient, third party, and other governmental agencies funds.

4. Measurement Focus and Basis of Accounting

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

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

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, 2016

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 price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable have been shown net of allowance for uncollectible accounts of \$1,340,983.

c. Property Taxes Levied for the 2017 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, 2016

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 in both the government-wide and fund financial statements using the consumption method.

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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
Office furniture 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, 2016, 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 has one type of item that qualifies for reporting in this category in the government-wide Statement of Net Position. The item is related to the County's proportionate share of the Wisconsin

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

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 three types of items that qualify for reporting in this category in the government-wide state of net position. The first two are property taxes and grant advances that will be recognized as inflows of resources in the subsequent year for which it was levied or when the time requirement is met. The third is related to the County's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants. 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. Pensions

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE AND PROPRIETARY FUND STATEMENTS

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

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

m. 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, 2016

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, 2016

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, 2016.

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, 2016 as follows:

	Wages & Benefits	Operating Expenses	Interdepartmental Charges	Interest	Capital Outlay
General Fund					
General Government					
Treasurer	\$	\$ 14,634	\$	\$	\$ 177,552
Register of Deeds	8,295				
Medical Examiner	6,685	13,871	1,906		
Court Commissioner	1,432				
Clerk of Courts		111,434			
District Attorney	11,521				
County Clerk	2,738	71,834	7,419		
Building Services	8,779				
Human Resources	10,822				
Non-Departmental		182			
Corporation Counsel	1,125				
County Administrator	1,744				
Public Safety					
Sheriff	256,457				4,577
Public Works					
Airport	3,832	14,641			
Public Health & Human Services					
Veterans Services		4,315	6,696		
Resources and Development					
Planning and Conservation			1,563	1,112	
Special Revenue Funds					
Public Health and Human Services					
Community Programs	120,821				
Elder Services	11,616				
Public Health	62,755				
Social Services	174,631				
Economic Support		74			
Administration	3,908		66,568		

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, 2016

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 \$49,296,285 at December 31, 2016 as summarized below:

Petty cash funds	\$ 14,690
Deposits with financial institutions	42,788
Investments	
Repurchase agreements	8,842,581
Certificates of deposit	5,614,643
Federal agency securities	21,078,034
Municipal bonds	7,583,547
Wisconsin local government investment pool	<u>6,120,002</u>
Total	<u>\$49,296,285</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$48,369,374
Fiduciary Fund Statement of Net Position	
Agency fund	<u>926,911</u>
Total	<u>\$49,296,285</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, 2016

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, 2016, \$872,766 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On December 31, 2016, the County held repurchase agreement investments in the amount of \$8,842,581 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, 2016

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	\$ 8,432,243	\$	\$ 8,432,243	\$	\$	\$
Federal Farm Credit Bank	6,548,668		6,548,668			
Federal Home Loan Mortgage Corp	2,691,940		2,691,940			
Federal National Mortgage Association	2,680,860		2,680,860			
Government National Mortgage Association	724,323					724,323
Certificates of deposit	5,614,643					5,614,643
Municipal bonds	7,583,547		629,179	6,808,592	145,776	
Wisconsin Local Government Investment Pool	6,120,002					6,120,002
Totals	\$ 40,396,226	\$	\$ 20,982,890	\$ 6,808,592	\$ 145,776	\$ 12,458,968

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	\$ 8,432,243	17.13%
Federal Farm Credit Bank	Federal agency securities	6,548,668	13.30%
Federal Home Loan Mortgage Corp	Federal agency securities	2,691,940	5.47%
Federal National Mortgage Association	Federal agency securities	2,680,860	5.44%
State of Wisconsin	Municipal bond	3,024,481	6.14%

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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	\$ 8,432,243	400,256	\$	\$ 1,713,457	\$ 6,318,530
Federal Farm Credit Bank	6,548,668			3,074,802	3,473,866
Federal Home Loan Mortgage Corp	2,691,940			736,425	1,955,515
Federal National Mortgage Association	2,680,860		746,605	495,835	1,438,420
Government National Mortgage Association	724,323				724,323
Certificates of deposit	5,614,643	497,831	1,496,938	3,619,874	
Municipal bonds	7,583,547		564,115	3,522,148	3,497,284
Wisconsin Local Government Investment Pool	6,120,002	6,120,002			
Repurchase agreements	8,842,581	8,842,581			
Totals	\$ 49,238,807	\$ 15,860,670	\$ 2,807,658	\$ 13,162,541	\$ 17,407,938

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	\$ 8,432,243
Federal Farm Credit Bank	6,548,668
Federal Home Loan Mortgage Corp	2,691,940
Federal National Mortgage Association	2,680,860
Government National Mortgage Association	724,323

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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 \$6,120,002 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, 2016, the fair value of the County’s share of the LGIP’s assets was substantially equal to the carrying value.

Fair Value Measurements

The County implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending December 31, 2016. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following fair value measurements as of December 31, 2016:

Investments	Fair Value Measurements Using :		
	Level 1	Level 2	Level 3
Federal Agency Securities	\$	\$ 21,078,034	\$
Certificate of Deposit		5,614,643	
Municipal Bonds		7,583,547	
Total investments by fair value level	\$	\$ 34,276,224	\$

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

2. Property Tax Apportionments

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

Property taxes recorded on December 31, 2016 for collection in 2017 are for the following:

State apportionment	\$ 1,485,796
County apportionment	<u>47,861,055</u>
Total	<u>\$ 49,346,851</u>

The above County apportionment of \$47,861,055 is for financing 2017 operations and will be transferred in 2017 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, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

On December 31, 2016, the County’s general fund showed an investment of \$1,650,192 in delinquent tax certificates. An aging of the delinquent taxes certificates follows:

Year Acquired	Total	County Share	County Purchased
2016	\$ 943,534	\$ 234,940	\$ 708,594
2015	491,925	119,538	372,387
2014	178,950	42,053	136,897
2013	14,820	3,468	11,352
2012	10,201	2,356	7,845
2011	6,756	1,554	5,202
2010	2,027	468	1,559
2009	829	201	628
2008	174	43	131
2007	171	45	126
Prior to 2007	805	208	597
Delinquent property taxes at December 31, 2016	<u>\$ 1,650,192</u>	404,874	1,245,318
Less 60 day collections after December 31, 2016		<u>55,394</u>	<u>171,474</u>
County Share of Taxes		349,480	
Interest accrued		<u>470,446</u>	
Deferred Inflow of Resources		<u>\$ 819,926</u>	
Nonspendable Fund Balance (purchased equities of state and local governments)			<u>\$ 1,073,844</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

4. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 14,987,232	\$ 700,460	\$ 157,904	\$ 15,529,788
Construction in progress	11,214,902	8,187,839	16,775,405	2,627,336
Total capital assets, not being depreciated	<u>26,202,134</u>	<u>8,888,299</u>	<u>16,933,309</u>	<u>18,157,124</u>
Capital assets, being depreciated				
Buildings	68,219,096	1,841,216	24,999	70,035,313
Improvements other than buildings	11,491,374	148,828	12,312	11,627,890
Infrastructure	122,968,744	5,746,491	234,358	128,480,877
Machinery and equipment	17,699,307	946,262	365,440	18,280,129
Office furniture and equipment	21,533,970	9,441,967	157,828	30,818,109
Vehicles	12,870,356	1,418,104	1,031,605	13,256,855
Subtotals	<u>254,782,847</u>	<u>19,542,868</u>	<u>1,826,542</u>	<u>272,499,173</u>
Less accumulated depreciation for:				
Buildings	(44,813,378)	(2,050,268)	24,759	(46,838,887)
Improvements other than buildings	(8,261,825)	(299,068)	12,289	(8,548,604)
Infrastructure	(51,105,489)	(4,612,611)	234,358	(55,483,742)
Machinery and equipment	(12,191,208)	(531,586)	312,721	(12,410,073)
Office furniture and equipment	(18,353,423)	(879,201)	157,376	(19,075,248)
Vehicles	(8,276,471)	(880,319)	940,120	(8,216,670)
Subtotals	<u>(143,001,794)</u>	<u>(9,253,053)</u>	<u>1,681,623</u>	<u>(150,573,224)</u>
Total capital assets, being depreciated, net	<u>111,781,053</u>	<u>10,289,815</u>	<u>144,919</u>	<u>121,925,949</u>
Governmental activities capital assets, net	<u>\$ 137,983,187</u>	<u>\$ 19,178,114</u>	<u>\$ 17,078,228</u>	<u>140,083,073</u>
Less related long-term debt outstanding				<u>26,146,257</u>
Net investment in capital assets				<u>\$ 113,936,816</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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	14,957,906	522,218		15,480,124
Improvements other than buildings	566,944	57,091		624,035
Machinery and equipment	4,680,319	76,476	27,062	4,729,733
Office furniture and equipment	872,624	8,400	48,626	832,398
Vehicles	190,473	30,855	57,607	163,721
Subtotals	21,268,266	695,040	133,295	21,830,011
Less accumulated depreciation for:				
Buildings	(8,267,131)	(387,393)		(8,654,524)
Improvements other than buildings	(412,619)	(19,471)		(432,090)
Machinery and equipment	(4,372,944)	(74,418)	27,062	(4,420,300)
Office furniture and equipment	(739,248)	(62,080)	47,455	(753,873)
Vehicles	(155,423)	(19,737)	57,607	(117,553)
Subtotals	(13,947,365)	(563,099)	132,124	(14,378,340)
Total capital assets, being depreciated, net	7,320,901	131,941		7,451,671
Business-type activities capital assets, net	\$ 7,352,651	\$ 131,941	\$	7,483,421
Less related long-term debt outstanding				
Investment in capital assets				<u>\$ 7,483,421</u>

