

**ROCK COUNTY**

Janesville, Wisconsin

**FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2017

# 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, 2017, 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.

### ***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, 2017 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.

## **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.

## **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 30, 2018

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2017

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 2017 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, 2017

### CONDENSED FINANCIAL INFORMATION

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

	Governmental Activities		Business-type Activities		Totals		Change
	2016	2017	2016	2017	2016	2017	
Current and other assets	\$ 136.9	\$ 137.8	\$ 14.7	\$ 17.9	\$ 151.6	\$ 155.7	4.1
Capital assets	137.0	139.2	42.8	41.8	179.7	181.0	1.3
Total Assets	<u>\$ 273.9</u>	<u>\$ 277.0</u>	<u>\$ 57.5</u>	<u>\$ 59.7</u>	<u>\$ 331.3</u>	<u>\$ 336.7</u>	5.4
Deferred Outflows of Resources	<u>33.2</u>	<u>23.1</u>	<u>\$ 7.8</u>	<u>\$ 5.5</u>	<u>\$ 41.0</u>	<u>\$ 28.6</u>	(12.4)
Current liabilities	\$ 17.3	\$ 16.4	\$ 3.7	\$ 1.8	\$ 21.1	\$ 18.2	(2.9)
Long-term liabilities	39.6	44.8	31.4	29.1	71.0	73.9	2.9
Total Liabilities	<u>\$ 56.9</u>	<u>\$ 61.2</u>	<u>\$ 35.2</u>	<u>\$ 30.9</u>	<u>\$ 92.1</u>	<u>\$ 92.1</u>	0.0
Deferred Inflows of Resources	<u>\$ 71.1</u>	<u>\$ 69.6</u>	<u>\$ 10.3</u>	<u>\$ 9.7</u>	<u>\$ 81.5</u>	<u>\$ 79.3</u>	(2.2)
<b>NET POSITION</b>							
Net investment in capital assets	\$ 120.7	\$ 116.6	\$ 16.7	\$ 17.2	\$ 137.3	\$ 133.8	(3.5)
Restricted	6.5	7.6	-	-	6.5	7.6	1.1
Unrestricted	<u>51.9</u>	<u>45.1</u>	<u>3.1</u>	<u>7.4</u>	<u>54.9</u>	<u>52.5</u>	(2.4)
Total Net Position	<u>\$ 179.0</u>	<u>\$ 169.3</u>	<u>\$ 19.7</u>	<u>\$ 24.5</u>	<u>\$ 198.7</u>	<u>\$ 193.8</u>	(4.9)

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, 2017

### CONDENSED FINANCIAL INFORMATION (cont.)

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

	Governmental Activities		Business-type Activities		Totals		Change
	2016	2017	2016	2017	2016	2017	
<b>Revenues</b>							
Program Revenues							
Charges for services	\$ 14.8	\$ 11.6	\$ 16.3	\$ 15.2	\$ 31.0	\$ 26.8	\$ (4.2)
Grants and contributions	62.0	41.6	3.6	3.8	65.6	45.4	(20.2)
General Revenues							
Property taxes	54.7	55.4	9.5	9.7	64.2	65.1	0.9
Intergovernmental	5.9	5.9	-	-	5.9	5.9	-
Other	15.8	16.2	0.5	0.7	16.3	16.9	0.6
Total Revenues	<u>153.1</u>	<u>130.6</u>	<u>29.9</u>	<u>29.5</u>	<u>182.9</u>	<u>160.0</u>	<u>(22.9)</u>
<b>Expenses</b>							
General government	10.1	9.9	-	-	10.1	9.9	(0.2)
Public safety	42.3	43.1	-	-	42.3	43.1	0.8
Health and Social Services	92.9	73.8	-	-	92.9	73.8	(19.1)
Public works	3.6	3.7	-	-	3.6	3.7	0.1
Culture, recreation, and education	3.3	3.6	-	-	3.3	3.6	0.3
Conservation and Development	2.0	0.4	-	-	2.0	0.4	(1.6)
Interest and fiscal charges	0.4	0.4	-	-	0.4	0.4	-
Rock Haven	-	-	17.4	17.6	17.4	17.6	0.2
Highway	-	-	12.3	12.4	12.3	12.4	0.1
Total Expenses	<u>154.7</u>	<u>135.0</u>	<u>29.7</u>	<u>30.0</u>	<u>184.4</u>	<u>165.0</u>	<u>(19.5)</u>
Excess (Deficiency) Before Transfers	(1.6)	(4.4)	0.2	(0.5)	(1.5)	(4.9)	(3.4)
Transfers	2.9	(5.3)	(2.9)	5.3	-	-	-
Increase (Decrease) in Net Position	1.3	(9.7)	(2.7)	4.8	(1.5)	(4.9)	(3.5)
Net Position - Beginning of Year	<u>177.7</u>	<u>179.0</u>	<u>22.6</u>	<u>19.7</u>	<u>200.3</u>	<u>198.8</u>	<u>(1.5)</u>
<b>Net Position - End of Year</b>	<u>\$ 179.0</u>	<u>\$ 169.3</u>	<u>\$ 19.7</u>	<u>\$ 24.5</u>	<u>\$ 198.8</u>	<u>\$ 193.8</u>	<u>(4.9)</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, 2017

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

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

The county's net position decreased \$4.9 million for 2017. The governmental activities net position decreased by \$9.7 million and the business-type activities net position decreased by \$4.8 million.

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

At December 31, 2017, the county governmental funds had combined ending fund balances of \$45.9 million, a decrease of \$0.3 million or 0.8% from the prior year balances. This decrease is due mainly to the completion of several capital projects and the resulting decrease in the capital projects fund balance.

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

The General Fund's unassigned Fund Balance had an increase of \$1.1 million or approximately 3.5% from the prior period to \$32.4 million. The unassigned General Fund Balance is 24% of the total General, Human Services, Airport and Enterprise Funds' expenses. This is within the 20%-25% range targeted in 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, 2017

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

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### ***SPECIAL REVENUE FUND***

The Human Services Department is included in the financial statements as a Special Revenue Fund. Any unreserved budgetary appropriations remaining at the end of the fiscal year lapse to the General Fund. For 2017, \$443,000 was lapsed to the General Fund from the Human Services Department as a result of larger than expected State Medicaid payment adjustments.

### ***PROPRIETARY FUNDS***

#### ***Rock Haven Nursing Home***

The new Rock Haven Nursing Home facility opened in 2011, which completed the planned downsizing of licensed beds of 386 in 1998 to the current 128. At December 31, 2017, Rock Haven's net position decreased slightly by \$136,081 to \$6,559,920.

#### ***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 increased by \$5.0 million to \$16.5 million. This increase was due to the issuance of \$8.8 million in governmental activities debt, which was transferred to the Highway to fund FYs 2015-2017 competed large road projects.

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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 2017 resulted in a net increase in the general fund balance of \$1,461,173.

# ROCK COUNTY, WISCONSIN

MANAGEMENT DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2017

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## CAPITAL ASSETS AND DEBT ADMINISTRATION

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### CAPITAL ASSETS

At the end of 2017, the county had \$181.0 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 30-31) and summarized below:

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

	Governmental Activities		Business-type Activities		Totals	
	2016	2017	2016	2017	2016	2017
Land	\$ 6.7	\$ 6.7	\$ 0.1	\$ 0.1	\$ 6.8	\$ 6.8
Easements	1.6	2.5	-	-	1.6	2.5
Intangibles-Software	0.5	0.3	-	-	0.5	0.3
Land improvements	22.9	15.6	2.4	2.3	25.3	17.9
Buildings	43.0	42.6	19.2	18.8	62.2	61.4
Machinery and equipment	3.9	3.5	21.0	20.3	24.9	23.8
Infrastructure	53.7	65.9	-	-	53.7	65.9
Construction in progress	4.7	2.0	0.1	.4	4.8	2.4
Totals	<u>\$ 137.0</u>	<u>\$ 139.2</u>	<u>\$ 42.8</u>	<u>\$ 41.8</u>	<u>\$ 179.8</u>	<u>\$ 181.0</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, 2017

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## CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

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### DEBT ADMINISTRATION

At year-end, the county had \$ 46,915,000 in general obligation promissory notes and bonds outstanding versus \$ 42,370,000 the prior year, an increase of \$4,545,000. In FY 2017, the county issued \$8,785,000 in general obligation debt to help fund FYs 2015-2017 highway construction projects.

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

	Governmental Activities		Business-type Activities		Totals	
	2016	2017	2016	2017	2016	2017
General Obligation Notes	<u>\$ 16.6</u>	<u>\$ 22.8</u>	<u>\$ 25.8</u>	<u>\$ 24.1</u>	<u>\$ 42.4</u>	<u>\$ 46.9</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 2017 was \$10,907,782,900 resulting in a statutory debt limit of \$545,389,145. The county's debt as of December 31, 2017 of \$46.9 million is 8.6% of the county's legal debt capacity.

