

Langlade County, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2018

Langlade County, Wisconsin

DECEMBER 31, 2018

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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 Langlade County, Wisconsin (the "County") as of and for the year ended December 31, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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.

CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 3.G to the financial statements, in 2018 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules relating to pensions and other postemployment benefits on pages 49 and 50 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.

Prior Year Summarized Financial Information

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated September 28, 2018, 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 from which the prior year summarized financial information was derived.

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 supplementary information as referenced in the Table of Contents is presented for purposes of additional analysis and are not a required part of the 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schenck SC previously audited, in accordance with auditing standards generally accepted in the United States of America, Langlade County, Wisconsin's basic financial statements for the year ended December 31, 2017, which are not presented with the accompanying financial statements and expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Langlade County, Wisconsin's basic financial statements as a whole. The 2017 actual amounts in the general fund budgetary comparison information and the nonmajor governmental funds combining statements are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare used to prepare the 2017 basic financial statements. The report of Schenck SC stated that the information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In their opinion, the 2017 actual amounts in the general fund budgetary comparison information and the nonmajor governmental funds combining statements were fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2019, 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 solely 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 effectiveness of 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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 27, 2019

BASIC FINANCIAL STATEMENTS

Langlade County, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Governmental Activities	Business-type Activities	Totals	
			2018	2017
ASSETS				
Cash and investments	\$ 16,037,165	\$ 1,874,315	\$ 17,911,480	\$ 14,160,537
Receivables				
Taxes	9,775,396	-	9,775,396	9,716,027
Delinquent taxes	899,480	-	899,480	928,417
Accounts	525,086	-	525,086	467,522
Loans, net	6,710,083	-	6,710,083	6,393,050
Other	158,278	-	158,278	165,291
Internal balances	(138,033)	138,033	-	-
Due from other governments	790,756	396,282	1,187,038	989,954
Inventories and prepaid items	560,778	610,392	1,171,170	1,088,924
Net pension asset	1,384,553	283,521	1,668,074	-
Capital assets, nondepreciable	9,884,185	1,114,617	10,998,802	9,212,525
Capital assets, depreciable	35,723,649	3,713,407	39,437,056	40,879,511
Total assets	82,311,376	8,130,567	90,441,943	84,001,758
DEFERRED OUTFLOWS OF RESOURCES				
Loss on advance refunding	-	-	-	8,122
Pension related amounts	2,561,210	529,658	3,090,868	3,538,421
Other postemployment related amounts	80,080	16,398	96,478	-
Total deferred outflows of resources	2,641,290	546,056	3,187,346	3,546,543
LIABILITIES				
Accounts and claims payable	1,078,407	83,227	1,161,634	1,146,470
Accrued and other current liabilities	478,404	98,202	576,606	546,167
Due to other governments	330,347	-	330,347	256,416
Accrued interest payable	28,975	-	28,975	8,073
Special deposits	624,769	-	624,769	672,584
Unearned revenues	672,897	25,434	698,331	351,652
Long-term obligations				
Due within one year	842,000	-	842,000	927,177
Due in more than one year	3,494,043	237,641	3,731,684	704,269
Net pension liability	-	-	-	458,620
Other postemployment benefits	740,476	151,631	892,107	-
Total liabilities	8,290,318	596,135	8,886,453	5,071,428
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	9,775,396	-	9,775,396	9,716,027
Pension related amounts	2,725,791	558,173	3,283,964	1,442,320
Other postemployment related amounts	47,160	9,657	56,817	-
Total deferred inflows of resources	12,248,347	567,830	12,816,177	11,158,347
NET POSITION				
Net investment in capital assets	44,458,991	4,828,024	48,287,015	49,476,035
Restricted	9,529,604	283,521	9,813,125	7,240,135
Unrestricted	10,425,406	2,401,113	13,905,469	14,602,356
Total net position	\$ 64,414,001	\$ 7,512,658	\$ 71,926,659	\$ 71,318,526

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, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General government	\$ 3,644,831	\$ 779,060	\$ 86,229	\$ -
Public safety	5,469,998	413,909	134,438	74,000
Public works	3,066,961	25,521	750,050	-
Health and human services	4,774,479	173,690	1,889,404	-
Culture and recreation	1,579,390	232,363	15,277	-
Conservation and development	1,858,151	2,518,987	2,091,157	-
Interest and fiscal charges	155,840	-	-	-
Total governmental activities	20,549,650	4,143,530	4,966,555	74,000
BUSINESS-TYPE ACTIVITIES				
Highway	5,425,693	5,268,369	-	-
Total	\$ 25,975,343	\$ 9,411,899	\$ 4,966,555	\$ 74,000

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
 Miscellaneous
 Transfers

Total general revenues and transfers

Change in net position

Net position - January 1, as originally reported

Cumulative effect of change in accounting principle

Net position - January 1, as restated

Net position - December 31

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

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Totals	
		2018	2017
\$ (2,779,542)	\$ -	\$ (2,779,542)	\$ (2,873,533)
(4,847,651)	-	(4,847,651)	(4,957,329)
(2,291,390)	-	(2,291,390)	(2,072,123)
(2,711,385)	-	(2,711,385)	(2,651,627)
(1,331,750)	-	(1,331,750)	(1,235,533)
2,751,993	-	2,751,993	1,836,770
(155,840)	-	(155,840)	(27,676)
<u>(11,365,565)</u>	<u>-</u>	<u>(11,365,565)</u>	<u>(11,981,051)</u>
-	(157,324)	(157,324)	(269,564)
<u>(11,365,565)</u>	<u>(157,324)</u>	<u>(11,522,889)</u>	<u>(12,250,615)</u>
9,716,027	-	9,716,027	9,563,658
1,695,177	-	1,695,177	1,658,022
159,490	-	159,490	120,875
735,716	-	735,716	735,934
440,938	-	440,938	340,764
154,612	-	154,612	941,389
<u>(1,089,939)</u>	<u>1,089,939</u>	<u>-</u>	<u>-</u>
<u>11,812,021</u>	<u>1,089,939</u>	<u>12,901,960</u>	<u>13,360,642</u>
446,456	932,615	1,379,071	1,110,027
64,607,447	6,711,079	71,318,526	70,208,499
<u>(639,902)</u>	<u>(131,036)</u>	<u>(770,938)</u>	<u>-</u>
<u>63,967,545</u>	<u>6,580,043</u>	<u>70,547,588</u>	<u>70,208,499</u>
<u>\$ 64,414,001</u>	<u>\$ 7,512,658</u>	<u>\$ 71,926,659</u>	<u>\$ 71,318,526</u>

Langlade County, Wisconsin

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>General</u>	<u>County Roads and Bridges</u>	<u>Social Services</u>	<u>Northwoods CDGB</u>
ASSETS				
Cash and investments	\$ 9,005,969	\$ 2,646,861	\$ 7,455	\$ 280,055
Receivables				
Taxes and special charges	5,371,485	2,238,392	1,120,696	-
Delinquent taxes	899,480	-	-	-
Accounts	370,176	105,886	9,962	-
Loans, net	-	-	-	4,091,786
Other	158,278	-	-	-
Due from other funds	322,434	-	-	-
Due from other governments	429,754	-	250,581	110,421
Inventories and prepaid items	554,663	-	4,614	-
	<u>\$ 17,112,239</u>	<u>\$ 4,991,139</u>	<u>\$ 1,393,308</u>	<u>\$ 4,482,262</u>
Total assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 232,590	\$ -	\$ 133,924	\$ 38,978
Accrued and other current liabilities	425,865	-	42,482	-
Due to other funds	-	-	-	316,205
Due to other governments	330,347	-	-	-
Special deposits	623,792	-	-	-
Unearned revenues	643,110	-	9,081	-
	<u>2,255,704</u>	<u>-</u>	<u>185,487</u>	<u>355,183</u>
Total liabilities				
Deferred inflows of resources				
Property taxes levied for subsequent year	5,371,485	2,238,392	1,120,696	-
Interest on taxes	104,939	-	-	-
Loans receivable	-	-	-	4,091,786
Long-term receivable	270,149	-	-	-
	<u>5,746,573</u>	<u>2,238,392</u>	<u>1,120,696</u>	<u>4,091,786</u>
Total deferred inflows of resources				
Fund balances				
Nonspendable	1,282,453	-	4,614	-
Restricted	-	-	-	35,293
Committed	-	2,752,747	82,511	-
Assigned	1,962,722	-	-	-
Unassigned	5,864,787	-	-	-
	<u>9,109,962</u>	<u>2,752,747</u>	<u>87,125</u>	<u>35,293</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,112,239</u>	<u>\$ 4,991,139</u>	<u>\$ 1,393,308</u>	<u>\$ 4,482,262</u>

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

Housing Rehabilitation	Other Governmental Funds	Totals	
		2018	2017
\$ 168,277	\$ 2,615,910	\$ 14,724,527	\$ 10,729,318
-	1,044,823	9,775,396	9,716,027
-	-	899,480	928,417
-	39,062	525,086	466,992
2,148,115	770,182	7,010,083	6,693,050
-	-	158,278	165,291
-	-	322,434	992,988
-	-	790,756	532,444
-	1,501	560,778	506,965
<u>\$ 2,316,392</u>	<u>\$ 4,471,478</u>	<u>\$ 34,766,818</u>	<u>\$ 30,731,492</u>
\$ -	\$ 82,720	\$ 488,212	\$ 401,091
-	10,057	478,404	470,167
-	979	317,184	995,022
-	-	330,347	256,416
-	977	624,769	672,584
-	20,706	672,897	343,168
-	115,439	2,911,813	3,138,448
-	1,044,823	9,775,396	9,716,027
-	-	104,939	116,741
2,148,115	770,182	7,010,083	6,693,050
-	-	270,149	332,904
<u>2,148,115</u>	<u>1,815,005</u>	<u>17,160,567</u>	<u>16,858,722</u>
-	1,501	1,288,568	1,276,041
168,277	2,316,645	2,520,215	851,317
-	-	2,835,258	2,014,235
-	223,930	2,186,652	2,565,072
-	(1,042)	5,863,745	4,027,657
<u>168,277</u>	<u>2,541,034</u>	<u>14,694,438</u>	<u>10,734,322</u>
<u>\$ 2,316,392</u>	<u>\$ 4,471,478</u>	<u>\$ 34,766,818</u>	<u>\$ 30,731,492</u>

Langlade County, Wisconsin

BALANCE SHEET
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	2018	2017
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 14,694,438	\$ 10,734,322
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.	45,607,834	46,265,888
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Interest on taxes	104,939	116,741
Loans receivable	7,010,083	6,393,050
Long-term receivable	270,149	332,904
Net pension asset	1,384,553	-
Net position of the internal service fund is reported in the statement of net position as governmental activities	579,160	789,631
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
Deferred outflows related to pensions	2,561,210	2,855,905
Deferred inflows related to pensions	(2,725,791)	(1,140,454)
Deferred outflows related to other postemployment benefits	80,080	-
Deferred inflows related to other postemployment benefits	(47,160)	-
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds and notes payable	(3,500,000)	(620,177)
Premium on debt	(118,450)	(3,946)
Compensated absences	(717,593)	(753,831)
Net pension liability	-	(362,635)
Other postemployment benefit	(740,476)	-
Accrued interest on long-term obligations	(28,975)	(8,073)
Net position of governmental activities as reported on the statement of net position (see page 4)	\$ 64,414,001	\$ 64,607,447

