

**WAUSHARA COUNTY, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2012**

**WAUSHARA COUNTY, WISCONSIN**  
December 31, 2012

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## INDEPENDENT AUDITORS' REPORT

To the County Board  
Waushara 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 Waushara County, Wisconsin ("the County") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, human services, and county roads and bridges special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note A.4.h, the County has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2012. Our opinions are not modified in respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and the schedule of employer contributions on pages 36 through 37 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial information listed in the table of contents as supplementary information and the schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were 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, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2013, 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.

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Certified Public Accountants  
Green Bay, Wisconsin  
September 4, 2013

## **BASIC FINANCIAL STATEMENTS**

**WAUSHARA COUNTY, WISCONSIN**

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 13,446,758	\$ 1,093,099	\$ 14,539,857
Receivables, net of allowance			
Taxes	17,051,973	-	17,051,973
Accounts and loans, net	2,113,036	30,285	2,143,321
Special assessments	213,295	-	213,295
Due from other governments	662,004	337,501	999,505
Inventories and prepaid items	993	524,012	525,005
Capital assets			
Land	717,305	29,681	746,986
Buildings	15,621,820	1,358,555	16,980,375
Improvements other than buildings	75,796	199,908	275,704
Machinery and equipment	9,109,433	7,160,369	16,269,802
Infrastructure	42,454,028	-	42,454,028
Less: Accumulated depreciation	<u>(37,363,405)</u>	<u>(5,113,793)</u>	<u>(42,477,198)</u>
<b>TOTAL ASSETS</b>	<u>64,103,036</u>	<u>5,619,617</u>	<u>69,722,653</u>
<b>LIABILITIES</b>			
Accounts payable	1,393,881	242,389	1,636,270
Accrued interest payable	14,989	-	14,989
Unearned revenues	174,879	-	174,879
Long-term obligations			
Due within one year	675,000	-	675,000
Long term debt	<u>8,039,577</u>	<u>244,347</u>	<u>8,283,924</u>
<b>TOTAL LIABILITIES</b>	<u>10,298,326</u>	<u>486,736</u>	<u>10,785,062</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	<u>15,309,198</u>	-	<u>15,309,198</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,964,977	3,634,720	27,599,697
Restricted	1,232,972	-	1,232,972
Unrestricted	<u>13,297,563</u>	<u>1,498,161</u>	<u>14,795,724</u>
<b>TOTAL NET POSITION</b>	<u>\$ 38,495,512</u>	<u>\$ 5,132,881</u>	<u>\$ 43,628,393</u>

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

**WAUSHARA COUNTY, WISCONSIN**  
Statement of Activities  
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 3,779,123	\$ 1,637,226	\$ 108,195	\$ 10,086
Public safety	10,767,504	2,289,554	185,596	-
Public works	4,141,371	9,268	1,203,272	-
Health and human services	10,079,261	1,538,162	5,019,900	-
Culture and recreation	1,133,379	5,070	82,548	-
Conservation and development	1,560,763	241,056	263,488	-
Interest on debt	171,597	-	-	-
<b>Total Governmental Activities</b>	<b>31,632,998</b>	<b>5,720,336</b>	<b>6,862,999</b>	<b>10,086</b>
<b>Business-type Activities</b>				
Highway operations	5,561,116	5,653,545	-	-
<b>Total</b>	<b>\$ 37,194,114</b>	<b>\$ 11,373,881</b>	<b>\$ 6,862,999</b>	<b>\$ 10,086</b>

General revenues

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Other taxes
- Grants and contributions not restricted to specific functions
- Unrestricted investment earnings
- Miscellaneous
- Total general revenues

Change in net position

Net position - January 1

Prior period adjustment

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

\$ (2,023,616)	\$ -	\$ (2,023,616)
(8,292,354)	-	(8,292,354)
(2,928,831)	-	(2,928,831)
(3,521,199)	-	(3,521,199)
(1,045,761)	-	(1,045,761)
(1,056,219)	-	(1,056,219)
(171,597)	-	(171,597)
<u>(19,039,577)</u>	-	<u>(19,039,577)</u>

