

**ROCK COUNTY**

Janesville, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

# ROCK COUNTY

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# ROCK COUNTY

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**INDEPENDENT AUDITORS' REPORT**

To the County Board  
Rock County  
Janesville, 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 Rock County, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Rock 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Rock 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 Rock 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.

To the County Board  
Rock County

### ***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 Rock County, Wisconsin, as of December 31, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note I, Rock County adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. 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 required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rock County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the County Board  
Rock County

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

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of Rock 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 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 Rock County's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin  
July 28, 2016

# **ROCK COUNTY, WISCONSIN**

## **MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)**

As of and for the Year Ended December 31, 2015

Rock County's discussion and analysis is designed to assist the reader in focusing on significant financial issues; provide an overview of the county's financial activity; identify changes in the county's financial position; discuss changes in the 2015 budget; and discuss individual fund issues.

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### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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A requirement of Government Accounting Standards Board (GASB) Statement No. 34 is the presentation of government-wide financial statements (Statement of Net Position and Statement of Activities) on a full accrual basis of accounting (see pages 1 and 2). These statements report information about the overall governmental unit, distinguish between governmental activities and business-type activities, report all assets (including infrastructure assets-highways, bridges, etc.) and eliminate internal service fund and inter-fund activity and balances. The government-wide statements are designed to assess the government unit in its entirety, identify the true cost of providing services to its citizens, disclose the extent of capital asset investment and make better comparisons between governmental units.

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### **FUND FINANCIAL STATEMENTS**

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Generally accepted accounting principles (GAAP) require the inclusion of separate sets of financial statements for governmental funds, proprietary (business-type) and fiduciary funds (see pages 3 through 11). The proprietary and fiduciary funds use the full accrual basis of accounting. The financial statements for governmental funds are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, the government-wide financial statements include a summary reconciliation explaining the differences between the data reported in the governmental funds and the data reported for the governmental activities in the government-wide and fund financial statements.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2015

### CONDENSED FINANCIAL INFORMATION

#### Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals		Change
	2014	2015	2014	2015	2014	2015	
Current and other assets	\$ 148.6	\$ 150.3	\$ 22.8	\$ 21.2	\$ 171.4	\$ 171.5	0.1
Capital assets	117.9	133.6	43.6	42.5	161.5	176.1	14.6
Total Assets	<u>\$ 266.5</u>	<u>\$ 283.9</u>	<u>\$ 66.4</u>	<u>\$ 63.7</u>	<u>\$ 332.9</u>	<u>\$ 347.6</u>	<u>14.7</u>
Deferred Outflows of Resources	<u>\$ 3.5</u>	<u>9.1</u>	<u>\$ 0.8</u>	<u>\$ 2.2</u>	<u>\$ 4.3</u>	<u>\$ 11.3</u>	<u>7.0</u>
Current liabilities	\$ 29.1	\$ 28.7	\$ 4.2	\$ 7.6	\$ 33.3	\$ 36.3	3.0
Long-term liabilities	22.1	28.6	30.3	28.7	52.4	57.3	4.9
Total Liabilities	<u>\$ 51.2</u>	<u>\$ 57.3</u>	<u>\$ 34.5</u>	<u>\$ 36.3</u>	<u>\$ 85.7</u>	<u>\$ 93.6</u>	<u>7.9</u>
Deferred Inflows of Resources	<u>\$ 56.4</u>	<u>\$ 58.1</u>	<u>\$ 7.3</u>	<u>\$ 7.0</u>	<u>\$ 63.7</u>	<u>\$ 65.1</u>	<u>1.4</u>
<b>NET POSITION</b>							
Net investment in capital assets	\$ 104.9	\$ 115.2	\$ 14.1	\$ 14.7	\$ 119.1	\$ 129.9	10.8
Restricted	24.6	15.1	4.3	2.1	28.9	17.2	(11.7)
Unrestricted	<u>32.8</u>	<u>47.4</u>	<u>7.0</u>	<u>5.7</u>	<u>39.8</u>	<u>53.1</u>	<u>13.3</u>
Total Net Position	<u>\$ 162.3</u>	<u>\$ 177.7</u>	<u>\$ 25.4</u>	<u>\$ 22.5</u>	<u>\$ 187.7</u>	<u>\$ 200.2</u>	<u>12.5</u>

NOTE: Totals may not foot due to rounding. The 2014 columns have been updated for implementation of GASB Statements 68/71 as discussed further on page vii.



# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2015

### CONDENSED FINANCIAL INFORMATION (cont.)

#### Changes In Net Position (in millions of dollars)

	Governmental Activities		Business-type Activities		Totals		Change
	2014	2015	2014	2015	2014	2015	
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 17.0	\$ 17.3	\$ 14.9	\$ 16.0	\$ 31.9	\$ 33.3	\$ 1.4
Grants and contributions	65.5	69.6	3.9	3.6	69.4	73.2	3.8
General Revenues							
Property taxes	53.4	53.4	9.1	9.7	62.5	63.1	0.6
Intergovernmental	6.1	5.8	-	-	6.1	5.8	(0.3)
Other	19.1	27.7	0.6	0.5	19.7	28.2	8.5
Total Revenues	<u>161.1</u>	<u>173.8</u>	<u>28.5</u>	<u>29.8</u>	<u>189.6</u>	<u>203.6</u>	<u>14.0</u>
<b>Expenses</b>							
General government	8.9	8.7	-	-	8.9	8.7	(0.2)
Public safety	38.1	39.7	-	-	38.1	39.7	1.6
Health and Social Services	100.6	104.2	-	-	100.6	104.2	3.6
Public works	3.1	3.4	-	-	3.1	3.4	0.3
Culture, recreation, and education	3.3	3.4	-	-	3.3	3.4	0.1
Conservation and Development	2.2	1.9	-	-	2.2	1.9	(0.3)
Interest and fiscal charges	0.4	0.4	-	-	0.4	0.4	
Rock Haven	-	-	17.0	17.1	17.0	17.1	0.1
Highway	-	-	10.5	12.3	10.5	12.3	1.8
Total Expenses	<u>156.6</u>	<u>161.6</u>	<u>27.5</u>	<u>29.4</u>	<u>184.1</u>	<u>191.0</u>	<u>7.0</u>
Excess (Deficiency) Before Transfers	4.5	12.2	1.0	0.4	5.5	12.6	7.1
Transfers	<u>2.5</u>	<u>3.2</u>	<u>(2.5)</u>	<u>(3.2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	7.0	15.4	(1.5)	(2.8)	5.5	12.6	7.1
Net Position - Beginning of Year	<u>137.6</u>	<u>162.3</u>	<u>22.6</u>	<u>25.4</u>	<u>160.2</u>	<u>187.7</u>	<u>27.5</u>
Restate Net Position For GASB 68	<u>17.8</u>	<u>-</u>	<u>4.2</u>	<u>-</u>	<u>22.0</u>	<u>-</u>	<u>(22.0)</u>
<b>Net Position - End of Year</b>	<u>\$ 162.3</u>	<u>\$ 177.7</u>	<u>\$ 25.4</u>	<u>\$ 22.5</u>	<u>\$ 187.7</u>	<u>\$ 200.2</u>	<u>12.5</u>

NOTE: Totals may not foot due to rounding.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED) As of and for the Year Ended December 31, 2015

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### **NET POSITION AND FUND BALANCE ANALYSIS**

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#### ***NET POSITION***

The county's net position was restated as of 12/31/14 by an increase of \$22.0 million. This was a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The county's net position increased \$12.6 million for 2015. The governmental activities net position increased by \$15.4 million and the business-type activities net position decreased by \$2.8 million.

#### ***GOVERNMENTAL FUNDS***

At December 31, 2015, the county governmental funds had combined ending fund balances of \$45.1 million, an increase of \$5.8 million or 14.7% more than the prior year balances. This increase is due mainly to some funded capital projects not being completed by the end of the year.

#### ***GENERAL FUND***

The General Fund's unassigned Fund Balance had an increase of \$1.6 million or approximately 4.3% from the prior period to \$30.0 million. The General Fund balance, plus the fund balances in the Special Revenue Funds and Enterprise Funds' Working Capital, is approximately 20.0% of the reported General, Special Revenue and Enterprise Fund expenditures/expenses. This is slightly above the 10% to 17% target range of the county's Fund Balance Policy.

The General Fund operations includes Administration, Corporation Counsel, Finance, Human Resources, Senior Citizen Program, Health Department, Veteran's Service, Medical Examiner, Facilities Management, Land Conservation, Real Property, Surveyor, Planning and Economic Development, Child Support, UW-Extension Services, 4-H Fairgrounds Maintenance, Farm and Communications Center. This fund also includes the elected offices of the Sheriff, Clerk of Circuit Courts, District Attorney, Treasurer, Register of Deeds and County Clerk.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2015

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### NET POSITION AND FUND BALANCE ANALYSIS (cont.)

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#### *SPECIAL REVENUE FUNDS*

The Human Services Department and DD Board are included in the financial statements as Special Revenue Funds. Any unreserved budgetary appropriations remaining at the end of the fiscal year lapse to the General Fund. For 2015, \$0.4 million from the Human Services Department's results of operations and \$0.98 million from the DD Board's results of operations lapsed to the General Fund.

#### *PROPRIETARY FUNDS*

##### *Rock Haven Nursing Home*

Due to increased tax levy requirements, the County Board elected in 1998, to begin downsizing its nursing home from 386 licensed beds to the current 128 bed total. The downsizing of the facility and reduction of staff has resulted in a more tax efficient operation. At December 31, 2015, Rock Haven's net position increased by \$605,217 to \$7,024,293.

##### *Highway*

The Highway Fund records the operations of the Rock County Highway Division. The Highway Division maintains county roads, bridges and other infrastructure utilizing state transportation aids and county tax levy. It also maintains State highways and local roads on a contract reimbursement basis. The Highway's net position decreased by \$3.8 million to \$13,816,048. This decrease was due to the completion of large road projects, which are transferred to governmental activities and included in capital assets.

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### GENERAL FUND BUDGET VARIATIONS

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As detailed in the Budgetary Comparison schedule on Page 51, the results of operations for 2015 resulted in a net increase in the general fund balance of \$1,149,076.

# ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2015

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## CAPITAL ASSETS AND DEBT ADMINISTRATION

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### CAPITAL ASSETS

At the end of 2015, the county had \$176.2 million (net of depreciation) invested in a broad range of capital assets, including land, land improvements, buildings, roads, bridges and the Airport water and sewer system as detailed in Footnote IV.C (pages 29-30) and summarized below:

**Table 1**  
**Capital Assets at Year-end**  
**(Net of Depreciation, in Millions)**

	Governmental Activities		Business-type Activities		Totals	
	2014	2015	2014	2015	2014	2015
Land	\$ 7.2	\$ 7.2	\$ 0.1	\$ 0.1	\$ 7.3	\$ 7.3
Easements	1.4	1.4	-	-	1.4	1.4
Intangibles-Software	0.4	0.6	-	-	0.4	0.6
Land improvements	18.1	17.5	2.6	2.5	20.7	20.0
Buildings	48.3	45.7	20.0	19.3	68.3	65.0
Machinery and equipment	4.3	3.9	20.0	19.9	24.3	23.8
Infrastructure	35.3	56.9	-	-	35.3	56.9
Construction in progress	2.9	0.4	0.9	0.7	3.8	1.1
Totals	<u>\$ 117.9</u>	<u>\$ 133.6</u>	<u>\$ 43.6</u>	<u>\$ 42.5</u>	<u>\$ 161.5</u>	<u>\$ 176.2</u>

NOTE: Totals may not foot due to rounding. Includes reclassification of \$2,473,953 from land to land improvements for Business-type Activities.

# ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2015

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## CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

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### DEBT ADMINISTRATION

At year-end, the county had \$ 46,630,000 in general obligation promissory notes and bonds outstanding versus \$ 42,395,000 the prior year, an increase of \$4,235,000.

**Table 2**  
**Outstanding Debt at Year-end**  
**(In Millions)**

	Governmental Activities		Business-type Activities		Totals	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
General Obligation Notes	<u>\$ 13.2</u>	<u>\$ 19.1</u>	<u>\$ 29.2</u>	<u>\$ 27.5</u>	<u>\$ 42.4</u>	<u>\$ 46.6</u>

All of the county's general obligation debt is backed by the full faith and credit of the county and is rated Aa1 by Moody's Investors Services.

State statutes limit the amount of debt that counties can issue to 5% of the county's equalized value of taxable property within the county's jurisdiction. Rock County's equalized value for 2015 was \$9,926,025,100 resulting in a statutory debt limit of \$496,301,255. The county's debt as of December 31, 2015 of \$46.6 million is 9.4% of the county's legal debt capacity.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2015

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### **OTHER POST EMPLOYMENT BENEFITS**

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The county had an actuarial valuation report issued by Gabriel, Roeder Smith and Company as of January 1, 2015 as required by GASB Statement 45. As detailed in Footnote V. D. [page 48] the county had an unfunded actuarial accrued liability of \$27,205,500 and a net OPEB obligation of \$9,593,500 at December 31, 2015. The county currently does not pre-fund retiree healthcare benefits during an employee's working career.

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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The State of Wisconsin imposed a statutory tax levy limit on counties limiting the tax levy to 0% plus net new construction. The county's 2015 tax levy for the 2016 budget was \$63,097,528 as adjusted for operations and subject to the tax levy limit.

State statutes allow counties to authorize a ½ of 1% local sales and use tax. The Rock County Board authorized the local sales and use tax effective April 1, 2007. The 2016 budget includes \$12.3 million from this revenue source. Of this amount, \$4.8 million is earmarked for capital projects and \$7.5 million is budgeted to offset the 2015 property taxes for the 2016 operating budget.

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### **REQUEST FOR INFORMATION**

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Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance Director, Rock County Courthouse, 51 South Main Street, Janesville, WI 53545.

# ROCK COUNTY

## STATEMENT OF NET POSITION As of December 31, 2015

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 67,565,108	\$ 1,675	\$ 67,566,783
Taxes receivable	57,175,429	6,980,625	64,156,054
Delinquent taxes receivable	6,151,453	-	6,151,453
Accounts receivable	4,249,614	1,442,261	5,691,875
Due from other governments	7,345,791	2,250,067	9,595,858
Loans receivable (net)	3,688,225	-	3,688,225
Internal balances	(6,944,833)	6,944,833	-
Inventories	28,235	1,443,185	1,471,420
Prepaid items	400,923	676	401,599
Restricted net pension asset	8,890,986	2,130,800	11,021,786
Deposit with Wisconsin Mutual Insurance Company	1,741,000	-	1,741,000
Capital Assets			
Land and land improvements	12,924,507	104,153	13,028,660
Construction in progress	522,521	669,892	1,192,413
Easements	1,414,000	-	1,414,000
Other capital assets, net of depreciation	<u>118,766,980</u>	<u>41,762,658</u>	<u>160,529,638</u>
Total Assets	<u>283,919,939</u>	<u>63,730,825</u>	<u>347,650,764</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>9,123,571</u>	<u>2,166,002</u>	<u>11,289,573</u>
<b>LIABILITIES</b>			
Accounts payable	10,454,340	693,167	11,147,507
Accrued liabilities	3,617,706	644,788	4,262,494
Deposits	13,225	-	13,225
Due to other governments	8,109,933	3,473,788	11,583,721
Noncurrent Liabilities			
Due within one year	6,498,808	2,739,391	9,238,199
Due in more than one year	<u>28,573,676</u>	<u>28,728,322</u>	<u>57,301,998</u>
Total Liabilities	<u>57,267,688</u>	<u>36,279,456</u>	<u>93,547,144</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	58,048,245	7,037,483	65,085,728
Pension related amounts	<u>20,713</u>	<u>4,964</u>	<u>25,677</u>
Total Deferred Inflows of Resources	<u>58,068,958</u>	<u>7,042,447</u>	<u>65,111,405</u>
<b>NET POSITION</b>			
Net investment in capital assets	115,181,500	14,726,976	129,908,476
Restricted for grants and loan programs	4,401,726	-	4,401,726
Restricted for other grant activities	373,131	-	373,131
Restricted for land records	152,740	-	152,740
Restricted for debt service	272,554	-	272,554
Restricted for library activities	107,366	-	107,366
Restricted for bridge aid projects	26,043	-	26,043
Restricted for other activities	255,556	-	255,556
Restricted for ATC projects	632,016	-	632,016
Restricted for airport projects	62,434	-	62,434
Restricted for pensions	8,890,986	2,130,800	11,021,786
Unrestricted	<u>47,350,812</u>	<u>5,717,148</u>	<u>53,067,960</u>
<b>TOTAL NET POSITION</b>	<u>\$ 177,706,864</u>	<u>\$ 22,574,924</u>	<u>\$ 200,281,788</u>

See accompanying notes to financial statements.

# ROCK COUNTY

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Governmental Activities</b>							
General government	\$ 8,666,360	\$ 2,218,751	\$ 534,143	\$ -	\$ (5,913,466)	\$ -	\$ (5,913,466)
Public safety	39,752,022	3,370,040	2,025,644	-	(34,356,338)	-	(34,356,338)
Health and social services	104,184,109	11,008,834	66,117,384	-	(27,057,891)	-	(27,057,891)
Public works	3,357,148	384,003	-	12,946,307	9,973,162	-	9,973,162
Culture, recreation and education	3,400,695	231,985	522,401	-	(2,646,309)	-	(2,646,309)
Conservation and development	1,910,480	123,970	312,706	-	(1,473,804)	-	(1,473,804)
Interest and fiscal charges	362,055	-	58,917	-	(303,138)	-	(303,138)
Total Governmental Activities	<u>161,632,869</u>	<u>17,337,583</u>	<u>69,571,195</u>	<u>12,946,307</u>	<u>(61,777,784)</u>	<u>-</u>	<u>(61,777,784)</u>
<b>Business-type Activities</b>							
Rock Haven - skilled nursing facility	17,127,298	10,008,975	1,298,400	-	-	(5,819,923)	(5,819,923)
Highway	12,288,555	6,033,469	2,290,540	-	-	(3,964,546)	(3,964,546)
Total Business-type Activities	<u>29,415,853</u>	<u>16,042,444</u>	<u>3,588,940</u>	<u>-</u>	<u>-</u>	<u>(9,784,469)</u>	<u>(9,784,469)</u>
Totals	<u>\$ 191,048,722</u>	<u>\$ 33,380,027</u>	<u>\$ 73,160,135</u>	<u>\$ 12,946,307</u>	<u>(61,777,784)</u>	<u>(9,784,469)</u>	<u>(71,562,253)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes					53,385,359	9,660,532	63,045,891
Sales taxes					11,981,737	461,669	12,443,406
Other taxes					29,544	-	29,544
Interest on taxes					1,535,066	-	1,535,066
Intergovernmental revenues not restricted to specific programs					5,842,215	-	5,842,215
Investment income					435,326	-	435,326
Miscellaneous					754,510	44,232	798,742
Transfers					3,192,520	(3,192,520)	-
Total General Revenues and Transfers					<u>77,156,277</u>	<u>6,973,913</u>	<u>84,130,190</u>
<b>Change in Net Position</b>					15,378,493	(2,810,556)	12,567,937
NET POSITION - Beginning of Year (as restated)					<u>162,328,371</u>	<u>25,385,480</u>	<u>187,713,851</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 177,706,864</u>	<u>\$ 22,574,924</u>	<u>\$ 200,281,788</u>

See accompanying notes to financial statements.



**ROCK COUNTY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2015

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	General Fund	Human Services	DD Board	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and investments	\$ 65,835,994	\$ 106,354	\$ -	\$ 1,551,499	\$ 67,493,847
Receivables					
Taxes	23,888,806	20,097,819	3,981,298	7,828,996	55,796,919
Delinquent taxes	6,151,453	-	-	-	6,151,453
Accounts	3,819,276	-	-	39,820	3,859,096
Loans (net)	-	-	-	3,688,225	3,688,225
Due from other funds	106,995	4,968,544	916,877	8,111,978	14,104,394
Due from other governments	-	4,058,312	2,378,228	909,251	7,345,791
Inventories	28,235	-	-	-	28,235
Prepaid items	223,456	9,798	-	5,044	238,298
<b>TOTAL ASSETS</b>	<u>\$100,054,215</u>	<u>\$ 29,240,827</u>	<u>\$ 7,276,403</u>	<u>\$ 22,134,813</u>	<u>\$ 158,706,258</u>

	General Fund	Human Services	DD Board	Nonmajor Governmental Funds	Totals
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,439,788	\$ 2,756,577	\$ 2,788,600	\$ 1,052,009	\$ 8,036,974
Deposits	-	-	-	13,225	13,225
Accrued liabilities	3,458,008	28,916	-	-	3,486,924
Due to other governments	1,959,790	6,150,113	-	30	8,109,933
Due to other funds	32,424,660	-	-	78,964	32,503,624
Total Liabilities	<u>39,282,246</u>	<u>8,935,606</u>	<u>2,788,600</u>	<u>1,144,228</u>	<u>52,150,680</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	23,924,424	20,294,755	4,237,803	8,205,112	56,662,094
Unavailable revenue	871,707	-	250,000	3,688,234	4,809,941
Total Deferred Inflows of Resources	<u>24,796,131</u>	<u>20,294,755</u>	<u>4,487,803</u>	<u>11,893,346</u>	<u>61,472,035</u>
<b>Fund Balances</b>					
Nonspendable	2,895,796	10,466	-	5,044	2,911,306
Restricted	-	-	-	2,726,114	2,726,114
Committed	-	-	-	420,840	420,840
Assigned	3,101,145	-	-	5,945,241	9,046,386
Unassigned	29,978,897	-	-	-	29,978,897
Total Fund Balances	<u>35,975,838</u>	<u>10,466</u>	<u>-</u>	<u>9,097,239</u>	<u>45,083,543</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$100,054,215</u></b>	<b><u>\$ 29,240,827</u></b>	<b><u>\$ 7,276,403</u></b>	<b><u>\$ 22,134,813</u></b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds (Note II.A.).	129,217,390
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements, but are recognized as revenue when earned in the government-wide statements (Note IV.B.).	4,809,941
The net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions do not related to current financial resources and are not reported in the governmental	17,353,853
Some liabilities, including long-term debt, are not due and payable in the current period, and therefore, are not reported in the funds (Note II.A.).	(32,545,124)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds which primarily serve governmental activities are included as governmental activities.	13,787,261
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 177,706,864</u></b>

See accompanying notes to financial statements.