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, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>County Roads and Bridges</u>	<u>Social Services</u>	<u>Northwoods CDGB</u>
REVENUES				
Taxes	\$ 7,539,236	\$ 2,238,392	\$ 993,189	\$ -
Intergovernmental	2,400,173	750,050	1,390,353	1,050,817
Licenses and permits	95,996	-	-	-
Fines and forfeits	79,847	-	-	-
Public charges for services	3,188,719	-	119,235	-
Intergovernmental charges for services	298,826	-	-	-
Interdepartmental charges for services	528,464	-	-	-
Miscellaneous	489,693	-	-	104,391
Total revenues	<u>14,620,954</u>	<u>2,988,442</u>	<u>2,502,777</u>	<u>1,155,208</u>
EXPENDITURES				
Current				
General government	3,341,584	-	-	-
Public safety	5,040,830	-	-	-
Public works	136,411	1,981,100	-	-
Health and human services	1,541,591	-	2,904,442	-
Culture and recreation	1,288,562	-	-	-
Conservation and development	1,655,661	-	-	1,121,731
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	<u>329,733</u>	<u>268,830</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,334,372</u>	<u>2,249,930</u>	<u>2,904,442</u>	<u>1,121,731</u>
Excess of revenues over (under) expenditures	<u>1,286,582</u>	<u>738,512</u>	<u>(401,665)</u>	<u>33,477</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Premium on debt issued	-	-	-	-
Transfers in	8,649	-	488,790	-
Transfers out	<u>(526,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(517,724)</u>	<u>-</u>	<u>488,790</u>	<u>-</u>
Net change in fund balances	768,858	738,512	87,125	33,477
Fund balances - January 1	<u>8,341,104</u>	<u>2,014,235</u>	<u>-</u>	<u>1,816</u>
Fund balances - December 31	<u>\$ 9,109,962</u>	<u>\$ 2,752,747</u>	<u>\$ 87,125</u>	<u>\$ 35,293</u>

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

<u>Housing Rehabilitation</u>	<u>Other Governmental Funds</u>	<u>Totals</u>	
		<u>2018</u>	<u>2017</u>
\$ -	\$ 1,009,385	\$ 11,780,202	\$ 11,565,641
-	50,311	5,641,704	6,219,256
-	10,848	106,844	92,085
-	-	79,847	80,183
-	122,477	3,430,431	2,631,803
-	190	299,016	290,922
-	-	528,464	479,350
118,686	387,704	1,100,474	1,118,123
<u>118,686</u>	<u>1,580,915</u>	<u>22,966,982</u>	<u>22,477,363</u>
-	592	3,342,176	3,327,852
-	63,215	5,104,045	5,060,606
-	-	2,117,511	2,123,130
-	443,199	4,889,232	4,846,208
-	118,794	1,407,356	1,263,091
96,818	62,389	2,936,599	3,216,798
-	620,177	620,177	622,455
-	147,908	147,908	30,079
-	1,478,895	2,077,458	1,835,103
<u>96,818</u>	<u>2,935,169</u>	<u>22,642,462</u>	<u>22,325,322</u>
<u>21,868</u>	<u>(1,354,254)</u>	<u>324,520</u>	<u>152,041</u>
-	3,500,000	3,500,000	-
-	135,596	135,596	-
-	37,583	535,022	339,013
-	(8,649)	(535,022)	(587,963)
-	3,664,530	3,635,596	(248,950)
21,868	2,310,276	3,960,116	(96,909)
146,409	230,758	10,734,322	10,831,231
<u>\$ 168,277</u>	<u>\$ 2,541,034</u>	<u>\$ 14,694,438</u>	<u>\$ 10,734,322</u>

Langlade County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ 3,960,116	\$ (96,909)
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	1,761,254	2,700,282
Contributed capital assets	-	14,935
Depreciation expense reported in the statement of activities	(2,397,147)	(2,366,974)
Net book value of disposals	(22,161)	(19,064)
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.	(74,557)	124,268
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	1,105,020	1,102,785
Loan repayments	(491,125)	(583,665)
Loan adjustments and change in allowance for uncollectible accounts	3,138	(100)
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.		
Long-term debt issued	(3,500,000)	-
Premium on debt issued	(135,596)	-
Principal repaid	620,177	622,455
Capital leases paid	-	26,488
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	(20,902)	7,939
Amortization of premiums and loss on advance refunding	12,970	(5,536)
Compensated absences	36,238	(1,391)
Net pension asset (liability)	1,747,188	351,228
Deferred outflows of resources related to pensions	(294,695)	(1,130,714)
Deferred inflows of resources related to pensions	(1,585,337)	361,859
Other postemployment benefits	(100,574)	125,996
Deferred outflows of resources related to other postemployment benefits	80,080	-
Deferred inflows of resources related to other postemployment benefits	(47,160)	-
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.	(210,471)	(103,241)
Change in net position of governmental activities as reported in the statement of activities (see pages 5 - 6)	<u>\$ 446,456</u>	<u>\$ 1,130,641</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, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 7,481,061	\$ 7,481,061	\$ 7,539,236	\$ 58,175	\$ 7,396,286
Intergovernmental	2,088,432	2,172,242	2,400,173	227,931	2,356,094
Licenses and permits	93,640	93,640	95,996	2,356	81,980
Fines and forfeits	79,500	79,500	79,847	347	80,183
Public charges for services	2,460,055	2,474,675	3,188,719	714,044	2,372,873
Intergovernmental charges for services	284,000	358,000	298,826	(59,174)	290,731
Interdepartmental charges for services	471,070	519,655	528,464	8,809	479,350
Miscellaneous	227,147	237,147	489,693	252,546	461,716
Total revenues	13,184,905	13,415,920	14,620,954	1,205,034	13,519,213
EXPENDITURES					
Current					
General government	3,452,452	3,783,668	3,341,584	442,084	3,317,747
Public safety	5,056,986	5,230,263	5,040,830	189,433	4,985,369
Public works	155,957	155,957	136,411	19,546	138,530
Health and human services	1,588,624	1,614,178	1,541,591	72,587	1,521,284
Culture and recreation	1,023,516	1,131,347	1,288,562	(157,215)	1,093,735
Conservation and development	1,614,706	1,730,695	1,655,661	75,034	1,912,316
Capital outlay	245,500	377,845	329,733	48,112	281,266
Total expenditures	13,137,741	14,023,953	13,334,372	689,581	13,250,247
Excess of revenues over (under) expenditures	47,164	(608,033)	1,286,582	1,894,615	268,966
OTHER FINANCING SOURCES (USES)					
Transfers in	-	3,240	8,649	5,409	6,013
Transfers out	-	(37,582)	(526,373)	(488,791)	(333,000)
Total other financing sources (uses)	-	(34,342)	(517,724)	(483,382)	(326,987)
Net change in fund balance	47,164	(642,375)	768,858	1,411,233	(58,021)
Fund balance - January 1	8,341,104	8,341,104	8,341,104	-	8,399,125
Fund balance - December 31	\$ 8,388,268	\$ 7,698,729	\$ 9,109,962	\$ 1,411,233	\$ 8,341,104

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, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Taxes	\$ 2,238,392	\$ 2,238,392	\$ 2,238,392	\$ -	\$ 2,238,392
Intergovernmental	849,650	849,650	750,050	(99,600)	612,129
Miscellaneous	-	-	-	-	2,000
Total revenues	<u>3,088,042</u>	<u>3,088,042</u>	<u>2,988,442</u>	<u>(99,600)</u>	<u>2,852,521</u>
EXPENDITURES					
Current					
Public works	2,376,491	2,376,491	1,981,100	395,391	1,984,600
Capital outlay	454,926	454,926	268,830	186,096	160,528
Total expenditures	<u>2,831,417</u>	<u>2,831,417</u>	<u>2,249,930</u>	<u>581,487</u>	<u>2,145,128</u>
Excess of revenues over expenditures	<u>256,625</u>	<u>256,625</u>	<u>738,512</u>	<u>481,887</u>	<u>707,393</u>
OTHER FINANCING USES					
Transfers out	<u>(256,625)</u>	<u>(256,625)</u>	<u>-</u>	<u>256,625</u>	<u>(248,950)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>738,512</u>	<u>738,512</u>	<u>458,443</u>
Fund balance - January 1	<u>2,014,235</u>	<u>2,014,235</u>	<u>2,014,235</u>	<u>-</u>	<u>1,555,792</u>
Fund balance - December 31	<u>\$ 2,014,235</u>	<u>\$ 2,014,235</u>	<u>\$ 2,752,747</u>	<u>\$ 738,512</u>	<u>\$ 2,014,235</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, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
REVENUES					
Taxes	\$ 993,189	\$ 993,189	\$ 993,189	\$ -	\$ 881,898
Intergovernmental	1,379,300	1,379,300	1,390,353	11,053	1,363,510
Public charges for services	65,100	65,100	119,235	54,135	113,381
Total revenues	2,437,589	2,437,589	2,502,777	65,188	2,358,789
EXPENDITURES					
Current					
Health and human services	2,437,589	2,437,589	2,904,442	(466,853)	2,849,057
Capital outlay	-	-	-	-	19,774
Total expenditures	2,437,589	2,437,589	2,904,442	(466,853)	2,868,831
Excess of revenues under expenditures	-	-	(401,665)	(401,665)	(510,042)
OTHER FINANCING SOURCES					
Transfers in	-	-	488,790	488,790	239,758
Net change in fund balance	-	-	87,125	87,125	(270,284)
Fund balance - January 1	-	-	-	-	270,284
Fund balance - December 31	\$ -	\$ -	\$ 87,125	\$ 87,125	\$ -

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 - NORTHWOODS CDBG SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 575,000	\$ 575,000	\$ 1,050,817	\$ 475,817	\$ 1,081,024
Miscellaneous	-	-	104,391	104,391	86,268
Total revenues	575,000	575,000	1,155,208	580,208	1,167,292
EXPENDITURES					
Current					
Conservation and development	575,000	575,000	1,121,731	(546,731)	1,158,964
Net change in fund balance	-	-	33,477	33,477	8,328
Fund balance - January 1	1,816	1,816	1,816	-	(6,512)
Fund balance - December 31	\$ 1,816	\$ 1,816	\$ 35,293	\$ 33,477	\$ 1,816

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, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Miscellaneous	\$ 23,000	\$ 23,000	\$ 118,686	\$ 95,686	\$ 131,424
EXPENDITURES					
Current					
Conservation and development	23,000	23,000	96,818	(73,818)	54,390
Net change in fund balance	-	-	21,868	21,868	77,034
Fund balance - January 1	146,409	146,409	146,409	-	69,375
Fund balance - December 31	<u>\$ 146,409</u>	<u>\$ 146,409</u>	<u>\$ 168,277</u>	<u>\$ 21,868</u>	<u>\$ 146,409</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, 2018
 WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2017

