

PRICE COUNTY

Phillips, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2017

PRICE COUNTY

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PRICE COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Price County
Phillips, 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 Price County, Wisconsin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Price 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 Price 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 Price 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 Price 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 Price 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 have also issued our report dated September 24, 2018, on our consideration of Price 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 Price County's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Eau Claire, Wisconsin
September 24, 2018

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

This section of Price County, Wisconsin's annual financial statements presents the management's discussion and analysis of the County's financial performance during the year ended December 31, 2017. Please read it in conjunction with the County's financial statements which immediately follows this section.

FINANCIAL HIGHLIGHTS

- > The County's overall financial position, as reflected in total net position, decreased by \$1,157,891.
- > The County increased the amount of outstanding general obligation debt by \$1,974,607.
- > In governmental funds, the total fund balances decreased by \$1,694,933, while net position in the highway department enterprise fund decreased by \$393,639.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- > The government-wide financial statements are the statement of net position and statement of activities. These statements present an aggregate view of the County's finances in a manner similar to a private-sector business.
- > The statement of net position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the County is improving or deteriorating.
- > The statement of activities presents information showing how the County's net position changed during the year. This statement reports the cost of government functions and how those functions were financed for the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

- > The County also produces fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The County, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. Fund financial statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a County's near-term financing requirements.
- > There are two fund financial statements, the balance sheet and the statement of revenues, expenditures, and changes in fund balances. Generally, fund financial statements focus on near-term inflows and outflows of spendable resources and their impact on fund balances.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

- > Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term implication of the County's near-term financial decisions. A reconciliation to facilitate this comparison is provided as a separate statement in the financial statements.
- > The County has three kinds of funds: governmental, proprietary, and fiduciary.
 - Governmental funds include the general fund, the special revenue fund, the debt service fund, and individual capital projects funds as needed. In the current fiscal year, the County has no capital projects funds to account for.
 - Proprietary funds include the highway enterprise fund that accounts for the costs associated with the operation and maintenance of the County's highway department and the health insurance internal service fund that accounts for the costs of providing health insurance to County employees on a cost-reimbursement basis.
 - Fiduciary funds account for assets held as an agent for the clerk of courts, district attorney, human services clients, County inmates, and other taxing units.
- > Financial information is presented separately on both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the general fund and human services fund, which are considered to be major funds, and for the debt service fund which is considered a nonmajor fund.
- > The County serves as a trustee, or fiduciary, for other taxing units, the sheriff, clerk of courts, protective payee, and district attorney. The assets of these programs do not directly benefit nor are they under the direct control of the County. The County's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. Fiduciary activities are excluded from the County-wide financial statements because the County cannot use these assets to finance its operations.
- > The County adopts an annual budget for all funds. Budgetary comparison statements have been provided to demonstrate budget compliance.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

FINANCIAL ANALYSIS

THE COUNTY AS A WHOLE

Net position: The County's combined net position was \$40,652,986 on December 31, 2017.

The largest portion of the County's net position (82%) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (See Table 1).

The calculation of net position uses a historical cost for buildings that may not accurately reflect the true value. Unrestricted net assets are \$6,733,794 at the end of this year.

Table 1
Net Position
December 31, 2017 and 2016

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Current and other assets	\$ 14,437,544	\$ 14,967,031	\$ 4,103,545	\$ 3,158,240
Capital assets	<u>32,055,550</u>	<u>29,400,590</u>	<u>4,204,119</u>	<u>4,570,085</u>
Total Assets	<u>46,493,094</u>	<u>44,367,621</u>	<u>8,307,664</u>	<u>7,728,325</u>
Deferred Outflows of Resources	<u>2,483,370</u>	<u>3,662,643</u>	<u>565,160</u>	<u>785,660</u>
Liabilities	1,942,692	1,341,806	509,044	148,269
Noncurrent liabilities	<u>3,416,506</u>	<u>2,306,806</u>	<u>992,918</u>	<u>665,730</u>
Total Liabilities	<u>5,359,198</u>	<u>3,648,612</u>	<u>1,501,962</u>	<u>813,999</u>
Deferred Inflows of Resources	<u>8,542,461</u>	<u>8,332,539</u>	<u>1,792,681</u>	<u>1,938,222</u>
Net Position				
Net investment in capital assets	29,608,427	28,746,559	3,724,494	4,170,085
Restricted	586,271	443,849	-	-
Unrestricted	<u>4,880,107</u>	<u>6,858,705</u>	<u>1,853,687</u>	<u>1,591,679</u>
Total Net Position	<u>\$ 35,074,805</u>	<u>\$ 36,049,113</u>	<u>\$ 5,578,181</u>	<u>\$ 5,761,764</u>

Governmental activities net position decreased by \$974,308. This is due to the high cost placements continuing to rise, and there have been many public safety unexpected increases (see page ix). This is partially offset by the increased sales tax, property tax and other revenues as shown in Table 2.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

Net position (cont.): Business-type activities total net position decreased by \$183,583 as a combination of no longer being self-funded for health insurance and the continuing changes happening at the Highway Department. These changes at the Highway Department include working more state performance based projects and working on correcting the long standing issues with water along certain highways that cost more each year to maintain.

Change in net position: Table 2 shows the changes in net position for December 31:

Table 2
Change in Net Position
December 31, 2017 and 2016

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Revenues				
Program revenues				
Charges for services	\$ 2,102,426	\$ 2,425,924	\$ 2,251,933	\$ 1,886,978
Operating grants and contributions	3,719,149	3,795,437	531,451	702,075
Capital grants and contributions	367,590	213,736	-	-
General revenues				
Property taxes	6,473,792	6,079,068	1,562,244	1,860,817
Sales tax	1,370,641	1,254,066	-	-
Grants and contributions not restricted to specific programs	603,983	600,676	-	-
Other	238,192	79,655	-	44,704
Total Revenues	14,875,773	14,448,562	4,345,628	4,494,574
Expenses				
General government	3,000,912	3,154,481	-	-
Public safety	3,431,367	3,439,621	-	-
Public works	1,577,901	1,620,638	-	-
Health and human services	6,317,125	6,420,096	-	-
Culture, recreation and education	789,831	803,952	-	-
Conservation and development	1,140,012	1,206,065	-	-
Interest and fiscal charges	20,891	13,339	-	-
Highway	-	-	4,101,253	3,976,758
Total Expenses	16,278,039	16,658,192	4,101,253	3,976,758
Change in position from operations	(1,402,266)	(2,209,630)	244,375	517,816
Transfers	427,958	431,239	(427,958)	(431,239)
Change in net position	(974,308)	(1,778,391)	(183,583)	86,577
Net Position – Beginning of Year	36,049,113	37,827,504	5,761,764	5,675,187
Net Position – End of Year	\$ 35,074,805	\$ 36,049,113	\$ 5,578,181	\$ 5,761,764

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

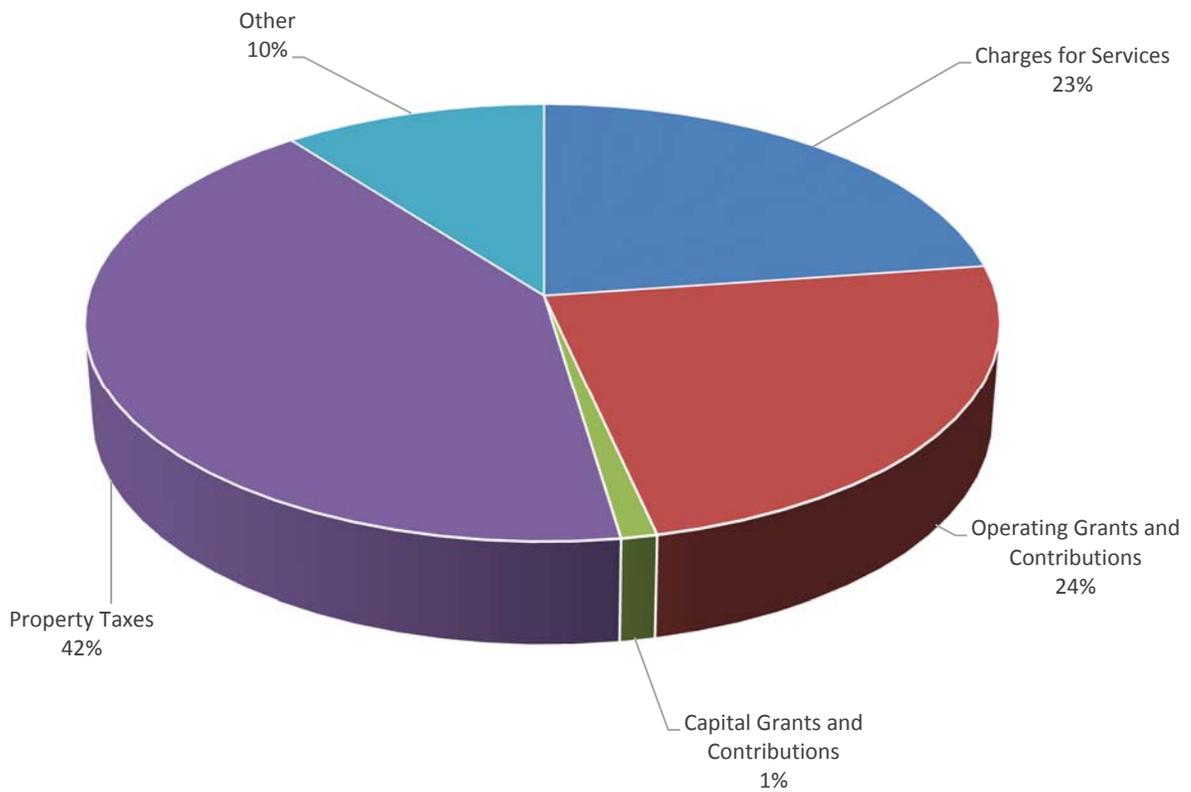
For the Year Ended December 31, 2017

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The County's total revenues were \$19,221,401 for the year ended December 31, 2017. Property taxes accounted for 42% of total revenues for the year (See Figure 1). Another 47% came from other program revenues and the remainder from other general revenues.

