

**KENOSHA COUNTY**  
Kenosha, Wisconsin

**FINANCIAL STATEMENTS**

**Including Independent Auditors' Report**

**December 31, 2015**



# KENOSHA COUNTY

## TABLE OF CONTENTS

December 31, 2015

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Independent Auditors' Report	1
Management's Discussion and Analysis	4
<i>Basic Financial Statements</i>	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	22
Statement of Activities	23
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	24
Reconciliation of the Governmental Fund Balance Sheet and the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Human Services Fund	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	33
Statement of Cash Flows – Proprietary Funds	35
Statement of Assets and Liabilities – Fiduciary Funds – Agency Funds	37
<i>Notes to the Financial Statements</i>	38

**KENOSHA COUNTY**  
TABLE OF CONTENTS (cont.)  
December 31, 2015

---

<i>Required Supplementary Information</i>	95
Other Postemployment Benefits Plan – Schedule of Funded Status	96
Schedule of Proportionate Share of Net Pension Asset – Wisconsin Retirement System	97
Schedule of Contributions – Wisconsin Retirement System	97
<i>Notes to Required Supplementary Information</i>	98
<i>Supplementary Information</i>	99
Combining Balance Sheet – Nonmajor Governmental Funds	100
Combining Balance Sheet – Nonmajor Governmental Funds - Special Revenue Funds	101
Combining Balance Sheet – Nonmajor Governmental Funds - Capital Project Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds - Special Revenue Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds - Capital Projects Funds	105
Combining Statement of Net Position – Internal Service Funds	106
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	107
Combining Statement of Cash Flows - Internal Service Funds	109
Combining Balance Sheet – Agency Funds	111
Combining Statements of Changes in Assets and Liabilities - All Agency Funds	112



**KENOSHA COUNTY**  
TABLE OF CONTENTS (cont.)  
December 31, 2015

---

*Additional Independent Auditors Report For Financial Statements*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	113
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	115
Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	116
Schedule of Expenditures of Federal Awards	119
Schedule of State Financial Assistance	125
Notes to the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance	130
Schedule of Findings and Questioned Costs	132
Schedule of Prior Year Audit Findings and Corrective Action Plan	137
ADDITIONAL AUDITORS' REPORT	138
Independent Auditors' Report on State Financial Report Form	139





## INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors  
Kenosha County  
Kenosha County, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin ("the County") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the human services special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note V.E, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

As discussed in Note IV.J, the County recorded a prior period adjustment of \$56,669 in the government-wide financial statements to properly record other post employment benefits. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21 and the schedules relating to pensions and other post-employment benefits on pages 95 through 97 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
July 18, 2016



**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

Our discussion and analysis of Kenosha County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2015.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a long-term view of the County's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds.

**Reporting the County as a Whole**

The financial statements that present the County as a whole begin on page 22. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position - the difference between assets, liabilities and deferred outflows/inflows of resources - as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Net Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues from that particular function reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing, through fees and grants.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

**Governmental activities:** Most of the County's basic services are reported here, including law enforcement, parks, planning, capital projects, administration, and human services. Sales taxes, property taxes, fines, and state and federal grants finance most of these activities.

The functions and programs of the governmental activities are as follows:

- General Government includes the County Board, Circuit Court, Juvenile Intake, County Executive, County Clerk, Personnel, Information Systems, Finance, Purchasing, Treasurer, District Attorney, Corporation Counsel, Register of Deeds, Facilities, Medical Examiner, Health Insurance, Workers Compensation, and Liability Insurance.
- Health includes the Health Division and a portion of the Division of Aging and Disability Services.
- Public Works includes the infrastructure depreciation.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

Governmental activities (continued):

- Public Safety includes the Sheriff, Joint Services, Federal Equitable Sharing and Emergency Services.
- Social Services includes Division of Children and Family Services, Division of Workforce Development, a portion of the Division of Aging and Disability Services, and Veterans.
- Education and Recreation includes Parks, UW Extension, and the Library.
- Conservation and Development includes Planning and Development, Economic Development, and the Housing Authority.

Business-type activities: Brookside Care Center (Brookside), Highway and the Golf Courses are reported here. For Brookside and the Golf Courses, the County charges a fee to customers to help it cover all or most of the cost of certain services it provides. Highway is funded by grants and tax levy for County highways and via charges to other municipalities for services to roads not owned by the County.

**Reporting the County's Most Significant Funds**

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. The County's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental funds: Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the respective governmental funds' statements.

The governmental funds present separate columns for the major funds, including the General Fund, Human Services Fund, and Debt Service Fund. All other governmental activities including capital projects, library, housing authority, health department, GIS (Geographical Information System), and Federal Equitable Sharing are included in the non-major column. The General Fund includes the Sheriff, District Attorney, Courts, Juvenile Intake, Joint Services, Facilities, Parks, Veterans, Personnel, Emergency Management, Finance, Purchasing, Information Systems, Planning and Development, County Clerk, Treasurer, Register of Deeds, County Executive, Corporation Counsel, and the Medical Examiner. Revenues and expenditures not allocated back to departments (referred to as Non-Departmental in the County budget) are also included in the General Fund. Some of the larger elements included in Non-Departmental are shared revenue, sales tax, and the vacancy adjustment. The vacancy adjustment is a reduction of personnel costs based upon an estimate of County vacancies.

The Human Services Fund includes the Divisions of Children and Family Services, Workforce Development, Child Support, Aging and Disability Services.

The Debt Service Fund is used to account for debt payments of principal and interest and the taxes levied to cover the payments.



**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**Reporting the County's Most Significant Funds (continued)**

Proprietary funds: When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the County's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows. The proprietary funds include Golf, Brookside, Highway, Insurances, and the Human Services Building.

**The County as Trustee**

The County is the trustee, or fiduciary, for the Culich/Schneider Memorial Fund and for the State of Wisconsin. The Culich/Schneider Memorial Fund is reported within the Brookside Fund because it is a restricted fund used solely for Brookside. We exclude the remaining activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE COUNTY AS A WHOLE**

Government-wide Financial Analysis

The condensed financial statements on the next two pages present the net position of the County and changes in net position. These statements are presented with comparisons to 2014.

Net position may serve over time as a useful indicator of a government's financial position. In 2015 the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,884,554. The largest portion (59 percent) reflects the County's investment in capital assets less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position amount which is subject to external restrictions on how it may be used, comprise 24 percent of the net position.

The remainder of the County's net position total (15 percent) is the category of unrestricted net position which is normally used to meet the County's ongoing obligations to citizens and creditors. In 2015, this category has a balance of \$14,510,578.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY AS A WHOLE** (continued)

**KENOSHA COUNTY**  
**NET POSITION**  
**December 31, 2015**  
(Rounded to Millions)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 126.73	\$ 107.23	\$ 27.76	\$ 8.77	\$ 154.49	\$ 116.00
Capital assets	152.71	141.54	14.98	14.79	167.69	156.33
Total Assets	<u>279.44</u>	<u>248.77</u>	<u>42.74</u>	<u>23.56</u>	<u>322.18</u>	<u>272.33</u>
Deferred outflows of resources	8.41	0.33	2.19	-	10.60	0.33
Long-term liabilities outstanding	127.84	125.89	23.86	5.21	151.70	131.10
Other liabilities	22.27	17.12	1.70	1.68	23.97	18.80
Total liabilities	<u>150.11</u>	<u>143.01</u>	<u>25.56</u>	<u>6.89</u>	<u>175.67</u>	<u>149.90</u>
Deferred inflows of resources	62.21	60.65	1.80	1.96	64.02	62.61
Net position:						
Invested in capital assets	51.31	51.88	14.15	14.52	54.81	58.58
Restricted	19.32	1.41	4.46	0.15	23.78	1.54
Unrestricted (deficit)	4.89	(7.85)	(1.04)	0.04	14.51	(0.72)
Total Net Position	<u>\$ 75.52</u>	<u>\$ 45.44</u>	<u>\$ 17.57</u>	<u>\$ 14.71</u>	<u>\$ 93.09</u>	<u>\$ 59.86</u>

Total assets for the County increased by \$49.9 million mainly resulting from road improvements of \$14.6 million and investments in other capital assets of almost \$9 million. Restricted unspent cash of \$18 million from the bond issued for the Brookside building addition also increased the total assets. In addition, a Net Pension Asset of \$9.8 million and a related Deferred Outflow of \$10.3 million was recorded under the new GASB 68 requirement.

Total liabilities increased by \$25.8 million mostly due to the issuance of the Brookside bond of \$18 million. The Governmental type activities show an increase in long-term liabilities because business-type activities received bond proceeds to purchase fixed assets but the bonds will be the responsibility of the governmental activities. The category reported as "Deferred inflows of resources" reflects the tax levy that will be recorded as revenue in 2015. This amount increased by \$1.5 million from 2014.

The County's total net position increased by a \$33.2 million. Of this increase, \$20 million is a result of the GASB 68 recording of the cumulative effect of the change in accounting.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY AS A WHOLE** (continued)

**KENOSHA COUNTY**  
**CHANGES IN NET POSITION**  
**Year Ended December 31, 2015**  
(Rounded to Millions)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6.30	\$ 6.27	\$ 23.22	\$ 22.30	\$ 29.52	\$ 28.57
Operating grants and contributions	59.37	57.00	3.84	3.75	63.21	60.75
Capital grants and contributions	0.49	0.63	1.83	0.43	2.32	1.06
General revenues:						
Property taxes	62.85	61.24	1.49	1.60	64.34	62.84
Other taxes	13.98	12.82	-	-	13.98	12.82
Grants and contributions not restricted to specific programs	4.03	4.11	-	-	4.03	4.11
Other	0.95	0.98	0.01	0.01	0.96	0.99
Total revenues	147.97	143.05	30.39	28.09	178.36	171.14
Expenses:						
General government	26.70	26.36	-	-	26.70	26.36
Health	20.20	18.71	-	-	20.20	18.71
Public works	3.40	2.05	-	-	3.40	2.05
Public safety	43.96	43.60	-	-	43.96	43.60
Social services	42.42	41.08	-	-	42.42	41.08
Education and recreation	4.27	4.08	-	-	4.27	4.08
Conservation and development	1.26	2.53	-	-	1.26	2.53
Interest on long-term debt	2.70	2.70	-	-	2.70	2.70
Nursing home	-	-	16.84	16.04	16.84	16.04
Highway	-	-	0.73	10.80	0.73	10.80
Golf Course	-	-	3.03	2.87	3.03	2.87
Total expenses	144.91	141.11	20.60	29.71	165.51	170.82
Increase (decrease) in net position before transfers	3.06	1.94	9.79	(1.62)	12.85	0.32
Transfers	10.91	(2.02)	(10.91)	2.02	-	-
Increase (decrease) in net position	13.97	(0.08)	(1.12)	0.40	12.85	0.32
Net position beginning of year (restated)	61.55	45.52	18.69	14.31	80.24	59.83
Net position end of year	<u>\$ 75.52</u>	<u>\$ 45.44</u>	<u>\$ 17.57</u>	<u>\$ 14.71</u>	<u>\$ 93.09</u>	<u>\$ 60.15</u>

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY AS A WHOLE** (continued)

Revenue for governmental activities increased by a net amount of \$4.9 million when compared to 2014. Key elements of this net decrease are as follows:

- Increase in state sales tax receipts of \$1.2 million.
- Increased property tax of \$1.6 million.
- Increase in prevention grants of \$0.4 million thru the Health Department.
- Increase in inclusion of Federal Equitable Sharing funds of \$0.3 million now recorded on County's books.
- Increase in mental health grants received through the Human Services of \$2.8 million.
- Decrease in Federal Inmate Housing revenues of \$0.7 million.
- Decrease in FSET revenue of \$0.3 million from the State.

Expenditures for governmental activities increased by \$3.8 million when compared to 2014. Key elements of this decrease are as follows:

- Increase in insurance costs in all departments by \$2.5 million.
- Increase in operational expenses for the IT department of \$0.5 million.
- Increase in use of purchased service programs for mental health of \$1.6 million.
- Increase in expenditures related to the Comprehensive Community Services grant of \$0.5 million.
- Decrease of \$0.8 million in purchase services related to Health department's clinical services.
- Decrease in planned grants to KABA for economic development of \$1.5 million.

Revenue for the Business-type activities increased by \$2.3 million in 2015 when compared to 2014. Key elements of this increase are as follows:

- Brookside operating revenue and grants experienced an increase of \$0.3 million.
- Highway revenue increased by \$1.4 million related to federal and state highway project revenue.
- Increase in Golf revenues of \$0.3 million.
- Taxes levied for business-type activities decreased by \$0.2 million.

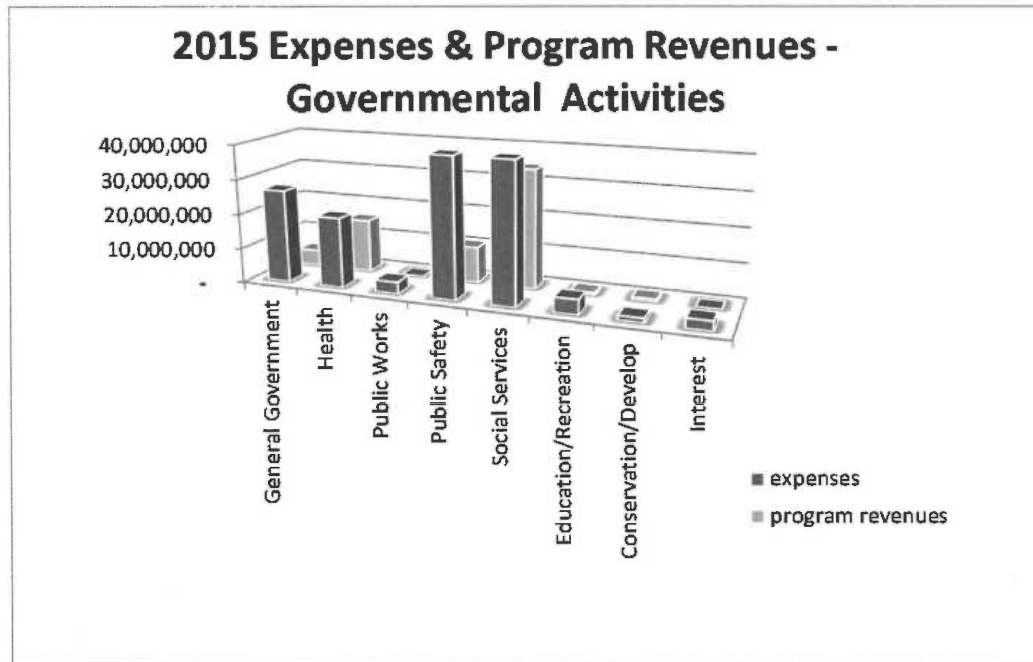
Expenses for Business-type activities decreased \$8.9 million in 2015 when compared to 2014. Key elements of this increase are as follows:

- Increase of overall operating costs of \$0.9 million for Brookside.
- Increase in highway expenses of \$7.6 million due to major road projects.
- Decrease of \$14.0 million of infrastructure related expenses which was transferred to the government-type as an asset.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

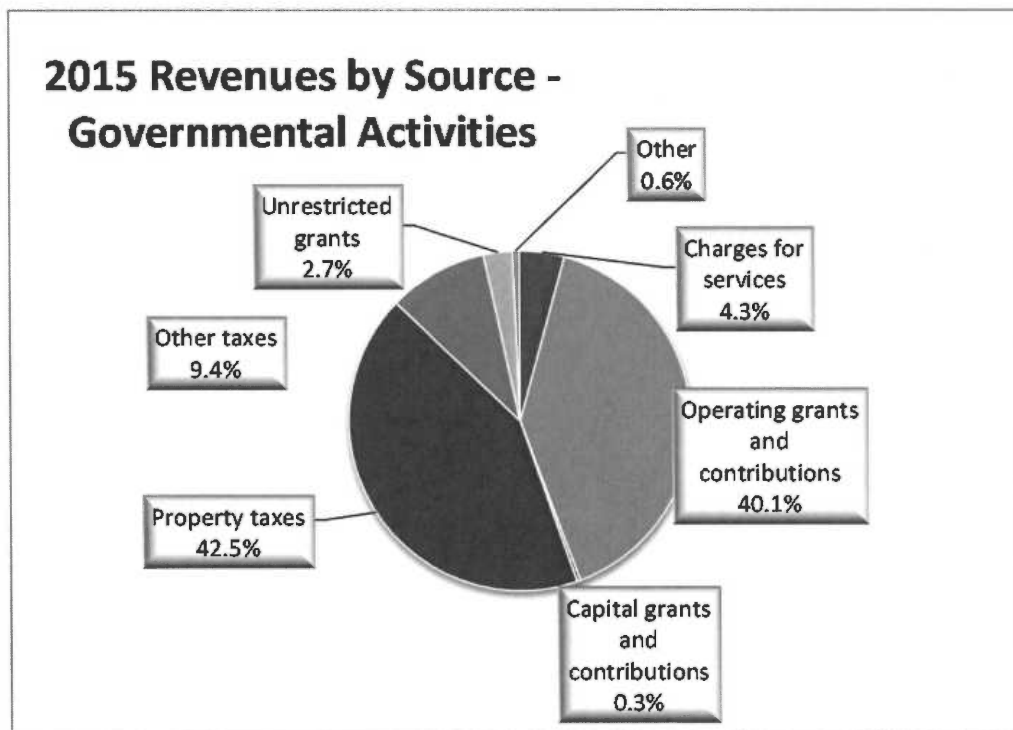
**EXPENSES AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES**

The following chart shows the portion of expenses by function that is covered by program revenues for 2015.



**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES**

This chart illustrates the percent of revenue sources that fund the County's governmental activities for 2015.



**KENOSHA COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

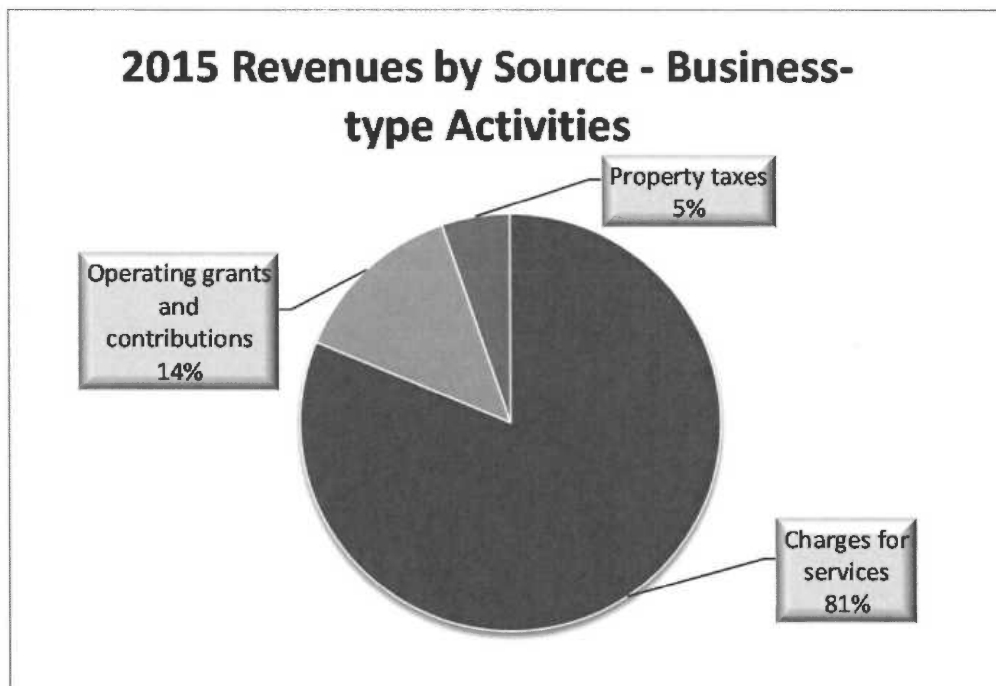
**EXPENSES AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**

The following chart shows the portion of expenses by function that is covered by program revenues for business-type activities for 2015.



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**

This chart illustrates the percent of revenue sources that fund the County's business-type activities for 2015.



**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY'S FUNDS**

Kenosha County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds, along with major changes that occurred in the County's funds are described below.

General Fund

The General Fund experienced a material increase in the total fund balance with an increase in unassigned fund balance over the prior year balance of \$2.7 million. The unassigned fund balance shows an increase of \$3.2 million with \$18.2 million in 2015 compared to \$15.0 million in 2014. In 2008, the General Fund was significantly affected by the housing market downturn. Tax delinquencies decreased \$195,264 in 2015. In addition, sales tax revenues came in at \$2.3 million more than expected. Other items impacting the General Fund are discussed below.

Because of the approval of the Health Insurance internal service reserve policy, funds that otherwise would have lapsed to the General Fund remain in the Health Insurance internal service fund for a maximum of \$1.5 million as approved by County Board. The following chart shows total reserve balances when Health Insurance is included:

	2009	2010	2011	2012	2013	2014	2015
General Fund	\$ 5,936,999	\$ 7,385,156	\$ 8,087,217	\$ 10,229,584	\$ 11,588,684	\$ 15,080,088	18,200,731
Health Insurance	1,500,000	1,500,001	1,500,001	1,500,001	1,500,001	1,500,001	1,500,001
Total	<u>\$ 7,436,999</u>	<u>\$ 8,885,157</u>	<u>\$ 9,587,218</u>	<u>\$ 11,729,585</u>	<u>\$ 13,088,685</u>	<u>\$ 16,580,089</u>	<u>\$ 19,700,732</u>

The unassigned fund balance amount is significant, as this is the amount available for future expenditures if approved by the County Board. A summary of the primary elements for all funds resulting in the increase in unassigned fund balance in the General Fund is provided on page 15.

In 2014, the County Board had amended the Brookside reserve policy, and requiring available and expendable cash reserves from Brookside to lapse to the general fund. This policy has been revised effective in 2015 stating that Brookside will retain their cash reserves going forward.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY'S FUNDS** (continued)

General Fund (continued)

The purpose of the General Fund fund balance reserve policy is:

- To maintain the fund balance of the General Fund at levels sufficient to protect the County's creditworthiness as well as its financial positions from unforeseeable emergencies.
- To ensure sufficient liquidity to provide for County obligations as they become due.
- To maintain the proper balance between maintaining a prudent level of reserves that is neither too low nor too high. The policy requires that the County maintain 17% of General Fund expenditures as unassigned fund balance in the General Fund. The County surpassed the 17% threshold by \$7.6 million at year-end 2015. See the summary on page 15 for an analysis of this.

In accord with this policy, available balances within the General Fund in excess of 17% may be used for capital expenditures and one-time operating expenditures. An amount not to exceed \$300,000 may be used for ongoing operational expenditures. In the 2015 financial statements, \$275,000 of funds from the General Fund was designated to fund a one-time expense for the 2015 budget. This policy does permit reserves to be used for mid-year budget transfers.

In compliance with County Board policy, the remainder of available and expendable resources from all non-lapsing funds has been transferred to the General Fund.

The following information summarizes the major items that impacted unassigned fund balance in the General Fund:

Items that affected the General Fund:

Sales Tax - Sales tax collections were higher than expected by \$2.3 million.

Health Insurance Internal Service Fund – The net health insurance spending was \$1.4 million more than was budgeted.