# ROCK COUNTY, WISCONSIN

## MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2017

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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, 2017 as required by GASB Statement 45. As detailed in Footnote V. D. [pages 47-49] the county had an unfunded actuarial accrued liability of \$34,362,700 and a net OPEB obligation of \$13,359,600 at December 31, 2017. 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 2017 tax levy for the 2018 budget was \$66,915,105 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 2018 budget includes \$13.1 million from this revenue source. Of this amount, \$5.6 million is earmarked for capital projects and \$7.5 million is budgeted to offset the 2017 property taxes for the 2018 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, 2017

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 64,101,865	\$ 1,100	\$ 64,102,965
Taxes receivable	59,474,988	7,440,117	66,915,105
Delinquent taxes receivable	5,833,163	-	5,833,163
Accounts receivable (net)	5,510,635	1,037,016	6,547,651
Due from other governments	4,380,456	1,143,556	5,524,012
Loans receivable (net)	3,503,355	-	3,503,355
Internal balances	(6,847,956)	6,847,956	-
Inventories	14,863	1,368,316	1,383,179
Prepaid items	120,942	2,785	123,727
Restricted cash and investments	-	34,392	34,392
Deposit with Wisconsin Mutual Insurance Company	1,741,000	-	1,741,000
Capital Assets			
Land and land improvements	12,859,092	104,153	12,963,245
Construction in progress	2,274,294	369,816	2,644,110
Easements	2,535,655	-	2,535,655
Other capital assets, net of depreciation/amortization	121,504,013	41,357,333	162,861,346
Total Assets	<u>277,006,365</u>	<u>59,706,540</u>	<u>336,712,905</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	<u>23,127,308</u>	<u>5,460,694</u>	<u>28,588,002</u>
<b>LIABILITIES</b>			
Accounts payable	10,200,144	516,119	10,716,263
Accrued liabilities	3,900,661	680,187	4,580,848
Deposits	20,990	34,392	55,382
Due to other governments	2,280,789	568,469	2,849,258
Noncurrent Liabilities			
Due within one year	7,225,560	2,639,981	9,865,541
Due in more than one year	<u>37,595,292</u>	<u>26,468,192</u>	<u>64,063,484</u>
Total Liabilities	<u>61,223,436</u>	<u>30,907,340</u>	<u>92,130,776</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	59,999,440	7,467,203	67,466,643
Pension related amounts	<u>9,610,434</u>	<u>2,263,126</u>	<u>11,873,560</u>
Total Deferred Inflows of Resources	<u>69,609,874</u>	<u>9,730,329</u>	<u>79,340,203</u>
<b>NET POSITION</b>			
Net investment in capital assets	116,574,507	17,159,970	133,734,477
Restricted for grants and loan programs	4,507,922	-	4,507,922
Restricted for other grant activities	450,163	-	450,163
Restricted for land records	205,775	-	205,775
Restricted for debt service	857,626	-	857,626
Restricted for library activities	232,715	-	232,715
Restricted for bridge aid projects	160,649	-	160,649
Restricted for other activities	529,882	-	529,882
Restricted for ATC projects	518,618	-	518,618
Restricted for airport projects	135,628	-	135,628
Unrestricted	<u>45,126,878</u>	<u>7,369,595</u>	<u>52,496,473</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 169,300,363</u></b>	<b><u>\$ 24,529,565</u></b>	<b><u>\$ 193,829,928</u></b>

See accompanying notes to financial statements.

# ROCK COUNTY

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2017

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	\$ 9,932,045	\$ 2,938,024	\$ 338,591	\$ -	\$ (6,655,430)	\$ -	\$ (6,655,430)
Public safety	43,133,892	3,559,374	1,910,823	-	(37,663,695)	-	(37,663,695)
Health and social services	73,760,833	4,129,604	38,113,126	-	(31,518,103)	-	(31,518,103)
Public works	3,724,717	449,455	-	-	(3,275,262)	-	(3,275,262)
Culture, recreation and education	3,609,513	269,927	577,360	-	(2,762,226)	-	(2,762,226)
Conservation and development	448,517	221,259	646,984	-	419,726	-	419,726
Interest and fiscal charges	414,637	-	-	-	(414,637)	-	(414,637)
Total Governmental Activities	<u>135,024,154</u>	<u>11,567,643</u>	<u>41,586,884</u>	<u>-</u>	<u>(81,869,627)</u>	<u>-</u>	<u>(81,869,627)</u>
<b>Business-type Activities</b>							
Rock Haven - skilled nursing facility	17,607,678	9,479,202	1,449,900	-	-	(6,678,576)	(6,678,576)
Highway	12,358,290	5,750,795	2,359,969	-	-	(4,247,526)	(4,247,526)
Total Business-type Activities	<u>29,965,968</u>	<u>15,229,997</u>	<u>3,809,869</u>	<u>-</u>	<u>-</u>	<u>(10,926,102)</u>	<u>(10,926,102)</u>
Totals	<u>\$ 164,990,122</u>	<u>\$ 26,797,640</u>	<u>\$ 45,396,753</u>	<u>\$ -</u>	<u>(81,869,627)</u>	<u>(10,926,102)</u>	<u>(92,795,729)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes					55,377,445	9,730,371	65,107,816
Sales taxes					13,310,629	590,000	13,900,629
Other taxes					29,110	-	29,110
Interest on taxes					1,288,423	-	1,288,423
Intergovernmental revenues not restricted to specific programs					5,872,456	-	5,872,456
Investment income					847,984	-	847,984
Miscellaneous					713,441	116,189	829,630
Transfers					(5,303,562)	5,303,562	-
Total General Revenues and Transfers					<u>72,135,926</u>	<u>15,740,122</u>	<u>87,876,048</u>
<b>Change in Net Position</b>					(9,733,701)	4,814,020	(4,919,681)
NET POSITION - Beginning of Year					<u>179,034,064</u>	<u>19,715,545</u>	<u>198,749,609</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 169,300,363</u>	<u>\$ 24,529,565</u>	<u>\$ 193,829,928</u>

See accompanying notes to financial statements.

**ROCK COUNTY**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2017

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	General Fund	Human Services	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 53,844,080	\$ 21,529	\$ 10,131,939	\$ 63,997,548
Receivables				
Taxes	25,905,548	22,443,774	9,589,611	57,938,933
Delinquent taxes	5,833,163	-	-	5,833,163
Accounts	3,943,004	-	53,785	3,996,789
Loans (net)	-	-	3,503,355	3,503,355
Due from other funds	7,739,454	353,908	5,093,412	13,186,774
Due from other governments	-	3,690,719	689,737	4,380,456
Inventories	14,863	-	-	14,863
Prepaid items	99,024	15,746	6,172	120,942
<b>TOTAL ASSETS</b>	<u>\$ 97,379,136</u>	<u>\$ 26,525,676</u>	<u>\$ 29,068,011</u>	<u>\$ 152,972,823</u>



	General Fund	Human Services	Nonmajor Governmental Funds	Totals
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,593,251	\$ 3,398,630	\$ 1,300,285	\$ 6,292,166
Deposits	-	-	20,990	20,990
Accrued liabilities	3,747,016	24,909	-	3,771,925
Due to other governments	1,756,530	524,259	-	2,280,789
Due to other funds	24,240,247	-	7,640,396	31,880,643
Total Liabilities	31,337,044	3,947,798	8,961,671	44,246,513
Deferred Inflows of Resources				
Unearned revenue	25,935,764	22,558,522	9,968,780	58,463,066
Unavailable revenue	828,350	-	3,503,365	4,331,715
Total Deferred Inflows of Resources	26,764,114	22,558,522	13,472,145	62,794,781
Fund Balances				
Nonspendable	2,644,407	19,356	6,172	2,669,935
Restricted	-	-	4,224,349	4,224,349
Committed	-	-	390,612	390,612
Assigned	4,214,150	-	2,013,062	6,227,212
Unassigned	32,419,421	-	-	32,419,421
Total Fund Balances	39,277,978	19,356	6,634,195	45,931,529
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 97,379,136</b>	<b>\$ 26,525,676</b>	<b>\$ 29,068,011</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.).	134,658,894
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.).	4,331,715
The deferred outflows of resources and deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	13,045,333
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.).	(42,668,909)
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.	14,001,801
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 169,300,363</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, 2017

	General	Human Services	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>				
Taxes	\$ 37,081,531	\$ 22,130,696	\$ 8,423,989	\$ 67,636,216
Intergovernmental	10,034,344	26,468,359	7,777,383	44,280,086
Regulation and compliance	1,531,527	-	-	1,531,527
Public charges for services	3,275,747	753,779	1,548,516	5,578,042
Intergovernmental charges for services	1,368,212	4,913,750	468,946	6,750,908
Other	1,108,219	96,169	455,242	1,659,630
Total Revenues	<u>54,399,580</u>	<u>54,362,753</u>	<u>18,674,076</u>	<u>127,436,409</u>
<b>EXPENDITURES</b>				
Current				
General government	7,552,308	-	442,706	7,995,014
Public safety	36,475,165	-	504,806	36,979,971
Health and social services	7,016,043	53,959,230	8,237,170	69,212,443
Public works	-	-	1,077,209	1,077,209
Culture, recreation, and education	317,573	-	2,249,294	2,566,867
Conservation and development	1,183,398	-	633,246	1,816,644
Capital Outlay	-	-	4,443,581	4,443,581
Debt Service				
Principal retirement	-	-	2,328,978	2,328,978
Interest and fiscal charges	-	-	457,264	457,264
Total Expenditures	<u>52,544,487</u>	<u>53,959,230</u>	<u>20,374,254</u>	<u>126,877,971</u>
Excess (deficiency) of revenues over expenditures	<u>1,855,093</u>	<u>403,523</u>	<u>(1,700,178)</u>	<u>558,438</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation debt issued	-	-	8,785,000	8,785,000
Premium on debt issued	-	-	86,025	86,025
Transfers in	730,484	-	590,626	1,321,110
Transfers out	<u>(1,124,404)</u>	<u>(443,410)</u>	<u>(9,532,448)</u>	<u>(11,100,262)</u>
Total Other Financing Sources (Uses)	<u>(393,920)</u>	<u>(443,410)</u>	<u>(70,797)</u>	<u>(908,127)</u>
<b>Net Change in Fund Balances</b>	1,461,173	(39,887)	(1,770,975)	(349,689)
FUND BALANCES - Beginning of Year	<u>37,816,805</u>	<u>59,243</u>	<u>8,405,170</u>	<u>46,281,218</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 39,277,978</u>	<u>\$ 19,356</u>	<u>\$ 6,634,195</u>	<u>\$ 45,931,529</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, 2017

