

Langlade County, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2017

Langlade County, Wisconsin

DECEMBER 31, 2017

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Independent auditors' report

To the County Board
Langlade 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 Langlade County, Wisconsin (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the County Roads and Bridges, Social Services, Northwoods CDBG, and Housing Rehabilitation 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 described in Note 4.C, the County issued \$3,500,000 general obligation notes to finance capital improvement projects incurred in 2017 through 2019.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions on page 46 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 opinions on the basic financial statements are 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are also not a required part of the basic financial statements.

The supplementary information and the schedules of expenditures of federal and state awards 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 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 and state awards are 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 2016 financial statements, and our report dated June 8, 2017, 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, 2016, 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 September 28, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants

Green Bay, Wisconsin
September 28, 2018

BASIC FINANCIAL STATEMENTS

Langlade County, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2017

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Totals	
			2017	2016
ASSETS				
Cash and investments	\$ 12,351,687	\$ 1,808,850	\$ 14,160,537	\$ 14,232,101
Receivables				
Taxes	9,716,027	-	9,716,027	9,563,658
Delinquent taxes	928,417	-	928,417	1,051,744
Accounts	466,992	530	467,522	377,094
Loans, net	6,393,050	-	6,393,050	5,874,030
Other	165,291	-	165,291	187,450
Internal balances	(196,904)	196,904	-	-
Due from other governments	532,444	457,510	989,954	842,620
Inventories and prepaid items	506,965	581,959	1,088,924	927,713
Capital assets, nondepreciable	9,202,016	10,509	9,212,525	7,709,908
Capital assets, depreciable	37,063,872	3,815,639	40,879,511	42,062,503
Total assets	77,129,857	6,871,901	84,001,758	82,828,821
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	8,122	-	8,122	18,945
Pension related amounts	2,855,905	682,516	3,538,421	5,059,778
Total deferred outflows of resources	2,864,027	682,516	3,546,543	5,078,723
LIABILITIES				
Accounts payable	1,038,959	107,511	1,146,470	886,438
Accrued and other current liabilities	470,167	76,000	546,167	542,302
Due to other governments	256,416	-	256,416	276,867
Accrued interest payable	8,073	-	8,073	16,012
Special deposits	672,584	-	672,584	611,165
Unearned revenues	343,168	8,484	351,652	535,733
Long-term obligations				
Due within one year	927,177	-	927,177	955,943
Due in more than one year	450,777	253,492	704,269	1,367,864
Net pension liability	362,635	95,985	458,620	907,419
Other postemployment benefits	-	-	-	125,996
Total liabilities	4,529,956	541,472	5,071,428	6,225,739
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	9,716,027	-	9,716,027	9,563,658
Pension related amounts	1,140,454	301,866	1,442,320	1,909,648
Total deferred inflows of resources	10,856,481	301,866	11,158,347	11,473,306
NET POSITION				
Net investment in capital assets	45,649,887	3,826,148	49,476,035	48,494,058
Restricted	7,240,135	-	7,240,135	6,342,400
Unrestricted	11,717,425	2,884,931	14,602,356	15,372,041
Total net position	\$ 64,607,447	\$ 6,711,079	\$ 71,318,526	\$ 70,208,499

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

Langlade County, Wisconsin

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 3,715,469	\$ 757,478	\$ 84,458	\$ -
Public safety	5,560,809	480,411	110,134	12,935
Public works	2,712,853	26,601	593,287	20,842
Health and human services	4,697,667	164,389	1,881,651	-
Culture and recreation	1,459,070	220,637	900	2,000
Conservation and development	2,192,500	24,763	2,070,657	806,869
Interest and fiscal charges	27,676	-	-	-
Total governmental activities	20,366,044	1,674,279	4,741,087	842,646
BUSINESS-TYPE ACTIVITIES				
Highway	4,917,322	4,647,758	-	-
Total	\$ 25,283,366	\$ 6,322,037	\$ 4,741,087	\$ 842,646

General revenues
 Taxes
 Property taxes
 Sales tax
 Other taxes
 Federal and state grants and other contributions
 not restricted to specific functions
 Interest and investment earnings
 Forest timber sales
 Miscellaneous
 Transfers

Total general revenues and transfers

Change in net position

Net position - January 1

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	Totals	
		2017	2016
\$ (2,873,533)	\$ -	\$ (2,873,533)	\$ (2,756,279)
(4,957,329)	-	(4,957,329)	(4,725,419)
(2,072,123)	-	(2,072,123)	(1,726,719)
(2,651,627)	-	(2,651,627)	(2,362,481)
(1,235,533)	-	(1,235,533)	(1,138,726)
709,789	-	709,789	(153,850)
(27,676)	-	(27,676)	(42,483)
<u>(13,108,032)</u>	<u>-</u>	<u>(13,108,032)</u>	<u>(12,905,957)</u>
-	(269,564)	(269,564)	112,041
<u>(13,108,032)</u>	<u>(269,564)</u>	<u>(13,377,596)</u>	<u>(12,793,916)</u>
9,563,658	-	9,563,658	9,192,331
1,658,022	-	1,658,022	1,645,434
120,875	-	120,875	109,031
735,934	-	735,934	735,275
340,764	-	340,764	328,265
1,857,681	-	1,857,681	1,758,893
210,689	-	210,689	61,496
(248,950)	248,950	-	-
<u>14,238,673</u>	<u>248,950</u>	<u>14,487,623</u>	<u>13,830,725</u>
1,130,641	(20,614)	1,110,027	1,036,809
<u>63,476,806</u>	<u>6,731,693</u>	<u>70,208,499</u>	<u>69,171,690</u>
<u>\$ 64,607,447</u>	<u>\$ 6,711,079</u>	<u>\$ 71,318,526</u>	<u>\$ 70,208,499</u>

Langlade County, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	<u>General</u>	<u>County Roads and Bridges</u>	<u>Social Services</u>	<u>Northwoods CDGB</u>
ASSETS				
Cash and investments	\$ 7,407,838	\$ 2,014,235	\$ 50	\$ 258,291
Receivables				
Taxes and special charges	5,475,061	2,238,392	993,189	-
Delinquent taxes	928,417	-	-	-
Accounts	441,803	-	12,079	-
Loans, net	-	-	-	3,224,200
Other	165,291	-	-	-
Due from other funds	992,988	-	-	-
Due from other governments	276,929	-	163,805	71,995
Inventories and prepaid items	506,455	-	-	-
Total assets	<u>\$ 16,194,782</u>	<u>\$ 4,252,627</u>	<u>\$ 1,169,123</u>	<u>\$ 3,554,486</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 271,814	\$ -	\$ 87,418	\$ 12,793
Accrued and other current liabilities	409,066	-	48,873	-
Due to other funds	4,249	-	32,261	315,677
Due to other governments	256,416	-	-	-
Special deposits	670,106	-	-	-
Unearned revenues	317,321	-	7,382	-
Total liabilities	<u>1,928,972</u>	<u>-</u>	<u>175,934</u>	<u>328,470</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	5,475,061	2,238,392	993,189	-
Interest on taxes	116,741	-	-	-
Loans receivable	-	-	-	3,224,200
Long-term receivable	332,904	-	-	-
Total deferred inflows of resources	<u>5,924,706</u>	<u>2,238,392</u>	<u>993,189</u>	<u>3,224,200</u>
Fund balances				
Nonspendable	1,275,531	-	-	-
Restricted	-	-	-	1,816
Committed	-	2,014,235	-	-
Assigned	2,394,571	-	-	-
Unassigned	4,671,002	-	-	-
Total fund balances	<u>8,341,104</u>	<u>2,014,235</u>	<u>-</u>	<u>1,816</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,194,782</u>	<u>\$ 4,252,627</u>	<u>\$ 1,169,123</u>	<u>\$ 3,554,486</u>

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

Housing Rehabilitation	Other Governmental Funds	Totals	
		2017	2016
\$ 146,484	\$ 902,420	\$ 10,729,318	\$ 10,730,683
-	1,009,385	9,716,027	9,563,658
-	-	928,417	1,051,744
-	13,110	466,992	328,728
2,180,626	1,288,224	6,693,050	6,174,030
-	-	165,291	187,450
-	-	992,988	1,242,377
-	19,715	532,444	491,933
-	510	506,965	372,151
<u>\$ 2,327,110</u>	<u>\$ 3,233,364</u>	<u>\$ 30,731,492</u>	<u>\$ 30,142,754</u>

\$ 75	\$ 28,991	\$ 401,091	\$ 300,456
-	12,228	470,167	1,095,088
-	642,835	995,022	1,244,029
-	-	256,416	240,318
-	2,478	672,584	-
-	18,465	343,168	368,567
<u>75</u>	<u>704,997</u>	<u>3,138,448</u>	<u>3,248,458</u>

-	1,009,385	9,716,027	9,563,658
-	-	116,741	142,250
2,180,626	1,288,224	6,693,050	6,174,030
-	-	332,904	183,127
<u>2,180,626</u>	<u>2,297,609</u>	<u>16,858,722</u>	<u>16,063,065</u>

-	510	1,276,041	1,250,446
146,409	703,092	851,317	472,602
-	-	2,014,235	2,435,145
-	170,501	2,565,072	1,727,355
-	(643,345)	4,027,657	4,945,683
<u>146,409</u>	<u>230,758</u>	<u>10,734,322</u>	<u>10,831,231</u>

<u>\$ 2,327,110</u>	<u>\$ 3,233,364</u>	<u>\$ 30,731,492</u>	<u>\$ 30,142,754</u>
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Langlade County, Wisconsin

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 10,734,322	\$ 10,831,231
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.	46,265,888	45,936,709
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	6,842,695	6,199,407
Net position of the internal service fund is reported in the statement of net position as governmental activities	789,631	892,872
Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.		
Loss on advance refunding	8,122	18,945
Deferred outflows related to pensions	2,855,905	3,986,619
Deferred inflows related to pensions	(1,140,454)	(1,502,313)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(620,177)	(1,242,632)
Premium on debt	(3,946)	(9,233)
Capital lease payable	-	(26,488)
Compensated absences	(753,831)	(752,440)
Net pension liability	(362,635)	(713,863)
Other postemployment benefit	-	(125,996)
Accrued interest on long-term obligations	(8,073)	(16,012)
Net position of governmental activities as reported on the statement of net position (see page 4)	<u>\$ 64,607,447</u>	<u>\$ 63,476,806</u>