Vacancy Adjustment Surplus - Kenosha County reduces its total budgeted personnel costs using a vacancy adjustment. Historically, the County has an employee turnover rate in excess of 2%. Therefore, it is not necessary to fund 100% of all budgeted positions. In 2015, the budgeted County vacancy adjustment was \$700,000. In 2015, the General Fund was affected with a surplus effect of \$772,294 due to the vacancy adjustment.

Human Services – Revenues from Medicaid and government grants were \$1.4 million greater than budgeted. This was augmented by \$200,000 in contracted services expense savings and offset by expenses greater than budgeted in the amount of \$800,000 in mental health and AODA areas and \$647,300 overage in placements.

Sheriff – Fund balance was reduced by an expense deficit of \$341,060 in the Sheriff's department.



**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY'S FUNDS** (continued)

General Fund (continued)

Decrease in Tax Delinquencies - The amount of delinquencies at year end 2015 was \$7.6 million compared to year end 2014 delinquencies of \$7.8 million or a decrease of \$195,851.

Workers Compensation Insurance – In 2015, workers compensation insurance experienced an increase in claims that was higher than expected by \$373,920.

Highway revenues and expenses – Revenues from providing road services to the State, other municipalities and local transportation aids were \$766,607 more than budgeted with a surplus in expenses for contracted services and supplies of \$196,000. The highway fund was able to lapse \$1.2 million cash surplus to the General Fund.

DPW Non-highway expense – Divisions within the Department of Public Works experienced a surplus in their contractual appropriation unit of \$416, 591 in total. This includes a variety of contractual expenses such as legal fees, professional services, utilities, telephone and maintenance.

Register of Deeds – Revenue from real estate transfer fees were \$160,194 higher than expected.

Debt Service Fund – The Debt Service fund ended with a surplus fund balance of \$1,531,827. This higher than normal amount consists of premiums from bond issuances of \$1,100,273 and a final Build America Bond rebate of \$237,943. These amounts are to be used for payment of debt service in future years and therefore are reported as "Restricted for Debt Service" in the fund equity section.

Brookside Enterprise Fund

The County's lapsing policy changed in 2015 allowing the Brookside fund to retain any surplus so their activity no longer affects the General Fund. The Brookside fund must also cover its losses within its operations. In prior years, Brookside was able to cover any losses within the Human Services Department. In 2015, the Brookside fund experienced a loss of \$573,437. Brookside increased revenues by \$300,000 from 2014 but the expenses increased by \$700,000 mainly due to higher health insurance costs and increased spending in other operations and maintenance areas.

Golf Course Fund

The golf course closed with a surplus of \$298,654 from noncapital financing activities with the majority of this coming from an increase in revenues. This surplus remained in the Golf Course fund to cover future outlays. This is the fourth year in a row in which this fund did not experience a deficit.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY'S FUNDS** (continued)

General Fund (continued)

**Summary of 2015 Operations: Review of Major Elements Impacting the Unassigned Fund Balance in the General Fund**

<b>Unassigned Reserves Year End 2014</b>	<b>15,080,088</b>
--	-------------------

**Items causing increase to the General Fund**

Elected Officials Surplus Expense	171,868
Sales Tax	2,334,000
DHS - Affordable Care Act revenue	194,479
DHS - Medicaid revenue	1,493,208
DHS Contracted Service Expense Surplus	201,843
Health Division Expense Surplus	58,224
DPW - Highway Revenue- State/Municipal/Local Aids	766,607
Highway - Fuel/Supplies Expense Surplus	147,295
DPW - Utilities/Maintenance/Contractual Services Expense Surplus	357,947
Facilities Supplies Surplus	82,343
Register of Deeds Transfer Tax revenue	160,194
Circuit Court Child Support Revenue	114,208
Decrease in Tax Delinquencies	195,264
Vacancy	772,294
Miscellaneous	88,986
	7,138,760

**All other net reductions to General Fund**

Reserves used to fund one time expenditures in the 2016 budget	(275,000)
Total Planned Decrease to the General fund	(275,000)

**Items causing decrease to the General Fund**

DHS - Mental Health and AODA deficit	(803,258)
DHS - Placement overages	(647,300)
Health Insurance Deficit	(1,411,998)
Workers Compensation Deficit	(373,920)
Sheriff- Personnel/Overtime and other Jail related expenses	(341,060)
Treasurer- Penalties & Interest	(155,581)
	(3,733,117)

<b>2015 year end unassigned fund balance</b>	<b>18,210,731</b>
Less: County Board requirement of 17% of General Funds Expenditures	10,595,909
<b>Amount over 17%</b>	<b>7,614,822</b>

<b>2015 General Fund</b>	<b>18,210,731</b>
<b>Increase in General Fund from Prior Year</b>	<b>3,130,643</b>
<b>2015 General Fund Total Expenditures</b>	<b>62,328,876</b>
<b>Unassigned reserves as a Percentage of General Fund</b>	<b>29.22%</b>

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**THE COUNTY'S FUNDS** (continued)

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the County Board revised the County budget several times. These budget amendments fall into five categories.

- The first category includes amendments for continuing appropriations from the prior year. The carryover of these funds allows the County to complete projects previously authorized by the Board.
- The second category includes budget amendments done to reflect changes in intergovernmental aids and grants.
- The third category includes transfers the Board approved for use between appropriations to prevent budget overruns. All of the transfers in this category were done within the total budget.
- The fourth category includes transfers from the General Fund approved by the County Board.
- The fifth category is reprogrammed surplus funds re-budgeted for a new purpose using surplus funds identified as part of the year-end closeout. The County approved the reprogramming of \$108,229 for various facilities improvements and \$27,102 to purchase miscellaneous equipment for Highway.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**GENERAL FUND BUDGETARY HIGHLIGHTS (continued)**

The County Board has approved all budget amendments. See "Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual" presented for the General Fund on page 30 for more detail.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County continued the trend of growth in the General Fund in 2015 when the unassigned fund balance closed the year at \$18.2 million. County unassigned fund balance now has increased for six consecutive years. This reflects a material recovery from 2009, when the General Fund declined to \$5.9 million.

The County reached a milestone in 2012 when its General Fund unassigned balance exceeded 17% of general fund expenditures, climbing above the policy benchmark for the first time in 6 years. This trend continued in 2015 when the balance reached 29%. Many factors contributed to this event, as explained in this report.

Now, as a result of many factors as reflected on page 15, the County exceeds its reserve policy benchmark. It is worth noting that the County was able to return back to reserve policy compliance without a significant decrease in property tax delinquencies. As the economy continues to improve, a decline in delinquencies has the potential to significantly increase reserves above the policy benchmark.

The General Fund had experienced a trend of increases in cash reserves, beginning in 2002 when the County Board implemented a permanent budget reduction of \$1.1 million with the adoption of Resolution 27. This permanent reduction combined with increases in sales tax revenue and other revenues, a reduction in juvenile placement costs and new revenue from the Sheriff for housing federal inmates enabled the County to adopt its budgets without the use of accumulated surplus. The year 2003 was the first year since 1997 that the County did not use a significant amount of reserves to fund ongoing operating costs. The County had continued this practice with the adoption of the 2004, 2005, and 2006 budgets. As a result of not using reserves to fund operating costs, unassigned fund balance in the General Fund had grown from \$5.7 million in 2001 to \$8.1 in 2002, to \$10.4 million in 2003, \$10.6 million in 2004, and \$11.5 million in 2005. However, because of the County policy to use reserves in excess of the 17% target to fund capital costs, it was expected that this trend in the growth of the level of reserves would end.

As predicted, in 2006, the General Fund declined from \$11.5 million to \$9.7 million. In 2007, this trend continued with a reduction to \$8.2 million. The primary reason for the decline in 2007 is that tax delinquencies increased by \$889,065, the vacancy adjustment was \$979,165 below budget, and sales tax collections were \$597,190 below budget.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** (continued)

In 2008, the County was impacted by the recession. While the General Fund increased slightly, this was primarily because it borrowed \$2.6 million in lieu of using cash reserves to fund certain projects in lieu of using reserves, or to reimburse certain capital projects that had been financed with reserves.

The recession continued into 2009. The General Fund declined by \$2.5 million to \$6.2 million. The primary reason for the decline in the General Fund has been the increase in property tax delinquencies. From the low point of \$4 million in 2005, tax delinquencies have increased to \$7.8 million in 2015. Had tax delinquencies remained stable, the unassigned General Fund balance would be at about 32% or 15% above the policy benchmark.

In 2010, the unassigned General Fund balance experienced an increase of \$1.4 million primarily due to a mid-year budget adjustment.

In 2012, the unassigned General Fund balance increased again due to many factors, including a surplus in health insurance and sales tax collections. Also, for the first time in 6 years, the unassigned General Fund balance was in compliance with County policy when it exceeded 17% of General Fund expenditures.

In 2013, the trend continued when the unassigned General Fund balance increased by \$1.8 million to \$11.6 million, and then in 2014, when the unassigned balance increased by \$3.5 million which represented 25% of general fund expenditures.

State and National events have had and will continue to have a significant impact upon the County. In 2015, the County demonstrated continued economic recovery, as property tax delinquencies declined for the first time in 9 years and property values increased for the first time in 6 years. The current 5-year budget forecast reflects sustainability with regard to County operations. No major reductions in service appear to be necessary at this time.

The preliminary State 2015 – 2017 biennial budget does not change County levy limits. County operations are financially sustainable under these levy limits.

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

At the end of December 31, 2015, the County had \$167.68 million invested in net capital assets including land, buildings, park and golf facilities, vehicles, equipment, and infrastructure.

The \$4.1 million increase in machinery and equipment in the Governmental activities reflects the County's continued investment in Broadband infrastructure and computer equipment as well as annual update of vehicles and maintenance equipment. Infrastructure and related land improvements increased by \$14.0 million due to extensive investment in the County roads. See Notes to the Financial Statements page 65 through 66 for more detail about the capital assets. Summary report (rounded to millions) is as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2015	2014	2015	2014	2015	2014
Construction in progress	\$ 3.85	\$ 4.02	\$ 0.93	\$ -	\$ 4.79	\$ 4.02
Land	21.47	21.22	0.34	0.34	21.81	21.56
Land improvements	22.20	18.41	6.03	5.96	28.23	24.37
Intangible assets	-	-	0.03	0.03	0.03	0.03
Buildings	103.25	102.08	16.72	16.73	119.97	118.81
Machinery & equipment	37.73	33.62	22.23	21.58	59.96	55.20
Infrastructure	52.40	43.78	-	-	52.40	43.78
Total capital assets	240.90	223.13	46.28	44.65	287.17	267.77
Less: accumulated depreciation	(88.19)	(81.59)	(31.30)	(29.86)	(119.49)	(111.45)
Total net capital assets	\$ 152.71	\$ 141.54	\$ 14.98	\$ 14.79	\$ 167.68	\$ 156.32

**KENOSHA COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Unaudited)

**CAPITAL ASSETS AND DEBT ADMINISTRATION** (continued)

Debt

At year-end, the County had \$117,980,000 in outstanding general obligation debt.

Bonded debt outstanding at 12/31/14	\$ 99,515,000
Principal retired in 2015	(33,685,000)
Refunding Bonds	21,555,000
Notes issued to fund 2015 capital projects	30,595,000
Debt outstanding at 12/31/15	<u>\$ 117,980,000</u>

New principal issued was \$30,595,000. Total general obligation debt outstanding increased by \$18.5 or 18.55%.

In 2014, Standard and Poor's Ratings Service revised its outlook to positive from stable and affirmed its 'AA' rating. The outlook revision reflects S&P's view of the positive trends in economic indicators which could lead to an upgrade within the next two years. Fitch Ratings assigned an 'AA' rating with a stable outlook. These ratings remain unchanged in 2015.

In 2013, Moody's rating decreased from AA1 to AA2. The decline in equalized value was a major contributing factor to this decline. Prior to 2013, the County's credit rating with Moody's last changed in 2009 as part of Moody's recalibration. The Moody's credit rating increased to Aa1. Prior to that, the County received a rating increase from Moody's in 2007, from Aa3 to Aa2. Prior to 2007, the last change in the Moody's rating came in 2004, when it increased from A1 to Aa3. The most recent increase in the County's Standard and Poor's credit rating occurred in 2003 when the County's rating increased from AA- to AA.

Since 1999, the County has experienced an overall decline in total long term obligations despite the increase in total debt outstanding in 2012. County debt hit its highest level of \$112.9 in 1999, including the County's unfunded actuarial pension liability. As of yearend 2015, total County general obligation debt outstanding increased to \$118.0 million compared to \$99.5 million at year end 1999 with the increase due to the debt issued for the Brookside project. Excluding that debt, the balance had little change.

The chart below reflects the change in Kenosha County long term obligations since the implementation of GASB 45. GASB 45 required that Kenosha County account for its long term obligations relative to post retirement benefits for health insurance (OPEB). Because of changes made to the County OPEB program, total long term obligations have declined since the inception of GASB 45. In addition to making changes to post-retirement health insurance benefits, the County established a Paid Time Off (PTO) program in 2012. The program eliminated vacation accruals for all nonprotective employees by year end 2013. Changes to the post-retirement benefit for health insurance, combined with the implementation of the PTO program, will result in continued significant declines in County long term obligations.

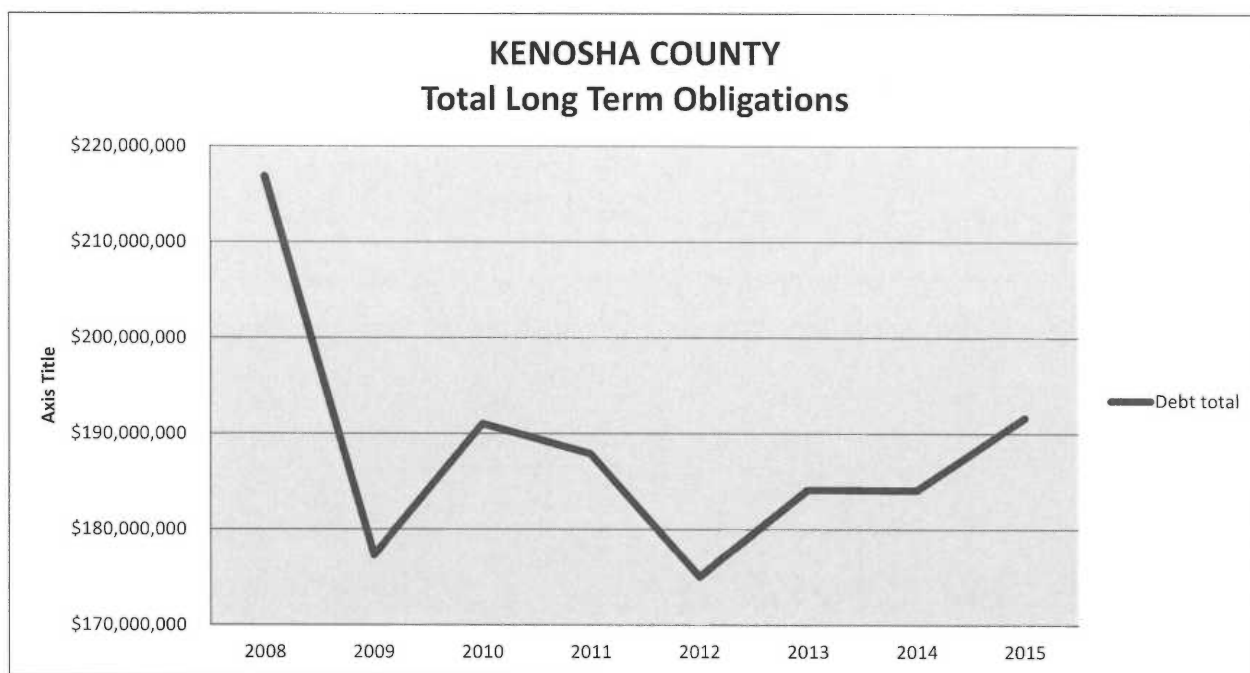
	KENOSHA COUNTY TOTAL LONG TERM OBLIGATIONS							
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Obligation	\$ 80,144,831	\$ 83,790,000	\$ 95,765,000	\$ 97,180,000	\$ 101,325,000	\$ 99,110,000	\$ 99,515,000	\$ 117,980,000
OPEB Protective	\$ 41,513,500	\$ 34,308,744	\$ 35,048,490	\$ 33,726,650	\$ 29,700,000	\$ 40,154,327	\$ 40,471,845	\$ 40,735,463
OPEB Nonprotective	\$ 91,143,500	\$ 55,091,237	\$ 56,176,150	\$ 53,545,927	\$ 40,600,000	\$ 44,798,295	\$ 43,968,115	\$ 32,801,555
Vacation/Casual	\$ 4,032,615	\$ 4,107,955	\$ 4,039,364	\$ 3,449,308	\$ 3,435,000	\$ 109,317	\$ 118,925	\$ 132,313
	<u>\$ 216,834,446</u>	<u>\$ 177,297,936</u>	<u>\$ 191,029,004</u>	<u>\$ 187,901,885</u>	<u>\$ 175,060,000</u>	<u>\$ 184,171,939</u>	<u>\$ 184,073,885</u>	<u>\$ 191,649,331</u>

**KENOSHA COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

The OPEB debt in the above table represents the actuarial present value of projected benefits at January 1, 2015. This amount exceeds the actuarial accrued liability reported in the required supplementary information (RSI). The RSI amount represents the present value of benefits already earned.

(This graph reflects all County debt balances including OPEB liability, general obligation debt, and vacation and casual accrual.)



See Notes to the Financial Statements page 70 for more detail about the County's debt.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Financial Services Division at 1010 56th Street, Kenosha, WI.

David M. Geertsens, CPA  
Director of Finance and Administration  
Kenosha County, Wisconsin



**KENOSHA COUNTY**  
**STATEMENT OF NET POSITION**  
**December 31, 2015**

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and temporary cash investments	\$ 30,779,650	\$ 2,337,821	\$ 33,117,471
Receivables			
Property taxes	62,211,954	1,803,553	64,015,507
Delinquent taxes	11,350,673	-	11,350,673
Other	2,377,930	1,928,283	4,306,213
Due from other governments	10,221,893	561,046	10,782,939
Prepaid items	442,361	-	442,361
Inventories	-	602,445	602,445
Restricted cash and investments	415,653	18,410,314	18,825,967
Deposit with Wisconsin Municipal Mutual Insurance Co.	1,157,860	-	1,157,860
Other Assets			
Net pension asset	7,769,709	2,114,772	9,884,481
Capital assets			
Land, improvements, and construction in progress	41,735,595	1,271,018	43,006,613
Other capital assets, net of depreciation	110,971,810	13,704,658	124,676,468
Total Capital Assets	<u>152,707,405</u>	<u>14,975,676</u>	<u>167,683,081</u>
Total Assets	<u>279,435,088</u>	<u>42,733,910</u>	<u>322,168,998</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding of bond	292,082	-	292,082
Deferred outflows related to pension	8,114,360	2,194,640	10,309,000
Total Deferred Outflows of Resources	<u>8,406,442</u>	<u>2,194,640</u>	<u>10,601,082</u>
<b>LIABILITIES</b>			
Accounts payable	4,023,940	796,947	4,820,887
Claims payable	4,791,231	-	4,791,231
Accrued compensation	3,846,025	-	3,846,025
Accrued interest	944,253	203,470	1,147,723
Other current liabilities	5,843	22,186	28,029
Special deposits	20,945	2,900	23,845
Due to other governments	8,006,481	657,332	8,663,813
Unearned revenue	630,352	14,827	645,179
Long-term liabilities			
Due within one year	17,476,727	39,999	17,516,726
Due in more than one year	110,364,970	23,818,121	134,183,091
Total Liabilities	<u>150,110,767</u>	<u>25,555,782</u>	<u>175,666,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax levy	62,211,954	1,803,553	64,015,507
Total Deferred Inflows of Resources	<u>62,211,954</u>	<u>1,803,553</u>	<u>64,015,507</u>
<b>NET POSITION</b>			
Net investment in capital assets	51,310,405	14,150,292	54,806,675
Restricted for:			
Specific purpose: grants and loans	3,431,565	-	3,431,565
Non-expendable fund use	-	145,725	145,725
Pension benefits	15,884,069	4,309,412	20,193,481
Unrestricted (deficit)	4,892,770	(1,036,214)	14,510,578
Total Net Position	<u>\$ 75,518,809</u>	<u>\$ 17,569,215</u>	<u>\$ 93,088,024</u>

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ 26,705,997	\$ 2,493,207	\$ 2,085,760	\$ -	\$ (22,127,030)	\$ -	\$ (22,127,030)
Health	20,201,188	1,210,634	14,209,474	-	(4,781,080)	-	(4,781,080)
Public works	3,395,631	-	-	-	(3,395,631)	-	(3,395,631)
Public safety	43,956,834	2,040,808	8,375,163	-	(33,540,863)	-	(33,540,863)
Social services	42,418,031	147,378	33,988,814	120,071	(8,161,768)	-	(8,161,768)
Education and recreation	4,268,374	196,776	524,497	-	(3,547,101)	-	(3,547,101)
Conservation and development	1,263,549	209,504	200,121	366,290	(487,634)	-	(487,634)
Interest on long-term debt	2,700,691	-	-	-	(2,700,691)	-	(2,700,691)
Total Governmental Activities	144,910,295	6,298,307	59,383,829	486,361	(78,741,798)	-	(78,741,798)
Business-type activities:							
Brookside Care Center	16,843,849	15,732,364	1,000,800	-	-	(110,685)	(110,685)
Highway	724,761	4,481,518	2,840,315	1,830,508	-	8,427,581	8,427,581
Golf Course	3,033,388	3,001,800	-	-	-	(31,588)	(31,588)
Total Business-type Activities	20,601,998	23,215,682	3,841,115	1,830,508	-	8,285,308	8,285,308
Totals	<u>\$ 165,512,292</u>	<u>\$ 29,513,989</u>	<u>\$ 63,224,944</u>	<u>\$ 2,316,869</u>	(78,741,798)	8,285,308	(70,456,490)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					48,828,068	1,491,759	50,319,827
Property taxes, levied for debt service					14,018,098	-	14,018,098
Sales tax - County					13,983,454	-	13,983,454
Grants and contributions not restricted to specific programs					4,025,150	-	4,025,150
Unrestricted investment earnings					141,851	1,421	143,272
Miscellaneous					806,135	7,384	813,519
Transfers					10,910,233	(10,910,233)	-
Total general revenues and transfers					92,712,989	(9,409,669)	83,303,320
Change in net position					13,971,191	(1,124,361)	12,846,830
Net position - January 1, as originally stated					45,443,811	14,704,335	60,148,146
Restated for change in beginning balance of post retirement benefits					56,669	-	56,669
Cumulative effect of change in accounting principle - Wisconsin Retirement System					16,047,138	3,989,241	20,036,379
Net position - January 1, as restated					61,547,618	18,693,576	80,241,194
Net position - ending					<u>\$ 75,518,809</u>	<u>\$ 17,569,215</u>	<u>\$ 93,088,024</u>

See accompanying notes to the financial statements.