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

Governmental activities:	
Public health and human services	\$ 178,998
Public works	4,709,597
Resources and development	207,452
Education	612,410
General government	1,148,176
Public safety	<u>1,376,732</u>
Total depreciation expense – governmental activities	8,233,365
Capital assets held by the County’s internal service funds are charged to various functions based on their usage of the assets	<u>1,019,688</u>
Total depreciation expense – governmental activities	<u>\$9,253,053</u>
Business-type activities:	
Rocky Knoll	<u>\$ 563,099</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Construction Commitment

The County has several unfinished construction projects in progress as of December 31, 2016. Major projects include combined dispatch center remodel and expansion and transportation complex. At year-end the County had contracts outstanding for work to be done of \$530,758. A combination of general obligation bonds, fund balance, and intergovernmental revenue are financing these projects.

5. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables between individual funds of the County, as reported in the fund financials statements, as of December 31, 2016 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 217,704	\$
Public Health and Human Services		217,704
Totals	\$ 217,704	\$ 217,704

Interfund transfers for the year ended December 31, 2016 were as follows:

	Transfer to:				Total
	General Fund	Debt Service	Capital Projects	Governmental Activities - Internal Service Funds	
Transfers from:					
General Fund	\$	\$	\$ 27,735	\$ 60,995	\$ 88,730
Public Safety Special Revenue Fund	81,699				81,699
Public Health and Human Services	713,948				713,948
Capital Projects		328,044			328,044
Governmental Activities - Internal Service Funds			648,576		648,576
	\$ 795,647	\$ 328,044	\$ 676,311	\$ 60,995	\$ 1,860,997

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, 2016

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, 2016:

	Outstanding 1/1/2016	Issued	Retired	Outstanding 12/31/2016	Due Within One Year
Governmental activities:					
General obligation debt					
Bonds	\$ 3,785,000	\$ 3,265,000	\$ 920,000	\$ 6,130,000	\$ 2,235,000
Notes	34,850,000		8,250,000	26,600,000	3,710,000
Total general obligation debt	38,635,000	3,265,000	9,170,000	32,730,000	5,945,000
Capital leases	17,243		6,149	11,094	6,546
Bond premiums	1,434,422	72,745	281,684	1,225,483	233,342
Compensated absences	6,024,147	3,764,904	3,823,279	5,965,772	190,321
Governmental activities long-term obligations	\$ 46,110,812	\$ 7,102,649	\$ 13,281,112	\$ 39,932,349	\$ 6,375,209
Business-type activities:					
Compensated absences	\$ 748,505	\$ 564,756	\$ 609,700	\$ 703,561	\$ 34,416
Business-type activities long-term obligations	\$ 748,505	\$ 564,756	\$ 609,700	\$ 703,561	\$ 34,416

Total interest paid during the year on long-term debt totaled \$1,024,413.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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 2.62% to 3.42%	\$ 1,475,000
\$2,265,000 - Series 2014, various amounts due through December 1, 2019; interest 1.75% to 2%	1,390,000
\$3,265,000 - Series 2016, various amounts due through May 1, 2019; interest 2%	3,265,000
	6,130,000
Notes:	
\$6,385,000 - Series 2010, issued under the Build America Bond Program, various amounts due through May 1, 2020; interest 2.35% to 3.85%	3,310,000
\$9,590,000 - Series 2013, various amounts due through May 1, 2018; interest 2%	1,565,000
\$14,575,000 - Series 2014, various amounts due through May 1, 2023; interest 2% to 4%	12,455,000
\$9,500,000 - Series 2015, various amounts due through May 1, 2025; interest 2% to 3%	9,270,000
	26,600,000
Total outstanding general obligation debt	\$ 32,730,000

The annual principal and interest payments on general obligation debt as of December 31, 2016, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2017	\$ 5,945,000	\$ 876,900
2018	5,685,000	742,282
2019	5,255,000	599,517
2020	3,725,000	461,209
2021	3,075,000	349,200
2022	3,175,000	248,050
2023	3,285,000	137,075
2024	1,275,000	58,425
2025	1,310,000	19,650
	\$ 32,730,000	\$ 3,492,308

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, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Build America Bond

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

Capital Lease

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

	Governmental Activities
Asset:	
Vehicle	\$ 26,512
Less Accumulated Depreciation	(15,418)
Total	\$ 11,094

The annual principal and interest maturities are as follows:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2017	\$ 6,546	\$ 715	\$ 7,261
2018	4,548	294	4,842
	\$ 11,094	\$ 1,009	\$ 12,103

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2016 was \$405,987,615 as follows:

Equalized valuation of the County		\$ 8,755,117,500
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		437,755,875
Total outstanding general obligation debt applicable to debt limitation	\$ 32,730,000	
Less: Amount available for financing general obligation debt		
Debt service fund	961,740	
Net outstanding general obligation debt applicable to debt limitation		31,768,260
Legal Margin for New Debt		\$ 405,987,615

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Current Refunding

During 2016, the County currently refunded general obligation bond issues from 2008 and 2010. The County issued \$3,265,000 of general obligation refunding bonds to call the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next three years by \$65,885 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$67,610.

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 project and transportation fund expenditures. The unassigned fund balance at year end was \$17,828,037 or 14% of 2017 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 23% of the total governmental fund expenditures (excluding capital project fund expenditures).

Fund Statements

In the fund financial statements, portions of governmental fund balances are nonspendable because amounts are not in spendable form (such as inventory, prepaid items, or long-term receivables) or legally or contractually required to remain intact. At December 31, 2016 fund balance was nonspendable as follows:

General Fund	
Nonspendable	
Prepays and inventory	\$ 80,380
Delinquent property taxes	<u>1,073,844</u>
Total	<u>\$1,154,224</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, 2016 fund balance was restricted as follows:

General Fund	
Restricted	
Jail assessment fees	\$246,386
Land record fees	<u>612,466</u>
Total	<u>\$858,852</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Debt Service Fund	
Restricted	
Debt Service	<u>\$ 961,740</u>
Capital Project Fund	
Restricted	
Capital projects	<u>\$6,345,320</u>
Community Development Fund	
Restricted	
Community development	<u>\$ 762,178</u>

Also in the fund financial statements portions of governmental fund balances are committed by County Board action. At December 31, 2016 fund balance was committed as follows:

General Fund	
Committed	
UW Extension funds	\$ 20,573
County airport funds	83,235
Planning and conservation programs	<u>50,165</u>
Total	<u>\$153,973</u>

Also in the fund financial statements portions of governmental fund balances are assigned by County Board action. At December 31, 2016 fund balance was assigned as follows:

General Fund	
Assigned	
Subsequent years' expenditures	\$ 958,034
Veterans Services programs	4,201
Planning and conservation programs	178,228
Capital Projects 2017 fund balance usage	<u>2,627,120</u>
Total	<u>\$ 3,767,583</u>
Public Health and Human Services –	
Assigned	
Public health and human services programs	<u>\$542,500</u>
Public Safety Fund	
Assigned	
Sheriff equipment funds	<u>\$37,335</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 2016 through 2057. Although some operating leases extend as far as 2057, rates are re-negotiated annually. The table below represents the current annual negotiated rates by tenant category.