## ROCK COUNTY

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

	General	Human Services	DD Board	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$ 34,885,917	\$ 19,823,008	\$ 3,981,298	\$ 6,305,417	\$ 64,995,640
Intergovernmental	10,234,954	33,317,712	23,241,212	7,533,481	74,327,359
Regulation and compliance	1,540,230	-	-	-	1,540,230
Public charges for services	3,108,933	675,674	4,082,329	1,342,388	9,209,324
Intergovernmental charges for services	1,401,114	3,267,801	2,709,003	341,726	7,719,644
Other	816,337	47,032	-	354,313	1,217,682
<b>Total Revenues</b>	<u>51,987,485</u>	<u>57,131,227</u>	<u>34,013,842</u>	<u>15,877,325</u>	<u>159,009,879</u>
<b>EXPENDITURES</b>					
Current					
General government	6,826,073	-	-	388,221	7,214,294
Public safety	35,172,197	-	-	501,990	35,674,187
Health and social services	6,859,559	56,901,644	33,037,947	6,580,058	103,379,208
Public works	-	-	-	922,979	922,979
Culture, recreation, and education	381,050	-	-	2,179,206	2,560,256
Conservation and development	1,125,560	-	-	524,675	1,650,235
Capital Outlay	-	-	-	1,644,063	1,644,063
Debt Service					
Principal retirement	109,315	-	-	1,982,616	2,091,931
Interest and fiscal charges	5,529	-	-	428,087	433,616
<b>Total Expenditures</b>	<u>50,479,283</u>	<u>56,901,644</u>	<u>33,037,947</u>	<u>15,151,895</u>	<u>155,570,769</u>
Excess (deficiency) of revenues over expenditures	<u>1,508,202</u>	<u>229,583</u>	<u>975,895</u>	<u>725,430</u>	<u>3,439,110</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation debt issued	-	-	-	5,968,817	5,968,817
Premium on debt issued	-	-	-	107,526	107,526
Transfers in	1,649,826	89,508	-	4,451,131	6,190,465
Transfers out	(2,008,952)	(372,836)	(975,895)	(6,510,835)	(9,868,518)
<b>Total Other Financing Sources (Uses)</b>	<u>(359,126)</u>	<u>(283,328)</u>	<u>(975,895)</u>	<u>4,016,639</u>	<u>2,398,290</u>
<b>Net Change in Fund Balances</b>	1,149,076	(53,745)	-	4,742,069	5,837,400
FUND BALANCES - Beginning of Year	<u>34,826,762</u>	<u>64,211</u>	<u>-</u>	<u>4,355,170</u>	<u>39,246,143</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 35,975,838</u>	<u>\$ 10,466</u>	<u>\$ -</u>	<u>\$ 9,097,239</u>	<u>\$ 45,083,543</u>

See accompanying notes to financial statements.

## ROCK COUNTY

### RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

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Net change in fund balances - total governmental funds	\$ 5,837,400
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,644,063
Some items reported as capital outlay were expensed in the government-wide financial statements	(419,039)
Some items capitalized were contributed capital assets	12,145,716
Assets transferred from business-type activities to governmental activities	8,795,573
Depreciation is reported in the government-wide statements	(6,311,404)
Net book value of capital assets disposed of during the year	(66,734)

Some receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when collected and expenditures when disbursed in the government-wide financial statements.

Loans	(422,303)
Grants	250,000
County levied delinquent taxes	(70,397)

Debt that was issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(5,968,817)
Principal repaid	1,982,616
Principal paid on capital lease	109,315
Contribution received to reduce airport land loan	249,683

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

Compensated absences	(190,112)
Other post-employment benefits	(1,299,980)
Net pension asset	(5,172,917)
Deferred outflows of resources related to pensions	5,395,272
Deferred inflows of resources related to pensions	(19,982)
Accrued interest on debt	(7,420)

The net revenues of certain activities of internal service funds are reported within governmental activities.

(1,082,040)

#### **CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 15,378,493**

See accompanying notes to financial statements.

## ROCK COUNTY

### STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Rock Haven	Highway	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 1,100	\$ 575	\$ 1,675	\$ 71,261
Taxes receivable	3,994,415	2,986,210	6,980,625	1,378,510
Accounts receivable	1,096,826	345,435	1,442,261	390,518
Due from other funds	4,406,073	804,177	5,210,250	13,217,011
Due from other governments	-	2,250,067	2,250,067	-
Inventories	77,687	1,365,498	1,443,185	-
Prepaid items	-	676	676	162,625
Total Current Assets	<u>9,576,101</u>	<u>7,752,638</u>	<u>17,328,739</u>	<u>15,219,925</u>
Noncurrent Assets				
Restricted Assets				
Net pension asset	1,332,131	798,669	2,130,800	313,924
Deposit with Wisconsin Mutual Insurance Company	-	-	-	1,741,000
Capital Assets				
Land	-	104,153	104,153	575,710
Construction work in progress	-	669,892	669,892	-
Intangible assets - software	-	-	-	779,690
Other capital assets	32,876,425	27,517,932	60,394,357	8,755,226
Less: Accumulated depreciation	<u>(3,150,150)</u>	<u>(15,481,549)</u>	<u>(18,631,699)</u>	<u>(5,700,008)</u>
Total Assets	<u>40,634,507</u>	<u>21,361,735</u>	<u>61,996,242</u>	<u>21,685,467</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	<u>1,355,476</u>	<u>810,526</u>	<u>2,166,002</u>	<u>326,798</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	134,694	558,473	693,167	2,417,366
Accrued liabilities	641,062	3,726	644,788	-
Accrued vacation and comp time	603,803	412,321	1,016,124	201,408
Due to other funds	-	-	-	28,031
Due to other governments	-	3,473,788	3,473,788	-
Current portion of long-term debt	<u>1,723,267</u>	<u>-</u>	<u>1,723,267</u>	<u>262,944</u>
Total Current Liabilities	<u>3,102,826</u>	<u>4,448,308</u>	<u>7,551,134</u>	<u>2,909,749</u>
Noncurrent Liabilities				
General obligation debt	26,483,499	-	26,483,499	2,027,456
Other postemployment benefits	1,045,477	436,569	1,482,046	-
Accrued sick leave	<u>279,512</u>	<u>483,265</u>	<u>762,777</u>	<u>166,334</u>
Total Noncurrent Liabilities	<u>27,808,488</u>	<u>919,834</u>	<u>28,728,322</u>	<u>2,193,790</u>
Total Liabilities	<u>30,911,314</u>	<u>5,368,142</u>	<u>36,279,456</u>	<u>5,103,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	4,051,273	2,986,210	7,037,483	1,386,151
Pension related amounts	<u>3,103</u>	<u>1,861</u>	<u>4,964</u>	<u>731</u>
Total Deferred Inflows of Resources	<u>4,054,376</u>	<u>2,988,071</u>	<u>7,042,447</u>	<u>1,386,882</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,916,548	12,810,428	14,726,976	2,323,537
Restricted for pensions	1,332,131	798,669	2,130,800	313,924
Unrestricted	<u>3,775,614</u>	<u>206,951</u>	<u>3,982,565</u>	<u>12,884,383</u>
<b>TOTAL NET POSITION</b>	<u>\$ 7,024,293</u>	<u>\$ 13,816,048</u>	<u>20,840,341</u>	<u>\$ 15,521,844</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>1,734,583</u>	
Net Position of Business-type Activities			<u>\$ 22,574,924</u>	

See accompanying notes to financial statements.

## ROCK COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Rock Haven	Highway	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,008,975	\$ 6,033,469	\$ 16,042,444	\$ 25,601,791
Total Operating Revenues	<u>10,008,975</u>	<u>6,033,469</u>	<u>16,042,444</u>	<u>25,601,791</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	15,359,408	11,155,286	26,514,694	25,742,569
Depreciation	1,097,173	1,274,055	2,371,228	616,242
Total Operating Expenses	<u>16,456,581</u>	<u>12,429,341</u>	<u>28,885,922</u>	<u>26,358,811</u>
Operating Loss	<u>(6,447,606)</u>	<u>(6,395,872)</u>	<u>(12,843,478)</u>	<u>(757,020)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	6,620,426	3,040,106	9,660,532	1,383,487
Sales taxes	-	461,669	461,669	622,976
Intergovernmental grants	1,298,400	2,290,540	3,588,940	-
Miscellaneous revenues	44,232	-	44,232	2,277
Interest expense	(910,235)	-	(910,235)	(28,456)
Total Nonoperating Revenues (Expenses)	<u>7,052,823</u>	<u>5,792,315</u>	<u>12,845,138</u>	<u>1,980,284</u>
Income (Loss) Before Transfers	<u>605,217</u>	<u>(603,557)</u>	<u>1,660</u>	<u>1,223,264</u>
<b>TRANSFERS</b>				
Transfers in	-	5,603,053	5,603,053	-
Transfers out	-	(8,795,573)	(8,795,573)	(1,925,000)
Total Transfers	<u>-</u>	<u>(3,192,520)</u>	<u>(3,192,520)</u>	<u>(1,925,000)</u>
<b>Change in Net Position</b>	<u>605,217</u>	<u>(3,796,077)</u>	<u>(3,190,860)</u>	<u>(701,736)</u>
NET POSITION - Beginning of Year (as restated)	<u>6,419,076</u>	<u>17,612,125</u>		<u>16,223,580</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 7,024,293</u>	<u>\$ 13,816,048</u>		<u>\$ 15,521,844</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			380,304	
Change in Net Position of Business-type Activities			<u>\$ (2,810,556)</u>	

See accompanying notes to financial statements.

## ROCK COUNTY

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Rock Haven	Highway	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 10,084,670	\$ 5,413,720	\$ 15,498,390	\$ 24,578,741
Cash paid to suppliers for goods and services	(3,282,669)	(4,673,737)	(7,956,406)	(23,239,690)
Cash paid to employees for payroll	(12,130,377)	(6,158,311)	(18,288,688)	(2,612,150)
Net Cash Flows From Operating Activities	(5,328,376)	(5,418,328)	(10,746,704)	(1,273,099)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property tax revenues	6,620,426	3,040,106	9,660,532	1,383,487
Other tax revenues	-	461,669	461,669	622,976
Transfers in (out)	-	-	-	(1,925,000)
Intergovernmental grants	1,298,400	2,290,540	3,588,940	-
Net Cash Flows From Noncapital Financing Activities	7,918,826	5,792,315	13,711,141	81,463
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt issued	-	-	-	1,921,183
Debt principal paid	(1,606,123)	-	(1,606,123)	(66,261)
Capital lease paid	-	-	-	33,956
Interest paid	(984,347)	-	(984,347)	(28,456)
Transfers in	-	5,603,053	5,603,053	-
Acquisition and construction of capital assets	-	(5,977,040)	(5,977,040)	(628,204)
Net Cash Flows From Capital and Related Financing Activities	(2,590,470)	(373,987)	(2,964,457)	1,232,218
<b>Net Change in Cash and Cash Equivalents</b>	(20)	-	(20)	40,582
CASH AND CASH EQUIVALENTS - Beginning of Year	1,120	575	1,695	30,679
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,100	\$ 575	\$ 1,675	\$ 71,261

	Rock Haven	Highway	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating loss	\$ (6,447,606)	\$(6,395,872)	\$ (12,843,478)	\$ (757,020)
Adjustments to reconcile operating loss to net cash flows from operating activities				
Nonoperating revenues	44,232	-	44,232	2,277
Noncash items included in operating loss				
Depreciation	1,097,173	1,274,055	2,371,228	616,242
Change in Assets and Liabilities				
Accounts receivable	877,213	(137,966)	739,247	(193,612)
Other accounts receivable	183,766	53,896	237,662	-
Due to/from other funds	(559,078)	(428,941)	(988,019)	(817,942)
Inventories	-	(38,284)	(38,284)	-
Prepaid items	-	-	-	115,339
Accounts payable	(94,982)	262,543	167,561	(230,175)
Other current liabilities	(449,086)	109,222	(339,864)	8,670
Compensated absences	-	-	-	9,136
Other postemployment benefits	167,553	-	167,553	-
Pension related amounts	(20,653)	(10,243)	(30,896)	(12,241)
Unearned revenues	(126,908)	(106,738)	(233,646)	(13,773)
	<u>(126,908)</u>	<u>(106,738)</u>	<u>(233,646)</u>	<u>(13,773)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (5,328,376)</u>	<u>\$(5,418,328)</u>	<u>\$ (10,746,704)</u>	<u>\$ (1,273,099)</u>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets transferred to governmental activities	\$ -	\$ 8,795,573	\$ 8,795,573	\$ -
Premium on debt amortized	\$ 74,112	\$ -	\$ 74,112	\$ -

See accompanying notes to financial statements.



