

CLARK COUNTY, WISCONSIN
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015

CLARK COUNTY, WISCONSIN
December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the County Board
Clark 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 Clark County, Wisconsin ("the County") as of and for the year ended December 31, 2015, 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 did not audit the financial statements of Clark County Rehabilitation & Living Center, which represent 49 percent, 47 percent, and 90 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Clark County Rehabilitation & Living Center, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Community Programs, Social Services Programs, and Parks and Forestry special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note D5, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. 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 4 through 16 and the schedules relating to pensions and other post-employment benefits on pages 58 through 62 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Report on Summarized Financial Information

We have previously audited the County's 2014 financial statements, and our report dated July 31, 2015, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Wausau, Wisconsin
August 4, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF CLARK

517 COURT STREET NEILLSVILLE, WI 54456

Management's Discussion and Analysis

Clark County presents our discussion and analysis of the county's financial performance for the fiscal year ended December 31, 2015. The intent of this Management Discussion and Analysis (MD&A) is to consider Clark County's financial performance as a whole and present financial data in a relatively easy to understand format for decision makers and the public. We encourage readers to consider the information presented here in conjunction with additional information provided in this report.

Financial Highlights

- The assets and deferred outflows of resources of Clark County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$83,510,052 (net position). This amount includes a change in accounting principle in the amount of \$7,663,203. This latter amount represents the County's proportionate share of the pension assets held by the Wisconsin Retirement System as determined by an actuarial valuation. Of this total amount \$17,142,528 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,478,742 (disregarding the change in the accounting principle). The largest percentage of this increase is attributable to the increase in multiple fund balances with the majority of the amount in the Capital Project Fund for the Communication Systems project. The difference was ascribable to the recovery of several fund balances including special revenue funds and non-lapsing funds which came from actual revenues over budget, conservative expenditures, along with the actual use of budgeted fund balances. In the 2016 budget year an increased amount of the fund balance has been pledged to be used to balance the budget.
- As of the close of the current fiscal year, Clark County's governmental funds reported combined ending fund balances of \$24,856,602 an increase of \$4,184,827 in comparison with the prior year. Approximately 78% of this total amount, \$19,397,380 is *available for spending* at the government's discretion (*unrestricted fund balance*).
- At the end of the current fiscal year, unrestricted fund balance for the general fund, which is included in the above amount, was \$11,949,113 or 88 percent of total general fund expenditures. This includes \$3,330,308 that is assigned for the subsequent year's budget. It also includes \$1,407,469 of non-lapsing fund that is committed for future year's expenditures. This leaves \$7,211,336 or 53 percent of total general fund expenditures that is unrestricted and unassigned. If this amount compared to the total expenditures for 2015 the percentage would change to 14%. It is desirable to also consider the total expenditures due to the general fund at times having to provide financial aid to the other funds when their fund balances get too low.
- If consideration is also given to compensated absences of \$1,417,913 the general fund available balance would be less. The absences include PTO, vacation and vested sick. This amount does not include any amount that would be due for the benefit portion (social security tax, Medicare tax, workers compensation and retirement-WRS) on this amount for the governmental funds. Of this amount \$620,399 is for employees that have been with the county for 21 or more years making that portion more likely to be paid out in the next few years. Considering the above compensated absences the unassigned fund balance drops to \$5,793,423 or 43% of total general fund expenditures. (Note a portion of the above calculation will be paid out over a number of years and some will be used as paid time off. The liability considered above is the amount that would need to be paid if Clark County were to cease operations or if there was a mass exodus of employees.)
- Clark County's total general obligation debt increased by two loans during the current fiscal year. One was a loan for \$810,000 for Highway roads but that loan was paid off in the same year. The other amount is a \$3,000,000 debt for 10 years that is a portion of our new Communication System project which is a multiple year project with payments starting in 2016. The second half payment of the previous year loan in the amount of \$371,849 was paid off in 2015. This leaves the balance of the \$3,000,000 debt at the end of the year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Clark County's basic financial statements. Clark County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 Clark County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Clark County's assets, liabilities and deferred outflows/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 Clark County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Clark 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 Clark County include general government, public safety, public works, health and human services, culture and education, and conservation and development. The business-type activities of Clark County include a health care operation and a highway construction and maintenance operation.

The government-wide financial statements can be found on pages 17-19 of this report.

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

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

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

Clark County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Programs Special Revenue Fund, the Social Services Special Revenue Fund, and the Parks and Forestry Fund, all of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Clark County adopts an annual appropriated budget for its general special revenue and debt service funds. A budgetary comparison statement has been provided for the general fund and each of its major special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-29 of this report.

Proprietary funds. Clark 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. Clark County uses enterprise funds to account for its Highway and Health Care Center Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Clark County's various functions. Clark County uses internal service funds to account for its self-funded health insurance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Health Care Center and Highway operations, which are considered to be major funds of Clark County. 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 30-32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented as supplementary information. Combining and individual fund statements and schedules can be found on pages 63-66 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Clark County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$83,510,052 at the close of the most recent fiscal year.

By far the largest portion of Clark County's net position (63 percent) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. Clark County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Clark County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Clark County's Net Position

	Governmental Activities 2015	Business-type Activities 2015	Total 2015
Current and other assets	\$42,367,212	\$6,273,531	\$48,640,743
Net pension assets	1,929,467	1,837,551	3,767,018
Capital assets	46,693,091	6,841,092	53,534,183
Total Assets	<u>90,989,770</u>	<u>14,952,174</u>	<u>105,941,944</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions	2,027,522	1,859,186	3,886,708
Long-term liabilities outstanding	4,721,153	1,483,051	6,204,204
Other liabilities	3,614,341	1,759,597	5,373,938
Total Liabilities	<u>8,335,494</u>	<u>3,242,648</u>	<u>11,578,142</u>
Deferred Inflows of Resources			
Property Taxes	10,614,138	4,126,320	14,740,458
Net Position:			
Net investment in capital assets	46,538,222	6,841,092	53,379,314
Restricted	9,275,944	3,712,266	12,988,210
Unrestricted	18,253,494	<1,110,966>	17,142,528
Total Net Position	<u>\$74,067,660</u>	<u>\$9,442,392</u>	<u>\$83,510,052</u>

An additional portion of Clark County's net position (15.6 percent) represents resources that are subject to external restrictions on how they may be used including restricted assets due to new pension accounting principles. The remaining balance of *unrestricted net position*, \$17,142,528 or 20.5% may be used to meet the government's ongoing obligations to citizens and creditors.

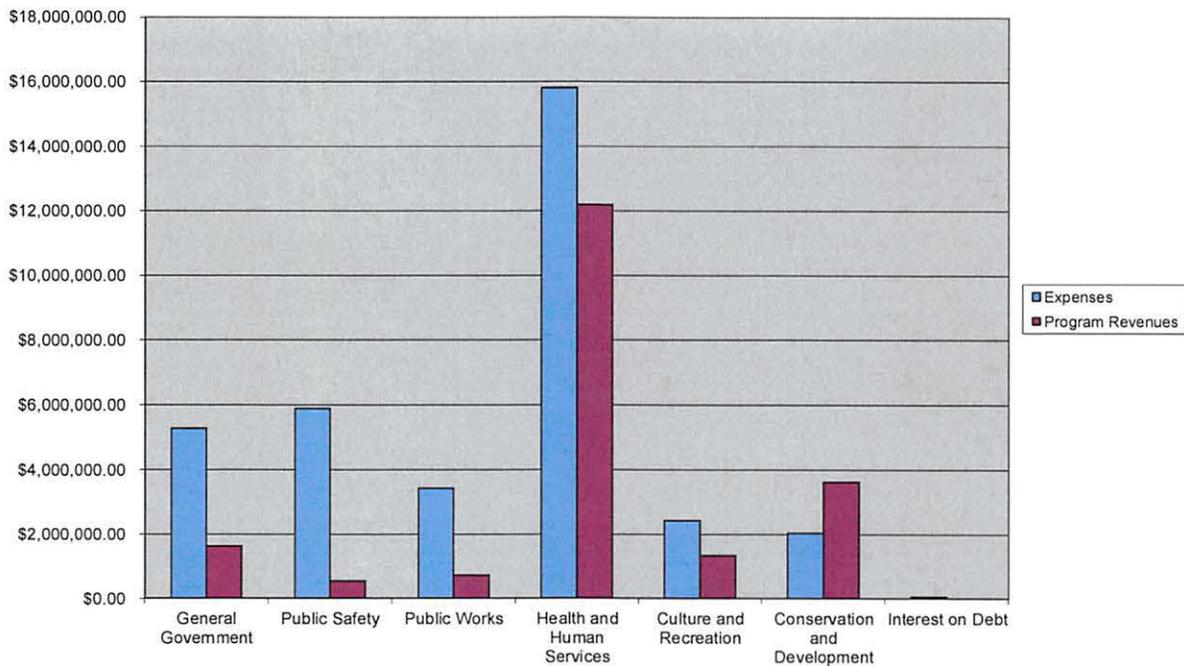
At the end of the last fiscal year and current year, Clark County is able to report positive balances in most of the categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities with exception of the unrestricted business-type activities. It should be noted that Clark County's self-funded health insurance fund had a deficit balance as of December 31, 2005. The fund has been stabilized and there has been a positive balance for a number of years. In any year, the fund could again reverse itself especially with the unknown net effect that it will have with the change in health care laws with the first major effects in 2014 and the delayed amounts again in 2020.

Governmental activities. Governmental activities increased Clark County's net position by \$2,478,742 as shown below:

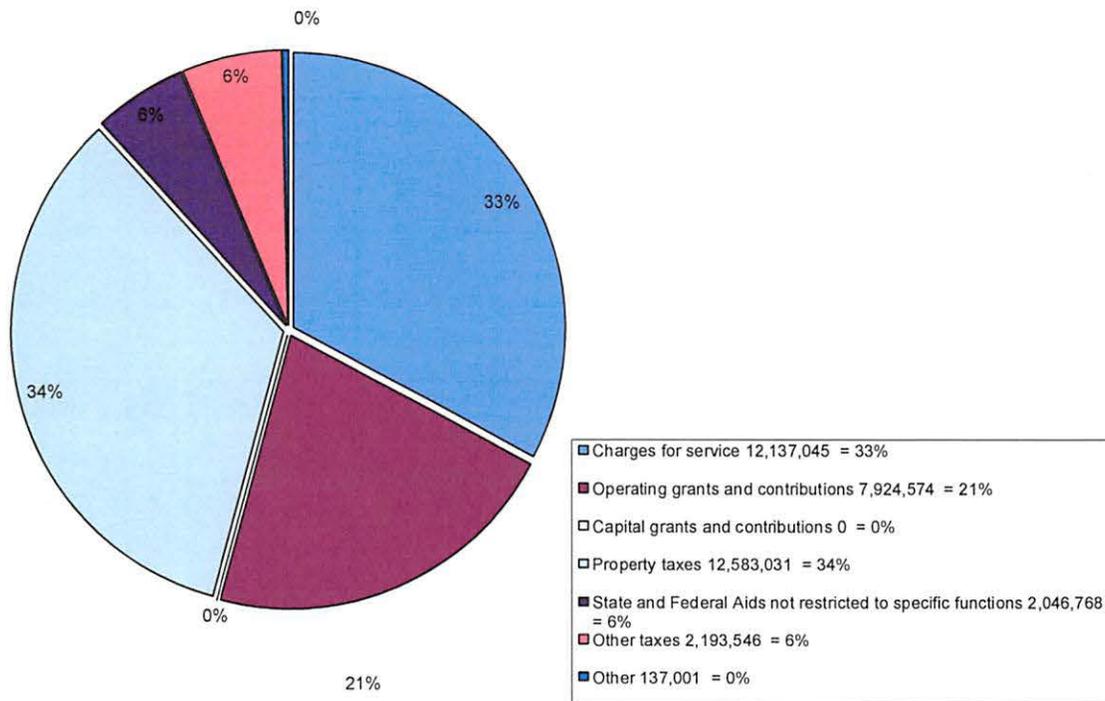
	Clark County's Net Position		
	Governmental	Business-type	Total
	Activities	Activities	2015
	<u>2015</u>	<u>2015</u>	<u>2015</u>
Revenues:			
Program Revenues			
Charges for services	\$12,137,045	\$16,467,063	\$28,604,108
Operating grants and contributions	7,924,574	-	7,924,574
General Revenues			
Property taxes	12,583,031	2,036,840	14,619,871
Other taxes	2,193,546	-	2,193,546
Grants and contributions not restricted to specific program	2,046,768	1,702,379	3,749,147
Other	137,001	191,733	328,734
Total Revenues	<u>37,021,965</u>	<u>20,398,015</u>	<u>57,419,980</u>
Expenses:			
General government	5,263,271	-	5,263,271
Public safety	5,891,758	-	5,891,758
Public works	3,423,540	1,948,856	5,372,396
Health and human services	15,810,032	18,059,699	33,869,731
Culture and recreation	2,427,570	-	2,427,570
Conservation and Development	2,048,663	-	2,048,663
Interest debt	67,849	-	67,849
Total Expenses	<u>34,932,683</u>	<u>20,008,555</u>	<u>54,941,238</u>
Change in net position before transfers	2,089,282	389,460	2,478,742
Transfers	(777,411)	777,411	-
Change in net position	<u>1,311,871</u>	<u>1,166,871</u>	<u>2,478,742</u>
Net Position - January 1, 2015 – as originally reported	68,736,801	4,631,306	73,368,107
Cumulative Effect of change in Accounting Principle	4,018,988	3,644,215	7,663,203
Net Position – January 1 as restated	<u>72,755,789</u>	<u>8,275,521</u>	<u>81,031,310</u>
Net Position - December 31, 2015	<u>\$74,067,660</u>	<u>\$9,442,392</u>	<u>\$83,510,052</u>

Property taxes increased by \$120,587 for the year.