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2018	2017	2018	2017
ASSETS				
Current assets				
Cash and investments	\$ 1,874,315	\$ 1,808,850	\$ 1,312,638	\$ 1,622,369
Receivables				
Accounts	-	530	-	-
Due from other funds	-	4,431	-	-
Due from other governments	396,282	457,510	-	-
Inventories and prepaid items	610,392	581,959	-	-
Total current assets	<u>2,880,989</u>	<u>2,853,280</u>	<u>1,312,638</u>	<u>1,622,369</u>
Other assets				
Net pension asset	283,521	-	-	-
Capital assets				
Nondepreciable	1,114,617	10,509	-	-
Depreciable	3,713,407	3,815,639	-	-
Total capital assets	<u>4,828,024</u>	<u>3,826,148</u>	<u>-</u>	<u>-</u>
Total assets	<u>7,992,534</u>	<u>6,679,428</u>	<u>1,312,638</u>	<u>1,622,369</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	529,658	682,516	-	-
Other postemployment related amounts	16,398	-	-	-
Total deferred outflows of resources	<u>546,056</u>	<u>682,516</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts and claims payable	83,227	107,511	590,195	637,868
Accrued and other current liabilities	98,202	76,000	-	-
Due to other funds	-	-	5,250	2,397
Unearned revenue	25,434	8,484	-	-
Total current liabilities	<u>206,863</u>	<u>191,995</u>	<u>595,445</u>	<u>640,265</u>
Long-term obligations, less current portion				
Compensated absences	237,641	253,492	-	-
Net pension liability	-	95,985	-	-
Other postemployment benefits	151,631	-	-	-
Total long-term liabilities	<u>389,272</u>	<u>349,477</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>596,135</u>	<u>541,472</u>	<u>595,445</u>	<u>640,265</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	558,173	301,866	-	-
Other postemployment related amounts	9,657	-	-	-
Total deferred inflows of resources	<u>567,830</u>	<u>301,866</u>	<u>-</u>	<u>-</u>
NET POSITION				
Investment in capital assets	4,828,024	3,826,148	-	-
Restricted	283,521	-	-	-
Unrestricted	2,263,080	2,692,458	717,193	982,104
Total net position	<u>\$ 7,374,625</u>	<u>\$ 6,518,606</u>	<u>\$ 717,193</u>	<u>\$ 982,104</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>\$ 138,033</u>	<u>\$ 192,473</u>		
Net position of business-type activities as reported on the statement of net position (see page 4)	<u>\$ 7,512,658</u>	<u>\$ 6,711,079</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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2018	2017	2018	2017
OPERATING REVENUES				
Charges for services	\$ 5,256,878	\$ 4,570,162	\$ 2,403,148	\$ 2,460,183
Other	11,491	77,596	625,336	654,918
Total operating revenues	<u>5,268,369</u>	<u>4,647,758</u>	<u>3,028,484</u>	<u>3,115,101</u>
OPERATING EXPENSES				
Operation and maintenance	4,873,068	4,363,725	3,296,830	3,247,256
Depreciation	498,185	520,191	-	-
Total operating expenses	<u>5,371,253</u>	<u>4,883,916</u>	<u>3,296,830</u>	<u>3,247,256</u>
Operating income (loss)	<u>(102,884)</u>	<u>(236,158)</u>	<u>(268,346)</u>	<u>(132,155)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	-	-	3,435	1,329
Gain (loss) on disposal of capital assets	-	(5,821)	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(5,821)</u>	<u>3,435</u>	<u>1,329</u>
Income (loss) before transfers	(102,884)	(241,979)	(264,911)	(130,826)
Capital contributions	1,089,939	-	-	-
Transfers in	-	248,950	-	-
Change in net position	<u>987,055</u>	<u>6,971</u>	<u>(264,911)</u>	<u>(130,826)</u>
Net position - January 1, as originally reported	6,518,606	6,511,635	982,104	1,112,930
Cumulative effect of change in accounting principle	<u>(131,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position - January 1, as restated	<u>6,387,570</u>	<u>6,511,635</u>	<u>982,104</u>	<u>1,112,930</u>
Net position - December 31	<u>\$ 7,374,625</u>	<u>\$ 6,518,606</u>	<u>\$ 717,193</u>	<u>\$ 982,104</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>\$ (54,440)</u>	<u>\$ (27,585)</u>		
Net position of business-type activities as reported on the statement of activities (see pages 5 - 6)	<u>\$ 932,615</u>	<u>\$ (20,614)</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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Enterprise Fund</u>		<u>Governmental Activities -</u>	
	<u>Highway</u>		<u>Internal Service Fund</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 5,347,077	\$ 4,373,297	\$ 2,406,001	\$ 2,505,663
Cash received from other revenues	-	8,971	625,336	654,918
Cash paid for employee wages and benefits	(2,368,110)	(2,344,423)	-	-
Cash paid to suppliers	(2,503,380)	(1,881,292)	(3,344,503)	(3,121,154)
Net cash provided by operating activities	<u>475,587</u>	<u>156,553</u>	<u>(313,166)</u>	<u>39,427</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	-	248,950	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(410,122)	(533,558)	-	-
Sale of capital assets	-	17,100	-	-
Net cash flows used by capital and related financing activities	<u>(410,122)</u>	<u>(516,458)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	3,435	1,329
Change in cash and cash equivalents	65,465	(110,955)	(309,731)	40,756
Cash and cash equivalents - January 1	<u>1,808,850</u>	<u>1,919,805</u>	<u>1,622,369</u>	<u>1,581,613</u>
Cash and cash equivalents - December 31	<u>\$ 1,874,315</u>	<u>\$ 1,808,850</u>	<u>\$ 1,312,638</u>	<u>\$ 1,622,369</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, 2018
 WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Enterprise Fund		Governmental Activities -	
	Highway		Internal Service Fund	
	2018	2017	2018	2017
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (102,884)	\$ (236,158)	\$ (268,346)	\$ (132,155)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	498,185	520,191	-	-
Change in liability (asset) and deferred outflows and inflows of resources				
Pension	29,659	187,603	-	-
Other postemployment benefits	13,854	-	-	-
Change in operating assets and liabilities				
Accounts receivables	530	15	-	47,821
Due from other funds	4,431	1,959	2,853	(2,341)
Due from other governments	61,228	(106,823)	-	-
Inventories and prepaid items	(28,433)	(26,397)	-	-
Accounts and claims payable	(24,284)	33,295	(47,673)	126,102
Accrued liabilities	22,202	(18,928)	-	-
Unearned revenue	16,950	(158,682)	-	-
Compensated absences	(15,851)	(39,522)	-	-
Net cash provided by operating activities	<u>\$ 475,587</u>	<u>\$ 156,553</u>	<u>\$ (313,166)</u>	<u>\$ 39,427</u>
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents in current assets	<u>\$ 1,874,315</u>	<u>\$ 1,808,850</u>	<u>\$ 1,312,638</u>	<u>\$ 1,622,369</u>
Total cash and cash equivalents	<u>\$ 1,874,315</u>	<u>\$ 1,808,850</u>	<u>\$ 1,312,638</u>	<u>\$ 1,622,369</u>
Noncash capital and related financing activities				
Capital assets financed by County	<u>\$ 1,089,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Trade-in value of capital assets	<u>\$ -</u>	<u>\$ 30,413</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, 2018
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2017

	Department Bank Accounts Agency Fund	
	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and investments	<u>\$ 325,283</u>	<u>\$ 283,414</u>
LIABILITIES		
Deposits payable	<u>\$ 325,283</u>	<u>\$ 283,414</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, 2018

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 2018, the County remitted an operating appropriation of \$298,483 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, 2018

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 money statutorily required to be held for other individuals 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, 2018

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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Property taxes of \$9,775,396 are recorded on December 31, 2018 for collection in 2019 for the County apportionment. The County apportionment is for financing 2019 operations and will be transferred in 2019 from deferred inflows of resources to current revenues of the County's governmental funds.

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, 2018

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 government-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, 2018

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. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

14. 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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.

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, 2017, 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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, 2018.

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, 2018 as follows:

Funds	Function	Excess Expenditures
General Fund		
County board	General government	\$ 5,820
Insurance - workers' compensation	General government	4,646
Jail	Public safety	12,102
Maintenance	Public safety	23,635
Parks	Culture and recreation	259,571
Library	Culture and recreation	3,199
Land Conservation	Conservation and development	5,495
Forestry Department	Conservation and development	43,899
Airport	Capital outlay	11,924
Special Revenue Funds		
Social Services	Health and human services	466,853
Northwoods CDBG	Conservation and development	546,731
Housing Rehabilitation	Conservation and development	73,818
Jail Assessment	Public safety	391
Economic Development	Conservation and development	58,139
Fairgrounds	Culture and recreation	4,606
Capital Improvements Capital Projects	Capital outlay	98,225
Debt Service Fund	Interest and fiscal charges	132,852

C. 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 2018 and 2019 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 2018 budget was 0.79%. The actual limit for the County for the 2019 budget was 0.76%. 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, 2018

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 \$18,236,763 on December 31, 2018 as summarized below:

Petty cash and cash on hand	\$ 1,230
Deposits with financial institutions	10,538,422
Investments	
Wisconsin local government investment pool	1,890,459
Wisconsin Investment Series Cooperative (WISC)	
Limited Term Duration Series	643,909
Investment Class	5,162,743
	<u>\$ 18,236,763</u>
Reconciliation to the basic financial statements:	
Government-wide statement of net position	
Cash and investments	\$ 17,911,480
Fiduciary fund statement of net position	
Agency fund	325,283
	<u>\$ 18,236,763</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, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
WISC - Limited Term Duration Series	\$ -	\$ 643,909	\$ -

The value of the Limited Term Duration Series is determined by the Fund administrator each Wisconsin business banking day. Under the Fund's pricing and valuation policies and procedures, debt securities held by the Limited Term Duration Series are generally valued using prices provided by an independent pricing service, which uses valuation methods that are designed to approximate market or fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Debt securities with a remaining maturity of 60 days or less may be valued at amortized cost or fair value if a market price is not available.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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.

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, 2018, \$7,629,682 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits. \$7,522,879 was collateralized with securities held by the pledging financial institution or its trust department or agent but not 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
Wisconsin Investment Series Cooperative					
Limited Term Duration Series	\$ 643,909	\$ -	\$ -	\$ 643,909	\$ -
Investment Class	5,162,743	-	5,162,743	-	-
Wisconsin local government investment pool	1,890,459	-	-	-	1,890,459
Totals	<u>\$7,697,111</u>	<u>\$ -</u>	<u>\$5,162,743</u>	<u>\$ 643,909</u>	<u>\$1,890,459</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, 2018, 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, 2018

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	\$ 643,909	\$ 643,909	\$ -	\$ -	\$ -
WISC IS	5,162,743	5,162,743	-	-	-
Wisconsin local government investment pool	1,890,459	1,890,459	-	-	-
Totals	\$ 7,697,111	\$ 7,697,111	\$ -	\$ -	\$ -

Investment in Wisconsin's Investment Series Cooperation

The District has investments in the Wisconsin Investment Series Cooperative (WISC) of \$5,806,652 at year-end consisting of \$643,909 invested in the Limited Duration Series and \$5,162,743 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 in the Investment Series are valued at amortized cost, which approximates market value.