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	County Roads and Bridges	Social Services	Northwoods CDGB
REVENUES				
Taxes	\$ 7,396,286	\$ 2,238,392	\$ 881,898	\$ -
Intergovernmental	2,356,094	612,129	1,363,510	1,081,024
Licenses and permits	81,980	-	-	-
Fines and forfeits	80,183	-	-	-
Public charges for services	2,372,873	-	113,381	-
Intergovernmental charges for services	290,731	-	-	-
Interdepartmental charges for services	479,350	-	-	-
Miscellaneous	461,716	2,000	-	86,268
Total revenues	13,519,213	2,852,521	2,358,789	1,167,292
EXPENDITURES				
Current				
General government	3,317,747	-	-	-
Public safety	4,985,369	-	-	-
Public works	138,530	1,984,600	-	-
Health and human services	1,521,284	-	2,849,057	-
Culture and recreation	1,093,735	-	-	-
Conservation and development	1,912,316	-	-	1,158,964
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	281,266	160,528	19,774	-
Total expenditures	13,250,247	2,145,128	2,868,831	1,158,964
Excess of revenues over (under) expenditures	268,966	707,393	(510,042)	8,328
OTHER FINANCING SOURCES (USES)				
Transfers in	6,013	-	239,758	-
Transfers out	(333,000)	(248,950)	-	-
Total other financing sources (uses)	(326,987)	(248,950)	239,758	-
Net change in fund balances	(58,021)	458,443	(270,284)	8,328
Fund balances - January 1	8,399,125	1,555,792	270,284	(6,512)
Fund balances - December 31	\$ 8,341,104	\$ 2,014,235	\$ -	\$ 1,816

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

Housing Rehabilitation	Other Governmental Funds	Totals	
		2017	2016
\$ -	\$ 1,049,065	\$ 11,565,641	\$ 11,129,467
-	806,499	6,219,256	5,310,517
-	10,105	92,085	114,720
-	-	80,183	81,706
-	145,549	2,631,803	2,745,236
-	191	290,922	50,139
-	-	479,350	534,265
131,424	436,715	1,118,123	749,876
131,424	2,448,124	22,477,363	20,715,926
-	10,105	3,327,852	3,494,250
-	75,237	5,060,606	4,596,331
-	-	2,123,130	2,386,321
-	475,867	4,846,208	4,551,392
-	169,356	1,263,091	1,090,637
54,390	91,128	3,216,798	2,717,110
-	622,455	622,455	599,894
-	30,079	30,079	49,217
-	1,373,535	1,835,103	1,292,733
54,390	2,847,762	22,325,322	20,777,885
77,034	(399,638)	152,041	(61,959)
-	93,242	339,013	462,025
-	(6,013)	(587,963)	(731,781)
-	87,229	(248,950)	(269,756)
77,034	(312,409)	(96,909)	(331,715)
69,375	543,167	10,831,231	11,162,946
\$ 146,409	\$ 230,758	\$ 10,734,322	\$ 10,831,231

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2017</u>	<u>2016</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (96,909)	\$ (331,715)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets reported as capital outlay in governmental fund statements	2,700,282	2,298,059
Contributed capital assets	14,935	23,905
Depreciation expense reported in the statement of activities	(2,366,974)	(2,186,398)
Net book value of disposals	(19,064)	(92,656)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	124,268	(85,316)
The County administers loan programs. Loans issued are recorded as an expenditure when made; in the statement of activities, loans issued are not expensed. Accordingly, loan repayments are not recorded as revenue in the statement of activities but reduce the receivable balance.		
Loans issued	1,102,785	1,073,724
Loan repayments	(583,665)	(381,365)
Loan adjustments and change in allowance for uncollectible accounts	(100)	(86,433)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid	622,455	599,894
Capital leases paid	26,488	41,611
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:		
Accrued interest on long-term debt	7,939	12,270
Amortization of premiums, discounts and loss on advance refunding	(5,536)	(5,536)
Compensated absences	(1,391)	39,021
Net pension asset (liability)	351,228	(1,811,710)
Deferred outflows of resources related to pensions	(1,130,714)	2,900,901
Deferred inflows of resources related to pensions	361,859	(1,502,313)
Other postemployment benefits	125,996	(35,839)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(103,241)	184,908
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ 1,130,641</u>	<u>\$ 655,012</u>

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Taxes	\$ 7,342,303	\$ 7,342,303	\$ 7,396,286	\$ 53,983	\$ 6,900,379
Intergovernmental	2,107,132	2,466,108	2,356,094	(110,014)	2,053,539
Licenses and permits	93,340	93,340	81,980	(11,360)	109,064
Fines and forfeits	78,500	78,500	80,183	1,683	81,706
Public charges for services	2,415,191	2,490,275	2,372,873	(117,402)	2,513,667
Intergovernmental charges for services	64,900	169,122	290,731	121,609	47,558
Interdepartmental charges for services	419,670	457,120	479,350	22,230	534,265
Miscellaneous	166,357	166,469	461,716	295,247	291,828
Total revenues	12,687,393	13,263,237	13,519,213	255,976	12,532,006
EXPENDITURES					
Current					
General government	3,565,419	3,832,920	3,317,747	515,173	3,488,594
Public safety	4,543,682	4,774,326	4,985,369	(211,043)	4,517,137
Public works	155,846	155,846	138,530	17,316	140,369
Health and human services	1,565,455	1,585,726	1,521,284	64,442	1,502,578
Culture and recreation	988,222	1,158,321	1,093,735	64,586	998,337
Conservation and development	1,593,260	2,039,393	1,912,316	127,077	1,481,620
Capital outlay	339,000	651,790	281,266	370,524	660,184
Total expenditures	12,750,884	14,198,322	13,250,247	948,075	12,788,819
Excess of revenues over (under) expenditures	(63,491)	(935,085)	268,966	1,204,051	(256,813)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	6,013	6,013	227,351
Transfers out	-	(66,621)	(333,000)	(266,379)	(262,436)
Total other financing sources (uses)	-	(66,621)	(326,987)	(260,366)	(35,085)
Net change in fund balance	(63,491)	(1,001,706)	(58,021)	943,685	(291,898)
Fund balance - January 1	8,399,125	8,399,125	8,399,125	-	8,691,023
Fund balance - December 31	\$ 8,335,634	\$ 7,397,419	\$ 8,341,104	\$ 943,685	\$ 8,399,125

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - COUNTY ROADS AND BRIDGES SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Taxes	\$ 2,238,392	\$ 2,238,392	\$ 2,238,392	\$ -	\$ 2,238,392
Intergovernmental	799,829	799,829	612,129	(187,700)	859,264
Miscellaneous	-	-	2,000	2,000	2,000
Total revenues	<u>3,038,221</u>	<u>3,038,221</u>	<u>2,852,521</u>	<u>(185,700)</u>	<u>3,099,656</u>
EXPENDITURES					
Current					
Public works	2,341,442	2,341,442	1,984,600	356,842	2,245,952
Capital outlay	447,829	447,829	160,528	287,301	632,549
Total expenditures	<u>2,789,271</u>	<u>2,789,271</u>	<u>2,145,128</u>	<u>644,143</u>	<u>2,878,501</u>
Excess of revenues over expenditures	<u>248,950</u>	<u>248,950</u>	<u>707,393</u>	<u>458,443</u>	<u>221,155</u>
OTHER FINANCING USES					
Transfers out	<u>(248,950)</u>	<u>(248,950)</u>	<u>(248,950)</u>	<u>-</u>	<u>(241,994)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>458,443</u>	<u>458,443</u>	<u>(20,839)</u>
Fund balance - January 1	<u>1,555,792</u>	<u>1,555,792</u>	<u>1,555,792</u>	<u>-</u>	<u>1,576,631</u>
Fund balance - December 31	<u>\$ 1,555,792</u>	<u>\$ 1,555,792</u>	<u>\$ 2,014,235</u>	<u>\$ 458,443</u>	<u>\$ 1,555,792</u>

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SOCIAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Taxes	\$ 881,898	\$ 881,898	\$ 881,898	\$ -	\$ 916,749
Intergovernmental	1,349,469	1,349,469	1,363,510	14,041	1,368,360
Public charges for services	53,100	53,100	113,381	60,281	64,887
Total revenues	<u>2,284,467</u>	<u>2,284,467</u>	<u>2,358,789</u>	<u>74,322</u>	<u>2,349,996</u>
EXPENDITURES					
Current					
Health and human services	2,284,467	2,284,467	2,849,057	(564,590)	2,533,258
Capital outlay	-	20,000	19,774	226	-
Total expenditures	<u>2,284,467</u>	<u>2,304,467</u>	<u>2,868,831</u>	<u>(564,364)</u>	<u>2,533,258</u>
Excess of revenues under expenditures	<u>-</u>	<u>(20,000)</u>	<u>(510,042)</u>	<u>(490,042)</u>	<u>(183,262)</u>
OTHER FINANCING SOURCES					
Transfers in	-	20,000	239,758	219,758	209,116
Net change in fund balance	-	-	(270,284)	(270,284)	25,854
Fund balance - January 1	<u>270,284</u>	<u>270,284</u>	<u>270,284</u>	<u>-</u>	<u>244,430</u>
Fund balance - December 31	<u>\$ 270,284</u>	<u>\$ 270,284</u>	<u>\$ -</u>	<u>\$ (270,284)</u>	<u>\$ 270,284</u>

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - NORTHWOODS CDBG SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 575,000	\$ 575,000	\$ 1,081,024	\$ 506,024	\$ 949,959
Miscellaneous	-	-	86,268	86,268	36,708
Total revenues	<u>575,000</u>	<u>575,000</u>	<u>1,167,292</u>	<u>592,292</u>	<u>986,667</u>
EXPENDITURES					
Current					
Conservation and development	<u>575,000</u>	<u>575,000</u>	<u>1,158,964</u>	<u>(583,964)</u>	<u>953,814</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>8,328</u>	<u>8,328</u>	<u>32,853</u>
Fund balance - January 1	<u>(6,512)</u>	<u>(6,512)</u>	<u>(6,512)</u>	<u>-</u>	<u>(39,365)</u>
Fund balance - December 31	<u>\$ (6,512)</u>	<u>\$ (6,512)</u>	<u>\$ 1,816</u>	<u>\$ 8,328</u>	<u>\$ (6,512)</u>

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - HOUSING REHABILITATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
REVENUES					
Miscellaneous	\$ 20,000	\$ 20,000	\$ 131,424	\$ 111,424	\$ 99,455
EXPENDITURES					
Current					
Conservation and development	20,000	20,000	54,390	(34,390)	77,389
Net change in fund balance	-	-	77,034	77,034	22,066
Fund balance - January 1	69,375	69,375	69,375	-	47,309
Fund balance - December 31	<u>\$ 69,375</u>	<u>\$ 69,375</u>	<u>\$ 146,409</u>	<u>\$ 77,034</u>	<u>\$ 69,375</u>

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

Langlade County, Wisconsin

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2017
 WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016**