Industrial & commercial	\$ 83,126
Individual	21,625
Agricultural	<u>24,282</u>
	<u>\$129,033</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

9. Pension Plan

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3%
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

Contributions

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

During the reporting period, the WRS recognized \$2,740,719 in contributions from the County.

Contribution rates as of December 31, 2016 are:

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

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

At December 31, 2016, the County reported a liability of \$4,681,689 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the County's proportion was 0.28810731%, which was a decrease of 0.00408129% from its proportion measured as of December 31, 2014.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

For the year ended December 31, 2016, the County recognized pension expense of \$5,691,684.

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 792,009	\$ 9,852,533
Net differences between projected and actual earnings on pension plan investments	19,168,170	
Changes in assumptions	3,275,513	
Changes in proportion and differences between employer contributions and proportionate share of contributions	176,783	
Employer contributions subsequent to the measurement date	2,797,040	
Total	\$ 26,209,515	\$ 9,852,533

\$2,797,040 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflow of Resources	Deferred Inflow of Resources
2016	\$ 6,080,124	\$ 2,384,331
2017	6,080,124	2,384,331
2018	6,080,124	2,384,331
2019	6,080,124	2,384,331
2020	107,778	315,209
Total	\$ 23,412,475	\$ 9,852,533

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumption

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

Retirement Funds

Asset Allocation Targets and Expected Returns

As of December 31, 2015

<u>Core Fund Asset Class</u>	Current Asset <u>Allocation %</u>	Destination Target Asset <u>Allocation %</u>	Long-Term Expected Nominal <u>Rate of Return %</u>	Long-Term Expected Real <u>Rate of Return %</u>
US Equities	27%	23%	7.6%	4.7%
International Equities	24.5%	22%	8.5%	5.6%
Fixed Income	27.5%	37%	4.4%	1.6%
Inflation Sensitive Assets	10%	20%	4.2%	1.4%
Real Estate	7%	7%	6.5%	3.6%
Private Equity/Debt	7%	7%	9.4%	6.5%
Multi-Asset	4%	4%	6.7%	3.8%
Total Core Fund	107%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equities	70%	70%	7.6%	4.7%
International Equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5.0%

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

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

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.57%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension liability (asset)	\$ 32,837,448	\$ 4,681,689	\$ (17,308,463)

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE C – DETAILED NOTES ON ALL FUNDS (Continued)

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

Payable to the WRS

At December 31, 2016 the County reported a payable of \$274,255 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2016.

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

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	2015	2016
Liability, beginning of year	\$ 75,033	\$ 123,883
Current year claims and changes in estimates	129,925	(26,997)
Claim payments	(81,075)	(38,270)
Liability, end of year	<u>\$ 123,883</u>	<u>\$ 58,616</u>

Self-Insurance – Worker's Compensation

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE D – OTHER INFORMATION (Continued)

Self-Insurance – Health and Dental Coverage

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

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

WCA/GHT purchased stop-loss insurance for individual health insurance claims in excess of \$250,000. In addition, the health insurance claim payments shown below include self-funded dental payments of \$786,737.

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	2015	2016
Liabilities, beginning of year	\$ 1,625,000	\$ 1,625,000
Current year claims and changes in estimates	11,293,852	11,551,112
Claims payments	(11,293,852)	(12,878,793)
Liabilities, end of year	<u>\$ 1,625,000</u>	<u>\$ 297,319</u>

2. Contingencies

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

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to the Basic Financial Statements
December 31, 2016

NOTE D – OTHER INFORMATION (Continued)

3. Tax Levy Limit

Wisconsin Act 25 imposed a limit on the property tax levies for all Wisconsin cities, villages, towns and counties for a two-year period effective July 27, 2005. Subsequent legislation has extended the levy limit through 2017. The current law limits the increase in the maximum allowable tax levy to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2017 budget was 1.35%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, the Act allows the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

4. Subsequent Event

On May 16, 2017 the County Board authorized the issuance of \$10,000,000 of General Obligation Promissory Notes, dated June 13, 2017. The notes will be used to finance part of the cost of capital improvements within the County.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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

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

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

See Notes to Required Supplementary Information

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

	2015	2016
Contractually required contributions	\$ 2,821,547	\$ 2,740,719
Contributions in relation to the contractually required contributions	\$ 2,821,547	\$ 2,740,719
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll (fiscal year)	\$ 38,308,649	\$ 39,639,774
Contributions as a percentage of covered-employee payroll	7.37%	6.91%

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

See Notes to Required Supplementary Information

COUNTY OF SHEBOYGAN, WISCONSIN
Notes to Required Supplementary Information
December 31, 2016

NOTE A – WISCONSIN RETIREMENT

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

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Balance Sheet
NonMajor Governmental Funds
December 31, 2016

	Special Revenue Funds		Total NonMajor Governmental Funds
	Public Safety	Community Development	
Assets			
Cash and investments	\$ 37,335	\$ 762,178	\$ 799,513
Receivables			
Loans		1,539,150	1,539,150
Total Assets	<u>\$ 37,335</u>	<u>\$ 2,301,328</u>	<u>\$ 2,338,663</u>
Deferred Inflows of Resources and Fund Balances			
Deferred Inflows of Resources			
Loans receivable		\$ 1,539,150	\$ 1,539,150
Fund Balances			
Restricted		762,178	762,178
Assigned	37,335		37,335
Total Fund Balances	<u>37,335</u>	<u>762,178</u>	<u>799,513</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 37,335</u>	<u>\$ 2,301,328</u>	<u>\$ 2,338,663</u>

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - NonMajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds		Total NonMajor Governmental Funds
	Public Safety	Community Development	
Revenues			
Public charges for services	\$ 220		\$ 220
Miscellaneous	42,200	439,856	482,056
Total Revenues	<u>42,420</u>	<u>439,856</u>	<u>482,276</u>
Expenditures			
Current:			
Public safety	32,220		32,220
Resources and development		135,235	135,235
Total Expenditures	<u>32,220</u>	<u>135,235</u>	<u>167,455</u>
Excess of revenues over expenditures	<u>10,200</u>	<u>304,621</u>	<u>314,821</u>
Other Financing Uses			
Transfers out	<u>(81,699)</u>		<u>(81,699)</u>
Net change in fund balances	(71,499)	304,621	233,122
Fund balances, January 1	108,834	457,557	566,391
Fund balances, December 31	<u>\$ 37,335</u>	<u>\$ 762,178</u>	<u>\$ 799,513</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
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 6,311,747	\$ 6,311,747	\$ 6,311,747	\$
Miscellaneous	597,518	597,518	580,345	(17,173)
Total Revenues	6,909,265	6,909,265	6,892,092	(17,173)
EXPENDITURES				
Principal	5,755,000	5,755,000	5,890,000	(135,000)
Interest and other charges	1,210,466	1,210,466	1,078,138	132,328
Total Expenditures	6,965,466	6,965,466	6,968,138	(2,672)
Deficiency of revenues under expenditures	(56,201)	(56,201)	(76,046)	(19,845)
Other Financing Sources (Uses)				
Premium on long-term debt issued			72,745	72,745
Long term debt issued			3,265,000	3,265,000
Payment to current noteholder			(3,280,000)	(3,280,000)
Transfer in			328,044	328,044
Total Other Financing Sources (Uses)			385,789	385,789
Net Change in Fund Balance	\$ (56,201)	\$ (56,201)	\$ 309,743	\$ 365,944

Capital Project Funds

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

COUNTY OF SHEBOYGAN, WI
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,168,000	\$ 2,168,000	\$ 877,645	\$ (1,290,355)
Miscellaneous	134,000	134,000	199,083	65,083
Total Revenues	<u>2,302,000</u>	<u>2,302,000</u>	<u>1,076,728</u>	<u>(1,225,272)</u>
EXPENDITURES				
Capital outlay	8,037,000	8,180,799	6,987,678	1,193,121
Total Expenditures	<u>8,037,000</u>	<u>8,180,799</u>	<u>6,987,678</u>	<u>1,193,121</u>
Deficiency of revenues under expenditures	<u>(5,735,000)</u>	<u>(5,878,799)</u>	<u>(5,910,950)</u>	<u>(32,151)</u>
Other Financing Sources (Uses)				
Long-term debt issued	5,500,000	5,500,000		(5,500,000)
Transfer in	235,000	678,576	676,311	(2,265)
Transfer out			(328,044)	(328,044)
Total Other Financing Sources (Uses)	<u>5,735,000</u>	<u>6,178,576</u>	<u>348,267</u>	<u>(5,830,309)</u>
Net Change in Fund Balance	<u>\$</u>	<u>\$ 299,777</u>	<u>\$ (5,562,683)</u>	<u>\$ (5,862,460)</u>