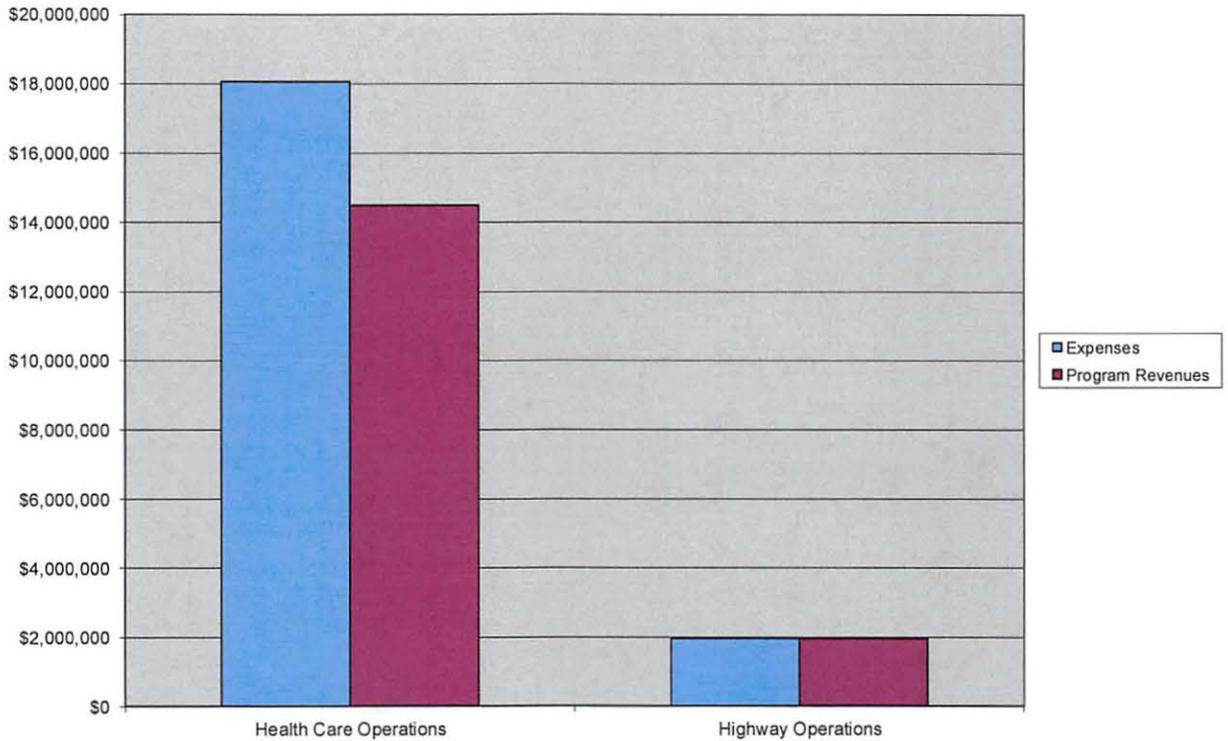
Expenses and Program Revenues - Governmental Activities



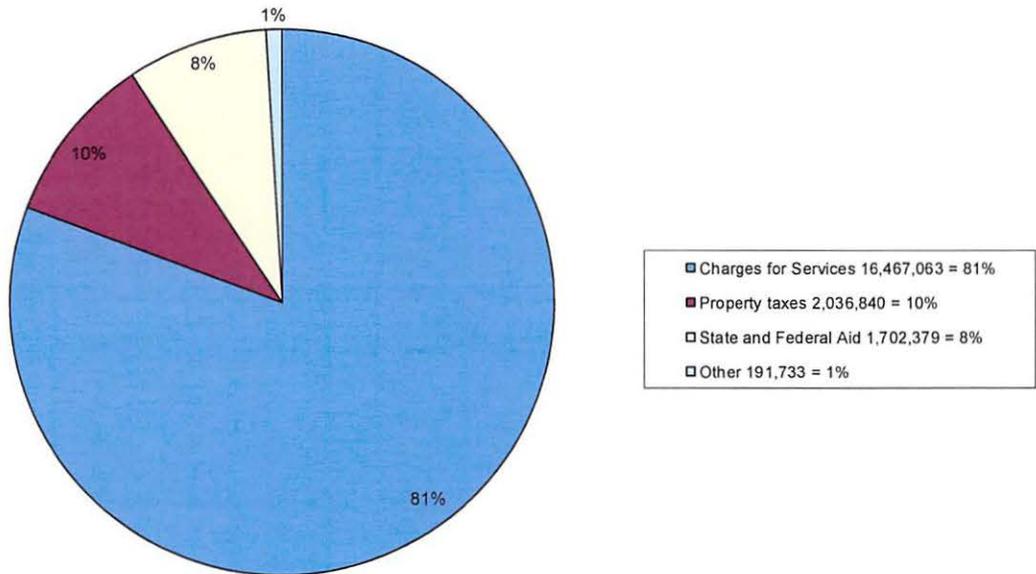
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, Clark County's governmental funds reported combined ending fund balances of \$24,856,602 an increase of \$4,184,827 in comparison with the prior year. Approximately 78 percent of this total amount, \$19,397,380, constitutes *unrestricted* fund balance, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable* and/or *restricted* to indicate that it is not available for new spending because it has already been pledged to a variety of other restricted purposes by state statute, county board resolution, debt service covenants, or grant covenants. Of this amount \$10,888,058 is assigned for subsequent year's budget and \$1,407,469 is committed for the subsequent year's expenditures. The remainder is the unassigned fund balance in the amount of \$7,101,853.

The General Fund is the chief operating fund of Clark County. At the end of the current fiscal year, *unrestricted* fund balance of the general fund was \$11,949,113 of which \$3,330,308 is *assigned* for subsequent year's budget and there is also \$1,407,469 that is *committed* for subsequent year's expenditures, while the total fund balance reached \$14,422,141. This balance is a part of the above mention fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted, unassigned general fund balance and total general fund balance to total general fund expenditures. Unrestricted, unassigned general fund balance in the amount of \$7,211,336 represents 53 percent of total actual general fund expenditures, while total general fund balance represents 106 percent of that same amount. When compared to total expenditures it is 14%. The amount is sometimes needed to help other funds so it should be at least considered when looking at the \$7,211,336 in relationship to the expenditures.

If consideration is also given to compensated absences of \$1,417,913 the general fund available balance would be less. The absences include PTO, vacation and vested sick. This amount does not include any amount that would be due for the benefit portion (social security tax, Medicare tax, workers compensation and retirement-WRS) on this amount for the governmental funds. Of this amount \$620,399 is for employees that have been with the county for 21 or more years making that portion more likely to be paid out in the next few years. Considering the above amount the general fund balance drops to \$5,793,423 or 43% of total general fund expenditures. (Note a portion of the above calculation will be paid out over a number of years and some will be used as paid time off. The liability considered above is the amount that would need to be paid if Clark County were to cease operations or if there was a mass exodus of current employees.)

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

The net position of the Rehabilitation & Living Center (CCRLC formally known as the Health Care Center) at the end of the year amounted to \$4,450,743 and those for the Highway Fund operation came to \$4,991,649. The total increase in net position for the Rehabilitation & Living Center of the unrestricted funds was \$1,226,357 which is a result of decreased expenditures, an increase in revenues due to the consortium and the transfer of funds from the general fund. The balance of the net position is a change in the accounting principle in the amount of \$3,142,040 and a net decrease in capital assets of \$175,997 due to depreciation. We now have to show on our accounts amounts that are being held in the WI Dept. of Employee Trust Fund. Subtracting out the net capital assets and the reserved amounts for the donation fund and the change in accounting principle still creates a negative amount that needs to be reserved from the general fund in the amount of (\$2,353,135). But the deficit has decreased due to the reduced expenditures, increased revenues and the transfer from the general fund. The deficit is a concern and is constantly being monitored to assure it does not further decline. A business plan is continued to be looked at to increase the revenues and decrease the expenditures of the CCRLC. And an increase to the unrestricted net position for the Highway fund of \$85,276 (without regard to the change in accounting principle) was mostly due to the timing of receiving reimbursement for expenses from federal funds and a decrease in expenses. Other factors concerning the finances of these two funds have already been addressed in the discussion of Clark County's business-type activities.

General Fund Budgetary Highlights

Differences between the budget and actual were relatively minor and can be briefly summarized as follows:

- \$61,198 was transferred from the contingent fund by the Finance Committee to cover most budget shortfalls and also the liability for unsettled contracts and change in personnel in the following accounts:
 - Law Library \$9
 - Coroner \$4,979
 - Offices of Finance & Personnel \$37,059
 - Fairgrounds \$19,151

- \$20,994 was transferred from the General Fund by County Board to the following accounts:
 - Coroner \$817
 - Offices of Finance & Personnel \$19,333
 - Fire Suppression \$844

Capital Asset and Debt Administration

Capital assets. Clark County's investment in capital assets for its governmental and business type activities as of December 31, 2015, amounts to \$53,534,183 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, vehicles, and highway infrastructure.

Major capital asset events during the current fiscal year included the following:

Clark County's Capital Assets (net of depreciation)

	Government Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,258,886	\$ 1,259,704	\$ 243,890	\$ 243,890	\$ 1,502,776	\$ 1,503,594
Buildings	7,390,405	7,655,705	2,467,609	2,699,394	9,858,014	10,355,099
Land improvements	1,226,652	1,227,663	256,274	291,634	1,482,926	1,519,297
Infrastructure	34,972,949	34,698,820	-	-	34,972,949	34,698,820
Mach. & equip.	1,844,199	1,897,476	3,873,319	3,815,612	5,717,518	5,713,088
Total	<u>\$46,693,091</u>	<u>\$46,739,368</u>	<u>\$6,841,092</u>	<u>\$7,050,530</u>	<u>\$53,534,183</u>	<u>\$53,789,898</u>

Long-term debt. At the end of the current fiscal year, Clark County had total bonded debt outstanding of \$3,000,000 all backed by the full faith and credit of the government. New debt of \$3,000,000 was acquired in the 2015 year with payments starting in 2016. Also \$371,849 was paid off in the 2015 year of the previous year's debt. An amount of \$810,000 of short term debt was paid off in the same year 2015 that it was acquired.

Clark County's Outstanding Debt General Obligation Debt

	Government Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Notes	<u>\$3,000,000</u>	<u>\$371,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,000,000</u>	<u>\$371,849</u>

Clark County's bonded county debt increased by \$2,628,151 (707 percent.)

Section 67.03 of the Wisconsin Statutes restricts county general obligation debt to 5% of the equalized value of all property in the county. On December 31, 2015, the County's debt limit amounted to \$95,565,395 and indebtedness subject to the limitations totaled \$3,000,000 (3.12 percent of the total allowed).

Additional information on Clark County's long-term debt can be found in Note C-8 on page 47-48 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Clark County for August 2015 was 3.6 percent, which is a decrease from a rate of 4.7 percent a year ago. This compares a little less than the state's August 2015 unemployment rate of 4.6 percent and compares favorably to the national August 2015 rate of 5.1 percent. The previous year the rates were 5.2 percent for the state and 6.2 percent for the national rate.

These factors were considered in preparing Clark County's budget for the 2016 fiscal year:

In response to the county supervisors' desire to have more time to study and have greater input into the budget making process, the Clark County Finance Committee: (1) began the process, (2) encouraged supervisor attendance at the committee/department level of budget-making and (3) scheduled the initial presentation of the proposed 2016 budget to enable a four week period before its final adoption.