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2017	2016	Insurance	2017
ASSETS				
Current assets				
Cash and investments	\$ 1,808,850	\$ 1,919,805	\$ 1,622,369	\$ 1,581,613
Receivables				
Accounts	530	545	-	47,821
Due from other funds	4,431	6,390	-	-
Due from other governments	457,510	350,687	-	-
Inventories and prepaid items	581,959	555,562	-	-
Total current assets	<u>2,853,280</u>	<u>2,832,989</u>	<u>1,622,369</u>	<u>1,629,434</u>
Capital assets				
Nondepreciable	10,509	10,509	-	-
Depreciable	3,815,639	3,825,193	-	-
Total capital assets	<u>3,826,148</u>	<u>3,835,702</u>	<u>-</u>	<u>-</u>
Total assets	<u>6,679,428</u>	<u>6,668,691</u>	<u>1,622,369</u>	<u>1,629,434</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>682,516</u>	<u>1,073,159</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	107,511	74,216	637,868	511,766
Accrued and other current liabilities	76,000	94,928	-	-
Due to other funds	-	-	2,397	4,738
Unearned revenue	8,484	167,166	-	-
Total current liabilities	<u>191,995</u>	<u>336,310</u>	<u>640,265</u>	<u>516,504</u>
Long-term obligations, less current portion				
Compensated absences	253,492	293,014	-	-
Net pension liability	95,985	193,556	-	-
Total long-term liabilities	<u>349,477</u>	<u>486,570</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>541,472</u>	<u>822,880</u>	<u>640,265</u>	<u>516,504</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	<u>301,866</u>	<u>407,335</u>	<u>-</u>	<u>-</u>
NET POSITION				
Investment in capital assets	3,826,148	3,835,702	-	-
Unrestricted	2,692,458	2,675,933	982,104	1,112,930
Total net position	<u>\$ 6,518,606</u>	<u>\$ 6,511,635</u>	<u>\$ 982,104</u>	<u>\$ 1,112,930</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	192,473	220,058		
Net position of business-type activities as reported on the statement of net position (see page 4)	<u>\$ 6,711,079</u>	<u>\$ 6,731,693</u>		

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

Langlade County, Wisconsin

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2017	2016	2017	2016
OPERATING REVENUES				
Charges for services	\$ 4,638,787	\$ 5,695,909	\$ 2,460,183	\$ 2,430,794
Other	8,971	13,805	654,918	395,077
Total operating revenues	<u>4,647,758</u>	<u>5,709,714</u>	<u>3,115,101</u>	<u>2,825,871</u>
OPERATING EXPENSES				
Operation and maintenance	4,363,725	5,147,456	3,247,256	2,592,252
Depreciation	520,191	491,756	-	-
Total operating expenses	<u>4,883,916</u>	<u>5,639,212</u>	<u>3,247,256</u>	<u>2,592,252</u>
Operating income (loss)	<u>(236,158)</u>	<u>70,502</u>	<u>(132,155)</u>	<u>233,619</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	-	1,329	687
Gain (loss) on disposal of capital assets	(5,821)	(7,859)	-	-
Total nonoperating revenues (expenses)	<u>(5,821)</u>	<u>(7,859)</u>	<u>1,329</u>	<u>687</u>
Income (loss) before transfers	(241,979)	62,643	(130,826)	234,306
Transfers in	<u>248,950</u>	<u>269,756</u>	<u>-</u>	<u>-</u>
Change in net position	6,971	332,399	(130,826)	234,306
Net position - January 1	<u>6,511,635</u>	<u>6,179,236</u>	<u>1,112,930</u>	<u>878,624</u>
Net position - December 31	<u>\$ 6,518,606</u>	<u>\$ 6,511,635</u>	<u>\$ 982,104</u>	<u>\$ 1,112,930</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(27,585)	49,398		
Net position of business-type activities as reported on the statement of activities (see pages 5 - 6)	<u>\$ (20,614)</u>	<u>\$ 381,797</u>		

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

Langlade County, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Enterprise Fund</u>		<u>Governmental Activities -</u>	
	<u>Highway</u>		<u>Internal Service Fund</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,373,297	\$ 5,639,792	\$ 2,505,663	\$ 2,430,042
Cash received from other revenues	8,971	13,805	654,918	347,256
Cash paid for employee wages and benefits	(2,344,423)	(2,481,882)	-	-
Cash paid to suppliers	(1,881,292)	(2,232,087)	(3,121,154)	(2,635,400)
Net cash provided by operating activities	<u>156,553</u>	<u>939,628</u>	<u>39,427</u>	<u>141,898</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	<u>248,950</u>	<u>269,756</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(533,558)	(821,855)	-	-
Sale of capital assets	17,100	9,990	-	-
Net cash flows used by capital and related financing activities	<u>(516,458)</u>	<u>(811,865)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>-</u>	<u>-</u>	<u>1,329</u>	<u>687</u>
Change in cash and cash equivalents	(110,955)	397,519	40,756	142,585
Cash and cash equivalents - January 1	<u>1,919,805</u>	<u>1,522,286</u>	<u>1,581,613</u>	<u>1,439,028</u>
Cash and cash equivalents - December 31	<u>\$ 1,808,850</u>	<u>\$ 1,919,805</u>	<u>\$ 1,622,369</u>	<u>\$ 1,581,613</u>

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

Langlade County, Wisconsin

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2017	2016	2017	2016
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (236,158)	\$ 70,502	\$ (132,155)	\$ 233,619
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	520,191	491,756	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	187,603	107,335	-	-
Change in operating assets and liabilities				
Accounts receivables	15	68	47,821	(47,821)
Due from other funds	1,959	(2,082)	(2,341)	(752)
Due from other governments	(106,823)	(54,103)	-	-
Inventories and prepaid items	(26,397)	136,781	-	-
Accounts payable	33,295	20,187	126,102	(43,148)
Accrued liabilities	(18,928)	17,887	-	-
Unearned revenue	(158,682)	167,166	-	-
Compensated absences	(39,522)	(15,869)	-	-
Net cash provided by operating activities	<u>\$ 156,553</u>	<u>\$ 939,628</u>	<u>\$ 39,427</u>	<u>\$ 141,898</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 1,808,850</u>	<u>\$ 1,919,805</u>	<u>\$ 1,622,369</u>	<u>\$ 1,581,613</u>
Noncash capital and related financing activities				
Trade-in value of capital assets	<u>\$ 30,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Langlade County, Wisconsin

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2017
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2016

	Department Bank Accounts Agency Fund	
	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and investments	<u>\$ 283,414</u>	<u>\$ 225,645</u>
LIABILITIES		
Deposits payable	<u>\$ 283,414</u>	<u>\$ 225,645</u>

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

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Langlade 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:

A. REPORTING ENTITY

The County is a municipal corporation governed by an elected twenty-one member board. In accordance with GAAP, the basic financial statements are required to include the County 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 in GASB Statement No. 61.

B. JOINT VENTURE

The County is a participant with Marathon and Lincoln Counties in a joint venture to provide services to the mentally ill and developmentally disabled residents of the County. The North Central Health Care Facility was created for that purpose. The North Central Health Care Facility is governed by a six-member board composed of two representatives from each County. The Counties are obligated by agreement to fund an amount equal to expenditures in excess of federal and state grants and patient fees. During 2017, the County remitted an operating appropriation of \$259,523 to the North Central Health Care Facility. Complete financial statements for the North Central Health Care Facility can be obtained from the Facility's office.

C. RELATED ORGANIZATIONS

The County's officials are also responsible for appointing the members of the Boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. Therefore, these organizations are not included in the County's reporting entity. The County Board appoints some or all of the members of the following related organization:

Langlade County Housing Authority

D. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

County Roads and Bridges Fund

This fund is used to account for the construction and maintenance of County roads and bridges. Financing is provided by state aids and property taxes.

Social Service Fund

This fund accounts for programs operated by the County's Department of Social Services with financing provided by federal and state grants and property taxes.

Northwoods CDBG Fund

This fund accounts for loans made to individuals that are within the Northwoods CDBG consortium.

Housing Rehabilitation Fund

This fund accounts for loans made to residents of the County to improve existing homes with financing provided by federal and state grants and loan repayments.

The County reports the following major enterprise fund:

Highway Fund

The highway department is used to support the maintenance of State and County roads and bridges on a cost reimbursement basis.

Additionally, the County reports the following fund types:

- ▶ *Internal service fund* accounts for health and dental insurance benefits provided to County employees.
- ▶ The County accounts for property taxes collected on behalf of other governments in an *agency fund*.

E. 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 and fiduciary 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 expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 payments-in-lieu of taxes and other 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.

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 proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs 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.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

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 a 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 of \$9,716,027 are recorded on December 31, 2017 for collection in 2018 for the County apportionment. The County apportionment is for financing 2018 operations and will be transferred in 2018 from deferred inflows of resources to current revenues of the County's governmental funds.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No 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.

4. Loans Receivable

The County has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The County records a loan receivable and expenditure when the loan has been made and the funds disbursed. Loans receivable has been shown net of allowance for uncollectible accounts of \$300,000. In the governmental funds, the County records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

5. 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.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

6. 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.

7. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

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.

8. 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 a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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

Assets	Governmental	Business-type
	Activities	Activities
	Years	
Land improvements	10 - 20	10 - 20
Buildings and improvements	10 - 50	25 - 50
Other assets	10 - 100	25 - 100
Machinery and equipment	3 - 10	3 - 10
Infrastructure	15 - 70	-

9. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the governmental-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Extended leave banks were created for the purpose of retirement, at the end of the year any unused PTO hours will be added to the extended leave bank at the employee's current hourly rate of pay for the year. Retired employees will be paid out 50% up to 960 hours of the extended leave bank. If an employee leaves for reasons other than retirement, all unused extended leave is forfeited.

Law enforcement employees who retire from the County are paid 50% of their accumulated sick leave at their current rate of pay. If an employee leaves for reasons other than retirement, all unused sick leave is forfeited.

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The County reports unavailable revenues for interest on taxes and long-term loan receivables. These inflows are recognized as revenues in the government-wide financial statements.

11. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

12. Pensions

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

13. 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.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of County management. The County Board has authorized the Finance Committee 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 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2017

G. 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.

H. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the County's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

I. 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.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. During November, 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.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general, certain special revenue, debt service and capital projects 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.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget. Management control of the community development loan special revenue fund is achieved through grant contracts and available balances.
4. 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.
5. 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, 2017.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

B. EXCESS OF EXPENDITURES OVER BUDGET APPROPRIATIONS

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2017 as follows:

Fund	Function	Excess Expenditures
General Fund		
County board	General government	\$ 26,916
Insurance - workers' compensation	General government	16,790
Corporation counsel	General government	2,647
Maintenance - courthouse	General government	2,669
Sheriff	Public safety	79,006
Jail	Public safety	255,298
Parks	Culture and recreation	2,127
Library	Culture and recreation	1,486
Information services	Capital outlay	19,955
Sheriff	Capital outlay	891
Social Services	Health and human services	564,590
Northwoods CDBG	Conservation and development	583,964
Housing Rehabilitation	Conservation and development	34,390

C. DEFICIT FUND EQUITY

The following funds had deficit fund balance or net position as of December 31, 2017:

Fund	Deficit Fund Balance
Capital improvements	\$ 642,835

The County anticipates funding the above deficit from the 2018 borrowing.

D. 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 2017 and 2018 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the County's January 1 equalized value as a result of net new construction. The actual limit for the County for the 2017 budget was 1.02%. The actual limit for the County for the 2018 budget was 0.79%. 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. 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 on 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 \$14,443,951 on December 31, 2017 as summarized below:

Petty cash and cash on hand	\$ 1,560
Deposits with financial institutions	11,790,000
Investments	
Wisconsin local government investment pool	505,664
WISC - LTD (MMA)	632,302
WISC - IS (MMA)	1,514,425
	<u>\$ 14,443,951</u>

Reconciliation to the basic financial statements:

Government-wide statement of net position	
Cash and investments	\$ 14,160,537
Fiduciary Fund statement of net position	
Agency fund	283,414
	<u>\$ 14,443,951</u>

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following fair value measurements as of December 31, 2017:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
WISC-LTD (MMA)	\$ -	\$ 632,302	\$ -

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

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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's policy states that amounts in excess of Federal Deposit Insurance Corporation and State Deposit Guarantee Fund guaranteed amounts must be fully collateralized and held by a third party of fully insured by an insurance company with an A rating or better by A.M. Best.