Investments

The County has investments in the Wisconsin Local Government Investment Pool of \$1,890,459 at year-end. The 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, 2018, 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.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

On December 31, 2018, the County's general fund showed an investment of \$899,480 in delinquent taxes consisting of tax certificates.

An aging of the delinquent taxes and special assessments of \$899,480 on December 31, 2018 follows:

Year Acquired	Tax Certificates
2013	\$ 2,469
2014	3,702
2015	91,417
2016	240,808
2017	561,084
Total	<u>\$ 899,480</u>

Of the total of \$899,480 for delinquent taxes, \$171,690 was collected within 60 days of year-end. The remaining balance of \$727,790 is recorded as nonspendable fund balance for the general fund.

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$8,962,320	\$ -	\$ -	\$ 8,962,320
Construction in progress	239,696	682,169	-	921,865
Total capital assets, nondepreciable	<u>9,202,016</u>	<u>682,169</u>	<u>-</u>	<u>9,884,185</u>
Capital assets, depreciable:				
Land improvements	3,230,956	15,390	-	3,246,346
Buildings and improvements	29,040,822	24,521	-	29,065,343
Machinery and equipment	4,904,518	437,787	139,067	5,203,238
Infrastructure	44,504,957	601,387	-	45,106,344
Subtotals	<u>81,681,253</u>	<u>1,079,085</u>	<u>139,067</u>	<u>82,621,271</u>
Less accumulated depreciation for:				
Land improvements	2,073,135	79,656	-	2,152,791
Buildings and improvements	20,205,569	601,345	-	20,806,914
Machinery and equipment	3,239,790	277,891	116,906	3,400,775
Infrastructure	19,098,887	1,438,255	-	20,537,142
Subtotals	<u>44,617,381</u>	<u>2,397,147</u>	<u>116,906</u>	<u>46,897,622</u>
Total capital assets, depreciable, net	<u>37,063,872</u>	<u>(1,318,062)</u>	<u>22,161</u>	<u>35,723,649</u>
Governmental activities capital assets, net	<u>\$46,265,888</u>	<u>\$ (635,893)</u>	<u>\$ 22,161</u>	45,607,834
Less: Capital related debt				1,030,393
Less: Debt premium				118,450
Net investment in capital assets				<u>\$ 44,458,991</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, nondepreciable:				
Land	\$ 10,509	\$ -	\$ -	\$ 10,509
Construction in progress	-	1,104,108	-	1,104,108
Total capital assets, nondepreciable	<u>10,509</u>	<u>1,104,108</u>	<u>-</u>	<u>1,114,617</u>
Capital assets, depreciable:				
Land improvements	95,359	66	-	95,425
Buildings and improvements	1,231,741	-	-	1,231,741
Machinery and equipment	9,771,837	395,887	194,229	9,973,495
Other assets	102,216	-	-	102,216
Subtotals	<u>11,201,153</u>	<u>395,953</u>	<u>194,229</u>	<u>11,402,877</u>
Less accumulated depreciation for:				
Land improvements	35,320	3,946	-	39,266
Buildings and improvements	1,161,650	14,199	-	1,175,849
Machinery and equipment	6,136,624	480,040	194,229	6,422,435
Other assets	51,920	-	-	51,920
Subtotals	<u>7,385,514</u>	<u>498,185</u>	<u>194,229</u>	<u>7,689,470</u>
Total capital assets, depreciable, net	<u>3,815,639</u>	<u>(102,232)</u>	<u>-</u>	<u>3,713,407</u>
Business-type activities capital assets, net	<u>\$ 3,826,148</u>	<u>\$ 1,001,876</u>	<u>\$ -</u>	<u>\$ 4,828,024</u>

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

Governmental activities	
General government	\$ 139,378
Public safety	377,065
Public works	1,512,961
Health and human services	39,219
Culture and recreation	199,755
Conservation and development	128,769
Total depreciation expense - governmental activities	<u>\$ 2,397,147</u>
Business-type activities	
Highway	<u>\$ 498,185</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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, 2018 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Temporary cash advances to finance operating cash deficits		
Governmental funds		
General Fund	\$ 979	\$ -
Special revenue funds		
Public Health	-	979
Operating accounts		
Governmental funds		
General Fund	321,455	-
Special revenue fund		
Northwoods CDBG	-	316,205
Internal service fund		
Health insurance	-	5,250
Subtotal	<u>321,455</u>	<u>321,455</u>
Totals	<u>\$ 322,434</u>	<u>\$ 322,434</u>

Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 8,649	\$ 526,373
Special revenue funds		
Social Services	488,790	-
Public Health	-	8,649
Fairgrounds	37,583	-
	<u>\$ 535,022</u>	<u>\$ 535,022</u>

Interfund transfers were made for the following purposes:

Public Health surplus returned to General Fund	\$ 8,649
Fairgrounds maintenance and other related projects	37,583
Social Service operating deficit funded by the General Fund	488,790
	<u>\$ 535,022</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

E. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the County for the year ended December 31, 2018:

	<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	\$ 355,000	\$ -	\$ 355,000	\$ -	\$ -
Notes	-	3,500,000	-	3,500,000	535,000
State trust fund loans	265,177	-	265,177	-	-
Total general obligation debt	620,177	3,500,000	620,177	3,500,000	535,000
Debt premium	3,946	135,596	21,092	118,450	-
Compensated absences	753,831	-	36,238	717,593	307,000
Governmental activities					
Long-term obligations	<u>\$1,377,954</u>	<u>\$3,635,596</u>	<u>\$ 677,507</u>	<u>\$4,336,043</u>	<u>\$ 842,000</u>
Business-type activities:					
Compensated absences	<u>\$ 253,492</u>	<u>\$ -</u>	<u>\$ 15,851</u>	<u>\$ 237,641</u>	<u>\$ -</u>

Total interest paid during the year on long-term debt totaled \$80,411.

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 12/31/18</u>
General Obligation Note	03/08/18	10/01/24	3.00 - 4.00%	\$ 3,500,000	<u>\$ 3,500,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$3,500,000 on December 31, 2018 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 535,000	\$ 115,900	\$ 650,900
2020	555,000	94,500	649,500
2021	575,000	72,300	647,300
2022	595,000	55,050	650,050
2023	610,000	37,200	647,200
2024	630,000	18,900	648,900
	<u>\$ 3,500,000</u>	<u>\$ 393,850</u>	<u>\$ 3,893,850</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, 2018

Legal Margin for New Debt

The County's legal margin for creation of additional general obligation debt on December 31, 2018 was \$83,618,342 as follows:

Equalized valuation of the County		\$ 1,742,227,300
Statutory limitation percentage		(x) 5%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		<u>87,111,365</u>
Total outstanding general obligation debt applicable to debt limitation	\$ 3,500,000	
Less: Amounts available for financing general obligation debt		
Debt service fund	<u>6,977</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>3,493,023</u>
Legal margin for new debt		<u><u>\$ 83,618,342</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 executive service retirement plan participants, if hired on or before December 31, 2016 are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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)
2017	2.0	4

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 remained 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, 2018, the WRS recognized \$617,143 in contributions from the County.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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

At December 31, 2018, the County reported an asset of \$1,668,074 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was 0.05618080%, which was an increase of 0.00053918% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized pension expense of \$734,790.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,119,329	\$ 991,352
Net differences between projected and actual earnings on pension plan investments	-	2,292,612
Changes in assumptions	329,579	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,817	-
Employer contributions subsequent to the measurement date	617,143	-
Total	<u>\$ 3,090,868</u>	<u>\$ 3,283,964</u>

\$617,143 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2019	\$ 191,704
2020	(4,260)
2021	(569,310)
2022	(432,376)
2023	4,003
Total	<u>\$ (810,239)</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

5. Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date:	December 31, 2016
Measurement date of net pension liability (asset):	December 31, 2017
Actuarial cost method:	Entry Age
Asset valuation method:	Fair Market Value
Long-term expected rate of return:	7.2%
Discount rate:	7.2%
Salary increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
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, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 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 %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	50%	8.2%	5.3%
Fixed income	24.5%	4.2%	1.4%
Inflation sensitive assets	15.5%	3.8%	1.0%
Real estate	8%	6.5%	3.6%
Private equity/debt	8%	9.4%	6.5%
Multi-asset	4%	6.5%	3.6%
Total Core Fund	110%	7.3%	4.4%
Variable Fund Asset Class			
U.S. equities	70%	7.5%	4.6%
International equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

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

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

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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 3.31%. 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)	\$ 4,315,878	\$ (1,668,074)	\$ (6,216,064)

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, 2018, the County reported a payable of \$143,873 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

G. OTHER POSTEMPLOYMENT BENEFITS

The County has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended December 31, 2018. This statement revised and established new financial reporting requirements for governments that provide their employees with postemployment benefits. Financial statements for the year ended December 31, 2017 have not been restated.

The cumulative effect of this change was to decrease the December 31, 2017 net position by \$770,938 as follows:

Other postemployment liability		
OPEB liability balance previously reported	\$	-
Actuarially determined balance		770,938
Change in other postemployment liability		<u>\$ (770,938)</u>

Plan Description

The LRLIF is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

OPEB Plan Fiduciary Net Position

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

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2018 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post-retirement coverage	40% of employee contribution
25% Post-retirement coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are listed below:

Life Insurance Employee Contribution Rates For the Year Ended December 31, 2017	
<u>Attained Age</u>	<u>Basic</u>
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the year ended December 31, 2018, the LRLIF recognized \$5,816 in contributions from the employer.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2018, the County reported a liability of \$892,107 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2017, the County's proportion was .29652100%, which was a decrease of .02102000% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the County recognized OPEB expense of \$87,625.

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,569
Net differences between projected and actual earnings on OPEB plan investments	10,272	-
Changes in assumptions	86,206	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	44,248
Total	<u>\$ 96,478</u>	<u>\$ 56,817</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Expense
2019	\$ 7,069
2020	7,069
2021	7,069
2022	7,069
2023	4,501
Thereafter	6,884
Total	<u>\$ 39,661</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Actuarial assumptions. The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	January 1, 2017
Measurement date of net OPEB liability (asset):	December 31, 2017
Actuarial cost method:	Entry age normal
20 year tax-exempt municipal bond yield:	3.44%
Long-term expected rate of return:	5.00%
Discount rate:	3.63%
Salary increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

Long-term expected return on plan assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-term Expected Geometric Real Rate of Return %</u>
U.S. Government Bonds	Barclays Government	1%	1.13%
U.S. Credit Bonds	Barclays Credit	65%	2.61%
U.S. Long Credit Bonds	Barclays Long Credit	3%	3.08%
U.S. Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-term expected rate of return			5.00%

Single discount rate. A single discount rate of 3.63% was used to measure the total OPEB liability. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient.

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Sensitivity of the County's proportionate share of net OPEB liability (asset) to changes in the discount rate. The following presents the County's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63%, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63%) or 1-percentage-point higher (4.63%) than the current rate:

	<u>1% Decrease to Discount Rate (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase to Discount Rate (4.63%)</u>
County's proportionate share of the net OPEB liability (asset)	\$ 1,260,886	\$ 892,107	\$ 609,108

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

Payable to the OPEB Plan

At December 31, 2018, the County reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2018.