The Finance Committee has remained committed to long term planning and frugal budgeting that will: (1) maintain the county's infrastructure and level of technology (2) enable effective delivery of essential services and protections and (3) to the greatest extent possible, maintain current discretionary services provided by the county.

However, the proposed 2016 budget must conform to the state imposed property tax levy freeze that limits levy growth to new construction in the equalized valuation. The levy freeze in 2016 is a 1.026% minimum limit available with increases allowed for library and bridge aide, which is higher than the amount allowed for 2015 which was a 0.995% minimum with the library and bridge aides added as additional amounts. Given the state's levy freeze and the dynamics of the economy, it was anticipated from early in the process that any proposal for a 2016 budget would feature a negative gap between expenditures and revenues. Finance Committee's goal was to balance the budget and in the long term impact as little as possible on the citizens and employees of Clark County. These alternatives were incorporated into the 2016 budget that was presented to the county board for their consideration on October 1, 2015 and adopted by the county board on November 10, 2015.

SUMMARY OF KEY ELEMENTS IN THE 2016 BUDGET

MAJOR 2016 BUDGET ISSUES

The 2016 budget year continued with the levy freeze that is imposed on the counties. Clark County's 2016 adopted budget increased overall county expenditures by \$350,537 over 2015 spending levels. This includes the amount per the amendment on March 31st 2016 for the emergency medical dispatch using general fund balance. With minimal new construction growth (1.026%) in the county's equalized valuation, the expenditure increase was adopted to meet the state imposed minimum levy limit increase of 1.026% of levy. Minimal increases in intergovernmental grants and aids, stagnant amount in fees, an increase in the intergovernmental grants and aids, the significant increase in the use of fund balances including the amount from the Communication System project, loan proceeds from the previous year and an increase of the property tax levy of \$120,470 or 0.82% over the 2015 property tax levy correlates to a tax levy rate of \$8.064625/\$1000 of equalized value a (.029968) decrease from the previous year tax levy rate of \$8.094593/\$1000 of equalized value. The decrease in the property tax included a resolution to include in the debt levy \$848,000 for the purpose of using the proceeds for highway road paving.

EQUALIZED VALUE

Clark County's equalized value (Tax Incremental Districts out) increased by 1.20% in 2015 from \$1,806,128,000 to \$1,827,777,700. Clark County's net new construction for 2014-2015 was \$19,342,000 or 1.026% per Wisconsin Department of Revenue. The proposed budget, which limits the tax levy to new growth, results in a decrease of (\$0.029968) in the property tax rate to \$8.064625/\$1000 of equalized valuation.

PROJECTED REVENUES

The County's projected 2016 revenues are \$66,101,558 compared to \$65,751,021 anticipated for 2015, an increase of \$350,537. The increase can mainly be attributed to a large decrease in securing debt, fewer dollars transferred in between funds and mostly from the increased use of fund balances. The debt that was secured for the Communication System project in 2015 was now being used for the projected cost of the project with the main expenditures budgeted in the 2016 year. This also included \$848,000 for the highway road paving, a slight increase in some intergovernmental grants and aids and a slight decrease in charges for services.

State aids in most budgets are being maintained at a status quo with some minimal increases or decreases. The transfer between funds consists of the \$850,000 fund balance and excess revenue transfer from the forestry and parks fund to the general fund, \$1,319,932 transfer from forestry fund to the capital projects fund, \$300,000 transfer from the general fund to the highway fund, \$300,000 transferred from general fund to the Rehabilitation & Living Center fund and \$848,000 transfer of debt proceeds to the highway fund.

FUND BALANCES APPLIED/CONTINGENCY FUND

Clark County has consistently balanced the budget utilizing fund balances and available cash. The 2016 budget has \$7,731,924 of fund balances applied to offset the levy. There was \$3,327,327 of fund balances applied to offset the 2015 budget. The general fund balance unrestricted fund balance on December 31, 2015 was \$11,949,113. In 2016 the county applied more fund balance. Of this balance \$3,330,308 was assigned to be used for the 2016 budget and there was also \$1,407,469 committed for subsequent year's expenditures. This leaves a balance of unrestricted, unassigned general fund balance in the amount of \$7,211,336.

Community Services Department had fund balances to offset their levy and to be available for excessive expenditures for inpatient costs. For the 2016 year \$300,000 of Community Services Fund balance was used in order to offset the reduced levy of the same amount. The reduced levy then enabled the General Fund to transfer \$300,000 to the CCRLC. Social Services used \$300,000 fund balance to reduce their levy. But now the fund balance is at a point that it cannot support any more fund balance usage for the following budget year. The Forestry Fund balance and excess revenues are used to transfer \$850,000 to the General Fund. This fund also has an amount set aside for the use for capital improvements. Of that amount there was \$1,319,932 that was used for the Communications System project. There is an additional amount needed for the following budget year. The General Fund may be needed to cover any unexpected costs for services needed for the citizens of Clark County as these fund balances fluctuate over the years. Another concern is the fund balance of the Rehabilitation & Living Center. They have attempted to hold down their costs and increase their revenues in order to control the depletion of their fund balance but they continue to have a negative fund balance after taking out the capital assets net of depreciation. However they did decrease the negative balance by a combination of their own efforts to hold down costs and increased revenue and by a matching transfer from the General Fund authorized by Finance Committee. The Highway Department fund balance applied is dependent on realization of federal aids. At the end of 2015 that fund balance went up a scant amount after having gone down considerably in the prior years and continues to be a concern as we go forward. As other fund balances are depleted to cover unexpected expenses and to offset future budgets, the unassigned general fund balance will be needed to fund any potential unexpected expenditures or emergencies in all areas.

The Contingency Fund has been budgeted at \$1,200,000 in the 2016 budget. Finance Committee deemed it appropriate to use the same amount for this fund. Also increases for the employees are unknown and an amount was set aside in this fund instead of in the departmental funds for this purpose and for any other changes to the health insurance. The frugal manner in which budgets have been presented and the volatility of the economy has also warranted a base amount to be included in this fund.

MAJOR EXPENSE HIGHLIGHTS

Wages and Benefits

Department Heads were instructed to present initial budgets to the Finance Committee that kept services and employees at a status quo. The departments also were asked to the greatest extent possible to maintain current discretionary services provided by the county, but to increase the expenditures by 0% without the capital outlay. All capital outlay would be considered separately from the other expenditures and collectively. The county wide levy limit would be a factor in the final amounts. In conjunction with the possible class and comp study the step increases for wages were frozen for the 2016 year. As part of future planning, departments were asked to bring information on mandated programs and also on the known changes that will be occurring in their department in the next 5 years. The budget increased the expenditures by \$350,537 from the 2015 budget to stay within the state imposed levy limit. This included the \$848,000 short-term debt for highway road paving. The 2016 proposed budget included wages and benefits of \$31,479,789. This amount decreased by \$293,923 from the previous year. Even though the wages slightly increased some of the benefits such as health insurance decreased due to a different plan with a lower cost amount for the CCRLC and more employees going to the high deductible for the balance of the employees that have the self-funded insurance. From 2001 - 2016 the workforce has decreased by 4 part-time and by 65 full-time positions.

Impact on Services/Capital/Equipment

Highway

- Below is the history of the highway roads. There is a concern with the reduction of construction miles per year.

Year	Road Construction	# Miles	Other Hwy Exp	Total Expenses	Hwy Revenue	Debt		Transfer From Fund Balance		# Yr.	Per Mile Cost
						Amount	Other Funds	Used	Hwy Levy		
2000	\$1,166,775	18	2,734,619	3,901,394	2,028,050			431,429	1,441,915	16.72	64,821
2001	\$1,720,481	21.25	2,694,319	4,414,800	2,340,806			532,079	1,541,915	14.16	80,964
2002	\$1,679,700	22	2,718,360	4,398,060	2,324,066			532,079	1,541,915	13.68	76,350
2003	\$1,641,963	20.5	2,984,362	4,626,325	2,285,000			832,079	1,509,246	14.68	80,096
2004	\$1,657,900	17.5	2,767,697	4,425,597	2,400,302			591,512	1,433,783	17.20	94,737
2005	\$1,702,968	21.15	2,556,680	4,259,648	2,229,962			591,512	1,438,174	14.23	80,519
2006	\$1,658,899	12	2,605,994	4,264,893	2,324,621			547,098	1,393,174	25.08	138,242
2007	\$1,286,261	12	2,950,774	4,237,035	2,297,320			546,541	1,393,174	25.08	107,188
2008	\$1,287,887	9	3,146,230	4,434,117	2,511,685			529,258	1,393,174	33.44	143,099
2009	\$1,360,249	9	3,303,058	4,663,307	2,593,733			565,000	1,504,574	33.44	151,139
2010	\$1,511,263	8.8	3,930,850	5,442,113	2,616,576			600,000	720,963	34.20	171,734
2011	\$2,139,621	12.75	3,417,718	5,557,339	2,502,765			750,000	800,000	23.61	167,813
2012	\$1,348,448	7.8	3,417,976	4,766,424	2,405,165			160,000	886,779	38.59	172,878
2013	\$1,481,681	6.75	3,362,296	4,843,977	2,434,442			935,055	1,474,480	44.59	219,508
2014	\$1,772,497	9	3,608,454	5,380,951	2,579,348	600,000		727,123	1,474,480	33.44	196,944
2015	\$2,001,307	9	4,003,434	6,004,741	2,680,038	810,000		425,223	2,089,480	33.44	222,367
2016	\$1,844,469	7	4,154,666	5,999,135	2,761,655	848,000	300,000	0	2,089,480	43.00	263,496

* Note: Highway Fund Balance is at a low amount and not advised to use for the 2016 year. In the past had been able to replenish with federal aid dollars and dollars from revenues exceeding expenses. The Highway Department is only awarded 1 federal aid project from now through 2018 so we will not be able to replenish our fund balance like we have in the past. If we get a real bad winter and do not have a fund balance or if our state transportation aids or local road improvement funds are reduced we will not even be able to pave 3 miles in a year so the thought is to have a little rainy day fund. Also part of the fund balance is for machinery which is not levied for.

- Highway construction is in a 43 year rotation for the 2016 year vs. a normal 15 to 20 year rotation in the past years. With the amounts budgeted in 2016 the county is now behind on 60.40 miles based on the 20 year rotation cycle. This equates to being behind approx. \$11,000,000 for the 20-year cycle.
- Increased maintenance on CTHS - more patch and repair.
- Equipment purchases – have made regular purchases over the years and have been sharing equipment purchases with Jackson Co.
- STHS is dependent on state revenues for construction and maintenance.
- There is a concern for the formula used for funding roads. With the fund balance decreasing there is more of a concern on how we will continue to fund roads.

Clark County Rehabilitation & Living Center (CCRLC formerly known as the Health Care Center)

- Only routine replacements for capital improvements and equipment purchases.
- Fund balances at the end of 2015 are again below zero when the capital assets are subtracted from the fund balance. However the amount of the negative fund balance decreased at the end of 2015. This was due to efforts to reduce expenses and increase revenue. The amount was matched from the general fund by motion from the Finance Committee. The negative balance continues to reflect against the general fund balance that is available.
- Continue to review studies to increase revenue and the net for the CCRLC – one area that was started in 2012 is a consortium with other counties in order to increase the revenues for the CCRLC. As more counties join that area continue to increase in revenue. Continuing with a stronger marketing program to capture more revenue dollars.
- Contracted for a Business Plan study to evaluate the expenditures and revenues of the CCRLC. Have now implemented some of the suggested changes starting in the 2015 year and continue to review the document for continued changes.

Community Services & ADS

- The fund balances which had been depleted in previous years primarily due to high inpatient costs, which are always an unknown cost, had rebounded and this fund balance is continuing to go upward for use in another year to meet budgetary constraints or unexpected inpatient costs. \$300,000 was used in the 2016 budget.
- Continue to pay the state the portion of the family care that the county is responsible for based on past years. This was due to the phase-in of the Family Care Program and the Managed Care Organization.
- The Crisis Services that were implemented in 2010 continue to be successful in the diversion of numerous mental health situations. The number of emergency detentions and hospitalizations has decreased significantly which reduces the cost to the county.
- Full implementation of Comprehensive Community Services (CCS) program and partnering with Trempealeau County. This is funded by Medicaid and the state budget.