Figure 1: Sources of Price County, Wisconsin's Revenues for Fiscal Year 2017



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

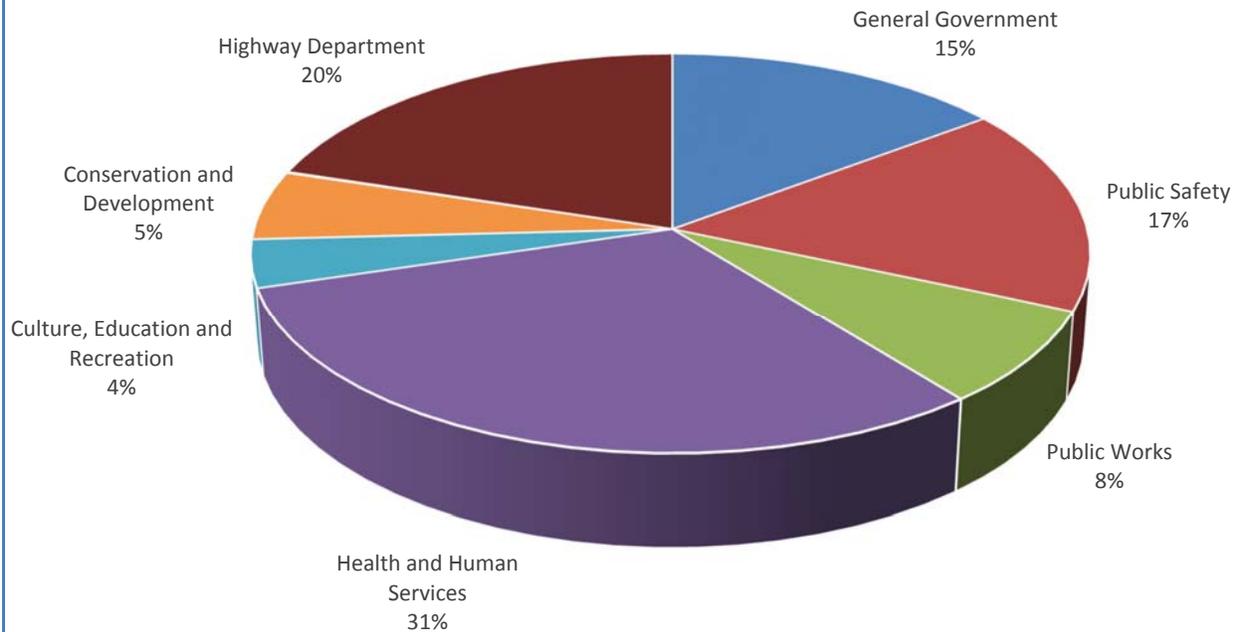
For the Year Ended December 31, 2017

FINANCIAL ANALYSIS (cont.)

THE COUNTY AS A WHOLE (cont.)

The total cost of all programs and services was \$20,379,292. The County's most significant expenses are related to health and human services (31%) (See Figure 2). Other activities of the County accounted for 69% of total costs.

Figure 2: Price County, Wisconsin's Expenses for Fiscal Year 2017



PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended December 31, 2017

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Net cost of governmental and business-type activities: Table 3 reports the cost of seven major County activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

Table 3
Net Cost of Activities
December 31, 2017 and 2016

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Governmental Type				
General government	\$ 3,000,912	\$ 3,154,481	\$ (2,497,699)	\$ (2,674,021)
Public safety	3,431,367	3,439,621	(3,232,681)	(3,254,062)
Public works	1,577,901	1,620,638	(1,478,188)	(1,314,761)
Health and human services	6,317,125	6,420,096	(2,816,684)	(2,765,564)
Culture, recreation and education	789,831	803,952	(603,460)	(641,480)
Conservation and development	1,140,012	1,206,065	560,729	440,132
Interest and fiscal charges	20,891	13,339	(20,891)	(13,339)
Business-type – highway	<u>4,101,253</u>	<u>3,976,758</u>	<u>(1,317,869)</u>	<u>(1,387,705)</u>
Totals	<u>\$ 20,379,292</u>	<u>\$ 20,634,950</u>	<u>\$ (11,406,743)</u>	<u>\$ (11,610,800)</u>

- > The cost of all governmental activities this year was \$16,278,039.
- > Some of the governmental cost totaling \$2,102,426 was paid by users of the County's governmental programs. Operating grants and intergovernmental revenues not restricted to specific programs totaled \$4,323,132.
- > Other sources of revenue included capital grants and contributions of \$367,590, investment income of \$69,601 and miscellaneous income of \$168,591.
- > The remainder of the County's governmental costs of \$9,246,699, however, was paid for by the County taxpayers and taxpayers of our state.
- > The cost of all business-type activities was \$4,101,253.
- > Some of the costs totaling \$2,251,933 were paid by users of the County's business-type programs. These users were made up of the local municipalities requesting assistance with project based work.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

FINANCIAL ANALYSIS (cont.)

GOVERNMENTAL FUNDS

The County completed the year with a total governmental fund balance of \$4,609,342.

- > The general fund had a decrease in fund balance of \$1,324,762.
- > The human services fund had a decrease of \$346,901 in fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

Price County's budgeted figures exceed the actual revenues by \$206,719. This is primarily due to less than expected intergovernmental revenues and public charges for service. There were also increases in revenue over budget with the Register of Deeds collecting \$20,000 in additional fees. The Sheriff's department also saw an increase in collected fees of approximately \$20,000.

General Government budgeted expenditures were more than the actual figures by \$163,418. A significant portion of the spending below budget was from Land Information. Land Information did not complete all of their grant spending for projects planned and will finish these projects in 2018. Several offices also saw a significant saving do to employees choosing health insurance through their spouse's plan.

Public Safety as a whole exceeded budget by \$95,911. When developing the budget for wages and benefits in the Sheriff's Department, it is difficult to foresee any big incidents that may arise throughout the year. These larger cases require more staff to be present at one time, causing overtime. This extra staffing and overtime lead to a large increase in the wage expense for the department. With this in mind the sheriff's office saw two significant incidents throughout the year causing the increase in expenditures. One was a medium size aircraft that crashed in Price County and the other being an individual who was detained that needed 24-hour supervision for several months.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At the end of the 2017 year, the County had invested over \$71 million in a broad range of capital assets, including land, buildings, equipment, and infrastructure (See Table 4). Additional information about capital assets can be found in Note III.C. Total accumulated depreciation on these assets exceeded \$28 million for governmental activities and exceeded \$6 million for business-type activities.

- > Asset acquisitions totaled \$4,995,079 for governmental activities and \$47,887 for business-type activities.
- > The County recognized depreciation expense of \$1,804,180 for the governmental activities and \$392,679 for business-type activities during the fiscal year.

Table 4
Capital Assets
December 31, 2017 and 2016

	Governmental Activities		Business-type Activities	
	2017	2016	2017	2016
Land	\$ 2,629,677	\$ 2,629,677	\$ 5,131	\$ 5,131
Construction in progress	3,254,839	573,015	14,172	-
Building and improvements	8,843,253	8,843,253	3,296,954	3,296,954
Machinery and equipment	5,386,018	4,863,864	7,243,884	7,338,809
Infrastructure	40,525,726	39,459,002	-	-
Accumulated depreciation	(28,583,963)	(26,968,221)	(6,356,022)	(6,070,809)
Total Capital Assets	\$ 32,055,550	\$ 29,400,590	\$ 4,204,119	\$ 4,570,085

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION (cont.)

LONG-TERM DEBT

At year-end the County had \$4,409,424 in general obligation notes and other long-term debt outstanding (See Table 5). Additional information about the County's long-term obligations is presented in Note III.F to the financial statements.

Table 5
Outstanding Long-Term Obligations
December 31, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation notes	\$ 2,438,047	\$ 843,065	\$ -	\$ -
General obligation bonds	-	-	779,625	400,000
Capital leases	9,076	22,348	-	-
Compensated absences	650,521	611,450	141,821	124,876
Net OPEB obligation	-	169,674	-	-
Net pension (asset) liability	<u>318,862</u>	<u>660,269</u>	<u>71,472</u>	<u>140,854</u>
Totals	<u>\$ 3,416,506</u>	<u>\$ 2,306,806</u>	<u>\$ 992,918</u>	<u>\$ 665,730</u>

- > The County retired \$625,393 of outstanding general obligation debt.
- > The County issued \$2,600,000 of notes payable.

PRICE COUNTY, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended December 31, 2017

FACTORS BEARING ON THE COUNTY'S FUTURE

Currently known circumstances that will impact the County's financial status in the future:

For the third consecutive year the County realized a progressive increase in economic activity, as sales tax revenues continued to improve in 2017 and into 2018. The increased cost of services and goods however, continues to place a strain on family's budgets and on the County's budget as well. Due to state budget mandates, we have had a zero operating levy budget for 2017 and 2018. The same will be the case in 2019, being the sixth consecutive year with a zero levy cap. We have been able to balance our budget in 2017 and 2018 because of increased timber sales and increased sales tax revenue as well as utilizing the County's ability to borrow for construction and capitalized purchases.

The unknown health care environment has largely created a burden on the County. In 2017 Price County converted its health insurance from self-funded to fully funded in attempt to curb the volatility of health insurance.

One of our major revenue sources, timber stumpage has continued to be stable in 2017, like the 2016 year, after a higher than normal 2015 year. An estimated \$3.3 million of outstanding timber stumpage contracts is to be filled within the next couple of years. The market outlook for timber is not as positive as we would hope and anticipate a plateau of the stumpage bids received during the 2018 season.

In 2018, the County will mark its third year of implementing the County Administrator position. The position has proven to be a success from a management prospective. The County Administrator has restructured departments to create efficient use of employee time and generate cost savings to the County. The County Administrator has also been tasked with exploring some difficult decision to balance the 2019-2020 budget deficit.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's financial condition and to demonstrate the County's accountability for the money it receives and spends. If you have any questions about this report or need additional financial information, contact Jean Gottwald, County Clerk; Price County, 126 Cherry Street, Phillips, Wisconsin 54555.