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. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. 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. This coverage has been considered in determining custodial credit risk.

As of December 31, 2017, \$8,664,222 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$8,664,222 was collateralized with securities held by the pledging financial institution or its trust department or agent in the County's name.

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 investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	AA	Not Rated
WISCLTD	\$ 632,302	\$ -	\$ -	\$ 632,302	\$ -
WISCIS	1,514,425	-	1,514,425	-	-
Wisconsin local government investment pool	505,664	-	-	-	505,664
Totals	<u>\$ 2,652,391</u>	<u>\$ -</u>	<u>\$ 1,514,425</u>	<u>\$ 632,302</u>	<u>\$ 505,664</u>

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer.

At December 31, 2017, the County had no 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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. Per County policy the County investments shall be managed to maintain liquidity for meeting the County's need for cash and to limit potential market risks. Investments will be made through financial institutions offering the highest yielding rates.

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
WISC LTD	\$ 632,302	\$ 632,302	\$ -	\$ -	\$ -
WISC IS	1,514,425	1,514,425	-	-	-
Wisconsin local government investment pool	505,664	505,664	-	-	-
Totals	\$ 2,652,391	\$ 2,652,391	\$ -	\$ -	\$ -

Investment in Wisconsin's Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$2,146,727 at year-end consisting of \$632,302 invested in the Limited Duration Series and \$1,514,425 invested in the Investment Series. The Limited Duration Series is intended for investments of 6-9 months or longer, average dollar weighted maturity of 0-2 years, and requires 30 day notice of quarterly withdrawals. The Investment Series requires a 14 day minimum investment period and one business day withdrawal notice, and the average dollar weighted maturity is one hundred twenty (120) days or less.

WISC is organized by and operated exclusively for Wisconsin public schools, technical colleges, and municipal entities. WISC is not registered with the Securities and Exchange Commission, but operates under Wisconsin International Cooperate Statute, Wisconsin Statute, Section 66.031. WISC is governed by the Wisconsin Investment Series Cooperative Commission in accordance with the terms of the Intergovernmental Cooperation Agreement. WISC invests District funds in accordance with Wisconsin law. WISC investments are valued at amortized cost, which approximates market value.

Investments

The County has investments in the Wisconsin local government investment pool of \$505,664 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, 2017, the fair value of the County's share of the LGIP's assets was substantially equal to the carrying value.

B. 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, 2017, the County's general fund showed an investment of \$928,417 in delinquent taxes consisting of tax certificates.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

An aging of the delinquent taxes and special assessments of \$928,417 on December 31, 2017 follows:

Year Acquired	Tax Certificates
2013	\$ 4,525
2014	101,270
2015	270,069
2016	552,553
Total	<u>\$ 928,417</u>

Of the total of \$928,417 for delinquent taxes, \$159,341 was collected within 60 days of year-end. The remaining balance of \$769,076 is recorded as nonspendable fund balance for the general fund.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 7,464,913	\$ 1,497,407	\$ -	\$ 8,962,320
Construction in progress	234,486	5,210	-	239,696
Total capital assets, nondepreciable	<u>7,699,399</u>	<u>1,502,617</u>	<u>-</u>	<u>9,202,016</u>
Capital assets, depreciable:				
Land improvements	3,230,956	-	-	3,230,956
Buildings and improvements	29,040,822	-	-	29,040,822
Machinery and equipment	4,758,447	174,697	28,626	4,904,518
Infrastructure	44,294,309	1,037,903	827,255	44,504,957
Subtotals	<u>81,324,534</u>	<u>1,212,600</u>	<u>855,881</u>	<u>81,681,253</u>
Less accumulated depreciation for:				
Land improvements	1,986,753	86,382	-	2,073,135
Buildings and improvements	19,562,476	643,093	-	20,205,569
Machinery and equipment	3,003,597	245,755	9,562	3,239,790
Infrastructure	18,534,398	1,391,744	827,255	19,098,887
Subtotals	<u>43,087,224</u>	<u>2,366,974</u>	<u>836,817</u>	<u>44,617,381</u>
Total capital assets, depreciable, net	<u>38,237,310</u>	<u>(1,154,374)</u>	<u>19,064</u>	<u>37,063,872</u>
Governmental activities capital assets, net	<u>\$45,936,709</u>	<u>\$ 348,243</u>	<u>\$ 19,064</u>	46,265,888
Less: Capital related debt				620,177
Less: Debt premium				3,946
Add: Deferred charge on refunding				8,122
Net investment in capital assets				<u>\$45,649,887</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 10,509	\$ -	\$ -	\$ 10,509
Capital assets, depreciable:				
Land improvements	95,359	-	-	95,359
Buildings and improvements	1,231,741	-	-	1,231,741
Machinery and equipment	9,742,905	533,558	504,626	9,771,837
Other assets	102,216	-	-	102,216
Subtotals	<u>11,172,221</u>	<u>533,558</u>	<u>504,626</u>	<u>11,201,153</u>
Less accumulated depreciation for:				
Land improvements	31,374	3,946	-	35,320
Buildings and improvements	1,146,530	15,120	-	1,161,650
Machinery and equipment	6,117,741	500,588	481,705	6,136,624
Other assets	51,383	537	-	51,920
Subtotals	<u>7,347,028</u>	<u>520,191</u>	<u>481,705</u>	<u>7,385,514</u>
Total capital assets, depreciable, net	<u>3,825,193</u>	<u>13,367</u>	<u>22,921</u>	<u>3,815,639</u>
Business-type activities capital assets, net	<u>\$ 3,835,702</u>	<u>\$ 13,367</u>	<u>\$ 22,921</u>	<u>\$ 3,826,148</u>

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

Governmental activities	
General government	\$ 162,820
Public safety	344,922
Public works	1,467,061
Health and human services	37,395
Culture and recreation	228,035
Conservation and development	126,741
Total depreciation expense - governmental activities	<u>\$ 2,366,974</u>
Business-type activities	
Highway	<u>\$ 520,191</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

D. INTERFUND RECEIVABLE, PAYABLES, AND TRANSFERS

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements, as of December 31, 2017 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General Fund	\$ 990,591	\$ -
Special revenue funds		
Social Services	-	32,079
Northwoods CDBG	-	315,677
Capital projects		
Capital improvements	-	642,835
Subtotal	<u>990,591</u>	<u>990,591</u>
Operating accounts		
Governmental funds		
General Fund	2,397	4,249
Special revenue fund		
Social Services	-	182
Enterprise fund		
Highway	4,431	-
Internal service fund		
Health insurance	-	2,397
Subtotal	<u>6,828</u>	<u>6,828</u>
Totals	<u>\$ 997,419</u>	<u>\$ 997,419</u>

Interfund transfers for the year ended December 31, 2017 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 6,013	\$ 333,000
Special revenue funds		
County Roads and Bridges	-	248,950
Social Services	239,758	-
Public Health	-	6,013
Fairgrounds	93,242	-
Enterprise fund		
Highway	248,950	-
	<u>\$ 587,963</u>	<u>\$ 587,963</u>

Interfund transfers were made for the following purposes:

County Roads and Bridges appropriation transferred to Highway Enterprise Fund for operations	\$ 248,950
Public Health surplus returned to General Fund	6,013
Fairgrounds maintenance and other related projects	93,242
Social Service operating deficit funded by the General Fund	239,758
	<u>\$ 587,963</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation debt					
Bonds	\$ 720,000	\$ -	\$ 365,000	\$ 355,000	\$ 355,000
State trust fund loans	522,632	-	257,455	265,177	265,177
Total general obligation debt	<u>1,242,632</u>	<u>-</u>	<u>622,455</u>	<u>620,177</u>	<u>620,177</u>
Debt premium	9,233	-	5,287	3,946	-
Capital leases	26,488	-	26,488	-	-
Compensated absences	<u>752,440</u>	<u>1,391</u>	<u>-</u>	<u>753,831</u>	<u>307,000</u>
Governmental activities Long-term obligations	<u>\$ 2,030,793</u>	<u>\$ 1,391</u>	<u>\$ 654,230</u>	<u>\$ 1,377,954</u>	<u>\$ 927,177</u>
Business-type activities:					
Compensated absences	<u>\$ 293,014</u>	<u>\$ 113,668</u>	<u>\$ 153,190</u>	<u>\$ 253,492</u>	<u>\$ -</u>

Total interest paid during the year on long-term debt totaled \$30,079.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/17</u>
State trust fund loan	8/27/12	3/15/18	3.00%	\$ 300,000	\$ 53,060
State trust fund loan	8/27/12	3/15/18	3.00%	1,199,302	212,117
\$1,070,000 General obligation refunding bond	7/14/15	10/1/18	2.00%	1,070,000	<u>355,000</u>
Total outstanding general obligation debt					<u>\$ 620,177</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$620,177 on December 31, 2017 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>\$ 620,177</u>	<u>\$ 15,055</u>	<u>\$ 620,177</u>	<u>\$ 15,055</u>

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2017 was \$83,794,650 as follows:

Equalized valuation of the County		\$ 1,688,211,900
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>84,410,595</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 620,177	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>4,232</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>615,945</u>
Legal margin for new debt		<u><u>\$ 83,794,650</u></u>

F. PENSION PLAN

1. Plan Description

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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

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

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

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

The WRS also provides death and disability benefits for employees.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

2. 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
2007	3%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)

3. 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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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 ending **December 31, 2016**, the WRS recognized \$531,346 in contributions from the County.

Contribution rates for the reporting period are:

Employee Category	Employee	Employer
General (including teachers)	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2017, the County reported a liability (asset) of \$458,620 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension liability (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, 2016, the County's proportion was 0.05564162%, which was a decrease of 0.00020022% from its proportion measured as of December 31, 2015.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

For the year ended December 31, 2017, the County recognized pension expense of \$1,190,984.

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 174,872	\$ 1,442,320
Net differences between projected and actual earnings on pension plan investments	2,282,864	-
Changes in assumptions	479,505	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,271	-
Employer contributions subsequent to the measurement date	566,909	-
Total	<u>\$ 3,538,421</u>	<u>\$ 1,442,320</u>

\$566,909 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	Expense
2017	\$ 619,054
2018	619,054
2019	424,963
2020	(134,735)
2021	856
Total	<u>\$ 1,529,192</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

5. Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2015
Measurement date of net pension liability (asset):	December 31, 2016
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 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:

	Current Asset Allocation %	Destination Target Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>				
Global equities	50%	45%	8.3%	5.4%
Fixed income	24.5%	37%	4.2%	1.4%
Inflation sensitive assets	15.5%	20%	4.3%	1.5%
Real estate	8%	7%	6.5%	3.6%
Private equity/debt	8%	7%	9.4%	6.5%
Multi-asset	4%	4%	6.6%	3.7%
Total Core Fund	110%	120%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. equities	70%	70%	7.6%	4.7%
International equities	30%	30%	8.5%	5.6%
Total Variable Fund	100%	100%	7.9%	5%

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

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

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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 3.78%. 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 members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
County's proportionate share of the net pension liability (asset)	\$ 6,033,437	\$ 458,620	\$ (3,834,242)

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

6. Payables to the Pension Plan

At December 31, 2017, the County reported a payable of \$114,625 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2017.