-	92,429	92,429
<u>(19,039,577)</u>	92,429	<u>(18,947,148)</u>

14,734,069	-	14,734,069
626,016	-	626,016
1,717,597	-	1,717,597
93,545	-	93,545
317,351	-	317,351
760,814	-	760,814
<u>18,249,392</u>	-	<u>18,249,392</u>

<u>(790,185)</u>	92,429	<u>(697,756)</u>
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38,524,104	5,040,452	43,564,556
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<u>761,593</u>	-	<u>761,593</u>
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<u>39,285,697</u>	5,040,452	<u>44,326,149</u>
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<u>\$ 38,495,512</u>	<u>\$ 5,132,881</u>	<u>\$ 43,628,393</u>
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**WAUSHARA COUNTY, WISCONSIN**

Balance Sheet  
Governmental Funds  
December 31, 2012

	General	County Roads and Bridges	Human Services	Capital Projects/ Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 8,547,026	\$ 632,016	\$ 1,986,681	\$ 1,214,317	\$ 392,674	\$ 12,772,714
Receivables, net of allowance						
Current property taxes	8,534,172	2,306,750	2,246,494	844,250	1,377,531	15,309,197
Delinquent property taxes	1,742,776	-	-	-	-	1,742,776
Special assessments	213,295	-	-	-	-	213,295
Accounts, net	597,039	-	134,769	-	588,224	1,320,032
Loans	-	-	-	-	792,964	792,964
Due from other governments	121,588	-	524,999	-	15,417	662,004
Inventories and prepaid items	-	-	180	-	813	993
<b>TOTAL ASSETS</b>	<b>\$ 19,755,896</b>	<b>\$ 2,938,766</b>	<b>\$ 4,893,123</b>	<b>\$ 2,058,567</b>	<b>\$ 3,167,623</b>	<b>\$ 32,813,975</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 705,819	\$ -	\$ 554,821	\$ 23,856	\$ 95,912	\$ 1,380,408
Due to other governments	663	-	-	-	-	663
Unearned revenues	-	-	170,043	-	4,836	174,879
<b>Total Liabilities</b>	<b>706,482</b>	<b>-</b>	<b>724,864</b>	<b>23,856</b>	<b>100,748</b>	<b>1,555,950</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	8,534,173	2,306,750	2,246,494	844,250	1,377,531	15,309,198
Loans and long-term receivables	151,004	-	-	-	792,964	943,968
<b>Total Deferred Inflows of Resources</b>	<b>8,685,177</b>	<b>2,306,750</b>	<b>2,246,494</b>	<b>844,250</b>	<b>2,170,495</b>	<b>16,253,166</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Inventories and prepaids	-	-	180	-	813	993
Delinquent property taxes	1,548,045	-	-	-	-	1,548,045
<b>Restricted</b>	<b>234,822</b>	<b>-</b>	<b>25,385</b>	<b>1,190,461</b>	<b>179,801</b>	<b>1,630,469</b>
<b>Committed</b>	<b>2,588,248</b>	<b>632,016</b>	<b>1,896,200</b>	<b>-</b>	<b>715,766</b>	<b>5,832,230</b>
<b>Assigned</b>						
Subsequent years expenditures	41,558	-	-	-	-	41,558
<b>Unassigned</b>	<b>5,951,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,951,564</b>
<b>Total Fund Balances</b>	<b>10,364,237</b>	<b>632,016</b>	<b>1,921,765</b>	<b>1,190,461</b>	<b>896,380</b>	<b>15,004,859</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 19,755,896</b>	<b>\$ 2,938,766</b>	<b>\$ 4,893,123</b>	<b>\$ 2,058,567</b>	<b>\$ 3,167,623</b>	<b>\$ 32,813,975</b>

(Continued)

WAUSHARA COUNTY, WISCONSIN

Balance Sheet

Governmental Funds (Continued)

December 31, 2012

Reconciliation to the Statement of Net Position

Total Fund Balances as shown above		\$ 15,004,859
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 30,614,977	
Less amount included in the data processing internal service fund.	<u>(92,300)</u>	
		30,522,677
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		943,968
Internal service funds are used by management to charge the costs of information technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		753,574
The following liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable		(6,650,000)
Accrued interest on notes payable		(14,989)
Debt premium		(86,068)
Other post-employment health benefits payable		(462,316)
Compensated absences		<u>(1,516,193)</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position (see page 4)		<u>\$ 38,495,512</u>

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