Internal Service Funds

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

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

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Statement of Net Position
Internal Service Funds
December 31, 2016

Governmental Activities - Internal Service Funds				
	Employee Benefits & Insurance	Information Technology & Printing	Highway	Total
Assets				
Current assets				
Cash and investments	\$ 8,491,141	\$ 1,045,681	\$ 1,368,316	\$ 10,905,138
Receivables (net)				
Taxes			3,821,378	3,821,378
Accounts	53,890	3,663	24,699	82,252
Due from external parties		1,577	404,307	405,884
Prepays and inventory	70,702	170,464	1,792,407	2,033,573
Total Current Assets	8,615,733	1,221,385	7,411,107	17,248,225
Noncurrent assets				
Capital assets, nondepreciable				
Land			3,104,201	3,104,201
Capital assets, depreciable				
Buildings		74,706	4,362,265	4,436,971
Land improvements		35,701	815,706	851,407
Machinery and equipment	5,700	66,089	13,534,093	13,605,882
Office furniture and equipment	39,777	5,020,665	24,855	5,085,297
Vehicles		17,149	9,731,214	9,748,363
Less Accumulated depreciation	(45,477)	(4,643,019)	(19,507,674)	(24,196,170)
Total Noncurrent Assets		571,291	12,064,660	12,635,951
Total Assets	8,615,733	1,792,676	19,475,767	29,884,176
Deferred Outflows of Resources				
Deferred outflows related to pension		289,675	3,316,980	3,606,655
Liabilities				
Current liabilities				
Accounts payable	6,576	48,741	348,696	404,013
Accrued and other current liabilities	1,007,598			1,007,598
Accrued compensation		33,554	458,397	491,951
Current maturities of long-term obligations			62,952	62,952
Total Current Liabilities	1,014,174	82,295	870,045	1,966,514
Noncurrent liabilities				
Long-term obligations		90,929	517,105	608,034
Net pension liability		51,380	593,340	644,720
Total Noncurrent Liabilities		142,309	1,110,445	1,252,754
Total Liabilities	1,014,174	224,604	1,980,490	3,219,268
Deferred Inflows of Resources				
Property taxes levied for subsequent year			3,821,378	3,821,378
Deferred inflows related to pension		108,128	1,248,673	1,356,801
Total Deferred Inflows of Resources		108,128	5,070,051	5,178,179
Net Position				
Investment in capital assets		571,291	12,064,660	12,635,951
Unrestricted	7,601,559	1,178,328	3,677,546	12,457,433
Total Net Position	\$ 7,601,559	\$ 1,749,619	\$ 15,742,206	\$ 25,093,384

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2016

	Governmental Activities - Internal Service Funds			
	Employee Benefits & Insurance	Information Technology & Printing	Highway	Total
Operating Revenues				
Charges for services	\$ 12,889,195	\$ 2,171,330	\$ 8,257,636	\$ 23,318,161
Miscellaneous operating revenue	463,407	6,030	14,113	483,550
Total Operating Revenues	13,352,602	2,177,360	8,271,749	23,801,711
Operating Expenses				
Operation and maintenance	13,026,794	1,863,341	15,068,926	29,959,061
Depreciation		148,352	871,336	1,019,688
Total Operating Expenses	13,026,794	2,011,693	15,940,262	30,978,749
Operating Income (Loss)	325,808	165,667	(7,668,513)	(7,177,038)
Nonoperating revenues (expenses)				
Intergovernmental contracts/grants			2,884,184	2,884,184
Property tax appropriation		3,066	4,401,312	4,404,378
Rental income	60,486		4,812	65,298
Gain (loss) on disposal of capital assets			(2,335)	(2,335)
Total nonoperating revenues (expenses)	60,486	3,066	7,287,973	7,351,525
Income (loss) before contributions and transfers	386,294	168,733	(380,540)	174,487
Capital contributions - County		76,809		76,809
Transfers In			60,995	60,995
Transfers Out		(648,576)		(648,576)
Change in net position	386,294	(403,034)	(319,545)	(336,285)
Net Position - January 1	7,215,265	2,152,653	16,061,751	25,429,669
Net Position - December 31	\$ 7,601,559	\$ 1,749,619	\$ 15,742,206	\$ 25,093,384

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

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

Cash flows from operating activities

Receipts from customers and users	\$ 89,238	\$ 69,098	\$ 6,654,815	\$ 6,813,151
Receipts from interfund services provided	10,641,027	2,100,104	1,595,025	14,336,156
Other operating cash receipts	2,655,886	6,030	36,854	2,698,770
Payments to suppliers	(1,133,097)	(1,194,747)	(6,369,930)	(8,697,774)
Other sources of cash		55,816	509,250	565,066
Other uses of cash	(1,272,695)			(1,272,695)
Payments to employees	(12,134,068)	(618,444)	(6,293,881)	(19,046,393)
Payments for interfund services used	(33,825)	(116,372)	(2,005,770)	(2,155,967)
Net cash provided (used) by operating activities	(1,187,534)	301,485	(5,873,637)	(6,759,686)

Cash flows from noncapital financing activities

Intergovernmental contracts/grants			2,884,184	2,884,184
Property tax appropriation received		3,066	4,401,312	4,404,378
Transfer in			60,995	60,995
Transfer out		(648,576)		(648,576)
Net cash provided (used) by financing activities		(645,510)	7,346,491	6,700,981

Cash flows from capital and related financing activities

Proceeds from sale of capital assets			141,868	141,868
Purchases of capital assets		(47,097)	(1,651,697)	(1,698,794)
Net cash used by capital and related financing activities		(47,097)	(1,509,829)	(1,556,926)

Cash flows from investing activities

Rental income	60,486		4,812	65,298
Net cash provided by investing activities	60,486		4,812	65,298
Net decrease in cash and cash equivalents	(1,127,048)	(391,122)	(32,163)	(1,550,333)
Cash and cash equivalents - January 1	9,618,189	1,436,803	1,400,479	12,455,471
Cash and cash equivalents - December 31	\$ 8,491,141	\$ 1,045,681	\$ 1,368,316	\$ 10,905,138

COUNTY OF SHEBOYGAN, WISCONSIN
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended December 31, 2016

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

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

Operating income (loss)	\$ 325,808	\$ 165,667	\$ (7,668,513)	\$ (7,177,038)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation (net of amortization)		148,352	871,336	1,019,688
Change in pension related liabilities (assets) and deferred outflows/inflows of resources		25,396	386,889	412,285
Changes in assets and liabilities:				
Accounts receivable	33,548	(2,127)	14,945	46,366
Due from external parties		3,060	79,784	82,844
Prepays and inventory	(2,909)	27,360	42,577	67,028
Accounts payable and accrued expenses	(274,196)	(39,632)	265,011	(48,817)
Accrued compensated absences	(1,269,785)	(26,591)	134,334	(1,162,042)
Net cash provided (used) by operating activities	<u>\$ (1,187,534)</u>	<u>\$ 301,485</u>	<u>\$ (5,873,637)</u>	<u>\$ (6,759,686)</u>

Noncash investing, capital and financing activities

Contribution of capital assets - County	\$ 76,809		\$ 76,809	
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Agency Funds