G. FUND EQUITY

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2017, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Delinquent taxes	\$ 769,076
Inventories and prepaid items	506,455
Total General Fund nonspendable fund balance	<u>1,275,531</u>
Special Revenue Fund	
Nonspendable	
Public health	
Prepaid items	<u>510</u>
Total nonspendable fund balance	<u>\$ 1,276,041</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2017, restricted fund balance was as follows:

Special Revenue Funds

Restricted for	
Housing rehabilitation	\$ 148,225
Community development loan	86,974
Economic development	609,038
Lenzer trust	2,848
Debt Service Fund	
Restricted for	
Debt service	4,232

Total Restricted Fund Balance \$ 851,317

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2017, General Fund balance was committed as follows:

Special Revenue Fund

Committed for	
County roads and bridges	<u>\$ 2,014,235</u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2017, fund balance was assigned as follows:

General Fund

Capital improvement projects	\$ 594,614
Computer and office equipment replacement	148,555
Forestry recreation	100,000
Forestry preservation	98,286
Forestry land purchase	169,916
Sick leave	150,000
Maintenance projects	100,000
Subsequent years budget	1,033,200
Subtotal	<u>2,394,571</u>

Special Revenue Funds

Public safety	
Jail	148,470
Dog licenses	1,000
Fairgrounds	21,031
Subtotal	<u>170,501</u>

Total \$ 2,565,072

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

Minimum General Fund Balance Policy

The County has also adopted a minimum fund balance policy of 25% of subsequent year budgeted expenditures for the General Fund. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Budgeted 2018 General Fund expenditures	\$ 9,262,739
Minimum fund balance %	(x) 25%
Minimum fund balance amount	<u>\$ 2,315,685</u>

The County's unassigned General Fund balance of \$5,624,692 is above the minimum fund balance amount.

Restricted Net Position

In the government-wide financial statements, portions of governmental activities net position are legally restricted for use for a specific purpose. At December 31, 2017, restricted net position was as follows:

Governmental activities	
Restricted for	
Housing rehabilitation	\$ 5,253,051
Community development loan	183,402
Economic development	1,800,834
Lenzer trust	2,848
	<u>\$ 7,240,135</u>

NOTE 4: OTHER INFORMATION

A. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County completes an annual review of its insurance coverage to ensure adequate coverage. A description of the County's risk management programs is presented below:

Health Self-Insurance Fund

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, 2017, the fund had a balance of \$982,104.

The claims liability of \$637,868 reported in the fund at December 31, 2017 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 are as follows:

	Liability January 1	Current Year Claims and Changes in Estimates	Claims Payments	Liability December 31
2017	\$ 511,766	\$ 2,603,365	\$ 2,477,263	\$ 637,868
2016	554,914	2,022,919	2,066,067	511,766

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

B. CONTINGENCIES

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 the Uniform Guidance and the *Audit State Single 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.

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 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.

C. SUBSEQUENT EVENT

The County issued \$3,500,000 general obligation notes on March 8, 2018 to be used to finance projects listed in the County's capital improvement plan, including land acquisition, records management system projects, equipment, and improvements to County buildings. The notes mature in 2019 through 2024, and bear interest of 3% to 4%.

D. UPCOMING ACCOUNTING PRONOUNCEMENTS

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The Statement establishes criteria for identifying fiduciary activities and addresses financial reporting for these activities. This statement is effective for reporting periods beginning after June 15, 2018. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The County is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Langlade County, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/15	0.05709097%	\$ (1,402,310)	\$ 7,367,284	19.03%	102.74%
12/31/16	0.05584184%	907,419	7,364,261	12.32%	98.20%
12/31/17	0.05564162%	458,620	7,602,227	6.03%	99.12%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll (fiscal year)	Contributions as a Percentage of Covered-Employee Payroll
12/31/15	\$ 532,744	\$ 532,744	\$ -	\$ 7,364,261	7.23%
12/31/16	531,346	531,346	-	7,602,227	6.99%
12/31/17	566,909	566,909	-	7,953,009	7.13%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

SUPPLEMENTARY INFORMATION

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance	2016 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 5,394,303	\$ 5,394,303	\$ 5,394,303	\$ -	\$ 4,963,243
Forest crop	80,000	80,000	95,210	15,210	69,791
Payment in lieu of taxes	18,000	18,000	18,893	893	18,589
County sales tax	1,600,000	1,600,000	1,658,022	58,022	1,645,434
Interest on taxes	250,000	250,000	229,858	(20,142)	203,322
Total taxes	<u>7,342,303</u>	<u>7,342,303</u>	<u>7,396,286</u>	<u>53,983</u>	<u>6,900,379</u>
Intergovernmental					
State					
State shared taxes	723,222	723,222	724,091	869	724,957
Tax exempt computer aid	6,000	6,000	11,843	5,843	10,318
Severance/yield/withdrawal	20,000	20,000	6,772	(13,228)	20,651
Circuit court	52,275	52,275	52,275	-	52,275
Other state payments	-	283,392	287,893	4,501	25,235
Guardian ad litem	22,300	22,300	23,525	1,225	24,151
Interpreter fees	700	700	1,361	661	809
Victim witness program	12,000	12,000	13,956	1,956	15,504
Land information	123,743	123,743	73,285	(50,458)	34,412
Sheriff department	19,060	19,060	16,450	(2,610)	16,707
Tribal enforcement grant	18,800	18,800	22,530	3,730	48,982
OJA grant	-	-	2,174	2,174	15,690
Emergency government	49,796	49,796	46,926	(2,870)	49,522
Child Support	366,598	366,598	362,840	(3,758)	355,338
Transportation	67,740	67,740	69,578	1,838	68,844
Veterans service	2,125	2,125	11,228	9,103	12,619
Snowmobile/ATV trail maintenance	259,995	335,579	335,579	-	269,556
Lake protection	50,110	50,110	24,219	(25,891)	27,517
UW Extension	5,749	5,749	-	(5,749)	2,226
Wisconsin fund	10,000	10,000	4,902	(5,098)	1,073
Forestry	110,541	110,541	108,598	(1,943)	110,683
Land conservation	186,378	186,378	156,069	(30,309)	166,470
Total intergovernmental	<u>2,107,132</u>	<u>2,466,108</u>	<u>2,356,094</u>	<u>(110,014)</u>	<u>2,053,539</u>
Licenses and permits					
Licenses					
Marriage license	2,100	2,100	1,860	(240)	1,940
Occupational drivers license	40	40	60	20	-
Permits					
Zoning	76,900	76,900	65,385	(11,515)	91,979
Non-metallic mine permit	11,500	11,500	12,415	915	12,545
Farmland preservation	-	-	10	10	-
Land record fees	2,800	2,800	2,250	(550)	2,600
Total licenses and permits	<u>93,340</u>	<u>93,340</u>	<u>81,980</u>	<u>(11,360)</u>	<u>109,064</u>
Fines and forfeits					
County ordinance forfeitures	61,500	61,500	60,086	(1,414)	55,356
State fines and forfeitures	17,000	17,000	20,097	3,097	26,350
Total fines and forfeits	<u>78,500</u>	<u>78,500</u>	<u>80,183</u>	<u>1,683</u>	<u>81,706</u>

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance	2016 Actual
	Original	Final		Final Budget - Positive (Negative)	
Public charges for services					
Register of deeds fees	114,000	140,100	159,793	19,693	122,588
Real estate transfer fee	26,100	-	-	-	32,294
Register of deeds land modernization	25,000	25,000	26,421	1,421	35,037
Circuit court fees and costs	73,100	73,100	69,326	(3,774)	73,391
Guardian ad litem fees	700	700	181	(519)	1,867
Mediation fees	2,000	2,000	1,580	(420)	1,900
Register in probate fees	5,500	5,500	4,974	(526)	7,062
Conservation fees	200	200	490	290	851
County clerk	600	600	1,009	409	1,023
Plat book sales	-	-	4,113	4,113	8,127
District attorney	300	300	360	60	435
Sale of maps	500	500	3,461	2,961	2,434
Coroner	7,000	7,000	7,378	378	7,563
Information services	2,500	2,500	3,828	1,328	2,930
Sheriff fees	94,500	94,500	108,129	13,629	95,789
Airport	29,000	29,000	26,601	(2,399)	23,309
Child support	4,500	4,500	4,366	(134)	4,992
Forest crop stumpage	1,830,000	1,830,000	1,624,850	(205,150)	1,859,546
Miscellaneous forestry	19,006	94,090	101,309	7,219	19,479
Park fees	123,000	123,000	149,029	26,029	144,441
Fairs, exhibits and celebrations	-	-	3,000	3,000	-
Photocopies	56,060	56,060	68,048	11,988	66,245
Agriculture	1,625	1,625	4,627	3,002	2,364
Total public charges for services	<u>2,415,191</u>	<u>2,490,275</u>	<u>2,372,873</u>	<u>(117,402)</u>	<u>2,513,667</u>
Intergovernmental charges for services					
Probation and parole holds	16,300	16,300	13,641	(2,659)	11,447
Prisoner housing	48,600	152,822	277,090	124,268	36,111
Total intergovernmental charges for services	<u>64,900</u>	<u>169,122</u>	<u>290,731</u>	<u>121,609</u>	<u>47,558</u>
Interdepartmental charges for services					
Indirect charges	242,170	279,620	286,414	6,794	335,105
Insurance premiums	175,000	175,000	189,097	14,097	195,965
CSA revenues	2,500	2,500	3,839	1,339	3,195
Total interdepartmental charges for services	<u>419,670</u>	<u>457,120</u>	<u>479,350</u>	<u>22,230</u>	<u>534,265</u>
Miscellaneous					
Interest on investments	40,600	40,600	139,351	98,751	53,230
Agriculture research station	12,000	12,000	24,698	12,698	23,723
Sale of County property	3,000	3,000	4,549	1,549	20,564
Profit on tax deed sales	15,000	15,000	152,248	137,248	54,844
Rent	94,257	94,257	117,089	22,832	97,098
Donations	1,500	1,612	9,580	7,968	41,417
Other	-	-	14,201	14,201	952
Total miscellaneous	<u>166,357</u>	<u>166,469</u>	<u>461,716</u>	<u>295,247</u>	<u>291,828</u>
Total revenues	<u>\$ 12,687,393</u>	<u>\$ 13,263,237</u>	<u>\$ 13,519,213</u>	<u>\$ 255,976</u>	<u>\$ 12,532,006</u>