H. 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, 2018, nonspendable fund balance was as follows:

General Fund	
Nonspendable	
Delinquent taxes	\$ 727,790
Inventories and prepaid items	554,663
Total General Fund nonspendable fund balance	<u>1,282,453</u>
Special Revenue Fund	
Nonspendable	
Social Services	
Prepaid items	4,614
Public health	
Prepaid items	1,042
Fairgrounds	
Prepaid items	459
Total Special Revenue nonspendable fund balance	<u>6,115</u>
Total nonspendable fund balance	<u>\$ 1,288,568</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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, 2018, restricted fund balance was as follows:

Special Revenue Funds	
Restricted for	
CDBG	\$ 35,293
Housing rehabilitation	168,277
Community development loan	102,999
Economic development	825,551
Lenzer trust	2,848
Debt Service Fund	
Restricted for debt service	6,977
Capital Improvements Fund	
Restricted for capital improvements	<u>1,378,270</u>
Total Restricted Fund Balance	<u>\$ 2,520,215</u>

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by County Board action. At December 31, 2018, General Fund balance was committed as follows:

Special Revenue Fund	
Committed for	
County roads and bridges	\$ 2,752,747
Social services	<u>82,511</u>
Total Committed Fund Balance	<u>\$ 2,835,258</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, 2018, fund balance was assigned as follows:

General Fund	
Capital improvement projects	\$ 660,107
Computer and office equipment replacement	200,550
Forestry recreation	100,000
Forestry preservation	135,468
Forestry land purchase	169,916
Sick leave	150,000
Maintenance projects	100,000
Subsequent years budget	446,681
Subtotal	<u>1,962,722</u>
Special Revenue Funds	
Jail Assessment	50,786
Dog License	11,256
Jail Commissary	98,200
Fairgrounds	<u>22,215</u>
Subtotal	<u>182,457</u>
Capital Improvements Fund	
Capital improvements	<u>41,473</u>
Total	<u>\$ 2,186,652</u>

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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 2019 General Fund expenditures	\$ 13,336,359
Minimum fund balance %	(x) 25%
Minimum fund balance amount	<u>\$ 3,334,090</u>

The County's unassigned General Fund balance of \$5,864,787 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, 2018, restricted net position was as follows:

Governmental activities	
Restricted for	
Northwoods CDBG	\$ 3,827,079
Housing rehabilitation	2,316,392
Community development loan	186,517
Economic development	1,812,215
Lenzer trust	2,848
Pension benefits	1,384,553
Total Governmental Activities	<u>9,529,604</u>
Business-type activities	
Restricted for pension benefits	<u>283,521</u>
Total	<u>\$ 9,813,125</u>

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business- Type Activities	Adjustment	Total
Net investment in capital assets	\$ 44,458,991	\$ 4,828,024	\$ (1,078,950)	\$ 48,208,065
Unrestricted	10,425,406	2,401,113	1,078,950	13,905,469

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:

Langlade County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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, 2018, the fund had a net position balance of \$717,193.

The claims liability of \$590,195 reported in the fund at December 31, 2018 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
2018	\$ 637,868	\$ 2,626,132	\$ 2,673,805	\$ 590,195
2017	511,766	2,603,365	2,477,263	637,868

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

A series of storms in July, 2019 damaged approximately 30% of the County forest land owned by the County. The County has applied for federal and state disaster assistance to harvest timber fallen by the storms; however, timber sales in 2019 and future years may be significantly impacted, resulting in a reduction of timber sales. For the year ended December 31, 2018, the County received \$2,412,371 from forest timber sales on the County forest land.

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 December 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

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.05709097%	\$ (1,402,310)	\$ 7,367,284	19.03%	102.74%
12/31/15	0.05584184%	907,419	7,364,261	12.32%	98.20%
12/31/16	0.05564162%	458,620	7,602,227	6.03%	99.12%
12/31/17	0.05618080%	(1,668,074)	7,953,008	20.97%	102.93%

SCHEDULE OF CONTRIBUTIONS
 WISCONSIN RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
12/31/18	617,143	617,143	-	8,107,033	7.61%

See notes to required supplementary information.

Langlade County, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
 LOCAL RETIREE LIFE INSURANCE FUND
 LAST 10 FISCAL YEARS

<u>Plan Fiscal Year Ending</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered-employee Payroll</u>	<u>Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)</u>
12/31/17	0.29652100%	\$ 892,107	\$ 7,953,008	11.22%	44.81%

SCHEDULE OF CONTRIBUTIONS
 LOCAL RETIREE LIFE INSURANCE FUND
 LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee Payroll</u>	<u>Contributions as a Percentage of Covered-employee Payroll</u>
12/31/18	\$ 5,816	\$ 5,816	\$ -	\$ 8,107,033	0.07%

See notes to required supplementary information.

Langlade County, Wisconsin

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2018

A. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 75

The County Implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, for the fiscal year ended December 31, 2018. Information for prior years is not available.

Local Retiree Life insurance Fund

There were no changes of benefit terms for any participating employer in LRLIF.

There were no changes in assumptions.

B. WISCONSIN RETIREMENT SYSTEMS

There were no changes of benefits terms or assumptions for any participating employers in the WRS.

Langlade 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, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Taxes					
General property	\$ 5,475,061	\$ 5,475,061	\$ 5,475,061	\$ -	\$ 5,394,303
Forest crop	80,000	80,000	123,941	43,941	95,210
Payment in lieu of taxes	18,000	18,000	18,005	5	18,893
County sales tax	1,658,000	1,658,000	1,695,177	37,177	1,658,022
Interest on taxes	250,000	250,000	210,425	(39,575)	229,858
Other taxes	-	-	16,627	16,627	-
Total taxes	7,481,061	7,481,061	7,539,236	58,175	7,396,286
Intergovernmental					
State					
State shared taxes	723,222	723,222	723,699	477	724,091
Tax exempt computer aid	6,000	6,000	12,017	6,017	11,843
Severance/yield/withdrawal	20,000	20,000	917	(19,083)	6,772
Circuit court	52,275	52,275	52,275	-	52,275
Other state payments	-	19,250	27,702	8,452	287,893
Guardian ad litem	22,300	22,300	27,678	5,378	23,525
Interpreter fees	700	700	3,246	2,546	1,361
Victim witness program	12,800	12,800	14,218	1,418	13,956
Land information	94,391	144,391	147,534	3,143	73,285
Sheriff department	18,100	18,100	13,438	(4,662)	16,450
Tribal enforcement grant	18,800	18,800	21,476	2,676	22,530
OJA grant	-	-	2,364	2,364	2,174
Emergency government	47,104	47,104	45,602	(1,502)	46,926
Child Support	375,566	375,566	353,051	(22,515)	362,840
Transportation	67,740	67,740	70,970	3,230	69,578
Veterans service	8,500	8,500	13,762	5,262	11,228
Snowmobile/ATV trail maintenance	259,995	259,995	492,215	232,220	335,579
Lake protection	50,234	50,234	36,566	(13,668)	24,219
UW Extension	4,749	4,749	4,650	(99)	-
Wisconsin fund	10,000	10,000	-	(10,000)	4,902
Forestry	109,578	109,578	120,329	10,751	108,598
Land conservation	186,378	200,938	216,464	15,526	156,069
Total intergovernmental	2,088,432	2,172,242	2,400,173	227,931	2,356,094
Licenses and permits					
Licenses					
Marriage license	2,100	2,100	1,700	(400)	1,860
Occupational drivers license	40	40	-	(40)	60
Passport fees	-	-	3,700	3,700	-
Permits					
Zoning	77,200	77,200	73,791	(3,409)	65,385
Non-metallic mine permit	11,500	11,500	13,505	2,005	12,415
Farmland preservation	-	-	-	-	10
Land record fees	2,800	2,800	3,300	500	2,250
Total licenses and permits	93,640	93,640	95,996	2,356	81,980

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Fines and forfeits					
County ordinance forfeitures	62,500	62,500	58,061	(4,439)	60,086
State fines and forfeitures	17,000	17,000	21,786	4,786	20,097
Total fines and forfeits	79,500	79,500	79,847	347	80,183
Public charges for services					
Register of deeds fees	140,100	154,720	160,243	5,523	159,793
Register of deeds land modernization	55,064	55,064	34,079	(20,985)	26,421
Circuit court fees and costs	70,600	62,600	67,067	4,467	69,326
Guardian ad litem fees	700	700	151	(549)	181
Mediation fees	2,100	2,100	1,820	(280)	1,580
Register in probate fees	5,500	5,500	4,331	(1,169)	4,974
Conservation fees	200	200	2,434	2,234	490
County clerk	600	600	915	315	1,009
Plat book sales	-	-	7,397	7,397	4,113
District attorney	300	300	100	(200)	360
Sale of maps	500	500	3,865	3,365	3,461
Coroner	7,000	7,000	6,853	(147)	7,378
Information services	2,500	2,500	2,502	2	3,828
Sheriff fees	100,500	108,500	148,182	39,682	108,129
Airport	29,000	29,000	25,521	(3,479)	26,601
Child support	4,500	4,500	4,477	(23)	4,366
Forest crop stumpage	1,830,000	1,830,000	2,430,905	600,905	1,624,850
Miscellaneous forestry	19,006	19,006	60,730	41,724	101,309
Park fees	133,700	133,700	163,836	30,136	149,029
Fairs, exhibits and celebrations	-	-	-	-	3,000
Photocopies	56,560	56,560	61,521	4,961	68,048
Agriculture	1,625	1,625	1,790	165	4,627
Total public charges for services	2,460,055	2,474,675	3,188,719	714,044	2,372,873
Intergovernmental charges for services					
Probation and parole holds	16,300	16,300	7,600	(8,700)	13,641
Prisoner housing	267,700	267,700	217,226	(50,474)	277,090
Software updates	-	74,000	74,000	-	-
Total intergovernmental charges for services	284,000	358,000	298,826	(59,174)	290,731
Interdepartmental charges for services					
Indirect charges	293,570	342,155	316,655	(25,500)	286,414
Insurance premiums	175,000	175,000	208,467	33,467	189,097
CSA revenues	2,500	2,500	3,342	842	3,839
Total interdepartmental charges for services	471,070	519,655	528,464	8,809	479,350

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
Miscellaneous					
Interest on investments	51,500	51,500	220,041	168,541	139,351
Agriculture research station	12,000	12,000	27,489	15,489	24,698
Sale of County property	3,000	3,000	3,475	475	4,549
Profit on tax deed sales	55,890	65,890	88,054	22,164	152,248
Rent	103,757	103,757	116,936	13,179	117,089
Donations	1,000	1,000	30,840	29,840	9,580
Other	-	-	2,858	2,858	14,201
Total miscellaneous	<u>227,147</u>	<u>237,147</u>	<u>489,693</u>	<u>252,546</u>	<u>461,716</u>
Total revenues	<u>\$ 13,184,905</u>	<u>\$ 13,415,920</u>	<u>\$ 14,620,954</u>	<u>\$ 1,205,034</u>	<u>\$ 13,519,213</u>