**ROCK COUNTY**

STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUND

As of December 31, 2015

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 26,666,250
Taxes receivable	1,684,506
Accounts receivable	<u>70,459</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 28,421,215</u></b>
<b>LIABILITIES</b>	
Liabilities	
Due to other governments	\$ 23,323,580
Other liabilities	<u>5,097,635</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 28,421,215</u></b>

See accompanying notes to financial statements.

# ROCK COUNTY

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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The accounting policies of Rock County, Wisconsin (the “county”) 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 the county. The reporting entity for the county consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or 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. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of 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 or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

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

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

---

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

##### ***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 does not allocate indirect expenses to functions in the Statement of Activities. 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, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary 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/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% 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% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the county believes is particularly important to financial statement users may be reported as a major fund.

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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### 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 major governmental funds:

##### *Major Governmental Funds*

- General Fund – Accounts for the county’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Human Services Special Revenue Fund – Account for and report resources legally restricted or committed for services provided to chemically dependent individuals and for operations associated with social services and welfare programs.
- DD Board Special Revenue Fund – Account for and report resources legally restricted or committed for services provided to developmentally disabled individuals.

The county reports the following major enterprise funds:

##### *Major Enterprise Funds*

- Rock Haven – Accounts for the operations of the county’s skilled nursing and intermediate care facilities for aged and disabled residents.
- Highway Fund – Accounts for the operations of the county’s department of public works.

The county reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Revolving Loans	Arrowhead Library System
Parks	County Bridge Aid
Other Grants	Other Activities
Land Records	Other Special Revenue Funds
Veterans’ Relief	Income Maintenance Consortium
	Airport

Debt Service Fund – Used to account for and report financial resources that are restricted, committed, or assigned to expenditure, the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds – Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

- General Capital Projects
- Sheriff’s Vehicles
- Airport Projects

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

---

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

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

In addition, the county reports the following fund types:

Internal service funds are used to account for and report 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.

The county's internal service funds are:

- Motor Pool
- Information Technology
- Self Insurance
- Job Center

Agency funds are used to account for and report assets held by the county in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The county's agency fund includes tax collections for municipalities, the health care center patient trust, clerk of courts, unclaimed trust and drainage districts.

#### **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 unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. 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 certain federal and state grants for which the county considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. 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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

---

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

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

Property taxes are recorded in the year levied as receivables and unearned revenues. 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 takes 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 unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are reported as deferred inflows of resources/unearned revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services 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.

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 follow 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 Rock Haven and Highway 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.

##### ***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, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

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

Investment of county funds is restricted by state statutes. 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.

The county has adopted an investment policy. That policy follows the state statute for allowable investments.

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 is allocated based on average balances of individual funds. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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.



# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

---

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **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 taxes receivable and deferred inflows.

Local property taxes as levied are collected by local treasurers, typically through the last day of January in each year. Twenty municipalities have contracted with the county for tax collections. By February 20, the county treasurer and local treasurers settle for all collections and amounts paid timely through January 31 due the various taxing districts. On February 1 tax collection becomes the responsibility of the county, except for the City of Beloit, and delinquent taxes receivable represent unpaid taxes levied for all taxing entities within the county. On August 20 the county purchases uncollected property taxes from other taxing authorities at the unpaid amount to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues.

Following is the property tax calendar for municipalities within the county.

Property tax calendar – 2015 tax roll:

Levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Final installment due	July 31, 2016
Personal property taxes in full	January 31, 2016 (except improvements on 5 leased land due January 31, 2016 and July 31, 2016)
Tax certificate date	September 1, 2016
Tax sale – 2015 delinquent real estate taxes	October 2018

Delinquent property taxes purchased from other taxing authorities are included as nonspendable fund balance at year end. Delinquent property taxes levied by the county are included as deferred inflows and are excluded from revenues and fund balance until collected.

On September 1, 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 the property.

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".

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

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

Rock County has a 0.5% sales tax which is collected by the State of Wisconsin and is remitted to the county monthly. Sales taxes are accrued as a receivable when the underlying sale relating 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 and state grant funds for housing rehabilitation loan programs. The county records a loan receivable when the loan has been made and funds have been disbursed.

Accounts receivable have been shown net of an allowance for uncollectible accounts. It is the county's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. 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.

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

Governmental fund inventories are valued at cost using the first-in, first-out (FIFO) method and using the consumption method of accounting. Inventories of the proprietary funds, except for the public works department, are valued at cost using the FIFO method. The public works department uses the average cost method.

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. Capital Assets***

###### ***Government-Wide 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 for general capital assets and \$100,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **4. Capital Assets (cont.)**

###### **Government-Wide Statements (cont.)**

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. No interest was capitalized during the current year. 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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15 to 75 Years
Land Improvements	15 to 30 Years
Machinery and Equipment	3 to 15 Years
Infrastructure	15 to 75 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 way as in the government-wide statements.

##### **5. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

##### **6. 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.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary 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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

#### **D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **6. Compensated Absences (cont.)**

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2015 are determined on the basis of current salary rates and include salary related payments.

##### **7. Long-Term Obligations**

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

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and 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, whichever is shorter. The balance at year end for both premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses, as applicable, is shown as a deferred outflow/inflow in the statement of net position.

##### **8. Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

##### **9. Equity Classifications**

###### **Government-Wide Statements**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

---

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

---

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

**9. Equity Classifications (cont.)**

***Fund Statements***

Governmental balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the county. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the county that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The county has adopted a financial policy authorizing the finance director to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

The county has a formal fund balance policy. The policy is to maintain a minimum unassigned General fund balance, total Special Revenue fund balances, and working capital in the Enterprise funds equal to 10% to 17% of the total General, Special Revenue, and Enterprise Fund expenditures/expenses. This calculated balance at year end was \$35,478,147, or 20% of the expenditures/expenses of the funds listed above.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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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 states that “capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.”

Land	\$ 7,171,811
Construction in progress	410,595
Easements	1,414,000
Infrastructure construction in progress	111,926
Infrastructure and land improvements	5,752,696
Other capital assets, net of depreciation/ amortization	118,766,980
Less: Internal service fund capital assets included above, net of depreciation	<u>(4,410,618)</u>
Adjustment for Capital Assets	<u>\$ 129,217,390</u>

One element of that reconciliation states that “some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.”

General obligation debt payable	\$ 16,837,629
Land loan due to state	204,708
Compensated absences	7,195,573
Other postemployment benefits	8,111,454
Capital lease payable	64,978
Accrued interest	<u>130,782</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 32,545,124</u>

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

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#### A. LIMITATIONS ON THE COUNTY'S TAX LEVY

Wisconsin law limits the county's future tax levies. Generally, the county is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the county's equalized value due to new construction, or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The county is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV – DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The county's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 36,899,217	\$ 38,631,304	Custodial credit risk
U.S. agencies – explicitly guaranteed	10,716,572	10,716,572	Custodial credit risk, interest rate risk
U.S. agencies – implicitly guaranteed	7,419,409	7,419,409	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. Treasuries	3,994,318	3,994,318	Custodial credit risk, interest rate risk
Corporate bonds	2,000,418	2,000,418	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
LGIP	33,179,639	33,179,639	Credit risk
Petty cash	23,460	-	N/A
Total Cash and Investments	\$ 94,223,033	\$ 95,941,660	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 67,566,783		
Per statement of assets and liabilities			
Agency fund	26,666,250		
Total Cash and Investments	\$ 94,223,033		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing the custodial credit risk.

The county maintains collateral agreements with its banks. At December 31, 2015, the banks had pledged various government securities in the amount of \$11,000,000 to secure the county's deposits.

**ROCK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

***Custodial Credit Risk***

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the county's deposits may not be returned to the county.

As of December 31, 2015, \$20,209,969 of the county's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 20,209,969</u>
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The county's investment policy as it relates to custodial credit risk specifies that safekeeping agreements shall be in effect with each financial institution.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The county does not have any investments exposed to custodial credit risk.

The county's investment policy as it relates to custodial credit risk states that ownership of all securities shall be perfected in the name of the county.

***Credit Risk***

As of December 31, 2015, the county's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
U.S. Agencies – Implicitly guaranteed	AA+	Aaa
Corporate bonds	AA+, AA	Aa1, Aa2

The county also had investments in the following external pool which is not rated:

Local Government Investment Pool

The county's investment policy as it relates to credit risk states that the county may invest in treasury obligations, federal agencies, local government investment pool, commercial paper rated at least A-1 by Standard & Poor's or P-1 by Moody's, and other allowable investments. Complete details are available in the county's investment policy.



# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

##### **Concentration of Credit Risk**

The county's investment policy states that no more than 5% of the county's total investment portfolio can be invested in any one issuer. Of the total county investment portfolio of \$57,310,355, \$3,679,559 is invested in FFCB and \$3,739,850 is invested in FHLB, which are over the 5% threshold making up 6% and 7% of the portfolio, respectively.

##### **Interest Rate Risk**

As of December 31, 2015, the county's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)	
		Less Than 1	1-4
U.S. agencies – explicitly guaranteed	\$ 10,716,572	\$ 1,497,990	\$ 9,218,582
U.S. agencies – implicitly guaranteed	7,419,409	-	7,419,409
U.S. treasuries	3,994,318	751,523	3,242,795
Corporate bonds	2,000,418	2,000,418	-
Total Fair Value	<u>\$ 24,130,717</u>	<u>\$ 4,249,931</u>	<u>\$ 19,880,786</u>

The county's investment policy states that the county may invest in U.S. treasuries and agencies not exceeding five years, corporate bonds not exceeding three years, and the LGIP in accordance with Federal Securities Regulation 2a-7.

#### B. RECEIVABLES

Receivables are not expected to be collected within one year as follows:

	General	Nonmajor Governmental Funds
Amounts not expected to be collected within one year	<u>\$ 6,151,453</u>	<u>\$ 3,688,225</u>

Receivables in the Rock Haven and nonmajor governmental funds have been recorded net of allowances. The allowances as of December 31, 2015, in these funds respectively, are \$327,795 and \$689,903.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### B. RECEIVABLES (cont.)

