

INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Supervisors
Winnebago County, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Winnebago County, Wisconsin (the "County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Winnebago County Housing Authority, which represents 100% of the assets and revenues of the County's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us and our opinions, insofar as it relates to the amounts included for the Winnebago County Housing Authority is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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 III.A to the financial statements, in 2016 the County adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 37, the budgetary comparison information on pages 107 through 109 and the schedules relating to pensions and other post-employment benefits on pages 110 through 113 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the financial information listed in the table of contents as supplementary information and statistical section are/is presented for purposes of additional analysis and are/is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance 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 awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Financial Information

We have previously audited Winnebago County's 2015 financial statements, and our report dated July 29, 2016, expressed unmodified opinions on those respective financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants
Green Bay, Wisconsin
July 31, 2017

WINNEBAGO COUNTY, WISCONSIN

Management's Discussion and Analysis

December 31, 2016

As management of Winnebago County, Wisconsin, we offer readers of the County's financial statements this narrative overview and analysis of the financial statements of Winnebago County, Wisconsin for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 8-11 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$ 307,474,815 (*net position*). Of this amount, \$ 91,212,733 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$ 2,104,587. Several factors contributed to the overall increase as follows:

Description	Amount
Long term debt repaid and long term debt issued are reflected on the fund financial statements as revenues and expenses. They are not revenues or expenses in the statement of net assets.	
Long term debt repaid.	\$ 4,907,713
Long term debt issued.	(2,165,000)
Depreciation of capital assets is an expense in the statement of activities, yet there is no tax or other revenue to offset this expense because it is not a cash outflow. The effect of this is a reduction of net position.	(5,601,020)
Capital asset acquisitions are reported as expenditures in governmental funds however they are not expensed in the statement of activities. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital acquisitions recorded in governmental funds during 2014, which is recorded as expense in the fund statements but capitalized and depreciated in the statement of net activities.	7,568,520
Revenues that are not available within 60 days after year end are not recorded in the fund statements, however they are in the statement of activities. This amount represents the amount by which deferred revenue at the end of the year exceeded deferred revenue at the beginning of the year.	593,346
Governmental funds do not recognize expenses that do not require the use of current financial resources. These are generally long-term liabilities. The statement of activities does include these expenses.	(400,520)
Change in deferred pension liability - is an expense in the statement of activities but is not reflected on the fund statements because it is a long term liability	(2,868,082)
Losses on capital asset disposals are reflected in the entity wide statements but are not reflected in the fund statements.	(792,143)
Fund balance used from self funded health insurance fund used to balance to offset increases in health insurance costs reflected as revenue in the fund statements but not on the entity wide statements.	(893,000)
Governmental funds surplus generated during 2015 represents an increase in net position on the statement of net position.	101,172
Net surplus generated in proprietary activities during 2015 represent an increase in net position on the statement of net position.	1,739,937

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- As of the close of the current year, the County's governmental activities reported combined ending net position of \$194,222,460. Approximately 17.4% of this total amount, \$45,976,346, is available for spending at the County's discretion (*unrestricted net position*).
- At the end of the current year, unassigned fund balance for the general fund was \$20,887,342, or approximately 38.1% of total general fund expenditures.
- The County's total general-obligation debt decreased by \$3,479,920 (9.8%) during the current year. There were no refinancing transactions done during 2016.
- There were new general obligation notes of \$3,490,000 issued on December 6, 2016 to finance capital projects including building improvements, remodeling, technology equipment, snow removal equipment, and road resurfacing projects.

Overview of the Financial Statements

This discussion and analysis is designed to be an introduction to the Winnebago County, Wisconsin's basic financial statements. The County's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The government-wide statements are made up of the statement of net position and the statement of activities.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from those functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities (those supported by taxes and intergovernmental revenues) of the County include general government; public safety; health and human services; culture, education, and recreation; and conservation and development. The business-type activities (those supported by user fees) of the County include an airport, a solid waste facility, a nursing home, and a highway operation.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate component unit known as the Housing Authority. Financial

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information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 38-40 of this report.

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

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

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

The County maintains 4 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and human services fund, both of which are considered major funds. Data from the other 2 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the combining statements found elsewhere in this report.

The County adopts annual appropriation budgets for all of its governmental type funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 41-46 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County maintains enterprise funds for its airport, solid waste facility, nursing home, and highway operations. Internal service funds are used to accumulate and allocate costs internally among various functions. The County uses internal service funds to account for its general services operations and its self-funded insurance for worker's compensation, property and liability, and health and dental insurance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 47-52 of this report.

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

The basic fiduciary fund financial statement can be found on page 53 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 54-104 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding budget to actual data. Required supplementary information can be found on pages 105-115 of this report.

The combining statements referred to in connection with non-major governmental funds; individual enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 116-186 of this report.

Government-wide Financial Analysis

As discussed earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$307,474,815 at the close of 2016. See table on next page.

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	Governmental		Business-Type	
	Activities		Activities	
	2016	2016	Total 2016	Total 2015
Current and other assets	\$ 125,568	\$ 67,650	\$ 193,218	\$ 198,103
Capital assets	171,802	69,203	241,005	241,219
Total assets	297,370	136,853	434,223	439,322
Deferred charge on refunding	-	-	-	31
Deferred outflow related to pensions	27,486	8,122	35,608	10,097
	27,486	8,122	35,608	10,128
Total assets and deferred outflows of resources	324,856	144,975	469,831	449,450
Long-term liabilities outstanding	32,537	23,007	55,544	52,864
Current liabilities	21,823	5,661	27,484	26,153
Total liabilities	54,360	28,668	83,028	79,017
Deferred inflow of resources:				
Deferred outflow related to pensions	10,366	3,055	13,421	-
Deferred property tax revenue	65,907	-	65,907	65,063
	76,273	3,055	79,328	65,063
Net position:				
Net investment in capital assets	145,551	67,869	213,420	209,311
Restricted	2,696	147	2,843	28,559
Unrestricted	45,976	45,236	91,212	67,500
Total net position	\$ 194,223	\$ 113,252	\$ 307,475	\$ 305,370

By far, the largest portion of the County's net position (69.4%) reflects its investment in capital assets (E.g., land, buildings, improvements, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (0.9%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$91,212,733) may be used to meet the government's ongoing obligations to citizens and creditors.

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Winnebago County's Changes in Net Position

(Amounts Expressed in \$1,000)

	Governmental	Business-type	Total	Total
	Activities	Activities		
	2016	2016		
Revenues:				
Program revenues:				
Charges for services	\$ 10,163	\$ 39,338	\$ 49,501	\$ 46,884
Operating grants and contributions	24,343	52	24,395	25,234
Capital grants and contributions	-	32	32	5,657
General revenues:				
Property taxes	65,065	-	65,065	66,425
Other taxes	1,186	-	1,186	1,285
Grants and contributions not restricted to specific programs	10,006	1,713	11,719	10,966
Unrestricted investment earnings	405	279	684	1,221
Miscellaneous	377	462	839	804
Total revenues	111,545	41,876	153,421	158,476
Expenses:				
General Government	14,804	-	14,804	15,206
Public Safety	31,691	-	31,691	29,312
Public Works	3,748	-	3,748	3,626
Health and Human Services	49,095	-	49,095	47,379
Culture, Education, and Recreation	2,989	-	2,989	2,976
Conservation and Development	2,859	-	2,859	2,805
Interest on Long Term Debt	507	-	507	578
Airport	-	3,246	3,246	3,051
Solid Waste Management	-	11,290	11,290	8,944
Park View	-	18,043	18,043	17,613
Highway	-	13,044	13,044	12,757
Total expenses	105,693	45,623	151,316	144,247
Increase (decrease) in net position before transfers and special item	5,852	(3,747)	2,105	14,229
Transfers	(5,434)	5,434	-	-
Increase (decrease) in net position	418	1,687	2,105	14,229
Net position - Beginning of Year	193,805	111,565	305,370	271,434
Cumulative effect of change in accounting principle	-	-	-	19,707
Net position - Beginning of Year, restated	193,805	111,565	305,370	291,141
Net position - End of Year	\$ 194,223	\$ 113,252	\$ 307,475	\$ 305,370

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At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