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
General government					
County board	\$ 108,870	\$ 149,420	\$ 155,240	\$ (5,820)	\$ 152,845
County clerk	168,998	208,396	166,665	41,731	143,532
County treasurer	147,808	147,808	146,607	1,201	144,913
Coroner	66,146	77,172	67,123	10,049	60,020
Register of deeds	204,498	229,617	220,793	8,824	204,257
Human resources	187,419	202,419	131,540	70,879	79,003
Insurance					
Property and liability	64,000	64,000	61,130	2,870	66,199
Workers' compensation	217,801	217,801	222,447	(4,646)	226,640
Circuit Court	629,524	668,524	629,436	39,088	611,430
District Attorney	160,862	160,862	157,827	3,035	156,249
Corporation counsel	214,498	214,498	195,097	19,401	214,493
Finance department	393,832	415,582	400,415	15,167	396,836
Information systems	248,189	282,473	253,034	29,439	270,445
Maintenance					
Courthouse	128,329	128,329	108,078	20,251	130,168
Resource center	105,868	105,868	97,670	8,198	92,766
Shop	271,525	271,525	218,932	52,593	234,703
Architectural fees	1,000	1,000	-	1,000	-
Other general government	108,285	183,285	109,029	74,256	131,281
Contingency	25,000	55,089	521	54,568	1,967
Total general government	3,452,452	3,783,668	3,341,584	442,084	3,317,747
Public safety					
Sheriff	2,799,695	2,927,972	2,736,830	191,142	2,691,672
Jail	1,901,270	1,946,270	1,958,372	(12,102)	1,974,181
Maintenance	249,571	249,571	273,206	(23,635)	242,524
Emergency government	106,450	106,450	72,422	34,028	76,992
Total public safety	5,056,986	5,230,263	5,040,830	189,433	4,985,369
Public works					
Airport	155,957	155,957	136,411	19,546	138,530
Health and human services					
North Central Health Care	298,483	298,483	298,483	-	298,483
Family Care	259,523	259,523	259,523	-	259,523
Maintenance	162,551	165,791	154,348	11,443	140,740
Child support	460,719	460,719	435,829	24,890	445,088
ADRC	115,070	115,070	115,070	-	115,070
Transportation	86,740	86,740	84,414	2,326	85,024
Veteran's service officer	170,538	192,852	160,591	32,261	142,357
Avail	35,000	35,000	33,333	1,667	34,999
Total health and human services	1,588,624	1,614,178	1,541,591	72,587	1,521,284

Langlade County, Wisconsin

GENERAL FUND

DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance	2017 Actual
	Original	Final		Final Budget - Positive (Negative)	
Culture and recreation					
Parks	479,387	514,597	774,168	(259,571)	582,807
Library	320,557	320,557	323,756	(3,199)	322,043
Agriculture agents	223,572	296,193	190,638	105,555	188,885
Total culture and recreation	<u>1,023,516</u>	<u>1,131,347</u>	<u>1,288,562</u>	<u>(157,215)</u>	<u>1,093,735</u>
Conservation and development					
Land records and regulations	685,218	780,218	656,376	123,842	802,053
Land conservation	249,776	270,765	276,260	(5,495)	212,037
Forestry department	589,712	589,712	633,611	(43,899)	808,597
Economic development	75,000	75,000	75,000	-	75,000
Regional planning commission	15,000	15,000	14,414	586	14,629
Total conservation and development	<u>1,614,706</u>	<u>1,730,695</u>	<u>1,655,661</u>	<u>75,034</u>	<u>1,912,316</u>
Capital outlay					
Information services	-	60,045	50,000	10,045	19,955
General public buildings	-	37,589	36,102	1,487	44,176
Capital improvements	-	63,880	54,768	9,112	23,089
Sheriff	-	141,718	141,718	-	109,788
Jail	-	-	-	-	59,525
Airport	-	26,727	38,651	(11,924)	19,812
Other	245,500	47,886	8,494	39,392	4,921
Total capital outlay	<u>245,500</u>	<u>377,845</u>	<u>329,733</u>	<u>48,112</u>	<u>281,266</u>
Total expenditures	<u>\$ 13,137,741</u>	<u>\$ 14,023,953</u>	<u>\$ 13,334,372</u>	<u>\$ 689,581</u>	<u>\$ 13,250,247</u>

Langlade County, Wisconsin

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	Special Revenue				
	Public Health	Jail Assessment	Dog License	Jail Commissary	Community Development Loan
ASSETS					
Cash and investments	\$ -	\$ 49,893	\$ 11,256	\$ 98,448	\$ 102,999
Receivables					
Taxes	362,928	-	-	-	-
Accounts	30,423	893	-	6,306	-
Loans, net	-	-	-	-	83,518
Due from other governments	-	-	-	-	-
Inventories and prepaid items	1,042	-	-	-	-
Total assets	<u>\$ 394,393</u>	<u>\$ 50,786</u>	<u>\$ 11,256</u>	<u>\$ 104,754</u>	<u>\$ 186,517</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 7,077	\$ -	\$ -	\$ 6,554	\$ -
Accrued and other current liabilities	10,057	-	-	-	-
Due to other funds	979	-	-	-	-
Special deposits	977	-	-	-	-
Unearned revenues	12,375	-	-	-	-
Total liabilities	<u>31,465</u>	<u>-</u>	<u>-</u>	<u>6,554</u>	<u>-</u>
Deferred inflows of resources					
Property taxes levied for subsequent year	362,928	-	-	-	-
Loans receivable	-	-	-	-	83,518
Total deferred inflows of resources	<u>362,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,518</u>
Fund balances					
Nonspendable	1,042	-	-	-	-
Restricted	-	-	-	-	102,999
Assigned	-	50,786	11,256	98,200	-
Unassigned	(1,042)	-	-	-	-
Total fund balances	<u>-</u>	<u>50,786</u>	<u>11,256</u>	<u>98,200</u>	<u>102,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 394,393</u>	<u>\$ 50,786</u>	<u>\$ 11,256</u>	<u>\$ 104,754</u>	<u>\$ 186,517</u>

Special Revenue (continued)			Capital Projects	Totals		
Economic Development	Fairgrounds	Lenzer Trust	Capital Improvements	Debt Service	2018	2017
\$ 825,551	\$ 52,432	\$ 2,848	\$ 1,465,506	\$ 6,977	\$ 2,615,910	\$ 902,420
-	30,995	-	-	650,900	1,044,823	1,009,385
-	1,020	-	420	-	39,062	13,110
686,664	-	-	-	-	770,182	1,288,224
-	-	-	-	-	-	19,715
-	459	-	-	-	1,501	510
<u>\$ 1,512,215</u>	<u>\$ 84,906</u>	<u>\$ 2,848</u>	<u>\$ 1,465,926</u>	<u>\$ 657,877</u>	<u>\$ 4,471,478</u>	<u>\$ 3,233,364</u>
\$ -	\$ 22,906	\$ -	\$ 46,183	\$ -	\$ 82,720	\$ 28,991
-	-	-	-	-	10,057	12,228
-	-	-	-	-	979	642,835
-	-	-	-	-	977	2,478
-	8,331	-	-	-	20,706	18,465
-	31,237	-	46,183	-	115,439	704,997
-	30,995	-	-	650,900	1,044,823	1,009,385
686,664	-	-	-	-	770,182	1,288,224
686,664	30,995	-	-	650,900	1,815,005	2,297,609
-	459	-	-	-	1,501	510
825,551	-	2,848	1,378,270	6,977	2,316,645	703,092
-	22,215	-	41,473	-	223,930	170,501
-	-	-	-	-	(1,042)	(643,345)
825,551	22,674	2,848	1,419,743	6,977	2,541,034	230,758
<u>\$ 1,512,215</u>	<u>\$ 84,906</u>	<u>\$ 2,848</u>	<u>\$ 1,465,926</u>	<u>\$ 657,877</u>	<u>\$ 4,471,478</u>	<u>\$ 3,233,364</u>

Langlade County, Wisconsin

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue				Community Development Loan
	Public Health	Jail Assessment	Dog License	Jail Commissary	
REVENUES					
Taxes	\$ 340,545	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,311	-	-	-	-
Licenses and permits	-	-	10,848	-	-
Public charges for services	53,516	14,472	-	26,170	-
Intergovernmental charges for services	190	-	-	-	-
Miscellaneous	7,286	-	-	23,089	16,025
Total revenues	451,848	14,472	10,848	49,259	16,025
EXPENDITURES					
Current					
General government	-	-	592	-	-
Public safety	-	12,391	-	50,824	-
Health and human services	443,199	-	-	-	-
Culture and recreation	-	-	-	-	-
Conservation and development	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	443,199	12,391	592	50,824	-
Excess of revenues over (under) expenditures	8,649	2,081	10,256	(1,565)	16,025
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(8,649)	-	-	-	-
Total other financing sources (uses)	(8,649)	-	-	-	-
Net change in fund balances	-	2,081	10,256	(1,565)	16,025
Fund balances - January 1	-	48,705	1,000	99,765	86,974
Fund balances - December 31	\$ -	\$ 50,786	\$ 11,256	\$ 98,200	\$ 102,999

Special Revenue (continued)			Capital Projects		Totals	
Economic Development	Fairgrounds	Lenzer Trust	Capital Improvements	Debt Service	2018	2017
\$ -	\$ 33,606	\$ -	\$ -	\$ 635,234	\$ 1,009,385	\$ 1,049,065
-	-	-	-	-	50,311	806,499
-	-	-	-	-	10,848	10,105
-	28,319	-	-	-	122,477	145,549
-	-	-	-	-	190	191
278,902	20,929	-	41,473	-	387,704	436,715
278,902	82,854	-	41,473	635,234	1,580,915	2,448,124
-	-	-	-	-	592	10,105
-	-	-	-	-	63,215	75,237
-	-	-	-	-	443,199	475,867
-	118,794	-	-	-	118,794	169,356
62,389	-	-	-	-	62,389	91,128
-	-	-	-	620,177	620,177	622,455
-	-	-	-	147,908	147,908	30,079
-	-	-	1,478,895	-	1,478,895	1,373,535
62,389	118,794	-	1,478,895	768,085	2,935,169	2,847,762
216,513	(35,940)	-	(1,437,422)	(132,851)	(1,354,254)	(399,638)
-	-	-	3,500,000	-	3,500,000	-
-	-	-	-	135,596	135,596	-
-	37,583	-	-	-	37,583	93,242
-	-	-	-	-	(8,649)	(6,013)
-	37,583	-	3,500,000	135,596	3,664,530	87,229
216,513	1,643	-	2,062,578	2,745	2,310,276	(312,409)
609,038	21,031	2,848	(642,835)	4,232	230,758	543,167
\$ 825,551	\$ 22,674	\$ 2,848	\$ 1,419,743	\$ 6,977	\$ 2,541,034	\$ 230,758

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 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, the 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 27, 2019.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify a certain deficiency in internal control that we consider to be a material weakness and another to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2018-002 to be a significant deficiency.

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*.