**KENOSHA COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015**

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 19,504,778	\$ 1,329,449	\$ 1,539,627	\$ 4,247,946	\$ 26,621,800
Receivables					
Property taxes	32,552,943	12,391,991	14,726,376	2,325,539	61,996,849
Delinquent taxes	11,350,673	-	-	-	11,350,673
Miscellaneous	293,156	229,234	-	393,488	915,878
Due from other governments	3,692,083	4,836,713	-	1,693,097	10,221,893
Due from other funds	-	1,047,566	-	-	1,047,566
Prepaid items	213,365	-	-	2,228	215,593
Loans receivable	-	-	-	1,255,335	1,255,335
<b>TOTAL ASSETS</b>	<b>\$ 67,606,998</b>	<b>\$ 19,834,953</b>	<b>\$ 16,266,003</b>	<b>\$ 9,917,633</b>	<b>\$ 113,625,587</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 910,119	\$ 2,460,154	\$ 7,800	\$ 443,128	\$ 3,821,201
Accrued compensation	3,846,025	-	-	-	3,846,025
Special deposits	3,606	2,846	-	14,493	20,945
Due to other governments	2,706,949	4,794,869	-	504,663	8,006,481
Due to other funds	-	-	-	1,047,566	1,047,566
Other unearned revenue	231,367	24,536	-	374,449	630,352
<b>Total Liabilities</b>	<b>7,698,066</b>	<b>7,282,405</b>	<b>7,800</b>	<b>2,384,299</b>	<b>17,372,570</b>
<b>Deferred Inflows of Resources</b>					
Deferred property tax levy	32,552,943	12,391,991	14,726,376	2,325,539	61,996,849
Revolving loan fund outstanding loans	-	-	-	1,255,335	1,255,335
<b>Total deferred inflows of resources</b>	<b>32,552,943</b>	<b>12,391,991</b>	<b>14,726,376</b>	<b>3,580,874</b>	<b>63,252,184</b>
<b>Fund Balances</b>					
<i>Nonspendable</i>					
Prepaid items	213,365	-	-	-	213,365
Delinquent taxes	7,565,179	-	-	-	7,565,179
<i>Restricted</i>					
Human services	-	108,008	-	-	108,008
Debt service	-	-	1,531,827	-	1,531,827
Health Department city contribution share	-	-	-	170,973	170,973
Housing Authority revolving loan fund	-	-	-	21,411	21,411
Federal Equitable Sharing funds	-	-	-	344,011	344,011
<i>Committed</i>					
Human services	-	52,549	-	-	52,549
Geographic Information Systems	-	-	-	7,642	7,642
<i>Assigned</i>					
Encumbrances	95,911	-	-	-	95,911
Sheriff special deposit-DARE program	17,245	-	-	-	17,245
Subsequent year expenditures	1,263,558	-	-	3,584,598	4,848,156
<i>Unassigned(deficit)</i>	<b>18,200,731</b>	<b>-</b>	<b>-</b>	<b>(176,175)</b>	<b>18,024,556</b>
<b>Total Fund Balances</b>	<b>27,355,989</b>	<b>160,557</b>	<b>1,531,827</b>	<b>3,952,460</b>	<b>33,000,833</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 67,606,998</b>	<b>\$ 19,834,953</b>	<b>\$ 16,266,003</b>	<b>\$ 9,917,633</b>	<b>\$ 113,625,587</b>

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**and the Statement of Net Position**  
**December 31, 2015**

Fund Balance - Total Governmental Funds	\$ 33,000,833
This is the amount of net total capital assets (\$152,707,405) less capital assets reported in internal service funds (\$2,361,180).	150,346,225
Long-term liabilities, including bonds and notes payable are not due and payable in the current period and therefore are not reported in the funds. See Note II.A.	(127,841,697)
Loss on refunding of debt is amortized over the life of the new debt and the unamortized balance shown as deferred outflows.	292,082
Interest expense is not accrued in the governmental funds.	(944,253)
Revenue from loans receivable made are recorded as revenue in government-wide as deferred inflow until collected in the governmental statements.	1,255,335
The County's proportional share of the Wisconsin Retirement System pension plan is not an available resource, therefore it is not reported in the fund financial statements.	15,884,069
Internal service funds are classed as proprietary funds in the fund statements but are governmental type in the entity wide statements. See Note II.A.	<u>3,526,215</u>
Total Net Position - Governmental Activities	<u><u>\$ 75,518,809</u></u>

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**KENOSHA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	General	Human Services	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 48,382,229	\$ 11,909,063	\$ 14,018,098	\$ 2,326,225	\$ 76,635,615
Licenses and permits	165,234	-	-	441,582	606,816
Intergovernmental revenues	9,363,780	42,588,763	237,943	11,812,259	64,002,745
Charges for services	2,698,254	30,176	-	1,396,351	4,124,781
Fines, forfeits and penalties	1,195,452	113,380	-	-	1,308,832
Investment income	120,361	-	-	5,913	126,274
Miscellaneous income	549,684	28,521	-	227,762	805,967
Total Revenues	<u>62,474,994</u>	<u>54,669,903</u>	<u>14,256,041</u>	<u>16,210,092</u>	<u>147,611,030</u>
<b>EXPENDITURES</b>					
Current					
General government	21,740,212	-	-	-	21,740,212
Health	-	12,533,253	-	7,786,839	20,320,092
Public safety	37,366,535	-	-	4,341,696	41,708,231
Social services	261,923	41,905,359	-	-	42,167,282
Education and recreation	2,097,619	-	-	1,877,319	3,974,938
Conservation and development	856,085	-	-	298,146	1,154,231
Capital Outlay	55,997	-	-	6,818,154	6,874,151
Debt Service					
Principal retirement	-	-	10,043,951	-	10,043,951
Interest, fiscal charges and debt issuance costs	-	-	2,667,215	128,887	2,796,102
Total Expenditures	<u>62,378,371</u>	<u>54,438,612</u>	<u>12,711,166</u>	<u>21,251,041</u>	<u>150,779,190</u>

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	<u>General</u>	<u>Human Services</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficiency) of revenues over expenditures	96,623	231,291	1,544,875	(5,040,949)	(3,168,160)
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation debt issued	-	-	-	12,305,000	12,305,000
Refunding debt issued	-	-	21,555,000	-	21,555,000
Refunding debt retirement	-	-	(23,463,808)	-	(23,463,808)
Premium on issuance of debt	-	-	1,100,273	62,858	1,163,131
Transfers in	2,639,334	-	-	2,367,950	5,007,284
Transfers out	-	(189,767)	-	(8,616,208)	(8,805,975)
<b>Total Other Financing Sources (Uses)</b>	2,639,334	(189,767)	(808,535)	6,119,600	7,760,632
<b>Net change in fund balance</b>	2,735,957	41,524	736,340	1,078,651	4,592,472
<b>FUND BALANCES</b>					
Beginning of year	24,620,032	119,033	795,487	2,873,809	28,408,361
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 27,355,989</u>	<u>\$ 160,557</u>	<u>\$ 1,531,827</u>	<u>\$ 3,952,460</u>	<u>\$ 33,000,833</u>

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**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, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$	4,592,472
--	----	-----------

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 outlay (\$20,759,820), is greater than depreciation (\$8,547,963) in the current period.

12,211,857

The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to increase (decrease) net position.

(556,577)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

21,222

Bond issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued. See Note II.B.

(1,181,090)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. See Note II.B.

(1,062,258)

Changes in the net pension asset and related deferred outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience in the pension plan.

(163,066)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and public works, to individual funds. The net expense of certain internal service funds is reported with governmental activities, plus capital assets acquired.

108,631

Change in net position of governmental activities

\$ 13,971,191



**KENOSHA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 46,275,266	\$ 46,152,291	\$ 48,382,229	\$ 2,229,938
Licenses and permits	134,100	135,030	165,234	30,204
Intergovernmental revenues	14,255,764	9,723,581	9,363,780	(359,801)
Charges for services	2,973,223	3,100,993	2,698,254	(402,739)
Fines, forfeits and penalties	1,121,100	1,253,089	1,195,452	(57,637)
Investment income	220,000	220,000	120,361	(99,639)
Miscellaneous income	632,291	744,797	549,684	(195,113)
Continuing appropriations	431,170	1,290,607	-	(1,290,607)
Total Revenues	66,042,914	62,620,388	62,474,994	(145,394)
<b>Expenditures</b>				
Current				
General government	22,031,785	22,633,727	21,740,212	893,515
Public safety	40,515,327	37,370,772	37,366,535	4,237
Social services	279,703	275,528	261,923	13,605
Education/recreation	2,257,414	2,436,124	2,097,619	338,505
Conservation and development	958,685	976,383	856,085	120,298
Capital Outlay	-	58,693	55,997	2,696
Total Expenditures	66,042,914	63,751,227	62,378,371	1,372,856
Excess (deficiency) of revenues over expenditures	-	(1,130,839)	96,623	1,227,462
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	2,639,334	2,639,334	-
Total Other Financing Sources (Uses)	-	2,639,334	2,639,334	-
Net change in fund balance	-	1,508,495	2,735,957	1,227,462
Fund balance - beginning	24,620,032	24,620,032	24,620,032	-
Fund balance - ending	\$ 24,620,032	\$ 26,128,527	\$ 27,355,989	\$ 1,227,462

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - HUMAN SERVICES FUND**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 11,909,063	\$ 11,909,063	\$ 11,909,063	\$ -
Intergovernmental revenues	41,514,056	43,144,306	42,588,763	(555,543)
Charges for services	17,000	17,000	30,176	13,176
Fines, forfeits and penalties	175,000	175,000	113,380	(61,620)
Miscellaneous income	4,423	27,623	28,521	898
Continuing appropriations	40,000	130,700	-	(130,700)
Total Revenues	<u>53,659,542</u>	<u>55,403,692</u>	<u>54,669,903</u>	<u>(733,789)</u>
<b>Expenditures</b>				
Current				
Health	10,977,738	12,557,284	12,533,253	24,031
Social services	42,681,804	43,062,181	41,905,359	1,156,822
Total Expenditures	<u>53,659,542</u>	<u>55,619,465</u>	<u>54,438,612</u>	<u>1,180,853</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(215,773)</u>	<u>231,291</u>	<u>447,064</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(189,767)	(189,767)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(189,767)</u>	<u>(189,767)</u>	<u>-</u>
Net change in fund balance	-	(405,540)	41,524	447,064
Fund balance - beginning	<u>119,033</u>	<u>119,033</u>	<u>119,033</u>	<u>-</u>
Fund balance - ending	<u>\$ 119,033</u>	<u>\$ (286,507)</u>	<u>\$ 160,557</u>	<u>\$ 447,064</u>

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2015**

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 26,087	\$ 1,854,204	\$ 457,530	\$ 2,337,821	\$ 4,157,848
Accounts receivable	1,925,545	2,178	560	1,928,283	-
Property taxes receivable	-	1,803,553	-	1,803,553	215,105
Due from other governments	-	556,714	4,332	561,046	206,716
Due from other funds	-	1,614,374	-	1,614,374	859,247
Inventories	45,240	518,624	38,581	602,445	-
Prepaid items	-	-	-	-	226,768
Total current assets	1,996,872	6,349,647	501,003	8,847,522	5,665,684
Noncurrent assets					
Restricted cash and investments	18,410,314	-	-	18,410,314	415,653
Deposit in WMMIC	-	-	-	-	1,157,860
Net pension asset	1,299,169	678,503	137,100	2,114,772	-
Capital assets					
Land and construction in progress	932,963	60,409	277,646	1,271,018	682,623
Intangible assets	-	-	29,508	29,508	-
Buildings and improvements	5,936,473	8,292,369	8,520,219	22,749,061	7,451,991
Machinery and equipment	5,590,143	13,585,647	3,051,060	22,226,850	632,512
Accumulated depreciation/amortization	(8,037,280)	(16,091,521)	(7,171,960)	(31,300,761)	(6,405,946)
Total capital assets	4,422,299	5,846,904	4,706,473	14,975,676	2,361,180
Total noncurrent assets	24,131,782	6,525,407	4,843,573	35,500,762	3,934,693
Total Assets	26,128,654	12,875,054	5,344,576	44,348,284	9,600,377
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	1,350,346	711,598	132,696	2,194,640	-
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	305,617	443,101	48,229	796,947	202,737
Claims payable	-	-	-	-	4,791,231
Due to other funds	1,614,374	-	-	1,614,374	859,247
Due to other governments	-	657,332	-	657,332	-
Other current liabilities	228,556	-	-	228,556	5,842
Current portion of unamortized (discount) premium on debt	39,999	-	-	39,999	-
Unearned revenue	-	-	14,827	14,827	-
Total current liabilities	2,188,546	1,100,433	63,056	3,352,035	5,859,057
Noncurrent liabilities					
Long-term obligations	22,202,323	1,502,660	113,138	23,818,121	-
Total noncurrent liabilities	22,202,323	1,502,660	113,138	23,818,121	-
Total Liabilities	24,390,869	2,603,093	176,194	27,170,156	5,859,057
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax levy	-	1,803,553	-	1,803,553	215,105
<b>NET POSITION</b>					
Net investment in capital assets	3,596,915	5,846,905	4,706,472	14,150,292	2,361,180
Restricted for non-expendable fund use	145,725	-	-	145,725	-
Restricted for pension benefits	2,649,515	1,390,101	269,796	4,309,412	-
Unrestricted (deficit)	(3,304,024)	1,943,000	324,810	(1,036,214)	1,165,035
Total Net Position	\$ 3,088,131	\$ 9,180,006	\$ 5,301,078	\$ 17,569,215	\$ 3,526,215

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2015**

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
<b>OPERATING REVENUES</b>					
Charges for services	\$ 15,732,364	\$ 4,481,518	\$ 3,001,800	\$ 23,215,682	\$ 26,200,700
Total Operating Revenues	<u>15,732,364</u>	<u>4,481,518</u>	<u>3,001,800</u>	<u>23,215,682</u>	<u>26,200,700</u>
<b>OPERATING EXPENSES</b>					
Operations and maintenance	14,978,627	13,938,774	2,370,078	31,287,479	26,039,968
General and administrative	1,361,168	472,401	-	1,833,569	-
Depreciation and amortization	403,910	937,009	608,989	1,949,908	497,109
Total Operating Expenses	<u>16,743,705</u>	<u>15,348,184</u>	<u>2,979,067</u>	<u>35,070,956</u>	<u>26,537,077</u>
Operating Income (Loss)	<u>(1,011,341)</u>	<u>(10,866,666)</u>	<u>22,733</u>	<u>(11,855,274)</u>	<u>(336,377)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
General property taxes	(471,558)	1,963,317	-	1,491,759	194,005
Intergovernmental grants	995,300	4,670,823	-	5,666,123	-
Investment income	1,421	-	-	1,421	15,577
Miscellaneous income	12,885	-	-	12,885	156,928
Amortization of debt discount and loss on refinancing	-	-	(42,037)	(42,037)	-
Interest and fiscal charges	(100,144)	-	(12,285)	(112,429)	(7,004)
Total Non-Operating Revenues (Expenses)	<u>437,904</u>	<u>6,634,140</u>	<u>(54,322)</u>	<u>7,017,722</u>	<u>359,506</u>
Income (Loss) Before Transfers	<u>(573,437)</u>	<u>(4,232,526)</u>	<u>(31,589)</u>	<u>(4,837,552)</u>	<u>23,129</u>
<b>TRANSFERS</b>					
Transfers in	-	4,629,999	331,620	4,961,619	85,500
Transfers out	-	(1,248,428)	-	(1,248,428)	-
Total Transfers	<u>-</u>	<u>3,381,571</u>	<u>331,620</u>	<u>3,713,191</u>	<u>85,500</u>
Change in net position	<u>(573,437)</u>	<u>(850,955)</u>	<u>300,031</u>	<u>(1,124,361)</u>	<u>108,629</u>
Net position - January 1, as originally stated	1,232,118	8,750,122	4,722,095	14,704,335	3,417,586
Cumulative Effect of Change in Accounting Principle Wisconsin Retirement System	<u>2,429,450</u>	<u>1,280,839</u>	<u>278,952</u>	<u>3,989,241</u>	<u>-</u>
Net position - January 1, as restated	<u>3,661,568</u>	<u>10,030,961</u>	<u>5,001,047</u>	<u>18,693,576</u>	<u>3,417,586</u>
Net position - December 31	<u>\$ 3,088,131</u>	<u>\$ 9,180,006</u>	<u>\$ 5,301,078</u>	<u>\$ 17,569,215</u>	<u>\$ 3,526,215</u>

See accompanying notes to the financial statements.

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**KENOSHA COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2015**

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 16,320,870	\$ 4,771,262	\$ 2,997,121	\$ 24,089,253	\$ 26,875,504
Paid to suppliers and employees for goods and services	(16,586,458)	(14,841,003)	(2,312,550)	(33,740,011)	(26,666,771)
Cash Flows from Operating Activities	(265,588)	(10,069,741)	684,571	(9,650,758)	208,733
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
General property taxes	(471,558)	1,963,317	-	1,491,759	194,005
Intergovernmental grants	995,300	4,670,823	-	5,666,123	-
Miscellaneous income	12,885	-	-	12,885	156,928
Transfers	-	(1,248,428)	-	(1,248,428)	-
Cash Flows from Noncapital Financing Activities	536,627	5,385,712	-	5,922,339	350,933
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Debt retired	-	-	(315,000)	(315,000)	-
Interest paid	-	-	(12,285)	(12,285)	(7,004)
Debt issued (net of issuance cost)	18,189,856	-	-	18,189,856	-
Premium on debt issued	799,973	-	-	799,973	-
Acquisition and construction of capital assets	(977,912)	(606,201)	(423,730)	(2,007,843)	(12,889)
Disposal of capital assets	-	46,738	27,184	73,922	-
Transfers	-	4,629,999	331,620	4,961,619	85,500
Cash Flows from Capital and Related Financing Activities	18,011,917	4,070,536	(392,211)	21,690,242	65,607
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Deposit to WMMIC restricted cash	-	-	-	-	88,924
Investment income	1,421	-	-	1,421	15,577
Cash Flows from Investing Activities	1,421	-	-	1,421	104,501
 Net Change in Cash and Cash Equivalents	 18,284,377	 (613,493)	 292,360	 17,963,244	 729,774
Cash and Cash Equivalents - Beginning of Year	152,024	2,467,697	165,170	2,784,891	3,428,074
Cash and Cash Equivalents - End of Year	\$ 18,436,401	\$ 1,854,204	\$ 457,530	\$ 20,748,135	\$ 4,157,848

See accompanying notes to the financial statements.

**KENOSHA COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2015**

	Business-type Activities				Governmental Activities
	Brookside Care Center	Highway	Non-major Fund Golf Course	Totals	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (1,011,341)	\$ (10,866,666)	\$ 22,733	\$ (11,855,274)	\$ (336,377)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:					
Depreciation expense and amortization	403,910	937,009	608,989	1,949,908	497,109
Change in net assets and deferred outflows related to pension	(220,064)	(109,262)	9,156	(320,170)	-
Changes in assets and liabilities:					
Accounts receivable	71,606	12,101	(347)	83,360	81,748
Due from other governments	516,900	327,801	(4,332)	840,369	-
Inventories	(4,079)	(10,988)	23,115	8,048	-
Due from other funds	-	(50,158)	-	(50,158)	593,056
Prepaid items	-	-	-	-	(203,133)
Accounts payable	(151,513)	(20,695)	18,158	(154,050)	(135,102)
Claims payable	-	-	-	-	304,488
Due to other governments	-	(23,400)	-	(23,400)	-
Due to other funds	50,158	-	-	50,158	(593,056)
Unearned revenue	-	-	581	581	-
OPEB payable	92,547	(265,483)	6,518	(166,418)	-
Accrued compensation	-	-	-	-	-
Other current liabilities	(13,712)	-	-	(13,712)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (265,588)</u>	<u>\$ (10,069,741)</u>	<u>\$ 684,571</u>	<u>\$ (9,650,758)</u>	<u>\$ 208,733</u>
Noncash investing, capital and financing activities:					
Infrastructure transferred to governmental activities	<u>\$ -</u>	<u>\$ 14,623,423</u>	<u>\$ -</u>	<u>\$ 14,623,423</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

KENOSHA COUNTY

STATEMENT OF ASSETS & LIABILITIES  
FIDUCIARY FUNDS - AGENCY FUNDS  
December 31, 2015

**ASSETS**

Cash and temporary cash investments	\$ 2,867,762
Miscellaneous receivables	<u>278,784</u>
Total Assets	<u><u>\$ 3,146,546</u></u>

**LIABILITIES**

Other accrued liabilities	<u>\$ 3,146,546</u>
Total Liabilities	<u><u>\$ 3,146,546</u></u>

See accompanying notes to the financial statements.



## KENOSHA COUNTY

### INDEX TO NOTES TO FINANCIAL STATEMENTS December 31, 2015

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NOTE	Page
I. Summary of Significant Accounting Policies	40
A. Reporting Entity	40
B. Government-Wide and Fund Financial Statements	40
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	44
D. Assets, Liabilities, and Net Position or Equity	46
1. Deposits and Investments	46
2. Receivables	47
3. Inventories and Prepaid Items	49
4. Restricted Assets	49
5. Capital Assets	49
6. Other Assets	50
7. Compensated Absences	50
8. Long-Term Obligations/Conduit Debt	51
9. Claims and Judgments	52
10. Equity Classifications	52
II. Reconciliation of Government-Wide and Fund Financial Statements	53
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Position	53
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities	54
III. Stewardship, Compliance, and Accountability	56
A. Budgetary Information	56
B. Governmental Funds - Excess Expenditures Over Appropriations	56
C. Deficit Balances	56
D. Limitations on the County's Tax Levy, Rate and its Ability to Issue New Debt	57
IV. Detailed Notes on All Funds	58
A. Deposits and Investments	58
B. Receivables	64
C. Capital Assets	65
D. Interfund Receivables/Payables and Transfers	68
E. Long-Term Obligations	70
F. Pension Plan	73
G. Restricted Assets	78
H. Lease Disclosures	79
I. Governmental Activities Net Position	79
J. Restatement of Net Position	81

## KENOSHA COUNTY

### INDEX TO NOTES TO FINANCIAL STATEMENTS (cont.) December 31, 2015

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NOTE	<u>Page</u>
V. Other Information	82
A. Risk Management	82
B. Commitments and Contingencies	86
C. Joint Venture	86
D. Other Postemployment Benefits	87
E. Cumulative Effect of Change in Accounting Principles	93
F. Subsequent Events	93
G. Upcoming Accounting Announcements	93

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the County of Kenosha, Wisconsin conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

***A. REPORTING ENTITY***

This report includes all of the funds of Kenosha County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate tax exempt organization should be reported as a component unit of a reporting entity if all the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents, (2) the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the separate organization, (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to or has the ability to otherwise access are significant to that primary government. This report does not contain any component units.

***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category, loss on refunding of bond which is amortized over the life of the debt and so is not realized until future periods and the County's proportionate share of the Wisconsin Retirement System pension plan which is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County's property tax

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)***

levy qualifies for reporting in this category. The amount will be recognized as an inflow of resources in the subsequent year for which it was levied. The County also has an additional type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, loans. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County allocates indirect expenses to functions in the Statement of Activities by using a cost allocation plan. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which, are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

***Fund Financial Statements (cont.)***

Funds are organized as major funds or non-major funds within the governmental, proprietary, and fiduciary statements. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

- General – accounts for and reports all financial resources not accounted for and reported in another fund.
- Human Services – Accounts for resources legally restricted to supporting expenditures for the Social Services and Aging programs.
- Debt Service – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

The County reports the following major enterprise funds:

- Brookside Care Center – accounts for the operations of the County nursing home.
- Highway – accounts for the maintenance of the County, state and local roads.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

***Fund Financial Statements (cont.)***

The County reports the following non-major governmental and enterprise funds:

- Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These specific restricted or committed revenues should be the foundation for a special revenue fund. These funds are:

Housing Authority	Federated Library System
Health Department	Geographic Information Systems
Federal Inmate	Federal Equitable Sharing

- Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities. These projects include:

Parkland Development	Energy Reduction Technology
Public Safety Access Point	Administration Building Restoration
Western County Communication	Other Capital Projects

- Enterprise Fund – Golf Course Fund – accounts for the operations of the County golf courses.