- ADS responding to economic conditions and trends in order to meet the needs of the consumer workforce of up to 80 individuals with disabilities and generate more revenue from operations and diversify to additional new product areas.
- The workshop program with the pallet business has greatly increased over the years providing great hands-on vocational experience. This is in addition to the pizza sales, cleaning services and lawn mowing services. Continuing emphasis on becoming more competitive with the services that are provided and building on the current customer base.
- Budget to include replacement of a 36 year old furnace.

Social Services

- Fund balance had increased enough to warrant using some fund balance in the 2015 & 2016 budget year. This reduced the use of the levy to an amount closer to the amounts requested a few years ago before the fund balance was nearly depleted. However due to the amount of fund balance actually used will not be able to continue to use fund balance to offset the levy.
- Increase revenue with fee schedule, CST & MA billing.
- The Independent Living Skill program will be redirected from the 17 and younger age group to those that are age 18 to 21. The state allocation will be redirected to a community organization.
- The Economic Support Unit continues to keep abreast with ongoing changes.
- The Children and Family Unit is participating in Organizational Effectiveness project which started in 2015 and completion in 2016.

Aging/Nutrition

- All nutrition sites will maintain congregate and homebound meals with meal donations being monitored throughout the year.
- Collaborating with other agencies to share expenses and stretch the dollars as far as possible. Also use community partnerships to keep expenses down.
- Provide a wide variety of programs that help the elderly of the county that range in age up to 105 years old.
- Partnering with various agencies or Clark County departments to identify mental health services and the elders unmet needs.
- Continue to search for outside resources and/or volunteers to cover current services.
- Replacing one of the vans for the 2016 year.

ADRC – Aging & Disability Resource Center

- ADRC is a program that started in 2009 and continues to be fully funded with state and federal grants and joins with other counties to provide services to the elderly and handicapped residents of Clark County.
- Provides a central location where the elderly and handicapped residents of Clark County can get information and assistance in locating services to meet their needs in order to maintain their independence.
- This is a regional program and various expenses can be cost shared. In the past have partnered with Pepin and Buffalo Counties. Reviewing this partnership and looking at different options for the program. This budget has no levy.

Forestry and Parks

- Budgeted in 2015 to repair Sherwood Dam but the project was delayed to allow local community fund raisers to pay for dredging the lake before the dam was repaired. So the amount was again in the 2016 budget.
- Projecting to purchase land in the Town of Butler with the use of grant money, and reserved fund balance from sale of land for purposes of obtaining new land.
- Implemented the 3 year accelerated harvest schedule to be able to help fund Large Capital Infrastructure projects. For the year of 2016 a total amount of \$1,319,932 was budgeted to be transferred from this account to the Communication System Project.
- Continue to include \$850,000 transfer to general fund.
- Included increases for timber revenue, grant funding and increasing camping revenue with the exception of the Sherwood Park camping revenue.

Law Enforcement

- It is probable that there will be delays in responses to emergency and non-emergency calls
- Including reserves to be used as needed to help with overtime concerns.
- Includes lower costs for both health insurance and for the county portion of WRS.
- Replacement of 911 equipment and radio project.

Emergency Management

- Included \$3,736,232 of the \$4,648,246 Public Service Communication System project that is expected to be a 3 year process to complete. This is the second year of the project.
- Any amounts not expended in the 2016 or the 2015 year will be budgeted in the 2017 year.
- Applying for a grant to be able to fund a portion of the project.
- Emergency Management budget was later amended in 2016 in order to include the amounts for the emergency medical dispatch with the use of general fund balance.

Technology

- Future projects need to be analyzed to potentially save longer term dollars - upgrades to software and equipment are a continuing expenditure.
- Expenditures include on-site staff, required licensing and maintenance fees and limited amount of equipment for all departments of Clark County.
- Decreasing expenditure for capital outlays and holding steady with the annual maintenance and license fees.
- Maintain security and integrity of the technology infrastructure for all county departments.

General Government

- Expenditures have been budgeted at conservative amounts for the last number of years.
- County Sales Tax helps to relieve some of the burden of the ever increasing expenses and continues to come in at more than budgeted. This helps to keep the county from borrowing even more money in order to operate the county with the services provided to the residents of Clark County.
- Current economic conditions hold an unknown future in the amount of needed services for Clark County residents.
- Concerned with future state and federal budgets and how it will effect our revenue for mandated programs and for other areas like the shared revenue.
- Increased payments for bridge and culvert payments. This amount is outside the levy limitations and any fund balance in this area is used in the following year budget.
- Maintenance budget included 3rd step of the air distribution and control system.
- Land Conservation decreased the amount for the cost share programs. Revenue and expenditures are the same with no levy dollars in that area.
- Labor costs are a large portion of the county budget as the county business is to deliver services. The Contingent Fund includes amounts for possible wage increases along a base amount for the unexpected costs.

Human Services & Law Enforcement

- Budgets presented without cushion for the unexpected – out of home placements/unplanned extensive presentations.

The key elements in the ensuing years budget demonstrates the ever increasing challenges that the county faces in delivering quality services, maintaining the county infrastructure and meeting the state imposed levy limit in our current economic times.

Requests for Information:

This financial report is designed to provide a general overview of Clark County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clark County Office of Finance, 517 Court St, Room 205, Neillsville, Wisconsin, 54456.

BASIC FINANCIAL STATEMENTS

CLARK COUNTY, WISCONSIN
Statement of Net Position
December 31, 2015
(With summarized financial information as of December 31, 2014)

	Governmental Activities	Business-type Activities	Total	
			2015	2014
ASSETS				
Cash and investments	\$ 24,225,997	\$ 1,011,291	\$ 25,237,288	\$ 20,196,054
Restricted cash and investments	-	46,383	46,383	93,348
Receivables				
Taxes	12,079,179	4,126,320	16,205,499	16,204,913
Accounts	2,305,305	1,609,683	3,914,988	3,819,358
Loans	2,178,957	-	2,178,957	2,185,971
Internal balances	1,574,707	(1,574,707)	-	-
Due from other governments	-	350,943	350,943	495,830
Inventories and prepaid items	3,067	703,618	706,685	729,435
Net pension asset	1,929,467	1,837,551	3,767,018	-
Capital assets				
Land	1,258,886	243,890	1,502,776	1,503,594
Land improvements	4,356,872	1,941,485	6,298,357	6,144,244
Buildings and improvements	15,187,772	13,432,156	28,619,928	28,459,082
Machinery and equipment	5,488,086	13,713,040	19,201,126	18,720,778
Infrastructure	73,422,228	-	73,422,228	72,220,551
Less: Accumulated depreciation	(53,020,753)	(22,489,479)	(75,510,232)	(73,258,351)
TOTAL ASSETS	90,989,770	14,952,174	105,941,944	97,514,807
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	2,027,522	1,859,186	3,886,708	-
LIABILITIES				
Accounts payable	1,335,021	641,170	1,976,191	2,477,358
Accrued and other current liabilities	1,036,430	1,087,573	2,124,003	1,865,840
Accrued interest payable	64,110	-	64,110	5,333
Due to other governments	746,360	-	746,360	688,014
Unearned revenue	380,055	-	380,055	393,191
Special deposits	52,365	30,854	83,219	100,548
Long-term obligations				
Due within one year	328,996	-	328,996	371,849
Due in more than one year	4,392,157	1,483,051	5,875,208	3,624,696
TOTAL LIABILITIES	8,335,494	3,242,648	11,578,142	9,526,829
DEFERRED INFLOWS OF RESOURCES				
Property taxes	10,614,138	4,126,320	14,740,458	14,619,871
NET POSITION				
Net investment in capital assets	46,538,222	6,841,092	53,379,314	53,629,134
Restricted for				
CDBG development loans	2,314,708	-	2,314,708	2,341,986
Dog funds	19,477	-	19,477	22,405
Donated funds	-	15,529	15,529	29,673
Capital projects	2,984,770	-	2,984,770	2,335
Pension benefits	3,956,989	3,696,737	7,653,726	-
Unrestricted (deficit)	18,253,494	(1,110,966)	17,142,528	17,342,574
TOTAL NET POSITION	\$ 74,067,660	\$ 9,442,392	\$ 83,510,052	\$ 73,368,107

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

CLARK COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 5,263,271	\$ 1,520,271	\$ 98,724	\$ -
Public safety	5,891,758	290,469	244,998	-
Public works	3,423,540	-	737,425	-
Health and human services	15,810,032	6,492,608	5,713,557	-
Culture and recreation	2,427,570	993,942	341,851	-
Conservation and development	2,048,663	2,839,755	788,019	-
Interest on debt	67,849	-	-	-
Total Governmental Activities	34,932,683	12,137,045	7,924,574	-
Business-type Activities				
Highway	1,948,856	1,957,147	-	-
Health care center	18,059,699	14,509,916	-	-
Total Business-type Activities	20,008,555	16,467,063	-	-
Total	\$ 54,941,238	\$ 28,604,108	\$ 7,924,574	\$ -

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Other taxes

Federal and state grants and other contributions
not restricted to specific functions

Interest and investment earnings

Miscellaneous

Gain on sale of asset

Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1 as restated

Net position - December 31

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	
		2015	2014

\$ (3,644,276)	\$ -	\$ (3,644,276)	\$ (3,744,235)
(5,356,291)	-	(5,356,291)	(4,546,264)
(2,686,115)	-	(2,686,115)	(2,615,694)
(3,603,867)	-	(3,603,867)	(2,946,097)
(1,091,777)	-	(1,091,777)	(1,204,842)
1,579,111	-	1,579,111	2,437,291
(67,849)	-	(67,849)	(7,182)
<u>(14,871,064)</u>	<u>-</u>	<u>(14,871,064)</u>	<u>(12,627,023)</u>

-	8,291	8,291	323,163
-	(3,549,783)	(3,549,783)	(5,093,259)
-	<u>(3,541,492)</u>	<u>(3,541,492)</u>	<u>(4,770,096)</u>
<u>(14,871,064)</u>	<u>(3,541,492)</u>	<u>(18,412,556)</u>	<u>(17,397,119)</u>

11,390,516	2,036,840	13,427,356	13,198,544
1,192,515	-	1,192,515	150,000
2,193,546	-	2,193,546	2,165,232
2,046,768	1,702,379	3,749,147	3,588,886
53,915	637	54,552	24,242
71,261	75,597	146,858	95,770
11,825	115,499	127,324	289,884
(777,411)	777,411	-	-
<u>16,182,935</u>	<u>4,708,363</u>	<u>20,891,298</u>	<u>19,512,558</u>
<u>1,311,871</u>	<u>1,166,871</u>	<u>2,478,742</u>	<u>2,115,439</u>
68,736,801	4,631,306	73,368,107	71,252,668
4,018,988	3,644,215	7,663,203	-
<u>72,755,789</u>	<u>8,275,521</u>	<u>81,031,310</u>	<u>71,252,668</u>
<u>\$ 74,067,660</u>	<u>\$ 9,442,392</u>	<u>\$ 83,510,052</u>	<u>\$ 73,368,107</u>

CLARK COUNTY, WISCONSIN

Balance Sheet

Governmental Funds

December 31, 2015

(With summarized financial information as of December 31, 2014)

	General	Community Programs	Social Services Programs
ASSETS			
Cash and investments	\$ 12,167,069	\$ 1,901,901	\$ 806,270
Receivables			
Taxes	8,254,736	1,980,950	413,764
Accounts	2,844,934	254,317	364,084
Due from other funds	1,968,465	-	-
Inventories and prepaid items	3,067	-	-
TOTAL ASSETS	\$ 25,238,271	\$ 4,137,168	\$ 1,584,118
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 530,581	\$ 243,741	\$ 179,817
Accrued and other current liabilities	440,703	104,039	87,136
Due to other funds	-	-	-
Due to other governments	620,188	126,172	-
Unearned revenue	-	-	8,436
Special deposits	43,443	8,922	-
Total Liabilities	1,634,915	482,874	275,389
Deferred Inflows of Resources			
Property taxes	6,789,695	1,980,950	413,764
Interest and penalty recoverable on delinquent taxes	212,563	-	-
Loans receivable	2,178,957	-	-
Total Deferred Inflows of Resources	9,181,215	1,980,950	413,764
Fund Balances (Deficits)			
Nonspendable			
Inventories and prepaid items	3,067	-	-
Delinquent taxes	740,026	-	-
Health Care Center deficit	1,574,707	-	-
Restricted for:			
Retirement of long-term debt	-	-	-
Capital projects	-	-	-
CDBG development loans	135,751	-	-
Dog funds	19,477	-	-
Committed	1,407,469	-	-
Assigned	3,330,308	1,673,344	894,965
Unassigned (deficit), reported in:			
General fund	7,211,336	-	-
Special revenue funds	-	-	-
Debt service fund	-	-	-
Total Fund Balances (Deficits)	14,422,141	1,673,344	894,965
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 25,238,271	\$ 4,137,168	\$ 1,584,118