LANGLADE COUNTY'S RESPONSE TO FINDINGS

The County's response to the findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. 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 the 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 compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 27, 2019

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, 2018. 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 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, 2018.

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.

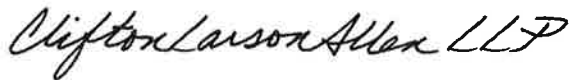
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-004 to be a material weakness.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-003 to be a significant deficiency.

The County's response to the internal control over compliance finding 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 compliance and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 27, 2019

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number
U.S. DEPARTMENT OF AGRICULTURE			
SNAP Cluster			
State Administrative Matching Grants for Food Stamp Program	10.561	Marathon County	61
State Administrative Matching Grants for Food Stamp Program	10.561	Marathon County	284
Total SNAP Cluster			
Total U.S. Department of Agriculture			
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant	14.228		
Program Agreements			
7/1/2016 - 3/31/2019		WI DOA	H 14-15-02
Program Income			
Economic redevelopment loan program		WI DOA	Not Applicable
Housing rehabilitation loan program		WI DOA	Not Applicable
Northwoods CDBG		WI DOA	Not Applicable
Total Community Development Block Grant			
Total U.S. Department of Housing and Urban Development			
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Program	16.607	Direct Program	Not Applicable
U.S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction Cluster			
Recreational Trails Program	20.219	WI DNR	RTP-785-16M
Recreational Trails Program	20.219	WI DNR	RTP-785-16N
Recreational Trails Program	20.219	WI DNR	RTP-797-16M
Recreational Trails Program	20.219	WI DNR	RTP-802-16M
Recreational Trails Program	20.219	WI DNR	RTP-822-16N
Recreational Trails Program	20.219	WI DNR	RTP-824-16N
Recreational Trails Program	20.219	WI DNR	RTP-831-16N
Recreational Trails Program	20.219	WI DNR	RTP-832-16N
Total Highway Planning and Construction Cluster			
Total U.S. Department of Transportation			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Public Health Emergency Preparedness	93.069	WI DHS	155015
Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	WI DHS	155015
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by the Prevention and Public Health Fund (PPHF)	93.539	WI DHS	155020
Promoting Safe and Stable Families	93.556	WI DCF	3306
TANF Cluster			
Temporary Assistance for Needy Families	93.558	WI DCF	852
Temporary Assistance for Needy Families	93.558	WI DCF	3377
Temporary Assistance for Needy Families	93.558	WI DCF	3380
Total TANF Cluster			

(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
\$ -	\$ 1,193	\$ 141	\$ 1,334	\$ -
(39,091)	103,747	54,979	119,635	-
<u>(39,091)</u>	<u>104,940</u>	<u>55,120</u>	<u>120,969</u>	<u>-</u>
(39,091)	104,940	55,120	120,969	-
(71,995)	1,050,817	110,421	1,089,243	-
609,038	278,903	(825,551)	62,390	-
146,409	118,686	(168,277)	96,818	-
1,816	104,391	(35,294)	70,913	-
<u>685,268</u>	<u>1,552,797</u>	<u>(918,701)</u>	<u>1,319,364</u>	<u>-</u>
685,268	1,552,797	(918,701)	1,319,364	-
-	2,364	-	2,364	-
-	-	3,789	3,789	-
(3,790)	-	3,790	-	-
-	-	3,038	3,038	-
-	-	26,350	26,350	-
-	1,959	-	1,959	-
-	1,882	-	1,882	-
-	4,601	-	4,601	-
-	1,302	-	1,302	-
<u>(3,790)</u>	<u>9,744</u>	<u>36,967</u>	<u>42,921</u>	<u>-</u>
(3,790)	9,744	36,967	42,921	-
-	19,370	4,771	24,141	-
(16,595)	16,595	-	-	-
-	6,772	-	6,772	-
-	27,188	8,305	35,493	-
(2,087)	2,087	-	-	-
(14,383)	14,383	-	-	-
<u>(1,487)</u>	<u>1,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
(17,957)	17,957	-	-	-

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7477
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7482
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7506
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7616
Total Child Support Enforcement (Title IV-D)			
Low Income Home Energy Assistance	93.568	WI DOA	AD1599973.34
Low Income Home Energy Assistance	93.568	WI DOA	AD1599974.34
Total Low Income Home Energy Assistance			
Child Care and Development Block Grant	93.575	WI DCF	831
Child Care and Development Block Grant	93.575	WI DCF	840
Child Care and Development Block Grant	93.575	WI DCF	852
Total Child Care and Development Block Grant			
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	831
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	852
Total CCDF Cluster			
Grants to States for Access and Visitation Programs	93.597	WI DCF	7332
Children's Justice Grants to States	93.643	WI DOJ	643
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681
Total Stephanie Tubbs Jones Child Welfare Services Program			
Foster Care (Title IV-E)	93.658	WI DCF	3413
Foster Care (Title IV-E)	93.658	WI DCF	3561
Foster Care (Title IV-E)	93.658	WI DCF	3681
Total Foster Care (Title IV-E)			
Adoption Assistance	93.659	WI DCF	3574
Child Abuse and Neglect State Grants	93.669	WI DCF	3030
Medicare Hospital Insurance	93.733	WI DHS	155032
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	WI DHS	159220
Children's Health Insurance Program	93.767	Marathon County	284
Medicaid Cluster			
Medical Assistance Program	93.778	WI DHS	159320
Medical Assistance Program	93.778	Marathon County	62
Medical Assistance Program	93.778	Marathon County	284
Total Medicaid Cluster			
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320
Total U.S. Department of Health and Human Services			
U.S. DEPARTMENT OF HOMELAND SECURITY			
Emergency Management Performance Grants	97.042	WI DMA	Unknown
TOTAL FEDERAL AWARDS			

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

(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
(90,334)	253,989	77,507	241,162	-
662	(2,662)	(955)	(2,955)	-
(50)	301	42	293	-
-	58,591	-	58,591	-
<u>(89,722)</u>	<u>310,219</u>	<u>76,594</u>	<u>297,091</u>	<u>-</u>
(10,063)	10,063	-	-	-
-	31,050	9,578	40,628	-
<u>(10,063)</u>	<u>41,113</u>	<u>9,578</u>	<u>40,628</u>	<u>-</u>
-	(1,189)	(272)	(1,461)	-
-	400	-	400	-
-	12,497	3,943	16,440	-
<u>-</u>	<u>11,708</u>	<u>3,671</u>	<u>15,379</u>	<u>-</u>
(659)	659	-	-	-
(2,087)	2,087	-	-	-
<u>(2,746)</u>	<u>2,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	14,183	901	15,084	-
-	2,639	-	2,639	-
(76)	2,653	547	3,124	-
-	15,259	-	15,259	-
-	1,218	-	1,218	-
<u>(76)</u>	<u>19,130</u>	<u>547</u>	<u>19,601</u>	<u>-</u>
(137)	4,757	981	5,601	-
-	171,244	-	171,244	-
-	13,667	-	13,667	-
<u>(137)</u>	<u>189,668</u>	<u>981</u>	<u>190,512</u>	<u>-</u>
(325)	3,300	1,102	4,077	-
-	6,901	16	6,917	-
-	327	-	327	-
-	3,427	-	3,427	-
(5,181)	13,508	7,080	15,407	-
14	(14)	-	-	-
-	1,193	141	1,334	-
(53,292)	135,658	70,038	152,404	-
<u>(53,278)</u>	<u>136,837</u>	<u>70,179</u>	<u>153,738</u>	<u>-</u>
260	5,041	325	5,626	-
<u>(195,820)</u>	<u>848,629</u>	<u>184,050</u>	<u>836,859</u>	<u>-</u>
(16,135)	30,590	15,331	29,786	-
<u>\$ 430,432</u>	<u>\$ 2,549,064</u>	<u>\$ (627,233)</u>	<u>\$ 2,352,263</u>	<u>\$ -</u>

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION			
Agriculture Clean Sweep Program	115.04	Direct Program	Not Applicable
County Staff and Support	115.15	Direct Program	Not Applicable
LWRM Plan Implementation Projects	115.40	Direct Program	Not Applicable
Total Department of Agriculture, Trade and Consumer Protection			
DEPARTMENT OF NATURAL RESOURCES			
ATV Enforcement Patrol	370.551	Direct Program	Not Applicable
Wildlife Damage Abatement and Claims	370.553	Direct Program	Not Applicable
County Conservation Aids	370.563	Direct Program	Not Applicable
County Fish, Wildlife & Forestry	370.564	Direct Program	Not Applicable
Lakes Protection Grant	370.663	Direct Program	LPT 486-15
County Forest Administration	370.572	Direct Program	Not Applicable
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-4737
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-4895
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5037
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5087
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5237
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5303
Recreational Aids - Snowmobile Trail and Area Aid	370.574 & 370.575	Direct Program	S-5304
Total Recreational Aids - Snowmobile Trail and Area Aid			
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3524
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3511
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3531
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3617
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3664
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3684T
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3704
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3814
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3854
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3874T
All-Terrain Vehicle (ATV) Program	370.576 & 370.577	Direct Program	ATV-3914
Total All-Terrain Vehicle (ATV) Program			
Total Department of Natural Resources			
DEPARTMENT OF TRANSPORTATION			
Elderly and Handicapped Transportation Aids	395.101	Direct Program	Not Applicable
County Forest Aids	395.170	Direct Program	Not Applicable
Total Department of Transportation			

(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
\$ -	\$ 14,215	\$ -	\$ 14,215	\$ -
(88,069)	88,069	92,770	92,770	-
-	32,027	37,716	69,743	-
<u>(88,069)</u>	<u>134,311</u>	<u>130,486</u>	<u>176,728</u>	<u>-</u>
-	5,552	-	5,552	-
(15,818)	15,818	39,391	39,391	-
-	1,562	-	1,562	-
24,362	6,093	(13,619)	16,836	-
(24,219)	24,219	36,566	36,566	-
-	49,661	-	49,661	-
(11,300)	11,300	-	-	-
2,968	-	1,914	4,882	-
74,452	137,380	50,205	262,037	-
-	5,056	-	5,056	-
-	82,755	(76,257)	6,499	-
-	99,908	(99,908)	-	-
-	76,875	(76,875)	-	-
<u>66,120</u>	<u>413,274</u>	<u>(200,921)</u>	<u>278,474</u>	<u>-</u>
(16,618)	32,288	-	15,670	-
2,868	-	2,014	4,882	-
20,823	-	6,502	27,325	-
15,765	32,531	-	48,296	-
-	26,465	136	26,601	-
525	525	-	1,050	-
-	5,056	(5,056)	-	-
-	37,188	(7,303)	29,885	-
-	26,465	(9,356)	17,109	-
-	690	(690)	-	-
-	198,586	(198,586)	-	-
<u>23,363</u>	<u>359,794</u>	<u>(212,339)</u>	<u>170,818</u>	<u>-</u>
<u>73,808</u>	<u>875,973</u>	<u>(350,922)</u>	<u>598,860</u>	<u>-</u>
-	70,970	-	70,970	-
-	2,394	-	2,394	-
-	73,364	-	73,364	-