In addition, the County reports the following fund types:

- Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. These funds consist of:

Human Services Building	Workers Compensation
Health Insurance	General Liability Insurance

- Agency Funds - used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These funds consist of the following:

Clerk of Courts	Social Services
Child Support	Other Agency Funds

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special charges are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for human services, victim witness, and other reimbursable grants, for which available is defined as 180 days. This exception is necessary because the funding source reimbursement process routinely extends to this period and the revenue then more appropriately matches to the related expenditures. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County which are not available are recorded as receivables and liabilities or deferred inflows. Amounts received prior to the entitlement period are also recorded as liabilities or deferred inflows.



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***  
(cont.)

***Fund Financial Statements*** (cont.)

Special charges are recorded as revenues when they become measurable and available as current assets. Annual installments due in the future years are reflected as receivables and unearned revenues. Delinquent special assessments being held for collection by the County are reported as receivables and due to other governments in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special charges and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The County reports unearned revenues on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements, unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

Unearned revenues also arise when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds use the accrual basis of accounting and do not have a measurement focus.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***  
***(cont.)***

***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

***1. Deposits and Investments***

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County has adopted an investment policy which follows the state statute for allowable investments. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***1. Deposits and Investments (cont)***

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015 the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note IV. A. for further information.

***2. Receivables***

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the county. The taxes are due and payable in the following year.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. If not collected by July 31, the delinquent property taxes are recorded as delinquent taxes receivable and nonspendable fund balance in the general fund. Interest on delinquent property taxes is recognized as revenue when received.

The County purchases uncollected property taxes from other taxing authorities as the unpaid amount to facilitate the collection of taxes.

The purchases are a financing arrangement and are not included in property tax revenues. Delinquent property taxes purchased from other taxing authorities are included as a nonspendable fund balance at year end. Delinquent special assessments are recorded as a receivable and due to other units of government until collected and paid to the taxing jurisdiction.

Property taxes as levied are collected by local treasurers until January 31 in eleven municipalities and July 31 in two municipalities. At the end of the local treasurer's collection process, a settlement between the County treasurer and local treasurers determine the amount due the various taxing districts. Tax collection becomes the responsibility of the County and delinquent taxes receivable represent unpaid taxes levied for all taxing entities within the County. On August 31, the tax lien date, all unpaid taxes are reflected as tax certificates. No allowance for losses on delinquent taxes has been provided because the County has demonstrated its ability to recover any losses through the sale of property.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***2. Receivables (cont.)***

Following is the property tax calendar for municipalities within the County except for the City of Kenosha and the Village of Pleasant Prairie which collect taxes in three installments through July 31.

Property tax calendar – 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale – 2014 delinquent real estate taxes	October 2018

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

The County has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the County monthly. Sales tax is accrued as a receivable when the underlying sale related to it takes place. At December 31, 2015, the County has accrued two months of the subsequent year’s collections as receivable.

The County has received federal grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The County records a loan receivable when the loan has been made and funds have been disbursed.

It is the County’s policy to record deferred inflow in the governmental funds for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are issued from the repayments, expenditures are recorded. In the government-wide statements, revenue is recorded when new loans are made. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***3. Inventories and Prepaid Items***

Governmental fund inventory items are charged to expenditure accounts when purchased. Year end inventory was not significant. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction, and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

***5. Capital Assets***

***Government-Wide Financial Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 (Brookside Care Center's threshold is \$1,000) for general capital assets and infrastructure assets, and an estimated useful life based on the asset type. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable based on the amount provided by the appraisal firm retained by the County. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation/amortization.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***5. Capital Assets (cont)***

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation/amortization. The range of estimated useful lives by type of asset is as follows:

Land Improvements	20 Years
Buildings	50-100 Years
Machinery and Equipment	5-40 Years
Infrastructure	15-50 Years
Intangible assets	3-5 Years

***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

***6. Other Assets***

In all funds, debt issuance costs are recognized as expenditures in the current period. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, requires debt issuance costs to be expensed in the period incurred, rather than recorded as assets and amortized over the life of the related debt issue. Discounts and premiums are amortized over the life of the related debt issue.

***7. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. The amount of accumulated sick leave that will not be paid with expendable available resources cannot be reasonably determined. Sick leave does not vest.

Vested vacation and casual days are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***7. Compensated Absences (cont)***

Non-classified employees are subject to a PTO (paid time off) bank in which unused benefit time is not matured at resignation or retirement. Previously, these employees earned vacation and casual benefit days during the current year for the following year. Currently, two bargaining units will accrue a full year of compensated benefit time that can mature. All other employees will have PTO banks and the benefit time will not be a liability to the County.

Accumulated liabilities at December 31, 2015 are determined on the basis of current salary rates and include salary related payments.

***8. Long-Term Obligations/Conduit Debt***

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term obligations consists primarily of notes and bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources. The payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt which ever is shorter. The balance at year end for both premiums/discounts is shown as an increase or decrease in the liability section of the balance sheet.

In September 2009, the County Board authorized issuance of conduit debt titled "Kenosha County, Wisconsin Community Facility Revenue Bond, Series 2009" whose principal may not exceed \$8,300,000. The purpose of the bond is to assist a non profit community organization in the construction of a facility within the County. In 2013, this agency refinanced this bond at \$5,713,550. Final maturity of the bonds is September 2030. The bonds are secured by various assets of the borrower. The balance of the debt as of December 31, 2015 is \$5,380,510.

The County has no liability for this conduit debt in the event of default by the borrowers. Accordingly, the bonds are not reported as liabilities in the County's financial statements.



**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

---

**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***9. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Government Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. See Note V. B. on commitments and contingencies.

***10. Equity Classifications***

***Government-Wide Financial Statements***

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets – includes the County's capital assets (net of accumulated depreciation and capital related deferred outflows of resources) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- b. Restricted Net Position – includes assets that have third party (statutory, bond covenant, or granting agency) limitations on their use. The County typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- c. Unrestricted Net Position – typically includes unrestricted liquid assets. The County has the authority to revisit or alter this position.

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

	Governmental Activities	Business- type Activities	Adjustment	Total
Net investment in capital assets	\$ 51,310,405	\$14,150,291	\$(10,654,022)	\$54,806,674
Unrestricted (deficit)	\$ 4,892,770	\$(1,036,214)	\$ 10,654,022	\$14,510,578

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***10. Equity Classifications (cont)***

***Fund Financial Statements***

Governmental fund equity is classified as fund balance. GASB 54 requires the fund balance amounts to be reported in the following categories:

- a. Nondisposable – Amounts that cannot be spent either because they are in a nondisposable form, or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- c. Committed – Amounts that can be used only for the specific purposes determined by a formal action or resolution of the County Board (the County's highest level of decision-making authority).
- d. Assigned – Amounts that are intended to be used for a particular purpose expressed by the Board or other authorized committee or individual.
- e. Unassigned – All amounts not included in other spendable classifications.

It is the practice of the County to spend committed amounts first followed by assigned then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

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**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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***A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION***

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities." All liabilities, both current and long-term, are reported in the statement of net position.



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

---

***A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (CONT)***

Following are details of these differences:

Bonds and notes payable(excluding internal service fund debt)	\$ 99,690,000
Bond premiums net of discounts	1,707,000
Post retirement health insurance benefits	26,312,384
Vacation/casual day accrual	<u>132,313</u>
Combined adjustment for long-term liabilities	<u>\$ 127,841,697</u>

Internal service funds are classified as proprietary funds in the fund statements but as governmental activities in the government-wide statements.

Internal Service Funds:	
Human Services Building	\$ 2,026,214
Health Insurance	<u>1,500,001</u>
Total	<u>\$ 3,526,215</u>

***B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental* funds and *changes in net position of governmental* activities as reported in the government-wide statement of activities.

One element of that reconciliation states that “bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. This is the amount by which repayments exceeded debt issued.”

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

---

***B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES (cont)***

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. The details of this \$(1,181,090) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (33,860,000)
Current year net premiums	(879,015)
Current year net premium amortization	187,925
Principal repayments:	
General obligation debt	<u>33,370,000</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (1,181,090)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$(1,062,258) difference are as follows:

Post retirement health insurance benefits	\$ (817,004)
Vacation/casual day accrual	(13,388)
Amortization of loss on refunding	(41,726)
Accrued interest	<u>(190,140)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (1,062,258)</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

---

***A. BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.

A budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds. Comparisons of actual to budget are presented in the basic financial statements for the general fund and human services special revenue fund. Budgetary comparisons are not required for proprietary funds.

The budgeted amounts presented include any amendments made. Various approvals are required to transfer budgeted amounts within departments, between departments, or changes to the overall budget.

Appropriations lapse at year end unless specifically carried over. Continuing appropriations to the following year are included in assigned fund balance (for government funds) as follows:

General Fund	\$ 1,263,558
Geographic Information Systems	10,000
Capital Projects Funds	3,574,598

***B. GOVERNMENTAL FUNDS - EXCESS EXPENDITURES OVER APPROPRIATIONS***

The County controls expenditures at the business unit level. There were no expenditure line item accounts that experienced expenditures which exceed appropriations.

***C. DEFICIT BALANCES***

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. The County has no funds with deficit balances at December 31, 2015.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

---

***D. LIMITATIONS ON THE COUNTY'S TAX LEVY RATE AND ITS ABILITY TO ISSUE NEW DEBT***

The State budget repealed the county operating tax (mill) rate limit. Counties remain subject to levy limits and current law provisions pertain to the issuance of debt.

The State budget continues the property tax "freeze" by limiting levy growth (with some exceptions) to the greater of 0 percent or the change in property values due to net new construction. Levy limit exceptions for debt service, service consolidations, and annexations are retained. The budget increases the carry forward of unused levy capacity ("use it or lose it") from 0.5 percent of the prior year's levy to 1.5 percent. In order for a county to carryforward unused levy capacity of up to 0.5 percent, a simple majority vote of the board is required. In order for a county to carry forward between 0.5 percent and 1.5 percent, a super majority vote of the board is required.

The budget also includes an exception to the pre-2005 negative debt adjustment for counties that do not carry forward unused levy capacity from the prior year.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS**

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**A. DEPOSITS AND INVESTMENTS**

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

The County has an agreement with Johnson Bank for collateralization of its deposits and investments. The bank has pledged \$5,143,741 of various governmental securities as collateralization for the County's deposits.

The County maintains a cash and investment pool that is available for use by all funds. The carrying amount of the various fund types on December 31, 2015 are as follows:

General	\$ 19,504,778
Special Revenue	1,990,079
Capital Projects	3,587,317
Debt Service	1,539,627
Enterprise	20,748,135
Internal Service	5,731,362
Agency	2,867,762
	<u>\$ 55,969,060</u>

The distribution of deposits and investments is as follows:

Petty Cash	\$ 8,210
Deposits	4,856,438
Investments	51,104,413
	<u>\$ 55,969,060</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

---

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

---

**A. DEPOSITS AND INVESTMENTS (cont.)**

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian holding the County's deposits, the deposits may not be returned.

As of December 31, 2015, the carrying amount of the County's deposits was \$4,856,438 and the bank balance was \$3,645,805. As of December 31, 2015, \$2,753,646 of the County's deposits with financial institutions were in excess of federal and state depository insurance limits of which all were collateralized with securities held by the pledging financial institution or its trust department or agent but not on the County's name. In addition, the County maintains petty cash funds in the amount of \$8,210.

Investments

The County's investment policy follows Wisconsin State Statute 34 and County ordinance which delegates authority to the Treasurer to invest money of the County, to sell or exchange securities purchased and to provide for the safekeeping of such securities. The County contracts with investment advisory firms for investment management services.

State statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of Wisconsin governmental units; bonds issued by a local exposition district, a local professional baseball park district, the University of Wisconsin Hospitals and Clinics Authority or by the Wisconsin Aerospace Agency; time deposits with maturities of less than three years in any financial institution in Wisconsin; the State of Wisconsin Local Government Investment Pool; any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency; securities of an open-end management investment company or investment trust subject to various conditions and investment options; and repurchase agreements with public depositories, with certain conditions. The County only deposits and invests its monies in investments allowed by State Statute.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are recorded at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

Investment Risk Factors

There are many factors that can affect the value of investments, such as credit risk, custodial credit risk, interest rate risk and foreign currency risk.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***A. DEPOSITS AND INVESTMENTS (cont.)***

Credit Risk

Fixed income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies, such as Moody's Investors Service (Moody's) or Standard and Poor's (S&P). The lower the rating is, the greater the risk, in the rating agency's opinion, that the bond issuer will default or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government are not considered to have credit risk.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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**A. DEPOSITS AND INVESTMENTS (cont.)**

Credit Risk (cont)

The credit risk profile for fixed income securities at December 31, 2015 is as follows:

<b>U.S. Government Guaranteed</b>		
Investment	Moody's Rating	Amount
<b>AIM</b>		
Government & Agency- Institutional	AAA	\$ 657,363
Treasury - Institutional	AAA	250,851
<b>DANA</b>		
Federal Home Loan Mortgage Corp.	AAA	4,623,792
Federal National Mortgage Association	AAA	1,808,101
Government National Mortgage Association	AAA	17,616
Small Business Association	AAA	949,073
<b>Kenosha Community Foundation</b>		
Federated Govt Ultrashort Fund	AAA	23,685
Treasury Notes	AAA	65,708
Total U.S. Government Guaranteed		<b>8,396,189</b>
<b>Pooled Funds</b>		
Wisconsin Local Government		
Investment Pool	Unrated	<b>42,310,244</b>
<b>Money Market Accounts</b>		
BMO Prime Money Market	AAA	11,436
DANA Money Market Account	AAA	386,543
Total Money Market Accounts		<b>397,979</b>
Grand Total		<b>\$ 51,104,413</b>



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

---

**A. DEPOSITS AND INVESTMENTS (cont.)**

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian holding the County's investments, the investments may not be returned.

The County's Investment Policy requires all investment institutions acting as a depository for the County to enter into a "depository agreement" requiring the depository to pledge collateral to secure deposits over and above the \$250,000 of federal depository insurance and the \$400,000 covered by the State Deposit Guarantee. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. The custodian shall send statements of pledged collateral to the Treasurer's Office on a monthly basis.

The County's Investment Policy does not address custodial credit risk for investments. In practice, all of the County's investments are held in the County's name by a third party custodian (a bank trust company), or are part of an external investment pool. There is no custodial credit risk exposure for these investments.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification of having significant funds invested in a few individual issuers, thereby exposing the County to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. The County's Investment Policy follows the "prudent investor rule" which strives toward the preservation of capital and diversification of the portfolio to minimize losses.

Major issuers (over five percent of total investments) in the County's portfolio as of December 31, 2015 are as follows:

Issuer	Amount	Percentage
Federal National Mortgage Association	\$ 1,808,101	4%
U.S.Treasury	983,838	2%
Federal Home Loan Mortgage Corp.	4,623,792	9%
Other issuers (none over 5%)	43,688,682	86%
	<u>\$ 51,104,413</u>	100%

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

---

**A. DEPOSITS AND INVESTMENTS (cont.)**

Interest Rate Risk

The County's Investment Policy does not address interest rate risk for its investments. In practice, the County contracts with professional portfolio management firms for its investments. Each portfolio management firm has been assigned a widely recognized benchmark consistent with their management strategy.

AIM has been assigned the Lehman Intermediate Government Index as their benchmark. Dana Investment Advisors uses the Merrill Lynch three month Treasury Bill index as their official benchmark.

In addition to using the assigned benchmarks to evaluate the performance of the portfolio management firms, the firms also manage interest rate risk by maintaining the effective duration of their portfolios consistent to the duration of the assigned benchmark. The duration of the County's overall investments at December 31, 2015 is as follows (total duration includes money market accounts, which are not listed in the table):

<u>Investment Type</u>	<u>Amount</u>	<u>Effective Duration</u>
Federal Home Loan Mortgage Corp.	\$ 4,623,792	Average 591 days
Federal National Mortgage Association	1,808,101	Average 230 days
Government National Mortgage Association	17,616	Average 237 days
Small Business Association	949,073	Average 55 days
US Treasury	65,708	Average 22 days
Federated Government Ultrashort Duration	23,685	Average 66 days
	<u>\$ 7,487,975</u>	

For money market fund investments and the Wisconsin Local Government Investment Pool, weighted average maturity is used to measure interest rate risk. The weighted average maturity of all of the County's money market investments at December 31, 2015 is as follows:

<u>Fund Name</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Wisconsin Local Government Investment Pool	\$ 42,310,244	80.00 days
AIM Short Term Government & Agency	657,363	31.25 days
AIM Short Term Treasury	250,851	46.26 days
BMO Money Market Fund	11,436	0.08 days
	<u>\$ 43,616,438</u>	

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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**B. RECEIVABLES**

Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

Loans issued by the Housing Authority are not due until the related real estate property is sold by the borrower. Therefore, the amount that will be due within one year can not be determined.

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes collected within sixty days subsequent to year-end are considered to be available for current expenditures and are therefore excluded from the nonspendable portion of fund balance. The County adjusts the nonspendable fund balance for delinquencies by the full amount net of the first sixty days of collections in the following year.

For the year ended December 31, 2015, collections in the first sixty days aggregated \$758,043. Therefore, the delinquent property tax nonspendable fund balance is \$8,323,222 less \$758,043 or \$7,565,179.

At December 31, 2015, delinquent property taxes by year levied consists of the following:

	<u>Total</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax Certificates			
2014	3,324,724	563,786	2,760,937
2013	2,164,209	366,992	1,797,216
2012	1,261,584	213,931	1,047,652
2011	742,469	125,902	616,567
2010	403,695	68,455	335,240
2009	222,824	37,784	185,039
2008 and prior	203,718	34,544	169,174
Total Tax Certificates	8,323,222	<u>\$ 1,411,402</u>	<u>\$ 6,911,821</u>
Delinquent Special Assessments	1,867,525		
Tax Deeds held by County	1,158,879		
Other	1,047		
Total Delinquent Property			
Taxes Receivable	<u>\$ 11,350,673</u>		

For economic development loans, the County is limited by the Wisconsin Department of Commerce to the amount of program income from economic development loans it may retain and loan to other businesses. Program income includes the principal and interest received from economic development loans repayments. Based upon its current population, the County may retain \$750,000. At December 31, 2015, the County has not exceeded its maximum retention cap. If it does, a liability to the state will be recorded.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS**

The County defines their capital assets as assets with an initial cost of more than \$5,000. The addition column represents the new assets in 2015 including new infrastructure assets. The deletion column represents the assets that were discarded in 2015.

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities, excluding Internal Service Capital Assets				
Capital Assets not being depreciated:				
Construction in Progress	\$ 4,024,086	\$ 1,339,696	\$ (1,511,021)	\$ 3,852,761
Land Improvements	13,888,126	3,506,632	(982,800)	16,411,958
Land	20,535,426	252,827	-	20,788,253
Total Capital Assets not being depreciated	38,447,638	5,099,155	(2,493,821)	41,052,972
Other Capital Assets:				
Land Improvements	4,519,044	1,264,014	-	5,783,058
Buildings	94,625,794	1,332,876	(157,460)	95,801,210
Machinery & Equipment	32,996,679	4,451,196	(350,381)	37,097,494
Infrastructure	43,778,552	11,106,400	(2,488,300)	52,396,652
Total Other Capital Assets at Historical Cost	175,920,069	18,154,486	(2,996,141)	191,078,414
Less: Accumulated Depreciation				
Land Improvements	(3,069,403)	(207,650)	-	(3,277,053)
Buildings	(31,560,853)	(1,979,424)	59,835	(33,480,442)
Machinery & Equipment	(20,533,295)	(3,546,284)	283,653	(23,795,926)
Infrastructure	(20,513,209)	(2,814,605)	2,096,074	(21,231,740)
Total Accumulated Depreciation	(75,676,760)	(8,547,963)	2,439,562	(81,785,161)
Net Total Other Capital Assets	100,243,309	9,606,523	(556,579)	109,293,253
Net Subtotal Non-Internal Service Capital Assets	138,690,947	14,705,678	(3,050,400)	150,346,225
Internal Service Capital Assets				
Capital Assets not being depreciated:				
Land	682,623	-	-	682,623
Total Capital Assets not being depreciated	682,623	-	-	682,623
Other Capital Assets:				
Buildings	7,451,991	-	-	7,451,991
Machinery & Equipment	619,623	12,889	-	632,512
Total Other Capital Assets	8,071,614	12,889	-	8,084,503
Less: Accumulated Depreciation	(5,908,837)	(497,109)	-	(6,405,946)
Net Total Other Capital Assets	2,162,777	(484,220)	-	1,678,557
Net Subtotal Internal Service Capital Assets	2,845,400	(484,220)	-	2,361,180
Net Total Government Activities Capital Assets	\$ 141,536,347	\$ 14,221,458	\$ (3,050,400)	\$ 152,707,405

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (con't)**

Depreciation expense was charged to functions as follows:

Depreciation expense was charged to functions as follows:

General Government	\$ 4,955,278
Public Safety	783,870
Public Works	2,814,605
Social Services	23,996
Education & Recreation	295,509
Health	54,060
Conservation & Development	117,754
Total Governmental Activities- Depreciation Expense	<u>\$ 9,045,072</u>

Total depreciation includes \$497,109 recorded to the internal service fund Human Services Building.

The total amounts for infrastructure shown in the above schedule are detailed more fully below.