PRICE COUNTY

STATEMENT OF NET POSITION As of December 31, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 4,880,895	\$ 1,867,599	\$ 6,748,494
Receivables			
Taxes receivable	7,033,353	1,571,384	8,604,737
Delinquent personal property taxes	607,977	-	607,977
Other receivables	171,754	7,556	179,310
Due from other governmental units	1,016,661	335,805	1,352,466
Internal balances	350,000	(350,000)	-
Inventories and prepaid items	376,904	671,201	1,048,105
Capital Assets (net of accumulated depreciation)			
Land	2,629,677	5,131	2,634,808
Construction in progress	3,254,839	14,172	3,269,011
Other capital assets, net of depreciation	<u>26,171,034</u>	<u>4,184,816</u>	<u>30,355,850</u>
Total Assets	<u>46,493,094</u>	<u>8,307,664</u>	<u>54,800,758</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	<u>2,483,370</u>	<u>565,160</u>	<u>3,048,530</u>
Total Deferred Outflows of Resources	<u>2,483,370</u>	<u>565,160</u>	<u>3,048,530</u>
LIABILITIES			
Accounts payable	1,442,633	69,452	1,512,085
Accrued liabilities	342,294	64,592	406,886
Due to other governmental units	123,208	-	123,208
Short term notes payable	-	375,000	375,000
Deposits	34,557	-	34,557
Noncurrent Liabilities			
Due within one year	2,817,529	384,131	3,201,660
Due in more than one year	<u>598,977</u>	<u>608,787</u>	<u>1,207,764</u>
Total Liabilities	<u>5,359,198</u>	<u>1,501,962</u>	<u>6,861,160</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	7,518,494	1,578,321	9,096,815
Pension related amounts	<u>1,023,967</u>	<u>214,360</u>	<u>1,238,327</u>
Total Deferred Inflows of Resources	<u>8,542,461</u>	<u>1,792,681</u>	<u>10,335,142</u>
NET POSITION			
Net investment in capital assets	29,608,427	3,724,494	33,332,921
Restricted for:			
Dare	6,835	-	6,835
Jail assessment	12,849	-	12,849
Land information	302,492	-	302,492
Project lifesaver	9,439	-	9,439
Criminal forfeiture	856	-	856
COP risk reserve	3,183	-	3,183
Family planning	139,551	-	139,551
Specialized transportation	111,066	-	111,066
Unrestricted	<u>4,880,107</u>	<u>1,853,687</u>	<u>6,733,794</u>
TOTAL NET POSITION	<u>\$ 35,074,805</u>	<u>\$ 5,578,181</u>	<u>\$ 40,652,986</u>

See accompanying notes to financial statements.

PRICE COUNTY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities				
General government	\$ 3,000,912	\$ 291,496	\$ 211,717	\$ -
Public safety	3,431,367	102,330	51,524	44,832
Public works	1,577,901	99,713	-	-
Health and human services	6,317,125	483,978	3,016,463	-
Culture, education and recreation	789,831	163,496	22,875	-
Conservation and development	1,140,012	961,413	416,570	322,758
Interest and fiscal charges	<u>20,891</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>16,278,039</u>	<u>2,102,426</u>	<u>3,719,149</u>	<u>367,590</u>
Business-type Activities				
Highway department	<u>4,101,253</u>	<u>2,251,933</u>	<u>531,451</u>	<u>-</u>
Total Business-type Activities	<u>4,101,253</u>	<u>2,251,933</u>	<u>531,451</u>	<u>-</u>
 Totals	 <u>\$ 20,379,292</u>	 <u>\$ 4,354,359</u>	 <u>\$ 4,250,600</u>	 <u>\$ 367,590</u>

General Revenues

 Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for human services

 Property taxes, levied for debt service

 Property taxes, levied for highway purposes

 Other taxes

 Intergovernmental revenues not restricted to specific programs

 Investment income

 Miscellaneous

 Total General Revenues

Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (2,497,699)	\$ -	\$ (2,497,699)
(3,232,681)	-	(3,232,681)
(1,478,188)	-	(1,478,188)
(2,816,684)	-	(2,816,684)
(603,460)	-	(603,460)
560,729	-	560,729
(20,891)	-	(20,891)
<u>(10,088,874)</u>	<u>-</u>	<u>(10,088,874)</u>
-	<u>(1,317,869)</u>	<u>(1,317,869)</u>
-	<u>(1,317,869)</u>	<u>(1,317,869)</u>
<u>(10,088,874)</u>	<u>(1,317,869)</u>	<u>(11,406,743)</u>
3,759,655	-	3,759,655
2,214,137	-	2,214,137
500,000	-	500,000
-	1,562,244	1,562,244
1,370,641	-	1,370,641
603,983	-	603,983
69,601	-	69,601
168,591	-	168,591
<u>8,686,608</u>	<u>1,562,244</u>	<u>10,248,852</u>
<u>427,958</u>	<u>(427,958)</u>	<u>-</u>
(974,308)	(183,583)	(1,157,891)
<u>36,049,113</u>	<u>5,761,764</u>	<u>41,810,877</u>
<u>\$ 35,074,805</u>	<u>\$ 5,578,181</u>	<u>\$ 40,652,986</u>

See accompanying notes to financial statements.

PRICE COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2017

	Combined General Fund	Combined Human Services Fund	Nonmajor Governmental Fund Debt Service Fund	Totals
ASSETS				
Cash and investments	\$ 4,880,895	\$ -	\$ -	\$ 4,880,895
Receivables				
Taxes	3,508,938	2,538,415	986,000	7,033,353
Delinquent personal property taxes	607,977	-	-	607,977
Other receivables	148,005	22,171	-	170,176
Due from other governments	664,699	351,962	-	1,016,661
Due from other funds	271,917	-	-	271,917
Inventories and prepaid items	376,904	-	-	376,904
Advances to other funds	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
TOTAL ASSETS	<u>\$ 10,809,335</u>	<u>\$ 2,912,548</u>	<u>\$ 986,000</u>	<u>\$ 14,707,883</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,171,738	\$ 270,895	\$ -	\$ 1,442,633
Accrued liabilities	258,953	83,341	-	342,294
Due to other governments	118,178	5,030	-	123,208
Due to other funds	-	250,145	20,194	270,339
Deposits	<u>34,557</u>	<u>-</u>	<u>-</u>	<u>34,557</u>
Total Liabilities	<u>1,583,426</u>	<u>609,411</u>	<u>20,194</u>	<u>2,213,031</u>
Deferred Inflows of Resources				
Unearned revenues	3,994,079	2,538,415	986,000	7,518,494
Unavailable revenues	<u>367,016</u>	<u>-</u>	<u>-</u>	<u>367,016</u>
Total Deferred Inflows of Resources	<u>4,361,095</u>	<u>2,538,415</u>	<u>986,000</u>	<u>7,885,510</u>
Fund Balances				
Nonspendable	1,084,635	-	-	1,084,635
Restricted	332,471	253,800	-	586,271
Committed	965,846	-	-	965,846
Assigned	174,609	-	-	174,609
Unassigned (deficit)	<u>2,307,253</u>	<u>(489,078)</u>	<u>(20,194)</u>	<u>1,797,981</u>
Total Fund Balances (Deficit)	<u>4,864,814</u>	<u>(235,278)</u>	<u>(20,194)</u>	<u>4,609,342</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 10,809,335</u>	<u>\$ 2,912,548</u>	<u>\$ 986,000</u>	<u>\$ 14,707,883</u>

See accompanying notes to financial statements.

PRICE COUNTY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2017

Total Fund Balances - Governmental Funds	\$ 4,609,342
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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.

Land	2,629,677
Construction in progress	3,254,839
Other capital assets	54,754,997
Less: Accumulated depreciation	(28,583,963)

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. This unavailable revenue at year-end consisted of tax certificates.	367,016
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	2,483,370
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,023,967)
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Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and notes payable	(2,438,047)
Compensated absences	(650,521)
Net pension liability	(318,862)
Lease payable	<u>(9,076)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 35,074,805</u>
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PRICE COUNTY

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

For the Year Ended December 31, 2017

	<u>Combined General Fund</u>	<u>Combined Human Services Fund</u>	<u>Nonmajor Governmental Fund Debt Service Fund</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 5,167,397	\$ 2,214,137	\$ 500,000	\$ 7,881,534
Intergovernmental	1,621,900	2,811,952	-	4,433,852
Licenses and permits	110,962	-	-	110,962
Fines, forfeitures and penalties	121,044	-	-	121,044
Public charges for services	1,320,665	481,337	-	1,802,002
Miscellaneous	<u>365,703</u>	<u>12,507</u>	-	<u>378,210</u>
Total Revenues	<u>8,707,671</u>	<u>5,519,933</u>	<u>500,000</u>	<u>14,727,604</u>
EXPENDITURES				
Current				
General government	2,688,472	-	-	2,688,472
Public safety	3,162,194	-	-	3,162,194
Public works	241,170	-	-	241,170
Health and human services	341,057	5,846,275	-	6,187,332
Culture, recreation and education	780,076	-	-	780,076
Conservation and development	982,884	-	-	982,884
Capital Outlay	3,700,641	20,559	-	3,721,200
Debt Service				
Principal	-	-	405,018	405,018
Interest and fiscal charges	<u>2,639</u>	<u>-</u>	<u>18,252</u>	<u>20,891</u>
Total Expenditures	<u>11,899,133</u>	<u>5,866,834</u>	<u>423,270</u>	<u>18,189,237</u>
Excess (deficiency) of revenues over expenditures	<u>(3,191,462)</u>	<u>(346,901)</u>	<u>76,730</u>	<u>(3,461,633)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	2,000,000	-	-	2,000,000
Transfers out	<u>(133,300)</u>	<u>-</u>	<u>(100,000)</u>	<u>(233,300)</u>
Total Other Financing Sources (Uses)	<u>1,866,700</u>	<u>-</u>	<u>(100,000)</u>	<u>1,766,700</u>
Net Change in Fund Balances	(1,324,762)	(346,901)	(23,270)	(1,694,933)
FUND BALANCES - Beginning of Year	<u>6,189,576</u>	<u>111,623</u>	<u>3,076</u>	<u>6,304,275</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,864,814</u>	<u>\$ (235,278)</u>	<u>\$ (20,194)</u>	<u>\$ 4,609,342</u>

See accompanying notes to financial statements.