Langlade County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	State Identifying Number
DEPARTMENT OF HEALTH SERVICES			
IMAA State Share	435.283	Marathon County	283
IMAA Federal Share	435.284	Marathon County	284
Enhanced IM Funding	435.468	Marathon County	n/a
FPI NON-FED	435.600	Marathon County	60
Fluoride Supplement	435.151734	Direct Program	151,734
Fluoride Mouth Rinse	435.151735	Direct Program	151,735
Cons Contracts CHHD LD	435.157720	Direct Program	157,720
Maternal & Child Health Services. Block Grant	435.159320	Direct Program	159,320
Total Department of Health Services			
DEPARTMENT OF CHILDREN AND FAMILIES			
Food Stamp Agency Incentives	437.965	Direct Program	965
AFDC Agency Incentives	437.975	Direct Program	975
Citizen Review Panels	437.3030	Direct Program	3,030
Kinship Care Program - Benefits	437.3377	Direct Program	3,377
Kinship Care Program - Assessment	437.3380	Direct Program	3,380
Community Intervention Program	437.3410	Direct Program	3,410
Youth Aids AODA	437.3411	Direct Program	3,411
Youth Aids	437.3413	Direct Program	3,413
Basic County Allocation	437.3561	Direct Program	3,561
State County match	437.3681	Direct Program	3,681
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	Direct Program	3,720
Mobility Support Liability Incentive	437.7332	Direct Program	7,332
Child Support Activities	437.7502	Direct Program	7,502
Child Support Medical Support	437.7606	Direct Program	7,606
Total Department of Children and Families			
DEPARTMENT OF JUSTICE			
Victim Witness Cluster	455. (1)	Direct Program	Not Applicable
DEPARTMENT OF MILITARY AFFAIRS			
Emergency Training Grant Program	465.337	Direct Program	Not Applicable
Computer and Hazmat Equipment Grant	465.367	Direct Program	Not Applicable
Total Department of Military Affairs			
DEPARTMENT OF ADMINISTRATION			
Wisconsin Land Information Program - Aid to Counties			
Land Information Grant	505.173	Direct Program	Not Applicable
Training Grant	505.173	Direct Program	Not Applicable
Strategic Initiative Grant	505.173	Direct Program	Not Applicable
Total Wisconsin Land Information Program - Aid to Counties			
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599973.34
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1599974.34
Total Public Benefits - Low Income Energy Assistance Program			
Total Department of Administration			
TOTAL STATE PROGRAMS			

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

(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
(7,160)	100,450	690	93,980	-
(1,125)	1,125	-	-	-
-	-	977	977	-
-	2,385	282	2,667	-
-	3	264	267	-
(1,809)	2,709	-	900	-
(1,599)	4,419	286	3,106	-
14	(14)	-	-	-
<u>(11,679)</u>	<u>111,077</u>	<u>2,499</u>	<u>101,897</u>	<u>-</u>
(282)	1,328	22	1,068	-
-	28	-	28	-
(4,179)	4,179	-	-	-
-	75,400	27,287	102,687	-
-	3,559	862	4,421	-
(654)	7,011	1,762	8,119	-
(5,550)	5,550	5,725	5,725	-
(8,538)	297,506	61,344	350,312	-
-	175,077	-	175,077	-
-	13,973	-	13,973	-
-	-	3,240	3,240	-
(1,783)	1,783	-	-	-
-	38,392	-	38,392	-
-	1,463	-	1,463	-
<u>(20,986)</u>	<u>625,249</u>	<u>100,242</u>	<u>704,505</u>	<u>-</u>
<u>(7,282)</u>	<u>13,690</u>	<u>7,809</u>	<u>14,217</u>	<u>-</u>
(3,837)	7,707	3,870	7,740	-
(5,328)	5,328	8,077	8,077	-
<u>(9,165)</u>	<u>13,035</u>	<u>11,947</u>	<u>15,817</u>	<u>-</u>
125,120	66,240	(98,500)	92,860	-
-	1,000	-	1,000	-
5,640	50,000	(1,966)	53,674	-
<u>130,760</u>	<u>117,240</u>	<u>(100,466)</u>	<u>147,534</u>	<u>-</u>
(10,319)	10,319	-	-	-
-	18,797	7,430	26,227	-
<u>(10,319)</u>	<u>29,116</u>	<u>7,430</u>	<u>26,227</u>	<u>-</u>
<u>120,441</u>	<u>146,356</u>	<u>(93,036)</u>	<u>173,761</u>	<u>-</u>
<u>\$ 57,068</u>	<u>\$ 1,993,055</u>	<u>\$ (190,975)</u>	<u>\$ 1,859,149</u>	<u>\$ -</u>

Langlade County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

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 2018 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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 Children and Families

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, 2018

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 2019 CARS for the Human Services and Public Health Departments, and the December 2018 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 2018, the County received program income of \$278,902 and expended \$62,389 from their economic development loan fund as detailed below:

Economic development loans	\$ 75,000
Administrative expenses (revenue)	(12,611)
Total expenditures	<u>\$ 62,389</u>

At December 31, 2018, program income of \$825,551 is available for future economic development loans and administrative expenses. Outstanding mortgages receivable totaled \$986,664.

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 2018, the County received program income of \$118,686 and expended \$96,818 from their housing rehabilitation loan fund as detailed below:

Housing rehabilitation loans	\$ 84,589
Administrative expenses	12,229
Total expenditures	<u>\$ 96,818</u>

At December 31, 2018, program income of \$168,277 is available for future housing rehabilitation loans and administrative expenses. Outstanding mortgages receivable totaled \$2,148,115.

Langlade County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

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 2018, the County received intergovernmental grant income of \$1,050,817, program income of \$104,391 and expended \$1,160,156 from their housing rehabilitation loan fund as detailed below:

	<u>Grant</u>	<u>Program Income</u>	<u>Total Expenditures</u>
Housing rehabilitation loans	\$ 956,226	\$ 60,276	\$ 1,016,502
Administrative expenses	133,017	10,637	143,654
Total expenditures	<u>\$ 1,089,243</u>	<u>\$ 70,913</u>	<u>\$ 1,160,156</u>

At December 31, 2018, program income of \$35,293 is available for future housing rehabilitation loans and administrative expenses. Outstanding mortgages receivable totaled \$4,091,786.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	Yes
▶ 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?	Yes
▶ Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	Yes

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grant

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Programs</u>
370.574 & 370.575	Recreational Aids - Snowmobile Trail and Area Aid
370.576 & 370.577	All-Terrain Vehicle (ATV) Program
395.101	Elderly and Handicapped Transportation Aids

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, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

FINDING NO.	CONTROL DEFICIENCIES
2018-001	Adjustments to the County's Financial Records Repeat of Finding 2017-002
Condition:	As part of our audit, we proposed adjusting journal entries that were material to the County's financial statements.
Context	When performing audit procedures, we became aware of thirty-three instances where adjustments were necessary to properly reflect financial transactions related to accounts receivable, deferred revenue, pension and other areas to present the County's financial statements in accordance with U.S. GAAP.
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.
View of Responsible Officials	Refer to the management response per the correction action plan.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

FINDING NO.	CONTROL DEFICIENCIES
2018-002	Preparation of Annual Financial Report Repeat of Finding 2017-001
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.
Context:	When performing audit procedures, we noted that management does not have the proper procedures in place to provide reasonable assurance that financial statements could be prepared in accordance with U.S. GAAP.
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.
View of Responsible Officials	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. Refer to the management response per the correction action plan.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO.	UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES FINDINGS
2018-003	Financial Reporting for Federal and State Awards <i>Federal CFDA - All</i> <i>State IDs - All</i> <i>Federal CFDA - All</i> <i>State IDs - All</i>
Compliance Requirement:	Other
Criteria:	Having staff with expertise in federal and state financial reporting prepare the County's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal and state awards, or accompanying notes to the schedule.
Condition:	Uniform Guidance and the <i>State Single Audit Guidelines</i> require the County to prepare appropriate financial statements, including the schedules of expenditures of federal and state awards. While the current staff of the County maintains financial records supporting amounts reported in the schedules of expenditures of federal and state awards, the County contracts with CLA to compile the data from these records and assist in the preparation of the single audit report for the County.
Questioned Costs:	None
Context:	A draft copy of the County's schedules of expenditures of federal and state awards was not available to the auditor to properly plan the audit of federal and state awards in accordance with Uniform Guidance and the <i>State Single Audit Guidelines</i> . Preliminary schedules were prepared by the auditor and reviewed by management to ensure the accuracy of the schedules.
Cause:	The additional costs associated with hiring staff sufficiently experienced to prepare the County's single audit report, including the additional training time, outweigh the derived benefits.
Effect:	The County could receive federal or state grant awards which are not included in the accompanying Schedules of Expenditures of Federal and State Awards.
Repeat Finding:	No
Recommendation:	We recommend County personnel continue reviewing the County's single audit report. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the County is necessary to ensure all federal and state financial assistance programs are properly reported in the County's single audit report.
View of Responsible Officials	Refer to the management response per the correction action plan.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

FINDING NO.	STATE SINGLE AUDIT GUIDELINES FINDINGS
2018-004	Review of Purchase of Service Contracts <i>Federal CFDA - Various programs passed through the Wisconsin Departments of Health Services and Wisconsin Department of Children and Families</i> <i>State ID - Various programs passed through the Wisconsin Departments of Health Services and Wisconsin Department of Children and Families</i>
Compliance Requirement:	State General Requirements: Procurement, Purchase of Service Contracts
Criteria:	The Social Services Department contracts with various vendors to provide services on behalf of the County. The Wisconsin Department of Health Services (DHS) and Wisconsin Department of Children and Families (DCF), have various requirements associated with these contracts. The Department must follow and document the federal procurement process, review the vendor to ensure they are not suspended or disbarred from receiving federal funds, obtain licenses, civil rights plan, and liability insurance, track payments and obtain amendments is required, and if the County exceeds a certain threshold in payments the County must obtain and review the vendor's annual financial audit.
Condition:	Our review noted that the Social Services Department did not have signed contracts for various services contracted for during 2018 and while the County did obtain the required vendor annual financial audits, the County did not perform the required review and follow-up procedures in a timely manner.
Questioned Costs:	None
Context:	We reviewed two of eleven purchase of service contracts from 2018 to evaluate internal controls over procurement and contract management. We reviewed two of six purchase of service contracts from 2017 to evaluate internal controls over audit monitoring and resolution. Additional selections were made, as we believe the processes and the weakness in controls existed for all purchase of service contracts.
Cause:	The Department did not review or follow up to ensure all required documents were obtained for each contract.
Effect:	The County could contract with a provider who is improperly licensed, has inadequate insurance, or doesn't have adequate civil rights plans which would lead to increased liability for the County. The County could pass-through federal and state grant awards to provider agencies that are not allowed to receive funds from the Federal or State governments.
Repeat Finding:	No
Recommendation:	We recommend the Department establish a policy and implement procedures to ensure compliance with the requirements of state and federal single audit guidelines. Any contracts with missing items should be followed up with and resolved by the Department prior to approving the contract.
View of Responsible Officials	Refer to the management response per the correction action plan.

Langlade County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

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 *State Single Audit Guidelines*:
 - 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 27, 2019