<u>Infrastructure Category</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Roadways	\$ 34,332,905	\$ 10,482,502	\$ (2,454,300)	\$ 42,361,107
Bridges	5,336,264	623,898	(34,000)	5,926,162
Traffic signals	3,490,383	-	-	3,490,383
Sewer drainage	384,000	-	-	384,000
Culverts	235,000	-	-	235,000
Infrastructure	<u>43,778,552</u>	<u>11,106,400</u>	<u>(2,488,300)</u>	<u>52,396,652</u>
Less Accumulated Depreciation				
Roadways	(16,294,376)	(2,545,016)	2,072,074	(16,767,318)
Bridges	(1,913,600)	(117,578)	24,000	(2,007,178)
Traffic signals	(2,013,733)	(139,511)	-	(2,153,244)
Sewer drainage	(238,400)	(7,800)	-	(246,200)
Culverts	(53,100)	(4,700)	-	(57,800)
Total Accumulated Depreciation	<u>(20,513,209)</u>	<u>(2,814,605)</u>	<u>2,096,074</u>	<u>(21,231,740)</u>
Net Infrastructure	<u>\$ 23,265,343</u>	<u>\$ 8,291,795</u>	<u>\$ (392,226)</u>	<u>\$ 31,164,912</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
<b>Business - type Activities</b>					
Capital Assets not being depreciated/amortized:					
Land	\$ 338,258	\$ -	\$ -	\$ -	\$ 338,258
Construction In Progress	-	911,727	-	21,033	932,760
Total Capital Assets not being depreciated/amortized	338,258	911,727	-	21,033	1,271,018
Other Capital Assets:					
Intangible Assets	29,508	-	-	-	29,508
Land Improvements	5,964,247	65,740	-	-	6,029,987
Buildings	16,730,683	9,424	-	(21,033)	16,719,074
Machinery & Equipment	21,584,487	1,224,427	(582,064)	-	22,226,850
Total Other Capital Assets at Historical Cost	44,308,925	1,299,591	(582,064)	(21,033)	45,005,419
Less: Accumulated Depreciation/Amortization					
Intangible Assets	(8,853)	-	-	-	(8,853)
Land Improvements	(3,371,729)	(212,950)	-	-	(3,584,679)
Buildings	(12,235,706)	(617,515)	-	-	(12,853,221)
Machinery & Equipment	(14,242,703)	(1,119,443)	508,138	-	(14,854,008)
Total Accumulated Depreciation/Amortization	(29,858,991)	(1,949,908)	508,138	-	(31,300,761)
Net Total Other Capital Assets	14,449,934	(650,317)	(73,926)	(21,033)	13,704,658
Net Total Business - type Activities Capital Assets	\$ 14,788,192	\$ 261,410	\$ (73,926)	\$ -	\$ 14,975,676

Depreciation/amortization expense was charged to functions as follows:

<b>Business-type Activities</b>	
Brookside Care Center	\$ 403,910
Highway	937,009
Golf Course	608,989
Total Business-type Activities - Depreciation/ Amortization Expense	<u>\$1,949,908</u>

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS***

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Human Services		\$ 1,047,566
	Health Department	(1,033,665)
	Geographic Information Systems	(13,901)
Highway		1,614,374
	Brookside Care Center	(1,614,374)
Health Insurance		859,247
	Human Services Building	(270,906)
	General Liability Insurance	(588,341)

All of these balances will be repaid within the year.

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)***

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount		Principal Purpose
		In	Out	
General Fund		2,639,334		To record lapsing funds transferred at year end.
	Human Services		189,767	
	Health Department		58,244	
	Federal Inmate		1,141,881	
	Library System		1,014	
	Highway		1,248,428	
Golf Course		331,620		To record bond proceeds in appropriate funds.
Highway		4,629,999		
Human Services Building		85,500		
Parkland Development		100,000		
Admin Building Restoration		2,000,000		
	Other Capital Projects		7,147,119	
Other Capital Projects		57,950		To transfer funds for approved repurposed surplus.
	Health Department		57,950	
Western County Communication		10,000		
	Other Capital Projects		10,000	
Public Safety Access Point Project			200,000	Correct allocation of bond money.
	Other Capital Projects	200,000		

The Highway enterprise fund transferred infrastructure to the governmental activities in 2015 totaling \$14,623,423. These costs are reported as highway expenses in the fund statement and as transfers in the government-wide statements.



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)**

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
General Obligation Debt	\$ 99,200,000	\$ 33,860,000	\$ 33,370,000	\$ 99,690,000	\$ 12,975,000
Add/(Subtract) Deferred Amounts For:					
Bond premiums net of discounts	1,015,910	879,015	187,925	1,707,000	276,844
Total Bonds And Notes Payable	100,215,910	34,739,015	33,557,925	101,397,000	13,251,844
Other Liabilities:					
Post Retirement Benefits	25,495,383	4,068,652	3,251,651	26,312,384	4,161,710
Vested Vacation and Casual Days	118,925	13,388	-	132,313	63,173
Total Other Liabilities	25,614,308	4,082,040	3,251,651	26,444,697	4,224,883
<b>Total Governmental Activities-</b>					
<b>Long-Term Obligations</b>	<u>\$ 125,830,218</u>	<u>\$ 38,821,055</u>	<u>\$ 36,809,576</u>	<u>\$ 127,841,697</u>	<u>\$ 17,476,727</u>
	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable:					
General Obligation Debt	\$ 315,000	\$ 18,290,000	\$ 315,000	\$ 18,290,000	\$ -
Add/(Subtract) Deferred Amounts For:					
Bond premiums net of discounts	(42,037)	799,973	(42,037)	799,973	39,999
Total Bonds And Notes Payable	272,963	19,089,973	272,963	19,089,973	39,999
Other Liabilities:					
Post Retirement Benefits	4,934,562	490,327	656,742	4,768,147	-
Total Other Liabilities	4,934,562	490,327	656,742	4,768,147	-
<b>Total Business-type Activities-</b>					
<b>Long-Term Obligations</b>	<u>\$ 5,207,525</u>	<u>\$ 19,580,300</u>	<u>\$ 929,705</u>	<u>\$ 23,858,120</u>	<u>\$ 39,999</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the County. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the County may not exceed five percent of the equalized value of taxable property within the County's jurisdiction. The debt limit as of December 31, 2015, was \$629,061,570. Total general obligation debt outstanding at year end was \$117,980,000.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2015</u>
Governmental Activities - General Obligation Debt					
Promissory Notes	2007	2017	3.25% - 3.65%	4,050,000	\$ 285,000
Refunding Bonds	2009	2017	1.50% - 3.25%	2,735,000	675,000
Refunding Bonds	2010	2017	2.00% - 3.00%	20,250,000	6,495,000
Refunding Bonds	2010	2022	0.50% - 3.75%	7,305,000	5,210,000
Promissory Notes	2011	2021	2.00% - 3.00%	10,030,000	7,430,000
Building Bonds	2011	2031	2.00% - 4.25%	2,810,000	2,410,000
Promissory Notes	2012	2022	1.00% - 2.50%	15,750,000	13,250,000
Building Bonds	2012	2032	2.00% - 3.50%	2,805,000	2,550,000
Promissory Notes	2013	2023	2.00% - 2.60%	9,765,000	8,765,000
Refunding Bonds	2013	2019	1.00% - 3.00%	11,115,000	7,085,000
Promissory Notes	2014	2024	2.00% - 3.00%	11,925,000	11,675,000
Refunding Bonds	2015	2030	0.05% - 4.00%	21,555,000	21,555,000
Promissory Notes	2015	2025	2.00% - 4.00%	12,305,000	12,305,000
Total Governmental Activities - General Obligation Debt					<u>\$ 99,690,000</u>

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/2015</u>
Business-type Activities - General Obligation Debt					
Refunding Bonds	2015	2035	3.00% - 4.00%	18,290,000	<u>\$ 18,290,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 18,290,000</u>
Total Debt					<u>\$ 117,980,000</u>

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

***E. LONG-TERM OBLIGATIONS (cont.)***

***General Obligation Debt (cont.)***

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 12,975,000	\$ 2,435,859	\$ -	\$ 624,604
2017	13,010,000	2,171,696	-	638,800
2018	11,825,000	1,923,263	-	638,800
2019	11,330,000	1,685,658	-	638,800
2020	10,820,000	1,398,551		638,800
2021-2025	32,125,000	3,394,555	5,145,000	2,894,600
2026-2030	6,950,000	812,263	5,985,000	2,056,325
2031-2035	655,000	24,661	7,160,000	882,000
Totals	<u>\$ 99,690,000</u>	<u>\$ 13,846,506</u>	<u>\$ 18,290,000</u>	<u>\$ 9,012,729</u>

***Current Refunding***

On April 29, 2015, the County issued \$21,555,000 in general obligation bonds with an average interest rate of 2.402% to current refund three prior issues, \$9,135,000 of outstanding bonds with an average interest rate of 5.13%, \$8,120,000 with an average interest rate of 4.30%, and \$4,300,000 with an average interest rate of 2.82%. The net proceeds of \$21,524,456 (after payment of \$221,238 in insurance and other issuance costs plus an underwriting premium of \$190,714) plus an additional \$1,939,352 of prior issue debt service funds were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds prior to the current refunding was \$23,463,809. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,451,466.

***Other Debt Information***

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences and post retirement benefits liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The County believes it is in compliance with all significant limitations and restrictions.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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**F. PENSION PLAN**

a. Plan Description

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***F. PENSION PLAN (cont.)***

**b. Post-Retirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

**c. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,929,984 in contributions from the County.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. PENSION PLAN (cont.)**

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the County reported an asset of \$9,884,481 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the County's proportion was .040241775%, which was a decrease of .00612055% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the County recognized pension expense of \$3,923,314.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,432,942
Net differences between projected and actual earnings on pension plan investments	4,786,543
Changes in proportion and differences between employer contributions and proportionate share of contributions	194,931
Employer contributions subsequent to the measurement date	3,894,584
Total	\$ 10,309,000

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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**F. PENSION PLAN (cont.)**

The \$3,894,584 reported as deferred outflows related to pension resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflows of Resources
2015	\$ 1,462,408
2016	1,462,408
2017	1,462,408
2018	1,462,408
2019	564,784

**e. Actuarial Assumption**

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

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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**F. PENSION PLAN (cont.)**

*Long-term expected Return on Plan Assets.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

*Single Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:



**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

---

**F. PENSION PLAN (cont.)**

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
County's proportionate share of the net pension asset (liability)	\$ (27,885,823)	\$ 9,884,481	\$ 39,713,939

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

**f. Payable to the WRS**

At December 31, 2015 the County reported a payable of \$310,391 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2015.

**G. RESTRICTED ASSETS**

The County has restricted assets which consist of a deposit in Wisconsin Municipal Mutual Insurance Company (WMMIC) in the amount of \$1,157,860. This deposit is the County's original capitalization investment. In addition, cash in the amount of \$415,653 is restricted for liability insurance at WMMIC.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***H. LEASE DISCLOSURES***

***Lessor – Operating Leases***

The County leases a portion (44%) of the Public Safety Building facility to the City of Kenosha and the Kenosha City-Joint Services Board under operating leases that are renewed on a year to year basis. The 2015 revenues of \$760,878 related to these leases were recorded in the General Fund. The provisions of the lease agreement allow for an annual adjustment of the lease amount based on the actual costs to the County of maintaining the facility. The book value of the entire building is \$27,055,720 with a net book value of \$16,770,191.

The County has no material operating leases with a remaining noncancellable term exceeding one year.

***Capital Leases – Lessee/Lessor***

The County has no material capital leases as lessee or lessor.

***I. GOVERNMENTAL ACTIVITIES NET POSITION***

Governmental activities net position reported on the government-wide statement of net position at December 31, 2015 includes the following:

***Governmental Activities***

Net investment in capital assets	
Land, land improvements and construction in progress	\$ 41,735,595
Other capital assets, net of accumulated depreciation	110,971,810
Less: capital related long-term debt outstanding (net of unspent proceeds of debt)	<u>(101,397,000)</u>
Total Net investment in capital assets	<u>\$ 51,310,405</u>
Restricted for:	
Specific purpose – governmental activity restriction	\$ 2,176,230
Specific purpose – grants and loans for Housing Authority	1,255,335
Pension benefits	<u>15,884,069</u>
Total Restricted	<u>19,315,634</u>
Unrestricted	<u>4,892,770</u>
Total Governmental Activities Net Position	<u>\$ 75,518,809</u>

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***I. GOVERNMENTAL ACTIVITIES NET POSITION (cont.)***

***Governmental Activities (cont.)***

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

**Nonspendable**

**Major Funds**

General Fund	
Prepaid items	\$ 213,365
Delinquent taxes	<u>7,565,179</u>
Total Nonspendable funds	<u>\$7,778,544</u>

**Restricted**

**Major Funds**

Human Service Fund	\$ 108,008
Debt Service Fund	<u>1,531,827</u>
Total Restricted funds of major funds	<u>\$1,639,835</u>

**Restricted**

**Non-major funds**

Special Revenue - Health Department – city contribution share	\$ 170,973
Special Revenue – Housing Authority – revolving loan funding	21,411
Special Revenue – Federal Equitable Sharing funds	<u>344,011</u>
Total Restricted funds of non-major funds	<u>\$ 536,395</u>

**Committed**

**Major Funds**

Human Service Fund	<u>\$ 52,549</u>
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**Committed**

**Non-major funds**

Special Revenue – Geographic Information Systems – for GIS use	<u>\$ 7,642</u>
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**Assigned**

**Major Funds:**

General Fund	
Encumbrances	\$ 95,911
Sheriff special deposit	17,245
Subsequent year expenditures	<u>1,263,558</u>
Total Assigned funds – General Fund	<u>\$ 1,376,714</u>

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

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***I. GOVERNMENTAL ACTIVITIES NET POSITION (cont.)***

***Governmental Activities (cont.)***

**Assigned**

**Non-major Funds**

Subsequent year expenditures	
Special Revenue – Geographic Information Systems	\$ 10,000
Capital Projects Funds	
Parkland Development	\$ 674,176
Western County Communication	91,937
Energy Reduction Technology	30,778
Administration Building Restoration	203,584
Other Capital Projects	<u>2,574,123</u>
Total Capital Projects subsequent year expenditures	<u>3,574,598</u>
Total Subsequent year expenditures	<u>\$ 3,584,598</u>

**Unassigned**

**Major Funds**

General Fund	<u>\$ 18,200,731</u>
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**Unassigned(deficit)**

**Non-major Funds**

Other Capital Projects	<u>(176,175)</u>
Total Non-major unassigned(deficit)	<u>\$ (176,175)</u>

***J. RESTATEMENT OF NET POSITION***

The net position was restated for January 1 for the governmental activities as a result of a change in actuarial numbers for the OPEB calculation.

Governmental Activities - Net Position -	
December 31, 2014 (as reported)	\$ 45,443,811
Add:	
Adjustment to beginning balance of post retirement benefits	<u>56,669</u>
Net Position - January 1, 2015 (as restated)	<u>\$ 45,500,480</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – OTHER INFORMATION**

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***A. RISK MANAGEMENT***

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County participates in a public entity risk pool called WMMIC to provide coverage for losses from torts; errors and omissions; and public liability. However, other risks, such as workers compensation is accounted for and financed by the County in internal service funds. Theft, damage to, or destruction of assets is covered through the purchase of an insurance policy. Settled claims have not exceeded the commercial coverage in any of the past three years. Health insurance claims are self-insured with a purchased stop loss policy with a maximum \$150,000 per employee exposure. There were no significant reductions in coverage compared to the prior year.

**Public Entity Risk Pool**

The County, together with certain other units of government within the State of Wisconsin, created the Wisconsin Municipal Mutual Insurance Company (WMMIC), a nonassessable mutual company which provides liability insurance and risk management services to its members. The County became a member of WMMIC in 1992 by issuing a general obligation note for \$1,157,860 and investing the proceeds in WMMIC. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and American with Disabilities Act at policy limits of \$10,000,000 per occurrence and \$30,000,000 annual aggregate on an excess basis above members per occurrence and annual aggregate self-insured retentions. The County's self-insured retention limit is \$200,000 for each occurrence and \$925,000 for the annual aggregate.

WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$9,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage. The amount of reinsurance may vary from year to year as determined by the WMMIC Board of Directors.

WMMIC is governed by one entity-one vote. Member entities include Kenosha County and the counties of Brown, Chippewa, Dane, Dodge, Eau Claire, Jefferson, Lacrosse, Manitowoc, Marathon, Outagamie, Rock, Walworth, St. Croix and Waukesha, and the cities of Eau Claire, La Crosse, and Madison. All member entities participate in the governing of the company. Its Board of Directors is made up of at least five representatives of the participating entities and the company's charter allows for the appointment of two at-large members to the Board of Directors. The board members are elected at the annual meeting by the participants. The board has the authority to adopt its own budget, set policy matters and control the financial affairs of the company.

The actuary for WMMIC determines the insurance premiums for each member based upon the relevant rating exposure bases as well as the historical loss experience by member. WMMIC's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – OTHER INFORMATION (cont.)**

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**A. RISK MANAGEMENT (cont.)**

**Public Entity Risk Pool (cont)**

The participant's share in the operation of WMMIC as of December 31, 2015 is as follows:

	<u>Percentage</u>
Brown County	7.04
Chippewa County	3.23
Dane County	9.19
Dodge County	3.86
City of Eau Claire	3.19
Eau Claire County	3.85
Jefferson County	2.67
Kenosha County	6.13
La Crosse County	3.49
City of La Crosse	1.33
City of Madison	15.22
Manitowoc County	5.50
Marathon County	5.96
Outagamie County	5.89
St. Croix County	3.60
Waukesha County	9.69
Rock County	4.83
Walworth County	<u>5.33</u>
Total	<u>100.00</u>

The County's investment in WMMIC is reported on the General Liability Insurance Fund balance sheet as a deposit. The amount reported is the original capitalization of \$1,157,860. For 2015, WMMIC prepared its statutory financial statements in accordance with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin (OCI). This reflects a change in basis in presentation since 2005 when the financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Therefore, in 2015, the participant's share in the operation of WMMIC and the market value are shown using the new presentation. Using this presentation, the market value of the original capitalization as of December 31, 2015 is \$2,320,385. The financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704-7364.

The estimated liability for the County's self-insured retention (SIR) limits related to coverage provided by WMMIC has been determined on an actuarial basis.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

**NOTE V – OTHER INFORMATION (cont.)**

**A. RISK MANAGEMENT (cont.)**

**Public Entity Risk Pool (cont)**

Claims Liability – WMMIC	2015	2014
Unpaid claims, including IBNR – beginning of year	\$ 1,155,810	\$ 1,017,413
Current year claims and changes in estimates	348,841	478,429
Claim payments	<u>(496,895)</u>	<u>(340,032)</u>
Unpaid Claims – end of year	<u>\$ 1,007,756</u>	<u>\$ 1,155,810</u>

**Self-Insurance – Workers Compensation**

The County has also established a Risk Management program for workers compensation. All funds of the County participate in this program. The workers compensation internal service fund is maintained to provide for self-insured workers compensation insurance coverage and employee safety and loss control programs. The County contracts with a third party claims administrator for the purpose of adjusting workers compensation claims. An excess insurance policy covers individual claims in excess of the County's \$550,000 self-insured retention up to statutory requirements (unlimited) per claim. Settled claims have not exceeded the commercial coverage in any of the past three years. Costs associated with the workers compensation program are billed to other County departments based on exposure and historical loss experience and include amounts necessary to fund current year claims to be paid in the current year and in the future. At December 31, 2015, the County has established a future claims insurance liability in the amount of \$2,077,475 to fund the estimated liability for the County's self-insured retention limits under its workers compensation program.

This represents a discounted reserve determined on an actuarial basis with a mean confidence level which achieves the County's objective of providing a reserve confidence level not less than 50%, but not more than 95% as a reflection of the County's risk tolerance.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The County does not allocate overhead costs or other non-incremental costs to the claims liability.

Claims Liability	2015	2014
Unpaid claims, including IBNR – beginning of year	\$ 1,880,340	\$ 2,069,876
Current year claims and changes in estimates	1,560,435	850,471
Claim payments	<u>(1,363,300)</u>	<u>(1,040,007)</u>
Unpaid Claims – end of year	<u>\$ 2,077,475</u>	<u>\$ 1,880,340</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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**A. RISK MANAGEMENT (cont.)**

**Self-Insurance – Workers Compensation (cont)**

In the Health Insurance internal service fund, revenues from County departments and other sources totaled \$20,137,950. Expenditures in the same fund totaled \$22,165,335. A deficit of \$2,027,385 was allocated in the form of a chargeback resulting in additional revenue from the County departments.

The estimated liability for the County's self-insured incurred but not recorded (IBNR) expenditures related to outstanding claims has been determined on an actuarial basis.

Claims Liability	<u>2015</u>	<u>2014</u>
Unpaid claims, including IBNR – beginning of year	\$ 1,444,000	\$ 1,135,000
Current year claims and changes in estimates	17,793,500	16,216,552
Claim payments	<u>(17,531,500)</u>	<u>(15,907,552)</u>
Unpaid Claims – end of year	<u>\$ 1,706,000</u>	<u>\$ 1,444,000</u>



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***B. COMMITMENTS AND CONTINGENCIES***

From time to time, the County is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the County's Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the County's financial position or results of operations.

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

During 2015, the County borrowed \$30,595,000, for the purpose of making various capital improvements. These monies, as well as other revenue sources, are reflected in the various Capital Project and Proprietary funds. Work that has been completed but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. Open purchase orders for the General Fund and Capital Projects-Other Fund totaled \$95,911 at year end and is included in Assigned Fund Balance for encumbrances.

Funding for the operating budget of the County comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the County. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the County.

***C. JOINT VENTURE***

Kenosha County and the City of Kenosha jointly operate the Kenosha City-County Joint Services Board (Board) which was formed in 1981 to provide joint service functions supporting operations of the Kenosha County Sheriff's Department and the City of Kenosha Police Department. The Board provides the following support services: communications, records, property room evidence, collecting of citations, vehicle maintenance and administrative services. The County and City share in the annual operation of the district equally.

The Board consists of three members appointed by the County, three by the City of Kenosha and one independent member confirmed by both. County representatives are the County Executive, the County Board Chairman and the chairman of the County Judiciary Committee or their designees. The Board has the authority to adopt its own budget and control the financial affairs of the organization. The County made payments totaling \$4,240,377 to the Board for 2015.

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***C. JOINT VENTURE (CONT)***

A new intergovernmental agreement was negotiated and agreed upon by Kenosha County and the City of Kenosha effective January 1, 2010.

The transactions of the Board are not reflected in these financial statements.

The County accounts for its share of the operation in the general fund. Financial information of the Board as of December 31, 2015 is available directly from the Board's office.

***D. OTHER POSTEMPLOYMENT BENEFITS***

The County adopted the Other Post-Employment Benefit Health Insurance Policy with an effective date of January 1, 2013. All of the following actuarially determined liability estimates were calculated taking this adoption into consideration.

Plan Description. Kenosha County (County) provides medical insurance benefits to eligible retirees and their spouses. Eligibility requirements and benefits by County employee group are as follows:

Deputy Sheriffs

*Eligibility* Any classified or non-classified sworn active employees who are between the ages of 50 and Medicare eligibility age as of effective date are eligible.

*Benefits* Before age 52, the retiree pays 100% of the premium. Between the ages of 52 and Medicare eligible age, the County pays 100% of the premium for single or family coverage. After Medicare eligible age, the retiree may continue in the plan, paying 100% of the premium.

All Others

*Eligibility* Active employees hired before January 1, 2012 who have had at least ten years of continuous employment as of the effective date are eligible.

*Benefits* Eligible active employees who as of the date of retirement are at least 60 years of age and have had at least 15 years of continuous employment are eligible to receive post-employment health insurance benefit which includes paying the same copayments, deductibles, and premium contributions and remaining in the same risk pool as active employees. Eligibility continues until employee is eligible for Medicare. After Medicare eligible age, the retiree may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

All Others (continued)

*Benefits* (continued)

Eligible active employees who retire at age 55, 56, 57, 58, or 59 with 15 years of continuous employment with the County as of the date of retirement may find alternative health insurance coverage and then return to the County health insurance plan (one re-entry allowed per retiree) at or after age 60 subject to the terms described in the preceding paragraph if the retiree has no other health coverage. In addition, eligible active employees who retire after age 60 with at least 15 years of continuous employment with the County as of the date of retirement may find alternative coverage and then return to the County health insurance plan (one re-entry allowed per retiree) subject to the terms described in the preceding paragraph if the other coverage ends. Under either of these options, proof of other insurance is required. All employees hired after December 31, 2011 are not eligible for post-employment retiree health insurance benefits.

COBRA- Employees may be eligible to continue coverage under the County health insurance plan by paying the monthly budgeted premium cost (at an implicit subsidized rate-see definition section) adding the allowed administrative cost in accordance with State and Federal law concerning a qualifying event. This may occur as the result of resignation, layoff, reduction in hours, injury or illness and other leaves of absence.