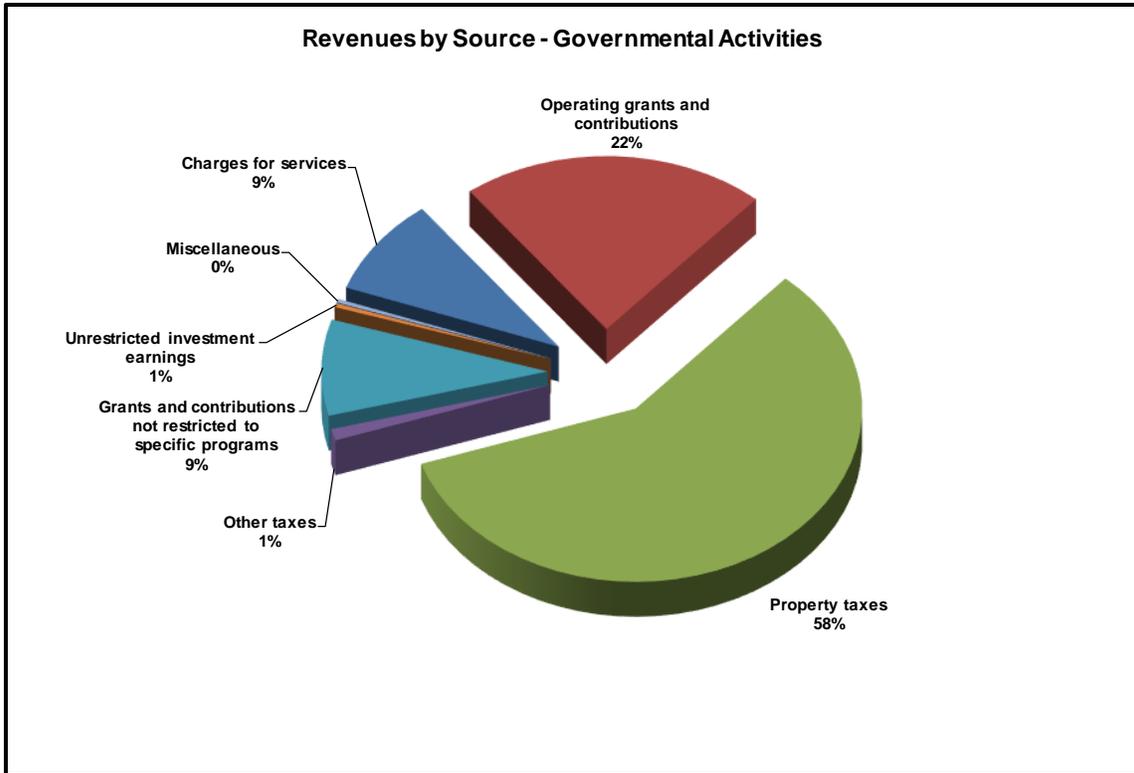
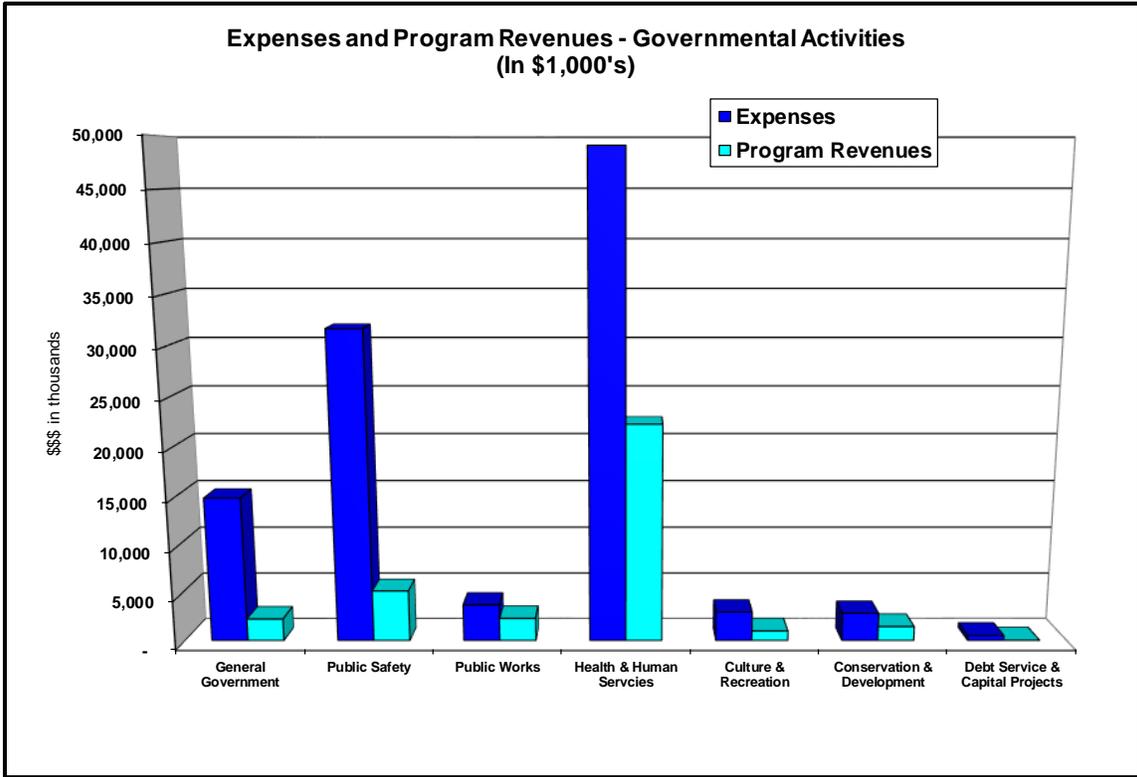
Governmental activities. Governmental activities increased the County's net position by \$417,156. Key elements of the increase exclusive of the prior period adjustment are as follows:

The amount levied for principal payment on governmental activity debt reflected in property tax revenue is reflected in the statement of activities as a revenue. The funds were used for payment of principal on debt which would not appear on the statement of activities. This would have the effect of increasing net position on the statement of activities.	\$ 2,165,000
Depreciation expense for governmental activities is reflected on the statement of activities. This is an expense without a cash outflow so there is not offsetting revenue (tax levy) reflected on the statement of activities. This would have the effect of reducing net position on the statement of activities.	(5,601,020)
Losses on disposition of capital assets not reflected in the fund statements.	(792,143)
Reduction in pension assets and deferred expenditures reflected in the statement of activities are not reflected in the fund statements	(2,868,082)
Capital outlay reported in governmental funds is capitalized in governmental activities	7,568,520
The expenditure for OPEB (other post employment benefits) representing subsidized health insurance for retirees shows up as an expenditure on the statement of activities. Since the expense is not funded currently with tax levy revenue, it has the effect of decreasing net position on the statement of activities.	(264,737)
Revenues that are currently not available are deferred in the fund statements. They are current period revenues in the statement of activities.	593,346
Governmental funds operating surplus generated during 2014	101,172

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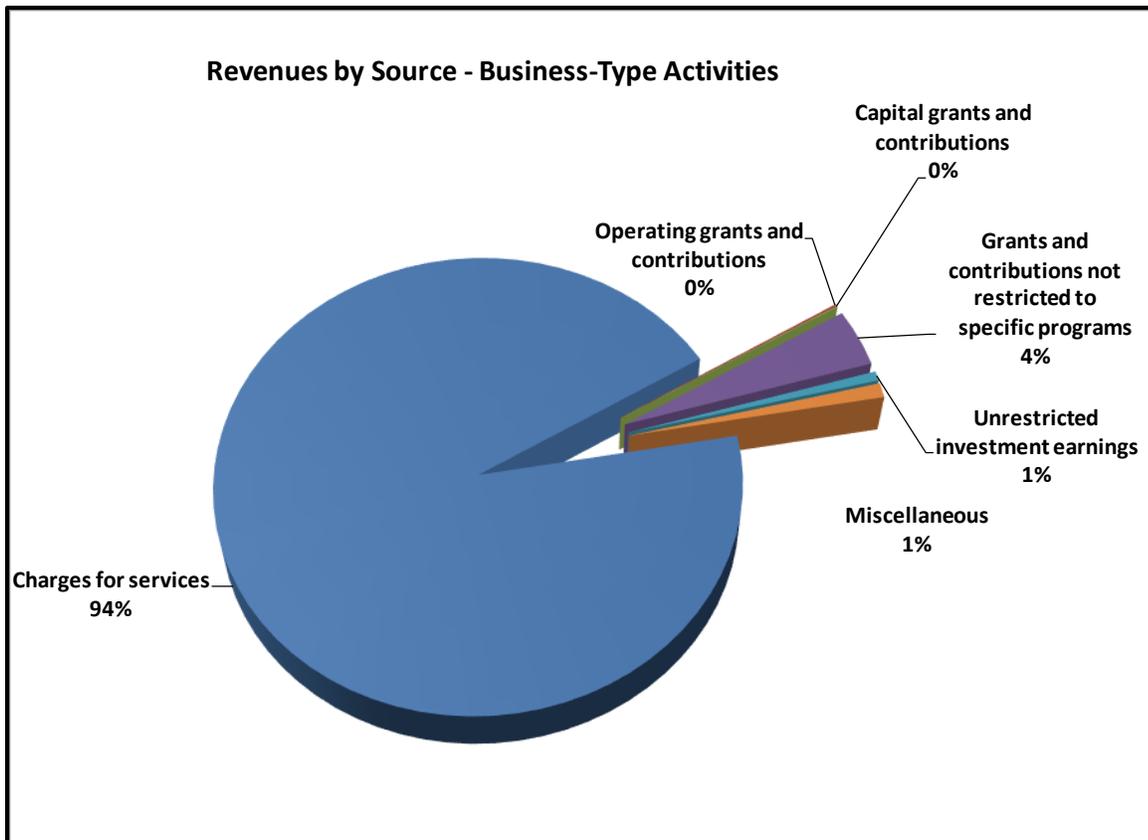
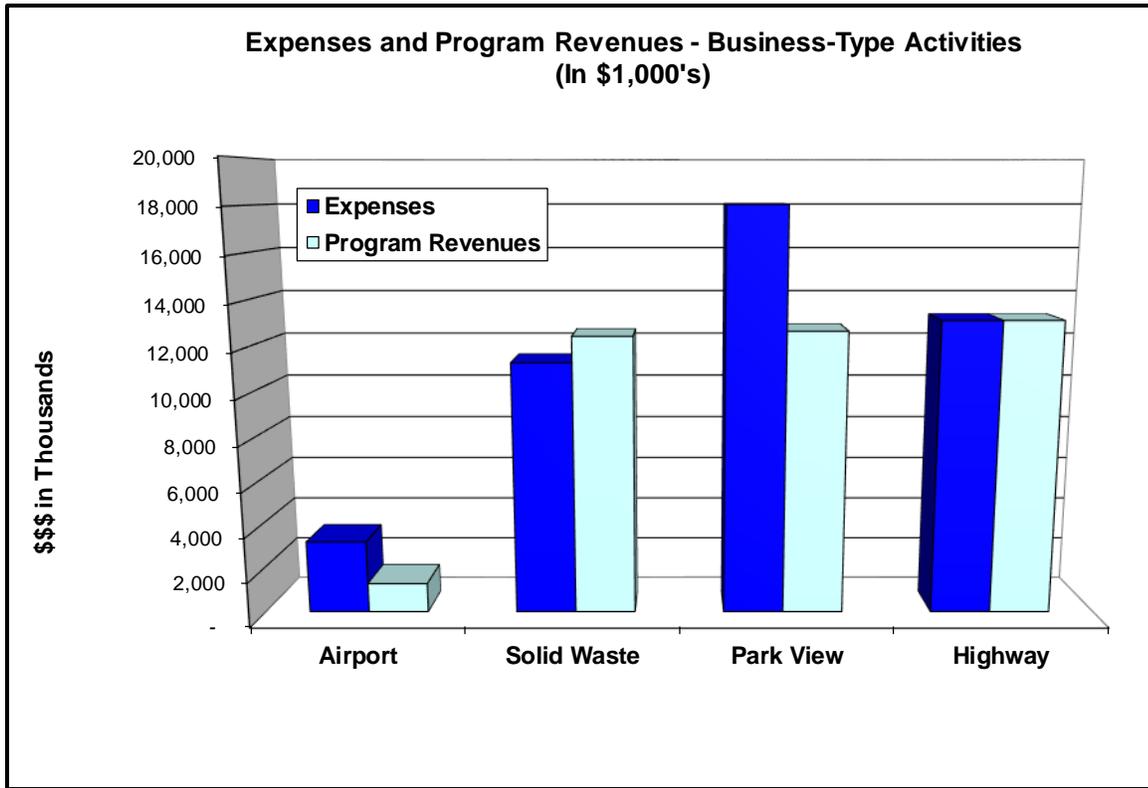
Business-type activities. Business-type activities increased the County's net position by \$1,739,937. Key elements of this increase are as follows:

- The Airport Fund's net position decreased by \$1,156,424. The adopted budget called for the fund to run a deficit of \$1,394,300. The facility requires a tax levy to operate. Tax levy is based on cash flow needs so there is no levy for depreciation and there is levy for capital expenditures. Depreciation for the year amounted to \$1,590,638 so a deficit around that would be expected. There were some favorable variances in operating expenses that kept the deficit to a smaller amount than originally budgeted.
- The Solid Waste Fund net position increased by \$1,886,702. A surplus of \$410,853 was budgeted. The large difference is due to revenues far exceeding budget for the year. Increased gas production from the closed landfills resulted in electric sales exceeding budget. There was less down time to the electricity converting engines resulting in more power generation. The ash tonnage put into the landfill far exceeded budget resulting in revenue exceeding budget. Revenues along were more than \$2 million over a budget of \$11 million.
- Park View Health Center's net position increased \$959,081. An increase to net position of \$274,300 was budgeted for the year. The primary reason for the difference is that revenues exceeded budget. There were fewer Medicaid and Medicare patient days and more Wisconsin Health Family Care, Medicare Advantage and Private Pay days than expected. These categories are billed at higher rates and as a result, revenue has exceeded budget. In addition, we received more deficit reduction funding from the state than anticipated.
- The Highway Department's net position increased \$50,578. An increase of \$23,631 was budgeted. The fund performed very close to budget.

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Financial Analysis of the Government's Funds

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

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

As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$38,265,406, an increase of \$ 101,172 in comparison with the prior year. A little more than half of this total (\$20,887,342) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows:

- 1) Non-liquid delinquent property taxes and special assessments (\$ 3,913,132),
- 2) Prepayments that benefit periods beyond the end of the current year (\$ 307,374),
- 3) Non-liquid industrial development loans receivable (\$ 388,218),
- 4) Unspent bond proceeds (\$2,303,120)
- 5) For other restricted purposes (\$ 240,161),
- 6) Construction of capital projects (\$534,789)
- 7) For prior year commitments (\$ 806,118)
- 8) For Economic Development (\$593,934),
- 9) To pay debt service (\$ 269,998),
- 10) Assigned to special projects, economic development, subsequent year's expenditures and prior years appropriations (\$ 8,020,647).

General Fund:

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20,887,342, while total fund balance is 34,720,298. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to expenditures. Unassigned fund balance represents 38.1% of total general fund expenditures, while total fund balance represents 63.3% of that same amount. The fund balance of the county's general fund increased by \$2,459,540 during the current fiscal year. This represents an increase of 7.6%. Reasons for the net increase in fund balance are as follows:

- The Human Services Fund needed \$2.2 million less of tax levy than was budgeted. As a result, these funds remained in the General Fund at the end of the year. This accounts for most of the change to the General Fund balance.

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Some departments spending was significantly under budget in 2016 helping to contribute to the surplus:

- Information Systems - \$142,782 under budget. Telephone expense was under budget because costs to run lines to various locations were lower than expected. In some cases existing wiring could be used rather than running new wiring. Software maintenance agreements related to software that is shared by all departments was lower than expected. Another savings was realized due to a large fiber optics project coming in under budget.
- Facilities - \$755,057 under budget. Labor costs were under budget by \$267,000 primarily due to three vacancies, staff off on long-term disability and retirements and the time it takes to fill vacancies. Capital outlay was significantly under budget due to projects not being completed. Some of them were carried over to 2017. Several other operating expenses including heat, building rental, grounds maintenance, building repairs, and professional services were considerably under budget. In some cases projects were not completed by the end of the year. In others, the costs came in lower than expected.
- Sheriff - \$758,906 under budget. Some of the line items which came in significantly under budget include: labor, capital outlay, telephone, motor fuel, professional services and other contract services. Some explanations are as follows: an armored vehicle purchase (\$225,000) scheduled and ordered in 2016 was not delivered until 2017. Motor fuel prices were less than budgeted and the department uses a considerable amount of fuel for its vehicle fleet. Professional services were under budget because of fewer inmates on electronic monitoring. Professional fees we pay for electronic monitoring are a function of how many inmates are in the program and there were fewer than expected in 2016. Other contractual services relates to a "Click It" grant program which is for monitoring seat belt use. Other municipalities in the County participate and we reimburse them through the "other contractual services" account.
- Clerk of Courts and Court System - \$253,669. Revenues exceeded budget for the year by \$73,584 or 3.95%. Intergovernmental, public services had the largest overages in revenue collections. Expenses were under budget \$180,085. Contractual services was the largest area which was under budget \$91,161. Legal fees and medical costs came in considerably under budget in 2016. These accounts are very difficult to predict.
- County Road Maintenance was under budget \$616,526. There was much more work done for the State and municipalities than planned. As a result, not as much work was done on county roads which accounts for most of this variance.

Human Services (Special Revenue) Fund:

The Human Services Fund has a total fund balance of \$84,580. Of this amount, \$46,364 (or 54.8%) represents prepayments that benefit periods beyond the end of the current year. The balance of \$38,216 represents assigned fund balance. Total fund balance of the Human Services Fund decreased \$62,206 from the prior year. Assigned fund balance decreased \$63,029. The decrease in fund balance is very minimal.

- Our practice is to maintain a minimal fund balance in the Human Services Fund because of its need for tax levy support. As a result, most of the tax levy that is not needed is left in the General Fund at the end of the year. The Human Services Fund had a surplus of about \$2,200,000 for the year. Because of this, the tax levy transfer to the fund was reduced by this amount, to keep the fund balance as close to zero as possible.

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- Just over \$1 million of the department's surplus was that placements at group homes, residential child caring institutions and foster care homes were down considerably.
- Another \$1 million was in the behavioral health area. There was a savings of roughly \$462,000 in labor costs due to difficulty in filling vacancies. Reimbursements to hospitals were under budget \$601,000 because under our contracts, hospitals have to provide documentation showing that they applied for medical assistance. If they didn't we did not have to reimburse the costs. They chose not to and the result is a large budget surplus in the area of reimbursements to hospitals.

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

Unrestricted net position for these funds can be seen in the following table. Also displayed in this table is the total growth in unrestricted net position for the current year.

	<u>Airport</u>	<u>Solid Waste</u>	<u>Park View</u>	<u>Highway</u>
Unrestricted Net Position - 2015	<u>\$ 1,311,266</u>	<u>\$ 24,784,093</u>	<u>\$ 9,841,928</u>	<u>\$ 1,445,295</u>
Unrestricted Net Position - 2016	<u>1,144,760</u>	<u>26,710,253</u>	<u>9,784,369</u>	<u>1,997,667</u>
Total Growth(Decline) in Unrestricted Net Position	<u>\$ (166,506)</u>	<u>\$ 1,926,160</u>	<u>\$ (57,559)</u>	<u>\$ 552,372</u>

The Airport Fund's unrestricted net position decreased by \$166,506. The main reason for the decrease was that the storm water utility was over budget \$189,000. This is still a relatively new expenditure imposed by the City of Oshkosh and has not been consistent between years making it difficult to forecast.

The Solid Waste Fund's unrestricted net position increased by \$ 1,929,160. The large difference is due to revenues far exceeding budget for the year. Increased gas production from the closed landfills resulted in electric sales exceeding budget. There was less down time to the electricity converting engines resulting in more power generation. The ash tonnage put into the landfill far exceeded budget resulting in revenue exceeding budget. Revenues along were more than \$2 million over a budget of \$11 million.

Park View Health Center's unrestricted net position decreased \$ 57,559. The facility had a net income of \$959,081. Most of this is the result of budgeting tax levy revenue of \$2,377,000 to pay debt principal. The tax represents revenue on the income statement. However, payment of debt principal is a reduction of a liability and not an expense on the income statement. Most of this surplus had the impact of increasing the "net investment in capital assets" line in the equity section of the balance sheet, and does not close out to unrestricted fund balance.

The Highway Department's unrestricted net position increased \$ 552,372. The department operated at a small surplus of \$50,578 for 2016. Unrestricted fund balance increased primarily because of decreases in restricted fund balances related to pensions and open purchase orders at the end of the year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to a net increase in appropriations of \$ 1,113,884 and can be briefly summarized as follows:

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- \$415,504 carryovers of prior year appropriations.
- \$486,284 additional appropriations needed for capital projects applied from general fund balance.
- \$104,728 refund of excess property taxes collected.