PRICE COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds \$ (1,694,933)

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	3,721,200
Some items reported as capital outlay were not capitalized	(123,651)
Capital assets transferred from business-type activities - infrastructure financed by the highway fund	868,037
Depreciation is reported in the government-wide financial statements	(1,804,180)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	19,691
Loss on disposal of capital assets is reported in the government-wide statements	(26,137)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	167,169
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,000,000)
Principal repaid	405,018
Lease principal repaid	13,272

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	(39,071)
Other post-employment benefits liability	169,674
Net pension liability and pension related deferred outflows/inflows of resources	(460,610)

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	(189,787)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (974,308)</u></u>
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PRICE COUNTY

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

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
ASSETS		
Current Assets		
Cash and investments	\$ 1,867,599	\$ -
Receivables		
Taxes	1,571,384	-
Accounts	7,556	1,578
Due from other governments	335,805	-
Inventories and prepaid items	671,201	-
Total Current Assets	<u>4,453,545</u>	<u>1,578</u>
Noncurrent Assets		
Capital Assets		
Land	5,131	-
Construction in progress	14,172	-
Capital assets being depreciated	10,540,838	-
Less: Accumulated depreciation	<u>(6,356,022)</u>	<u>-</u>
Total Noncurrent Assets	<u>4,204,119</u>	<u>-</u>
Total Assets	<u>8,657,664</u>	<u>1,578</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	<u>565,160</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>565,160</u>	<u>-</u>

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 69,452	\$ -
Accrued wages	61,863	-
Short-term notes payable	375,000	-
Due to other funds	-	1,578
Current portion of compensated absences	57,182	-
Accrued interest	2,729	-
Current portion of advances	87,500	-
Current portion of bonds payable	326,949	-
Total Current Liabilities	<u>980,675</u>	<u>1,578</u>
Noncurrent Liabilities		
Long-Term Debt		
Compensated absences	84,639	-
Advances from other funds	262,500	-
Bonds payable	452,676	-
Net pension liability	71,472	-
Total Noncurrent Liabilities	<u>871,287</u>	<u>-</u>
Total Liabilities	<u>1,851,962</u>	<u>1,578</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenues	1,578,321	-
Pension related amounts	214,360	-
Total Deferred Inflows of Resources	<u>1,792,681</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	3,724,494	-
Unrestricted	1,853,687	-
TOTAL NET POSITION	<u><u>\$ 5,578,181</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

PRICE COUNTY

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

For the Year Ended December 31, 2017

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
OPERATING REVENUES	\$ 2,251,933	\$ 19,957
OPERATING EXPENSES		
Operation and maintenance	3,698,272	-
Depreciation	<u>392,679</u>	<u>-</u>
Total Operating Expenses	<u>4,090,951</u>	<u>-</u>
Operating Income (Loss)	<u>(1,839,018)</u>	<u>19,957</u>
NONOPERATING REVENUES (EXPENSES)		
General property taxes	1,562,244	-
Intergovernmental grants	531,451	-
Interest and fiscal charges	(13,579)	-
Infrastructure construction expense for governmental activities	(868,037)	-
Investment income	<u>-</u>	<u>312</u>
Total Nonoperating Revenues (Expenses)	<u>1,212,079</u>	<u>312</u>
Income (Loss) Before Transfers	<u>(626,939)</u>	<u>20,269</u>
TRANSFERS		
Transfers in	<u>233,300</u>	<u>-</u>
Total Transfers	<u>233,300</u>	<u>-</u>
Change in Net Position	(393,639)	20,269
NET POSITION - Beginning of Year	<u>5,971,820</u>	<u>(20,269)</u>
NET POSITION (DEFICIT) - END OF YEAR	5,578,181	<u><u>\$ -</u></u>
Adjustment to eliminate internal service fund activities related to enterprise funds	<u>210,056</u>	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ (183,583)</u></u>	

See accompanying notes to financial statements.

PRICE COUNTY

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

	Enterprise Fund - Highway	Internal Service Fund - Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 2,406,404	\$ 69,612
Paid to suppliers for goods and services	(2,257,784)	(139,500)
Paid to employees for services	(1,298,732)	-
Net Cash Flows From Operating Activities	(1,150,112)	(69,888)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	-	312
Net Cash Flows From Investing Activities	-	312
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
General property taxes	1,562,244	-
Intergovernmental grants received	675,674	-
Payments on advances from other funds	(87,500)	-
Transfer from other funds	233,300	-
Net Cash Flows From Noncapital Financing Activities	2,383,718	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Short term debt issued	375,000	-
Long term debt issued	600,000	-
Debt retired	(220,375)	-
Interest and fiscal charges paid	(12,925)	-
Infrastructure construction expenses paid for governmental activities	(868,037)	-
Acquisition and construction of capital assets	(42,860)	-
Net Cash Flows From Capital and Related Financing Activities	(169,197)	-
Net Change in Cash and Cash Equivalents	1,064,409	(69,576)
CASH AND CASH EQUIVALENTS - Beginning of Year	803,190	69,576
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,867,599	\$ -

	<u>Enterprise Fund - Highway</u>	<u>Internal Service Fund - Health Insurance</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,839,018)	\$ 19,957
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Depreciation	392,679	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources		
Accounts receivable	(4,051)	4,837
Due from other governments	228,641	-
Due from other funds	-	44,818
Inventories and prepaid items	56,986	-
Accounts payable	7,108	(141,078)
Accrued wages	(5,838)	-
Accrued compensated absences	16,945	-
Unearned revenues	(70,121)	-
Pension related deferrals and liability	66,557	-
Due to other funds	<u>-</u>	<u>1,578</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (1,150,112)</u>	<u>\$ (69,888)</u>

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None

PRICE COUNTY

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 158,795
Taxes receivable	<u>56,776</u>
TOTAL ASSETS	<u>\$ 215,571</u>
LIABILITIES	
Due to other governments	\$ 56,776
Deposits	<u>158,795</u>
TOTAL LIABILITIES	<u>\$ 215,571</u>

See accompanying notes to financial statements.

PRICE COUNTY

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PRICE COUNTY

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Price County, Wisconsin conform to accounting principles generally accepted in the United States of America 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 units. 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 county has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2017. Since the impact of this statement was not material to the financial statements, the county has not reported or disclosed information related to OPEB obligations.

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

PRICE COUNTY

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements

Financial statements of the county are organized into funds, each of which is considered to be a separate accounting entity. 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 balance, 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 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.

The county reports the following major governmental funds:

- General Fund - accounts for the county's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Human Services Special Revenue Fund - used to account for and report resources legally restricted to supporting expenditures for human service programs.

The county reports the following major enterprise fund:

- Highway Fund - accounts for operations of the highway department.

The county reports the following nonmajor governmental fund:

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

PRICE COUNTY

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

In addition, the county reports the following fund types:

Internal Service Fund - 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.

Health Insurance

Agency Funds - 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.

Tax Agency
Sheriff
Clerk of Courts
Protective Payee
District Attorney

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

Government-Wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the county's highway department and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

PRICE COUNTY

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

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 health and human services grants, some other expenditure driven grants, and certain timbers sales, for which available is defined as 180 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Sales taxes are recognized as revenues in the year in which the underlying sales relating to it take place.

Intergovernmental aids and grants are recognized as revenues in the period the county is entitled 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 recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments 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 highway department are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. 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.

PRICE COUNTY

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

Investment of county funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. 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.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The county has adopted an investment policy. That policy follows the state statute for allowable investments. The investment policy states that deposits in excess of \$500,000 must be collateralized with U.S. Treasury bills, notes, bonds, U.S. Government Agencies or State of Wisconsin general obligation bonds. Collateral will be held by an independent third party. The investment policy addresses credit risk by limiting bonds or securities to those issued by the federal government or its agencies, or the Local Government Investment Pool. See Note III.A for deposits subject to custodial credit risk as of December 31, 2017.

PRICE 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.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement 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 III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the county, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of net position - agency funds.

Property tax calendar - 2017 tax roll:

Lien date and levy date	December 2017
Tax bills mailed	December 2017
Payment in full, or	January 31, 2018
First installment due	January 31, 2018
Second installment due	July 31, 2018
Personal property taxes in full	January 31, 2018
Tax sale - 2017 delinquent real estate taxes	October 2020

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No allowance for uncollectible delinquent taxes has been provided because of the county's demonstrated ability to recover any losses through the sale of the applicable property.

PRICE 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.)

2. Receivables (cont.)

Property taxes are due, in the year subsequent to levy, on the last day of January, and collected by local treasurers through that date, at which time unpaid taxes are assigned to the county and appropriate receivables and payables are recorded. Tax collections become the responsibility of the county and taxes receivable include unpaid taxes levied for all taxing entities within the county. The county makes restitution to local districts in August for payables recorded at the settlement date without regard to collected funds. A lien is placed on all properties for which a portion of the current tax levy remains unpaid as of September 1. The interest and penalties on taxes not paid within 60 days of the end of the current fiscal period are shown as unavailable revenue until they are received in cash.

The portion of county property taxes receivable at December 31, 2017, which relates to taxes initially levied by other municipalities and uncollected within sixty days after year-end, has been reflected in the accompanying financial statements as nonspendable fund balance in the general fund in the amount of \$445,231.

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 governmental-wide financial statements as internal balances.

The county has a 0.5% sales tax which is collected by the State of Wisconsin and remitted to the county monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2017, the county has accrued two months of the subsequent year's collections as receivable.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on average cost, and charged to construction and/or operation and maintenance expense when used.