At December 31, 2015, delinquent taxes receivable are as follows:

Tax Certificates –	
2014	\$ 2,471,921
2013	1,208,175
2012	414,767
2011	61,957
2010	36,289
2009 and prior	<u>30,527</u>
Totals	4,223,636
Special assessment tax certificates and deeds (payable to other governments)	1,811,260
Other miscellaneous taxes	<u>116,557</u>
Total Delinquent Taxes Receivable	<u>\$ 6,151,453</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable	\$ -	\$ 55,796,919
Delinquent property taxes receivable	871,707	-
Loans receivable	3,688,234	-
Grants	<u>250,000</u>	<u>865,175</u>
Total Unavailable/Unearned Revenue For Governmental Funds	<u>\$ 4,809,941</u>	56,662,094
Internal Service Fund Taxes receivable		1,378,510
Subsequent period prepayments		<u>7,641</u>
Governmental Activities Unearned Revenue		<u>\$ 58,048,245</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### C. RESTRICTED ASSETS

##### *Net Pension Asset*

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

#### D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 7,171,811	\$ -	\$ -	\$ 7,171,811
Construction in progress	1,090,117	251,075	930,597	410,595
Easements	1,414,000	-	-	1,414,000
Infrastructure construction in progress	1,764,995	95,634	1,748,703	111,926
Infrastructure and land improvements	3,008,883	2,743,813	-	5,752,696
Total Capital Assets Not Being Depreciated/Amortized	14,449,806	3,090,522	2,679,300	14,861,028
Capital assets being depreciated/amortized				
Intangible assets – software	547,860	307,200	-	855,060
Land improvements	34,921,721	533,298	-	35,455,019
Buildings and improvements	101,565,543	974,667	-	102,540,210
Machinery and equipment	22,031,353	637,487	2,106,432	20,562,408
Roads	36,610,309	9,316,769	2,575,416	43,351,662
Bridges	4,609,154	10,533,776	29,816	15,113,114
Stop lights	123,973	-	-	123,973
Airport water and sewer system	1,557,502	-	-	1,557,502
Snowmobile bridges	247,574	-	-	247,574
Total Capital Assets Being Depreciated/Amortized	202,214,989	22,303,197	4,711,664	219,806,522
Less: Accumulated depreciation/amortization for				
Intangible assets – software	(148,090)	(132,383)	-	(280,473)
Land improvements	(16,768,999)	(1,202,699)	-	(17,971,698)
Buildings and improvements	(53,252,144)	(3,584,308)	-	(56,836,452)
Machinery and equipment	(17,698,378)	(1,036,986)	2,047,008	(16,688,356)
Roads	(9,281,215)	(867,033)	2,575,416	(7,572,832)
Bridges	(1,111,754)	(76,038)	29,070	(1,158,722)
Stop lights	(29,748)	(2,479)	-	(32,227)
Airport water and sewer system	(394,573)	(20,767)	-	(415,340)
Snowmobile bridges	(78,489)	(4,953)	-	(83,442)
Total Accumulated Depreciation/ Amortization	(98,763,390)	(6,927,646)	4,651,494	(101,039,542)
Net Capital Assets Being Depreciated/Amortized	103,451,599	15,375,551	60,170	118,766,980
Total Governmental Activities Capital Assets, Net of Depreciation/Amortization	\$ 117,901,405	\$ 18,466,073	\$ 2,739,470	\$ 133,628,008

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 494,366
Public safety	2,473,645
Health and social services	413,771
Public works	2,374,738
Culture, recreation and education	549,170
Conservation and development	5,714
Sub-total	6,311,404
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	616,242
Total Governmental Activities Depreciation Expense	\$ 6,927,646

	Beginning Balance*	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 104,153	\$ -	\$ -	\$ 104,153
Construction in progress	930,188	662,927	923,223	669,892
Total Capital Assets Not Being Depreciated	1,034,341	662,927	923,223	774,045
Capital assets being depreciated				
Land improvements	2,844,087	-	-	2,844,087
Buildings	23,377,638	20,843	-	23,398,481
Machinery and equipment	32,753,934	1,614,142	216,287	34,151,789
Total Capital Assets Being Depreciated	58,975,659	1,634,985	216,287	60,394,357
Less: Accumulated depreciation for				
Land improvements	(286,333)	(82,337)	-	(368,670)
Buildings	(3,366,364)	(683,516)	-	(4,049,880)
Machinery and equipment	(12,798,029)	(1,605,375)	190,255	(14,213,149)
Total Accumulated Depreciation	(16,450,726)	(2,371,228)	190,255	(18,631,699)
Net Capital Assets Being Depreciated	42,524,933	(736,243)	26,032	41,762,658
Total Business-type Capital Assets, Net of Depreciation	\$ 43,559,274	\$ (73,316)	\$ 949,255	\$ 42,536,703

\*Includes reclassification of \$2,473,953 from land to land improvements.

Depreciation expense was charged to functions as follows:

#### Business-type Activities

Rock Haven	\$ 1,097,173
Highway	1,274,055
Total Business-type Activities Depreciation Expense	\$ 2,371,228

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### *E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS*

##### *Interfund Receivables/Payables*

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
<b>General Fund</b>	Special revenue – Other grants	\$ 78,964
	Internal service – Motor pool	28,031
<b>Special Revenue Funds</b>		
Human services	General	4,968,544
Income maintenance consortium	General	638,286
Revolving loans	General	442,989
Airport	General	87,648
Land records	General	150,740
Veterans' relief	General	5,155
Arrowhead library system	General	462,890
County bridge aid	General	26,043
Other activities	General	255,556
Other special revenue funds	General	387,939
DD board	General	916,877
Parks	General	1,402
<b>Debt Service Fund</b>	General	403,336
<b>Capital Projects Funds</b>		
Sheriff vehicles	General	69,720
Airport projects	General	54,713
General capital projects	General	5,125,561
<b>Enterprise Funds</b>		
Rock Haven	General	4,406,073
Highway	General	804,177
<b>Internal Service Funds</b>		
Information technology	General	2,393,124
Self insurance	General	10,386,126
Job Center	General	437,761
		32,531,655
Sub-Total – Fund Financial Statements		32,531,655
Less: Fund eliminations		(37,741,905)
Less: Interfund receivables, IT, self-insurance created with internal service and fund eliminations		(1,734,583)
Total Government-Wide Financial Statements		\$ (6,944,833)

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)**

##### ***Interfund Receivables/Payables (cont.)***

All amounts are considered to be due within one year and the principal purpose of these interfunds is for operating activities.

Balances owed by the general fund to other funds result from the cash and investment management for the county being accounted for in the general fund with the share owned by other funds being reported as interfund balances. Balances owed to the general fund 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.

##### ***Transfers***

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>General Fund</b>	Special revenue – Human services	\$ 372,836	Close lapsing fund
	Special revenue – DD Board	975,895	Close lapsing fund
	Special revenue – Other grants	31,719	Close lapsing fund
	Special revenue – Income maintenance consortium	146	Close lapsing fund
	Special revenue – Parks	18,236	Close lapsing fund
	Special revenue – Other special revenue	94,992	Transfer flexible spending balance
	Special revenue – Other activities	150,002	Grant funding
	Internal service – Self insurance	5,000	Contributed capital repayment
	Internal service – Job center	1,000	Project funding

**ROCK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

**Transfers (cont.)**

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
<b>Special Revenue Funds</b>			
Parks	Special revenue – Other special revenue	\$ 40,645	ATC drawdown
Human services	General	89,508	Close lapsing funds
Other grants	General	858	Close lapsing funds
Other grants	Special revenue – Other special revenue	23,455	ATC drawdown
Other grants	Special revenue – Other activities	6,042	Project funding
Income maintenance consortium	General	190	Transfer funding
Other special revenue	General	13,147	Transfer funding
Other special revenue	Special revenue – Parks	1,059	Transfer interest
Other activities	General capital projects	224,430	Jail assessments collected
<b>Capital Projects Funds</b>			
General capital projects	General	1,555,249	Sales tax and other funding
General capital projects	Internal service – Job center	1,919,000	Repay capital costs
General capital projects	Special revenue – Other activities	313,847	Project funding
General capital projects	Special revenue – Other special revenue	3,209	ATC drawdown
Sheriff's vehicles	General	275,000	Funding for vehicles
Airport projects	General	75,000	Project funding
<b>Enterprise Funds</b>			
Highway	General capital projects	5,590,553	Capital asset funding
Highway	Special Revenue – County bridge aid	12,500	Project funding
Sub-Total – Fund Financial Statements		11,793,518	
Governmental activities infrastructure paid by highway enterprise fund		8,795,573	
Fund eliminations		(17,396,571)	
Total Government-Wide Financial Statements		<u>\$ 3,192,520</u>	
Fund Transferred To	Fund Transferred From	Amount	
Governmental Activities	Business-type Activities	\$ 8,795,573	
Business-type Activities	Governmental Activities	(5,603,053)	
Total		<u>\$ 3,192,520</u>	

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)**

##### **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.

#### **F. 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>					
Notes Payable:					
General Obligation Debt					
General	\$ 12,851,428	\$ 5,968,817	\$ 1,982,616	\$ 16,837,629	\$ 2,273,788
Internal service	401,522	1,921,183	66,261	2,256,444	262,944
Add deferred amounts for premiums:					
Premium on long-term debt –					
Internal service	-	33,956	-	33,956	-
Land loan – due to state	454,391	-	249,683	204,708	-
Total Notes Payable	13,707,341	7,923,956	2,298,560	19,332,737	2,536,732
Other Liabilities:					
Vested compensated absences					
General	7,005,555	3,745,479	3,555,461	7,195,573	3,695,690
Internal service	349,936	210,544	192,738	367,742	201,408
Other postemployment benefits	6,811,474	2,250,340	950,360	8,111,454	-
Capital lease	174,293	-	109,315	64,978	64,978
Total Other Liabilities	14,341,258	6,206,363	4,807,874	15,739,747	3,962,076
Total Governmental Activities Long-Term Liabilities	\$ 28,048,599	\$14,130,319	\$ 7,106,434	\$ 35,072,484	\$ 6,498,808
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Debt					
Enterprise	\$ 29,142,050	\$ -	\$ 1,606,123	\$ 27,535,927	\$ 1,723,267
Add deferred amounts for premiums:					
Premium on long-term debt	744,951	-	74,112	670,839	-
Total Bonds and Notes Payable	29,887,001	-	1,680,235	28,206,766	1,723,267
Other Liabilities:					
Vested compensated absences					
Enterprise	1,848,928	1,005,437	1,075,464	1,778,901	1,016,124
Other postemployment benefits	1,244,526	411,160	173,640	1,482,046	-
Total Other Liabilities	3,093,454	1,416,597	1,249,104	3,260,947	1,016,124
Total Business-type Activities Long-Term Liabilities	\$ 32,980,455	\$ 1,416,597	\$ 2,929,339	\$ 31,467,713	\$ 2,739,391



# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### F. LONG-TERM OBLIGATIONS (cont.)

##### **General Obligation Debt**

All general obligation bonds and notes payable are backed by the full faith and credit of the county. Notes in the governmental funds will be retired by future property tax levies or other revenues 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 5% of the equalized value of taxable property within the county's jurisdiction. The debt limit as of December 31, 2015 was \$496,301,255. Total general obligation debt outstanding at year end was \$46,630,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-15
<b>General Obligation Debt</b>					
Promissory notes	2010	2019	1.35 - 4.30%	\$ 5,815,000	\$ 3,050,000
Promissory notes	2011	2020	2.00 - 2.50%	4,500,000	3,250,000
Promissory bonds	2011	2026	2.00 - 4.00%	22,000,000	20,480,000
Promissory bonds	2012	2021	1.25 - 4.00%	7,300,000	6,045,000
Promissory notes	2013	2023	2.00 - 3.05%	6,040,000	5,915,000
Promissory notes	2015	2025	1.00 - 2.00%	7,890,000	7,890,000
Total General Obligation Debt					\$ 46,630,000
					Balance 12-31-15
<b>Governmental Activities</b>					
General					\$ 16,837,629
Internal service					2,256,444
Sub-Total					19,094,073
<b>Business-type Activities</b>					
Enterprise					27,535,927
Total General Obligation Debt					\$ 46,630,000

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **F. LONG-TERM OBLIGATIONS** (cont.)