Revenues were over budgetary estimates – explanation:

During this year, revenues were under budget by \$2,480,462. This represents a variance of 2.9% from budget. A few items to note are as follows:

- Interest received on delinquent taxes was under budget by \$277,033 because fewer delinquent taxes were collected than anticipated in the budget.
- Intergovernmental revenues were under budget by \$759,219. The largest areas include Land & Water Conservation, Public Health, Child Support and Sheriff. In the Land and Water area, many of these grants are reimbursement programs. If we don't spend the money, we don't get the reimbursement grant revenue. Many landowner storm water projects were not done which is why the Land & Water grant money was not received. Public Health had several grant programs that were not completed during 2016 resulting in a shortfall of revenue. However, expenses would also be lower than planned. The Sheriff Department saw a significant reduction in the number of prisoners on electronic monitoring so that fee revenue was well under budget. On the other side, expenses are also down proportionally.
- Public service revenues were under budget \$188,810 due to lower jail monitoring fees, document recording fees and court fees.
- We had also budgeted revenue from a TID (tax incremental district) closeout in 2016. The TID closed out in 2015 and we received revenue then of just under \$1 million. We had budgeted to receive that revenue in 2016 and it came in early.
- Investment income was under budget \$327,000. Rates on investments did not go up as much as we had expected. In addition, there was a large mark down to market of the investment portfolio due to the small increase to investment returns and a larger portion of the portfolio having longer durations.

Expenditures were less than budgetary estimates – explanation:

Actual operating expenditures were less than budget by \$4,873,497. Some of the main reasons include:

General Government – was under budget by \$1,399,089.

A breakdown by department with large variances follows:

County Board - \$163,101 under budget: The Board carried forward \$154,805 from 2015 to continue a pay study. Most of those funds were not spent.

Information Systems – \$178,978 under budget: Telephone expense was under budget because costs to run lines to various locations were lower than expected. In some cases existing wiring could be used rather than running new wiring. Software maintenance agreements related to

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software that is shared by all departments was lower than expected. Another savings was realized due to a large fiber optics project coming in under budget.

Facilities – \$750,425 under budget: Labor costs were under budget by \$267,000 primarily due to three vacancies, staff off on long-term disability and retirements and the time it takes to fill vacancies. Capital outlay was significantly under budget due to projects not being completed. Some of them were carried over to 2017. Several other operating expenses including heat, building rental, grounds maintenance, building repairs, and professional services were considerably under budget. In some cases projects were not completed by the end of the year. In others, the costs merely came in lower than expected.

Public Safety - \$1,345,374 under budget

Sheriff – \$1,122,954 under budget: Some of the line items which came in significantly under budget include: labor, capital outlay, telephone, motor fuel, professional services and other contract services. Some explanations are as follows: an armored vehicle purchase (\$225,000) scheduled and ordered in 2016 was not delivered until 2017. Motor fuel prices were much lower than anticipated in the budget and the department uses a considerable amount of fuel for its vehicle fleet. Professional services were under budget because of fewer inmates on electronic monitoring. Professional fees we pay for electronic monitoring are a function of how many inmates are in the program and there were fewer than expected in 2016. Other contractual services relates to a "Click It" grant program which is for monitoring seat belt use. Other municipalities in the County participate and we reimburse them through the "other contractual services" account. This program was incomplete at the end of 2016 so some of the pass through grants to other municipalities had not yet been made.

Courts – 180,085 under budget: Some reasons include: Contractual services was the largest area which was under budget \$91,161. Legal fees and medical costs came in considerably under budget in 2016. These accounts are very difficult to predict.

The rest consists of small variances within the rest of the Public Safety division.

Public Works – \$613,794 under budget

This area consists of County Road Maintenance, which accounts for all of the variance. The department did considerably more contract work for the state and municipalities than was anticipated during budget preparation. As a result, much of the county road work was postponed. Also, as a result of the mild winter, there was not nearly as much spent on plowing and salting county roads as in prior years.

Health & Human Services - \$453,146 under budget

Public Health – \$369,984 under budget: The largest area was wages and benefits which were under budget \$334,608. Many positions were left vacant for extended periods of time due to uncertainty with some of the larger funding sources and there was also difficulty filling vacant positions.

Both the Veterans and Child Support departments had small favorable variances from budget adding to the total amount the division was under budget.

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Culture, Education and Recreation - \$948,420 under budget

UW Fox Valley – \$689,545 under budget: Some very large building repair projects were not completed in 2016 due to projects bids coming in over budget and the timing to get the extra funding approved. As a result they were carried over into 2017. This accounted for about \$563,000 of the variance.

Parks Department - \$167,079 under budget: Maintenance, utilities and contractual services were all under budget roughly \$30,000 each. Capital outlay was under budget \$54,000. One project for a kayak launch did not get done because a grant to pay for part of it did not come through. Grounds maintenance was under budget primarily because an employee was out on medical leave for an extended period of time. Some of the maintenance projects needed two people and could not be done because of this. Contracted services was under budget because repair work scheduled for navigation aides could not be done in 2016. Spring came early and the buoys had to be put in the water before maintenance could be done on them. This will be postponed to sometime in the future.

Conservation and Development - \$444,785 under budget

The Land and Water Department accounts for \$260,793 of this variance. This is primarily due to runoff projects undertaken by landowners. These are fully funded programs. Not as many of these took place in 2016 as expected. As a result, there is a savings in expenses. Since these are reimbursable grant programs, the revenues will be under by a similar amount.

Register of Deeds accounted for \$98,808 of this variance. The Register of Deeds retired in early 2016 and the Governor would not appoint a replacement and decided to wait till the next election. As a result the position was vacant most of the year resulting in labor costs coming in \$87,000 under budget. Other small savings in the department make up the rest of the variance.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2016 amounts to \$242,209,811 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. The total increase in the government's investment in capital assets for the current fiscal year was \$ 991,163 or 0.4% (a 0.7% increase for governmental activities and a 0.3% decrease for business-type activities). Major capital asset events during the current fiscal year included the following:

Governmental Activities:

The total change in capital assets for the governmental activities was an increase of \$1,175,356.

Major assets placed in service during 2016:

- Seven road and bridge projects were placed in service during 2016 at a cost of \$5,012,527.
- A project to redo the roadway through our community park and replace lighting and resurface some parking areas was completed during 2016 at a total cost of \$1,650,269. Of this amount \$190,897 was spend during 2016. The rest was from prior years and was in construction in process at the beginning of the year.
- An energy upgrade project was completed at UW Fox Valley at a cost of \$542,682. This project was to update electric and lighting systems at the facility to reduce utility costs.

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- The roof at our Facilities Department building was replaced at a cost of \$257,426. Of this amount \$39,574 of costs were incurred during 2016. The rest was in construction in process at the beginning of the year.
- We replaced a boiler at UW Fox valley at a cost of \$240,000.

Major assets retired during 2016:

- There were no major dispositions during the year.
- Total dispositions were \$631,640, consisting mostly of old vehicles, lawn mowing tractors and related equipment. Most of these vehicles and equipment were fully depreciated and at the end of their useful lives.

Other changes to capital assets:

Many of the assets placed in service during 2016 were from construction in process from prior years. Thus, the increase to the capital asset has a partial decrease to construction in process. They offset each other so don't effect the total change to capital assets.

The change in accumulated depreciation during the year would usually reduce total capital assets as it is part of total capital assets above.

Business Type Activities:

The total change in capital assets for the business type activities was a decrease of \$184,192.

Major assets placed in service during 2016:

- The airport added a mowing tractor at a cost of \$61,975.
- The Solid Waste Department added three compactors at a total cost of \$747,175.
- There was parking lot resurfacing at our nursing home at a cost of \$149,040.
- The Highway Department annually replaces road maintenance vehicles, construction and snow plowing vehicles and other road maintenance equipment costing around \$1 million per year as part of an equipment rotation program. Approximately \$1 million of old vehicles are traded in or sold.

Other changes to capital assets:

Many of the assets placed in service during 2016 were from construction in process from prior years. This results in a shift from construction in process to a capital asset category such as buildings, equipment, improvements and other. The result is that there may not be a large overall changes to capital assets in total.

The change in accumulated depreciation during the year would usually reduce total capital assets as it is part of total capital assets.

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December 31, 2016

Winnebago County's Capital Assets (net of accumulated depreciation) (Amounts Expressed in \$1,000's)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 3,415	\$ 3,423	\$ 9,461	\$ 9,461	\$ 12,876	\$ 12,884
Buildings	48,364	49,683	30,545	31,449	78,909	81,132
Improvements other than buildings	7,808	5,776	15,204	16,583	23,012	22,359
Machinery, equipment and vehicles	14,602	15,589	12,522	10,983	27,124	26,572
Infrastructure	94,015	90,099	-	-	94,015	90,099
Construction in progress	3,598	6,057	2,676	2,116	6,274	8,173
Total	\$ 171,802	\$ 170,627	\$ 70,408	\$ 70,592	\$ 242,210	\$ 241,219

Additional information on the County's capital assets can be found in the footnotes on pages 78-80 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$31,933,043, backed by the full faith and credit of the County.

Winnebago County's Outstanding Debt General Obligation Debt (Amounts Expressed in \$1,000's)						
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation notes	\$ 26,689,682	\$ 28,978,889	\$ 2,888,361	\$ 3,429,074	\$ 29,578,043	\$ 32,407,963
General obligation bonds	1,643,084	2,096,590	711,916	908,410	2,355,000	3,005,000
Total	\$ 28,332,766	\$ 31,075,479	\$ 3,600,277	\$ 4,337,484	\$ 31,933,043	\$ 35,412,963

The County's total general-obligation debt decreased \$ 3,479,920 (9.8%) during the current year. There was a new borrowing during 2016 totaling \$3,940,000. The notes were issued to finance the following projects:

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-- Roof replacement program	\$ 935,000
-- Administration / terminal building - Architect and engineering	250,000
-- Snow removal equipment	590,000
-- Road resurface and reconstruction projects	2,100,000
-- Debt issue costs	65,000

Winnebago County maintains an Aa1 rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized valuation. The current debt limitation for the County is \$616,071,000, which is significantly in excess of its outstanding general obligation debt of \$31,933,043. The County has a debt service fund balance of \$269,998.