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2017

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance	2016 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
County board	\$ 123,870	\$ 125,929	\$ 152,845	\$ (26,916)	\$ 135,714
County clerk	175,249	195,106	143,532	51,574	179,961
County treasurer	145,900	145,900	144,913	987	140,904
Coroner	65,065	75,065	60,020	15,045	60,947
Register of deeds	205,540	211,195	204,257	6,938	294,792
Human resources	102,382	102,382	79,003	23,379	104,976
Insurance					
Property and liability	70,000	70,000	66,199	3,801	65,774
Workers' compensation	209,850	209,850	226,640	(16,790)	207,260
Circuit Court	627,079	647,079	611,430	35,649	640,141
District Attorney	157,269	157,269	156,249	1,020	151,632
Corporation counsel	211,846	211,846	214,493	(2,647)	208,354
Finance department	429,572	439,747	396,836	42,911	417,085
Information systems	227,080	280,788	270,445	10,343	263,482
Maintenance					
Courthouse	127,499	127,499	130,168	(2,669)	133,221
Resource center	108,237	108,237	92,766	15,471	107,727
Shop	261,631	261,631	234,703	26,928	227,271
Architectural fees	1,000	1,000	-	1,000	-
Other general government	110,351	185,351	131,281	54,070	149,353
Contingency	205,999	277,046	1,967	275,079	-
Total general government	<u>3,565,419</u>	<u>3,832,920</u>	<u>3,317,747</u>	<u>515,173</u>	<u>3,488,594</u>
Public safety					
Sheriff	2,579,470	2,703,066	2,691,672	11,394	2,570,003
Jail	1,614,661	1,718,883	1,974,181	(255,298)	1,597,760
Maintenance	245,739	245,739	242,524	3,215	238,421
Emergency government	103,812	106,638	76,992	29,646	110,953
Total public safety	<u>4,543,682</u>	<u>4,774,326</u>	<u>4,985,369</u>	<u>(211,043)</u>	<u>4,517,137</u>
Public works					
Airport	<u>155,846</u>	<u>155,846</u>	<u>138,530</u>	<u>17,316</u>	<u>140,369</u>
Health and human services					
North Central Health Care	298,483	298,483	298,483	-	325,123
Family Care	259,523	259,523	259,523	-	259,523
Maintenance	160,269	160,269	140,740	19,529	158,641
Child support	451,560	454,910	445,088	9,822	429,797
ADRC	115,070	115,070	115,070	-	115,070
Transportation	86,740	86,740	85,024	1,716	81,863
Veteran's service officer	158,810	175,731	142,357	33,374	117,561
Avail	35,000	35,000	34,999	1	15,000
Total health and human services	<u>1,565,455</u>	<u>1,585,726</u>	<u>1,521,284</u>	<u>64,442</u>	<u>1,502,578</u>

Langlade County, Wisconsin

**GENERAL FUND
 DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2017
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget		Actual	Variance Final Budget - Positive (Negative)	2016 Actual
	Original	Final			
Culture and recreation					
Parks	467,923	580,680	582,807	(2,127)	491,976
Library	320,557	320,557	322,043	(1,486)	317,184
Agriculture agents	199,742	257,084	188,885	68,199	189,177
Total culture and recreation	<u>988,222</u>	<u>1,158,321</u>	<u>1,093,735</u>	<u>64,586</u>	<u>998,337</u>
Conservation and development					
Land records and regulations	678,842	889,365	802,053	87,312	567,769
Land conservation	248,628	251,628	212,037	39,591	226,829
Forestry department	576,161	808,771	808,597	174	596,966
Economic development	75,000	75,000	75,000	-	75,000
Regional planning commission	14,629	14,629	14,629	-	15,056
Total conservation and development	<u>1,593,260</u>	<u>2,039,393</u>	<u>1,912,316</u>	<u>127,077</u>	<u>1,481,620</u>
Capital outlay					
Information services	-	-	19,955	(19,955)	16,498
General public buildings	-	50,000	44,176	5,824	34,920
Health center	-	-	-	-	5,960
Capital improvements	-	4,921	23,089	(18,168)	285,239
Sheriff	-	108,897	109,788	(891)	261,855
Jail	-	59,525	59,525	-	-
Airport	-	32,078	19,812	12,266	-
Other	339,000	396,369	4,921	391,448	55,712
Total capital outlay	<u>339,000</u>	<u>651,790</u>	<u>281,266</u>	<u>370,524</u>	<u>660,184</u>
Total expenditures	<u>\$ 12,750,884</u>	<u>\$ 14,198,322</u>	<u>\$ 13,250,247</u>	<u>\$ 948,075</u>	<u>\$ 12,788,819</u>

Langlade County, Wisconsin

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2016

	Special Revenue				
	Public Health	Jail Assessment	Dog License	Jail Commissary	Community Development Loan
ASSETS					
Cash and investments	\$ 2,277	\$ 48,979	\$ 9,317	\$ 106,186	\$ 86,974
Receivables					
Taxes	340,545	-	-	-	-
Accounts	9,756	979	152	1,763	-
Loans, net	-	-	-	-	96,428
Due from other governments	19,715	-	-	-	-
Inventories and prepaid items	510	-	-	-	-
Total assets	<u>\$ 372,803</u>	<u>\$ 49,958</u>	<u>\$ 9,469</u>	<u>\$ 107,949</u>	<u>\$ 183,402</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 6,606	\$ 1,253	\$ 8,469	\$ 8,184	\$ -
Accrued and other current liabilities	12,228	-	-	-	-
Due to other funds	-	-	-	-	-
Special deposits	2,478	-	-	-	-
Unearned revenues	10,946	-	-	-	-
Total liabilities	<u>32,258</u>	<u>1,253</u>	<u>8,469</u>	<u>8,184</u>	<u>-</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	340,545	-	-	-	-
Loans receivable	-	-	-	-	96,428
Total deferred inflows of resources	<u>340,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,428</u>
Fund balances					
Nonspendable	510	-	-	-	-
Restricted	-	-	-	-	86,974
Assigned	-	48,705	1,000	99,765	-
Unassigned	(510)	-	-	-	-
Total fund balances	<u>-</u>	<u>48,705</u>	<u>1,000</u>	<u>99,765</u>	<u>86,974</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 372,803</u>	<u>\$ 49,958</u>	<u>\$ 9,469</u>	<u>\$ 107,949</u>	<u>\$ 183,402</u>

Special Revenue (continued)			Capital Projects	Totals		
Economic Development	Fairgrounds	Lenzer Trust	Capital Improvements	Debt Service	2017	2016
\$ 609,038	\$ 32,569	\$ 2,848	\$ -	\$ 4,232	\$ 902,420	\$ 549,614
-	33,606	-	-	635,234	1,009,385	1,049,065
-	460	-	-	-	13,110	34,578
1,191,796	-	-	-	-	1,288,224	1,580,755
-	-	-	-	-	19,715	24,302
-	-	-	-	-	510	665
<u>\$ 1,800,834</u>	<u>\$ 66,635</u>	<u>\$ 2,848</u>	<u>\$ -</u>	<u>\$ 639,466</u>	<u>\$ 3,233,364</u>	<u>\$ 3,238,979</u>
\$ -	\$ 4,479	\$ -	\$ -	\$ -	\$ 28,991	\$ 18,531
-	-	-	-	-	12,228	13,366
-	-	-	642,835	-	642,835	20,277
-	-	-	-	-	2,478	-
-	7,519	-	-	-	18,465	13,818
-	11,998	-	642,835	-	704,997	65,992
-	33,606	-	-	635,234	1,009,385	1,049,065
1,191,796	-	-	-	-	1,288,224	1,580,755
1,191,796	33,606	-	-	635,234	2,297,609	2,629,820
-	-	-	-	-	510	665
609,038	-	2,848	-	4,232	703,092	403,227
-	21,031	-	-	-	170,501	139,940
-	-	-	(642,835)	-	(643,345)	(665)
609,038	21,031	2,848	(642,835)	4,232	230,758	543,167
<u>\$ 1,800,834</u>	<u>\$ 66,635</u>	<u>\$ 2,848</u>	<u>\$ -</u>	<u>\$ 639,466</u>	<u>\$ 3,233,364</u>	<u>\$ 3,238,979</u>

Langlade County, Wisconsin

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016**

	Special Revenue				
	Public Health	Jail Assessment	Dog License	Jail Commissary	Community Development Loan
REVENUES					
Taxes	\$ 358,925	\$ -	\$ -	\$ -	\$ -
Intergovernmental	75,799	-	-	-	-
Licenses and permits	-	-	10,105	-	-
Public charges for services	42,401	14,038	-	56,458	-
Intergovernmental charges for services	191	-	-	-	-
Miscellaneous	4,564	-	-	14,271	15,772
Total revenues	481,880	14,038	10,105	70,729	15,772
EXPENDITURES					
Current					
General government	-	-	10,105	-	-
Public safety	-	8,023	-	67,214	-
Health and human services	475,867	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	475,867	8,023	10,105	67,214	-
Excess of revenues over (under) expenditures	6,013	6,015	-	3,515	15,772
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(6,013)	-	-	-	-
Total other financing sources (uses)	(6,013)	-	-	-	-
Net change in fund balances	-	6,015	-	3,515	15,772
Fund balances - January 1	-	42,690	1,000	96,250	71,202
Fund balances - December 31	\$ -	\$ 48,705	\$ 1,000	\$ 99,765	\$ 86,974

Special Revenue (continued)			Capital Projects	Totals		
Economic Development	Fairgrounds	Lenzer Trust	Capital Improvements	Debt Service	2017	2016
\$ -	\$ 37,606	\$ -	\$ -	\$ 652,534	\$ 1,049,065	\$ 1,073,947
-	-	-	730,700	-	806,499	79,395
-	-	-	-	-	10,105	5,656
-	32,652	-	-	-	145,549	166,682
-	-	-	-	-	191	2,581
391,454	10,654	-	-	-	436,715	319,885
391,454	80,912	-	730,700	652,534	2,448,124	1,648,146
-	-	-	-	-	10,105	5,656
-	-	-	-	-	75,237	79,194
-	-	-	-	-	475,867	515,556
-	169,356	-	-	-	169,356	92,300
91,128	-	-	-	-	91,128	204,287
-	-	-	-	622,455	622,455	599,894
-	-	-	-	30,079	30,079	49,217
-	-	-	1,373,535	-	1,373,535	-
91,128	169,356	-	1,373,535	652,534	2,847,762	1,546,104
300,326	(88,444)	-	(642,835)	-	(399,638)	102,042
-	93,242	-	-	-	93,242	25,558
-	-	-	-	-	(6,013)	(227,351)
-	93,242	-	-	-	87,229	(201,793)
300,326	4,798	-	(642,835)	-	(312,409)	(99,751)
308,712	16,233	2,848	-	4,232	543,167	642,918
\$ 609,038	\$ 21,031	\$ 2,848	\$ (642,835)	\$ 4,232	\$ 230,758	\$ 543,167

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the County Board
Langlade County, Wisconsin

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Langlade County, Wisconsin (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon which includes an emphasis of matter paragraph as indicated on page 2 dated September 28, 2018.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COUNTY RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Green Bay, Wisconsin
September 28, 2018

FEDERAL AND STATE AWARDS

Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the County Board
Langlade County, Wisconsin

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM

We have audited Langlade County, Wisconsin's (the "County's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the County's major federal and state programs for the year ended December 31, 2017. The County's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2017.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Green Bay, Wisconsin
September 28, 2018