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

PRICE 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.)

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$5,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. 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. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Land Improvements	20-50 Years
Machinery and Equipment	5-15 Years
Infrastructure	20-75 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.

PRICE 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

Under terms of employment, employees are granted sick leave and vacation 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 resources.

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 obligations consist primarily of notes and bonds payable, capital leases payable, accrued compensated absences, and 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.

8. Deferred Inflows of Resources

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

PRICE 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.)

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 positions that do not meet the definitions 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.

Fund Statements

Governmental fund 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 Board of Supervisors . 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 Board of Supervisors that originally created the commitment.

PRICE 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.)

9. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board of Supervisors has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. 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 considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the county would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. H. for further information.

10. Pension

For purposes of measuring the net pension (asset) liability, 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.

PRICE COUNTY

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Combined General Fund	\$ 8,895,640	\$ 12,032,433	\$ 3,136,793

The county controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the county's year-end budget to actual report.

B. 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 III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 3,036,635	\$ 2,995,665	Custodial credit risk
LGIP	3,868,774	3,872,661	Credit risk
Petty cash	1,880	-	N/A
Total Deposits and Investments	\$ 6,907,289	\$ 6,868,326	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 6,748,494		
Per statement of assets and liabilities -			
agency funds			
Agency funds	158,795		
Total Deposits and Investments	\$ 6,907,289		

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (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 accounts (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 deposit accounts. Deposits in credit unions are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

Bank accounts and credit unions 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 custodial credit risk.

The county maintains collateral agreements with its banks. At December 31, 2017, the banks had pledged various government securities in the amount of \$3,629,604 to secure the county's deposits.

In addition, deposits at Nicolet National Bank are automatically allocated to other FDIC-insured accounts held at a variety of participating banks to ensure FDIC coverage of county deposits.

Custodial Credit Risk

Deposits

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

As of December 31, 2017, \$850,000 of the county's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 850,000</u>
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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The county had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$371,604 in the general fund.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied 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>Unearned</u>	<u>Unavailable</u>
Property taxes receivable	\$ 7,030,360	\$ -
Delinquent property taxes receivable	-	162,746
Municipal dams grant	-	204,270
Deposits	<u>488,134</u>	<u>-</u>
 Total Unearned/Unavailable Revenue for Governmental Funds	 <u>\$ 7,518,494</u>	 <u>\$ 367,016</u>

Delinquent property taxes purchased from other taxing authorities are reflected as nonspendable fund balance at year-end. Delinquent property taxes levied by the county are reflected as unavailable revenue and are excluded from the fund balance until collected. At December 31, 2017, delinquent property taxes by year levied consists of the following:

	<u>Totals</u>	<u>County Levied</u>	<u>County Purchased</u>
Tax Certificates			
2017	\$ 343,881	\$ 95,429	\$ 248,452
2016	171,649	45,813	125,836
2015	60,671	16,509	44,162
2014	19,095	3,933	15,162
2013 and prior	5,400	1,062	4,338
Tax deeds	<u>7,281</u>	<u>-</u>	<u>7,281</u>
 Total Delinquent Property Taxes Receivable	 <u>\$ 607,977</u>	 <u>\$ 162,746</u>	 <u>\$ 445,231</u>

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,629,677	\$ -	\$ -	\$ 2,629,677
Construction in progress	573,015	3,191,626	509,802	3,254,839
Total Capital Assets Not Being Depreciated	<u>3,202,692</u>	<u>3,191,626</u>	<u>509,802</u>	<u>5,884,516</u>
Capital assets being depreciated				
Buildings and improvements	8,843,253	-	-	8,843,253
Machinery and equipment	4,863,864	575,154	53,000	5,386,018
Infrastructure	39,459,002	1,228,299	161,575	40,525,726
Total Capital Assets Being Depreciated	<u>53,166,119</u>	<u>1,803,453</u>	<u>214,575</u>	<u>54,754,997</u>
Total Capital Assets	<u>56,368,811</u>	<u>4,995,079</u>	<u>724,377</u>	<u>60,639,513</u>
Less: Accumulated depreciation for				
Buildings and improvements	(6,360,666)	(202,311)	-	(6,562,977)
Machinery and equipment	(3,230,504)	(378,989)	26,863	(3,582,630)
Infrastructure	(17,377,051)	(1,222,880)	161,575	(18,438,356)
Total Accumulated Depreciation	<u>(26,968,221)</u>	<u>(1,804,180)</u>	<u>188,438</u>	<u>(28,583,963)</u>
Net Capital Assets Being Depreciated	<u>26,197,898</u>	<u>(727)</u>	<u>26,137</u>	<u>26,171,034</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 29,400,590</u>	<u>\$ 3,190,899</u>	<u>\$ 535,939</u>	<u>\$ 32,055,550</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 204,985
Public safety	128,055
Public works	1,327,476
Health and human services	8,394
Conservation and development	<u>135,270</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,804,180</u>

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	\$ 5,131	\$ -	\$ -	\$ 5,131
Construction in progress	-	14,172	-	14,172
Total Capital Assets Not Being Depreciation	5,131	14,172	-	19,303
Capital assets being depreciated				
Buildings and improvements	3,296,954	-	-	3,296,954
Machinery and equipment	7,338,809	33,715	128,640	7,243,884
Total Capital Assets Being Depreciated	10,635,763	33,715	128,640	10,540,838
Total Capital Assets	10,640,894	47,887	128,640	10,560,141
Less: Accumulated depreciation for				
Buildings and improvements	(1,399,707)	(121,687)	-	(1,521,394)
Machinery and equipment	(4,671,102)	(270,992)	107,466	(4,834,628)
Total Accumulated Depreciation	(6,070,809)	(392,679)	107,466	(6,356,022)
Net Capital Assets Being Depreciated	4,564,954	(358,964)	21,174	4,184,816
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 4,570,085	\$ (344,792)	\$ 21,174	\$ 4,204,119

Depreciation expense was charged to functions as follows:

Business-type Activities	
Highway department	\$ 392,679

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Internal Service Fund - Health Insurance	\$ 1,578
General Fund	Human Services	250,145
General Fund	Debt Service	<u>20,194</u>
Total - Fund Financial Statements		271,917
Less: Fund eliminations		(270,339)
Less: Government-wide eliminations		(1,578)
Add: Interfund advances		<u>350,000</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 350,000</u>

All amounts are due within one year.

Advances

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	Highway	<u>\$ 350,000</u>	<u>\$ 262,500</u>

The principal purpose of this advance is to retire a portion of outstanding promissory notes. The original advance of \$875,000 on September 13, 2011 is to be paid back over a ten-year period, \$87,500 per year without interest.

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Highway	General Fund	\$ 133,300	Fund capital improvements
Highway	Debt Service	<u>100,000</u>	Transfer for debt payment
Total - Fund Financial Statements		233,300	
Add: Internal service fund elimination		206,779	
Less: Infrastructure contributed by highway		<u>(868,037)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ (427,958)</u></u>	

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

E. SHORT-TERM DEBT ACTIVITY

In December 2017, the county issued short-term debt of \$375,000. Debt was obtained to finance 2018 bridge projects. The note payable was due and paid on January 22, 2018 in one single principal and interest payment. The county paid interest of 2.75%.

Short-term debt activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Promissory note	<u>\$ -</u>	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 375,000</u>

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. 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
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 843,065	\$ 2,000,000	\$ 405,018	\$ 2,438,047	\$ 2,315,895
Sub-totals	843,065	2,000,000	405,018	2,438,047	2,315,895
Other Liabilities					
Compensated absences - vacation	301,183	332,009	314,317	318,875	318,875
Compensated absences - sick leave	310,267	188,232	166,853	331,646	173,683
Other post-employment benefits	169,674	-	169,674	-	-
Capital lease	22,348	-	13,272	9,076	9,076
Net pension liability	660,269	344,906	686,313	318,862	-
Total Other Liabilities	1,463,741	865,147	1,350,429	978,459	501,634
Total Governmental Activities Long-Term Liabilities	\$ 2,306,806	\$ 2,865,147	\$ 1,755,447	\$ 3,416,506	\$ 2,817,529
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 400,000	\$ 600,000	\$ 220,375	\$ 779,625	\$ 326,949
Sub-totals	400,000	600,000	220,375	779,625	326,949
Other Liabilities					
Compensated absences - vacation	50,862	6,320	-	57,182	57,182
Compensated absences - sick leave	74,014	10,625	-	84,639	-
Net pension liability	140,854	84,452	153,834	71,472	-
Total Other Liabilities	265,730	101,397	153,834	213,293	57,182
Total Business-type Activities Long-Term Liabilities	\$ 665,730	\$ 701,397	\$ 374,209	\$ 992,918	\$ 384,131

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 \$68,849,180. Total general obligation debt outstanding at year end was \$3,217,672.

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
Promissory Note	12/15/2015	12/15/2018	1.85%	\$ 335,000	\$ 127,507
Promissory Note	12/15/2016	12/15/2019	2.10	495,000	310,540
Promissory Note	5/16/2017	11/16/2018	2.50	2,000,000 *	<u>2,000,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 2,438,047</u>

* Loan is authorized for up to \$3,800,000. The county has drawn \$2,000,000 as of December 31, 2017.

Business-type Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2017</u>
G.O. Refunding					
Promissory Notes	9/28/2011	10/1/2019	1.50%	\$ 1,000,000	\$ 275,000
Promissory Note	2/21/2017	10/1/2019	2.50	300,000	204,625
Promissory Note	12/29/2017	4/15/2020	2.25	300,000	<u>300,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 779,625</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,315,895	\$ 56,888	\$ 326,949	\$ 12,893
2019	122,152	2,601	352,037	10,367
2020	-	-	<u>100,639</u>	<u>2,271</u>
Totals	<u>\$ 2,438,047</u>	<u>\$ 59,489</u>	<u>\$ 779,625</u>	<u>\$ 25,531</u>

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Capital Leases

Refer to Note III. G.