Additional information on the County's long-term debt can be found in the footnotes on pages 82-85 of this report.

Economic Factors and Next Year's Budgets and Rates

- At the end of 2016 the US unemployment rate was 4.7%, Wisconsin's rate was 3.7% and Winnebago County's rate was 3.7%.
- Winnebago County continues to be a very affordable area to live with median home prices at \$152,000 compared to the Wisconsin average of \$160,000 and US average of \$194,000.
- Home sales in Winnebago County increased from 2,184 in 2015 to 2,368 in 2016.
- The labor force remains stable at around 93,000 persons.
- Non farm labor remains stable at around 97,000 jobs.
- Areas with the highest concentration of jobs are in manufacturing, trade, transportation and utilities, professional and business services, education and health care, and government.
- Growth in net new construction has remained slow at around 1.3% which limits increases in spending.

These factors were considered in preparing the County's budget for the 2017 fiscal year.

Section 66.0602 Local Levy Limits:

1. Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. The valuation factor is equal to the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current year.

2. Debt service continues to be exempt from the levy limit freeze for all debt issued prior to July 1, 2005. Debt issued after July 1, 2005 will also be exempt if certain conditions are met. One of those is that the governing body can approve the bond issue by a $\frac{3}{4}$ vote. Winnebago County has used this provision to exceed rate limits in the past and will likely continue to do so.

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3. Penalties will be imposed upon any governing body that exceeds these levy limits.

The County may also exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve higher rates. The County may also exceed the rates if it increases the services it provides through a transfer of these services from another governmental unit.

The debt service tax rate limit was frozen at \$0.31. The debt service rate that was adopted with the 2015 budget is \$0.57. We have been able to exceed the limit by using the 2nd exception listed below:

Generally, referendum approval is required to issue unlimited tax general obligation debt, with the following exceptions:

- Refunding debt issues
- Approval by the County Board by a vote of $\frac{3}{4}$ ths of the full board.
- A reasonable expectation that the new debt can be accommodated within the existing tax rate
- Other exceptions as listed in State Statutes Section 67.045

The 2016 tax levy and rate are within the limitations contained in state laws.

Requests for Information

This financial report is designed to provide a general overview of Winnebago County, Wisconsin's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 112 Otter Avenue, P.O. Box 2808, Oshkosh, WI 54903-2808.

WINNEBAGO COUNTY, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2016

(With summarized financial information as of December 31, 2015)

	Primary Government		Totals		Component Unit
	Governmental Activities	Business-type Activities	December 31, 2016	December 31, 2015	Housing Authority
ASSETS					
Current Assets:					
Cash and investments	\$ 46,974,862	\$ 45,232,732	\$ 92,207,594	\$ 85,009,136	\$ 1,247,833
Receivables (net of allowances for uncollectibles):					
Delinquent property taxes & special assessments	5,735,673	-	5,735,673	5,563,214	-
Property taxes levied for ensuing year's budget	65,906,930	-	65,906,930	65,062,977	-
Taxes levied for other governments	2,006,332	-	2,006,332	1,986,362	-
Accounts receivable	627,237	1,317,319	1,944,556	1,374,823	35,644
Accrued interest	184,414	103,740	288,154	184,154	-
Notes receivable	72,324	-	72,324	141,069	-
Loans receivable	77,527	-	77,527	789,682	-
Due from other governmental agencies	3,855,054	2,779,548	6,634,602	6,916,502	-
Internal balances	(1,982,300)	1,982,300	-	-	-
Inventories	22,400	943,155	965,555	1,048,290	1,023
Advance payments - Vendors	786,002	323,209	1,109,211	1,230,245	147,111
Restricted assets:					
Cash and investments	-	2,054,175	2,054,175	-	912,050
Total Current Assets	124,266,455	54,736,178	179,002,633	169,306,454	2,343,661
Loans receivable	310,691	-	310,691	1,414,176	-
Notes receivable	765,714	-	765,714	776,888	332,190
Tax credit fees, net	-	-	-	-	-
Investment in Tri-County SSR	-	904,459	904,459	1,172,140	-
Insurance deposits	224,895	-	224,895	214,419	-
Net pension asset	-	-	-	9,624,041	-
Restricted assets:					
Cash and investments	-	11,980,253	11,980,253	15,549,661	-
Accrued interest	-	29,719	29,719	45,743	-
Property and equipment:					
Land	3,415,318	9,460,759	12,876,077	12,883,577	748,148
Construction in progress	3,597,690	2,675,748	6,273,438	8,173,229	-
Buildings	77,123,940	49,521,913	126,645,853	126,382,992	14,398,580
Improvements other than buildings	15,438,290	58,213,094	73,651,384	70,878,363	-
Machinery and equipment	33,713,399	25,983,831	59,697,230	57,203,004	500,801
Infrastructure	104,372,429	-	104,372,429	99,586,379	-
Accumulated depreciation	(65,859,095)	(76,652,770)	(142,511,865)	(133,888,897)	(6,266,113)
Total Assets	297,369,726	136,853,184	434,222,910	439,322,169	12,057,267
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	-	31,093	-
Deferred outflow related to pension	27,486,255	8,122,305	35,608,560	10,096,692	-
Total Deferred Outflows of Resources	27,486,255	8,122,305	35,608,560	10,127,785	-
Total Assets and Deferred Outflows of Resources	\$ 324,855,981	\$ 144,975,489	\$ 469,831,470	\$ 449,449,954	\$ 12,057,267

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN

STATEMENT OF NET POSITION

December 31, 2016

(With summarized financial information as of December 31, 2015)

Primary Government		Totals		Component Unit
Governmental Activities	Business-type Activities	December 31, 2016	December 31, 2015	Housing Authority

**LIABILITIES, DEFERRED INFLOW OF RESOURCES
AND NET POSITION**

Liabilities:					
Vouchers payable	\$ 4,227,641	\$ 1,207,880	\$ 5,435,521	\$ 4,701,158	\$ 25,211
Accrued compensation	2,086,116	645,326	2,731,442	2,608,466	13,038
Claims payable	1,901,659	-	1,901,659	1,843,205	-
Other accrued liabilities	194,455	26,807	221,262	211,019	248,463
Due to other governmental agencies	3,247,307	785,594	4,032,901	3,938,938	-
Deposits held in trust	-	-	-	-	58,244
Other unearned revenue	-	34,423	34,423	-	22,449
Compensated absences	4,061,197	1,351,843	5,413,040	5,411,135	30,156
Current maturities of long-term debt	6,045,446	1,608,766	7,654,212	7,419,921	78,022
Premium (discount) on long-term debt	59,576	-	59,576	103,080	-
Total Current Liabilities	21,823,397	5,660,639	27,484,036	26,236,922	475,583
Compensated absences	1,714,141	450,063	2,164,204	2,185,461	10,474
Landfill closure and long-term care	-	18,107,322	18,107,322	17,879,366	-
OPEB Liability	3,273,144	379,172	3,652,316	3,480,891	-
Net pension liability	4,922,274	1,450,502	6,372,776	-	-
General obligation debt	22,287,320	1,991,512	24,278,832	27,993,042	1,814,740
Long term due to other governments	-	629,159	629,159	904,459	-
Premium (discount) on long-term debt	339,980	-	339,980	336,608	-
Total Liabilities	54,360,256	28,668,369	83,028,625	79,016,749	2,300,797
Deferred Inflows of Resources:					
Deferred inflow related to pension	10,366,335	3,054,765	13,421,100	-	-
Deferred inflow HCV funds	-	-	-	-	122,242
Deferred Property Taxes	65,906,930	-	65,906,930	65,062,977	-
	76,273,265	3,054,765	79,328,030	65,062,977	122,242
Net Position					
Net investment in capital assets	145,550,772	67,868,782	213,419,554	209,311,263	8,299,365
Restricted for:					
Externally imposed by creditors	2,563,220	147,186	2,710,406	7,405,479	691,842
Pension	-	-	-	9,624,041	-
Debt service	132,122	-	132,122	1,432,327	-
Unrestricted	45,976,346	45,236,387	91,212,733	77,597,118	643,021
Total Net Postion	194,222,460	113,252,355	307,474,815	305,370,228	9,634,228
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 324,855,981	\$ 144,975,489	\$ 469,831,470	\$ 449,449,954	\$ 12,057,267