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

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

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

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

COUNTY OF SHEBOYGAN, WISCONSIN
Statement of Changes in Assets and Liabilities - Fiduciary Fund
Agency Funds
For the Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
Clerk of Courts Fund				
Assets				
Cash & investments	\$ 573,262	\$ 5,332,571	\$ 5,084,887	\$ 820,946
Total Assets	<u>573,262</u>	<u>5,332,571</u>	<u>5,084,887</u>	<u>820,946</u>
Liabilities				
Current Liabilities				
Accounts Payable	573,262	10,709,758	10,462,074	820,946
Total Liabilities	<u>573,262</u>	<u>10,709,758</u>	<u>10,462,074</u>	<u>820,946</u>
Sheriff Inmate Trust Fund				
Assets				
Cash & investments	53,764	1,546,593	1,526,151	74,206
Total Assets	<u>53,764</u>	<u>1,546,593</u>	<u>1,526,151</u>	<u>74,206</u>
Liabilities				
Current Liabilities				
Deposits	53,764	1,546,593	1,526,151	74,206
Total Liabilities	<u>53,764</u>	<u>1,546,593</u>	<u>1,526,151</u>	<u>74,206</u>
Rocky Knoll Patient Fund				
Assets				
Cash & investments	57,749	19,468	47,748	29,469
Total Assets	<u>57,749</u>	<u>19,468</u>	<u>47,748</u>	<u>29,469</u>
Liabilities				
Current Liabilities				
Deposits	57,749	19,468	47,748	29,469
Total Liabilities	<u>57,749</u>	<u>19,468</u>	<u>47,748</u>	<u>29,469</u>
Treasurer Trust Account				
Assets				
Cash & investments	2,290			2,290
Receivables (net)	1,471,390	1,518,586	1,471,390	1,518,586
Total Assets	<u>1,473,680</u>	<u>1,518,586</u>	<u>1,471,390</u>	<u>1,520,876</u>
Liabilities				
Current Liabilities				
Deposits	2,290			2,290
Due to other governments	1,471,390	1,471,390	1,424,194	1,518,586
Total Liabilities	<u>1,473,680</u>	<u>1,471,390</u>	<u>1,424,194</u>	<u>1,520,876</u>
All Agency Funds				
Assets				
Cash & investments	687,065	6,898,632	6,658,786	926,911
Receivables (net)	1,471,390	1,518,586	1,471,390	1,518,586
Total Assets	<u>2,158,455</u>	<u>6,898,632</u>	<u>6,658,786</u>	<u>2,445,497</u>
Liabilities				
Current Liabilities				
Accounts payable	573,262	10,709,758	10,462,074	820,946
Deposits	113,803	1,566,061	1,573,899	105,965
Due to other governments	1,471,390	1,471,390	1,424,194	1,518,586
Total Liabilities	<u>\$ 2,158,455</u>	<u>\$ 13,747,209</u>	<u>\$ 13,460,167</u>	<u>\$ 2,445,497</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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 74,827	\$ 78,593	\$ 86,256	\$ 88,965	\$ 93,177	\$ 94,537	\$ 97,989	\$ 108,499	\$ 113,184	\$ 113,937
Restricted	2,322	1,361	685	757	1,995	3,802	2,904	3,215	9,892	3,974
Unrestricted	13,757	13,243	9,110	12,397	15,022	23,610	28,243	26,174	37,668	42,546
Total Governmental Activities Net Position	\$ 90,906	\$ 93,197	\$ 96,051	\$ 102,119	\$ 110,194	\$ 121,949	\$ 129,136	\$ 137,888	\$ 160,744	\$ 160,457
Business-type Activities										
Net investment in capital assets	\$ 12,197	\$ 11,435	\$ 11,039	\$ 9,651	\$ 9,083	\$ 8,380	\$ 7,899	\$ 7,738	\$ 7,352	\$ 7,483
Restricted									1,088	
Unrestricted (Deficit)	5,347	5,208	4,350	1,672	(1,060)	(714)	(14)		1,523	3,008
Total Business-type Activities Net Position	\$ 17,544	\$ 16,643	\$ 15,389	\$ 11,323	\$ 8,023	\$ 7,666	\$ 7,885	\$ 7,738	\$ 9,963	\$ 10,491
Total Primary Government										
Net investment in capital assets	\$ 87,024	\$ 90,028	\$ 97,295	\$ 98,616	\$ 102,260	\$ 102,917	\$ 105,888	\$ 116,237	\$ 120,536	\$ 121,420
Restricted	2,322	1,361	685	757	1,995	3,802	2,904	3,215	10,980	3,974
Unrestricted	19,104	18,451	13,460	14,069	13,962	22,896	28,229	26,174	39,191	45,554
Total Primary Government Net Position	\$ 108,450	\$ 109,840	\$ 111,440	\$ 113,442	\$ 118,217	\$ 129,615	\$ 137,021	\$ 145,626	\$ 170,707	\$ 170,948

COUNTY OF SHEBOYGAN, WISCONSIN

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 12,461	\$ 12,857	\$ 12,959	\$ 11,980	\$ 17,749	\$ 13,271	\$ 12,876	\$ 12,042	\$ 14,113	\$ 16,506
Public safety	17,813	18,124	19,572	19,067	17,060	18,742	18,387	18,372	18,541	21,007
Public works	17,225	21,644	17,290	15,599	16,819	18,678	14,104	15,319	15,972	16,022
Public health and human services	49,515	41,349	34,716	32,133	30,561	30,664	29,859	31,397	31,210	33,763
Resources and development	2,633	3,318	3,534	2,669	2,976	6,384	2,314	4,035	2,913	2,339
Education	1,220	1,213	1,365	1,372	572	1,220	1,211	1,267	1,213	1,182
Interest on long term debt	1,452	1,284	1,176	1,416	1,091	877	934	1,382	1,106	1,089
Total governmental activities expenses	102,319	99,789	90,612	84,236	86,828	89,836	79,685	83,814	85,068	91,908
Business-type activities:										
Rocky Knoll	22,584	19,790	18,401	17,489	16,449	14,363	13,620	13,671	13,377	13,572
Total business-type activities expenses	22,584	19,790	18,401	17,489	16,449	14,363	13,620	13,671	13,377	13,572
Total primary government expenses	\$ 124,903	\$ 119,579	\$ 109,013	\$ 101,725	\$ 103,277	\$ 104,199	\$ 93,305	\$ 97,485	\$ 98,445	\$ 105,480
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 2,435	\$ 2,323	\$ 2,854	\$ 2,873	\$ 2,095	\$ 1,154	\$ 1,616	\$ 1,298	\$ 1,961	\$ 1,914
Public safety	1,670	1,752	1,545	1,706	1,611	1,159	1,147	1,258	1,334	1,337
Public works	578	4,697	2,008	225	4,384	5,995	268	252	349	104
Public health and human services	5,781	5,616	3,579	3,116	2,558	2,259	3,645	3,374	4,063	4,235
Resources and development	522	318	457	90	331	2,118	588	1,312	666	472
Education	15	20	19	20	23	28	26	26	32	21
Interest on long term debt	544	547	548	547	542	515	512	516	518	519
Operating grants and contributions	47,653	40,770	37,176	27,226	28,396	29,448	24,233	30,474	30,226	28,141
Capital grants and contributions				3,308	2,042	515	2,239	741	223	198
Total governmental activities program revenues	\$ 59,198	\$ 56,043	\$ 48,186	\$ 39,111	\$ 41,982	\$ 43,191	\$ 34,274	\$ 39,251	\$ 39,372	\$ 36,941
Business-type activities:										
Charges for Services:										
Rocky Knoll	13,542	12,273	12,155	12,161	11,641	11,573	11,334	11,096	11,306	11,481
Operating grants and contributions	1,811	908	1,071	1,156	1,403	1,711	1,194	1,100	1,226	1,142
Capital grants and contributions				44			57	191		522
Total business-type activities program revenues	\$ 15,353	\$ 13,181	\$ 13,226	\$ 13,361	\$ 13,044	\$ 13,284	\$ 12,585	\$ 12,387	\$ 12,532	\$ 13,145
Net (expense) revenue										
Governmental activities	(43,121)	(43,746)	(42,426)	(45,125)	(44,846)	(46,645)	(45,411)	(44,563)	(45,696)	(54,967)
Business-type activities	(7,231)	(6,609)	(5,175)	(4,128)	(3,405)	(1,079)	(1,035)	(1,284)	(845)	(427)
Total primary government net expense	\$ (50,352)	\$ (50,355)	\$ (47,601)	\$ (49,253)	\$ (48,251)	\$ (47,724)	\$ (46,446)	\$ (45,847)	\$ (46,541)	\$ (55,394)