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Net change in fund balances - total governmental funds	\$ (349,689)
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	4,443,581
Some items reported as capital outlay were expensed in the government-wide financial statements	274,523
Assets transferred from business-type activities to governmental activities	4,480,535
Depreciation is reported in the government-wide statements	(6,453,029)
Net book value of capital assets disposed of during the year	(519,472)
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	169,443
County-levied delinquent taxes	417
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	(8,785,000)
Principal repaid	2,328,978
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	(236,633)
Other postemployment benefits	(1,689,171)
Net pension liability	2,840,854
Deferred outflows of resources related to pensions	(6,795,417)
Deferred inflows of resources related to pensions	83,799
Accrued interest on debt	(4,815)
The net revenues of certain activities of internal service funds are reported within governmental activities.	<u>477,395</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (9,733,701)</u></b>

See accompanying notes to financial statements.

**ROCK COUNTY**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2017

	Rock Haven	Highway	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 1,100	\$ -	\$ 1,100	\$ 104,317
Taxes receivable	4,086,672	3,353,445	7,440,117	1,536,055
Accounts receivable (net)	1,014,512	22,504	1,037,016	1,513,846
Due from other funds	3,831,942	1,586,899	5,418,841	13,374,086
Due from other governments	-	1,143,556	1,143,556	-
Inventories	78,414	1,289,902	1,368,316	-
Prepaid items	-	2,785	2,785	-
<b>Total Current Assets</b>	<b>9,012,640</b>	<b>7,399,091</b>	<b>16,411,731</b>	<b>16,528,304</b>
Noncurrent Assets				
Restricted Assets				
Cash and investments	34,392	-	34,392	-
Deposit with Wisconsin Mutual Insurance Company	-	-	-	1,741,000
Capital Assets				
Land	-	104,153	104,153	575,710
Construction work in progress	-	369,816	369,816	-
Intangible assets - software	-	-	-	806,944
Other capital assets	33,152,744	31,339,306	64,492,050	5,903,965
Less: Accumulated depreciation/amortization	(5,307,818)	(17,826,899)	(23,134,717)	(2,772,459)
<b>Total Assets</b>	<b>36,891,958</b>	<b>21,385,467</b>	<b>58,277,425</b>	<b>22,783,464</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	3,410,454	2,050,240	5,460,694	812,507
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	96,761	419,358	516,119	3,907,978
Accrued liabilities	680,187	-	680,187	-
Deposits	34,392	-	34,392	-
Accrued vacation and comp time	596,488	405,106	1,001,594	230,159
Due to other funds	-	-	-	99,058
Due to other governments	-	568,469	568,469	-
Current portion of long-term debt	1,638,387	-	1,638,387	260,288
<b>Total Current Liabilities</b>	<b>3,046,215</b>	<b>1,392,933</b>	<b>4,439,148</b>	<b>4,497,483</b>
Noncurrent Liabilities				
General obligation debt	22,510,330	-	22,510,330	1,489,052
Unamortized premium on debt	522,615	-	522,615	27,164
Other postemployment benefits	1,455,898	607,952	2,063,850	-
Accrued sick leave	236,723	435,237	671,960	168,103
Net pension liability	436,573	262,864	699,437	105,913
<b>Total Noncurrent Liabilities</b>	<b>25,162,139</b>	<b>1,306,053</b>	<b>26,468,192</b>	<b>1,790,232</b>
<b>Total Liabilities</b>	<b>28,208,354</b>	<b>2,698,986</b>	<b>30,907,340</b>	<b>6,287,715</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	4,113,758	3,353,445	7,467,203	1,536,374
Pension related amounts	1,420,380	842,746	2,263,126	340,966
<b>Total Deferred Inflows of Resources</b>	<b>5,534,138</b>	<b>4,196,191</b>	<b>9,730,329</b>	<b>1,877,340</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,173,594	13,986,376	17,159,970	2,737,656
Unrestricted	3,386,326	2,554,154	5,940,480	12,693,260
<b>TOTAL NET POSITION</b>	<b>\$ 6,559,920</b>	<b>\$ 16,540,530</b>	<b>23,100,450</b>	<b>\$ 15,430,916</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,429,115	
<b>Net Position of Business-type Activities</b>			<b>\$ 24,529,565</b>	

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, 2017

	Rock Haven	Highway	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,479,202	\$ 5,750,795	\$ 15,229,997	\$ 26,954,627
Total Operating Revenues	<u>9,479,202</u>	<u>5,750,795</u>	<u>15,229,997</u>	<u>26,954,627</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	15,747,953	10,791,434	26,539,387	28,349,984
Depreciation/amortization	<u>1,082,184</u>	<u>1,540,569</u>	<u>2,622,753</u>	<u>507,466</u>
Total Operating Expenses	<u>16,830,137</u>	<u>12,332,003</u>	<u>29,162,140</u>	<u>28,857,450</u>
Operating Loss	<u>(7,350,935)</u>	<u>(6,581,208)</u>	<u>(13,932,143)</u>	<u>(1,902,823)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
General property taxes	6,486,423	3,243,948	9,730,371	1,455,767
Sales taxes	-	590,000	590,000	913,207
Intergovernmental grants	1,449,900	2,359,969	3,809,869	-
Gain on sale of assets	-	59,665	59,665	-
Miscellaneous revenues	33,233	23,291	56,524	2,256
Interest expense	<u>(754,702)</u>	<u>-</u>	<u>(754,702)</u>	<u>(35,193)</u>
Total Nonoperating Revenues (Expenses)	<u>7,214,854</u>	<u>6,276,873</u>	<u>13,491,727</u>	<u>2,336,037</u>
Income (Loss) Before Transfers	<u>(136,081)</u>	<u>(304,335)</u>	<u>(440,416)</u>	<u>433,214</u>
<b>TRANSFERS</b>				
Transfers in	-	9,785,467	9,785,467	-
Transfers out	<u>-</u>	<u>(4,481,905)</u>	<u>(4,481,905)</u>	<u>(4,945)</u>
Total Transfers	<u>-</u>	<u>5,303,562</u>	<u>5,303,562</u>	<u>(4,945)</u>
<b>Change in Net Position</b>	(136,081)	4,999,227	4,863,146	428,269
NET POSITION - Beginning of Year	<u>6,696,001</u>	<u>11,541,303</u>		<u>15,002,647</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,559,920</u>	<u>\$ 16,540,530</u>		<u>\$ 15,430,916</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(49,126)</u>	
Change in Net Position of Business-type Activities			<u>\$ 4,814,020</u>	

See accompanying notes to financial statements.

**ROCK COUNTY**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2017

	Rock Haven	Highway	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 9,671,489	\$ 7,508,803	\$ 17,180,292	\$ 25,677,442
Cash paid to suppliers for goods and services	(2,973,829)	(2,674,380)	(5,648,209)	(24,562,378)
Cash paid to employees for payroll	(12,108,188)	(7,910,093)	(20,018,281)	(2,668,878)
Net Cash Flows From Operating Activities	<u>(5,410,528)</u>	<u>(3,075,670)</u>	<u>(8,486,198)</u>	<u>(1,553,814)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
General property tax revenues	6,486,423	3,243,948	9,730,371	1,455,767
Other tax revenues	-	590,000	590,000	913,207
Pooled cash held by general fund	-	(1,586,899)	(1,586,899)	-
Transfers in (out)	-	-	-	(4,945)
Intergovernmental grants	<u>1,449,900</u>	<u>2,359,969</u>	<u>3,809,869</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>7,936,323</u>	<u>4,607,018</u>	<u>12,543,341</u>	<u>2,364,029</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt principal paid	(1,663,943)	-	(1,663,943)	(247,079)
Interest paid	(839,753)	-	(839,753)	(38,589)
Transfers in (out)	-	9,784,097	9,784,097	-
Acquisition and construction of capital assets	<u>(23,316)</u>	<u>(11,315,445)</u>	<u>(11,338,761)</u>	<u>(501,270)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(2,527,012)</u>	<u>(1,531,348)</u>	<u>(4,058,360)</u>	<u>(786,938)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(1,217)	-	(1,217)	23,277
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>36,709</u>	<u>-</u>	<u>36,709</u>	<u>81,040</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 35,492</u>	<u>\$ -</u>	<u>\$ 35,492</u>	<u>\$ 104,317</u>