Other Debt Information

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

G. LEASE DISCLOSURES

Lessee - Capital Leases

In 2013 the county acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$63,950, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2017, are as follows:

<u>Years</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 9,076	\$ 154	\$ 9,230
Totals	<u>\$ 9,076</u>	<u>\$ 154</u>	<u>\$ 9,230</u>

H. NET POSITION/FUND BALANCES

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	\$ 2,629,677
Construction in progress	3,254,839
Other capital assets, net of accumulated depreciation	26,171,034
Less: Long-term debt outstanding	(2,438,047)
Less: Capital lease outstanding	(9,076)
Total Net Investment in Capital Assets	\$ 29,608,427

PRICE COUNTY

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

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

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

	General Fund	Human Services	Nonmajor Fund - Debt Service	Totals
Fund Balances				
Nonspendable:				
Prepaid items	\$ 359,517	\$ -	\$ -	\$ 359,517
Inventories	17,387	-	-	17,387
Noncurrent interfunds	262,500	-	-	262,500
Delinquent taxes	445,231	-	-	445,231
Restricted for:				
Dare	6,835	-	-	6,835
Jail Assessment	12,849	-	-	12,849
Land information	302,492	-	-	302,492
Project lifesaver	9,439	-	-	9,439
Criminal forfeiture	856	-	-	856
COP risk reserve	-	3,183	-	3,183
Family planning	-	139,551	-	139,551
Specialized transportation	-	111,066	-	111,066
Committed to:				
Capital projects	965,846	-	-	965,846
Assigned to:				
Future general fund expenditures	63,049	-	-	63,049
Futures veterans service expenditures	45,928	-	-	45,928
Future library service expenditures	65,632	-	-	65,632
Unassigned (deficit):	2,307,253	(489,078)	(20,194)	1,797,981
Total Fund Balances (Deficit)	\$ 4,864,814	\$ (235,278)	\$ (20,194)	\$ 4,609,342

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 5,131
Construction in progress	14,172
Other capital assets, net of accumulated depreciation	4,184,816
Less: Long-term debt outstanding	(779,625)
Plus: Unspent capital related debt proceeds	300,000
Total Net Investment in Capital Assets	\$ 3,724,494

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION

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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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.

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2007	3.0%	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)

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on 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 \$455,710 in contributions from the county.

Contribution rates as of December 31, 2017 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
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 \$390,334 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 0.04735687%, which was a decrease of 0.00194356% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the county recognized pension expense of \$1,013,686.

PRICE COUNTY

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

NOTE IV - 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	\$ 148,834	\$ 1,227,566
Changes in assumptions	408,109	-
Net differences between projected and actual earnings on pension plan investments	1,942,958	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,112	10,761
Employer contributions subsequent to the measurement date	486,517	-
Totals	\$ 3,048,530	\$ 1,238,327

\$486,517 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 liability (asset) in the year ended December 31, 2018. 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	\$ 926,932	\$ 395,353
2019	926,932	395,353
2020	759,370	395,353
2021	(52,495)	52,268
2022	1,274	-

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION (cont.)

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.

PRICE COUNTY

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

NOTE IV - 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

PRICE COUNTY

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

NOTE IV - 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)	\$5,135,090	\$390,334	\$(3,263,343)

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>.

At December 31, 2017, the county reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The county participates in a public entity risk pool to provide coverage for losses from torts; theft of, damage to, or destruction of assets; and errors and omission.

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Wisconsin County Mutual Insurance Corporation

Fifty-five Wisconsin counties jointly participate in the Wisconsin County Mutual Insurance Corporation (WCMIC) for general and automobile liability insurance. The creation of the County Mutual requires the establishment of capital reserves with each of the participating counties depositing amounts as specified in projected rates. This company began operation on January 1, 1988.

The governing body is made up of eighteen county directors and two municipal directors elected by the participating counties. The governing body has authority to adopt its own budget and control the financial affairs of the corporation.

Summary financial information of WCMIC as of December 31, 2017, can be obtained directly from WCMIC's offices.

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 are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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.

Other Commitments

As of December 31, 2017, the county had approximately \$1,142,000 of open contracts related to the safety building expansion and renovation project.

PRICE COUNTY

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

NOTE IV - OTHER INFORMATION (cont.)

D. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > 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 Borrowings and Direct Placements*

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

REQUIRED SUPPLEMENTARY INFORMATION

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,013,056	\$ 5,013,056	\$ 5,167,397	\$ 154,341
Intergovernmental	1,430,668	1,949,802	1,621,900	(327,902)
Licenses and permits	98,825	98,825	110,962	12,137
Fines, forfeitures and penalties	122,750	122,750	121,044	(1,706)
Public charges for services	1,576,350	1,576,350	1,320,665	(255,685)
Miscellaneous	141,250	153,607	365,703	212,096
Total Revenues	<u>8,382,899</u>	<u>8,914,390</u>	<u>8,707,671</u>	<u>(206,719)</u>
EXPENDITURES				
General Government				
County board	58,600	58,722	50,615	8,107
Executive and finance	59,280	63,637	75,512	(11,875)
Administration	516,103	520,736	429,226	91,510
Circuit court	402,520	409,731	420,785	(11,054)
Family court commissioner	21,002	21,118	21,431	(313)
Legal services	98,433	99,656	97,485	2,171
Coroner	65,252	66,173	57,428	8,745
County clerk	90,682	90,795	89,701	1,094
Information technology	325,449	334,429	308,985	25,444
Elections	17,560	17,560	15,666	1,894
County treasurer	88,892	89,005	83,431	5,574
District attorney	168,617	173,526	145,968	27,558
Register of deeds	138,973	139,612	139,290	322
Land information	29,300	145,428	101,677	43,751
Tax lister	64,667	68,399	68,284	115
Surveyor	10,850	10,970	11,577	(607)
Buildings and grounds	520,151	522,393	571,411	(49,018)
Contingency	150,000	20,000	-	20,000
Total General Government	<u>2,826,331</u>	<u>2,851,890</u>	<u>2,688,472</u>	<u>163,418</u>
Public Safety				
Sheriff	1,992,210	2,042,283	2,050,170	(7,887)
Jail	888,324	901,984	999,084	(97,100)
Local emergency planning committee	18,563	18,563	14,425	4,138
Emergency government	111,778	102,978	98,381	4,597
Traffic safety commission	475	475	134	341
Total Public Safety	<u>3,011,350</u>	<u>3,066,283</u>	<u>3,162,194</u>	<u>(95,911)</u>
Public Works				
Airport	262,632	246,914	241,170	5,744
Total Public Works	<u>262,632</u>	<u>246,914</u>	<u>241,170</u>	<u>5,744</u>

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

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (cont.)				
Health and Human Services				
Long-term support	\$ 194,830	\$ 199,953	\$ 195,770	\$ 4,183
Veterans services	98,820	100,223	105,661	(5,438)
Veterans relief	6,050	6,050	-	6,050
Dog license	41,831	41,831	39,626	2,205
Total Health and Human Services	<u>341,531</u>	<u>348,057</u>	<u>341,057</u>	<u>7,000</u>
Culture, Recreation and Education				
Library	299,826	299,826	299,826	-
Tourism department	113,667	118,558	112,189	6,369
University extension	175,255	177,946	131,828	46,118
Parks	6,500	6,500	6,500	-
County snowmobile trails	183,895	183,895	181,306	2,589
Fair and historical society	21,000	21,000	21,000	-
County ATV trails	27,345	27,345	27,427	(82)
County walking trails	4,610	4,610	-	4,610
Total Culture, Recreation and Education	<u>832,098</u>	<u>839,680</u>	<u>780,076</u>	<u>59,604</u>
Conservation and Development				
County forestry	413,940	438,966	474,008	(35,042)
County dams	54,257	53,289	100,536	(47,247)
Land conservation	225,370	232,083	185,279	46,804
Zoning	132,958	136,169	145,445	(9,276)
State forestry	44,430	44,430	47,614	(3,184)
Other economic development and planning	30,002	30,002	30,002	-
Total Conservation and Development	<u>900,957</u>	<u>934,939</u>	<u>982,884</u>	<u>(47,945)</u>
Capital Outlay				
Buildings and grounds	44,900	44,900	3,055,141	(3,010,241)
Information technology	27,000	27,000	104,121	(77,121)
General public buildings	28,500	28,500	38,166	(9,666)
Land information	5,300	5,300	8,418	(3,118)
Sheriff	77,000	85,000	79,625	5,375
Airport	5,000	5,000	-	5,000
Zoning	2,600	2,600	2,600	-
Dams	-	391,877	391,877	-
County forestry	12,700	12,700	20,693	(7,993)
Total Capital Outlay	<u>203,000</u>	<u>602,877</u>	<u>3,700,641</u>	<u>(3,097,764)</u>

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

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GENERAL FUND
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (cont.)				
Debt Service				
Interest and fiscal charges	\$ -	\$ -	\$ 2,639	\$ (2,639)
Total Debt Service	<u>-</u>	<u>-</u>	<u>2,639</u>	<u>(2,639)</u>
 Total Expenditures	<u>8,377,899</u>	<u>8,890,640</u>	<u>11,899,133</u>	<u>(3,008,493)</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>23,750</u>	<u>(3,191,462)</u>	<u>(3,215,212)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	2,000,000	2,000,000
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(133,300)</u>	<u>(128,300)</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>1,866,700</u>	<u>1,871,700</u>
 Net Change in Fund Balance	-	18,750	(1,324,762)	(1,343,512)
 FUND BALANCE - Beginning of Year	<u>6,189,576</u>	<u>6,189,576</u>	<u>6,189,576</u>	<u>-</u>
 FUND BALANCE - END OF YEAR	<u><u>\$ 6,189,576</u></u>	<u><u>\$ 6,208,326</u></u>	<u><u>\$ 4,864,814</u></u>	<u><u>\$ (1,343,512)</u></u>