(Continued)

Parks and Forestry	Other Governmental Funds	Totals	
		2015	2014
\$ 4,681,619	\$ 3,260,281	\$ 22,817,140	\$ 17,768,243
-	1,429,729	12,079,179	12,078,593
151,398	782,468	4,397,201	3,761,446
-	-	1,968,465	3,383,627
-	-	3,067	5,527
<u>\$ 4,833,017</u>	<u>\$ 5,472,478</u>	<u>\$ 41,265,052</u>	<u>\$ 36,997,436</u>

\$ 121,487	\$ 259,395	\$ 1,335,021	\$ 1,736,761
53,483	51,069	736,430	646,268
-	393,758	393,758	168,311
-	-	746,360	688,010
113,706	16,716	138,858	139,868
-	-	52,365	62,477
<u>288,676</u>	<u>720,938</u>	<u>3,402,792</u>	<u>3,441,695</u>

-	1,429,729	10,614,138	10,493,551
-	-	212,563	204,444
-	-	2,178,957	2,185,971
<u>-</u>	<u>1,429,729</u>	<u>13,005,658</u>	<u>12,883,966</u>

-	-	3,067	5,527
-	-	740,026	588,130
-	-	1,574,707	3,215,316
-	1,424	1,424	-
-	2,984,770	2,984,770	2,335
-	-	135,751	156,015
-	-	19,477	22,405
-	-	1,407,469	1,478,598
4,544,341	445,100	10,888,058	9,057,501
-	-	7,211,336	6,235,664
-	(109,483)	(109,483)	(89,546)
-	-	-	(170)
<u>4,544,341</u>	<u>3,321,811</u>	<u>24,856,602</u>	<u>20,671,775</u>

<u>\$ 4,833,017</u>	<u>\$ 5,472,478</u>	<u>\$ 41,265,052</u>	<u>\$ 36,997,436</u>
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CLARK COUNTY, WISCONSIN
Balance Sheet (Continued)
Governmental Funds
December 31, 2015
(With summarized financial information as of December 31, 2014)

Reconciliation to the Statement of Net Position

	2015	2014
Total Fund Balances as shown on previous page	\$ 24,856,602	\$ 20,671,775
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	46,693,091	46,739,368
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Interest and penalty on taxes	212,563	204,444
Loans receivable	2,178,957	2,185,971
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.	954,721	1,237,616
The County's proportionate share of the Wisconsin Retirement System pension plan is not an available resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	1,929,467	-
Deferred outflows of resources	2,027,522	-
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Notes payable	(3,000,000)	(371,849)
Capital leases	(102,304)	(160,764)
Compensated absences	(1,417,913)	(1,499,824)
Other post employment benefits	(200,936)	(264,603)
Accrued interest on long-term obligations	(64,110)	(5,333)
	<u>(4,785,263)</u>	<u>(2,302,373)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 17)	<u>\$ 74,067,660</u>	<u>\$ 68,736,801</u>

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

	General	Community Programs	Social Services Programs
Revenues			
Taxes	\$ 8,554,185	\$ 2,253,078	\$ 463,764
Intergovernmental	3,081,089	2,299,289	2,066,918
Licenses and permits	97,649	-	-
Fines and forfeits	322,089	-	-
Public charges for services	690,953	2,094,308	305,684
Intergovernmental charges for services	1,017,549	-	-
Miscellaneous	120,825	4	-
Total Revenues	<u>13,884,339</u>	<u>6,646,679</u>	<u>2,836,366</u>
Expenditures			
Current			
General government	5,129,188	-	-
Public safety	5,718,254	-	-
Public works	87,875	-	-
Health and human services	943,110	6,342,909	3,264,994
Culture and recreation	704,907	-	-
Conservation and development	1,020,224	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	<u>13,603,558</u>	<u>6,342,909</u>	<u>3,264,994</u>
Excess of Revenues Over (Under) Expenditures	<u>280,781</u>	<u>303,770</u>	<u>(428,628)</u>
Other Financing Sources (Uses)			
Long-term debt issued	-	-	-
Sale of capital assets	23,401	-	-
Transfers in	875,000	19,466	13,419
Transfers out	(798,779)	-	-
Total Other Financing Sources (Uses)	<u>99,622</u>	<u>19,466</u>	<u>13,419</u>
Net Change in Fund Balances	380,403	323,236	(415,209)
Fund Balances - January 1	<u>14,041,738</u>	<u>1,350,108</u>	<u>1,310,174</u>
Fund Balances - December 31	<u>\$ 14,422,141</u>	<u>\$ 1,673,344</u>	<u>\$ 894,965</u>

(Continued)

Parks and Forestry	Other Governmental Funds	Total	
		2015	2014
\$ -	\$ 1,407,951	\$ 12,678,978	\$ 12,035,793
389,189	1,394,872	9,231,357	8,854,284
-	-	97,649	88,849
-	-	322,089	366,180
3,596,034	573,021	7,260,000	8,069,178
-	-	1,017,549	1,000,863
3,438	1,212	125,479	118,392
<u>3,988,661</u>	<u>3,377,056</u>	<u>30,733,101</u>	<u>30,533,539</u>
-	-	5,129,188	4,795,171
-	52,565	5,770,819	5,604,429
-	-	87,875	98,874
-	1,644,044	12,195,057	11,844,015
1,550,806	-	2,255,713	2,288,173
733,553	483,553	2,237,330	1,528,051
-	371,849	371,849	378,151
-	9,072	9,072	1,849
<u>2,284,359</u>	<u>2,561,083</u>	<u>28,056,903</u>	<u>26,538,713</u>
<u>1,704,302</u>	<u>815,973</u>	<u>2,676,198</u>	<u>3,994,826</u>
-	3,000,000	3,000,000	750,000
9,379	-	32,780	306,574
8,271	3,043,472	3,959,628	1,265,295
(850,000)	(3,835,000)	(5,483,779)	(2,031,920)
<u>(832,350)</u>	<u>2,208,472</u>	<u>1,508,629</u>	<u>289,949</u>
871,952	3,024,445	4,184,827	4,284,775
<u>3,672,389</u>	<u>297,366</u>	<u>20,671,775</u>	<u>16,387,000</u>
<u>\$ 4,544,341</u>	<u>\$ 3,321,811</u>	<u>\$ 24,856,602</u>	<u>\$ 20,671,775</u>

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended December 31, 2015
(With summarized financial information for the year ended December 31, 2014)

<u>Reconciliation to the Statement of Activities</u>	2015	2014
Net Change in Fund Balances as shown on previous page	\$ 4,184,827	\$ 4,284,775
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 expenditures in governmental fund statements	3,776,339	3,061,755
Depreciation expense reported in the statement of activities	<u>(3,198,807)</u>	<u>(3,251,448)</u>
Amount by which capital outlays are greater (less than) depreciation	<u>577,532</u>	<u>(189,693)</u>
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		
Book value of assets disposed reported on the statement of activities	(623,809)	(378,089)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. The accrual of these benefits increased by:	145,578	(34,906)
Change in the net pension 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	(61,999)	-
Governmental funds do not recognize revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	1,105	(151,352)
Some capital assets acquired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:	(3,000,000)	(750,000)
Repayment of principal on long-term debt is reported in the governmental funds as an 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 is:	430,309	500,044
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, in the statement of activities interest is reported as it accrues.	(58,777)	(5,333)
Internal service fund change in net position not reported in governmental funds.	<u>(282,895)</u>	<u>(166,709)</u>
Change in Net Position of Governmental Activities as Reported in the Statement of Activities (see pages 18 - 19)	<u>\$ 1,311,871</u>	<u>\$ 3,108,737</u>

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 7,819,958	\$ 7,819,958	\$ 8,554,185	\$ 734,227
Intergovernmental	3,074,767	3,074,767	3,081,089	6,322
Licenses and permits	84,500	84,500	97,649	13,149
Fines and forfeits	381,485	381,485	322,089	(59,396)
Public charges for services	465,099	476,599	690,953	214,354
Intergovernmental charges for services	899,610	899,610	1,017,549	117,939
Miscellaneous	44,500	33,000	120,825	87,825
Total Revenues	12,769,919	12,769,919	13,884,339	1,114,420
Expenditures				
Current				
General government	5,769,562	5,769,562	5,129,188	640,374
Public safety	5,787,553	5,787,553	5,718,254	69,299
Public works	200,000	200,000	87,875	112,125
Health and human services	985,120	985,120	943,110	42,010
Culture and recreation	724,632	724,632	704,907	19,725
Conservation and development	941,227	941,227	1,020,224	(78,997)
Total Expenditures	14,408,094	14,408,094	13,603,558	804,536
Excess of Revenues Over (Under) Expenditures	(1,638,175)	(1,638,175)	280,781	1,918,956
Other Financing Sources (Uses)				
Sale of capital assets	20,000	20,000	23,401	3,401
Transfers in	875,000	875,000	875,000	-
Transfers out	(1,235,000)	(1,235,000)	(798,779)	436,221
Total Other Financing Sources (Uses)	(340,000)	(340,000)	99,622	439,622
Net Change in Fund Balance	(1,978,175)	(1,978,175)	380,403	2,358,578
Fund Balance - January 1	14,041,738	14,041,738	14,041,738	-
Fund Balance - December 31	\$ 12,063,563	\$ 12,063,563	\$ 14,422,141	\$ 2,358,578

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Community Programs
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,253,078	\$ 2,253,078	\$ 2,253,078	\$ -
Intergovernmental	1,903,270	1,903,270	2,299,289	396,019
Public charges for services	1,863,060	1,863,060	2,094,308	231,248
Miscellaneous	-	-	4	4
Total Revenues	6,019,408	6,019,408	6,646,679	627,271
Expenditures				
Current				
Health and human services	6,044,408	6,044,408	6,342,909	(298,501)
Excess of Revenues Over (Under) Expenditures	(25,000)	(25,000)	303,770	328,770
Other Financing Sources				
Transfers in	-	-	19,466	19,466
Net Change in Fund Balance	(25,000)	(25,000)	323,236	348,236
Fund Balance - January 1	1,350,108	1,350,108	1,350,108	-
Fund Balance - December 31	\$ 1,325,108	\$ 1,325,108	\$ 1,673,344	\$ 348,236

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Social Services Programs
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 463,764	\$ 463,764	\$ 463,764	\$ -
Intergovernmental	2,100,592	2,100,592	2,066,918	(33,674)
Public charges for services	186,094	186,094	305,684	119,590
Total Revenues	2,750,450	2,750,450	2,836,366	85,916
Expenditures				
Current				
Health and human services	3,000,450	3,000,450	3,264,994	(264,544)
Excess of Revenues Over (Under) Expenditures	(250,000)	(250,000)	(428,628)	(178,628)
Other Financing Sources				
Transfers in	-	-	13,419	13,419
Net Change in Fund Balance	(250,000)	(250,000)	(415,209)	(165,209)
Fund Balance - January 1	1,310,174	1,310,174	1,310,174	-
Fund Balance - December 31	\$ 1,060,174	\$ 1,060,174	\$ 894,965	\$ (165,209)

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Parks and Forestry
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 394,436	\$ 394,436	\$ 389,189	\$ (5,247)
Public charges for services	2,778,420	2,778,420	3,596,034	817,614
Miscellaneous	3,000	3,000	3,438	438
Total Revenues	3,175,856	3,175,856	3,988,661	812,805
Expenditures				
Current				
Culture and recreation	1,961,718	1,961,718	1,550,806	410,912
Conservation and development	708,329	708,329	733,553	(25,224)
Total Expenditures	2,670,047	2,670,047	2,284,359	385,688
Excess of Revenues Over (Under) Expenditures	505,809	505,809	1,704,302	1,198,493
Other Financing Sources (Uses)				
Sale of capital assets	77,000	77,000	9,379	(67,621)
Transfers in	-	-	8,271	8,271
Transfers out	(850,000)	(850,000)	(850,000)	-
Total Other Financing Sources (Uses)	(773,000)	(773,000)	(832,350)	(59,350)
Net Change in Fund Balance	(267,191)	(267,191)	871,952	1,139,143
Fund Balance - January 1	3,672,389	3,672,389	3,672,389	-
Fund Balance - December 31	\$ 3,405,198	\$ 3,405,198	\$ 4,544,341	\$ 1,139,143