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				Component Unit Housing Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Housing Authority	
					Governmental Activities	Business-type Activities	Total December 31, 2016		
Primary Government									
Governmental activities:									
General Government	\$ 14,804,415	\$ 2,074,607	\$ 179,316	\$ -	\$ (12,550,492)	\$ -	\$ (12,550,492)	\$ (14,350,620)	\$ -
Public Safety	31,691,173	4,045,698	1,156,022	-	(26,489,453)	-	(26,489,453)	(23,995,695)	-
Public Works	3,747,751	-	2,320,473	-	(1,427,278)	-	(1,427,278)	(1,655,926)	-
Health and Human Services	49,095,239	2,439,359	19,834,345	-	(26,821,535)	-	(26,821,535)	(22,871,897)	-
Culture, Education and Recreation	2,989,383	428,124	565,750	-	(1,995,509)	-	(1,995,509)	(2,543,649)	-
Conservation and Development	2,858,682	1,174,817	286,908	-	(1,396,957)	-	(1,396,957)	(1,479,645)	-
Interest on Long Term Debt	506,920	-	-	-	(506,920)	-	(506,920)	(578,050)	-
Total governmental activities	105,693,563	10,162,605	24,342,814	-	(71,188,144)	-	(71,188,144)	(67,475,482)	-
Business-type activities:									
Airport	3,246,477	1,276,196	-	31,943	-	(1,938,338)	(1,938,338)	5,329,851	-
Solid Waste Management	11,290,138	12,388,240	52,030	-	-	1,150,132	1,150,132	425,018	-
Park View	18,042,553	12,660,237	-	-	-	(5,382,316)	(5,382,316)	(4,965,421)	-
Highway	13,043,502	13,013,232	-	-	-	(30,270)	(30,270)	214,587	-
Total business-type activities	45,622,670	39,337,905	52,030	31,943	-	(6,200,792)	(6,200,792)	1,004,035	-
Total Primary Government	\$ 151,316,233	\$ 49,500,510	\$ 24,394,844	\$ 31,943	(71,188,144)	(6,200,792)	(77,388,936)	(66,471,447)	-
Component Unit									
Housing Authority	\$ 3,637,375	\$ 785,377	\$ -	\$ 165,150	-	-	-	-	(2,686,848)
General Revenues									
Property taxes					65,065,423	-	65,065,423	66,425,269	-
Other taxes					1,186,494	-	1,186,494	1,285,065	-
Grants and contributions not restricted to specific programs					10,006,312	1,712,900	11,719,212	10,965,838	2,379,426
Unrestricted investment earnings					405,430	279,045	684,475	1,221,130	9,915
Gain on sale of capital assets					121,811	-	121,811	299,508	700
Miscellaneous					253,796	462,312	716,108	503,430	-
Transfers					(5,433,966)	5,433,966	-	-	-
Total general revenues and transfers					71,605,300	7,888,223	79,493,523	80,700,240	2,390,041
Changes in Net Position					417,156	1,687,431	2,104,587	14,228,793	(296,807)
Net Position as of January 1					193,805,304	111,564,924	305,370,228	291,141,435	9,931,035
Net Position as of December 31					\$ 194,222,460	\$ 113,252,355	\$ 307,474,815	\$ 305,370,228	\$ 9,634,228

The accompanying notes are an integral part of the financial statements.

**WINNEBAGO COUNTY, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS**

December 31, 2016
(With summarized financial information as of December 31, 2015)

	Governmental Funds			Totals	
	General	Human Services	Non Major Funds	December 31, 2016	December 31, 2015
<u>ASSETS</u>					
Current Assets:					
Cash and investments	\$ 31,565,328	\$ 1,978,338	\$ 4,530,183	\$ 38,073,849	\$ 35,855,746
Receivables (net of allowances for uncollectibles):					
Delinquent property taxes & special assessments	5,735,673	-	-	5,735,673	5,563,214
Property taxes levied for ensuing year's budget	65,906,930	-	-	65,906,930	65,062,977
Taxes levied for other governments	2,006,332	-	-	2,006,332	1,986,362
Accounts receivable	152,091	11,105	34,550	197,746	10,735
Accrued interest	150,130	-	10,395	160,525	106,687
Loans receivable	77,527	-	-	77,527	-
Notes receivable	-	-	72,324	72,324	72,324
Due from other governmental agencies	1,406,328	2,448,263	-	3,854,591	4,527,801
Due from other funds	-	-	-	-	10,000
Inventories	573	-	-	573	996
Advance payments - Vendors	261,010	46,364	-	307,374	361,550
Total Current Assets	107,261,922	4,484,070	4,647,452	116,393,444	113,558,392
Loans and notes receivable	310,691	-	765,714	1,076,405	3,049,491
Total Assets	\$ 107,572,613	\$ 4,484,070	\$ 5,413,166	\$ 117,469,849	\$ 116,607,883
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Vouchers payable	\$ 699,899	\$ 2,151,229	\$ 1,108,611	\$ 3,959,739	\$ 3,742,278
Accrued compensation	1,688,717	395,167	-	2,083,884	2,028,472
Other accrued liabilities	-	28	5,989	6,017	3
Due to other governmental agencies	2,832,609	414,698	-	3,247,307	2,914,715
Due to other funds	-	-	-	-	10,000
Total Current Liabilities	5,221,225	2,961,122	1,114,600	9,296,947	8,695,468

The accompanying notes are an integral part of the financial statements.

**WINNEBAGO COUNTY, WISCONSIN
BALANCE SHEET - GOVERNMENTAL FUNDS**

December 31, 2016
(With summarized financial information as of December 31, 2015)

	Governmental Funds			Totals	
	General	Human Services	Non Major Funds	December 31, 2016	December 31, 2015
Deferred Inflows of Resources					
Unavailable revenue - property taxes	\$ 67,113,341	\$ -	\$ -	\$ 67,113,341	\$ 66,208,813
Other unavailable revenue	517,749	1,438,368	838,038	2,794,155	3,539,368
Total deferred inflows of resources	67,631,090	1,438,368	838,038	69,907,496	69,748,181
Fund balances:					
Nonspendable:					
Delinquent property taxes	3,913,132	-	-	3,913,132	3,695,823
Inventories	573	-	-	573	996
Advance payments	261,010	46,364	-	307,374	361,550
Restricted for:					
Economic development	388,218	-	-	388,218	3,004,180
Unspent bond proceeds	-	-	2,303,120	2,303,120	670,240
Public safety	204,920	-	-	204,920	228,437
Scholarship program	35,241	-	-	35,241	35,064
Committed for:					
Construction of capital assets	-	-	534,789	534,789	3,406,648
Prior years commitments	453,497	-	352,621	806,118	401,574
Economic development	593,934	-	-	593,934	-
Debt service	-	-	269,998	269,998	1,600,883
Assigned for:					
Subsequent years revenues - Property Taxes	-	-	-	-	931,104
Subsequent years expenses	2,735,000	-	-	2,735,000	1,209,342
Prior year appropriations	461,127	12,534	-	473,661	351,328
Economic development	2,883,989	-	-	2,883,989	823,497
Special projects	1,902,315	-	-	1,902,315	440,541
Special revenue	-	25,682	-	25,682	94,244
Unassigned:					
General fund	20,887,342	-	-	20,887,342	20,908,783
Total Fund Balances	34,720,298	84,580	3,460,528	38,265,406	38,164,234
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 107,572,613	\$ 4,484,070	\$ 5,413,166	\$ 117,469,849	\$ 116,607,883

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
Reconciliation of the Balance Sheet
to the Statement of Net Position-
Governmental Funds

December 31, 2016

Fund balances - total governmental funds	\$38,265,406
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	3,415,318
Construction in progress	3,597,690
Buildings	77,123,940
Improvements other than buildings	15,438,290
Machinery and equipment	33,713,399
Infrastructure	104,372,429
Less: Accumulated depreciation	(65,859,095)
Accounts receivable that do not provide current financial resources are not revenues and, therefore, are not reported in the fund statements.	
Human Services deficit reduction benefit	296,998
Human Services cash receivables	84,368
Internal service funds are used by management to charge the cost of mail service, microfilming, printing, workers compensation insurance, property and liability insurance, self-funded health and dental insurance to individual funds. The assets, deferred outflows of resources and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	
Net position of internal service funds	6,161,400
Net position of internal service funds allocated to business-type activities	(1,982,300)
Compensated absences recorded in internal service funds	19,338
OPEB liability recorded in internal service funds	17,766
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation debt payable	(28,332,766)
Compensated absences	(5,775,338)
OPEB liability	(3,273,144)
Premium on long-term debt	(399,556)
Deferred charges -Refunding Loss	-
Accrued interest	(137,876)
Change in the net pension liability (asset) and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan.	
	12,197,646
Deferred revenues that are unavailable for governmental funds are recognized as revenue in governmental activities	
	<u>5,278,547</u>
Net position of governmental activities	<u>\$194,222,460</u>

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Governmental Fund Types			Totals	
	General	Human Services	Non Major Funds	December 31, 2016	December 31, 2015
Revenues:					
Taxes	\$ 66,191,341	\$ -	\$ -	\$ 66,191,341	\$ 67,810,662
Intergovernmental	10,121,827	24,058,111	1,647,515	35,827,453	33,673,575
Licenses and permits	261,132	-	-	261,132	237,479
Fines, forfeitures and penalties	673,374	-	-	673,374	667,273
Charges for services provided to:					
Public	4,198,700	1,995,710	-	6,194,410	6,534,893
Other governmental entities	1,098,245	22,299	-	1,120,544	1,081,301
Other county departments	285,431	-	-	285,431	242,710
Investment Income	347,987	-	22,851	370,838	717,429
Miscellaneous	497,806	672	-	498,478	1,148,516
Total Revenues	83,675,843	26,076,792	1,670,366	111,423,001	112,113,838
Expenditures:					
Current:					
General government	13,991,435	-	-	13,991,435	14,423,311
Public safety	27,409,030	-	-	27,409,030	27,407,060
Public works	2,664,258	-	-	2,664,258	2,618,312
Health and human services	5,734,606	42,259,183	-	47,993,789	47,132,320
Culture, education and recreation	2,282,779	-	-	2,282,779	2,554,295
Conservation and development	2,790,691	-	-	2,790,691	2,739,567
Capital projects	-	-	6,362,792	6,362,792	4,427,730
Debt service:					
Principal retirement	-	-	4,827,793	4,827,793	5,319,481
Interest and fiscal charges	-	-	600,726	600,726	639,611
Total Expenditures	54,872,799	42,259,183	11,791,311	108,923,293	107,261,687
Excess of Revenues Over (Under) Expenditures	28,803,044	(16,182,391)	(10,120,945)	2,499,708	4,852,151

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the year ended December 31, 2016
(With summarized financial information for the year ended December 31, 2015)