Consolidation of Years of Service- An employee who is reemployed by the County within three years of his/her resignation may request a bridge in service from the Director of Personnel Services if that employee had a minimum of ten years of previous service with the County and had resigned in good standing. Such a request may be made only after the employee has been reemployed for a period of 24 months.

National Health Insurance- In the case a plan of national health insurance should be established, the County reserves the right to make changes to a retiree's health insurance benefit. Such changes could include but are not limited to the reduction or cessation of the County's contributions for that benefit, changes in plan design, or changes in the benefits available under the plan. For example (and without limitation), the County could reduce its contribution or the benefits available in proportion to benefits which may be provided by the government under any plan.

For active employees who are not eligible for a post-employment health insurance benefit as described in the preceding paragraphs, the County agrees to include retired/former employees in the group for which the County shall negotiate a comprehensive hospital-surgical-major medical coverage policy. Retiring/terminating employees (other than employees who are terminated for cause) who are at least 55 years of age as of the date of retirement/termination may enroll in the County health insurance plan at the monthly budgeted premium cost (see definition section) and may maintain coverage until they become eligible to enroll in Medicare.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

*All Others* (continued)

*Benefits* (continued)

If a retiree and the retiree's spouse are both participating in the County health insurance plan under this policy and the retiree becomes eligible to enroll in Medicare and is therefore no longer eligible for coverage under the County health insurance plan, the spouse may purchase single coverage under the County health insurance plan at the budgeted premium cost until he/she becomes eligible to enroll in Medicare.

Active employees who otherwise had qualified for a post-employment health benefit who retire as the result of a disability are eligible to purchase County health insurance benefits in the specific plan they were previously enrolled in at the monthly budgeted premium cost and may continue coverage under the plan until becoming eligible to enroll in Medicare. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

In the event a retired employee who otherwise had qualified for a post-employment health benefit who has family coverage under the County health insurance plan dies before reaching Medicare eligibility age, his/her surviving spouse may continue coverage under the County health insurance plan until becoming eligible for Medicare by paying the monthly budgeted premium cost (at an implicit subsidized rate) for single coverage. Medicare-eligible spouses of retired employees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

County Board - Effective April 30, 2012, all current County Board members (of which there are 23) can only obtain County health insurance if they pay the full County budgeted Family/Single rate.

All Public Officials (including County Board) – County Board members are elected for two year terms. The other six public officials (Sheriff, Treasurer, County Clerk, Clerk of Courts, Register of Deeds, and County Executive) are elected to four year terms. By County Board resolution, all former public elected officials are allowed to continue on the County health insurance indefinitely at the County budgeted Single/Family rate. Upon reaching Medicare age eligibility, they may continue coverage at the calculated self-supporting rate and the County's insurance is secondary to Medicare.

**KENOSHA COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

**Funding Policy.** The contribution requirements of plan members and the County are established and may be amended by the Kenosha County Board by approving bargaining unit contracts in which plan eligibility and benefits are detailed and setting plan eligibility and benefits for non-represented employees. The County contribution is based on actual pay-as-you-go all-inclusive (pre-Medicare and Medicare eligible age) plan member expenditures. Plan members that are Medicare eligible age contribute premium amounts that are adjusted annually. These premium amounts vary depending upon the plan benefit level under which the plan member retired. In addition, plan members that are Medicare eligible are eligible to select a fully insured wrap-around plan in which all premiums are paid by the member with Kenosha County only used in a pass-thru capacity.

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the actuary estimated County contribution (PAYGO) to the plan, and net OPEB obligation at the end of the year:

Annual required contribution (ARC)	\$ 4,558,979
Interest on Net OPEB Obligation	912,898
Adjustment for ARC adjustment	<u>(1,507,291)</u>
Annual OPEB Cost (Expense)	3,964,586
Actuarial estimated employer contribution (PAYGO)	<u>(3,314,000)</u>
Increase in Net OPEB Obligation	650,586
Net OPEB obligation—beginning of year	<u>30,429,945</u>
Net OPEB obligation—end of year	<u>\$ 31,080,531</u>

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

The increase in the net OPEB obligation of \$650,586 was allocated to the County's functions as follows:

General Government	\$ (93,919)
Public Safety	1,314,738
Social Services	(202,286)
Health	(167,798)
Education & Recreation	(6,863)
Conservation & Development	(26,868)
Brookside Care Center	92,547
Golf	6,518
Highway	(265,483)
	<u>\$ 650,586</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 through 2015 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2013	\$ 4,764,006	63%	\$ 28,660,340
12/31/2014	\$ 4,858,608	64%	\$ 30,429,945
12/31/2015	\$ 3,964,586	84%	\$ 31,080,531

The funded status of the plan as of January 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$47,989,583
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$47,989,583</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	\$52,348,117
UAAL as a percentage of covered payroll	92%

**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

Funded Status and Funding Progress. Using a January 1, 2015 valuation date, the present value of the County's retiree medical plan actuarial accrued liability for benefits was \$73.54 million. This liability is comprised of the actuarial accrued liability for past service component of \$47.99 million, current service component (normal cost) of \$2.11 million, and future service component of \$23.44 million. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

Examples include assumptions about future employment, mortality, and the healthcare cost trend. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the January 1, 2015, actuarial valuation, the projected unit credit actuarial cost method was used because this method allocates costs based on each employee's length of service. The County adopted the Other Post-Employment Benefit Health Insurance Policy with an effective date of January 1, 2013. All of the preceding actuarially determined liability estimates were calculated taking this adoption into consideration.

The County has not established a separate, irrevocable trust to fund the annual OPEB cost. As a result, actuarial assumptions included a 3.0 percent interest discount rate compounded annually based on the County's long term expectations of returns on its own investments, and an annual healthcare cost trend rate of 6.1 percent per annum for 2016 grading down to an ultimate rate of 4.4 percent over a 55 year period. In addition, the actuarial valuation calculated the liability estimates using actuarial assumptions related to claim costs, premium rates, annual trends in the utilization and cost of medical care, eligibility of Medicare, participation rates, termination rates, retirement rates, disability rates, and mortality based on information provided by the County, Wisconsin Retirement System (WRS) rates, and the actuarial firm's judgment.



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE V – Other Information (cont.)**

***E. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES***

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

	Governmental	Business-type Activities				
	Activities	Highway	Brookside Care Center	Golf Course	Total	Total
Net Pension Asset	\$ 12,951,428	\$ 1,008,664	\$ 1,915,773	\$ 230,751	\$ 3,155,188	\$ 16,106,616
Deferred Outflows of Resources	3,095,710	272,175	513,677	48,201	834,053	3,929,763
Total Cumulative Effect of Change in Accounting Principle	\$ 16,047,138	\$ 1,280,839	\$ 2,429,450	\$ 278,952	\$ 3,989,241	\$ 20,036,379

The previously reported net position at December 31, 2014 was \$60,148,146.

***F. SUBSEQUENT EVENTS***

Management evaluated subsequent events through July 18, 2016. Events or transactions occurring after December 31, 2015, but prior to July 18, 2016 that provided additional evidence about conditions that existed at December 31, 2015, have been recognized in the financial statements for the year ended December 31, 2015. Events or transactions that provided evidence about conditions that did not exist at December 31, 2015 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2015.

***G. UPCOMING ACCOUNTING PRONOUNCEMENTS***

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



**KENOSHA COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

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**NOTE V – Other Information (cont.)**

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**G. UPCOMING ACCOUNTING PRONOUNCEMENTS (cont.)**

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

## REQUIRED SUPPLEMENTARY INFORMATION

# KENOSHA COUNTY

## OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDED STATUS

For the Year Ended December 31, 2015

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Frozen Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/2006	\$ -	\$ 88,242,000	\$ 88,242,000	0%	\$ 48,948,227	180%
01/01/2010	\$ -	\$ 54,685,077	\$ 54,685,077	0%	\$ 51,529,625	106%
1/1/2012	\$ -	\$ 53,005,725	\$ 53,005,725	0%	\$ 50,972,618	104%
1/1/2013	\$ -	\$ 55,184,000	\$ 55,184,000	0%	\$ 52,176,603	106%
1/1/2014	\$ -	\$ 56,252,528	\$ 56,252,528	0%	\$ 50,457,611	111%
1/1/2015	\$ -	\$ 47,989,583	\$ 47,989,583	0%	\$ 52,348,117	92%

The actuarial accrued liability increased in 2013 due to a change in the actuary assumption used for the interest discount rate in the overall liability calculation. The County's actuary firm reduced the discount rate from 4% to 3%. Per the actuary, this lower rate is used for all pay-as-you-go plans with a valuation date of January 1, 2014 where the general assets are invested primarily in cash. This change is reflected above. However, the change to the annual retirement contribution amount, reflected below, commenced in calendar year 2014.

## OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE of EMPLOYER CONTRIBUTIONS

For the Year Ended December 31, 2015

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Year Ended December 31	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2015	\$ 3,314,000	\$ 4,558,979	72.69%
2014	\$ 3,089,000	\$ 5,418,432	57.01%
2013	\$ 3,016,000	\$ 5,346,351	56.41%
2012	\$ 2,717,000	\$ 4,837,305	56.17%
2011	\$ 2,580,000	\$ 5,585,946	46.19%
2010	\$ 1,833,000	\$ 6,209,953	29.52%
2009	\$ 1,717,000	\$ 5,905,534	29.07%

## KENOSHA COUNTY

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET

Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2015
Proportion of the net pension asset	0.40241775%
Proportionate share of the net pension asset	\$ 9,884,481
Covered-employee payroll	\$ 52,348,117
Plan fiduciary net position as a percentage of the total pension asset	102.74%

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

### SCHEDULE OF CONTRIBUTIONS

Wisconsin Retirement System  
Last 10 Fiscal Years\*

Contractually required contributions	\$ 3,929,984
Contributions in relation to the contractually required contributions	\$ 3,929,984
Contribution deficiency (excess)	\$ 0
Covered-employee payroll	\$ 52,348,117
Contributions as a percentage of covered-employee payroll	7.51%

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

See Notes to Required Supplementary Information.

**KENOSHA COUNTY**

**Notes to Required Supplementary Information  
December 31, 2015**

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

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

**NOTE B – WISCONSIN RETIREMENT SYSTEM**

*Changes of benefit terms.* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions.* There were no changes in the assumptions.

## SUPPLEMENTARY INFORMATION

**KENOSHA COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2015**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 660,630	\$ 3,587,316	\$ 4,247,946
Receivables			
Property taxes	2,268,348	57,191	2,325,539
Miscellaneous	377,176	16,312	393,488
Due from other governments	1,693,097	-	1,693,097
Prepaid items	2,228	-	2,228
Loans receivable	1,255,335	-	1,255,335
<b>TOTAL ASSETS</b>	<u><u>\$ 6,256,814</u></u>	<u><u>\$ 3,660,819</u></u>	<u><u>\$ 9,917,633</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 237,923	\$ 205,205	\$ 443,128
Special deposits	14,493	-	14,493
Due to other governments	504,663	-	504,663
Due to other funds	1,047,566	-	1,047,566
Other unearned revenue	374,449	-	374,449
Total Liabilities	<u>2,179,094</u>	<u>205,205</u>	<u>2,384,299</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenue	2,268,348	57,191	2,325,539
Revolving loan fund outstanding loans	1,255,335	-	1,255,335
Total deferred inflows of resources	<u>3,523,683</u>	<u>57,191</u>	<u>3,580,874</u>
<b>Fund Balance</b>			
<b>Restricted</b>			
Health Department city contribution share	170,973	-	170,973
Housing Authority revolving loan fund	21,411	-	21,411
Federal Equitable Sharing funds	344,011	-	344,011
<b>Committed</b>			
Geographic Information Systems	7,642	-	7,642
<b>Assigned</b>			
Subsequent year expenditures	10,000	3,574,598	3,584,598
<b>Unassigned (deficit)</b>	-	(176,175)	(176,175)
Total Fund Balances	<u>554,037</u>	<u>3,398,423</u>	<u>3,952,460</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u><u>\$ 6,256,814</u></u>	<u><u>\$ 3,660,819</u></u>	<u><u>\$ 9,917,633</u></u>

**KENOSHA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**December 31, 2015**

	Housing Authority	Health Department	Federated Library System	Geographic Information Systems	Federal Equitable Sharing	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>						
Cash and investments	\$ 17,263	\$ 350	\$ 299,006	\$ -	344,011	\$ 660,630
Receivables						
Property taxes	-	832,703	1,435,645	-	-	2,268,348
Miscellaneous	-	377,176	-	-	-	377,176
Due from other governments	4,148	1,657,406	-	31,543	-	1,693,097
Prepaid Items	-	2,228	-	-	-	2,228
Loans receivable	1,255,335	-	-	-	-	1,255,335
<b>TOTAL ASSETS</b>	<b>\$ 1,276,746</b>	<b>\$ 2,869,863</b>	<b>\$ 1,734,651</b>	<b>\$ 31,543</b>	<b>\$ 344,011</b>	<b>\$ 6,256,814</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 237,923	\$ -	\$ -	\$ -	\$ 237,923
Special deposits	-	14,493	-	-	-	14,493
Due to other governments	-	504,663	-	-	-	504,663
Due to other funds	-	1,033,665	-	13,901	-	1,047,566
Other unearned revenue	-	75,443	299,006	-	-	374,449
Total Liabilities	-	1,866,187	299,006	13,901	-	2,179,094
<b>Deferred Inflows of Resources</b>						
Deferred property tax revenue	-	832,703	1,435,645	-	-	2,268,348
Revolving loan fund outstanding loans	1,255,335	-	-	-	-	1,255,335
Total deferred inflows of resources	1,255,335	832,703	1,435,645	-	-	3,523,683
<b>Fund Balance</b>						
<b>Restricted</b>						
Health Department city contribution share	-	170,973	-	-	-	170,973
Housing Authority revolving loan fund	21,411	-	-	-	-	21,411
Federal Equitable Sharing funds	-	-	-	-	344,011	344,011
<b>Committed</b>						
Geographic Information Systems	-	-	-	7,642	-	7,642
<b>Assigned</b>						
Subsequent year expenditures	-	-	-	10,000	-	10,000
Total Fund Balances	21,411	170,973	-	17,642	344,011	554,037
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 1,276,746</b>	<b>\$ 2,869,863</b>	<b>\$ 1,734,651</b>	<b>\$ 31,543</b>	<b>\$ 344,011</b>	<b>\$ 6,256,814</b>



KENOSHA COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS  
December 31, 2015

	Parkland Development	Western County Communication	Energy Reduction Technology	Administration Building Restoration	Other Capital Projects	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>						
Cash and investments	\$ 674,176	\$ 75,625	\$ 45,288	\$ 211,643	\$ 2,580,584	\$ 3,587,316
Property taxes receivable	-	-	-	-	57,191	57,191
Miscellaneous receivable	-	16,312	-	-	-	16,312
<b>TOTAL ASSETS</b>	<u>\$ 674,176</u>	<u>\$ 91,937</u>	<u>\$ 45,288</u>	<u>\$ 211,643</u>	<u>\$ 2,637,775</u>	<u>\$ 3,660,819</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 14,510	\$ 8,059	\$ 182,636	\$ 205,205
Total Liabilities	-	-	14,510	8,059	182,636	205,205
<b>Deferred Inflows of Resources</b>						
Deferred property tax revenue	-	-	-	-	57,191	57,191
Total deferred inflows of resources	-	-	-	-	57,191	57,191
<b>Fund Balance</b>						
<b>Assigned</b>						
Subsequent year expenditures	674,176	91,937	30,778	203,584	2,574,123	3,574,598
<b>Unassigned (deficit)</b>	-	-	-	-	(176,175)	(176,175)
Total Fund Balances	<u>674,176</u>	<u>91,937</u>	<u>30,778</u>	<u>203,584</u>	<u>2,397,948</u>	<u>3,398,423</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 674,176</u>	<u>\$ 91,937</u>	<u>\$ 45,288</u>	<u>\$ 211,643</u>	<u>\$ 2,637,775</u>	<u>\$ 3,660,819</u>

**KENOSHA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 2,251,483	\$ 74,742	\$ 2,326,225
Licenses and permits	441,582	-	441,582
Intergovernmental revenues	11,748,377	63,882	11,812,259
Charges for services	1,347,083	49,268	1,396,351
Investment income	14	5,899	5,913
Miscellaneous income	26,215	201,547	227,762
Total Revenues	<u>15,814,754</u>	<u>395,338</u>	<u>16,210,092</u>
<b>EXPENDITURES</b>			
Current			
Health	7,786,839	-	7,786,839
Public Safety	4,341,696	-	4,341,696
Education and recreation	1,877,319	-	1,877,319
Conservation and development	244,730	53,416	298,146
Capital Outlay	359,903	6,458,251	6,818,154
Debt Service			
Interest, fiscal charges and debt issuance costs	-	128,887	128,887
Total Expenditures	<u>14,610,487</u>	<u>6,640,554</u>	<u>21,251,041</u>
Excess (deficiency) of revenues over expenditures	<u>1,204,267</u>	<u>(6,245,216)</u>	<u>(5,040,949)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General obligation debt issued	-	12,305,000	12,305,000
Premium on issuance of debt	-	62,858	62,858
Transfers in	-	2,367,950	2,367,950
Transfers out	(1,259,089)	(7,357,119)	(8,616,208)
Total Other Financing Sources (Uses)	<u>(1,259,089)</u>	<u>7,378,689</u>	<u>6,119,600</u>
<b>Net change in fund balance</b>	(54,822)	1,133,473	1,078,651
<b>FUND BALANCES</b>			
Beginning of year	<u>608,859</u>	<u>2,264,950</u>	<u>2,873,809</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 554,037</u>	<u>\$ 3,398,423</u>	<u>\$ 3,952,460</u>

**KENOSHA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**For the Year Ended December 31, 2015**

	Housing Authority	Health Department	Federated Library System	Geographic Information Systems	Federal Equitable Sharing	Federal Inmate Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ 855,447	\$ 1,396,036	\$ -		\$ -	\$ 2,251,483
Licenses and permits	-	441,582	-	-		-	441,582
Intergovernmental revenues	366,290	5,003,095	481,283	70,715	343,417	5,483,577	11,748,377
Charges for services	-	1,342,363	-	4,720		-	1,347,083
Investment income	14	-	-	-		-	14
Miscellaneous income	11,118	14,503	-	-	594	-	26,215
Total Revenues	<u>377,422</u>	<u>7,656,990</u>	<u>1,877,319</u>	<u>75,435</u>	<u>344,011</u>	<u>5,483,577</u>	<u>15,814,754</u>
<b>EXPENDITURES</b>							
Current							
Health	-	7,786,839	-	-		-	7,786,839
Public Safety	-	-	-	-		4,341,696	4,341,696
Education and recreation	-	-	1,877,319	-		-	1,877,319
Conservation and development	174,015	-	-	70,715		-	244,730
Capital Outlay	359,903	-	-	-		-	359,903
Total Expenditures	<u>533,918</u>	<u>7,786,839</u>	<u>1,877,319</u>	<u>70,715</u>	<u>-</u>	<u>4,341,696</u>	<u>14,610,487</u>
Excess (deficiency) of revenues over expenditures	<u>(156,496)</u>	<u>(129,849)</u>	<u>-</u>	<u>4,720</u>	<u>344,011</u>	<u>1,141,881</u>	<u>1,204,267</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	-	(116,194)	(1,014)	-		(1,141,881)	(1,259,089)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(116,194)</u>	<u>(1,014)</u>	<u>-</u>	<u>-</u>	<u>(1,141,881)</u>	<u>(1,259,089)</u>
<b>Net change in fund balance</b>	<u>(156,496)</u>	<u>(246,043)</u>	<u>(1,014)</u>	<u>4,720</u>	<u>344,011</u>	<u>-</u>	<u>(54,822)</u>
<b>FUND BALANCES</b>							
Beginning of year	<u>177,907</u>	<u>417,016</u>	<u>1,014</u>	<u>12,922</u>	<u>-</u>	<u>-</u>	<u>608,859</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 21,411</u>	<u>\$ 170,973</u>	<u>\$ -</u>	<u>\$ 17,642</u>	<u>\$ 344,011</u>	<u>\$ -</u>	<u>\$ 554,037</u>

KENOSHA COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS  
For the Year Ended December 31, 2015

	Parkland Development	Western County Communication	Energy Reduction Technology	Administration Building Restoration	Public Safety Access Point Project	Other Capital Projects	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,742	\$ 74,742
Intergovernmental revenues	-	-	-	-	-	63,882	63,882
Charges for services	2,924	-	-	-	-	46,344	49,268
Investment income	-	-	-	-	-	5,899	5,899
Miscellaneous income	97,000	54,065	-	-	-	50,482	201,547
Total Revenues	99,924	54,065	-	-	-	241,349	395,338
<b>EXPENDITURES</b>							
Current							
Conservation and development	-	-	-	-	-	53,416	53,416
Capital Outlay	42,478	17,015	31,855	310,353	-	6,056,550	6,458,251
Debt Service							
Interest, fiscal charges and debt issuance costs	-	-	-	-	-	128,887	128,887
Total Expenditures	42,478	17,015	31,855	310,353	-	6,238,853	6,640,554
Excess (deficiency) of revenues over expenditures	57,446	37,050	(31,855)	(310,353)	-	(5,997,504)	(6,245,216)
<b>OTHER FINANCING SOURCES (USES)</b>							
General obligation debt issued	-	-	-	-	-	12,305,000	12,305,000
Premium on issuance of debt	-	-	-	-	-	62,858	62,858
Transfers in	100,000	10,000	-	2,000,000	-	257,950	2,367,950
Transfers out	-	-	-	-	(200,000)	(7,157,119)	(7,357,119)
Total Other Financing Sources (Uses)	100,000	10,000	-	2,000,000	(200,000)	5,468,689	7,378,689
<b>Net change in fund balance</b>	157,446	47,050	(31,855)	1,689,647	(200,000)	(528,815)	1,133,473
<b>FUND BALANCES</b>							
Beginning of year	516,730	44,887	62,633	(1,486,063)	200,000	2,926,763	2,264,950
<b>FUND BALANCES - END OF YEAR</b>	\$ 674,176	\$ 91,937	\$ 30,778	\$ 203,584	\$ -	\$ 2,397,948	\$ 3,398,423