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF AGRICULTURE								
SNAP Cluster								
State Administrative Matching Grants for Food Stamp Program	10.561	Marathon County	277	\$ (3,265)	\$ 5,561	\$ -	\$ 2,296	\$ -
State Administrative Matching Grants for Food Stamp Program	10.561	Marathon County	284	(30,861)	100,239	39,091	108,469	-
Total SNAP Cluster				(34,126)	105,800	39,091	110,765	-
Total U.S. Department of Agriculture				(34,126)	105,800	39,091	110,765	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Community Development Block Grant	14.228							
Program Agreements								
7/1/2015 - 6/30/2017		WI DOA	H 12-13-02	(46,046)	813,542	-	767,496	-
7/1/2016 - 3/31/2019		WI DOA	H 14-15-02	-	241,533	71,995	313,528	-
Program Income								
Economic redevelopment loan program		WI DOA	Not Applicable	308,712	391,454	(609,038)	91,128	-
Housing rehabilitation loan program		WI DOA	Not Applicable	69,375	131,424	(146,409)	54,390	-
Northwoods CDBG		WI DOA	Not Applicable	1,680	86,268	(1,816)	86,132	-
Total Community Development Block Grant				333,721	1,664,221	(685,268)	1,312,674	-
Total U.S. Department of Housing and Urban Development				333,721	1,664,221	(685,268)	1,312,674	-
U.S. DEPARTMENT OF INTERIOR								
National Geospatial Program: Building The National Map	15.817	WI DOA	G17AC00086-17.LI03	-	112,000	-	112,000	-
Total U.S. Department of Interior				-	112,000	-	112,000	-
U.S. DEPARTMENT OF JUSTICE								
Bulletproof Vest Program	16.607	Direct Program	Not Applicable	-	2,173	-	2,173	-
Total U.S. Department of Justice				-	2,173	-	2,173	-
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Planning and Construction Cluster								
Recreational Trails Program	20.219	WI DNR	RTA-74114	(25)	963	-	938	-
Recreational Trails Program	20.219	WI DNR	RTA-711	-	627	-	627	-
Recreational Trails Program	20.219	WI DNR	RTA-74014	-	1,372	-	1,372	-
Recreational Trails Program	20.219	WI DNR	RTP-822-16N	-	787	-	787	-
Recreational Trails Program	20.219	WI DNR	RTP-824-16N	-	1,220	-	1,220	-
Recreational Trails Program	20.219	WI DNR	RTP-831-16N	-	3,876	-	3,876	-
Recreational Trails Program	20.219	WI DNR	RTP-785-16N	-	-	3,790	3,790	-
Total Highway Planning and Construction Cluster				(25)	8,845	3,790	12,610	-
Total U.S. Department of Transportation				(25)	8,845	3,790	12,610	-
ENVIRONMENTAL PROTECTION AGENCY								
State Indoor Radon Grants	66.032	WI DHS	150327	(1,839)	1,839	-	-	-
Total Environmental Protection Agency				(1,839)	1,839	-	-	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Public Health Emergency Preparedness	93.069	WI DHS	155050	-	2,170	-	2,170	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	155015	(12,676)	29,430	16,595	33,349	-
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	11111	-	500	-	500	-
Total Public Health Emergency Preparedness Aligned Cooperative Agreements				(12,676)	29,930	16,595	33,849	-
Immunization Cooperative Agreements	93.268	WI DHS	155020	(762)	8,314	-	7,552	-
Promoting Safe and Stable Families	93.556	WI DCF	3306	-	38,069	-	38,069	-
TANF Cluster								
Temporary Assistance for Needy Families	93.558	WI DCF	852	(4,027)	13,258	2,087	11,318	-
Temporary Assistance for Needy Families	93.558	WI DCF	3377	(9,975)	72,871	14,383	77,279	-
Temporary Assistance for Needy Families	93.558	WI DCF	3380	(1,041)	4,277	1,487	4,723	-
Total TANF Cluster				(15,043)	90,406	17,957	93,320	-

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)								
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7477	(81,167)	240,218	90,334	249,385	*
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7482	1,017	(3,236)	(662)	(2,881)	*
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7506	(176)	628	50	502	*
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7558	-	5,395	-	5,395	*
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7615	-	59,856	-	59,856	*
Total Child Support Enforcement (Title IV-D)				<u>(80,326)</u>	<u>302,861</u>	<u>89,722</u>	<u>312,257</u>	<u>-</u>
Low Income Home Energy Assistance	93.568	WI DOA	AD1599972.34	(16,808)	16,808	-	-	*
Low Income Home Energy Assistance	93.568	WI DOA	AD1599973.34	-	24,133	10,063	34,196	*
Total Low Income Home Energy Assistance				<u>(16,808)</u>	<u>40,941</u>	<u>10,063</u>	<u>34,196</u>	<u>-</u>
CCDF Cluster								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	831	(1,045)	3,139	659	2,753	*
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	852	(4,027)	13,258	2,087	11,318	*
Total CCDF Cluster				<u>(5,072)</u>	<u>16,397</u>	<u>2,746</u>	<u>14,071</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3411	(15)	15	-	-	*
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	(246)	3,327	76	3,157	*
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561	-	14,000	-	14,000	*
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	-	1,117	-	1,117	*
Total Stephanie Tubbs Jones Child Welfare Services Program				<u>(261)</u>	<u>18,459</u>	<u>76</u>	<u>18,274</u>	<u>-</u>
Foster Care (Title IV-E)	93.658	WI DCF	3411	(27)	27	-	-	*
Foster Care (Title IV-E)	93.658	WI DCF	3413	(441)	5,966	137	5,662	*
Foster Care (Title IV-E)	93.658	WI DCF	3561	-	157,116	-	157,116	*
Foster Care (Title IV-E)	93.658	WI DCF	3681	-	12,534	-	12,534	*
Total Foster Care (Title IV-E)				<u>(468)</u>	<u>175,643</u>	<u>137</u>	<u>175,312</u>	<u>-</u>
Adoption Assistance	93.659	WI DCF	3574	(125)	1862	325	2,062	*
Medicare Hospital Insurance	93.733	WI DHS	155032	-	1,030	-	1,030	*
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	WI DHS	159220	-	5,676	-	5,676	*
Children's Health Insurance Program	93.767	Marathon County	277	(428)	729	-	301	*
Children's Health Insurance Program	93.767	Marathon County	284	(4,041)	13,236	5,181	14,376	*
Total Children's Health Insurance Program				<u>(4,469)</u>	<u>13,965</u>	<u>5,181</u>	<u>14,677</u>	<u>-</u>
Medicaid Cluster								
Medical Assistance Program	93.778	WI DHS	159320	(344)	924	(14)	566	*
Medical Assistance Program	93.778	Marathon County	277	(4,228)	7,201	-	2,973	*
Medical Assistance Program	93.778	Marathon County	284	(45,430)	140,012	53,292	147,874	*
Total Medicaid Cluster				<u>(50,002)</u>	<u>148,137</u>	<u>53,278</u>	<u>151,413</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	(6,475)	17,365	(260)	10,630	*
Total U.S. Department of Health and Human Services				<u>(192,487)</u>	<u>911,225</u>	<u>195,820</u>	<u>914,558</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY								
Emergency Management Performance Grants	97.042	WI DMA	Unknown	-	17,254	16,135	33,389	*
Total U.S. Department of Homeland Security				<u>-</u>	<u>17,254</u>	<u>16,135</u>	<u>33,389</u>	<u>-</u>
TOTAL FEDERAL AWARDS				<u>\$ 105,244</u>	<u>\$ 2,823,357</u>	<u>\$ (430,432)</u>	<u>\$ 2,498,169</u>	<u>\$ -</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payment
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION								
Agriculture Clean Sweep Program	115.04	Direct Program	Not Applicable	\$ (420)	\$ 420	\$ -	\$ -	\$ -
County Staff and Support	115.15	Direct Program	Not Applicable	(85,592)	85,592	88,069	88,069	-
LWRM Plan Implementation Projects	115.40	Direct Program	Not Applicable	(14,493)	66,675	-	52,182	-
Total Department of Agriculture, Trade and Consumer Protection				(100,505)	152,687	88,069	140,251	-
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES								
Private Sewage System Replacement and Rehabilitation Program	143.110	Direct Program	Not Applicable	-	4,902	-	4,902	-
Private Sewage System Replacement and Rehabilitation Program	143.110	Direct Program	Not Applicable	2,564	(2,564)	-	-	-
Total Department of Safety and Professional Services				2,564	2,338	-	4,902	-
DEPARTMENT OF NATURAL RESOURCES								
Utility Terrain Vehicle (UT) Program	370.547	Direct Program	ATV3531	-	21,628	(20,823)	805	-
Utility Terrain Vehicle (UTV) Program	370.548	Direct Program	ATV 3684T	-	525	(525)	-	-
Total Utility Terrain Vehicle (UTV) Program				-	22,153	(21,348)	805	-
Snowmobile Enforcement	370.552	Direct Program	Not Applicable	-	5,630	-	5,630	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	Not Applicable	(15,751)	15,751	15,818	15,818	-
County Conservation Aids	370.563	Direct Program	Not Applicable	500	-	-	500	-
County Fish, Wildlife & Forestry	370.564	Direct Program	Not Applicable	25,313	6,098	(24,362)	7,049	-
Aquatic Invasive Species	370.663	Direct Program	Not Applicable	(27,523)	27,523	24,219	24,219	-
Total Aquatic Invasive Species				(27,523)	27,523	24,219	24,219	-
County Forest Administration	370.572	Direct Program	Not Applicable	-	48,929	-	48,929	-
Recreational Aids - Snowmobile Trail and Area Aid	370.575	Direct Program	S-4434	(5,304)	5,304	-	-	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574	Direct Program	S-4267	68,963	68,963	-	137,926	-
Recreational Aids - Snowmobile Trail and Area Aid	370.574	Direct Program	S-4895	-	6,758	(2,968)	3,790	-
Recreational Aids - Snowmobile Trail and Area Aid	370.575	Direct Program	S-4737	-	11,706	11,300	23,006	-
Recreational Aids - Snowmobile Trail and Area Aid	370.575	Direct Program	S-5037	-	82,755	(74,452)	8,303	-
Total Recreational Aids - Snowmobile Trail and Area Aid				63,659	175,486	(66,120)	173,025	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3242	15,565	(15,565)	-	-	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3417	(3,241)	32,707	-	29,466	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3464	(9,262)	26,465	-	17,203	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3492T	525	525	-	1,050	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3524	37,607	-	16,618	54,225	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3511	-	6,758	(2,968)	3,790	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV3617	-	32,707	(15,765)	16,942	-
All-Terrain Vehicle (ATV) Program	370.576	Direct Program	ATV 3664	-	26,465	-	26,465	-
Total All-Terrain Vehicle (ATV) Program				41,194	110,062	(2,115)	149,141	-
Knowles-Nelson Stewardship Program	370.TA1	Direct Program	SCFS-1052	-	730,700	-	730,700	-
Knowles-Nelson Stewardship Program	370.TA1	Direct Program	SCFS-1050	-	76,169	-	76,169	-
Total Knowles-Nelson Stewardship Program				-	806,869	-	806,869	-
Total Department of Natural Resources				87,392	1,218,501	(73,908)	1,231,985	-
DEPARTMENT OF TRANSPORTATION								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	Not Applicable	-	69,578	-	83,494	-
County Forest Aids	395.170	Direct Program	Not Applicable	-	2,414	-	2,414	-
Total Department of Transportation				-	71,992	-	85,908	-