	Governmental Fund Types			Totals	
	General	Human Services	Non Major Funds	December 31, 2016	December 31, 2015
Other Financing Sources (Uses):					
Transfers in	386,366	16,120,185	9,949,954	26,456,505	22,650,660
Transfers out	(26,729,870)	-	(4,337,648)	(31,067,518)	(29,063,680)
Payment of refunded debt	-	-	-	-	(1,966,442)
Debt issued	-	-	2,165,000	2,165,000	4,150,000
Premium on debt issuance	-	-	47,477	47,477	87,580
Total Other Financing Sources (Uses)	(26,343,504)	16,120,185	7,824,783	(2,398,536)	(4,141,882)
Change in Fund Balances	2,459,540	(62,206)	(2,296,162)	101,172	710,269
Fund Balances - January 1	32,260,758	146,786	5,756,690	38,164,234	37,453,965
Fund Balances - December 31	\$ 34,720,298	\$ 84,580	\$ 3,460,528	\$ 38,265,406	\$ 38,164,234

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016

Net changes in fund balances - total governmental funds	\$101,172
Amounts reported for governmental activities in the statement of activities are different because:	
<p>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. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Capital outlay reported in governmental funds is capitalized in governmental activities	7,568,520
Other capital transactions	(792,143)
Depreciation is reported in governmental activities	(5,601,020)
<p>Human Services revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the fund statement. This is the amount by which revenue at the end of year (\$381,366) was higher than revenue at the beginning of the year (\$414,278).</p>	
	(32,912)
<p>The net revenues for certain activities of internal service funds are reported with governmental activities. This is the amount by which the decrease in net position (\$946,423) exceeds the amount allocated to business-type activities (\$52,506).</p>	
	(893,917)
<p>Expenditures that are currently not available are deferred in the fund statements. This is the amount by which deferred expenditures and net pension liabilities (assets) at the end of year (\$12,197,646) is lower than deferred expenditures and net pension liabilities (assets) at the beginning of the year (\$15,065,728).</p>	
	(2,868,082)
<p>Revenues that are currently not available are deferred in the fund statements. This is the amount by which deferred revenue at the end of year (\$5,278,549) is higher than deferred revenue at the beginning of the year (\$4,685,203).</p>	
	593,346
<p>The issuance of long-term debt (i.e., bond anticipation notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Long-term debt issued	(2,165,000)
Long-term debt repaid	4,907,713
Change in compensated absences	(185,040)
Change in OPEB Liability	(264,737)
Change in discounts/premiums on long-term debt	17,820
Change in deferred amounts for refunding loss	(2,174)
Change in accrued interest	30,677
Change in internal service fund OPEB liability	753
Change in internal service fund compensated absences	2,181
	2,181
Change in net position of governmental activities	\$417,156

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
STATEMENT OF NET POSITION-
PROPRIETARY FUNDS

December 31, 2016

(With summarized financial information for enterprise funds as of December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway Fund	December 31, 2016	December 31, 2015	Internal Service Funds
<u>ASSETS</u>							
Current assets:							
Cash and investments	\$ 1,325,292	\$ 32,065,629	\$ 10,649,817	\$ 1,191,994	\$ 45,232,732	\$ 40,974,707	\$ 8,901,013
Receivables (net of allowances for uncollectibles):							
Accounts receivable	18,776	1,218,292	78,114	2,137	1,317,319	870,390	48,125
Accrued interest	-	102,561	-	1,179	103,740	59,575	23,889
Due from other governmental agencies	38,689	492,576	1,047,392	1,200,891	2,779,548	2,387,172	463
Inventories	60,122	-	120,659	762,374	943,155	1,022,882	21,827
Advance payments - Vendors	5,107	85,307	232,364	431	323,209	331,795	478,628
Restricted assets:							
Cash and investments	755,536	1,056,787	374,439	924,200	3,110,962	-	-
Accrued interest	-	-	-	-	-	-	-
Total Current Assets	2,203,522	35,021,152	12,502,785	4,083,206	53,810,665	45,646,521	9,473,945
Noncurrent Assets:							
Restricted assets:							
Cash and investments	-	10,923,466	-	-	10,923,466	15,549,661	-
Accrued interest	-	29,719	-	-	29,719	45,743	-
Other assets:							
Investments in Tri-County venture	-	904,459	-	-	904,459	1,172,140	-
Insurance deposits	-	-	-	-	-	-	224,895
Net pension asset	-	-	-	-	-	2,279,064	-
Property and equipment:							
Land	6,960,385	1,613,616	147,842	738,916	9,460,759	9,460,759	-
Construction in progress	2,647,387	-	17,561	10,800	2,675,748	2,116,176	-
Buildings	11,247,315	6,115,104	25,684,933	6,474,561	49,521,913	49,403,105	-
Improvements other than buildings	34,973,550	22,392,526	682,910	164,108	58,213,094	57,997,741	-
Machinery and equipment	4,532,706	5,345,645	1,195,518	14,909,962	25,983,831	24,444,935	-
Total Property and Equipment	60,361,343	35,466,891	27,728,764	22,298,347	145,855,345	143,422,716	-
Less accumulated depreciation	(28,168,764)	(28,932,312)	(6,036,114)	(13,515,580)	(76,652,770)	(72,830,684)	-
Total Property and Equipment - Net	32,192,579	6,534,579	21,692,650	8,782,767	69,202,575	70,592,032	-
Total Noncurrent Assets	32,192,579	18,392,223	21,692,650	8,782,767	81,060,219	89,638,640	224,895
Total Assets	34,396,101	53,413,375	34,195,435	12,865,973	134,870,884	135,285,161	9,698,840
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Deferred outflow related to pension	225,828	434,157	5,412,017	2,050,303	8,122,305	2,375,941	-
Deferred charges on refunding	-	-	-	-	-	28,919	-
Total deferred outflows of resources	225,828	434,157	5,412,017	2,050,303	8,122,305	2,404,860	-
Total Assets and Deferred Outflows of Resources	\$ 34,621,929	\$ 53,847,532	\$ 39,607,452	\$ 14,916,276	\$ 142,993,189	\$ 137,690,021	\$ 9,698,840

The accompanying notes are an integral part of the financial statements

WINNEBAGO COUNTY, WISCONSIN
STATEMENT OF NET POSITION-
PROPRIETARY FUNDS

December 31, 2016

(With summarized financial information for enterprise funds as of December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway Fund	December 31, 2016	December 31, 2015	Internal Service Funds
<u>LIABILITIES AND NET POSITION</u>							
Current liabilities:							
Vouchers payable	\$ 143,003	\$ 629,789	\$ 275,435	\$ 159,653	\$ 1,207,880	\$ 892,959	\$ 267,900
Accrued compensation	19,394	30,141	444,845	150,946	645,326	577,866	2,232
Claims payable	-	-	-	-	-	-	1,901,659
Other accrued liabilities	5,761	13,969	5,457	1,620	26,807	42,458	2
Due to other governmental agencies	81,077	676,307	827	27,383	785,594	1,024,216	-
Unearned revenue	-	-	-	34,423	34,423	-	1,328,543
Compensated absences	56,993	80,919	901,282	312,649	1,351,843	1,308,866	4,532
Current maturities of long-term debt	601,807	15,916	300,131	690,912	1,608,766	2,512,208	-
Premium on long-term debt	-	-	-	-	-	22,312	-
Total Current Liabilities	908,035	1,447,041	1,927,977	1,377,586	5,660,639	6,380,885	3,504,868
Compensated absences	20,231	33,884	213,407	182,541	450,063	697,432	14,806
Landfill closure and long-term care	-	18,107,322	-	-	18,107,322	18,193,704	-
Long-term due to other governments	-	629,159	-	-	629,159	904,459	-
General obligation debt	522,563	38,012	872,510	558,427	1,991,512	1,610,095	-
Net pension liability	40,063	77,378	967,416	365,645	1,450,502	-	-
OPEB liability (asset)	4,781	(86,875)	392,810	68,456	379,172	373,328	17,766
Total Liabilities	1,495,673	20,245,921	4,374,120	2,552,655	28,668,369	28,159,903	3,537,440
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred inflow related to pension	84,373	162,958	2,037,383	770,051	3,054,765	-	-
<u>Net Position:</u>							
Net investment in capital assets	31,716,714	6,534,579	21,003,962	8,613,527	67,868,782	67,162,955	-
Restricted for Pensions	101,392	193,821	2,407,218	914,607	3,617,038	2,279,064	-
Restricted for Purchase Orders	79,017	-	400	67,769	147,186	329,576	-
Unrestricted	1,144,760	26,710,253	9,784,369	1,997,667	39,637,049	39,758,523	6,161,400
Total Net Position	33,041,883	33,438,653	33,195,949	11,593,570	111,270,055	109,530,118	6,161,400
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 34,621,929	\$ 53,847,532	\$ 39,607,452	\$ 14,916,276	\$ 142,993,189	\$ 137,690,021	\$ 9,698,840
Total Net Position at 12/31/2016					\$ 111,270,055		
Internal Services Lookback Balance					2,034,806		
Internal Services Current Year Activity					(52,506)		
Total Net Position - Business-type Activities					\$ 113,252,355		