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

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,536,732	\$ 427,568	\$ 1,723,267	\$ 868,360
2017	2,576,058	401,804	1,663,943	839,753
2018	2,696,613	344,719	1,638,387	809,013
2019	2,746,891	277,387	1,658,109	776,021
2020	2,122,779	201,306	2,382,221	719,451
2021 – 2025	6,415,000	384,062	15,370,000	2,368,495
2026	-	-	3,100,000	124,000
Totals	<u>\$ 19,094,073</u>	<u>\$ 2,036,846</u>	<u>\$ 27,535,927</u>	<u>\$ 6,505,093</u>

##### **Land Loan – Due to State**

The county has acquired several parcels of land through the State of Wisconsin Department of Transportation (DOT) for airport projects. The land is included in the capital asset balance, and a loan is currently outstanding due to the DOT upon completion of the projects. The county anticipates that federal funds will be available to repay the balance of the loan at the time the project is completed.

#### **G. CAPITAL LEASE**

In 2011, the county acquired capital assets through lease/purchase agreements. The gross amount of these assets under capital lease are included in capital assets. The future principal and interest payments as of December 31, 2015 are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 64,978</u>	<u>\$ 516</u>	<u>\$ 65,494</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### **H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES**

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 and land improvements	\$ 12,924,507
Construction in progress	522,521
Easements	1,414,000
Other capital assets, net of accumulated depreciation	118,766,980
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(18,446,508)</u>
Total Net Investment in Capital Assets	<u>\$ 115,181,500</u>

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

##### **Nonspendable**

###### Major Funds

###### General Fund

Delinquent taxes	\$ 2,646,227
Inventories	26,113
Prepaid items	<u>223,456</u>

Total	<u>\$ 2,895,796</u>
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###### Human Services

Prepaid items	<u>\$ 10,466</u>
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###### Nonmajor Funds

Special revenue funds – prepaid items	<u>\$ 5,044</u>
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##### **Restricted**

###### Nonmajor Funds – Special Revenue Funds

Revolving loans	\$ 713,492
Other grants	373,131
Land records	152,740
Arrowhead library system	107,366
County bridge aid	26,043
Other activities	255,556
Other special revenue funds	632,016
Airport	<u>62,434</u>
Sub-total	2,322,778

###### Nonmajor Fund – Debt Service Fund

	<u>403,336</u>
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Total	<u>\$ 2,726,114</u>
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# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **H. GOVERNMENTAL ACTIVITIES NET POSITION/FUND BALANCES (cont.)**

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

###### **Committed**

###### Nonmajor Funds – Special Revenue Funds

Veterans' relief	\$ 5,155
Other special revenue funds	<u>415,685</u>
Total	<u>\$ 420,840</u>

###### **Assigned**

###### Major Fund

###### General Fund

Sales taxes for future expenditures	\$ 2,595,197
Carryforward appropriations	<u>505,948</u>

Total General Fund \$ 3,101,145

###### Nonmajor Funds – Capital Projects Funds

General capital projects	\$ 5,285,250
Sheriff's vehicles	65,590
Airport projects	<u>594,401</u>

Total \$ 5,945,241

###### **Unassigned**

###### Major Fund

###### General Fund

\$ 29,978,897

#### **I. BUSINESS-TYPE ACTIVITIES NET POSITION**

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

##### **Business-type Activities**

###### Net investment in capital assets

Land	\$ 104,153
Construction in progress	669,892
Other capital assets, net of depreciation	41,762,658
Less: Related long-term debt outstanding	<u>(27,809,727)</u>
Total Net Investment in Capital Assets	<u>\$ 14,726,976</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### J. RESTATEMENT OF NET POSITION

Net position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of the restatement are as follows:

	Governmental Activities	Information Technology	Job Center	Business-type Activities	Rock Haven	Highway
Net Position – December 31, 2014 (as reported)	\$ 144,549,138	\$ 2,472,830	\$ 3,134,739	\$ 21,124,538	\$ 3,755,225	\$ 16,015,034
Add: Net pension asset	14,253,233	483,923	19,331	3,415,907	2,135,553	1,280,354
Add: Deferred outflows related to pensions	3,526,000	119,714	4,782	845,035	528,298	316,737
Net Position – December 31, 2014 (as restated)	\$ 162,328,371	\$ 3,076,467	\$ 3,158,852	\$ 25,385,480	\$ 6,419,076	\$ 17,612,125

### NOTE V – OTHER INFORMATION

#### A. EMPLOYEES' RETIREMENT SYSTEM

##### **Summary of Significant Accounting Policies**

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

##### **General Information About the Pension Plan**

**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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Vesting.** 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.

**Benefits provided.** 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.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
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

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 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 \$4,374,417 in contributions from the county.

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%

#### ***Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2015, the county reported an asset of \$11,021,786 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 0.44871979%, which was a decrease of 0.00054863% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the county recognized pension expense of \$4,130,314.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,597,816	\$ -
Net differences between projected and actual earnings on pension plan investments	5,337,281	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	25,677
Employer contributions subsequent to the measurement date	4,354,476	-
Totals	\$ 11,289,573	\$ 25,677

\$4,354,476 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended December 31, 2015. 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	Deferred Inflows of Resources
2016	\$ 1,698,603	\$ 5,854
2017	1,698,603	5,854
2018	1,698,603	5,854
2019	1,698,603	5,854
2020	140,685	2,261



# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2015 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. 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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

#### A. EMPLOYEES' RETIREMENT SYSTEM (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:

Asset Class	Long-Term Real Rate of Return	Target Allocation
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:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
County's proportionate share of the net pension asset (liability)	\$(31,094,355)	\$11,021,786	\$44,283,411

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**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.

At December 3, 2015, the county reported a payable to the pension plan of \$134,903, which represents contractually required contributions outstanding as of the end of the year.

#### **B. RISK MANAGEMENT**

##### **Self Insurance**

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 theft of, damage to, or destruction of assets. However, other risks, such as worker's compensation and health care of employees, are accounted for and financed through self insurance activities recorded in the self insurance internal service fund.

The county has self funded insurance programs for health care and workers compensation. Claims are processed by an administrator on behalf of the county. A separate fund has been established into which deposits are made and actual claims are paid out. As a part of the plan a reinsurance policy has been purchased which picks up health claims in excess of \$135,000 per individual and worker's compensation claims in excess of \$400,000 per individual. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the county participate in the risk management program. Amounts payable to the fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. The excess of deposits over claims as of December 31, 2015 was \$10,443,901 and is reflected in an internal service fund in these statements. Total contributions to the program during the year were \$21,399,128.

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 estimable. Accounts payable include an amount for claims that have been incurred but not reported. The county does not allocate overhead costs or other nonincremental costs to the claims liability.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **B. RISK MANAGEMENT** (cont.)

##### **Public Entity Risk Pool**

In 2007, Rock County became a member of the Wisconsin Municipal Mutual Insurance Company (WMMIC). WMMIC is a mutual company operating solely within the property and liability insurance industry. WMMIC was organized to provide liability insurance and risk management services to participant municipalities. The aggregate annual maximum coverage per municipality is \$15,000,000. At December 31, 2015, WMMIC was owned by seventeen municipalities. Responsibility for the operation and management of WMMIC is vested in its board of directors which is comprised of various municipal officials.

WMMIC was formed pursuant to an Intergovernmental Charter-Contract dated November 1, 1987 by municipal members. WMMIC's initial capitalization was obtained by a \$13,935,000 tax exempt revenue bond issuance. The bonds were repaid in full in 2007.

WMMIC is self-insured for all insurance risks up to a maximum of \$15,000,000 of losses involving two or more of its members. WMMIC retains the first \$1,000,000 of the loss and the remaining \$14,000,000 is through reinsurance. Losses paid by WMMIC plus administrative costs will be recovered through premiums of the participating pool of municipalities. The county's share of such losses is 4.5%. A list of other members and their share of participation is in the WMMIC report. Financial statements of WMMIC can be obtained directly from WMMIC's offices.

The county's investment in WMMIC is reported on the statement of net position as a noncurrent asset in the amount of \$1,741,000.

##### **Claims Liability**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 2,424,570	\$ 2,531,526
Current year claims and administration	19,655,126	21,576,320
Claims and administration payments	<u>(19,548,170)</u>	<u>(21,915,599)</u>
Unpaid Claims – End of Year	<u>\$ 2,531,526</u>	<u>\$ 2,192,247</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental fund types 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.

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 attorney that the likelihood is remote that any other 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.

The county has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures/expenses.

The county has encumbrances outstanding at year end expected to be honored upon performance by the vendor in the general capital projects and highway funds in the amounts of \$1,065,000 and \$333,995, respectively.

#### **D. OTHER POSTEMPLOYMENT BENEFITS**

The county administers a single-employer defined benefit healthcare plan (“the Retiree Healthcare Benefit Program”). The plan provides health insurance contributions for eligible retirees and their spouses through the county's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive postemployment healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the county and the union. For Deputy Sheriffs and Deputy Sheriff's Supervisors, the county makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year until age 65. The county provides other employees access to the retiree healthcare benefits; however, these retirees must pay 100% of the premium. The premium for coverage prior to age 65 is the same as the active employee rate. There is a separate plan for members after age 65 that is fully insured through outside carriers that retirees may elect at that time. All post-65 retirees pay 100% of that premium for coverage. The county contributes 100% of the current year premiums for a family or single plan for eligible Deputy Sheriffs and Deputy Sheriff's Supervisors, retired plan members, and their spouses. All other eligible retirees pay 100% of the current year premiums for a family or single plan. For fiscal year 2015, the county contributed \$1,124,000 to the plan. Administrative costs of the plan are financed through investment earnings.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

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 parameters of GASB Statement No. 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 amount actually contributed to the plan, and changes in the county's net OPEB obligation to the Retiree Healthcare Benefit Program:

Annual required contribution	\$ 2,619,000
Interest on net OPEB obligation	362,500
Adjustment to annual required contribution	<u>(320,100)</u>
Annual OPEB cost	2,661,500
Contributions made	<u>(1,124,000)</u>
Increase in Net OPEB Obligation	1,537,500
Net OPEB Obligation – Beginning of Year	<u>8,056,000</u>
Net OPEB Obligation – End of Year	<u><u>\$ 9,593,500</u></u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 2,661,500	42%	\$ 9,593,500
2014	2,208,500	55%	8,056,000
2013	2,123,300	53%	7,065,200

The most recent actuarial valuation date of the plan was as of January 1, 2015. The funded status of the plan as of December 31, 2015 was as follows:

Actuarial accrued liability (AAL)	\$ 27,205,500
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 27,205,500</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 66,291,900
UAAL as a percentage of covered payroll	41%

## ROCK COUNTY

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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

Actuarial valuations of an ongoing plan involve estimates for 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. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations.