	Rock Haven	Highway	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating loss	\$ (7,350,935)	\$ (6,581,208)	\$ (13,932,143)	\$ (1,902,823)
Adjustments to reconcile operating loss to net cash flows from operating activities				
Nonoperating revenues	33,233	23,291	56,524	-
Noncash items included in operating loss				
Depreciation/amortization	1,082,184	1,540,569	2,622,753	507,466
Change in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources				
Accounts receivable	80,939	(11,483)	69,456	(932,888)
Other accounts receivable	(23,864)	(109,497)	(133,361)	-
Due to/from other funds	59,310	1,746,200	1,805,510	(442,234)
Inventories	(6,835)	80,568	73,733	-
Prepaid items	-	(2,109)	(2,109)	133,737
Deposits	(1,217)	-	(1,217)	-
Accounts payable	(63,587)	(189,300)	(252,887)	831,701
Other current liabilities	(18,267)	(105,166)	(123,433)	21,918
Compensated absences	-	-	-	6,000
Other postemployment benefits	217,716	90,913	308,629	-
Pension related amounts	580,795	332,055	912,850	144,926
Unearned revenues	-	109,497	109,497	78,383
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ (5,410,528)</u></b>	<b><u>\$ (3,075,670)</u></b>	<b><u>\$ (8,486,198)</u></b>	<b><u>\$ (1,553,814)</u></b>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets transferred to governmental activities	<u>\$ -</u>	<u>\$ 4,480,535</u>	<u>\$ 4,480,535</u>	<u>\$ -</u>
Premium on debt amortized	<u>\$ 74,112</u>	<u>\$ -</u>	<u>\$ 74,112</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**ROCK COUNTY**

STATEMENT OF ASSETS AND LIABILITIES

AGENCY FUND

As of December 31, 2017

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 27,774,026
Accounts receivable	<u>22,895</u>
<b>TOTAL ASSETS</b>	<u>\$ 27,796,921</u>
<b>LIABILITIES</b>	
Liabilities	
Due to other governments	\$ 24,512,821
Other liabilities	<u>3,284,100</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 27,796,921</u>

See accompanying notes to financial statements.



# ROCK COUNTY

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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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**

##### ***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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

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

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, 2017

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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.

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  
Parks  
Other Grants  
Land Records  
Veterans’ Relief

Arrowhead Library System  
County Bridge Aid  
Other Activities  
Other Special Revenue Funds  
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, 2017

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

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#### **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, 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, 2017

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

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#### **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, 2017

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

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#### ***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 inputs and methods described in Note IV.A. 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, 2017, 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, 2017

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

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#### **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 – 2017 tax roll:

Levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Final installment due	July 31, 2018
Personal property taxes in full	January 31, 2018 (except improvements on leased land due January 31, 2018 and July 31, 2018)
Tax certificate date	September 1, 2018
Tax sale – 2017 delinquent real estate taxes	October 2020

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, 2017

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

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#### ***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, 2017, 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 \$25,000 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 acquisition value at the date of donation.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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#### **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 40 Years
Land Improvements	10 to 20 Years
Machinery and Equipment	4 to 25 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, 2017

---

### 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, 2017 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, accrued compensated absences, other postemployment benefits, and the net pension liability.

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, 2017

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

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#### ***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 an unassigned general fund balance of 20% to 25% of the total general, human services, airport, and enterprise fund expenditures/expenses. The unassigned general fund balance at year-end was \$32,419,421, or 24% of the expenditures/expenses of the funds listed above.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### **10. 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.

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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	\$ 6,730,186
Construction in progress	2,043,807
Easements	2,535,655
Infrastructure construction in progress	230,487
Infrastructure and land improvements	6,128,906
Other capital assets, net of depreciation/ amortization	121,504,013
Less: Internal service fund capital assets included above, net of depreciation/amortization	<u>(4,514,160)</u>
Adjustment for Capital Assets	<u>\$ 134,658,894</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	\$ 21,016,943
Compensated absences	7,292,887
Other postemployment benefits	11,295,750
Accrued interest	128,736
Net pension liability	<u>2,934,593</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 42,668,909</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### 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.

### 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	\$ 20,968,477	\$ 22,894,955	Custodial credit risk
U.S. agencies – implicitly guaranteed	4,927,841	4,927,841	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
U.S. Treasuries	16,348,967	16,348,967	Custodial credit risk, interest rate risk
State and local bonds	216,801	216,801	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Corporate bonds	3,052,629	3,052,629	Custodial credit risk, credit risk, concentration of credit risk, interest rate risk
Mutual funds – other than bonds	13,401,268	13,401,268	N/A
LGIP	32,973,100	32,973,100	Credit risk
Petty cash	22,300	-	N/A
<b>Total Cash and Investments</b>	<b>\$ 91,911,383</b>	<b>\$ 93,815,561</b>	

#### Reconciliation to financial statements

Per statement of net position

Cash and investments \$ 64,102,965

Restricted cash and investments 34,392

Per statement of assets and liabilities

Agency fund 27,774,026

**Total Cash and Investments** **\$ 91,911,383**

## ROCK COUNTY

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

##### **A. LIMITATIONS ON THE COUNTY'S TAX LEVY (cont.)**

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 Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be in cash. Additionally, through Lloyds of London, accounts have additional securities coverage of \$99.5 million per customer subject to a \$500 million aggregate firm limit.

The county maintains collateral agreements with its banks. At December 31, 2017, the banks had pledged various government securities in the amount of \$11,000,000 to secure the county's deposits.

The county categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- > Quoted market prices
- > Automated method using spread scales

Investment Type	Level 1	Level 2	Level 3	Total
State and local bonds	\$ -	\$ 216,801	\$ -	\$ 216,801
U.S. agencies – implicitly guaranteed	-	4,927,841	-	4,927,841
U.S. Treasuries	16,348,967	-	-	16,348,967
Corporate bonds	-	3,052,629	-	3,052,629
Mutual funds – other than bonds	-	13,401,268	-	13,401,268
<b>Totals</b>	<b>\$ 16,348,967</b>	<b>\$ 21,598,539</b>	<b>\$ -</b>	<b>\$ 37,947,506</b>

##### ***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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### **Custodial Credit Risk** (cont.)

As of December 31, 2017, \$7,867,262 of the county's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 7,867,262</u>
--------------------------------	---------------------

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, 2017, the county's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's</u>
U.S. Agencies – Implicitly guaranteed	AA+
Corporate bonds	AAA, AA+, AA
State and local bonds	AA-

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, 2017

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

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

##### *Interest Rate Risk*

As of December 31, 2017, the county's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1-4	More than 4
State and local bonds	\$ 216,801	\$ -	\$ 216,801	\$ -
U.S. agencies – implicitly guaranteed	4,927,841	397,982	4,529,859	-
U.S. treasuries	16,348,967	-	15,410,322	938,645
Corporate bonds	3,052,629	977,380	2,075,249	-
Total Fair Value	<u>\$ 24,546,238</u>	<u>\$ 1,375,362</u>	<u>\$ 22,232,231</u>	<u>\$ 938,645</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>\$ 5,833,163</u>	<u>\$ 3,503,355</u>

Receivables in the Rock Haven and nonmajor governmental funds have been recorded net of allowances. The allowances as of December 31, 2017, in these funds respectively, are \$181,298 and \$251,307.

**ROCK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

**B. RECEIVABLES (cont.)**

At December 31, 2017, delinquent taxes receivable are as follows:

Tax Certificates –		\$ 2,417,198
2015		1,057,733
2014		428,481
2013		56,375
2012		53,186
2011 and prior		<u>86,746</u>
Totals		4,099,719
Special assessment tax certificates and deeds (payable to other governments)		1,630,203
Other miscellaneous taxes		<u>103,241</u>
Total Delinquent Taxes Receivable		<u>\$ 5,833,163</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:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ -	\$ 57,938,933
Delinquent property taxes receivable	828,350	-
Loans receivable	3,503,365	-
Grants	<u>-</u>	<u>524,133</u>
Total Unavailable/Unearned Revenue For Governmental Funds	<u>\$ 4,331,715</u>	58,463,066
Internal Service Fund Taxes receivable		1,536,055
Subsequent period prepayments		<u>319</u>
Governmental Activities Unearned Revenue		<u>\$ 59,999,440</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### B. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 6,714,611	\$ 16,000	\$ 425	\$ 6,730,186
Construction in progress	1,716,749	1,658,106	1,331,048	2,043,807
Easements	1,608,105	927,550	-	2,535,655
Infrastructure construction in progress	2,936,707	65,714	2,771,934	230,487
Infrastructure and land improvements	6,125,933	2,973	-	6,128,906
Total Capital Assets Not Being Depreciated/Amortized	19,102,105	2,670,343	4,103,407	17,669,041
Capital assets being depreciated/amortized				
Intangible assets – software	922,228	30,742	70,656	882,314
Land improvements	36,017,862	75,085	136,358	35,956,589
Buildings and improvements	103,381,876	3,241,441	289,385	106,333,932
Machinery and equipment	18,192,957	828,603	8,124,050	10,897,510
Roads	46,710,795	7,096,861	3,040,422	50,767,234
Bridges	15,113,114	86,921	-	15,200,035
Stop lights	515,846	-	-	515,846
Airport water and sewer system	1,557,502	-	-	1,557,502
Snowmobile bridges	247,574	-	-	247,574
Total Capital Assets Being Depreciated/Amortized	222,659,754	11,359,653	11,660,871	222,358,536
Less: Accumulated depreciation/amortization for				
Intangible assets – software	(457,702)	(170,315)	30,234	(597,783)
Land improvements	(19,202,540)	(1,244,300)	136,357	(20,310,483)
Buildings and improvements	(60,384,572)	(3,669,791)	274,059	(63,780,304)
Machinery and equipment	(14,256,198)	(574,575)	7,408,524	(7,422,249)
Roads	(8,507,048)	(1,016,264)	3,040,422	(6,482,890)
Bridges	(1,408,519)	(249,214)	-	(1,657,733)
Stop lights	(42,544)	(10,317)	-	(52,861)
Airport water and sewer system	(436,107)	(20,767)	-	(456,874)
Snowmobile bridges	(88,394)	(4,952)	-	(93,346)
Total Accumulated Depreciation/ Amortization	(104,783,624)	(6,960,495)	10,889,596	(100,854,523)
Net Capital Assets Being Depreciated/Amortized	117,876,130	4,399,158	771,275	121,504,013
Total Governmental Activities Capital Assets, Net of Depreciation/Amortization	\$ 136,978,235	\$ 7,069,501	\$ 4,874,682	\$ 139,173,054