COUNTY OF SHEBOYGAN, WISCONSIN

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 39,518	\$ 40,121	\$ 41,241	\$ 41,873	\$ 44,053	\$ 44,308	\$ 45,126	\$ 45,155	\$ 46,233	\$ 47,548
Other taxes	16	37	5	13	7	13	8	4	11	25
Grants and contributions	352	287	404	5,019	4,214	3,558	3,572	3,862	4,416	3,938
Investment earnings	3,190	3,033	1,665	1,409	1,861	1,886	704	2,380	1,971	1,987
Miscellaneous	3,675	2,569	2,004	1,237	1,555	1,518	1,679	1,915	3,603	1,181
Special item - Other Post Employment Benefit										
Adjustment							1,062			
Transfers	(211)	(10)	(39)	1,642	1,231		(11)		(1)	
Total governmental activities	46,540	46,037	45,280	51,193	52,921	51,283	52,140	53,316	56,233	54,679
Business-type activities:										
Property taxes	5,860	4,638	3,033	2,354	1,327	687	802	846	835	885
Grants and contributions	3	16		45		1	12	262	1	5
Investment earnings	(1,896)	993	796	(746)	10			1		2
Miscellaneous		50	53	51		34	10	28	35	64
Special item - Other Post Employment Benefit										
Adjustment							419			
Transfers	211	10	39	(1,642)	(1,231)		11		1	
Total business-type activities	4,178	5,707	3,921	62	106	722	1,254	1,137	872	956
Total primary government	\$ 50,718	\$ 51,744	\$ 49,201	\$ 51,255	\$ 53,027	\$ 52,005	\$ 53,394	\$ 54,453	\$ 57,105	\$ 55,635
Change in Net Position										
Governmental activities	\$ 3,419	\$ 2,291	\$ 2,854	\$ 6,068	\$ 8,075	\$ 4,638	\$ 6,729	\$ 8,753	\$ 10,537	\$ (288)
Cumulative effect of change in accounting principle						(308)			12,318	
Prior period adjustment						7,426	457			
Business-type activities	(3,053)	(902)	(1,254)	(4,066)	(3,299)	(357)	219	(147)	27	529
Cumulative effect of change in accounting principle									2,199	
Total primary government	\$ 366	\$ 1,389	\$ 1,600	\$ 2,002	\$ 4,776	\$ 11,399	\$ 7,405	\$ 8,606	\$ 25,081	\$ 241

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

	2007	2008	2009	2010
General Fund				
Reserved	\$ 4,137,892	\$ 3,862,901	\$ 3,494,013	\$ 4,496,632
Unreserved				
Undesignated	11,523,443	10,537,880	8,540,003	6,699,183
Total General Fund	15,661,335	14,400,781	12,034,016	11,195,815
All Other Governmental Funds				
Reserved	295,405	310,707	43,828	105,780
Unreserved, Reported in				
Special Revenue	783,295	1,121,532	1,590,330	4,172,817
Capital Project	(1,638,734)	371,954	(1,831,905)	9,993,591
Total All Other Governmental Funds	(560,034)	1,804,193	(197,747)	14,272,188
Total Governmental Funds	\$ 15,101,301	\$ 16,204,974	\$ 11,836,269	\$ 25,468,003

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

^ 2016 change in General Fund Assigned fund balance is due to assigning fund balance usage for specific capital project usage in the following year.

* 2016 change in All Other Governmental Funds Restricted fund balance is due to capital outlay expenditures in Capital Projects and no long term debt issued in the current year, as seen in 2014 and 2015.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Property taxes	\$ 35,118,472	\$ 35,580,946	\$ 36,656,290	\$ 37,407,898	\$ 39,709,291	\$ 39,860,037	\$ 40,732,916	\$ 41,090,607	\$ 41,792,813	\$ 43,135,516
Other taxes	16,424	36,698	5,139	13,253	11,321	13,456	45,326	3,967	11,496	24,726
Intergovernmental	38,399,690	31,662,198	28,971,676	26,963,208	25,655,129	26,595,361	20,115,255	25,930,635	24,779,280	22,159,823
Licenses and permits	544,460	545,820	455,440	636,825	642,810	684,457	638,499	660,638	667,105	675,737
Fines, forfeits and penalties	441,781	475,550	439,987	390,900	347,215	321,971	298,137	293,855	318,962	330,169
Public charges for services	9,039,679	8,885,434	6,596,150	6,108,140	5,482,940	5,949,188	6,725,264	6,342,810	7,327,394	7,356,665
Capital contributions				351,211	530,904		1,657,631			
Miscellaneous	7,545,372	6,902,538	5,217,426	4,871,100	4,965,385	5,262,851	3,569,390	6,281,723	7,949,315	5,523,990
Total revenues	91,105,878	84,089,184	78,342,108	76,742,535	77,344,995	78,687,321	73,782,418	80,604,235	82,846,365	79,206,626
EXPENDITURES										
Current:										
General government	11,650,072	12,165,322	12,404,604	12,282,498	12,249,378	12,631,381	12,047,936	11,995,998	13,404,576	14,110,906
Public safety	15,733,765	16,135,935	16,828,653	17,181,813	16,897,512	17,124,160	17,173,428	17,004,800	17,575,231	19,103,312
Public works	471,200	439,617	406,082	517,580	425,726	417,404	401,438	415,655	528,951	476,568
Public health and human services	49,178,458	40,755,689	34,075,160	31,627,594	31,089,131	31,280,061	30,034,786	31,053,474	31,030,377	33,030,480
Resources and development	2,581,319	2,883,054	3,289,917	2,326,357	3,049,303	6,519,403	2,038,584	3,727,078	2,750,605	2,224,613
Education	593,176	654,389	659,461	647,719	569,657	575,560	574,150	617,580	602,949	565,076
Debt Service										
Principal	8,319,230	7,230,000	5,460,000	8,718,754	5,390,000	5,425,000	5,630,000	6,134,147	6,285,614	5,896,149
Interest and other charges	1,572,519	1,305,486	1,161,564	1,272,110	1,057,895	904,219	932,073	1,328,558	1,129,015	1,079,250
Capital Outlay	6,319,372	9,488,554	8,286,894	8,126,484	8,917,756	8,686,049	8,614,575	16,462,407	14,458,933	8,456,722
Total expenditures	96,419,111	91,058,046	82,572,335	82,700,909	79,646,358	83,563,237	77,446,970	88,739,697	87,766,251	84,943,076
Excess (deficiency) of revenues over expenditures	(5,313,233)	(6,968,862)	(4,230,227)	(5,958,374)	(2,301,363)	(4,875,916)	(3,664,552)	(8,135,462)	(4,919,886)	(5,736,450)
OTHER FINANCING SOURCES (USES)										
Premium on long term debt issued		130,295		135,442			245,928	979,694	453,755	72,745
Long-term debt issued		8,000,000		17,840,000			9,590,000	16,962,040	9,500,000	3,265,000
Capital leases								26,512		(3,280,000)
Payment to current noteholder							(1,731,522)	(2,280,000)		
Transfers in	3,029,828	141,635	114,066	1,695,207	5,309,182	151,656	938,764	4,724,711	2,873,441	1,800,002
Transfers out	(2,783,912)	(199,395)	(252,544)	(80,541)	(3,924,271)	(114,769)	(958,669)	(4,481,175)	(2,790,228)	(1,212,421)
Total other financing sources (uses)	245,916	8,072,535	(138,478)	19,590,108	1,384,911	36,887	8,084,501	15,931,782	10,036,968	645,326
Net change in fund balances	\$ (5,067,317)	\$ 1,103,673	\$ (4,368,705)	\$ 13,631,734	\$ (916,452)	\$ (4,839,029)	\$ 4,419,949	\$ 7,796,320	\$ 5,117,082	\$ (5,091,124)
Debt service as a percentage of noncapital expenditures	11.0%	10.5%	8.9%	13.4%	9.1%	8.5%	9.5%	10.3%	10.1%	9.1%

COUNTY OF SHEBOYGAN, WISCONSIN

Table V

Equalized Value of Taxable Property (1)

Last Ten Fiscal Years

Tax Year Ended December 31	Budget Year Ended December 31	Real Estate				Personal Property	Less: Tax Incremental Districts (2)	Total	General County Tax Rate (3)
		Residential	Commercial	Manufacturing	All Other				
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
2015	2016	6,226,857,900	1,404,001,900	457,888,400	284,921,900	271,416,100	264,542,500	8,380,543,700	5.7705
2016	2017	6,303,790,800	1,426,483,400	464,712,800	286,486,200	273,644,300	290,216,200	8,464,901,300	5.6541