In the actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.5% investment rate of return and an annual healthcare cost trend of 8% initially, reducing by decrements of 0.5% to an ultimate rate of 4.5%. Both rates include a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015 was 30 years.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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

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#### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues an amendment of GASB Statements 67, 68, and 73*

When they become effective, application of these standards may restate portions of these financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION**

## ROCK COUNTY

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 33,111,560	\$33,111,560	\$34,885,917	\$ 1,774,357
Intergovernmental	10,668,925	10,671,005	10,234,954	(436,051)
Regulation and compliance	1,592,141	1,592,141	1,540,230	(51,911)
Public charges for services	3,326,179	3,327,438	3,108,933	(218,505)
Intergovernmental charges for services	1,323,212	1,341,502	1,401,114	59,612
Other	725,360	746,259	816,337	70,078
Total Revenues	<u>50,747,377</u>	<u>50,789,905</u>	<u>51,987,485</u>	<u>1,197,580</u>
<b>EXPENDITURES</b>				
Current				
General government	7,561,142	7,045,472	6,826,073	219,399
Public safety	34,057,974	35,629,149	35,172,197	456,952
Health and social services	7,349,237	7,296,177	6,859,559	436,618
Culture, recreation, and education	393,308	389,883	381,050	8,833
Conservation and development	1,545,716	1,579,130	1,125,560	453,570
Debt Service				
Principal retirement	-	-	109,315	(109,315)
Interest and fiscal charges	-	-	5,529	(5,529)
Total Expenditures	<u>50,907,377</u>	<u>51,939,811</u>	<u>50,479,283</u>	<u>1,460,528</u>
Excess (deficiency) of revenues over expenditures	<u>(160,000)</u>	<u>(1,149,906)</u>	<u>1,508,202</u>	<u>2,658,108</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	160,000	1,246,662	1,649,826	403,164
Transfers out	-	(96,756)	(2,008,952)	(1,912,196)
Total Other Financing Sources (Uses)	<u>160,000</u>	<u>1,149,906</u>	<u>(359,126)</u>	<u>(1,509,032)</u>
Net change in fund balance	-	-	1,149,076	1,149,076
FUND BALANCE - Beginning of Year	<u>34,826,762</u>	<u>34,826,762</u>	<u>34,826,762</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,826,762</u>	<u>\$34,826,762</u>	<u>\$35,975,838</u>	<u>\$ 1,149,076</u>

See independent auditors' report and accompanying notes to required supplementary information.

# ROCK COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE HUMAN SERVICES FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>REVENUES</b>				
Taxes	\$ 19,823,008	\$ 19,823,008	\$ 19,823,008	\$ -
Intergovernmental	32,770,258	34,245,935	33,317,712	(928,223)
Public charges for services	683,169	683,169	675,674	(7,495)
Intergovernmental charges for services	3,502,525	3,502,525	3,267,801	(234,724)
Other	8,000	151,822	47,032	(104,790)
Total Revenues	<u>56,786,960</u>	<u>58,406,459</u>	<u>57,131,227</u>	<u>(1,275,232)</u>
<b>EXPENDITURES</b>				
Current				
Health and social services	<u>56,786,960</u>	<u>58,496,967</u>	<u>56,901,644</u>	<u>1,595,323</u>
Total Expenditures	<u>56,786,960</u>	<u>58,496,967</u>	<u>56,901,644</u>	<u>1,595,323</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(90,508)</u>	<u>229,583</u>	<u>320,091</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	90,508	89,508	(1,000)
Transfers out	<u>-</u>	<u>-</u>	<u>(372,836)</u>	<u>(372,836)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>90,508</u>	<u>(283,328)</u>	<u>(373,836)</u>
Net change in fund balance	-	-	(53,745)	(53,745)
FUND BALANCE - Beginning of Year	<u>64,211</u>	<u>64,211</u>	<u>64,211</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 64,211</u>	<u>\$ 64,211</u>	<u>\$ 10,466</u>	<u>\$ (53,745)</u>

See independent auditors' report and accompanying notes to required supplementary information.

## ROCK COUNTY

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 DD BOARD FUND  
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>REVENUES</b>				
Taxes	\$ 3,981,298	\$ 3,981,298	\$ 3,981,298	\$ -
Intergovernmental	20,471,841	21,655,810	23,241,212	1,585,402
Public charges for services	3,909,291	3,909,291	4,082,329	173,038
Intergovernmental charges for services	3,491,549	3,491,549	2,709,003	(782,546)
Total Revenues	31,853,979	33,037,948	34,013,842	975,894
<b>EXPENDITURES</b>				
Current				
Health and social services	31,853,979	33,037,948	33,037,947	1
Total Expenditures	31,853,979	33,037,948	33,037,947	1
Excess (deficiency) of revenues over expenditures	-	-	975,895	975,895
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(975,895)	(975,895)
Total Other Financing Uses	-	-	(975,895)	(975,895)
Net change in fund balance	-	-	-	-
FUND BALANCE - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and accompanying notes to required supplementary information.

# ROCK COUNTY

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
SCHEDULE OF FUNDING PROGRESS  
December 31, 2015

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## Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age Normal Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2015	\$ -	\$ 27,205,500	\$ 27,205,500	0%	\$ 66,291,900	41%
January 1, 2013	-	23,579,600	23,579,600	0%	51,586,200	46%
January 1, 2011	-	26,124,900	26,124,900	0%	51,071,600	51%

The most recent actuarial valuation date of the plan was as of January 1, 2015.

**ROCK COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET -  
 WISCONSIN RETIREMENT SYSTEM  
 For the Year Ended December 31, 2015

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Fiscal Year Ending	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Asset	Covered Payroll	Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/15	0.44871979%	\$ 11,021,786	\$ 57,733,976	19.09%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
 For the Year Ended December 31, 2015

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Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 4,354,476	\$ 4,354,476	-	\$ 61,691,490	7.06%

See independent auditors' report and accompanying notes to the required supplementary information.

## ROCK COUNTY

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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#### ***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 1.C.

The budgeted amounts presented include any amendments made. The finance committee may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. Budgets are adopted at the program level of expenditure.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$505,948 in the general fund.

#### ***WISCONSIN RETIREMENT SYSTEM***

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The county is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in Assumptions.* There were no changes in assumptions.

**SUPPLEMENTARY INFORMATION**



**ROCK COUNTY**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2015

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
<b>ASSETS</b>						
Cash and investments	\$ 270,512	\$ -	\$ 205,516	\$ -	\$ -	\$ 150
Taxes receivable	-	510,444	240,748	-	3,754	995,376
Accounts receivable	-	-	6,320	2,000	-	9,800
Loans receivable (net)	3,688,225	-	-	-	-	-
Due from other funds	442,989	1,402	-	150,740	5,155	462,890
Due from other governments	-	-	358,343	-	-	-
Prepaid items	-	-	-	-	-	5,044
<b>TOTAL ASSETS</b>	<b>\$ 4,401,726</b>	<b>\$ 511,846</b>	<b>\$ 810,927</b>	<b>\$ 152,740</b>	<b>\$ 8,909</b>	<b>\$1,473,260</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ 1,402	\$ 115,173	\$ -	\$ -	\$ 36,508
Deposits	-	-	-	-	-	-
Due to other governments	-	-	18	-	-	12
Due to other funds	-	-	78,964	-	-	-
Total Liabilities	-	1,402	194,155	-	-	36,520
Deferred Inflows of Resources						
Unearned revenues	-	510,444	243,641	-	3,754	1,324,330
Unavailable revenues	3,688,234	-	-	-	-	-
Total Deferred Inflows of Resources	3,688,234	510,444	243,641	-	3,754	1,324,330
Fund Balances						
Nonspendable	-	-	-	-	-	5,044
Restricted	713,492	-	373,131	152,740	-	107,366
Committed	-	-	-	-	5,155	-
Assigned	-	-	-	-	-	-
Total Fund Balances	713,492	-	373,131	152,740	5,155	112,410
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,401,726</b>	<b>\$ 511,846</b>	<b>\$ 810,927</b>	<b>\$ 152,740</b>	<b>\$ 8,909</b>	<b>\$1,473,260</b>

Special Revenue Funds					Debt Service Fund	Capital Project Funds				Totals
County Bridge Aid	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	General Capital Projects	Sheriff's Vehicles	Airport Projects		
\$ -	\$ -	\$ 700,622	\$ -	\$ 50	\$ -	\$ 374,649	\$ -	\$ -	\$ 1,551,499	
60,000	-	58,634	7,000	522,031	5,415,898	15,111	-	-	7,828,996	
-	-	16	-	15,624	-	6,060	-	-	39,820	
-	-	-	-	-	-	-	-	-	3,688,225	
26,043	255,556	387,939	638,286	87,648	403,336	5,125,561	69,720	54,713	8,111,978	
-	-	-	-	-	-	-	-	550,908	909,251	
-	-	-	-	-	-	-	-	-	5,044	
<u>\$ 86,043</u>	<u>\$ 255,556</u>	<u>\$ 1,147,211</u>	<u>\$ 645,286</u>	<u>\$ 625,353</u>	<u>\$ 5,819,234</u>	<u>\$ 5,521,381</u>	<u>\$ 69,720</u>	<u>\$ 605,621</u>	<u>\$ 22,134,813</u>	
\$ -	\$ -	\$ 11,105	\$ 638,286	\$ 13,165	\$ -	\$ 221,020	\$ 4,130	\$ 11,220	\$ 1,052,009	
-	-	-	-	13,225	-	-	-	-	13,225	
-	-	-	-	-	-	-	-	-	30	
-	-	-	-	-	-	-	-	-	78,964	
-	-	11,105	638,286	26,390	-	221,020	4,130	11,220	1,144,228	
60,000	-	88,405	7,000	536,529	5,415,898	15,111	-	-	8,205,112	
-	-	-	-	-	-	-	-	-	3,688,234	
<u>60,000</u>	<u>-</u>	<u>88,405</u>	<u>7,000</u>	<u>536,529</u>	<u>5,415,898</u>	<u>15,111</u>	<u>-</u>	<u>-</u>	<u>11,893,346</u>	
-	-	-	-	-	-	-	-	-	5,044	
26,043	255,556	632,016	-	62,434	403,336	-	-	-	2,726,114	
-	-	415,685	-	-	-	-	-	-	420,840	
-	-	-	-	-	-	5,285,250	65,590	594,401	5,945,241	
<u>26,043</u>	<u>255,556</u>	<u>1,047,701</u>	<u>-</u>	<u>62,434</u>	<u>403,336</u>	<u>5,285,250</u>	<u>65,590</u>	<u>594,401</u>	<u>9,097,239</u>	
<u>\$ 86,043</u>	<u>\$ 255,556</u>	<u>\$ 1,147,211</u>	<u>\$ 645,286</u>	<u>\$ 625,353</u>	<u>\$ 5,819,234</u>	<u>\$ 5,521,381</u>	<u>\$ 69,720</u>	<u>\$ 605,621</u>	<u>\$ 22,134,813</u>	

**ROCK COUNTY**

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

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
<b>REVENUES</b>						
Taxes	\$ -	\$ 470,943	\$ 440,748	\$ -	\$ 3,754	\$ 1,006,376
Intergovernmental	-	-	2,864,057	1,000	-	475,322
Public charges for services	146,543	39,900	215,821	338,008	-	6,830
Intergovernmental charges for services	-	-	57,390	-	-	188,160
Other	2,441	1,511	166,206	2,388	-	2,000
Total Revenues	<u>148,984</u>	<u>512,354</u>	<u>3,744,222</u>	<u>341,396</u>	<u>3,754</u>	<u>1,678,688</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	351,427	-	-
Public safety	-	-	435,244	-	-	-
Health and social services	-	-	3,010,062	-	2,361	-
Public works	-	-	-	-	-	-
Culture, recreation, and education	-	533,704	-	-	-	1,645,502
Conservation and development	48,752	-	299,996	6,913	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>48,752</u>	<u>533,704</u>	<u>3,745,302</u>	<u>358,340</u>	<u>2,361</u>	<u>1,645,502</u>
Excess (deficiency) of revenues over expenditures	<u>100,232</u>	<u>(21,350)</u>	<u>(1,080)</u>	<u>(16,944)</u>	<u>1,393</u>	<u>33,186</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
General obligation debt issued	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-
Transfers in	-	40,645	30,355	-	-	-
Transfers out	-	(19,295)	(31,719)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>21,350</u>	<u>(1,364)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	100,232	-	(2,444)	(16,944)	1,393	33,186
FUND BALANCES - Beginning of Year	<u>613,260</u>	<u>-</u>	<u>375,575</u>	<u>169,684</u>	<u>3,762</u>	<u>79,224</u>
FUND BALANCES - END OF YEAR	<u>\$ 713,492</u>	<u>\$ -</u>	<u>\$ 373,131</u>	<u>\$ 152,740</u>	<u>\$ 5,155</u>	<u>\$ 112,410</u>