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

PRICE COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED HUMAN SERVICES FUND
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 2,214,137	\$ 2,214,137	\$ 2,214,137	\$ -
Intergovernmental	3,047,037	3,047,037	2,811,952	(235,085)
Public charges for services	671,425	671,425	481,337	(190,088)
Miscellaneous	11	11	12,507	12,496
Total Revenues	<u>5,932,610</u>	<u>5,932,610</u>	<u>5,519,933</u>	<u>(412,677)</u>
EXPENDITURES				
Health and Human Services				
Safe and stable plan	33,310	35,703	33,310	2,393
Children and youth	1,509,208	1,521,725	1,791,407	(269,682)
Economic support	464,997	465,833	400,820	65,013
Long term support	2,174,100	2,196,577	1,979,683	216,894
General public health	589,607	610,698	513,008	97,690
WIC	125,774	125,774	115,199	10,575
Family planning	479,885	479,885	484,276	(4,391)
Oral health	67,323	67,323	70,268	(2,945)
Aging administration	52,201	56,131	55,422	709
Nutrition congregate	156,455	156,455	160,362	(3,907)
Home delivered meals	97,588	97,588	69,768	27,820
Transportation	11,363	11,363	16,129	(4,766)
Escort	89,034	89,034	67,283	21,751
Benefit specialist	72,067	72,067	79,771	(7,704)
Wellness	1,742	1,742	1,411	331
Caregiver	7,956	7,956	8,158	(202)
Total Health and Human Services	<u>5,932,610</u>	<u>5,995,854</u>	<u>5,846,275</u>	<u>149,579</u>
Capital Outlay				
Aging administration	-	-	20,559	(20,559)
Total Expenditures	<u>5,932,610</u>	<u>5,995,854</u>	<u>5,866,834</u>	<u>129,020</u>
Net change in fund balance	-	(63,244)	(346,901)	(283,657)
FUND BALANCE - Beginning of Year	<u>111,623</u>	<u>111,623</u>	<u>111,623</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 111,623</u>	<u>\$ 48,379</u>	<u>\$ (235,278)</u>	<u>\$ (283,657)</u>

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

PRICE COUNTY

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY -
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2017

WRS Fiscal Year End Date (Measurement Date)	County's Proportion of the Net Pension (Asset) Liability	County's Proportionate Share of the Net Pension (Asset) Liability	County's Covered Payroll	County's Proportionate Share of the Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/16	0.04735687%	\$ 390,334	\$ 6,424,021	6.08%	99.12%
12/31/15	0.04930043%	801,123	6,223,917	12.87%	98.20%
12/31/14	0.04944560%	(1,214,518)	6,155,115	19.73%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS -
WISCONSIN RETIREMENT SYSTEM (WRS)
For the Year Ended December 31, 2017

County Year End Date	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	\$ 486,517	\$ 486,517	\$ -	6,493,596	7.49%
12/31/16	455,287	455,287	-	6,424,021	7.09%
12/31/15	452,080	452,080	-	6,223,917	7.26%

PRICE COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2017

BUDGETARY INFORMATION

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

The budgeted amounts presented include any amendments made. The county may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year-end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

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

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND

As of December 31, 2017

	General Fund	Capital Improvements	Veterans Relief	Veterans Service	Price County Library Service
ASSETS					
Cash and investments	\$ 4,225,781	\$ 965,846	\$ -	\$ 50,671	\$ 65,632
Receivables					
Taxes receivable	3,013,813	-	-	83,960	285,251
Delinquent personal property taxes receivable	607,977	-	-	-	-
Other receivables	146,766	-	-	-	-
Due from other governments	622,263	-	-	-	-
Due from other funds	271,917	-	-	-	-
Inventories and prepaid items	359,517	-	-	-	-
Advances to other funds	350,000	-	-	-	-
TOTAL ASSETS	\$ 9,598,034	\$ 965,846	\$ -	\$ 134,631	\$ 350,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 231,864	\$ -	\$ -	\$ 2,587	\$ -
Accrued liabilities	251,860	-	-	2,156	-
Due to other governments	118,178	-	-	-	-
Deposits	34,557	-	-	-	-
Total Liabilities	<u>636,459</u>	<u>-</u>	<u>-</u>	<u>4,743</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenues	3,498,954	-	-	83,960	285,251
Unavailable revenues	367,016	-	-	-	-
Total Deferred Inflows of Resources	<u>3,865,970</u>	<u>-</u>	<u>-</u>	<u>83,960</u>	<u>285,251</u>
Fund Balances (Deficit)					
Nonspendable	1,242,248	-	-	-	-
Restricted	332,471	-	-	-	-
Committed	-	965,846	-	-	-
Assigned	63,049	-	-	45,928	65,632
Unassigned (deficit)	3,457,837	-	-	-	-
Total Fund Balances (Deficit)	<u>5,095,605</u>	<u>965,846</u>	<u>-</u>	<u>45,928</u>	<u>65,632</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,598,034	\$ 965,846	\$ -	\$ 134,631	\$ 350,883

PRICE COUNTY

COMBINING BALANCE SHEET - GENERAL FUND

As of December 31, 2017

	Airport	State Forestry	Dog Licenses	Capital Projects	Total Combined General Fund
ASSETS					
Cash	\$ (330,053)	\$ (56,812)	\$ (34,975)	\$ (5,195)	\$ 4,880,895
Receivables					
Taxes receivable	92,361	2,147	31,406	-	3,508,938
Delinquent personal property taxes receivable	-	-	-	-	607,977
Other receivables	1,239	-	-	-	148,005
Due from other governments	-	-	-	42,436	664,699
Due from other funds	-	-	-	-	271,917
Inventories and prepaid items	17,387	-	-	-	376,904
Advances to other funds	-	-	-	-	350,000
TOTAL ASSETS	\$ (219,066)	\$ (54,665)	\$ (3,569)	\$ 37,241	\$ 10,809,335
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,289	\$ -	\$ 3,485	\$ 930,513	\$ 1,171,738
Accrued liabilities	2,887	2,022	28	-	258,953
Due to other governments	-	-	-	-	118,178
Deposits	-	-	-	-	34,557
Total Liabilities	<u>6,176</u>	<u>2,022</u>	<u>3,513</u>	<u>930,513</u>	<u>1,583,426</u>
Deferred Inflows of Resources					
Unearned revenues	92,361	2,147	31,406	-	3,994,079
Unavailable revenues	-	-	-	-	367,016
Total Deferred Inflows of Resources	<u>92,361</u>	<u>2,147</u>	<u>31,406</u>	<u>-</u>	<u>4,361,095</u>
Fund Balances (Deficit)					
Nonspendable	17,387	-	-	-	1,259,635
Restricted	-	-	-	-	332,471
Committed	-	-	-	-	965,846
Assigned	-	-	-	-	174,609
Unassigned (deficit)	(334,990)	(58,834)	(38,488)	(893,272)	2,132,253
Total Fund Balances (Deficit)	<u>(317,603)</u>	<u>(58,834)</u>	<u>(38,488)</u>	<u>(893,272)</u>	<u>4,864,814</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ (219,066)	\$ (54,665)	\$ (3,569)	\$ 37,241	\$ 10,809,335

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2017

	General Fund	Capital Improvements	Veterans Relief	Veterans Service	Price County Library Service
REVENUES					
Taxes	\$ 4,641,913	\$ -	\$ -	\$ 96,120	\$ 299,826
Intergovernmental	1,526,972	-	-	9,252	-
Licenses and permits	102,945	-	-	-	-
Fines, forfeitures and penalties	121,044	-	-	-	-
Public charges for services	1,243,692	-	-	1,883	-
Miscellaneous	341,080	-	-	-	-
Total Revenues	<u>7,977,646</u>	<u>-</u>	<u>-</u>	<u>107,255</u>	<u>299,826</u>
EXPENDITURES					
Current					
General government	2,688,472	-	-	-	-
Public safety	3,162,194	-	-	-	-
Public works	9,000	-	-	-	-
Health and human services	195,770	-	-	105,661	-
Culture, recreation and education	480,250	-	-	-	299,826
Conservation and development	935,270	-	-	-	-
Capital Outlay	608,646	-	-	-	-
Debt Service					
Interest and fiscal charges	-	2,639	-	-	-
Total Expenditures	<u>8,079,602</u>	<u>2,639</u>	<u>-</u>	<u>105,661</u>	<u>299,826</u>
Excess (deficiency) of revenues over expenditures	<u>(101,956)</u>	<u>(2,639)</u>	<u>-</u>	<u>1,594</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	-	-
Transfers in	-	172,239	-	19,270	-
Transfers out	<u>(172,239)</u>	<u>(133,300)</u>	<u>(19,270)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(172,239)</u>	<u>38,939</u>	<u>(19,270)</u>	<u>19,270</u>	<u>-</u>
Net change in fund balance	<u>(274,195)</u>	<u>36,300</u>	<u>(19,270)</u>	<u>20,864</u>	<u>-</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>5,369,800</u>	<u>929,546</u>	<u>19,270</u>	<u>25,064</u>	<u>65,632</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 5,095,605</u>	<u>\$ 965,846</u>	<u>\$ -</u>	<u>\$ 45,928</u>	<u>\$ 65,632</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - GENERAL FUND
For the Year Ended December 31, 2017