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

CLARK COUNTY, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015

	Enterprise Funds			Internal Service Health Insurance
	Highway	Rehabilitation & Living Center	Total	
ASSETS				
Current assets				
Cash and investments	\$ 965,216	\$ 46,075	\$ 1,011,291	\$ 1,408,857
Restricted cash and investments	-	46,383	46,383	-
Receivables				
Accounts	9,477	1,600,206	1,609,683	87,061
Taxes	2,089,480	2,036,840	4,126,320	-
Due from other governments	350,943	-	350,943	-
Inventories and prepaid expenses	676,083	27,535	703,618	-
Total Current Assets	4,091,199	3,757,039	7,848,238	1,495,918
Noncurrent assets				
Net pension asset	236,945	1,600,606	1,837,551	-
Capital assets				
Land	148,553	95,337	243,890	-
Capital assets, depreciable				
Land improvements	199,891	1,741,594	1,941,485	-
Buildings	1,051,281	12,380,875	13,432,156	-
Machinery and equipment	7,569,959	6,143,081	13,713,040	-
Less: Accumulated depreciation	(5,703,918)	(16,785,561)	(22,489,479)	-
Total Capital Assets, Net of Accumulated Depreciation	3,265,766	3,575,326	6,841,092	-
Total Noncurrent Assets	3,502,711	5,175,932	8,678,643	-
TOTAL ASSETS	7,593,910	8,932,971	16,526,881	1,495,918
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	246,769	1,612,417	1,859,186	-
LIABILITIES				
Current Liabilities				
Accounts payable	212,177	428,993	641,170	-
Accrued and other current liabilities	117,206	970,367	1,087,573	300,000
Due to other funds	-	1,574,707	1,574,707	-
Unearned revenue	-	-	-	241,197
Resident funds	-	30,854	30,854	-
Total Current Liabilities	329,383	3,004,921	3,334,304	541,197
Noncurrent Liabilities				
Compensated absences	389,441	1,052,884	1,442,325	-
Post-employment benefits	40,726	-	40,726	-
Total Noncurrent Liabilities	430,167	1,052,884	1,483,051	-
TOTAL LIABILITIES	759,550	4,057,805	4,817,355	541,197
DEFERRED INFLOWS OF RESOURCES				
Property taxes	2,089,480	2,036,840	4,126,320	-
NET POSITION				
Investment in capital assets	3,265,766	3,575,326	6,841,092	-
Restricted				
Donation fund	-	15,529	15,529	-
Pension benefits	483,714	3,213,023	3,696,737	-
Unrestricted (deficit)	1,242,169	(2,353,135)	(1,110,966)	954,721
TOTAL NET POSITION	\$ 4,991,649	\$ 4,450,743	\$ 9,442,392	\$ 954,721

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

CLARK COUNTY, WISCONSIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Enterprise Funds			Internal Service Health Insurance
	Highway	Rehabilitation & Living Center	Total	
Operating Revenues				
Charges for services	\$ 1,624,403	\$ 14,270,275	\$ 15,894,678	\$ -
Miscellaneous	332,744	239,641	572,385	-
Interdepartment charges	-	-	-	3,246,254
Total Operating Revenues	1,957,147	14,509,916	16,467,063	3,246,254
Operating Expenses				
Health care	-	17,562,864	17,562,864	-
Highway administration	402,872	-	402,872	-
Construction and maintenance	4,795,810	-	4,795,810	-
Insurance operations	-	-	-	3,530,058
Depreciation	323,819	496,835	820,654	-
Total Operating Expenses	5,522,501	18,059,699	23,582,200	3,530,058
Operating Loss	(3,565,354)	(3,549,783)	(7,115,137)	(283,804)
Nonoperating Revenues (Expenses)				
Interest income	-	637	637	909
Property taxes	2,089,480	2,036,840	4,126,320	-
Intergovernmental transfer program	-	1,702,379	1,702,379	-
Local transportation aids	628,660	-	628,660	-
Other transportation aids	108,765	-	108,765	-
Gain (loss) on sale of asset	(5,073)	120,572	115,499	-
Donations	-	597	597	-
Miscellaneous	-	75,000	75,000	-
Total Nonoperating Revenues (Expenses)	2,821,832	3,936,025	6,757,857	909
Income (Loss) Before Transfers	(743,522)	386,242	(357,280)	(282,895)
Transfers in	828,798	695,353	1,524,151	-
Changes in Net Position	85,276	1,081,595	1,166,871	(282,895)
Net Position - January 1, as originally reported	4,404,198	227,108	4,631,306	1,237,616
Cumulative effect of change in accounting principle	502,175	3,142,040	3,644,215	-
Net Position - January 1, restated	4,906,373	3,369,148	8,275,521	1,237,616
Net Position - December 31	\$ 4,991,649	\$ 4,450,743	\$ 9,442,392	\$ 954,721

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

CLARK COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds			Internal Service Health Insurance
	Highway	Rehabilitation & Living Center	Total	
Cash Flows from Operating Activities				
Cash received from user charges	\$ 2,104,227	\$ 15,138,471	\$ 17,242,698	\$ 3,150,521
Cash payments to suppliers	(3,778,105)	(3,960,541)	(7,738,646)	(3,537,651)
Cash payments to employees	(1,350,166)	(13,952,699)	(15,302,865)	-
Net Cash Used by Operating Activities	(3,024,044)	(2,774,769)	(5,798,813)	(387,130)
Cash Flows from Noncapital Financing Activities				
Property taxes	2,089,480	2,036,840	4,126,320	-
Local transportation aids	628,660	-	628,660	-
Other transportation aids	108,765	-	108,765	-
Cash advance from general fund	-	(1,640,609)	(1,640,609)	-
Transfer in	828,798	695,353	1,524,151	-
Intergovernmental transfer program	-	1,702,379	1,702,379	-
Donations	-	597	597	-
Resident funds	-	(7,217)	(7,217)	-
Miscellaneous	-	75,000	75,000	-
Net Cash Provided by Noncapital Financing Activities	3,655,703	2,862,343	6,518,046	-
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(324,302)	(221,813)	(546,115)	-
Proceeds from sale of capital assets	28,851	128,987	157,838	-
Net Cash Used by Capital and Related Financing Activities	(295,451)	(92,826)	(388,277)	-
Cash Flows from Investing Activities				
Interest income received	-	637	637	909
Change in Cash and Cash Equivalents	336,208	(4,615)	331,593	(386,221)
Cash and Cash Equivalents - January 1	629,008	97,073	726,081	1,795,078
Cash and Cash Equivalents - December 31	\$ 965,216	\$ 92,458	\$ 1,057,674	\$ 1,408,857
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments	\$ 965,216	\$ 46,075	\$ 1,011,291	\$ 1,408,857
Restricted cash and investments	-	46,383	46,383	-
Total Cash and Investments	\$ 965,216	\$ 92,458	\$ 1,057,674	\$ 1,408,857
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:				
Operating loss	\$ (3,565,354)	\$ (3,549,783)	\$ (7,115,137)	\$ (283,804)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	323,819	496,835	820,654	-
Changes in pension related assets and deferred outflows	18,461	(70,983)	(52,522)	-
Changes in assets and liabilities:				
Accounts receivable	2,193	628,553	630,746	(83,607)
Due from other governments	144,887	-	144,887	-
Inventories and prepaid expenses	(20,368)	40,658	20,290	-
Accounts payable	66,705	(265,979)	(199,274)	(7,593)
Accrued and other current liabilities	11,244	156,757	168,001	-
Due to other governments	(4)	-	(4)	-
Compensated absences	(12,414)	(210,827)	(223,241)	-
Post-employment benefits	6,787	-	6,787	-
Unearned revenues	-	-	-	(12,126)
Net Cash Used by Operating Activities	\$ (3,024,044)	\$ (2,774,769)	\$ (5,798,813)	\$ (387,130)
Noncash Investing, Capital and Financing Activities				
None				

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

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Clark County, Wisconsin ("the County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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

Clark County is a municipal corporation governed by an elected 29 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 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. 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 or segment. *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 or segment 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 and proprietary funds. Governmental funds include general, special revenue, debt service and capital projects 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.

COMMUNITY PROGRAMS SPECIAL REVENUE FUND

This fund is used to account for the operations of the Department of Community Programs. The fund's significant revenues are taxes, intergovernmental grants, and public charges for services.

SOCIAL SERVICES PROGRAMS SPECIAL REVENUE FUND

This fund is used to account for the operations of the Department of Social Services. The fund's significant revenues are taxes, intergovernmental grants, and public charges for services.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PARKS AND FORESTRY SPECIAL REVENUE FUND

This fund is used to account for the operations of the Department of Forestry. The fund's significant revenues are intergovernmental grants and public charges for services.

The County reports the following major enterprise funds:

HIGHWAY FUND

This fund is used to account for costs of the Highway Department for the maintenance and construction of state, county, and local roads and bridges.

CLARK COUNTY REHABILITATION & LIVING CENTER FUND

This fund is used to account for operation of the Clark County Rehabilitation & Living Center providing nursing home and health care services in the County.

Additionally, the government reports the following fund type:

Internal service funds account for health insurance services provided to other departments of the County, on a cost reimbursement basis.

3. 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 fund financial statements. 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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for human services, victim witness, and other reimbursable grants, for which available is defined as 180 days. This exception is necessary because the funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditure. 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.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues such as licenses and permits, fines and forfeits and miscellaneous revenues are recognized when received in cash or when measurable and available.

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

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenues of the County's enterprise funds are 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, then unrestricted resources, as they are needed.

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

a. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

b. Accounts Receivable

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method with the exception of the Clark County Rehabilitation & Living Center which has an allowance of \$165,664 at year end. No other allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or 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 the governmental funds are offset by nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

d. 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 to indicate that they do not represent spendable available financial resources.

e. Prepaid Items

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

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

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. 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 higher and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

<u>Assets</u>	Governmental Activities	Business-type Activities
	Years	
Land improvements	10 - 30	10 - 30
Buildings	25 - 50	25 - 40
Improvements other than buildings	10 - 30	10 - 30
Machinery and equipment	3 - 15	3 - 15
Infrastructure	25 - 50	-

g. Compensated Absences

The County's previous policy allowed employees to earn varying amounts of vacation and sick pay benefits for each year employed. Vacation and sick balances under the previous policy were frozen at 12/31/2012 and converted into a cash equivalent at the employee's current rate of pay. Employees can use these dollar balances to buy additional PTO days. When an employee retires or leaves County employment, the County will pay a percentage of the sick leave dollar balance based on years of service. The payout is 25% for employees with 5-9 years of service, 50% for 10-15 years of service, 75% for 16-20 years of service, and 100% for 21 years of service or more. When an employee retires or leaves County employment, the County will pay the remaining vacation leave balance at 100% of the dollar value at 12/31/2012.

Effective 1/1/2013, the County's policy allowed employees to earn various amounts of Paid Time Off (PTO) benefits for each year employed. PTO can be accumulated up to a maximum of 270 hours. Once an employee reaches 210 hours of PTO, the employee is eligible for an annual payout of up to 60 hours. Upon retirement or termination, the County's policy is to pay the employee's balance of PTO.

Benefits that require payment in future years are accrued in the years in which they are earned

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

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category, property taxes. This amount will be recognized as an inflow of resources in the subsequent year for which it was levied. 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 two sources, interest and penalty receivable on delinquent taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

i. Long-term Obligations

In the government-wide financial statements, and proprietary funds 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j. Pensions

For purposes of measuring the net pension 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.

k. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action 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.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Assigned fund balance - Amounts that are constrained for specific purposes by action of County management. The County Board has not authorized any personnel to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL 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, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- 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.

5. Use of 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.

6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

7. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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. During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. 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.
- b. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, special revenue and debt service funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. 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.
- c. During the year, formal budgetary integration is employed as a management control device for the general fund, special revenue funds and debt service funds. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions.
- d. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the County. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the County Board.
- e. Encumbrance accounting is not used by the County to record commitments related to unperformed contracts for goods or services.

The County did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2015.

2. Deficit Fund Balance

The following fund had deficit fund balance as of December 31, 2015:

Fund	Deficit
Coon Fork Watershed	\$ 109,483

The deficit will be financed with future revenues of the fund.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The County maintains various 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."

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the County's cash and investments totaled \$25,283,671 on December 31, 2015 as summarized below:

Petty cash funds	\$ 5,640
Deposits with financial institutions	16,720,395
Investments	8,557,636
	\$ 25,283,671

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	\$ 25,237,288
Restricted cash and investments	46,383
	\$ 25,283,671

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

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts 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.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2015, \$12,126,934 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$12,126,934 was collateralized with securities held by the pledging financial institution but not in the County's name.

On December 31, 2015, the County held repurchase agreement investments of \$4,500,000 of which the underlying securities are held by a third party bank, in the name of the County and \$4,009,200 of which the underlying securities are held by the investment's counterparty, not in the name of the County.