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	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	2015 TAX RATE FOR YEAR 2016	2016 TAX RATE FOR YEAR 2016
Direct Sheboygan County Tax Rate	\$ 5.25	\$ 5.00	\$ 4.96	\$ 5.23	\$ 5.28	\$ 5.41	\$ 5.60	\$ 5.64	\$ 5.77	\$ 5.65
TOWNSHIPS										
Greenbush	\$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	14.76-17.12	14.62-17.18
Herman	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	15.28-17.15	15.52-17.51
Holland	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	17.57-18.15	16.44-17.88
Lima	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	15.52-17.38	15.28-17.26
Lyndon	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	16.86-18.73	16.83-18.81
Mitchell	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	15.23-17.59	15.13-17.67
Mosel	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	16.20-18.14	15.52-17.06
Plymouth	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	14.41-14.44	14.28-14.30
Rhine	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	15.49-17.02	15.25-16.45
Russell	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	16.21-17.73	15.90-17.10
Scott	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	15.71-17.01	15.43-16.20
Sheboygan	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	17.63-19.23	17.42-18.16
Sheboygan Falls	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	15.14-17.03	14.79-16.74
Sherman	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	15.91-17.78	15.65-17.35
Wilson	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	16.58-18.48	16.28-17.36
VILLAGE										
Adell	22.28	21.22	21.97	21.04	21.09	21.33	21.72	21.47	21.03	20.36
Cascade	21.56	14.96	16.66	18.62	18.57	19.45	20.02	18.07	17.87	17.62
Cedar Grove	25.87	20.19	20.62	21.47	21.42	21.95	22.80	22.62	22.95	22.68
Elkhart Lake	24.25	17.83	17.81	17.57	17.31	17.7	18.53	17.99	18.2	17.86
Glenbeulah	20.87	20.12	17.17	18.11	17.82	19.12	19.71	18.93	19.27	19.44
Howards Grove	23.22	17.29	18.33	19.95	18.92	19.415	20.09	18.66	18.14	17.5
Kohler	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	19.72-20.46	20.09-20.52
Oostburg	20.51	21.03	20.37	19.95	20.36	21.36	22.44	21.51	21.6	21.4
Random Lake	20.45	19.81	20.22	20.30	20.13	20.51	21.06	21.16	20.58	19.17
Waldo	22.88	23.38	25.06	21.78	22.24	22.53	23.68	22.49	21.91	21.77
CITY										
Plymouth	18.74	18.89	19.97	21.22	21.22	22.19	22.72	20.73	20.28	20.22
Sheboygan	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	24.45-25.85	24.13-24.89
Sheboygan Falls	24.11	17.81	18.83	19.99	20.59	20.98	22.01	21.79	21.46	21.18

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	2007			2016		
	Equalized Value	Rank	Percentage of Total County Equalized Value	Equalized Value	Rank	Percentage of Total County Equalized Value
Kohler Co	\$ 160,971,221	1	1.8834%	\$ 146,912,800	1	1.7356%
Acuity Insurance Co	50,378,560	2	0.5894%	68,318,700	2	0.8071%
Wal-Mart Stores Inc	32,447,919	4	0.3796%	39,508,700	3	0.4667%
Sargento Foods Inc				40,700,400	4	0.4808%
Bemis Mfg Co.				28,521,900	5	0.3369%
St Nicholas Hospital	14,905,100	10	0.1744%	20,944,700	6	0.2474%
Morrelle Warehousing LLC				18,241,600	7	0.2155%
Nemak (JL French)				14,896,100	8	0.1760%
PJR Properties LLC				14,782,100	9	0.1746%
Johnsonville Sausage	20,663,100	6	0.2418%	23,083,400	10	0.2727%
Blue Harbor Resort	36,105,200	3	0.4224%			
Aurora Health Care	30,514,896	5	0.3570%			
Target Corp	16,819,300	7	0.1968%			
Plastics Engineering Co	16,819,300	8	0.1968%			
JFM1 LLC	16,152,300	9	0.1890%			
	<u>\$ 395,776,896</u>		<u>4.6306%</u>	<u>\$ 415,910,400</u>		<u>4.9134%</u>
Total Equalized Value Sheboygan County	<u>\$ 8,547,036,600</u>			<u>\$ 8,464,901,300</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
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%	2,226,895	180,656,955	100.00%
2008	2009	183,261,601	181,081,662	98.81%	2,179,110	183,260,772	100.00%
2009	2010	191,439,278	188,640,599	98.54%	2,796,652	191,437,251	100.00%
2010	2011	197,237,966	194,487,393	98.61%	2,743,817	197,231,210	100.00%
2011	2012	195,917,128	193,671,580	98.85%	2,235,347	195,906,927	99.99%
2012	2013	194,572,586	192,894,815	99.14%	1,662,951	194,557,766	99.99%
2013	2014	197,644,230	196,326,845	99.33%	1,138,435	197,465,280	99.91%
2014	2015	193,689,789	192,549,556	99.41%	648,308	193,197,864	99.75%
2015	2016	194,144,196	193,200,662	99.51%		193,200,662	99.51%

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 OF DEBT TO TOTAL EQUALIZED VALUE	ESTIMATED POPULATION	DEBT PER CAPITA	PERCENTAGE OF PERSONAL INCOME (1)
	GENERAL OBLIGATION BONDS	GENERAL OBLIGATION NOTES	CAPITAL LEASES	NOTE PAYABLE	BOND PREMIUM						
2007	9,630,000	20,880,000			162,519	30,672,519	8,547,037	0.36%	114,113	268.79	0.74%
2008	9,000,000	22,280,000			264,390	31,544,390	8,867,077	0.36%	114,458	275.60	0.73%
2009	8,355,000	17,465,000			230,537	26,050,537	8,924,003	0.29%	114,560	227.40	0.55%
2010	7,965,000	27,235,000			323,699	35,523,699	8,668,959	0.41%	115,507	307.55	0.81%
2011	7,170,000	22,640,000	530,904		272,430	30,613,334	8,575,432	0.36%	115,569	264.89	0.69%
2012	6,370,000	18,015,000	377,178		221,292	24,983,470	8,430,125	0.30%	114,973	217.30	0.54%
2013	5,540,000	21,100,000	223,452		375,028	27,238,480	8,297,900	0.33%	114,922	237.02	0.53%
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	0.68%
2015	3,785,000	34,850,000	17,243		1,434,422	40,086,665	8,380,544	0.48%	115,569	346.86	0.75%
2016	6,130,000	26,600,000	11,094		1,225,483	33,966,577	8,464,901	0.40%	115,427	294.27	*

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**

	2007	2008	2009	2010	2011
Equalized Value	\$ 8,547,036,600	\$ 8,867,077,200	\$ 8,924,002,800	\$ 8,668,958,700	\$ 8,575,432,000
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	427,351,830	443,353,860	446,200,140	433,447,935	428,771,600
Amount of Debt Applicable to Debt Limitation	30,510,000	31,280,000	25,820,000	35,200,000	30,340,904
Less: Amount Available in Debt Service Funds	285,641	304,377	36,200	86,385	86,385
Net Debt Applicable to the Debt Margin	30,224,359	30,975,623	25,783,800	35,113,615	30,254,519
Legal Debt Margin (Debt Capacity)	\$ 397,127,471	\$ 412,378,237	\$ 420,416,340	\$ 398,334,320	\$ 398,517,081
Percent of Debt Capacity Used	7.07%	6.99%	5.78%	8.10%	7.06%
	2012	2013	2014	2015	2016
Equalized Value	\$ 8,651,327,800	\$ 8,526,701,100	\$ 8,604,762,900	\$ 8,645,086,200	\$ 8,755,117,500
Debt Limit - 5% of Equalized Value (Wisconsin Statutory Limitation)	432,566,390	426,335,055	430,238,145	432,254,310	437,755,875
Amount of Debt Applicable to Debt Limitation	24,762,178	26,863,452	35,180,000	38,635,000	32,730,000
Less: Amount Available in Debt Service Funds	45,249		184,989	651,997	961,740
Net Debt Applicable to the Debt Margin	24,716,929	26,863,452	34,995,011	37,983,003	31,768,260
Legal Debt Margin (Debt Capacity)	\$ 407,849,461	\$ 399,471,603	\$ 395,243,134	\$ 394,271,307	\$ 405,987,615
Percent of Debt Capacity Used	5.71%	6.30%	8.13%	8.79%	7.26%

COUNTY OF SHEBOYGAN, WISCONSIN
Table XI
Computation of Direct, Overlapping and Underlying Debt
December 31, 2016