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

##### Governmental Activities

General government	\$ 479,104
Public safety	2,297,182
Health and social services	249,722
Public works	2,742,855
Culture, recreation and education	684,166
Sub-total	6,453,029
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	507,466
Total Governmental Activities Depreciation Expense	\$ 6,960,495

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 104,153	\$ -	\$ -	\$ 104,153
Construction in progress	132,577	369,816	132,577	369,816
Total Capital Assets Not Being Depreciated	236,730	369,816	132,577	473,969
Capital assets being depreciated				
Land improvements	2,844,087	-	-	2,844,087
Buildings	23,880,364	305,887	-	24,186,251
Machinery and equipment	36,751,434	1,217,783	507,505	37,461,712
Total Capital Assets Being Depreciated	63,475,885	1,523,670	507,505	64,492,050
Less: Accumulated depreciation for				
Land improvements	(451,007)	(84,919)	-	(535,926)
Buildings	(4,712,670)	(675,134)	-	(5,387,804)
Machinery and equipment	(15,778,815)	(1,862,700)	430,528	(17,210,987)
Total Accumulated Depreciation	(20,942,492)	(2,622,753)	430,528	(23,134,717)
Net Capital Assets Being Depreciated	42,533,393	(1,099,083)	76,977	41,357,333
Total Business-type Capital Assets, Net of Depreciation	\$ 42,770,123	\$ (729,267)	\$ 209,554	\$ 41,831,302

Depreciation expense was charged to functions as follows:

##### Business-type Activities

Rock Haven	\$ 1,082,184
Highway	1,540,569
Total Business-type Activities Depreciation Expense	\$ 2,622,753

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### **D. 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	\$ 89,519
	Internal service – Motor pool	99,058
	Capital projects – General Capital Projects	7,550,877
<b>Special Revenue Funds</b>		
Income maintenance consortium	General	595,742
Revolving loans	General	441,770
Human Services	General	353,908
Land records	General	203,775
Veterans’ relief	General	6,767
Arrowhead library system	General	579,509
County bridge aid	General	160,649
Other activities	General	529,882
Other special revenue funds	General	319,577
Parks	General	2,833
Airport	General	147,050
<b>Debt Service Fund</b>	General	986,362
<b>Capital Projects Funds</b>		
Airport projects	General	547,359
General capital projects	General	572,137
<b>Enterprise Funds</b>		
Rock Haven	General	3,831,942
Highway	General	1,586,899
<b>Internal Service Funds</b>		
Information Technology	General	3,319,629
Self-Insurance	General	9,666,100
Job Center	General	388,357
Sub-Total – Fund Financial Statements		31,979,701
Less: Fund eliminations		(37,398,542)
Less: Interfund receivables, IT, self-insurance created with internal service and fund eliminations		(1,429,115)
		(1,429,115)
Total Government-Wide Financial Statements		\$ (6,847,956)

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

#### *D. 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:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Special revenue – Human Services	\$ 443,410
General	Nonmajor governmental funds	287,074
Highway	General	1,001,021
Highway	Nonmajor governmental funds	8,784,446
Nonmajor governmental funds	General	123,383
Nonmajor governmental funds	Nonmajor governmental funds	465,873
Nonmajor governmental funds	Highway	1,370
Subtotal - Fund Financial Statements		11,106,577
Add: Governmental activities' infrastructure paid by Highway		4,480,535
Less: Fund eliminations		(1,319,740)
Less: Government-wide eliminations		(19,570,934)
Total Transfers - Government-Wide Statement of Activities		\$ (5,303,562)

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### **Transfers (cont.)**

Fund Transferred To	Fund Transferred From	Amount
Governmental Activities	Business-type Activities	\$ 4,481,905
Business-type Activities	Governmental Activities	<u>(9,785,467)</u>
 Total		 <u>\$ (5,303,562)</u>

Generally, transfers are used to 1) close lapsing funds, 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) funding for various projects.

#### **E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Notes Payable:					
General Obligation Debt					
General	\$ 14,560,921	\$ 8,785,000	\$ 2,328,978	\$ 21,016,943	\$ 2,886,325
Internal service	1,996,419	-	247,079	1,749,340	260,288
Add deferred amounts for premiums:					
Premium on long-term debt –					
Internal service	30,560	-	3,396	27,164	-
Total Notes Payable	<u>16,587,900</u>	<u>8,785,000</u>	<u>2,579,453</u>	<u>22,793,447</u>	<u>3,146,613</u>
Other Liabilities:					
Vested compensated absences					
General	7,056,254	3,887,679	3,651,046	7,292,887	3,848,788
Internal service	370,344	236,159	208,241	398,262	230,159
Other postemployment benefits	9,606,579	2,842,032	1,152,861	11,295,750	-
Net pension liability					
General	5,775,447	-	2,840,854	2,934,593	-
Internal service	211,469	-	105,556	105,913	-
Total Other Liabilities	<u>23,020,093</u>	<u>6,965,870</u>	<u>7,958,558</u>	<u>22,027,405</u>	<u>4,078,947</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 39,607,993</u>	<u>\$15,750,870</u>	<u>\$ 10,538,011</u>	<u>\$ 44,820,852</u>	<u>\$ 7,225,560</u>

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General Obligation Debt	\$ 25,812,660	\$ -	\$ 1,663,943	\$ 24,148,717	\$ 1,638,387
Add deferred amounts for premiums:					
Premium on long-term debt	596,727	-	74,112	522,615	-
Total Bonds and Notes Payable	26,409,387	-	1,738,055	24,671,332	1,638,387
Other Liabilities:					
Vested compensated absences	1,839,280	941,816	1,107,542	1,673,554	1,001,594
Other postemployment benefits	1,755,221	519,268	210,639	2,063,850	-
Net pension liability	1,401,872	-	702,435	699,437	-
Total Other Liabilities	4,996,373	1,461,084	2,020,616	4,436,841	1,001,594
Total Business-type Activities Long-Term Liabilities	\$ 31,405,760	\$ 1,461,084	\$ 3,758,671	\$ 29,108,173	\$ 2,639,981

#### **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, 2017 was \$545,389,145. Total general obligation debt outstanding at year-end was \$46,915,000.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-17
<b>General Obligation Debt</b>					
Promissory notes	2010	2019	1.35 - 4.30%	\$ 5,815,000	\$ 1,550,000
Promissory notes	2011	2020	2.00 - 2.50%	4,500,000	2,075,000
Promissory bonds	2011	2026	2.00 - 4.00%	22,000,000	19,400,000
Promissory bonds	2012	2021	1.25 - 4.00%	7,300,000	4,155,000
Promissory notes	2013	2023	2.00 - 3.05%	6,040,000	4,645,000
Promissory notes	2015	2025	1.00 - 2.00%	7,890,000	6,305,000
Promissory notes	2017	2027	1.50 - 2.20%	8,785,000	8,785,000
Total General Obligation Debt					\$ 46,915,000



# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

**General Obligation Debt** (cont.)

	Balance 12-31-17
Governmental Activities	
General	\$ 21,016,943
Internal service	1,749,340
Sub-Total	22,766,283
Business-type Activities	
Enterprise	24,148,717
Total General Obligation Debt	\$ 46,915,000

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2018	\$ 3,146,613	\$ 487,268	\$ 1,638,387	\$ 809,013
2019	3,396,891	446,382	1,658,109	776,021
2020	2,822,779	358,926	2,382,221	719,451
2021	2,360,000	278,782	2,970,000	663,495
2022	2,350,000	255,320	3,100,000	589,000
2023 - 2027	8,690,000	490,600	12,400,000	1,240,000
Totals	\$ 22,766,283	\$ 2,317,278	\$ 24,148,717	\$ 4,796,980

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

Governmental activities net position reported on the government wide statement of net position at December 31, 2017 includes the following:

##### **Governmental Activities**

Net investment in capital assets	
Land and land improvements	\$ 12,859,092
Construction in progress	2,274,294
Easements	2,535,655
Other capital assets, net of accumulated depreciation	121,504,013
Less: Long-term debt outstanding	(22,766,283)
Plus: Noncapital debt outstanding	194,900
Less: Unamortized premium on debt	(27,164)
Total Net Investment in Capital Assets	<u>\$ 116,574,507</u>

Governmental fund balances reported on the fund financial statements at December 31, 2017 include the following:

##### **Nonspendable**

###### Major Funds

###### General Fund

Delinquent taxes	\$ 2,530,520
Inventories	14,863
Prepaid items	99,024

Sub-total 2,644,407

###### Human Services

Prepaid items 15,746

###### Nonmajor Funds

Special revenue funds – prepaid items 6,172

Total \$ 2,669,935

##### **Restricted**

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

Revolving loans	\$ 1,004,557
Other grants	450,163
Land records	205,775
Arrowhead library system	232,715
County bridge aid	160,649
Other activities	529,882
Other special revenue funds	518,618
Airport	135,628

Sub-total 3,237,987

Nonmajor Fund – Debt Service Fund 986,362

Total \$ 4,224,349

**ROCK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

**Governmental Activities (cont.)**

**Committed**

Nonmajor Funds – Special Revenue Funds

Veterans' relief	\$ 6,767
Other special revenue funds	<u>383,845</u>

Total	\$ <u>390,612</u>
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**Assigned**

Major Fund

General Fund

Sales taxes for future expenditures	\$ 3,252,092
Carryforward appropriations	<u>962,058</u>

Total General Fund	4,214,150
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Nonmajor Funds – Capital Projects Funds

General capital projects	1,465,703
Airport projects	<u>547,359</u>
Sub-total	<u>2,013,062</u>

Total	\$ <u>6,227,212</u>
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**Unassigned**

Major Fund

General Fund	\$ <u>32,419,421</u>
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**G. BUSINESS-TYPE ACTIVITIES NET POSITION**

Business-type activities net position reported on the government-wide statement of net position at December 31, 2017 includes the following:

**Business-type Activities**

Net investment in capital assets

Land	\$ 104,153
Construction in progress	369,816
Other capital assets, net of depreciation	41,357,333
Less: Related long-term debt outstanding	(24,148,717)
Less: Unamortized premium on debt	<u>(522,615)</u>

Total Net Investment in Capital Assets	\$ <u>17,159,970</u>
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# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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### NOTE V – OTHER INFORMATION

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#### A. EMPLOYEES' RETIREMENT SYSTEM

**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 1,200 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.

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

**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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

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

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	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
2015	2.9	2
2016	0.5	(5)

**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. Starting January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,272,021 in contributions from the county.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

Contribution rates as of December 31, 2017 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2017, the county reported a liability of \$3,739,943 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The county's proportion of the net pension liability was based on the county's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2016, the county's proportion was 0.45374505%, which was a decrease of (0.00095503)% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the county recognized pension expense of \$9,559,015.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,426,041	\$ 11,761,795
Changes in assumptions	3,910,255	-
Net differences between projected and actual earnings on pension plan investments	18,616,250	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	111,765
Employer contributions subsequent to the measurement date	4,635,456	-
Totals	\$ 28,588,002	\$ 11,873,560

\$4,635,456 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, 2017. 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
2018	\$ 8,714,571	\$ 3,790,225
2019	8,714,571	3,790,225
2020	7,138,596	3,787,453
2021	(621,691)	505,385
2022	6,499	272

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

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

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



## ROCK COUNTY

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

#### 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:

Core Fund Asset Class	Current Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	45%	8.3%	5.4%
Fixed Income	24.5	37	4.2	1.4
Inflation Sensitive Assets	15.5	20	4.3	1.5
Real Estate	8	7	6.5	3.6
Private Equity/Debt	8	7	9.4	6.5
Multi-Asset	4	4	6.6	3.7
Total Core Fund	110	120	7.4	4.5
<u>Variable Fund Asset Class</u>				
U.S. Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

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

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

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.78%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan 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 liability (asset) to changes in the discount rate.** The following presents the county's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the county's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	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 liability (asset)	\$ 49,201,342	\$ 3,739,943	\$ (31,267,395)

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

At December 31, 2017, the county reported a payable to the pension plan of \$1,040,976, 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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

##### ***Self Insurance*** (cont.)

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, 2017 was \$9,250,094 and is reflected in an internal service fund in these statements. Total contributions to the program during the year were \$22,460,759.

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.

##### ***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, 2017, 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. WMMICs 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.

**ROCK COUNTY**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2017

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

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

**Public Entity Risk Pool (cont.)**

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**

	Prior Year	Current Year
Unpaid claims – Beginning of Year	\$ 2,192,247	\$ 2,949,908
Current year claims and administration	23,338,757	23,360,526
Claims and administration payments	(22,581,096)	(22,566,822)
Unpaid Claims – End of Year	\$ 2,949,908	\$ 3,743,612

**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, 2017. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures/expenses.

**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.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

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 2017, the county contributed \$1,363,500 to the plan. Administrative costs of the plan are financed through investment earnings.

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	\$ 3,329,400
Interest on net OPEB obligation	454,500
Adjustment to annual required contribution	<u>(422,600)</u>
 Annual OPEB cost	 3,361,300
Contributions made	<u>(1,363,500)</u>
 Increase in Net OPEB Obligation	 1,997,800
 Net OPEB Obligation – Beginning of Year	 <u>11,361,800</u>
 Net OPEB Obligation – End of Year	 <u>\$ 13,359,600</u>

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 3,361,300	41%	\$ 13,359,600
2016	2,790,200	37%	11,361,800
2015	2,661,500	42%	9,593,500

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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

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

The most recent actuarial valuation date of the plan was as of January 1, 2017. The funded status of the plan as of December 31, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 34,362,700
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 34,362,700</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 60,065,400
UAAL as a percentage of covered payroll	57%

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 4.0% discount rate and an annual healthcare cost trend of 1.5% initially, increasing to 8% and then reducing by decrements of 0.5% to an ultimate rate of 4.5%. The valuation includes a 3.2% wage and 3.0% price 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, 2017 was 30 years.

# ROCK COUNTY

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2017

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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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 85, *Omnibus 2017*
- > Statement No. 86, *Certain Debt Extinguishment Issues*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 35,584,166	\$ 35,584,166	\$ 37,081,531	\$ 1,497,365
Intergovernmental	10,041,001	10,415,486	10,034,344	(381,142)
Regulation and compliance	1,563,134	1,563,134	1,531,527	(31,607)
Public charges for services	3,264,411	3,264,411	3,275,747	11,336
Intergovernmental charges for services	1,213,721	1,223,721	1,368,212	144,491
Other	857,515	927,580	1,108,219	180,639
Total Revenues	52,523,948	52,978,498	54,399,580	1,421,082
<b>EXPENDITURES</b>				
Current				
General government	7,958,628	8,182,266	7,552,308	629,958
Public safety	36,112,923	36,742,932	36,475,165	267,767
Health and social services	7,128,363	7,176,617	7,016,043	160,574
Culture, recreation, and education	367,643	367,643	317,573	50,070
Conservation and development	1,360,162	1,491,894	1,183,398	308,496
Total Expenditures	52,927,719	53,961,352	52,544,487	1,416,865
Excess (deficiency) of revenues over expenditures	(403,771)	(982,854)	1,855,093	2,837,947
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	191,613	191,613	730,484	538,871
Transfers out	-	(2,247)	(1,124,404)	(1,122,157)
Total Other Financing Sources (Uses)	191,613	189,366	(393,920)	(583,286)
Net change in fund balance	(212,158)	(793,488)	1,461,173	2,254,661
FUND BALANCE - Beginning of Year	37,816,805	37,816,805	37,816,805	-
FUND BALANCE - END OF YEAR	\$ 37,604,647	\$ 37,023,317	\$ 39,277,978	\$ 2,254,661

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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>REVENUES</b>				
Taxes	\$ 22,130,696	\$ 22,130,696	\$ 22,130,696	\$ -
Intergovernmental	25,754,874	25,988,969	26,468,359	479,390
Public charges for services	637,050	637,050	753,779	116,729
Intergovernmental charges for services	5,498,517	5,550,369	4,913,750	(636,619)
Other	8,000	8,000	96,169	88,169
Total Revenues	<u>54,029,137</u>	<u>54,315,084</u>	<u>54,362,753</u>	<u>47,669</u>
<b>EXPENDITURES</b>				
Current				
Health and social services	<u>54,029,137</u>	<u>54,149,731</u>	<u>53,959,230</u>	<u>190,501</u>
Total Expenditures	<u>54,029,137</u>	<u>54,149,731</u>	<u>53,959,230</u>	<u>190,501</u>
Excess of revenues over expenditures	<u>-</u>	<u>165,353</u>	<u>403,523</u>	<u>238,170</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	29,647	-	(29,647)
Transfers out	<u>-</u>	<u>(195,000)</u>	<u>(443,410)</u>	<u>(248,410)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(165,353)</u>	<u>(443,410)</u>	<u>(278,057)</u>
Net change in fund balance	-	-	(39,887)	(39,887)
FUND BALANCE - Beginning of Year	<u>59,243</u>	<u>59,243</u>	<u>59,243</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 59,243</u>	<u>\$ 59,243</u>	<u>\$ 19,356</u>	<u>\$ (39,887)</u>

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, 2017

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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, 2017	\$ -	\$ 34,362,700	\$ 34,362,700	0%	\$ 60,065,400	57%
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%

The most recent actuarial valuation date of the plan was as of January 1, 2017.