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. The County does not have an additional credit risk policy. The County's investment in the Wisconsin local government investment pool is not rated.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Wisconsin local government investment pool	\$ 48,436	\$ -	\$ -	\$ -	\$ 48,436

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
Citizens State Bank of Loyal	Repurchase agreement	\$ 4,000,000	47%
Abby Bank	Repurchase agreement	4,500,000	53%

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 does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments held by the Wisconsin local government investment pool and the mutual funds mature in 12 months or less.

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
Repurchase agreements	\$ 8,509,200	\$ 8,509,200	\$ -	\$ -	\$ -
Wisconsin local government investment pool	48,436	48,436	-	-	-
Totals	\$ 8,557,636	\$ 8,557,636	\$ -	\$ -	\$ -

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

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 \$48,436 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, 2015, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Tax Apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is not due from local taxing districts until February of the subsequent year, the County's apportionment is recorded as deferred inflows 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, 2015 for collection in 2016 are for the following:

State apportionment	\$ 324,360
County apportionment	14,740,458
Total	\$ 15,064,818

The above County apportionment of \$14,740,458 is for financing 2016 operations and will be transferred in 2016 from deferred inflows of resources to current revenues of the County's governmental and proprietary funds.

3. Restricted Assets

Restricted assets on December 31, 2015 totaled \$46,383 and consisted of cash and investments held for the following purposes:

Enterprise Fund - Rehibition & Living Center	
Resident fund cash	\$ 30,854
Donated cash	15,529
	\$ 46,383

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. 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. On December 31, 2015, the County's general fund showed an investment of \$895,542 in delinquent taxes as follows:

Tax certificates	\$ 842,143
Tax deeds	53,399
Total	\$ 895,542

An aging of the total delinquent tax certificates of \$842,143 on December 31, 2015 follows:

Year Acquired	Total
Prior to 2010	\$ 16,394
2010	2,692
2011	2,128
2012	2,039
2013	75,629
2014	262,500
2015	480,761
	\$ 842,143

Of the total of \$842,143 for delinquent tax certificates, \$102,117 was collected by the County within 60 days after December 31, 2015. The remaining unpaid balance of \$740,026 is recorded as nonspendable fund balance for the general fund.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

5. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,259,704	\$ -	\$ 818	\$ 1,258,886
Capital assets, being depreciated:				
Land improvements	4,212,629	144,243	-	4,356,872
Buildings and improvements	15,103,268	84,504	-	15,187,772
Machinery and equipment	5,212,601	449,615	174,130	5,488,086
Infrastructure	72,220,551	3,097,977	1,896,300	73,422,228
Subtotals	96,749,049	3,776,339	2,070,430	98,454,958
Less accumulated depreciation for:				
Land improvements	2,984,966	145,254	-	3,130,220
Buildings and improvements	7,447,563	349,804	-	7,797,367
Machinery and equipment	3,315,125	475,906	147,144	3,643,887
Infrastructure	37,521,731	2,227,843	1,300,295	38,449,279
Subtotals	51,269,385	3,198,807	1,447,439	53,020,753
Total capital assets, being depreciated, net	45,479,664	577,532	622,991	45,434,205
Governmental activities capital assets, net	<u>\$ 46,739,368</u>	<u>\$ 577,532</u>	<u>\$ 623,809</u>	46,693,091
Less related long-term debt outstanding (net of available debt proceeds of \$2,947,435)				154,869
Net investment in capital assets				<u>\$ 46,538,222</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 243,890	\$ -	\$ -	\$ 243,890
Capital assets, being depreciated:				
Land improvements	1,931,615	9,870	-	1,941,485
Buildings and improvements	13,355,814	77,254	912	13,432,156
Machinery and equipment	13,508,177	573,758	368,895	13,713,040
Subtotals	28,795,606	660,882	369,807	29,086,681
Less accumulated depreciation for:				
Land improvements	1,639,981	45,230	-	1,685,211
Buildings and improvements	10,656,420	309,039	912	10,964,547
Machinery and equipment	9,692,565	466,385	319,229	9,839,721
Subtotals	21,988,966	820,654	320,141	22,489,479
Total capital assets, being depreciated, net	6,806,640	(159,772)	49,666	6,597,202
Business-type activities capital assets, net	<u>\$ 7,050,530</u>	<u>\$ (159,772)</u>	<u>\$ 49,666</u>	<u>\$ 6,841,092</u>

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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

Governmental activities	
General government	\$ 399,907
Public safety	242,156
Public works	2,227,844
Health and human services	70,124
Culture and recreation	189,847
Conservation and development	68,929
Total depreciation expense - governmental activities	<u>\$ 3,198,807</u>
Business-type activities	
Highway	\$ 323,819
Rehabilitation & Living center	496,835
Total depreciation expense - business-type activities	<u>\$ 820,654</u>

The County owns 132,576 acres of county forest land which was acquired in the 1920's and 1940's. The cost to the County was not determinable, and therefore is not included in the capital assets. The County maintains these lands with stumpage revenues.

6. Interfund Receivable, Payables, Transfers

Interfund receivables and payables between individual funds of the county, as reported in the fund financial statements, as of December 31, 2015 are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating Cash		
Deficits of Other Funds		
General Fund	\$ 1,968,465	\$ -
Special Revenue Funds		
Aging	-	128,371
Coon Fork Watershed	-	209,570
Aging and Disability Resource Center	-	55,817
Enterprise Funds		
Rehabilitation & Living Center	-	1,574,707
Totals	<u>\$ 1,968,465</u>	<u>\$ 1,968,465</u>

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers, as reported in the fund financial statements, for the year ended December 31, 2015 were as follows:

	Transfer From:			
	General Fund	Parks and Forestry	Debt Service	Public Health
Transfers to:				
Social services programs	\$ 13,419	\$ -	\$ -	\$ -
Community programs	19,466	-	-	-
Park and forestry	8,271	-	-	-
Public health	1,309	-	-	-
Aging	6,560	-	-	-
Land records	603	-	-	-
Highway enterprise fund	18,798	-	810,000	-
Rehabilitation & living center enterprise fund	695,353	-	-	-
Evidence building	35,000	-	3,000,000	-
General fund	-	850,000	-	25,000
Totals	\$ 798,779	\$ 850,000	\$ 3,810,000	\$ 25,000

Transfers are used to: 1) transfer funds from the general fund to other funds for a wage increase 2) transfer funds for capital asset expenditures 3) transfer funds to cover debt payments and 4) cover general fund expenses.

7. Short-term Debt

The County issued a short term State Trust Fund Loan dated May 5, 2015. Short-term debt activity for the year ended December 31, 2015 was as follows

	Beginning Balance	Issued	Paid	Ending Balance
State Trust Fund Loan	\$ -	\$ 810,000	\$ 810,000	\$ -

Total interest paid during the year on short-term debt totaled \$3,162.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

8. Long-term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2015:

	Outstanding 1/1/15	Issued	Retired	Outstanding 12/31/15	Due Within One Year
Governmental activities:					
General Obligation Debt					
State Trust Fund Loan	\$ 371,849	\$ 3,000,000	\$ 371,849	\$ 3,000,000	\$ 270,536
Capital leases	160,764	-	58,460	102,304	58,460
Other post employment benefits	264,603	8,493	72,160	200,936	-
Compensated absences	1,499,824	13,378	95,289	1,417,913	-
Governmental activities					
Long-term obligations	<u>\$ 2,297,040</u>	<u>\$ 3,021,871</u>	<u>\$ 597,758</u>	<u>\$ 4,721,153</u>	<u>\$ 328,996</u>
Business-type activities:					
Other post employment benefits	\$ 33,939	\$ 16,986	\$ 10,199	\$ 40,726	\$ -
Compensated absences	1,665,566	-	223,241	1,442,325	-
Business-type activities					
Long-term obligations	<u>\$ 1,699,505</u>	<u>\$ 16,986</u>	<u>\$ 233,440</u>	<u>\$ 1,483,051</u>	<u>\$ -</u>

Total interest paid during the year on long-term debt totaled \$5,909.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

State Trust Fund Loan

\$3,000,000 issued 5/15/15; \$270,536 to \$343,516 due annually through 2025 \$ 3,000,000
interest 3.25%

Annual principal and interest maturities of the outstanding general obligation debt of \$3,000,000 on December 31, 2015 are detailed below:

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 270,536	\$ 84,144	\$ 354,680
2017	265,972	88,708	354,680
2018	274,616	80,063	354,679
2019	283,541	71,138	354,679
2020	292,587	62,093	354,680
2021-2025	1,612,748	160,652	1,773,400
	<u>\$ 3,000,000</u>	<u>\$ 546,798</u>	<u>\$ 3,546,798</u>

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

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2015 was \$92,565,395 as follows:

Equalized valuation of the County	\$ 1,911,307,900
Statutory limitation percentage	(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	95,565,395
Outstanding general obligation debt applicable to debt limitation	3,000,000
Legal Margin for New Debt	\$ 92,565,395

9. Capital Lease

The County has entered into lease agreements for the purpose of purchasing equipment. The following is a schedule of the minimum lease payments under the lease agreement and the present value of the minimum lease payments at December 31, 2015:

Year Ending	Amount
2016	\$ 58,460
2017	43,844
Total Minimum Lease Payments	102,304
Less: Amount representing interest	-
Present Value of Future Minimum Lease Payments	\$ 102,304

10. Pension Plan

a. 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 County 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.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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.

b. 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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
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%

c. 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 \$1,439,698 in contributions from the County.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the County reported an asset of \$3,767,018 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. 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 asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was 0.15336317%, which was a decrease of 0.00449884% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$1,500,273.

At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 546,101
Net differences between projected and actual earnings on pension plan investments	1,824,173
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,576
Employer contributions subsequent to the measurement date	1,419,858
Total	<u>\$ 3,886,708</u>

\$1,419,858 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 asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflow of Resources
2015	\$ 562,412
2016	562,412
2017	562,412
2018	562,412
2019	217,202

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
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, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 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:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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 3.56%. 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 asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension 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 asset (liability)	\$ (10,627,409)	\$ 3,767,018	\$ 15,135,157

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://legis.wisconsin.gov/lab/> and reference report number 15-11.

11. Other Post-Employment Benefits

Plan Description - The County provides health care insurance coverage for employees who have retired until they reach the age of 65. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. There are 3 retired employees in the plan.

Annual OPEB Cost and Net OPEB Obligation - The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and the amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Component	Amount
Annual required contribution	\$ 13,537
Interest on net OPEB	11,942
Adjustment to annual required contribution	(67,061)
Annual OPEB cost (expense)	(41,582)
Contributions made	15,298
Change in net OPEB obligation	(56,880)
OPEB obligation - beginning of year	298,542
OPEB obligation - end of year	<u>\$ 241,662</u>

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

The annual required contribution for the current year was determined as part of the January 1, 2015 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4.0% discount rate, and (b) projected salary increases at 3%.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level percentage amount of projected payroll on an open basis. The remaining amortization period at December 31, 2015 is 5 years, and the remaining amount is \$63,839.