The accompanying notes are an integral part of the financial statements

WINNEBAGO COUNTY, WISCONSIN

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS**

For the year ended December 31, 2016

(With summarized financial information for enterprise funds for the year ended December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway Department Fund	December 31, 2016	December 31, 2015	Internal Service Funds
Operating Revenues:							
Charges for services provided to:							
Public	\$ 866,249	\$ 11,429,588	\$ 7,068,980	\$ 17,585	\$ 19,382,402	\$ 16,556,689	\$ 396,434
Other governmental entities	398,116	771,633	5,579,484	7,731,616	14,480,849	14,139,665	3,504
Other county departments	-	163,522	-	5,213,943	5,377,465	6,835,992	2,614,038
Miscellaneous	11,831	23,497	11,773	50,088	97,189	141,262	-
Total Operating Revenues	1,276,196	12,388,240	12,660,237	13,013,232	39,337,905	37,673,608	3,013,976
Operating Expenses:							
Salaries, wages and benefits	655,063	1,185,024	13,858,646	5,520,682	21,219,415	20,196,777	114,596
Materials, suppliers and services	385,544	8,335,648	3,138,804	6,230,107	18,090,103	16,477,081	3,057,442
Heat, light and power	601,331	375,731	348,774	167,276	1,493,112	1,500,213	-
Depreciation	1,590,639	891,333	609,056	1,067,655	4,158,683	3,875,331	-
Landfill closure & long-term care	-	495,637	-	-	495,637	(85,091)	-
Total Operating Expenses	3,232,577	11,283,373	17,955,280	12,985,720	45,456,950	41,964,311	3,172,038
Operating Income (Loss)	(1,956,381)	1,104,867	(5,295,043)	27,512	(6,119,045)	(4,290,703)	(158,062)
Non-Operating Revenues (Expenses):							
Investment income	-	276,428	-	2,616	279,044	417,838	34,592
Interest expense	(6,125)	(960)	(37,671)	(6,604)	(51,360)	(117,080)	-
Premium on bond	-	-	22,312	-	22,312	112,534	-
Grant revenue	-	52,030	1,712,900	-	1,764,930	1,654,235	-
Gain (Loss) on sale of capital assets	(1,372)	-	-	(31,562)	(32,934)	-	-
Issuance costs of long term debt	-	-	(28,919)	-	(28,919)	(124,316)	-
Other miscellaneous	-	440,000	-	-	440,000	-	-
Total Non-Operating Revenues (Expenses)	(7,497)	767,498	1,668,622	(35,550)	2,393,073	1,943,211	34,592

The accompanying notes are an integral part of the financial statements

WINNEBAGO COUNTY, WISCONSIN

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS**

For the year ended December 31, 2016
(With summarized financial information for enterprise funds for the year ended December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway Department Fund	December 31, 2016	December 31, 2015	Internal Service Funds
Income (Loss) Before Transfers and Contributions	(1,963,878)	1,872,365	(3,626,421)	(8,038)	(3,725,972)	(2,347,492)	(123,470)
Transfers	775,511	14,337	4,585,502	58,616	5,433,966	6,413,020	(822,953)
Capital contributions	31,943	-	-	-	31,943	5,657,112	-
Increase (Decrease) in Net Position	(1,156,424)	1,886,702	959,081	50,578	1,739,937	9,722,640	(946,423)
Net Position as of January 1	34,198,307	31,551,951	32,236,868	11,542,992		109,530,118	7,107,823
Cummulative effect of change in accounting principle	-	-	-	-		-	-
Net Position as of December 31	<u>\$ 33,041,883</u>	<u>\$ 33,438,653</u>	<u>\$ 33,195,949</u>	<u>\$ 11,593,570</u>		<u>\$ 119,252,758</u>	<u>\$ 6,161,400</u>
						Internal Services Fund Current Year Activity	(52,506)
						Change in Net Position - Business-type Activities	<u>\$ 1,687,431</u>

The accompanying notes are an integral part of the financial statements

WINNEBAGO COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the year ended December 31, 2016

(With summarized financial information for enterprise funds for the year ended December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway fund	December 31, 2016	December 31, 2015	Internal Service Fund
Cash flows from operating activities:							
Cash received from customers	\$ 848,576	\$ 11,589,760	\$ 12,429,338	\$ 7,889,769	\$ 32,757,443	\$ 29,692,174	\$ 401,004
Cash received from county	398,116	163,522	-	5,213,943	5,775,581	8,688,992	3,973,876
Cash payments for goods and services	(904,449)	(8,978,756)	(3,446,543)	(6,333,417)	(19,663,165)	(17,960,574)	(2,746,633)
Cash payments to employees	(594,193)	(1,087,715)	(13,196,408)	(5,533,376)	(20,411,692)	(20,373,222)	(111,559)
Net cash provided by (used for) operating activities	(251,950)	1,686,811	(4,213,613)	1,236,919	(1,541,833)	47,370	1,516,688
Cash flows from noncapital financing activities:							
Transfers in	775,511	14,337	4,585,502	58,616	5,433,966	6,413,020	(822,953)
Grants received	-	52,030	1,712,900	-	1,764,930	1,654,235	-
Net cash provided by noncapital financing activities	775,511	66,367	6,298,402	58,616	7,198,896	8,067,255	(822,953)
Cash flows from capital and related financing activities:							
Purchases of capital assets	(688,253)	(924,260)	(125,980)	(1,063,088)	(2,801,581)	(5,786,687)	-
Payment of debt	(48,317)	(14,885)	(2,376,517)	(72,487)	(2,512,206)	(2,704,077)	-
Interest paid on debt	(6,360)	(1,002)	(54,591)	(6,877)	(68,830)	(131,482)	-
Proceeds from sale of capital assets	-	-	-	29,663	29,663	31,987	-
Insurance recovery	-	440,000	-	-	440,000	-	-
Premium on debt issuance	-	-	(28,919)	-	(28,919)	(124,316)	-
Proceeds from issuance of debt	840,000	-	-	935,000	1,775,000	-	-
Contributions	1,700	-	-	-	1,700	-	-
Net cash provided by (used for) capital and related financing activities	98,770	(500,147)	(2,586,007)	(177,789)	(3,165,173)	(8,714,575)	-
Cash flows from investing activities:							
Purchases of investments	-	(6,330,090)	-	-	(6,330,090)	(17,803,276)	-
Sale of investments	-	10,571,817	-	-	10,571,817	19,019,924	-
Investment income	-	255,294	-	2,841	258,135	412,044	28,595
Net cash provided by (used for) investing activities	-	4,497,021	-	2,841	4,499,862	1,628,692	28,595
Net increase (decrease) in cash and cash equivalents	622,331	5,750,052	(501,218)	1,120,587	6,991,752	1,028,742	722,330
Cash and cash equivalents - January 1	1,458,497	27,342,646	11,525,474	995,607	41,322,224	40,293,482	8,178,683
Cash and cash equivalents - December 31	\$ 2,080,828	\$ 33,092,698	\$ 11,024,256	\$ 2,116,194	\$ 48,313,976	\$ 41,322,224	\$ 8,901,013

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the year ended December 31, 2016

(With summarized financial information for enterprise funds for the year ended December 31, 2015)

	Business-type Activities- Enterprise Funds				Totals		Governmental Activities-
	Airport Fund	Solid Waste Management Fund	Park View Health Center Fund	Highway fund	December 31, 2016	December 31, 2015	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:							
Operating income (loss)	\$ (1,956,381)	\$ 1,104,867	\$ (5,295,043)	\$ 27,512	\$ (6,119,045)	\$ (4,290,703)	\$ (158,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation	1,590,639	891,333	609,056	1,067,655	4,158,683	3,875,331	-
Changes in assets and liabilities							
Receivables	(29,504)	(571,133)	(32,197)	147,217	(485,617)	126,376	32,361
Due from other governments	-	(63,825)	(198,702)	(91,160)	(353,687)	642,349	-
Investment in Tri-County Single Steam Recycling	-	267,681	-	-	267,681	269,848	-
Inventories	(14,065)	-	(1,777)	95,569	79,727	(66,972)	2,585
Advance payments	(5,107)	39,997	2,474	141	37,505	157,726	47,796
Net pension asset	64,315	123,183	1,505,695	585,871	2,279,064	1,242,359	-
Deferred outflow Pension	(159,649)	(306,088)	(3,829,872)	(1,450,755)	(5,746,364)	(1,383,351)	-
Vouchers payable	90,703	214,328	40,079	(30,189)	314,921	(8,104)	201,974
Due to other governments	7,779	(245,105)	259	(1,555)	(238,622)	189,379	-
Unearned revenue	-	-	-	34,423	34,423	(36,167)	-
Other liabilities	34,884	38,581	(18,384)	(283,506)	(228,425)	(48,081)	1,390,034
Net pension liability	40,063	77,378	967,416	365,645	1,450,502	1,242,359	-
Deferred inflow Pension	84,373	162,958	2,037,383	770,051	3,054,765	(1,383,351)	-
Long-term due to other governments	-	(275,300)	-	-	(275,300)	(267,681)	-
Long-term care accrual	-	227,956	-	-	227,956	(354,939)	-
Total adjustments	1,704,431	581,944	1,081,430	1,209,407	4,577,212	4,338,073	1,674,750
Net cash provided by (used for) operating activities	\$ (251,950)	\$ 1,686,811	\$ (4,213,613)	\$ 1,236,919	\$ (1,541,833)	\$ 47,370	\$ 1,516,688
Cash and cash equivalents at end of year consist of:							
Unrestricted cash and investments	\$ 1,325,292	\$ 32,065,629	\$ 10,649,817	\$ 1,191,994	\$ 45,232,732	\$ 40,974,707	\$ 8,901,013
Restricted cash and investments	755,536	11,980,253	374,439	924,200	14,034,428	15,549,661	-
Less noncurrent investments	-	(10,953,184)	-	-	(10,953,184)	(15,202,144)	-
Total cash and cash equivalents	\$ 2,080,828	\$ 33,092,698	\$ 11,024,256	\$ 2,116,194	\$ 48,313,976	\$ 41,322,224	\$ 8,901,013

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

In 2016 there was a non cash contribution from the FAA in the amount of \$31,943 reflected in the Airport Fund . In 2015 there was a non cash contribution from the FAA in the amount of \$5,651,793 reflected in the Airport Fund and a non cash contribution from the State of Wisconsin in the amount of \$5,319 reflected in the Highway Fund .

The accompanying notes are an integral part of the financial statements.

WINNEBAGO COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2016
 (With summarized financial information as of December 31, 2015)

	Agency Funds	
	Totals	
	December 31, 2016	December 31, 2015
ASSETS		
Cash and investments	\$ 1,769,919	\$ 1,400,392
Accounts receivable	(1,955)	(20,060)
Accrued grants and aids	20,807	25,936
Prepaid items	3,333	3,333
Equipment	213,245	32,492
Total Assets	\$ 2,005,349	\$ 1,442,093
LIABILITIES		
Liabilities:		
Other accrued liabilities	\$ 2,005,349	\$ 1,442,093
Total Liabilities	\$ 2,005,349	\$ 1,442,093