**KENOSHA COUNTY**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**December 31, 2015**

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ -	\$ 2,228,547	\$ 1,929,301	\$ -	\$ 4,157,848
Property taxes receivable	215,105	-	-	-	215,105
Due from other governments	-	49,788	-	156,928	206,716
Due from other funds	-	859,247	-	-	859,247
Prepaid items	-	76,768	150,000	-	226,768
Total current assets	<u>215,105</u>	<u>3,214,350</u>	<u>2,079,301</u>	<u>156,928</u>	<u>5,665,684</u>
Noncurrent assets					
Restricted cash and investments	-	-	-	415,653	415,653
Deposit in WMMIC	-	-	-	1,157,860	1,157,860
Capital assets					
Land	682,623	-	-	-	682,623
Buildings and improvements	7,451,991	-	-	-	7,451,991
Machinery and equipment	632,512	-	-	-	632,512
Accumulated depreciation	(6,405,946)	-	-	-	(6,405,946)
Total capital assets	<u>2,361,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,361,180</u>
Total noncurrent assets	<u>2,361,180</u>	<u>-</u>	<u>-</u>	<u>1,573,513</u>	<u>3,934,693</u>
Total Assets	<u>2,576,285</u>	<u>3,214,350</u>	<u>2,079,301</u>	<u>1,730,441</u>	<u>9,600,377</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	64,060	2,507	1,826	134,344	202,737
Claims payable	-	1,706,000	2,077,475	1,007,756	4,791,231
Due to other funds	270,906	-	-	588,341	859,247
Other current liabilities	-	5,842	-	-	5,842
Total current liabilities	<u>334,966</u>	<u>1,714,349</u>	<u>2,079,301</u>	<u>1,730,441</u>	<u>5,859,057</u>
Total Liabilities	<u>334,966</u>	<u>1,714,349</u>	<u>2,079,301</u>	<u>1,730,441</u>	<u>5,859,057</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax levy	215,105	-	-	-	215,105
<b>NET POSITION</b>					
Net investment in capital assets	2,361,180	-	-	-	2,361,180
Unrestricted (deficit)	<u>(334,966)</u>	<u>1,500,001</u>	<u>-</u>	<u>-</u>	<u>1,165,035</u>
Total Net Position	<u>\$ 2,026,214</u>	<u>\$ 1,500,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,526,215</u>

**KENOSHA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2015**

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,836,792	\$ 22,165,335	\$ 1,703,672	\$ 494,901	\$ 26,200,700
Total Operating Revenues	<u>1,836,792</u>	<u>22,165,335</u>	<u>1,703,672</u>	<u>494,901</u>	<u>26,200,700</u>
<b>OPERATING EXPENSES</b>					
Operations and maintenance	1,503,554	22,165,335	1,705,958	665,121	26,039,968
Depreciation and amortization	497,109	-	-	-	497,109
Total Operating Expenses	<u>2,000,663</u>	<u>22,165,335</u>	<u>1,705,958</u>	<u>665,121</u>	<u>26,537,077</u>
Operating (loss)	<u>(163,871)</u>	<u>-</u>	<u>(2,286)</u>	<u>(170,220)</u>	<u>(336,377)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
General property taxes	194,005	-	-	-	194,005
Investment income	-	-	2,285	13,292	15,577
Miscellaneous income	-	-	-	156,928	156,928
Interest and fiscal charges	(7,004)	-	-	-	(7,004)
Total Non-operating Revenues (Expenses)	<u>187,001</u>	<u>-</u>	<u>2,285</u>	<u>170,220</u>	<u>359,506</u>
Income (Loss) Before Transfers	23,130	-	(1)	-	23,129
<b>TRANSFERS</b>					
Transfers in	85,500	-	-	-	85,500
	<u>85,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,500</u>
Change in net position	108,630	-	(1)	-	108,629
Total net position at the beginning of year	<u>1,917,584</u>	<u>1,500,001</u>	<u>1</u>	<u>-</u>	<u>3,417,586</u>
Total net position at end of year	<u>\$ 2,026,214</u>	<u>\$ 1,500,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,526,215</u>

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**KENOSHA COUNTY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2015**

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 1,836,792	\$ 22,860,460	\$ 1,703,672	\$ 474,580	\$ 26,875,504
Paid to suppliers for goods and services	(2,096,404)	(22,179,628)	(1,657,015)	(733,724)	(26,666,771)
Cash Flows from Operating Activities	(259,612)	680,832	46,657	(259,144)	208,733
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
General property taxes	194,005	-	-	-	194,005
Miscellaneous income	-	-	-	156,928	156,928
Cash Flows from Noncapital Financing Activities	194,005	-	-	156,928	350,933
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Interest paid	(7,004)	-	-	-	(7,004)
Acquisition and construction of capital assets	(12,889)	-	-	-	(12,889)
Transfers	85,500	-	-	-	85,500
Cash Flows from Capital and Related Financing Activities	65,607	-	-	-	65,607
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Deposit from WMMIC restricted cash	-	-	-	88,924	88,924
Investment income	-	-	2,285	13,292	15,577
Cash Flows from Investing Activities	-	-	2,285	102,216	104,501
Net Change in Cash and Cash Equivalents	-	680,832	48,942	-	729,774
Cash and Cash Equivalents - Beginning of Year	-	1,547,715	1,880,359	-	3,428,074
Cash and Cash Equivalents - End of Year	\$ -	\$ 2,228,547	\$ 1,929,301	\$ -	\$ 4,157,848



**KENOSHA COUNTY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended December 31, 2015**

	Human Services Building	Health Insurance	Workers Compensation	General Liability Insurance	Totals
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Loss	\$ (163,871)	\$ -	\$ (2,286)	\$ (170,220)	\$ (336,377)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:					
Non-cash items included in operating income:					
Depreciation expense	497,109	-	-	-	497,109
Changes in assets and liabilities:					
Accounts receivable	-	102,069	-	(20,321)	81,748
Due from other funds	-	593,056	-	-	593,056
Prepaid items	-	(53,133)	(150,000)	-	(203,133)
Accounts payable	(9,266)	(216,566)	1,807	88,923	(135,102)
Claims payable	-	255,406	197,136	(148,054)	304,488
Due to other funds	(583,584)	-	-	(9,472)	(593,056)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ (259,612)</u></u>	<u><u>\$ 680,832</u></u>	<u><u>\$ 46,657</u></u>	<u><u>\$ (259,144)</u></u>	<u><u>\$ 208,733</u></u>
Noncash investing, capital and financing activities:					
None					

**KENOSHA COUNTY**  
**COMBINING BALANCE SHEET - AGENCY FUNDS**  
**December 31, 2015**

	Agency				
	Clerk of Courts	Child Support	Social Services	Other Agency Funds	Totals
<b>ASSETS</b>					
Cash and temporary cash investments	\$ 1,700,794	\$ 140,354	\$ 43,734	\$ 982,880	\$ 2,867,762
Miscellaneous receivables	278,784	-	-	-	278,784
<b>Total Assets</b>	<u><u>\$ 1,979,578</u></u>	<u><u>\$ 140,354</u></u>	<u><u>\$ 43,734</u></u>	<u><u>\$ 982,880</u></u>	<u><u>\$ 3,146,546</u></u>
<b>LIABILITIES</b>					
Other accrued liabilities	\$ 1,979,578	\$ 140,354	\$ 43,734	\$ 982,880	\$ 3,146,546
<b>Total Liabilities</b>	<u><u>\$ 1,979,578</u></u>	<u><u>\$ 140,354</u></u>	<u><u>\$ 43,734</u></u>	<u><u>\$ 982,880</u></u>	<u><u>\$ 3,146,546</u></u>

**KENOSHA COUNTY  
COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES-  
ALL AGENCY FUNDS**

**For the Year Ended December 31, 2015**

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
<u>Clerk of Courts</u>				
Assets:				
Cash and temporary cash investments	\$ 2,453,158	\$ 13,808,427	\$ 14,560,791	\$ 1,700,794
Miscellaneous receivables	306,734	582,785	610,735	278,784
Total Assets	<u>\$ 2,759,892</u>	<u>\$ 14,391,212</u>	<u>\$ 15,171,526</u>	<u>\$ 1,979,578</u>
Liabilities:				
Other accrued liabilities	\$ 2,759,892	\$ 14,391,212	\$ 15,171,526	\$ 1,979,578
Total Liabilities	<u>\$ 2,759,892</u>	<u>\$ 14,391,212</u>	<u>\$ 15,171,526</u>	<u>\$ 1,979,578</u>
<u>Child Support</u>				
Assets:				
Cash and temporary cash investments	\$ 140,354	\$ -	\$ -	\$ 140,354
Total Assets	<u>\$ 140,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,354</u>
Liabilities:				
Other accrued liabilities	\$ 140,354	\$ -	\$ -	\$ 140,354
Total Liabilities	<u>\$ 140,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,354</u>
<u>Social Services</u>				
Assets:				
Cash and temporary cash investments	\$ 25,974	\$ 43,733	\$ 25,973	\$ 43,734
Total Assets	<u>\$ 25,974</u>	<u>\$ 43,733</u>	<u>\$ 25,973</u>	<u>\$ 43,734</u>
Liabilities:				
Other accrued liabilities	\$ 25,974	\$ 43,733	\$ 25,973	\$ 43,734
Total Liabilities	<u>\$ 25,974</u>	<u>\$ 43,733</u>	<u>\$ 25,973</u>	<u>\$ 43,734</u>
<u>Other</u>				
Assets:				
Cash and temporary cash investments	\$ 1,518,280	\$ 4,385,479	\$ 4,920,879	\$ 982,880
Total Assets	<u>\$ 1,518,280</u>	<u>\$ 4,385,479</u>	<u>\$ 4,920,879</u>	<u>\$ 982,880</u>
Liabilities:				
Other accrued liabilities	\$ 1,518,280	\$ 4,385,479	\$ 4,920,879	\$ 982,880
Total Liabilities	<u>\$ 1,518,280</u>	<u>\$ 4,385,479</u>	<u>\$ 4,920,879</u>	<u>\$ 982,880</u>
<u>Total</u>				
Assets:				
Cash and temporary cash investments	\$ 4,137,765	\$ 18,237,639	\$ 19,507,643	\$ 2,867,762
Miscellaneous receivables	306,734	582,785	610,735	278,784
Total Assets	<u>\$ 4,444,499</u>	<u>\$ 18,820,424</u>	<u>\$ 20,118,378</u>	<u>\$ 3,146,546</u>
Liabilities:				
Other accrued liabilities	\$ 4,444,499	\$ 18,820,424	\$ 20,118,378	\$ 3,146,546
Total Liabilities	<u>\$ 4,444,499</u>	<u>\$ 18,820,424</u>	<u>\$ 20,118,378</u>	<u>\$ 3,146,546</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the County Board of Supervisors  
Kenosha County  
Kenosha County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Kenosha County's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 2 dated July 18, 2016.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

## Purpose of this Report

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



Certified Public Accountants  
Green Bay, Wisconsin  
July 18, 2016

## FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE







**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

To the County Board of Supervisors  
Kenosha County  
Kenosha, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

We have audited Kenosha County, Wisconsin's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Kenosha County, Wisconsin's major federal and state programs for the year ended December 31, 2015. Kenosha County, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal and State Program**

In our opinion, Kenosha County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2015.

## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001 that we consider to be a significant deficiency.

Kenosha County, Wisconsin's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Kenosha County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance Required by Uniform Guidance and the *State Single Audit Guidelines***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Kenosha County, Wisconsin as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Kenosha County, Wisconsin's basic financial statements. We issued our report thereon dated July 18, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Certified Public Accountants  
Green Bay, Wisconsin  
August 22, 2016, except for the Schedules of  
Federal Awards and State Financial Assistance  
as to which the date is July 18, 2016



**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues						Expenditures	Federal Funds Transmitted to Subrecipients
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues			
FEDERAL PROGRAMS											
U.S. Department of Agriculture											
Special Supplemental Food Program for Women, Infants, and Children SNAP Cluster	10.557	DHS	Type 530/630	\$ (35,934)	\$ -	\$ 787,064	\$ 145,375	\$ 896,505	\$ 896,505	\$ 884,488	
State Administration Matching Grants for Supplemental Nutrition Assistance Program	10.561	DHS	Type 530/630	(3,950)	-	31,965	1,288	29,303	29,303	26,904	
State Administration Matching Grants for Supplemental Nutrition Assistance Program	10.561	DHS	Type 415/515	(446,260)	-	1,995,176	315,085	1,864,001	1,864,001	839,171	
Total SNAP Cluster				(450,210)	-	2,027,141	316,373	1,893,304	1,893,304	866,075	
WIC Grants To States (WGS)	10.578	DHS	Type 530/630	-	-	12,188	3,294	15,482	15,482	-	
Total U.S. Department of Agriculture				(486,144)	-	2,826,393	465,042	2,805,291	2,805,291	1,750,563	
U.S. Department of Housing and Urban Development											
CDBG - State Administered CDBG Cluster											
Community Develop Block Grant/State's Program	14.228	WEDC	EAP #07-11	-	176,191	(176,191)	-	-	-	-	
Lead Hazard Reduction Demonstration Grant	14.905	NA	WILHB0535-12 & WILHD0267-14	(53,732)	-	846,809	163,639	956,716	956,716	-	
Total U.S. Department of Housing and Urban Development				(53,732)	176,191	670,618	163,639	956,716	956,716	-	
U.S. Department of Justice											
Direct Funding											
Organized Crime Drug Enforcement Task Forces	16.xxx	NA	GL-WIE-0165	-	-	25,000	-	25,000	25,000	-	
State Criminal Alien Assistance Program	16.606	NA	2015-AP-BX-0133	-	-	32,210	-	32,210	32,210	-	
Paul Coverdell Forensic Sciences Improvement Grant	16.742	NA	no identifier	-	-	5,500	-	5,500	5,500	-	
Equitable Sharing Program	16.922	NA	#WIEQ00164	265,391	8,156	110,334	(344,011)	39,870	39,870	-	
Edward Byrne Memorial Justice Assistance Grant	16.738	C/Kenosha	2014-DJ-BX-0915	(13,386)	-	13,386	-	-	-	-	
Edward Byrne Memorial Justice Assistance Grant	16.738	C/Kenosha	2012-DJ-BX-0882	-	-	-	11,598	11,598	11,598	-	
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	11117	-	-	37,136	-	37,136	37,136	-	
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	11091	(28,579)	-	106,136	32,954	110,511	110,511	-	
Edward Byrne Memorial Justice Assistance Grant	16.738	Racine Co	2013-DJ-01-10526	(24,515)	-	52,305	1,895	29,685	29,685	-	
Total Edward Byrne Memorial Justice Assistance Grant				(66,480)	-	208,963	46,447	188,930	188,930	-	
Cease Grant	16.595	DOJ	WI Approp #100.241	-	-	4,299	-	4,299	4,299	-	
Total U.S. Department of Justice				198,911	8,156	386,306	(297,564)	295,809	295,809	-	

1

Received by the Kenosha Drug Operational (KDOG) Task Force and reported by Kenosha County.

See notes to schedule of expenditures of federal and state awards.

**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures	Federal Funds Transmitted to Subrecipients
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues		
FEDERAL PROGRAMS continued										
U.S. Department of Labor										
Employment Service Cluster										
Employment Service/Wagner-Peyser Funded Activities	17.207	DWD	no identifier	(641)	-	980	-	339	339	-
WIA/WIOA Program Cluster										
WIA/WIOA Adult Program	17.258	DWD	no identifier	(139,185)	-	891,898	107,776	860,489	860,489	543,595
WIA/WIOA Youth Activities	17.259	DWD	no identifier	(114,138)	-	1,189,565	133,723	1,209,150	1,209,150	841,172
WIA/WIOA Dislocated Worker Formula Grants	17.278	DWD	no identifier	(159,570)	-	1,127,061	85,212	1,052,703	1,052,703	689,109
Total WIA/WIOA Program Cluster				(412,893)	-	3,208,524	326,711	3,122,342	3,122,342	2,073,876
H-1B Job Training Grants	17.268	MAWIB	Water Grant	(17,271)	-	77,371	26,737	86,837	86,837	32,323
WIA/WIOA National Emergency Grants	17.277	DWD	no identifier	(20,945)	-	105,131	-	84,186	84,186	19,277
Workforce Innovation Fund	17.283	WDBSCW	WDBSCW - YR 3	(14,553)	1	36,961	21,505	43,914	43,914	28,682
Total U.S. Department of Labor				(466,303)	1	3,428,967	374,953	3,337,618	3,337,618	2,154,158
U.S. Department of Transportation										
Formula Grants for Rural Areas	20.509	DOT	no identifier	(66,139)	-	247,854	50,923	232,638	232,638	-
Transit Services Programs Cluster										
New Freedom Program	20.521	DOT	no identifier	(2,589)	729	33,596	11,573	43,309	43,309	-

See notes to schedule of expenditures of federal and state awards.

**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures	Federal Funds Transmitted to Subrecipients	
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues			
FEDERAL PROGRAMS continued											
U.S. Department of Transportation continued											
Highway Safety Cluster											
State and Community Highway Safety	20.600	DOT	ID#1035-01-92; Contract 13	(36,098)	-	36,098	-	-	-	-	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	DOT	no identifier	(4,327)	-	4,327	-	-	-	-	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Racine Co	Racine Sheriff Dept	(222)	-	2,864	1,716	4,358	4,358	-	-
Child Safety and Child Booster Seats Incentive Grants	20.613	DOT	FG-2015-Kenosha-02594	-	-	4,000	-	4,000	4,000	-	-
Total Highway Safety Cluster				(40,647)	-	47,289	1,716	8,358	8,358	-	-
Total U.S. Department of Transportation				(109,375)	729	328,739	64,212	284,305	284,305	-	-
U.S. Environmental Protection Agency											
State Indoor Radon Grants	66.032	DHS	Type 530/630	(1,000)	-	3,027	7,079	9,106	9,106	-	-
Total U.S. Environmental Protection Agency				(1,000)	-	3,027	7,079	9,106	9,106	-	-
U. S. Department of Energy											
State Energy Program - Planning & Implementing Clean Energy Investments in WI Communities	81.041	DOA	AD149904	-	-	10,000	-	10,000	10,000	-	-
U. S. Department of Education											
Special Education - Grants for Infants and Families	84.181	DHS	Type 510	-	-	151,708	-	151,708	151,708	-	-
U. S. Department of Health and Human Services											
Environmental Public Health and Emergency Response	93.070	DHS	Type 530/630	-	(14,644)	59,401	31,813	76,570	76,570	-	-
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	DHS	Type 530/630	(36,466)	-	146,193	8,747	118,474	118,474	-	-
ACA Health Profession Opportunity Grants	93.093	GTC	10/14 - 09/15	(12,823)	-	67,214	-	54,391	54,391	-	-
ACA Health Profession Opportunity Grants	93.093	GTC	10/15 - 09/16	-	-	6,245	13,441	19,686	19,686	-	-
ACA Health Profession Opportunity Grants	93.093	MAWIB	MAWIB 15	-	-	223,344	22,955	246,299	246,299	246,299	246,299
ACA Health Profession Opportunity Grants	93.093	MAWIB	Random Assign	(1,250)	-	1,250	-	-	-	-	-
Total ACA Health Profession Opportunity Grants				(14,073)	-	298,053	36,396	320,376	320,376	246,299	246,299
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	DHS	Type 510	(56,180)	-	101,170	7,972	52,962	52,962	-	-
Immunization Cooperative Agreements	93.268	DHS	Type 530/630	(8,319)	-	19,765	34,337	45,783	45,783	-	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	DHS	Type 530/630	-	-	1,017	-	1,017	1,017	-	-

See notes to schedule of expenditures of federal and state awards.

**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures	Federal Funds Transmitted to Subrecipients	
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues			
FEDERAL PROGRAMS continued											
U.S. Department of Health and Human Services continued											
PPHF National Public Health Improvement Initiative	93.507	DHS	Type 530/630	1,678	-	5,594	-	7,272	7,272	-	
Promoting Safe and Stable Families	93.556	DCF	no identifier	-	-	57,103	-	57,103	57,103	-	
TANF Cluster											
Block Grants for Temporary Assist for Needy Families	93.558	DCF	CORE	(143,600)	-	1,325,780	135,890	1,318,070	1,318,070	-	
Block Grants for Temporary Assist for Needy Families	93.558	DHS	Type 510	(12,783)	-	374,418	-	361,635	361,635	-	
Block Grants for Temporary Assist for Needy Families	93.558	DHS	Type 415/515	(4,693)	-	4,693	-	-	-	-	
Total TANF Cluster				(161,076)	-	1,704,891	135,890	1,679,705	1,679,705	-	
Child Support Enforcement	93.563	DCF	no identifier	(930,316)	-	3,922,602	911,267	3,903,553	3,903,553	-	
Low Income Home Energy Assistance Block Grant (Children's Trust Fund) Comm based Child Abuse Prevention	93.568	DOA	no identifier	(11,135)	-	219,087	31,581	239,533	239,533	239,533	
	93.590	DCF	no identifier	-	-	50,000	-	50,000	50,000	-	
CCDF Cluster											
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	no identifier	(98,566)	-	808,229	178,981	888,644	888,644	-	
Total CCDF Cluster				(98,566)	-	808,229	178,981	888,644	888,644	-	
Social Services Block Grant	93.667	DHS	Type 510	(23,124)	-	689,241	-	666,117	666,117	-	
Social Services Block Grant	93.667	DHS	Type 525/425	-	-	3,029	-	3,029	3,029	-	
Social Services Block Grant	93.667	DCF	no identifier	-	-	293,067	-	293,067	293,067	-	
Total Social Services Block Grant				(23,124)	-	985,337	-	962,213	962,213	-	
Chafee Education and Training Vouchers Program	93.599	DCF	no identifier	(1,026)	-	9,046	2,026	10,046	10,046	-	
Child Welfare Services Grant - State Grants	93.645	DCF	no identifier	-	-	107,078	-	107,078	107,078	-	
Child Welfare Services Grant - State Grants	93.645	DOC	no identifier	(3,325)	27	44,610	3,563	44,875	44,875	-	
Total Child Welfare Services Grant - State Grants				(3,325)	27	151,688	3,563	151,953	151,953	-	
Foster Care Title - IV-E	93.658	DCF	no identifier	(17,108)	-	687,228	-	670,120	670,120	-	
Foster Care Title - IV-E	93.658	DOC	no identifier	(4,655)	1,687	26,765	2,137	25,934	25,934	-	
Total Foster Care Title - IV-E				(21,763)	1,687	713,993	2,137	696,054	696,054	-	
Chafee Foster Care Independence Program	93.674	DCF	no identifier	-	-	55,993	-	55,993	55,993	-	
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.758	DHS	Type 530/630	-	-	12,747	-	12,747	12,747	-	
Children's Health Insurance Program	93.767	DHS	Type 415/515	(58,367)	-	250,596	38,948	231,177	231,177	104,996	

See notes to schedule of expenditures of federal and state awards.