**ROCK COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -  
 WISCONSIN RETIREMENT SYSTEM  
 For the Year Ended December 31, 2017

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/17	0.45374505%	\$ 3,739,943	\$ 59,894,237	6.24%	99.12%
12/31/16	0.45470008%	7,388,788	61,691,490	11.98%	98.20%
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, 2017

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
12/31/17	\$ 4,635,457	\$ 4,635,457	\$ -	\$ 61,432,281	7.55%
12/31/16	4,283,383	4,283,383	-	59,894,237	7.15%
12/31/15	4,349,693	4,349,693	-	61,691,490	7.05%

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, 2017

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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 \$962,058 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, 2017

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
<b>ASSETS</b>						
Cash and investments	\$ 562,797	\$ -	\$ 129,538	\$ -	\$ -	\$ 150
Taxes receivable	-	542,913	1,023,425	-	1,254	1,069,209
Accounts receivable	-	-	405	2,000	-	-
Loans receivable (net)	3,503,355	-	-	-	-	-
Due from other funds	441,770	2,833	-	203,775	6,767	579,509
Due from other governments	-	-	689,737	-	-	-
Prepaid items	-	-	-	-	-	6,172
<b>TOTAL ASSETS</b>	<u>\$ 4,507,922</u>	<u>\$ 545,746</u>	<u>\$ 1,843,105</u>	<u>\$ 205,775</u>	<u>\$ 8,021</u>	<u>\$ 1,655,040</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ 2,833	\$ 277,481	\$ -	\$ -	\$ 7,035
Deposits	-	-	-	-	-	-
Due to other funds	-	-	89,519	-	-	-
Total Liabilities	<u>-</u>	<u>2,833</u>	<u>367,000</u>	<u>-</u>	<u>-</u>	<u>7,035</u>
Deferred Inflows of Resources						
Unearned revenues	-	542,913	1,025,942	-	1,254	1,409,118
Unavailable revenues	3,503,365	-	-	-	-	-
Total Deferred Inflows of Resources	<u>3,503,365</u>	<u>542,913</u>	<u>1,025,942</u>	<u>-</u>	<u>1,254</u>	<u>1,409,118</u>
Fund Balances						
Nonspendable	-	-	-	-	-	6,172
Restricted	1,004,557	-	450,163	205,775	-	232,715
Committed	-	-	-	-	6,767	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>1,004,557</u>	<u>-</u>	<u>450,163</u>	<u>205,775</u>	<u>6,767</u>	<u>238,887</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 4,507,922</u>	<u>\$ 545,746</u>	<u>\$ 1,843,105</u>	<u>\$ 205,775</u>	<u>\$ 8,021</u>	<u>\$ 1,655,040</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	Airport Projects		
\$ -	\$ -	\$ 640,153	\$ -	\$ -	\$ -	\$ 8,799,301	\$ -		\$ 10,131,939
311,920	-	90,570	-	541,906	5,995,914	12,500	-		9,589,611
-	-	3,649	-	42,684	-	5,047	-		53,785
-	-	-	-	-	-	-	-		3,503,355
160,649	529,882	319,577	595,742	147,050	986,362	572,137	547,359		5,093,412
-	-	-	-	-	-	-	-		689,737
-	-	-	-	-	-	-	-		6,172
<u>\$ 472,569</u>	<u>\$ 529,882</u>	<u>\$ 1,053,949</u>	<u>\$ 595,742</u>	<u>\$ 731,640</u>	<u>\$ 6,982,276</u>	<u>\$ 9,388,985</u>	<u>\$ 547,359</u>		<u>\$ 29,068,011</u>
\$ -	\$ -	\$ 29,024	\$ 595,742	\$ 28,265	\$ -	\$ 359,905	\$ -		\$ 1,300,285
-	-	-	-	20,990	-	-	-		20,990
-	-	-	-	-	-	7,550,877	-		7,640,396
-	-	29,024	595,742	49,255	-	7,910,782	-		8,961,671
311,920	-	122,462	-	546,757	5,995,914	12,500	-		9,968,780
-	-	-	-	-	-	-	-		3,503,365
<u>311,920</u>	<u>-</u>	<u>122,462</u>	<u>-</u>	<u>546,757</u>	<u>5,995,914</u>	<u>12,500</u>	<u>-</u>		<u>13,472,145</u>
-	-	-	-	-	-	-	-		6,172
160,649	529,882	518,618	-	135,628	986,362	-	-		4,224,349
-	-	383,845	-	-	-	-	-		390,612
-	-	-	-	-	-	1,465,703	547,359		2,013,062
<u>160,649</u>	<u>529,882</u>	<u>902,463</u>	<u>-</u>	<u>135,628</u>	<u>986,362</u>	<u>1,465,703</u>	<u>547,359</u>		<u>6,634,195</u>
<u>\$ 472,569</u>	<u>\$ 529,882</u>	<u>\$ 1,053,949</u>	<u>\$ 595,742</u>	<u>\$ 731,640</u>	<u>\$ 6,982,276</u>	<u>\$ 9,388,985</u>	<u>\$ 547,359</u>		<u>\$ 29,068,011</u>



**ROCK COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2017

	Special Revenue Funds					
	Revolving Loans	Parks	Other Grants	Land Records	Veterans' Relief	Arrowhead Library System
<b>REVENUES</b>						
Taxes	\$ -	\$ 510,831	\$ 1,181,670	\$ -	\$ 1,754	\$ 1,031,441
Intergovernmental	-	-	3,559,371	1,000	-	449,743
Public charges for services	210,331	48,072	318,744	358,915	-	6,103
Intergovernmental charges for services	-	-	105,467	-	-	223,361
Other	1,613	11,139	130,002	1,273	-	2,000
Total Revenues	<u>211,944</u>	<u>570,042</u>	<u>5,295,254</u>	<u>361,188</u>	<u>1,754</u>	<u>1,712,648</u>
<b>EXPENDITURES</b>						
Current						
General government	-	-	45,691	330,267	-	-
Public safety	-	-	433,923	-	-	-
Health and social services	-	-	4,483,200	-	2,503	-
Public works	-	-	141,785	-	-	-
Culture, recreation, and education	-	571,219	-	-	-	1,678,075
Conservation and development	180,527	-	212,237	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>180,527</u>	<u>571,219</u>	<u>5,316,836</u>	<u>330,267</u>	<u>2,503</u>	<u>1,678,075</u>
Excess (deficiency) of revenues over expenditures	<u>31,417</u>	<u>(1,177)</u>	<u>(21,582)</u>	<u>30,921</u>	<u>(749)</u>	<u>34,573</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
General obligation debt issued	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-
Transfers in	-	1,177	263,272	-	-	-
Transfers out	-	-	(21,635)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,177</u>	<u>241,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	31,417	-	220,055	30,921	(749)	34,573
FUND BALANCES - Beginning of Year	<u>973,140</u>	<u>-</u>	<u>230,108</u>	<u>174,854</u>	<u>7,516</u>	<u>204,314</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,004,557</u>	<u>\$ -</u>	<u>\$ 450,163</u>	<u>\$ 205,775</u>	<u>\$ 6,767</u>	<u>\$ 238,887</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		
\$ 175,000	\$ -	\$ 111,836	\$ -	\$ 503,946	\$ 3,000,807	\$ 1,431,704	\$ -	\$ 475,000	\$ 8,423,989	
-	-	15,813	3,751,456	-	-	-	-	-	7,777,383	
-	-	2,213	-	411,191	-	192,947	-	-	1,548,516	
-	-	140,118	-	-	-	-	-	-	468,946	
-	180,933	105,986	-	4,765	-	17,531	-	-	455,242	
<u>175,000</u>	<u>180,933</u>	<u>375,966</u>	<u>3,751,456</u>	<u>919,902</u>	<u>3,000,807</u>	<u>1,642,182</u>	<u>-</u>	<u>475,000</u>	<u>18,674,076</u>	
-	19,855	46,893	-	-	-	-	-	-	442,706	
-	-	70,883	-	-	-	-	-	-	504,806	
-	-	-	3,751,467	-	-	-	-	-	8,237,170	
49,369	-	-	-	886,055	-	-	-	-	1,077,209	
-	-	-	-	-	-	-	-	-	2,249,294	
-	-	240,482	-	-	-	-	-	-	633,246	
-	-	-	-	-	-	3,884,570	-	559,011	4,443,581	
-	-	-	-	-	2,328,978	-	-	-	2,328,978	
-	-	-	-	-	369,639	87,625	-	-	457,264	
<u>49,369</u>	<u>19,855</u>	<u>358,258</u>	<u>3,751,467</u>	<u>886,055</u>	<u>2,698,617</u>	<u>3,972,195</u>	<u>-</u>	<u>559,011</u>	<u>20,374,254</u>	
<u>125,631</u>	<u>161,078</u>	<u>17,708</u>	<u>(11)</u>	<u>33,847</u>	<u>302,190</u>	<u>(2,330,013)</u>	<u>-</u>	<u>(84,011)</u>	<u>(1,700,178)</u>	
-	-	-	-	-	-	8,785,000	-	-	8,785,000	
-	-	-	-	-	-	86,025	-	-	86,025	
-	209,404	-	11	-	1,370	2,192	-	113,200	590,626	
-	(83,686)	(273,554)	-	-	-	(9,126,960)	(26,613)	-	(9,532,448)	
-	125,718	(273,554)	11	-	1,370	(253,743)	(26,613)	113,200	(70,797)	
125,631	286,796	(255,846)	-	33,847	303,560	(2,583,756)	(26,613)	29,189	(1,770,975)	
<u>35,018</u>	<u>243,086</u>	<u>1,158,309</u>	<u>-</u>	<u>101,781</u>	<u>682,802</u>	<u>4,049,459</u>	<u>26,613</u>	<u>518,170</u>	<u>8,405,170</u>	
<u>\$ 160,649</u>	<u>\$ 529,882</u>	<u>\$ 902,463</u>	<u>\$ -</u>	<u>\$ 135,628</u>	<u>\$ 986,362</u>	<u>\$ 1,465,703</u>	<u>\$ -</u>	<u>\$ 547,359</u>	<u>\$ 6,634,195</u>	