Trend Information - The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	\$ 106,763	19.74%	\$ 209,413
12/31/2014	110,199	19.12%	298,542
12/31/2015	(41,582)	N/A	241,662

Funded Status and Funding Progress - As of January 1, 2015, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$63,839. The annual payroll for active employees covered by the plan for the 2015 fiscal year was \$22,156,320 for a ratio of the UAAL to covered payroll of 0.29%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a rate of 4.0% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 2.5% for medical for the first year, 7.5% for the next two years and then decreasing to 7% for the fourth and fifth years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2015 was 5 years.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

12. Fund Equity

In the fund financial statements, a portion of governmental fund balances are committed by County Board action. At December 31, 2015, fund balance was committed as follows:

General Fund	
Committed for	
Property and liability	\$ 43,404
Workers compensation	701,405
Jail assessment	30,230
ERT	48,581
Computer equipment	249,541
Economic development	1,861
911	28,484
Canteen fund	18,778
Watershed	185,314
Interoperability grant	846
Justice forfeiture	665
Department of Treasury forfeiture	224
Wellness	53,370
Pre-disaster mitigation grant	(7,591)
Redaction fees	1,850
K-9	5,062
Land Conservation	45,445
	<u>\$ 1,407,469</u>

Also in the fund financial statements, portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2015, fund balance was assigned as follows:

General Fund	
Assigned for	
Fund balances applied in 2016 budget	\$ 2,551,880
Health Care Center deficit	778,428
	<u>3,330,308</u>
Special Revenue Funds	
Assigned for	
Community Programs	1,673,344
Social Services	894,965
Parks and Forestry	4,544,341
Public Health	196,801
Aging	138,333
Clean Sweep	11,973
Family Trust	4,380
Land Records	43,564
Emergency Food and Shelter	13,772
Sewage Lagoon	36,277
	<u>7,557,750</u>
	<u>\$ 10,888,058</u>

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION

1. Risk Management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County has chosen to retain a portion of the risks through a self-insurance program and has also purchased insurance to transfer other risks to outside parties. A description of the County's risk management programs is presented below:

Health Self-Insurance

County employees, retirees and employee dependents are eligible for medical benefits from a health self-insurance fund. Funding is provided by charges to County departments, employees and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability. Fund expenses consist of payments to a third-party administrator for medical claims, stop loss insurance premiums and administrative fees. On December 31, 2015, the fund had a balance of \$954,721 for future unreported medical claims. The claims liability of \$300,000 reported in the fund at December 31, 2015 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for 2014 and 2015 follow:

	Liability January 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability December 31
2014	\$ 300,000	\$ 3,251,393	\$ 3,251,393	\$ 300,000
2015	300,000	3,530,058	3,530,058	300,000

Property and Liability Insurance

During 1994, the County became a member of the Wisconsin County Mutual Insurance Corporation (WCMIC). WCMIC was created by several governmental units within the State of Wisconsin to provide liability insurance services to its members. The County pays premiums to WCMIC for its liability insurance coverage. The actuary for WCMIC determines charges to its members for the expected losses and loss adjustment expenses on which premiums are based. Premium charges for WCMIC are recorded as expenditures or expenses in various funds of the County.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures or expenses in various funds of the County.

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

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. An audit under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Guidelines* has been conducted but final acceptance is still pending. 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 proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal Corporation 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 operations.

3. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2015 and 2016 budget years, the increase in the maximum allowable tax levy is limited to the percentage change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2015 budget was 1.00%. The actual limit for the County for the 2016 budget is 1.03%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

4. Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. Statement No. 72 requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also requires disclosures about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The County will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB No. 75 is effective one year later. The County is currently evaluating the impact these standards will have on the financial statements when adopted

CLARK COUNTY, WISCONSIN
Notes to Basic Financial Statements
December 31, 2015

NOTE D - OTHER INFORMATION (Continued)

5. Cumulative Effect of Change in Accounting Principles

The County has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. The cumulative effect of this change is summarized below:

	Business-type Activities			Total	
	Governmental Activities	Highway	Rehabilitation & Living Center		
Net Pension Asset	\$ 3,302,299	\$ 404,541	\$ 2,516,867	\$ 2,921,408	\$ 6,223,707
Deferred Outflows of Resources	716,689	97,634	625,173	722,807	1,439,496
Total Cumulative Effect of Change in Accounting Principle	\$ 4,018,988	\$ 502,175	\$ 3,142,040	\$ 3,644,215	\$ 7,663,203

REQUIRED SUPPLEMENTARY INFORMATION

CLARK COUNTY, WISCONSIN
Schedule of Funding Progress
Other Post-Employment Benefit Plan
For the Year Ended December 31, 2015

Actuarial Valuation Date January 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 1,042,842	0.00%	\$ 1,042,842	\$ 19,749,189	5.28%
2012	-	841,330	0.00%	841,330	20,303,084	4.14%
2015	-	63,839	0.00%	63,839	22,156,320	0.29%

See Notes to Required Supplementary Information.

CLARK COUNTY, WISCONSIN
Schedule of Employer Contributions
Other Post-Employment Benefit Plan
For the Year Ended December 31, 2015

Year Ended December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 21,070	\$ 104,335	20.19%
2014	21,070	104,335	20.19%
2015	15,298	13,537	113.01%

See Notes to Required Supplementary Information.

CLARK COUNTY, WISCONSIN
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.15336317%
Proportionate share of the net pension asset	\$ 3,767,018
Covered-employee payroll	\$ 19,818,369
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

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

	2015
Contractually required contributions	\$ 1,439,698
Contributions in relation to the contractually required contributions	\$ 1,439,698
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 19,818,369
Contributions as a percentage of covered-employee payroll	7.26%

* The amounts presented for each fiscal year were determined as of the calendar year-end of the prior year.

See Notes to Required Supplementary Information.

CLARK COUNTY, WISCONSIN
Notes to Required Supplementary Information
For the Year Ended December 31, 2015

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended December 31, 2015. Information for prior years is not available.

NOTE B - WISCONSIN RETIREMENT SYSTEM

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

NOTE C - SCHEDULE OF FUNDING PROGRESS

The January 1, 2015 actuarial valuation differs from the January 1, 2012 actuarial valuation due to the following factor:

- 1) Eliminated participation in the plan for any employee who was not retired as of January 1, 2015

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Public Health Funds

To account for various public health programs funded by state and federal grants.

Aging Funds

To account for activities of the Commission on Aging. Financing is provided primarily by state and federal grants, local collections and a portion of the local tax levy.

Clean Sweep

To account for expenditures for the collection and disposal of hazardous materials. Financing is provided by state and federal grants and local tax levy.

Family Trust

To account for circuit court mediation costs. Financing is provided by court fees assessed.

Land Records

To account for land records activities related to the development of county land records. Financing is provided by state grants, land records fees, and local tax levy.

Emergency Food and Shelter

To account for Social Services grant program.

Coon Fork Watershed

To account for Land Conservation programs expenditures. Financing is provided by state and federal grants.

Sewage Lagoon

To account for funds accumulating for future replacement costs of a sewage treatment facility at the Rehabilitation & Living Center.

Aging and Disability Resource Center

To account for expenditures related to serving the elderly and disabled. Financing is provided by state and federal grants and local collections.

DEBT SERVICE FUND - to account for retirement of long-term debt. Financing is by County tax levy.

CAPITAL PROJECTS FUND

Evidence Building Fund

To account for financing of building for storage of evidence.

CLARK COUNTY, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds					
	Public Health	Aging	Clean Sweep	Family Trust	Land Records	Emergency Food and Shelter
ASSETS						
Cash and investments	\$ 170,644	\$ -	\$ 1,133	\$ 4,810	\$ 47,451	\$ 13,772
Receivables						
Taxes	-	215,436	-	-	8,128	-
Accounts	56,971	321,606	11,215	20	30	-
TOTAL ASSETS	\$ 227,615	\$ 537,042	\$ 12,348	\$ 4,830	\$ 55,609	\$ 13,772
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 6,611	\$ 27,754	\$ 375	\$ 450	\$ -	\$ -
Accrued and other current liabilities	7,487	27,148	-	-	3,917	-
Due to other funds	-	128,371	-	-	-	-
Unearned revenue	16,716	-	-	-	-	-
Total Liabilities	30,814	183,273	375	450	3,917	-
Deferred Inflows of Resources						
Property taxes	-	215,436	-	-	8,128	-
Fund Balances (Deficits)						
Restricted						
Retirement of long-term debt	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned for						
Special revenue funds	196,801	138,333	11,973	4,380	43,564	13,772
Unassigned (deficit), reported in						
Special revenue funds	-	-	-	-	-	-
Total Fund Balances (Deficits)	196,801	138,333	11,973	4,380	43,564	13,772
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 227,615	\$ 537,042	\$ 12,348	\$ 4,830	\$ 55,609	\$ 13,772

(Continued)

CLARK COUNTY, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds (Continued)			Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Coon Fork Watershed	Sewage Lagoon	Aging and Disability Resource Center		Evidence Building Fund	
ASSETS						
Cash and investments	\$ -	\$ 36,277	\$ -	\$ 1,424	\$ 2,984,770	\$ 3,260,281
Receivables						
Taxes	-	-	-	1,206,165	-	1,429,729
Accounts	323,687	-	68,939	-	-	782,468
TOTAL ASSETS	\$ 323,687	\$ 36,277	\$ 68,939	\$ 1,207,589	\$ 2,984,770	\$ 5,472,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 223,600	\$ -	\$ 605	\$ -	\$ -	\$ 259,395
Accrued and other current liabilities	-	-	12,517	-	-	51,069
Due to other funds	209,570	-	55,817	-	-	393,758
Unearned revenue	-	-	-	-	-	16,716
Total Liabilities	433,170	-	68,939	-	-	720,938
Deferred Inflows of Resources						
Property taxes	-	-	-	1,206,165	-	1,429,729
Fund Balances (Deficits)						
Restricted						
Retirement of long-term debt	-	-	-	1,424	-	1,424
Capital projects	-	-	-	-	2,984,770	2,984,770
Assigned for						
Special revenue funds	-	36,277	-	-	-	445,100
Unassigned (deficit), reported in						
Special revenue funds	(109,483)	-	-	-	-	(109,483)
Total Fund Balances (Deficits)	(109,483)	36,277	-	1,424	2,984,770	3,321,811
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 323,687	\$ 36,277	\$ 68,939	\$ 1,207,589	\$ 2,984,770	\$ 5,472,478

CLARK COUNTY, WISCONSIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
For the Year Ended December 31, 2015

	Special Revenue Funds					
	Public Health	Aging	Clean Sweep	Family Trust	Land Records	Emergency Food and Shelter
Revenues						
Taxes	\$ -	\$ 215,436	\$ -	\$ -	\$ -	\$ -
Intergovernmental	339,461	335,800	11,215	-	54,232	-
Public charges for services	197,926	306,270	4,245	12,820	51,760	-
Miscellaneous	1,212	-	-	-	-	-
Total Revenues	<u>538,599</u>	<u>857,506</u>	<u>15,460</u>	<u>12,820</u>	<u>105,992</u>	<u>-</u>
Expenditures						
Current						
Public safety	-	-	-	-	-	-
Health and human services	487,335	810,570	-	16,940	-	-
Conservation and development	-	-	26,723	-	109,660	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>487,335</u>	<u>810,570</u>	<u>26,723</u>	<u>16,940</u>	<u>109,660</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>51,264</u>	<u>46,936</u>	<u>(11,263)</u>	<u>(4,120)</u>	<u>(3,668)</u>	<u>-</u>
Other Financing Sources (Uses)						
Long-term debt issued	-	-	-	-	-	-
Transfers in	1,309	6,560	-	-	603	-
Transfers out	(25,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(23,691)</u>	<u>6,560</u>	<u>-</u>	<u>-</u>	<u>603</u>	<u>-</u>
Net Change in Fund Balances	27,573	53,496	(11,263)	(4,120)	(3,065)	-
Fund Balances (Deficits) - January 1	<u>169,228</u>	<u>84,837</u>	<u>23,236</u>	<u>8,500</u>	<u>46,629</u>	<u>13,772</u>
Fund Balances (Deficits) - December 31	<u>\$ 196,801</u>	<u>\$ 138,333</u>	<u>\$ 11,973</u>	<u>\$ 4,380</u>	<u>\$ 43,564</u>	<u>\$ 13,772</u>

(Continued)

CLARK COUNTY, WISCONSIN
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 For the Year Ended December 31, 2015

	Special Revenue Funds (Continued)			Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Coon Fork Watershed	Sewage Lagoon	Aging and Disability Resource Center		Evidence Building Fund	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 1,192,515	\$ -	\$ 1,407,951
Intergovernmental	324,966	-	329,198	-	-	1,394,872
Public charges for services	-	-	-	-	-	573,021
Miscellaneous	-	-	-	-	-	1,212
Total Revenues	324,966	-	329,198	1,192,515	-	3,377,056
Expenditures						
Current						
Public safety	-	-	-	-	52,565	52,565
Health and human services	-	-	329,199	-	-	1,644,044
Conservation and development	347,170	-	-	-	-	483,553
Debt service						
Principal	-	-	-	371,849	-	371,849
Interest and fiscal charges	-	-	-	9,072	-	9,072
Total Expenditures	347,170	-	329,199	380,921	52,565	2,561,083
Excess of Revenues Over (Under) Expenditures	(22,204)	-	(1)	811,594	(52,565)	815,973
Other Financing Sources (Uses)						
Long-term debt issued	-	-	-	3,000,000	-	3,000,000
Transfers in	-	-	-	-	3,035,000	3,043,472
Transfers out	-	-	-	(3,810,000)	-	(3,835,000)
Total Other Financing Sources (Uses)	-	-	-	(810,000)	3,035,000	2,208,472
Net Change in Fund Balances	(22,204)	-	(1)	1,594	2,982,435	3,024,445
Fund Balances (Deficits) - January 1	(87,279)	36,277	1	(170)	2,335	297,366
Fund Balances (Deficits) - December 31	\$ (109,483)	\$ 36,277	\$ -	\$ 1,424	\$ 2,984,770	\$ 3,321,811