	Number of Entities	Amount of Debt	Applicable to Sheboygan County	
			Percent*	Amount
Sheboygan County				
General obligation debt				\$ 32,730,000
Capital leases				11,094
Bond premium				<u>1,225,483</u>
Total Direct Debt				<u>33,966,577</u>
OVERLAPPING DEBT:				
Lakeshore VTAE District	1	\$ 30,040,000	61.02%	18,330,408
Moraine Park Technical College District	1	<u>23,880,000</u>	0.03%	<u>7,164</u>
Total Overlapping Debt	2	<u>53,920,000</u>	32.14%	<u>18,337,572</u>
UNDERLYING DEBT:				
Cities	3	\$ 62,739,579	100%	62,739,579
Villages	10	23,409,444	100%	23,409,444
Townships	15	3,429,565	100%	3,429,565
School Districts	13	131,616,820	varies	83,923,031
Sanitary Districts	4	<u>1,347,161</u>	100%	<u>1,347,161</u>
Total Underlying Debt	45	<u>\$ 222,542,569</u>	varies	<u>174,848,780</u>
TOTAL DIRECT, OVERLAPPING AND UNDERLYING DEBT				<u><u>\$ 227,152,929</u></u>

Source: Robert W Baird

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

COUNTY OF SHEBOYGAN, WISCONSIN

Table XII

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income in 000's	Per Capita Personal Income	Unemployment Rate
2007	114,113	4,323,164	37,885	3.90%
2008	114,458	4,706,007	40,691	6.00%
2009	114,560	4,396,263	38,042	9.30%
2010	115,507	4,447,253	38,516	8.20%
2011	115,569	4,595,577	39,910	6.90%
2012	114,973	5,148,376	44,779	6.10%
2013	114,922	5,344,757	46,508	5.00%
2014	115,290	5,341,196	46,328	3.80%
2015	115,569	5,304,168	45,896	3.40%
2016	115,427	*	*	3.10%

Source: Population - US Census Bureau (estimate)

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

Unemployment Rate - Bureau of Labor Statistics for Sheboygan County, WI extracted May 9, 2017 for December 201

* Information not available

COUNTY OF SHEBOYGAN, WISCONSIN

Table XIII

Principal Employers

Current Year and Nine Years Ago

	2016			2007	
	<u>Estimated Employment</u>	<u>Rank</u>	Percentage of Total County <u>Employment</u>	<u>Estimated Employment</u>	<u>Rank</u>
Kohler Co	2,500	1	4.1%	7,500	1
Bemis Manufacturing	1,650	2	2.7%	1,800	2
Sheboygan Memorial Medical Center	1,434	3	2.4%	600	10
Sargento Foods	1,300	4	2.1%	620	9
Sheboygan Area School District	1,257	5	2.1%	1,518	3
Nemak (JL French)	1,160	6	1.9%	1,325	4
Johnsonville Sausage LLC	1,053	7	1.7%		
Gardner Denver Thomas Products	1,000	8	1.6%		
Acuity Insurance CO.	898	9	1.5%		
Rockline Industries	880	10	1.4%		
County of Sheboygan				904	5
Piggly Wiggly				900	6
Sheboygan Clinic (Aurora)				850	7
St Nicholas Hospital				840	8
Total Estimated County Workforce	60,703				

Source: Robert W. Baird for 2016 and 2007 and Bureau of Labor Statistics - Sheboygan, WI - third quarter 2016

COUNTY OF SHEBOYGAN, WISCONSIN
Table XIV
Full-time Equivalent County Employees ⁽¹⁾
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	172	169	171	170	169	127	122	119	123	124
County Treasurer	5	5	7	7	10	6	6	5	7	7
Register of Deeds	8	8	8	8	7	7	7	7	7	7
Finance	10	10	10	10	10	15	15	17	15	15
Coroner	7	6	6	6	7	4	4	1	2	2
County Board	36	36	36	36	36	5	4	3	3	3
Family Court Commissioner	3	3	3	3	3	3	4	5	3	3
Clerk of Courts	29	29	29	28	27	24	22	23	24	24
District Attorney	15	15	15	15	14	13	13	13	13	14
County Clerk	4	4	4	4	4	4	4	4	4	4
Building Services	31	30	31	31	29	30	29	29	30	30
Human Resources	4	4	4	4	4	4	4	4	5	5
Corporation Counsel	1	1	1	1	1	1	1	1	1	1
County Administrator	2	2	2	2	2	2	2	2	2	2
Information Technology	17	16	15	15	15	9	7	5	7	7
Public Safety	178	176	178	177	171	166	168	170	179	186
Public Works	120	118	113	111	102	90	86	82	86	93
Public Health and Human Services	227	217	211	204	207	189	198	198	195	195
Resources and Development	23	32	30	27	26	15	15	14	14	14
Education	4	4	4	4	3	3	3	3	4	4
Health Care Centers (3)	368	265	263	264	256	170	158	146	145	137
Total	1,092	981	970	957	934	760	750	732	746	753

Source: Sheboygan County Payroll Records

(1) Data shown for 2007 - 2011 represent employee head count. Data shown for 2012 - 2016 represent full-time equivalent (FTE).

(2) Printing Department merged into the Information Technology Department beginning 2007.

(3) Sunny Ridge Nursing Home sold in 2007.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Prisoners bookings - Adult	5,170	5,254	5,058	4,266	4,093	4,591	3,706	3,742	3,424	3,335
Prisoners bookings - Juvenile	456	410	399	355	385	318	351	274	430	392
Total complaints (1)	28,371	35,832	36,634	33,499		33,221	40,292	39,426	42,814	46,523
Courts										
Case filings	17,194	17,068	17,920	15,294	13,276	14,060	13,312	13,180	13,638	15,389
Criminal cases	3,696	3,601	3,282	2,737	2,273	2,303	2,371	2,330	2,270	2,217
Non-criminal cases	5,648	5,934	7,216	6,044	5,009	5,646	4,848	5,589	6,579	7,823
Jury trials	56	56	44	41	38	37	29	38	42	33
Family Court Commissioner hearings	813	802	822	771	752	920	989	984	874	835
Mediation referrals	283	257	289	297	270	262	272	252	207	228
Medical Examiner										
Death Investigations	550	485	490	508	523	568	543	262	265	282
Cremations Permits Issued	361	428	424	407	471	502	539	540	577	625
Register of Deeds										
Real estate documents processed	29,938	27,789	30,395	27,057	23,950	29,308	27,819	19,056	21,030	22,399
Vital records filed	3,431	3,515	3,404	3,215	3,290	3,255	3,385	3,016	3,329	3,269
Military discharge records	97	54	123	133	122	150	122	94	83	42
Genealogical searches	777	639	464	727	682	735	717	437	326	363
Planning and Conservation										
Sanitary permits	208	216	156	142	145	137	161	183	180	170
Shoreland permits	127	83	88	83	56	68	87	88	94	106
Certified Survey Maps Reviewed	82	46	39	40	33	45	38	46	46	48
County Clerk										
Marriage Licenses/Domestic Partnerships	748	737	745	620	612	664	669	670	667	631
Passport Applications	1,605	856	682	770	636	827	844	876	973	844
Public Health & Human Services										
Senior Meals Provided	56,614	57,242	50,918	51,889	52,146	57,146	53,232	53,358	51,083	48,046
Health Inspections (2)			1,148	836	1,178	934	846	959	909	718
Child Abuse and Neglect Referrals	1,262	1,286	1,051	1,125	1,109	1,196	1,243	1,092	1,172	1,071
Average WIC Participants per Month	2,119	2,205	2,382	2,284	2,186	2,197	2,127	1,952	1,887	1,823
Communicable Disease Cases (Confirmed)	549	623	706	624	612	616	638	596	550	707
Immunizations Given (3)	8,441	12,205	18,493	12,234	6,853	5,047	2,194	1,418	508	73
Health Care Centers (4)										
Total Patient Days	77,288	61,736	59,380	58,480	53,975	52,233	48,815	47,081	47,162	49,166
Patient Meals Served	220,293	169,125	172,479	168,534	153,888	151,710	131,982	140,361	141,006	146,531
Highway										
Miles of roads resurfaced	14	23	19	14	27	25	20	18	11	13
Miles of roads seal coated	14	17	13	8	10	11	13	-	14	14
Asphalt Produced (tons)	86,067	78,000	57,000	48,500	74,161	76,737	68,336	38,479	64,558	62,848
Gravel Production (tons)	213,401	209,000	226,287	180,002	109,810	168,889	150,514	168,668	163,289	207,076

- (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 2006 the County operated two nursing homes. Sunny Ridge was sold in 2007.

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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)	42	42	42	43	43	42	42	42	45	45
Health Care Centers										
Facilities	1	1	1	1	1	1	1	1	1	1
Number of Beds	195	195	195	195	175	165	157	155	154	149
Highway										
County lane miles	451	451	451	451	451	451	451	451	451	451
Garages/Shops	7	7	7	7	6	6	6	6	6	6
County bridges	76	76	76	76	76	76	76	75	75	75

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