**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures	Federal Funds Transmitted to Subrecipients	
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues			
FEDERAL PROGRAMS continued											
U.S. Department of Health and Human Services continued											
Medicaid Cluster											
Medical Assistance Program	93.778	DHS	Type 510	(14,818)	-	38,228	8,253	31,663	31,663	-	
Medical Assistance Program	93.778	DHS	Type 525/425	(275,528)	-	1,054,808	248,640	1,027,920	1,027,920	-	
Medical Assistance Program	93.778	DHS	Type 415/515	(455,656)	-	2,264,246	371,319	2,179,909	2,179,909	961,243	
Medical Assistance Program	93.778	DHS	Type 530/630	(601)	-	1,616	3,044	4,059	4,059	-	
Medical Assistance Program	93.778	GWAAR	no identifier	-	-	40,798	-	40,798	40,798	-	
Medical Assistance Program	93.778	DHS	REMS Coordinator	-	-	19,542	-	19,542	19,542	-	
Medical Assistance Program	93.778	DHS	TPA-CLTS	-	-	1,507,331	-	1,507,331	1,507,331	-	
Medical Assistance Program - WIMCR	93.778	DHS	no identifier	-	(660,396)	885,718	-	225,322	225,322	-	
Total Medicaid Cluster				(746,603)	(660,396)	5,812,287	631,256	5,036,544	5,036,544	961,243	
Maternal, Infant and Early Childhood Home Visiting											
Grant Program	93.870	DCF	no identifier	-	-	512,677	93,625	606,302	606,302	-	
Block Grants for Community Mental Health Services	93.958	DHS	Type 510	-	-	80,874	-	80,874	80,874	-	
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DHS	Type 510	(5,676)	-	888,070	34,724	917,118	917,118	-	
Block Grants for Prevention & Treat. of Substance Abuse	93.959	DCF	CORe	(2,455)	-	88,432	9,770	95,747	95,747	-	
Total Block Grants for Prevention and Treatment of Substance Abuse				(8,131)	-	976,502	44,494	1,012,865	1,012,865	-	
HIV Care Formula Grants	93.917	DHS	Type 530/630	(1,676)	-	3,678	6,007	8,009	8,009	-	
HIV Prevention Activities Health Department Based	93.940	DHS	Type 530/630	(1,045)	1	2,292	3,743	4,991	4,991	-	
Maternal and Child Health Services Block Grant	93.994	DHS	Type 530/630	(47,327)	(1)	177,512	88,369	218,553	218,553	193,653	
Special Programs for the Aging											
Title III, Part D - Preventive Health	93.043	GWAAR	no identifier	(1,336)	-	11,810	(585)	9,889	9,889	-	
Title III, Part E - National Family Support	93.052	GWAAR	no identifier	(2,936)	-	51,664	2,865	51,593	51,593	-	
Medicare Enrollment Assistance Program	93.071	GWAAR	MIPPA	-	-	5,872	4,323	10,195	10,195	-	
CMS Research, Demonstrations, and Evaluations	93.779	GWAAR	SHIP	-	-	8,300	-	8,300	8,300	-	
Aging Cluster											
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	no identifier	(10,689)	-	120,246	(2,429)	107,128	107,128	-	
Title III, Part C - Nutrition Services	93.045	GWAAR	no identifier	(28,847)	-	141,905	30,300	143,358	143,358	143,358	
Nutritional Services Incentive Program	93.053	GWAAR	no identifier	-	-	51,577	-	51,577	51,577	51,577	
Total Aging Cluster				(39,536)	-	313,728	27,871	302,063	302,063	194,935	
Total U.S. Department of Health and Human Services				(2,270,648)	(673,326)	17,529,701	2,325,626	16,911,353	16,911,353	1,940,659	

See notes to schedule of expenditures of federal and state awards.

**KENOSHA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

Grantor Agency / Program Cluster / Title Subrecipient	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenues					Expenditures	Federal Funds Transmitted to Subrecipients	
				(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues			
FEDERAL PROGRAMS continued											
Executive Office of the President											
High Intensity Drug Trafficking Area (HIDTA)	95.001	NA	G14ML0008A	(4,358)	-	4,358	-	-	-	-	-
High Intensity Drug Trafficking Area (HIDTA)	95.001	NA	G13ML0008A	(1,250)	-	1,250	-	-	-	-	-
High Intensity Drug Trafficking Area (HIDTA)	95.001	NA	G15ML0008A	-	-	31,948	1,500	33,448	33,448	-	-
Total High Intensity Drug Trafficking Area (HIDTA)				(5,608)	-	37,556	1,500	33,448	33,448	-	-
U. S. Department of Homeland Security											
Flood Mitigation Assistance	97.029	DMA	FMA-PJ-05-WI-2013-01.	(1,625)	1,625	183,489	4,148	187,637	187,637	-	-
Hazard Mitigation Grant Program	97.039	DMA	FEMA 1768-DR	-	(153,035)	153,035	-	-	-	-	-
Emergency Management Performance Grants	97.042	DMA	no identifier	(68,310)	-	90,246	65,809	87,745	87,745	-	-
Pre-Disaster Mitigation Grant	97.047	DMA	PDMC-PL-05-WI-2014-001	-	-	-	10,000	10,000	10,000	-	-
Homeland Security Grant Program	97.067	DMA	2013-HSW-02A-10455	-	-	17,655	-	17,655	17,655	-	-
Homeland Security Grant Program	97.067	DMA	Gmt #10359	-	-	13,170	-	13,170	13,170	-	-
Homeland Security Grant Program	97.067	DMA	Gmt #10473	-	-	6,462	-	6,462	6,462	-	-
Total Homeland Security Grant Program				-	-	37,287	-	37,287	37,287	-	-
Total U.S. Department of Homeland Security				(69,935)	(151,410)	464,057	79,957	322,669	322,669	-	-
TOTAL FEDERAL PROGRAMS				\$ (3,263,834)	\$ (639,659)	\$ 25,837,072	\$ 3,184,444	\$ 25,118,023	\$ 25,118,023	\$ 5,845,380	

See notes to schedule of expenditures of federal and state awards.

# KENOSHA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues					Expenditures	
		(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues		
STATE PROGRAMS								
Wisconsin Department of Agriculture, Trade, and Consumer Protection								
County Staff and Support	115.15	\$ (56,711)	\$ -	\$ 134,813	\$ 41,304	\$ 119,406	\$ 119,406	
Land and Water Resource Management	115.40	(2,967)	-	42,139	31,543	70,715	70,715	
Total WI Department of Agriculture, Trade, and Consumer Protection		(59,678)	-	176,952	72,847	190,121	190,121	
Wisconsin Department of Public Instruction								
Public Library Systems Aid	255.002	299,006	-	398,675	(299,006)	398,675	398,675	
Total Wisconsin Department of Public Instruction		299,006	-	398,675	(299,006)	398,675	398,675	
Wisconsin Department of Natural Resources								
Recreational Trail Aids - S-ADLP3	370.421	-	(255,955)	255,955	-	-	-	
Snowmobile Enforcement	370.485	-	-	8,814	-	8,814	8,814	
Recreational Aids - Snowmobile Trail and Area	370.485	-	-	19,225	-	19,225	19,225	
Boating Enforcement Aids	370.550	(25,184)	-	25,184	18,095	18,095	18,095	
Transient Non-Community Water Sampling Contracts	370.QBHI4824	(6,940)	-	24,004	8,971	26,035	26,035	
Total Wisconsin Department of Natural Resources		(32,124)	(255,955)	333,182	27,066	72,169	72,169	
Wisconsin Department of Transportation								
Pretrial Intoxicated Driver Intervention Grant	s20.395(5)(jr)	(22,441)	-	75,000	-	52,559	52,559	
Elderly and Handicapped County Aids	395.101	60,970	52	348,965	(80,000)	329,987	329,987	
Transit Operating Aids	395.104	(12,791)	12,791	46,246	5,138	51,384	51,384	
Planning Commission Program	395.202	-	-	924,833	-	924,833	924,833	
Total Wisconsin Department of Transportation		25,738	12,843	1,395,044	(74,862)	1,358,763	1,358,763	
Wisconsin Department of Corrections								
Community Corrections Program	410.111	(10,000)	-	43,334	6,666	40,000	40,000	
Windows to Work	410.112	(21,078)	-	90,305	20,584	89,811	89,811	
Community Intervention	410.302	-	-	112,000	-	112,000	112,000	
Youth Aids - Early Intervention	410.313	-	-	39,000	7,969	46,969	46,969	
Youth Aids	410.313	(324,520)	2,583	2,902,613	231,815	2,812,491	2,812,491	
Total Wisconsin Department of Corrections		(355,598)	2,583	3,187,252	267,034	3,101,271	3,101,271	

See notes to schedule of expenditures of federal and state awards.

# KENOSHA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues					Expenditures
		(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
STATE PROGRAMS continued							
Wisconsin Department of Health Services							
Reproductive Health SLOH	435.152002	-	-	-	18,000	18,000	18,000
Family Health - Women's Health	435.152020	(16,047)	-	25,426	22,121	31,500	31,500
WIC Farmers Market Grant	435.154720	(285)	-	2,154	1,267	3,136	3,136
Wisconsin Well Woman Program	435.157000	-	-	20,344	61,031	81,375	81,375
Childhood Lead - Consolidated	435.157720	-	-	4,797	14,392	19,189	19,189
Maternal Child Health - Consolidated	435.159320	(601)	-	1,616	3,044	4,059	4,059
Reproductive Health	435.159321	(28,867)	1	115,207	25,987	112,328	112,328
Family Plan 253.07(4)(A)	435.159327	(64,777)	-	219,135	70,642	225,000	225,000
Tobacco Prevention and Control Program - Wisconsin Wins	435.181005	(1,073)	-	16,963	-	15,890	15,890
Tobacco Prevention and Control Program - Community Interventions - LHD	435.181012	(14,396)	-	137,119	1,230	123,953	123,953
IMAA State Share ACA	435.276	-	-	245,005	187,843	432,848	432,848
IMAA Fed Share ACA	435.277	-	-	1,348	1,033	2,381	2,381
IMAA State Share	435.283	(1,968)	-	1,557,648	17,059	1,572,739	1,572,739
IMAA Federal Share	435.284	-	1	17,015	2,978	19,994	19,994
IMAA State Share Supplemental	435.292	(14,726)	-	152,630	-	137,904	137,904
IMAA Federal Share Supplemental	435.293	(91)	-	946	-	855	855
IMAA State Share ACA	435.297	(206,658)	-	299,603	-	92,945	92,945
IMAA State Share ACA	435.298	(1,281)	-	1,857	-	576	576
Adult Protective Services	435.312	-	-	159,031	-	159,031	159,031
Community Options Program	435.367	-	-	576,411	-	576,411	576,411
Community Support Program Wait List	435.504	-	-	38,773	-	38,773	38,773
Regional Enrollment Network Outreach	435.FKE50903	-	-	19,542	-	19,542	19,542
Coordinated Services County	435.515	-	-	59,374	-	59,374	59,374

See notes to schedule of expenditures of federal and state awards.

# KENOSHA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues					Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS continued								
Wisconsin Department of Health Services continued								
Certified Mental Health Program	435.517	-	-	81,191	-	81,191	81,191	
Supplemental Basic County	435.541	-	-	750,000	-	750,000	750,000	
Birth to Three Initiative	435.550	-	-	145,700	-	145,700	145,700	
IMD Regular Relocations	435.559	-	-	29,200	-	29,200	29,200	
Basic County Allocation	435.561	(143,629)	-	4,042,778	-	3,899,149	3,899,149	
Family Support	435.577	(2,279)	-	92,434	22,475	112,630	112,630	
State County Match	435.681	-	-	540,751	-	540,751	811,127	
CLTS OTHER GPR	435.871	-	-	597,353	-	597,353	597,353	
CLTS AUTISM GPR	435.874	-	-	482,359	-	482,359	482,359	
CLTS OTHER CWA ADMIN GPR	435.877	(10,293)	-	19,315	2,064	11,086	11,086	
CLTS AUTISM CWA ADMIN GPR	435.880	(4,524)	-	18,916	6,196	20,588	20,588	
ADRC MFP - NH Relocation, State Share	435.560065	-	-	31,700	-	31,700	31,700	
Aging and Disability Resource Centers	435.560100	-	-	1,041,402	-	1,041,402	1,041,402	
ADRC Prevention Grant	435.560104	-	-	1,000	-	1,000	1,000	
ADRC Dementia Care Project	435.560158	(5,861)	-	91,614	207	85,960	85,960	
Environmental Monitoring of Nuclear Power Plants for Radiological Emissions	435.DPH 90013 DC	-	-	5,500	-	5,500	5,500	
HIV Counseling, Testing and Referral Program	435.FAI10019.	(5,970)	-	9,225	-	3,255	3,255	
Increasing Human Papillomavirus (HPV) Vaccination Coverage Among Adolescents Grant	435.FAE 50318	-	-	5,000	-	5,000	5,000	
Passed Through Greater WI Agency on Aging Resources								
Elderly Benefit Specialist Program	435.560320	-	-	33,438	-	33,438	33,438	
Elderly Benefit Specialist OCI	435.560327	-	-	7,360	-	7,360	7,360	
State Senior Community Services	435.560330	-	-	9,389	-	9,389	9,389	
Congregate Meals	435.560350	(16,224)	-	299,643	6,906	290,325	290,325	
Home Delivered Meals	435.560360	(1,382)	-	7,564	2,088	8,270	8,270	
Alzheimer's Family and Caregiver Support	435.560381	(5,473)	-	48,312	3,147	45,986	45,986	
Elder Abuse	435.560490	-	-	22,492	24,512	47,004	47,004	
Total Wisconsin Department of Health Services		(546,405)	2	12,085,580	494,222	12,033,399	12,303,775	

See notes to schedule of expenditures of federal and state awards.

# KENOSHA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues					Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS continued								
Wisconsin Department of Children and Families								
CTF Child Abuse & Neglect	433.6071	(12,360)	-	101,647	10,044	99,331	99,331	
Home Visiting Program	437.1008	(283,186)	-	795,863	93,625	606,302	606,302	
Program Payments	437.1170	(30,602)	-	196,076	28,289	193,763	193,763	
Adam Walsh Foster/Adoptive Parent Fingerprinting	437.3324	(1,708)	-	8,558	-	6,850	6,850	
CW Foster Parent Competency Based T - Reporting Line	437.3398	-	-	7,415	-	7,415	7,415	
Brighter Future Initiative	437.3540	(2,886)	-	103,983	11,489	112,586	112,586	
Basic County Allocation	437.3561	-	-	1,059,370	-	1,059,370	1,059,370	
State County Match	437.3681	-	-	184,662	-	184,662	276,993	
CS State GPR/PR Funding Alloca	437.7502	-	-	295,399	-	295,399	295,399	
Total Wisconsin Department of Children and Families		(330,742)	-	2,752,973	143,447	2,565,678	2,658,009	
Wisconsin Department of Justice								
Treatment Alternatives and Diversion	455.xxx	(28,910)	-	100,103	15,680	86,873	86,873	
DNA Sample Reimbursement Grant	455.221	-	-	4,160	-	4,160	4,160	
Law Enforcement Training Fund Local Assistance	455.231	(478)	-	49,734	-	49,256	49,256	
Victim and Witness Assistance Program - Part A	455.532	(109,559)	(4,201)	249,886	126,446	262,572	262,572	
Youth Diversion - Aids - Gang - PR	455.629	(44,527)	-	140,228	35,574	131,275	131,275	
Passed through Racine County								
Drug Crimes Enforcement	455.225	-	-	21,345	-	21,345	21,345	
Total Wisconsin Department of Justice		(183,474)	(4,201)	565,456	177,700	555,481	555,481	
Wisconsin Department of Military Affairs								
Public Safety - Emergency Government Disaster Assistance	465.305	-	(25,170)	25,170	-	-	-	
Emergency Planning Grant	465.337	(25,079)	-	40,887	24,482	40,290	40,290	
Total Wisconsin Department of Military Affairs		(25,079)	(25,170)	66,057	24,482	40,290	40,290	

See notes to schedule of expenditures of federal and state awards.

# KENOSHA COUNTY

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues					Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Adjust- ments	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
STATE PROGRAMS continued								
Wisconsin Department of Veteran Affairs								
County Veterans Service Officer	485.001	-	-	13,000	-	13,000	13,000	
Total Wisconsin Department of Veteran Affairs		-	-	13,000	-	13,000	13,000	
Wisconsin Department of Administration								
Land Information Board Grants	505.116	-	-	1,000	(1,000)	-	-	
Public Benefits	505.371	(46,193)	-	169,997	1,084	124,888	124,888	
Total Wisconsin Department of Administration		(46,193)	-	170,997	84	124,888	124,888	
TOTAL STATE PROGRAMS		\$ (1,254,549)	\$ (269,898)	\$ 21,145,168	\$ 833,014	\$ 20,453,735	\$ 20,816,442	

See notes to schedule of expenditures of federal and state awards.

## KENOSHA COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2015

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#### NOTE 1 – REPORTING ENTITY

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This report on Federal and State Awards includes the federal and state awards of Kenosha County. The reporting entity for the County is based upon criteria established by the Governmental Accounting Standards Board.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

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#### NOTE 2 – BASIS OF PRESENTATION

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The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance and the *State Single Audit Guidelines*.

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#### NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

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Direct payments to individuals from the State of Wisconsin on behalf of Kenosha County for the year ended December 31, 2015 included:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
Food Share Wisconsin Program	10.561	\$ 34,717,843



**KENOSHA COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2015

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**NOTE 4 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE**

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The County received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2015:

<u>County Department of Human Services:</u>	<u>Provider Number</u>	<u>Unaudited Amount</u>
Division of Aging & Disability Services	43072900	\$ 31,896
Division of Aging & Disability Services	43422900	611,824
Division of Aging & Disability Services	32975900	1,087,328
Division of Aging & Disability Services	100038404	2,521,729
Division of Children & Family Services	43073000	107,233
Brookside Care Center	20130300	3,828,296
Division of Health Services	41862400	14,627
Division of Health Services	32924500	1,586
Division of Health Services	100004693	913
Division of Health Services	100005790	3,836
Division of Health Services	42010200	34,959
Division of Health Services	43084000	106,268
Total		<u>\$ 8,350,496</u>

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**NOTE 5 – CARS/CORE REPORT DATES**

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The Schedule of Expenditures of Federal and State Awards include adjustments through Community Aids Reporting System reports dated May 2016 and the CORE reports for December 2015.

**KENOSHA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2015

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**SECTION I – Summary of Auditors' Results**

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***Financial Statements***

Type of Auditor's report issued:	Unmodified
Internal control over financial reporting:	
<ul style="list-style-type: none"><li>• Material weakness identified?</li><li>• Significant deficiencies identified that are not considered to be material weaknesses?</li></ul>	No None reported
Noncompliance material to financial statements noted?	No

***Federal or State Awards***

Internal control over major programs:	
<ul style="list-style-type: none"><li>• Material weakness identified?</li><li>• Significant deficiencies identified that are not considered to be material weaknesses?</li></ul>	No Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	Yes
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No
Auditee qualified as low-risk auditee for federal programs?	Yes
Auditee qualified as low-risk auditee for state programs?	Yes

# KENOSHA COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2015

### SECTION I – Summary of Auditors' Results (continued)

Identification of major federal programs:

CFDA Number	Name of Federal Program
	<i>SNAP Cluster</i>
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
14.905	Lead Hazard Reduction Demonstration Grant Program <i>Temporary Assistance For Needy Families Cluster</i>
93.558	Temporary Assistance For Needy Families
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Identification of major state programs:

State ID Number	Name of State Program
395.101	Elderly and Handicapped County Aids
395.104	Transit Operating Aids
395.202	Planning Commission Program
410.313	Youth Aids
N/A	Case Management
435.276	IMAA State Share ACA
435.277	IMAA Fed Share ACA
435.283	IMAA State Share
435.284	IMAA Federal Share
435.292	IMAA State Share Supplemental
435.293	IMAA Federal Share Supplemental
435.297	IMAA State Share ACA
435.298	IMAA State Share ACA
435.561	Basic County Allocation
435.681	State/County Match
435.871	CLTS OTHER GPR
435.874	CLTS AUTISM GPR
435.877	CLTS OTHER CWA ADMIN GPR
435.880	CLTS AUTISM CWA ADMIN GPR
437.3561	Basic County Allocation
437.3681	State County Match
455.532	Victim and Witness Assistance Program - Part A

**KENOSHA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended December 31, 2015

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**SECTION I - Summary of Auditors' Results (continued)**

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	<u>Federal</u>	<u>State</u>	
		<u>DHS</u>	<u>All Others</u>
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 753,541</u>	<u>\$ 361,002</u>	<u>\$ 250,000</u>

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**SECTION II – Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards.**

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None

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## KENOSHA COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2015

#### SECTION III – Federal and State Award Findings and Questioned Costs

Finding No.	Control Deficiencies
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**2015-001      Uniform Grant Guidance Implementation**

CFDA #: All federal programs

Compliance Requirement: Allowable costs/cost principles, cash management, procurement, reporting

Condition: The County has various policies and procedures in place to safeguard its assets and establish related controls over receipts, disbursements, payroll transactions and general ledger maintenance. Federal awards received and disbursed by the County are managed through these county-wide policies and procedures; however, the policies and procedures have not been evaluated to ensure compliance with the requirements of Uniform Guidance.

Criteria: Uniform Guidance requires the County to maintain certain policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds.

Cause: The County has not finalized an assessment of its financial management system and related internal controls over federal awards, along with an evaluation of existing policies for compliance with Uniform Guidance by year end.

Effect: The County could become noncompliant with requirements of Uniform Guidance, resulting in future findings and questioned costs related to federal awards administered by the County. The County's 2015 audit in accordance with the requirements of Uniform Guidance did not identify any instances of noncompliance with respect to direct and material compliance requirements of its major federal award program.

Recommendation: We recommend the County finalize the assessment of its financial management system and related internal controls over federal awards during the 2016 fiscal year. This assessment should include evaluate existing policies and procedures to determine where additional enhancements should be made or new policies created, a plan to communicate these policies to County employees, and procedures to periodically review and update, as considered necessary.

KENOSHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2015

Section IV – Other Issues

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? \_\_\_\_\_ yes X no

2. Does the audit report show audit issues (i.e., material non-compliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:

Department of Agriculture, Trade and Consumer Protection

\_\_\_\_\_ yes X no

Department of Public Instruction

\_\_\_\_\_ yes X no

Department of Natural Resources

\_\_\_\_\_ yes X no

Department of Transportation

\_\_\_\_\_ yes X no

Department of Corrections

\_\_\_\_\_ yes X no

Department of Health Services

\_\_\_\_\_ yes X no

Department of Children and Families

\_\_\_\_\_ yes X no

Department of Workforce Development

\_\_\_\_\_ yes X no

Department of Justice

\_\_\_\_\_ yes X no

Department of Military Affairs

\_\_\_\_\_ yes X no

Department of Veteran Affairs

\_\_\_\_\_ yes X no

Department of Administration

\_\_\_\_\_ yes X no

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

X yes \_\_\_\_\_ no

4. Name and signature of partner



Paul G. Denis, Shareholder

5. Date of report

August 22, 2016

## KENOSHA COUNTY

### SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN For the Year Ended December 31, 2015

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#### Prior Year Audit Findings

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There were no prior year findings.

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#### Corrective Action Plan for Audit Findings

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Finding Number	Corrective Action Plan
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**2015-001      Uniform Grant Guidance Implementation**

As recommended above, the County will continue to enhance its documentation as required by the Uniform Grant Guidance. We plan to use the helpful checklists provided by our auditors to insure that the documentation of our policies and procedures is comprehensive and well-designed. In conjunction with the selection and implementation of our new ERP system, our teams will address various areas of our fiscal operations and contribute to this guidance. Our Human Services CFO is coordinating the effort which will insure that our internal controls over compliance are in place and documented.

## ADDITIONAL AUDITORS' REPORT





## INDEPENDENT AUDITORS' REPORT ON STATE FINANCIAL REPORT FORM

To the County Board of Supervisors  
Kenosha County  
Kenosha, Wisconsin

State of Wisconsin – Department of Revenue  
Division of State and Local Finance  
Bureau of Local Financial Assistance  
2135 Rimrock Road #6-97  
P.O. Box 8971  
Madison, Wisconsin 53708-8933

In connection with our audit of the basic financial statements of Kenosha County, Wisconsin for the year ended December 31, 2015, we have also examined the 2015 Financial Report Form A required to be submitted to the Wisconsin Department of Revenue (WDR) by Wisconsin Administrative Rule, Tax 16. The 2015 Financial Report Form A has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion the 2015 Financial Report Form A is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants  
Green Bay, Wisconsin  
July 18, 2016