# ROCK COUNTY

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2017

	Motor Pool	Information Technology
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ -	\$ -
Taxes receivable	-	1,536,055
Accounts receivable	16,076	14,596
Due from other funds	-	3,319,629
Total Current Assets	16,076	4,870,280
Noncurrent Assets		
Deposit with Wisconsin Mutual Insurance Company	-	-
Capital Assets		
Land	-	-
Intangible assets - software	-	806,944
Other capital assets	1,104,535	987,035
Less: Accumulated depreciation/amortization	(569,083)	(1,148,817)
Net Capital Assets	535,452	645,162
Total Assets	551,528	5,515,442
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related amounts	-	781,533
Total Deferred Outflows of Resources	-	781,533
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	-	158,412
Accrued vacation and comp time	-	230,159
Due to other funds	99,058	-
Current portion of debt	-	71,588
Total Current Liabilities	99,058	460,159
Noncurrent Liabilities		
General obligation debt	-	136,969
Unamortized premium	-	-
Accrued sick leave	-	168,103
Net pension liability	-	101,950
Total Noncurrent Liabilities	-	407,022
Total Liabilities	99,058	867,181
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unearned revenues	-	1,536,055
Pension related amounts	-	327,766
Total Deferred Inflows of Resources	-	1,863,821
<b>NET POSITION</b>		
Net investment in capital assets	535,452	436,605
Unrestricted (deficit)	(82,982)	3,129,368
TOTAL NET POSITION	\$ 452,470	\$ 3,565,973

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<u>Self Insurance</u>	<u>Job Center</u>	<u>Totals</u>
\$ 104,317	\$ -	\$ 104,317
-	-	1,536,055
1,482,608	566	1,513,846
<u>9,666,100</u>	<u>388,357</u>	<u>13,374,086</u>
<u>11,253,025</u>	<u>388,923</u>	<u>16,528,304</u>
1,741,000	-	1,741,000
-	575,710	575,710
-	-	806,944
-	3,812,395	5,903,965
-	<u>(1,054,559)</u>	<u>(2,772,459)</u>
-	<u>3,333,546</u>	<u>4,514,160</u>
<u>12,994,025</u>	<u>3,722,469</u>	<u>22,783,464</u>
-	<u>30,974</u>	<u>812,507</u>
-	<u>30,974</u>	<u>812,507</u>
3,743,612	5,954	3,907,978
-	-	230,159
-	-	99,058
-	<u>188,700</u>	<u>260,288</u>
<u>3,743,612</u>	<u>194,654</u>	<u>4,497,483</u>
-	1,352,083	1,489,052
-	27,164	27,164
-	-	168,103
-	<u>3,963</u>	<u>105,913</u>
-	<u>1,383,210</u>	<u>1,790,232</u>
<u>3,743,612</u>	<u>1,577,864</u>	<u>6,287,715</u>
319	-	1,536,374
-	<u>13,200</u>	<u>340,966</u>
<u>319</u>	<u>13,200</u>	<u>1,877,340</u>
-	1,765,599	2,737,656
<u>9,250,094</u>	<u>396,780</u>	<u>12,693,260</u>
<u>\$ 9,250,094</u>	<u>\$ 2,162,379</u>	<u>\$ 15,430,916</u>

# ROCK COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

	Motor Pool	Information Technology
<b>OPERATING REVENUES</b>		
Charges for services	\$ 286,674	\$ 3,569,948
Total Operating Revenues	<u>286,674</u>	<u>3,569,948</u>
<b>OPERATING EXPENSES</b>		
Operation and maintenance	118,055	5,517,415
Depreciation/amortization	<u>113,098</u>	<u>255,166</u>
Total Operating Expenses	<u>231,153</u>	<u>5,772,581</u>
Operating Income (Loss)	<u>55,521</u>	<u>(2,202,633)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Property taxes	-	1,455,767
Sales taxes	-	913,207
Interest expense	-	(7,001)
Miscellaneous revenues	<u>-</u>	<u>2,256</u>
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>2,364,229</u>
Increase (Decrease) Before Transfers	<u>55,521</u>	<u>161,596</u>
<b>TRANSFERS</b>		
Transfers out	<u>-</u>	<u>-</u>
Total Transfers	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	55,521	161,596
NET POSITION - Beginning of Year	<u>396,949</u>	<u>3,404,377</u>
NET POSITION - END OF YEAR	<u>\$ 452,470</u>	<u>\$ 3,565,973</u>

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Self Insurance	Job Center	Totals
\$ 22,460,759	\$ 637,246	\$ 26,954,627
<u>22,460,759</u>	<u>637,246</u>	<u>26,954,627</u>
22,566,822	147,692	28,349,984
-	<u>139,202</u>	<u>507,466</u>
<u>22,566,822</u>	<u>286,894</u>	<u>28,857,450</u>
<u>(106,063)</u>	<u>350,352</u>	<u>(1,902,823)</u>
-	-	1,455,767
-	-	913,207
-	(28,192)	(35,193)
-	-	<u>2,256</u>
-	<u>(28,192)</u>	<u>2,336,037</u>
<u>(106,063)</u>	<u>322,160</u>	<u>433,214</u>
<u>(4,945)</u>	-	<u>(4,945)</u>
<u>(4,945)</u>	-	<u>(4,945)</u>
(111,008)	322,160	428,269
<u>9,361,102</u>	<u>1,840,219</u>	<u>15,002,647</u>
<u>\$ 9,250,094</u>	<u>\$ 2,162,379</u>	<u>\$ 15,430,916</u>

# ROCK COUNTY

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

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	<u>Motor Pool</u>	<u>Information Technology</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 286,674	\$ 2,853,455
Cash paid to suppliers for goods and services	(133,080)	(2,675,091)
Cash paid to employees for payroll	(4,529)	(2,560,441)
Net Cash Flows From Operating Activities	<u>149,065</u>	<u>(2,382,077)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
General property taxes	-	1,455,767
Other taxes	-	913,207
Transfers in (out)	<u>-</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>2,368,974</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Debt principal paid	-	(67,079)
Interest paid	-	(7,001)
Acquisition and construction of capital assets	<u>(149,065)</u>	<u>87,183</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(149,065)</u>	<u>13,103</u>
Net Change in Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

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Self Insurance	Job Center	Totals
\$ 21,744,322	\$ 792,991	\$ 25,677,442
(21,716,100)	(38,107)	(24,562,378)
-	(103,908)	(2,668,878)
28,222	650,976	(1,553,814)
-	-	1,455,767
-	-	913,207
(4,945)	-	(4,945)
(4,945)	-	2,364,029
-	(180,000)	(247,079)
-	(31,588)	(38,589)
-	(439,388)	(501,270)
-	(650,976)	(786,938)
23,277	-	23,277
81,040	-	81,040
\$ 104,317	\$ -	\$ 104,317



# ROCK COUNTY

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2017

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	<u>Motor Pool</u>	<u>Information Technology</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 55,521	\$ (2,202,633)
Adjustments to reconcile operating loss to net cash flows from operating activities		
Noncash items included in operating loss		
Depreciation/amortization	113,098	255,166
Change in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Accounts receivable	-	(89,759)
Due to/from other funds	(19,554)	(704,798)
Prepaid items	-	76,719
Compensated absences	-	6,000
Accounts payable	-	37,997
Other current liabilities	-	21,918
Unearned revenues	-	78,064
Pension related amounts	-	139,249
	<u>                    </u>	<u>                    </u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 149,065</u>	<u>\$ (2,382,077)</u>

### NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES

None

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<u>Self Insurance</u>	<u>Job Center</u>	<u>Totals</u>
\$ (106,063)	\$ 350,352	\$ (1,902,823)
-	139,202	507,466
(843,129)	-	(932,888)
126,373	155,745	(442,234)
57,018	-	133,737
-	-	6,000
793,704	-	831,701
-	-	21,918
319	-	78,383
<u>-</u>	<u>5,677</u>	<u>144,926</u>
<u>\$ 28,222</u>	<u>\$ 650,976</u>	<u>\$ (1,553,814)</u>