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number	(Accrued) Deferred Revenue 1/1/17	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/17	Total Expenditures	Subrecipient Payment
DEPARTMENT OF HEALTH SERVICES								
IMAA State Share ACA	435.276	Marathon County	276	(7,975)	13,583	-	5,608	-
IMAA Federal Share ACA	435.277	Marathon County	277	(54)	92	-	38	-
IMAA State Share	435.283	Marathon County	283	-	109,622	7,160	116,782	-
IMAA Federal Share	435.284	Marathon County	284	(510)	2,507	1,125	3,122	-
Fluoride Supplement	435.151734	Direct Program	151734	(580)	1,506	-	926	-
Fluoride Mouth Rinse	435.151735	Direct Program	151735	(614)	614	1,809	1,809	-
Cons Contracts CHHD LD	435.157720	Direct Program	157720	(66)	1,746	1,599	3,279	-
Maternal & Child Health Services, Block Grant	435.159320	Direct Program	159320	(344)	924	(14)	566	-
Total Department of Health Services				(10,143)	130,594	11,679	132,130	-
DEPARTMENT OF CHILDREN AND FAMILIES								
Food Stamp Agency Incentives	437.965	Direct Program	965	(154)	639	282	767	-
Citizen Review Panels	437.3030	Direct Program	3030	-	-	4,179	4,179	-
Community Intervention Program	437.3410	Direct Program	3410	(1,546)	6,028	654	5,136	-
Youth Aids AODA	437.3411	Direct Program	3411	(1,659)	1,659	5,550	5,550	-
Youth Aids	437.3413	Direct Program	3413	(27,597)	373,184	8,538	354,125	-
Basic County Allocation	437.3561	Direct Program	3561	-	160,633	-	160,633	-
State County match	437.3681	Direct Program	3681	-	12,815	-	12,815	-
WISACWIS Annual Operation Maintenance Fee	437.3935	Direct Program	3935	-	(2,623)	-	(2,623)	-
PDS Partnership Fees	437.3940	Direct Program	3940	-	(873)	-	(873)	-
Mobility Support Liability Incentive	437.7332	Direct Program	7332	(1,537)	16,365	1,783	16,611	-
Child Support Activities	437.7502	Direct Program	7502	-	39,205	-	39,205	-
Child Support Medical Support	437.7606	Direct Program	7606	-	1,087	-	1,087	-
Child Support Federal Parent Locator Services	437.7903	Direct Program	7903	-	(693)	(231)	(924)	-
Total Department of Children and Families				(32,493)	607,426	20,755	595,688	-
DEPARTMENT OF JUSTICE								
Victim Witness Cluster	455.(1)	Direct Program	Not Applicable	(7,488)	14,162	7,282	13,956	-
County Law Enforcement Services	455.226	Direct Program	Not Applicable	-	22,530	-	22,530	-
Total Department of Justice				(7,488)	36,692	7,282	36,486	-
DEPARTMENT OF MILITARY AFFAIRS								
Emergency Training Grant Program	465.337	Direct Program	Not Applicable	-	3,837	3,837	7,674	-
Computer and Hazmat Equipment Grant	465.367	Direct Program	Not Applicable	-	534	5,328	5,862	-
Total Department of Military Affairs				-	4,371	9,165	13,536	-
DEPARTMENT OF ADMINISTRATION								
Wisconsin Land Information Program - Aid to Counties								
Land Information Grant	505.173	Direct Program	Not Applicable	132,277	65,128	(125,120)	72,285	-
Training Grant	505.173	Direct Program	Not Applicable	-	1,000	-	1,000	-
Strategic Initiative Grant	505.173	Forest County	Not Applicable	-	10,000	-	10,000	-
Strategic Initiative Grant	505.173	Direct Program	Not Applicable	15,863	75,000	(5,640)	85,223	-
Total Wisconsin Land Information Program - Aid to Counties				148,140	151,128	(130,760)	168,508	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599972.34	(5,702)	5,702	-	-	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599973.34	-	22,713	10,319	33,032	-
Total Public Benefits - Low Income Energy Assistance Program				(5,702)	28,415	10,319	33,032	-
Total Department of Administration				142,438	179,543	(120,441)	201,540	-
TOTAL STATE PROGRAMS				\$ 81,765	\$ 2,404,144	\$ (57,399)	\$ 2,442,426	\$ -

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

Langlade County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for the County are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the County. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the County's 2017 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the County in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded County expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

The County has not elected to charge a de minimis rate of 10% of modified total costs.

NOTE 3: OVERSIGHT AGENCIES

The federal and state oversight agencies for the County are as follows:

Federal - U.S. Department of Justice

State - Wisconsin Department of Health Services

NOTE 4: PASS THROUGH ENTITIES

Federal awards have been passed through the following entities:

WI DCF - Wisconsin Department of Children and Families

WI DHS - Wisconsin Department of Health Services

WI DMA - Wisconsin Department of Military Affairs

WI DNR - Wisconsin Department of Natural Resources

WI DOA - Wisconsin Department of Administration

WI DOT - Wisconsin Department of Transportation

Langlade County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 5: STATE DIRECT PAYMENTS

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedules of Expenditures of Federal and State Awards.

NOTE 6: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the May 2018 CARS for the Human Services and Public Health Departments, and the December 2017 SPARC for Child Support and Child Care programs.

NOTE 7: REVOLVING LOAN FUND FOR ECONOMIC DEVELOPMENT

In prior years, the County received community development block grants to finance economic development loans made to local businesses. The County may retain program income of up to \$500,000 to finance additional economic development loans. Program income in excess of \$500,000 is returned to the State of Wisconsin.

During 2017, the County received program income of \$391,454 and expended \$91,128 from their economic development loan fund as detailed below:

Economic development loans	\$ 75,000
Administrative expenses	16,128
Total expenditures	<u>\$ 91,128</u>

At December 31, 2017, program income of \$609,038 is available for future economic development loans and administrative expenses. Outstanding mortgages receivable totaled \$1,191,796.

NOTE 8: REVOLVING LOAN FUND FOR HOUSING REHABILITATION

In the prior years, the County received community development block grants to finance housing rehabilitation loans made to local homeowners. Program income received by the County is obligated for additional housing rehabilitation loans.

During 2017, the County received program income of \$131,424 and expended \$54,390 from their housing rehabilitation loan fund as detailed below:

Housing rehabilitation loans	\$ 45,906
Administrative expenses	8,484
Total expenditures	<u>\$ 54,390</u>

At December 31, 2017, program income of \$146,409 is available for future housing rehabilitation loans and administrative expenses. Outstanding mortgages receivable totaled \$2,180,626.

Langlade County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 9: REVOLVING LOAN FUND FOR NORTHWOODS CONSORTIUM

The County has received community development block grants to finance housing rehabilitation loans made to homeowners in the Northwoods Consortium Revolving Loan Program. Program income received by the County is obligated for additional housing rehabilitation loans.

During 2017, the County received intergovernmental grant income of \$1,081,024, program income of \$86,268 and expended \$1,167,156 from their housing rehabilitation loan fund as detailed below:

	<u>Grant</u>	<u>Program Income</u>	<u>Total Expenditures</u>
Housing rehabilitation loans	\$ 944,390	\$ 73,217	\$ 1,017,607
Administrative expenses	136,634	12,915	149,549
Total expenditures	<u>\$ 1,081,024</u>	<u>\$ 86,132</u>	<u>\$ 1,167,156</u>

At December 31, 2017, program income of \$1,816 is available for future housing rehabilitation loans and administrative expenses. Outstanding mortgages receivable totaled \$3,224,200.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	Yes
Noncompliance material to basic financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	No
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
14.228	Community Development Block Grant

Identification of major state programs:

State ID Number	Name of State Programs
115.15	County Staff and Support
115.40	Land and Water Resource Management
370.TA1	Knowles-Nelson Stewardship Program

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

FINDING NO.	CONTROL DEFICIENCIES
2017-001	Preparation of Annual Financial Report
Condition:	Current County staff maintains accounting records which reflect the County's financial transactions; however, preparing the County's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The County contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.
Criteria:	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes or other required State Financial reports.
Cause:	The County experienced employee turnover within the County's finance department and the new staff were primarily focused on closing the 2017 fiscal year and developing the 2019 budget, and have not had the time to focus training of the new staff to become more experienced in applicable accounting principles and note disclosures.
Effect:	Without our involvement, the County may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
Recommendation:	We recommend the County continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the County is necessary to obtain a complete and adequate understanding of the County's annual financial report.
Management Response:	County management has reviewed and approved the County's annual financial report prepared by the auditors. While the County does not anticipate the finance staff will prepare the financial statements in the future, the County intends to provide training to finance department staff on the applicable accounting principles used and note disclosures contained in its annual financial report.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

FINDING NO.	CONTROL DEFICIENCIES
2017-002	Adjustments to the County's Financial Records
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the County's financial statements.
Criteria:	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
Cause:	The County experienced employee turnover within the County's finance and highway departments. As a result, certain year end reconciliations and adjustments were not processed timely by the County, resulting in additional adjustments to the County's financial records.
Effect:	Year-end financial records prepared by the County may contain material misstatements.
Recommendation:	We recommend the County enhance its documentation of monthly and annual closing procedures, and identify other County employees to cross-train on key financial reporting processes to allow the County to better manage employee turnover.
Management Response:	The County agrees that employee turnover caused significant delays in completing the year end close of the County's general ledger, and has taken appropriate actions during 2018 to restructure roles and responsibilities in the fiscal year close, along with providing training to ensure all adjustments are made timely.

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended December 31, 2017.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION IV - OTHER ISSUES

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Department of Agriculture, Trade and Consumer Protection | Yes |
| Department of Safety and Professional Services | Yes |
| Department of Natural Resources | Yes |
| Department of Transportation | Yes |
| Department of Health Services | Yes |
| Department of Children and Families | Yes |
| Department of Justice | Yes |
| Department of Military Affairs | Yes |
| Department of Administration | Yes |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |

4. Name and signature of partner



David L. Maccoux, CPA

Date of report

September 28, 2018

Langlade County, Wisconsin

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

PRIOR YEAR AUDIT FINDINGS

There were no audit findings noted in the 2016 Schedule of Findings and Questioned Costs.

CORRECTIVE ACTION PLAN

Finding No.

Corrective Action Plan

2017-001

Preparation of Annual Financial Report

The County does believe it is cost beneficial to have its finance department prepare the financial statements in the future. County management will send finance department employees to training programs to continue to enhance their knowledge of applicable accounting principles used and note disclosures used in preparing the County's annual financial report.

2017-002

Adjustments to the County's Financial Records

The County has hired replacements for key fiscal employees during 2018, and has restructured roles and responsibilities. The County expects to finalize monthly and annual closing checklists, including the employee who has primary responsibility for each process along with a properly trained backup, and develop documentation to allow the County to manage employee turnover more effectively in the future.