	Airport	State Forestry	Dog Licenses	Capital Projects	Eliminations	Total Combined General Fund
REVENUES						
Taxes	\$ 96,632	\$ 1,500	\$ 31,406	\$ -	\$ -	\$ 5,167,397
Intergovernmental	-	43,240	-	42,436	-	1,621,900
Licenses and permits	-	-	8,017	-	-	110,962
Fines, forfeitures and penalties	-	-	-	-	-	121,044
Public charges for services	75,090	-	-	-	-	1,320,665
Miscellaneous	24,623	-	-	-	-	365,703
Total Revenues	<u>196,345</u>	<u>44,740</u>	<u>39,423</u>	<u>42,436</u>	<u>-</u>	<u>8,707,671</u>
EXPENDITURES						
Current						
General government	-	-	-	-	-	2,688,472
Public safety	-	-	-	-	-	3,162,194
Public works	232,170	-	-	-	-	241,170
Health and human services	-	-	39,626	-	-	341,057
Leisure activities	-	-	-	-	-	780,076
Conservation and development	-	47,614	-	-	-	982,884
Capital Outlay	-	-	-	3,091,995	-	3,700,641
Debt Service						
Interest and fiscal charges	-	-	-	-	-	2,639
Total Expenditures	<u>232,170</u>	<u>47,614</u>	<u>39,626</u>	<u>3,091,995</u>	<u>-</u>	<u>11,899,133</u>
Excess (deficiency) of revenues over expenditures	<u>(35,825)</u>	<u>(2,874)</u>	<u>(203)</u>	<u>(3,049,559)</u>	<u>-</u>	<u>(3,191,462)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	2,000,000	-	2,000,000
Transfers in	-	-	-	-	(191,509)	-
Transfers out	-	-	-	-	191,509	(133,300)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>1,866,700</u>
Net change in fund balance	<u>(35,825)</u>	<u>(2,874)</u>	<u>(203)</u>	<u>(1,049,559)</u>	<u>-</u>	<u>(1,324,762)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(281,778)</u>	<u>(55,960)</u>	<u>(38,285)</u>	<u>156,287</u>	<u>-</u>	<u>6,189,576</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (317,603)</u>	<u>\$ (58,834)</u>	<u>\$ (38,488)</u>	<u>\$ (893,272)</u>	<u>\$ -</u>	<u>\$ 4,864,814</u>

PRICE COUNTY

COMBINING BALANCE SHEET - HUMAN SERVICES FUND
As of December 31, 2017

	Human Services	Commission on Aging	Health Department	Eliminations	Total Combined Human Services Fund
ASSETS					
Cash and investments	\$ (1,291,715)	\$ 683,942	\$ 607,773	\$ -	\$ -
Receivables					
Taxes receivable	1,944,957	132,491	460,967	-	2,538,415
Other receivables	(103)	22,274	-	-	22,171
Due from other governments	188,359	-	163,603	-	351,962
TOTAL ASSETS	\$ 841,498	\$ 838,707	\$ 1,232,343	\$ -	\$ 2,912,548
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 252,539	\$ 11,803	\$ 6,553	\$ -	\$ 270,895
Accrued liabilities	54,078	7,281	21,982	-	83,341
Due to other governments	-	-	5,030	-	5,030
Due to other funds	250,145	-	-	-	250,145
Total Liabilities	556,762	19,084	33,565	-	609,411
Deferred Inflows of Resources					
Unearned revenues	1,944,957	132,491	460,967	-	2,538,415
Fund Balances (Deficit)					
Restricted	3,183	111,066	139,551	-	253,800
Assigned	-	576,066	598,260	(1,174,326)	-
Unassigned (deficit)	(1,663,404)	-	-	1,174,326	(489,078)
Total Fund Balances (Deficit)	(1,660,221)	687,132	737,811	-	(235,278)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 841,498	\$ 838,707	\$ 1,232,343	\$ -	\$ 2,912,548

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICIT) - HUMAN SERVICES FUND
For the Year Ended December 31, 2017

	Human Services	Commission on Aging	Health Department	Total Combined Human Services Fund
REVENUES				
Taxes	\$ 1,608,505	\$ 146,763	\$ 458,869	\$ 2,214,137
Intergovernmental	1,809,965	265,717	736,270	2,811,952
Public charges for services	319,154	108,857	53,326	481,337
Miscellaneous	4	12,503	-	12,507
Total Revenues	<u>3,737,628</u>	<u>533,840</u>	<u>1,248,465</u>	<u>5,519,933</u>
EXPENDITURES				
Current				
Health and human services	4,205,220	458,304	1,182,751	5,846,275
Capital Outlay	-	20,559	-	20,559
Total Expenditures	<u>4,205,220</u>	<u>478,863</u>	<u>1,182,751</u>	<u>5,866,834</u>
Excess (deficiency) of revenues over expenditures	<u>(467,592)</u>	<u>54,977</u>	<u>65,714</u>	<u>(346,901)</u>
FUND BALANCES (DEFICIT) - Beginning of Year	<u>(1,192,629)</u>	<u>632,155</u>	<u>672,097</u>	<u>111,623</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (1,660,221)</u>	<u>\$ 687,132</u>	<u>\$ 737,811</u>	<u>\$ (235,278)</u>

PRICE COUNTY

COMBINING STATEMENT OF NET POSITION - HIGHWAY FUND
As of December 31, 2017

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
ASSETS				
Current Assets				
Cash and investments	\$ 2,007,038	\$ (6,543)	\$ (132,896)	\$ 1,867,599
Receivables				
Taxes	1,571,384	-	-	1,571,384
Accounts	7,556	-	-	7,556
Due from other governments	335,805	-	-	335,805
Inventories and prepaid items	671,201	-	-	671,201
Total Current Assets	<u>4,592,984</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>4,453,545</u>
Noncurrent Assets				
Capital Assets				
Land	5,131	-	-	5,131
Construction in progress	14,172	-	-	14,172
Capital assets being depreciated	10,540,836	-	-	10,540,836
Less: Accumulated depreciation	<u>(6,356,020)</u>	<u>-</u>	<u>-</u>	<u>(6,356,020)</u>
Total Noncurrent Assets	<u>4,204,119</u>	<u>-</u>	<u>-</u>	<u>4,204,119</u>
Total Assets	<u>8,797,103</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>8,657,664</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	<u>565,160</u>	<u>-</u>	<u>-</u>	<u>565,160</u>
LIABILITIES				
Current Liabilities				
Accounts payable	69,452	-	-	69,452
Accrued wages	61,863	-	-	61,863
Short-term notes payable	375,000	-	-	375,000
Current portion of compensated absences	57,182	-	-	57,182
Accrued interest	2,729	-	-	2,729
Current portion of advances	87,500	-	-	87,500
Current portion of bonds payable	326,949	-	-	326,949
Total Current Liabilities	<u>980,675</u>	<u>-</u>	<u>-</u>	<u>980,675</u>
Noncurrent Liabilities				
Compensated absences	84,639	-	-	84,639
Advances from other funds	262,500	-	-	262,500
Net pension liability	71,472	-	-	71,472
Bonds payable	452,676	-	-	452,676
Total Noncurrent Liabilities	<u>871,287</u>	<u>-</u>	<u>-</u>	<u>871,287</u>
Total Liabilities	<u>1,851,962</u>	<u>-</u>	<u>-</u>	<u>1,851,962</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	1,578,321	-	-	1,578,321
Pension related amounts	214,360	-	-	214,360
Total Deferred Inflows of Resources	<u>1,792,681</u>	<u>-</u>	<u>-</u>	<u>1,792,681</u>
NET POSITION				
Net Investment in capital assets	3,724,494	-	-	3,724,494
Unrestricted (deficit)	1,993,126	(6,543)	(132,896)	1,853,687
TOTAL NET POSITION	<u>\$ 5,717,620</u>	<u>\$ (6,543)</u>	<u>\$ (132,896)</u>	<u>\$ 5,578,181</u>

PRICE COUNTY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT) -
HIGHWAY FUND

For the Year Ended December 31, 2017

	<u>Highway</u>	<u>Building and Grounds</u>	<u>Equipment</u>	<u>Total Combined Highway Fund</u>
OPERATING REVENUES	\$ 2,251,933	\$ -	\$ -	\$ 2,251,933
OPERATING EXPENSES				
Operation and maintenance	3,698,272	-	-	3,698,272
Depreciation	<u>392,679</u>	-	-	<u>392,679</u>
Total Operating Expenses	<u>4,090,951</u>	-	-	<u>4,090,951</u>
Operating Loss	<u>(1,839,018)</u>	-	-	<u>(1,839,018)</u>
NONOPERATING REVENUES (EXPENSES)				
General property taxes	1,562,244	-	-	1,562,244
Intergovernmental grants	531,451	-	-	531,451
Interest and fiscal charges	(13,579)	-	-	(13,579)
Infrastructure construction expense for governmental activities	<u>(868,037)</u>	-	-	<u>(868,037)</u>
Total Nonoperating Revenues (Expenses)	<u>1,212,079</u>	-	-	<u>1,212,079</u>
Loss Before Transfers	<u>(626,939)</u>	-	-	<u>(626,939)</u>
TRANSFERS				
Transfers in	<u>233,300</u>	-	-	<u>233,300</u>
Change in Net Position	(393,639)	-	-	(393,639)
NET POSITION (DEFICIT) - Beginning of Year	<u>6,111,259</u>	<u>(6,543)</u>	<u>(132,896)</u>	<u>5,971,820</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 5,717,620</u>	<u>\$ (6,543)</u>	<u>\$ (132,896)</u>	<u>\$ 5,578,181</u>

PRICE COUNTY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 As of December 31, 2017

	<u>Tax Agency</u>	<u>Sheriff</u>	<u>Clerk of Courts</u>	<u>Protective Payee</u>	<u>District Attorney</u>	<u>Totals</u>
ASSETS						
Cash and investments	\$ -	\$ 10,164	\$ 117,927	\$ 14,924	\$ 15,780	\$ 158,795
Taxes receivable	<u>56,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,776</u>
TOTAL ASSETS	<u>\$ 56,776</u>	<u>\$ 10,164</u>	<u>\$ 117,927</u>	<u>\$ 14,924</u>	<u>\$ 15,780</u>	<u>\$ 215,571</u>
LIABILITIES						
Due to other governments	\$ 56,776	\$ -	\$ -	\$ -	\$ -	\$ 56,776
Deposits	<u>-</u>	<u>10,164</u>	<u>117,927</u>	<u>14,924</u>	<u>15,780</u>	<u>158,795</u>
TOTAL LIABILITIES	<u>\$ 56,776</u>	<u>\$ 10,164</u>	<u>\$ 117,927</u>	<u>\$ 14,924</u>	<u>\$ 15,780</u>	<u>\$ 215,571</u>