Special Revenue Funds					Debt Service Fund	Capital Project Funds			Totals
County Bridge Aid	Other Activities	Other Special Revenue Funds	Income Maintenance Consortium	Airport	Debt Service	General Capital Projects	Sheriff's Vehicles	Airport Projects	
\$ -	\$ -	\$ 92,078	\$ 5,730	\$ 471,676	\$ 2,491,164	\$ 1,322,948	\$ -	\$ -	\$ 6,305,417
-	-	21,562	3,561,715	-	58,917	-	-	550,908	7,533,481
-	-	17,988	-	352,738	-	224,560	-	-	1,342,388
-	-	96,176	-	-	-	-	-	-	341,726
-	37,797	111,835	-	-	-	8,413	21,722	-	354,313
-	37,797	339,639	3,567,445	824,414	2,550,081	1,555,921	21,722	550,908	15,877,325
-	26,873	9,921	-	-	-	-	-	-	388,221
-	-	66,746	-	-	-	-	-	-	501,990
-	-	-	3,567,635	-	-	-	-	-	6,580,058
64,069	-	-	-	858,910	-	-	-	-	922,979
-	-	-	-	-	-	-	-	-	2,179,206
-	-	169,014	-	-	-	-	-	-	524,675
-	-	-	-	-	-	1,252,805	346,109	45,149	1,644,063
-	-	-	-	-	1,982,616	-	-	-	1,982,616
-	-	-	-	-	428,087	-	-	-	428,087
64,069	26,873	245,681	3,567,635	858,910	2,410,703	1,252,805	346,109	45,149	15,151,895
(64,069)	10,924	93,958	(190)	(34,496)	139,378	303,116	(324,387)	505,759	725,430
-	-	-	-	-	3,676	5,965,141	-	-	5,968,817
-	-	-	-	-	107,526	-	-	-	107,526
-	224,430	14,206	190	-	-	3,791,305	275,000	75,000	4,451,131
(12,500)	(469,891)	(162,301)	(146)	-	-	(5,814,983)	-	-	(6,510,835)
(12,500)	(245,461)	(148,095)	44	-	111,202	3,941,463	275,000	75,000	4,016,639
(76,569)	(234,537)	(54,137)	(146)	(34,496)	250,580	4,244,579	(49,387)	580,759	4,742,069
102,612	490,093	1,101,838	146	96,930	152,756	1,040,671	114,977	13,642	4,355,170
\$ 26,043	\$ 255,556	\$ 1,047,701	\$ -	\$ 62,434	\$ 403,336	\$ 5,285,250	\$ 65,590	\$ 594,401	\$ 9,097,239

# ROCK COUNTY

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2015

	Motor Pool	Information Technology
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ -	\$ -
Taxes receivable	-	1,378,510
Accounts receivable	16,076	14,782
Due from other funds	-	2,393,124
Prepaid items	-	<u>69,802</u>
Total Current Assets	<u>16,076</u>	<u>3,856,218</u>
Noncurrent Assets		
Restricted Assets		
Net pension asset	-	301,865
Deposit with Wisconsin Mutual Insurance Company	-	-
Capital Assets		
Land	-	-
Intangible assets - software	-	779,690
Other capital assets	813,951	4,760,046
Less: Accumulated depreciation	<u>(469,413)</u>	<u>(4,435,231)</u>
Net Capital Assets	<u>344,538</u>	<u>1,104,505</u>
Total Assets	<u>360,614</u>	<u>5,262,588</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related amounts	-	<u>309,648</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	19	212,073
Accrued vacation and comp time	-	201,408
Due to other funds	28,031	-
Current portion of debt	-	<u>59,625</u>
Total Current Liabilities	<u>28,050</u>	<u>473,106</u>
Noncurrent Liabilities		
General obligation debt	-	275,636
Accrued sick leave	-	<u>166,334</u>
Total Noncurrent Liabilities	<u>-</u>	<u>441,970</u>
Total Liabilities	<u>28,050</u>	<u>915,076</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unearned revenues	-	1,382,431
Pension related amounts	-	<u>703</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,383,134</u>
<b>NET POSITION</b>		
Net investment in capital assets	344,538	769,244
Restricted for pensions	-	301,865
Unrestricted (deficit)	<u>(11,974)</u>	<u>2,202,917</u>
TOTAL NET POSITION	<u>\$ 332,564</u>	<u>\$ 3,274,026</u>

<u>Self Insurance</u>	<u>Job Center</u>	<u>Totals</u>
\$ 71,261	\$ -	\$ 71,261
-	-	1,378,510
348,658	11,002	390,518
10,386,126	437,761	13,217,011
<u>92,823</u>	<u>-</u>	<u>162,625</u>
<u>10,898,868</u>	<u>448,763</u>	<u>15,219,925</u>
-	12,059	313,924
1,741,000	-	1,741,000
-	575,710	575,710
-	-	779,690
-	3,181,229	8,755,226
<u>-</u>	<u>(795,364)</u>	<u>(5,700,008)</u>
<u>-</u>	<u>2,961,575</u>	<u>4,410,618</u>
<u>12,639,868</u>	<u>3,422,397</u>	<u>21,685,467</u>
-	17,150	326,798
2,192,247	13,027	2,417,366
-	-	201,408
-	-	28,031
<u>-</u>	<u>203,319</u>	<u>262,944</u>
<u>2,192,247</u>	<u>216,346</u>	<u>2,909,749</u>
-	1,751,820	2,027,456
<u>-</u>	<u>-</u>	<u>166,334</u>
<u>-</u>	<u>1,751,820</u>	<u>2,193,790</u>
<u>2,192,247</u>	<u>1,968,166</u>	<u>5,103,539</u>
3,720	-	1,386,151
<u>-</u>	<u>28</u>	<u>731</u>
<u>3,720</u>	<u>28</u>	<u>1,386,882</u>
-	1,209,755	2,323,537
-	12,059	313,924
<u>10,443,901</u>	<u>249,539</u>	<u>12,884,383</u>
<u>\$ 10,443,901</u>	<u>\$ 1,471,353</u>	<u>\$ 15,521,844</u>

## ROCK COUNTY

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

	<u>Motor Pool</u>	<u>Information Technology</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 227,929	\$ 3,286,636
Total Operating Revenues	<u>227,929</u>	<u>3,286,636</u>
<b>OPERATING EXPENSES</b>		
Operation and maintenance	87,525	4,669,255
Depreciation	<u>80,021</u>	<u>416,229</u>
Total Operating Expenses	<u>167,546</u>	<u>5,085,484</u>
Operating Income (Loss)	<u>60,383</u>	<u>(1,798,848)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property taxes	-	1,383,487
Sales taxes	-	622,976
Interest expense	-	(10,056)
Miscellaneous revenues	<u>2,277</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>2,277</u>	<u>1,996,407</u>
Increase (Decrease) Before Transfers	<u>62,660</u>	<u>197,559</u>
<b>TRANSFERS</b>		
Transfers out	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	62,660	197,559
NET POSITION - Beginning of Year (as restated)	<u>269,904</u>	<u>3,076,467</u>
NET POSITION - END OF YEAR	<u>\$ 332,564</u>	<u>\$ 3,274,026</u>

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Self Insurance	Job Center	Totals
\$ 21,399,128	\$ 688,098	\$ 25,601,791
<u>21,399,128</u>	<u>688,098</u>	<u>25,601,791</u>
20,668,584	317,205	25,742,569
-	<u>119,992</u>	<u>616,242</u>
<u>20,668,584</u>	<u>437,197</u>	<u>26,358,811</u>
<u>730,544</u>	<u>250,901</u>	<u>(757,020)</u>
-	-	1,383,487
-	-	622,976
-	(18,400)	(28,456)
-	-	<u>2,277</u>
<u>-</u>	<u>(18,400)</u>	<u>1,980,284</u>
<u>730,544</u>	<u>232,501</u>	<u>1,223,264</u>
<u>(5,000)</u>	<u>(1,920,000)</u>	<u>(1,925,000)</u>
725,544	(1,687,499)	(701,736)
<u>9,718,357</u>	<u>3,158,852</u>	<u>16,223,580</u>
<u>\$ 10,443,901</u>	<u>\$ 1,471,353</u>	<u>\$ 15,521,844</u>



# ROCK COUNTY

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

	Motor Pool	Information Technology
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 230,206	\$ 3,161,724
Cash paid to suppliers for goods and services	(85,408)	(2,080,132)
Cash paid to employees for payroll	(2,117)	(2,513,188)
Net Cash Flows From Operating Activities	142,681	(1,431,596)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
General property taxes	-	1,383,487
Other taxes	-	622,976
Transfers in (out)	-	-
Net Cash Flows From Noncapital Financing Activities	-	2,006,463
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt issued	-	-
Debt principal paid	-	(66,261)
Premium on debt	-	-
Interest paid	-	(10,056)
Acquisition and construction of capital assets	(142,681)	(498,550)
Net Cash Flows From Capital and Related Financing Activities	(142,681)	(574,867)
Net Change in Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ -

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<u>Self Insurance</u>	<u>Job Center</u>	<u>Totals</u>
\$ 20,894,304	\$ 292,507	\$ 24,578,741
(20,848,722)	(225,428)	(23,239,690)
-	(96,845)	(2,612,150)
45,582	(29,766)	(1,273,099)
-	-	1,383,487
-	-	622,976
(5,000)	(1,920,000)	(1,925,000)
(5,000)	(1,920,000)	81,463
-	1,921,183	1,921,183
-	-	(66,261)
-	33,956	33,956
-	(18,400)	(28,456)
-	13,027	(628,204)
-	1,949,766	1,232,218
40,582	-	40,582
30,679	-	30,679
\$ 71,261	\$ -	\$ 71,261

# ROCK COUNTY

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

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	<u>Motor Pool</u>	<u>Information Technology</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 60,383	\$ (1,798,848)
Adjustments to reconcile operating loss to net cash flows from operating activities		
Nonoperating income	2,277	-
Noncash items included in operating loss		
Depreciation	80,021	416,229
Change in Assets and Liabilities		
Accounts receivable	-	(6,598)
Due from other funds	-	(108,327)
Prepaid items	-	(43,802)
Compensated absences	-	9,136
Accounts payable	-	109,104
Other current liabilities	-	8,670
Unearned revenues	-	(9,987)
Pension related amounts	-	(7,173)
	<u>                    </u>	<u>                    </u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 142,681</u>	 <u>\$ (1,431,596)</u>

### NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

None

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<u>Self Insurance</u>	<u>Job Center</u>	<u>Totals</u>
\$ 730,544	\$ 250,901	\$ (757,020)
-	-	2,277
-	119,992	616,242
(176,012)	(11,002)	(193,612)
(325,026)	(384,589)	(817,942)
159,141	-	115,339
-	-	9,136
(339,279)	-	(230,175)
-	-	8,670
(3,786)	-	(13,773)
<u>-</u>	<u>(5,068)</u>	<u>(12,241)</u>
<u>\$ 45,582</u>	<u>\$ (29,766)</u>	<u>\$ (1,273,099)</u>